



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

EAST ASIA AND PACIFIC | Mongolia | Energy & Extractives Global Practice |
IBRD/IDA | Specific Investment Loan | FY 2011 | Seq No: 11 | ARCHIVED on 21-Nov-2016 | ISR25793 |

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-2017

Project Development Objectives

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



Implementation Status and Key Decisions

The project made significant progress under all Components since the last implementation support mission, held in March 2016. The following provides an update on the three project components as of mid-November 2016.

Component 1: The feasibility studies for the Extension of Baganuur Coal Mine subproject and two groundwater investigation studies for the South Gobi region under the Rural and Industrial Water Supply subproject have been completed. The Cumulative Impact Assessment for the Baganuur mine was drafted but is now being revised along the comments received from civil society organizations. The Feasibility Studies (FS) and Environment and Social Impact Assessments for the Integrated Steel Complex and Synthetic Natural Gas subprojects have been contracted and now are under implementation. Additional public consultations on the Terms of Reference for the Environmental and Social Impact Assessments (ESIAs) and the Regional Environmental Impact Assessments (REAs) for the Shuren Hydropower and Orkhon Gobi Water subprojects were held in Ulaanbaatar, Mongolia in April 2016. Preparations are currently underway for a series of public consultations in Russia. Upon completion of these consultations, the TORs will be finalized based on input and feedback received, and a Request for Proposals from consulting firms to undertake the work will be initiated.

Component 2: The knowledge transfer activities are being implemented satisfactorily and further strengthened capacity of the Ministry of Finance, Ministry of Environment and Tourism, Ministry of Energy, Ministry of Mining and Heavy Industry and other institutions in the areas of project preparation, contract management, and public-private partnership.

Component 3: The three River Basin Administrations (RBA) and River Basin Councils (RBC), which are being supported by the project in the South Gobi region, have become fully functional and have established an excellent benchmark for RBAs and RBCs in the other regions of the country. It is expected that all project activities, except for the Shuren Hydropower and Orkhon Gobi Water subprojects, will be completed by the project closing date of September 30, 2017. A project extension to allow for completion of the FSs, ESIAs and the REAs for the two subprojects will be considered in summer 2017.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Moderate	● 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	● Substantial
Stakeholders	--	● High	● High
Other	--	--	--
Overall	--	● Substantial	● High

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 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	The FS and studies for the Baganuur mine have been completed. The REA study was also prepared but needs to be revised. The FS and ESIA studies for the Steel Complex and Synthetic Natural Gas subprojects are under implementation.	Two transactions are ready for tendering.
Date	30-Apr-2010	31-Mar-2016	01-Nov-2016	30-Sep-2017

► 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 Green Development 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 offered to Ministry of Finance, Ministry of Energy, Ministry of Environment Green Development 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	31-Mar-2016	01-Nov-2016	30-Jun-2016

Overall Comments



Intermediate Results Indicators

► Direct project beneficiaries (Number, Core)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	7767.00	7767.00	1400.00
Date	30-Apr-2011	31-Mar-2016	01-Nov-2016	30-Jun-2016

▲ Female beneficiaries (Percentage, Core 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. Feasibility Study for one transaction is under finalization, one has been just awarded, one is under award and the other two are under procurement.	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.	Complete feasibility studies for ongoing infrastructure projects.
Date	30-Apr-2011	31-Mar-2016	01-Nov-2016	30-Sep-2017

► 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	Achieved: Five issues including need assessment, information gathering, viability and economic analysis, proper preparation and public consultation were addressed in the course	Rapid response to at least five issues.



		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.	of the priority sub-projects identification and the development of the pre-feasibility and the feasibility studies, the CIAs and ESIA.	
Date	30-Apr-2011	31-Mar-2016	01-Nov-2016	30-Jun-2016

► 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	31-Mar-2016	01-Nov-2016	30-Jun-2016

► Conferences to promote investment opportunities (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	none	6 workshops were attended	6 workshops were attended	At least 5 events over the course of the project.
Date	30-Apr-2011	31-Mar-2016	01-Nov-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.	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.	Staff is well trained to administer government-financed projects & PPP concessions
Date	30-Apr-2011	31-Mar-2016	01-Nov-2016	30-Sep-2017



► 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 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	31-Mar-2016	01-Nov-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.	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	31-Mar-2016	01-Nov-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	31-Mar-2016	01-Nov-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	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.	Water pricing recommendations are well adapted and enforced by the RBAs
Date	30-Apr-2014	31-Mar-2016	01-Nov-2016	30-Jun-2016

► New Institutional structure financially sustainable (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No plan	The fiscal budget plan has been approved and will be in effect starting October 1, 2016.	Budget provisions were made for transferring financing of RBAs and RBCs from the AF TF to the central budget in the course of 2017.	Develop the fiscal budget plan for the RBAs and RBCs
Date	30-Apr-2014	31-Mar-2016	30-Nov-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	31-Mar-2016	01-Nov-2016	30-Jun-2016
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Overall Comments

Data on Financial Performance

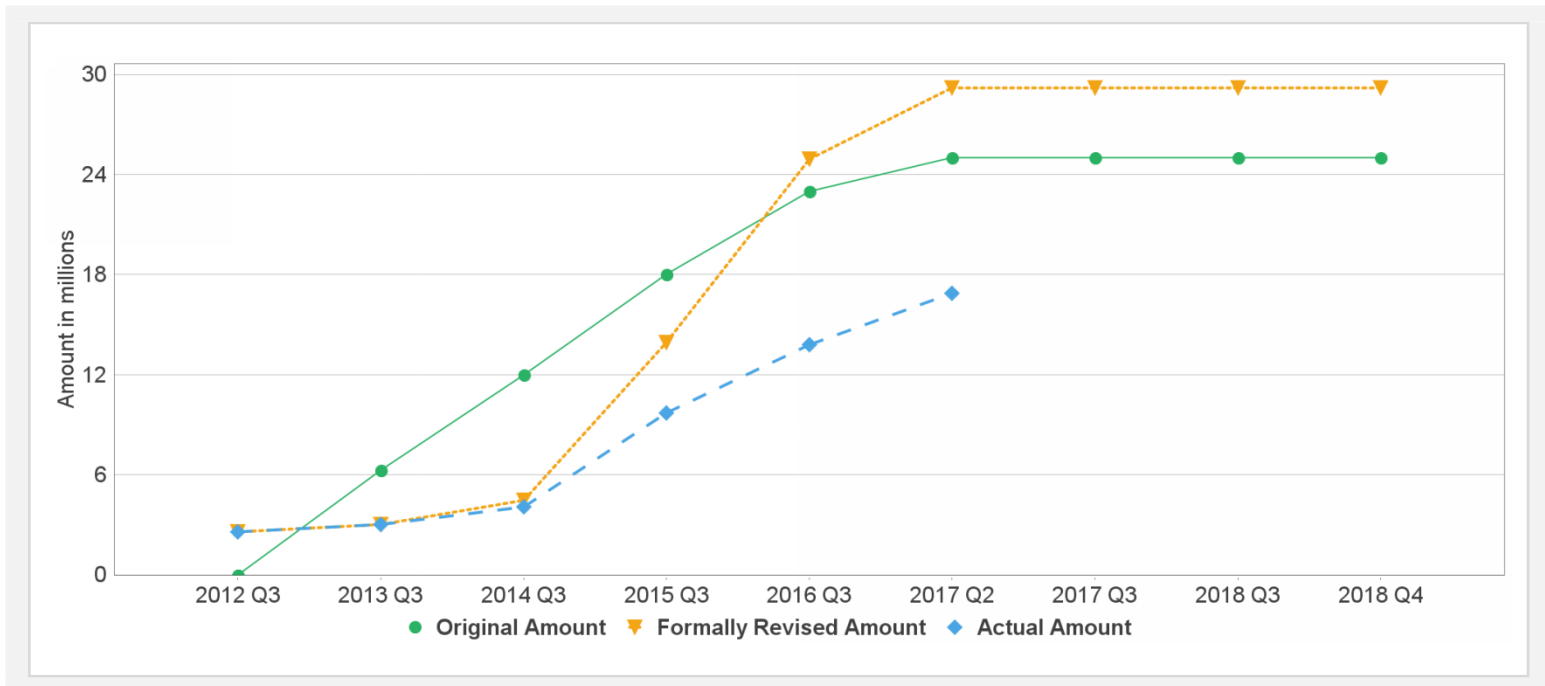
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P118109	IDA-48880	Effective	USD	25.00	25.00	0.00	14.02	8.84	 56%
P118109	TF-16382	Effective	USD	4.05	4.05	0.00	2.86	1.19	 71%

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-2017
P118109	TF-16382	Effective	28-Mar-2014	30-Apr-2014	30-Apr-2014	30-Sep-2016	30-Sep-2017

Cumulative Disbursements



Restructuring History

Level 2 Approved on 27-Jul-2016

Related Project(s)

P145439-Mining Infrastructure Investment Support - Additional Financing