

Public Information Summary

Host Country:	Georgia
Name of Borrowers:	Pace Terminal, LLC and Transford, LLC
Project Description:	Development, construction, and operation of a multifunctional marine terminal at the Port of Poti – Pace Terminal
Proposed OPIC Loan:	\$50,000,000
Total Project Cost:	\$93,829,000
U.S. Sponsor:	Pace International, LLC
Foreign Sponsor:	Pace Georgia Limited
Policy Review	
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy, as it involves the construction and operations of a dry cargo terminal. There will be no U.S. procurement; thus this Project is expected to have a neutral impact on U.S. employment. The Project is expected to have a neutral five-year U.S. balance of trade impact.
Developmental Effects:	This Project is expected to have a highly developmental impact on Georgia through the rehabilitation of a berth facility and the development of an international standard, multifunctional dry cargo terminal. The Project will be the first port in Poti to handle large vessels up to 253 meters in length and with capacity to carry up to 50,000 tons of cargo. The Project will also update the existing port infrastructure to include a modern hydraulic system. The improved port will increase trading capacity for the country, which is an important transit link to connect Central Asia and Europe. The Project will create many permanent, local jobs and support the economic development of the Samegrelo-Zemo Svaneti region, where the average monthly income is only 28 percent of the average income in Tbilisi.
Environment:	<p><i>Screening:</i> The Project has been reviewed against OPIC’s categorical prohibitions and determined to be categorically eligible. Major port projects are screened as Category A because of the potential for significant impacts on marine resources.</p> <p><i>Applicable Standards:</i> 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 of the International Finance Corporation’s (IFC) 2012 Performance Standards (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. The Borrower acquired the land required for the Project from willing sellers at fair market values; therefore PS 5 is not triggered by the Project at this time. Project activities are not expected to adversely impact modified habitats containing “significant biodiversity value”, natural habitats, critical habitats, legally protected areas, cultural heritage sites, or indigenous peoples; therefore, PS 6, 7 and 8 are not triggered by the Project at this time. In addition to the above standards, the Project will also be required to comply with:</p>

- IFC Environmental, Health, and Safety (EHS) General Guidelines (April 30, 2007);
- IFC EHS Guidelines for Ports, Harbors, and Terminals (April 30, 2007); and
- The Dutch OSPAR Guidelines for the Management of Dredged Material at Sea (2014).

Environmental and Social Risks and Mitigation: Environmental and social issues of concern for the Project include the need for a robust Environmental and Social Management System (ESMS), characterization and disposal of dredged material, water quality, occupational health and safety, and emergency preparedness and response.

Environmental and Social Management System (ESMS):

The Borrower has a draft Environmental and Social Policy that includes a commitment to comply with the IFC Performance Standards in managing the environmental and social risks and impacts from the Project. The Borrower has appointed an EHS Manager who will be responsible for the overall management of the Project's environmental and social performance during the construction and operational phases. The Borrower will also appoint an Environmental and Social Coordinator (ESC) who will be responsible for overseeing the day-to-day implementation of the Environmental and Social Management Plans during the construction and operations phases, and for monitoring environmental and social impacts, record-keeping, and updating of the plans as necessary. The Borrower has prepared frameworks for the various environmental and social management plans that are required to adequately manage the E&S risks from the Project. The Borrower will prepare adequate environmental and social management plans for the construction and operational phases of the Project. The Borrower will also prepare an adequate Dredging Management Plan for the deepening dredging activities.

Characterization and Disposal of Dredged Material, and Water Quality:

One sample of the material to be dredged was found to be contaminated with tributyl tin (TBT) and its degradation products, at a level exceeding the limit set in the Applicable Standards. OPIC and the Borrower agreed to treat the material near this point (~33,000 m³) as contaminated with TBT, necessitating an alternative disposal method to the at-sea disposal of the uncontaminated sediment. The TBT-contaminated material will be de-watered and disposed of on land on a plot of land owned by the Borrower immediately to the north of the Project area. The water will gradually drain from the material pile, and after passing through a filter arranged on the southern side of the disposal area, be discharged into an open canal that will convey it back into the sea. Because of the low water solubility of TBT, it binds strongly to the dredged material. Therefore, pollution of subsoil and ground water is not expected. The Project will monitor the turbidity of water discharged to the sea from the drainage canal. The un-contaminated portion of the material to be dredged will be disposed of at sea at the location of an undersea "canyon" that has served as the historical location for disposal of dredged material for the Port of Poti. The Government of Georgia has designated the canyon as the approved site for as-sea disposal of uncontaminated dredged material from Poti. During both deepening and maintenance dredging activities, the Borrower will implement a Water Quality Monitoring Program to monitor the impacts from dredging and disposal activities.

	<p><i>Occupational Health and Safety (OHS):</i> The Borrower will prepare site-specific construction and operational phase OHS Management Plans. All subcontractors will adhere to the Borrower’s OHS Management Plans and procedures, and will implement health and safety communication and training programs to prepare workers to recognize and respond on workplace hazards. Construction safety specifications will be an integral part of the tender documentation for the subcontractors, and the Borrower will require that each contractor appoint dedicated OHS officers. The dredging contractor will include OHS mitigation measures in the Dredging Management Plan.</p> <p><i>Emergency Preparedness and Response:</i> The EPC contractor will be required to develop a site specific Emergency Preparedness and Response Management Plan for construction. The plan will include an overview of risks and emergency scenarios, emergency preparedness and response procedures, spill prevention and control measures, roles and responsibilities, notifications and communications (including alarms, warning systems and back-up systems), equipment and resources. The Terminal Operator will prepare a Project-specific Emergency Preparedness and Response Plan prior to beginning operations, and the Dredging Contractor will be required to include adequate emergency preparedness and response measures in the Dredging Management Plan. In case of severe weather, the Georgian State Hydrography Service will issue a severe weather warning, after which the Poti Harbor Master announces the port closure. Crane operation will be suspended during high winds. The cranes will be equipped with wind speed monitoring equipment (anemometers) that include an alarm function if the wind speed exceeds the limit. Oil spill response measures will be coordinated with the Port of Poti and will follow the Port of Poti’s 2010 Oil Spill Contingency Plan, which arranges responses by spill severity.</p>
<p>Social Assessment</p>	<p>The Project will be required to operate in a manner consistent with the IFC’s Performance Standard 2 on Labor and Working Conditions, OPIC’s Environmental and Social Policy Statement, and applicable local labor laws. OPIC’s statutorily required language concerning the rights of association, organization and collective bargaining, minimum age of employment, will be supplemented with provisions regarding 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. Terms and conditions of work are communicated to employees through written employment contracts.</p> <p>This review covers the commensurate human rights risks associated with the construction and operation of a port in Georgia.</p>