



Combined Project Information Documents / Integrated Safeguards Datasheet (PID/ISDS)

Appraisal Stage | Date Prepared/Updated: 25-Oct-2018 | Report No: PIDISDSA24878



BASIC INFORMATION

A. Basic Project Data

Country Mongolia	Project ID P167421	Project Name Additional Financing to Ulaanbaatar Clean Air Project	Parent Project ID (if any) P122320
Parent Project Name Ulaanbaatar Clean Air Project	Region EAST ASIA AND PACIFIC	Estimated Appraisal Date 31-Oct-2018	Estimated Board Date 21-Feb-2019
Practice Area (Lead) Energy & Extractives	Financing Instrument Investment Project Financing	Borrower(s) Mongolia	Implementing Agency UBCAP Project Management Unit

Proposed Development Objective(s) Parent

The development objective (PDO) is to enable consumers in ger areas to access heating appliances producing less particulate matter emissions and to further develop selected medium-term particulate matter abatement measures in Ulaanbaatar in coordination with development partners.

Components

- A. Ger Area Particulate Matter Mitigation
- B. Central Ulaanbaatar Particulate Matter Mitigation
- C. Public Awareness Raising, Program Coordination and Project Management

PROJECT FINANCING DATA (US\$, Millions)

SUMMARY

Total Project Cost	12.00
Total Financing	12.00
of which IBRD/IDA	12.00
Financing Gap	0.00

DETAILS

World Bank Group Financing

International Development Association (IDA)	12.00
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IDA Credit	12.00
Environmental Assessment Category	
B-Partial Assessment	
Decision	
The review did authorize the team to appraise and negotiate	

Other Decision (as needed)

B. Introduction and Context

Country Context

Ulaanbaatar (UB) is among the most polluted cities in the world and air pollution levels remain high in winter, particularly in ger neighborhoods. Of the 1.4 million population residing in UB, more than half (about 200,000 households) live in the ger areas without access to district heating and mainly rely on stoves and small boilers burning coal and wood to meet heating needs. It is estimated that their use of high emitting heating appliances has contributed to more than 60 percent of the ground-level fine particulates concentration in UB. The ground level air pollution is also a major cause of severe respiratory diseases putting high risks on vulnerable groups. Without ger households switching to cleaner alternatives, air quality is unlikely to be substantially improved especially considering the increasing ger population.

Sectoral and Institutional Context

Despite past accomplishments, a larger and concerted effort is needed to help tackle air pollution in UB. The urgency to solve the air pollution problem propelled the Government of Mongolia to take a wide range of measures and actions to complement past programs. The priorities, programs and responsibilities for line ministries and agencies are stipulated in the “National Program on Reducing Air and Environmental Pollution” from March 2017 and the government’s Decree #49 released in Feb 2018. The government places great emphasis on the promotion of electricity for heating, insulation improvements of ger houses to reduce overall heating demand and removal of polluting heat only boilers, together with other longer-term measures such as district heating network expansion and affordable housing.

On April 19, 2018, the Ministry of Finance (MoF) requested additional financing of US\$12 million to scale up the development impact of the Ulaanbaatar Clean Air Program (UBCAP) as a response measure to improve air quality. Building on previous and ongoing efforts undertaken by the World Bank and other development partners, the proposed project will continue supporting the government to strengthen policy and regulations to promote clean heating and provide technical support and awareness raising campaigns. It will also support the design and implementation of large-scale pilots in selected ger areas, such as insulation improvement of ger houses, removal of selected heat-only-boilers (HoBs), and promotion of electric heating.

C. Proposed Development Objective(s)



Original PDO

The development objective (PDO) is to enable consumers in ger areas to access heating appliances producing less particulate matter emissions and to further develop selected medium-term particulate matter abatement measures in Ulaanbaatar in coordination with development partners.

Current PDO

The PDO is to enable consumers in ger areas to access heating appliances producing less particulate matter emissions and to further develop selected medium-term particulate matter abatement measures in Ulaanbaatar in coordination with development partners.

Key Results

The proposed key results indicators for the AF include:

- Additional number of households provided with access to clean heating appliances
- Percentage of Project beneficiaries reporting an improvement in quality of heating

D. Project Description

To expand and scale-up the development impact of UBCAP, the proposed Additional Financing (AF) will continue the activities under Components A and revised Component C; and add a new Component D on electricity for heating in the ger area. Changes to the results framework associated with the scope expansion will also be introduced.

The main changes to the project scope and components include the following:

- Continuing Component A. Ger area particulate matter mitigation.** This component will continue supporting Component A by scaling up selected activities, including (i) financial support to selected emission reduction measures including pilots on replacement of high emitting HoBs and house insulation improvement in selected areas or service centers; and (ii) technical support, awareness raising, knowledge exchange, and trainings on clean heating options and air quality monitoring and analysis, including development of clean stoves/boilers, development and enforcement of clean and efficient appliance and building standards, and other non-coal measures.
- No changes to Component B. Particulate Matter Mitigation in Central Ulaanbaatar.** This component has been completed and achieved its objectives. No new activities will be implemented, nor will new funding be allocated to this Component under the proposed AF.
- Revising and continuing Component C. Project Management and Monitoring and Evaluation.** The awareness raising activities are moved to Component A. This component will support (a) the project management cost for the Project Management Unit (PMU), and (b) project level monitoring and evaluation activities.
- Adding new Component D. Electricity for heating in targeted ger areas.** This component will enable ger households in the targeted area to access modern heating appliances, such as electric thermal storage (ETS) heaters. The target households are mainly those still using traditional coal-burning stoves. The component will mainly finance (i) provision and installation of modern heating appliances in selected houses, and the two-tariff electric meters, power cable connection and wire upgrade for the last mile distribution lines from meters to selected houses as needed; and (ii)



technical assistance and capacity building on advanced heating technologies and associated program design.

E. Implementation

Institutional and Implementation Arrangements

The implementation arrangements remain generally unchanged. The Project Steering Committee (PSC) will continue to be composed of representatives from Ministry of Energy (MOE), Municipality of Ulaabaatar (MUB), MOF, Ministry of Environment, and other key agencies, but additional MOE staff will be appointed to sit on the Committee. The PSC will continue to provide strategic guidance and ensure effective coordination across the various agencies. It will be responsible for ensuring that the PDOs are achieved and will take key decisions to ensure smooth implementation of the project. The Project Management Unit (PMU) will remain in charge of the day-to-day activities of the project, including procurement, financial management, monitoring and evaluation, and safeguards. A sub-coordinator, reporting to the PMU coordinator, will be hired to manage the new Component D in close coordination with MOE. To strengthen the technical capacity of the PMU, an additional power engineer will be hired to support project implementation.

F. Project location and Salient physical characteristics relevant to the safeguard analysis (if known)

Ulaanbaatar (UB), Mongolia's capital city, is located in the foothill of the Khentii Mountain range, at an elevation of 1,350 m, along the Tuul River and in valleys of its tributaries- the Tolgoit, the Selbe, and the Uliastai. UB's climate is continental, with very cold and dry winters with limited snowfall, and short summers (June-August). The temperature is below zero from November through May. The annual precipitation is 250mm, of which 94% falls from April to October.

G. Environmental and Social Safeguards Specialists on the Team

Yongli Wang, Environmental Specialist
Erdene Ochir Badarch, Social Specialist
Reisha Anne Jones, Social Specialist

SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	The AF will scale up the Component A and Component B, and replace original Component B with new activities. The activities under these components will cause environmental impacts that



are moderate or minor, and can be mitigated by readily available mitigation measures.

The adverse environmental impacts related to construction activities are limited, such as nuisance of dust and noise, solid waste, and safety issue related to power cable connection. During operations, adverse impacts include the solid wastes produced by the stove lab, and replaced stove and fabrications. These potential adverse impacts and risks are moderate or minor, and can be easily identified, and readily mitigated with the good construction and operation management practice, and the proposed mitigation measures.

All adverse impacts have been assessed and mitigated in the safeguard documents for the apparent project, except the safety issue related to power cable connection under the new activity under Component B. Thus, the ESMP is updated to cover this issue.

As to the date of the Additional Financing, the ESMP is being satisfactorily implemented. Adequate resources have been allocated and put into practice by the PMU to the implementation of ESMP

For the Additional Financing, the PMU will continue to keep its strong commitment to the environmental and social management.

Performance Standards for Private Sector Activities OP/BP 4.03	No	Neither private entity nor private activity will be involved.
Natural Habitats OP/BP 4.04	No	Based on the information available and site visit, there are not any natural habitats found in the affected areas.
Forests OP/BP 4.36	No	The Additional Financing will not have impacts on the health and quality of forests, nor affect the rights and welfare of people and their level of dependence upon or interaction with forests, nor aim to bring about changes in the management, protection, or utilization of natural forest or plantations. This policy is not triggered.
Pest Management OP 4.09	No	The Additional Financing will not procure pesticides or pesticide application equipment, or increase use of pesticides.



Physical Cultural Resources OP/BP 4.11	No	The activities under the Additional Financing will not be located in, or in vicinity, of any physical cultural resources.
Indigenous Peoples OP/BP 4.10	No	The Additional Financing will operate in the Ger Areas of central Ulaanbaatar where no Indigenous Peoples have been identified under previous Bank projects.
Involuntary Resettlement OP/BP 4.12	No	The Additional Financing will scale up the activities under Components A and C; and replace the original Component B with new activities. No additional land needs are anticipated for the proposed activities under the Additional Finance. Component A: will expand financial support to emission reduction measures and provide technical support on clean heating. Component C: focuses on project management, monitoring and evaluation. Component D: will support provision of modern heating appliances in ger households, installation of electric meters and power cables and upgrading of last mile distribution lines from meters to households. No new land is needed for this component.
Safety of Dams OP/BP 4.37	No	The Additional Financing will not involve dams.
Projects on International Waterways OP/BP 7.50	No	The Additional Financing will not be located or affect any international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The additional Financing will not be located in disputed areas.

KEY SAFEGUARD POLICY ISSUES AND THEIR MANAGEMENT

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:

The Additional Financing will only trigger OP 4.01 without triggering additional safeguard policies. This Additional Financing will continue the activities under Components A and revised Component C; and add new Component D on electricity for heating in the ger area. The new activity is anticipated to bring about moderate risk and impacts in the construction and implementation of the electricity for heating in targeted ger area. The potential environmental impacts associated with the Additional Financing are currently anticipated in the (a) of the laboratory to test cook stoves and low pressure boilers; (b) upstream and downstream issues regarding the subsidy and promotion of new stoves, including: management of scrap metals from the old replaced stoves, and domestic stove fabrication facilities; (c) safety issues regarding the power cable connection, including electric shock, height fall and electromagnetic impact.



These potential impacts are moderate or minor, and can be mitigated by readily available measures.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:
N/A

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
The AF has been carefully designed to support small activities, e.g. the component A and C and the new activity for component D, and avoided the larger scale actions supported under Component B of original project which involves the physical cultural resources.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.
ESMP has been updated by the Borrower to address the potential environmental and social issues of the Additional Financing. As noted above, the UBCAP Project Management Unit of the Municipality of Ulaanbaatar has satisfactorily implemented the project thus far and is in compliance with safeguards measures listed in the ESMP. The capacity of this PMU has been further strengthened since the approval of the parent Project and is assessed as adequate to manage safeguards requirements.

The ESMP includes a grievance redress mechanism and public engagement plan to ensure the active engagement of affected people, particularly women and vulnerable groups, throughout the design and operation of the AF, while addressing any potential issues related to safeguard. The PMU will ensure to inform the public, in particularly project beneficiaries about the GRM and provide comprehensive information on the process to raise their complains.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The updated ESMP was publicly disclosed on May 17, 2018 in Mongolian in websites of PMU. The affected people have been consulted via interview to solicit their comments on the updated ESMP on May 17, 2018, and their comments have been considered as appropriate.

B. Disclosure Requirements (N.B. The sections below appear only if corresponding safeguard policy is triggered)

Environmental Assessment/Audit/Management Plan/Other

Date of receipt by the Bank 17-May-2018	Date of submission for disclosure 17-May-2018	For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors
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"In country" Disclosure

Mongolia
17-May-2018

Comments



If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting) (N.B. The sections below appear only if corresponding safeguard policy is triggered)

OP/BP/GP 4.01 - Environment Assessment

Does the project require a stand-alone EA (including EMP) report?

Yes

If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?

Yes

Are the cost and the accountabilities for the EMP incorporated in the credit/loan?

Yes

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank for disclosure?

Yes

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?

Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?

Yes

Have costs related to safeguard policy measures been included in the project cost?

Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?

Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?

Yes



CONTACT POINT

World Bank

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Borrower/Client/Recipient

Mongolia

Implementing Agencies

UBCAP Project Management Unit

FOR MORE INFORMATION CONTACT

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APPROVAL

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