

Signing of Japanese ODA Loan Agreement with Georgia: Eliminating a logistics impediment and contributing to strengthened transportation capacity through improvement of a major international corridor

On September 4, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of Georgia in Tbilisi to provide a Japanese ODA loan of up to 38.735 billion yen for the East-West Highway Improvement Project (Phase 2).

The objective of the project is to construct a crucial international logistics network connecting the Black and Caspian Seas. Work will be performed on the unimproved section between Argveta and Shorapani (about 14.7 kilometers) of the East-West Highway, which traverses Georgia, including the construction of tunnels and bridges. The project is expected to strengthen the transportation system in Georgia and the Caucasus and contribute to economic development.

The Special Terms for Economic Partnership (STEP)* apply to the Japanese ODA loan for this project. Japanese technologies planned for use in the project to prevent disasters and rocks on bridges and roads include rationalized steel girders, weathering steel, composite deck slabs and rockfall protection nets.

* STEP refers to special assistance terms for promoting the visibility of Japanese aid through a transfer of outstanding Japanese technology and expertise to developing nations. The main contract is Japan tied and subcontracting is general untied. Although the main contract allows a joint venture with the borrowing country in addition to the Japanese company and its subsidiary with an overseas presence, the Japanese company must be the leading partner in such an arrangement.



signing ceremony

Details for the project are provided below.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
East-West Highway Improvement Project (Phase2)	38,735	0.1	0.01	40	12	Japan tied

2. Executing Agency

Roads Department of the Ministry of Regional Development and Infrastructure of Georgia
 Address: 12 Kazbegi Ave., 0160 Tbilisi, Georgia
 Phone: +995-32-37-62-16, fax: +995-32-37-62-18

3. Planned Implementation Schedule

- (1) Completion of project: September 2021 – when the roads are put into service
- (2) Issuing of letters of invitation for consulting services (construction supervision): September 2018
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
 Procurement package title: Civil Work Package (Lots F4-A and F4-B)
 Release date: June 2018 (Already announced)

4. JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.
 Contact Point: Central Asia and the Caucasus Division, East and Central Asia Department, JICA
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