

INFORMATION SUMMARY FOR THE PUBLIC

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| Host Country: | Georgia |
| Name of Borrower: | Tsinandali Estate LLC, a Georgia limited liability company |
| Project Description: | Tourism is a vital growth sector for the Georgian economy, accounting for approximately 7% of GDP. An estimated 85% of all international visitation to Georgia, however, is to the country's two largest cities of Tbilisi and Batumi. One of Georgia's most promising regions for tourism outside of the capital city of Tbilisi and Black Sea port of Batumi is the wine-producing state of Kakheti. To support international and domestic tourism, infrastructure development, and local job creation in Kakheti, OPIC is financing the construction, development, and operation of, the 104-room Radisson Blu Tsinandali Hotel in the town of Tsinandali, Georgia (the "Project"). The hotel will be managed by the Carlson Rezidor Hotel Group, a division of Carlson, a privately-owned Minneapolis-based global hospitality and travel company. |
| Proposed OPIC Loan: | \$10 million (12.5 year term) |
| Total Project Costs: | \$22.25 million |
| U.S. Sponsor: | Carlson Rezidor Hotel Group (long-term management agreement) |
| Foreign Sponsors: | Silk Road Group Holdings S.A., a BVI company, and Wren Capital Holdings Ltd., a Malta company. |
| Policy Review | |
| U.S. Economic Impact: | Because the Project involves the construction of a resort hotel in Georgia, there are no expected adverse effects on the U.S. economy. Initial U.S. procurement for the purposes of architectural services is expected to have a small, but positive, impact on U.S. jobs. The Project is expected to have a net negative effect on the U.S. balance of payments over the first five years. |
| Developmental Effects: | This Project is expected to have a positive effect on the region of Kakheti, Georgia. The Project is in line with the government of Georgia's strategy to increase regional tourism with assistance from the World Bank, UN Development Program and U.S. Agency for International Development. Tourism represents an important opportunity for Georgia to diversify its economy away from traditional agriculture, and the number of |

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| | <p>tourists to Georgia grew 22 percent between 2012 and 2013 according to the Georgian National Tourism Administration. Kakheti is one of Georgia’s least urbanized areas, with only 35 residents per sq. km. The Project will create local job opportunities and increase hotel management training in the region.</p> |
| <p>Environment:</p> | <p><i>Screening:</i> The Project has been reviewed against OPIC’s categorical prohibitions and has been determined to be categorically eligible. Projects involving construction, renovation and operational activities for hotels are screened as Category B projects under OPIC’s environmental and social guidelines because impacts are site-specific and readily mitigated.</p> <p><i>Applicable Standards:</i> OPIC’s environmental and social due diligence indicates that the investment will have impacts which must be managed in a manner consistent with the following Performance Standards (“PS”):</p> <ul style="list-style-type: none"> • 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 • PS 8: Cultural Heritage <p>A desk-review due diligence assessment indicates that the Project involves construction, renovation, and operation of a hotel and winery and will not involve any land acquisition, resettlement, impacts to biodiversity, or indigenous peoples. Therefore, PS 5, 6, and 7 are not triggered at this time. In addition to the Performance Standards listed above, the International Finance Corporation’s (“IFC”) General Environmental Health and Safety Guidelines (2007) and the sector-specific Environmental, Health, and Safety Guidelines for Tourism and Hospitality Development (2007) are applicable to this Project.</p> <p><i>Environmental and Social Risks and Mitigation:</i> The main environmental and social issues associated with this Project are those typically associated with hotel construction and operation: the availability of potable water for guests and employees, appropriate disposal of wastewater and solid waste, the implementation of adequate life, safety, and fire protection measures, and occupational, health and safety measures for</p> |

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| | <p>workers during construction and operation. The final specifications for the dual fuel boilers have not yet been determined, but emissions are not likely to exceed tons 10,000 tons CO2 eq. annually based on experience with similar facilities. The Project will be required to submit the following, in a manner consistent with the requirements of the IFC Performance Standards: (i) an environmental and social management system, (ii) a life and fire safety plan, (iii) specifications of the wastewater treatment system, and (iv) details on the boilers and generators used by the facility. The Borrower represents that all necessary permits for construction, renovation, and maintenance have been received from the Government of Georgia.</p> |
| <p>Workers' Rights:</p> | <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 IFC PS 2 on Labor and Working Conditions.</p> |
| <p>Human Rights:</p> | <p>OPIC issued a human rights clearance for the Project on June 10, 2014.</p> |