

**STATUS OF PROJECTS IN EXECUTION – FY08**

**EAST ASIA AND PACIFIC REGION**

**COUNTRY: MONGOLIA**

**Operations Policy and Country Services  
October 11, 2008**





## Introduction

The Status of Projects in Execution (SOPE) Report for FY08 provides information on all IBRD/IDA projects that were active as of June 30, 2008. For the first time, the SOPE report will include recipient-executed projects (over US\$ 5 million). The World Bank has issued a SOPE Report every year as an internal communication to the Board of Executive Directors. In accordance with the Bank's revised disclosure policy, since FY02, the SOPE Report is available to the public.

The report is intended to bridge the gap in information available to the public between the Project Appraisal Document or Program Document, disclosed after the Bank approves a project, and the Implementation Completion Report, disclosed after the project closes.

In addition to the project progress description, the FY08 SOPE report<sup>1</sup> contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

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<sup>1</sup> Notes:

- Amounts and graphs for loans/credits/grants in currencies other than U.S. dollars may not match exactly due to exchange rate fluctuations over the life of the project.
- Graphs of original estimates for some recipient-executed projects might not exist since they are not required in the project document.
- Disbursement graphs are not included for Development Policy Operations, which provide quick-disbursing financing to support policy and institutional reforms. For these operations, funds are disbursed in one or more stages (tranches), released when the borrower complies with agreed prior actions.
- Projects which are not yet effective may not have a planned disbursement schedule and thus will not include a graph.

**Project Name (ID):** MN-Energy Sector (P040907)

**Country:** Mongolia

**Board Approval Date:** 05/03/2001

**Midterm Review Date:** 04/15/2005

**Closing Date:** 12/31/2008

**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:**

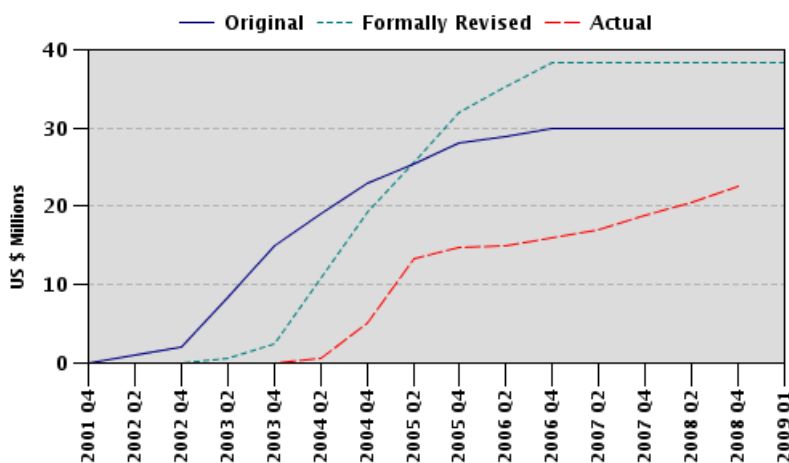
To reduce system losses and improve revenue collection in electricity distribution companies in Mongolia.

**Progress toward achieving development objective(s):**

In spite of procurement related projects and Inter-Ministerial issues affecting most infrastructure projects in Mongolia, the Energy Project is achieving sustained satisfactory, if not highly satisfactory, results on the ground. Given the fact that Project's investments and interventions focused in the Ger areas, not the growing downtown area, the PDO indicators were modified related to the quality and reliability (SAIFI, SAIDI) by using the intermediate indicators such as loss reduction targets, financial performance, etc. which are more reflective of this type of operation.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35030	Effective	36.97	21.88	13.85	0.00



**Project Name (ID):** MN-Financial Capacity Dev. Project (P071023)

**Country:** Mongolia

**Board Approval Date:** 06/11/2002

**Closing Date:** 09/30/2008

**Loan/Credit/Grant Number:** TF-26728, IDA-36590

**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:**

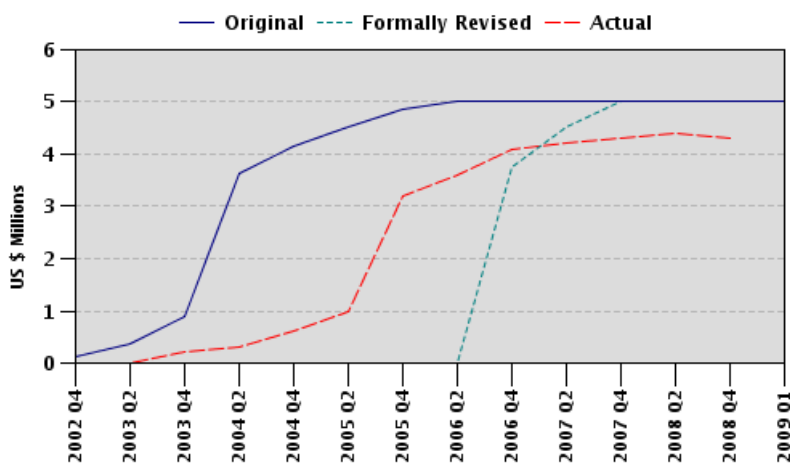
The Project Development Objective is to build institutional capacity of the Mongolian banking sector to reduce systemic risks and enhance financial intermediation.

**Progress toward achieving development objective(s):**

The Switch Clearing House System, an important milestone achieved under the project in 2006 towards the modernization of the banking payment system, continues to operate effectively. The upgrade of the payment system to Real Time Gross Settlement (RTGS) is progressing after initial delays. The Government has requested extension of the closing date of the project to June 30, 2009 in order to complete the implement the RTGS upgrade. The other components of the project were closed in March 31, 2007.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-26728	Closed	0.25	0.21	0.00	0.04
IDA-36590	Effective	6.37	4.35	1.69	0.00



**Project Name (ID):** MN-UB SERVICES IMPROVMT 2 (P074591)

**Country:** Mongolia

**Board Approval Date:** 04/29/2004

**Midterm Review Date:** 03/16/2008

**Closing Date:** 06/30/2010

**Loan/Credit/Grant Number:** TF-53820, TF-51125, IDA-38900

**Sector(s):** Water supply (100%)

**Theme(s):** Access to urban services and housing (P)

**Project Development Objectives:**

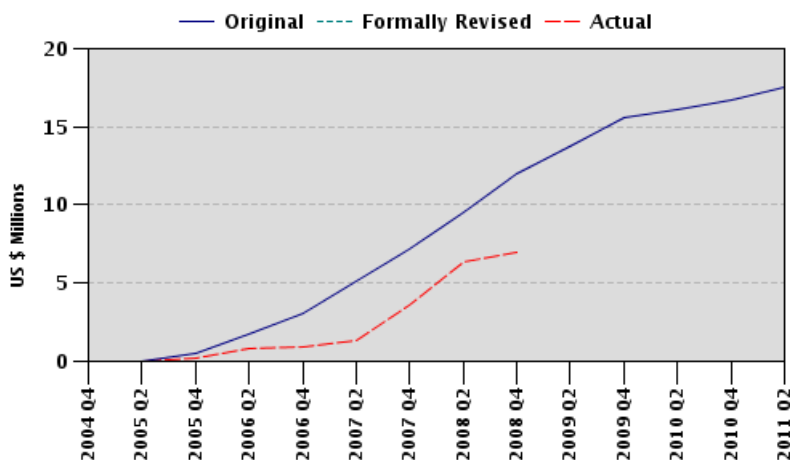
To provide improved water supply to the urban poor in a sustainable manner.

**Progress toward achieving development objective(s):**

The project continues to make progress toward achieving its objectives and improving water supply for the poor ger areas of Ulaanbaatar. Advances have been made in reservoir construction and pipe laying, but these investments have not yet yielded direct benefits at the neighborhood level because water kiosks and network connections have not been completed. The viability and sustainability of the city's water and sewerage company (USUG) remains a critical challenge and action plans to mitigate its financial default are lagging. Water tariffs have increased only slightly, except in the ger areas, where residents now pay more than five times as much as apartment dwellers. Various measures are being considered to improve the financial situation of the USUG.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-53820	Effective	1.89	0.30	1.59	0.00
TF-51125	Closed	0.97	0.96	0.00	0.01
IDA-38900	Effective	19.64	6.98	12.18	0.00



**Project Name (ID):** MN Economic Capacity Tech. Assistance (P077778)

**Country:** Mongolia

**Board Approval Date:** 06/24/2003

**Midterm Review Date:** 01/25/2007

**Closing Date:** 09/30/2009

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

**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:**

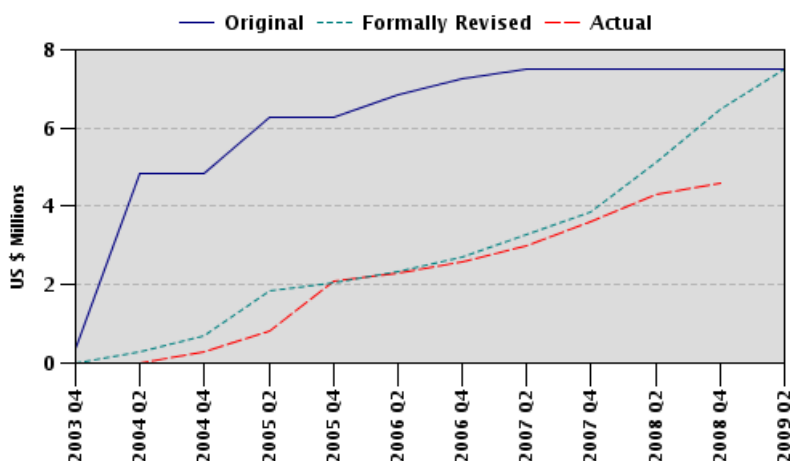
The objectives of the project are to improve: (i) public finance management and (ii) the effectiveness of public administration.

**Progress toward achieving development objective(s):**

The development of the GFMIS has been successfully completed, and the project has supported further rollout and connectivity to the soums. There are two remaining major activities in the project: the development and implementation of a Human Resource Management System, and the development and implementation of a Budget Preparation Information System. The procurement process for these has been initiated.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-Q3500	Closed	0.71	0.00	0.71	0.00
IDA-38030	Effective	8.99	4.64	3.97	0.00



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

**Country:** Mongolia

**Board Approval Date:** 05/26/2005

**Midterm Review Date:** 11/09/2007

**Closing Date:** 06/30/2011

**Loan/Credit/Grant Number:** TF-54740, TF-53738, IDA-40690

**Sector(s):** General agriculture, fishing and forestry sector (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:

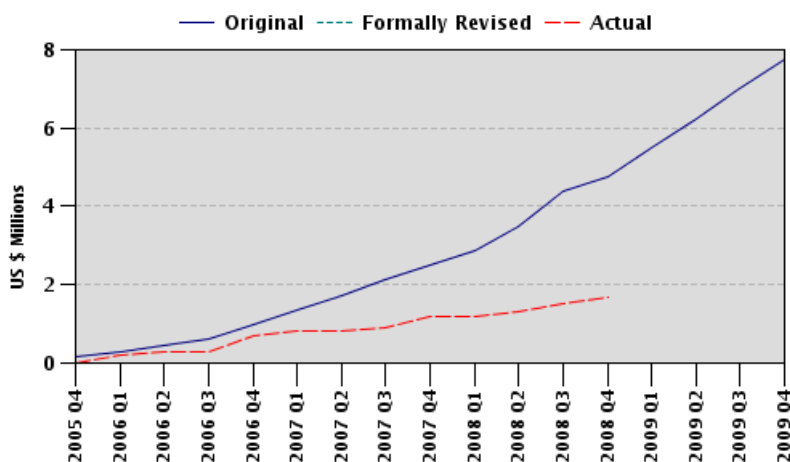
The objective is to ascertain the viability of index-based livestock insurance in Mongolia to reduce the impact of livestock mortality on herders through the piloting of index-based livestock insurance in three provinces.

### Progress toward achieving development objective(s):

Progress towards meeting the project's development objective has been good. The first full cycle of the insurance pilot was concluded in August 2007, and although claims on the policies were small, these were successfully distributed. The third selling season was open from April-July 2008, and preliminary figures indicate that sales were again high, exceeding the original targets. The 2007/2008 winter was hard in the western provinces, and a late storm in eastern Mongolia caused high livestock mortality, triggering significant payouts of the insurance and requiring government to draw down on the Contingent Debt Facility. Indemnity payments are now being distributed. During this process, the mechanisms and institutional capacity for operating the index-based approach has been well tested. The indications are that the approach is viable in Mongolia and that a phased scale-up should be considered.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-54740	Effective	1.32	0.85	0.47	0.00
TF-53738	Closed	0.36	0.36	0.00	0.00
IDA-40690	Effective	8.07	1.67	6.35	0.00



**Project Name (ID):** MN-Private Sector Development Credit II (P088992)

**Country:** Mongolia

**Board Approval Date:** 06/28/2005

**Closing Date:** 04/30/2010

**Loan/Credit/Grant Number:** TF-54591, IDA-40880

**Sector(s):** Micro- and SME finance (50%), General finance sector (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:**

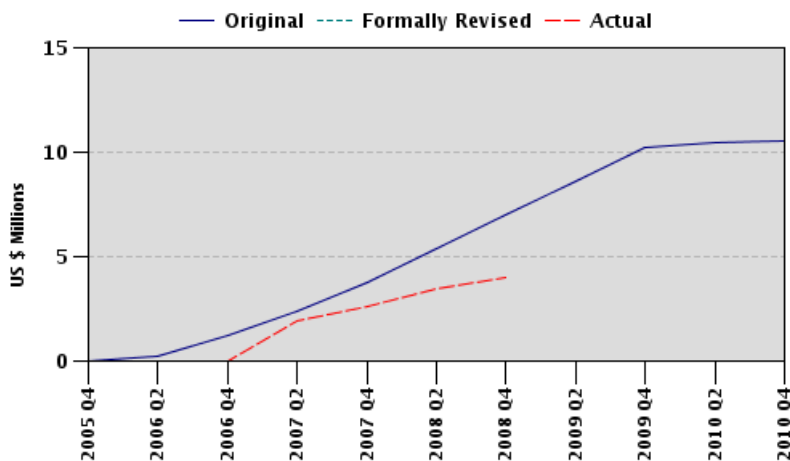
Project Development Objective is to support commercial banks' efforts to develop the intermediate-term lending market for Mongolia's private sector.

**Progress toward achieving development objective(s):**

Progress has been made over the last year towards supporting the medium term lending and two new banks being added to the project. However, country, institution and project specific issues continue to cause delays in project implementation despite the addition of the two new banks. The technical assistance program to strengthen supervision capacity at the Bank of Mongolia is proceeding as planned. Discussions are ongoing for effective training plans to improve the risk management capacity at three commercial banks; some of the training has already been completed in two banks.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-54591	Closed	0.22	0.14	0.00	0.08
IDA-40880	Effective	11.43	4.00	7.14	0.00



**Project Name (ID):** MN-Info & Com Infra Dev (P092965)

**Country:** Mongolia

**Board Approval Date:** 06/08/2006

**Closing Date:** 03/31/2012

**Loan/Credit/Grant Number:** IDA-H2320, IDA-Q5180, TF-56536

**Sector(s):** Telecommunications (61%), Central government administration (34%), General information and communications sector (5%)

**Theme(s):** Regulation and competition policy (P), Infrastructure services for private sector development (P), Rural services and infrastructure (P), Other financial and private sector development (S)

### Project Development Objectives:

The project's long-term development objectives are to:

(a) Significantly increase the coverage and use of relevant ICT services among the rural population through an incentive program designed to encourage the participation of private operators in the rural segment of the ICT market; and

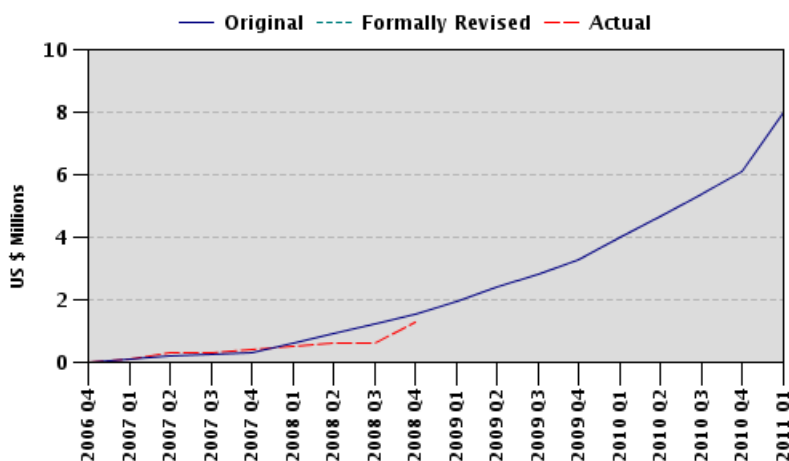
(b) Increase private sector participation in the delivery of e-Government services, thereby improving public sector utilization of ICT.

### Progress toward achieving development objective(s):

The project continues to make good progress toward achieving its development objectives. A considerable progress has been made in the area of Universal Access resulting in the fact that mobile telephony services will be available in almost all soum centers in Mongolia by end of 2008. The acquisition of the Spectrum Monitoring System is also ongoing and its implementation should be completed by June 2009. Significant progress has been also made in the areas of numbering, establishing the enabling environment for public-private partnerships in e-Government, and capacity building. The preparation for the implementation of e-Government applications is delayed.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2320	Effective	9.02	1.32	7.65	0.00
IDA-Q5180	Closed	0.76	0.00	0.00	0.76
TF-56536	Effective	2.00	0.95	1.05	0.00



**Project Name (ID):** MN-Rural Education and Development -READ (P096328)

**Country:** Mongolia

**Board Approval Date:** 05/23/2006

**Closing Date:** 02/28/2013

**Loan/Credit/Grant Number:** IDA-H2210, IDA-H3730, IDA-Q4990

**Sector(s):** Primary education (75%), Central government administration (25%)

**Theme(s):** Education for all (P), Rural services and infrastructure (S)

### Project Development Objectives:

The objective of the project is to assist the Recipient in enhancing the quality of education in rural primary schools, grades 1-5, by improving students' access to, and use of, quality learning materials and improving teachers' skills through promoting professional networks.

### The project was restructured, or received Additional Financing during FY 08

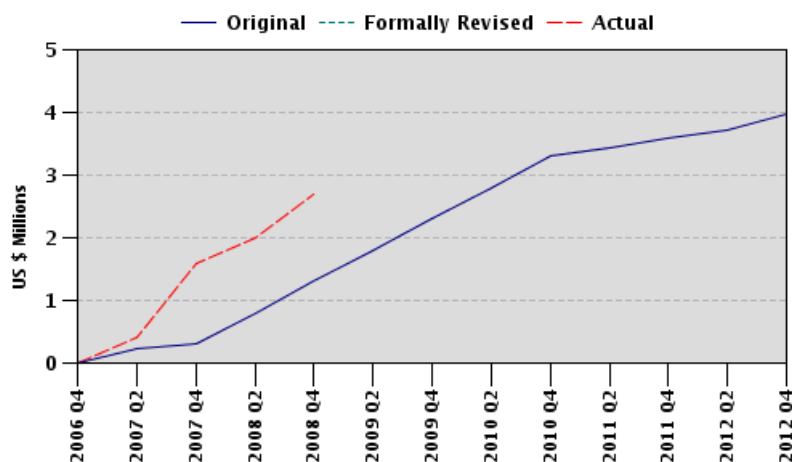
Additional financing under READ of \$1 million was approved by the World Bank Board to support the distribution of a new deployment of XO laptop computers with Mongolia-specific educational content to children and teachers in selected pilot READ-participating primary schools.

### Progress toward achieving development objective(s):

Progress under the project towards the objectives is steady in terms of getting books to children and training to teachers in difficult to reach rural schools. This has been a difficult and important accomplishment. The books are well designed, and the cascade training and teachers' network are effective. The encouragement of borrowing and reading books in the classroom, the approach to ask students to make small and big books with their parents and teachers, and the acting out of the content of books have generated enthusiasm for reading beyond the classroom, spilling into the community. The Project is well on its way toward meeting its core development objectives.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2210	Effective	4.40	2.73	1.62	0.00
IDA-H3730	Not Effective	1.01	0.00	1.01	0.00
IDA-Q4990	Closed	0.10	0.00	0.00	0.10



**Project Name (ID):** MN-Sustainable Livelihoods Project II (P096439)

**Country:** Mongolia

**Board Approval Date:** 06/19/2007

**Closing Date:** 06/30/2012

**Loan/Credit/Grant Number:** TF-90580, TF-56905, IDA-H3130, IDA-43300

**Sector(s):** Other social services (40%), Animal production (20%), Micro- and SME finance (18%), General public administration sector (17%), General education sector (5%)

**Theme(s):** Other social protection and risk management (P), Participation and civic engagement (P), Other rural development (P), Rural markets (S), Land administration and management (S)

### Project Development Objectives:

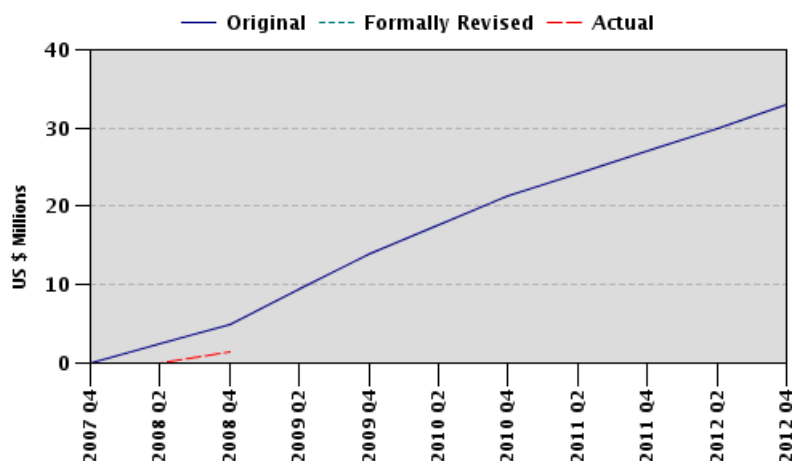
The objective is to enhance livelihood security and sustainability by scaling-up institutional mechanisms that reduce the vulnerability of communities throughout Mongolia.

### Progress toward achieving development objective(s):

The Credit became effective on April 17, 2008, so progress towards the project development objective is naturally limited. The initial focus has been the full staffing of project implementation agencies at the local, provincial and central levels and the provision of training to project staff and participating communities. The procurement of several key consultancy contracts has commenced.

### Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-90580	Effective	3.91	0.00	3.91	0.00
TF-56905	Closed	0.75	0.61	0.00	0.14
IDA-H3130	Effective	13.99	1.00	13.14	0.00
IDA-43300	Effective	21.15	0.50	20.65	0.00



**Project Name (ID):** MN-Governance Assistance (P098426)

**Country:** Mongolia

**Board Approval Date:** 05/23/2006

**Closing Date:** 01/15/2012

**Loan/Credit/Grant Number:** IDA-H2220

**Sector(s):** Central government administration (81%), General public administration sector (19%)

**Theme(s):** Tax policy and administration (P), Debt management and fiscal sustainability (P), Public expenditure, financial management and procurement (P), Other accountability/anti-corruption (P), Regulation and competition policy (S)

**Project Development Objectives:**

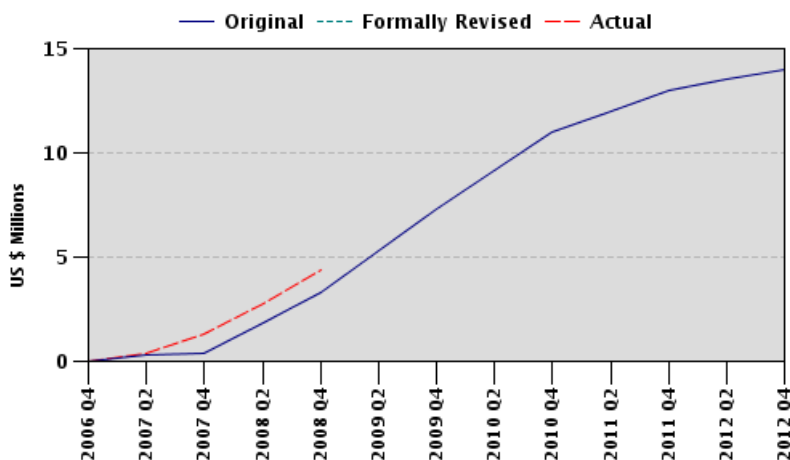
Project Development Objectives are to i) improve the efficiency and effectiveness of governance processes in the management of public finances, (ii) promote transparency and accountability in the performance of public sector functions, and (iii) foster the investment climate in Mongolia.

**Progress toward achieving development objective(s):**

Overall project implementation is satisfactory and the project is on track to meet its development objectives. Following the recent supervision mission in May, project allocations to the civil service council, the anti-corruption agency, and the IT Division have been increased to support, respectively, further capacity building of the Civil Service Council in light of its enhanced mandate following the recent amendments to the Civil Service Law; the anti-corruption public awareness campaign to be conducted by the Independent Agency Against Corruption; and capacity building of the IT Division to further improve GFMIS functionality.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2220	Effective	15.38	4.39	10.95	0.00



**Project Name (ID):** MN-Renewable Energy for Rural Access (P099321)

**Country:** Mongolia

**Board Approval Date:** 12/19/2006

**Closing Date:** 12/31/2011

**Loan/Credit/Grant Number:** TF-90858, IDA-H2630

**Sector(s):** Renewable energy (90%), Central government administration (8%), Health (1%), General education sector (1%)

**Theme(s):** Rural services and infrastructure (P), Regulation and competition policy (S), Climate change (S)

**Project Development Objectives:**

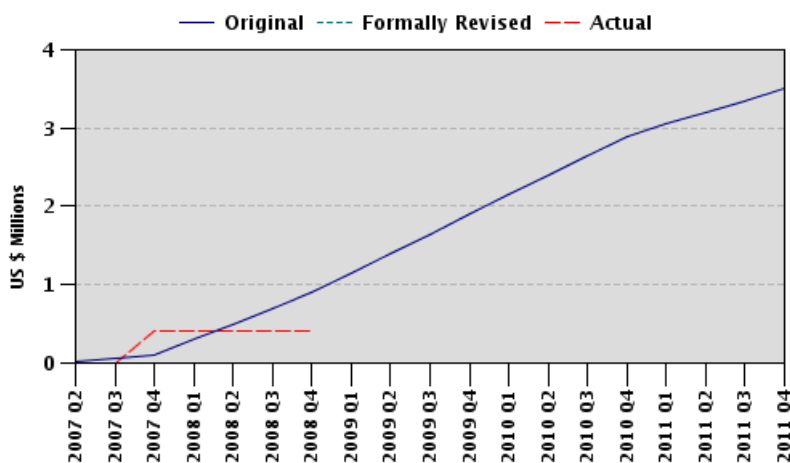
The development objective of the proposed project is to increase access to electricity and improve reliability of electricity service among the herder population and in off-grid soum centers. The global environment objective is to remove barriers to the development and use of renewable energy technologies in grid and off-grid connected systems and reduce emissions of carbon dioxide. The rehabilitation of the soum mini grid will further reduce diesel fuel consumption of the hybrid systems with additional CO2 emissions reduction benefits.

**Progress toward achieving development objective(s):**

Project implementation activities are focusing in preparation of bidding documents to start construction next spring. The project is on track to achieve its objectives.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-90858	Effective	6.00	0.60	5.40	0.00
IDA-H2630	Effective	3.59	0.40	3.19	0.00



**Project Name (ID):** MN-Enhanced Justice Sec Services (P101446)

**Country:** Mongolia

**Board Approval Date:** 06/26/2008

**Closing Date:** 12/31/2012

**Loan/Credit/Grant Number:** IDA-44930, IDA-H4130

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

**Theme(s):** Judicial and other dispute resolution mechanisms (P), Other rule of law (S), Legal services (S), Personal and property rights (S)

**Project Development Objectives:**

The project's development objective is to enhance the efficiency, transparency and accountability of justice sector institutions. This objective will be achieved by assisting the Government of Mongolia to mainstream and scale-up the results achieved, and lessons learned, through the Mongolia Legal and Judicial Reform Project (LJRP). In order to achieve the goals of transparency and accountability the following areas will be supported under the project: (i) Enhancing public legal education on the justice sector (ii) Increasing transparency through improved access to legal information (iii) Enhancing judicial operations, enforcement and monitoring of court decisions.

**Progress toward achieving development objective(s):**

The project was approved by the Board on June 26, 2008 and is not yet effective.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-44930	Not Effective	3.37	0.00	3.37	0.00
IDA-H4130	Not Effective	1.68	0.00	1.68	0.00

**Project Name (ID):** MN- Mining Sector Inst Strengthening TA (P108768)

**Country:** Mongolia

**Board Approval Date:** 06/26/2008

**Closing Date:** 12/31/2012

**Loan/Credit/Grant Number:** IDA-H4110, IDA-44890

**Sector(s):** Central government administration (80%), Mining and other extractive (20%)

**Theme(s):** Other public sector governance (P), Regulation and competition policy (P), Public expenditure, financial management and procurement (S), Tax policy and administration (S)

**Project Development Objectives:**

The proposed Project is seen as the first phase of a longer-term (in the order of 10 years) engagement to support the Government in this key sector. The project development objective (PDO) for this first phase is for the Government to develop further the policy, fiscal, legal, regulatory and institutional framework for the mining and extractive sector that meets the needs of government, industry, and civil society. This includes the operation of Erdenes MGL LLC according to good international practice associated with a commercial entity.

**Progress toward achieving development objective(s):**

The project was not effective before the close of the reporting period.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Amount</b>	<b>Disbursed</b>	<b>Undisbursed</b>	<b>Cancellation</b>
IDA-H4110	Not Effective	4.18	0.00	4.18	0.00
IDA-44890	Not Effective	5.12	0.00	5.12	0.00



**Project Name (ID):** MN-EDUCATION FOR ALL EFA-FTI (TF058043) (P108776)

**Country:** Mongolia

**Board Approval Date:** 03/16/2007

**Closing Date:** 12/31/2009

**Loan/Credit/Grant Number:** TF-58043

**Sector(s):** Primary education (100%)

**Theme(s):** Education for all (P)

**Project Development Objectives:**

The Grant objectives are: 1)Improving primary school teaching and learning; 2)Improving pre-school education in rural areas by providing mobile ger pre-schools; 3)Improving primary school capacity in overcrowded areas by building a new general secondary school complex; 4)Improving rural school facilities; and 5)Improving Grant management.

**Progress toward achieving development objective(s):**

Progress toward achieving the Grant objectives was steady during the reporting period. The project provided pre-service and in-service teacher professional development; increased pre-school enrollment by building mobile schools; increased basic education enrollment by building school-kindergarten complexes and repairing school buildings; increased enrollment of herder children by improving school and dormitory facilities that were child friendly, healthy and safe; and enhanced effective implementation of the Grant itself.

**Lending Information/Disbursement Summary (USD millions, as of June 30, 2008)**

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
TF-58043	Effective	17.10	8.20	8.90	0.00

