

 Early Warning System

IFC-31669

MCS Property

This project is still under review by the EWS. Project information and/or project analysis may be incomplete.



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Quick Facts

Countries	Mongolia
Financial Institutions	International Finance Corporation (IFC)
Status	Active
Bank Risk Rating	B
Borrower	MCS PROPERTIES HOLDING LLC



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Project Description

OVERVIEW OF IFC'S SCOPE OF REVIEW

As an existing client, E&S data at MCS Group level was already known to IFC. The review built on this foundation through (1) a visit to UlaanBataar to physically review actual or potential construction sites and meet with MCS-P management; (2) discussions with the World Bank, NGOs and other relevant stakeholders; (3) interviews with MCS-P operations staff working at Shine Ger and (4) review of planning and other documentation relating to the E&S aspects of MCS-P's business activities.

PROJECT DESCRIPTION

The MCS Group of companies ("MCS Group" or the "Sponsor"), IFC's repeat client and one of Mongolia's leading business groups active in (i) distributing fast-moving consumer goods; (ii) beverage manufacturing; (ii) mobile communications and information technologies; (iii) civil engineering and infrastructure development, (iv) mining, as well as in a number of other industry sectors, is expanding the scale of its property development operations, which are currently focused on a large-scale affordable housing development in Ulaanbaatar ("UB"). MCS Group's property-focused subsidiary MCS Properties Holdings LLC ("MCS Property", "MCSP" or the "Company") has requested a long-term IFC loan of up to US\$60 million, which will be used (i) to complete the Company's affordable housing development "Shine Ger" in UB; (ii) to build an affordable housing residential complex ("Tsetsii") in the vicinity of the Ukhaa Khudag ("UHG") mine site, 500 kilometers to the south of UB, as well as (iii) to develop an office tower ("MCS Tower"), which will be an important contribution to the Mongolian capital business infrastructure, and a school building ("Orchlon") in UB (the "Project").

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS

PS1: Social and Environmental Assessment and Management System
PS2: Labor and Working Conditions
PS3: Pollution Prevention and Abatement
PS4: Community Health, Safety and Security
This project has been assessed against the 2006 Performance Standards on Social and Environmental Sustainability. For ongoing MCS-P operations and the current projects to which IFC will be financially exposed, PS1-4 apply. The applicability of PS1-4 is assumed for all MCS-P activities during the life of the IFC financing, but with Performance Standards 5, 6 and 8 potentially applicable depending on the characteristics of each specific project. The applicability will be determined through the E&S assessment process (see PS1). PS7 is not anticipated to be invoked in Mongolia, where groups outside the Mongol mainstream are limited to the north and northwest of the country and are limited in number. The PS5 section includes details of the land acquisitions for current projects. The PS6 section describes the situation in the Bogd Khan Special Protected Area and Zaisan Valley. Some details of Mongolia's laws on cultural heritage are provided in the PS8 section. All three are provided for the purposes of clarity, including prohibitions on the use of IFC financing.

ENVIRONMENTAL AND SOCIAL CATEGORIZATION AND RATIONALE

This is a Category B project according to IFC's Procedure for Environmental and Social Review of Projects because a limited number of specific and reversible environmental and social impacts may result, which can be avoided or mitigated by adhering to generally recognized performance standards, guidelines or design criteria.

KEY ENVIRONMENTAL AND SOCIAL ISSUES AND MITIGATION



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Investment Description

- International Finance Corporation (IFC)



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Contact Information

ACCOUNTABILITY MECHANISM OF IFC

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org/>



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Bank Documents

- [Bogd Khan map from IBRD.pdf](#)



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Other Related Projects

- IFC-47487 MCS Agri