



Millennium Challenge Account-Mongolia



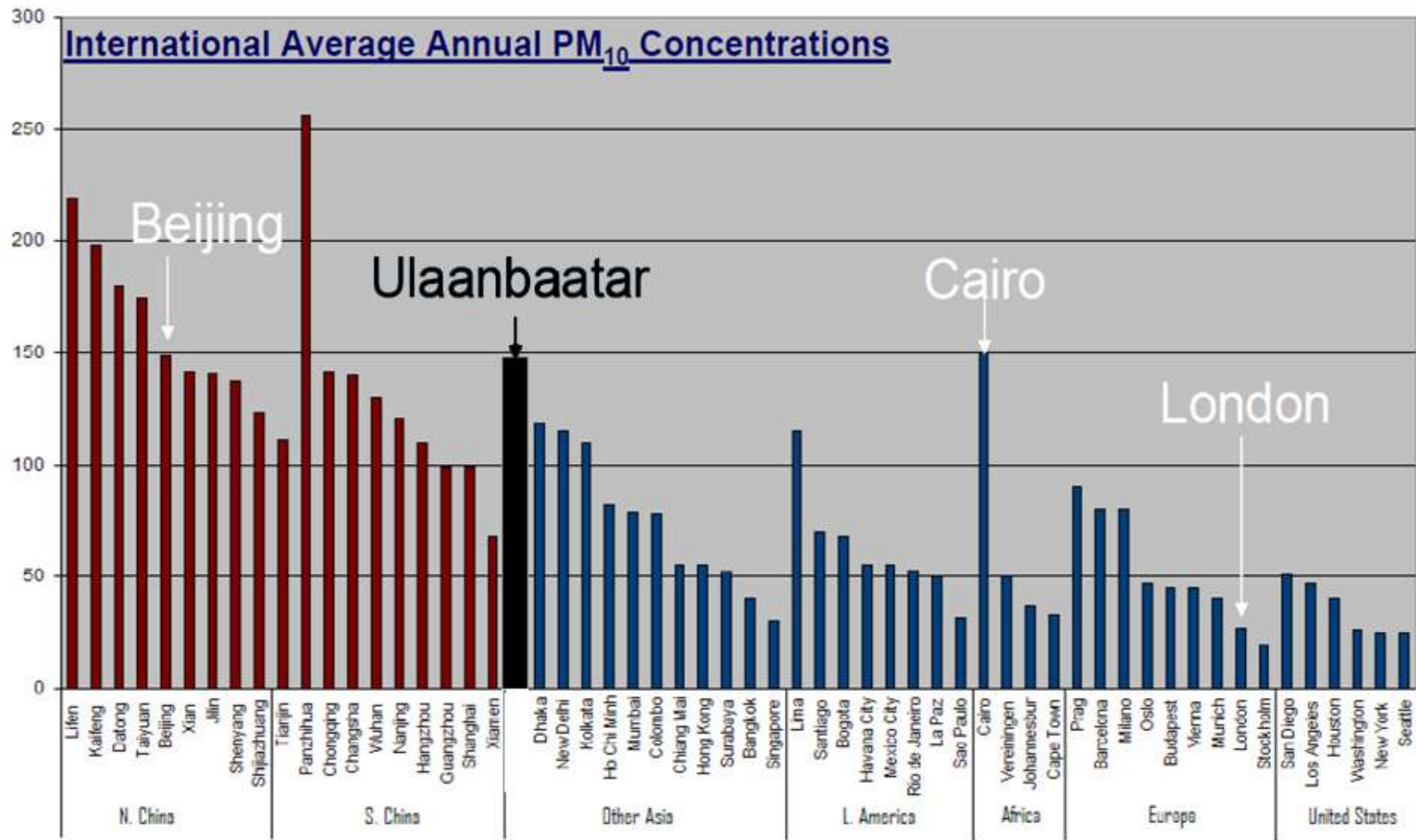
MILLENNIUM  
CHALLENGE CORPORATION  
UNITED STATES OF AMERICA

# ENERGY AND ENVIRONMENT PROJECT

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# International Average Annual PM<sub>10</sub> Concentrations



Annual PM<sub>10</sub> concentration was measured through testing by the National University of Mongolia. Other data was taken from NAMHEM /Gailius Draugelis, World Bank, 2008/

- Government of Mongolia proposed a Clean Air Project - **April 2009**
- MCC Appraisal - **June - October 2009**
- Energy & Environment Project Approved - **December 2009**
- Limited time for appraisal resulted in broadly defined “funding facility” – **Millennium Challenge Energy Efficiency Innovation Facility (MCEEIF)** and a **Wind Activity**
  - MCEEIF aimed at building upon and scaling up work completed and planned by government and other donors - mainly through provision of consumer subsidies
  - Wind Activity aimed at supporting first commercial wind farm in Mongolia
- Compact Amendment signed and ratified - **February 2010**

# Objective

Sustainable reduction of air pollution in Ulaanbaatar by increasing the adoption of **energy efficient products** and **homes** in the ger districts, and supporting the development of **renewable energy**.

Reduced coal consumption | Reduced health costs | Increased productivity

# The Project

# Millennium Challenge Energy Efficiency Innovation Facility (MCEEIF) - \$31.3 million

- 1) **Consumer subsidies** for the purchase of energy efficient products and homes certified as meeting a set standard and/or otherwise demonstrating a superior efficiency over previous models;
- 2) **Technical assistance** in support of testing, market, economic, and other analysis of products to be supported

Products likely to be supported: better insulation, stoves, HOBs, energy efficient homes, etc.



# Pilot programs

- 1 Neighborhood HOB
- 2 Biogas and new type of fuel to substitute coal
- 3 Research grant





# Wind Activity - \$10.4 million

- 1) **A temporary operating subsidy to be paid to CRETN**, the national transmission company, to smooth the impact of the increased cost of wind power from the Salkhit wind farm - \$7.6 million
- 2) **An upgrade to the nearest CRETN substation, upgrade to the dispatching system software at the National Dispatching Center (NDC) in Ulaanbaatar** to accommodate power from variable sources, and a **22km fiber optic cable** to connect the substation to the NDC– \$2.5 million
- 3) **Technical assistance** for the establishment of the Renewable Energy Fund  
- \$0.3 million



# Benefits

- **Reduction in air pollution**
- **Reduced coal costs**
- **Reduced health costs**
- **Increased productivity**
- **Improved power quality**
- **Economic growth of families**

# Current Status

# Set up a laboratory for stove testing

The laboratory was jointly set up by the “Energy and Environment” project, The University of Science and Technology, Air Quality Agency and Weather forecast center at the Mining Institute.

May 2010





# Energy Efficient Products

MCA/EEP has selected 4 energy efficient products. Selected products include:

1. Energy efficient stove
2. LPG and electric heaters
3. Ger insulation
4. Energy efficient home



## EEP- Product center opening ceremony

Product center opening ceremony in 12<sup>th</sup> khoroo of the Chingeltei district.

August 15, 2010





## EEP- Product center opening ceremony

Residents were expressing their gratitude for EEP activities and benefits for them.



We welcome any practical proposal  
to clean air in UB

Thank you for your attention !