

**JSC Populi
Information Summary for the Public**

Host Country:	Georgia
Name of Borrower:	JSC Populi
Project Description:	JSC Populi, the leading Georgian grocery store chain, will use the loan to expand its operations by developing up to 32 new stores and to invest in centralized infrastructure to support its growing retail network.
Proposed OPIC Loan:	Up to \$21 million with a 10 year tenor
Total Project Costs:	\$33.5 million
U.S. Sponsor:	The Firebird Aurora Fund
Foreign Sponsors:	East Capital Explorer, Sweden Liberty Consumer, Georgia Sakaropel Limited, Cyprus East Investor, British Virgin Islands MP Bank, Iceland
Policy Review	
U.S. Economic Impact:	The project is not expected to have a negative impact on the U.S. economy as it provides grocery services within the host country. There is expected to be initial procurement of \$466,000 from U.S. companies, however the exact composition of that procurement was uncertain at the time of the application, and as a result the effect of this procurement on U.S. job creation is indeterminate. Over five years, the project will have a net negative impact on the U.S. balance of payments.
Developmental Effects:	This project will have a positive impact in the host country, Georgia. Populi operates Georgia's only multi-location branded retail grocery chain and brings western management and logistics techniques to an otherwise highly fragmented and underserved market. The project will create over 500 permanent jobs that will enjoy strong benefits packages and will be hired through an EEO policy that is consistent with ILO convention 111 standards.

<p>Environment:</p>	<p>Screening: Construction/renovation and operation of a medium size grocery chain and distribution center is screened as a Category B project 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, community health and safety measures, solid waste disposal, and life and fire safety.</p> <p>Applicable Standards: OPIC's desktop review of environmental and social issues indicates that the project will have impacts that must be managed in a manner consistent with the following Performance Standards:</p> <p>P.S. 1: Social and Environmental Assessment and Management Systems P.S. 2: Labor and Working Conditions P.S. 3: Pollution Prevention and Abatement P.S. 4: Community Health, Safety and Security</p> <p>Consistent with the requirements of PS 3 (Pollution Prevention and Abatement), in addition to the Performance Standards listed above, applicable provisions of IFC April 30, 2007 Environmental, Health, and Safety General Guidelines also apply to the project.</p> <p>The project will not involve any impacts to biodiversity conservation and sustainable resource management, land acquisition and involuntary resettlement - including physical or economic displacement, impacts on indigenous peoples, or impacts to cultural heritage. Therefore, PS 5, 6, 7, and 8 are not triggered by the project.</p> <p>Environmental and Social Risks: Environmental and social issues associated with the project include the need for appropriate occupational health and safety measures, community health and safety measures, solid waste disposal, and life and fire safety. The project will be developed in existing residential and commercial buildings. The project will be provided with public utility services, such as electricity, potable water and wastewater removal, by municipal providers. Solid wastes from construction will be delivered to a municipal central waste disposal point and handled according to local regulations.</p> <p>Risk Mitigation: The project will be required to establish and</p>
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	<p>implement an Environmental and Social Management System that is consistent with the IFC Performance Standards and appropriate to the scale of a small construction project and operation of a medium size grocery chain. All JSC Populi retail outlets and warehouse buildings are required to comply with local fire safety codes which are enforced by the municipal fire department, and the Borrower will contract a Life fire and Safety Master Plan for each retail outlet. The project will conform with and enforce local worker safety standards and operate in accordance with the JSC Populi Food and Safety Guidelines.</p>
<p>Workers Rights:</p>	<p>OPIC's statutorily required standard worker rights language will be supplemented with provisions concerning the right of association, organization and collective bargaining, minimum age, 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 requirements of the International Finance Corporation's Performance Standard 2 on Labor and Working Conditions.</p>
<p>Human Rights:</p>	<p>OPIC issued a human rights clearance for the project on April 6, 2011.</p>