



## Pipelines to Opportunity

Borjomi, a town famous for its natural mineral springs located in south-central Georgia, is a gateway to national parks in the region. The town is working to promote tourism as a means to economic growth. One of the impediments to this development is the malfunctioning water supply system, which is increasing costs for businesses as they cope with poor water quality and distribution. Visiting a small guesthouse there today, you would be lucky to find a slow drip of brown water in your guestroom. The malfunctioning water system is a significant problem not only for area businesses, but also for most of the nearly 14,500 residents of Borjomi.



*Georgian women line up to fill their containers with water instead of using a malfunctioning water system with corroded pipes.*

To address these problems and promote tourism in the region, the Millennium Challenge Corporation (MCC), the Government of Georgia, the European Bank for Reconstruction and Development (EBRD), and the Swedish International Development Agency (SIDA) have partnered to rehabilitate the municipal water supply system through the Regional Infrastructure Development Activity (RID).

The \$57.74 million RID activity, part of Georgia's \$395 million compact with MCC, will rehabilitate existing water sources, replace damaged pipes, and change the layout of the system to make it more cost-efficient to operate and maintain for five municipalities in Georgia, including Borjomi. Projected benefits include increased energy efficiency, enhanced water quality, and improved health, as well as the expanded economic opportunities that arise from reducing barriers to entry for new businesses. As part of the MCC-funded project in Borjomi, a new water treatment plant and a main line from the plant to the reservoir will be built, the water supply network will be rehabilitated, and new reservoirs will be added to improve water quality and reliability.

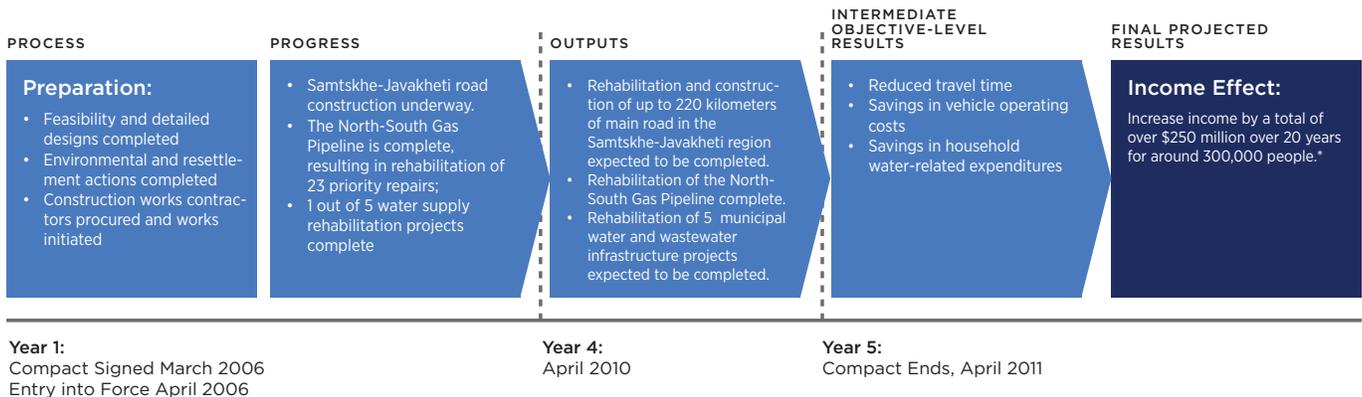


The steady supply of clean water is key to sustainable development and a precondition for other rehabilitation and investment projects. An effective water supply system will improve living standards and help create a favorable environment for the development of business opportunities. To date, Georgia has completed one out of the five MCC-funded water supply rehabilitation projects.

*MCC funds are rehabilitating corroded and damaged pipes in five Georgian municipalities.*

## Regional Infrastructure Rehabilitation Project

\$310.76 MILLION USD



\* The projected gains in beneficiary incomes are based on economic rate of return analyses conducted in 2008 and 2009 and are in constant 2009 US\$ reflecting annual discounting of 10%. Changes in estimated benefits from project re-scoping and re-allocations of funding have not yet been calculated. Other objective-level effects also will be estimated. Final impact evaluation results will be calculated after completion of projects post-compact.