



Public Project Profile

Host Country:	Mongolia
Name of Borrower:	Golomt Bank LLC
Project Description:	Expansion of the bank's SME lending portfolio in Mongolia.
Proposed OPIC Loan:	\$15,000,000
Total Project Cost:	\$15,450,000
U.S. Sponsor:	Financial Services Volunteer Corps
Foreign Sponsor:	None
U.S. Economic Impact:	The Project is not expected to have a negative impact on the U.S. economy. The Project will procure financial consulting services from the United States, which will have a de minimus impact on U.S. employment. The Project is expected to have a negative five-year U.S. balance of payments impact.
Developmental Effects:	This Project will have a highly developmental impact on Mongolia by expanding the availability of capital to SMEs operating in a variety of sectors in Mongolia. The Bank's training opportunities available to their SME customers will also increase the technical capabilities of SMEs in Mongolia. Mongolia's economy has become increasingly reliant on the mining sector, and growth of SMEs and companies in other sectors is an important part of diversifying and growing the economy as well as generating employment opportunities. The Project supports UN Sustainable Development Goal 8, which calls for strengthening the capacity of domestic financial institutions in order to expand access to financial services.
Environment	Loans for the purposes of on-lending to small and medium enterprises are screened as Category C projects under OPIC's environmental and social guidelines. Environmental, health, safety, and social impact concerns are minimal. However, in order to ensure that the Borrower's loans are consistent with OPIC's statutory and policy requirements, the loan will be subject to conditions regarding the use of proceeds.
Labor/Human Rights	<p>The Project will be required to operate in a manner consistent with the International Finance Corporation's Performance Standards, OPIC's Environmental and Social Policy Statement and applicable local laws.</p> <p>OPIC's statutorily required language will be supplemented with provisions concerning nondiscrimination and the use of loan proceeds, which will be restricted with respect to the borrower's operations, including the employment of minors and other applicable labor law requirements. Standard and supplemental contract language will be applied to all workers engaged by the Project.</p> <p>The Project involves SME on-lending in Mongolia. The Borrower has developed and implemented a management system that addresses social risk, including labor, commensurate with the risks associated with the Bank's anticipated Portfolio. It is anticipated the Project will operate in a manner that is consistent with local law, IFC Performance Standards, and OPIC's ESPS.</p> <p>This review covers the commensurate human rights risks associated with SME on-lending in Mongolia.</p>