



**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.



**COMPACT AT A GLANCE**

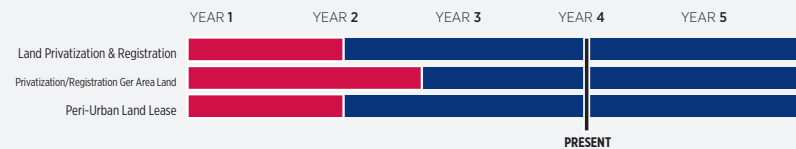
COMPACT AT A GLANCE		% OF TOTAL COMPACT	BUDGET (USD MILLIONS)	
Compact Signed	<b>10-22-2007</b>	<b>10%</b>	<b>Property Rights</b>	<b>\$27.2</b>
Entry Into Force	<b>09-17-2008</b>	<b>14%</b>	<b>Health Project</b>	<b>\$38.9</b>
Compact End Date	<b>09-17-2013</b>	<b>17%</b>	<b>Vocational Education</b>	<b>\$47.3</b>
Compact Total	<b>\$284,911,363</b>	<b>16%</b>	<b>Energy and Environment</b>	<b>\$46.9</b>
Amount Committed	<b>\$139,165,148</b>	<b>30%</b>	<b>North-South Road Project</b>	<b>\$86.7</b>
Amount Expended	<b>\$71,117,737</b>	<b>0%</b>	<b>Rail Project</b>	<b>\$0.6</b>
Estimated Program Beneficiaries	<b>1,700,000</b>	<b>10%</b>	<b>Program Administration</b>	<b>\$29.1</b>
Estimated Increase in Household Income	<b>\$217,300,000</b>	<b>3%</b>	<b>Monitoring and Evaluation</b>	<b>\$8.2</b>

■ Project Preparation ■ Project Implementation

**Property Rights**

PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
<b>\$27,202,619</b>	<b>\$19,234,330</b>	<b>\$8,707,875</b>

The urban component is improving the property registration system and helping poor households obtain title to land in urban "ger" districts. The peri-urban component is leasing 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
<b>95,000</b>	<b>\$24,700,000</b>

**PROJECTED RESULTS BY END OF COMPACT**

An increase in the property values of hashaa plots in Ulaanbaatar by 13%. An increase in the dairy yield of cows for project herder groups (amount of increase under review). An increase in the number of households accessing bank credit, and an increase in the amount they access from \$6,400 to \$23,400.

**PROGRESS TO DATE**

Urban: 752 stakeholders trained; 2 property registry buildings rehabilitated; mapping capacity upgraded in 9 cities. Peri-Urban: 1,964 stakeholders trained; 234 leaseholds awarded; 35 wells commissioned for operation.

**PROJECT ACHIEVEMENTS**

General: Stakeholders continue to gain knowledge and understanding about their rights to land. Urban: The capacity of property registration offices has been strengthened, which will make them more able to register land transactions more efficiently and accurately; Better maps for poor people can now be produced. Peri-urban: Herder families now have secure, defined pastureland use rights for the next 15 years.

Health Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
		<b>\$38,973,259</b>	<b>\$24,647,946</b>

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.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
NCDI Capacity Building	█	█	█	█	█
NCDI Prevention	█	█	█	█	█
NCDI Detection	█	█	█	█	█
NCDI Management	█	█	█	█	█

PRESENT

Projected Long-Term Results (Up to 20 years)		PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME			
<b>1,730,000</b>	<b>\$49,000,000</b>	Decreased prevalence of high salt intake, high blood sugar, and hypertension (amount of decrease under review). Increased treatment of diabetes and hypertension (amount of increase under review).	\$856,000 has been disbursed toward mobilization of civil society; capacity built for 3,794 health workers. The small grants program has awarded 120 grants to civil society and local government organizations across the country. Legislation advocated by the project's NCDI partners to ban smoking and establish smoke-free workplaces has gained traction. Minister of Health has issued an order approving all of the project's major disease guidelines.	Nat'l behavioral change campaign underway, including local events in 12 aimags. Training of trainers underway. Introduction of human papillomavirus vaccine approved by GoM ; Gardasil Access program approved initial donation of vaccines for 14,000 girls. MCA-M, Mongolian Health Sciences Univ and George Washington Univ signed partnership to revive and strengthen HSUM's Masters of Public Health program. Nationwide pre-test on NCD to be carried out.

Vocational Education	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>1</sup>
		<b>\$47,355,638</b>	<b>\$33,770,852</b>

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 providing essential equipment to select institutions.

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Reforms to TVET Policy & Operational Framework	█	█	█	█	█
Skills, Standards & Competencies	█	█	█	█	█
Competency Based Training System	█	█	█	█	█
Career Guidance System	█	█	█	█	█
Improvement of Learning Environments	█	█	█	█	█

PRESENT

Projected Long-Term Results (Up to 20 years)		PROJECTED RESULTS BY END OF COMPACT	PROGRESS TO DATE	PROJECT ACHIEVEMENTS
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME			
<b>170,000</b>	<b>\$51,000,000</b> Not yet updated after Compact revision	An increase in the employment rate of technical vocational graduates from 71% to 75%. Increased annual salaries of technical vocational graduates from \$1,237 to \$1,336.	28 competitive grants awarded, including 13 PPPs; 28 competency-based curricula in priority trades in key industries developed and being piloted; 38 CBT master teachers trained. Nat'l qualifications framework being developed. 15 schools/3 centers of excellence selected for rehab/equip upgrades, equip procurements completed. Management capacity building underway for 34 schools. Labor market study completed, career guidance system under development.	TVET reform legal/policy framework in place. MoU between MCA-M, AVET and Peace Corps for delivery of intensive technical English language training in 45 schools, 200 instructors. U.S. DoD donated refurbished, excess heavy machinery equipment in mining, agriculture, building and road construction valued at approximately \$700,000 to 7 TVET schools. Health COE rehabilitated and newly equipped. 21 schools received book donations from Asia Foundation.

Energy and Environment	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>				
	<b>\$46,966,205</b>	<b>\$8,243,998</b>	<b>\$5,440,521</b>				
<p>The project aims to reduce air pollution 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.</p>							
<p><b>Projected Long-Term Results</b> (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;"><b>340,000</b></td> <td style="text-align: center;"><b>To be determined</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>340,000</b>	<b>To be determined</b>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>The projected results by the end of the Compact are still to be determined.</p>	<p><b>PROGRESS TO DATE</b></p> <p>The subsidy program is currently operating in 45 khoroo or sub-districts of Ulaanbaatar, comprising the Air Pollution Reduction Zone. Five additional khoroo will be added through November with seasonal sales continuing through February. In October, proposals were received for air quality research grants. Preparations for 8 boiler replacements are underway. New product testing is planned for December.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>As of the end of October, excluding the pilot results, subsidies have been distributed for almost 5,000 ger insulation sets, over 20,000 stoves, over 1,000 vestibules, and 6 energy efficient homes, covering almost 1/3 of target households. Sales have been evenly divided between men and women. Additional producers were added to address insulation and vestibule shortages. Over 18,000 trees have been planted.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>340,000</b>	<b>To be determined</b>						

North-South Road Project	PROJECT COST	TOTAL CONTRACT COMMITMENTS	TOTAL PROJECT EXPENDITURES <sup>†</sup>				
	<b>\$86,740,123</b>	<b>\$30,043,877</b>	<b>\$10,787,073</b>				
<p>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 constructing new and rehabilitating existing bridge and road segments (252 m Bayanzurkh bridge and 17.5 km of road from Ulaanbaatar to Nalaikh).</p>							
<p><b>Projected Long-Term Results</b> (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;"><b>558,400</b></td> <td style="text-align: center;"><b>\$92,600,000</b></td> </tr> </table>	ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME	<b>558,400</b>	<b>\$92,600,000</b>	<p><b>PROJECTED RESULTS BY END OF COMPACT</b></p> <p>20.9 km of road have been designed. The contract award for the Ulaan Bataar-Nalaikh activity is expected in October. The contractor for the Choir-Sainshand road has entered into receivership and the contract has been terminated. MCA signed contracts with subcontractors to continue work during the 2011 construction season. Restructuring may be necessary because of expected increases in construction cost and schedule constraints.</p>	<p><b>PROGRESS TO DATE</b></p> <p>20.9 km of road have been designed; approximately 16% of the contracted road works have been disbursed. The Choir-Sainshand contractor has entered into receivership and the contract has been terminated. Subcontractors signed contracts with MCA and construction will continue during the 2011 construction season. MCA has proposed splitting the project into two segments for re-procurement.</p>	<p><b>PROJECT ACHIEVEMENTS</b></p> <p>The Law on Government budget for 2011 adopted by the Parliament of Mongolia on November 25, 2010 approved 8.8 billion Mongolian Tugrik (MNT) for road repair and maintenance activities in 2010; the funding was subsequently disbursed for its budgeted purposes. A further MNT 12.4 billion was budgeted for road and repair maintenance activities in the Law on Government Budget for 2011.</p>
ESTIMATED BENEFICIARIES	ESTIMATED INCREASE IN HOUSEHOLD INCOME						
<b>558,400</b>	<b>\$92,600,000</b>						

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 Road and Energy and Environment projects.

<sup>†</sup>Expenditures are the sum of cash outlays and quarterly accruals for work completed but not yet paid or invoiced.