

Information Summary for the Public

Host Country:	Georgia
Name of Borrower:	GMT Hotels, LLC
Project Description:	Recapitalization of existing loans, general working capital, and maintenance of the exterior façade of the Marriott Tbilisi Hotel, Marriott Courtyard Hotel, and GMT Plaza.
Proposed OPIC Loan:	\$29 million for 14.5 years
Total Project Costs:	\$29 million
Sponsors:	Silk Road Partners, Inc.; Geo Trust
Policy Review	
U.S. Economic Impact:	Since the project involves the recapitalization of existing debt for a hotel complex in the host country, this investment is not expected to have a negative impact on the U.S. economy. There is no initial or operational U.S. procurement associated with this project. The project is expected to have a net negative impact on the U.S. balance of payments over its first five years.
Developmental Effects:	This project will have a positive developmental impact on the host country through support for an international standard hotel complex in Tbilisi, with best practices in serving business clients. The project also has an important social impact; hotel operator has an EEO policy that meets ILO Convention 111 standards and all employees are provided with various benefits.
Environment:	<p><u>Screening:</u> The Project has been reviewed against OPIC's categorical prohibitions and has been determined to be categorically eligible. Projects involving recapitalization of loans for hotels and office buildings in operation, maintenance of building façades, and general hotel operations are screened as Category B projects under OPIC's environmental and social guidelines because impacts are site-specific and readily mitigated. Environmental and social issues associated with the Project include the need for appropriate occupational health and safety measures for workers conducting maintenance activities, availability of potable water for guest services, proper disposal of wastewater and solid wastes and life safety and fire protection.</p> <p><u>Applicable Standards:</u> 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 Performance Standards:</p> <ul style="list-style-type: none"> • P.S. 1: Social and Environmental Assessment and Management Systems • P.S. 2: Labor and Working Conditions

	<ul style="list-style-type: none"> • P.S. 3: Pollution Prevention and Abatement • P.S. 4: Community Health, Safety and Security <p>In addition to the Performance Standards listed above the following International Finance Corporation (IFC) Environmental Guidelines are applicable to this project:</p> <p style="padding-left: 40px;">(i) The IFC April 30, 2007 Environmental, Health, and Safety General Guidelines.</p> <p><u>Environmental and Social Risks and Mitigation:</u> The Project involves a prior OPIC project which consists of two Marriott hotels and a Class A office building. The OPIC loan will be used to recapitalize existing loans, to perform exterior maintenance and upkeep of the façades of the hotels, and to be used as general working capital for the needs of the hotels. Façade maintenance activities will include cleaning, touch-ups and insulation repairs.</p> <p>GMT’s Technical Department will be responsible for overseeing that the façade maintenance work is conducted in accordance with Georgian health and safety regulations including provision of appropriate personal protective equipment and safety training as needed. Life safety and fire prevention measures at both hotels are consistent with the NFPA requirements.</p> <p>Both properties are provided with municipal services for electricity, potable water, wastewater treatment and solid was collection and disposal. Each of the hotels has three duel fuel (oil/gas) boilers onsite. The capacity of the Marriott boilers is 1 MW and those of the Courtyard Marriott are 1.45 MW. Emissions are monitored monthly. There are two 1.1 MVa back-up generator sets at the Marriott and one 2.2 MVa generator at the Courtyard Marriott. Diesel fuel is stored in double walled reinforced concrete tank at the Courtyard Marriott (42,000 liters) and steel tank with secondary containment at the Marriott (63,000 liters). The Project will be required to ensure that there is secondary containment capable of containing 110% of each tank’s capacity. Greenhouse gas emissions from the Project are estimated to be approximately 30,000 short tons CO₂ per year.</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</p>

	Performance Standard 2 on Labor and Working Conditions.
Human Rights:	OPIC issued a Human Rights Clearance for this project on March 14, 2012.