Early Warning System

IFC-37312

MV Cargo

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Quick Facts

Countries	Ukraine
Specific Location	Port of Yuzhny, 30 km from Odessa, Ukraine
Financial Institutions	European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2017-01-09
Borrower	MV Cargo Ltd.
Sectors	Transport
Investment Type(s)	Loan
Investment Amount (USD)	$ 37.00 million
Project Cost (USD)	$ 150.00 million

Project Description

IFC is financing an A Loan of up to $37 million to finance the project. MV Cargo Ltd (“MV Cargo” or “the company”) is developing a greenfield grain terminal that will be located in the Port of Yuzhny located in Ajalyk Estuary on Ukraine’s Black Sea coast, approximately 30 km from Odessa. The grain terminal will have capacity of 5 million tonnes of grain per year (“the terminal”) and Berth No.25 (the “berth”) will be capable of handling vessels up to 100,000 tonnes deadweight tonnage (DWT). MV Cargo is owned by the co-owners of Trans Investment Service Group (“TIS Group”), the largest Ukrainian port complex. The grain terminal facilities will be developed by MV Cargo and upon completion of the project facilities Cargill Inc., a leading global agriculture commodities producer and trader, is expected to purchase 51% of stake of the company and become a major user and operate the terminal and berth.

Bank documents state:

The terminal and the berth will be developed in two phases. IFC’s proposed investment (“the project”) consists of the first phase of the terminal and berth development. The first phase of the terminal development primarily entails construction of: (i) rail intake facilities with a capacity of 4 million tonnes of grain per year (two unloading points for two wagons each); (ii) truck intake facilities (six unloading points for trucks including trailer by means of truck tipplers), (iii) one unloading point suitable for (back) unloading trucks / tipping cars; truck buffer area, (iv) grain storage facilities (14 silos and one flat storage with capacity of 210,000 tonnes, one flat storage with 36,000 tonne capacity for multi-grain storage or 80,000 tonne capacity for single grain storage); (v) a grain cleaning and drying unit with capacity 150 tonnes per hour, (vi) a transport network of elevators and conveyors, (vii) a ship loader for loading of bulk grain on ships with a capacity of 2000 tonnes per hour; and (viii) off-site utilities (power supply, gas supply, potable water supply, sewage collection and pre-treatment, storm water collection, fire water network, security systems, communication networks). The first phase development of the berth will encompass construction of a 422 m berth in length on reclaimed land with one rail-mounted movable ship loader with capacity of 2,000 tonnes per hour and depth of up to 15 meters. The project will be connected to the rail station “Khimicheskaya” located in the Port of Yuzhny and operated by TIS Group. The second phase of the terminal development includes facilities for liquid bulk, additional flat storage and a second ship loader that will increase annual capacity of the facility to 6 – 8 million tonnes of grain.

Investment Description

- European Bank for Reconstruction and Development (EBRD)
- International Finance Corporation (IFC)

Following the agreement signed with MV Cargo in March 2016, the Ukrainian Sea Ports Authority, a state enterprise responsible for supervising development, operation, and maintenance of the Ukrainian seaports and their infrastructure, will support the terminal development by designing, implementing and monitoring the necessary dredging works up to 16 meter depth for the connection of the berth to the inner channel of the Port of Yuzhny.

According to bank documents, the European Bank for Reconstruction and Development is likely to be involved as a parallel lender providing a parallel loan of the same amount.

The project will be constructed by direct contracting of services, works and equipment supply and installation. MV Cargo contracted TIS Gidrotekhnika as the project general contractor for the berth and terminal construction in June 2016. To date approximately 300,000 cubic meters of fill material has already been placed as part of required reclamation for the berth. It is expected that the project will become operational within two years from commencement of construction.

Contact Information

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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/

Bank Documents

- Berth n 25 EIA April 2016 .pdf
- EIA Terminal MAy 2016 .pdf
- MV Cargo _SEP_24 08 2016-3.pdf
- MV Cargo_Non Technical Summary Sep 2016-1.pdf