

**STATUS OF PROJECTS IN EXECUTION – FY09  
SOPE**

**EAST ASIA AND PACIFIC REGION  
COUNTRY: MONGOLIA**

**Operations Policy and Country Services  
OCTOBER 02, 2009**



## Introduction

The Status of Projects in Execution (SOPE) Report for FY09 provides information on all IBRD/IDA projects that were active as of June 30, 2009. 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 FY09 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.
- 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.



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## Mongolia

**Project Name(ID):** MN Economic Capacity Tech. Assistance (P077778)  
**Country:** Mongolia  
**Board Approval Date:** 24-Jun-2003  
**Mid-Term Review Date:** 25-Jan-2007  
**Closing Date:** 30-Sep-2011  
**Sector:** Central government administration (90%); Sub-national government administration (10%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** 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):**

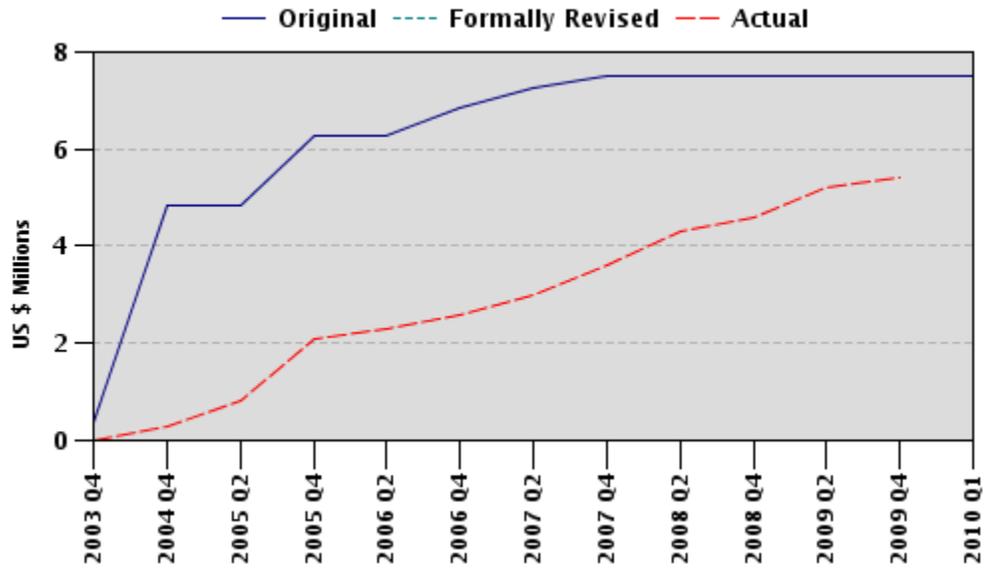
The project has made some notable progress in FY09. The closing date for the project was extended to September 30, 2011 to allow for the satisfactory completion of many on-going tasks, and to enable technical assistance in new areas to respond to the economic crisis. The contract for developing a new Budgeting Information System was awarded and the system is currently under development. New TA with the National Innovation and Development Committee (the newly formed planning agency) was agreed to in order to strengthen strategic planning. It was also agreed that the HRMIS, the procurement of which was repeatedly delayed over the past three years, would be simplified and reduced in scope to make it more manageable and to allow for the reallocation of funds to respond to the new needs (for for example, strengthening planning) posed by the crisis

### Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-38030	Effective	XDR	8.54	5.44	2.96	0.00
IDA-Q3500	Closed	USD	0.71	0.00	0.71	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Index-Based Livestock Insurance (P088816)  
**Country:** Mongolia  
**Board Approval Date:** 26-May-2005  
**Mid-Term Review Date:** 09-Nov-2007  
**Closing Date:** 30-Jun-2011  
**Sector:** General agriculture, fishing and forestry sector (66%); Non-compulsory pensions, insurance and contractual savings (20%); Central government administration (14%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** 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.

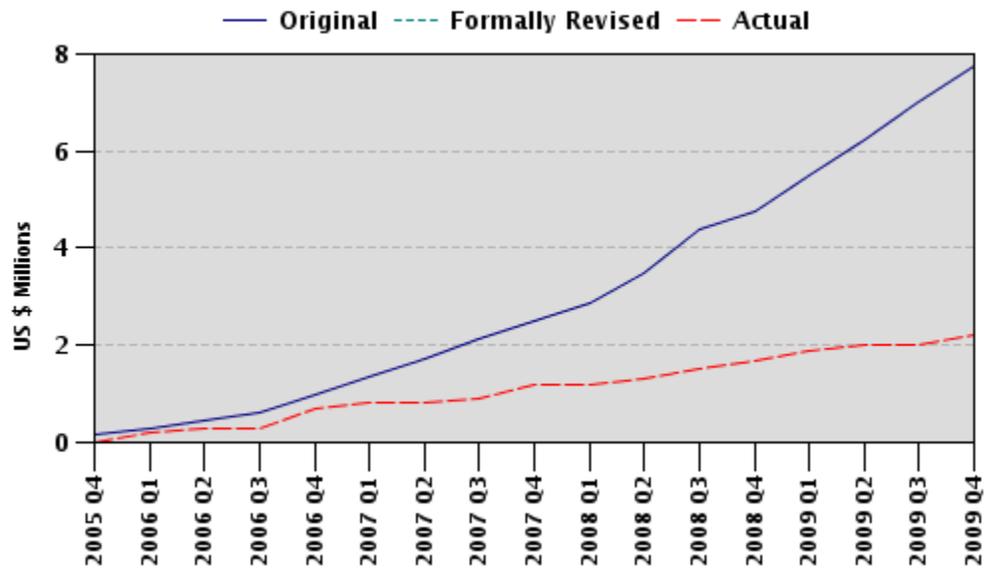
**Progress toward achieving development objective(s):** Excellent progress has been made in achieving the project objective in FY09. High rates of livestock mortality triggered high payouts to herders in August 2008, which successfully demonstrated that mechanisms for paying claims worked well. Sales in 2009 had beaten all previous levels, up by 30 percent from 2008 and that despite the severe economic downturn in rural areas resulting from a collapse in cashmere prices. Due to this continued robust performance, IDA is now in discussion with government to scale up the project using Additional Financing, which is scheduled for Board presentation in October 2009. This will require a modification of the PDO to reflect the shift from piloting to scaling up.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-40690	Effective	XDR	7.96	2.22	5.75	0.00
TF-53738	Closed	USD	0.36	0.36	0.00	0.00
TF-54740	Effective	USD	1.32	1.30	0.02	0.00
TF-94002	Effective	USD	0.30	0.00	0.30	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Energy Sector (P040907)  
**Country:** Mongolia  
**Board Approval Date:** 03-May-2001  
**Mid-Term Review Date:** 15-Apr-2005  
**Closing Date:** 31-Dec-2009  
**Sector:** Power (97%); Central government administration (3%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** To reduce system losses and improve revenue collection in electricity distribution companies in Mongolia.

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

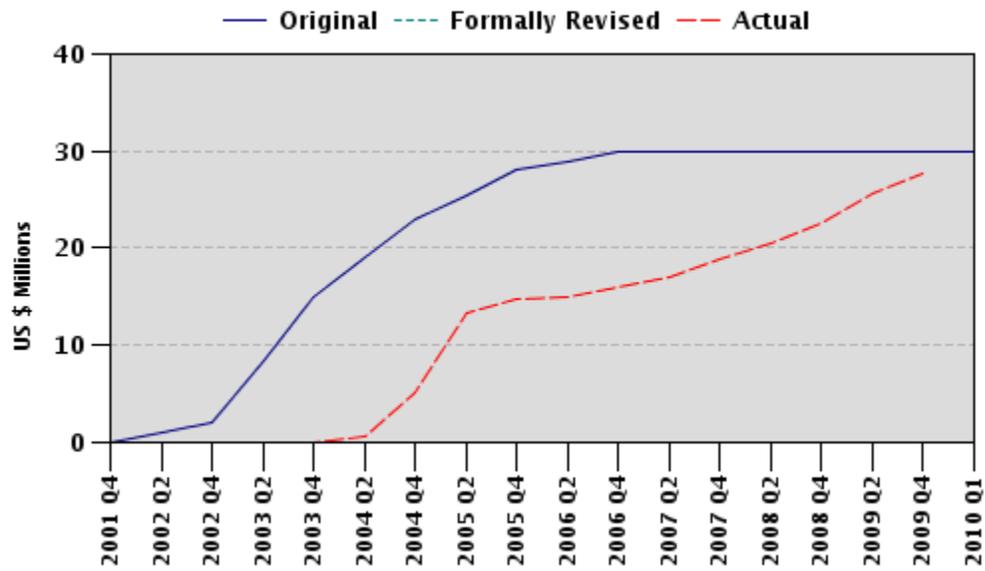
The PDOs are likely to be achieved. The system losses for electricity distribution companies continue to decline and receivables are performing very well. Procurement-related issues have been largely resolved particularly with the finalization of contracts for construction of the Dornod I and 4Zam substations. The rehabilitation work for Ulaanbaatar Electricity Distribution Network (UBEDN) and Westrn Aimags is also proceeding satisfactorily and can be completed by the closing date. Consultancy inputs to improve Aimag performance and to strengthen UBEDN's distribution function are progressing satisfactorily and will help improve the performance of project utilities. The Government has requested Additional Financing of about US\$16.5 million, to be considered by the Board in FY10.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-35030	Effective	XDR	36.35	27.87	7.58	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Private Sector Development Credit II (P088992)  
**Country:** Mongolia  
**Board Approval Date:** 28-Jun-2005  
**Mid-Term Review Date:** 24-Nov-2008  
**Closing Date:** 30-Apr-2010  
**Sector:** Micro- and SME finance (50%); General finance sector (30%);  
 Banking (18%); Central government administration (2%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** Project Development Objective is to support commercial banks' efforts to develop the intermediate-term lending market for Mongolia's private sector.

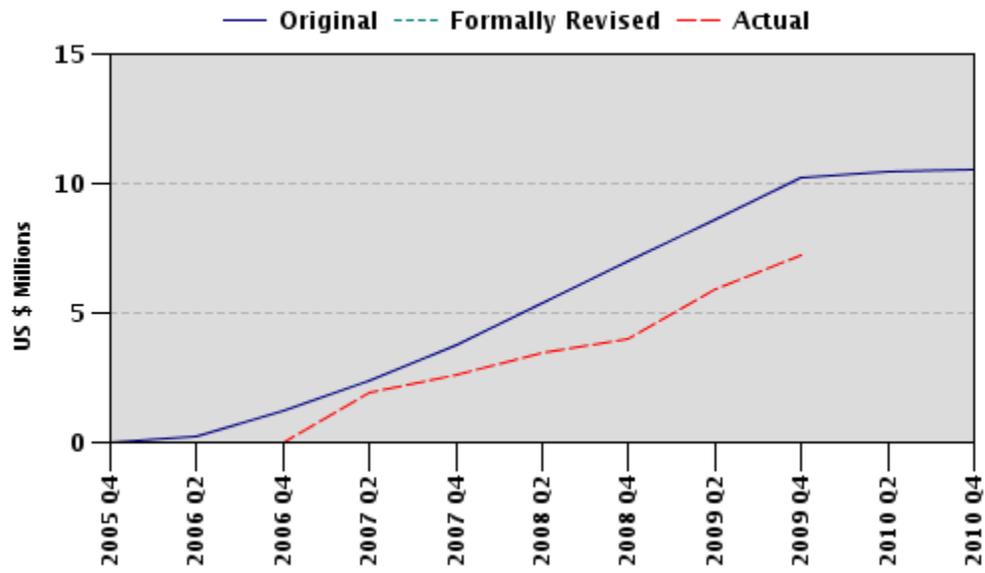
**Progress toward achieving development objective(s):** Though progress has been made over the 2nd half of 2008 towards supporting the medium term lending, project implementation was affected due to developments in the global and Mongolian financial markets. At the Government's request a component for consultancy services was added to support Bank of Mongolia capacity to address the emerging banking sector issues and prepare for any financial crisis management need in the future. The technical assistance program to strengthen capacity at the 3 PFIs is proceeding gradually albeit slowly as the banks are busy dealing with immediate issues.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-40880	Effective	XDR	10.85	7.25	3.48	0.00
TF-54591	Closed	USD	0.22	0.14	0.00	0.08



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Info & Com Infra Dev (P092965)  
**Country:** Mongolia  
**Board Approval Date:** 08-Jun-2006  
**Mid-Term Review Date:** 10-Jun-2009  
**Closing Date:** 31-Mar-2012  
**Sector:** Telecommunications (61%); Central government administration (34%); General information and communications sector (5%)  
**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):**

The project's 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):**

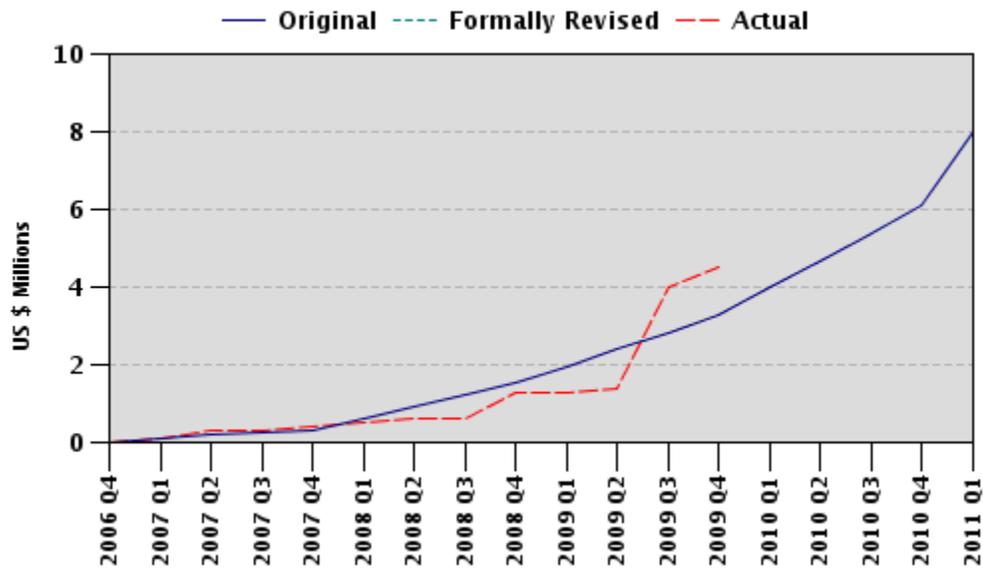
Project implementation is progressing well and the PDOs are on their way to being met. Access to and use of information and communication technology service among the rural population have significantly increased with the availability of modern mobile telephony services in all soum centers in Mongolia; access to public telephony services at the bagh level by 120 rural herder communities; and the installation of a modern Spectrum Monitoring System. Private sector participation in the delivery e-Government services is also expected to increase once the internet services and e-government applications are in place. Preparation for the installation of these services and activities are underway after the initial delay.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-H2320	Effective	XDR	8.61	4.53	3.99	0.00
IDA-Q5180	Closed	USD	0.76	0.00	0.00	0.76
TF-56536	Effective	USD	2.00	1.36	0.64	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN- Mining Sector Inst Strengthening TA (P108768)  
**Country:** Mongolia  
**Board Approval Date:** 26-Jun-2008  
**Mid-Term Review Date:**  
**Closing Date:** 31-Dec-2012  
**Sector:** Central government administration (80%); Mining and other extractive (20%)

**The project was restructured, or received Additional Financing during FY09:** no

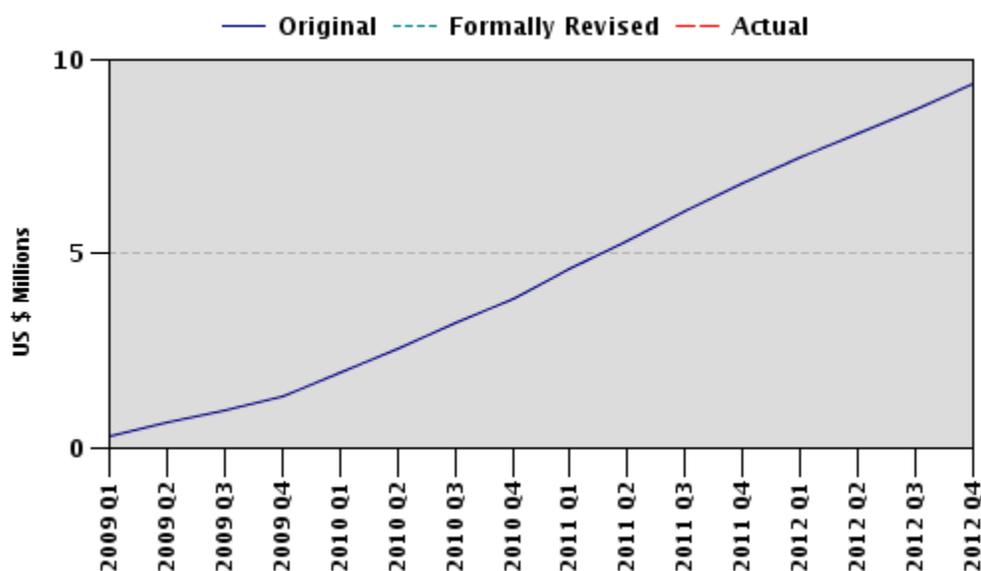
**Project development objective(s):** The objective is to further develop the policy, fiscal, legal, regulatory and institutional framework for the mining sector and to improve macroeconomic and mining sector management.

**Progress toward achieving development objective(s):** The Project just became effective in May 2009 following a long delay in legal agreement signing by Government due to general elections immediately following Board approval. Project activities have recently commenced so it is too early to have achieved any specific outcomes.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-44890	Effective	XDR	4.90	0.00	4.90	0.00
IDA-H4110	Effective	XDR	4.01	0.50	3.51	0.00

**Lending Information/Disbursement Summary (in millions USD)**



**Project Name(ID):** MN-Renewable Energy for Rural Access (P099321)  
**Country:** Mongolia  
**Board Approval Date:** 19-Dec-2006  
**Mid-Term Review Date:**  
**Closing Date:** 31-Dec-2011  
**Sector:** Renewable energy (90%); Central government administration (8%); Health (1%); General education sector (1%)  
**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):**

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):**

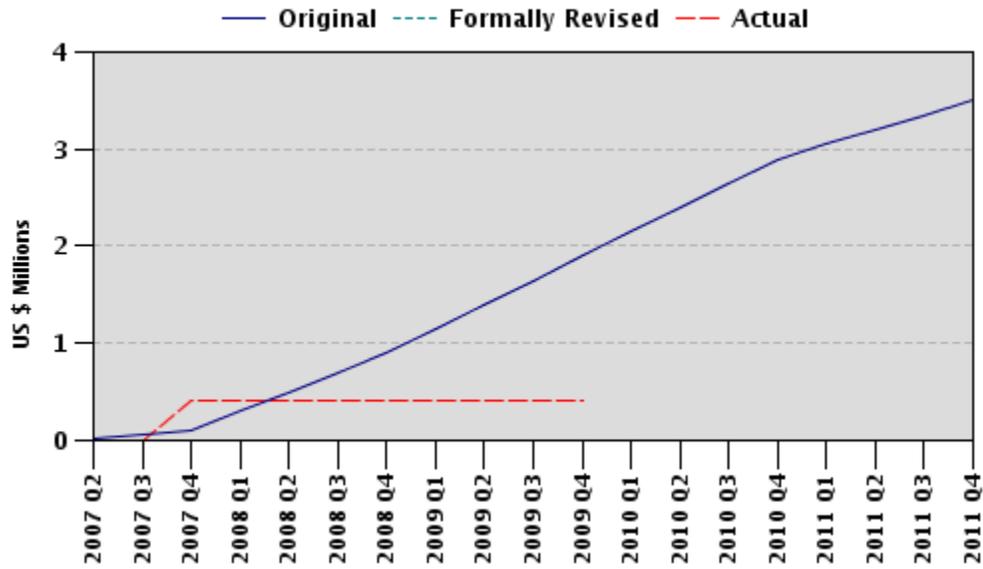
The project is on its way to meeting its development objectives. The Government of Mongolia (GoM) has thus far sold and distributed 40,400 (81%) out of the total 50,000 solar home systems and wind turbine systems to herder families. These accomplishments should lead the project to meet its indicator of increasing the percent of the herder population with access to reliable electricity services. Furthermore, the GoM has also accelerated its Soum electricity access program and has rehabilitated 15 of the 30 mini grids, and has installed 11 of the 20 renewable diesel hybrid systems, with an additional five soums having been connected to the main power grid. This achievement will increase the number of people in off-grid soum centers with access to improved and reliable electricity services supported by renewable or renewable-diesel hybrid systems. In addition, 30 sales and service centers (SSCs) have been established towards the target of 50 SSCs upon completion. These additional SSCs will help to ensure sustainable delivery and after sales service to the herder population.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-H2630	Effective	XDR	3.60	0.40	3.27	0.00
TF-90858	Effective	USD	6.00	0.60	5.40	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Governance Assistance (P098426)  
**Country:** Mongolia  
**Board Approval Date:** 23-May-2006  
**Mid-Term Review Date:**  
**Closing Date:** 15-Jan-2012  
**Sector:** Central government administration (81%); General public administration sector (19%)  
**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** 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.

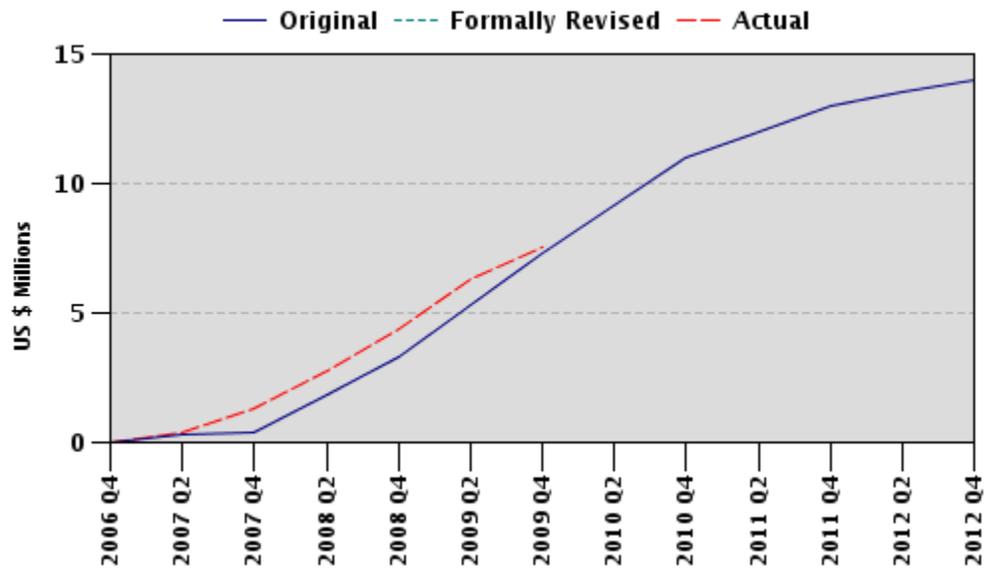
**Progress toward achieving development objective(s):** Overall progress has been satisfactory. Two project components -- on connecting the soums to the GFMS and on TA for the National Statistical Office -- have been completed. Specifically, 210 soums have been connected to the GFMS with the Government aiming to increase the number to the 253 soums with electricity connections this year. For the NSO the project supported the development and analysis of the last round of the household socio-economic survey, and upgrading the NSO's IT infrastructure. Other notable achievements for the year in the other project components are as follows: Anti-corruption: The project is supporting the development of an on-line portal for income and asset declaration to standardize reporting formats and ease analysis. A second anti-corruption public awareness campaign in partnership with the Asia Foundation was also completed this year Mining cadastre: A consulting firm has been engaged to prepare the computer software to support licensing management.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-H2220	Effective	XDR	15.06	7.73	7.32	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-MONSTAT (P113160)  
**Country:** Mongolia  
**Board Approval Date:** 12-Jun-2009  
**Mid-Term Review Date:**  
**Closing Date:** 31-Dec-2014  
**Sector:** Central government administration (100%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** The main objective of the project is to improve efficiency and effectiveness of the national statistical system of Mongolia to enable it to provide relevant, timely and reliable data for evidence-based policy making in support of Government's MDG-based National Development Strategy (NDS).

**Progress toward achieving development objective(s):** The project is not effective yet.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-46070	Not Effective	XDR	2.17	0.00	2.17	0.00



**Project Name(ID):** MN-Development Policy Credit (P115737)  
**Country:** Mongolia  
**Board Approval Date:** 25-Jun-2009  
**Mid-Term Review Date:**  
**Closing Date:** 30-Oct-2009  
**Sector:** Banking (36%); Mining and other extractive (24%); Central government administration (24%); Other social services (16%)  
**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** The objectives are to: (a) improve capital budget planning and execution, and protect the maintenance of basic infrastructure; (b) protect the poor during the downturn; (c) strengthen confidence in the financial sector; and (d) clarify the mining policy framework.

**Progress toward achieving development objective(s):** The DPC has been approved under the IDA Financial Crisis Response Fast-Track Facility. At the close of the reporting period all prior actions and conditions for program effectiveness were completed. The following key actions: (a) projects without feasibility studies have been excluded from the budget, and expenditure for the maintenance of basic infrastructure has been increased to a level of 3.4 percent of domestic investment, in a budget amendment in March 2009; (b) the government has prepared an action plan to reduce the leakage of social transfers to the non-poor and improve its targeting on the poor; (c) the central bank has prepared an action plan for the restructuring of the major bank that was put under the conservatorship at the end of 2008; and (d) the government has developed and adopted model investment agreements for the mining sector, clarifying its mining policy, including taxation and the state's capital participation in new ventures. In June, Parliament approved a second budget amendment, which increased the allocation to social transfers and domestic investment. This increase in social transfers ensures that the poor are protected while a new targeting system is being designed and implemented.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-46180	Effective	XDR	41.92	41.92	0.00	0.00



**Project Name(ID):** MN-Enhanced Justice Sec Services (P101446)  
**Country:** Mongolia  
**Board Approval Date:** 26-Jun-2008  
**Mid-Term Review Date:**  
**Closing Date:** 31-Dec-2012  
**Sector:** Law and justice (100%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** The project's development objective is to enhance the efficiency, transparency and accountability of justice sector institutions.

**Progress toward achieving development objective(s):** The Project only became effective in June 2009 following a long delay in legal agreement signing by the Government due to general elections immediately following Board approval. Project activities have recently commenced, and it is too early to have achieved any specific outcomes.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

<b>Loan/Credit/Grant</b>	<b>Status</b>	<b>Currency</b>	<b>Amount</b>	<b>Disbursed</b>	<b>UnDisbursed</b>	<b>Cancellation</b>
IDA-44930	Not Effective	XDR	3.06	0.00	3.06	0.00
IDA-H4130	Not Effective	XDR	1.53	0.00	1.53	0.00



**Project Name(ID):** MN-UB SERVICES IMPROVMT 2 (P074591)  
**Country:** Mongolia  
**Board Approval Date:** 29-Apr-2004  
**Mid-Term Review Date:** 16-Mar-2008  
**Closing Date:** 30-Jun-2010  
**Sector:** Water supply (100%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** To provide improved water supply to the urban poor in a sustainable manner.

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

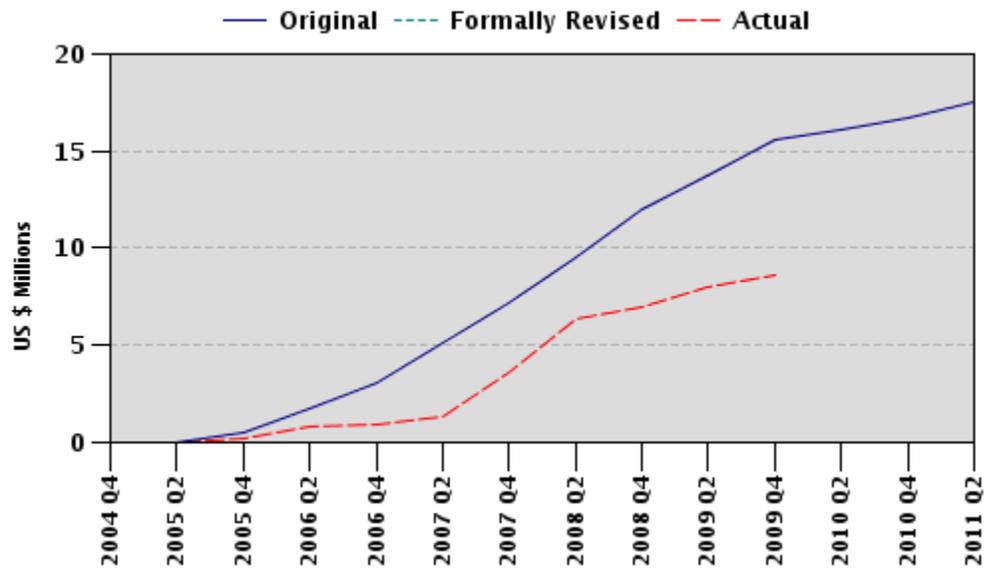
Progress toward meeting the PDO improved over FY09. Almost 65% of physical works are complete and all major civil works are scheduled for completion in calendar year 2009. These works will improve water supply to the urban poor. Progress on pricing policies to improve sustainability has also been made. Tariffs were increased for both water and wastewater for commercial and industrial customers. Tariff increases for residential customers remain to be approved.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-38900	Effective	XDR	18.71	9.13	9.45	0.00
TF-51125	Closed	USD	0.97	0.96	0.00	0.01
TF-53820	Effective	USD	1.89	0.85	1.05	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Sustainable Livelihoods Project II (P096439)  
**Country:** Mongolia  
**Board Approval Date:** 19-Jun-2007  
**Mid-Term Review Date:**  
**Closing Date:** 30-Jun-2012  
**Sector:** Other social services (40%); Animal production (20%); Micro-and SME finance (18%); General public administration sector (17%); General education sector (5%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** The objective is to enhance livelihood security and sustainability by scaling-up institutional mechanisms that reduce the vulnerability of communities throughout Mongolia.

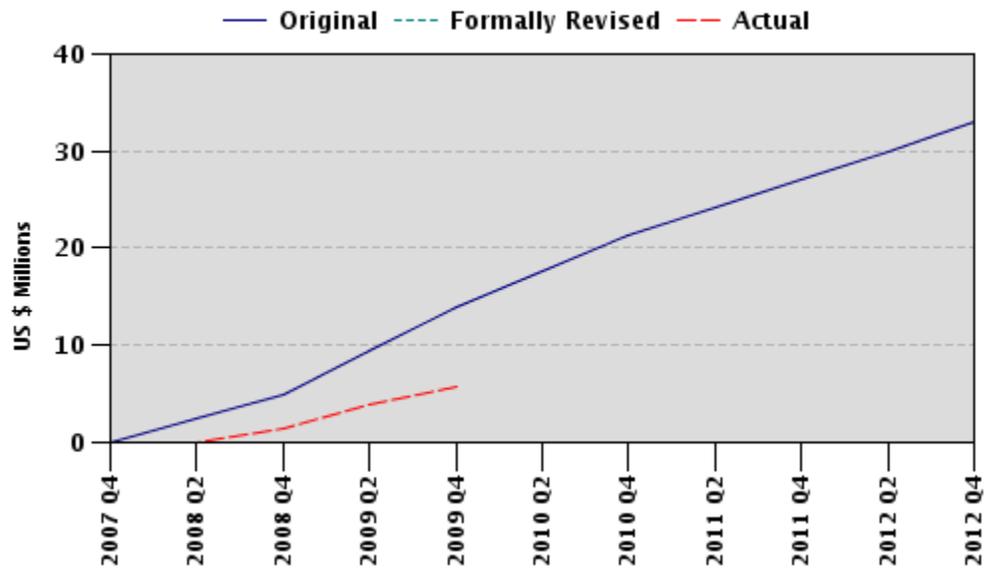
**Progress toward achieving development objective(s):** Progress towards achieving the project development objective is proceeding well, albeit slightly behind schedule. Under the Pastoral Risk Management component, this component will improve pasture management and mitigate risks of herding, thereby reducing vulnerability of rural populations. The component is now operating in eight of the 21 provinces. The remaining provinces are experiencing delays due to the slow procurement of technical assistance, which is now at the bid evaluation stage. There have also been delays in procuring consultants to operate the Livestock Early Warning System. The Community Initiatives component, which aims to empower communities to participate in resource allocation for social infrastructure, is now fully functional in all districts throughout the country. The Microfinance Development component aims to increase the outreach of rural financial services providing opportunities for increased investment in income-generating activities. The component has been severely hit by the economic and financial crisis and disbursement has stopped due to the lack of credit demand and as financial institutions fail to meet the eligibility criteria. This will pick up once economic conditions improve.

**Lending Information/Disbursement Summary (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-43300	Effective	XDR	20.13	2.96	17.20	0.00
IDA-H3130	Effective	XDR	13.43	2.95	10.47	0.00
TF-56905	Closed	USD	0.75	0.61	0.00	0.14
TF-90580	Effective	USD	3.91	0.71	3.19	0.00
TF-92715	Effective	EUR	13.85	1.91	11.90	0.00



Lending Information/Disbursement Summary (in millions USD)



**Project Name(ID):** MN-Rural Education and Development -READ (P096328)  
**Country:** Mongolia  
**Board Approval Date:** 23-May-2006  
**Mid-Term Review Date:** 15-Sep-2008  
**Closing Date:** 28-Feb-2013  
**Sector:** Primary education (75%); Central government administration (25%)

**The project was restructured, or received Additional Financing during FY09:** no

**Project development objective(s):** 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.

**Progress toward achieving development objective(s):** The project is still relevant and the development objectives remain valid. 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. 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 (amounts in millions, as of Aug 17, 2009)**

Loan/Credit/Grant	Status	Currency	Amount	Disbursed	UnDisbursed	Cancellation
IDA-H2210	Effective	XDR	4.09	3.49	0.81	0.00
IDA-H3730	Effective	XDR	0.90	0.05	0.92	0.00
IDA-Q4990	Closed	USD	0.10	0.00	0.00	0.10



Lending Information/Disbursement Summary (in millions USD)

