



MN-Mining Infrastructure Investment Supp (P118109) (P118109)

EAST ASIA AND PACIFIC | Mongolia | Energy & Extractives Global Practice |
IBRD/IDA | Investment Project Financing | FY 2011 | Seq No: 13 | ARCHIVED on 17-Dec-2017 | ISR30558 |

Implementing Agencies: Ministry of Finance

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-2019

Project Development Objectives

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 closing date was extended through September 30, 2019 to implement the Regional Environmental Assessment on the Selenge River Basin, as well as complete several studies and public consultations under Project Components 1 and 3. Study reports and consultation materials and dates are available on the MINIS website www.minis.mn.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Substantial	● Substantial
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	● High
Stakeholders	--	● Substantial	● Substantial
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.	The FS and studies for the Baganuur mine have been completed. The CIA study for the mine has also been prepared but it is now being revised in response to comments from NGOs. The FS and ESIA studies for the Steel Complex and Synthetic Natural Gas subprojects are under	The FS and environmental and social studies for the six subprojects are at various stages of implementation. The FS for the Baganuur mine has been completed. The CIA study for the mine is being revised. The FS for Synthetic Natural Gas subproject	Two transactions are ready for tendering.



implementation and should be completed by the project closing date.

has been completed while the REA for Synthetic Natural Gas subproject is being revised following Bank's comments. The ESIA is underway.
The Scoping Study for the Steel subproject is being revised following Bank's comments. The FS and ESIA studies for the Steel Complex subproject are underway.

Date	30-Apr-2010	22-May-2017	24-Nov-2017	30-Sep-2019
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► 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: Training on preparation of feasibility studies and financial and economic evaluation was offered to Ministry of Finance, Ministry of Energy, Ministry of Environment and Tourism, Ministry of Industry and Ministry of Mining, regarding the preparation of feasibility studies and financial and economic evaluation.	Achieved: Training on preparation of feasibility studies and financial and economic evaluation was delivered to the Ministry of Finance, Ministry of Energy, Ministry of Environment and Tourism, Ministry of Industry and Ministry of Mining, regarding the preparation of feasibility studies and financial and economic evaluation.	Good practice and procedures adopted.
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019

Overall Comments

Intermediate Results Indicators



► Direct project beneficiaries (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7,767.00	7,767.00	1,400.00
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019

▲ Female beneficiaries (Percentage, Custom Supplement)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	38.70	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: The FS study for the Baganuur coal mine has been completed. The FS studies for the Steel Complex and Synthetic Natural Gas are under implementation.	Ongoing: The FS studies for the Baganuur coal mine and Synthetic Natural Gas subprojects have been completed. The FS for the Steel Complex is under implementation.	Complete feasibility studies for ongoing infrastructure projects.
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019

► 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.	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	Achieved: The feasibility studies for Steel plant expansion and SNG were included in the Government action plan 2016-2020 and respective Project Implementation Units were formed. Tavan Tolgoi and Oyu Tolgoi mine area water issues were determined	Rapid response to at least five issues.



development of the pre-feasibility and the feasibility studies, the CIAs and ESIA's.

and two groundwater explorations were conducted in 2016. Additional exploration increased the coal reserves at the Baganuur Coal mine. Optimal mineral resources extraction model and plan for Mongolia along with pre-feasibility study for recycling of water polluted from mineral processing was developed. 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.

Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019
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► Training programs and events (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	99.00	99.00	10.00
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019

► Conferences to promote investment opportunities (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	6 workshops were attended	9 conferences/workshops were attended.	At least 5 events over the course of the project.
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019



► 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.	Ongoing: 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.	Five training programs were delivered 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	22-May-2017	24-Nov-2017	30-Sep-2019

► Ability to manage groundwater strengthened (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Insufficient resources/capacity to manage groundwater in Southern Mongolia.	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.	Achieved: The RBAs have been established and adequately staffed; they have become fully operational and GW management and monitoring plans are in place. 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.	Building capacity for effective groundwater management.
Date	30-Apr-2011	22-May-2017	24-Nov-2017	30-Sep-2019



► 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	Achieved: 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	Achieved: 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	22-May-2017	24-Nov-2017	30-Sep-2019

► 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	22-May-2017	24-Nov-2017	30-Sep-2019

► 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	Achieved: Ministry of Environment and Tourism together with the RBAs have implemented studies on water pricing and their recommendations have been adapted and enforced by the RBAs.	Achieved: Water resource pricing studies have been completed and recommendations have been implemented by Ministry of Environment and Tourism and RBAs where volumetric charges have been imposed on water abstractions.	Water pricing recommendations are well adapted and enforced by the RBAs
Date	30-Apr-2014	22-May-2017	24-Nov-2017	30-Sep-2019



▶ New Institutional structure financially sustainable (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No plan	Budget provisions were made for transferring financing of RBAs and RBCs from the AF TF to the central budget in the course of 2017.	The fiscal budget plan has been secured for 2017 and under preparation for 2018 for the established RBAs and RBCs.	Develop the fiscal budget plan for the RBAs and RBCs
Date	30-Apr-2014	22-May-2017	24-Nov-2017	30-Sep-2019



▶ 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: more than 3 public awareness workshops were organized between September 17 and 26, 2014. Furthermore, public consultations for IWRM plans are tentatively planned for December 2017.	Organize groundwater public awareness workshop.
Date	30-Apr-2014	22-May-2017	24-Nov-2017	30-Sep-2019

Overall Comments

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	17.01	6.01	 68%
P118109	TF-16382	Effective	USD	4.05	4.05	0.00	3.68	0.37	 91%

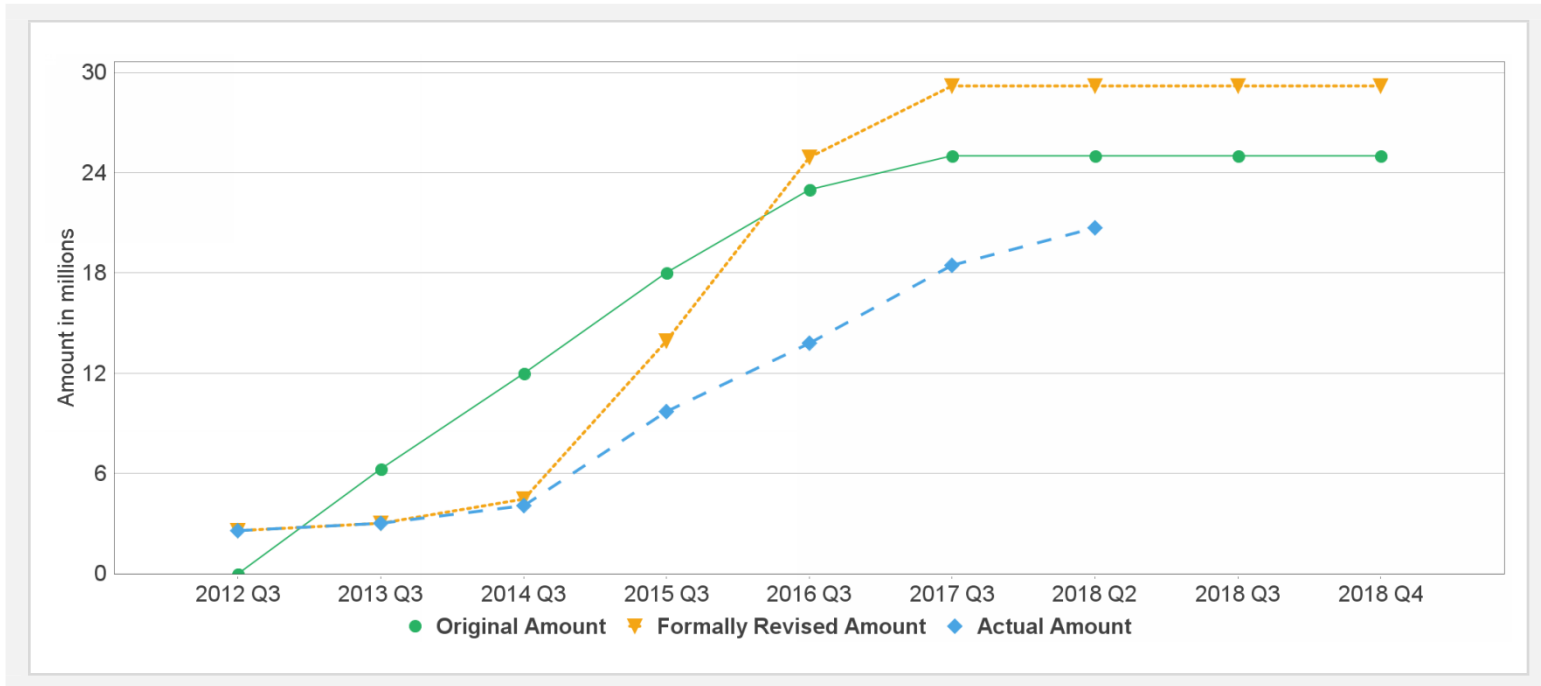
Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
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P118109	IDA-48880	Effective	10-May-2011	24-May-2011	20-Nov-2011	30-Sep-2016	30-Sep-2019
P118109	TF-16382	Effective	28-Mar-2014	30-Apr-2014	30-Apr-2014	30-Sep-2016	31-May-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 27-Jul-2016 ,Level 2 Approved on 27-Sep-2017

Related Project(s)

P145439-MN-Mining Infrastructure Investment Supp (P118109)