

Country: MONGOLIA City: ULAAN BAATAR		Status: COMPLETED Application approved: 05/OCT/2017	Key Sector(s): AIR QUALITY IMPROVEMENT
PROPOSERS		Geography and Population	
Ministry of Finance S.Danzangiin gudamj 5/1 Zasgiin gazriin II bair Ulaanbaatar, 15160 Mongolia		Area: 4,704 km² Population: 1,370,000 Ulaanbaatar is the capital and largest city of Mongolia. The city is an independent municipality not part of any province.	
Central State Partner Municipality of Environment (MOE), Ministry of Finance		Other Partners Asian Development Bank East Asia Regional Development	
KEY CITY DEVELOPMENT ISSUES		Ulaanbaatar is situated in the north central part of the country and houses 46% of the country's population, 60% of which live in Ger Areas.	
The population of Ulaanbaatar has nearly doubled since 1995, and the city is now home to about 1.3 million inhabitants. This fast-growing urban population has had a major impact on the demand for urban infrastructure and municipal services and, among other externalities, has exacerbated already severe winter air pollution.			
Dangerous concentrations of inhalable particulate matter less than 2.5 micrometers (PM2.5) pose serious public health risks. The negative impacts of indoor and outdoor pollution contribute to a large portion to poor health and living standards, including factors such as medical costs, lost productivity, chronic illnesses, and life expectancy. Estimates suggest that 10% of deaths in Ulaanbaatar in 2013 resulted from complications from air pollution. Children are particularly vulnerable to impacts of air pollution such as reduced fetal growth, preterm birth, pneumonia, and reduced lung function leading to acute and chronic respiratory diseases. Reducing PM2.5 and PM10 emissions from cooking and heating in the ger areas could generate positive externalities or added economic benefit equivalent to between 2 to 4 percent of GDP from a better quality of life and lower risk of death.			
DETAILS OF COOPERATION		Intervention Areas	
The ADB has proposed a \$130 million Policy Based Loan (PBL) to reduce Ulaanbaatar's air pollution and greenhouse gas emissions through support of the National Program for Reducing Air and Environment Pollution. CDIA is supporting the design and delivery of a number of the policy actions linked to the PBL including:		Source of Maps: ADB & Stuart King	
a) Designing credit guarantee products for SMEs engaged in air quality improvement activities. b) Designing a strategy for the procurement and distribution of cleaner fuel targeted at households located in Ger areas. c) Assisting in developing financing strategies for greening the construction sector and promoting innovative yet affordable heating technologies.			
EXPECTED DEVELOPMENTAL IMPACTS		Ulaanbaatar City	
The impact will be effective air pollution control measures including: <ul style="list-style-type: none"> - Improvement in the air pollution control regulatory framework. - Implementation of measures to reduce air pollution and increase health protection. - Development and approval of environmentally sound and integrated urban and energy plans 			
PROJECT PERIOD		JAN/2018 - AUG/2018	
CDIA SUPPORT CITY CONTRIBUTION		250,000 US\$ 50,000 US\$ (in kind)	
		EXPECTED INVESTMENT FOLLOW UP Est. infrastructure investment value USD 130 Million	
		Potential sources of financing ADB Policy based Loan	