



COMPACT GOAL

The Mongolia Compact directs strategic investments to increase economic activity through secure and registered land titles in urban areas, sustainable utilization and management of rangelands in selected peri-urban areas, and improved vocational and technical training. These investments also help ensure that Mongolians become healthier and more productive as they enter the marketplace, improve urban air quality by increasing the adoption of energy efficient products and homes in the ger (yurt) districts of Ulaanbaatar and support the development of renewable energy, and improve the road in the critical north-south economic corridor that stretches from Russia through Mongolia to China.



COMPACT AT A GLANCE

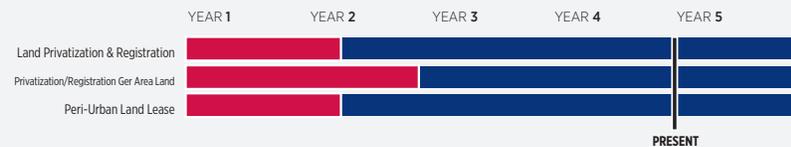
COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)
Compact Signed	10-22-2007	10%	Property Rights \$27.8
Entry Into Force	09-17-2008	14%	Health Project \$38.9
Compact End Date	09-17-2013	17%	Vocational Education \$47.2
Compact Total	\$284,911,363	16%	Energy and Environment \$45.2
Amount Committed	\$247,489,161	31%	North-South Road Project \$88.4
Amount Expended	\$163,240,878	0%	Rail Project \$0.6
Estimated Program Beneficiaries	2,492,000	10%	Program Administration \$29.1
Estimated Increase in Household Income	\$328,352,000	3%	Monitoring and Evaluation \$7.7

■ Project Preparation ■ Project Implementation

Property Rights

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹
\$27,802,619	\$26,610,293	\$17,875,637

The urban component of this project is improving Mongolia's property registration system and helping poor households obtain title to land in urban "ger" districts. The peri-urban component is facilitating the leasing of pastureland near cities to groups of herders and investing in infrastructure and training to improve livestock productivity and herder incomes.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
102,000 MCC currently estimates that 50-60% of this beneficiary target will be reached.	\$13,891,974 The estimated increase does not count people who may benefit from their existing property rights being made more secure and usable through the project's improvements in the property registration system. This may partially offset the fact that fewer beneficiaries will be reached.

PROJECTED RESULTS BY END OF COMPACT

The urban activity is expected to increase access to loans and property investment for project households. In addition, the project aims to streamline business registration process and reduce the time and cost of property registration. The peri-urban activity is expected to improve both the quality of the rangeland and agricultural productivity.

PROGRESS TO DATE

Urban: 11 property registry buildings have been renovated, 1,400 stakeholders have been trained, and mapping capacity has been strengthened. Peri-Urban: 390 herder groups have signed pasture leases, over 5,000 herders and government officials have been trained, and 161 wells have been commissioned for operation on the leases.

PROJECT ACHIEVEMENTS

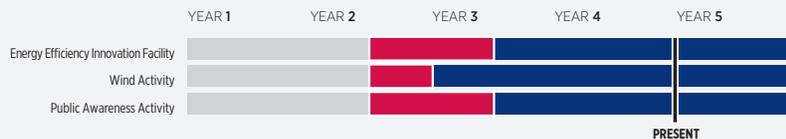
General: Stakeholders continue to gain knowledge and understanding about their rights to land. Urban: The capacity of property registration offices is being strengthened, which will enable them to register land transactions more efficiently and accurately. Peri-urban: Herder families now have secure pasture use rights until 2026, and have been trained on how to use the pasture in a sustainable manner to increase their incomes.

Health Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹				
	\$38,973,259	\$37,873,880	\$26,185,705				
<p>The project seeks to strengthen the national program for prevention, early diagnosis, and management of non-communicable diseases/injuries (NCDI). It addresses major causes and risks of NCDIs, which cause premature adult death, disability and affect labor force productivity and the economic well-being of Mongolians.</p>							
<p>Projected Long-Term Results (Up to 20 years)</p> <table border="0"> <tr> <td style="text-align: center;">ESTIMATED BENEFICIARIES</td> <td style="text-align: center;">ESTIMATED INCREASE IN HOUSEHOLD INCOME</td> </tr> <tr> <td style="text-align: center;">1,727,000</td> <td style="text-align: center;">\$48,039,000</td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	1,727,000	\$48,039,000	<p>PROJECTED RESULTS BY END OF COMPACT</p> <p>The Project is expected to reduce the prevalence of high salt intake, high blood sugar levels, and hypertension in the general population. The Project also supports an increased focus on treatment of cardiovascular disease, diabetes, and cervical and breast cancer.</p>	<p>PROGRESS TO DATE</p> <p>7,340 health care workers and non-medical personnel have been trained under the Capacity Building Activity. Major screening activities are underway and nine contracts (worth \$5 million) have been signed for the supply and delivery of essential screening equipment and critical pharmaceuticals. Major behavior change campaign and outreach activities continue to be implemented with strong collaboration between public and private representatives.</p>	<p>PROJECT ACHIEVEMENTS</p> <p>Project funding is supporting a hospital with equipment to detect and treat strokes and myocardial infarctions. Results from HPV vaccination showed that 85% of targeted girls received all necessary doses. Cancer recall registry and recall system are currently in the early phases of implementation and registry specialists to operate the systems are in place. Country wide public health screenings continue to draw strong community participation.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
1,727,000	\$48,039,000						

Vocational Education	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES ¹				
	\$47,255,638	\$43,955,779	\$36,910,155				
<p>The project aims to improve access and quality in the vocational education system by supporting reforms to Technical and Vocational Education and Training (TVET) policy and operational framework, professional development programs for TVET instructors, the establishment of a labor market information system, and the provision of essential equipment to select institutions.</p>							
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ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
170,000	\$55,948,000						

Energy and Environment	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$45,266,205	\$33,644,511	\$29,332,671

The project aims to reduce air pollution in the capital city through the provision of financial incentives for ger district residents to adopt household energy efficiency and lower-emission technologies; and through ancillary network upgrades and limited tariff subsidy in support of the first on-grid commercial wind farm in Mongolia.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
339,000	\$71,539,000

PROJECTED RESULTS BY END OF COMPACT

The stove subsidy activity is expected to lead to a 57% reduction in particulate matter 10 concentrations and a 15% reduction in household spending on fuel. The wind park activity is expected to result in the production of 116 million kwh.

PROGRESS TO DATE

As of October 2012, subsidized energy efficient product sales have been made to nearly 100,000 households representing almost 70% of the target market. Sales are expected to continue until year-end. Installation of an electrical dispatching system training simulator is in process.

PROJECT ACHIEVEMENTS

Subsidies have been distributed for over 18,000 ger insulation sets, over 77,000 stoves, over 4,500 vestibules, and 84 energy efficient homes. Sales have been fairly evenly divided between men and women. 15 heat only boilers at 10 sites throughout Ulaanbaatar have been replaced. Upgrade of the Nalaikh substation and installation of a fiber optic cable from the wind farm to the substation have been completed, pending wind farm commissioning.

North-South Road Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES [†]
	\$88,440,123	\$77,132,713	\$26,998,728

The project is aimed at providing more efficient transport for trade and access to services by constructing 176.4 km of all-weather road from Choir to Sainshand, as well as providing road maintenance technical assistance to public entities engaged in roadway maintenance.



Projected Long-Term Results
(Up to 20 years)

ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME
154,000	\$114,205,000

PROJECTED RESULTS BY END OF COMPACT

The North-South Road project expects to lead to an increase in average annual daily traffic in addition to a significant decrease in travel time from Choir to Sainshand.

PROGRESS TO DATE

176.4 kilometers of the Choir-Sainshand road is under works contracts. At the end of September, the Lot 1 and Lot 2 contractors were approximately 40% and 37% complete overall with approximately one month left in the 2012 construction season.

PROJECT ACHIEVEMENTS

The two Choir-Sainshand Road contracts were awarded in early 2012, contractors fully mobilized by mid-year and construction underway and continuing at the end of September 2012.

On April 27, 2009, the Government of Mongolia notified MCC that it intended to withdraw the rail project from the Compact. In January 2010, approximately \$188 million from the rail project was formally reallocated towards the expansion of the Health, Property Rights, and Vocational Education projects, and the addition of the new North-South Road and Energy and Environment projects.

[†]Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.