Early Warning System

# AIIB-001126

## Azerbaijan: Azerbaijan Caspian Sea Desalination Project

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### Quick Facts

| | |
|---|---|
| **Countries** | Azerbaijan |
| **Specific Location** | Sumgait Industrial Park |
| **Financial Institutions** | Asian Infrastructure Investment Bank (AIIB) |
| **Status** | Proposed |
| **Bank Risk Rating** | B |
| **Voting Date** | 2026-09-01 |
| **Borrower** | Caspian Sea Azerbaijan Project Company (ACWA Power) |
| **Sectors** | Infrastructure, Water and Sanitation |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 45.00 million |
| **Loan Amount (USD)** | $ 45.00 million |
| **Project Cost (USD)** | $ 431.50 million |

## Project Description

According to the AIIB, the project development objective is to enhance water supply and security through the financing of a seawater reverse osmosis ("SWRO") desalination plant with a capacity of 300,000 m3 per day in Azerbaijan.

The Project involves the development, construction, and operation of a seawater reverse osmosis desalination plant on the Caspian Sea, with a planned production capacity of approximately 300,000 m3/day of Product Water. The Plant will be located in Sumgait Industrial Park on the Caspian Sea shoreline, occupying approximately 12.7 hectares areas. The site is equipped with connections to the electricity network and an electrical substation with sufficient capacity to meet the Project's power requirements during both construction and operation period. The Project will be Azerbaijan's first large-scale Caspian Sea SWRO desalination plant and the country's first public-private partnership (PPP) project in the water sector.

The PPP Agreement was signed in December 2025 between ACWA Power, as sponsor, and the Azerbaijan State Water Resources Agency of the Republic of Azerbaijan (ADSEA), as offtaker, for a 25-year term commencing from the Scheduled Project Commercial Operation Date. The Ministry of Finance of the Republic of Azerbaijan will backstop ADSEA's payment obligations during the operation period. ACWA Power is currently the sole sponsor of the Project. A special purpose vehicle, Caspian Sea Azerbaijan Project Company, has been established and will act as the Borrower.

## Investment Description

- Asian Infrastructure Investment Bank (AIIB)

### Private Actors Description

As stated by Bloomberg, ACWA Power Co provides utility services. The Company develops, owns, and operates seawater desalination and power generation projects. ACWA Power serves customers worldwide.

| Private Actor 1 | Private Actor 1 Role | Private Actor 1 Sector | Relation | Private Actor 2 | Private Actor 2 Role | Private Actor 2 Sector |
|---|---|---|---|---|---|---|
| - | - | - | - | ACWA Power Company | Client | Energy |

## Contact Information

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**Borrower - Caspian Sea Azerbaijan Project Company**

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**Parent Company - ACWA Power:**

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## ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

## ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

### Bank Documents

- Project Summary (August 10, 2026) [Original Source]

### Corporate Documents

- Project webpage on ACWA Power's website