

**ASIAN DEVELOPMENT BANK**

**COUNTRY STRATEGY AND PROGRAM UPDATE  
(2002-2004)**

**MONGOLIA**

**July 2001**

## **CURRENCY EQUIVALENTS**

(as of 27 July 2001)

Currency Unit – Togrog (MNT)

MNT1.00 = \$0.00091  
\$1.00 = MNT1,097

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
ADTA	–	advisory technical assistance
COS	–	country operational strategy
CPM	–	country programming mission
CSP	–	country strategy and program
DMC	–	developing member country
ESW	–	economic and sector work
GDP	–	gross domestic product
GEF	–	global environment facility
IFC	–	International Finance Corporation
LSMS	–	Living Standards and Measurement Survey
MPRP	–	Mongolian People's Revolutionary Party
NGO	–	non-government organization
PPA	–	Poverty Partnership Agreement
PPTA	–	project/program preparatory technical assistance
PRC	–	People's Republic of China
TA	–	technical assistance
TDB	–	Trade and Development Bank
UNDP	–	United Nations Development Programme

## **NOTES**

In this report, "\$" refers to US dollars.

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## APPENDIXES

## I. DEVELOPMENT SITUATION

### A. Recent Political and Social Developments

1. With about 36 percent of the total population living below the official poverty line, poverty is the primary social concern in Mongolia. In the parliamentary election held in July 2000, the Mongolian People's Revolutionary Party (MPRP) won a landslide victory on the platform of poverty reduction and good governance. In May 2001, MPRP won the presidential election. These political developments reflect the general desire of the society to end the political instability and policy shifting that characterized the political arena over the past few years. With an overwhelming majority in the Parliament, the new Government is in a better position to restore political stability and economic consolidation that are required for sustainable economic growth and reduction of poverty.

2. The Government outlined its strategic objectives in the Action Program of the Government of Mongolia for 2000-2004. The Action Program emphasizes that the Government will promote and sustain higher economic growth and improve the living standard of the people by deepening economic reform, improving provision of social services, improving income distribution, and promoting good governance. The Government has thus launched a number of reform measures through legislative and/or executive actions, including approval of the Good Governance for Human Security Program and the Privatization Program; and passage of the Employment Law, Energy Law, and Amendment to the Banking Law. The Government has also reaffirmed its commitment to the Poverty Partnership Agreement (PPA) signed by the previous administration with the Asian Development Bank (ADB) in March 2000. Using the PPA as the basic framework, the Government is currently in the process of formulating an Interim Poverty Reduction Strategy Paper with assistance from external funding agencies. Achieving sustainable poverty reduction must remain one of the central objectives for the Government for the entire period of the Action Program.

### B. Economic Assessment and Outlook

3. Mongolia was hit by consecutive severe winter disasters (*dzud*) in 1999 and 2000, with an intervening drought. The *dzud* of 2000 alone affected around 300,000 people, or 13.6 percent of the population. Thirteen out of 21 provinces were declared as seriously disaster-affected areas. The loss of livestock may reach 4 million head, or more than 10 percent of the total livestock. These natural disasters revealed the high vulnerability of the rural economy. In 2000, the agriculture sector, which accounts for about one-third of total gross domestic product (GDP), contracted by 16.8 percent, although the adverse impact of the 2000 *dzud* is yet to be fully known. The livestock sector is further threatened by foot-and-mouth disease. This, if not kept under control, could have a serious impact on the domestic meat supply, and on exports of meat and other animal based commodities, including cashmere.

4. The nonagricultural sectors, however, registered an impressive growth of 13 percent in 2000, mainly due to the favorable international price of copper and the strong performance of service industries such as transport and communication, financial services, and wholesale and retail trade. The strength of the nonagricultural sectors has helped maintain the overall GDP growth positive at a modest rate of 1.1 percent in 2000, compared with 3.5 percent in 1998 and 3.2 percent in 1999. Given the population growth of 1.4 percent registered for 2000, this, however, indicates a decline of real per capita GDP in Mongolia (Appendix 1).

5. To address the declining trend in growth, the Government has accorded priority to restoring macroeconomic stability. Positive results have been achieved since the middle of 2000 when the fiscal deficit was running at more than 10 percent of GDP and money supply was growing at an annualized rate of 35 percent in the run up to the general elections. For 2000 as a whole, the budget deficit was reduced to 6.9 percent of GDP from about 12.2 percent of GDP in 1999. The growth of money supply was also slowed to 18.1 percent, and inflation came down to 8.1 percent at the end of the year.

6. Despite a 17 percent increase in exports, Mongolia's current account deficit rose from \$124 million in 1999 to \$165 million in 2000. This was caused by a 20 percent increase in imports, which was attributable to the strong growth in the nonagricultural sectors, sharp increase in international oil prices, and large inflow of emergency aid for disaster relief provided by the international community to combat the dzud. Since most of the emergency aid was provided on a grant basis, the country's external debt remained stable at around \$850 million, or 88 percent of GDP. The large inflow of official grants also led to a surplus in the balance of payments and an increase in the gross official foreign exchange reserves, from \$157 million at the end of 1999 to \$191 million (equivalent to about 14 weeks of imports) at the end of 2000.

7. In the long run, Mongolia's economic prospects will depend on how well the country can diversify its economic base to maximize its potential in the global economy. In the short run, however, the country's future depends largely on the Government's success in restoring macroeconomic stability and establishing a regulatory and institutional framework conducive to sustainable private sector-led growth.

8. In 2001, Mongolia may face a less favorable external environment due to the slowdown of the global economy. Domestically, the country is under the unfolding pressure from the dzud of last winter. This situation requires sophisticated macroeconomic management skills to balance the sometimes competing needs for stability and growth. Through extensive negotiations, the Government signed the ad referendum with the International Monetary Fund to receive assistance under the Poverty Reduction and Growth Facility (PRGF) just before the Consultative Group Meeting in May 2001. The agreement reached provided a general framework for macroeconomic management that was welcomed and generally supported by the community of funding agencies. Although the agreement is yet to be finalized, it is generally recognized that the new Government has made good progress in macroeconomic management during its first year in office. However, given the country's economic vulnerability, the fragile fiscal situation, and the relatively weak institutional capacity, implementation of the agreement needs to be closely monitored.

### **C. Implication for the Country Strategy and Program**

9. The Country Operational Strategy for Mongolia (COS)<sup>1</sup> was reformulated in May 2000. Consistent with the PPA, the COS attaches the highest level of importance to poverty reduction. To sharpen the operational focus of ADB in the country, the COS has identified, as the core sectors, the financial sector, agriculture sector, public sector, social sector, and urban development, based on their significant poverty reduction impact in terms of fostering private sector-led inclusive growth. The COS also provides that support for road sector investment could be considered if the contribution of the sector to reducing poverty and promoting human development can be established.

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<sup>1</sup> Mongolia: Country Operational Strategy—A Poverty Reduction Strategy for ADB Operations in Mongolia (2000-2005), May 2000.

10. The COS is compatible with the Action Program of the Government, which also emphasizes reducing poverty through continued reform to promote inclusive growth, human development, and good governance. The continued relevance of the COS was confirmed by the first ADB and Government joint annual review of the PPA's implementation in April 2001.

11. To better address the vulnerability in rural areas revealed by the dzuds, the PPA review highlighted the need to improve the provision of social services and infrastructure in the rural areas and to reduce regional imbalances. The PPA review also emphasized that continued ADB assistance in the road sector is warranted given the sector's significant role in redressing the regional imbalance by improving access to markets and essential services for the poor, and promoting regional economic integration.

12. The fragile fiscal situation and weak institutional capacity requires immediate actions to strengthen the Government's capacity in planning and coordination of public investments to enhance the overall efficiency and effectiveness of initiatives for poverty reduction. To address this concern, various technical assistance (TA), designed in consultation with other funding agencies, in planning and managing the public sector investment program and effective use of external resources is called for.

## **II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM**

### **A. Poverty Reduction**

13. Data from the 1998 Living Standards and Measurement Survey (LSMS) showed that the incidence of poverty remained at about 36 percent since the 1995 LSMS, despite positive real growth over the period (Appendix 2). As noted in the COS, unemployment and underemployment remain the primary direct causes of poverty. In addition, the collapse of the social services system supported by the former Soviet Union has made it difficult for the Government to maintain the pre-transition scope and level of social services. Although it has always been understood that the pains of the transition include a decline in achievements in health, nutrition, and education, the extent to which this decline persists is resulting in new forms of poverty caused by inadequate access to essential social services. The PPA review noted that the gap in access to essential social services between urban and rural areas is widening.

14. The coexistence of income and non-income aspects of poverty necessitates a strategy based on (i) promoting employment creation, and (ii) improving provision of essential social services for the poor. For the former, the operation needs to be focused on assisting the country in establishing an environment conducive to sustainable private sector-led growth, which will in turn generate employment opportunities. For the latter, the priority is to restructure the institutional framework and social service financing and delivery mechanisms to better meet the needs of the poor, or the poor areas. While fully recognizing the need to address urban poverty through employment generation as highlighted in the COS, balanced emphasis needs to be given to improving the provision of essential social services in rural areas to prevent a further increase of rural poverty.

## **B. Thematic Priorities**

### **1. Economic Growth**

15. Given the predominantly income-based nature of poverty in Mongolia, steady and sustainable economic growth driven increasingly by the private sector will be the key to success in reducing poverty. ADB support for economic growth is provided in the form of support for policy and institutional reform, physical investment, and capacity building with a view to providing an enabling environment for the private sector to develop. Particular emphasis needs to be placed on reforms in the financial sector, the most serious bottleneck to private sector-led growth. Consistent with the findings and recommendations of the PPA review, importance needs to be attached to addressing rural development through interventions in the agriculture sector and rural finance. To improve efficiency and effectiveness, TAs have been programmed to strengthen the Government's capacity to plan and coordinate public investment programs and projects.

### **2. Human Development**

16. To address the non-income or human development aspect of poverty, assistance is concentrated in the sectors of health, education, social welfare, and urban development. Priority is given to improving access to essential social services for the poor by developing/rehabilitating infrastructure, restructuring the financing and improving delivery mechanisms to ensure efficiency and sustainability of social services in a market environment, and maintaining/enhancing the quality of the services. Recent dzuds emphasize the importance of housing for the poor to survive the harsh winter. Intervention in this sector seeks to (i) establish a viable and sustainable financing mechanism for provision of housing to the low-income segment of society, and (ii) provide basic municipal services to facilitate housing development by the poor through a community-based program. In line with the recommendations of the PPA review, assistance for improving basic urban services for secondary towns is programmed with a view to reducing regional imbalances.

### **3. Gender and Development**

17. Compared to women in many other ADB developing member countries (DMCs), women in Mongolia enjoy a relatively high social status. As a result of the pre-transition policy, they are generally well educated and well represented in most occupations. The cost of transition includes erosion of women's previous status, economic security, levels of reproductive health, and participation in public life. The gender implications of transition have been taken into consideration in designing projects in the social sector, particularly in pursuing public sector reforms in education and health, where most of the staff are female.

### **4. Good Governance**

18. In promoting good governance, the core intervention of ADB is to assist the Government, through a series of loans and TAs<sup>2</sup>, in designing and implementing a systematic public sector reform program to improve public administration and public financial management. Joint efforts have been made, in cooperation with the World Bank, to undertake public expenditure reviews with a view to improving fiscal discipline and accountability. Importance is also attached to

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<sup>2</sup> Loan No. 1713-MON: *Governance Reform Program*, for \$25 million, approved on 2 December 1999; TA No. 3316-MON: *Initial Phase of Public Administration Reform*, for \$1.1 million, approved on 2 December 1999; TA No. 3317-MON: *Public Expenditure Management*, for \$496,000, approved on 2 December 1999; and TA No. 3318-MON: *Study of Central-Local Aspects of Reform Implementation*, for \$235,000, approved on 2 December 1999.

strengthening the legal system, and supervision and monitoring mechanisms such as banking supervision, auditing, and statistics. A special dimension of governance is to improve corporate governance, particularly in the financial sector. Good progress has also been made in involving the non-government organizations (NGOs) and civil society in strategic planning, country programming, and project design of ADB operations in Mongolia. Efforts will be made to increase NGOs' participation in project identification, design, implementation, and monitoring.

19. The Anticorruption Law of 1996 provides the legal framework to address corruption. A recent study<sup>3</sup> ranks incidence of corruption in Mongolia as lower than that in many DMCs. However, corruption emerged as an important concern during the July 2000 election. To address this concern, ADB will provide continued support for anticorruption initiatives of the Government through specifically designed lending and technical assistance for governance reform to strengthen the transparency and accountability. Assistance is also provided to help the Government establish a centralized system for public procurement. ADB will encourage more active involvement of NGOs and civil society in anticorruption activities. A comprehensive governance assessment is scheduled in 2001. The findings of this assessment are expected to identify priority areas for programming and to guide further strengthening of ADB support in the area of governance.

## **5. Private Sector Development**

20. Accounting for about 60 percent of GDP, the private sector in Mongolia has become a driving force in promoting growth and development. The role of the private sector in day-to-day economic operations, particularly in those industries that were once predominantly state-owned (e.g., crops production), should be enhanced, as should the institutional and regulatory frameworks. In the social sectors, including education and health, appropriate frameworks for private sector participation in providing services needs to be developed. The private sector will also be encouraged to participate in developing infrastructure. ADB will provide, in collaboration with the International Finance Corporation (IFC), support to the Government for implementing the newly approved privatization program, particularly the privatization of the Trade and Development Bank (TDB). Efforts will also be made to explore opportunities to assist the Government's privatization initiatives in various sectors including banking, insurance, oil and gas distribution, and civil aviation. A private sector assessment is scheduled in 2001 to prepare a comprehensive strategy for promoting private sector development in Mongolia.

## **6. Environmental Protection**

21. Environmental improvement is supported mainly through sectoral operations, especially in agriculture (in terms of conservation of natural resources) and urban development (in terms of provision of municipal services). Recent dzuds have highlighted the vulnerability of the economy to natural disasters and the importance of improving disaster preparedness. An ongoing study has been initiated to examine how to further strengthen the integration of environmental concerns into the design of future programs and projects in Mongolia. The possible use of grant funding from the Global Environment Facility (GEF) is also being explored.

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<sup>3</sup> Governance Matters, Working Paper, World Bank, 1999.

## 7. Regional Cooperation

22. Given its location, Mongolia has great potential to accelerate economic growth by enhancing economic cooperation with its neighboring countries. Under an ongoing regional TA<sup>4</sup>, Mongolia is exploring development options for economic cooperation with the People's Republic of China (PRC) in eastern Mongolia along the transportation corridor proposed under the Tumen River Area Development Program of the United Nations Development Programme (UNDP). The Government has requested a follow-on TA to explore the potential for economic cooperation with the PRC on a wider geographic basis, particularly along the ADB financed vertical trunk road linking the road systems of Asia and Europe through the PRC and Russian Federation. The Government has also expressed strong interest in participating in ADB sponsored regional cooperation among DMCs in Central Asia, and has requested ADB support for economic cooperation in the Altai region. These initiatives should be encouraged to promote sub-regional economic cooperation in Central and East Asia.

### III. PORTFOLIO MANAGEMENT ISSUES

#### A. Portfolio Performance

23. At the end of 2000, Mongolia had 15 ongoing loans under implementation (Appendix 3, page 1). The portfolio performance in Mongolia is generally satisfactory. By major portfolio performance indicators such as disbursement achievement, contract award achievement, and submission of audited financial statement, Mongolia's performance is better than the ADB average (Appendix 3, page 2). The share of under-performing projects (i.e., the sum of partly satisfactory projects and unsatisfactory projects) in Mongolia's portfolio was 20 percent, compared with the ADB average of 26.1 percent. One loan<sup>5</sup> in the portfolio was rated as unsatisfactory due to the long delay in loan signing as the Government and Parliament required more time to review the loan that was developed and negotiated by the previous administration. In general, start-up delay due to reviews after loan approval is a major concern that may affect the overall portfolio performance. To improve performance, priority needs to be given to reducing such start-up delays by helping the Government rationalize its planning and review procedure for public investment projects. Furthermore, the ADB and the Government need to work together to enhance the project preparedness filters to improve project quality at entry.

#### B. Counterpart Funding

24. As a large portion of lending was done through program loans, providing counterpart funding for ADB financed projects is not yet a general concern despite the Government's fiscal constraints. Nonetheless, some projects, particularly the projects in the road sector, experience difficulty in obtaining timely counterpart fund releases. This usually reflects the need for further reforms in the overall financing mechanism of the sector and, therefore, should be addressed through continued policy dialogue with the Government. Since the portion of project lending to Mongolia is increasing with a corresponding decline in program lending, counterpart funding may become an increasing concern. This concern is to be addressed through technical assistance for improving the public investment management of the Government.

<sup>4</sup> RETA No. 5969: *Strategic Study on Development Options for Economic Cooperation between the People's Republic of China (PRC) and Mongolia in the Eastern Parts of Inner Mongolia Autonomous Region, PRC and Mongolia*, for \$250,000, approved 21 December 2000.

<sup>5</sup> Loan 1736-MON: *Cadastral Survey and Land Registration*, for \$9.9 million, approved on 27 January 2000.

### **C. Monitoring and Evaluation**

25. Strengthening project monitoring to improve portfolio performance is a major agenda in policy dialogue with the Government. In cooperation with UNDP, ADB will provide TA to help the Government rationalize the institutional structure for day-to-day monitoring of the ongoing projects and to strengthen the feedback mechanism for timely actions to improve portfolio performance.

26. In 2000, post-evaluation was undertaken for the Industrial Sector Program.<sup>6</sup> The Program was the first attempt to restructure the industrial sector in Mongolia. Although the Government managed to accomplish 28 out of the 31 policy actions, the program is rated partly successful on the ground that the objective of bringing about efficiency and international competitiveness in the industrial sector has not yet been achieved. Lessons learned from the Program highlight the complexity of policy reforms in a transitional economy—a complexity that was often underestimated. These lessons need to be taken into consideration when designing a new program or sector development program.

## **IV. COUNTRY PERFORMANCE AND LENDING LEVELS**

### **A. Lending Level Proposed**

27. According to the Policy on Performance-Based Allocation of Asian Development Fund Resources, the lending level from 2002 onwards will be determined by country performance assessment. The first country performance assessment has identified four areas of concern that may affect the effectiveness of ADB assistance: (i) fiscal stability, (ii) planning and monitoring of poverty reduction programs, (iii) enabling legislation for continued public sector reform, and (iv) project start-up delay mainly due to delay in loan signing and loan effectiveness. Accordingly, a set of specific and measurable indicators has been identified to monitor the Government's success in addressing these concerns, and to determine whether a base case, high case, or low case scenario should be applied for the lending program. A table showing the monitoring indicators and lending scenarios for 2002 is provided at Appendix 4 (Appendix 4, page 1).

28. The base case lending assumes that the Government (i) establishes a concrete program for macroeconomic stability, (ii) initiates the actions on poverty reduction recommended by the PPA joint review, and (iii) establishes the enabling legal framework needed for continued public sector reform. The current lending level of about \$35-\$40 million per year would prevail. The low case scenario assumes (i) lack of action in the areas of macroeconomic stability, poverty reduction and governance reform, and (ii) deteriorating portfolio performance. The low case scenario would lower the volume of lending below \$30 million per year. The high case scenario would see concrete achievement of the government in addressing the concerns identified in all these areas, which could raise the lending level up to \$50 million annually.

### **B. Loan Program**

29. Nine loans are programmed for the period from 2002 to 2004 with an indicative total lending of \$130 million (Appendix 4, page 2). Six of the loans are classified as poverty or core poverty intervention (Appendix 4, page 4). As recommended by the PPA review, the crop production project has been included in the 2002 program to reduce rural poverty by creating employment and

<sup>6</sup> Loan 1244-MON: *Industrial Sector Program*, for \$30 million, approved on 17 August 1993.

diversifying the rural economy. The third road development project is included in the 2004 program to help the Government complete the ADB financed vertical trunk road linking the country with PRC and Russian Federation. The project will play an important role in poverty reduction by strengthening Mongolia's internal regional economic integration, and integrate Mongolia into the world market by providing easy access to resources and markets. For the social sector operations, special consideration will be given to improving the provision of essential services in rural areas with a view to preventing further aggravation of non-income aspects of rural poverty.

## **B. Aid Coordination and Cofinancing**

30. Given the relatively high external debt and that per capita receipt of external assistance is more than \$100 a year, external borrowing and coordination of grant aid should be planned carefully. Aid coordination must emphasize (i) the country's ownership of its development program, (ii) good governance, particularly in terms of sound, accountable, and transparent public expenditure investment management, and (iii) capacity building. ADB and UNDP will provide TAs in coordination with other key funding agencies. Aid coordination mechanisms will be strengthened through the newly established ADB Resident Mission in Mongolia. Aid coordination could also be strengthened through joint studies with other major funding agencies in the sectors where Government's capacity remains weak.

31. ADB will continue to actively pursue cofinancing mainly from official sources (particularly grants and concessional loans) to address the thematic priorities of ADB operations in Mongolia. ADB will maintain dialogue with the Government to identify the best financing options for the projects/programs included in the lending program of 2002-2004. Cofinancing by International Finance Corporation is envisaged for the proposed privatization of the TDB, for which ADB plans to provide assistance through its private sector operation window. Close coordination with the European Bank for Reconstruction and Development is envisaged for other privatization initiatives of the Government.

## **D. Technical Assistance and Economic and Sector Work Program**

32. Eleven TA projects with a total indicative amount of \$7.3 million are currently included in the TA program for 2002-2004 (Appendix 4, page 3). Of these, seven are project preparatory TAs (PPTAs) amounting to \$4.9 million and four advisory TAs (ADTAs) amounting to \$2.4 million. The ADTAs comprise an integral part of the economic and sector work program (ESW) for Mongolia (Appendix 5). Technical assistance for capacity building of the executing agencies and implementing agencies of ADB financed projects will generally be financed through project loans. More TA projects will be added in the programs for 2003-2004 when the Government's priorities become clearer.

33. ESW will focus on four key thematic concerns, i.e. poverty reduction, good governance, private sector development, and environment protection. Studies on governance will deepen understanding on the key issues in public sector management with a particular focus on the issues concerning local governments. The public expenditure review carried out jointly with the World Bank will be finalized and may call for focused studies on specific issues. To support the implementation of the PPA, continued efforts will be made to analyze the causes of poverty and to monitor closely the factors affecting peoples' welfare. To develop a well-prioritized strategy to support various privatization initiatives, as well as to support broadly private sector development as a whole, a private sector assessment will be completed by mid 2002. Given the extremely fragile character of Mongolia's environment, a study on environmental issues will be conducted to consider how future ADB assistance will incorporate environmental aspects, possibly in

collaboration with GEF. Sectoral studies in education, health, urban development and road infrastructure are planned to maximize the contribution of sector-specific interventions to poverty reduction. Some of these studies will be conducted as an integral component of PPTAs, and some may need to be conducted in cooperation with other funding agencies.

34. Special emphasis has been given to a plan of the Government to restructure the domestic economy of 21 provinces into four or five economic and/or administrative regions. This plan will have significant implications for the spatial development pattern of the economy and for social, economic, and governmental structures of the country. This plan will also have important implications for future ADB operations across all the targeted sectors. A timely study on this issue could provide the Government with assistance needed to facilitate decision making, and, in the meantime, provide ADB with insights for designing future programs.

#### **E. Summary of Changes**

35. This Country Strategy and Program (CSP) Update follows the findings of the first annual review of the PPA implementation, which highlighted the coexistence of income and non-income aspects of poverty in Mongolia, and emphasized the importance of improving provision of essential services to the poor, or the poor areas. The CSP Update has incorporated two major recommendations of the PPA review by (i) giving priority to rural poverty, and (ii) confirming ADB's continued assistance to the road sector to redress regional imbalances by improving access and regional economic integration. The CSP Update introduces the mechanism for performance-based allocation of Asian Development Fund resources into ADB operations in Mongolia by establishing a set of measurable monitoring indicators in such areas as fiscal stability, poverty reduction, governance reform, and portfolio management to determine the lending level for the 2002 program. The ESW has been strengthened accordingly.

**APPENDIXES**

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## ECONOMIC INDICATORS

Item	1995	1996	1997	1998	1999	2000
<b>A. Income and Growth</b>						
1. GDP per Capita (\$, current)	533.5	504.9	444.7	405.0	372.8	406.4
2. GDP Growth (% in constant prices) <sup>a</sup>	6.3	2.4	4.0	3.5	3.2	1.1
Agriculture	...	4.7	4.8	6.4	4.2	(16.8)
Industry	...	(1.6)	3.9	3.8	1.1	7.4
Services	...	4.4	3.3	0.3	3.5	17.0
<b>B. Money and Inflation</b>						
	(annual percent change)					
1. Consumer Prices (annual average)	56.8	46.8	36.6	9.4	7.6	11.6
2. Broad Money (M2)	32.8	25.9	32.5	(1.7)	31.7	18.1
<b>C. Government Finance</b>						
	(percent of GDP)					
1. Total Revenue	33.7	27.8	29.5	27.6	27.2	33.6
2. Total Expenditure and Net Lending	37.8	36.0	38.1	41.9	39.4	40.5
3. Overall Surplus (Deficit)	(4.1)	(8.2)	(8.6)	(14.3)	(12.2)	(6.9)
<b>D. Balance of Payments</b>						
1. Merchandise Trade Balance (% of GDP)	(0.3)	7.4	2.8	(12.4)	(12.5)	(15.1)
2. Current Account Balance (% of GDP) <sup>b</sup>	(5.5)	(8.5)	1.2	(13.2)	(13.7)	(17.0)
3. Export (\$) Growth (annual percent change)	31.5	(12.2)	16.6	(18.8)	(1.7)	17.4
4. Import (\$) Growth (annual percent change)	50.2	2.0	(1.5)	8.2	(2.6)	19.7
<b>E. External Payments Indicators</b>						
1. Net Official Reserves (\$million, end of period)	67.9	54.0	89.9	74.8	105.3	140.6
2. Gross Official Reserves (\$ million, end of period) <sup>a</sup>	97.8	137.5	123.2	124.6	156.7	190.9
- weeks of imports	10.0	13.3	11.7	11.4	12.0	14.2
3. External Debt Service (% of exports)	12.1	11.8	6.3	7.3	9.4	6.1
4. External Debt (% of GDP) <sup>c</sup>	52.8	46.0	57.4	77.6	93.9	88.0
<b>F. Memorandum Items</b>						
1. GDP (current prices, MNT billion)	550.2	646.6	832.6	817.4	925.3	1,044.6
2. GNP (current prices, \$ billion)	1,226.5	1,179.0	1,054.0	972.0	906.0	970.0
3. Exchange Rate (MNT per \$, annual average)	448.6	548.4	790.0	840.8	1,021.8	1,076.4
4. Population (end-period, million)	2.30	2.34	2.37	2.40	2.43	2.39

GDP = gross domestic product, MNT = Togrog

<sup>a</sup> No data for 1995 since there is a break in the series after 1994 due to major revisions made in estimating annual GDP estimate.

<sup>b</sup> Excludes official transfer.

<sup>c</sup> Excludes debt of MNT10 billion owed to the Russian Federation and other former Council for Mutual Economic Assistance countries.

Sources: Mongolian authorities and International Monetary Fund.

## SOCIAL AND ENVIRONMENT INDICATORS

### Table A2.1: Population and Social Indicators

Item	1985	1990	Latest Year
<b>Population Indicators</b>			
Total Population (million)	1.9	2.1	2.4 (2000)
Annual Population Growth Rate (% change)	2.4	2.7	1.4 (2000)
GDP per Capita (current prices, \$)	337.0	329 (1995)	400 (2000)
Real GDP Growth Rate (%)	(9.2)	(9.5) (1992)	1.1 (2000)
Registered Unemployed (no.)	54,000 (2000)	74,900 (1994)	38,570 (2000)
as Percent of Registered Workforce	6.3	8.7	4.6 (2000)
<b>Social Indicators</b>			
Total Fertility Rate (births per woman)	5.5	4.6 (1989)	2.3 (1999)
Crude Birth Rate	38.2	36.4 (1989)	23.7 (1995)
Crude Death Rate	10.3	8.4 (1989)	7.3 (1995)
Maternal Mortality Rate (per 100,000 live births)	147.7	120.0 (1990)	157.0 (1998)
Infant Mortality Rate (below 1 year; per 1,000 live births)	75.9	63.4 (1990)	35.4 (1998)
Life Expectancy at Birth (years)	63.0	63.0 (1989)	65.1 (1998)
Female	65.0	66.0 (1989)	67.6 (1998)
Male	61.0	60.0 (1989)	62.7 (1998)
Literacy Rate of Over 15-Year-Olds (%)			
Female	94.9 (1989)	96.9 (1992)	96.3 (1996)
Male	98.2 (1989)	98.6 (1992)	97.5 (1996)
Primary School Enrollment (% of school age population)	80.0	79.0	95.6 (1997)
Female/Male	83/77	83/75	96/93 (1997)
Secondary School Enrollment (% of school age population)	84.0	80.0	82.3 (1997)
Female/Male	83/84	81/79	65/48 <sup>a</sup> (1997)
Population Below the Poverty Line (%)			
Defined by the Government (income)	15.0	26.0 (1994)	28.9 (1998)
World Bank (living standard)	15.0	36.0 (1995)	36.0 (1998)
National Statistics Office (living standard)	-	36.3 (1995)	35.6 (1998)
Population with Access to Health Services (%)	...	95.0 (1989)	95.0 (1995)
Population with Access to Safe Water—Urban (%)	...	89.9 (1992)	94.5 (1998)
Population with Access to Safe Water—Rural (%)	...	46.1 (1992)	71.0 (1998)
Population with Access to Sanitation (%)	...	74.0 (1992)	74.0 (1995)
Public Education Expenditures as % of GDP	10.8	6.1 (1992)	6.6 (1999)
Public Health Expenditures as % of GDP	5.9	4.6 (1992)	3.5 (1999)
Public Social Security and Welfare as % of GDP	5.6	5.5 (1992)	5.6 (1999)
Human Development Index	...	0.578	0.628 (1998)
Human Development Ranking	...	100	117 (1998)

ADB = Asian Development Bank; GDP = gross domestic product

<sup>a</sup> Although the United Nations Development Programme (UNDP) *Human Development Report Mongolia 2000* reports a human development index rating of 0.651 in 1998, no human development ranking for 1998 was provided.

Sources: Asian Development Bank. 2000. *Mongolia Country Operational Strategy*. Manila; National Statistical Office of Mongolia and UNDP. 1999. *Human Development Reports for Mongolia, 1999*. Mongolia; and National Statistical Office of Mongolia and UNDP. 2000. *Human Development Reports for Mongolia, 2000*. Mongolia.

Table A2.2: Environment Indicators

Item	1985	1990	Latest Year
Land Area	156,410	156,410	156,410 (1999)
Agricultural Areas (1,000 ha)	124,502	125,597	130,358 (1999)
Agricultural Areas (as % of land area)	79.6	80.3	83.3 (1999)
Forest and Woodland (as % of land area)	9.7	9.8	11.4 (1999)
Forest Area Burned by Fire (1,000 ha)	33.3	649.8 (1989)	130.0 (1995)
National Protected Area (as % of land area)	3.0	...	10.3 (1997)
Production of Fuel Wood and Charcoal (1,000 m <sup>3</sup> )	2,236	1,521 (1989)	631.2 (1995)
Annual Fresh Water Withdrawals	270	289 (1989)	300.0 (1995)
Production of Fuel Wood and Charcoal (1,000 m <sup>3</sup> )	2,236	1,521 (1989)	631.2 (1995)
CO <sub>2</sub> Emissions (per capita metric tons)	...	3.0 (1996)	1.8 (1998)

CO<sub>2</sub> = carbon dioxide; ha = hectare; m<sup>3</sup> = cubic meter

Sources: Asian Development Bank. 2000. *Mongolia Country Operational Strategy*. Manila; National Statistical Office of Mongolia and United Nations Development Programme (UNDP). 1999. *Human Development Reports for Mongolia, 1999*. Mongolia; and National Statistical Office of Mongolia and United Nations Development Programme (UNDP). 2000. *Human Development Reports for Mongolia, 2000*. Mongolia.

**PERFORMANCE INDICATORS**  
**Table A 3.1 : Implementation, Disbursement Performance, and Postevaluation**  
**Results of Public Sector Projects**  
**(as of 31 December 2000)**

A. Project Portfolio	Net Loan Amount \$ million      %		Rating (No.) <sup>a</sup>									
			Total		Implementation Progress				Development Objectives			
			No.	%	HS	S	PS	U	HS	S	PS	U
Agriculture and Natural Resources	26.6	11.6	3.0	20.0	-	2	-	1	-	2	-	1
Energy	85.6	37.2	3.0	20.0	2	-	1	-	-	3	-	-
Finance and Industry	17.7	7.7	2.0	13.3	-	2	-	-	-	2	-	-
Social Infrastructure	46.0	20.0	2.0	13.3	1	1	-	-	-	2	-	-
Transport and Communications	30.3	13.2	4.0	26.7	-	3	1	-	-	4	-	-
Others/Multisector	24.1	10.5	1.0	6.7	-	1	-	-	-	1	-	-
<b>Total</b>	<b>230.2</b>	<b>100.0</b>	<b>15.0</b>	<b>100.0</b>	<b>3</b>	<b>9</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>14</b>	<b>0</b>	<b>1</b>

B. Disbursements <sup>b</sup>	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ million, active loans only) <sup>c</sup>	-	233.4	233.4
(2) Disbursed amount (\$ million, cumulative, active loans only)	-	142.2	142.2
(3) Percentage disbursed [(2)/(1)] (%)	-	60.9	60.9
(4) Disbursements (\$ million, active loans only, latest year)	-	32.9	32.9
(5) Disbursement ratio (%) <sup>a</sup>	-	25.2	25.2
C. Net Transfer of Resources <sup>d</sup> (\$ million)	OCR	ADF	Total
Net transfer in 1996	-	33.0	33.0
Net transfer in 1997	-	65.9	65.9
Net transfer in 1998	-	29.9	29.9
Net transfer in 1999	-	44.5	44.5
Net transfer in 2000	-	29.9	29.9

D. Post-Evaluated Projects (By Year of PPAR Circulation)								1996-2000					
1. Postevaluation Rating (as of 31 December 2000)								No.	%				
Highly Successful (HS)								-	-				
Successful (S)								1	50.0				
Partly Successful (PS)								1	50.0				
Unsuccessful (U)								-	-				
No Rating (NR)								-	-				
<b>Total</b>								<b>2</b>	<b>100.0</b>				
2. Postevaluation Rating by Sector 1996-2000 (as of 31 Dec. 2000)		HS		S		PS		U		NR		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and Industry	-	-	1	100.0	1.0	100.0	-	-	-	-	-	2	100.0
Transport and Communications	-	-	-	-	-	-	-	-	-	-	-	-	-
Social Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-
Others/Multisector	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1</b>	<b>100.0</b>	<b>1.0</b>	<b>100.0</b>	-	-	-	-	-	<b>2</b>	<b>100.0</b>

PPAR = project performance audit report

<sup>a</sup> HS = highly satisfactory, S = satisfactory, PS = partly satisfactory, U = unsatisfactory.

<sup>b</sup> Includes loans closed during the year.

<sup>c</sup> Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

<sup>d</sup> Includes private sector projects for countries with private sector operations

Source: CIRC Country Detail/PPR (as of 31 December 2000); PEIS

**Table A3.2: Status of Project Implementation  
Public Sector Projects Only  
(As of 31 December 2000)**

Loan No.	Project Title	Sector	Net Loan Amount ADF (\$ million)	Approval Date	Effectivity Date	Closing Date		Project Progress (% complete)	Contract Awards Cumulative (\$ mn)	Disbursements (\$ mn)	Project Perf. Rating	
						Original	Revised				Impl. Progress	Dev't. Obj.
1736	Cadastral Survey and Land Registration	AGR	9.395	27-Jan-00	-	31-Dec-07	31-Dec-07	0	0.000	0.000	U	U
1821	Agriculture Sector Development Program	AGR	7.088	21-Dec-00	-	30-Sep-03	30-Sep-03	0	0.000	0.000	S	S
1822	Agriculture Sector Development Project	AGR	10.125	21-Dec-00	-	30-Sep-06	30-Sep-06	0	0.000	0.000	S	S
1334	Power Rehabilitation	ENE	37.788	24-Nov-94	04-Jul-95	30-Jun-98	31-Mar-01	99	37.057	36.348	PS	S
1492	Energy Conservation	ENE	9.342	26-Nov-96	26-Jan-98	30-Jun-01	30-Jun-01	88	8.551	7.476	HS	S
1548	Ulaanbaatar Heat Efficiency	ENE	38.464	25-Sep-97	24-Nov-98	30-Jun-03	30-Jun-03	15	13.425	2.007	HS	S
1364	Roads Development	T&C	22.107	22-Aug-95	18-Dec-95	30-Jun-00	31-Dec-00	95	20.572	20.877	S	S
1700	Second Roads Development	T&C	23.888	30-Sep-99	02-Mar-00	31-Jan-05	31-Jan-05	13	1.799	0.919	HS	S
1508	Education Sector Dev't. Program (Investment)	SOC	8.272	19-Dec-96	07-Mar-97	30-Sep-02	30-Sep-02	80	5.900	6.001	S	S
1560	Provincial Towns Basic Urban Services	SOC	6.581	30-Sep-97	18-Aug-98	30-Jun-02	30-Jun-02	49	4.548	2.740	S	S
1568	Health Sector Dev't. Program (Policy Loan)	SOC	3.924	04-Nov-97	20-Apr-98	30-Jun-01	30-Jun-01	0	2.000	2.000	PS	S
1569	Health Sector Dev't.	SOC	11.500	04-Nov-97	20-Apr-98	30-Jun-03	30-Jun-03	25	6.360	5.292	S	S
1510	Upgrading Skills & Systems of Commercial B	F&I	2.741	19-Dec-96	21-Jan-97	31-Dec-99	31-Dec-01	76	2.358	1.619	S	S
1743	Second Financial Sector Program	F&I	14.916	22-Jun-00		30-Jun-02	30-Jun-02	0	0.000	0.000	S	S
1713	Governance Reform Program	OTH	24.094	02-Dec-99	02-Mar-00	31-Oct-01	31-Oct-01	0	12.213	12.213	S	S
<b>Total</b>			<b>230.225</b>						<b>114.783</b>	<b>97.492</b>		

AGR = agriculture and natural resources, Dev't. = development, ENE = energy, F&I = finance and industry, HS = highly satisfactory, Impl. = implementation, mn = million, Obj. = objective, PS = partly satisfactory, S = satisfactory, SOC = social infrastructure, T&C = transport and communications, OTH = others/multisector and U - unsatisfactory

**Table A4.1: MONITORING INDICATORS AND LENDING SCENARIO FOR 2002**

<b>Baseline</b>	<b>Low Case</b>	<b>High Case</b>
The Government establishes a program to restore macroeconomic stability, which can be supported by the donor community.	The Government and the donor community could not reach a consensus on a program to restore macroeconomic stability.	The Government satisfactorily implements the programs for macroeconomic stability.
The Government initiates all the key actions recommended by the 2001 Review of the Poverty Partnership Agreement.	The key actions recommended by the 2001 Review of the Poverty Partnership Agreement were not undertaken.	The Government launches the new National Program for Household Livelihood Capacity Support as next phase of the National Poverty Alleviation Program.
As agreed upon between ADB and the Government of Mongolia, the Parliament passes the new law on Public Sector Management and Finance.	The new law on Public Sector Management and Finance could not be enacted.	The Government finalizes an Action Plan for the implementation of the Public Sector Management and Finance Law.
At least 75% of the ongoing loans in the portfolio are rated by the ADB Project Performance Rating system as satisfactory or highly satisfactory.	Less than 75% of the ongoing loans in portfolio are rated by the ADB Project Performance Rating system as satisfactory or highly satisfactory.	More than 75% of the ongoing loans in the portfolio are rated by the ADB Project Performance Rating system as satisfactory or highly satisfactory.  The Government has made significant progress in reducing start-up delays.

Source: 2001 ADB Country Programming Mission (CPM) to Mongolia.

**LENDING PIPELINE AND TECHNICAL ASSISTANCE PROGRAM, 2002–2004**  
**Table A4.2: Lending Program 2002**

Sector and Project Name	Poverty Classification	Crosscutting Operational Priority	Responsible Division	Year of PPTA	Project Cost (in \$ million)					
					Total Project Cost	ADB			Government	Cofinancing/ Others
						OCR	ADF	Total		
<b>2002 Firm Loans</b>										
Agriculture and Natural Resources										
1. Crops Production Project	PI	...	AEAR	2001	18.0	-	14.0	14.0	4.0	-
33										
Social Infrastructure										
2. Education Sector Project II	PI	HD	AEEH	2001	17.5	-	14.0	14.0	3.5	-
3. Health Sector Development Project II	CPI	HD	AEEH	2001	17.0	-	12.0	12.0	5.0	-
<b>Subtotal</b>					34.5	-	26.0	26.0	8.5	-
<b>Total</b>					52.5	0.0	40.0	40.0	12.5	0.0
<b>2002 Standby Loan</b>										
Social Infrastructure										
4. Integrated Devt. of Basic Urban Services in Secondary Towns	PI	HD	AEWU	2001	25.0	-	20.0	20.0	5.0	-
<b>Total</b>					25.0	0.0	20.0	20.0	5.0	0.0

AEAR = Agriculture and Rural Development Division (East); AEEH = Education, Health and Population Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); CPI = Core Poverty Intervention; Devt. = development; HD = Human Development ;PI = Poverty Intervention

Note: The loan amount listed in the programs are indicative and subject to further adjustments through CPM consultation within the lending range to be determined at the CPM review meeting.

**Table A4.3: Lending Program 2003**

Sector and Project Name	Poverty Classification	Crosscutting Operational Priority	Responsible Division	Year of PPTA	Project Cost (in \$ million)					
					Total Project Cost	ADB			Government	Cofinancing/ Others
						OCR	ADF	Total		
<b>2003 Firm Loans</b>										
Social Infrastructure										
Integrated Devt. of Basic Urban Services In Secondary Towns	PI	HD	AEWU	2001	25.0	-	20.0	20.0	5.0	-
Governance										
Governance Reform Program II	NC	GG	PE1	2002	25.0	-	20.0	20.0	5.0	-
<b>Total</b>					50.0	0.0	40.0	40.0	10.0	0.0
<b>2003 Standby Loan</b>										
Transport and Communications										
Road Development III	NC	RC	IETC	2002	41.0	-	18.0	18.0	5.0	18.0
<b>Total</b>					41.0	-	18.0	18.0	5.0	18.0

AEWU = Water Supply, Urban Development and Housing Division (East); GG = Good Governance; HD = Human Development; IETC = Transport and Communications Division (East); NC = Not Classified; PE1 = Programs Division1 (East); PI = Poverty Intervention; and RC = Regional Cooperation

Note: The loan amount listed in the programs are indicative and subject to further adjustments through CPM consultation within the lending range to be determined at the CPM review meeting.

**Table A4.4: Lending Program 2004**

Sector and Project Name	Poverty Classification	Crosscutting Operational Priority	Responsible Division	Year of PPTA	Project Cost (in \$ million)					
					Total Project Cost	ADB			Government	Cofinancing/ Others
						OCR	ADF	Total		
<b>2004 Firm Loans</b>										
Social Infrastructure										
Education Sector Devt. Project III	PI	HD	AEEH	2002	16.0	-	12.0	12.0	4.0	-
Health Sector Development Project III	PI	HD	AEEH	2002	12.5	-	10.0	10.0	2.5	-
<b>Subtotal</b>					28.5	-	22.0	22.0	6.5	-
Transport and Communications										
Road Development III	NC	RC	IETC	2002	41.0	-	18.0	18.0	5.0	18.0
<b>Total</b>					69.5	0.0	40.0	40.0	11.5	18.0
<b>2004 Standby Loan</b>										
Industry and Finance										
Financial Sector Program Loan III	NC	PSD	IEFI	2003	14.0	-	10.0	10.0	4.0	-
<b>Total</b>					14.0	0.0	10.0	10.0	4.0	0.0

AEEH = Education, Health and Population Division (East); HD = Human Development; IEFI = Financial Sector and Industry Division (East); IETC = Transport and Communications Division (East); NC = Not Classified; PI = Poverty Intervention; PSD = Private Sector Development; and RC = Regional Cooperation

Note: The loan amount listed in the programs are indicative and subject to further adjustments through CPM consultation within the lending range to be determined at the CPM review meeting.

**Table A4.5: Technical Assistance Program 2002**

Sector and Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			ADB	Others	Total
<b>Social Infrastructure</b>					
1. Education Sector Development Project III	AEEH	PP	600.0	-	600.0
<b>Transport and Communications</b>					
2. Road Development Project III	IETC	PP	600.0	-	600.0
<b>Governance</b>					
3. Governance Reform Program II	PE1	PP	600.0	-	600.0
4. Improvement of the Public Investment Management	PE1/MNRM	AD	600.0	-	600.0
5. Integrated Planning for Regional Development	PE1/AEWU	AD	600.0	-	600.0
6. Strengthening Auditing and Accounting Capacity	PE1	AD	500.0	-	500.0
<b>Subtotal</b>			2,300.0	0.0	2,300.0
<b>Total</b>			3,500.0	0.0	3,500.0

AD = advisory; AEEH = Education, Health and Population Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); IETC = Transport and Communications Division (East); MNRM = Mongolia Resident Mission; PE1 = Programs Division 1 (East); and PP = project preparatory

**Table A4.6: Technical Assistance Program 2003-2004**

Sector and Project Name	Responsible Division	Type of TA	Amount (\$'000)		
			ADB	Others	Total
<b>Social Infrastructure</b>					
1. Housing Sector Project II	AEWU	PP	700.0	-	700.0
2. Improving Social Services in Remote Areas	AEEH	PP	700.0	-	700.0
3. Health Sector Development III	AEEH	PP	600.0	-	600.0
<b>Subtotal</b>			<b>2,000.0</b>	<b>0.0</b>	<b>2,000.0</b>
<b>Finance</b>					
4. Financial Sector Development Program III	IEFI	PP	600.0	-	600.0
<b>Governance</b>					
5. Support for Governance Reform	PE1	AD	700.0	-	700.0
<b>Total</b>			<b>3,800.0</b>	<b>0.0</b>	<b>3,800.0</b>

AD = advisory; AEEH = Education, Health and Population Division (East); AEWU = Water Supply, Urban Development and Housing Division (East); IEFI = Financial Sector and Industry Division (East); PE1 = Programs Division 1 (East); and PP = project preparatory

## ECONOMIC AND SECTOR WORK PROGRAM, 2002-2004

Type of ESW	Strategic or Operational Objective	Modality (staff/staff consultant/ ADTA/RETA)
<b>1. Economic Work</b> (includes macro and micro economic studies and country level economic studies)		
(i) Country Economic Review	Annual update of country economic performance.	Staff
(ii) Restructuring of the Regional Economy	Regional restructuring and its implications for ADB operations.	Staff
<b>2. Thematic work</b> (includes studies that cut across sectors or countries and are related to ADB thematic and operational priorities)		
<b>A. Good Governance</b>		
(i) Improvement of Public Investment Program	To identify key weakness in public investment management and provide support to strengthen and establishing an integrated planning and budgetary procedure for public investment.	ADTA
(ii) Integrated Planning for Regional Development	Analyze key issues and design a masterplan for restructuring regional economy.	ADTA
(iii) Strengthening Auditing Capacity	Identify key weakness and provide better monitoring and supervisory capacity to improve accountability in financial management.	ADTA
(iv) Support for Governance Reform	To identify the key weak areas in governance and to provide support in governance reforms in public sector management.	ADTA
(v) Governance Assessment	To assess and undertake comprehensive review of governance status and prepare groundwork for ADB's involvement and continued support of reforms. (ADB Board requirement under the Governance Action Plan)	Staff
(vi) Civil Society/NGO Monitoring of Implementation of ADB Projects	Identify key areas and assess possible pilot activity that could be initiated to serve as a model for future cooperation between ADB and NGOs in monitoring and evaluating ADB operations in MON.	Staff
(vii) Capacity Building for Aid Coordination	To assist the Government in developing: (i) a legal framework for aid coordination; (ii) a mechanism for in-country consultation mechanisms between the Government and donor agencies; and (iii) mechanisms for project monitoring.	ADTA
<b>B. Poverty Reduction</b>		
(viii) Annual Review of the Poverty Partnership Agreement (PPA)	Annual review of performance by/progress of ADB and the Government in implementing the poverty reduction strategy and achieving the agreed targets contained in the PPA.	Staff
(ix) Capacity Building in Social Statistics	Analyze and recommend measures for the National Statistics Office to improve data coverage, quality and timeliness to enable improved monitoring of socioeconomic conditions.	ADTA

**ECONOMIC AND SECTOR WORK PROGRAM, 2002-2004**

Type of ESW	Strategic or Operational Objective	Modality (staff/staff consultant/ ADTA/RETA)
<b>C. <u>Private Sector</u></b>		
(x) Private Sector Assessment	To analyze ways to further strengthen ADB's efforts to promote private sector development in the country, including provision of assistance in the implementation of the privatization program of the Government.	Staff
<b>D. <u>Environment</u></b>		
(xi) Staff Study on Mongolia's Environment and Its Implications for ADB's Operations	To assess and identify priority areas of technical assistance and investments as a sequenced program for ADB's interventions, the results of which would serve as a core input to the ADB's operational strategies in Mongolia.	Staff
<b>3. Sector work (includes sector-specific analytical work)</b>		
<b>A. <u>Health</u></b>		
(i) Health Sector Study	To conduct studies to identify key weaknesses in the local governments' capacity in planning and managing local health services; identify issues and develop coordination mechanisms between local governments and the Ministry of Health; and assist local governments in implementing health sector reforms.	Staff/PPTA Component
(ii) Support for Decentralized Health Services	To identify key issues in the sector and strengthen the local governments' capacity in planning and managing local health services; identify issues and develop coordination mechanisms between local governments and the Ministry of Health; and assist local governments in implementing health sector reforms.	ADTA
<b>B. <u>Education</u></b>		
(iii) Education Sector Study	To assess and analyze the local governments' capacity in planning and managing education services; identify issues and develop coordination mechanisms between local governments and the Ministry of Education; and assist local governments in implementing education sector reforms.	Staff/PPTA Component
<b>C. <u>Transport/Urban Development</u></b>		
(iv) Social Impact of Road Sector	Provide studies on the social impact of the road sector as part of the PPTA for Road Development III.	PPTA component
(v) Urban Poverty Study	Provide studies in urban poverty especially characteristic to Mongolia and to draw strategies to tackle Country-specific issues on urban poverty.	Staff

## PROJECT SELECTION BRIEFS AND TA CONCEPT PAPERS

**Table A6.1: Project Selection Brief for Crop Production Project**

<b>A. Data</b>	
Project Number:	35097-01
Country:	Mongolia
Sector:	Agriculture
Subsector:	None
Project Division:	AEAR
Contact Person in Projects Division:	J. Tokeshi
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$14 million
Proposed Lending Modality:	
PPTA:	Crop Production Project
Proposed PPTA Amount:	\$500,000
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	TBD
Start Design Phase:	October 2001
Approval Year According to CSP:	2002
Proposed Executing Agency:	Ministry of Agriculture and Food
Contact Person in Proposed Executing Agency:	D. Davadorj
<b>B. Description</b>	
Brief Rationale of Project:	<p>Cereal production rapidly declined, falling to just 178,000 ha. in 2000, compared to 500,000 ha in 1989; wheat yields have declined to just 0.6 tons per ha in 2000 compared to 1.2 tons in 1989. Reasons for the decline are (i) inadequate technologies; (ii) lack of maintenance and repair of agricultural equipment and machinery; (iii) limited access to inputs; (iv) constraints on farmers' ability to obtain or grow and select their own seeds; (v) lack of secure tenure over productive land; (vi) the change in market structure, and bankruptcy of large processing enterprises; (vii) the absence of a functioning rural financial system to meet the needs of new companies and small individual farmers; and (viii) lack of training facilities to provide farmers with appropriate technical and business management skills. As a consequence of the decline in crop production, domestic demand had to be satisfied by increasing imports of food staples such as wheat and other cereals, flour, and potatoes.</p> <p>The decline of the agriculture sector since the collapse of the centrally planned economy has been accompanied by increasing poverty. This and declining production has meant a dramatic decrease in consumption of fruits and vegetables since 1989, with serious nutritional consequences.</p> <p>To address the problems of crop production decline, economic inefficiency, and rural poverty, the project must (i) improve the efficiency of resource allocation in agriculture to raise food production; (ii) eliminate malnutrition by expanding small-farm production, creating jobs for the landless, and reducing rural-urban differentials and migration; and (iii) improve food security by stabilizing prices and supply.</p> <p>The project aims to generate viable employment and income by (i) supporting private sector-led economic expansion, (ii) improving support services to overcome constraints to agricultural development, and (iii) supporting improvements in land tenure.</p>

<p>Summary of Preparatory Work by DMC and/or ESW by ADB or Others:</p>	<p>The following studies analyze the crop sector and identify the causes for its decline: ADB's TA 2819-MON: Agricultural Sector Development Program, 1997; Loan 1821-MON: Agriculture Sector Development Program, 2000; the European Union's Technical Assistance for Commonwealth of Independent States, Crop Development Project, 1996; and the World Bank's <i>Mongolia: Prospects for Wheat Production</i>, 1995.</p> <p>Based on the studies' findings, ADB supports policy issues such as (i) promotion of competitive markets, (ii) institutional reforms to facilitate competitive markets, and (iii) social and environmental concerns. The lessons learned emphasize the (i) dynamic nature of agriculture sector reforms and need for close monitoring of project implementation, (ii) critical importance of strong Government ownership of the project and commitment to its implementation, and (iii) a realistic assessment of the institutional capacity of Government implementation agencies.</p> <p>As the studies show the danger of depending mostly on wheat, crop diversification is an alternative for improving the crop sector. The Food and Agriculture Organization (FAO) piloted labor-intensive, small-scale irrigated vegetable production on plots of 0.5–1.0 hectare per family in the northern and central cropping areas. Vegetables (cabbage, turnip, carrot, cucumber, and tomato) were produced on rotation with traditional crops such as wheat and potatoes. Due to improved production conditions and quality of the crops, production increased by an average of 64 percent, and estimated economic returns averaged 57 percent for cultivated crops. Because they were close to local markets, the products were sold at prices lower than those of similar imported products. The project envisages expansion to produce new vegetables adapted to Mongolian conditions, such as beetroot, broccoli, beans, peas, red and sweet peppers, squash, and dill. The FAO project also includes diversified activities such as poultry raising, small-scale livestock raising, and beekeeping; and some basic agroprocessing activities such as vegetable pickling. The key to the FAO project's success appears to be the application of the concept of farming systems, under which crop cultivation (of wheat and vegetables) and other on-farm activities are carried out synergistically to make them profitable and sustainable.</p>
<p>Comparative Advantage of ADB in Proposed Project:</p>	<p>ADB has gained experience in and understanding of the agriculture sector through TA 1808-MON: Agricultural Processing, Storage, and Distribution, 1992; TA 1649-MON: Livestock Feed Improvement, 1992; TA 1886-MON: Irrigation Systems Rehabilitation, 1993; TA 2602-MON: Study on Extensive Livestock Production Systems, 1996; and TA 2819-MON: Agricultural Sector Development Program, 1997.</p> <p>ADB is implementing Loan 1821-MON: Agriculture Sector Development Program (ASDP), 2000, which aims to contribute to developing a market-oriented, efficient, and sustainable agriculture sector, and reduce poverty by providing increased income opportunities. The loan's specific purpose is to increase agricultural productivity and profitability. Besides policy support, the project will have a production and marketing support component and a credit line.</p>

	<p>ASDP and the envisaged crop production project will be the first investment projects directly addressing Mongolia's agriculture sector. The crop production project will complement the ASDP intervention by supporting the green revolution, which aims to provide basic technical skills, inputs, and advice to people who are not familiar with growing crops, so that they can grow vegetables on small plots or even in their backyards</p> <p>ADB is planning to implement a rural finance project to promote and develop rural savings and credit unions, which will complement the proposed crop production project.</p>
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Economic Growth
Environmental Classification:	A
Social Issues:	Poverty reduction will be the main focus of the project. As poverty results from the unemployment created by the collapse of the collective farming system, the project, through interventions in the crop sector, will aim to provide income generation opportunities for the poor. Crop sector improvements will allow absorption of the unemployed by the sector.

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEAR = Agriculture and Rural Development Division (East); ASDP = Agriculture Sector Development Program; CPS = crop production sector; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; FAO = Food and Agriculture Organization; ha = hectares; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; TBD = to be determined.

**Table A6.2: Project Selection Brief for Second Education Sector Development Project**

<b>A. Data</b>	
Project Number:	31213-01
Country:	Mongolia
Sector:	Social Infrastructure
Subsector:	Education
Project Division:	AEEH
Contact Person in Projects Division:	R. Schoellhammer
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$ 14 million
Proposed Lending Modality:	Project Loan
PPTA:	Second Education Development
PPTA Amount:	\$ 550,000 (TA 3351, approved on 20 December 1999)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	None
Start Design Phase:	None
Approval Year According to CSP:	2002
Proposed Executing Agency:	Ministry of Education, Science, and Culture
Contact Person in Proposed Executing Agency:	TBD
<b>B. Description</b>	
Brief Rationale of Project:	The Second Education Development Project (SEDP) will strengthen the Government's education reforms and improve access to and quality of basic education in the transition economy.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The Education Sector Strategy Study 2000–2005 (TA 3174) was prepared in 1999 to define the policies, strategies, and broad parameters for the development of the education and training sector in the market economy system.
Comparative Advantage of ADB in Proposed Project:	ADB has been active in the education sector since 1992. Since the approval of Loans 1507 and 1508: Education Sector Development Program, on 19 December 1996, ADB has been the dominant development agency and principal dialogue partner with Ministry of Education, Science, and Culture.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Human Development
Environmental Classification:	C
Social Issues:	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEEH = Education, Health, and Population Division (East); CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; SEDP = Second Education Development Project; TBD = to be determined.

**Table A6.3: Project Selection Brief for Second Health Sector Development Project**

<b>A. Data</b>	
Project Number:	31242-01
Country:	Mongolia
Sector:	Social Infrastructure
Subsector:	Health
Project Division:	AEEH
Contact Person in Projects Division:	J. Jeugmans
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$ 12 million
Proposed Lending Modality:	Project Loan
PPTA:	Second Health Sector Development Project
Proposed PPTA Amount:	\$ 600,000 (2001)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Predesign Phase:	June 2001
Start Design Phase:	January 2002
Approval Year According to CSP:	2002
Proposed Executing Agency:	Ministry of Health and Social Welfare
Contact Person in Proposed Executing Agency:	S. Sonin, Minister of Health and Social Welfare
<b>B. Description</b>	
Brief Rationale of Project:	The Government, supported by Parliament, has decided to develop the regions and rural physical and social infrastructure. The Government also wants to pursue health sector reforms. The first Health Sector Development Project (HSDP) covers Ulaanbaatar and three <i>aimag</i> (provinces). The new project will cover other aimag, and will support, where feasible, "telemedicine" (diagnostic and technical support, and continuous medical education) in the proposed regional diagnostic and treatment centers, to be developed in the four new regions. The new project will also support development and/or expansion of primary health care and family doctors in rural areas. Health sector reforms, started under the HSDP, will be consolidated and further developed. The PPTA may identify urgent needs for particular vulnerable urban groups, and the new project may also include a specific component to cover these particular needs.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The PPTA for the HSDP conducted a comprehensive health sector review (1996). During HSDP implementation, continuous policy dialogue helped the Government implement health sector reforms, based on subsector studies and surveys. For the last few years, the HSDP team and ADB have collaborated closely with WHO, UNICEF, and UNFPA.
Comparative Advantage of ADB in Proposed Project:	ADB has deep knowledge and experience in the health sector due to the HSDP. ADB's continuous policy dialogue with the Ministry of Health and the Government has established a constructive relationship with them.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Human Development
Environmental Classification:	B
Social Issues:	Focus on rural areas, nomadic populations, and vulnerable groups

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEHE = Education, Health, and Population Division (East); CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; HSDP = Health Sector Development Project; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; UNICEF = United Nations Children's Fund; UNFPA = United Nations Populations Fund; WHO = World Health Organization.

**Table A6.4: Project Selection Brief for Integrated Development of Basic Urban Services in Secondary Towns**

<b>A. Data</b>	
Project Number:	31243-01
Country:	Mongolia
Sector:	Urban Infrastructure
Subsector:	
Project Division:	AEWU
Contact Person in Projects Division:	K. Choe
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$20 million
Proposed Lending Modality:	Project Lending
PPTA:	Integrated Development of Basic Urban Services in Secondary Towns
Proposed PPTA Amount:	\$700,000 (2001)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	TBD
Start Design Phase:	TBD
Approval Year According to CSP:	2002 (standby)
Proposed Executing Agency:	Ministry of Infrastructure
Contact Person in Proposed Executing Agency:	Byamba Jigjid, Minister of Infrastructure
<b>B. Description</b>	
Brief Rationale of Project:	Loan 1560: Basic Urban Services in Provincial Towns improved water supply, sanitation, bathing facilities, and solid waste management services in five provincial capitals in western and northwestern Mongolia. The proposed project will maintain the momentum of urban infrastructure development and cover eight other cities and towns where urban infrastructure is seriously dilapidated, too costly to operate, and in urgent need of repair.
Comparative Advantage of ADB in Proposed Project:	ADB is successfully implementing Loan 1560: Basic Urban Services in Provincial Towns. ADB also has a deep understanding of urban sector needs in Mongolia through comprehensive studies on the urban and housing sectors, and significant achievements in policy dialogue.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority):	Human Development
Environmental Classification:	B
Social Issues:	The Project will have strong positive social impacts. Health and living conditions of the people in the project towns will be enhanced in both the short and long term, by providing access to water, sanitation, and bath houses.

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEWU = Water Supply, Urban Development and Housing Division (East); CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; TBD = to be determined.

**Table A6.5: Project Selection Brief for Second Governance Reform Program**

<b>A. Data</b>	
Project Number:	35376-01
Country:	Mongolia
Sector:	Others
Subsector:	None
Project Division:	PE1
Contact Person in Projects Division:	L. Walker
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$20 million
Proposed Lending Modality:	Program Loan
PPTA:	Second Governance Reform Program (2001)
Proposed PPTA Amount:	\$600,000 (2002)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	TBD
Start Design Phase:	TBD
Approval Year According to CSP:	2003
Proposed Executing Agency:	Ministry of Finance and Economy
Contact Person in Proposed Executing Agency:	C. Ulaan, Minister of Finance and Economy
<b>B. Description</b>	
Brief Rationale of Project:	Mongolia has embarked on an ambitious program to modernize public sector management and improve Government performance as part of the transition to a market economy. This project will build on the successes of previous work, particularly phase 1 of the Governance Reform Program Loan, to expand reforms to the whole Government and selected local governments.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	ADB has completed considerable preparatory work since 1995, including in accounting and auditing reform (TA 2390-MON: Improving Accounting and Auditing Systems, approved on 5 September 1995; and TA 2964-MON: Improving Accounting and Auditing, approved on 23 December 1997); local government institution building (TA 2549-MON: Institutional Support for Local Government and Decentralization [Phase 1], approved on 26 March 1996); and TA 2769-MON: Institutional Support for Local Government and Decentralization [Phase 2], approved on 14 March 1997); strengthening the tax system (TA 2602-MON: Study of Extensive Livestock Production Systems, approved on 4 July 1996); preparatory civil service reforms (TA 2868-MON: Initial Phase of Civil Service Reforms, approved on 15 September 1997); and preparatory work for the first phase of the program loan (TA 2931-MON: Program Preparation of Governance Reforms, approved on 10 December 1997). The first phase of Loan 1713-MON: Governance Reform Program, was supported by three TAs, in public expenditure management, public administration reform, and central-local government relations. The recommendations of the governance assessment will also serve as inputs to the design.
Comparative Advantage of ADB in Proposed Project:	ADB has a history of governance work in Mongolia and the region, particularly in public administration reform, financial management, and decentralization. ADB is recognized as a lead agency in governance in Mongolia based on successful previous projects, expertise in governance, and suitable lending modality.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority):	Good Governance
Environmental Classification:	C

Social Issues:	The project design includes an assessment of potential social costs of reform, and measures to mitigate them. Reforms in the five pilot agencies in phase 1 had minimal social costs in terms of unemployment, social service provision, and human development. However, during the transition phase, some adjustments may be felt in public sector employment and access to social services. ADB work on social safety nets will support this reform.
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ADB = Asian Development Bank; ADTA = advisory technical assistance; CSP = country strategy and program; DMC = developing member country; ESW = economic and sector work; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; TBD = to be determined.

**Table A6.6: Project Selection Brief for Third Road Development Project**

<b>A. Data</b>	
Project Number:	35377
Country:	Mongolia
Sector:	Transport and Communications
Subsector:	Roads
Project Division:	IETC
Contact Person in Projects Division:	P. Poinsignon
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$18 million
Proposed Lending Modality:	ADB Special Fund
PPTA:	Third Road Development Project (2002)
Proposed PPTA Amount:	\$600,000
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Predesign Phase:	PPTA fact-finding in fourth quarter, 2001
Start Design Phase:	PPTA implementation will start in third quarter, 2002
Approval Year According to CSP:	2003 (standby), 2004 (firm)
Proposed Executing Agency:	Department of Roads
Contact Person in Proposed Executing Agency:	R. Bud, Director General
<b>B. Description</b>	
Brief Rationale of Project:	<p>Mongolia is a small economy whose growth is highly dependent on international trade. Therefore, ADB's interventions in the road sector have focused on assisting the Government with international integration by improving the north-south link, connecting Ulaanbaatar to the Russian Federation and the People's Republic of China (PRC). This road, which is crucial to foster trade with Mongolia's neighboring countries, forms part of the Asian Highway Route A-3, within the framework of the Asian Highway Network Development Plan. The recent CPM and the Eighth Consultative Group Meeting confirmed the strategic importance of transport links with neighboring countries to help establish sustained economic growth that is essential to reduce the very high and persistent level of poverty.</p> <p>In 1995, ADB made its first loan of \$25 million to the road sector (Loan 1364-MON[SF]: Roads Development Project) to improve the 312 km Altanbulag-Ulaanbaatar road, connecting the capital city to the border with the Russian Federation. The project was completed successfully in June 2000. In 1999, ADB provided a second loan of \$25 million (Loan 1700-MON[SF]: Second Road Development Project) for a 200 km section of the road from Ulaanbaatar to the PRC border, between the cities of Nalaih and Choir. This section is expected to be completed in 2004. ADB assistance will focus on completion of the north-south road corridor to the PRC border, i.e., Choir-Sainshand (224 km) and Sainshand-Zameen Uud (218 km). Cofinancing will be sought to complete this link in a reasonable timeframe, and to accelerate economic benefits flowing from the completed road.</p>
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	ADB carried out studies related to road sector financing, road fund management, and road sector privatization undertaken under TA 3268-MON: Policy Support in the Road Sector.

Comparative Advantage of ADB in Proposed Project:	The project will be the logical continuation of ADB's first two road sector interventions. Since the first two projects achieved significant institutional strengthening and reform of the road transport sector, the proposed project will allow ADB to continue its policy dialogue and help the Government complete all reforms (e.g., road sector funding and privatization of road maintenance companies). The proposed project will also help ensure that adequate resources are allocated to maintain roads improved under the first two projects.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Regional Cooperation
Environmental Classification:	TBD
Social Issues:	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; CPM = Country Programming Mission; CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; IETC = Transport and Communications Division (East); km. = kilometer; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; PRC = People's Republic of China; TBD = to be determined.

**Table A6.7: Project Selection Brief for Third Education Sector Development**

<b>A. Data</b>	
Project Number:	34187-01
Country:	Mongolia
Sector:	Social Infrastructure
Subsector:	Education
Project Division:	AEEH
Contact Person in Projects Division:	
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$ 12 million
Proposed Lending Modality:	Project Loan
PPTA:	Third Education Sector Development Project
Proposed PPTA Amount:	\$ 600,000 (2002)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	TBD
Start Design Phase:	TBD
Approval Year According to CSP:	2004
Proposed Executing Agency:	Ministry of Education, Science and Culture
Contact Person in Proposed Executing Agency:	TBD
<b>B. Description</b>	
Brief Rationale of Project:	The Second Education Development Project (SEDP) will strengthen the Government's education reforms and improve access to and quality of basic education in the transition economy.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The Education Sector Strategy Study 2000–2005 (TA 3174) was prepared in 1999 to define the policies, strategies, and broad parameters for the development of the education and training sector in the market economy system.
Comparative Advantage of ADB in Proposed Project:	ADB has been active in the education sector since 1992. Since the approval of Loans 1507 and 1508: Education Sector Development Program, on 19 December 1996, ADB has been the dominant development agency and principal dialogue partner with Ministry of Education, Science, and Culture.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Human Development
Environmental Classification:	C
Social Issues:	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEEH = Education, Health, and Population Division (East); CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; SEDP = Second Education Development Project; TBD = to be determined.

**Table A6.8: Project Selection Brief for Third Health Sector Development Project**

<b>A. Data</b>	
Project Number:	35378
Country:	Mongolia
Sector:	Social Infrastructure
Subsector:	Health
Project Division:	AEEH
Contact Person in Projects Division:	J. Jeugmans
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$ 10 million
Proposed Lending Modality:	Project Loan
PPTA:	Third Health Sector Development
Proposed PPTA Amount:	\$ 600,000 (2003)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	TBD
Start Design Phase:	TBD
Approval Year According to CSP:	2004
Proposed Executing Agency:	Ministry of Health and Social Welfare
Contact Person in Proposed Executing Agency:	S. Sonin, Minister of Health and Social Welfare
<b>B. Description</b>	
Brief Rationale of Project:	The first Health Sector Development Project (HSDP) covers Ulaanbaatar and three <i>aimag</i> (provinces). HSDP-2 will cover other aimag and support the establishment of diagnostic and treatment centers in the four new regions. HSDP-3 will cover the remaining aimag and develop "telemedicine" (diagnostic and technical support, and continuous medical education) across the country. Like the first HSDP, the second and third will continue supporting health sector reforms.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The PPTA for the HSDP conducted a comprehensive health sector review (1996). The PPTA for HSDP-2 will update the sector review (2001–2002). During implementation of the first and second HSDPs, continuous policy dialogue helped the Government implement health sector reforms, based on subsector studies and surveys. The HSDP team and ADB collaborated closely with WHO, UNICEF, and UNFPA.
Comparative Advantage of ADB in Proposed Project:	ADB's deep knowledge of and experience in the health sector since 1994, and continuous policy dialogue have established a constructive relationship between ADB, the Ministry of Health, and Government.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Human Development
Environmental Classification:	B
Social Issues:	Access to quality health services for the poor and vulnerable groups is a priority of ADB and the Government.

ADB = Asian Development Bank; ADTA = advisory technical assistance; AEEH = Education, Health, and Population Division (East); CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; HSDP = Health Sector Development Project; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; TBD = to be determined; UNFPA = United Nations Population Fund; UNICEF = United Nations Children's Fund; WHO = World Health Organization.

**Table A6.9: Project Selection Brief for Third Financial Sector Program Loan**

<b>A. Data</b>	
Project Number:	34135-01
Country:	Mongolia
Sector:	Industry and Finance
Subsector:	Banking
Project Division:	IEFI
Contact Person in Projects Division:	Klaus-Peter Kriegsmann
Programs Division:	PE1
Tentative Loan Amount According to CSP:	\$10 million
Proposed Lending Modality:	Program Loan
PPTA:	Third Financial Sector Development Program
Proposed PPTA Amount:	\$600,000 (2003–2004)
Attached ADTA:	None
Proposed ADTA Amount:	n.a.
Start Pre-design Phase:	2002
Start Design Phase:	2003
Approval Year According to CSP:	2004 (standby)
Proposed Executing Agency:	Ministry of Finance and Economy
Contact Person in Proposed Executing Agency:	C. Ulaan, Minister of Finance and Economy
<b>B. Description</b>	
Brief Rationale of Project:	ADB has financed two financial sector programs in the past. FSPL II will be implemented from September onwards, to be finalized in 2003. This second program is part of a comprehensive program jointly designed and implemented with the World Bank. FSPL III will build on the achievements of the current program by designing the third pillar of the three pillar retirement income system, strengthening the insurance industry supervision, and privatization of restructured banks.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Under FSPL II the Government is designing a three pillar retirement income system, and is restructuring the first pillar into a notional benefits system, and implementing the second pillar, a mandatory defined contributions pension system. The Government will enact legislation governing non-bank financial institutions, including for credit and savings unions, the insurance industry, and the contractual savings industry.
Comparative Advantage of ADB in Proposed Project:	Ongoing involvement in the sector since 1998.
Rationale and Scope of attached ADTA:	n.a.
Development Objective (thematic priority)	Economic Growth/Private Sector Development
Environmental Classification:	C
Social Issues:	TBD

ADB = Asian Development Bank; ADTA = advisory technical assistance; CSP = country strategy and program; DMC = developing member country; ESW = Economic and Sector Work; FSPL II = Second Financial Sector Program Loan; IEFI= Financial Sector and Industry Division (East); n.a. = not applicable; PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; TBD = to be determined.

**Table A6.10: TA Concept Paper for Improvement of the Public Investment Management**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	PED, PE1, MNRM, B. Hitchcock, F. Yue
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country/Region (as applicable):	Mongolia
Sector/Subsector:	
Poverty Classification and Thematic Priorities <sup>a</sup>	Good Governance
Program Year <sup>b</sup> :	2002
Expected Approval Date (mo/yr):	July 2002
Estimated Completion Date:	March 2003
<b>B. Concept and Design</b>	
Rationale (specific problems/issues to be addressed in TA)	With an external debt at about 90 percent to GDP, Mongolia urgently needs to make public investment more efficient and effective by improving public investment planning and management. The TA will help the Government improve planning, decision making, and integration of planning and budget processes to make the poverty reduction strategy more efficient.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> <li>poverty reduction/thematic priorities</li> <li>country strategy (where applicable)</li> <li>regional cooperation</li> </ul>	The TA aims to make the poverty reduction strategy more effective and efficient by improving its planning and budgeting processes.  The TA will facilitate policy dialogue with the Government on country strategy and programming.
3. Scope (specific major components, e.g. capacity building)	Capacity building for improved planning and budgeting for public investment through training, rationalizing guidelines and procedures, and strengthening management information system (MIS) for public investment management
4. Expected Outcome and Monitorable Indicators	Improved guidelines, procedures, and MIS for public investment, particularly for project identification, prioritization, evaluation, budgeting, implementation, and monitoring
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>name, amount, status</li> <li>assessment of outcome</li> </ul>	TA 3317-MON: Public Expenditure Management, for \$496,000, is ongoing and on the track for successful completion.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Finance and Economy
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$600,000 ADB financing (JSF support will be explored)
8. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank; ADTA = advisory technical assistance; CSP = country strategy and program; GDP = gross domestic product; JSF = Japan Special Fund; MIS = management information system; MNRM = Mongolia Resident Mission; n.a. = not applicable; PED = Programs Department (East), PE1 = Programs Department (East), Division 1; PPTA = project/program preparatory technical assistance; RETA = regional technical assistance; RM = resident mission; TA = technical assistance; TASF = Technical Assistance Special Fund

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

**Table A6.11: TA Concept Paper for Integrated Planning for Regional Development**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	AED, PED, AEWU, PE1, F. Yue, K. Choe
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country/Region (as applicable):	Mongolia
Sector/Subsector:	Others
Poverty Classification and Thematic Priorities <sup>a</sup>	Good Governance
Program Year <sup>b</sup> :	2002
Expected Approval Date (mo/yr):	May 2002
Estimated Completion Date:	May 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problems/issues to be addressed in TA)	The Government recently decided to restructure the 21-province political and regional economic system into four administrative and/or economic regions. The TA will help the Government design an appropriate strategy, inviting public participation and learning from best international practice, to ensure smooth restructuring.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> <li>poverty reduction/thematic priorities</li> <li>country strategy (where applicable)</li> <li>regional cooperation</li> </ul>	The TA will study the new finance and delivery mechanism to improve provision of social services, particularly to the poor. The TA will facilitate policy dialogue with the Government on medium-term development strategy and provide design input for specific projects across all sectors.
3. Scope (specific major components, e.g. capacity building)	Capacity building in strategic planning
4. Expected Outcome and Monitorable Indicators	A master plan and/or strategy to guide the restructuring
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>name, amount, status</li> <li>assessment of outcome</li> </ul>	None
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	To be determined in consultation with the Government
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	\$600,000 ADB Financing (JSF financing to be explored)
8. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank; ADTA = advisory technical assistance; AED = Agriculture and Social Sectors Department (East); AEWU = Water Supply, Urban Development, and Housing Division (East); CSP = country strategy and program; JSF = Japan Special Fund; n.a. = not applicable; PE1 = Programs Department (East), Division 1; PED = Programs Department (East); PPTA = project/program preparatory technical assistance; RETA = regional technical assistance; RM = resident mission; TA = technical assistance; TASF = Technical Assistance Special Fund

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

**Table A6.12: TA Concept Paper for Strengthening Auditing and Accounting Capacity**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	MNRM
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country/Region (as applicable):	Mongolia
Sector, Subsector:	Governance Reform
Poverty Classification and Thematic Priorities: <sup>a</sup>	Good Governance
Program Year: <sup>b</sup>	2002
Expected Approval Date (mo/yr):	June 2002
Estimated Completion Date:	December 2003
<b>B. Concept and Design</b>	
1. Rationale (specific problem/issues to be addressed in TA)	In the first decade of Mongolia's transition to a market economy, reasonable progress was made in developing a suitable accounting infrastructure. A competent professional accountancy institute was established. The legislative framework for the accountancy profession is basically sound, but a fully functioning and competent audit profession has not yet been created. Second-generation institutional and legislative reforms and strengthened training and teaching capacity are needed to support planned reforms in public sector financial management, and development of private enterprise.
2. Relation to Strategic Objectives (How the TA addresses the following.) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	A major area of focus in Mongolia Country Operational Strategy (COS) is governance reform in the public sector. Improved accounting and auditing capacity and standards are essential in this process. The proposed TA will significantly strengthen capacity in this key area by bringing Mongolia's accounting and auditing professions up to international standards.
3. Scope (specific major components, e.g., capacity building)	(i) Supporting the reassignment of institutional responsibilities, establishing a statutory body with accounting standard responsibilities, and developing related legislative changes; (ii) Supporting the establishment of a continuing professional education system for certified public accountants (CPAs); (iii) Supporting the training of rural accountants; and (iv) Training lecturers and professors in modern methods of teaching accountancy
4. Expected Outcome and Monitorable Indicators	(i) A streamlined institutional and regulatory framework to support the professions' development; (ii) Improvements in the competency and standards of previously qualified professionals; (iii) Upgrading of the qualifications of rural bookkeepers to support rural enterprise; (iv) Improved educational standards in line with international accounting standards, leading to better qualified graduates.
5. Previous TA(s) on the Same Theme, in the Sector, Country, or Region (last five years) <ul style="list-style-type: none"> <li>• name, amount, status</li> <li>• assessment of outcome</li> </ul>	TA 2390-MON: Improving Accounting and Auditing Systems (\$600,000), approved in September 1995, completed in May 1997. The TA prepared accounting and auditing training manuals, developed a draft audit law, and delivered training programs. TA 2964-MON: Improved Accounting and Auditing Systems 2 (\$688,000), approved in December 1997, completed in March 2000. The TA achieved its objectives by (i) preparing 34 accountants for international standard CPA examinations and conducting the examinations, (ii) providing textbooks in Mongolian and Russian languages, and (iii) strengthening the capacity of the Mongolian Institute of Certified Public Accountants.

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

	RETA: Strengthening Financial Management and Governance in Selected Developing Member Countries, approved and completed in October 2000. The design of the proposed TA is based on the recommendations of this RETA's report on Mongolia.
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Finance and Economy
7. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$500,000
8. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank; ADTA = advisory technical assistance; COS = country operational strategy; CPA = certified public accountant; CSP = country strategy program; JSF = Japan Special Fund; MNRM = Mongolia Resident Mission; n.a. = not applicable; PPTA = project/program preparatory technical assistance; RETA = regional technical assistance; RM = resident mission; TA = technical assistance; TASF = Technical Assistance Special Fund.

**Table A6.13: TA Concept Paper for Second Housing Sector Project**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	AED, AEWU, S. Penjor
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	Second Housing Sector Project
Country/Region (as applicable):	Mongolia
Sector/Subsector:	Urban
Poverty Classification and Thematic Priorities <sup>a</sup>	Human Development
Program Year <sup>b</sup> :	2003
Expected Approval Date (mo/yr):	June 2003
Estimated Completion Date:	March 2004
<b>B. Concept and Design</b>	
9. Rationale (specific problems/issues to be addressed in TA)	The momentum of the first Housing Finance Sector Project (HFSP) must be maintained in establishing a sustainable market-based housing finance system and, particularly, in developing a well-functioning mortgage finance system. The momentum must also be maintained in designing innovative housing action area plan schemes and providing basic infrastructure that directly targets the poor. Finally, the Housing Development Fund Institution must be supported. It will begin to either lend directly to individuals or refinance housing loans of participating commercial banks.
10. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> <li>poverty reduction/thematic priorities</li> <li>country strategy (where applicable)</li> <li>regional cooperation</li> </ul>	The TA will prepare a project for ADB funding and will be the second intervention to establish a sustainable, market-based housing finance system for low- and middle-income households. The TA will thus support the Government's goals as set out in the Housing Law (April 1999): (i) continue creating conditions under which citizens can acquire housing that meets health and safety requirements; (ii) continue providing housing and associated infrastructure based on basic market requirements; (iii) continue encouraging the involvement and increasing the responsibilities of the private sector in planning, construction, maintenance, and repair of housing and its infrastructure; and (iv) continue developing the <i>ger</i> (housing) areas into comfortable housing areas.
11. Scope (specific major components, e.g. capacity building)	The TA will (i) make financial and management criteria for selected banks and individuals more comprehensive; (ii) conduct detailed financial and operational analyses of the banks; (iii) undertake financial and operational analyses of selected savings and credit cooperatives and prospective borrowers; (iv) undertake a detailed socioeconomic survey to estimate demand for housing loans, household affordability, and priority for infrastructure works, including <i>ger</i> areas; (v) review in detail the progress of the first HFSP and incorporate the lessons learned into the design of the proposed project; (vi) develop the mortgage finance system; (vii) design a performance management system program for the project; (viii) assess the potential impact of the Housing Development Fund on urban poverty reduction, including detailed poverty impact analysis; (ix) assess NGOs' willingness to participate in the project; (x) comprehensively assess the regulatory environment of housing finance; and (xi) assess in detail the credit risks relating to subloan operations and measures to cope with such risks.
12. Expected Outcome and Monitorable Indicators	

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

13. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>• name, amount, status</li> <li>• assessment of outcome</li> </ul>	TA 3090-MON: Institutional Strengthening of the Housing Sector TA 3406-MON: Housing Sector Finance Project
14. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Finance and Economy, Ministry of Infrastructure
15. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$700,000
16. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank; ADTA = advisory technical assistance; AED = Agriculture and Social Sectors Department (East); AEWU = Water Supply, Urban Development, and Housing Division (East); CSP = country strategy and program; HSFP = Housing Sector Finance Project; JSF = Japan Special Fund; NGO = nongovernment organization; PPTA = project/program preparatory technical assistance; RETA = regional technical assistance; RM = resident mission; TA = technical assistance; TASF = Technical Assistance Special Fund

**Table A6.14: TA Concept Paper for Improving Social Services in Remote Areas**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	AED, AEEH
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	Mongolia
Sector/Subsector:	Social Infrastructure
Poverty Classification and Thematic Priorities <sup>a</sup>	Human Development
Program Year <sup>b</sup> :	2003–2004
Expected Approval Date (mo/yr):	2003-2004
Estimated Completion Date:	TBD
<b>B. Concept and Design</b>	
1. Rationale (specific problems/issues to be addressed in TA)	Mongolia needs to explore an economical and efficient way to provide the essential services to the people in remote areas.  The PPTA will prepare a project which aims at using new technology, particularly information technology, to overcome the difficulty of the Government in reaching the poor in the remote areas, thereby improving the poor's access to government services. The resulting project will be incorporated into the mainstream operation of the concerned government agencies.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> <li>• poverty reduction/thematic priorities</li> <li>• country strategy (where applicable)</li> <li>• regional cooperation</li> </ul>	The TA is in line with the recommendation of the PPA review to improve the provision for essential services to the poor and the poor areas.
3. Scope (specific major components, e.g. capacity building)	The TA will study the feasibility of using information technology to improve the provision of services in remote areas and prepare a project which could be financed by ADB.
4. Expected Outcome and Monitorable Indicators	An investment project with recommendations for necessary policy and institutional reforms.
5. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>• name, amount, status</li> <li>• assessment of outcome</li> </ul>	None
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	TBD
7. Cost and Financing Plan <ul style="list-style-type: none"> <li>(i) ADB Financing (JSF, TASF)</li> <li>(ii) Sources other than JSF/TASF</li> </ul>	To be proposed for JSF financing for \$700,000
8. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank; ADTA = advisory technical assistance; AED = Agriculture and Social Sectors Department (East); AEEH = Education, Health, and Population Division (East); CSP = country strategy and program; JSF = Japan Special Fund; PPTA = project/program preparatory technical assistance; RETA = regional technical assistance; RM = resident mission; TA = technical assistance; TASF = Technical Assistance Special Fund; TBD = to be determined

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

**Table A6.15: TA Concept Paper for Support for Governance Reform**

<b>A. Profile</b>	
Department, Division, RM, Officer Concerned:	PED, PE1, L. Walker
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	n.a.
Country/Region (as applicable):	Mongolia
Sector/Subsector:	Others
Poverty Classification and Thematic Priorities <sup>a</sup>	Good Governance
Program Year <sup>b</sup> :	2003–2004
Expected Approval Date (mo/yr):	July 2003
Estimated Completion Date:	December 2004
<b>B. Concept and Design</b>	
17. Rationale (specific problems/issues to be addressed in TA)	ADB will provide advisory technical assistance (TA) to phase 2 of the Governance Reform Program. Expanding implementation of governance reforms to the broader public sector requires (i) institutional strengthening for government agencies, (ii) training and skills transfer for staff, and (iii) support for organizational restructuring and change management. Considerable work needs to be done to strengthen and clarify central-local government relations and to link aspects of the reforms.
18. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> <li>poverty reduction/thematic priorities</li> <li>country strategy (where applicable)</li> <li>regional cooperation</li> </ul>	Improving governance in the public sector is a core focus of the country strategy and part of the PPA's foundation. The TA will support the mainstreaming of governance reforms in the public sector to enhance the delivery of basic services and promote pro-poor growth.
19. Scope (specific major components, e.g. capacity building)	(i) Strengthening institutions and reorganizing government agencies; (ii) Building capacity, particularly of the Transformation Task Force; (iii) Strengthening of central-local government fiscal and administrative arrangements; (iv) Linking public expenditure and public administration reforms.
20. Expected Outcome and Monitorable Indicators	The TA's outcome will be improved institutional and human capacity to implement phase 2 of the governance reform program. It can be monitored through timely completion of the activities in the policy matrix of phase 2.
21. Previous TA(s) on the Same Theme, in the sector, country, region (last five years) <ul style="list-style-type: none"> <li>name, amount, status</li> <li>assessment of outcome</li> </ul>	The following TAs have been generally successfully completed: (i) TA 2390-MON: Improving Accounting and Auditing Systems, for \$600,000 (ii) TA 2549-MON: Institutional Support for Local Government and Decentralization, for \$100,000 (iii) TA 2606-MON: Strengthening the Taxation System, for \$343,000 (iv) TA 2769-MON: Institutional Strengthening of Local Government and Decentralization (Phase 2), for \$550,000 (v) TA 2868-MON: Initial Phase of Civil Service Reforms, for \$150,000 (vi) TA 2931-MON: Program Preparation for Governance Reforms, for \$967,300  The following TAs are ongoing and on track for successful completion: (i) TA 3316-MON: Initial Phase of Public Administration Reform, for \$1.1 million (ii) TA 3317-MON: Public Expenditure Management, for \$496,000

<sup>a</sup> Economic growth, human development, gender and support for ADB operations.

<sup>b</sup> Year of inclusion in CSP for transition period.

	(iii) TA 3318-MON: Study of Central-Local Aspects of Reform Implementation, for \$235,000
22. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Ministry of Finance and Economy, Ministry of Infrastructure
23. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$700,000
24. Country, RETA IPF for relevant year	\$3.5 million

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, JSF = Japan Special Fund, PPA = Poverty Partnership Agreement, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund