Early Warning System

IFC-46734

GGU Green Bond

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Quick Facts

Countries	Georgia
Specific Location	Tbilisi
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-07-13
Borrower	GEORGIA GLOBAL UTILITIES
Sectors	Infrastructure, Water and Sanitation
Investment Type(s)	Loan
Investment Amount (USD)	$ 60.00 million
Project Cost (USD)	$ 300.00 million

Project Description

According to the Bank’s website, the project consists of Georgia Global Utilities JSC’s issuance of a 5-year US$300 million green bond on Euronext Dublin (the Project) to (i) refinance approximately US$200 million of the Company’s current shareholder loans and (ii) finance approximately US$100 million of the Company’s green capital expenditures program.

The project will support (i) the improvement of the quality of water services in the wider metro area of Tbilisi, and (ii) the increase of new customer connections to water service. At the market level, the project contributes to deepening financial integration by demonstrating to Georgian corporates and signaling to investors the potential for issuance of sustainable finance instruments.

Early Warning System Project Analysis

The investment activities will primarily focus on the water production and distribution part of the business, and they will largely be conducted within the existing environmental and social (E&S) footprint. As a result, the expected E&S risks and impacts associated with the investment are anticipated to be limited, with most of them related to the forthcoming capital maintenance of certain existing assets.

Considering these factors, the project is categorized as B, as the Project anticipates only potential limited adverse E&S risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.

Investment Description

- International Finance Corporation (IFC)

The green bond issuance is up to US$300 million. IFC investment consists of a subscription to this green bond of an amount of up to US$60 million for a tenor of 5 years.

Private Actors Description

The sponsor and the majority shareholder (80%) of GGU is FCC Aqualia, a Spain-based international water management company. Established in 1980, Aqualia has become the fourth-largest water company in Europe and ninth largest in the world. It acquired its stake in GGU in 2022 from Georgia Capital (GCAP), which retains the remaining 20% share of the Company. GCAP is a leading investment management company in Georgia, owned by institutional investors and listed on the London Stock Exchange.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	FCC Aqualia	Investor	-
-	-	-	-	Georgia Global Utilities JSC	Client	-

Contact Information

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You can submit a request for information disclosure at: https://disclosures.ifc.org/#/inquiries

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org

Bank Documents

- Environmental & Social Review Summary (ESRS)