

INFORMATION SUMMARY FOR THE PUBLIC

Host Country:	Georgia
Name of Borrower:	SEAF SME Debt Facility LLC (Sub-borrower: Food Service Ltd.)
Project Description:	Construction of a new modern distribution center, purchase of additional distribution vehicles and office equipment, allowing Food Service Ltd. to expand its existing food storage and distribution business, and grow its food manufacturing and production operations. Food Service Ltd. is one of the largest food distribution companies in Georgia, distributing food products to about 4,000 private retail points in Georgia. The company maintains a number of private food labels in its domestic market and imports and distributes frozen and non-frozen foods products from outside the country.
Proposed OPIC Loan:	\$3,000,000
Total Project Costs:	\$9,900,000
U.S. Sponsor:	Small Enterprise Assistance Funds (SEAF)
Foreign Sponsor:	
Policy Review	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy, as the project will sell exclusively in the Georgian market, which is not a significant market for US exporters. There will be no U.S. procurement associated with this project. Thus, the project is expected to have a neutral impact on U.S. jobs. The project is expected to have a net positive effect on the U.S. balance of payments over the first five years.
Developmental Effects:	This project will have a positive developmental impact on the host country. The loan will allow one of the largest food distributors in Georgia to expand its food processing and distribution capacity. The Project Company will be the first food distribution company in Georgia to comply with HAACP standards, and the project will source the inputs, such as vegetables, for many of its food products locally. The project will also result in new jobs, most of which are managerial or professional, with numerous benefits to employees that exceed local requirements.
Environment:	<p>Screening: The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Construction and operation of food distribution facilities are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated.</p> <p>Applicable Standards: OPIC's environmental and social due diligence indicates that the Project will have impacts that must be managed in a manner consistent with the following 2012 IFC Performance Standards:</p>

	<p>PS 1: Assessment and Management of Environmental and Social Risks and Impacts; PS 2: Labor and Working Conditions; PS 3: Resource Efficiency and Pollution Prevention; and PS 4: Community Health, Safety, and Security</p> <p>In addition to the Performance Standards listed above, the following Guidelines are applicable to this project:</p> <p>(i) The IFC's April 30, 2007 Environmental, Health, and Safety (EHS) General Guidelines; and (ii) The IFC's April 30, 2007 EHS Guidelines for Food and Beverage Processing.</p> <p>Environmental and Social Risks and Mitigation: The Project involves completing construction of a new warehouse and distribution center in Orkhevi (18 KM from Tbilisi), purchasing food preparation and office equipment, purchasing food transportation vehicles, and providing working capital. Environmental and social issues associated with the Project include the need for a robust Social and Environmental Management System, proper hygiene and food handling measures, proper disposal of effluents and wastes, and occupational health and safety measures.</p> <p>The Borrower will be required to comply with the International Finance Corporation's (IFC) 2012 Performance Standards, the IFC's Environmental, Health, and Safety (EHS) General Guidelines, and the IFC's EHS Guidelines for Food and Beverage Processing. The Borrower will develop an Environmental and Social Management System that includes occupational health and safety measures and HACCP/ISO22000-compliant hygiene and food handling procedures. Solid waste disposal will be outsourced to a third party collection company that disposes of the waste at licensed facilities. Effluents will be treated on-site and then either re-used for non-potable uses or discharged to the municipal sewerage network.</p>
Workers Rights:	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the rights of association, organization and collective bargaining, minimum age for employment, hours of work, the timely payment of wages and hazardous work situations. Standard and supplemental contract language will be applied to all workers of the Project. The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
Human Rights:	<p>OPIC issued a human rights clearance for the project on June 19, 2014.</p>