

STATUS OF PROJECTS IN EXECUTION – FY05
SOPE
REGION: EAST ASIA AND PACIFIC
COUNTRY: MONGOLIA

Operations Policy and Country Services
SEPTEMBER 23, 2005



Report on the Status of Projects in Execution - FY05
Region: East Asia and Pacific
Country: Mongolia

Introduction

The Status of Projects in Execution (SOPE) Report for FY05 provides information on all IBRD/IDA projects that were active on and beyond June 30, 2005. Thus it bridges the gap in information available to the public between the Project Appraisal Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. Now, in accordance with the Bank's revised disclosure policy, the SOPE Report is also available to the public. By publishing this improved report, we have addressed one of the main concerns we heard from the public during disclosure consultations – that the public has very little access to information on projects while they are being implemented. Readers familiar with past reports will note that projects that closed during the fiscal year are no longer included in the SOPE, since their Implementation Completion Reports are now also disclosed.

The FY05 SOPE introduces a new element: in order to disclose project-by-project comparisons of disbursement estimates and actual disbursements, the SOPE report contains a line chart¹ showing the original estimated disbursement schedule, the latest approved revised schedule (if any) and actual disbursements for investment operations and a table showing the loan/credit/grant amount and disbursements to date.

¹ Notes:

- Amounts for Projects in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Disbursement graphs are not included for Development Policy Loans, which provide quick-disbursing external financing to support policy and institutional reforms. For these loans, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed conditions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus may not include a graph.

Country: Mongolia

Project Name (ID): Transport Development (P056200)

Country: Mongolia

Board Approval Date: 03/22/2001

Closing Date: 12/31/2005

Loan/Credit/Grant Number: IDA-34780

Sector(s): Roads and highways (95%), Central government administration (4%), Railways (1%)

Theme(s): Rural services and infrastructure (P), Pollution management and environmental health (S)

Project Development Objectives:

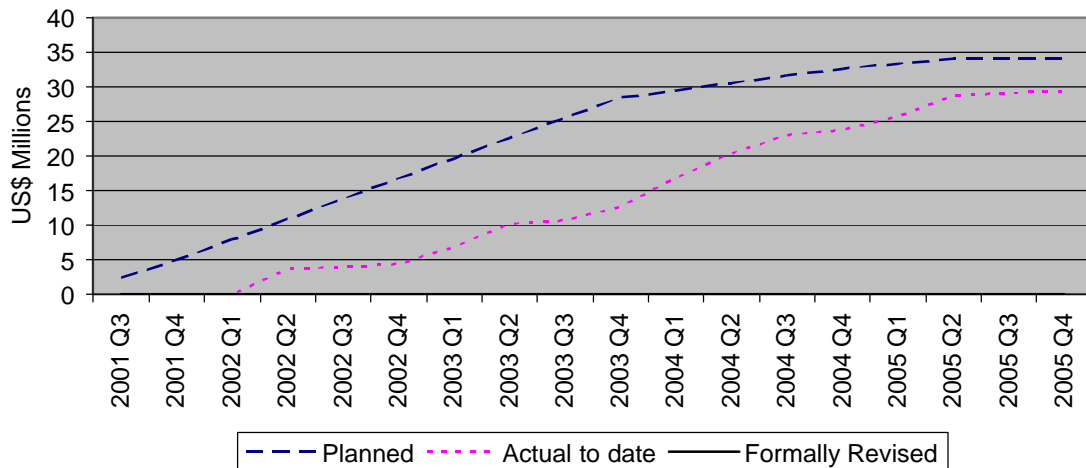
Improve the accessibility of the isolated and remote central and western regions of Mongolia, increase transport capacity for rail-borne export trade and reduce the number of fatalities resulting from road accidents.

Progress toward achieving development objective(s):

Progress toward achieving the project's objectives is on track. There is positive feedback from communities along the improved roads to the south and west of Ulaanbaatar regarding the project. Improvements to the railway's management information system are in progress, as are other components directed toward road safety and maintenance management. The project's full impact, especially of improved tools and methods, awaits completion of these activities.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34780	Effective	38.52	29.20	7.92	0.00



Project Name (ID): Energy Sector (P040907)

Country: Mongolia

Board Approval Date: 05/03/2001

Midterm Review Date: 04/15/2005

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IDA-35030

Sector(s): Power (97%), Central government administration (3%)

Theme(s): Infrastructure services for private sector development (P), Other urban development (P), Regulation and competition policy (P), Other financial and private sector development (P), Access to urban services and housing (S)

Project Development Objectives:

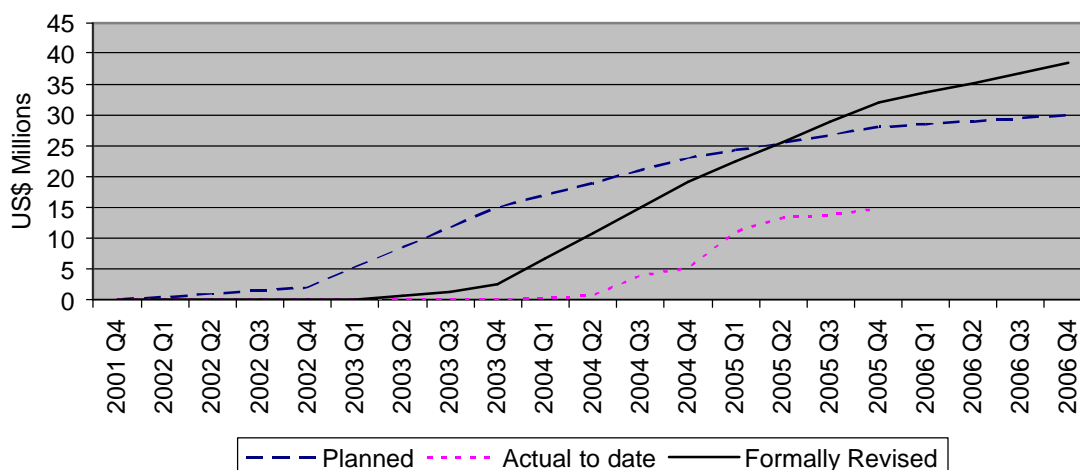
To reduce system losses and improve revenue collection in electricity distribution companies

Progress toward achieving development objective(s):

The project has experienced slow implementation due to past procurement difficulties, but an action plan, extending the closing date two years has been agreed. Said plan will allow the full project implementation thereby allowing the objectives to be met. Following the mid-term review, the Government is following a three track approach to complete development activities: a) streamlined installation of equipment in the summers of 2005 and 2006, particularly meters, cables, transformers; b) implementation of commercialization of the Ulanbaatar Electricity Distribution Network (UBEDN) company in Ulanbaatar and in aimag (province) utilities. Indeed, in the case of UBEDN, a company restructuring is taking place to ensure better coordination between headquarters and branch offices; and c) implementation of commercial loss reduction programs in UBEDN and aimags.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35030	Effective	34.14	14.76	19.57	0.00



Project Name (ID): Sustainable Livelihoods (P067770)

Country: Mongolia

Board Approval Date: 06/11/2002

Midterm Review Date: 05/27/2005

Closing Date: 12/31/2006

Loan/Credit/Grant Number: IDA-36570, JPN-26251, JPN-51703

Sector(s): Other social services (45%), Micro and SME finance (27%), Animal production (22%), Central government administration (6%)

Theme(s): Participation and civic engagement (P), Rural markets (P), Infrastructure services for private sector development (P), Improving labor markets (P), Administrative and civil service reform (S)

Project Development Objectives:

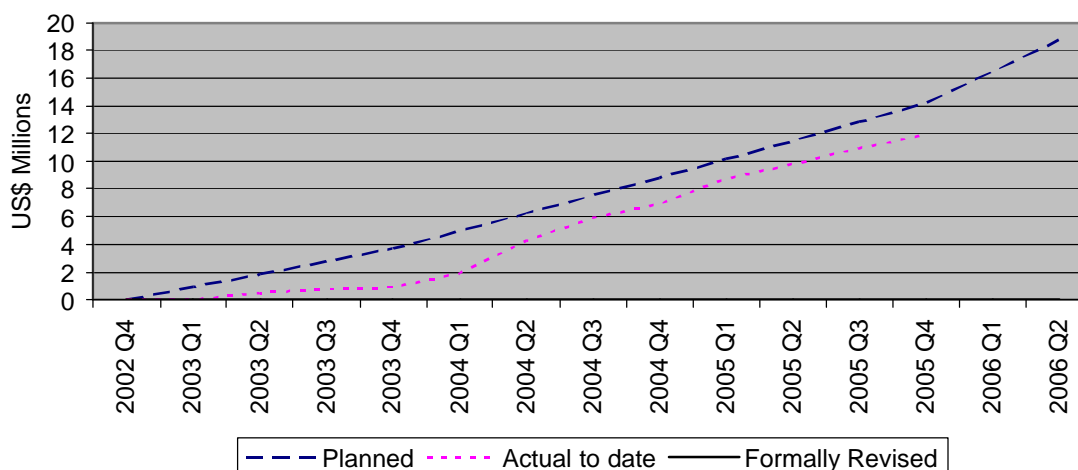
The development objective of the project is to establish an effective approach to promoting improved, secure, and sustainable livelihood strategies that can be replicated and scaled-up.

Progress toward achieving development objective(s):

The project continues to work closely with target communities in an effort to improve their livelihood strategies and services available to them. Diversified forms of income generation have been witnessed in communities which have benefited from increased access to microfinance services. In addition, contingency planning and risk forecasting continues to improve among herding households and local governments. Additional support will be required to ensure that an appropriate institutional framework is established at the national and local levels for pastoral risk management.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36570	Effective	21.89	11.91	9.98	0.00
JPN-26251	Closed	0.21	0.21	0.00	0.00
JPN-51703	Effective	1.30	0.36	0.94	0.00



Project Name (ID): Financial Capacity Development (P071023)

Country: Mongolia

Board Approval Date: 06/11/2002

Closing Date: 03/31/2006

Loan/Credit/Grant Number: IDA-36590, JPN-26728

Sector(s): Payment systems, securities clearance, and settlement (70%), Banking (30%)

Theme(s): State enterprise/bank restructuring and privatization (P), Standards and financial reporting (P), Other financial and private sector development (P)

Project Development Objectives:

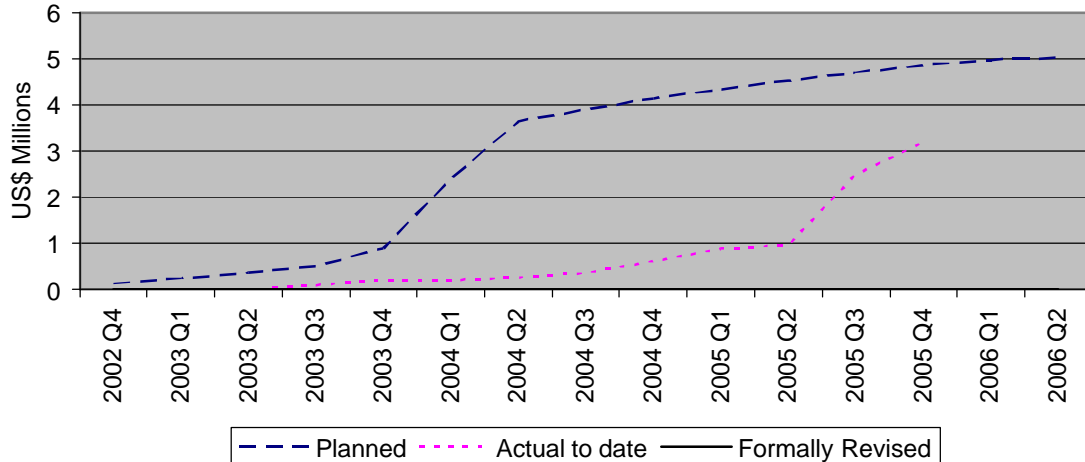
The Project Development Objective is to build institutional capacity of the Mongolian banking sector to reduce systemic risks and enhance financial intermediation.

Progress toward achieving development objective(s):

Noticeable progress was made towards enhancing risk management in one participating bank and modernization of banking payment system, although implementation of risk management at the second participating bank and Savings Bank privatization is slower than originally expected.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36590	Effective	5.84	3.19	2.71	0.00
JPN-26728	Closed	0.25	0.21	0.00	0.04



Project Name (ID): Legal and Judicial Reform (P074001)

Country: Mongolia

Board Approval Date: 12/21/2001

Midterm Review Date: 05/14/2005

Closing Date: 06/30/2006

Loan/Credit/Grant Number: IDA-35950

Sector(s): Law and justice (100%)

Theme(s): Access to law and justice (P), Judicial and other dispute resolution mechanisms (P), Law reform (P), Legal services (P)

Project Development Objectives:

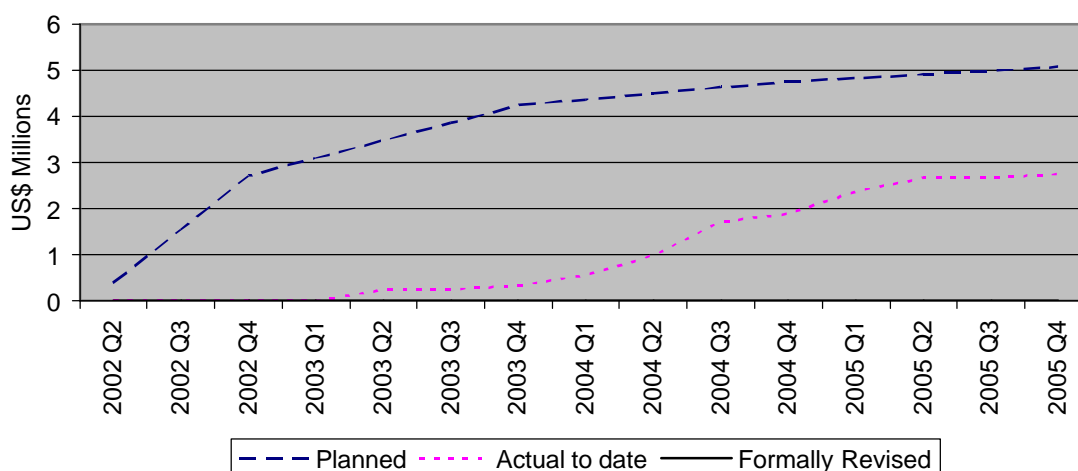
The objective is to enhance public trust and confidence in the legal system as a whole and the judiciary in particular

Progress toward achieving development objective(s):

The Project is implementing well and most of the activities are almost completed. Under Component A the selected courts are refurbished and working; under Component B the National Legal Center is up and running as planned; and under Component C, the new developed curriculum is being tested in the pilot law schools with good preliminary results. The Project is already providing good signs of achieving the development objectives and will likely achieve them at the end of Project implementation.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35950	Effective	5.84	2.75	3.07	0.00



Project Name (ID): Second Ulaanbaatar Services Improvement (P074591)
Country: Mongolia
Board Approval Date: 04/29/2004
Closing Date: 06/30/2010
Loan/Credit/Grant Number: IDA-38900, JPN-51125, JPN-53820
Sector(s): Water supply (100%)
Theme(s): Access to urban services and housing (P)

Project Development Objectives:

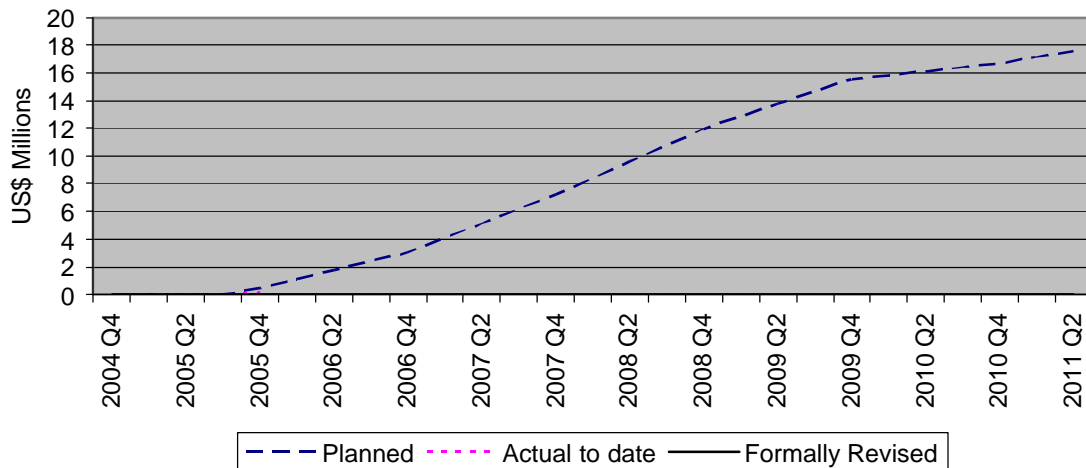
To provide improved water supply to the urban poor in a sustainable manner.

Progress toward achieving development objective(s):

The project just became effective on April 29, 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38900	Effective	17.66	0.17	17.49	0.00
JPN-51125	Closed	0.97	0.96	0.00	0.01
JPN-53820	Effective	1.89	0.00	1.89	0.00



Project Name (ID): Economic Capacity Building Technical Assistance (P077778)

Country: Mongolia

Board Approval Date: 06/24/2003

Closing Date: 09/30/2007

Loan/Credit/Grant Number: IDA-38030, IDA-Q3500

Sector(s): Central government administration (90%), Sub-national government administration (10%)

Theme(s): Macroeconomic management (P), Administrative and civil service reform (P), Public expenditure, financial management, and procurement (P)

Project Development Objectives:

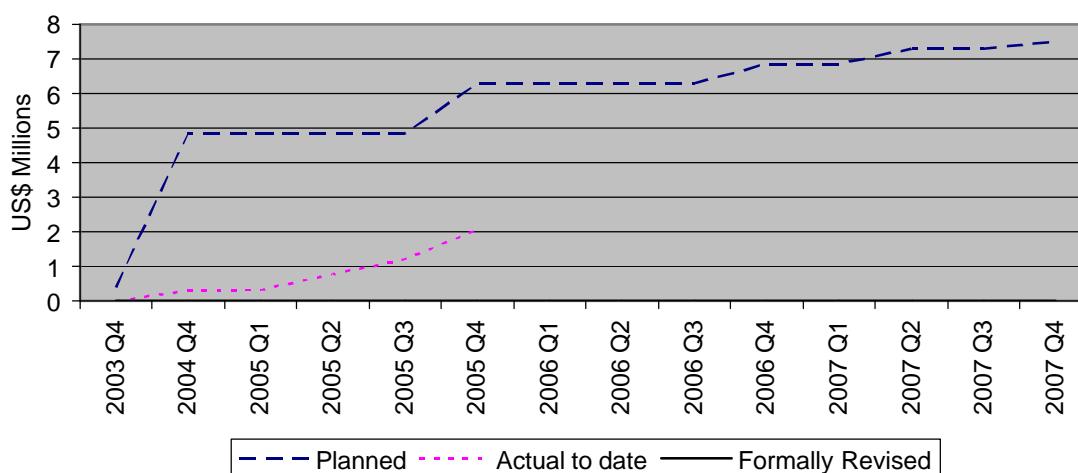
The objectives of the project are to improve: (i) public finance management and (ii) the effectiveness of public administration.

Progress toward achieving development objective(s):

Progress toward achieving the development objectives has been good in FY05 albeit a little slower than earlier forecasted on account of change in government due to parliamentary elections in 2004. The Government Financial Management Information System became fully operational in January 2005 and it has managed to institute tighter checks and balances on expenditure management. The contract for the key public expenditure management reform advisory components is underway. The design work of the Human Resource Management Information System has started and the terms of references for advisory services to assist in implementation of the civil service reform program has been advertised. The true impact of the project's advisory services will be felt once the services are in place.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38030	Effective	8.03	2.05	6.03	0.00
IDA-Q3500	Closed	0.71	0.00	0.71	0.00



Project Name (ID): Index-Based Livestock Insurance (P088816)

Country: Mongolia

Board Approval Date: 05/26/2005

Closing Date: 06/30/2010

Loan/Credit/Grant Number: IDA-40690, JPN-53738

Sector(s): General agriculture, fishing, and forestry (66%), Non-compulsory pensions, insurance, and contractual savings (20%), Central government administration (14%)

Theme(s): Rural services and infrastructure (P), Social analysis and monitoring (P), Natural disaster management (P), Other financial and private sector development (S), Regulation and competition policy (S)

Project Development Objectives:

The Development Objective of the project is to ascertain the viability of index-based livestock insurance in Mongolia to reduce the impact of livestock mortality for herders. This would be achieved through the piloting of index based livestock insurance in three provinces in Mongolia.

Progress toward achieving development objective(s):

This is an initial SOPE. The project was only approved by the Board on May 27, 2005. Project is not effective yet and its implementation has not yet started.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40690	Not Effective	7.50	0.00	7.50	0.00
JPN-53738	Closed	0.36	0.35	0.01	0.00

Project Name (ID): Second Private Sector Development (P088992)

Country: Mongolia

Board Approval Date: 06/28/2005

Closing Date: 04/30/2010

Loan/Credit/Grant Number: IDA-40880, JPN-54591

Sector(s): Micro and SME finance (50%), General finance (30%), Banking (18%), Central government administration (2%)

Theme(s): Small and medium enterprise support (P), Regulation and competition policy (S), Other financial and private sector development (S)

Project Development Objectives:

Project Development Objective is to support commercial banks' efforts to develop the intermediate-term lending market for Mongolia's private sector.

Progress toward achieving development objective(s):

The project is not yet effective. Effectiveness expected by September 30, 2005.

Lending Information/Disbursement Summary (USD millions, as of June 30 2005)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40880	Not Effective	10.20	0.00	10.20	0.00
JPN-54591	Effective	0.22	0.09	0.13	0.00