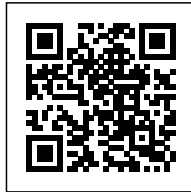


WORLD BANK APPROVES A \$110 MILLION LOAN AND CREDIT FOR IMPROVED LOGISTICS IN MONGOLIA

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The World Bank's Board of Executive Directors today approved a loan of \$100 million and a credit of \$10 million from the International Development Association (IDA) for the Mongolia Transport Connectivity and Logistics Improvement Project. The project aims to improve physical connectivity and reduce the cost of logistics for meat processing in Mongolia.

The project will support Mongolia's plan to diversify its economy, which is heavily dependent on mining, and accelerate sustainable economic growth. With an estimated 70 million head of livestock on which most of the poor in Mongolia depend for sustenance and livelihood, the meat sector in Mongolia has the potential to drive economic growth and boost shared prosperity. However, poor physical connectivity, lack of strategically located and efficient logistics hubs, and uneven information access among actors in the supply chain have proved to be major constraints to realizing the full potential of the sector.

To improve the physical connectivity and logistics efficiency for meat processing in Mongolia, the project will introduce modern roads asset management practices, rehabilitate 51km of last-mile connectivity roads and maintain 311km of selected national roads with the highest concentrations of livestock and freight flows, improve the logistics service by developing a model regional logistics hub under a public-private

partnership (PPP), and establish a logistics and supply chain platform.

According to the Bank of Mongolia, Mongolia's total external debt reached USD 33.8 billion or MNT 106 trillion as of the fourth quarter of 2021. The International Monetary Fund has warned that Mongolia's external debt remains five times higher than the international average.