



FORGING LINKS, DRIVING IMPACTS

CAREC and GEORGIA



WHAT IS THE CAREC PROGRAM?

The Central Asia Regional Economic Cooperation (CAREC) Program brings together 11 countries^a and multiple development partners to accelerate economic growth and reduce poverty. It is guided by the overarching vision of Good Neighbors, Good Partners, and Good Prospects. The Asian Development Bank (ADB) serves as the CAREC Secretariat.

For more than 2 decades, the program has been a unique platform helping develop and implement regional projects, support policy reforms, and pilot multisector initiatives critical to sustainable economic growth.

From 2001 to 2024, CAREC mobilized \$52.5^b billion in investments with a focus on establishing multimodal transport networks, increasing energy trade and security, facilitating the safer movement of people and goods, and developing economic corridors.

CAREC 2030 Strategy is the long-term strategic framework for the program, anchored in a mission to connect people, policies, and projects for shared and sustainable development. Through practical, action-oriented projects and a collaborative approach, the program fosters inclusive economic growth and yields tangible economic benefits for its member countries and their people.

^a ADB placed its regular assistance to Afghanistan on hold effective 15 August 2021 and has been supporting the Afghan people through a special financing arrangement with the United Nations since 2022.

^b “\$” refers to United States dollars.



CAREC AND GEORGIA

Georgia joined CAREC in October 2016 and has been active in all CAREC-related events, including hosting the 22nd CAREC Ministerial Conference in November 2023. Located at the crossroads of Europe and Asia, and benefiting from reforms in customs and trade facilitation, Georgia could become an important clean energy and transit corridor, expanding access to global value chains. Georgia is connected to CAREC Corridor 2.

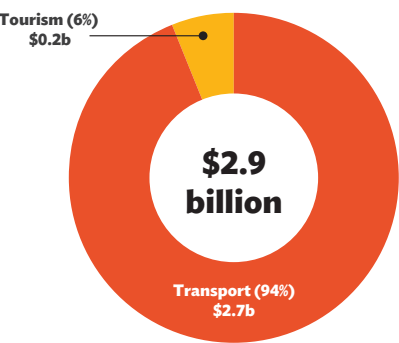
The CAREC 2030 Strategy aligns with the priorities in the Development Strategy of Georgia—Vision 2030. The strategy aims to diversify the economy, boost exports, and transform the country into a hub for renewable energy trade, multimodal transit, tourism, logistics, and finance.

Source: ADB, 2024. *Country Partnership Strategy: Georgia, 2024–2028—Developing a Green and Inclusive Regional Gateway.*

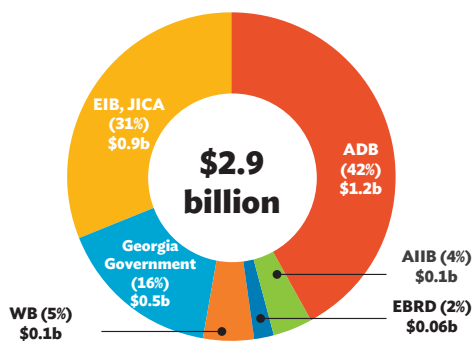


CUMULATIVE INVESTMENTS

In 2016–2024, more than \$2.9 billion was invested in five CAREC-related projects in Georgia. About \$2.7 billion (94%) went to four transport projects, all financed or cofinanced by ADB. ADB contributed about 42% of CAREC-related investments in Georgia, with significant cofinancing from the European Investment Bank and the Japan International Cooperation Agency.



Investment by Sector



Investment by Funding Source

ADB = Asian Development Bank, AIIB = Asian Infrastructure Investment Bank, b = billion, EBRD = European Bank for Reconstruction and Development, EIB = European Investment Bank, JICA = Japan International Cooperation Agency, WB = World Bank.
Note: Investment by funding source includes cofinancing







NORTH-SOUTH CORRIDOR (KVESHETI-KOBI) ROAD PROJECT

To capitalize on Georgia's strategic location and tourism potential, the government has been investing heavily in infrastructure to transform it into a regional transport and logistics hub. Backed by a \$415 million ADB loan, this project aims to boost connectivity, safety, and livelihoods along the North-South Corridor, which links Tbilisi to Mtskheta-Mtianeti region in the north and Kvemo Kartli region in the south. Launched in 2019 with target completion in 2026, the project involves constructing about 23 kilometers (km) of climate-resilient highway between Kvesheti and Kobi, 5 km of access roads, five tunnels, and six bridges, all equipped with safety facilities. A visitor center in the Khada Valley, complete with gender-friendly facilities, will be established to promote tourism, agriculture, conservation, and cultural activities. The project will strengthen the Roads Department's capacity in project and contract management, while raising road safety awareness among local communities.

Connectivity and safety along the North-South Corridor will be enhanced.

- Average daily vehicle-km is expected to reach 134,000.
- Road traffic deaths and injuries per 10 million vehicle-km are anticipated to be reduced by 25%.
- Annual winter road closures are projected to fall by 60%.
- At least 70% of residents in roadside villages, including 50% of females, will gain increased road safety awareness.

The project will bring socioeconomic benefits to the villages in the area, where tourism is booming.

- 86,000 people will have better access to jobs, markets, and public services, with a reduction in road traffic fatalities and injuries.
- The Khada Valley visitor center will provide tourism-related jobs and livelihood.

Source: ADB. 2019. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to Georgia for the North-South Corridor (Kvesheti-Kobi) Road Project.*





EAST-WEST HIGHWAY IMPROVEMENT PROJECT (KHEVI-UBISA AND SHORAPANI-ARGVETA SECTIONS)

The East–West Highway, part of CAREC Corridor 2 and a crucial transit link between Central Asia and Europe, is a top government priority in the transport infrastructure development plan. Carrying more than 60% of the country’s foreign trade, it is particularly important for the region’s landlocked countries. ADB financed four sections of the East–West Highway, including the Khevi–Ubisa and the Shorapani–Argveta sections.

The Khevi–Ubisa section is now open, featuring the construction of a 12 km four-lane international road, including 35 bridges and 20 tunnels required by the mountainous terrain. The project, funded by a \$270 million ADB loan, included a road safety program and capacity development to ensure proper road operation and maintenance.

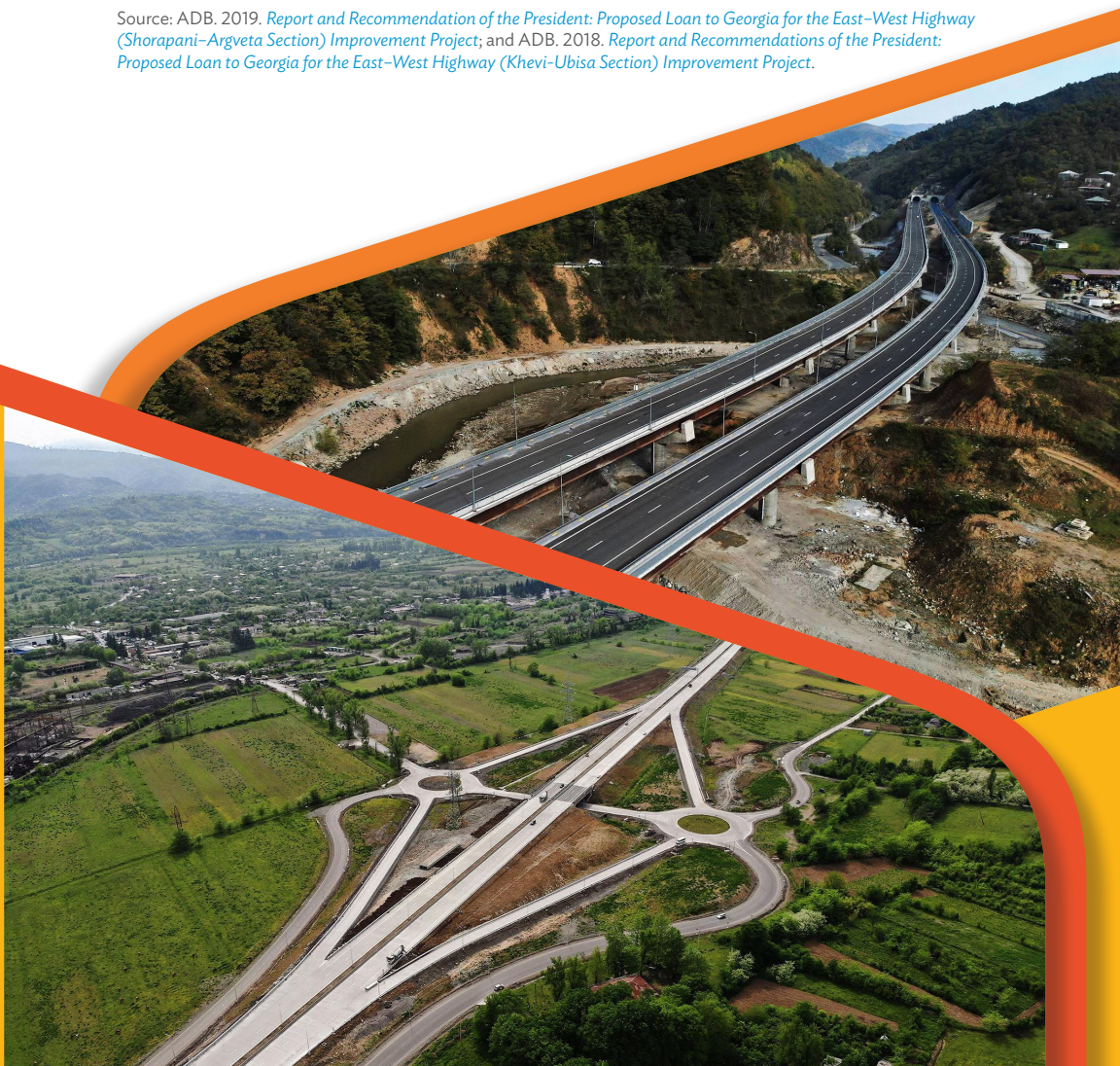
The Shorapani–Argveta section, already completed, was funded by a \$278 million loan from ADB and involved constructing a 14.7 km four-lane divided highway, 14 bridges, and 12 tunnels with road safety features.

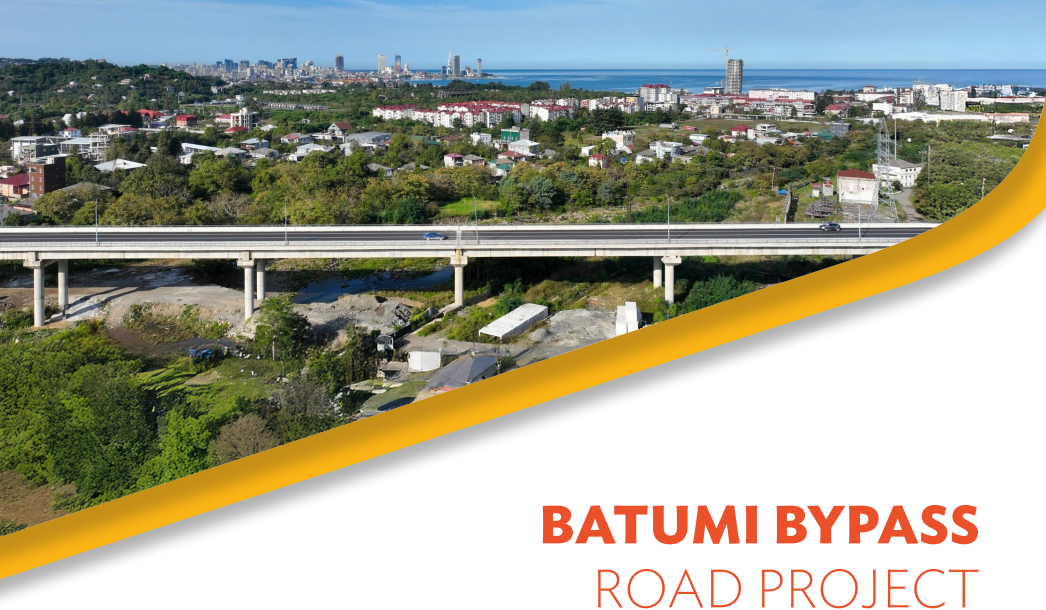
The project deployed 38 portable scales for overload control and will build one weigh-in motion site with weighbridges to protect road infrastructure.

The project's expected outcomes are as follows:

- The average travel time from Chumateleti to Argveta is anticipated to fall from 71 to 45 minutes.
- The road crash rate is targeted to drop by 30% and the annual average number of fatalities is projected to drop to 9 or fewer compared with the 12.4 baseline. A road safety awareness campaign will reach 70% of the targeted population.

Source: ADB. 2019. *Report and Recommendation of the President: Proposed Loan to Georgia for the East–West Highway (Shorapani–Argveta Section) Improvement Project*; and ADB. 2018. *Report and Recommendations of the President: Proposed Loan to Georgia for the East–West Highway (Khevi–Ubisa Section) Improvement Project*.





BATUMI BYPASS ROAD PROJECT

The Batumi bypass road is part of the East–West Highway corridor, running along the E70 international road, which connects the border with Türkiye and to Tbilisi and the border with Azerbaijan. To upgrade the entire East–West Highway to international standards, the government requested ADB to finance the Batumi Bypass Road Project, with the bank financing \$114 million of the total project cost along with cofinancing from the Asian Infrastructure Investment Bank. The Batumi Bypass Road, initiated in 2017 and completed in 2024, aims to enhance transport efficiency, ease congestion, and promote sustainable development in Batumi.

The project has constructed a 14.3 km two-lane bypass road skirting Batumi, starting from the Senaki–Poti–Sarpi Road and ending at the Batumi–Akhaltsikhe Road junction. The project will design the next contiguous road section (from the Batumi bypass road to Sarpi at the Türkiye border). The project will construct a 2.5 km two-lane bypass road crossing the Rioni River, which includes the 500-meter Poti bridge. The new 16 km two-lane bypass road from Bakursike to Tsnori is already completed and open to traffic.

The expected outcomes are as follows:

- The average travel time from Sarpi to Poti will be reduced to 1.5 hours from the baseline of 3 hours.
- The average travel time from Tbilisi to the border point at Lagodekhi will be cut to 1.7 hours from the baseline of 2.1 hours.

Sources: ADB. 2017. *Report and Recommendation of the President to the Board of Directors: Proposed Loan and Administration of Loan to Georgia for the Batumi Bypass Road Project*; and ADB. 2019. *Major Change in Project: Batumi Bypass Road Project of Georgia*.





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