

Table A1.1: Country Economic Indicators

Item	1997	1998	1999	2000	2001
<b>A. Income and Growth</b>					
1. GDP per Capita (\$, current)	444.7	405.0	382.0	388.0	390.0
2. GDP Growth (% , in constant prices)	4.0	3.5	3.2	1.1	1.1
Agriculture	4.3	6.4	4.2	(14.3)	(17.2)
Industry	(3.3)	3.8	1.1	1.3	11.9
Services	9.0	0.3	3.5	18.3	10.0
<b>B. Saving and Investment (current and market prices)</b>					
	(% of GDP)				
1. Gross Domestic Investment	21.0	24.5	27.0	29.0	28.0
2. Gross National Saving	18.8	19.2	20.0	18.0	18.0
<b>C. Money and Inflation</b>					
	(annual % change)				
1. Consumer Price Index <sup>a</sup>	36.6	9.4	7.6	11.6	8.0
2. Total Liquidity (M2)	19.8	8.8	31.7	17.6	27.9
<b>D. Government Finance</b>					
	(% of GDP)				
1. Revenue and Grants	26.7	29.4	28.8	33.6	38.8
2. Expenditure and Onlending	34.5	41.9	39.4	41.1	43.3
3. Overall Fiscal Surplus (Deficit)	(7.8)	(12.5)	(10.6)	(7.5)	(4.5)
<b>E. Balance of Payments</b>					
1. Merchandise Trade Balance (% of GDP)	3.0	(12.4)	(12.5)	(14.5)	(16.0)
2. Current Account Balance (% of GDP) <sup>b</sup>	1.3	(13.2)	(13.7)	(15.3)	(15.7)
3. Merchandise Export (\$) Growth (annual % change)	34.5	(18.8)	(1.7)	18.0	(8.4)
4. Merchandise Import (\$) Growth (annual % change)	5.3	8.2	(2.6)	19.2	(3.0)
<b>F. External Payments Indicators</b>					
1. Gross Official Reserves (including gold, \$ million)	137.5	124.7	156.8	187.7	205.6
(weeks of current year's imports of goods)	12.3	11.4	12.1	15.9	16.8
2. External Debt Service (% of exports of goods and services) <sup>c</sup>	6.3	7.3	9.2	5.5	7.4
3. Total External Debt (% of GDP) <sup>d</sup>	57.4	85.3	102.5	94.7	87.8
<b>G. Memorandum Items</b>					
1. GDP (current prices, MNT billion)	832.6	817.4	925.3	1,044.6	1,130.5
2. Exchange Rate (MNT/\$, average)	790.0	841.0	1,022.0	1,077.0	1,097.6
3. Population (million)	2.31	2.36	2.39	2.42	2.45

GDP = gross domestic product; MNT = togrog

<sup>a</sup> Annual percentage change (period average).

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

<sup>c</sup> Excludes unresolved claims estimated at MNT10 billion owed to the Russian Federation but includes payments on Council for Mutual Economic Assistance debts that have been converted via formal intergovernmental agreements.

<sup>d</sup> Excludes unresolved claims estimated at MNT10 billion owed to the Russian Federation.

Sources: Mongolian authorities and the International Monetary Fund.

**Table A1.2: Country Poverty and Social Indicators**

Item	Period		
	1990	1995	Latest Year
<b>A. Population Indicators</b>			
1. Total Population (million)	2.1	2.3 [1996]	2.4 [2000]
2. Annual Population Growth Rate (% change)	2.4	1.3	0.8
<b>B. Social Indicators</b>			
1. Total Fertility Rate (births/woman)	4.1	3.1	2.7 [1999]
2. Maternal Mortality Rate (per 100,000 live births)	120	—	150 [1999]
3. Infant Mortality Rate (below 1 year/1,000 live births)	73	65	30 [2001]
4. Life Expectancy at Birth (years)	62.7	64.9	67 [2000]
Female	64	—	68 [2000]
Male	61	—	65 [2000]
5. Adult Literacy (%)	—	—	62.3 [1999]
Female	59.1	52.7	52.1 [1999]
Male	—	—	72.6 [1999]
6. Primary School Gross Enrollment (%)	97.2	88.1	100 [2001]
7. Secondary School Gross Enrollment (%)	87.7	68.0	84.8 [2001]
8. Child Malnutrition (% below age 5)	—	—	13 [1999]
9. Population Below Poverty Line (international, %) <sup>a</sup>	—	36	36 [1998]
10. Population with Access to Improved Water Source (%) <sup>b</sup>	—	—	60 [2000]
11. Population with Access to Sanitation (%)	—	74	—
12. Public Education Expenditure (% of GDP)	12.9	6.0	5.7 [1997]
13. Human Development Index	0.554	0.545	0.569 [1999]
Rank	—	—	116 [1999]
14. Gender-Related Development Index	—	—	0.566 [1999]
Rank	—	—	104 [1999]
<b>C. Poverty Indicators</b>			
1. Poverty Incidence <sup>c</sup>	—	36.3	35.6 [1998]
2. Percent of Poor to Total Population	—	36.3	35.6 [1998]
Urban	—	38.5	34.1 [1998]
Rural	—	33.1	32.6 [1998]
3. Poverty Gap	—	—	—
4. Poverty Severity Index	—	—	—
5. Inequality (Theil L Index)	—	—	—
6. Human Poverty Index	—	—	27.9 [1999]
Rank	—	—	44 [1999]

— = not available; GDP = gross domestic product.

<sup>a</sup> World Bank living standard.

<sup>b</sup> Reasonable access to adequate amount of drinking water from improved sources. Reasonable access is defined as the availability of at least 20 liters per person per day from a source within 1 kilometer of the user's dwelling.

<sup>c</sup> Mongolia National Statistics Office living standard.

Sources: World Bank. 2001. *World Development Indicators CD-ROM*. United Nations Development Programme. 2001. *Human Development Report*.

**Table A1.3: Country Environment Indicators**

Indicator	1995	Latest Year
<b>A. Energy Efficiency of Emissions</b>		
1. GDP/Unit of Energy Use (PPP\$/kgoe)	—	—
2. Traditional Fuel Use (% of total energy use)	—	4.3 [1997]
3. Carbon Dioxide Emissions		
Tons	—	—
Tons per capita	3.5 [1996]	3.3 [1997]
<b>B. Water Pollution: Water and Sanitation</b>		
1. % Urban Population with Access to Improved Water Source <sup>a</sup>	—	77 [1999]
2. % Rural Population with Access to Improved Water Source <sup>a</sup>	—	30 [1999]
3. % Urban Population with Access to Sanitation	—	46.0 [2000]
<b>C. Land Use and Deforestation</b>		
1. Forest Area (thousand km <sup>2</sup> )	130.0	106.5 [2000]
2. Average annual Deforestation		
km <sup>2</sup>	—	600 [2000]
% change	—	0.5 [2000]
3. Rural Population Density (people/km <sup>2</sup> of arable land)	—	75 [1999]
4. Arable Land (% of total land)	0.8	0.8 [1999]
5. Permanent Cropland (% of total land)	0.0	0.0 [1999]
<b>D. Biodiversity and Protected Areas</b>		
1. Nationally Protected Area		
Million hectares	—	179.9 [1999]
% of total land	10.3 [1997]	11.5 [1999]
2. Mammals (number of threatened species)	—	12 [2000]
3. Birds (number of threatened species)	—	16 [2000]
4. Higher Plants (number of threatened species)	—	0 [1997]
5. Reptiles (number of threatened species)	—	—
6. Amphibians (number of threatened species)	—	—
<b>E. Urban Areas</b>		
1. Urban Population		
Millions	—	1.4 [2001]
% of total population	60.8	58.0 [2001]
2. Per Capita Water Use (liters/day)	—	—
3. Wastewater Treated (%)	—	—
4. Solid Waste Generated Per Capita (kg/day)	—	—

kg = kilogram, kgoe = kilograms of oil equivalent, km<sup>2</sup> = square kilometer, PPP = purchasing power parity.

<sup>a</sup> Reasonable access to adequate amount of drinking water from improved sources. Reasonable access is defined as the availability of at least 20 liters per person per day from a source within 1 kilometer of the user's dwelling.

Sources: World Bank. 2001. *World Development Indicators CD-ROM*. United Nations Development Programme. 2001. *Human Development Report*.

**Table A1.4: Progress Toward the Millennium Development Goals and Targets**

Goals and Targets	Country Status
<b>Goal 1: Eradicate Extreme Poverty and Hunger</b>	
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.	Poverty was not measured before 1990. However, poverty rates have risen since 1990. The 1995 Living Standard Measurement Survey estimated poverty incidence at 36.3%. The overall level has hardly changed since then.
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.	The daily caloric intake for Mongolians has been set at 2,900, but poor households consume an average of 1,784 calories per day, with energy intake only 58–69% of requirements. The rate of diseases and associated mortality from malnutrition, including micronutrient deficiency diseases, is high.
<b>Goal 2: Achieve Universal Primary Education</b>	
Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.	The gross enrollment rate in primary education had reached 100% for both boys and girls in 1997, after a minor dip in 1996, due to the new policy to extend primary schooling by 1 year. Since then the level has stabilized.
<b>Goal 3: Promote Gender Equality and Empower Women</b>	
Target 4: Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015.	At the primary level, gender discrepancies hardly exist. At the secondary level and above, however, the gender discrepancy is in favor of females. In 2001, gross enrollment ratios for girls and boys at the primary and secondary levels were 90% and 80%, respectively. The social implication of the “reverse” gender discrepancy will be carefully studied.
<b>Goal 4: Reduce Child Mortality</b>	
Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.	Infant and under-5 mortality declined by half in 1992–2000. Infants: 63.4 to 31.2 per 1,000 live births Children under 5: from 87.3 to 42.4 deaths per 1,000 live births
<b>Goal 5: Improve Maternal Health</b>	
Target 6: Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio.	While mothers take good care of their children, care for mothers' health has been less than ideal. Maternal mortality declined more slowly, only by about 30%. As the recent Reproductive Health Survey results indicate, the quality of care for pregnant mothers could be improved.
<b>Goal 6: Access to Health Reproductive Services, including combating HIV/AIDs</b>	
Target 7: Achieve access to Reproductive Health Services for all who need by 2015	Reproductive health services are also provided by the well-functioning Ministry of Health. The latest available information from the 1998 Reproductive Health Survey shows reasonably high levels of access to these services. Met needs of married women reached around 60%, and unmet needs, 10%, which are comparable to levels achieved in 1997 by Indonesia, which has a successful family planning program (Reproductive Health Survey 1998). Access to such services should not be limited to married women but extended to all women of reproductive age. Two people have been reported to be HIV positive.
<b>Goal 7: Ensure Environmental Sustainability</b>	
Target 8: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.	Establishment of the National Council for Sustainable Development (NCSD) has been an important initiative and manifestation of a commitment to sustainable development. Under guidance of the NCSD, the Government and <i>aimag</i> (province) have prepared their respective Agenda 21 constituting the Mongolian Action Programme for the 21st Century, which serves as an overarching planning guide for sustainable development. These plans are now awaiting implementation, which, in turn, depends on macroeconomic conditions, policies to attract investment, and how international agencies help realize the plans.

**Table A1.5: Development Coordination Matrix**

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Agriculture	<ul style="list-style-type: none"> <li>➤ Sector development program</li> <li>➤ Crop sector development</li> <li>➤ Cadastral survey and land registration</li> </ul>	<p><b>WB:</b> Will prepare a land reform note in 2003.</p> <p><b>EU TACIS:</b> Has an ongoing project on mixed-farming projects (a follow-on from the crop production project). Planned projects include rural development in Dorngobi, Sukhbat, and Gobi Sumer <i>aimag</i> (province) (using ADB's Agricultural Sector Development Project as a model), and reestablishment of a distribution and collection system in the same aimag.</p> <p><b>Germany:</b> GTZ supports rural development.</p> <p><b>Japan:</b> JICA will continue to support rural development, including well rehabilitation in the Gobi region.</p> <p><b>UNDP:</b> Takes the lead in donor coordination for rural development.</p> <p><b>United States:</b> Provided substantial quantities of food aid (wheat), which is monetized via public auction, with the proceeds used to fund aid projects.</p> <p><b>USAID:</b> Program includes the Gobi Initiative, including rural development with a strong private enterprise focus; and the Competitive Initiative, including the tourism, meat, and cashmere industries.</p>
Energy	<ul style="list-style-type: none"> <li>➤ Capacity building in energy</li> <li>➤ Heat efficiency project</li> </ul>	<p><b>WB:</b> Has a \$30-million investment project, including distribution in Ulaanbaatar, and supported a successful donor coordination conference on energy held in March 2002. WB's 2004 program includes a \$20-million project on electricity transmission. WB is also active in coordinating donor activities in the energy sector.</p> <p><b>Japan:</b> JBIC provided a loan to the power sector in 1995.</p> <p><b>Germany:</b> GTZ and Kfw will focus on renewable energy, including buffer-zone management.</p> <p><b>UNDP:</b> Will provide a straw bail-building project for energy efficiency.</p> <p><b>USAID:</b> Funds the Policy Support Project for energy sector restructuring.</p>
Finance	<ul style="list-style-type: none"> <li>➤ Supporting policy and sector-based reforms</li> <li>➤ Rural sector financing</li> </ul>	<p><b>WB:</b> Provides the \$5-million Financial Sector Capacity TA to help the Government implement the policy matrix under the Financial Sector Adjustment Credit. WB envisages a municipal finance/urban sector note in 2003. WB also actively coordinates donor activities in the financial sector and private sector development.</p> <p><b>DFID:</b> Plans to provide TA to Credit Mongol with a capital injection of €500,000 as part of the EU TACIS program.</p> <p><b>USAID:</b> Funds the Policy Support Project, including a management contract for the Agricultural Bank, and advises the Government on privatization (particularly Barents Group).</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<b>Social Infrastructure</b>		
- Education	<ul style="list-style-type: none"> <li>➤ Sector development program</li> <li>➤ Basic education applications of ICT</li> </ul>	<p><b>Germany: GTZ</b> is implementing a \$1.5-million project to develop vocational education (2000–2002).</p> <p><b>Japan: JICA</b> continues to support education with policy and planning support, upgrading of school facilities, and development of information and communications technologies, in partnership with ADB as cofinancier of the Second Education Development Project.</p> <p><b>NDF:</b> In partnership with ADB, NDF is planning a \$4.8-million loan to cofinance the Second Education Development Project, focusing on science and vocational education as well as upgrading of kindergartens and primary schools.</p> <p><b>Soros Foundation:</b> Active in improving the quality of basic education and capacity building, with \$3-million grant financing provided since 1998. Will also provide assistance on ICT to the Mongolian Foundation for an Open Society.</p> <p><b>UNICEF:</b> Active in school renovation, community-based approaches to primary education, and teacher development.</p> <p><b>WB:</b> A \$20-million project on education/knowledge management is slated for 2005.</p>
- Health	<ul style="list-style-type: none"> <li>➤ Sector development program</li> </ul>	<p><b>WB:</b> A \$15-million project for privatization of social sector operations is slated for 2004.</p> <p><b>Other UN agencies: WHO</b>, which plans to shift to a more policy-oriented program of interest; <b>UNFPA</b>, which has a strong program for maternal health and sexually transmitted diseases, particularly HIV/AIDS; and <b>UNICEF</b>, which is ADB's partner in the JFPR project on micronutrients.</p>
- Urban Development & Housing	<ul style="list-style-type: none"> <li>➤ Urban sector development</li> <li>➤ Housing financing</li> </ul>	<p><b>WB:</b> Supports improvement of public utilities in Ulaanbaatar's <i>ger</i> (Mongolian traditional tent) areas, and reduction of air pollution and household costs through improvement of stoves in <i>ger</i> areas.</p> <p><b>USAID:</b> Supports improvement of urban planning and land use in Ulaanbaatar.</p>
- Social Security	<ul style="list-style-type: none"> <li>➤ Social security development program</li> </ul>	<p><b>WB:</b> Addresses social security policy issues through the Public Expenditure Review.</p>
Transportation and Communications	<ul style="list-style-type: none"> <li>➤ Road sector</li> </ul>	<p><b>WB:</b> The 2004 WB program includes a \$20-million loan to develop another section of the east/west road corridor. WB will also prepare a transport and communications sector strategy note to update the 2000 strategy.</p> <p><b>Japan: JICA</b> supports improvement of rural telecommunications. <b>JBIC</b> is expected to continue its support in the roads and urban infrastructure.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Poverty	<ul style="list-style-type: none"> <li>➤ Poverty Partnership Agreement</li> </ul>	<p><b>WB:</b> Expects to complete the Poverty Reduction Strategy Paper by October 2002. WB's 2002 program includes a \$16.4-million project for sustainable livelihood, which will carry on the work of the National Poverty Alleviation Program. The project's components include microfinance, sustainable pasture management, and small-scale community-assisted civil work projects. A poverty assessment update will be done in 2003. The 2003 program also includes a \$25-million Poverty Reduction Support Credit (PRSC), including a TA for \$10 million, and a follow-on project for \$15 million to the current ger-area project in Ulaanbaatar. By 2005, WB might provide a \$25-million PRSC II and a \$30-million Sustainable Livelihood Project II.</p> <p><b>IMF:</b> Its Poverty Reduction and Growth Facility is ongoing.</p> <p><b>UNDP:</b> Its cooperation framework includes poverty reduction through the Poverty Research Group established within MOFE, continued support for household income and expenditure surveys, job promotion, rural microfinance, and revolving funds set up under the first national poverty reduction program.</p> <p><b>Germany: GTZ</b> includes poverty reduction as a cross-cutting theme.</p>
Governance	<ul style="list-style-type: none"> <li>➤ Governance reform program</li> <li>➤ Government procurement centralized database</li> </ul>	<p><b>WB:</b> Has prepared a public expenditure review that will be finalized in the third quarter of 2002. WB has a fiscal TA project to set up the Treasury Financial Management Information System (TFMIS), and the process of procuring the appropriate system and software has been under way since 2000. Other studies include fiscal decentralization and expenditure.</p> <p><b>UNDP:</b> Focuses on democratic governance, including anticorruption measures, and actively tackles governance issues with ADB. Disaster management has also been an area of focus. UNDP achieved significant success through building national capacity to manage disasters, and by moving the national disaster management system from military to civilian oversight.</p> <p><b>UK:</b> Supports strengthening of Mongolia's disaster preparedness system in coordination with UNDP.</p>
Environment	<ul style="list-style-type: none"> <li>➤ Integration of environmental consideration into sector development projects, rather than development of stand-alone environmental projects, is adopted as an ADB strategy for lending activities. A study, "Mongolia's Environment and Its Implications to ADB's Operations," was finished in 2001. The report</li> </ul>	<p><b>UNDP:</b> Focuses on sustainable natural resource management, including two new biodiversity projects in addition to the ongoing Easter Steppe project.</p> <p><b>Germany: GTZ</b> has a strong program on natural resource use and management for sustainable forestry and antidesertification.</p> <p><b>Japan: JICA</b> continues to support environment projects.</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	will be translated into the local language by August and will be published as an ADB document in 2002.	
Regional Cooperation	<ul style="list-style-type: none"> <li>➤ Regional economic cooperation between the People's Republic of China and Mongolia</li> <li>➤ Prevention and control of dust and sandstorms in Northeast Asia</li> </ul>	
Multisector/Other	<ul style="list-style-type: none"> <li>➤ Aid coordination</li> <li>➤ Concept of regional development</li> <li>➤ Study on trade and growth</li> <li>➤ Training of legal professionals</li> </ul>	<p><b>WB:</b> In 2002, the \$5-million Legal Reform Project will create an institutional structure that will eventually absorb the ADB-funded Legal Retraining Center. For 2003, WB envisages a study of growth in the economy and regional development. A new Country Assistance Strategy will be approved in 2003.</p> <p><b>Germany: GTZ</b> concentrates on economic reform and support to market-oriented structures, including economic law, support for small and medium-sized enterprises, and human development.</p> <p><b>UNDP:</b> Supports small-scale activities, including ICT support and industry and trade policy support.</p> <p><b>USAID:</b> Supports civil society and judicial reform, including strengthening of the parliamentary system.</p>

DFID = Department for International Development, EU TACIS = European Union Technical Assistance to the Commonwealth of Independent States, GTZ = German Agency for Technical Cooperation, HIV/AIDs = human immunodeficiency virus/acquired immunodeficiency syndrome, IMF = International Monetary Fund, JBIC = Japan Bank for International Cooperation, JFPR = Japan Fund for Poverty Reduction, JICA = Japan International Cooperation Agency, ICT = information and communication technology, KfW = Kreditanstalt fur Wiederaufbau, MOFE = Ministry of Finance and Economy, NDF = Nordic Development Fund, UN = United Nations, UNDP = United Nations Development Programme, UNFPA = United Nations Population Fund, UNICEF = United Nations Children's Fund, USAID = United States Agency for International Development, WB = World Bank, WHO = World Health Organization.

**Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings**  
(public sector loans, as of 31 December 2001)

Sector	Net Loan Amount		Total		Rating <sup>a</sup>				Potential Problem <sup>b</sup>		At Risk <sup>c</sup>					
	(\$ million)	(%)	(no.)	(%)	Highly Satisfactory (no.)	(%)	Satisfactory (no.)	(%)	Partly Satisfactory (no.)	(%)	Unsatisfactory (no.)	(%)	(no.)	(%)	(no.)	(%)
Agriculture and Natural Resources	34.23	18.2	4	26.7	–	–	4	30.8	–	–	–	–	–	–	–	–
Energy	37.21	19.8	1	6.7	–	–	1	7.7	–	–	–	–	–	–	–	–
Finance	17.12	9.0	2	13.3	–	–	–	–	2	100.0	–	–	1	100.0	2	100
Industry and Nonfuel Minerals	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Multisector	12.01	6.4	2	13.3	–	–	2	15.4	–	–	–	–	–	–	–	–
Others	23.66	12.6	1	6.7	–	–	1	7.7	–	–	–	–	–	–	–	–
Social Infrastructure	40.84	21.7	4	26.7	–	–	4	30.8	–	–	–	–	–	–	–	–
Transport and Communications	23.06	12.3	1	6.7	–	–	1	7.7	–	–	–	–	–	–	–	–
<b>Total</b>	<b>188.13</b>	<b>100.0</b>	<b>15</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>13</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>	<b>–</b>	<b>–</b>	<b>1</b>	<b>100.0</b>	<b>2</b>	<b>100.0</b>

<sup>a</sup> One rating for implementation progress and development objectives, based on the lower rating of either.

<sup>b</sup> Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>c</sup> A loan is "at risk" if it is rated as partly satisfactory, as unsatisfactory, or as a potential problem.

Source: Asian Development Bank estimates.

**Table A1.7: Portfolio Indicators—Disbursements and Net Transfers of Resources**  
(public sector loans, as of 31 December 2001)

<b>Disbursements and Transfers</b>	<b>ADF</b>
<b>Disbursements<sup>a</sup></b>	
Total Funds Available for Withdrawal (\$ million)	148.4
Disbursed Amount (\$ million, cumulative)	56.5
Percentage Disbursed (disbursed amount/total available)	35.1
Disbursements (\$ million, latest year)	21.8
Disbursement Ratio (%) <sup>b</sup>	23.2
<b>Net Transfer of Resources (\$ million)<sup>c</sup></b>	
1997	65.9
1998	29.9
1999	44.5
2000	29.9
2001	27.5

ADF=Asian Development Fund, OCR=ordinary capital resources.

<sup>a</sup> Includes all loans with disbursements during 2001.

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

Source: Asian Development Bank estimates.

**Table A1.8: Portfolio Indicators—Evaluation Rating by Sector**  
(1993–1998)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)	(no.)	(%)
Agriculture and Natural Resources	–	–	–	–	–	–	–	–	–	–	–	–
Energy	–	–	–	–	–	–	–	–	–	–	–	–
Finance	–	–	–	–	–	–	–	–	–	–	–	–
Industry and Nonfuel Minerals	–	–	1	50.0	1	50.0	–	–	–	–	2	100.0
Multisector	–	–	–	–	–	–	–	–	–	–	–	–
Others	–	–	–	–	–	–	–	–	–	–	–	–
Social Infrastructure	–	–	–	–	–	–	–	–	–	–	–	–
Transport and Communications	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	–	–	<b>1</b>	<b>50.0</b>	<b>1</b>	<b>50.0</b>	–	–	–	–	<b>2</b>	<b>100.0</b>

Source: Asian Development Bank project or program performance audit reports.

**Table A1.9: Portfolio Implementation Status**  
(public sector loans, as of 31 December 2001)

No.	Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date	Effective Date	Closing Date		Progress
					OCR	ADF			Original	Revised	
					(\$ million)	(\$ million)	(ddmm/yy)	(dd/mm/yy)	(dd/mm/yy)	(dd/mm/yy)	(%complete)
1	SOC	1508		Education Sector Development Program		8.212	19 Dec 96	07 Mar 97	30 Sep 02		95
2	FIN	1510		Upgrading Skills & Systems of Commercial Banks		2.707	19 Dec 96	21 Jan 97	31 Dec 99	31 Dec 02	83
3	ENE	1548		Ulaanbaatar Heat Efficiency Project		37.207	25 Sep 97	24 Nov 98	30 Jun 03		33
4	SOC	1560		Provincial Towns Basic Urban Services Project		6.479	30 Sep 97	18 Aug 98	30 Jun 02		86
5	SOC	1569		Health Sector Development Project		11.314	04 Nov 97	20 Apr 98	30 Jun 03		85
6	T&C	1700		Second Roads Development Project		23.057	30 Sep 99	02 Mar 00	31 Jan 05		18
7	OTH	1713		Governance Reform Program		23.663	02 Dec 99	02 Mar 00	31 Oct 01	31 Jul 02	–
8	AGR	1736		Cadastral Survey & Land Registration Project		9.058	27 Jan 00	27 Sep 01	31 Dec 07		5
9	FIN	1743		Second Financial Sector Program		14.414	22 Jun 00	11 Dec 01	30 Jun 02		–
10	AGR	1821		Agricultural Sector Development Program		6.812	21 Dec 00	20 Jun 01	30 Sep 03		–
11	AGR	1822		Agricultural Sector Development Project		9.754	21 Dec 00	20 Jun 01	30 Sep 06		0
12	MUL	1836		Social Security Development Project		4.004	28 Aug 01	21 Feb 02	30 Apr 07		–
13	MUL	1837		Social Security Development Program		8.004	28 Aug 01	21 Feb 02	31 Oct 05		–
14	SOC	1847		Housing Finance Sector Loan		14.838	18 Oct 01		30 Jun 07		–
15	AGR	1848		Rural Finance Project		8.606	25 Oct 01		30 Jun 09		–
<b>Total</b>						<b>188.133</b>					

ADF=Asian Development Fund, AGR= agriculture and natural resources, ENE=energy, FIN=finance, MUL=multisector, No.=number, OCR=ordinary capital resources, OTH=other, Seg=segment (pertaining to loans with more than one withdrawal authority), SOC=social infrastructure, T&C=transport and communications.

No.	Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem <sup>a</sup>	At Risk <sup>b</sup>
							IP	DO		
1	SOC	1508		Education Sector Development Program	7.244	7.243	HS	S	No	No
2	FIN	1510		Upgrading Skills & Systems of Commercial Banks	2.448	2.008	PS	S	No	Yes
3	ENE	1548		Ulaanbaatar Heat Efficiency Project	13.425	10.131	HS	S	No	No
4	SOC	1560		Provincial Towns Basic Urban Services Project	6.221	5.897	HS	S	No	No
5	SOC	1569		Health Sector Development Project	9.381	1.269	S	S	No	No
6	T&C	1700		Second Roads Development Project	17.123	12.213	S	S	No	No
7	OTH	1713		Governance Reform Program	12.213	0.200	S	S	No	No
8	AGR	1736		Cadastral Survey & Land Registration Project	0.000	4.831	S	S	No	No
9	FIN	1743		Second Financial Sector Program	4.831	3.397	PS	PS	Yes	Yes
10	AGR	1821		Agricultural Sector Development Program	3.397	0.402	S	S	No	No
11	AGR	1822		Agricultural Sector Development Project	0.000	0.000	S	S	No	No
12	MUL	1836		Social Security Development Project	0.000	0.000	S	S	No	No
13	MUL	1837		Social Security Development Program	0.000	0.000	S	S	No	No
14	SOC	1847		Housing Finance Sector Loan	0.000	0.000	S	S	No	No
15	AGR	1848		Rural Finance Project	0.000	0.000	S	S	No	No
<b>Total</b>					<b>76.283</b>	<b>56.498</b>				

DO=development objectives, HS=highly satisfactory, IP= implementation progress, PS=partly satisfactory, S=satisfactory, U=unsatisfactory.

<sup>a</sup> "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

<sup>b</sup> A loan is considered "at risk" if it is rated as "PS" or "U" in either implementation progress or development objectives, or if it is a potential problem loan.

**Table A1.10: Lending Scenarios and Performance Triggers**

Low Case	Base Case	High Case
The deficit targets agreed upon in the Poverty Reduction and Growth Facility (PRGF) cannot be met. <sup>a</sup>	The Government establishes a program to achieve continued fiscal sustainability, as demonstrated by maintaining fiscal deficits within the targets set by the Government and the International Monetary Fund under the PRGF. <sup>a</sup>	The Government exceeds the target set under the PRGF by achieving lower fiscal deficit levels. <sup>a</sup>
The Government, due to legislative or other difficulties, is not able to adopt a meaningful plan for furthering governance reforms. <sup>b</sup>	The Government adopts a time-bound action plan to implement the second phase of governance reforms. <sup>b</sup>	The Government has made initial progress in implementing the actions outlined in the action plan. <sup>b</sup>
The Government is not able to initiate privatization or restructuring program for key strategic SOEs. <sup>c</sup>	The Government adopts initiatives to privatize or restructure at least two key strategic state-owned enterprises (SOEs). <sup>c</sup>	The Government completes the privatization process, as planned, at least for one key strategic entity. <sup>c</sup>
The share of "projects at risk" exceeds the Asian Development Bank (ADB) average among all the Asian Development Fund (ADF) borrowing member countries.	The share of "projects at risk" in the Mongolia portfolio is not higher than that of the ADB average among all the ADF borrowing member countries.	The portfolio performance, measured in terms of "projects at risk," is significantly better than that of the average of all ADF borrowing member countries.

<sup>a</sup> In the last CSPU, this performance target was set against a successful agreement between the Government and the IMF for the PRGF.

<sup>b</sup> In the last CSPU, this performance target was set against the legislative process for the Public Sector Management Finance Law which has been enacted.

<sup>c</sup> This is a newly introduced target.

Source: 2002 ADB Country Programming Mission to Mongolia

**Table A1.11: Assistance Pipeline for Lending Products, 2003–2005**

Sector Project/Program Name	Poverty Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$million)				
						ADB			Gov't	Cofi- nancing
						OCR	ADF	Total		
<b>2003 Firm Loans</b>										
<b>Agriculture</b>										
Crop Production Project	PI	ECO	ECAE	2001	17.5	14.0	14.0	3.5		
<b>Subtotal</b>					<b>17.5</b>	<b>14.0</b>	<b>14.0</b>	<b>3.5</b>		
<b>Social Infrastructure</b>										
Second Health Sector Development	CPI	HD	ECSS	2001	17.5	14.0	14.0	3.5		
<b>Subtotal</b>					<b>17.5</b>	<b>14.0</b>	<b>14.0</b>	<b>3.5</b>		
<b>Finance</b>										
Governance Reform Program II	OTH	GG	ECGF		22.5	18.0	18.0	4.5		
<b>Subtotal</b>					<b>22.5</b>	<b>18.0</b>	<b>18.0</b>	<b>4.5</b>		
<b>Total</b>					<b>57.5</b>	<b>46.0</b>	<b>46.0</b>	<b>11.5</b>		
<b>2004 Firm Loans</b>										
<b>Transport</b>										
Road Development Project III	OTH	ECO	ECID	2002	25.0	20.0	20.0	5.0		
<b>Subtotal</b>					<b>25.0</b>	<b>20.0</b>	<b>20.0</b>	<b>5.0</b>		
<b>Finance</b>										
Financial Sector Program III	OTH	ECO/GG	ECGF	2003	17.5	14.0	14.0	3.5		
<b>Subtotal</b>					<b>17.5</b>	<b>14.0</b>	<b>14.0</b>	<b>3.5</b>		
<b>Total</b>					<b>42.5</b>	<b>34.0</b>	<b>34.0</b>	<b>8.5</b>		
<b>2005 Firm Loans</b>										
<b>Social Infrastructure</b>										
Education Sector Development Project III	PI	HD	ECSS	2003	17.5	14.0	14.0	3.5		
Urban Development III	PI	HD	ECSS	2003	25.0	20.0	20.0	5.0		
<b>Total</b>					<b>42.5</b>	<b>34.0</b>	<b>34.0</b>	<b>8.5</b>		

ADB=Asian Development Bank; ADF=Asian Development Fund; CPI=core poverty intervention; ECAE=Agriculture, Environment and Natural Resources Division; ECGF=Governance, Finance, and Trade Division; ECID=Infrastructure Division; ECO=economic growth; ECSS=Social Sectors Division; GG=good governance; HD=human development; OCR=ordinary capital resources; OTH=others; PI=poverty intervention.

Table A1.12: Assistance Pipeline for Nonlending Products, 2003–2005

Sector	Responsible	Assistance	Sources of Funding				Total
			ADB		Others		
Assistance Name	Division	Type	Source	Amount (\$'000)	Source	Amount (\$'000)	(\$'000)
2003							
<b>Agriculture</b>							
1. Agriprocessing Project	ECAE	PP	TA	500			500
<b>Subtotal</b>				<b>500</b>			<b>500</b>
Finance							
1. Financial Sector Strategy	ECGF	PP	TA	500			500
2. Capacity Building for Portfolio Management	COPP/MNRM	ID	TA	300			300
<b>Subtotal</b>				<b>800</b>			<b>800</b>
<b>Social Infrastructure</b>							
1. Urban Development III	ECSS	PP	TA	650			650
2. Education Sector Development III	ECSS	PP	TA	500			500
<b>Subtotal</b>				<b>1,150</b>			<b>1,150</b>
<b>Others</b>							
1. Study on Source of Growth and Strategic Planning	ECOC	ETSW	TA	500			500
2. Support for Implementation of Poverty Reduction Strategy (Jointly with the World Bank)	MNRM/ECOC	ETSW		150			150
3. Poverty Assessment	ECOC	ETSW	Budget	30			30
4. Payment Facility for the Poor and Small Traders at the PRC/MON Border	ECOC	ETSW			PRF	500	500
<b>Subtotal</b>				<b>680</b>			<b>1,180</b>
<b>Total</b>				<b>3,130</b>			<b>3,630</b>
<b>Subregional</b>							
<b>Others</b>							
1. Capacity Building in Priority Areas of Regional Cooperation <sup>a</sup>	ECOC	RETA		800			800

Sector Assistance Name	Responsible Division	Assistance Type	Source	Sources of Funding		Total (\$'000)
				ADB Amount (\$'000)	Others Amount (\$'000)	
2004–2005						
<b>Agriculture</b>						
1. Capacity Building for Ministry of Food and Agriculture	ECAE	ID	TA	500		500
<b>Subtotal</b>				<b>500</b>		<b>500</b>
<b>Social Infrastructure</b>						
1. Health Sector Development III	ECSS	PP	TA	600		600
2. Housing Finance (Sector) Project II	ECSS	PP	TA	600		600
3. Capacity Building for Environmental Management for Urban Development	ECSS	ID	TA	500		500
<b>Subtotal</b>				<b>1,700</b>		<b>1,700</b>
<b>Transport and Communications</b>						
1. Capacity Building for Cross-Border Traffic Management in the Road Sector	ECID/ECOC	ID	TA	600		600
<b>Subtotal</b>				<b>600</b>		<b>600</b>
<b>Others</b>						
1. Capacity Building for Managing Integrated Development for Selected Economic Centers	ECSS	ID	TA	600		600
2. Support for Promoting Cross-Border Trade	ECGF/ECOC	ID	TA	500		500
3. Promotion of the Privatization Initiatives	MNRM/ECGF	ID	TA	600		600
<b>Subtotal</b>				<b>1,700</b>		<b>1,700</b>
<b>Total</b>				<b>4,500</b>		<b>4,500</b>

ADB=Asian Development Bank; ADF=Asian Development Fund; COPP= Project Coordination and Procurement Division; ECAE=Agriculture, Environment and Natural Resources Division; ECGF=Governance, Finance and Trade Division; ECID=Infrastructure Division; ECOC= Operations and Coordination Division; ECSS=Social Sectors Division; ETSW= Economic, Thematic and Sector Work; ID=Institutional Development; MNRM=Mongolia Resident Mission; OCR=ordinary capital resources; OGC=Office of the General Counsel; PP=Program or Project Preparatory; PSOD=Private Sector Operations Division.

<sup>a</sup> Amount covers seven countries, namely, Azerbaijan, People's Republic of China, Mongolia, Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. Source: Asian Development Bank.

## CONCEPT PAPERS FOR LENDING PRODUCTS

This appendix contains the concept papers for the following lending products:

- (i) Table A2.1: Crop Production Project
- (ii) Table A2.2: Second Health Sector Development
- (iii) Table A2.3: Governance Reform Program II
- (iv) Table A2.4: Road Development Program III
- (v) Table A2.5: Financial Sector Program III
- (vi) Table A2.6: Education Sector Development Project III
- (vii) Table A2.7: Urban Development III

**Table A2.1: Crop Production Project  
Concept Paper**

**Date: 8 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment, and Natural Resources Division/ East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Tokeshi</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> 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 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>										

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.

**b. Goal and purpose:** 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.

**c. Components and outputs:** To be determined

**d. Expected results and deliverables:** To be determined

**e. Social or environmental issues or concerns:** Poverty reduction will be the main focus of the project. Crop sector improvements will allow absorption of the unemployed by the sector.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** Ministry of Agriculture and Food

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
 Lending: 2003  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory):  
 Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
 Lending:  
 Nonlending:  
 Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources: \$
  - Asian Development Fund: \$14 million
  - Other: \$

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds
    - TA Special Fund: \$
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT: \$

JFPR: \$

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, PPTA = project/program preparatory technical assistance, RRP = report and recommendation of the President, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.2: Second Health Sector Development  
Concept Paper**

**Date: 8 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> T. Yasukawa</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Since 1997, ADB has helped the Government reform its health system by providing the first and second health sector development projects (HSDP). With the assistance of the first HSDP, the Government introduced family group practice (FGP) in urban and provincial capital areas, weighted capitation-based budget allocation, and hospital boards for creating autonomous hospitals. To implement policy and structural changes, the Government also invested in the system to strengthen service capacity by rehabilitating health facilities, providing equipment, and training family group practices. Under the second HSDP, the Government intends to strengthen rural health services, focusing on quality improvement, human resource development (HRD), community participation, and poverty reduction. Information and communication technology (ICT) will be a major component of HRD. As a second objective, it also aims to consolidate achievements in health reform. The PPTA for the third HSDP will be built on efforts of previous assistances.</p>										

**b. Goal and purpose:** The goal is to improve health status nationwide. The purpose is to reinforce equitable, responsive, and sustainable health sector development.

**e. Components and outputs:**

The project will strengthen rural health services delivery at the rural *soum* (district) and community levels. To increase access to and quality of health services in rural areas, the project will (i) rehabilitate and equip *soum* facilities; (ii) make training available to rural health workers through the use of ICT for on-the-job training and distance learning, and through other measures; and (iii) arrange financial sustainability for *Soum*- and community-level activities. The project will also consolidate the reform initiatives assisted by the first HSDP. To do this, the project will establish a monitoring and study group at the Ministry of Health (MOH) with a wide network of academics, doctors and/or nurses associations, and service beneficiaries. This group will set up indicators to monitor reform status and measure reform impacts, and continue policy dialogues. Indicators will assess access to and performance of FPGs, hospital rationalization, and health insurance performance and sustainability, among other things. This mechanism will be used to monitor the work of rural activities.

**f. Expected results and deliverables:**

- (i) Rural health services will improve.
- (ii) ICT networks will be established at the district level while connected within districts and with the province and national levels.
- (iii) More health workers will be willing to work in rural areas.
- (iv) Poor and vulnerable groups will receive appropriate health services.

**e. Social or environmental issues or concerns:** Not applicable

**f. Plans for disseminating results/deliverables:** A monitoring and study mechanism is to be set up by the project, and a health sector study and an RRP are to be published.

**7. Proposed executing/implementing agencies:** Ministry of Health

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

Ministry of Health, health workers associations, local governments, community representatives, and NGOs will be involved in the review of achievements of and constraints on the health reform process, and in the design of a project proposal through interviews, surveys, meetings, and workshops.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending: First quarter, 2003
  - Nonlending (project preparatory):
  - Nonlending (other than project preparatory):
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
  - Lending: 5 years
  - Nonlending:
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources: \$
  - Asian Development Fund: \$14 million
  - Other: \$

If cofinancing is required, indicate sources, and amount sought:  
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget: \$
- Grant TA funds
  - TA Special Fund: \$
  - Japan Special Fund:
  - Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required, indicate sources, and amount sought:  
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT: \$
- JFPR: \$

If cofinancing is required, indicate sources, and amount sought:  
 If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization, PPTA = project/program preparatory technical assistance, RRP = report and recommendation of the President, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.3: Governance Reform Program II  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input checked="" type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Public Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance, and Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> R. Subramaniam</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Government, with ADB's support, embarked on a major public sector governance reform program in 1999. Loan 1713-MON: Governance Reform Program (GRP), approved for \$25 million on 2 December 1999, supported the initial pilot phase of reforms in 1999–2002, with focus on (i) improving aggregate fiscal discipline, (ii) improving public sector budget formulation and execution, (iii) strengthening the public sector's operational efficiency, and (iv) preparing the groundwork for continuing reforms. All the key elements of the pilot phase have been successfully implemented, and Parliament is discussing a law on public sector resource management. ADB has committed to support the Government's initiatives in furthering governance reforms, and the country strategy includes such interventions.</p>										

**b. Goal and purpose:** The proposed GRP-II will aim to rationalize the public sector, focusing primarily on the civil service. The public sector is large, given the country's relatively small population of 2.5 million, in that it has over 7,000 distinct entities that rely on budget support. GRP-II will expand the reform measures introduced in the first phase to cover the whole of the civil service, to enhance transparency and accountability.

**c. Components and outputs:** (i) Implementation of reforms envisaged under the transitional arrangements to implement the Public Sector Management and Finance Law; (ii) introduction of accrual-based accounting systems in the public sector; (iii) streamlining of operational and fiscal relations between the central and local governments; (iv) a comprehensive core/noncore functional review of the whole civil service; and (v) measures to gradually consolidate key functions of the civil service, to reduce distinct administrative units at different levels of the Government.

**d. Expected results and deliverables:** GRP-II will promote the public sector governance reform agenda. While specific quantitative targets to reduce the size of the civil service need to be set, the Program is expected to significantly rationalize this sector.

**e. Social or environmental issues or concerns:** Implementation of any consolidation measures may lead to retrenchment in the public sector. As in GRP-I, the Government is expected to set aside sufficient budgetary allocations for any adverse social impact stemming from the program measures. No adverse environmental impact is expected.

**f. Plans for disseminating results/deliverables:** As in GRP-I, continuous public consultation processes will be in place in GRP-II.

**7. Proposed executing/implementing agencies:** Ministry of Finance and Economy and the Cabinet Secretariat

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Despite changes in the composition of Parliament and the Government, successive governments have been active in formulating and implementing the reform measures under GRP-I and the various TA projects. The Government embraced New Zealand-type comprehensive public sector management reforms.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001/2002
- b. Expected date of submission for approval
  - Lending: June 2003
  - Nonlending (project preparatory): August 2002
  - Nonlending (other than project preparatory):
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistances
  - Lending: June 2003–December 2005
  - Nonlending: October 2002–May 2002
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund: \$18 million
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

## b. For nonlending

- No resources required, other than ADB staff  
 ADB's administrative budget:  
 Grant TA funds

- TA Special Fund:  
 Japan Special Fund: \$600,000  
 Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

## c. For projects financed by

- JFICT:  
 JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.4: Road Development Program III  
Concept Paper**

**Date: 11 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Road Subsector</p> <p>b. For project preparatory and lending, classification</p> <p>    <input checked="" type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> P. Seneviratne</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>Background/linkage to country/regional strategy:</b> The first ADB loan in the roads sector in Mongolia for improving the 300-km Ulaan Baatar-Altanbulag highway from the capital to the Russian border was approved in 1995. Today, the road carries about 40% more traffic than before implementation and provides a real alternative for trade and travel between Russia and Mongolia. In 1999, ADB approved Loan 1700-MON: Second Roads Development Project, which will upgrade the existing track from Nalaih (outskirts of Ulaan Baatar) to Choir. This road forms part of the principal north-south track in Mongolia, extending from Zamyn Uud (at the Chinese border in the south) and Altanbulag (at the Russian border in the north). This corridor has also been designated by UNESCAP as part of the Asian highway network.</p>										

**b. Goal and purpose:** The proposed project will upgrade the remaining 430 kilometers (km) of the north-south corridor that lies between between Choir and Zamyn Uud. It will provide faster, safer and more reliable domestic and international road transport. In addition to fostering regional trade, it will provide access to people of southern Gobi region to better educational and health services in Ulaan Baatar, Sainshand and Zamyn Uud.

**c. Components and outputs:** (i) 430 km of paved road constructed to Asian Highway standards; (ii) Advisory technical assistance aimed at improving safety and road maintenance management practices; (iii) Improvements to cross-border transport through implementation of automated customs clearance and vehicle inspection systems; (iv) Strategy for developing road transport and logistics services in Mongolia.

**d. Expected results and deliverables:** The completion of the project will result in the first continually paved international road in Mongolia, facilitating domestic and international transport at 50% less time than at present.

**e. Social or environmental issues or concerns:** The project will create employment for local communities during construction and subsequently in periodic and routine maintenance activities.

**f. Plans for disseminating results/deliverables:** not Applicable

**7. Proposed executing/implementing agencies:** Department of Roads

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
Counterpart funds

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2004

b. Expected date of submission for approval  
Lending: December 2003  
Nonlending (project preparatory):  
Nonlending (other than project preparatory):  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance(s)  
Lending: 2004–2006  
Nonlending:  
Activities financed by JFICT or JFPR

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund: \$20 million
  - Other: Counterpart, \$10 million; cofinancing, \$15 million

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund:
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought: \$15 million, source not yet known  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, km = kilometer, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.5: Financial Sector Program III  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input checked="" type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: <b>Financial</b> Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance, and Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The Government, with support from multilateral financial institutions, has been reforming the financial sector reforms since 1995. Mongolia was among the first few transition economies to liquidate unviable state-owned banks. ADB had a lead role through the Financial Sector Program (FSP), approved in 1996, under which the Government strengthened banking sector supervision, liquidated and restructured four unviable banks, and established the Mongolian Asset Restructuring Agency to deal with problem assets. Subsequently, in 1999–2000, ADB and the World Bank undertook a joint financial sector assessment, which formed the basis for a joint program of assistance. World Bank approved its first FSP for Mongolia. In 2000, ADB approved its FSP-II, which addresses corporate governance problems in the banking sector and supports the Government's initiative to strengthen the legal and regulatory framework for the nonbank financial sector. The World Bank's FSP is focused primarily on some banking sector impediments.</p>										

The ongoing Country Assistance Program Evaluation for Mongolia has demonstrated that it is essential to formulate a comprehensive financial sector reform plan, targeting orderly growth of banks and nonbank financial institutions (NBFIs).

**b. Goal and purpose:** The proposed FSP-III will aim to enhance banking sector resilience by (i) facilitating consolidation and thereby supporting the emergence of a core of sound banks; (ii) providing competing means of long-term financial intermediation by strengthening public capital markets; and (iii) enhancing the financial viability of the pension system by introducing nonstate supplementary pensions.

**c. Components and outputs:** (i) Privatization and consolidation within the banking sector; (ii) strengthening of risk management, given the predominance of small and informal borrowers in the economy; (iii) enhancement of confidence in public capital markets through sound clearance and settlement systems, supported by financially stable banking institutions; (iv) improvement of enforcement of existing regulations in the capital markets; (v) adoption of a legal framework for supplementary private pensions; and (vi) operational support for introducing either sector or occupational private pensions to ease the burden on the state pension system.

**d. Expected results and deliverables:** FSP-III will support the adoption of some critical second-generation financial reforms. Subject to stable macroeconomic growth maintained at 4-5%, the Program will support the emergence of a strong public capital market.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** FSP-III will include components for continuous dialogue with parliamentarians and other stakeholders.

**7. Proposed executing/implementing agencies:** Bank of Mongolia; Securities and Exchange Commission; Ministry of Finance and Economy; and Social Insurance General Office

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** All key government agencies have been active in adopting reform measures. The need to strengthen alternative forms of financial intermediation is evident. Given the dispersed population, the Government wants to ensure that banks and NBFIs reach out to serve the entire population, but in a viable manner.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2001/02
- b. Expected date of submission for approval
  - Lending: June 2004
  - Nonlending (project preparatory): January 2003 (Financial Sector Strategy—PPTA for FSP-III)
  - Nonlending (other than project preparatory):
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistances
  - Lending: June 2004–December 2006
  - Nonlending: April 2003–December 2003
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund: \$14 million
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

## b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
  - TA Special Fund:
  - Japan Special Fund: \$500,000
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

## c. For projects financed by

- JFICT:
- JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.6: Education Sector Development Project III  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Education Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input checked="" type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input checked="" type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> E. Izawa</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Since 1991, Mongolia has made considerable progress in terms of political stabilization, economic growth and in restructuring the social sector - in close cooperation with ADB and other development partners - to ensure continued access to services. However, because of major cuts in their expenditures during the transition period, the education sector still experiences a serious lack of finance and management capacity and quality and quantity of education at all levels requires improvement, particularly for poorer communities. In order to address these problems and to meet the Millennium Development Goals for education the Government is planning to develop a new sector development framework to succeed the Education Sector Strategy 2000-2005 (developed with ADB assistance) to guide education development. As Mongolia still relies on external assistance for education, the Government intends to concretize a more effective and unified framework of donor coordination, namely the sector-wide approach in</p>										

education sector, to enhance the efficiency of external resource utilization. The PPTA will support the Government in realizing the concept of sector-wide approach in Mongolia. This has a direct linkage of ADB strategy of promoting greater partnership with national and international development partners and can be a model approach of donor coordination applicable to other central Asian countries.

**b. Goal and purpose:** This TA will support the Government in the achievement of the Millennium Development Goals through developing an appropriate strategic framework. It will also identify further investment needs in the sector for implementing the sector-wide approach in education and in promoting capacity building for planning and managing more comprehensive educational input and activities.

**c. Components and outputs:** The TA will yield (i) a strategic framework for education sector development; (ii) a feasibility study on investment needs and (iii) enhanced capacity of government officials and key stakeholders for education policy formulation.

**d. Expected results and deliverables:** The TA will help the Government of Mongolia to conceptualize its own strategy of sector-wide approach and to identify the foreseen issues. It also can provide the solid foundation for further support from ADB.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Both Ministry of Education, Culture and Science and local educational authorities including schools and institutions will be actively involve in TA activities and will share the result and benefit of project for their future actions and policy planning.

**7. Proposed executing/implementing agencies:** Ministry of Education, Science and Culture (MOECS) and local educational authorities

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** MOECS and ADB have had extensive policy dialogue since 2000 on developing a new sector strategy and moving to sector-wide approaches, with the involvement of principal development partners. In February 2002, the concept was discussed and endorsed at a meeting of education donors and MOECS in Mongolia.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory): 2003 QIV  
Nonlending (other than project preparatory):  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: 24 months (over two phases)  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

- No resources required, other than ADB staff
- ADB's administrative budget:
- Grant TA funds
  - TA Special Fund: \$500,000
  - Japan Special Fund:
  - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT:
- JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A2.7: Urban Development III  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input checked="" type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> K. Choe</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> In sparsely populated Mongolia, sustained regional development and support for the hinterlands depends largely on the administration and economy of the provincial centers. Most opportunities for agroprocessing and nonagricultural work are found in these centers. Therefore, their infrastructure services must be adequate. Short of capital for rehabilitation and periodic maintenance, urban service infrastructure is, however, seriously dilapidated and in urgent need of repair. In line with the emphasis on "growth with poverty reduction" in the Poverty Partnership Agreement, the Project will support the Regional Development Policy and Action Program of the Government by focusing on selected provincial towns where economic growth will have high multiplier effects on the regional economy.</p>										

**b. Goal and purpose:** (i) Promote balanced regional development and (ii) improve health and living conditions in provincial capitals

**c. Components and outputs:** Water supply, sewer connections, public baths, solid waste collections, district heating, and small air port facilities.

**d. Expected results and deliverables:** Three towns selected for economic growth centers will have improved infrastructure services.

**e. Social or environmental issues or concerns:** Not applicable

**f. Plans for disseminating results/deliverables:** Not applicable

**7. Proposed executing/implementing agencies:** Ministry of Infrastructure/ Government Implementing Agency for Construction, Urban Development, and Public Utilities

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The investment components will be prioritized through community consultation.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
 Lending: 2005  
 Nonlending (project preparatory): 2003  
 Nonlending (other than project preparatory):  
 Activities financed by JFICT or JFPR:

c. Period and duration of assistance(s)  
 Lending: 5 years, 2005–2009  
 Nonlending: 8 months, 2003  
 Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund: \$20 million
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund:
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT: \${amount}

JFPR: \${amount}

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

## CONCEPT PAPERS FOR NONLENDING PRODUCTS

This appendix contains the concept papers for the following nonlending products:

- (i) Table A3.1: Agriprocessing Project
- (ii) Table A3.2: Capacity Building for Portfolio Management
- (iii) Table A3.3: Study on Source of Growth and Strategic Planning
- (iv) Table A3.4: Support for Implementation of Poverty Reduction Strategy
- (v) Table A3.5: Poverty Assessment
- (vi) Table A3.6: Payment Facility for the Poor and Small Traders at the PRC/MON Border
- (vii) Table A3.7: Capacity Building in Priority Areas of Regional Cooperation
- (viii) Table A3.8: Capacity Building for Ministry of Food and Agriculture
- (ix) Table A3.9: Health Sector Development III
- (x) Table A3.10: Housing Finance (Sector) Project II
- (xi) Table A3.11: Capacity Building of Environmental Management for Urban Development
- (xii) Table A3.12: Capacity Building for Cross-Border Traffic Management in the Road Sector
- (xiii) Table A3.13: Capacity Building for Managing Integrated Development for Selected Economic Centers
- (xiv) Table A3.14: Support for Promoting Cross-Border Trade
- (xv) Table A3.15: Promotion of Privatization Initiatives

**Table A3.1: Agriprocessing Project  
Concept Paper**

**Date: 17 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector: Livestock</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment, and Natural Resources Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Tokeshi</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> In 1990, Mongolia's transition to a market economy inflicted severe shocks on the economy and the social system. Aid from the former Soviet Union (estimated as 30% of GNP) declined and was terminated by 1991, and Mongolia was cut off from concessional supplies and raw materials (particularly petroleum) and from markets in the former Soviet bloc. This led to a steep fall in the value of exports (from \$739.1 million in 1988 to \$348 million in 1991). Inflation soared (&gt;326% in 1993). Some private banks collapsed and people lost their savings. State industries faced shortages in working capital and raw materials, fell below capacity, and collapsed, resulting in worker lay-offs. Shortages of domestic and imported consumer goods occurred with the decline of national industry and people's purchasing power. In</p>										

1990–1993, real wages in industry fell by one fifth, and in agriculture and services by one third. By 1996, real average wages had dropped 40% below 1991 levels.

The collapse of the economy was devastating to many Mongolians. Unemployment and poverty, almost unknown in the command-economy era, soared. During 1989–1998, urban lay-offs and job losses drew people to the countryside, decreasing the urban population from 57% of the total to 49.6%. Herding was the main source of income, and livestock numbers increased from 25.8 million heads in 1990 to a maximum of 33.6 million head in 1999, even though most households held only subsistence-level herds. Other households moved to *soum* (districts), obtained small plots of land, and grew vegetables for family consumption and sale. Agriculture shifted back to household production rather than to modern agribusiness. Without adequate pasture management and a dairy and meat processing industry that could absorb the large numbers of livestock, the carrying capacity of pastures has been largely exceeded, leading to overgrazing, with dire consequences for crop production and the environment (land degradation).

Agriculture is vital for the entire country, not only for the two thirds of Mongolians who live outside Ulaanbaatar. Mongolia's economy is small, with a GDP of MNT1,045 million (\$950 million), equivalent to MNT437,972 (\$398) per capita. Agriculture's share of GDP was 33.4% in 2000, followed by wholesale and retail trade, with 23.4%. No other sector contributed more than 9.5% to GDP. Consecutive *dzud* (severe winter) and drought in 1999/00 lowered the total value of agricultural production from MNT252.4 million to MNT210.1 million, and agriculture's contribution to GDP declined by 16.8%. As a result, after over 3.2% annual GDP growth since 1997, it fell to 1.1% in 2000, underscoring the risk in the agriculture industry and the secondary effects this has upon the national economy.

Despite the importance of the agricultural sector, it receives only 1.8% of government spending, leading to deterioration of infrastructure and services needed to develop the sector. Privatized veterinary and extension services struggle to survive in a market that is dominated by poor households operating in a barter economy. Agricultural research is constrained by a shortage of funding and cannot facilitate the innovation in livestock productivity, crop varieties, or agricultural products needed to help the system shift to sustainable production in a market economy. Irrigation schemes, which used to service 50,000 ha, have fallen into disuse and now service only 4,000 ha.

ADB has supported the development of agriculture 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; TA 2819-MON: Agricultural Sector Development Program, 1997; Loan 1736-MON: Cadastral Survey and Land Registration, 2000; Loan 1821-MON: Agriculture Sector Development Program, 2000; Loan 1848-MON: Rural Finance Project; and TA 3686-MON: Crop Production Project, 2002.

**b. Goal and purpose:** The goal of the project is to decrease the pressure on the land due to overgrazing. The purpose is to develop a feasible and sustainable agroprocessing industry able to absorb the excess livestock that is leading to overgrazing.

**c. Components and outputs:** The tentative components and outputs will be the following:

- (i) Feeding and breeding
  - (a) Breeding improvement through development of breeds for dairy and meat processing
  - (b) Fodder improvement
  - (c) Pasture management
- (ii) Abattoir
  - (a) In-plant quality control
  - (b) Efficient management of abattoir plant
- (iii) Market development

**d. Expected results and deliverables:** The PPTA will help continue ADB support to the agriculture sector by preparing a project that will develop agribusiness focused on livestock (feeding, breeding, processing, and marketing). This project is expected to promote livestock processing, which will stem overgrazing, create jobs, and increase exports. The project will continue to strengthen and expand the results in the livestock subsector obtained by Loan 1822-MON: Agriculture Sector Development Project and TA 3686-MON: Crop Production

Project. Deliverables will include better feeding systems, improved livestock breeds, efficient pasture management, sustainable dairy and meat processing, and development of market opportunities.

**e. Social or environmental issues or concerns:** The project will aim to reduce the number of livestock and increase income opportunities for herders by improving the use of livestock by herders, who will need fewer animals to increase their income. The dairy and meat-processing industries' forward and backward linkages with the agriculture sector will create jobs. The expected reduction in the number of livestock will benefit the environment as overgrazing is reduced.

**f. Plans for disseminating results/deliverables:** Workshops and roundtables will be organized with the stakeholders and funder community.

**7. Proposed executing/implementing agencies:** Ministry of Food and Agriculture

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Consultations have been made with the (i) Ministry of Food and Agriculture; (ii) Ministry of Finance and Economy; (iii) farmers and herders in the western and north-central regions of Mongolia; (iii) donor community; and (iv) NGOs: Union of Mongolian Production and Service Cooperatives Association, Liberal Women's Brain Pool, and Mongolian Employers' Federation.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory): April 2003

Nonlending (other than project preparatory):

Activities financed by JFICT or JFPR:

c. Period and duration of assistance

Lending:

Nonlending: 5 months (July–November 2003)

Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

TA Special Fund: \$

Japan Special Fund: \$500,000

Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, ha = hectare  
JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction,  
NGO = nongovernment organization, PPTA = project/program preparatory technical assistance SCSP = subregional  
cooperation strategy and program, TA = technical assistance.

**Table A3.2: Capacity Building for Portfolio Management  
Concept Paper**

**Date: 10 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Project Coordination and Procurement Division/Central Operations Services Office and Mongolia Resident Mission</p>										
<p><b>5. Responsible ADB officer(s):</b> P. Lizot</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Public procurement in Mongolia is regulated in accordance with the Public Procurement Law of Mongolia (PPLM), developed under TA 3031-MON and enacted in April 2000, and associated guidelines, and under the Procurement Policy and Coordination Division (PPCD), established in June 2000. The PPLM promotes the basic principles of transparency, open and fair competition, economy, and efficiency in procurement. TA 3628-MON has created sustainable institutional capacity that can control and efficiently monitor public procurement in accordance with the PPLM by helping (i) PPCD implement the PPLM, and (ii) the line ministries and government entities (executing agencies) monitor procurement and implementing procedures. PPCD (i) provides advice and guidance on procurement and implementation, including procedures for prequalification of contractors, bidding, bid evaluation, and award of contracts; (ii) promotes transparency as well as insures and guarantees the integrity of government procurement by all parties;</p>										

(iii) supports the Prime Minister's priorities for transparency and anticorruption policies; (iv) develops and maintains a centralized computer database (CCD), including registration of contractors, suppliers, and consultants, and recording of actions through a project implementation and monitoring system (PIMS); (v) disseminates information on government procurement; and (vi) provides training.

**b. Goal and purpose:** Support procurement system development. Further assistance and support are essential to enhance the value for money of public funds as well as increase the trust of the public and business community in the Government.

**c. Components and outputs:**

- (i) Develop a long-term national training plan with quantified requirements for facilities, trainers, and staff to be trained. The plan will include an assessment of training needs and of capabilities required to implement a program to address them. The capabilities of a predefined government institution or university will be evaluated to determine the role they may play in long-term oversight of training needs.
- (ii) Design and prepare an immediate local program for "training of trainers" who can train project and procurement staff to train targeted procurement staff managing investment projects.
- (iii) Recommend revisions to civil service regulations to establish a system of certification, discipline, and sanctions for procurement professionals. The revisions will address issues of independence and accountability, and include provisions for upgrading and promotion to allow for advancement and retention of civil servants pursuing a career in procurement. The revisions will be approved by the Government and implementation initiated during the TA.
- (iv) Develop a computer-based training (CBT) module to supplement and support the procurement training conducted by PPCD during TA 3628. The CBT module will serve as reference, training material (self-paced tutorial), and templates. The module will contain policies and procedures, including documents and publications governing the PPLM, sample applications of the law, step-by-step procedure of procurement, self-tests or practice tests, templates for preparation of all procurement documents, other documents and publications, and a copy of the PIMS software. The CBT module will be distributed to all line ministries, government agencies, *aimag* (province), and can be made available to private sector.
- (v) Test the PIMS, which was initiated as part of the development of the CCD. The database will be tested using data from projects and will then be implemented in all government agencies and line ministries. Information from all government agencies and line ministries will be consolidated at PPCD for monitoring of government projects and procurement activities.
- (vi) Review and recommend amendments to the PPLM and the guidelines in light of new developments and the role of PPCD and policymakers in relation to implementers of procurement actions.

**d. Expected results and deliverables:** The project will strengthen the Government's capability to carry out procurement, and improve project implementation, reduce corruption, and contribute to better governance. The project will (i) develop a long-term national training plan, (ii) design and prepare a local program for training of trainers, (iii) recommend revisions to civil service regulations to establish a system of certification, (iv) develop a CBT module, (v) test the PIMS, and (vi) review and recommend amendments to the PPLM.

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:**

**7. Proposed executing/implementing agencies:** Ministry of Finance and Economy

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2003

- b. Expected date of submission for approval: 2003  
 Lending:  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory): 2003  
 Activities financed by JFICT or JFPR:
- c. Period and duration of assistance  
 Lending:  
 Nonlending: January–December 2003  
 Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$300,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT:
  - JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.3: Study on Source of Growth and Strategic Planning  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> Y. Fei; Y. Fernandez Lommen</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Slow economic growth hinders poverty reduction in Mongolia. A comprehensive study is needed on the source of growth to reformulate the CSP.</p> <p><b>b. Goal and purpose:</b> The goal of the intervention is to help the country formulate a strategy to accelerate sustainable economic growth to reduce poverty. The purpose of the TA will be to (i) identify the options, (ii) formulate a strategy for growth promotion, and (iii) strengthen the strategic planning capacity of the Government.</p> <p><b>c. Components and outputs:</b> (i) Comprehensive economic analysis, (ii) an agreed-upon strategy for growth stimulation, and (iii) capacity building for strategic planning</p> <p><b>d. Expected results and deliverables:</b> A strategy agreed upon between the Government and ADB on policy direction and sectoral focus for development activities to accelerate growth for poverty reduction</p>										

**e. Social or environmental issues or concerns:** To be studied under the TA

**f. Plans for disseminating results/deliverables:** The final report will be widely disseminated and the recommendations incorporated in the CSP.

**7. Proposed executing/implementing agencies:** Ministry of Finance and Economy

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

The TA concept was developed based on the consultation with the Government represented by Ministry of Finance and Economy, and the NGOs during the Country Programming Mission in 2002.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): February 2003

Activities financed by JFICT or JFPR:

c. Period and duration of assistance

Lending:

Nonlending: May–October 2003

Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

TA Special Fund:

Japan Special Fund: \$500,000

Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.4: Support for Implementation of Poverty Reduction Strategy  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Poverty Reduction</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Poverty Reduction	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Poverty Reduction										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Mongolia Resident Mission and Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The second annual review of the Poverty Partnership Agreement (PPA) with Mongolia noted some improvements in non-income measures of poverty, but also an alarming persistence in the incidence of income poverty. The PPA sets out mutual goals for poverty reduction through specific targets, which have since been updated to reflect the Millenium Development Goals. These targets also feature in the Government's draft Poverty Reduction Strategy Paper (PRSP) – a comprehensive plan for addressing poverty developed by the Government with financial and technical assistance from the World Bank, and inputs from other donors and civil society. The PRSP (i) analyzes the nature, dimensions and determinants of living standards, (ii) through an ongoing participatory process, reaches consensus on priority poverty reduction and economic growth goals, (iii) enunciates a strategy that links desired poverty reduction outcomes with priority public policies and reforms, (iv) and presents an implementation plan for these policies</p>										

and reforms. As such, the PRSP serves as a vehicle for articulating the country's long-term strategy for improving living standards and defines specific priorities for human development and growth enhancement. One of the key external objectives of such a comprehensive approach is to ensure that the many donor agencies active in Mongolia work better together, by providing a common framework for assistance. The draft PRSP was presented at the July Consultative Group meeting in Ulaanbaatar. The Government hopes to finalize the strategy by year end. While some sectors are well covered, others need improvement. ADB has a compelling interest to join with the World Bank in assisting the Government with finalization of the PRSP – particularly in the governance and social sectors (public administration reform, education, health, and social security) where we are the lead donor agency and planning future interventions. With a number of other agencies providing or planning to provide assistance in these areas, there is a real risk of confusion, overlapping mandates, and development of multiple, sometimes conflicting strategies and policies in each sector. Thus our involvement is also intimately linked with the program laid out in this CSPU, and will contribute to formulation of our future investments.

**b. Goal and purpose:** The goal of the grant is to assist the Government to finalize the PRSP and to implement the strategies laid out therein, with particular emphasis on governance reform and the social sectors.

**c. Components and outputs:** The primary components will include: (i) support to further public consultations through national and regional workshops, with particular emphasis on governance reform and the social sectors; (ii) support to Government agencies in the finalization of specific plans in the social sectors targeting poverty reduction, and coordination of support to these sectors from other donor agencies in line with the Government's strategy; (iii) participation in the appraisal of the Poverty Reduction Strategy Credit to be implemented by the World Bank, to contribute our sector expertise and lessons learned; and (iv) preliminary analysis of how our planned investments in key sectors will support the Government's poverty reduction strategy.

**d. Expected results and deliverables:** (i) Final PRSP (together with World Bank); (ii) Consensus among stakeholders on strategy for the social sectors, and role of main donor agencies in supporting these strategies; and (iii) A report detailing key elements to be included in future investments planned for governance and social sectors (as outlined in this CSPU), to support the Government's poverty reduction strategy.

**e. Social or environmental issues or concerns:** The grant will not have any negative social or environmental impact.

**f. Plans for disseminating results/deliverables:** To be determined

**7. Proposed executing/implementing agencies:** Ministry of Finance and Economy as lead agency, together with Ministries of Health, Education, and Social Welfare and Labor

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Both the PPA and the PRSP were built on a foundation of extensive public consultations with Government and civil society, both in the initial stages and in subsequent updates and reviews. The consultative process for the PRSP is ongoing and has proven more time-consuming than originally envisaged. This should be viewed as its strength rather than a weakness, as it indicates a high level of ownership, and strong Government commitment to canvas civil society even in rural areas.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): 2003  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: To be determined  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$150,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT:
  - JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.5: Poverty Assessment  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input checked="" type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Poverty Reduction</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Poverty Reduction	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Poverty Reduction										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> Y. Fei</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> A Partnership Agreement on Poverty Reduction (PAPR) was signed between the Government of Mongolia (Government) and the Asian Development Bank (ADB) in March 2000. In accordance with the Poverty Reduction Strategy of ADB, the PAPR formalizes partnership with the Government setting out a long-term vision and agreed targets for poverty reduction. The Second Annual Review of the PAPR was completed in March 2002. However, there was no participatory poverty assessment done on MON prior to PAPR. This poverty assessment will be an input to the full Country Strategy and Program (CSP) slated in 2004.</p> <p><b>b. Goal and purpose:</b> To provide more accurate and timely inputs on poverty in MON during the full CSP preparation to commence in 2003.</p> <p><b>c. Components and outputs:</b> To be determined</p>										

<p><b>d. Expected results and deliverables:</b> The study is expected to provide a more detailed information on poverty in MON that would be useful in identifying which are the priority sectors during the CSP preparation. This will confirm ADB's continued support to poverty reduction in the country in terms of its lending program.</p> <p><b>e. Social or environmental issues or concerns:</b> Not applicable</p> <p><b>f. Plans for disseminating results/deliverables:</b> Not applicable</p>
<p><b>7. Proposed executing/implementing agencies:</b> Asian Development Bank</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> Not applicable</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2003 Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance Lending: Nonlending: To be determined Activities financed by JFICT or JFPR:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input checked="" type="checkbox"/> ADB's administrative budget: \$30,000  <input type="checkbox"/> Grant TA funds  <input type="checkbox"/> TA Special Fund: \$  <input type="checkbox"/> Japan Special Fund:  <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by  <input type="checkbox"/> JFICT:  <input type="checkbox"/> JFPR:</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.6: Payment Facility for the Poor and Small Traders at PRC/MON Border  
Concept Paper**

**Date: 4 July 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Activities financed by JFICT, JFPR or PRF</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other: Poverty Reduction</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input checked="" type="checkbox"/> Other: Poverty Reduction	
<input checked="" type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input checked="" type="checkbox"/> Other: Poverty Reduction										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> Y. Fei</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> The People's Republic of China (PRC) and Mongolia share a border of more than 4,000 kilometers. The PRC is Mongolia's most important export market, accounting for about 54% of Mongolia's exports. According to Bank of Mongolia, about 30% of the border trade is conducted as barter by Mongolian poor and small traders as they cannot access the formal payment system through the banking system. This is a major barrier to border trade, which is an important means to reduce poverty in the remote border areas. Recently, the central banks of the two countries agreed to provide a special facility at the major land port at Dzamin Uud and/or Erlianhot, as a pilot scheme, to help Mongolian small traders. Assistance is required, however, to help Mongolian banking professionals, customs officials, and small traders develop a</p>										

matching capacity to avail themselves of the facility established by the two central banks, and to replicate the payment facility at other land ports between the two countries.

**b. Goal and purpose:** Promote border trade in Mongolia to reduce poverty in remote border areas

**c. Components and outputs:** (i) Workshops to disseminate information on the payment facility established by the two central banks; (ii) training programs for Mongolian banking professionals, customs officials, and small traders on cross-border trade and payment facilities; (iii) professional advice on options to improve the existing policy and institutional framework and payment facilities; and (iv) provision of equipment, including hardware and software for data collection and management

**d. Expected results and deliverables:** Efficient payment system accessible to Mongolian small traders

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Workshops and trainings

**7. Proposed executing/implementing agencies:** Bank of Mongolia

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
Mongolia: Bank of Mongolia, Mongolia Chamber of Commerce, and Ministry of Finance and Economy  
PRC: People's Bank of China

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory):  
Activities financed by JFICT, JFPR or PRF: 2003

c. Period and duration of assistance  
Lending:  
Nonlending:  
Activities financed by JFICT, JFPR or PRF: June – December 2003

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$150,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

PRF: 500,000

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.7: Capacity Building in Priority Areas of Regional Cooperation  
Concept Paper**

**Date: 26 July 2002**

<p><b>1. Type/modality of assistance</b> (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p><input type="checkbox"/> Project loan</p> <p><input type="checkbox"/> Program loan</p> <p><input type="checkbox"/> Sector loan</p> <p><input type="checkbox"/> Sector development program loan</p> <p><input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p><input type="checkbox"/> Project preparatory</p> <p><input type="checkbox"/> Other than project preparatory</p> <p><input type="checkbox"/> Economic, thematic, and sector work</p> <p><input checked="" type="checkbox"/> Institutional development</p> <p><input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Operations Coordination Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> L. Wu</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Supporting regional economic cooperation is one of the three pillars of ADB's poverty reduction strategy and a strategic focus in ADB operations as enunciated in the LTSF. Under the overall objective of promoting sustained economic growth and poverty reduction, ADB has provided support for economic cooperation in Central Asia since 1997. Its operational focus is on three areas: transport- to alleviate the region's locational disadvantage; energy – to encourage rational use of vital resources of energy and water; and trade facilitation – to promote trade within the region and with outside world. To date, modest success has been achieved, as evidenced in (i) increased awareness and understanding of cooperation, with an overall framework established to further cooperation; and (ii) a preliminary set of priority regional projects identified in each of the focused areas, which are now at various stages of implementation.</p>										

With the gradual return of peace to Afghanistan, renewed world focus on Central Asia, and a general climate more conducive to cooperation in the region, ADB faces new challenges: principally, how to advance cooperation to assist the countries in seizing this historical window of opportunity to achieve and maintain peace, stability and prosperity through cooperation? One key to future success on a sustainable basis lies in the strengthening of capacity of the countries participating in the ADB supported Central Asia regional cooperation program. Specifically, the institutional capacity of government agencies involved in regional cooperation, the capacity of the officials in charge of or participating in regional cooperation (policy making and implementation) would be the basis for bringing forward the cause of regional cooperation.

This important role of capacity for regional cooperation has been clearly recognized by the participating governments, and the request for ADB to assist in capacity building for regional cooperation especially in the three priority areas of cooperation was reflected in the Ministerial Statement issued at the Ministerial Conference on Economic Cooperation in Central Asia held 25-26 March 2002.

**b. Goal and purpose:** The overall goal of the TA is to promote economic growth and reduce poverty in Central Asia. The specific purpose of the TA is to promote economic cooperation through strengthening the capacity of the participating governments for regional cooperation, particularly in the area of transport, energy and trade facilitation.

**c. Components and outputs:** The TA will have the following components and corresponding outputs:

- (i) A comprehensive assessment of the capacity building needs – the output will be a comprehensive capacity building plan. The plan will identify and analyze the medium and longer term needs for institutional and technical capacity building, a plan to meet these needs with sequenced steps of implementation, with clear monitorable indicators.
- (ii) Capacity building activities for National Focal Points (NFP) – as NFPs are a central part of the overall framework and key to the coordination of cooperation activities in their respective governments, their capacity both as an institution and as individual officials would be crucial to future success of cooperation. The capacity building needs including training needs would need to be tailored to suit the specific mandate of the NFPs.
- (iii) Sectoral capacity building activities – two sets of activities including training courses will be important: one more skills and capacity in the more general area of administration and management pertinent to economic cooperation; and the other more technical skills and capacity specific to their respective sectors.
- (iv) Supporting activities – based on the assessment, some support for equipment may be necessary in order to ensure the effectiveness of capacity building activities.

**d. Expected results and deliverables:** The TA is expected to generate (i) enhanced institutional capacity of the governments in furthering regional cooperation in general; and (ii) strengthened technical and institutional capacity of the priority sectors of economic cooperation.

**e. Social or environmental issues or concerns:** none foreseen.

**f. Plans for disseminating results/deliverables:** Dissemination will be through workshops, meetings, publications and other means including ADB websites, in addition to wide circulation of materials (including consultant reports) within each government and among donors and other stakeholders.

**7. Proposed executing/implementing agencies:** Operations Coordination Division/East and Central Asia Department

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** ADB has committed to developing capacity building at the request of the governments as explicitly stated in the Ministerial Statement of the Ministerial Conference on Economic Cooperation in Central Asia during 25-26 March 2002.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval  
 Lending:  
 Nonlending (project preparatory):  
 Nonlending (other than project preparatory): 1<sup>st</sup> half 2003  
 Activities financed by JFICT or JFPR:
- c. Period and duration of assistance  
 Lending:  
 Nonlending: 2003-2005  
 Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources: \$
  - Asian Development Fund: \$
  - Other: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget: \$
  - Grant TA funds
    - TA Special Fund:
    - Japan Special Fund: \$
    - Other (specify, e.g., bilateral and multilateral trust funds): \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT: \$
  - JFPR: \$

If cofinancing is required indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements. (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.8: Capacity Building for Ministry of Food and Agriculture  
Concept Paper**

**Date: 17 June 2002**

<p><b>1. Type/modality of assistance</b> (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other: ADTA</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input checked="" type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Agriculture, Environment, and Natural Resources Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> J. Tokeshi</p>										
<p><b>6. Description of assistance(s)</b></p> <p>a. <b>Background/linkage to country/regional strategy:</b> Agriculture is vital for the entire country, not only the two thirds of Mongolians who live outside Ulaanbaatar. Mongolia's economy is small, with a GDP of MNT1,045 million (\$950 million), or MNT437,972 (\$398) per capita. Agriculture's share of GDP was 33.4% in 2000, followed by wholesale and retail trade, with 23.4%. No other sector contributed more than 9.5% to GDP. Consecutive <i>dzud</i> (severe winter disaster) and drought in 1999/00 lowered the total value of agricultural production from MNT252.4 million to MNT210.1 million, and agriculture's contribution to GDP declined by 16.8%. As a result, the 3.2% annual GDP growth since 1997 fell to 1.1% in 2000, underscoring the risk in agriculture and the secondary effects of this upon the national economy.</p>										

Despite the importance of the agriculture sector, it receives only 1.8% of government spending, leading to deterioration in the infrastructure and services needed for the sector to develop. Privatized veterinary and extension services struggle to survive in a market that is dominated by poor households operating in a barter economy. Agricultural research is constrained by a shortage of funding and cannot facilitate innovation in livestock productivity, crop varieties, and agricultural products needed to help the system shift to sustainable production in a market economy. Irrigation schemes, which used to service 50,000 ha, have fallen into disuse and now service only 4,000 ha.

The Ministry of Food and Agriculture (MOFA) has the key responsibility of supporting the recovery and growth of the agriculture sector and supporting it in a market-based economy. MOFA must lead in developing laws, regulations, and services that will allow the agriculture private sector to prosper. However, MOFA has limited resources and ADB recognizes the need to provide TA to strengthen MOFA's capacity as a policymaker and implementer of domestic and internationally funded projects.

**b. Goal and purpose:** The TA's goal is to strengthen MOFA's capacity to support the development of a market-based agriculture sector. The immediate objective is to implement an efficient system to gather, consolidate, analyze, and share locally and regionally agricultural information to support policy development and project implementation.

**c. Components and outputs:** (i) Develop and document systems, methods, and procedures to plan, implement, monitor, and report policies, programs, and projects implemented by MOFA; (ii) facilitate a review of organizational arrangements within MOFA for public investment programming, budget processing, and aid coordination and management, and make recommendations for more effective integration of these functions; (iii) review and make recommendations to develop links and information exchange among the national, *aimag* (province), and *soum* (district) administrations; and (iv) train staff to improve their skills in aid coordination and management and public investment programming, and to link up with other agencies

**d. Expected results and deliverables:**

Improvement of MOFA's capacity to (i) formulate policies; (ii) implement and monitor projects; (iii) produce, consolidate, analyze, and share agricultural information; and (iv) coordinate with aid agencies

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** Workshops and roundtables

**7. Proposed executing/implementing agencies:** Ministry of Food and Agriculture

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Consultations have been made with the Ministry of Food and Agriculture and the funder community.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory): April 2004  
Nonlending (other than project preparatory):  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: 4 months (July–October 2004)  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$
    - Japan Special Fund: \$ 500,000
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
- JFICT:
  - JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, GDP = gross domestic product, ha = hectare, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.9: Health Sector Development III  
Concept Paper**

**Date: 8 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Health Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input checked="" type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input checked="" type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> T. Yasukawa</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Since 1997, ADB has helped the Government reform the health system by providing the first and second health sector development projects (HSDP). With the assistance of the first HSDP, the Government has introduced family group practice (FGP) in urban and provincial capital areas, weighted capitation-based budget allocation, and hospital boards for creating autonomous hospitals. To implement policy and structural changes, the Government also invested in the system to strengthen the service capacity by rehabilitating health facilities, providing equipment, and training family group practices. Under the second HSDP, the Government intends to strengthen rural health services, focusing on quality improvement, human resource development (HRD), community participation, and poverty reduction. Information and communication technology (ICT) will be a major component of HRD. As a second objective, it also aims to consolidate achievements in health reform. The PPTA for the third HSDP will be built on efforts of previous assistances.</p>										

**b. Goal and purpose:** The goal is to improve health status nationwide. The purpose is to reinforce equitable, responsive, and sustainable health sector development.

**c. Components and outputs:** The PPTA for the HSDP III will first review the reform process to identify achievements and constraints, and gaps and areas that need strengthening, and then prepare a project proposal. The PPTA will examine the health system's accessibility; responsiveness (effectiveness, quality, and coverage of local needs); and financial efficiency and sustainability. The scope will include (i) review of access and quality of primary health care, (ii) review of performance and sustainability of health insurance, (iii) renewed efforts to rationalize hospitals and build capacity, and (iv) review of decentralization.

**d. Expected results and deliverables:** A project proposal for the HSDP III to make the system more equitable, effective, and sustainable

**e. Social or environmental issues or concerns:** Not applicable.

**f. Plans for disseminating results/deliverables:** Publication of a health sector study and an RRP

**7. Proposed executing/implementing agencies:** Ministry of Health

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**

The Ministry of Health, health workers associations, local governments, community representatives, and NGOs will be involved in the review of the achievements and constraints of the health reform process, and in the design of a project proposal through interviews, surveys, meetings, and workshops.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory): Second quarter, 2005  
Nonlending (other than project preparatory):  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: 4 months  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds

- TA Special Fund:
- Japan Special Fund: \$600,000
- Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

- JFICT:
- JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organization  
RRP = report and recommendation of the President, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.10: Housing Finance (Sector) Project II  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input checked="" type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input checked="" type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input checked="" type="checkbox"/> Project preparatory</p> <p>    <input type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Others Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input checked="" type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input checked="" type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input checked="" type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> S. Penjor</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Over the past three decades, Mongolia has experienced rapid urbanization. Presently, over half of the population resides in urban areas. However, since the end of the socialist era, in which all housing was constructed by government entities, very little new formal or apartment housing has been built. Consequently, ger housing areas that are not provided with urban services surround Mongolian cities, have expanded rapidly, and now comprise about 50 percent of the housing in most urban areas. Hence, access of the poor to urban services and adequate housing continues to be limited. One of the critical factors in increased access to adequate housing and services for the low- and middle-income families is housing finance, which is practically nonexistent in the country. By establishing and partly funding a sustainable housing finance system in Mongolia, Loan 1847 was the logical next step in the development of the housing sector after ADB's successful policy making TA 2890 and institutional strengthening TA 3090.</p>										

ADB's involvement in the housing sector in Mongolia is justified because (i) of large demand for adequate housing and shelter, which is essential for survival of the household, particularly for the poor, given the extremes of the Mongolian climate; (ii) significant health benefits will accrue from better and improved basic infrastructure; (iii) investment in the housing sector can be designed to achieve full cost recovery to ensure sustainability; and (iv) linkages will be strengthened between the financial, banking, housing, and construction sectors, and substantial employment will be created in construction.

**b. Goal and purpose:** It is envisaged that the proposed Housing Finance (Sector) II Project would represent the second major step towards establishing a sustainable market based housing finance system with particular focus on developing a mortgage finance system in Mongolia. The main objectives of the proposed Project would be to continue (i) to help meet the immediate need for adequate housing in Mongolia; (ii) to contribute to the longer term objective of establishing a sustainable, market-based system for the delivery of housing finance to meet the borrowing needs of low- and middle-income households with particular focus on establishing a viable mortgage finance system; (iii) to reduce poverty in ger housing areas by providing and upgrading basic infrastructure and services through housing action area plan (HAAP) schemes; and (iv) to improve the quality of life of low- and middle-income urban households by providing affordable and longer term (10 year and above maturity) housing loans. The lessons learnt through implementing Loan 1847 will be incorporated into the design of the proposed Project.

**c. Components and outputs:** The proposed Project will consist of three parts, similar to Loan 1847: Part A – lending to low- and middle-income households through participating commercial banks (PCBs) and intermediaries; B – addressing poverty reduction by financing HAAP schemes in ger housing areas and providing serviced plots for new housing; and C – capacity building and establishing effective project management.

**d. Expected results and deliverables:** The lack of finance to build new or improve existing housing in Mongolia has led to an alarming deterioration in the formal housing stock and the rapid growth of informal ger housing areas, both of which directly affect the quality of life of low-income households. While low-income households in apartments have experienced a deterioration of services and infrastructure, those in ger housing areas have minimal services and infrastructure or none at all. Through different lending modalities, the proposed Project is expected to directly benefit about 40,000 households with various types of housing loans, including nearly 14,000, mostly low-income households in ger housing areas, with improved infrastructure. In addition, ADB funds will serve to leverage financial contributions on behalf of the PCBs and intermediary lending institutions such as private and public enterprises and medium- and small-scale contractors.

Given the basic linkage between improved housing and human welfare, human development will be enhanced by the provision of new and/or improved housing at affordable prices and with meaningful community participation. Although many of the benefits that will accrue as a result of improved housing conditions are difficult to quantify, most are based on the connection to improved health and its relation to increased productivity. The availability of loans for housing will also enable low-income households to establish credit records. In addition, basic infrastructure and essential services will be provided as part of the HAAP infrastructure subprojects.

Finally, a sustainable and well functioning mortgage lending system will be established. The housing development fund will be operating on a sustainable basis.

**e. Social or environmental issues or concerns:** The proposed Project will contribute to poverty reduction by (i) further developing the financing mechanism to increase the access of the urban poor to housing, (ii) creating short-term employment opportunities mostly for the poor resulting from increased investment in the housing construction sector, and (iii) improving urban infrastructure and related services to enhance the living standards and productivity of low-income households. The results of the pilot testing of the Japan Fund for Poverty Reduction (JFPR) for improving the living environment of the poor in ger areas of Mongolia's Cities Project currently under implementation will be known and is expected to provide a good basis for enhancing the poverty focus of the follow-on proposed Project.

As a result of the proposed Project, the increased employment opportunities and income during project construction will be one of the primary benefits to the poor. In addition, a substantial number of jobs will be created through the development initiatives and expanded businesses induced by the project. In socioeconomic terms, improved water supply, drainage, sanitation, and solid waste collection will lead to reduced mortality and morbidity among the beneficiary poor households. This will in turn result in increased income in terms of less days lost at work, less school absenteeism, and less time at medical clinics and therefore reduced medical

costs. The actual tangible and intangible benefits to the poor may be greater, as these families are often more vulnerable in dealing with income and health problems.

The only potential adverse environmental impact of the proposed Project would be the possible disruption of public services and transportation during the construction phase. However, given the relatively small-scale and labor-intensive nature of construction, these disruptions are expected to be minor and can be easily mitigated through appropriate measures.

**f. Plans for disseminating results/deliverables:** Workshops and comprehensive consultations

**7. Proposed executing/implementing agencies:** Ministry of Finance and Economy and the Ministry of Infrastructure

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** Ministry of Finance and Economy, Ministry of Infrastructure, local governments, bank of mongolia, commercial banks, micro-finance NGOs, and other donor agencies.

**9. Timetable for assistance design, processing, and implementation**

- a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002
- b. Expected date of submission for approval
  - Lending: (project preparatory): 2004
  - Nonlending
  - Nonlending (other than project preparatory):
  - Activities financed by JFICT or JFPR:
- c. Period and duration of assistance
  - Lending:
  - Nonlending: To be determined
  - Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
  - Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
  - No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$600,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- c. For projects financed by
  - JFICT:
  - JFPR:

If cofinancing is required, indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.11: Capacity Building of Environmental Management for Urban Development  
Concept Paper**

**Date: 4 June 2002**

<p><b>1. Type/modality of assistance</b> (double-click on appropriate box)</p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban sector Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> K. Choe</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> ADB's Poverty Reduction Strategy for Mongolia aims to achieve growth with poverty reduction by facilitating the transition to a market economy. The strategy differs from the traditional growth-oriented strategies that select the sectors for ADB interventions and add elements of poverty reduction in each intervention. The strategy envisages considerable interlinkage and synergy among sector interventions, emphasizing good governance, public reform, and public-private partnership. The assistance is in line with the Government policy favoring a shift to a market economy and decentralization.</p> <p><b>b. Goal and purpose:</b> The objective of the TA is to strengthen the institutional base for urban environmental planning and management, in conjunction with service infrastructure provision.</p>										

<p><b>c. Components and outputs:</b> The scope of the TA includes (i) preparing a manual on monitoring and evaluation of urban environmental management, (ii) establish quantitative indicators for environmental management performance, and (iii) training workshops and materials for policy makers and inspectors in relevant functional areas</p> <p><b>d. Expected results and deliverables:</b> Environmental monitoring manuals and training of government officials</p> <p><b>e. Social or environmental issues or concerns:</b> Not known</p> <p><b>f. Plans for disseminating results/deliverables:</b> to be designed during the TA</p>
<p><b>7. Proposed executing/implementing agencies:</b> Ministry of Infrastructure/ Government Implementing Agency for Construction, Urban Development, and Public Utilities</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b> To be determined</p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002</p> <p>b. Expected date of submission for approval Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2004 Activities financed by JFICT or JFPR: {date}</p> <p>c. Period and duration of assistance{s} Lending: Nonlending: 1 year (2004–2005) Activities financed by JFICT or JFPR: {insert period and duration}</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds  <input checked="" type="checkbox"/> TA Special Fund: \$500,000  <input type="checkbox"/> Japan Special Fund:  <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing, is required indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by  <input type="checkbox"/> JFICT:  <input type="checkbox"/> JFPR:</p>

If cofinancing is required, indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.12: Capacity Building for Cross-Border Traffic Management in the Road Sector  
Concept Paper**

**Date: 11 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport Subsector: Road Subsector</p> <p>b. For project preparatory and lending, classification</p> <p><input type="checkbox"/> Core poverty intervention</p> <p><input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input checked="" type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Infrastructure Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> P. Seneviratne</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b></p> <p><b>b. Goal and purpose:</b> (i) Improve traffic safety, (ii) provide equipment for traffic safety management and axle load control, (iii) develop a vehicle safety and emissions monitoring system, (iv) implement border-crossing agreements to permit smoother flow of road traffic to and from Russia and the People's Republic of China (PRC) as well as international transit traffic, and (v) improve local logistical services</p> <p><b>c. Components and outputs:</b> (i) Traffic safety education, (ii) traffic safety enforcement, (iii) axle load control, (iv) development of cross-border traffic, and (v) logistical system development</p> <p><b>d. Expected results and deliverables:</b> (i) Improved traffic safety law, (ii) a cross-border agreement with the PRC, (iii) advanced logistical systems, and (iv) improved efficiency of logistics providers</p>										

<p><b>e. Social or environmental issues or concerns:</b> Reduced traffic fatalities and health care costs</p> <p><b>f. Plans for disseminating results/deliverables:</b></p>
<p><b>7. Proposed executing/implementing agencies:</b> Department of Roads, State Traffic Police Department, State Customs Administration</p>
<p><b>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</b></p>
<p><b>9. Timetable for assistance design, processing, and implementation</b></p> <p>a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan : 2004</p> <p>b. Expected date of submission for approval  Lending:  Nonlending (project preparatory): December 2003  Nonlending (other than project preparatory):  Activities financed by JFICT or JFPR:</p> <p>c. Period and duration of assistance  Lending:  Nonlending: 2004  Activities financed by JFICT or JFPR:</p>
<p><b>10. Financing Plan</b> (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)</p> <p>a. For lending  <input type="checkbox"/> Ordinary capital resources:  <input type="checkbox"/> Asian Development Fund:  <input type="checkbox"/> Other:</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>b. For nonlending  <input type="checkbox"/> No resources required, other than ADB staff  <input type="checkbox"/> ADB's administrative budget:  <input checked="" type="checkbox"/> Grant TA funds  <input type="checkbox"/> TA Special Fund:  <input checked="" type="checkbox"/> Japan Special Fund: \$600,000  <input type="checkbox"/> Other (specify, e.g., bilateral and multilateral trust funds):</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p> <p>c. For projects financed by  <input type="checkbox"/> JFICT:  <input type="checkbox"/> JFPR:</p> <p>If cofinancing is required, indicate sources, and amount sought:  If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):</p>

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.13: Capacity Building for Managing Integrated Development for Selected Economic Centers  
Concept Paper**

**Date: 4 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input checked="" type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Urban Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Social Sectors Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Mongolia has been undergoing economic transition during the last decade. The transition has resulted in economic and social hardships to all. Although the Government has prepared a new Regional Development Policy in 2001 to suggest a vision and an approach for the future, it still lacks a clear strategy or operational means to implement the policy under the market-based economy. To carry out effective regional development and to maximize economic benefits out of it, an integration of spatial and economic perspectives into the development policy are necessary. Also, strengthening institutional capacity for the development approach by considering the economic globalization trend is needed.</p>										

**b. Goal and purpose:** Strengthen public urban service organizations to make them more efficient and effective deliverers of sustainable urban services, by creating the appropriate operational environment under the market economy

**c. Components and outputs:** Assistance to the Government to (i) improve public investment programming and the budget process with a particular focus on regional economic growth center, and (ii) to develop sound fiscal relationship on a reasonable legal footing, and (iii) to enhance the management of the finance function by developing a comprehensive management information system.

**d. Expected results and deliverables:** Computerized information management system, and rationalization of fiscal relationships between central, provincial, and city governments.

**e. Social or environmental issues or concerns:** Not applicable

**f. Plans for disseminating results/deliverables:** Establishing a pilot e-governance system for a selected regional economic growth center, and disseminating to other growth centers through workshops

**7. Proposed executing/implementing agencies:** Ministry of Infrastructure/ Government Implementing Agency for Construction, Urban Development, and Public Utilities

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:**  
To be determined

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): 2004–2005  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: 1 year (2004–2005)  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other: {specify}

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund: \$600,000
    - Japan Special Fund:
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought:  
If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.14: Support for Promoting Cross-Border Trade  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input checked="" type="checkbox"/> Other:</p> <p><input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input checked="" type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development									
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance									
<input type="checkbox"/> Environmental protection	<input type="checkbox"/> Private sector development									
<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection									
<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p> <p>Note: While it will be provided to Mongolia, the TA will enhance subregional cooperation in the East and Central Asian Region, in the context of subregional trade facilitation and customs modernization initiatives.</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance, and Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Given the volatility of the international prices of key export commodities, Mongolia must adopt innovative ways to promote cross-border, particularly subregional, trade.</p> <p><b>b. Goal and purpose:</b> The proposed ADTA will support policy formulation and capacity-building initiatives to increase cross-border trade. The ADTA will also undertake a needs assessment by identifying domestic constraints on the free flow of goods and services.</p>										

**c. Components and outputs:** (i) Review the trade policy formulation process; (ii) examine the overall trade flow, its composition, and impact on local economic clusters; (iii) assess structural constraints, including production and logistics (e.g., transportation, labor markets) and related impediments; and (iv) evaluate the means to promote sustainable cross-border trade

**d. Expected results and deliverables:**

**e. Social or environmental issues or concerns:** No adverse social or environmental impact

**f. Plans for disseminating results/deliverables:** Training workshops, and stakeholder consultations for evaluating local area constraints and impediments to trade

**7. Proposed executing/implementing agencies:** Ministry of Industry and Trade

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The Government is keen to address impediments to trade. The Ministry of Industry and Trade and the Customs General Administration have participated in regional consultations on trade facilitation. The Government specifically requested TA to promote subregional trade.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval

Lending:

Nonlending (project preparatory):

Nonlending (other than project preparatory): **February 2004**

Activities financed by JFICT or JFPR:

c. Period and duration of assistance

Lending:

Nonlending: **May 2004–December 2004**

Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

a. For lending

Ordinary capital resources:

Asian Development Fund:

Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

b. For nonlending

No resources required, other than ADB staff

ADB's administrative budget:

Grant TA funds

TA Special Fund:

Japan Special Fund: \$500,000

Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.

**Table A3.15: Promotion of Privatization Initiatives  
Concept Paper**

**Date: 18 June 2002**

<p><b>1. Type/modality of assistance</b></p> <p><input type="checkbox"/> Lending</p> <p>    <input type="checkbox"/> Project loan</p> <p>    <input type="checkbox"/> Program loan</p> <p>    <input type="checkbox"/> Sector loan</p> <p>    <input type="checkbox"/> Sector development program loan</p> <p>    <input type="checkbox"/> Other:</p> <p><input type="checkbox"/> Nonlending</p> <p>    <input type="checkbox"/> Project preparatory</p> <p>    <input checked="" type="checkbox"/> Other than project preparatory</p> <p>        <input type="checkbox"/> Economic, thematic, and sector work</p> <p>        <input checked="" type="checkbox"/> Institutional development</p> <p>        <input type="checkbox"/> Other:</p> <p>    <input type="checkbox"/> Activities financed by JFICT or JFPR</p>										
<p><b>2. Assistance Focus</b></p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Trade Subsector:</p> <p>b. For project preparatory and lending, classification</p> <p>    <input type="checkbox"/> Core poverty intervention</p> <p>    <input type="checkbox"/> Poverty intervention</p> <p>c. Key thematic area(s)</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Economic growth</td> <td><input type="checkbox"/> Human development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Good governance</td> </tr> <tr> <td><input type="checkbox"/> Environmental protection</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Regional cooperation</td> <td><input type="checkbox"/> Social protection</td> </tr> <tr> <td><input type="checkbox"/> Other:</td> <td></td> </tr> </table>	<input checked="" type="checkbox"/> Economic growth	<input type="checkbox"/> Human development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Good governance	<input type="checkbox"/> Environmental protection	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Social protection	<input type="checkbox"/> Other:	
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<input type="checkbox"/> Other:										
<p><b>3. Coverage</b></p> <p><input checked="" type="checkbox"/> Country                      <input type="checkbox"/> Subregional                      <input type="checkbox"/> Interregional</p> <p><input type="checkbox"/> Internal policy development</p>										
<p><b>4. Responsible division/department:</b> Governance, Finance, and Trade Division/East and Central Asia Department</p>										
<p><b>5. Responsible ADB officer(s):</b> To be determined</p>										
<p><b>6. Description of assistance(s)</b></p> <p><b>a. Background/linkage to country/regional strategy:</b> Given Mongolia's locational and structural constraints, the Government has attempted to provide appropriate incentives to develop the private sector. Since 1993, ADB has supported this process through various lending interventions and TA support to gradually reduce state intervention in the real and financial sectors.</p> <p><b>b. Goal and purpose:</b> The goal of the proposed ADTA is to formulate credible and sustainable mechanisms to attract private sector investments to Mongolia.</p>										

**c. Components and outputs:** (i) Review restrictive and anticompetitive practices in all key sectors of the economy, including licensing, inspection, and regulatory regimes; (ii) examine the tax incidence and impact of tax policies on formation and viable operation of businesses as going concerns; (iii) evaluate other incentives to bring informal entities into formal economic spheres; and (iv) formulate mechanisms to speedily privatize the remaining state shareholdings in medium-sized and large enterprises

**d. Expected results and deliverables:** (i) Reduced number of licenses required and intrusive inspection procedures and (ii) appropriate incentives to turn informal into formal economic activities

**e. Social or environmental issues or concerns:** None

**f. Plans for disseminating results/deliverables:** (i) Training workshops and (ii) extensive private sector consultations to evaluate constraints and impediments to corporate development

**7. Proposed executing/implementing agencies:** To be determined

**8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:** The share of the public sector is quite large and has been increasing over the last few years. Privatizing economic activities and reducing the share of the Government have been the Government's priorities.

**9. Timetable for assistance design, processing, and implementation**

a. Year included in CSP, CSP update, SCSP, SCSP update, or interregional work plan: 2002

b. Expected date of submission for approval  
Lending:  
Nonlending (project preparatory):  
Nonlending (other than project preparatory): April 2004  
Activities financed by JFICT or JFPR:

c. Period and duration of assistance  
Lending:  
Nonlending: July 2004–December 2004  
Activities financed by JFICT or JFPR:

**10. Financing Plan** (Indicate possible financing sources and amount of assistance, cost estimates, and financing arrangements)

- a. For lending
- Ordinary capital resources:
  - Asian Development Fund:
  - Other:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

- b. For nonlending
- No resources required, other than ADB staff
  - ADB's administrative budget:
  - Grant TA funds
    - TA Special Fund:
    - Japan Special Fund: \$600,000
    - Other (specify, e.g., bilateral and multilateral trust funds):

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

c. For projects financed by

JFICT:

JFPR:

If cofinancing is required, indicate sources, and amount sought:

If known, provide cost estimates and financing arrangements (e.g., total cost, ADB financing, other financing, and government financing):

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, JFICT = Japan Fund for Information and Communication Technology, JFPR = Japan Fund for Poverty Reduction, SCSP = subregional cooperation strategy and program, TA = technical assistance.