Early Warning System

# AIIB-000765

## Georgia: Georgia Capital Sustainability Linked Financing Facility

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### Quick Facts

| | |
|---|---|
| **Countries** | Georgia |
| **Financial Institutions** | Asian Infrastructure Investment Bank (AIIB) |
| **Status** | Approved |
| **Bank Risk Rating** | B |
| **Voting Date** | 2023-07-28 |
| **Borrower** | Georgia Capital JSC |
| **Sectors** | Energy, Finance |
| **Investment Type(s)** | Loan |
| **Investment Amount (USD)** | $ 30.00 million |
| **Loan Amount (USD)** | $ 30.00 million |

## Project Description

As stated by the AIIB, the project will achieve the following objectives: (i) mobilize private capital for the first sustainability linked financing in the local capital market, and (ii) enable Georgia Capital to access long term funding to refinance and finance sustainable activities to meet its sustainability targets.

The Project involves an anchor investment of up to USD30 million into JSC Georgia Capital's upcoming and debut issuance of sustainability-linked bonds in the Georgian capital markets.
Wholly owned by Georgia Capital Plc, JSC Georgia Capital is the leading investment holding company in Georgia with portfolio companies across different sectors: banking, renewable energy, water utilities, education, pharmacy, hospitals & clinics, and other smaller companies.
The Company plans to issue a USD 150 million sustainability-linked, senior unsecured bond, targeting both local and international institutional investors with dollar appetite. The bond proceeds are expected to be allocated as follows: 80% for refinancing the existing Eurobond, and 20% for general corporate purposes.

AIIB investment proceeds will be used to refinance historical investments in the renewable energy.

### Investment Description

- Asian Infrastructure Investment Bank (AIIB)

### Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Georgia Capital JSC (Financial Intermediary) **is owned by** Georgia Capital PLC (Parent Company)

### Private Actors Description

As stated by Bloomberg, Georgia Capital is a platform for buying, building and developing businesses in Georgia. The Group seeks to capture growth in its operating sectors by acquiring businesses in their early development stage or by establishing greenfield businesses. Georgia Capital operates in retail pharmacy, hospitals, insurance, clinics and diagnostics, renewable energy, education and other industries.

## Contact Information

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## ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.aiib.org/en/contact/information-request/index.html

## ACCOUNTABILITY MECHANISM OF AIIB

The AIIB has established the Accountability Mechanism for Project-Affected People (PPM). The PPM provides Òan opportunity for an independent and impartial review of submissions from Project-affected people who believe they have been or are likely to be adversely affected by AIIBÕs failure to implement the ESP in situations when their concerns cannot be addressed satisfactorily through Project level GRMs or AIIB Management processes.Ó Two or more project-affected people can file a complaint. Under the current AIIB policy, when the bank co-finances a project with another development bank, it may apply the other bank's standards. You can refer to the Project Summary Information document to find out which standards apply. You can learn more about the PPM and how to file a complaint at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/how-we-assist-you/index.html

The complaint submission form can be accessed in Arabic, Bahasa Indonesia, Bengali, Chinese, English, Tagalog, Hindi, Nepali, Russian, Turkish, or Urdu. The submission form can be found at: https://www.aiib.org/en/about-aiib/who-we-are/project-affected-peoples-mechanism/submission/index.html

## Bank Documents

- Project Summary (August 2, 2023) [Original Source]

## Corporate Documents

- Annual Sustainability Report
- Diversity Policy
- E&S Framework
- E&S performance monitoring reports
- Responsible Investment Policy
- SLB Framework