

 Early Warning System

IFC-35864

MCS Unitel

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	Proposed
Bank Risk Rating	B
Borrower	UNITEL GROUP



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Project Description

PROJECT DESCRIPTION

MCS Group ("MCS" or the "sponsor") - an existing IFC client - is one of the largest diversified conglomerates in Mongolia. Its major businesses include food, beverage and consumer products, telecommunications, property development, minerals, infrastructure and engineering. Each of MCS Group's core subsidiaries holds a number one or number two position in their respective industries in Mongolia. Unitel ("Unitel" or the "company"), established in 2006, is the 2nd largest wireless operator in Mongolia, and has been an MCS wholly-owned subsidiary since 2010. As of May 2014, Unitel had approximately 909,000 subscribers. The company has a national presence with 66 branch stores and nearly 9,000 licensed sales points nationwide. IFC is considering an investment in Unitel, to support MCS's plans to re-finance US\$60 million of MCS Holding loans at Unitel level (the "project").

OVERVIEW OF IFC'S SCOPE OF REVIEW

IFC's review of this proposed investment consisted of appraising technical, environment, health and safety, (EHS) and social related information provided by MCS Group, including the information available in public domain. IFC has several investments in MCS businesses such as Mongolian Mining Corp. (Project #31752), MCS Property LLC (Project #31669), Intermed Hospital (Project #33808), Shangri-La UB (Project #28546) and especially MCS Group (Project #25170), which covers Unitel. The project information including Environmental Social Review Summary (ESRS) and Environmental and Social Action Plan (ESAP) for IFC's investment in MCS Group (Project #25170) is available at: ifcext.ifc.org/ifcext/spiwebsite1.nsf/0/294b693de0f70e68852576ba000e2add?OpenDocument MCS has implemented the ESAP for the previous investments and is current on E&S reporting to IFC, with satisfactory E&S performance. This review thus builds upon the previously disclosed ESRS, ESAP, and the information collected during IFC's engagement with these companies / subsidiaries over the past years. As such, this ESRS is prepared as a supplement to the previously disclosed documents.

IDENTIFIED APPLICABLE PERFORMANCE STANDARDS**

While all Performance Standards are applicable to this investment, IFC'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 1 - Assessment and Management of Environmental and Social Risks and Impacts PS 2 - Labor and working conditions PS 3 - Resource Efficiency and Pollution Prevention If IFC's investment proceeds, IFC will periodically review the the project's ongoing compliance with the Performance Standards

The project will not involve any new construction or expansion of network infrastructure. As such, impacts related to PS 4: Community Health, Safety & Security; PS5: Land Acquisition and Involuntary Resettlement; PS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources, PS7: Indigenous Peoples and PS8: Cultural Heritage, are not expected for this investment.

ENVIRONMENTAL AND SOCIAL CATEGORIZATION AND RATIONALE



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- 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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Other Related Projects

- IFC-47487 MCS Agri