

## Project Summary Information (PSI)

Project No: 000032

Project Name	280 MW Nenskra Hydropower Plant (the “Project”)
Country	Georgia
Sector	Energy Power Generation, Renewable Energy, Hydropower
Project No	000032
Sponsor	Korea Water Resources Corporation
Borrower	JSC Nenskra Hydro
Environmental and Social Category	Category A
Date of PSI prepared or updated	26 April 2017
Estimated Date of Board Consideration	September 2017
Concept Decision	Approved on 17 April 2017

### I. Introduction

Georgia possesses vast hydro resources that are well-suited for hydropower generation and it is the cheapest source of electricity in the region. Georgia has around 300 rivers in terms of economically viable hydropower potential but these remain largely untapped today.

Georgia heavily relies on hydropower generation. The country’s dependence on hydropower means that the reliability of supply is threatened in the winter months when power demand is high and hydropower capacity is reduced due to depleted water stored in reservoirs. Much of the power shortage is met by domestic thermal generation using imported natural gas or imported power from neighbouring countries.

### II. Project Objectives and Expected Results

The Project will increase the generation capacity of Georgia to meet its power demand during the winter and reduce the dependence of its importation of electricity and power produced by thermal power plants operating with imported fossil fuels. The Project will also enable export of its generation during the summer, with the country’s abundant water resources, thereby expected to contribute significantly to the economic development of the country.

### III. Project Description

The AIIB (the “Bank”) is considering provision of debt financing for the development, construction and operation of a greenfield hydropower plant (280 MW) located in the Svaneti Region, northwestern part of Georgia. The Project will be constructed under Engineering, Procurement and Construction (EPC) turnkey contract by a contractor who was selected through a process using international competitive bidding.

### IV. Environmental and Social Category

After reviewing the safeguard due diligence for the Project with other co-financiers, the Bank has decided to apply EBRD’s Environmental and Social Policy since EBRD is leading safeguard due diligence in the field. The Bank is adopting EBRD’s Environmental and Social Policy since (i) it is consistent with the Bank’s Articles of Agreement and materially consistent with the provisions of the Bank’s Environmental and Social

Policy and relevant Environmental and Social Standards; and (ii) the monitoring procedures that the EBRD has in place to ascertain compliance with their Environmental and Social Policy are appropriate for the Project. Under EBRD's policy requirement, the Project has been assigned Category A. On reviewing EBRD's screening process vis-à-vis the Environmental and Social Standards adopted by the Bank, AIIB also assigned a Category A to the project and the Bank team will carry out its environmental and social safeguard due diligence as part of the project appraisal.

The ESIA/ ESMP and supplementary documents on Environmental and Social Impacts have been approved and disclosed on the website of EBRD. The link below provides information on the E&S documentation related to the project.

<http://www.nenskrahydro.ge/en/reports/page/1>

<http://www.ebrd.com/work-with-us/projects/esia/nenskra-hpp-portage.html>

## **V. Estimated Project Cost and Financing Source**

The Project is estimated to cost US\$1,035 million. The Bank is contemplating a senior loan of up to US\$86.7 million.

### Contact Points

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