

STATUS OF PROJECTS IN EXECUTION – FY07
SOPE
MONGOLIA

Operations Policy and Country Services
OCTOBER 10, 2007



Introduction

The Status of Projects in Execution (SOPE) Report for FY07 provides information on all IBRD/IDA projects that were active as of June 30, 2007. 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 FY07 SOPE report¹ contains project level comparisons of disbursement estimates and actual disbursements, and a table showing the loan/credit/grant amount and disbursements to date.

¹ 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.



Country: Mongolia

Project Name (ID): Transport Development (P056200)

Country: Mongolia

Board Approval Date : 03/22/2001

Closing Date : 12/31/2007

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):

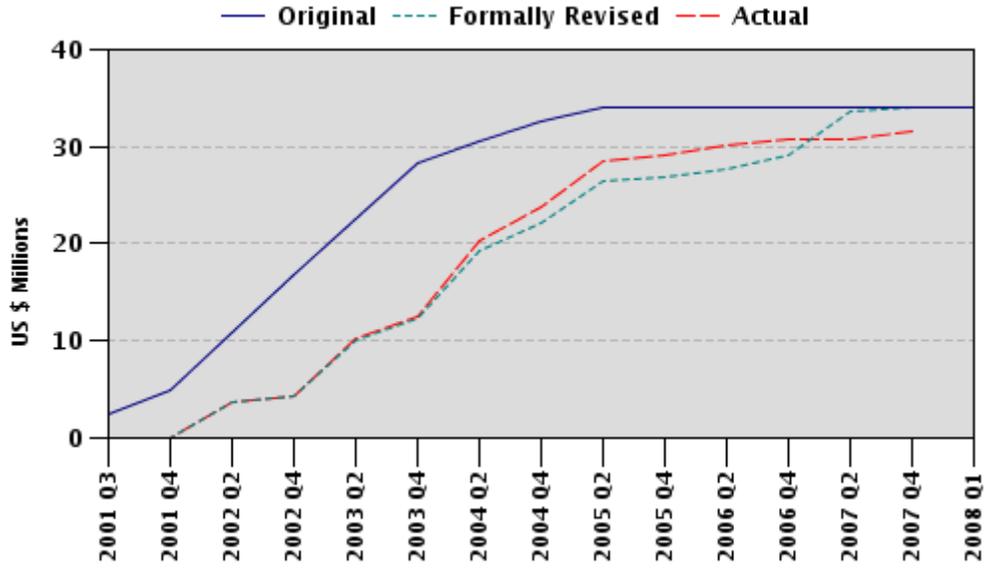
The project is nearing completion. It has improved the accessibility to Mongolia's remote areas by giving them year-round road access by reconstructing over 200 km of roads and upgrading another 179km. Rail-borne freight capacity has increased as seen by the significantly increasing volumes of international and transit rail traffic. Safety is being improved with provision of 24 vehicle testing stations. Work ongoing under the Road Safety Study will collect and analyze data on road fatalities attributable to vehicle condition, and make recommendations to improve safety.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-34780	Effective	40.01	31.59	5.76	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): 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):

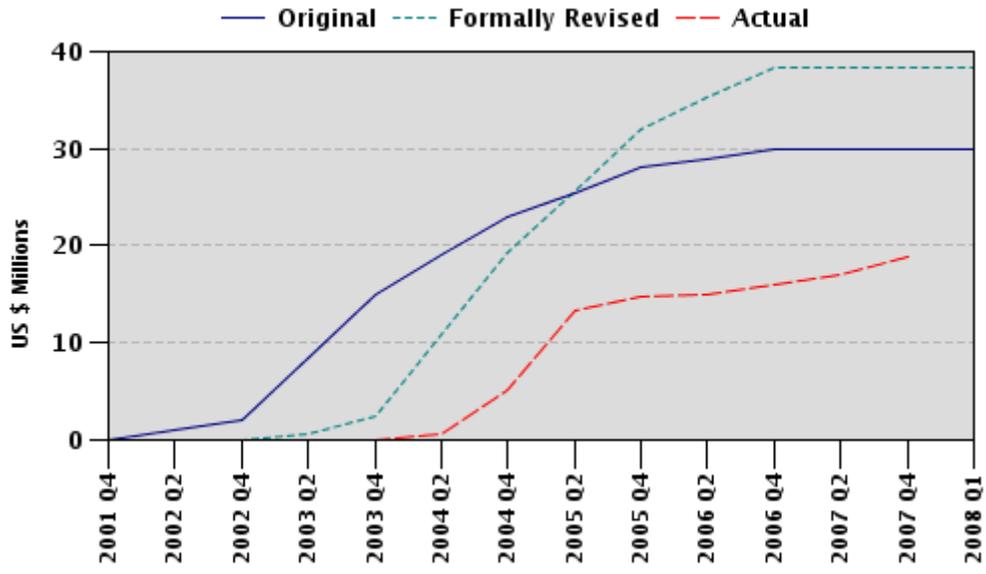
The project's closing date was extended 2 yrs to December 31, 2008. Despite constant procurement related problems, the project is achieving its central objective to reduce electricity losses, it is doing this in spite of a growing electricity demand in distributions centers. Having said that, sustainability of these gains is at risk due to inadequate Corporate Governance in the Sector as a whole. The project has taken a two prong approach to address this issue: i) at the company level, increase support to come to a satisfactory solution in the implementation of the new Consumer Information System (CIS), which is critical to the success of the Commercialization component; and ii) working with other donors, particularly USAID, to strengthen the Energy Regulatory Authority and market rules.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35030	Effective	35.46	18.77	16.24	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): Sustainable Livelihoods (P067770)

Country: Mongolia

Board Approval Date : 06/11/2002

Midterm Review Date : 05/27/2005

Closing Date : 12/31/2007

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 objective of the project (the first four years of a long-term program) is: (a) to establish an effective approach in selected areas to promoting improved, secure and sustainable livelihood strategies; and (b) to create institutional capacity so that the strategies can be replicated and scaled-up.

Progress toward achieving development objective(s):

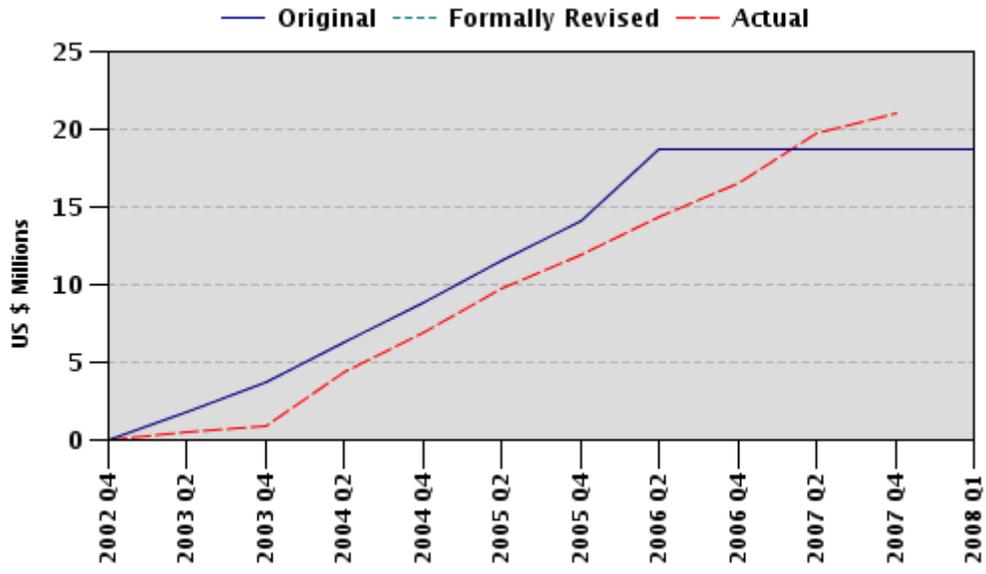
The project has continued to make good progress in reaching its development objective in FY07. Under all components, effective approaches to achieving sustainable livelihoods have been demonstrated; the second phase of the APL-supported program has been approved and will scale up the approaches under this project. The original Closing Date of December 2006 was extended by one year in response to a request from government. This was due to favorable changes in the USD:SDR exchange rate that made additional funds available, and also to prevent a gap between this project and the follow-up project (Sustainable Livelihoods II Project was approved in June 2007 and is expected to become effective by November 2007).

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-36570	Effective	22.73	20.98	1.05	0.00
JPN-26251	Closed	0.21	0.21	0.00	0.00
JPN-51703	Closed	1.30	1.23	0.07	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



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

Country: Mongolia

Board Approval Date : 06/11/2002

Closing Date : 09/30/2008

Loan/Credit/Grant Number : JPN-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):

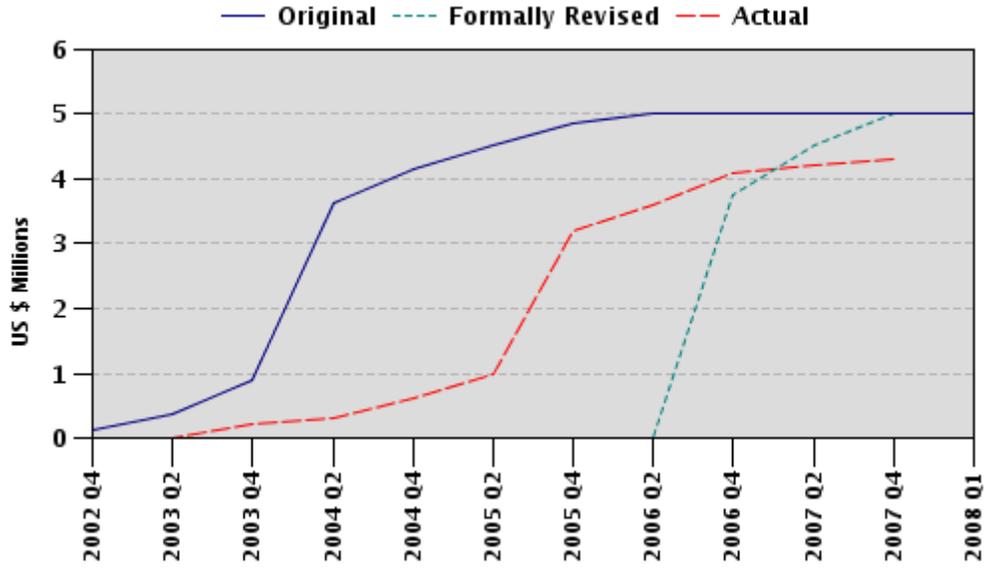
The following progress was achieved for the period under review: (i) the enhancement of risk management in the two participating and the Bank of Mongolia was completed (component closed in March 31, 2007); (ii) the Switch Clearing House System, an important milestone achieved in 2006 towards the modernization of the banking payment system, continues to operate effectively. The project closing date was extended at the request of the Government in order to allow time to complete the upgrade of the system to Real Time Gross Settlement (RTGS) which is progressing, albeit slowly; (iii) The Savings Bank privatization has been completed (component closed in March 31, 2007) and its outcome/impact towards achieving the project development objectives will be assessed in the upcoming year.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-26728	Closed	0.25	0.21	0.00	0.04
IDA-36590	Effective	6.06	4.27	1.69	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): Mongolia Legal Reform (P074001)

Country: Mongolia

Board Approval Date : 12/21/2001

Midterm Review Date : 05/14/2005

Closing Date : 12/31/2007

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:

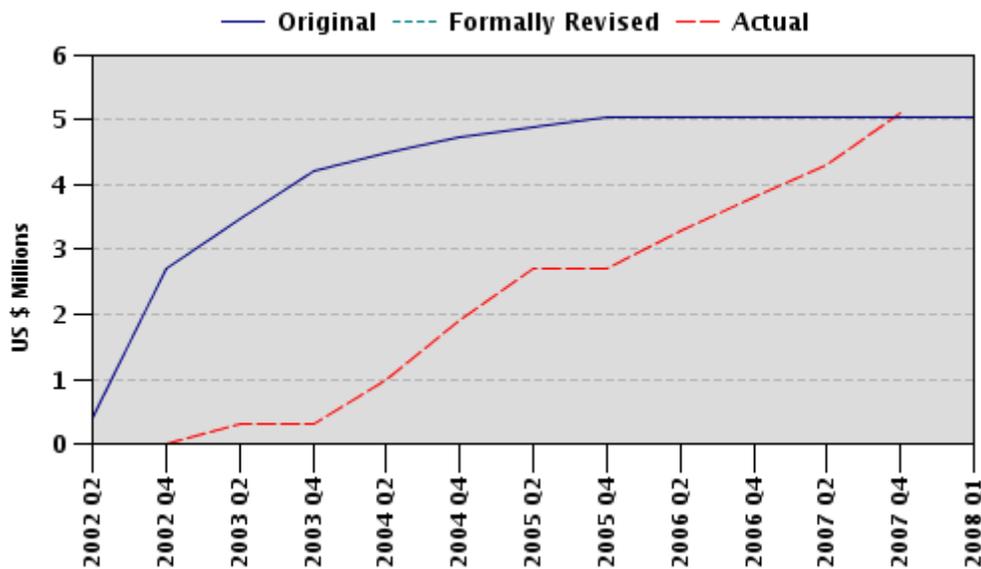
The objective is to enhance public trust and confidence in the legal system as a whole and the judiciary in particular

Progress toward achieving development objective(s):

All original project activities were completed and the PDO objective fully met. The project will close in accordance with an agreed extension to December 31, 2007. Additional activities financed through project cost savings are proceeding according to schedule, including new courthouse civil works in four Aimags and the installation of a new print shop in the National Legal Center. A final reallocation was approved by the Country Director on September 19, 2007. Preparations for the Implementation Completion and Results Report are underway, including a survey of project impact.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-35950	Effective	6.06	5.09	0.79	0.00



Project Name (ID): Urban Services Improvement II (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:

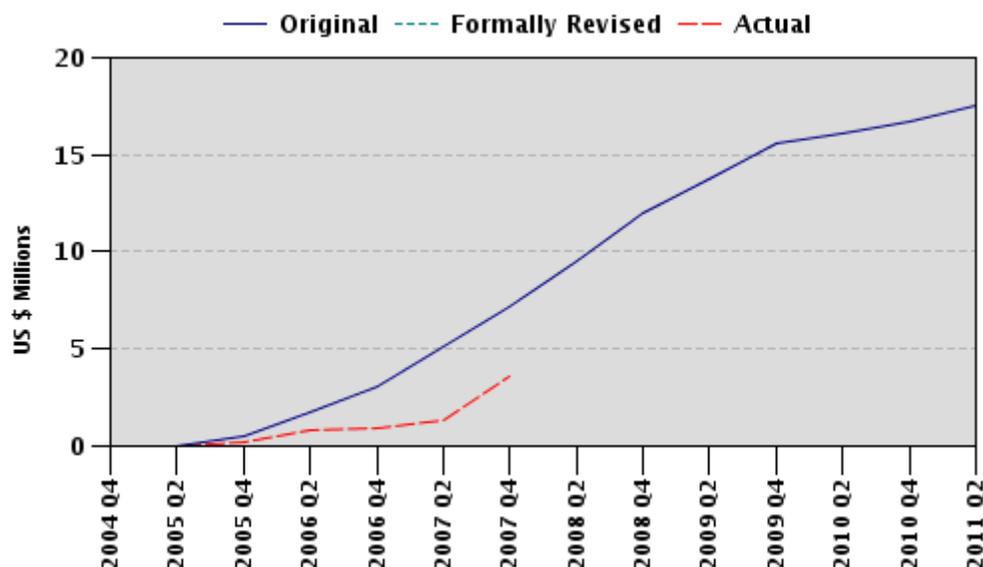
To provide improved water supply to the urban poor in a sustainable manner.

Progress toward achieving development objective(s):

The project is making modest progress toward reaching its objectives. Much procurement progress has been made over the past 12 months, with the value of signed contracts and procured goods amounting to 70% of the total project cost. Major civil works involving pipe-laying and kiosk repairs are well underway for the Bayankhoshuu and Chingeltei areas and these will lead to improved water supply in poor urban areas. However, the necessary adjustments to water supply tariffs are well behind schedule, and this is causing financial difficulties for the water supply company.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38900	Effective	18.34	3.58	14.70	0.00
JPN-51125	Closed	0.97	0.96	0.00	0.01
JPN-53820	Effective	1.89	0.22	1.67	0.00



Project Name (ID): Economic Capacity Technical 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-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):

During the time frame under consideration the Government concluded two key consulting contracts: (i) Strengthening Expenditure Planning; and (ii) Improving Public Administration performance. Work is now on-going in these two areas.

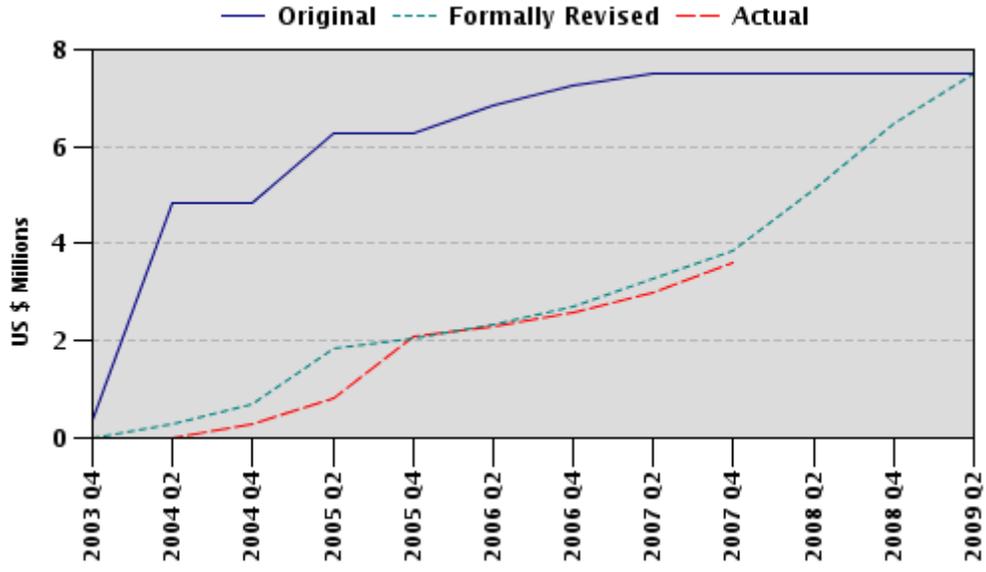
The Government Financial Management Information System continued stable operations and assisted the Government in maintaining budgetary control. The Government also concluded the GFMIS maintenance contract. The Ministry of Finance also started work on developing the technical specifications for a budget forecasting module.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-38030	Effective	8.34	3.63	4.66	0.00
IDA-Q3500	Closed	0.71	0.00	0.71	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



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 : JPN-54740, JPN-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):

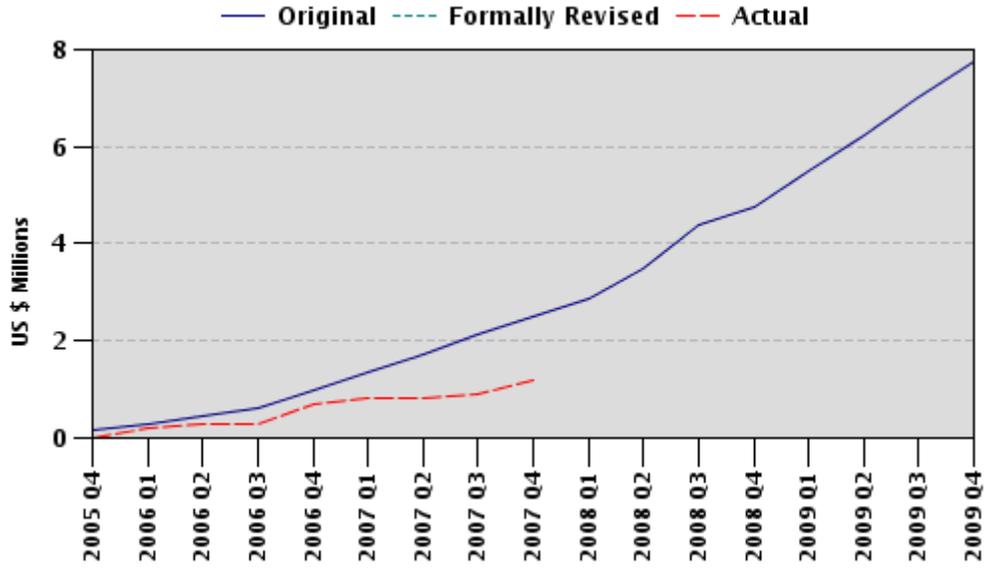
The project is making good progress towards achieving its development objective. During the first sales season, almost 10% of all herders in the three aimags (provinces) purchased an insurance policy, a target that the project design expected to be reached by the end of the third sales season. Nonetheless, numerous complex issues remain to be resolved, particularly the methodology for the calculation of mortality rates, the thresholds for sum (district) level mortality, linkages to rural finance, and regulations/legislation that is currently under discussion in Parliament.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
JPN-54740	Effective	1.32	0.54	0.78	0.00
JPN-53738	Closed	0.36	0.36	0.00	0.00
IDA-40690	Effective	7.79	1.17	6.58	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): Private Sector Development Credit II (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 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):

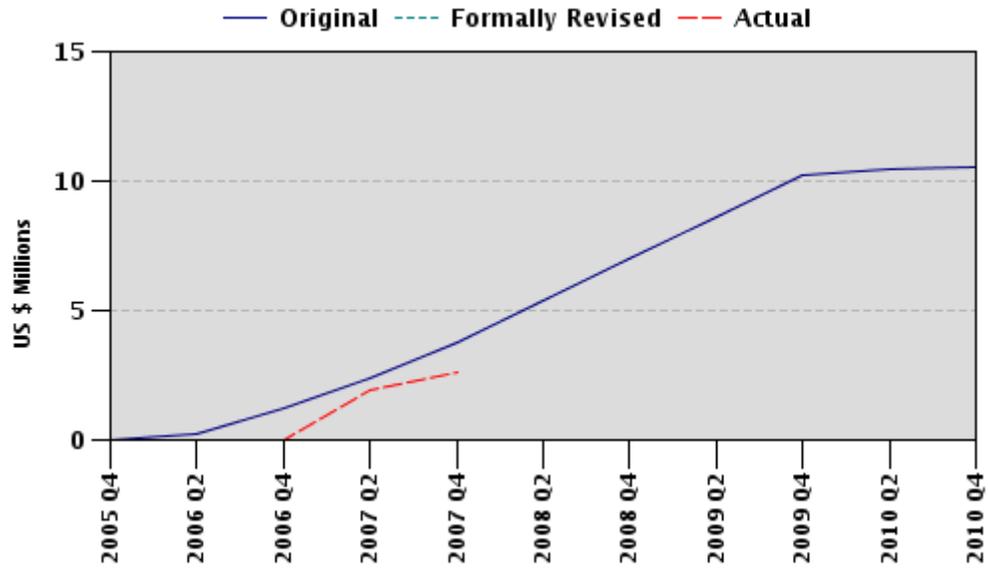
Progress towards supporting the medium term lending over the past year has been steady albeit some country and institutions specific issues that have caused delays in project implementation. Some of these issues have been resolved and others are being addressed and with the addition of two new participating institutions in September 2007 project implementation is expected to move faster. 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 the commercial banks; some of the training has already been completed.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-40880	Effective	10.60	2.57	7.98	0.00
JPN-54591	Closed	0.22	0.14	0.00	0.08



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): Information and Communications Infrastructure Dev. (P092965)

Country: Mongolia

Board Approval Date : 06/08/2006

Closing Date : 03/31/2012

Loan/Credit/Grant Number : IDA-H2320, IDA-Q5180, JPN-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):

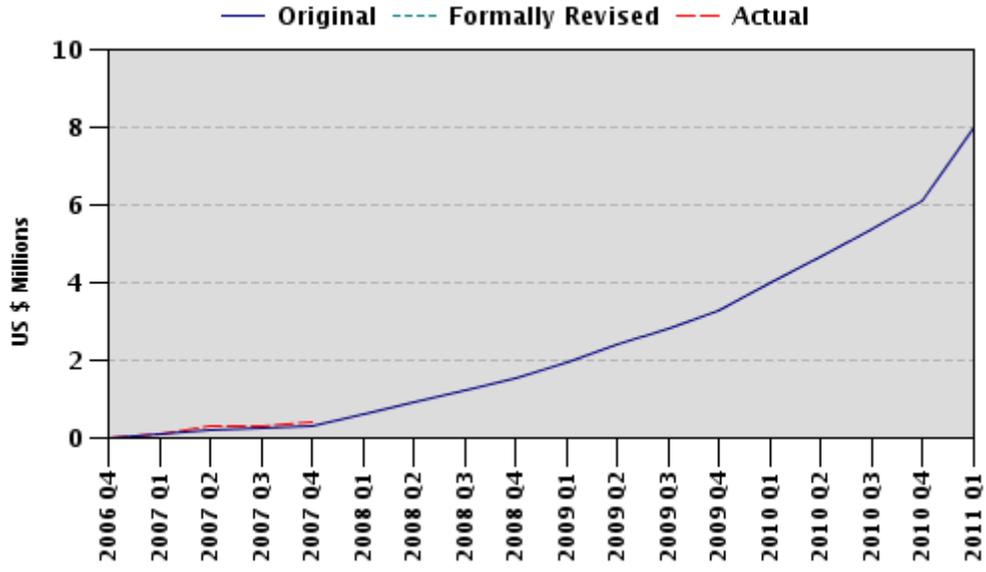
The project continues to make good progress toward achieving its development objectives. The project became effective in July 2006. A considerable progress has been made in the areas of the Universal Access program, acquisition of the Spectrum Monitoring System, numbering, establishing the enabling environment for public-private partnerships in e-Government, preparation for the implementation of several e-Government applications, and capacity building.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2320	Effective	8.43	0.39	8.04	0.00
IDA-Q5180	Closed	0.76	0.00	0.00	0.76
JPN-56536	Effective	2.00	0.43	1.57	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



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

Country: Mongolia

Board Approval Date : 05/23/2006

Closing Date : 02/29/2012

Loan/Credit/Grant Number : IDA-H2210, IDA-Q4990, MULT-58043

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.

Progress toward achieving development objective(s):

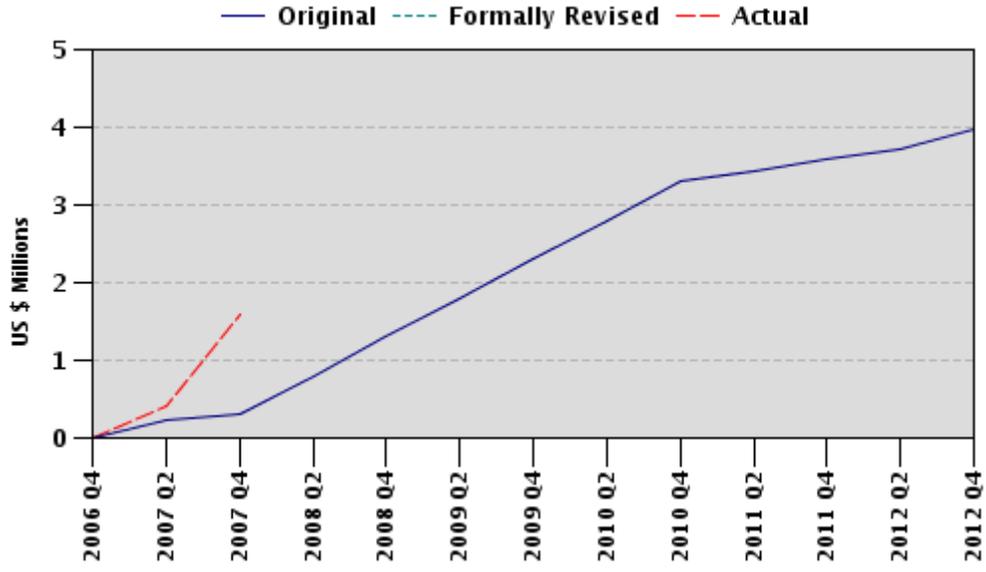
The pilot phase of the delivery of classroom libraries and teacher training was successfully completed at the end of May. The bank mission in May was able to observe first hand the tremendous excitement among children, parents and teachers around books, as well as all the activities that have already taken place around them. There were very few children books in rural schools and very limited literacy activities, particularly interactive and group-based activities. Baseline data has been collected from pilot schools (treatment group) and non pilot schools (control group) on reading activities, teacher behavior and student learning. Follow up data will be collected in May 2008, after all rural schools received the books and training, to be able to test the impact of books and teacher training on reading activities and teacher behavior (intermediate outcomes) as well as student literacy skills (the final outcome of interest). Given the baseline situation and the successful and implementation and response from the project, we expect project interventions will have a significant positive effect on literacy skills and the overall preparation of rural primary school graduates for secondary school.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2210	Effective	4.22	1.57	2.65	0.00
IDA-Q4990	Closed	0.10	0.00	0.00	0.10
MULT-58043	Effective	8.20	3.00	5.20	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



Project Name (ID): Sustainable Livelihoods Project II (P096439)

Country: Mongolia

Board Approval Date : 06/19/2007

Closing Date : 06/30/2012

Loan/Credit/Grant Number : IDA-43300, IDA-H3130, JPN-56905

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 was not effective before the close of the reporting period.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-43300	Not Effective	19.67	0.00	19.67	0.00
IDA-H3130	Not Effective	13.12	0.00	13.12	0.00
JPN-56905	Effective	0.75	0.61	0.14	0.00



Project Name (ID): 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):

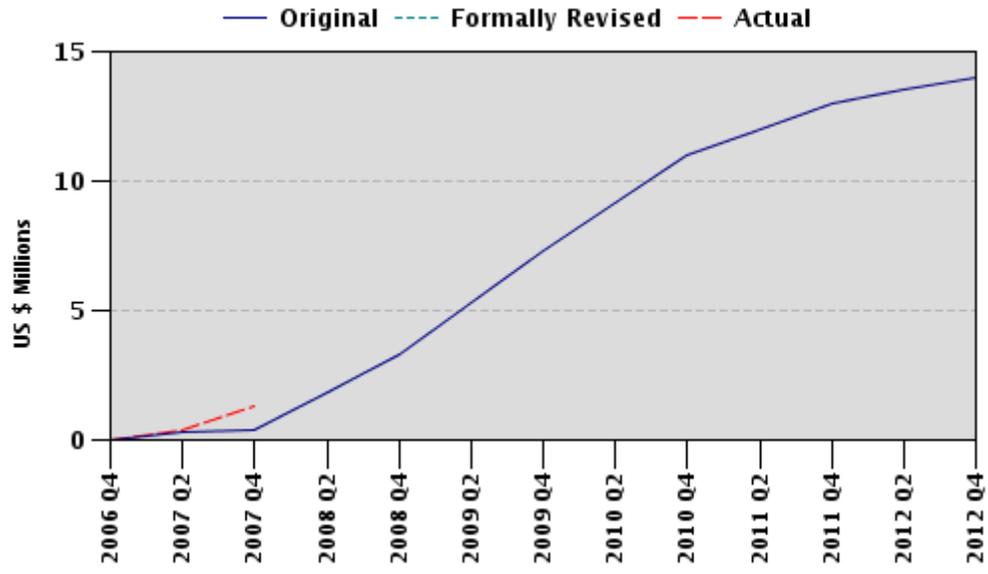
During FY07, the key achievements of the GAP towards the outcomes of the PDOs have been: (A) the formulation of a draft National Debt Strategy, the upgrade of the Debt Management Information System and the roll out of GFMS to 40 budget entities and 10 districts; (B) the publication of the Assets and Income Declaration and the launch of the unified household income and expenditure survey and the living standards measurement survey; (C) preparing the ground work for the implementation of the automated cadastre system.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/ Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2220	Effective	14.76	1.33	13.42	0.00



Status of Projects in Execution - FY07
EAST ASIA AND PACIFIC REGION



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

Country: Mongolia

Board Approval Date : 12/19/2006

Closing Date : 12/31/2011

Loan/Credit/Grant Number : 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):

The project just became effective in May 2007.

Lending Information/Disbursement Summary (USD millions, as of June 30 2007)

Loan/Credit/Grant	Status	Amount	Disbursed	Undisbursed	Cancellation
IDA-H2630	Effective	3.59	0.40	3.19	0.00

