Ulaanbaatar Clean Air Project (P122320)

EAST ASIA AND PACIFIC | Mongolia | Energy and Mining Global Practice | IBRD/IDA | Specific Investment Loan | FY 2012 | Seq No: 5 | ARCHIVED on 18-Dec-2014 | ISR16575 |

Implementing Agencies: UBCAP Project Management Unit

Key Dates

Key Project Dates

Board Approval date: 03-Apr-2012
Effectiveness Date: 18-Dec-2012
Planned Mid Term Review Date: 26-Jan-2015
Actual Mid-Term Review Date: 26-Jan-2015
Original Closing Date: 30-Jun-2017
Revised Closing Date: 30-Jun-2017

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The development objective (PDO) is to enable consumers in ger areas to access heating appliances producing less particulate matter emissions and to further develop selected medium-term particulate matter abatement measures in Ulaanbaatar in coordination with development partners.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

A. Ger Area Particulate Matter Mitigation: (Cost $16.10 M)
B. Central Ulaanbaatar Particulate Matter Mitigation: (Cost $2.30 M)
C. Public Awareness Raising, Program Coordination and Project Management: (Cost $3.00 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Satisfactory</td>
<td>Satisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>--</td>
<td>Moderate</td>
</tr>
</tbody>
</table>
Implementation Status and Key Decisions

The project is making satisfactory progress toward achieving the PDO through promotion of cleaner stoves, development of medium term abatement measures (city greening, district heating, power plant emissions control and an affordable housing strategy), and strengthening coordination on air pollution abatement. During 2013/14 heating season, a total of 29,707 clean stoves have been sold during the previous heating season with support from the UBCAP project and the Clean Air Foundation of Mongolia. For the 2014/15 heating season, the UB city and National Committee on Air Pollution Reduction (NCAPR) have revised the subsidy mechanism such as subsidy levels, subsidy design, adopting some of the Bank’s recommendations. The number of stove models applying for the program and of the eligible stove models have both doubled for this season. The four studies under Component B of the Project are in an advanced stage of preparation. The restructuring of the project to incorporate the new safeguards policy triggered under the city greening pilot is currently under consideration by the Bank’s Board of Directors. Strengthening of coordination on air pollution abatement is ongoing with significant attention paid to air quality at the senior government levels. The Project Management Unit will need to continue strong project management and ensure efficient delivery of stoves and studies.
Risks

Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>--</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>--</td>
<td>High</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>--</td>
<td>Moderate</td>
</tr>
</tbody>
</table>

Results

Project Development Objective Indicators

Coverage of targeted households with eligible services (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>62.39</td>
<td>66.00</td>
<td>80.00</td>
</tr>
</tbody>
</table>

Date

<table>
<thead>
<tr>
<th></th>
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<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>18-Dec-2012</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

Comments

The rapid penetration of low emission stoves has met with good initial success. As the market saturates, it is expected that the rate of penetration may slow but the project is moving well toward meeting this target.

Approval by relevant counterparts of principle recommendations and action plans developed by the Project for selected medium term abatement measures (no. of action plans approved) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>4.00</td>
</tr>
</tbody>
</table>
### Inter-agency and donor coordination framework for air pollution abatement measures developed and functioning (cumulative no. of years) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.00</td>
<td>03-Apr-2012</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-Apr-2012</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>6.00</td>
</tr>
</tbody>
</table>

### Overall Comments

Publication of eligibility requirements over the past two sales seasons has stimulated a positive market response, including models produced or designed in Mongolia as well as models designed and produced outside Mongolia.

### Intermediate Results Indicators

#### Laboratory tests supported by UBCAP (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>03-Apr-2012</td>
<td>55.00</td>
<td>24.00</td>
<td>30.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-Apr-2012</td>
<td>55.00</td>
<td>24.00</td>
<td>30.00</td>
<td>30.00</td>
</tr>
</tbody>
</table>

#### Number of stove models proposed for participation (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>03-Apr-2012</td>
<td>14.00</td>
<td>24.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>03-Apr-2012</td>
<td>14.00</td>
<td>24.00</td>
<td>10.00</td>
<td>10.00</td>
</tr>
</tbody>
</table>
### Number of stoves declared eligible for UBCAP support (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>4.00</td>
<td>8.00</td>
<td>5.00</td>
<td></td>
</tr>
</tbody>
</table>

**Date**

|   | 03-Apr-2012 | 29-Apr-2014 | 10-Sep-2014 | 31-Dec-2016 |

**Comments**

The publication of eligibility requirements has stimulated a strong, positive market response. In the past two years, the number of eligible stoves has doubled.

### Subsidy mechanism disbursing (% of available funds) (Percentage, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>44.00</td>
<td>55.27</td>
<td>100.00</td>
<td></td>
</tr>
</tbody>
</table>

**Date**

|   | 18-Dec-2012 | 29-Apr-2014 | 10-Sep-2014 | 31-Dec-2016 |

### City greening preparatory study prepared (Text, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not started</td>
<td>Study ongoing.</td>
<td>Final report under preparation</td>
<td>Final report submitted</td>
<td></td>
</tr>
</tbody>
</table>

**Date**

|   | 31-Dec-2011 | 29-Apr-2014 | 10-Sep-2014 | 31-Dec-2014 |

### City greening pilot implemented (Text, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not started</td>
<td>Pilot not implemented.</td>
<td>Pilot not implemented yet</td>
<td>Pilot implemented</td>
<td></td>
</tr>
</tbody>
</table>

**Date**

|   | 31-Dec-2011 | 29-Apr-2014 | 10-Sep-2014 | 31-Dec-2014 |
### Power plant emissions control feasibility study prepared (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Not started</td>
<td>Final report under preparation</td>
<td>Final report submitted</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
</tr>
</tbody>
</table>

### Housing policy study prepared (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Not started</td>
<td>Inception report submitted</td>
<td>Final report under preparation</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
</tr>
</tbody>
</table>

### District heating preparatory study prepared (Text, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>Not started</td>
<td>Study under preparation</td>
<td>Final report under preparation</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
</tr>
</tbody>
</table>

### Monitoring and analysis equipment supplied (cumulative number of bid packages) (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
</tr>
</tbody>
</table>
### Persons trained in air quality monitoring, analysis and management (cumulative number) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>15.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

### Effective project management and reporting established (No. of project progress reports per year) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>4.00</td>
<td>4.00</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

### Quarterly reports on coordination activities prepared by the municipality (No. of reports annually) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>1.00</td>
<td>1.00</td>
<td>4.00</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

### Consultants for supporting coordination hired (cumulative number) (Number, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>Date</td>
<td>03-Apr-2012</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>
Communications plan for collecting air quality program information across donors and agencies, satisfactory to the PMU, is prepared by the municipality (No. annual plans) (Number, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
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<td>0.00</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

Share of communications targets (e.g., meetings with agencies and donors, information collected) in approved communications plan achieved by the municipality (% share of target) (Percentage, Custom)

<table>
<thead>
<tr>
<th></th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>100.00</td>
<td>100.00</td>
<td>100.00</td>
</tr>
<tr>
<td>Date</td>
<td>31-Dec-2011</td>
<td>29-Apr-2014</td>
<td>10-Sep-2014</td>
<td>31-Dec-2016</td>
</tr>
</tbody>
</table>

Overall Comments

Data on Financial Performance

Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P122320</td>
<td>IDA-50390</td>
<td>Effective</td>
<td>XDR</td>
<td>9.70</td>
<td>9.70</td>
<td>0.00</td>
<td>4.67</td>
<td>5.03</td>
<td>48%</td>
</tr>
</tbody>
</table>

Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

Cumulative Disbursements
Restructuring History

Level 1 Approved on 10-Nov-2014

Related Project(s)

There are no related projects.