MONGOLIA AND THE WORLD BANK GROUP

Working for a World Free of Poverty
Who we are

The World Bank Group is the world’s largest development institution offering financial assistance, policy advice, research, & analysis for 189 member countries.

OUR TWIN GOALS BY 2030:

- **END EXTREME POVERTY**
  Decrease the percentage of people living on less than $1.90 a day to no more than 3 percent

- **PROMOTE SHARED PROSPERITY**
  Foster the income growth of the bottom 40 percent of the population in every country

FIVE INSTITUTIONS, ONE GROUP

THE INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT (IBRD)
provides lending & technical solutions to governments of middle-income & creditworthy low-income countries

THE INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)
gives concessional loans & grants to governments of the poorest countries

THE INTERNATIONAL FINANCE CORPORATION (IFC)
blends investment with advice & resource mobilization to help the private sector advance development

THE MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)
promotes foreign direct investments by offering political risk insurance & guarantees to investors & lenders

THE INTERNATIONAL CENTRE FOR SETTLEMENT OF INVESTMENT DISPUTES (ICSID)
proves international facilities for conciliation & arbitration of investment disputes
COUNTRY PROGRESS & CHALLENGES

Mongolia joined the World Bank Group in 1991, becoming its 155th member. In the years since, Mongolia has transformed into a vibrant democracy, with treble the level of GDP per capita & increasing school enrolments, & dramatic declines in maternal mortality & child mortality. With vast agricultural & mineral resources & an increasingly educated population, Mongolia’s long-term development prospects are bright.

To ensure sustainable and inclusive growth and continue to reduce poverty, Mongolia will need to strengthen governance; build institutional capacity to manage public revenues efficiently; allocate its resources effectively among spending, investing, and saving; enable competitive private sector and mobilize quality foreign direct investments; and ensure equal opportunities to all its citizens in urban and rural areas. It needs to do this in a manner which protects the environment and intergenerational equity.

PROJECTS & OPERATIONS

Since 1991, the World Bank has provided US$837.27 million in development financing to Mongolia including low-interest loans, zero to low-interest credits, and grants.

In the earliest days, much of the World Bank’s support was aimed at helping Mongolia cope with the transition, on survival and rehabilitation—keeping the mines and power plants operational and the coal deliveries on schedule—and on building the rudiments of a private sector and new financial and legal systems. As the years went on, attention to poverty and human development deepened, as did support for rural livelihoods. An early project supported Mongolia’s rural infrastructure; a later project helped develop Mongolia’s Internet infrastructure.

As of August 2017, the Bank’s portfolio in Mongolia has total commitments of $275.48 million, composed of 11 operations financed by IDA credits totaling $243.7 million and 27 trust funds totaling $31.78 million. These support a wide array of investments in education, health, public administration, energy, financial and private sector development, agriculture, and environmental and natural resource management. Some of our projects are co-financed with governments, donors, and other institutions.

IFC has committed record-level of investments to support the private sector in Mongolia with a historic $3.5 billion investment package in the past five years (including mobilization and $1 billion MIGA guarantee) for the Oyu Tolgoi (OT) mine, hotels, banking, healthcare, windfarm, dairy, and commercial property. IFC advisory projects cover financial infrastructure, water-mining sustainability, investor’s protection and promotion, export diversification, agribusiness competitiveness, green building, corporate governance, and public-private partnerships.
Partnership

The World Bank Group’s Country Partnership Strategy (CPS) for Mongolia for 2013-2017 focused on three areas:

- Enhance Mongolia’s capacity to manage the mining economy sustainably & transparently.
- Build a sustained & diversified basis for economic growth & employment in urban & rural areas.
- Address vulnerabilities through improved access to services & better service delivery, safety net provision, & improved disaster risk management.

In 2017, the World Bank Group will work with the government of Mongolia & other stakeholders to plan a new Country Partnership Framework for Mongolia.
KNOWLEDGE & DATA
In addition to the lending & grant operations, the Bank also provides analytical & advisory work to Mongolia to help inform policy & stimulate public debate. We also support capacity development in key strategic directions.

WORLD BANK OPEN DATA provides free & open access to data, knowledge, & research about development in countries globally. Available at data.worldbank.org & worldbank.org/research.
SELECTED MILESTONES

MONGOLIA JOINED THE WORLD BANK ON FEBRUARY 14, 1991. THE FIRST WORLD BANK PROJECT provided much needed financing to keep the main economic sectors, power plants, agricultural activities operational during the transition years.

1991*

TRANSPORT REHABILITATION PROJECT helped rehabilitate priority railways & roads network across the country.

1994

COAL PROJECT increased Baganuur mine production level & improved policies for the sector management in response to Mongolia’s coal production declines.

1996

THE FIRST EVER OIL/GAS & MINING INVESTORS’ CONFERENCE held with the World Bank support was a crucial step in opening up these sectors for investment.

1997

ULAANBAATAR SERVICE IMPROVEMENT PROJECT brought more reliable & convenient water supply to Ulaanbaatar by constructing water kiosks, reservoirs, & other infrastructure.

IFC MAKES THE FIRST INVESTMENT TO MONGOLIA to support leather processing plant.

1998

PRIVATE SECTOR CREDIT introduced long-term loans as a new banking service & provided sub-loans to SMEs amidst severe shortages of longer term funding & low public confidence in the banking sector.

1999

MONGOLIA’S FIRST UTILITY-SCALE WINDFARM SALKHIT is supported by IFC.

2007

MONGOLIA HOLDS THE FIRST ECONOMIC POLICY CONFERENCE with the World Bank support bringing together policy makers, researchers, investors, development partners & laying the groundwork for Mongolia Economic Forum.

2008

EDUCATION FOR ALL FAST TRACK INITIATIVE WITH $29.4 MILLION GRANT financing expanded access to pre-primary education for rural children through mobile ger-kindergartens.

2009

IFC provided the first international financing to support emerging local conglomerates expanding in real-sectors such as TELECOM, FOOD & BEVERAGES, & PROPERTY DEVELOPMENT.

WORLD BANK CONTINUED ASSISTANCE TO MONGOLIA TO OVERCOME ECONOMIC DOWNTURN with additional budget support of $29 million & a technical assistance of $12 million.

2010

MONSTAT PROJECT introduced international standards & classifications to the statistical system & developed statistical tools, such as www.1212.mn, MONSTAT, EzSTAT applications, monthly infographics, & a hotline service for statistical inquiries.

MINIS PROJECT is FACILITATING INVESTMENTS IN INFRASTRUCTURE TO support mining & downstream processing activities & build local capacity to prepare infrastructure projects.

2011

LAMP PROJECT with $11 mln grant financing is supporting rural livelihoods & food security by increasing productivity, market access & diversification in livestock-based production systems.
WORLD BANK FINANCED ENERGY INFRASTRUCTURE REHABILITATION resulting in reduced electricity losses, improved electric power revenue, & lower annual interruptions.

INDEX-BASED LIVESTOCK INSURANCE PROJECT introduced an affordable & cost-effective insurance scheme for herders, a system which continues to be supported by the Government & insurance providers.

READ PROJECT helped set up classroom libraries in all 383 primary schools in rural Mongolia & kick-started a book publishing industry.

ICIDP PROJECT helped connect all 330 soum centers to modern phone & Internet services.

REAP PROJECT brought electricity to nomadic herders through portable solar home systems.

IFC & MIGA led the HISTORIC $4.4 BILLION PROJECT-FINANCING & POLITICAL-RISK INSURANCE for the underground-phase of the Oyu Tolgoi (OT) mine. This is IFC & MIGA's largest financing & coverage, respectively, in the history of these two WBG institutions.

ICF led the LARGEST SYNDICATION FOR A LOCAL COMMERCIAL BANK in Mongolia's history, with almost half of the $180m financing targeted for women-led SMEs.

WORLD BANK BOARD APPROVES PROJECTS to promote employment, improve energy sector efficiency, upscale renewable energy production, & strengthen fiscal & financial stability.

*Years in this timeline refer to the project approval year unless otherwise specified.*
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