



MN-Mining Infrastructure Investment Supp (P118109)

EAST ASIA AND PACIFIC | Mongolia | Energy & Extractives Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2011 | Seq No: 10 | ARCHIVED on 20-Apr-2016 | ISR23138 |

Implementing Agencies:

Key Dates

Key Project Dates

Bank Approval Date:10-May-2011

Effectiveness Date:20-Nov-2011

Planned Mid Term Review Date:31-Oct-2013

Actual Mid-Term Review Date:31-Oct-2013

Original Closing Date:30-Sep-2016

Revised Closing Date:30-Sep-2016

Project Development Objectives

MN-Mining Infrastructure Investment Supp (P118109)

Project Development Objective (from Project Appraisal Document)

To facilitate investments in infrastructure to support mining and downstream processing activities, regardless of funding source, and to build local capacity to prepare and transact infrastructure projects.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Support for Infrastructure Investments:(Cost \$18.11 M)

Capacity Building and Knowledge Transfer:(Cost \$2.47 M)

Strengthening Groundwater Management:(Cost \$5.33 M)

Project Management:(Cost \$1.19 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Moderately Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial



Implementation Status and Key Decisions

The project has been making steady progress regarding the preparation of the assessment studies for the six priority sub-projects which include: (i) Orkhon Gobi Water (OGW); (ii) Shuren Hydropower plant (SHP); (iii) Integrated Steel Complex with Infrastructure in the central region of Darkhan-Selenge (SC); (iv) Extension of Coal Mine "Baganuur" LLC. (BCM); (v) a Rural and Industrial Water Supply Scheme in the South Gobi region (RIWS); and (vi) Synthetic Natural Gas Plant (SNG); and some other pre-feasibility studies. No infrastructure investments are eligible for financing under this project.

The Project is playing a significant role in building the capacity of Ministry of Environment Green Development and Tourism, Ministry of Finance, Ministry of Energy, Ministry of Mining, Ministry of Industry and other institutions in the areas of project preparation, contract management, public-private partnership, water resources management, iron ore processing and the development of new transactions. Good progress has been made towards strengthening capacity in groundwater management. The three newly established River Basin Administrations as well as River Basin Councils of South Gobi Region are well staffed and becoming functional and the groundwater monitoring system started to function and data is being collected.

**Risks****Systematic Operations Risk-rating Tool**

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● Moderate
Macroeconomic	--	● Moderate	● Moderate



Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Substantial	● Substantial
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Substantial	● Substantial
Stakeholders	--	● High	● High
Other	--	--	--
Overall	--	● Substantial	● Substantial

Results

Project Development Objective Indicators

► At least two key infrastructure assets ready for tender (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Technical/financial understanding to prepare transactions lacking.	FSs and ESIA for the six priority projects financed by the project are all at various stages of preparation. The most advanced are the FS and CIA for Baganuur Coal Mine which are both under implementation. The TORs and procurement for the studies for the other 5 subprojects are at various stages of preparation.	FSs and ESIA for the five priority projects financed by the project are all at various stages of preparation. The most advanced are the FS and CIA for Baganuur Coal Mine which are both under implementation. The ESIA and FS for the Synthetic Natural Gas have started and for the Steel Complex are at final stage to be awarded. Moreover, The TORs and procurement for the studies for the other 2 subprojects are at various stages of preparation	Two transactions are ready for tendering.
Date	30-Apr-2010	15-Nov-2015	31-Mar-2016	31-Dec-2015

► Good practice and procedures established to prepare projects for public and private financing (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Limited understanding of required studies, no guidelines on economic evaluation.	Achieved through the training offered to Ministry of Finance, Ministry of Energy, Ministry of Environment	Achieved through the training offered to Ministry of Finance, Ministry of Energy, Ministry of Environment	Good practice and procedures adopted.



		Green Development and Tourism. Ministry of Industry and Ministry of Mining, regarding the preparation of feasibility studies and financial and economic evaluation.	Green Development and Tourism. Ministry of Industry and Ministry of Mining, regarding the preparation of feasibility studies and financial and economic evaluation.	
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

Overall Comments

The project has made good progress towards building the capacity of Mongolia in the preparation of projects for public and private financing. This had been possible through the on-job training for the various involved ministries in preparing the FS and ESIA's for a number of priority projects. Progress related to the preparation of two transaction is in progress as the preparation of the FS and CIA for the expansion of Bagaur Coal mine is on its final stage while that of the SNG has just started and expected to be followed by the Steel Complex FS and ESIA preparation shortly.

Global Environmental Objective Indicators**Overall Comments****Intermediate Results Indicators**

▶ Direct project beneficiaries (Number, Core)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	5685.00	7767.00	1400.00
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

▲ Female beneficiaries (Percentage, Core Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	38.10	38.70	30.00



► Feasibility studies for infrastructure projects (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Studies for priority projects not available.	Ongoing. Feasibility Study for one transaction is under finalization while other 4 are soon to be under procurement.	Ongoing. Feasibility Study for one transaction is under finalization, one has been just awarded, one is under award and the other two are under procurement.	Complete feasibility studies for ongoing infrastructure projects.
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

Comments

This target is lagging behind and can not be achieved within the current prevailing closing date.

► Rapid response to address issues impacting private investment (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Technical/financial support to address issues not available.	Target Achieved. Five issues including need assessment, information gathering, viability and economic analysis, proper preparation and public consultation were addressed in the course of the priority sub-projects identification and the development of the pre-feasibility and the feasibility studies, the CIAs and ESIA's.	Target Achieved. Five issues including need assessment, information gathering, viability and economic analysis, proper preparation and public consultation were addressed in the course of the priority sub-projects identification and the development of the pre-feasibility and the feasibility studies, the CIAs and ESIA's.	Rapid response to at least five issues.
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

► Training programs and events (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	93.00	99.00	10.00
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016



► Conferences to promote investment opportunities (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	6 workshops were held	6 workshops were attended	At least 5 events over the course of the project.
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

► Consultants provide hands-on training and help administer government-financed projects & PPP concessions (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No concessions to administer.	A number of training programs were offered to the Ministry of Finance and other Ministries in the preparation and processing of seven PPP transactions since 2011.	A number of training programs were offered to the Ministry of Finance and other Ministries in the preparation and processing of seven PPP transactions since 2011.	Staff is well trained to administer government-financed projects & PPP concessions
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

► Ability to manage groundwater strengthened (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Insufficient resources/capacity to manage groundwater in Southern Mongolia.	Substantially Achieved: The RBAs are adequately staffed, have become fully operational and GW management and monitoring plans are under implementation. Groundwater monitoring wells in south Gobi are completed and equipped. Moreover, the monitoring system is functioning and data is being collected through online telemetry for some remote locations and periodic downloading from the other installed data loggers.	Achieved: The RBAs are adequately staffed, have become fully operational and GW management and monitoring plans are under implementation. Groundwater monitoring wells in south Gobi are completed and equipped. Moreover, the monitoring system is functioning and data is being collected through online telemetry for some remote locations and periodic downloading from the other installed data loggers. Moreover, the three RBCs have been recently established and staffed.	Building capacity for effective groundwater management.
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	31-Dec-2015



► Promotion of appropriate organization structure for groundwater management established (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Preliminary organization structure was in place but not revised	Completed. Appropriate organization structure for the management of the GW in three river basins, consisting of 3 RBAs and 3 RBCs, in South Gobi was developed.	Completed. Appropriate organization structure for the management of the GW in three river basins, consisting of 3 RBAs and 3 RBCs, in South Gobi was developed.	Development of the appropriate organization structure for the management of the GW in three river basins
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	31-Dec-2013

► Establishment of 3 RBA in Southern Gobi Region (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3.00	3.00	3.00
Date	30-Apr-2011	15-Nov-2015	31-Mar-2016	30-Jun-2016

► Agreement to implement important recommendations from water resource pricing studies (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Water Resources Pricing studies are finalized	Water resource pricing studies are under process of implementation by MoEGDT and RBAs	Water resource pricing studies are under process of implementation by MoEGDT and RBAs	Water pricing recommendations are well adapted and enforced by the RBAs
Date	30-Apr-2014	15-Nov-2015	31-Mar-2016	30-Jun-2016



► New Institutional structure financially sustainable (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No plan	The development of fiscal budget plan is underway for the established RBAs and the future RBCs.	The fiscal budget plan has been approved and will be in effect starting October 1, 2016.	Develop the fiscal budget plan for the RBAs and RBCs
Date	30-Apr-2014	15-Nov-2015	31-Mar-2016	31-Dec-2014

► Improved transparency and public awareness of groundwater resources and the impact of water use and abstraction (Text, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No plan	Completed as more than 3 Public awareness workshop were organized between September 17 and 26, 2014.	Completed as more than 3 Public awareness workshop were organized between September 17 and 26, 2014.	Organize groundwater public awareness workshop.
Date	30-Apr-2014	15-Nov-2015	31-Mar-2016	30-Jun-2016

Overall Comments

The project has achieved the majority of its intermediate performance indicators (11 out of 13) the remaining targets are being achieved but the extension of the closing date is necessary to ensure the completion of the feasibility studies for all identified priority sub-projects.

Data on Financial Performance

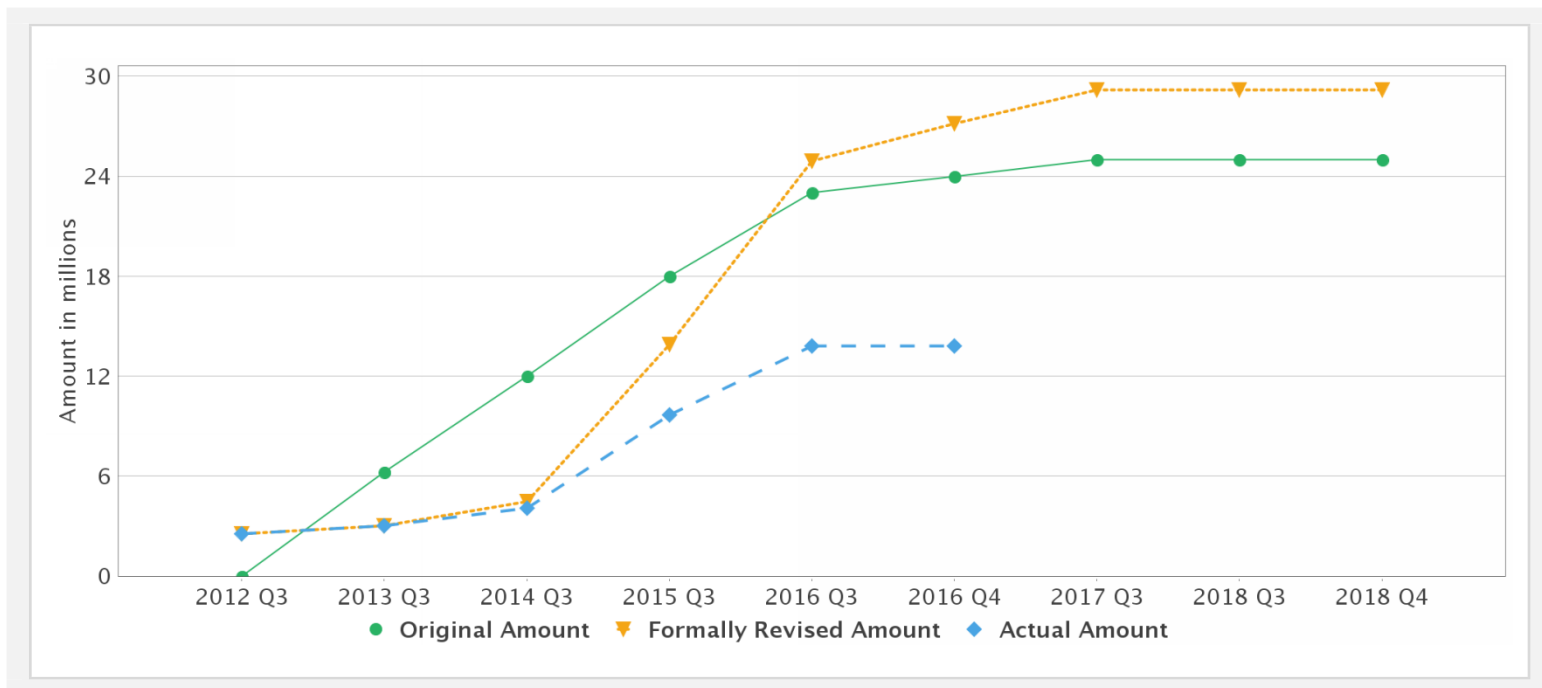
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P118109	IDA-48880	Effective	USD	25.00	25.00	0.00	11.34	11.71	 45%
P118109	TF-16382	Effective	USD	4.05	4.05	0.00	2.47	1.58	 61%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P118109	IDA-48880	Effective	10-May-2011	24-May-2011	20-Nov-2011	30-Sep-2016	30-Sep-2016
P118109	TF-16382	Effective	28-Mar-2014	30-Apr-2014	30-Apr-2014	30-Sep-2016	30-Sep-2016

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

P145439-Mining Infrastructure Investment Support - Additional Financing