Implementation Status & Results
Mongolia
Energy Sector Project (P040907)

Operation Name: Energy Sector Project (P040907)  Project Stage: Implementation  Seq.No: 16  Status: ARCHIVED  Archive Date: 15-Jun-2011
Country: Mongolia  Approval FY: 2001
Product Line: IBRD/IDA  Region: EAST ASIA AND PACIFIC  Lending Instrument: Specific Investment Loan
Implementing Agency(ies): Ministry of Mineral Resources and Energy

Key Dates
Board Approval Date: 03-May-2001  Original Closing Date: 31-Dec-2006  Planned Mid Term Review Date: 16-Apr-2012  Last Archived ISR Date: 15-Jun-2011
Effectiveness Date: 30-Jul-2002  Revised Closing Date: 30-Sep-2013  Actual Mid Term Review Date:

Project Development Objectives
Project Development Objective (from Project Appraisal Document)
The objective of the project is to reduce system losses and improve revenue collection in electricity distribution companies in Mongolia. A central emphasis of the project is to improve the reliability and financial sustainability of electricity distribution companies, so that consumers are provided reliable, high-quality distribution services by commercially-operated distribution utilities.

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

Component(s)

<table>
<thead>
<tr>
<th>Component Name</th>
<th>Component Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>ULAANBAATAR DISTRIBUTION</td>
<td>21.83</td>
</tr>
<tr>
<td>AIMAG ENERGY</td>
<td>11.83</td>
</tr>
<tr>
<td>REGULATORY &amp; FINANCIAL MGT</td>
<td>0.19</td>
</tr>
<tr>
<td>UBEDN and CRETC Investments</td>
<td>11.20</td>
</tr>
<tr>
<td>Distribution Network Planning</td>
<td>1.00</td>
</tr>
<tr>
<td>Capacity Building and Incremental Costs</td>
<td>0.30</td>
</tr>
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</table>

Overall Ratings
<table>
<thead>
<tr>
<th></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></td>
</tr>
</tbody>
</table>

Implementation Status Overview
Under the additional financing, the project has continued to progress toward meeting its development objectives of reducing system losses and improving revenue collection. This is reflected in the continued reduction in system losses of just over three percent (from 22.0 percent to about 18.7 percent in Ulaanbaatar) since the end of 2010, and in additional billings amounting to some MNT 150 million (in respect of one months’ consumption), of which about MNT 100 million has been collected.

Contracts for all major supply and install works and purchasing of equipment have now been finalized, and contractors are manufacturing and delivering equipment. Negotiations for distribution and transmission planning software are ongoing and contracts are expected to be signed in April 2012. These additional works and equipment will allow the project to move closer to achieving the PDO.

### Locations

<table>
<thead>
<tr>
<th>Country</th>
<th>First Administrative Division</th>
<th>Location</th>
<th>Planned</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mongolia</td>
<td>Dzavhan Aymag</td>
<td>Uliastay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>Govi-Altay Aymag</td>
<td>Altai</td>
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<td>Mongolia</td>
<td>Ulaanbaatar Hot</td>
<td>Ulaanbaatar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>Hovsgol Aymag</td>
<td>Murun-kuren</td>
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<tr>
<td>Mongolia</td>
<td>Not Entered</td>
<td>Mongolia</td>
<td></td>
<td></td>
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<tr>
<td>Mongolia</td>
<td>Orhon Aymag</td>
<td>Erdenet</td>
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<tr>
<td>Mongolia</td>
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<td>Egiyn Gol</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>Darhan-Uul Aymag</td>
<td>Darhan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>South Govi</td>
<td>Dalandzadgad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>East Aimak</td>
<td>Choybalsan</td>
<td></td>
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</tr>
<tr>
<td>Mongolia</td>
<td>Bayanhongor Aymag</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>Suhbaatar Aymag</td>
<td>Baruun-Urt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mongolia</td>
<td>Central Aimak</td>
<td>Baganuur</td>
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</table>

### Results

**Project Development Objective Indicators**
<table>
<thead>
<tr>
<th>Indicator Name</th>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Losses</td>
<td>☐</td>
<td>Percentage</td>
<td>Value</td>
<td>34.90</td>
<td>18.70</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>Substantial progress has been made in reducing losses and it is expected that the end target will be achieved.</td>
<td></td>
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<tr>
<td>Receivables</td>
<td>☐</td>
<td>Days</td>
<td>Value</td>
<td>120.00</td>
<td>54.00</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>This indicator will be measured during the upcoming mid-term review.</td>
<td></td>
</tr>
<tr>
<td>New Meters Connected</td>
<td>☐</td>
<td>Number</td>
<td>Value</td>
<td>0.00</td>
<td>124000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>The number of connections above was achieved under Credit 3503. No new connections will be made under the additional financing.</td>
<td></td>
</tr>
<tr>
<td>Reduce Average Losses at Aimag Utilities</td>
<td>☐</td>
<td>Percentage</td>
<td>Value</td>
<td>55.00</td>
<td>105.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>This indicator will be measured during the upcoming mid-term review.</td>
<td></td>
</tr>
<tr>
<td>Reduce Technical Losses at Aimag Utilities</td>
<td>☐</td>
<td>Percentage</td>
<td>Value</td>
<td>45.00</td>
<td>15.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>This indicator will be measured during the upcoming mid-term review.</td>
<td></td>
</tr>
<tr>
<td>Additional Customer Sales per Annum (Gwh)</td>
<td>☐</td>
<td>Number</td>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Date</td>
<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Comments</td>
<td>This indicator will be measured during the upcoming mid-term review.</td>
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</tbody>
</table>
**Indicator Name**

**Improved Management of UBEDN**

<table>
<thead>
<tr>
<th>Core</th>
<th>Unit of Measure</th>
<th>Baseline</th>
<th>Current</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Percentage</td>
<td>0.00</td>
<td>35.00</td>
<td>50.00</td>
</tr>
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<td>02-Sep-2002</td>
<td>07-Mar-2012</td>
<td></td>
<td>30-Sep-2013</td>
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</tbody>
</table>

**Comments**

This indicator will be measured during the mid-term review, which is scheduled for the week of April 2, 2012.

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**Data on Financial Performance (as of 13-Mar-2012)**

**Financial Agreement(s) Key Dates**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Closing Date</th>
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<tbody>
<tr>
<td>P040907</td>
<td>IDA-35030</td>
<td>Closed</td>
<td>03-May-2001</td>
<td>02-Aug-2001</td>
<td>30-Jul-2002</td>
<td>30-Sep-2010</td>
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<td>P040907</td>
<td>IDA-46730</td>
<td>Effective</td>
<td>25-Mar-2010</td>
<td>16-Apr-2010</td>
<td>16-Sep-2010</td>
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**Disbursements (in Millions)**

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan No.</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>
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</thead>
<tbody>
<tr>
<td>P040907</td>
<td>IDA-35030</td>
<td>Closed</td>
<td>XDR</td>
<td>23.40</td>
<td>23.07</td>
<td>0.33</td>
<td>23.07</td>
<td>0.00</td>
<td>100.00</td>
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<tr>
<td>P040907</td>
<td>IDA-46730</td>
<td>Effective</td>
<td>XDR</td>
<td>7.60</td>
<td>7.60</td>
<td>0.00</td>
<td>2.41</td>
<td>5.19</td>
<td>32.00</td>
</tr>
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</table>

**Disbursement Graph**

![Disbursement Graph](image-url)
Key Decisions Regarding Implementation
Continued capacity building initiatives will be important for sustaining the gains made under the project. The Bank and Borrower plan to carry out the Mid-Term Review of the Additional Financing in April 2012.

Restructuring History
There has been no restructuring to date.

Related Projects
P116166-MN-Energy Sector Additional Financing