



Mongolia: Supporting Renewable Energy Development

Project Name	Supporting Renewable Energy Development	
Project Number	52240-002	
Country	Mongolia	
Project Status	Approved	
Project Type / Modality of Assistance	Technical Assistance	
Source of Funding / Amount	TA 9941-MON: Supporting Renewable Energy Development Asian Clean Energy Fund under the Clean Energy Financing Partnership Facility US\$ 1.30 million	
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships	
Sector / Subsector	Energy - Electricity transmission and distribution - Energy efficiency and conservation - Large hydropower generation - Renewable energy generation - geothermal	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The ensuing project is to support the government of Mongolia in expanding renewable energy. In spite of vast renewable energy potential, Mongolia depends on 93% of total electricity production from coal fired thermal power plants. Coal has also been used as the primary source for heating. As a result, the energy sector becomes the major contributor to large greenhouse gas emissions and serious air pollution in the country. The air pollution level in Ulaanbaatar and other towns have become worse than that in cities such as Beijing and New Delhi. UNICEF warned that this has become the public health crisis, especially among children. Nevertheless, the use of coal cannot be reduced to meet growing domestic demand for electricity and heating. To be worse, the peak demand for electricity has almost been reaching to the present generation capacity limit. Under the situation, the country has overcome any power shortfall through more expensive power import from Russia. Thus, the energy security and social and economic impacts have been toward conflicting and complicating situation. To tackle the dilemma, the government issued the State Policy on Energy, 2015 2030 to increase the share of renewable energy to 20% by 2023 and 30% by 2030. ADB's country partnership strategy and country operations business plan (COBP) for Mongolia responded to this priority to expand renewable energy even in remote and less developed regions, and to enable air quality and carbon footprint improvements. Subsequently, the government's mid-term plan for 2019 2023 includes concrete activities for renewable energy development. For this purpose, this transaction technical assistance (TA) was programmed for 2019 and the ensuing loan project for 2021 in the COBP, 2020 2021. Given the strategy and rationale, following are the project outputs of the ensuing project:</p> <ul style="list-style-type: none"> (i) Output 1: Transmission strengthened to help evacuate more renewable energy to grid. (ii) Output 2: Pilot pumped storage hydropower generation assessed for detailed engineering studies. (iii) Output 3: Pilot geothermal heat and power generation assessed for detailed engineering studies. (iv) Output 4: Advance heating technologies deployed. <p>The project impact will be increased renewable energy capacity, and the outcome will be increased and diversified clean energy supply schemes.</p> <p>The ensuing project is estimated to cost \$100 million. ADB will consider a project loan of \$50.0 million from ADB's ordinary capital resources, and the balance is expected to be supported by cofinanciers and/or the government.</p>	
Project Rationale and Linkage to Country/Regional Strategy	The TA will help the government prepare the project. The TA will refine the project scope by incorporating international best practices, innovative solutions, and conduct technical, safeguards, economic, financial, and other due diligence requirements.	
Impact		
Project Outcome		
Description of Outcome		
Progress Toward Outcome		
Implementation Progress		
Description of Project Outputs		
Status of Implementation Progress (Outputs, Activities, and Issues)		
Geographical Location	Nation-wide	
Summary of Environmental and Social Aspects		
Environmental Aspects		
Involuntary Resettlement		
Indigenous Peoples		
Stakeholder Communication, Participation, and Consultation		
During Project Design	Application for funding has been changed from JFPR to CEFPF. Ongoing preparation for CEFPF application.	

During Project Implementation

Responsible ADB Officer	Kaoru Ogino
Responsible ADB Department	East Asia Department
Responsible ADB Division	EASI
Executing Agencies	Ministry of Energy Government Building 14, Khan-Uul District Chinggis Avenue, 3-r khoroo Ulaanbaatar, 17060 Mongolia

Timetable	
Concept Clearance	-
Fact Finding	-
MRM	-
Approval	17 Jan 2020
Last Review Mission	-
Last PDS Update	17 Jan 2020

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Financing Plan/TA Utilization						Cumulative Disbursements		
ADB	Cofinancing	Counterpart				Total	Date	Amount
		Gov	Beneficiaries	Project Sponsor	Others			
0.00	1,300,000.00	0.00	0.00	0.00	0.00	1,300,000.00	-	0.00

Project Page	https://www.adb.org/projects/52240-002/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52240-002
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