



1. CAS/CPS Data		
Country: Mongolia		
CPS Year: FY2012	CPS Period: FY2013 – FY2021, H1	
CLR Period: FY2013 – FY2021, H1	Date of this review: May 13, 2021	
2. Ratings		
	CLR Rating	IEG Rating
Development Outcome:	<i>Moderately Satisfactory</i>	<i>Moderately Satisfactory</i>
WBG Performance:	<i>Good</i>	<i>Good</i>
3. Executive Summary		
<p>i. This review examines the implementation of the FY13-FY17 Mongolia Country Partnership Strategy (CPS), which was endorsed by the World Bank Group (WBG)'s Board of Executive Directors in April 2012, updated in the Performance and Learning Review (PLR) of December 2016 (which extended the CPS by six months) and further revised in the PLR of November 2019. At that time, the CPS period was extended retroactively by three years until December 31, 2020. The decision to agree to an extended delay with the preparation of the new Country Partnership Framework (CPF) was motivated by two factors that were anticipated to have a serious impact on the design of the next program. First, Mongolia's graduation from IDA was expected to happen at the end of FY20. Second, Mongolia's parliamentary elections were scheduled for June 2020, and it was thought that the new CPF timetable would facilitate its alignment with the priorities of the newly elected government. This review covers WBG activities since July 1, 2012 through December 31, 2020.¹</p> <p>ii. Mongolia is a lower middle-income country with a GNI per capita (2019, Atlas method, current US\$) of US\$3,790. Mongolia is a blend Bank borrower. As a mineral resource-based economy, the country's GDP growth and its balance of payments have been vulnerable to commodity price fluctuations. External shocks have been further aggravated by frequent government changes and related policy reversals. At the start of the CPS period, Mongolia was one of the fastest growing economies in the world. However, because of the decline in commodity prices and weak macroeconomic management, the economy went through a crisis in 2014-16. Growth slowed from 11.6 percent in 2013 to 1.2 percent in 2016. A subsequent recovery in export prices and FDI, supported by more disciplined government policies led to growth revival (to about six percent on average during 2017-19). In 2020, because of the COVID-19 pandemic, Mongolia's GDP contracted by about five percent. The Bank expects Mongolia's post-COVID recovery to be solid with growth reaching 4.3 percent in 2021, driven by an economic turnaround in China, which is the major market for Mongolia's commodity exports. However, the recovery is subject to</p>		

¹ The Completion and Learning Review (CLR, p. 2) refers to April 2012 as the beginning of the period under the review, which is a typo. In several other places the CLR correctly pointed to the FY13 as the start of the program period.

CLR Reviewed by:	Panel Reviewed by:	CLR Review Manager/Coordinator
Lev Freinkman, Consultant, IEGEC	Juan Jose Fernandez- Ansola, Consultant, IEGEC	Jeff Chelsky Manager, IEGEC
Rafael Dominguez, Consultant, IEGEC		Yumeka Hirano CLRR Coordinator, IEGEC



substantial downside risks.² Despite the average growth rate over the CPS period (pre-COVID) exceeded five percent, Mongolia did not make any real gains in poverty reduction. A rapid decline in poverty between 2010 and 2014 (from 38.8 to 21.6 percent, measured by the national poverty line) was partially reversed by the 2014-2016 crisis. In 2018, the poverty ratio stood at 28.4 percent. The COVID-19 crisis is expected to bring in an additional deterioration of the poverty profile. Mongolia's Gini index increased from 32 in 2014 to 32.7 in 2018.

iii. The CPS had three Focus Areas: (1) enhance Mongolia's capacity to manage the mining economy sustainably and transparently; (2) build a sustained and diversified basis for economic growth and employment in urban and rural areas; and (3) address vulnerabilities and growing inequality through improved access to services and better service delivery, safety net provision, and improved disaster risk management. The CPS objectives were well aligned with the country's own development goals as set out in various government programs and strategies. At both PLR stages, several adjustments were introduced to CPS objectives; in only one case (social protection), these adjustments brought a substantial change to the program design (by narrowing the objective). The degree of congruence between Bank's and country's program was greatest during the second part of the CPS period, when Mongolia's economic program was anchored in the Government's Economic Recovery Plan (ERP), approved in late 2016. Nevertheless, the CPS could have further improved congruence with country conditions by placing more emphasis on strengthening governance.

iv. IEG rates overall outcome of the WBG's strategy as **Moderately Satisfactory**. Of the seven objectives, two were achieved, three were mostly achieved, and two were partially achieved. Progress under all three Focus Areas was rated as moderately satisfactory. There was broad-based (while not linear) progress towards a more robust and transparent management of public finance and enhanced governance in mining. The program made a major contribution to the establishment of the market for livestock risk insurance and supported a gradual expansion in poverty-targeted programs. Several WBG interventions provided direct support for generating incremental employment and income opportunities for the population, which had the potential to be further scaled-up. At the same time, the program objectives in the area of bank recapitalization remained unmet, and, beyond improved SME access to credit, there is no evidence of enhanced financial intermediation. Improvements in access to core services have been quite uneven and fell short of program targets in the provision of legal assistance and reliable power supply. Despite broadly satisfactory results, it is worth highlighting that in many areas, reforms remain at an early stage, and much more effort is needed to make them sustainable, especially in fiscal management, investment climate and social protection.

v. IEG rates WBG performance as **Good**. The program had several serious design weaknesses, while it was reasonably selective. It was informed by adequate country knowledge and had sufficiently strong links between lending and non-lending interventions. In addition, the design supported collaboration and synergy between operations of the Bank and IFC (which was not, however, reflected in the results framework). Risk identification was largely correct, while not sufficiently specific. However, a substantial part of the value of WBG interventions was not related to any CPS objective. The additional interventions focused primarily on governance and mining, both of which were explicit government priorities. Overall, the CPS results framework was weak. There were several instances of disconnect between a broadly formulated objective and narrowly focused indicators. Quite a few targets lacked ambition, while others were not updated after the program extension.

vi. The program was implemented largely as expected, but with a larger than planned lending program. The WBG showed flexibility in adjusting the program at the PLR stage in 2016 in response to drastic changes in country circumstances caused by the 2014-16 slowdown and devaluation. Towards the end of the extended CPS period, the Bank adjusted the lending program to respond to the COVID-19 crisis. The Bank collaborated closely with other development partners

² The World Bank. 2021. Mongolia Economic Update. February, p. viii.



in conducting policy dialogue and on providing financial support to the Government of Mongolia (GOM). Several Bank projects served as integrative platforms for attracting co-financing from other partners. At the same time, the Bank missed an opportunity provided by two PLRs to make necessary adjustments to program coverage and the results framework. In effect, the revisions made at the PLR stage further weakened the results framework. The second PLR in 2019 retroactively extended the CPS by three years. The rationale for such a lengthy and retroactive extension was unconvincing.

vii. During the period under review, the Bank approved 17 new lending operations, including two DPFs, two supplemental financing and three emergency operations. Only five of the new operations were from the original CPS list, while 12 were unplanned in the CPS. Overall, new lending volume over the 8.5-year period amounted to US\$605.3 million, including \$US33.8 million in IBRD lending for two operations. Actual IDA lending was more than five times larger than the indicative amount agreed in the CPS, reflecting greater availability of IDA resources to Mongolia.³ The primary growth driver of lending volumes was the Economic Management Support Operation (EMSO) DPF series. Two out of three originally planned DPF operations were approved for a total of US\$220 million. Lending portfolio performance at exit was better on average than for the East Asia and Pacific region and for the World Bank as a whole. IDA leveraged its assistance with a significant volume of Trust Fund (TF) support. There were 32 active TF operations worth US\$104 million.

viii. Over the CPS period, the Bank delivered a total of 70 Advisory Services & Analytics (ASA). These covered a wide range of areas and mostly had strong links to the CPS objectives. Almost all major ASA products, which were planned in the CPS, were completed. Several ASA products made a substantive contribution to the design of Bank lending projects, including the DPF series.

ix. IFC and MIGA led the WBG's financing interventions in Mongolia with their combined US\$2.85 billion support for a transformational Oyu Tolgoi (OT) mining project. It included a record US\$1 billion guarantee facility issued by MIGA. The OT project has had a major development impact on Mongolia in terms of enhancing GDP and export growth. At the end of the CPS period, IFC had a total long-term finance committed and outstanding portfolio of US\$537 million, representing growth of more than 4.5 times since 2012. Taken together, IFC and MIGA interventions were more than five times larger than the volume of Bank lending.

x. The CLR highlighted six lessons: (i) Alignment with the domestic political cycle and maintaining a high degree of flexibility are needed in a volatile economic and political environment; (ii) In the environment of high commodity dependency, Bank programming should be based on realistic macroeconomic projections that properly incorporate downside risks; (iii) More sensitivity to the limited political ownership of reforms, more political economy analysis, and more consultations with local stakeholders beyond the core government counterparts, were warranted to mitigate against the risk of policy reversals; (iv) Greater concentration of operations in fewer sectors may increase the WBG's impact on the ground in the short term and also help improve portfolio quality; (v) The project design needs to better assess governance risks to project implementation and suggest adequate mitigation; and (vi) Insufficient client ownership might become a primary obstacle for implementation of both lending projects and ASA; the Bank needs to be more realistic in ex-ante assessment of government ownership. IEG particularly agrees that there is need for more realistic ex ante assessment of risks, and for a better understanding of political economy of reforms and more effort to empower local pro-reform coalitions. This is in line with the top recommendation of

³ In FY18 Mongolia received an additional IDA allocation of SDR58 million under the Crisis Response Window to provide emergency support to mitigate the adverse effects of the commodity price shock. In FY20 Mongolia received a special IDA graduate allocation of SDR 37 million. Overall, IDA allocations over the period FY17-20 were more than twice as high relative to the previous four years, FY13-16. Mongolia graduated from IDA at the end of FY20 but still has access to some exceptional IDA support in response to the COVID-19 crisis as approved by the IDA Board.



the earlier Mongolia Country Program Evaluation (CPE) by IEG, which emphasized the importance of building the demand (not just capacity) for good governance.

xi. IEG adds the following lesson:

- It is important to ensure that both program objectives and results framework are properly adapted in line with actual program developments during the life of a partnership strategy. In Mongolia, a substantial part of interventions (by value of investments) did not contribute to the achievement of explicit program objectives. When the results framework does not adequately monitor developments related to the largest investment projects, it undermines opportunities to adequately assess some of the major development outcomes attributed to the Bank Group.

4. Strategic Focus

Relevance of the WBG Strategy:

1. **Congruence with Country Context and Country Program.** Mongolia is a lower middle-income country with a GNI per capita (2019, Atlas method, current US\$) of US\$3,790. As a mineral resource-based economy, the country's GDP growth and balance of payments have been vulnerable to commodity price fluctuations.⁴ Adverse external shocks have been further aggravated by frequent government changes and related policy reversals. At the start of the CPS period, Mongolia was one of the fastest growing economies in the world. However, because of the decline in commodity prices and weak macroeconomic management, the economy went through an economic crisis in 2014-2016. Growth slowed down from 11.6 percent in 2013 to 1.2 percent in 2016. A subsequent recovery in export prices and FDI, supported by more disciplined government policies led to a growth revival (to about 6 percent on average during 2017-19). In 2020, because of the COVID-19 pandemic, Mongolia's GDP contracted by about 5 percent. Currently the Bank expects Mongolia's post-COVID recovery to be solid with growth reaching 4.3 percent in 2021, driven by an economic turnaround in China, which is the major market for Mongolia's commodity exports. Despite the average growth rate over the CPS period (pre-COVID) exceeding five percent, Mongolia did not make real gains in poverty reduction. A rapid decline in poverty between 2010 and 2014 (from 38.8 to 21.6 percent, measured by the national poverty line) was partially reversed by the 2014-2016 economic slowdown. In 2018, the poverty ratio stood at 28.4 percent. The COVID-19 crisis is expected to bring in an additional deterioration to the poverty profile. Mongolia's Gini index increased from 32 in 2014 to 32.7 in 2018.

2. The overall CPS objectives were broadly aligned with the priorities of Mongolia's own development program, but the CPS' focus on governance was more limited relative to its weight in the GOM's agenda. The three CPS pillars, which were focused on the challenges of managing the mining economy, advancing economic diversification and improving service delivery, were closely linked to the country's key development goals. The major deterioration in the economic performance after 2014, on balance, made the original CPS objectives even more relevant and aligned with the country's objectives. Over the more than eight years of CPS period, there have been numerous changes in the government and in the associated sequence of various government strategies and programs. In this situation, to maintain the alignment at the intervention level, the Bank had to make several adjustments to its lending and ASA program. The degree of congruence between the Bank's and the country's objectives was greatest during the second part of the CPS period, when Mongolia's economic reforms were anchored in the ERP, approved by the Parliament in November 2016. The ERP aimed to mitigate the impact of the 2014-16 crisis and restore fiscal sustainability, while pursuing structural reforms. The ERP was supported by the Bank through the DPF series, which was added to the program at the PLR2016.

3. The CPS could have further improved congruence with country conditions by placing more emphasis on strengthening governance and accountability arrangements (beyond the mining focused Extractive Industry Transparency Initiative (EITI) agenda). Governance, as identified in the

⁴ The IMF estimates that in 2019 exports of minerals amounted to 94 percent of total exports.



2018 Systematic Country Diagnostic (p. 68), is a cross-cutting root-issue behind all key challenges in Mongolia. The GOM's development strategy approved in February 2018 had as one of its three primary pillars "disciplined, accountable, and stable governance". In the event, several high-profile Bank interventions launched over the CPS period aimed at advancing the core governance reform agenda,⁵ but all of them remained disconnected to the program's formal objectives and results framework.

4. **Relevance of Design.** The proposed WBG interventions could reasonably be expected to contribute to the achievement of most CPS objectives. Trust-funded activities played an important complementary role and were well integrated with the rest of the program through co-financing several investment projects and funding important ASA products. WBG knowledge products contributed to several CPS objectives (including on fiscal management, investment climate, and social protection) and supported the preparation of the Development Policy Financing (DPF) series and other lending. However, the ASA program was too fragmented, especially in the second part of the period. The CPS design provided for considerable synergy from Bank-IFC collaboration in several areas (investment climate, mining infrastructure, and financial intermediation), but this was not adequately reflected in the results framework. There was substantial complementarity between budget support operations and investment lending, especially with the series of multi-sector TA projects coordinated by the Ministry of Finance, and non-lending TA. The basic structure of the Bank-supported program had a flexible design, which allowed for accommodation of several substantive adjustments (at the intervention level) during the CPS period in response to changing government priorities.

5. At the same time, CPS design had a significant shortcoming as considerable part of actual WBG interventions (by value), undertaken during the program period, were not related to any of the CPS objectives. The original CPS did not cover two important policy areas that were both central for the GOM's development agenda and considered critical by the Bank own diagnostics: (i) governance and accountability (as discussed in the previous section), and (ii) mining development. At the same time, the WBG made major investments in these two areas, both of which were explicit government priorities. In mining, the program's focus was on the regulatory and infrastructure aspects of sector developments, while the biggest WBG financial intervention in Mongolia (the OT project), which made a direct significant contribution to widening the scope of mining activities in the country (and through this to GDP and export growth, increases in government revenues and FDI inflows) was not captured (even mentioned) in the structure of the CPS program. Two PLRs introduced only limited change to the CPS objectives. The preparation of the PLR2016 benefitted from the recommendations of the Mongolia CPE FY2005–13, completed by IEG in 2014. However, the PLR incorporated CPE recommendations selectively. In particular, it did not enhance focus of the program objectives on the governance agenda, while the top CPE recommendation emphasized importance for the Bank to expand its support for strengthening the demand and capacity for good governance.

Selectivity

6. The CPS was reasonably selective. The CPS did not contain an explicit discussion of selectivity, however, one of the lessons from the earlier country engagements, which informed the CPS design, pointed to the need to focus the program on fewer outcomes and align them with selected national development priorities (CPS, p. 14). The program was focused on a limited number (seven) of objectives that emphasized strengthening fiscal management, enhanced capacity for management of mining developments, economic diversification, improved access to core services, and reduced population vulnerability. Several of these objectives were selective in covering only specific themes within broader sectors (e.g., in governance (mining governance) and in mining (regulatory and infrastructure aspects)). All these objectives were based on sound country diagnostics, aligned with Mongolia's own development goals, and were consistent with WBG capacity to deliver based on past experience. In addition, the CPS design and implementation

⁵ Those included the e-government project, civil service assessment, Strengthening Governance in Mongolia TF, ASA on Mongolia governance, anticorruption efforts, governance partnership facility, etc.



managed to address the problem of program fragmentation, by moving to fewer, but larger, investment projects. The only shortcoming with the set of objectives included in the CPS program was that, as already mentioned, several quite important WBG interventions fell outside the program boundaries. In other words, the program was too narrowly defined in light of the overall envelope of WBG lending and non-lending interventions.

Alignment

7. While the 2013 corporate twin goals of poverty reduction and shared prosperity had not yet been adopted at the beginning of the CPS period, the CPS objectives were broadly aligned with them. Although the CPS objectives did not target or monitor poverty and shared prosperity directly, the program interventions to improve targeting in social protection (Objective 5) could conceivably contribute to poverty reduction and increase shared prosperity. The CPS results framework contained specific indicators (under Objective 4) to measure income growth among rural households that benefitted from the selected program interventions aimed at economic diversification. In the environment of commodity dependence, the diversification of national economic structure represents a critical pre-condition for sustainable progress in poverty reduction. Moreover, interventions under Objective 6 supported improvements in the delivery of core public services, including in education and health, which could also bring about considerable benefits for the poor. The CPS also helped (Objective 7) enhance the resilience of the rural population to natural disasters and reduce the burden of urban pollution; both these benefits are particularly important to vulnerable groups. In addition, several objectives (mining sector (#1) and investment climate (#3)) promoted the growth dimension of the twin goals. Towards the end of the period, the Bank also adjusted the lending program in response to the COVID-19 crisis that is expected to reduce the poverty impact of the pandemic. At the same time, the CPS Results Framework failed to reflect several important benefits to the poor that could be attributed to the program interventions. In particular, the RF did not contain any indicator to monitor benefits delivered by the WB health, education, and employment support projects.

8. Overall, over the CPS period, despite substantial economic growth, Mongolia did not make any real gains in poverty reduction. The key explanatory factors include weakness in macroeconomic management, which aggravated the poverty impact of commodity price shock during the 2014-16 crisis, and lack of ownership within the country elites for comprehensive reforms in social protection and social assistance. Through its EMSO DPF series, the Bank and its development partners made a substantial contribution to the restoration of sustainability in the macroeconomic framework. However, the Bank has been less successful in advancing the reform agenda in the social sector.

5. Development Outcome

Overview of Achievement by Objective:

Focus Area I: Enhance Mongolia's Capacity to Manage the Mining Economy Sustainably and Transparently

9. **Objective 1. Supporting development of a regulatory environment, institutional capacity, and infrastructure for world-class mining.** IDA supported this objective through the Mining Infrastructure Investment Support Project (FY11), Governance Assistance Project (GAP, FY06), Mining Sector Institutional Strengthening TA Project (MSISTAP, FY08), Mining Infrastructure Investment Support Project (MINIS, FY11) and associated TF (FY14), Mongolia Multi-Sector TA Project (MSTAP, FY10); Mongolia EITI Post Compliance TFs (FY12 and FY15), Mongolia Improved Governance of Extractives Project (MIGEP) TF (FY16), as well as through the IFC AS Corporate Governance Project (FY10) and AS Mongolia Multistakeholder Water Management in Mining (FY13). This objective had two indicators:

- Number of public/PPP mining-related infrastructure assets ready for tender. Baseline: 0 (FY12). Target: At least 2 (end-2019). This target was only partially achieved. With support of the MINIS project, by June 2018, the feasibility studies and safeguard assessments were



completed for investments in two mining-related infrastructure assets indicating its technical readiness for tendering. However, these documents did not adequately provide for a possibility of public-private partnership (PPP)-based investment funding. This has blocked a further preparation of respective tenders. No tender has been announced by the end of the Bank project completion (end-2019).⁶ The government has not yet agreed to proceed along the PPP route due to political opposition. **Partially Achieved.**

- Aimags-wide management and monitoring plans for groundwater use prepared and in use (cumulative). Baseline: 0 (2012). Target: 3 aimags⁷ (end-2017). This target was met. With support under the Bank project, by 2019, the Government adopted the management and monitoring plans for groundwater use in three river basins; established the functional monitoring system; and set up a new organizational structure for managing the implementation (i.e., the use) of these plans and monitoring of the groundwater use. However, so far, the actual impact of implementing the management plans on groundwater use remained undetermined. **Achieved.**

10. IEG rates Objective 1 as **Mostly Achieved**. One out of two targets was Achieved, while the other was Partially Achieved. However, the above outcome indicators were too narrow measures for monitoring progress towards this broadly (but not very precisely) formulated objective. The indicators did not reflect changes in Mongolia's capacity to regulate developments in the mining sector, and they only tracked changes in a specific segment (water supply) of mining infrastructure. Yet, broader measures of institutional development in the mining sector suggest that over the last decade the GOM made considerable progress in strengthening the governance regime in mining -- a key part of the objective -- as confirmed by several sources, including the following:

- Mongolia became only the second country in the world to meet all the requirements of the new 2016 Extractive Industry Transparency International (EITI) standard.⁸
- The Resource Governance Index 2017 Report rated the governance regime in Mongolia's mining Satisfactory and ranked Mongolia 15th globally (among 89 mining economies).

In particular, with support received under the GAP and MSISTAP, the GOM has improved its administration of mining licenses by launching the Computerized Mining Cadaster System (CMCS, made fully operational in February 2013). According to the IEG's Project Performance Assessment Report (PPAR) for the GAP (pp. 28-29), the CMCS provides for a less time-consuming process of license administration, more efficient fee collection, and more transparency in license ownership. With respect to the development of mining infrastructure, the ICRR for the MINIS project states that government capacity to prepare new infrastructure projects, including those with private financing, had improved substantially. But there is no evidence yet of actual growth in private investment in mining infrastructure that could be attributed to the improvements in government capacity. Still, overall, IEG considered that progress toward the achievement of this objective warrants a Mostly Achieved rating.

11. **Objective 2. Supporting a more robust, equitable, and transparent management of public revenues and expenditures.** IDA/IBRD supported this objective through the Sustainable Livelihoods Project II (SLP 2, FY07) and its AF (FY11), SLP 3 (FY14), GAP (FY06), Economic Management Support Operation DPF series (EMSO I, FY18 and EMSO II, FY20), Strengthening Fiscal and Financial Stability Project (SFFSP, FY18), Strengthening Governance in Mongolia TF (FY19), Public Expenditure and Financial Accountability (PEFA) Assessment (FY15), Public

⁶ It is worth noting that the indicator/target in this case were measuring an intermediary output ("assets ready for tender") instead of focusing on an action that would have had more traction ("launching a tender").

⁷ Aimags are Mongolia's equivalent of provinces, the second tier of the government.

⁸ The Bank supported Mongolia's progress under the EITI directly with several grant-funded engagements. IFC and MIGA's contributions were indirect, through their support for the development of the OT project: mining companies' compliance with the EITI standards on revenue transparency and disclosure are important requirements for IFC and MIGA support for private investments in extractive industries.



Expenditure Review (FY18), ASA on Mainstreaming Social Accountability in Mongolia (FY20) and Civil Service Reform Assessment (FY20).

12. This objective had three indicators:

- Percentage of citizens satisfied with the mechanisms and outcomes of Community Initiative Fund (CIF) investment. Baseline: Outcomes: 85%, Mechanism: 86% (FY12). Target: Outcomes: Remains above 80%, Mechanism: Remains above 80% (2013). This target was met, although it is noteworthy that the target was *below* the baseline drawing into question its consistency with the implicit objective of improved satisfaction. The ICR for SLP 2 states that 87 percent of citizens were satisfied with the outcomes of CIF investments by project closure in 2013, meeting the target. In addition, 90 percent of respondents agreed that CIF investments were aligned with their priorities and 81 percent indicated that CIF procedures were open and transparent suggesting their broad satisfaction with the mechanism used for project selection and implementation. But sustainability of this achievement remains a concern. After 2013, the subsequent Bank project, SLP 3, continued to support local communities and co-financed operations of the Local Development Fund (LDF), the successor to the CIF. While SLP 3 did not monitor this indicator, it monitored the extent to which the LDF has been responsive to meeting local needs. The latest ISR for SLP 3 states that in November 2020 only 48 percent of local residents participated in the survey agreed that LDF operations meet local needs. The scope of LDF operations in 2019-20 declined by about 80 percent, compared to 2013. **Achieved.**
- Net financing⁹ of the Housing Mortgage Program by the Bank of Mongolia (BOM) is terminated. Baseline: MNT 404 billion (2016). Target: MNT 0 billion (2019–2020). This target was mostly achieved. According to the IMF, the BOM has discontinued net financing of the housing mortgage program as well as any other quasi-fiscal lending by 2017. The BOM signed a Memorandum of Understanding with the MOF to limit the central bank's future involvement in the mortgage program. Starting from the 2017 supplementary budget, the GOM has provided net financing of the Housing Mortgage Program from the national budget and reported this spending as regular budget expenditure. However, as reported by the IMF, in early 2020, as part of the government's package of anti-crisis policies, Parliament approved the decision compelling the BOM to resume its support for subsidized housing loans via the purchase of mortgage-backed securities. While this policy reversal was adopted as temporary (the agreement between the authorities and IMF staff provided that all quasi-fiscal spending by the BOM would be stopped in January 2021¹⁰), there is no confirmation yet of its termination. **Mostly Achieved.**
- (Budgetary) Capital expenditure (program) for the clearance of promissory notes is terminated. Baseline: MNT 672 billion (2016). Target: MNT 0 billion (2020). This target was met. The Program Document for the EMSO I reports that the government has terminated its promissory notes program for financing capital expenditures in 2017, following the Parliament resolution No. 47 of September 9, 2016. **Achieved.**

13. IEG rates Objective 2 as Mostly **Achieved**. Two related targets were Achieved and the other Mostly Achieved. However, the stated objective is broad, while selected indicators are narrowly focused and do not allow for adequate tracking of robustness, equity, and transparency in the management of public revenues and expenditure. Two of the indicators were more appropriate for use as prior actions in DPFs rather than results indicators in the CPS. The third indicator, which has the targets below the baseline and the time period of just about one year, did not add much to the assessment of the program's contribution. Moreover, the revenue side of budget management was not reflected by any of these indicators. The review of available country-level evidence undertaken by IEG suggests that since 2016 the GOM has made substantial progress in the management of public

⁹ Net financing is defined as funding of new mortgages in excess of principal repayment inflows.

¹⁰ IMF. 2020. Mongolia. Request for Purchase under the Rapid Financing Instrument. May 27. P. 4.



finance, supported by the Bank and IMF programs. Macroeconomic adjustment was significant. The country's fiscal stance has improved substantially as the consolidated budget deficit declined from 15.1 percent of GDP in 2016 to a surplus of 2.8 percent in 2018 and to a modest deficit of 1.4 percent in 2019. This improvement led to a nearly 13-percentage-point reduction in the public-debt-to-GDP ratio in 2017-18. A considerable revenue over-performance, driven by a substantial increase in mining revenues, but also by broadening the tax base and enhanced tax administration, were among the main drivers of this success. Total current budget revenues increased from 24.0 percent of GDP in 2016 to 32.1 percent in 2019. This increase included growth in the collection of all main domestic taxes: VAT – by 1.9 percentage point (pp.) of GDP, corporate income tax – 2.4 pp., personal income tax – 0.2 pp., and social security contributions – by 0.8 pp. (IMF data). However, the important tax policy reform (the introduction of progressive income tax), directly supported by EMSO 1, was reversed after the government change and the flat income tax structure was restored in 2019. On the institutional side, more robust fiscal management was helped by the adoption of the new Fiscal Stability Law and Law on Bank of Mongolia as well as by the countrywide rollover (with support under several Bank projects) of the new e-government systems, including the Government Financial Management Information System (GFMIS) and Tax Administration Information System (TAIS). While there remain considerable concerns about sustainability of these achievements, especially in the light of recent pandemic-related shocks, the shifts to a more robust fiscal management have been significant. In parallel, both public access to budget information and budget transparency have improved, as confirmed by Mongolia's scores at the Open Budget Index: from 46 (out of 100) in 2017 to 56 in 2019. (The baseline value of this index (2012) was 51.) Recent progress under the EITI (mentioned above under Objective 1) is another indication of enhanced fiscal transparency. In addition, while less prominent, there has been some progress towards more equitable public spending. It could be illustrated by growth in expenditure on poverty-targeted social programs as well as by improvements (including more horizontal equity) in the mechanism of fiscal transfers to local governments, which were introduced with support from SLP 3. Also, the GFMIS operations made an important contribution to sustainable decentralization by improved transparency and accountability in the arrangements for fiscal transfer to local governments. On balance, IEG rated the Objective 2 as Mostly Achieved: despite substantial progress in fiscal management, remaining risks are significant and exacerbated by recent policy reversals in the tax and housing finance areas.

14. IEG rates the outcome of WBG support under Focus Area I as **Moderately Satisfactory**. Both objectives were Mostly Achieved. Overall, despite the remaining risks and policy reversals, there has been progress towards a more robust and transparent management of public finance, which was complemented by shifts in expenditure allocations favoring enhanced budget equitability. In addition, the GOM's efforts to improve the governance regime in mining brought important regulatory and institutional strengthening although, this did not bring any noticeable expansion in private investment inflows in mining infrastructure beyond those associated with OT. There was also some enhancement of capacity to manage investments in mining infrastructure. Overall, three out of five specific outcome targets were met. While each of all these targets had a narrow focus, complementary evidence validates progress towards most of the objectives.

Focus Area II: Build a Sustained and Diversified Basis for Economic Growth and Employment in Urban and Rural Areas

15. **Objective 3. Enhancing the investment climate and financial intermediation.** IDA/IBRD supported this objective through the EMSO I (FY18) and EMSO II (FY20); ASA Consumer Protection and Finance Literacy (FY13); Capital Market Development TA (FY16); IFC AS Business Inspection Reform (FY09) and Secured Transactions Reform (FY14). This objective had two indicators:

- Number of business activities subject to permitting and licensing. Baseline: 890 (2013). Target: The number of business activities subject to permitting and licensing to be reduced by more than 10 percent from the baseline (2020). This target was partially met. The completion report for IFC AS on Inspection Reforms states that the first stage of permit reform, undertaken over 2010-15, resulted in some rationalization of the permit system. In



particular, between 2009 and 2015, the share of businesses required to obtain a permit from the General Agency for Specialized Inspections (GASI) decreased by 21.5 percentage points and the annual number of actual permits issued by the GASI decreased by 45 percent. The second stage of permit reform was supposed to be completed through the adoption of the new Permit Law. A draft Permit Law, prepared with IFC support, was submitted for approval by the 2016-2020 Parliament. While the WBG estimates that the draft provides for 497 different types of permits, which is a reduction of 44 percent from 890 permits currently in effect, the new Law has not been adopted as of April 2021. **Partially Achieved.**

- The recapitalization of banks is advanced to meet prudential norm. Baseline: The banks are undercapitalized based on the Asset Quality Review results (2017). Target: The operating banks are recapitalized to meet the Capital Adequacy Ratio (CAR) (2020). This target remained unmet. While several key actions towards the banking sector reform have been completed, full banking recapitalization has not been accomplished. The IMF Article IV 2019 Reports (September 2019) confirms that bank recapitalization under the Asset Quality Review exercise remained incomplete, with several banks continuing to be under-capitalized, including two systemic institutions, which could be a source of financial distress. **Not Achieved.**

16. IEG rates Objective 3 as **Partially Achieved**. One out of two targets was Partially Achieved, while the other was Not Achieved. However, the above outcome indicators were insufficient to validate progress towards the stated objectives that had a broad coverage. Analysis of broader indicators suggests that over the CPS period there have been some positive developments in the Mongolia's investment climate. Its "Distance to Frontier" measure in Doing Business (DB) improved from about 63 (out of 100) in DB2013 to 68 in DB2020. Progress was more pronounced in the individual areas where the WBG provided considerable support, such as Paying Taxes and Trading across the Borders. In contrast, there have been limited reforms in the Starting a Business area (monitored by the CPS indicator), where Mongolia's score changed marginally, from 85.5 to 86.7 over the DB2013-DB2020 period. Where so many countries undertook substantial deregulation reforms, this resulted in a significant deterioration¹¹ of Mongolia's global standing: its 'Starting a Business' rank declined from 39th in the world in DB2013 to 100th (out of 190) in DB2020. In contrast, there has been a more pronounced improvement regarding SME access to credit: Mongolia's Getting Credit score under the Doing Business has increased from 55 (out of 100) in DB2014 to 80 in DB2020. On this dimension of investment climate Mongolia was ranked 25th globally in 2020. IFC projects made a direct contribution to this improvement. IFC support for secure lending allowed over 150,000 MSMEs getting access to finance secured with movable property. In addition, IFC extended loans to two local financial institutions, enabling them to expand their MSME lending and leasing operations to a peak of US\$724.0 million in 2015 compared to US\$509.1 million in 2012. However, in the area of financial intermediation as a whole, beyond improved access to finance for SMEs, there is no evidence of enhancement over the CPS period. The credit-to-GDP ratio has declined from 60.2 in 2015 to 57.7 in 2019 and was expected to deteriorate to 55.9 by the end of 2020 (IMF data).

17. **Objective 4: Creating more opportunities in the rural and urban economy for enhanced livelihoods.** IDA/IBRD supported this objective through the SLP 2 (FY07) and its AF (FY11), SLP 3 (FY14), its AF (FY20) and associated TF (FY16), Livestock and Agricultural Marketing Project (FY14) and associated TF (FY14), EMSO I (FY18) and EMSO II (FY20). This objective had three indicators:

- Number of loan beneficiaries from the Microfinance Development Fund (MDF) at the soum¹² level and below. Baseline: 29,133 (2008). Target: 39,330 (2013). This target was exceeded. According to the ICRR for SLP 2, by project closure in 2013, the number of borrowers at the soum level and below increased to 49,074, exceeding the target. However, the sustainability of this achievement remains of concern. The subsequent Bank project, SLP 3, neither

¹¹ Some adjustments to the DB methodology also have a (smaller) impact on the changes in the countries' rankings.

¹² Soums are Mongolia's equivalent of counties, the third tier of the government.



supports the MDF nor monitors this indicator. The MDF remained active under the Ministry of Finance until the Government decided to close it on June 2, 2020. **Achieved.**

- Increase in household income in project areas from livestock and in selected cases from horticultural products. Baseline: 0 (2013). Target: 20% (2017). This target was exceeded. The ICR for the Livestock and Agricultural Marketing Project reports that by December 2017 combined household incomes across households that were project beneficiaries (13,684 direct beneficiaries) increased by 73.9 percent from livestock and 808 percent (or 9 times) from horticultural products. In addition, as stated in the ICR, according to an external impact evaluation of the project, the increases in incomes for households in the beneficiary group were higher than for households from the control group (in which incomes were higher by 27 percent from livestock and by 274 percent from horticulture). **Achieved.**
- Prevalence or incidence¹³ of PPR¹⁴ (goat plague) in the western region. Baseline: 126 outbreaks of PPR were reported in the western region (Khovd aimag) (2016). Target: No detection of active PPR in the western region (aimags of Khovd, Bayanulgi, Gob-Altai, Uvs, Khuvsgul and Zavkhan) by end-2020. This target was met. The CLR reports that no PPR cases were detected in the western region (comprising six aimags listed above) in 2020. As communicated by the team, this statement is based on the information from the annual serological survey conducted by Mongolia's General Authority of Veterinary Services (GAVS). The respective sero-survey for 2020 covered 10,000 samples from sheep and goats in western and central aimags. All tested negative, meeting the target. These results were officially provided to the Bank by the GAVS, but the agency does not publish formal reports. **Achieved.**

18. IEG rates Objective 4 as **Achieved**. All three targets were Achieved. Beyond those reflected in the indicators above, there have been several additional examples of WBG interventions that generated new income and, possibly, employment opportunities¹⁵ for Mongolian households. Those included IFC support to improve access to finance for SMEs discussed under Objective 3 above and the program of matching grants to MSMEs under the Export Development Project (EDP) that helped 75 out of 85 project beneficiaries increase their export volumes in 2017-18. Meanwhile, as stated in the SCD, labor market outcomes, including high rates of informality, unemployment, and inactivity, are still a major concern in Mongolia. This is reflected in the low labor force participation rate, which further decreased (as a result of the 2014-16 crisis) from 63.7 percent of the adult population in 2014 to 61.1 percent in the third quarter of 2017 (more recent data are not available).

19. IEG rates the outcome of WBG support under Focus Area II as **Moderately Satisfactory**. One objective was Achieved, while another was Partially Achieved. There were some positive (while uneven) developments towards improvements in the investment climate, and several WBG interventions generated direct employment and income opportunities for the population. Moreover, as reported in the Program Document for EMSO II, during the economic recovery in 2017-18, the non-mining part of the economy grew significantly faster than the mining sector, indicating a structural shift in growth drivers. At the same time, the program objectives in the area of bank recapitalization remained unmet, and, beyond improved SME access to credit, there is no evidence of enhanced financial intermediation. And despite noticeable project-level employment and income benefits generated by various interventions of the WBG and other donors, over the CPS period, poverty and labor market outcomes did not improve in line with the country's economic growth, suggesting lack of economic opportunities for many.

¹³ As measured either by a randomized cross-sectional survey for disease antibodies (active surveillance) or by positive confirmation of a PPR outbreak by laboratory diagnosis of the presence of the virus (passive surveillance).

¹⁴ Peste des Petits Ruminants – a cute disease of goats and sheep.

¹⁵ While the relevant WBG interventions did not explicitly monitor their direct employment impact, experience from similar MSME support operations worldwide provides sufficient evidence that improvements in MSME's access to finance tend to correlate with incremental employment generation by benefiting small businesses.



Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management

20. **Objective 5. Improve the management, targeting and coverage of social welfare**

benefits. IDA/IBRD supported this objective through the MSTAP (FY10), SFFSP (FY18), EMSO II (FY20), ASA on Strengthening the Social Protection System and Labor Policies in Mongolia (FY20), TA 'Mongolia Poverty Measurement and Analysis' (FY17).

21. This objective had two indicators:

- Development and introduction of an online integrated information system for social welfare benefits. Baseline: none (2012). Target: a new Management Information System (MIS) is fully tested and introduced (2017). This target was met. The ICRR for the MSTAP reports that the inter-sectoral database (ISDB) and web-based welfare administration and information system (WAIS) were developed and introduced in 2015. According to the report by the World Bank Technical Mission (November 2015), the WAIS was operationalized in some but not all field offices within the Government Agency for Social Welfare Services. At the same time, the CLR raises a concern that as of early 2021 the actual usage of the WAIS remains very limited. **Achieved.**
- The coverage and benefit size of the Food Stamp Program (FSP) and other poverty-targeted (budgetary) programs increased. Baseline: MNT 18.1 billion allocated for the FSP; no budget allocated for other poverty-targeted programs (2016). Target: The total budget for the FSP and other poverty-targeted programs is tripled in relation to the 2016 level (2020). This target was met. The Program Document for EMSO II states that the 2018 GOM's budget allocated MNT 42.2 billion to the FSP compared to MNT 18.1 billion in the 2017 budget. The 2019 budget execution schedule approved by the MOF in December 2018 provided for maintaining the 2018 level of FSP funding and in addition allocated MNT 31.1 billion for other poverty-targeted programs. The combined allocation for poverty-targeted programs (MNT 73.3 billion) in 2019 represents almost a quadrupling over the 2016 level. In addition, the country team shared with IEG the recent report by the Ministry of Labor and Social Protection that had shown that the actual budget spending on the FSP increased by more than three times (214 percent, exceeding the target) -- from MNT 16.7 billion in 2016 to MNT 52.5 billion in 2020. The number of FSP recipients increased from 170.0 thousands in 2016 to 242.0 thousands in 2020 suggesting an increase in the average FSP benefit of 121 percent over 2016-2020. Actual budget spending on the health insurance contribution subsidy, another poverty-targeted program, exceeded MNT 30 billion in 2020 (per data reported by the Health Insurance General Office to the country team). **Achieved.**

22. IEG rates Objective 5 as **Mostly Achieved** despite both related targets were Achieved.

There was a substantial increase in funding of targeted poverty benefits, but the GOM remains at the early stage of necessary reforms in social protection. While both coverage and size of the FSP benefit has increased, as stated in the CLR, the FSP covers less than 10 percent of the poorest population and most of the government benefit programs continue to be largely categorically targeted. In 2020, after several years of reforms, the budget spending on the FSP still made up only about five percent of the total government spending on social assistance. The integrated information system for managing social benefits was introduced but remained underutilized. Thus, there is not enough evidence that the management of social welfare benefits has improved. Moreover, the above target 5.1 aimed at an intermediary outcome - the development and introduction of the WAIS -- but not at its actual productive utilization (which would be a real outcome of this reform).

23. **Objective 6. Supporting better delivery of basic services (education, health, justice, and infrastructure).** IDA supported this objective through the GPE Early Childhood Education (ECE, FY12) and associated TF (FY12), Enhanced Justice Sector Services Project (FY08), Second Energy Sector Project (FY17) and associated TF (FY18), Education Quality Reform Project (EQRP), as well as ASA 'Quality of Pre-Primary Education' (FY16).



24. This objective had four indicators:

- Number of fixed early child education (ECE) facilities/kindergartens built under Bank-supported projects. Baseline: 0 (2012). Target: 25 (2014). This target was exceeded. According to the ICRR for the ECE project, by 2014-15 55 kindergartens were constructed and equipped. This was the equivalent of 7.6 percent increase in the number of state-owned kindergartens being operational in the country. After 2014, the Bank did not monitor this indicator. **Achieved.**
- Number of children attending new mobile ger¹⁶ kindergartens. Baseline: 0 (2012). Target: 1,500 (end-2017). The same ICRR reports that 3,781 children had attended new mobile ger kindergartens by June 2015, surpassing the target. **Achieved.**
- Improved access to legal information and advice across all Ulaanbaatar districts and aimags. Baseline: No access to related information; no paralegals available; no legal information in minority languages available (2012). Target: 60% of Ulaanbaatar districts and aimag centers distribute legal information in central community locations; paralegals providing advice in 60 percent of aimag centers, soums, and horoos; 10 laws available in minority languages (end-2017). This target was only partially met. According to the ICRR for the Justice Sector Services project, 60 percent of Ulaanbaatar districts and aimag centers distributed legal information to population and by June 2013 legal advice was made available through 21 legal aid centers. However, there was no information on whether paralegals were providing legal advice. The establishment of 21 legal aid centers represents a significant underachievement of the original target to have legal aid available in 60 percent of all provincial (aimag) and county (suum) centers. Mongolia has 21 aimags and 331 soums. According to the country team, during the PLR 2019 consultations, the Ministry of Finance reported that around 40 laws and legal acts were available in minority languages by 2018. There was no monitoring of this indicator after the Bank project closure in 2013. **Partially Achieved.**
- Average duration for (power) interruptions per year in the selected area covered by power distribution networks of BSEDN and EBEDN¹⁷ (minutes). Baseline: 809/1200 (2016). Target: 710/1060 (2020). This target remains unmet. According to the ISR for the 2nd Energy Sector project (December 2020), in late 2020 the average duration of the interruption of electricity supply per year in the project areas remained at 809 minutes for BSEDN and 1,200 for EBEDN, the same level as in 2016, largely due to procurement delays. It is worth noting that the indicator here should also capture number of outages, not just their length. **Not Achieved.**

25. IEG rates Objective 6 as **Partially Achieved**. Two out of four targets were Achieved, one was Partially Achieved, and another Not Achieved. There was a significant disconnect between the specific set of narrowly focused indicators and the vaguely formulated objective that covered many sectors. For instance, there was no indicator to monitor improvements in the delivery of health services. In education, two selected indicators monitored the changes in access to services in pre-school education, which is a relatively small segment of the entire education sector, while the remaining part of education was not covered by these indicators. Moreover, the CPS did not provide for any monitoring of three selected indicators after the closure of the respective Bank projects in the early part of the program. Thus, sustainability of the above achievements remains unconfirmed. Overall, there was limited progress in accessing legal information and advice, and no improvement in reliability of power supply. In education, the ICRR for the EQRP reports modest improvement in learning outcomes (measured by language and mathematics skills of students in primary education) over 2014-19. In addition, according to the WB Indicators, gross preprimary school enrollment in Mongolia increased substantially, from 77.4 percent in 2013 to 86.7 in 2019. In health, WB Indicators also point towards a major decline in the infant mortality rate (per 1,000 live births) - from 20.1 in

¹⁶ Ger (yurt) is a portable traditional dwelling with a circular shape.

¹⁷ BSEDN and EBEDN are two regional electricity distribution companies that have been primary beneficiaries under the World Bank 2nd Power project.



2013 to 13.4 in 2019, suggesting a closure of most of the infant mortality gap that had existed between Mongolia and the East Asia and Pacific (EAP) average. However, the contribution of the CPS to the latter achievement is unclear.

26. **Objective 7. Reducing vulnerability of households exposed to natural hazards and pollution.** IDA supported this objective through the Index-Based Livestock Insurance Project (IBLIP, FY05), its AF (FY10) and associated TF (FY13); the Ulaanbaatar Clear Air Project (FY12); and Improving Disaster Risk Management TF (FY12). This objective had two indicators:

- Percentage of herders in the selected area aware of the livestock risk insurance products. Baseline: 80% (2010). Target: 85% (2017). This target was met. The ICRR for the IBLIP reports that in March 2016, 85.3 percent of herders were aware of the livestock risk insurance products. Moreover, there has been a considerable expansion in actual sales of livestock risk insurance policies to herders. According to the data from the Mongolian National Reinsurance Joint Stock Company (<http://mongolianre.com>), in 2019-2020 on average more than 30,000 such policies were sold annually, covering about 17 percent of all herders in the country. **Achieved.**
- Coverage of targeted households with eligible stoves in Ulaanbaatar. Baseline: 0 (2012). Target: 80% (2017). This target was surpassed. The ISR for the UB Clear Air project states that 90 percent of targeted households had eligible stoves installed by January 2017. **Achieved.**

27. IEG rates Objective 7 as **Achieved**. Both related targets were Achieved. The Bank support for livestock risk insurance was highly innovative and had a transformational impact. After the closure of the Bank project, the GOM agreed to institutionalize the program by establishing its own reinsurance agency. The stove program, supported by another Bank project, contributed to visible improvement in air quality¹⁸ in Ulaanbaatar, but much more needs to be done. In 2019 the Bank approved additional financing for the UB Clear Air project to scale-up its impact. The Bank also supported several additional interventions to reduce vulnerability of households exposed to natural disasters through improved disaster risk management (DRM), including in flood and earthquake protection, as well as in strengthening hydro-meteorological services.

28. IEG rates the outcome of WBG support under Focus Area III as **Moderately Satisfactory**. One objective was Achieved, one was Mostly Achieved, while another was Partially Achieved. There were several achievements in the areas of safety net provision (including a step towards expansion in poverty-targeted programs) and improved DRM. The bank support for the livestock risk insurance has been recognized as highly innovative and led to the establishment of the new market for a specialized insurance product. However, improvements in access to other services has been uneven, and in many instances either fell below program targets (energy, legal assistance) or could not be attributed to Bank support (health).

Overall Assessment and Rating

29. IEG rates the CPS development outcome as **Moderately Satisfactory**. Of the seven objectives, two were achieved, three were mostly achieved, and two were partially achieved. Progress under all three Focus Areas was rated as **Moderately Satisfactory**. On Focus Area I, despite remaining risks, WBG efforts were successful in achieving significant (while not linear) progress towards a more robust and transparent management of public finance, which was complemented by shifts in expenditure allocations favoring enhanced budget equitability. In addition, the GOM's efforts to improve the governance regime in mining brought important regulatory and institutional strengthening. There was also some enhancement of capacity to manage investments in

¹⁸ As stated in the World Bank report "Mongolia - National Low Emission Stove Strategy" (2015, p. 22), between 2011 and 2014 the monthly average of the most harmful fine particulate matters less than 2.5 micrometers in diameter (PM2.5) was reduced by 20%- 50% in the peak cold winter months of January and February, and by 20%- 30% in the end of winter months of March and April. During that period more than 130 thousand stoves were installed with the support under the Bank project.



mining infrastructure. However, this did not bring any noticeable expansion in actual private investment in mining infrastructure beyond those associated with OT. On Focus Area II, the program contributed to the rationalization of the permit system and provided direct support for generating incremental employment and income opportunities for population that could be further scaled-up. At the same time, the program objectives in the area of bank recapitalization were unmet, and, beyond improved SME access to credit, there is no evidence of enhanced financial intermediation. And despite noticeable project-level employment and income benefits generated by various donor interventions, poverty and labor market outcomes did not improve in line with the country's economic growth, suggesting lack of economic opportunities for many. On Focus Area III, the program contributed to the gradual expansion in poverty-targeted programs and the establishment of the new market for a livestock risk insurance. The Bank interventions also help improve quality of air in Ulaanbaatar and enhance the national DRM system. Improvements in access to services have been quite uneven and in many instances they either fell short the program targets or could not be attributed to Bank support. Despite broadly satisfactory results of the program, it is worth highlighting that in many program areas the reforms still remain incomplete and much more effort is needed to make them sustainable, especially in the areas of fiscal management, investment climate and social protection.

Objectives	CLR Rating	IEG Rating
Focus Area I: Enhance Mongolia's Capacity to Manage the Mining Economy Sustainably and Transparently	Moderately Satisfactory	Moderately Satisfactory
<i>Objective 1: Supporting development of a regulatory environment, institutional capacity, and infrastructure for world-class mining.</i>	Moderately Satisfactory	Mostly Achieved
<i>Objective 2: Supporting a more robust, equitable, and transparent management of public revenues and expenditures.</i>	Satisfactory	Mostly Achieved
Focus Area II: Build a Sustained and Diversified Basis for Economic Growth and Employment in Urban and Rural Areas	Moderately Satisfactory	Moderately Satisfactory
<i>Objective 3: Enhancing the investment climate and financial intermediation.</i>	Moderately Unsatisfactory	Partially Achieved
<i>Objective 4: Creating more opportunities in the rural and urban economy for enhanced livelihoods.</i>	Satisfactory	Achieved
Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management	Moderately Satisfactory	Moderately Satisfactory
<i>Objective 5: Improve the management, targeting and coverage of social welfare benefits.</i>	Moderately Satisfactory	Mostly Achieved
<i>Objective 6: Supported better delivery of basic services (education, health, justice, and infrastructure).</i>	Moderately Satisfactory	Partially Achieved
<i>Objective 7: Reduced vulnerability of households exposed to natural hazards and pollution.</i>	Satisfactory	Achieved

6. WBG Performance

Lending and Investments

30. At the beginning of the CPS period, the outstanding lending volume was US\$206.6 million for 17 projects. Most of these projects were small (less than US\$15 million), and 16 of them were closed during the CPS period. The original CPS set out a program of new lending – a mix of IDA and IBRD financing - that was expected to exceed US\$200 million over five years and consisted of 11 new projects, all investment project financing (IPF). At least two of these IPFs were supposed to be IBRD financed in an amount no less than US\$100 million. Many investment commitments were not specified in the CPS, pending future clarification of IDA availability and GOM's preferences.

31. During the period under review, the Bank approved 17 new operations, including two DPFs, two supplemental financing and three emergency operations aimed at helping the GOM strengthen its COVID-19 response. Only five of the new operations were from the original CPS list, while 12 were unplanned. Respectively, six originally planned operations were dropped in response to changes in country circumstances after 2014 (a significant economic slowdown and devaluation). The primary rationale behind introduction of the new operations was related to the crisis-related needs of the country: two DPFs to address the impact of 2014-16 economic crisis, and three more recent operations related to the COVID-19 pandemic. There were also several new projects which were the continuation and scaling up of earlier Bank lending engagements, two of those were AF. Overall, new lending over the 8.5-year CPS period amounted to US\$605.3 million, including US\$33.8 million in IBRD lending for two operations.¹⁹ The primary growth driver of lending was the EMSO DPF series.²⁰ Two out of three originally planned DPF operations were approved for the total of US\$220 million (36 percent of total new lending) to help the GOM with macroeconomic policy adjustment and mitigate the impact of the 2014-16 crisis. The sectoral coverage of new operations was well diversified. The average size of new IPF was about US\$25.5 million, which was more than twice as large as the average size of the legacy projects, suggesting a shift towards portfolio consolidation, as expected under the CPS.

32. IDA leveraged its assistance with a significant volume of TF support. Over the CPS period, there were 32 active TF operations with the total volume of US\$104 million, including 13 pre-existing operations and 19 new TFs. The main beneficiaries of TF support were government programs in education, energy, and agriculture, which together received more than two thirds of total grant funding. These trust-funded operations complemented regular IDA lending. There were also a few smaller TFs aimed at capacity building and strengthening various core government functions, including PFM, audit, statistics, governance in the mining sector, DRM, etc.

33. Mongolia's portfolio performance at exit was better on average than for the EAP region and the overall World Bank portfolio. In total, 15 projects were closed and validated by IEG, including three TF operations, with one rated Highly Satisfactory (IBLIP), five – Satisfactory, and seven – Moderately Satisfactory. Only two operations – both relatively old TA projects – were rated below the line at Unsatisfactory and Moderately Unsatisfactory. IEG outcome ratings were Moderately Satisfactory or better for 87 percent of the validated projects compared to the EAP region average of 82 percent and overall Bank portfolio of 74 percent. Weighted by value, Mongolia had an average Moderately Satisfactory or better outcome rating for 93 percent of the portfolio, compared to EAP (90 percent) and the Bank (83 percent). The risk to development outcome weighted by value with moderate or lower risk has been also better for Mongolia (63 percent) than for EAP (54 percent) and the Bank average (46 percent).

34. There was a temporary deterioration in the quality of the existing portfolio after 2016. In FY17-FY19, the number of projects at risk increased to 40 percent of the total. As reported in the CLR, in 2019 the Bank undertook an extensive Country Program Portfolio Review that helped

¹⁹ Mongolia started borrowing from IBRD only in FY20. The GOM was reluctant to borrow at the IBRD terms, given enhanced availability of IDA and grants.

²⁰ The CPS document did not explicitly provide for the preparation of DPFs but suggested that the Bank would be ready to consider the preparation of DPFs if and when the GOM showed interest.



reverse the trend in the portfolio performance by early 2021, including reducing the share of projects at risk. Most (85 percent) of self-ratings for 13 ongoing projects were moderately satisfactory or better.

35. IEG analysis of Mongolia investment projects that were closed over the CPS period suggests that several factors contributed to good performance: significant funding allocated for technical assistance and training, synergy in design and implementation across individual lending and TF operations, scaling-up successful interventions through repetitive projects and AF, frequent utilization of local consultants including local IT firms. Moreover, the Bank team has learned to manage the project implementation challenges related to frequent changes in the government and high turnover of key counterparts.

36. In 2019, IEG completed a separate evaluation of the Governance Assistance Project (GAP) through the Project Performance Assessment Report (PPAR). The PPAR concluded that key project outcomes were achieved in a sustainable way and upgraded the rating for the overall project outcome to Satisfactory. The primary lesson from the GAP implementation suggested in the PPAR was that comprehensive e-government solutions could be introduced successfully even in a low-capacity environment if there are enabling factors in place, such as strong client ownership, incremental step-by-step implementation strategy, availability of basic infrastructure and adequately trained local staff, and sufficient budget for local training and technical support.

37. IFC's investment interventions were centered on the flagship OT mining project, which was also supported by MIGA. In FY16, IFC and MIGA completed a US\$2.85 billion financing package for OT, enabling this project to go forward. IFC started the CPS period in FY13 with a total long-term outstanding portfolio of US\$119.8 million for its own account in nine projects. During the CPS period, IFC provided US\$789.6 million in long-term finance net investment commitments in 13 projects. IFC's investments in the OT project represented 51 percent of total net long-term commitments or US\$400 million. In addition, IFC mobilized US\$820 million through its B loan program and US\$633 million through other core mobilization platforms for a total financing of US\$1.85 billion for OT.²¹ Eight smaller projects in the financial sector accounted for 22 percent of the total or US\$173.1 million. In short-term finance, IFC made investment commitments of US\$45.7 million in two Global Trade Finance Program (GTFP) projects. Commitments made prior to FY13 that remained active over the CPS period totaled US\$8.7 million for long-term finance investments in two financial sector projects and US\$160.8 million for two GTFP projects. At the end of the CPS period, IFC had an outstanding portfolio of US\$537.2 million, with growth by more than 4.5 times since 2012. Taken together, IFC and MIGA interventions were more than five times larger than the volume of new Bank lending.

38. The development outcomes of IFC investment services projects held up reasonably well. IEG validated three Expanded Project Supervision Reports (XPSRs) for the projects in the financial and services sectors, wherein two projects were rated Successful. Strong committed sponsors and highly competent company management enabled these projects to take advantage of favorable market conditions. These projects contributed to SME growth, helped increase access to finance and attract FDI. The third project was rated Mostly Unsuccessful. While the company built a successful product, it suffered from significant implementation delays and cost overruns. The latest IFC DOTS data on project companies with Development Outcome rating during the CPS period show a pattern similar to the outcomes reflected in XPSRs with a 60 percent success rate.

39. MIGA issued a record US\$1 billion guarantee facility during the CPS period in support of the OT project as part of the IFC/MIGA financing package. While this is the only MIGA engagement in Mongolia to date, the scale of this project puts MIGA at the top among the three WBG institutions in terms of financial footprint. There was no MIGA self-evaluation during the CPS period.

²¹ By 2020, the OT project has generated nearly US\$12 billion in combined revenues for Mongolia by way of incremental payments to workers, suppliers, and the consolidated budget. However, the CPS' results framework did not contain any indicator that was directly attributable to this project despite its magnitude and importance to the country.

Analytic and Advisory Activities and Services

40. During the CPS period, the Bank delivered a total of 70 ASA products. All ASA products planned in the CPS (except for Procurement assessment), were completed. The program included a Public Expenditure and Financial Accountability (PEFA) Assessment, Country Economic Memorandum, Public Expenditure Review, Energy Master Plan, Poverty Update, and Civil Service Reform Assessment, as well as a just-in-time policy advice. There is sufficient evidence that the above mentioned and other ASA products (e.g., in the financial sector) made a substantive contribution to the design of Bank lending, including the DPF series. In addition, there were several examples of direct policy impact of Bank ASAs, including the analysis [of agriculture spending], which informed Government decisions to restructure its instruments to support agriculture. Overall, most core ASA products had strong links to the CPS objectives, although the CLR does not present these links well.²² However, several high-profile ASA on governance and accountability, including Civil Service Reform Assessment, were not linked to any of CPS objectives.²³ All main analytical reports, including the SCD, were disseminated through the Bank's Open Knowledge portal. The Bank actively used its economic reports as a key communication tool to engage with civil society and parliament. The CPS made a commitment to the programmatic approach in delivery of its knowledge program.

41. IFC's advisory services were focused on investment climate and firm competitiveness. Ten AS projects were under implementation, eight of which were initiated during the CPS period. More than half (58 percent) of the US\$17.0 million overall AS budget managed by IFC went to five investment climate and competitiveness related projects totaling US\$9.8 million. Three projects were on water and energy, accounting for 31 percent of the funds or US\$5.2 million. The remaining US\$2.0 million went to two financial sector projects.

42. During the CPS period, IEG validated three Project Completion Reports, wherein two IFC Advisory Services were rated Successful or better in terms of Development Effectiveness. Good execution and ability to respond to changing realities contributed to the success of these projects. One project brought international best practice in corporate governance to Mongolia, leading to improved firm performance and enhanced access to long term finance. Another AS project fostered a regional public-private-civil society partnership that drove reforms and collective actions in the water sector. The one project that was unsuccessful suffered from a lack of long-lasting reform-oriented champions within some partner institutions.

Results Framework

43. The results framework (RF) showed significant shortcomings, which were partially recognized in the CLR. First, the selected set of objectives did not fully represent the entirety of the WBG program, with no reflection on many important development outcomes that could be attributed to the WBG interventions. Thus, the RF contained neither explicit objective nor indicator related to the flagship OT project, by far the largest and the most visible project of the WBG in Mongolia. Similarly, the RF did not reflect core WBG contributions to Mongolia's development in other areas, including governance and primary education, but contained many secondary targets of limited importance. Second, there were several instances of disconnect between a broadly formulated objective and narrowly focused indicators. In such cases, the selected indicators were insufficient to measure actual progress towards the stated objectives (e.g., Objectives 3 and 6). On the positive side, the RF design provided for supplementary progress indicators (milestones), many of which were quite relevant and helped fill at least a portion of the evidence gap. Third, beyond the OT project, the RF largely missed an opportunity to include indicators that would directly reflect outcomes attributable to IFC and MIGA projects, despite a combined IFC/MIGA financing being significantly larger than that of the WB. This led to the underestimation of the value of IFC/MIGA

²² The CLR provides a limited number of references to ASA when it lists Bank interventions being supportive of individual CPS objectives.

²³ Some other, mainly smaller ASA products were neither related to specific indicators in the results framework (e.g., ASA in transport).

contributions to the achievement of CPS objectives. Fourth, most selected indicators were associated with WBG projects rather than with the country's own objectives. This weakened the causal chain between WBG interventions and country results. In addition, the original RF in the CPS contained several indicators from projects that never materialized. Although two PLRs introduced large adjustments to the original RF,²⁴ these revisions did not address the above shortcomings. In fact, the final results framework was further weakened because both PLRs missed the opportunity to update the program targets towards the end of the extended CPS period. Several indicators in the final RF still had targets dated to the 2013-14 period, the time of closure of the respective Bank projects. As a rule, the Bank did not monitor the developments in these areas during the after-the-closure period, which made these indicators irrelevant for the assessment of program's progress in the later part of the CPS period. Moreover, the PLR2019, one year before the end of the CPS, added seven new (out of 18 overall in the final RF) indicators.

Partnerships and Development Partner Coordination

44. Throughout the CPS period, the World Bank collaborated closely with other development partners in conducting policy dialogue and providing financial support to the GOM. Several Bank projects, such as the Sustainable Livelihoods Program (SLP 1-3), served as integrative platforms to attract considerable co-financing from other development partners, primarily through TFs. Following the 2014-16 crisis, the Bank actively participated in the design and implementation of the US\$5.5 billion joint donor program to support the ERP. There has been close coordination in the design and monitoring between the Bank's EMSO DPF series and the IMF's Extended Fund Facility (EFF) arrangement, especially in the areas of fiscal adjustment and bank recapitalization. The Bank's partnership with Mongolian civil society organizations was less prominent. The CLR reports that the WBG maintained an active engagement with civil society but providing little supporting evidence. However, the WBG's collaboration with local civil society organizations to strengthen the demand for reforms, especially in the governance area, was observed only in some projects such as the TF-funded project on mainstreaming social accountability.

Safeguards and Fiduciary Issues

45. Nine out of fifteen closed and validated projects triggered at least one environmental and social safeguard policy in the education, governance, agriculture, finance, energy, and mining sectors. According to the CLR, there were no significant safeguard issues in the portfolio during the CPS period. Similarly, individual ICRs and ICRRs report very limited negative impacts on the communities and the environment in all projects. The ICRs and the ICRRs note that all identified issues were resolved and a satisfactory compliance with all environmental and social safeguards was achieved.

46. Some additional challenges were detected during the implementation of the Mining Infrastructure Investment Support project and its AF in 2015 that led to Inspection Panel investigations. Project communities and local NGOs complained about the poor engagement of the project team and its failure to disclose project information that could lead to irreversible harm to people and the environment. In the course of follow-up, the Bank management made efforts to address the complaints directly with the communities, acknowledging the earlier noncompliance and expanding consultations with all potentially affected groups. After visiting Mongolia and Russia²⁵ in June 2017, the Panel acknowledged improvements in project implementation and expressed satisfaction with Bank management's response. By that time, the project was compliant with the environmental and social provisions and therefore the Inspection Panel decided (with the Board's

²⁴ For instance, PLR2016 dropped six out of 19 results indicators in the original RF and made adjustments to seven other original indicators.

²⁵ The issues emerged in the border area of the two countries and involved the river and the protected area that both cross the border.



approval) that no further investigation was needed. The project was closed in FY20 without further complaints.

47. Both PLRs rated fiduciary risks as Substantial. The CLR concluded that no severe fiduciary issues emerged during the CPS implementation. At the same time, during the CPS period, INT opened ten preliminary investigations on complaints received, and ultimately conducted four full investigations. Of the four cases conducted, two were in a single project in the governance sector, one in the environment and natural resources sector, and one in the energy sector. INT substantiated allegations in all four cases. Notably in three of the cases, a common issue that INT substantiated was non-disclosure of conflicts of interest on the part of key project officials involved in procurement decisions. INT found indicators of corruption and other forms of fraud in some of the cases.

Ownership and Flexibility

48. Government ownership of the WBG-supported program was uneven over the CPS period as well as across projects and policy areas, and it was affected by frequent changes in administration and turnover of key counterparts. Political will to sustain key structural reforms has been generally weaker than expected by the Bank. This was particularly the case for stalled reforms in the banking sector (which derailed the completion of both EFF and EMSO programs) and in the policy reversals in social assistance and protection. The ownership issue was the most acute during the early part of the CPS period. It was due, first, to the CPS misalignment with the election cycle: the CPS was finalized only two months before a change in government following the June 2012 elections. The new government had somewhat different policy priorities, which hampered the pace of preparation of new projects and required modifications to the lending program. Second, before 2017, the GOM pursued a largely pro-cyclical expenditure policy that affected policy dialogue and project implementation on economic management and governance. Despite strong leadership from the Ministry of Finance, implementation of several program segments (such as public investment management) was undermined by vested interests. At the same time, the GOM has shown strong commitment to sustainability of several major new e-governance systems supported under World Bank projects, including those for tax administration (TAIS) and expenditure management (GFMIS). As reported in the GAP PPAR, government implementing agencies demonstrated their capacity to operate and upgrade these new systems in a sustainable way after the closure of the respective Bank projects. Moreover, relatively good portfolio performance suggests strong project ownership and ability to maintain needed focus on implementation through the entire project cycle.

49. The WBG demonstrated considerable flexibility during the program implementation by making several rounds of significant adjustments to its lending and ASA programs to accommodate changes in the country's priorities and circumstances. In particular, when the GOM was ready, the Bank added to the program a large DPF series that helped advance macroeconomic and fiscal adjustment. The Bank also made timely adjustments to the lending program in response to the COVID-19 crisis that are expected to reduce the poverty impact of the pandemic. Three additional emergency operations were approved in FY20-21, while several ongoing projects (such as the EQRP) were restructured to provide the GOM with additional funding for COVID-related programs.

50. The Bank prepared two PLRs, both of which made significant changes to the program's Results Framework, but they did not address the main weaknesses of its original design. At both PLR stages, adjustments were introduced to improve the formulation of CPS objectives, but in only one case (social protection), these adjustments brought a substantial change (narrowing the objective) to the program design. The second PLR was dated November 13, 2019, almost two years after the original CPS (previously extended only for six months) had expired. The PLR2019 adopted the second CPS extension (for three years) retroactively.

WBG Internal Cooperation

51. There is evidence prior to and during the CPS period of a coordinated WBG approach to support the mining sector. For instance, there was considerable synergy between the Bank and IFC projects aimed at the improvement in groundwater use in mining areas. IFC contributed to this CPS'



target through its support for the development of the industry's Voluntary Code of Practice (VCP) on water management that was endorsed by 11 mining companies. Nine out of 11 companies self-reported improving water management practices. Furthermore, according to the internal IFC report, participating mining companies reduced their water consumption in Mongolia to less than half of the amount typical of comparable mines outside the country. In addition, there were collaborative WB and IFC advisory interventions in investment climate and financial intermediation. WBG collaboration fell short in reflecting IFC and MIGA's contributions to the achievement of CPS objectives, particularly those related to mining sector development.

Risk Identification and Mitigation

52. Risk identification in the CPS was not sufficiently specific. The CPS highlighted several "usual" risks for a mining economy, including weakening government commitment to reforms (political risks), external vulnerability to commodity price fluctuations and slowdown in global economy, limited government capacity in project implementation, fiduciary risk (government corruption), and risk of natural disasters. The main mitigation strategies proposed included strengthening the dialogue with the government to enhance ownership, especially with the Ministry of Finance as a coordinating agency, prioritizing support for reforms in fiscal management and fiscal transparency, maintaining program flexibility, and support for capacity building and fiduciary training for PIU staff. In addition, the Bank made a commitment to provide additional support for project implementation. The CPS indicated Bank's readiness to add budget support operations to the program facilitate advancement of priority reforms, if and when it was needed. There was not an integral measure of program risk in the CPS.

53. The PLR2016 used the Systematic Operations Risk-rating Tool and rated overall program risk as substantial. Macroeconomic risk was rated high, while those for Political and Governance, Implementation Capacity, and Fiduciary were rated substantial. As recognized in the CLR, political risk was underestimated, and its rating was changed to high in the PLR2019. All other risks levels remained the same as in the 2016 PLR.

54. Most of these risks materialized. But the negative effects of both macroeconomic shocks and internal political instability (especially before 2016) were significantly greater than envisioned in the CPS and could not realistically be fully mitigated. Their impacts were reflected in the significant economic slowdown in 2014-16 and in more frequent government changes, which required several adjustments to the Bank program. The Bank's ability to design a sensible budget support program in close coordination with the IMF also had a substantial mitigation effect by advancing macroeconomic adjustment and improving the policy dialogue with the GOM.

Overall Assessment and Rating

IEG rates WBG performance as **Good**.

Design

55. The program had several serious design weaknesses, which were somewhat compensated for during implementation. The WBG-supported strategy addressed key challenges facing the country and was aligned with the country's own development goals. The CPS program was reasonably selective. The design of the program was informed by adequate country knowledge and provided for sufficiently strong links between lending and non-lending interventions. Risk identification was largely correct, while not sufficiently specific. In addition, the design supported collaboration and synergy among operations of the Bank and IFC. At the same time, the CPS could have improved congruence with the country conditions by placing more emphasis on strengthening governance. A considerable portion of WBG interventions, undertaken during the program period, were not well linked to CPS objectives. Additional interventions focused primarily on governance and mining, both of which were explicit government priorities. The biggest WBG financial intervention in Mongolia (the OT project) was not captured (even mentioned) in the structure of the CPS program. Overall, the CPS results framework was weak. There were several instances of disconnect between a broadly formulated objective and narrowly focused indicators.



Implementation

56. The program was implemented largely as planned, but with a much larger than planned lending program. IDA actual lending of \$US571.5 million was more than five times larger than the indicative amount agreed in the CPS, primarily because of increased IDA allocations. The program contributed to the achievement of several important development objectives, including on strengthening fiscal management and regulatory regime in mining. The WBG showed flexibility in adjusting the program at the PLR stage in 2016 in response to the drastic changes in the country's circumstances. The programmatic series of DPF operations was added and it managed to advance several key reforms and also served as an effective risk mitigation device. Towards the end of the period, the Bank adjusted its program in response to the COVID-19 crisis. There was good synergy between Bank and IFC projects. This was particularly strong in the mining sector and to some extent in the areas of investment climate and financial intermediation. IFC's investments were centered on the flagship OT mining project that was also supported by MIGA (through a record US\$1 billion guarantee facility). Over the CPS period, the IFC long-term finance portfolio grew by more than 4.5 times. During the review period, the quality of the Bank lending portfolio was better on average than for the EAP region and for the World Bank as a whole. The Bank undertook a successful Country Program Portfolio Review in 2019 that helped reverse a temporary deterioration in the quality of the lending portfolio. At the same time, the Bank missed an opportunity provided by two PLRs to make necessary adjustments to program coverage and the results framework. The second PLR in 2019 retroactively extended the CPS by three years. The rationale for such a lengthy and retroactive extension was unconvincing.

7. Assessment of CLR Completion Report

57. The CLR provides a comprehensive assessment of CPS development outcomes and Bank performance. It points correctly to some program weaknesses e.g., its results framework. In its assessment of outcomes, the CLR introduces considerable additional evidence to illustrate progress towards the CPS objectives. This includes detailed information on secondary indicators (milestones) in Annex 1. The CLR also presents relevant lessons from the program implementation, but some of them are not backed by evidence in the CLR. At the same time, the CLR had significant shortcomings. In particular, the system applied by the CLR to rate individual objectives was not consistent with the Shared Approach to assessing CPSs. Moreover, the CLR's overall rating for the CPS development outcome in Table 1 is based on the consolidation of the ratings for individual indicators, instead of consolidating the ratings for individual CPS objectives (as agreed under the Shared Approach). In several instances (e.g., when assessing the expansion in the pre-school system), the CLR would have benefitted from the presentation of more recent data to illustrate the sustainability of program achievements. In addition, an assessment of the rationale for the Bank decision to extend the CPS period by more than three years and more attention to political economy drivers of uneven government ownership would have been appropriate. The CLR also contains several factual inaccuracies. For instance, it repeatedly refers (including on the cover page) to the CPS period as ending in FY20 (while in fact it ended in the middle of FY21). Moreover, the information on the volumes of new lending in Annex II is imprecise.

8. Findings and Lessons

58. The CLR highlighted six lessons. IEG has adapted and summarized them as follows: (i) Alignment with the domestic political cycle and maintaining a high degree of flexibility are needed in a volatile economic and political environment; (ii) In the environment of high commodity dependency, Bank programming should be based on realistic macroeconomic projections that properly incorporate downside risks; (iii) More sensitivity to the limited political ownership of reforms, more political economy analysis and more consultations with local stakeholders beyond the core government counterparts would have been warranted to mitigate against the risk of policy reversals; (iv) Greater concentration of resources in fewer sectors may increase the WBG's impact on the ground in the short term and also help improve portfolio quality; (v) The project design needs to better assess



governance risks of project implementation and suggest adequate mitigation; and (vi) The Bank needs to be more realistic in ex-ante assessment of government ownership for individual projects, which might become a primary obstacle for implementation. IEG particularly agrees that there is need for a better understanding of political economy of reforms and more effort to empower local pro-reform coalitions. This is in line with the top recommendation of the earlier Mongolia CPE, which emphasized the importance of building the demand (not just capacity) for good governance.

59. IEG adds the following lesson:

- It is important to ensure that both program objectives and results framework are properly adapted in line with actual program developments during the life of a partnership strategy. In Mongolia, a substantial share of interventions (by value of investments) did not contribute to the achievement of explicit program objectives. When the program's results framework does not adequately monitor developments related to the largest investment projects financed by any part of the WBG, it undermines opportunities to track and assess some of the major development outcomes attributed to the program.

Annex Table 1: Summary Achievements of CPS Objectives

Annex Table 2: Planned and Actual Lending for Mongolia FY13-21*

Annex Table 3: Analytical and Advisory Work for Mongolia FY13-21

Annex Table 4: Trust Funds Active for Mongolia FY13-21

Annex Table 5 IEG Project Ratings for Mongolia, FY13-20 (US\$, millions)

Annex Table 6: IEG Project Ratings for Mongolia and Comparators, FY13-20

Annex Table 7: Portfolio Status for Mongolia and Comparators, FY13-20

Annex Table 8: Economic and Social Indicators for Mongolia FY13-20

Annex Table 9: Total Net Disbursements of Official Development Assistance and Official Aid for Mongolia 2013-2019

Annex Table 10: List of IFC Investments in Mongolia (US\$, millions)

Annex Table 11: List of IFC Advisory Services in Mongolia, FY13-21* (US\$, millions)

Annex Table 12: List of MIGA Projects Active in Mongolia, FY13-21* (US\$, millions)



Annex Table 1: Summary of Achievements of CPS Objectives – Mongolia

	CPS FY13-21: Focus Area: Enhance Mongolia's Capacity to Manage the Mining Economy Sustainably and Transparently	Actual Results	IEG Comments
Major Outcome Measures	<p>1. CPS Objective: Supporting development of a regulatory environment, institutional capacity, and infrastructure for world-class mining</p> <p>Indicator 1: Number of public/PPP mining-related infrastructure assets ready for tender.</p> <p>Baseline: 0 (FY12). Target: At least 2 (end-2019).</p>	<p>The IEG ICRR: MS of P118109 reports that the feasibility studies and safeguard assessments were completed for 2 of the 6 subprojects by June 2018. However, these documents did not adequately provide for potential options for future investment funding, including a PPP option, which has been one of the Government's requirements for launching infrastructure project tenders with private participation. No tender has been announced by the completion of the Bank project (end-2019). By the end of 2019, the government has not yet agreed to proceed along the PPP route due to political opposition.</p> <p>Partially Achieved.</p>	<p>This objective was supported by Mining Infrastructure Investment Support (MINIS) Project (P118109, FY11); and Mongolia Multi-Sector TA Project (P119825, FY10).</p> <p>At the PLR 2019 stage, the indicator target year was modified from the original (2017) in accordance with the MINIS' implementation schedule.</p>
	<p>Indicator 2: Aimag-wide management and monitoring plans for groundwater use prepared and in use (cumulative).</p> <p>Baseline: 0 (2012). Target: 3 aimags (end-2017).</p>	<p>The IEG ICRR: MS of P118109 reports the following key activities were completed by the project closure in 2019:</p> <p><i>In terms of preparation:</i></p> <ul style="list-style-type: none"> Organizational structure for management and monitoring of the groundwater plans in three river basins, consisting of three River Basin Associations (RBAs) and three River Basin Councils (RBCs), in South Gobi have been established since 2017. The fiscal budgets have been made available for the three RBAs and RBCs since 2017. <p><i>In terms of implementation:</i></p> <ul style="list-style-type: none"> The Government adopted the management and monitoring plans for groundwater use by the project closure in 2019 (ICR, p. 18). The Government adopted the standard practices for groundwater monitoring, 	<p>This objective was supported by Mining Infrastructure Investment Support Project (P118109, FY11).</p> <p>At the PLR 2019 stage, the target was revised from the original: 2.</p>



	<p>management, and access to monitoring data (ICR, p. 44).</p> <ul style="list-style-type: none"> The monitoring system has been made functional, and data has been collected through online telemetry by June 2018 (June 2018 ISR: MS). 	
<p>Achieved.</p>		
<p>2. CPS Objective: Supporting a more robust, equitable, and transparent management of public revenues and expenditures</p>		
<p>Indicator 1: Percentage of citizens satisfied with the mechanisms and outcomes of Community Initiative Fund investment.</p> <p>Baseline: (FY12) Outcomes: 85%. Mechanism: 86%.</p> <p>Target: (2013, end of SLP2) Outcomes: Remains above 80%. Mechanism: Remains above 80%.</p>	<p>The ICR of P096439 reports that 87 percent of citizens were satisfied with the outcomes of Community Initiative Fund (CIF) investment by June 30, 2013. In addition, over 81 percent of the citizens indicated that the CIF procedures were open and transparent. For the mechanism, the IEG ICRR: MS of P096439 reports that 90 percent of the citizens agreed that the CIF investment mechanism was aligned with their priorities.</p> <p>After 2013, the subsequent project – Third Sustainable Livelihood Project (SLP3) (P125232) – did not monitor this indicator. However, it continued to support local communities and co-financed operations of the Local Development Fund (LDF), the successor to the CIF. The CLP3 also monitored the extent to which the LDF is responsive to meeting local needs. According to the February 2021 ISR: MS of P125232 and SLP3 Semi-Annual Progress Report (June 2020), 48 percent of <i>soum</i> citizens, participated in the survey in November 2020, agreed that the LDF operations meet local needs. The scope of LDF operations in 2019-20 declined by more than four times compared to 2013.</p>	<p>This objective was supported by Sustainable Livelihoods Project II (SLP2) (P096439, FY07); AF SLP2 (P125504, FY11); and ASA on Mainstreaming Social Accountability in Mongolia (P153283, FY20); SLP3 (P125232, FY14); and ASA on Civil Service Reform Assessment (P170968, FY20).</p>
<p>Achieved.</p>		
<p>Indicator 2: Net financing from the BOM to the Housing Mortgage Program terminated. (Funding of new mortgages in excess of principal repayment inflows is defined as “net financing” which has been provided by the GOM and recorded as expenditure starting</p>	<p>According to the IMF Article IV 2017 Mongolia (p. 58), by 2017 the Bank of Mongolia (BOM) has discontinued net financing of the housing mortgage program as well as any other quasi-fiscal lending. The BOM has established a Memorandum of Understanding (MOU) with the MOF to limit the central bank’s future involvement in the mortgage program. However, as of summer 2019</p>	<p>This objective was supported by Economic Management Support Operation (EMSO I) (P162402, FY18); and EMSO II (P167485, FY20).</p>



	<p>from the 2017 supplementary budget.)</p> <p>Baseline: MNT 404 billion (2016). Target: MNT 0 billion (2019–2020).</p>	<p>the BOM has yet to transfer all mortgage securities from its balance sheet to the MOF (IMF Article IV 2019 Mongolia, p. 40). Moreover, in early 2020, as part of the government’s package of anti-crisis policies, Parliament approved the decision compelling the BOM to resume its support for subsidized housing loans via the purchase of mortgage-backed securities. While this policy reversal was seen as temporary, there is no confirmation yet of its termination.</p> <p>Mostly Achieved.</p>	
	<p>Indicator 3: Capital expenditure for the clearance of promissory notes is removed.</p> <p>Baseline: MNT 672 billion (2016). Target: MNT 0 billion (2020).</p>	<p>The Program Document (p. 35) of P162402 reports that the government has terminated its promissory notes program for financing capital expenditures in 2017. The Parliament resolution no. 47 (as of September 9, 2016) shared with IEG included a clause to stop financing the promissory notes program starting from 2017.</p> <p>Achieved.</p>	<p>This objective was supported by EMSO I (P162402, FY18); and EMSO II (P167485, FY20).</p>
	<p>CPS FY13-21: Focus Area II: Build a Sustained and Diversified Basis for Economic Growth and Employment in Urban and Rural Areas</p>	<p>Actual Results</p>	<p>IEG Comments</p>
<p>Major Outcome Measures</p>	<p>3. CPS Objective: Enhancing the investment climate and financial intermediation.</p> <p>Indicator 1: Number of business activities subject to permitting and licensing.</p> <p>Baseline: 890 (2013). Target: The number of business activities subject to permitting and licensing to be reduced by more than 10 percent from the baseline (2020).</p>	<p>The completion report for IFC AS #565508 states that the first stage of permit reform, undertaken over 2010-15, resulted in some rationalization of the permit system. In particular, between 2009 and 2015, the share of businesses required to obtain a permit from the General Agency for Specialized Inspections (GASI) decreased by 21.5 percentage points and the annual number of actual permits issued by the GASI decreased by 45 percent. The second stage of permit reform was supposed to be completed through the adoption of the new Permit Law. A draft Permit Law, prepared with IFC support, was submitted for Parliamentary approval. The WBG estimates that the draft provides for 497</p>	<p>This objective was supported by the EMSO I (P162402, FY17); and EMSO II (P167485, FY20); ASA Consumer Protection and Finance Literacy (P130379, FY13); IFC AS Business Inspection Reform (#565508, FY09); IFC AS Secured Transactions Reform (#599274, FY14).</p>



	different types of permits, which is a reduction of 44 percent from 890 permits currently in effect. However, the new Law has not been adopted as of April 2021.	
	Partially Achieved.	
<p>Indicator 2: The recapitalization of banks is advanced to meet prudential norm.</p> <p>Baseline: The banks are undercapitalized based on the AQR results (2017).</p> <p>Target: The operating banks are recapitalized to meet the Capital Adequacy Ratio (CAR) (2020).</p>	<p>Both the CLR and the Program Document of P167485 report that the key actions towards the banking sector reform have been completed by the Government, but full banking recapitalization has not been accomplished because “the progress towards recapitalization of banks was stalled...”. The IMF Article IV 2019 Mongolia (Sept 2019, pp. 9 and 41) confirms that bank recapitalization under the Asset Quality Review (AQR) exercise remained incomplete, with several banks continued to be under-capitalized, including two systemic institutions, which could be a source of financial distress.</p> <p>Not Achieved.</p>	<p>This objective was supported by the EMSO I (P162402, FY18); EMSO II (P167485, FY20); and IFC AS Corporate Governance (#570828).</p>
<p>4. CPS Objective: Creating more opportunities in the rural and urban economy for enhanced livelihoods.</p>		
<p>Indicator 1: Number of loan beneficiaries from the Microfinance Development Fund (MDF) at <i>soum</i> level and below.</p> <p>Baseline: 29,133 (2008).</p> <p>Target: 39,330 (2013).</p>	<p>The IEG ICRR: MS of P096439 reports that the number of sub-borrowers at <i>soum</i> level and below increased by 68.4 percent from the baseline 29,133 to 49,074 by the end of project in 2013.</p> <p>After the SLP 2 project closed in 2013, the subsequent project SLP 3 (P125232) neither support the MDF nor monitor this indicator. The MDF remained active under the Ministry of Finance until the Government decided to close it on June 2, 2020.</p> <p>Achieved.</p>	<p>This objective was supported by SLP 2 (P096439, FY07); AF SLP 2 (P125504, FY11); Livestock and Agricultural Marketing Project (P125964, FY14); EMSO I (P162402, FY18); and EMSO II (P167485, FY17).</p>
<p>Indicator 2: Increase in household income from livestock and in selected cases horticultural products.</p> <p>Baseline: 0 (2013).</p> <p>Target: 20% (2017).</p>	<p>The ICR of P125964 reports that combined income across households that were project’s beneficiaries (13,684 direct beneficiaries) increased by 73.9 percent from livestock and 808 percent (or 9 times) from horticultural products by December 2017. According to the external impact evaluation of the project, the increases in incomes for households in the treatment group were higher than for households from the control group (in which incomes were 27 percent higher</p>	<p>This objective was supported by Livestock and Agricultural Marketing Project (P125964, FY14).</p>



	<p>from livestock and 274 percent -- from horticulture).</p> <p>Achieved.</p> <p>Indicator 3: Prevalence or incidence of PPR in the western region – as measured by a randomized cross-sectional survey for disease antibodies (active surveillance) or by positive confirmation of a PPR outbreak by laboratory diagnosis of the presence of the virus (passive surveillance), respectively.</p> <p>Baseline: 126 outbreaks of PPR were reported in western region (Khovd aimag) (2016).</p> <p>Target: No detection of active PPR in the western region (aimags of Khovd, Bayanulgi, Gob-Altai, Uvs, Khuvsgul and Zavkhan) by end of 2020.</p>	<p>The CLR reports that no PPR cases were detected in the western region (aimags of Khovd, Bayanulgi, Gob-Altai, Uvs, Khuvsgul and Zavkhan) in 2020. As communicated by the team, this conclusion is based on the information from the annual serological survey conducted by Mongolia's General Authority of Veterinary Services (GAVS). The respective sero-survey for 2020 covered 10,000 samples from sheep and goats in western and central regions. All were tested negative. These results were officially provided to the Bank by the GAVS, but the agency does not publish formal reports.</p> <p>Achieved.</p>	<p>This objective was supported by the EMSO I (P162402, FY18).</p>
	<p>CPS FY13-21: Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management</p>	<p>Actual Results</p>	<p>IEG Comments</p>
<p>Major Outcome Measures</p>	<p>5. CPS Objective: Improve the management, targeting and coverage of social welfare benefits.</p> <p>Indicator 1: Development and introduction of an online integrated information system for social welfare benefits.</p> <p>Baseline: none (2012). Target: a new MIS is fully tested and introduced (2017).</p>	<p>The LEGICRR: MS of P119825 reports that the inter-sectoral database (ISDB) and web-based welfare administration and information system (WAIS) were developed and introduced in 2015. The project conducted training for 1,311 local government staff on the use of both the database and WAIS. According to the World Bank Technical Mission (November 2015) report shared with IEG, it highlighted that the WAIS was operationalized in some but not all field offices within the Government Agency (Office) for Social Welfare Services.</p> <p>Achieved.</p>	<p>This objective was supported by Multi-Sectoral Technical Assistance Project (P119825, FY10); ASA on Strengthening the Social Protection System and Labor Policies in Mongolia (P166801, FY20).</p> <p>At the PLR 2016 stage the indicator target year was modified from the original 2014 to 2017.</p>



CPS FY13-21: Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management	Actual Results	IEG Comments
<p>Indicator 2: The coverage and benefit size of the Food Stamp Program and other poverty-targeted programs increased.</p> <p>Baseline: MNT 18.1 billion allocated for the Food Stamp Program; no budget allocated for other poverty-targeted programs (2016).</p> <p>Target: The total budget for the Food Stamp Program and other poverty-targeted programs is tripled in relation to the 2016 level (2020).</p>	<p>The Program Document of P167485 (para. 57) states that the 2018 budget allocated MNT 42.2 billion to the FSP compared to MNT 18.1 billion in the 2017 budget. The 2019 budget execution schedule approved by the MoF in December 2018 allocated MNT 31.1 billion for other poverty-targeted programs in addition to maintaining the 2018 level of funding the FSP. The combined allocation for both programs (MNT 73.3 billion) in 2019 represents a substantial increase over the 2016 level. In addition, the country team shared with IEG separately the recent report by the Ministry of Labor and Social Protection, which states that the actual budget spending on the FSP was increased by more than three times (214 percent): from MNT 16.7 billion in 2016 to MNT 52.5 billion in 2020. On the top of it, actual budget spending on the health insurance contribution subsidy, another poverty-targeted program, exceeded MNT 30 billion in 2020 (per data reported by the Health Insurance General Office to the Country team).</p> <p>Achieved.</p>	<p>This objective was supported by Economic Management Support Operation (EMSO2) (P167485, FY20); and -Technical Assistance on Mongolia Poverty Measurement and Analysis (P152274, FY17).</p>
<p>6. CPS Objective: Supported better delivery of basic services (education, health, justice, and infrastructure).</p>		
<p>Indicator 1: Number of fixed ECE facilities/kindergartens built under Bank-supported projects.</p> <p>Baseline: 0 (2012).</p> <p>Target: 25 (2014).</p>	<p>The LEGICRR: MS of P125445 reports that by 2014/15, 55 kindergartens were constructed and equipped with furniture, kitchen, electric appliances, carpet, bedding, toys and teaching materials, achieving an increase of 7.6 percent in the total number of state-owned kindergarten facilities (from 722 in 2012 to 777 in 2014/15). After 2014, no Bank project monitored this indicator.</p> <p>Achieved.</p>	<p>This objective was supported by GPE Early Childhood Education (P125445, FY12; TF 11836, FY12); and ASA Quality of Pre-Primary Education (P152905, FY16).</p> <p>At the PLR 2019 stage, the indicator target was modified from the original: 37.</p>



CPS FY13-21: Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management	Actual Results	IEG Comments
<p>Indicator 2: Number of children attending new mobile ger kindergartens.</p> <p>Baseline: 0 (2012).</p> <p>Target: 1,500 (end-2017).</p>	<p>The IEG ICRR: MS of P125445 reports that 3,781 children had attended new mobile ger kindergarten by June 2015, surpassing the target of 1,500.</p> <p>Achieved.</p>	<p>This objective was supported by GPE Early Childhood Education (P125445, FY12; TF 11836, FY12); and ASA Quality of Pre-Primary Education (P152905, FY16).</p>
<p>Indicator 3: Access to legal information and advice across all Ulaanbaatar districts and aimags.</p> <p>Baseline: No value related information available; no paralegals available; no information in minority languages available (2012).</p> <p>Target: 60% of Ulaanbaatar districts and aimag centers distribute legal information in central community locations; paralegals providing advice in 60% of aimag centers, soums, and horoos; 10 laws available in minority languages (end-2017).</p>	<p>The IEG ICRR: MS of P101446 reports that 60 percent of Ulaanbaatar districts and aimag centers distributed legal information to population and legal advice was made available in 21 legal aid centers by June 2013. However, there was no information on whether paralegals were providing legal advice. The establishment of 21 legal aid centers represents a significant underachievement of the original target to have such aid available in 60 percent of all provincial and municipal centers. Mongolia has 21 aimags and 331 soums. According to the country team, during the PLR 2019 consultations, the Ministry of Finance reported that around 40 laws and legal acts were available in minority languages by 2018. There was no monitoring of this indicator after the project closure in 2013.</p> <p>Partially Achieved.</p>	<p>This objective was supported by Enhanced Justice Sector Services Project (P101446, FY08).</p>
<p>Indicator 4: Average interruption duration per year in selected area (minutes) – BSEDN / EBEDN</p> <p>Baseline: 809 / 1200 (2016).</p> <p>Target: 710 / 1060 (2020).</p>	<p>The December 2020 ISR: S of P152343 reports that the average duration of the interruption of electricity supply per year in the project areas remained at 809 minutes for BSEDN and 1,200 for EBEDN by December 2020, the same level as in 2016, largely due to procurement delays. BSEDN and EBEDN are two regional power distribution companies being primary beneficiaries under the project.</p> <p>Not Achieved.</p>	<p>This objective was supported by Second Energy Sector Project (P152343, FY17).</p>



CPS FY13-21: Focus Area III: Address Vulnerabilities and Growing Inequality through Improved Access to Services and Better Service Delivery, Safety Net Provision, and Improved Disaster Risk Management	Actual Results	IEG Comments
7. CPS Objective: Reduced vulnerability of households exposed to natural hazards and pollution.		
<p>Indicator 1: Percentage of herders in the selected area aware of the livestock risk insurance products.</p> <p>Baseline: 80% (2010). Target: 85% (2017).</p>	<p>The IEG ICRR: HS of P088816 reports that some 85.3 percent of herders were aware of the livestock risk insurance products by March 2016. Moreover, there has been a considerable expansion in actual sales of livestock risk insurance policies to herders. According to the data from the Mongolian National Reinsurance Join Stock Company (http://mongolianre.com), in 2019-2020 on average more than 30,000 such policies were sold annually, covering about 17 percent of all herders in the country.</p> <p>Achieved.</p>	<p>This objective was supported by Index-Based Livestock Insurance Project (P088816, FY05); and AF – Index-based Livestock Insurance Project (P115119, FY10).</p> <p>At the PLR 2016 stage, the indicator target and target year were modified from the original: 15% (2014).</p>
<p>Indicator 2: Coverage of targeted households with eligible stoves in Ulaanbaatar.</p> <p>Baseline: 0 (2012). Target: 80% (2017).</p>	<p>The March 2018 ISR: S of P122320 reports that 90 percent of targeted households had eligible stoves installed by January 2017.</p> <p>Achieved.</p>	<p>This objective was supported by Ulaanbaatar Clear Air Project (P122320, FY12).</p> <p>At the PLR 2016 stage, the indicator target was modified from the original 60%.</p>

Annex Table 2: Planned and Actual Lending for Mongolia FY13-21*

Project ID	Project name	Proposed FY	Approval FY	Closing FY	Proposed IDA Amount	Proposed IDA Amount	Proposed IDA Amount	Approved IDA Amount	Approved IBRD Amount	Total IDA/IBRD	Outcome Rating
					CPS	PLR2016	PLR2019				
Projects (IDA/IBRD) Planned Under CPS/PLR FY13-20											
P125232	MN Third Sustainable Livelihoods Project	FY13	2014	2023	30.0	24.8	24.8	24.8	-	24.8	
P130891	MN: SMART Government	FY13	2014	2022	15.0	19.4	19.4	19.4	-	19.4	
	MN-Third UB Urban Services Improvement	FY13	2013		20.0						
P131290	MN - E-Health Project	FY14	2014	2023	15.0	19.5	19.5	19.5	-	19.5	
P147438	MN Export Development Project	FY14	2017	2024	15.0	20.0	20.0	20.0	-	20.0	
P148110	Education Quality Reform Project	FY14	2014	2021		30.0	30.0	30.0	-	30.0	
P170676	Heating Sector Improvement Project	FY15	2020	2026	50.0		21.0	41.0	-	41.0	
DROPPED	Additional Financing -MONSTAT Strengthening the National Statistical System Project (FY15)	FY15									
DROPPED	Transmission Line Project (FY15)	FY15			50.0						
DROPPED	AF- Mining Sector Institutional Strengthening	FY15									
DROPPED	Social Protection Administration Project	FY16									
DROPPED	Index-Based Livestock 2 Project	FY16									
P152343	Mongolia: Second Energy Sector Project	FY17	2017	2023		42.0	42.0	42.0	-	42.0	
P161048	Strengthening Fiscal & Financial Stability Project (SFFSP)	FY17	2017	2022			12.0	12.0	-	12.0	
P159215	MN - Employment Support Project	FY17	2017	2022			25.0	25.0	-	25.0	
P165945	Livestock Commercialization Project	FY20	2020	2025			30.0	30.0	-	30.0	
P167485	Economic Management Support Operation (EMSO 2)	FY20	2020	2021			80.0	80.0	20.0	100.0	
Total planned (IDA/IBRD)						195.0	155.7	323.7	343.7	20.0	363.7

Additional Projects Approved During the CPS Period													
P167421	AF to Ulaanbaatar Clean Air Project	FY20	2020	#				12.0	-	12.0			
P162402	Economic Management Support Operation (EMSO)	FY18	2018	2019				120.0	-	120.0			
P173799	MONGOLIA EMERGENCY COVID-19 RESPONSE	FY20	2020	2023				13.1	13.8	26.9			
P174116	MONGOLIA EMERGENCY RELIEF AND EMPLOYMENT SUPPORT PROJECT (MERESP)	FY20	2020	2024				20.0	-	20.0			
P173126	MONGOLIA THIRD SUSTAINABLE LIVELIHOODS PROJECT - AF	FY20	2020	#				12.0	-	12.0			
P175730	Mongolia COVID-19 Emergency Response	FY21						50.7		50.7			
Total additional Projects (IDA and IBRD)								227.8	13.8	241.6			
Total Planned Lending and additional Projects								195.0	155.7	323.7	571.5	33.8	605.3
On-going Projects during the CPS/PLR Period			Approval FY	Closing FY	Proposed IDA Amount	Proposed IDA Amount	Proposed IDA Amount	Approved IDA Amount	Approved IBRD Amount	Total IDA/IBRD	Outcome Rating		
P040907	MN-Energy Sector		2001	2014				30.0	-	30.0	IEG: MS		
P077778	MN Economic Capacity Tech. Assistance		2003	2013				7.5	-	7.5	IEG: U		
P088816	MN-Index-Based Livestock Insurance		2005	2016				7.8	-	7.8	IEG: HS		
P098426	MN-Governance Assistance		2006	2015				14.0	-	14.0	IEG: S		
P092965	MN-Info & Com Infra Dev		2006	2013				8.0	-	8.0	IEG: S		
P096328	MN-Rural Education and Development -READ		2006	2013				4.0	-	4.0	IEG: S		
P096439	MN-Sustainable Livelihoods II		2007	2013				33.0	-	33.0	IEG: MS		
P101446	MN-Enhanced Justice Sec Services		2008	2013				5.0	-	5.0	IEG: MS		
P111059	MN-Rural Ed and Dev (READ) Supplement		2008	2013				1.0	-	1.0			
P108768	MN-Mining Sector Inst Strength TA		2008	2016				9.3	-	9.3	IEG: MU		
P113160	STRENGTHENING THE NATIONAL STATISTICAL		2009	2015				2.0	-	2.0	IEG: S		

SYSTEM OF MONGOLIA (MONSTAT)											
P115119	MN - Index Based Livestock Insurance AF		2010	2016				10.0	-	10.0	
P116166	MN-Energy Sector Additional Financing		2010	2014				12.0	-	12.0	
P119825	Mongolia Multi-Sector TA		2010	2017				12.0	-	12.0	IEG: MS
P125504	MN - 2nd Sustainable Livelihoods (AF)		2011	2013				11.0	-	11.0	
P118109	MN-Mining Infrastructure Investment Supp		2011	2020				25.0	-	25.0	IEG: MS
P122320	MN-Ulaanbaatar Clean Air		2012	2021				15.0	-	15.0	
Total On-going								206.6	-	206.6	

Source: CPS and PLR, WB BI as of March 8, 2021

*Approved projects only up to December 2020



Annex Table 3: Analytical and Advisory Work for Mongolia FY13-21

Proj ID	Project Name	*Fiscal year	Product Line	Practice	RAS
P129984	FSAP Development Module Mongolia	FY13	ESW	FCI	No
P130033	Programmatic AAA Economic Analysis	FY13	ESW	MTI	No
P130296	Financing Municipal Services for UB City	FY13	ESW	URS	No
P130379	Consumer Protection and Fin Literacy	FY13	ESW	FCI	No
P122389	MN - Gender Economic Analysis	FY14	ESW	POV	No
P130366	Mongolia - Agriculture Policy Review	FY15	ESW	Agriculture and Food	No
P143764	Mongolia - SP Just in time AAA	FY15	ESW	SPL	No
P148618	Mongolia PEFA Assessment	FY15	ESW	GOV	No
P155835	III-1 Budgeting in General Education	FY15	ESW	Other	No
P155836	III-2 Teacher Pay and Incentives	FY15	ESW	Other	No
P145422	Gender Action Plan Implementation	FY16	ESW	URS	No
P152905	MN: Quality of Pre-Primary Education	FY16	ESW	EDU	No
P158667	Mongolia Governance	FY17	ESW	GOV	No
P126639	Mongolia: Social Impacts in Mining Areas	FY13	TA Non-Lend	EEX	No
P131050	CB for Local Planning and Infra Service	FY14	TA Non-Lend	URS	Yes
P133235	Fin Sector Monitoring & Policy Dialog	FY14	TA Non-Lend	FCI	No
P144554	Mongolia MTDS	FY14	TA Non-Lend	MTI	No
P117095	MN- Policy Outreach & Administration	FY15	TA Non-Lend	GOV	No
P118644	MN-Streng. Parliament, Media to Civil Soc	FY15	TA Non-Lend	GOV	No
P128022	CSO - Mongolia	FY15	TA Non-Lend	EEX	No
P131165	Supporting CSO oversight in procurement	FY15	TA Non-Lend	GOV	No
P144405	Fiscal Decentralization	FY15	TA Non-Lend	GOV	No
P145258	MTDS Mongolia (follow-up)	FY15	TA Non-Lend	MTI	No
P145619	Land Markets and Land Admin. in UB	FY15	TA Non-Lend	URS	No
P150767	Sustainable Urban Transport Ulaanbaatar	FY15	TA Non-Lend	TRANS	No
P153073	MN: Telecommunications Sector Assessment	FY15	TA Non-Lend	TRANS	No
P118643	Mongolia-Independent Think Tank	FY16	TA Non-Lend	GOV	No
P146146	Improving City Finances & Services	FY16	TA Non-Lend	URS	No
P146172	Mongolia Capital Market Development TA	FY16	TA Non-Lend	FCI	No
P146360	StAR - Mongolia Country Engagement	FY16	TA Non-Lend	FCI	No
P150428	Building a More Efficient SP System	FY16	TA Non-Lend	SPL	No
P150919	Mongolia Model Agreements for Mining TA	FY16	TA Non-Lend	EEX	No



Proj ID	Project Name	*Fiscal year	Product Line	Practice	RAS
P152195	Mongolia #A065 Payment Systms Strategy	FY16	TA Non-Lend	FCI	No
P154187	Mongolia Financial Education Strategy	FY16	TA Non-Lend	FCI	No
P146081	Support to the Mongolia DRM Program	FY17	TA Non-Lend	URS	No
P150392	MN Preparation of SREP Investment Plan	FY17	TA Non-Lend	EEX	No
P152274	MN: Poverty Measurement and Analysis TA	FY17	TA Non-Lend	POV	No
P157840	MN - Employment Support NLTA	FY17	TA Non-Lend	SPL	No
P160426	CMC: Mongolia Debt Management Performance	FY17	TA Non-Lend	MTI	No
P161478	Mongolia Debt Management Reform Plan	FY17	AA	MTI	No
P150325	Mongolia Governance Partnership Facility	FY18	AA	GOV	No
P161057	Mongolia Public Expenditure Review	FY18	AA	MTI	No
P159938	Just-in-time Policy Advice	FY19	AA	FCI	No
P159939	Supporting Banking Sector Soundness	FY19	AA	FCI	No
P160024	Policy Framework For SFIs and SOEs	FY19	AA	FCI	No
P160095	Stronger Asset Declaration and Recovery	FY19	AA	FCI	No
P160262	Strengthening NBFIs	FY19	AA	FCI	No
P160263	Insolvency Reform	FY19	AA	FCI	No
P160815	Payment Systems Strategy Implementation	FY19	AA	FCI	No
P160816	Financial Capability	FY19	AA	FCI	No
P162813	Ulaanbaatar Efficient Heating Project	FY19	AA	EEX	No
P164554	Mongolia - Trade and Competitiveness Analytical Support	FY19	AA	FCI	No
P165166	Air Pollution Management in Mongolia	FY19	AA	ENV	No
P169119	Preparation and Implementation of Gender Action Plan for Mongolia	FY19	AA	URS	No
P153283	Mainstreaming Social Accountability in Mongolia	FY20	AA	GOV	No
P156878	Technical Assistance for Ulaanbaatar Transport Planning and Management	FY20	AA	TRANS	No
P157826	MONGOLIA: Financial Sector Development Support Program	FY20	AA	FCI	No
P164640	Strengthening Deposit Insurance	FY20	AA	FCI	No
P165221	Mongolia Poverty Measurement and Analysis TA	FY20	AA	POV	No
P166801	Strengthening the Social Protection System and Labor Policies in Mongolia	FY20	AA	SPL	No
P167476	ASA on Pensions, Aging and Elder Care in Mongolia	FY20	AA	SPL	No
P168781	Mongolia: Mines and Minds (CEM)	FY20	AA	MTI	No



Proj ID	Project Name	*Fiscal year	Product Line	Practice	RAS
P169024	Mongolia InfraSAP - Economic Corridors	FY20	AA	TRANS	No
P169934	Mongolia Energy Sector Masterplan	FY20	AA	EEX	No
P170852	Mongolia Banking Sector Monitoring and TA	FY20	AA	FCI	No
P170968	Mongolia Civil Service Reform Assessment	FY20	AA	GOV	No
P172371	Anticorruption Efforts in Mongolia	FY20	AA	GOV	No
P174357	Policy Recommendations for the New Government in Mongolia	FY20	AA	Other	No
P168077	Foundations of Human Capital Formation in Mongolia: Governance of Early Childhood Services, Financing, & Priorities for Investment	FY21*	AA	EDU	No
P172558	Narrowing the Gender Gap in Life Expectancy in Mongolia	FY21*	AA	Social Sustainability & Inclusion	No

Source: Business Intelligence (BI) as of March 5, 2021; Standard Reports as of March 5, 2021

Note: FY completed projects

**The new ASA product line was introduced in 2016 and replaces five product lines (ESW, TA, IE, TE, and PA) with one (AA) governed by a single directive/procedure.

*Completed projects only up to December 2020

Annex Table 4: Trust Funds Active for Mongolia FY13-21

Project ID	Project name	TF ID	Approval FY	Closing FY	Approved Amount (US\$, Million)	Outcome Rating
TF Active during review period						
P130760	Mongolia: Improving Primary Education Outcomes for the most vulnerable children in rural Mongolia	TF 12100	2012	2017	2,457,579	
P129541	Improving Disaster Risk Management in Mongolia	TF 11184	2012	2015	2,730,000	
P129392	MN-Institutional Strengthening for Donor Assistance Management	TF 11622	2012	2015	350,000	
P126994	Mongolia: Post Compliance I	TF 99918	2012	2014	250,000	
P126725	Mongolia E-Health Project	TF 10045	2012	2013	125,000	
P125863	Community-led Infrastructure Development for the Urban Poor in Ulaanbaatar Phase 2	TF 99673	2011	2016	2,770,000	
P122953	MONSTAT: Strengthening the National Statistical System of Mongolia	TF 98487	2011	2015	650,000	
P113160	MONSTAT: Strengthening the National Statistical System of Mongolia	TF 94696	2010	2015	700,000	IEG: S
P108935	Mongolia: Updating the Statistical Master Plan and preparing financing strategy	TF 94827	2010	2014	700,000	
P096328	Rural Education and Development (READ) Project (formerly Rural Education Support Project)	TF 90580	2008	2013	3,905,000	IEG: S



P108776	MONGOLIA: EDUCATION FOR ALL FAST TRACK INITIATIVE (EFA-FTI) CATALYTIC TRUST FUND	TF 58043	2007	2014	29,400,000	IEG: MS
P092965	Information and Communications Infrastructure Development Project	TF 56536	2006	2013	2,000,000	IEG: S
P125445	Mongolia Global Partnership for Education Early Childhood Education Project	TF 11836	2012	2015	10,000,000	IEG: MS

TF Approved during review period	Total	56,037,579.0
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P131204	Capacity Building for Emerging Infectious Disease Preparedness	TF 13110	2013	2014	2,900,700	
P088816	MN-Index-Based Livestock Insurance	TF 13074	2013	2016	1,525,089	
P149388	Preparation of NSDS for Mongolia Statistical System	TF 16932	2014	2015	90,000	
P125964	Mongolia Livestock and Agricultural Marketing Project	TF 14820	2014	2018	11,000,000	IEG: S
P143470	Strengthening Corruption Prevention and Monitoring	TF 13945	2014	2017	293,550	
P143406	Integrated Budget Law Capacity Building	TF 14840	2014	2014	959,074	
P118109	MN-Mining Infrastructure Investment Supp	TF 16382	2014	2019	4,050,000	IEG:MS
P149529	Mongolia -- Strengthening Policy Analysis and Monitoring Capacity	TF 17308	2015	2017	277,000	
P150842	Transparency and Accountability in Mongolian Education (TAME)	TF 18163	2015	2019	650,000	
P150934	Mongolia EITI Post Compliance II	TF 17684	2015	2016	280,000	
P158649	Mongolia Improved Governance of Extractives Project (MIGEP)	TF A2830	2016	2019	450,000	
P154413	Mongolia NSO Capacity Enhancement Project	TF A0396	2016	2018	480,000	
P155305	Capacity Building for the Mongolian National Audit Office	TF A1838	2016	2019	405,000	
P125232	Third Sustainable Livelihoods Project	TF A0794	2016	2021	5,665,000	
P152343	Second Energy Sector Project	TF A4506	2018	2023	12,400,000	
P168248	Strengthening Governance in Mongolia	TF B0063	2019	2022	2,311,134	
P167114	Social Accountability Subprojects	TF A9425	2019	2020	460,000	
P165310	Entrepreneurship-focused socioemotional skills for the most vulnerable youth in rural Mongolia	TF B0943	2020	2024	2,752,295	
P174571	Mongolia PEF support for COVID-19	TF B3794	2021*	2021	942,857	
Total					47,891,699.39	

Source: Client Connection as of March 5, 2021

** IEG Validates RETF that are 5M and above

*Approved projects up to December 2020.

Annex Table 5 IEG Project Ratings for Mongolia, FY13-20 (US\$, millions)

Exit FY	Proj ID	Project name	Total Evaluated	IEG Outcome	IEG Risk to DO
2013	P077778	MN Economic Capacity Tech. Assistance	8.0	UNSATISFACTORY	SIGNIFICANT
2013	P092965	MN-Info & Com Infra Dev	7.2	SATISFACTORY	MODERATE
2013	P096328	MN-Rural Education and Development -READ	5.0	SATISFACTORY	MODERATE
2013	P096439	MN-Sustainable Livelihoods II	43.9	MODERATELY SATISFACTORY	MODERATE
2013	P101446	MN-Enhanced Justice Sec Services	4.6	MODERATELY SATISFACTORY	SIGNIFICANT
2014	P040907	MN-Energy Sector	46.6	MODERATELY SATISFACTORY	MODERATE
2014	*P108776	MN- EDUCATION FOR ALL FAST TRACK INITIATIVE (EFA-FTI) CATALYTIC TRUST FUND	29.4	MODERATELY SATISFACTORY	MODERATE
2015	P098426	MN-Governance Assistance	15.0	SATISFACTORY	MODEST
2015	P113160	MN-MONSTAT	2.2	SATISFACTORY	NEGLIGIBLE TO LOW
2015	*P125445	MN - GPE Early Childhood Education	10.0	MODERATELY SATISFACTORY	MODERATE
2016	P088816	MN-Index-Based Livestock Insurance	10.3	HIGHLY SATISFACTORY	SIGNIFICANT
2016	P108768	MN-Mining Sector Inst Strength TA	8.7	MODERATELY UNSATISFACTORY	SIGNIFICANT
2017	P119825	Mongolia Multi-Sector TA	11.7	MODERATELY SATISFACTORY	#
2018	*P125964	MN - Livestock and Agricultural Marketing	11.0	SATISFACTORY	#
2020	P118109	MN-Mining Infrastructure Investment Supp	16.6	MODERATELY SATISFACTORY	#
Total			230.1		

Annex Table 6: IEG Project Ratings for Mongolia and Comparators, FY13-20

Region	Total Evaluated (\$M)	Total Evaluated (No)	Outcome % Sat (\$)	Outcome % Sat (No)	RDO% Moderate or Lower Sat (\$)	RDO% Moderate or Lower Sat (No)
Mongolia*	230.1	15	92.7	86.7	62.7	58.3
EAP	32,941.8	337	90.4	81.6	53.7	53.2
World	183,728.9	1,965	83.1	74.4	45.6	40.8

Source: Business Intelligence (BI) as of March 5, 2021

Note: IEG calculation

Annex Table 7: Portfolio Status for Mongolia and Comparators, FY13-20

Fiscal year	2013	2014	2015	2016	2017	2018	2019	2020	Ave FY13-20
Mongolia									
# Proj	8.00	11.00	9.00	7.00	10.00	10.00	10.00	14.00	9.88
# Proj At Risk	2.00	-	-	1.00	3.00	3.00	4.00	1.00	1.75
% Proj At Risk	25.00	-	-	14.29	30.00	30.00	40.00	7.14	17.72
Net Comm Amt	136.52	188.75	172.75	145.70	232.70	337.70	232.70	449.51	237.04
Comm At Risk	23.30	-	-	24.80	63.70	63.90	88.90	19.50	35.51
% Commit at Risk	17.07	-	-	17.02	27.37	18.92	38.20	4.34	14.98
EAP									
# Proj	227.00	237.00	246.00	245.00	265.00	268.00	273.00	293.00	256.75
# Proj At Risk	53.00	47.00	44.00	44.00	46.00	57.00	51.00	55.00	49.63
% Proj At Risk	23.35	19.83	17.89	17.96	17.36	21.27	18.68	18.77	19.33
Net Comm Amt	29,464.22	30,549.08	31,596.54	32,345.49	34,830.49	35,299.74	36,225.06	35,529.99	33,230.08
Comm At Risk	4,900.41	5,146.38	6,242.91	4,672.57	5,316.07	6,693.73	5,782.05	5,797.57	5,568.96
% Commit at Risk	16.63	16.85	19.76	14.45	15.26	18.96	15.96	16.32	16.76
World									
# Proj	1,337.00	1,386.00	1,402.00	1,398.00	1,459.00	1,496.00	1,570.00	1,723.00	1,471.38
# Proj At Risk	339.00	329.00	339.00	336.00	344.00	348.00	346.00	311.00	336.50
% Proj At Risk	25.36	23.74	24.18	24.03	23.58	23.26	22.04	18.05	22.87
Net Comm Amt	169,430.58	183,153.94	191,907.82	207,349.97	212,502.85	229,955.56	243,812.24	262,930.61	212,630.45
Comm At Risk	39,638.02	39,748.61	44,430.70	42,715.08	50,837.94	48,148.81	51,949.46	47,640.47	45,638.64
% Commit at Risk	23.39	21.70	23.15	20.60	23.92	20.94	21.31	18.12	21.46

Source: Business Intelligence (BI) as of March 5, 2021

Note: Only IBRD and IDA Agreement Type are included

Annex Table 8: Economic and Social Indicators for Mongolia FY13-20

Series Name									Mongolia	EAP	World
	2013	2014	2015	2016	2017	2018	2019	2020	Average 2013-2020		
Growth and Inflation											
GDP growth (annual %)	11.6	7.9	2.4	1.2	5.3	7.2	5.2	..	5.8	6.6	2.8
GDP per capita growth (annual %)	9.4	5.7	0.4	(0.7)	3.4	5.3	3.4	..	3.8	5.8	1.6
GNI per capita, PPP (current international \$)	9,950.0	10,160.0	9,880.0	9,860.0	9,720.0	10,950.0	11,420.0	..	10,277.1	12,702.0	15,900.9
GNI per capita, Atlas method (current US\$)	4,330.0	4,210.0	3,820.0	3,500.0	3,230.0	3,630.0	3,790.0	..	3,787.1	6,941.8	10,881.0
Inflation, consumer prices (annual %)	10.5	12.3	5.7	0.7	4.3	6.8	7.3	..	6.8	2.5	2.1
Composition of GDP (%)											
Agriculture, forestry, and fishing, value added (% of GDP)	13.4	13.3	13.4	11.7	10.3	10.8	10.8	..	12.0	8.8	3.5
Industry (including construction), value added (% of GDP)	30.5	31.5	31.0	33.9	38.4	39.1	38.5	..	34.7	40.0	25.7
Services, value added (% of GDP)	44.7	45.8	47.5	46.1	42.3	39.3	40.0	..	43.7	50.7	64.7
Gross fixed capital formation (% of GDP)	39.3	28.6	20.4	20.5	24.6	29.4	30.9	..	27.7	39.5	23.5
External Accounts											
Exports of goods and services (% of GDP)	38.9	52.2	45.6	50.2	59.8	58.5	60.1	..	52.2	25.8	29.7
Imports of goods and services (% of GDP)	61.4	57.1	44.6	45.4	57.4	64.0	66.1	..	56.6	24.0	29.0
Current account balance (% of GDP)	(37.6)	(15.8)	(8.1)	(6.3)	(10.1)	(14.5)	(15.4)	..	-15.4	..	..
External debt stocks (% of GNI)	161.6	188.7	203.4	239.6	284.7	252.3	253.1	..	226.2	..	..

Series Name									Mongolia	EAP	World
	2013	2014	2015	2016	2017	2018	2019	2020	Average 2013-2020		
Growth and Inflation											
Total debt service (% of GNI)	11.8	12.1	17.0	14.3	37.7	66.1	94.4	..	36.2	1.9	
Total reserves in months of imports	2.9	2.4	2.5	2.4	4.4	4.2	4.7	..	3.4	15.3	12.4
Fiscal Accounts ¹											
General government revenue (% of GDP)	31.2	28.4	25.8	24.4	28.5	31.4	32.6	26.9	28.9	24.8	..
General government total expenditure (% of GDP)	32.2	32.1	30.8	39.7	32.3	28.5	31.7	38.4	32.5	29.4	..
General government net lending/borrowing (% of GDP)	(0.1)	(3.7)	(4.9)	(15.3)	(3.8)	3.0	0.9	(11.5)	(3.4)	-4.6	..
General government gross debt (% of GDP)	..	..	..	..	..	..	..	..	..	48.8	..
Health											
Life expectancy at birth, total (years)	68.6	68.9	69.1	69.3	69.5	69.7	..	..	69.2	74.6	72.0
Immunization, DPT (% of children ages 12-23 months)	98.0	99.0	99.0	99.0	99.0	99.0	98.0	..	98.7	93.0	85.2
People using at least basic sanitation services (% of population)	57.0	57.5	58.0	58.5	58.5	..	..	..	57.9	79.4	71.5
People using at least basic drinking water services (% of population)	79.8	80.8	81.8	82.8	83.3	..	..	..	81.7	90.9	88.7
Mortality rate, infant (per 1,000 live births)	20.1	18.6	17.3	16.1	15.1	14.2	13.4	..	16.4	14.3	30.7
Education											
School enrollment, preprimary (% gross)	77.4	78.1	79.2	82.6	85.3	86.7	..	..	81.6	76.5	58.3
School enrollment, primary (% gross)	108.7	101.3	100.4	103.0	102.9	104.0	..	..	103.4	102.0	102.8

Series Name									Mongolia	EAP	World
	2013	2014	2015	2016	2017	2018	2019	2020	Average 2013-2020		
Growth and Inflation											
School enrollment, secondary (% gross)	..	..	..	..	..	..	..	..		82.9	75.5
School enrollment, tertiary (% gross)	61.9	63.9	68.0	64.0	64.2	65.6	..	..	64.6	41.0	36.9
Population											
Population, total (Millions)	2,881,792.0	2,940,108.0	2,998,439.0	3,056,359.0	3,113,779.0	3,170,208.0	3,225,167.0	..	3,055,121.7	2,027,137,988.0	7,423,095,724.2
Population growth (annual %)	2.0	2.0	2.0	1.9	1.9	1.8	1.7	..	1.9	0.7	1.1
Urban population (% of total)	68.1	68.2	68.2	68.3	68.4	68.4	68.5	..	68.3	53.6	54.4
Rural population (% of total pop)	31.9	31.8	31.8	31.7	31.6	31.6	31.5	..	31.7	46.4	45.6
Poverty											
Poverty headcount ratio at \$1.90 a day (2011 PPP) (% of pop)	..	0.2	..	0.5	..	0.5	..	..	0.4	..	10.2
Poverty headcount ratio at national poverty lines (% of pop)	..	21.6	..	29.6	..	28.4	..	..	26.5	..	..
Rural poverty headcount ratio at national poverty lines (% of rural pop)										..	..
Urban poverty headcount ratio at national poverty lines (% of urban pop)										..	..
GINI index (World Bank estimate)	..	32	..	32.3	..	32.7	..	..	32.3	..	..

Source: Worldbank DataBank as of March 8, 2021
International Monetary Fund, World Economic Outlook Database, March 2021

Annex Table 9: Total Net Disbursements of Official Development Assistance and Official Aid for Mongolia 2013-2019

Development Partners	2013	2014	2015	2016	2017	2018	2019
Official Donors, Total	430.52	316.91	236.34	325.67	765.59	333.52	314.53
DAC Countries, Total	362.72	224.69	196.67	289.45	590.57	228.9	234.77
Australia	14.92	13.85	10.41	5.85	8.05	7.04	6.19
Austria	1.51	1.71	8.72	3.13	4	4.79	3.42
Belgium	..	0.04	0	..	..	2.53	1.9
Canada	1.38	0.29	1.07	5.9	4.92	5.93	5.67
Czech Republic	3.82	2.55	1.62	2.15	1.46	0.79	0.44
Denmark	-0.02	..	..	..	0.21	..	..
Finland	1.28	1.03	0.57	0.4	0.49	0.27	0.3
France	2.37	5.87	2.07	1.96	2.04	1.67	1.08
Germany	32.93	25.34	22.39	20.27	8.35	29.73	26.21
Greece	0	..	..	0	..	..	..
Hungary	0.25	0.08	0.49	0.91	0.91	3.25	4.35
Ireland	0.01	..	0.01	..	..	..	..
Italy	..	0.03	0.24	0.02	0.05	0.05	0.14
Japan	165.16	104.06	87.01	175.28	501.08	62.24	85.8
Korea	27.67	30.76	24.2	41.41	23.29	76.92	54.23
<u>Luxembourg</u>	3.29	3.22	3.09	2.9	2.97	1.82	1.35
Netherlands	0.37	0.17	..	..	..	..	0.45
New Zealand	0.28	0.27	0.22	0.19	0.08	0.1	0.39
Norway	0.66	0.53	0.52	0.46	0.5	0.47	0.18
Poland	0.78	0.48	0.3	0.27	0.18	0.46	10.64
Slovak Republic	0.08	0.08	0.07	0.04	0.03	0.03	0.02
Spain	-1.18	..	-1.03	-0.95	-0.93	-0.9	-0.97
Sweden	0.03	0.03	0.02	0.24	0.01	0.01	..
Switzerland	19.95	21.85	24.7	21.51	18.79	16.39	14.86
United Kingdom	0.67	0.73	0.97	0.49	0.58	1.72	2.26
United States	86.51	11.72	9	7.04	13.5	13.58	15.87
Multilaterals, Total	64.17	70	37.3	34.99	170.96	81.46	73.53
EU Institutions	4.93	5.83	6.93	13.41	13.84	30.2	19.05
International Monetary Fund, Total	-2.47	..	..	..	..	..	-0.17
<u>IMF (Concessional Trust Funds)</u>	-2.47	..	..	..	..	..	-0.17
Regional Development Banks, Total	37.34	38.67	8.6	7.63	11.76	32.36	25.1
Asian Development Bank, Total	37.34	38.67	8.6	7.63	11.76	32.36	25.1
Asian Development Bank [AsDB]	37.34	38.67	8.6	7.63	11.76	32.36	25.1
United Nations, Total	10.55	8.82	8.65	6.85	6.67	6.24	11.88
<u>Food and Agriculture Organization [FAO]</u>	0.34	..	..	..	..	0.27	0.54
International Atomic Energy Agency [IAEA]	0.86	1.11	0.5	0.56	0.59	0.47	0.27
IFAD	1.29	0.45	1.78	1.24	0.93	1.16	0.9



International Labour Organisation [ILO]	0.89	0.67	1.01	0.79	1.23	1.05	1.26
<u>UNAIDS</u>	..	..	0.01	0	..	..	..
<u>UNDP</u>	2.15	1.69	0.93	0.58	0.68	0.38	0.48
<u>UNFPA</u>	2.73	2.19	1.63	1.06	0.78	0.75	1.22
<u>UNICEF</u>	1.03	1.39	1.36	1.46	0.98	1.11	5.23
<u>World Health Organization [WHO]</u>	1.25	1.32	1.43	1.15	1.47	1.05	1.99
World Bank Group, Total	5.61	8.15	4.23	2.05	129.58	4.69	12.21
World Bank, Total	5.61	8.15	4.23	2.05	129.58	4.69	12.21
<u>International Development Association [IDA]</u>	5.61	8.15	4.23	2.05	129.58	4.69	12.21
Other Multilateral, Total	8.22	8.53	8.89	5.05	9.11	7.97	5.46
Adaptation Fund	..	..	0.86	0.51	..	0.99	..
Central Emergency Response Fund [CERF]	..	..	..	..	1.11	..	..
<u>Climate Investment Funds [CIF]</u>	..	..	0.2	..	0.52	0.97	0.25
<u>Global Alliance for Vaccines and Immunization [GAVI]</u>	0.26	0.33	0.22	-0.06	0	0.08	0.24
<u>Global Environment Facility [GEF]</u>	3.52	4.25	4.3	2.23	1.81	1.03	1.04
Global Fund	4.68	4.44	3.77	2.31	4.5	4.22	2.83
Global Green Growth Institute [GGGI]	0.49	0.32	0.43	0.94	0.96	0.93	0.48
Green Climate Fund [GCF]	..	..	..	..	1.05	0.66	1.69
Nordic Development Fund [NDF]	-0.73	-0.8	-0.89	-0.88	-0.88	-0.92	-1.07
<u>OPEC Fund for International Development [OPEC Fund]</u>	..	..	..	..	0.03	0.01	..
Non-DAC Countries, Total	3.63	22.22	2.36	1.22	4.06	23.16	6.22
Bulgaria	..	..	..	..	0.04	0.04	0.05
Croatia	..	..	..	..	..	..	0.01
Estonia	0.01	..	..	..	..	..	..
<u>Israel</u>	0.03	..	0	..	0.02	0.24	0.03
Kazakhstan	..	..	..	0.2	0.02	0.54	0.05
<u>Kuwait</u>	-2.78	9.96	-0.44	-2.55	-2.82	18.5	-2.31
Latvia	..	..	..	..	..	..	0.01
Lithuania	..	..	0	..	0.04	0.03	0.03
Romania	0.05	0.07	0.04	0.02	0.02	0.01	0.01
<u>Russia</u>	0.01	..	0.23	0.21	1.16	1.43	2.07
Thailand	0.19	0.26	0.03	0.03	0.3	0.18	0.08
<u>Turkey</u>	6.68	12.65	3.07	4.03	5.96	2.75	4.87
<u>United Arab Emirates</u>	-0.55	-0.72	-0.58	-0.72	-0.68	-0.56	1.31
Private Donors, Total	1.52	0.14	4.06	0.22	1.21	0.03	0.24
<u>Bill & Melinda Gates Foundation</u>	0.01	0.14	0.22	0.22	0.28	0	0.21
MAVA Foundation	1.5	..	3.83	..	0.9	..	..
William & Flora Hewlett Foundation	..	..	..	..	0.03	0.03	0.03



**Annex Table 10: List of IFC Investments in Mongolia (US\$, millions)
Investments Committed in FY13-FY21***

Project ID	Institution Number	Cmt FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
43012	1039517	2021	43012	Active	Finance & Insurance	13.5	13.3	13.3	-	13.3
44118	562053	2021	44118	Active	Construction and Real Estate	130.0	130.0	130.0	-	130.0
41748	53249	2019	41748	Active	Finance & Insurance	20.0	5.0	5.0	-	5.0
41369	53249	2018	41369	Active	Finance & Insurance	2.5	2.5	2.5	-	2.5
37908	678845	2017	37908	Active	Accommodation & Tourism Services	587.0	75.0	75.0	-	75.0
38121	54384	2017	38121	Active	Finance & Insurance	120.0	40.0	40.0	-	40.0
29007	723947	2016	29007	Active	Oil, Gas and Mining	22,337.0	400.0	400.0	-	400.0
37451	1000782	2016	37451	Active	Accommodation & Tourism Services	22.2	6.5	6.5	-	6.5
37610	53249	2016	37610	Active	Finance & Insurance	105.0	15.0	15.0	-	15.0
33808	765838	2015	33808	Active	Health Care	10.0	10.0	5.0	-	5.0
34311	53249	2014	34311	Closed	Finance & Insurance	2.5	2.5	(2.5)	-	-
31669	695484	2013	25170	Closed	Construction and Real Estate	180.7	60.0	60.0	-	60.0
32850	632256	2013	29215	Closed	Agriculture and Forestry	0.1	0.1	(0.1)	-	-
33008	54384	2013	33008	Closed	Finance & Insurance	30.0	30.0	30.0	-	30.0
33492	53249	2013	31154	Closed	Finance & Insurance	7.3	7.3	-	7.3	7.3
Sub-Total						23,567.8	797.2	779.7	7.3	789.6

Investments Committed pre-FY13 but active during FY13-FY20

Project ID	Institution Number	CMT FY	Master Project Id	Project Status	Primary Sector Name	Project Size	Orig Cmt-IFC Bal	Net Commitment (LN)	Net Commitment (EQ)	Total Net Commitment (LN+EQ)
29310	644031	2011	29310	Active	Collective Investment Vehicles	7.5	7.5	-	7.5	7.5
11710	54384	2004	11710	Active	Finance & Insurance	3.0	3.0	-	1.2	1.2
Sub-Total						10.5	10.5	-	8.7	8.7
TOTAL						23,578.3	807.7	779.7	16.0	798.3

Source: IFC-MIS Extract as of 2/28/2021

*Projects committed until December 31, 2020



**Annex Table 11: List of IFC Advisory Services in Mongolia, FY13-21* (US\$, millions)
Advisory Services Approved in FY13-21***

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC
603169	Mongolia Value Chain Finance Market Development	2020	2025	ACTIVE	FIG	0.85
601526	Mongolia Insolvency Reform Project	2019	2024	ACTIVE	REG	0.75
601976	Mongolia Trade Facilitation and Agri Sector Export Competitiveness	2018	2021	ACTIVE	REG	1.32
600098	Mongolia Investment Policy and Agribusiness Investment Promotion Project	2017	2021	ACTIVE	REG	2.05
601179	2030 Water Resources Group East Asia	2016	2018	CLOSED	WTR	2.91
599274	Mongolia Secured Transactions Reform	2014	2019	CLOSED	EFI	1.16
599478	Mongolia Sustainable Energy Finance Program	2014	2015	CLOSED	FIG	0.33
598067	Mongolia Multistakeholder Water Management in Mining	2013	2019	ACTIVE	INR	1.96
Sub-Total						11.34

Advisory Services Approved pre-FY16 but active during FY13-21

Project ID	Project Name	Impl Start FY	Impl End FY	Project Status	Primary Business Area	Total Funds Managed by IFC
570828	Mongolia Corporate Governance Project	2010	2014	CLOSED	ESG	1.91
565508	Mongolia Business Inspection Reform	2009	2016	CLOSED	EFI	3.78
Sub-Total						5.69
TOTAL						17.03

Source: IFC AS Portal Data as of 2/28/2021

* AS project as of December 31, 2020

Annex Table 12: List of MIGA Projects Active in Mongolia, FY13-21* (US\$, millions)

Project ID	Project Title	Project Status	Fiscal Year Issued	Sector	Gross Exposure
7041	Oyu Tolgoi Project	Active	FY16	Mining	1,000,000,000
Total					1,000,000,000

Source: MIGA BI reporting database as of 3/2/2021

* Projects active until December 31, 2020