Project Summary Information

	Date of Document Preparation: October 30, 2026
Project Name	Clean, Local, Equitable Access to Reliable Water Program
Project Number	P001222
AIIB member	Georgia
Sector/Subsector	Water / Water supply, sanitation, and wastewater treatment
Alignment with AIIB's thematic priorities	Green Infrastructure; Technology-enabled Infrastructure
Status of Financing	Under preparation
Objective	The Program objective is to provide safe, reliable, and resilient water supply services in targeted rural areas of Georgia.
Project Description	AIIB results-based financing (RBF) will support the Government of Georgia's Vision 2030 and the Water Supply and Sanitation Sector Development Framework 2021–2030, which aim for universal and equitable access to safe and affordable drinking water by 2030. Urban water services in Georgia have improved considerably, while there is a substantial gap in water supply services in rural areas. Only about a quarter of rural households have a piped connection, and 73% of those connected receive water only part of the day. Many rural systems depend on fragmented unregulated water sources and have little storage, without adequate treatment or water quality testing, increasing their exposure to droughts, heatwaves, and floods. AIIB will co-finance the Program with the Asian Development Bank (ADB), which approved its results-based loan on October 24, 2025. The Program is already under implementation, with AIIB's participation expected to support the Government financing share envisaged at ADB approval. ADB will remain as the lead co-financier, and both ADB and AIIB will channel financing to the same Program scope, results framework and Disbursement Linked Indicators (DLIs) framework under the overall unchanged financing envelope. AIIB will provide financing towards achievement of tangible results within the following Results Areas: • **Results Area 1: Climate- and disaster-resilient water supply infrastructure.** The Program will finance the design and construction of new and rehabilitated water supply systems in at least 100 rural settlements. The aim is to provide new or improved access to safe drinking water, available 24 hours a day, to at least 50,000 households, or about

	150,000 people. Water Supply system designs will take account of climate risks, make use of energy-efficient technologies and embed assessment of water source sustainability. • **Results Area 2: Stronger institutions and governance for rural water services.** The Program will help put in place regulations for operating and maintaining rural systems, supported by digital tools, and affordable payment arrangements for household connections. It will also support public awareness work on water conservation and climate responsiveness, a national water supply and sanitation framework for the period beyond 2030, and protocols for managing public investment in the sector. Women's participation in technical roles will be encouraged, including through a scale-up of the internship program.
Expected Results	1. At least 50,000 households (about 150,000 people) in targeted rural areas will gain new or improved 24/7 access to safe drinking water. 2. Climate- and disaster-resilient infrastructure for safe drinking water supply systems constructed for at least 100 rural settlements. 3. Affordable payment schemes for household connections are implemented, with uptake reported and disaggregated by gender. 4. At least 40 UWSCG service centers are equipped to operate and maintain safe rural water supply systems. 5. A National Water Supply and Sanitation Framework beyond 2030 is approved and disclosed.
Environmental and Social Category	B
Environmental and Social Information	**Applicable Policy and Categorization.** The Program will be co-financed with ADB as the lead co-financier. Its environmental and social (ES) risks and impacts have been assessed in accordance with ADB's Safeguard Policy Statement (SPS, 2009). To ensure a harmonized risk management approach, and as permitted under AIIB's Environmental and Social Policy (ESP), ADB's SPS will apply instead of AIIB's ESP. The Program will also be subject to AIIB's Environmental and Social Exclusion List (ESEL) and ADB's Prohibited Investment Activities List. ADB has categorized the Program as Category B for Environment, B for Involuntary Resettlement, and C for Indigenous Peoples. This categorization is equivalent to Category B, if AIIB's ESP is applied. Any sites or activities in AIIB's ESEL or of a Category A and high-risk nature, involving environmentally sensitive areas, physical displacement, and impacts on Indigenous Peoples are excluded from Program financing. **Environmental and Social Systems Assessment.** The principal ES instrument for the Program is the Program Safeguard Systems Assessment (PSSA), which was prepared by ADB and published in August 2025. PSSA assessed the applicable national legal framework, institutional capacity, ES risks, and gaps against ADB requirements. AIIB has reviewed the PSSA and considers it materially aligned with AIIB's ESP requirements. To address the gaps identified through the PSSA, seven

	standard operating procedures (SOPs) have been developed through the Program Action Plan (PAP), covering ES screening; assessment and management planning; involuntary resettlement and vulnerable groups; labor and working conditions; community health and safety; grievance redress; and stakeholder engagement and disclosure. The PAP and SOPs also include Environmental, Health, Safety, and Social Management Plan (EHSSMP) requirements and screening checklists. **Environmental and Social Aspects.** ES risks are expected to be temporary, localized, and manageable. They are mainly linked to construction and rehabilitation phases, including dust, noise and vibration; construction waste; traffic disruption during pipelaying; occupational and community health and safety; and potential handling and disposal of asbestos in existing infrastructure, aligned with good international industry practice. Works will mostly occur along existing easements, with little, if any, land acquisition or economic displacement impacts. The Program is not expected to materially increase water abstraction, since it mainly replaces existing unregulated sources with safe piped water supply. Source yield and sustainability will be assessed for each system at the design stage. Key environmental considerations during operations are limited and associated mainly with the management of water treatment-related substances, energy consumption, and water resource sustainability. Key social risks relate to temporary construction-related disturbances like road closures and diversions, occupational and community health and safety, resettlement compensation falling below replacement value and poor treatment of vulnerable groups, including non-titleholders. Physical displacement is excluded from the Program and will be confirmed during the screening and alternative analysis phase. These risks and impacts are expected to be manageable through the implementation of project-specific EHSSMPs, contractor management requirements, established safeguards procedures, and monitoring arrangements. In addition, ADB has classified the Program as having "Some Gender Elements." Gender considerations will also be integrated into consultations and the grievance redress mechanism. **Stakeholder Engagement, Consultation and Information Disclosure.** A dedicated SOP sets out procedures for stakeholder identification, consultation, disclosure and feedback throughout the project cycle. The PSSA is disclosed on ADB's website.[1] A summary of the PSSA translated into the local language will be disclosed on the UWSCG and AIIB websites and shared through stakeholder engagement activities.

[1]ADB. 2025. Clean, Local, Equitable Access to Reliable (CLEAR) Water Program: Program Safeguard Systems Assessment. August. https://www.adb.org/sites/default/files/project-documents/58470/58470-001-pssa-en.pdf

	Project Grievance Redress Mechanism (GRM) and Monitoring and Reporting Arrangements. The GRM, embedded in the stakeholder engagement SOP, builds on UWSCG's existing 24-hour hotline, head-office complaint handling and regional service center access points. The Program will strengthen these channels with procedures for registering, escalating, resolving, and reporting grievances. The Ministry of Regional Development and Infrastructure (MoRDI) through the UWSCG will be responsible for the overall coordination and monitoring of the Program results, and semiannual ES monitoring report will be prepared and shared with ADB and AIIB for review. AIIB will join ADB's performance monitoring missions annually during the implementation phase and carry out ongoing monitoring until financial close.				
Cost and Financing Plan	Broader government program (2021–2030): EUR2400 million Results-Based Program (2025–2030): EUR400 million (about USD466.40 million) • ADB: EUR200 million (50.0%); equivalent to USD233.20 million at the time of ADB approval • AIIB: EUR150 million, estimated at USD174.90 million (37.5%) • Government of Georgia: EUR50 million (12.5%)				
Borrower	Georgia, represented by the Ministry of Finance				
Implementing Entity	United Water Supply Company of Georgia (UWSCG)				
Estimated date of loan closing (SBF)	June 30, 2031				
Contact Points:	**AIIB**		**ADB**	**Borrower**	**Implementing Entity**
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Estimated Date of Single Review Decision	November, 2026				
Estimated Date of Financing Approval	Q1 2027				

Independent Accountability Mechanism	The Program will be co-financed with ADB, and AIIB has agreed that ADB's ES policies and procedures will apply. Pursuant to the arrangement with ADB, ADB's Independent Accountability Mechanism (IAM) will handle submissions relating to ES issues under the Program. Consequently, in accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions under this Program will not be eligible for consideration by the PPM. Information on ADB's IAM is available at https://www.adb.org/who-we-are/accountability-mechanism.