### Host Country
Senegal

### Name of Borrower
VACAP Hospitality S.A.

### Project Description
The construction and operation of the 250-room Sheraton Dakar and 150-room Aloft Dakar hotels (the “Project”), is a highly developmental project that is expected to improve tourism infrastructure; contribute to reducing unemployment, particularly for women; and grow local small and medium-sized businesses as part of its supply chain in Senegal. The Project not only fits OPIC’s strategic priority of supporting projects in low-income countries, but also is expected to qualify for OPIC’s 2X Women’s Initiative and Excellence in Design for Greater Efficiencies (“EDGE”) certification.

### Proposed OPIC Guaranty
$64 million (15-year tenor)

### Total Project Costs
$128 million

### U.S. Sponsor
Marriott International, a Delaware corporation

### Foreign Sponsor
VACAP S.A., a Senegalese company

### Policy Review

#### U.S. Economic Impact
The Project is not expected to have a negative impact on the U.S. economy. There is no U.S. procurement associated with this Project, and therefore the Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a negative five-year U.S. trade balance impact.

#### Developmental Effects
This Project is expected to have a highly developmental impact in Senegal with the construction of two international branded hotels that will target international business and diplomatic travelers to Senegal. This Project will support Senegal’s Plan Sénégal Emergent, a wide-ranging national development plan that seeks to reach three million annual travelers to Senegal by 2023, up from 1.4 million in 2017. In addition, the Project is expected to provide employment to over 300 workers, most of which will be unskilled positions that pay almost three times the national minimum wage. Over half of these new employees are expected to be women and young adults.

### Environment
**Screening:** The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be
categorically eligible. Projects involving investments in
categorical developments are generally screened as Category B
projects under OPIC’s environmental and social guidelines
because impacts are site-specific and readily mitigated. In
addition to typical impacts from construction activities, the
primary environmental issues associated with the Project include
the need for life and fire safety measures and a robust
environmental and social management system to ensure the
Project is developed, implemented, and managed in accordance
with the IFC’s 2012 Performance Standards (“PS”) and industry-
specific best practices.

Applicable Standards: Under OPIC’s Environmental and Social
Policies, the Borrower is required to comply with applicable
national laws and regulations related to environmental and social
performance. OPIC’s environmental due diligence indicates the
Project will have impacts which must be managed in a manner
consistent with the following IFC’s PS:

- 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
- PS 4: Community Health, Safety, and Security

A desk-review due diligence assessment indicates the Project
involves the rehabilitation of an existing hotel and construction of
new hotel located on the Atlantic Ocean coastline in the city of
Dakar, Senegal. The Project site is not located in or near any
protected area or sensitive ecosystem and adverse impacts on
biodiversity are not anticipated. Therefore P.S. 6 is not triggered
at this time.

The Project will be required to meet applicable provisions of the
IFC EHS General Guidelines (2007) and the EHS Guidelines for
Tourism and Hospitality Development (2007).

Environmental and Social Risks and Mitigation: The Borrower
prepared an Environmental and Social Impact Assessment
(“ESIA”) to identify and manage the environmental risks
associated with the Project. The Project ESIA includes an
Environmental Management Plan, Hygiene, Health and Safety at
Work Plan, and Emergency Response Plan that identifies its
procedures to ensure a safe and healthy work environment. The
Borrower will be required to develop and implement a certified
Life and Fire Master Plan for the Project prior to commissioning.
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| The Project will have impacts that must be mitigated in a manner consistent with the IFC’s PS, OPIC’s Environmental and Social Policy Statement, and applicable local laws. OPIC’s statutorily required language regarding the rights of association, organization and collective bargaining, minimum age of employment, and prohibition against the use of forced labor, will be supplemented with provisions concerning the non-discrimination, hours of work, the timely payment of wages, and hazardous working conditions. Standard and supplemental contract language will be applied to all workers of the Project, including contracted workers.  

The Project involves the rehabilitation of an existing hotel and construction of a second hotel on a beachfront site in Dakar, Senegal. The Project has in place appropriate oversight for working conditions during construction activities and will be required to provide an operational phase human resources manual. The Project’s labor management system incorporates Marriott International’s corporate social policies, are in alignment with local law and IFC PS.  

This review covers the commensurate human rights risks associated with hotel construction in Senegal. |