



Country Strategy and Program Update

August 2006

Mongolia
2007–2009

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 1 June 2006)

Currency Unit	–	togrog (MNT)
MNT1.00	=	\$0.0008439
\$1.00	=	MNT1,185

ABBREVIATIONS

ADB	—	Asian Development Bank
ASDP	–	Agriculture Sector Development Project
CPA	–	country performance assessment
CPRM	–	country portfolio review mission
CSP	–	country strategy and program
GDP	–	gross domestic product
GTZ	–	Deutsche Gesellschaft für Technische Zusammenarbeit
JFPR	–	Japan Fund for Poverty Reduction
MCC	–	Millennium Challenge Corporation
MfDR	–	managing for development results
MTS	–	medium-term strategy
PRC	–	People's Republic of China
USAID	–	United States Agency for International Development

NOTE

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

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I. CURRENT DEVELOPMENT TRENDS AND ISSUES

1. This country strategy and program update (CSPU) for 2007–2009 covers developments since the country strategy and program (CSP) for 2006–2008 was endorsed in October 2005. While the overall program priorities in the CSP remain relevant, changes have been introduced to account for the Government's recently refined strategic approach, the initial assessment of ADB's managing for development results (MfDR) agenda, heightened concerns about governance, the priorities identified in ADB's second medium-term strategy (MTS II),¹ and the need to harmonize ADB's strategy and program with the priorities of other sources of funds. The CSPU covers private sector operations. A consultation mission in April 2006 confirmed that the Government expected ADB to maintain the program directions of the CSP. A country programming mission from 12 to 20 June 2006 discussed details of the program with the Government. Table A1.1 in Appendix 1 indicates progress toward the Millennium Development Goals (MDGs) and targets.

A. Recent Political and Social Developments

2. The coalition of the Mongolian People's Revolutionary Party (MPRP) and the Motherland Democracy Coalition (MDC) collapsed in January 2006 following the resignation of MPRP cabinet members. A new cabinet consisting of members of the MPRP and minor parties was formed. Civil unrest in April 2006 over the negotiation of a stability agreement with a major foreign mining company dissipated when protestors and the Government agreed to civil society participation in negotiations. Parliament passed laws on the tax regime, windfall taxes on copper and gold revenues, anticorruption measures, and mineral extraction.

3. Three issues underlie ongoing political debates in Mongolia. The first is the popular perception, sharpened by rising international commodity prices, that Mongolia may not be receiving its fair share of mining sector profits. The outcome has been the passage of windfall profit taxes, which have implications for foreign direct investment.² The second is the recognition that many Mongolians have failed to benefit noticeably from the transition to a market economy. As a result, promises made during the last election resulted in a program to provide cash payments to poor families with children. The program was later extended to all families with children. The third issue, which largely is discussed within Government and Parliament, is the proposition that Mongolia could grow more rapidly by increasing its borrowing. Despite new loans and grants from external funding agencies, some in Government believe that the time has come to go beyond the donor funding that has supported the transition over the last 15 years and seek non-concessional resources to develop infrastructure, industry, and the mining sector.

B. Economic Assessment and Outlook

4. As anticipated by the CSP, the 6.2% growth in gross domestic product (GDP) in 2005 was lower than in 2004, a year marked by the rebuilding of livestock herds and an expansion of mining. The annual GDP growth rates predicted by *Asian Development Outlook 2006*³ for 2006 (6%) and 2007 (5%) are likely to be exceeded because of continued buoyancy in international commodity markets. Nevertheless, the medium-term growth outlook is fundamentally unchanged. Mongolia's undiversified economy remains vulnerable to changes in the prices of a few commodities and to the weather. The amended budget passed by Parliament in May 2006

¹ ADB. 2006. *Medium Term Strategy II 2006-2008*. Manila.

² Copper and gold revenues are to be taxed at a rate of 68% when prices exceed \$2,600 per ton for copper and \$500 per ounce for gold.

³ ADB. 2006. *Asian Development Outlook 2006*. Manila.

includes payments for all children under 18 and other social expenditures that many external funding agencies consider poorly targeted. Parliament also passed laws raising the threshold for the dual corporate income tax structure to MNT 3 billion and rates of 10% and 25%; reducing the value-added tax (VAT) rate from 15% to 10%, and instituting a flat personal income tax rate of 10%. These changes will have significant revenue implications and, while windfall taxes on mineral revenues may balance them to some extent in the short term, the longer-term fiscal implications could be serious, particularly if international commodity prices deteriorate.

5. The Government has been pursuing a range of external funding opportunities. In June 2006, Parliament approved a \$300 million loan from the People's Republic of China (PRC). The loan is partly under government guarantee and is mainly in the form of private export credits for investments in infrastructure and natural resources. The Government has been exploring the potential to issue international bonds to raise funds for infrastructure investments and credit lines for the manufacturing sector. Negotiations with the Millennium Challenge Corporation (MCC) are ongoing and a compact could be signed by the end of 2006, potentially making available \$300 million of MCC grant funds.

6. The Government has announced its intention to refine its aid coordination efforts in conjunction with its commitments to achieving the MDGs. Efforts are underway to develop a national development strategy based upon the MDGs. This will have sector strategies linked to investment plans that will be presented to external funding agencies. While national development priorities have remained unchanged since the endorsement of the CSP, the explicit link to the MDGs and investment programs will require a more rigorous definition of sector strategies and explicit investment commitments from external funding agencies.

C. Implications for Country Strategy and Program

7. The overall directions of the CSP remain relevant to meeting Mongolia's development needs and poverty reduction priorities in the medium term and to MTS II priorities in general. However, changes are needed to support the strategic approach being adopted by the Government, respond to an initial assessment of progress in managing for development results (MfDR), increase support for improvements to governance, improve alignment with MTS II priorities, and coordinate better with potentially larger inflows of funds.

8. **Supporting the Government's Strategic Approach.** While the Government's strategic priorities have not changed since the CSP was endorsed, the explicit commitment to achieving the MDGs and the adoption of a strategic approach to investment planning make it crucial for ADB to orient its operations toward formally agreed, rigorously defined, and institutionally supported strategic priorities of the Government in individual sectors. ADB will have to support the Government in defining strategies, align its projects with strategic guidelines, and ensure that support is available for strategy implementation. The Government intends to convene technical meetings with external agencies at 6-month intervals to coordinate their funding with the Government's development strategy and investment plan. ADB will participate actively in these meetings and will retain sufficient flexibility to allow conclusions to be fed into its program.

9. **Continuing the MfDR agenda.** The assessment of progress on the MfDR agenda during the latest country portfolio review mission (CPRM) suggested that capacity building for MfDR will be most useful if it is undertaken in association with portfolio management. More systemic issues need to be addressed through a consolidated approach involving the major players. Based on this assessment and with the aim of maintaining a strategic focus on scaling up ADB's development effectiveness in line with MTS II, projects will need to pay particular

attention to MfDR, to strengthening monitoring and reporting systems of sector ministries, and to building capacity at these ministries.

10. **Improving Governance Focus.** As proposed by the CSP, support is being mainstreamed within projects toward the MTS II priority of improving governance and preventing corruption. Nevertheless, projects will have to pay careful attention to the increased demand from civil society for transparency and good governance, for example by designing projects that reflect transparent results-based management and enable civil society participation in monitoring and implementation. Particular priority will need to be accorded to the key result areas of the Second Governance and Anticorruption Action Plan.⁴ These include strengthening governance and anticorruption policy implementation in program and project design, enhancing program and project administration and portfolio management, and improving functional assignments of accountability and responsibilities, organizational structure, human resources, and access to expertise.

11. **Better Alignment with MTS II Priorities.** Overall CSP directions are in line with the MTS II strategic priorities of strengthening inclusiveness and promoting regional cooperation and integration. However, individual projects need to focus on catalyzing investments and managing the environment, in some cases by using ADB's Private Sector Operations Department (PSOD) to catalyze investments and involving the private sector in project design.

12. **Harmonization with Other Sources of Funds.** Projects will have to explore innovative ways of harmonizing ADB lending with the priorities of other sources of funds. In addition to being in line with ADB's commitments under the Paris Declaration on Aid Effectiveness, such harmonization is particularly necessary in Mongolia as more alternate sources of funds are now available than at CSP preparation. Greater potential for funding from the private sector has increased the relevance of public-private partnerships and created a need for instruments to reduce borrowing costs. Coordination with private sector funding also reflects the MTS II priority of catalyzing investments. More grant funding makes it necessary to design projects in close coordination with external agencies and ADB will actively participate in the technical meetings convened by the Government and strengthen partnership agreements with other external funding agencies. If grant funds from the MCC are forthcoming, ADB will need to take this into account in any lending in the transport, health, and education sectors.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Progress in Poverty Reduction

13. Progress towards MDG targets is similar to when the CSP was endorsed. However, the Government is making more efforts to direct development initiatives toward achieving the MDGs and targets. Mongolia is actively participating in the United Nations (UN) Millennium Project. UN and Government teams are working together in developing a MDG-based national development strategy and sector strategies aligned with MDGs. The first round of training and planning exercises has been completed.

⁴ ADB. 2006. *Second Governance and Anticorruption Action Plan*. Manila.

B. Progress in the Country Strategy and Program Focus Areas

14. Of the outcomes in the CSP results matrix, progress has been marked in financial sector development, alignment of skills and education with market demand, better education opportunities, and lower geographical isolation. Important initiatives since the CSP have included the establishment of a financial regulatory commission, associated with an ADB-financed program; the development of a secondary mortgage market, also stimulated by ADB-supported work; a program for vocational education jointly funded by ADB and German development cooperation through GTZ; the completion of a section of the road connecting the Russian Federation with the People's Republic of China (PRC) through Mongolia and the commencement of work on other sections of the road; and the adoption of a health sector master plan and initial steps to implement it. The most encouraging progress in ADB's areas of strategic focus has been in the education sector, where the Government has developed a sector master plan. In 2006, an ADB TA project that aims to support the master plan and a sector-wide approach will be presented to the Board. Regional cooperation and integration will benefit from the central corridor highway, supported by project loans for the second and regional roads projects; a regional TA project (RETA) on HIV/AIDS prevention; and greater regional cooperation in the preparation of the Western Regional Road Development Project (Table A2.2).

15. However, progress in some other areas has been less encouraging. The new administration has reassessed its *ger* area development strategy, which has delayed progress. A proposed ADB project for 2006 was refocused to increase the pro-poor impacts of urban services through better harmonization with other funding agencies and this also led to delays. Progress toward an agriculture sector strategy has been slow but is back on track with ADB support and it is expected that the proposed 2007 loan for the Agriculture and Rural Development Project (Table A2.1) will be guided by the strategy. Also, while the CSP drew attention to the increased availability of rural finance, there has not been sustained progress in making available term finance for agricultural production and agro-enterprises. Progress in developing rural cooperatives under the Agriculture Sector Development Project (ASDP)⁵ has been mixed and the development of value chains and private rural enterprises has been less than satisfactory. These areas will receive renewed attention in the proposed Agriculture and Rural Development Project.

C. Private Sector Development

16. ADB continues to support the enabling environment for private sector development through both loan and TA operations. The Financial Regulation and Governance loan, approved in late 2005, will support the regulation and further development of non-bank financial institutions, improve corporate governance in commercial banks, and help to further develop Mongolia's capital markets. The Customs Modernization Project planned for 2006 will facilitate the flow of external trade, reduce corruption, and assist in improving the investment climate. The Agriculture and Rural Development Project in 2007 will assist the private sector to develop export markets and develop new instruments for private sector lending. Identification of potential projects for investment through the private sector window will continue to focus on the financial and infrastructure sectors to build on ADB's first private sector operation - an investment in Trade and Development Bank. SME financing and power generation projects for export of electricity are current areas of focus.

⁵ ADB. 2000. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Mongolia for the Agriculture Sector Development Project*. Manila.

D. Highlights in Coordination of External Funding and Partnership Arrangements

17. All major external agencies have accepted the education master plan of the Government as the basis for future funding. The Government of Japan and ADB have submitted Mongolia's proposal to the Education for All—Fast Track Initiative. Agreement has been reached with German development assistance (Deutscher Entwicklungsdienst) and GTZ over parallel financing for the proposed ADB-supported Urban Development and Housing Project and with GTZ for parallel financing for the Agriculture and Rural Development Project.

18. ADB's cofinancing strategy will be guided by two recent developments: the potential availability of more grant funds and more government interest in financing infrastructure through external financing. Building on experience in the urban development and education sectors, ADB is identifying investments for which grants or private sector funding may be available and investment gaps that need to be funded by ADB. It is also designing ADB assistance so that it can serve as a platform for funding from other sources. ADB is assisting the Government in developing strategies for the education, agriculture, and transport sectors that could be the basis for aid coordination.

19. In responding to the Government's desire to widen its funding sources, the first part of ADB's strategy will be to assist the Government to identify appropriate areas for externally financed investments, such as an export-earning enclave project, probably in the energy sector. The Government has also expressed interest in issuing a sovereign bond. An ADB guarantee may help to reduce borrowing costs and ADB could provide such a guarantee if the use of proceeds can be mutually agreed. ADB will continue to advise the Government on its bond issuance plans.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance

20. The loan portfolio is performing well by many indicators. The delegation of project administration and portfolio management to the Mongolia Resident Mission has had visible positive impacts. No projects were flagged as "at risk" or "problem" by the end of 2005 (compared with one in 2004). In terms of reaching their development objectives, all projects were rated "satisfactory", and two "highly satisfactory". Time from approval to signing increased in 2005 because of a mismatch between project processing schedules and Parliament schedules. Delays from signing to effectivity increased, largely because of administrative disruptions resulting from changes in the Government. Capacity constraints led to a deterioration in disbursement and contract award ratios, the imprest account turnover ratio, and the submission of audited project accounts. The 2005 country portfolio review mission (CPRM) has identified actions to address these issues.

B. Performance Monitoring and Evaluation – Managing for Development Results

21. The monitoring and evaluation system for the proposed Urban Development and Housing Project in 2006 is oriented to monitor the contribution of project outcomes to sector indicators. The monitoring and evaluation system for the ASDP has been modified to gather data for project impact assessment. Terms of reference for the ASDP project completion report have been designed to develop capacity to monitor projects for results within the Ministry of Agriculture and Ministry of Finance. Technical assistance is being designed so that it builds

capacity to analyze data and support MfDR. The Resident Mission has been working with Mongolian participants in ADB's MfDR community of practice to increase civil society participation in the results-based management of development programs.

22. In April 2006, the Resident Mission conducted a survey of the performance monitoring systems of ADB projects as part of the CPRM. It noted deficiencies in baseline data, and the inadequacy of indicators to monitor impacts and results; the emphasis was on physical progress and inputs. The CPRM action plan in 2005 included steps to improve indicators, train project staff to assess development results, harmonize sector indicators, correlate monitoring and evaluation systems with sector indicators, and streamline and coordinate data collection. Following the lead of the PRC Resident Mission, the Mongolia Resident Mission intends to undertake initiatives for results-based monitoring of projects.

IV. COUNTRY PERFORMANCE AND ASSISTANCE LEVELS

A. Proposed Lending Level

23. Country-specific allocations have been based on the results of the country performance assessment (CPA) exercise in 2005 after applying the performance-based allocation formula. The ADF allocation for Mongolia for 2007–2008 has been set at \$48.3 million. The ADF assistance program for 2009 is tentative, with actual ADF assistance levels subject to the results of the CPA exercise in 2007 and the outcome of discussions on the next ADF replenishment. The pipeline for the indicative lending program 2007–2009 is provided in Table A1.10 and concept papers for the 2007 program are in Appendix 2. The cost-sharing limits remain unchanged and remain at 80% of project costs.

B. Nonlending Program

24. The TA program supports the lending program. Priority is given to technical assistance associated with projects within a strategic and focused approach. Project preparatory TA is expected to address such issues as institutional organization, efficiency of public service delivery, and better coordination and monitoring. Efforts will be made to supplement the nonlending program with cofinancing resources. The proposed pipeline for the indicative nonlending program for 2007–2009 is provided in Table A1.11 and concept papers for the 2007 program are in Appendix 3.

C. Summary of Changes to Lending and Nonlending Programs

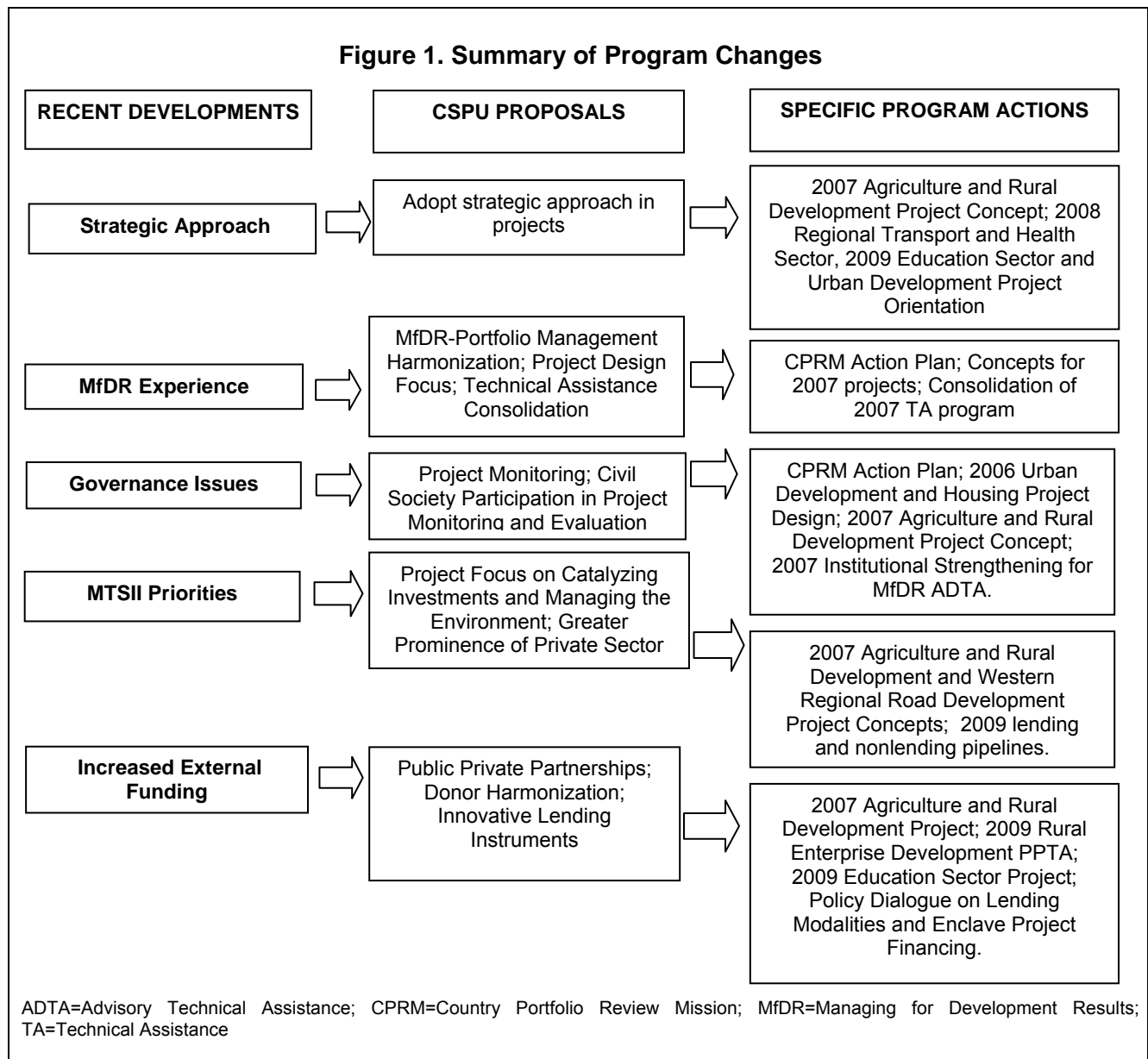
25. Figure 1 summarizes the proposed changes to the lending and nonlending programs. While the overall program directions of the CSP have been maintained, project designs have been reoriented to pay attention to five major considerations: the Government's strategic approach, the MfDR agenda, governance, MTS II priorities, and harmonization with other sources of funds. Support for the Government's agriculture strategy has been intensified to provide the basis for the Agriculture and Rural Development Project in 2007 (Figure 1, page 8). In line with the Government's strategic focus, ADB lending to the education and health sectors has the potential to move toward a sector approach. The Health Sector Reform Project in 2008 and the Education Sector Reform Project in 2009 anticipate sector support for investment programs linked to master plans.

26. In support of the MTS II priority of catalyzing investments, the proposed Agriculture and Rural Development Project has been reoriented to focus on the role of private investment and rural infrastructure. It includes a market-oriented brand development and promotion strategy for Mongolian agriculture. The project has also been designed to maximize cofinancing opportunities with both public and private investors and contains a large element of direct private sector financing.⁶ The project preparatory TA (PPTA) for Rural Enterprise Development in 2009 will be implemented jointly by ADB's East Asia and Private Sector Operations departments and will identify private sector investments to follow up on lending support in the 2007 Agriculture and Rural Development Project complemented by public goods and services.

27. The PPTAs for sustainable urban transport and environment management in 2009 are oriented to the MTS II priority of managing the environment. The environment management PPTA will address land degradation and pasture management and the strong potential for obtaining Global Environment Facility cofinancing (with assistance from ADB's Regional Sustainable Development Department) will be considered. The PPTA for urban development in 2008 (for a proposed 2009 loan) will be directed at environmental issues. ADB has continued to provide regional technical assistance funded by Dutch Government to the energy sector under the Promotion for Renewable Energy, Energy Efficiency and Greenhouse Gas Abatement Project.⁷ Mongolia will also participate in the RETA on Mitigation of Transboundary Air Pollution from Coal-Fired Power Plants in North East Asia in 2006.

⁶ The project has established upstream collaboration with GTZ, Government of Japan, MCC, Government of the Netherlands, and USAID.

⁷ ADB. 2001. Technical Assistance Report for the Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement (PREGA). Manila.



28. Regional cooperation and integration receives renewed attention in the CSPU. The Western Regional Road Development Project in 2007 has been recast to seek cost-sharing commitments from the PRC and the Russian Federation. The Regional Transport Project in 2008 assumes that the transport sector strategy being developed by the Government will increase the potential for regional cooperation, integration, and harmonization. New planned activities including the proposed second phase of the RETA for Prevention and Control of Sand and Dust Storms in Northeast Asia, prevention of transboundary pollution, activities under the Central Asia Regional Economic Cooperation program, and a proposed RETA to develop new regional cooperation opportunities in East Asia all are expected to contribute.

29. Furthermore, although not reflected in the pipelines, ADB has responded to the Government's interest in expanding funding sources for infrastructure development. The Energy

Division of the East Asia Department (EARD) will continue to work with the Government to identify enclave projects with export revenue potential. If there is a need for external financing, EARD may work with ADB's Office of Cofinancing Operations (OCO) to structure products to improve the likelihood of external financing. If an enclave project could export energy to the PRC and thus balance external debt against export earnings, it would support the CSP priority of diversifying the economy and reducing Mongolia's vulnerability while maintaining the primacy of debt sustainability.

30. Finally, in order to catalyze investments that are particularly beneficial to the poor, ADB will maximize efforts to mobilize Japan Fund for Poverty Reduction (JFPR) resources to complement the program. JFPR projects in Mongolia have been particularly effective in increasing the access of the poorest sections of society to benefits from ADB-funded projects and other development initiatives. The appropriate application of JFPR funds will help address the public perception that economic growth is not benefiting the poorest sections of society. Specifically, JFPR resources will be sought in 2007 to complement the ongoing Ulaanbaatar Heat Efficiency Project,⁸ the Agriculture and Rural Development Project in 2008, and to complement the Urban Development Project in 2009. Ethnic minority issues will receive particular attention in the Agriculture and Rural Development Project.

31. The 2006 program has been adjusted to take account of recent developments. The Government's planned administrative consolidation program is pending a final decision by the Government and as a result the proposed Public Administration Consolidation Program Loan was dropped from the pipeline for 2006. The Third Education Development Program planned for 2005 was postponed to 2006 awaiting tangible progress on the development of the Government's education sector master plan and discussions with the World Bank over joint project administration in the education sector. ADB has been providing technical assistance to the Mongolian Customs Agency to assess its institutional needs and identify actions to modernize systems and harmonize procedures with neighboring countries. The Minister of Finance requested financial assistance from ADB to undertake the reforms and investments identified in the assessment and the Government-External Partners Technical Meetings on 28 February and 1 March 2006 identified customs reform as a priority to improve the climate for private sector investment; so a loan project was included in the 2006 program for this purpose.

32. The CSP proposed technical assistance for aid coordination and results-based management in 2006. However, the CPRM in 2005 suggested that it would be more efficient to undertake much of the preliminary work toward results-based management of projects under the portfolio management action plan. Furthermore, recent experience indicates that a consolidated approach to results-based management would be more efficient. Therefore, three technical assistance projects proposed in the CSP have been consolidated into a single nonlending product for Institutional Strengthening for Managing for Development Results in 2007. This will include improved systems for monitoring and evaluation, capacity building for impact assessment, and civil-society participation in MfDR.

⁸ ADB. 1997. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Mongolia for the Ulaanbaatar Heat Efficiency Project*. Manila.

COUNTRY AND PORTFOLIO INDICATORS, AND ASSISTANCE PIPELINE

Table A1.1: Progress Toward the Millennium Development Goals and Targets

Goals and Targets	Country Status
<p>Goal 1: Eradicate Extreme Poverty and Hunger</p> <p>Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than \$1/day.</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.</p>	<p>Poverty remains severe. Poverty incidence was 36% according to the 2002 HIES and LSMS. The proportion of poor people was lower in urban areas (30%) than in rural areas (43%). The depth of poverty and inequality among poor were substantial (the poverty gap was –11% and the severity of poverty was –4.7%). The highest poverty incidence, 51%, was in the Western Region. While this target is achievable if benchmark growth rates are maintained, it could be threatened by lower or less equally distributed growth.</p> <p>Average calorific intake has been increasing since 1992, when it was below the minimum requirement of 2,100 kcal per person per day. The daily intake of members of poor households is 1,784 kcal, compared with the 2,900 kcal national average. Meeting the target will require high economic growth with economic opportunities for the poor, particularly in rural areas, and also better targeted social assistance.</p>
<p>Goal 2: Achieve Universal Primary Education</p> <p>Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.</p>	<p>Primary enrollment rates fell from 91% in 1995 to 87% in 2000 but have been growing steadily since. If the recent trend continues through 2015, the target of universal primary education will be met. However, special attention will be required in rural areas, where the pressure on boys to assist in income-generating activities reduces enrollment and completion rates.</p>
<p>Goal 3: Promote Gender Equality and Empower Women</p> <p>Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.</p>	<p>Few gender disparities exist at the primary level. At the secondary level and above, gender disparity is in favor of females. In 2001, gross enrollment ratios were 90% for girls and 80% for boys. However, given the rates of annual increases in male enrollment, the target is likely to be attained.</p>

<p>Goal 4: Reduce Child Mortality</p> <p>Target 5: Reduce by two thirds, between 1990 and 2015, the under-5 mortality rate.</p>	<p>Infant and under-5 mortality declined by half during 1992–2000. Infant mortality per 1,000 live births declined from 63.4 (1992) to 32.8 (2000) and further to 30.4 in 2003. Under-5 mortality per 1,000 live births declined from 87.5 (1992) to 42.4 (2000). This trend puts Mongolia on track to achieving the target by 2015.</p>
<p>Goal 5: Improve Maternal Health</p> <p>Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio.</p>	<p>With the decline from 200 in 1992 to 109 in 2003, the target may not be met. In remote western aimags the rates were significantly higher than the national average ranging between 205 and 375 per 100,000 live births in 2000 reflecting the poor quality of health services in rural remote areas.</p>
<p>Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases</p> <p>Target 7: Have halted by 2015, and begun to reverse, the spread of HIV/AIDS.</p> <p>Target 8: Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases.</p>	<p>Mongolia has a low recorded incidence of HIV/AIDS but faces high-risk factors that could threaten achievement of this goal.</p> <p>There is an increasing trend of registered tuberculosis incidence mainly linked to poverty and unemployment. The progress toward the target is currently off-track but it is still achievable.</p>
<p>Goal 7: Ensure Environmental Sustainability</p> <p>Target 9: Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources.</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water.</p> <p>Target 11: By 2020, achieve a significant improvement in the lives of at least 100 million slum dwellers.</p>	<p>Land and/or pasture degradation, air pollution, low energy efficiency, deforestation, and decreasing biodiversity are pressing environmental issues. This target will be difficult to achieve.</p> <p>About 40% of the population receives water from unsafe sources such as unprotected wells, rivers, rain, and snow and the figure has remained unchanged in recent years. In fact it has worsened because of increasing rural–urban migration. Drinking water access is closely related to geographic location and economic status. This target will be difficult to achieve without a new approach to urban development.</p> <p>The population living in <i>gers</i> typically does not have central heating, a potable water supply, or sanitation facilities. The attainment of this goal will depend on targeted actions in Ulaanbaatar and provincial towns.</p>

HIES and LSMS = Household Income Expenditure Survey/Living Standard Measurement Survey, MDG= Millennium Development Goals.

Table A1.2: Country Economic Indicators

Item	Fiscal Year				
	2001	2002	2003	2004	2005
A. Income and Growth					
1. GDP per Capita (\$, current)	419.1	454.5	511.9	605.5	—
2. GDP Growth (% , in constant prices)	1.0	4.0	5.6	10.5	6.2
a. Agriculture	(18.5)	(10.7)	5.8	18.9	7.7
b. Industry	16.5	4.7	0.4	16.8	(0.9)
c. Services	8.2	12.2	7.1	4.0	9.1
B. Saving and Investment (current and market prices, % of GDP)					
1. Gross Domestic Investment	36.1	32.2	38.0	36.5	35.5
2. Gross National Saving	8.3	8.6	16.6	27.1	31.6
C. Money and Inflation (% annual change)					
1. Consumer Price Index ^a	8.2	0.2	5.0	8.2	12.7
2. Total Liquidity (M2)	27.9	42.0	49.6	20.4	38.1
D. Government Finance (% of GDP)					
1. Revenue and Grants	39.4	38.4	37.9	37.3	36.8
2. Expenditure and On-lending	43.9	44.2	42.1	39.4	34.1
3. Overall Fiscal Surplus (Deficit)	(4.5)	(5.9)	(4.2)	(2.2)	2.7
E. Balance of Payments					
1. Merchandise Trade Balance (% of GDP)	(16.7)	(20.5)	(15.7)	(9.8)	(5.0)
2. Current Account Balance (% of GDP) ^b	(16.6)	(16.0)	(12.6)	(9.8)	(8.0)
3. Merchandise Exports Growth (annual % change, \$)	12.3	3.2	16.1	36.0	23.4
4. Merchandise Imports Growth (annual % change, \$)	12.8	8.6	9.8	22.4	13.4
F. External Payments Indicators					
1. Gross Official Reserves (including gold, \$ million) ^c	207.0	226.0	178.0	205.0	268.0
Weeks of imports	13.1	17.0	11.6	10.3	13.8
2. External Debt Service (% of exports of goods and services)	5.3	4.9	34.0 ^c	7.5	—
3. Total External Debt (% of GDP) ^d	88.5	88.2	97.1	83.0	—
G. Memorandum Items					
1. GDP (current prices, MNT billion)	1,115.6	1,240.8	1,461.2	1,910.9	2,266.5
2. Exchange Rate (MNT/\$, average)	1,097.7	1,110.3	1,146.5	1,185.3	1,204.0
3. Population (million)	2.4	2.5	2.5	2.5	2.6

— = not available, GDP = gross domestic product, MNT = togrog.

^a Annual percentage change (period average).

^b Including official transfers.

^c The high number is explained by the fact that, until the first quarter of 2004, statistics recording the stock of external debt did not include the unresolved pre-1991 Russian debt.

^d 1999–2002 excludes unresolved claims owed to the Russian Federation.

Sources: Government of Mongolia and the International Monetary Fund.

Table A1.3: Country Poverty and Social Indicators

Item	Period		
	1995	1998	2002
A. Population Indicators			
1. Total Population (million)	2.24	2.39	2.6(2005)
2. Annual Population Growth Rate (% change)	1.6	1.4	1.3(2005)
B. Social Indicators			
1. Total Fertility Rate (births/woman)	2.8	2.2	2.0
2. Maternal Mortality Ratio (per 100,000 live births)	187	158.5	109.5
3. Infant Mortality Rate (below 1 year/1,000 live births)	44.4	32.8	29.6
4. Life Expectancy at Birth (years)	63.78	63.18	63.63
a. Female	65.43	66.13	66.50
b. Male	62.10	60.43	60.79
5. Adult Literacy (%)	—	97.8	—
a. Female	—	97.5	—
b. Male	—	98.0	—
6. Primary School Gross Enrollment (%)	91.4	87.2	89.0
7. Secondary School Gross Enrollment (%)	55.4	69.1	82.3
8. Child Malnutrition (% below age 5)	—	13.0	—
9. Population with Access to Safe Water (%)	—	60.0	61.0
10. Population with Access to Sanitation (%)	—	52.0	52.0
11. Public Education Expenditure (% of GDP)	4.6	8.1	7.9
12. Human Development Index Rank	101	117	—
13. Gender-Related Development Index Rank			
C. Poverty Indicators			
1. Poverty Incidence	36.3	35.6 (1998)	36.1
a. West	—	—	51.1
b. Highland	—	—	38.7
c. Central	—	—	34.4
d. East	—	—	34.5
e. Ulaanbaatar	—	—	27.3
3. Poverty Gap	10.9	11.7 (1998)	11.0
4. Poverty Severity Index	4.8	5.6 (1998)	4.7
5. Inequality (Gini Coefficient)	0.30	0.35 (1998)	0.44
6. Human Poverty Index Rank	—	19.1	19.1
		38	36

— = not available, GDP = gross domestic product.

Sources: Living Standards Measurement Survey (LSMS) 1995, LSMS 1998, and Household Income and Expenditure Survey and LSMS 2002–2003, UNDP. 2003. *Human Development Report 2003*. New York. Oxford University Press.

Table A1.4: Country Environment Indicators

Indicator	1995	2000	2003
A. Energy Efficiency of Emissions			
1. GDP/Unit of Energy Use (PPP\$/kgoe)	—	—	—
2. Traditional Fuel Use (% of total energy use)	—	4.3 (1997)	—
3. Carbon Dioxide Emissions			
a. Tons	—	—	5.7
b. Tons per Capita	3.5	4.1	4.1 (2000)
B. Water Pollution: Water and Sanitation			
1. Urban Population with Access to Safe Water (%)	—	77	90.8
2. Rural Population with Access to Safe Water (%)	—	30	34.4
3. Urban Population with Access to Sanitation (%)	—	46	39.8
C. Land Use and Deforestation			
1. Forest Area (million hectares) ^a	—	13.3	14.7
2. Average Annual Deforestation			
a. Km ²	—	600	—
b. Change (%)	—	0.5	—
3. Rural Population Density (people/km ² of arable land)	—	75 (1999)	87 (2001)
4. Arable Land (million hectares)	0.8	0.8 (1999)	0.7
5. Permanent Cropland (% of total land)	0.0	0.0 (1999)	0.45
D. Biodiversity and Protected Areas			
1. Nationally Protected Area			
a. Million Hectares	12.6 (1996)	20.5	20.8
b. Percentage of Total Land	7.92	13.15	13.4
2. Mammals (number of threatened species)	—	12	13
3. Birds (number of threatened species)	—	16	8
4. Higher Plants (number of threatened species)	—	0 (1997)	15
5. Reptiles (number of threatened species)	—	—	0
6. Amphibians (number of threatened species)	—	—	0
7. Butterflies	—	—	1
E. Urban Areas			
1. Urban Population			
a. Million	—	1.4 (2001)	1.5
b. Percentage of Total Population	60.8	56.7 (2001)	58.4
2. Per Capita Water Use (liters/day)	—	200-250	250-270
3. Wastewater Treated (%)	—	—	40
4. Solid Waste Generated per Capita (kg/day)	—	—	0.6 (2002)

— = not available, GDP = gross domestic product, kg = kilogram, kgoe = kilograms of oil equivalent, km² = square kilometer, PPP = purchasing power parity.

^a A change in methodology makes these figures not directly comparable.

Sources: Department of Sustainable Development and Environment, Ministry of Nature and Environment, Mongolia; World Bank. 2002 and 2003. *Mongolia Environmental Monitor*. Washington, DC; World Bank. 2004. *Land Resources and Their Management*. Washington, DC; World Bank. 2004. *World Development Indicators 2004*. Washington, DC; United Nations Environment Programme. 2002. *State of the Environment: Mongolia 2002*. New York; National Statistical Office of Mongolia. 2004. *Statistical Yearbook 2003*. Ulaanbaatar. National Statistical Office of Mongolia.

Table A1.5: Development Coordination Matrix

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
<p>Agriculture/Rural Development</p>	<p>CSP Outcomes:</p> <ul style="list-style-type: none"> • Sustainable, stable, and more productive agriculture with greater market-orientation and associated development of rural nonfarm economy with particular benefits for the rural poor <p>Program:</p> <ul style="list-style-type: none"> • Agricultural and Rural Development Loan and TA project in Western Region • Capacity Building for Agriculture and Rural Development • Ongoing Agriculture Sector Development Loans and TA 	<p>Canada CIDA: No-till technology for crop sector; safe food for rural population, rural development training</p> <p>EU TACIS: Mixed-farming development (rural development in Dornogobi, Sukhbat, and Gobi Sumber using the ADB Agriculture Sector Development Project as a model, distribution and collection system), agricultural services</p> <p>EU/UNDP: Coordination of external funding agencies for rural development; disaster mitigation and management; rural water supply</p> <p>France: Food aid to herders and farmers</p> <p>Germany GTZ: Self-help in rural households—family production units, training for cooperatives; privatization of veterinary services and training; fiscal land cadastre and land valuation</p> <p>FAO/India: Crop production technology development, dairy improvement</p> <p>Japan: Rural development, including well rehabilitation in the Gobi region; food aid, agriculture machinery; planned JBIC operations—research in microfinance and selected agriculture subsectors</p> <p>IFAD: In-kind credit for livestock redistribution and vegetable production, horticulture promotion, social services, well rehabilitation, pasture management</p> <p>Luxembourg: Disaster mitigation and management</p> <p>Switzerland SDC: Seed improvement; ecosystem management</p> <p>UNDP/Netherlands: Grasslands management</p> <p>United States: Food aid—wheat (monetized via public auction, with proceeds used to fund aid projects)</p> <p>USAID: Gobi Regional Economic Growth Initiative (rural business), Gobi Forage Project (risk management technologies for drought and winter disaster early warning); rural business support in the livestock sector of the Gobi region; Economic Policy Reform and Competitiveness Project (export-driven hides, skins, leather and meat, and cashmere industries)</p> <p>World Bank: Sustainable Livelihood Project (pasture management); planned land administration and management/forestry project; planned second phase of the Sustainable Livelihood Project of \$9 million</p>
<p>Education</p>	<p>CSP Outcomes:</p> <ul style="list-style-type: none"> • Alignment of skills and education of labor force with market demand, in order to reduce growth constraints caused by human resources shortfalls • Better education opportunities for the poor so they have the opportunity to participate in economic growth processes <p>Program:</p> <ul style="list-style-type: none"> • Education Development Project, 2005 • Ongoing loans and TAs in education sector 	<p>Australia AusAID: Capacity building; scholarships for postgraduate students; community based development initiatives</p> <p>Danida: Rural secondary teacher training; rural school heating; non-formal basic distance education</p> <p>EU TACIS: Mongolian National University management; libraries, curriculum development, and related training of teachers and students</p> <p>Germany GTZ: Vocational education</p> <p>India: IT, management, accounting, communication and rural development training in India; vocational training; post-graduate scholarship program</p> <p>Japan: Policy and planning support, Ulaanbaatar school facilities, ICT in partnership with ADB; human development scholarship program; Mongolia-Japan Human Resource Development Center</p> <p>NDF: Cofinancing ADB's Second Education Development Project, focusing on science and vocational education; upgrading kindergartens and primary</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
		<p>schools</p> <p>Soros Foundation Open Society Forum: Basic education and capacity building; ICT assistance for the Mongolian Foundation for an Open Society</p> <p>Republic of Korea: Distance education, upgrading facilities of higher education institutions, Korean-Mongolian Technical College</p> <p>UK: Post-graduate scholarships, pre-school education, English language</p> <p>UNICEF: School renovation, community-based primary education; teacher development; early childhood development, community participation in education, life skills, and non-formal education</p> <p>UNFPA/Finland: Health education curricula in the formal school system</p> <p>UNFPA: Capacity for population training; research center in population, development, and gender</p> <p>USAID: Graduate degree scholarships for economic studies and ICT, possible support for vocational training center; construction and equipment for vocational training schools in Ulaanbaatar</p> <p>World Bank: Human resource development; education privatization</p> <p>World Vision: Pre-school education for children of poor households</p>
Finance	<p>CSP Outcomes:</p> <ul style="list-style-type: none"> • Sound financial system with improved efficiency and outreach and improved access to financial services <p>Program</p> <ul style="list-style-type: none"> • Financial Sector Development Program III, 2005 • Capacity Building for Non-bank Financial Sector Reforms, 2005 • Ongoing assistance for legal and institutional reforms 	<p>DFID: TA and a capital injection to Credit Mongol</p> <p>EBRD: Support to Agriculture Bank for term-lending techniques</p> <p>EU TACIS: Financial services for SME's</p> <p>Japan: Study on rural finance and experts working at commercial banks</p> <p>IFC: Micro-lending, bank privatization and investment in privatized and private commercial banks, financial leasing</p> <p>KfW: Planned assistance for financial sector reform</p> <p>UNDP: Financial services to herders and credit cooperatives</p> <p>World Bank: Financial sector capacity TA (policy reforms; bank management, rural financial services, credit information bureau, index-based livestock insurance); financial sector review, coordination of donor activities in the financial sector and private sector development</p>
Gender	<p>CSP Outcomes:</p> <ul style="list-style-type: none"> • Inclusive public policies • Gender-balanced measures in education, rural development, health, urban development and public administration reform projects • Improved loan and TA activities 	<p>UNDP: Capacity building for gender sensitive budgeting</p> <p>UNFPA: Capacity building for the integration of population, gender and development factors into national policies, plans and programs</p> <p>UNIFEM: National Program for Advancement of Mongolia's Women</p> <p>World Bank: Appointed gender consultant to advise on gender-related issues, provide training, and work closely with other donor agencies to support Government's initiatives on gender equality</p>
Governance	<ul style="list-style-type: none"> • Governance measures integrated into assistance in the education, urban development and housing, agriculture, and health sectors • Project designs expected to incorporate governance concerns and to include civil society participation in policy making and decision making, improving the performance of civil servants, greater coverage and responsiveness 	<p>Germany GTZ: Legislative drafting, training of prosecutors, advocates, judges, notaries and academics</p> <p>UK: Disaster preparedness system in coordination with UNDP</p> <p>UNDP: Democratic governance (anticorruption, gender-sensitive budgeting); facilitation of national policy dialogue and cooperation, human rights, accountability, transparency, and responsiveness of governing institutions; capacity building of the National Human Rights Commission; anti corruption and capacity building for parliamentarians; electoral reform</p> <p>UNDP/Sweden: Good governance and human security program</p> <p>UNFPA: Building capacity for integration of population and development</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<p>of public services, accountability of public agencies, and efficiency of development assistance</p> <ul style="list-style-type: none"> • Strengthening of corporate governance, the establishment of a legal and institutional environment for private sector development, and civil service capacity for governance improvements through interventions in small and medium-sized enterprise development, private sector participation in the agriculture sector, and educational programs in the areas of civil service, accounting, and legal training • Transparency and accountability mechanisms for the delivery of public services in association with projects in the education, health, urban development, and agriculture sectors and through support for administrative consolidation 	<p>and gender factors into national policies, capacity building of members of Parliament in advocating reproductive health and population</p> <p>USAID: Economic advisory services to the Government and the office of the Prime Minister; democratic processes (political party development and strengthening parliament); rural and human rights NGO development; judicial reform</p> <p>World Bank: Public sector management project (public administration reform—capacity building for public expenditure management, assistance in civil service and formulating the civil service reform strategy, strengthening the institutional statistical system, capacity building of state audit and inspection system; macroeconomic management); administrative court system; planned judicial and public sector reform loan; TA for civil society assessment and public expenditure tracking survey</p>
Health	<p>CSP Outcomes:</p> <ul style="list-style-type: none"> • Better health services <p>CSP Outputs:</p> <ul style="list-style-type: none"> • Improvements at national and local levels in health services to poor and vulnerable populations • Reducing inequality in health care • Improving efficiency in the delivery of health care <p>Program:</p> <ul style="list-style-type: none"> • Health Sector Reform • Capacity Building for Health Sector Reforms • Decreasing maternal mortality • Ongoing projects for health sector development and health services 	<p>EU TACIS: Financial management of health system</p> <p>Germany GTZ: Reproductive health system</p> <p>Japan: Communicable diseases, artificial limb training center, strengthen medical centers and hospitals, sector master plan</p> <p>Luxembourg: Cardiovascular diagnostic center</p> <p>Netherlands: Telemedicine and radiology</p> <p>South Korea: Centers for urology and nephrology and traditional medicine</p> <p>Spain: Mother and child research center</p> <p>UK: Health and nurse training, HIV/AIDS prevention</p> <p>UN/Netherlands/Australia/NZ: Water sanitation and hygiene education</p> <p>UNICEF: ADB partnership in micronutrients</p> <p>UNFPA: Reproductive health policies, maternal health and sexually transmitted diseases, particularly HIV/AIDS</p> <p>WHO: Vaccine-preventable diseases; tuberculosis; STI and HIV/AIDS; child and adolescent health and development; maternal morbidity; mental health; hospital planning and management; national drug policy; capacity building for rural health personnel; managerial capacity for health statistics</p> <p>World Bank: Health sector privatization; hospital restructuring; strengthening capacity for public expenditure management in health sector</p>
Poverty Reduction and Social Security	<p>Overarching ADB goal; second CSP pillar specifically directed to meeting poverty reduction targets of the Government</p> <p>National Goals:</p> <ul style="list-style-type: none"> • Reduce urban–rural disparities • Improve access to stable incomes • Improve quality and access to public 	<p>Australia: Community-based development donations to orphanage center</p> <p>Canada: Employment promotion among vulnerable groups</p> <p>Germany GTZ: Food assistance, emergency relief, urban marginalized youth</p> <p>IFAD: Rural poverty alleviation, credit to poor households</p> <p>Japan: Food assistance, emergency relief, training for disabled, shelters for street children, study on poverty/livelihood in Ulaanbaatar <i>ger</i> areas</p> <p>Italy: Community-based rehabilitation of disabled (training of doctors,</p>

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	services Program: <ul style="list-style-type: none"> • Agriculture • Roads • Education • Health • Urban Development 	provision of training materials, support for disability NGOs) NDF: Social security sector development program SOS Kinder International: children's village Sweden: National Center Against Violence, poverty research, employment facilitation UK: Children shelters and service centers, summer camps for street children; planned disabled children assessment and treatment center UNDP: MDG awareness, knowledge networking on urban poverty, poverty research group, aid effectiveness and harmonization, innovative schemes for demand-driven vocational training UNICEF: Community-initiated projects, street children, migrant households, trafficking of children and child labor World Bank: Sustainable livelihoods project to shift anti-poverty strategy from welfare to market-based measures, social sector policy, pension reform World Vision: Emergency relief, support for street children
Private Sector Operations	CSP Outcomes: <ul style="list-style-type: none"> • Promote SME development • Leverage investment into private companies with growth potential • Create more employment opportunities for Mongolia's population Program <ul style="list-style-type: none"> • SME development project • Private equity project • On-going loans and investment 	EBRD: Turn Around Management (TAM) working with 22 companies (trading and distribution, baking, tourism, construction materials, tannery shoe manufacturing, meat processing, cattle and agriculture farming, carpet production, IT software, printing, wood processing, and furniture) EU TACIS: Management, food technology, tourism management Germany GTZ: SME support (capacity building, information and advisory services, links with German businesses, and export oriented policies) Japan: Tourism development master plan PRC: Construction of plants for processing zinc ore UNDP: Enterprise restructuring, industrial development, tourism USAID: Rural and <i>ger</i> area businesses, private equity venture capital World Bank: Credit line for private enterprises; planned trade, mining and cashmere studies; investors' forum
Transportation	CSP Outcomes: <ul style="list-style-type: none"> • Improved domestic and regional transport network • Better domestic and regional market integration Program: <ul style="list-style-type: none"> • Ongoing Transport Sector Strategy Study • Altai Transport Corridor TA project • Altai Western Corridor I – road investment project • Regional transport project 	ADB and World Bank: Joint dialogue with the Government on road financing, maintenance EBRD: Restructuring the aviation sector EU TACIS: Zamiin Uud bulk fuel trans-shipment facility Germany: Improving domestic road transport network Japan: Roads and urban infrastructure Kuwait: Road rehabilitation in Bulgan <i>aimag</i> Republic of Korea: Cofinancing for the ADB regional road development project World Bank: East/west road corridor; railways financial management system and training World Bank GEF: Vehicle registration and inspection system, accident reporting system
Urban Development and Housing	CSP Outcomes: <ul style="list-style-type: none"> • Keeping Mongolia on track to achieve MDG targets by improving the quality of urban services and housing for the poor Program: <ul style="list-style-type: none"> • Urban Development Project 	Canada CIDA: Sustainable Cities Initiative EU TACIS: Urban development plan for Ulaanbaatar GTZ: Low-cost housing Japan: Water supply facilities at upper water source area of Ulaanbaatar Sweden: Supports urban land administration system development UNDP: Commercialization of super-insulated buildings

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
	<ul style="list-style-type: none"> • On-going loans and TA on Urban Development and Housing Finance Project 	<p>USAID: Urban planning and land use in Ulaanbaatar World Bank: Public utilities in Ulaanbaatar <i>ger</i> areas, air pollution, city development strategies; municipal finance</p>
Energy	<p>Ongoing ADB Activities:</p> <ul style="list-style-type: none"> • Heat Efficiency Project • Renewable Energy Project • RETA on Promotion of Renewable Energy, Energy Efficiency, and Greenhouse Gas Abatement • RETA on Mitigation of Transboundary Air Pollution from Coal Fired Power Plants in North East Asia 	<p>Germany GTZ and KfW: Renewable energy in Zavkhan and Khuvsgul <i>aimags</i> Japan JBIC: Rehabilitation of a power plant; rehabilitation of power plants in <i>soum</i> centers Kuwait Fund/ OPEC Fund: Hydropower UNDP: Straw bale-building project for energy efficiency USAID: Policy support for energy sector restructuring World Bank: Investment project includes power distribution in Ulaanbaatar; electric transmission</p>

ADB = Asian Development Bank; AusAID = Australian Agency for International Development; CIDA = Canadian International Development Agency; CSP = country strategy and program; Danida = Danish International Development Agency; DFID = Department for International Development, United Kingdom; EBRD = European Bank for Reconstruction and Development; EU = European Union; EU TACIS = European Union Technical Assistance to the Commonwealth of Independent States; GEF = Global Environment Facility; GTZ = German Agency for Technical Cooperation; FAO = Food and Agriculture Organization; IMF = International Monetary Fund; JBIC = Japan Bank for International Cooperation; ICT = information and communications technology; IFAD = International Fund for Agricultural Development; IFC = International Finance Corporation; IT = information technology; KfW = Kreditanstalt für Wiederaufbau; MDG = Millennium Development Goals; NDF = Nordic Development Fund; NGO = nongovernment organization; NZ = New Zealand; OPEC = Organization of Petroleum Exporting Countries; PRC = People's Republic of China; RETA = Regional Technical Assistance; SDC = Swiss Agency for Development Cooperation; TA = technical assistance; SME = small and medium-sized enterprise; TAM = turn around management; UK = United Kingdom; UN = United Nations; UNDP = United Nations Development Programme; UNFPA = United Nations Population Fund; UNIFEM = United Nations Development Fund for Women; UNICEF = United Nations Children's Fund; USAID = United States Agency for International Development; WHO = World Health Organization

Table A1.6: Portfolio Indicators—Portfolio Amounts and Ratings
(public sector loans, as of 31 December 2005)

Sector	Net Loan Amount		Rating ^a															
			Total		Highly Satisfactory		Satisfactory		Partly Satisfactory		Unsatisfactory		Potential Problem ^b		At Risk ^c			
	\$ million	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	(%)		
Agriculture and Natural Resources	21.2	8.7	2	13.3	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Education	15.6	6.4	1	6.7	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy	40.9	16.8	1	6.7	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Finance	36.8	15.1	3	20.0	0	0.0	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Health, Nutrition, and Social Protection	28.3	11.6	3	20.0	0	0.0	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Industry and Trade	0.0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Law and Public Sector Management	16.2	6.6	2	13.3	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Multisector	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications	62.2	25.6	2	13.3	0	0.0	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Water Supply, Sanitation, and Waste Management	22.2	9.1	1	6.7	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total	243.5	100.0	15	100.0	0	0.0	15	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0

No. = number.

^a One rating for implementation progress and development objectives, based on the lower rating of either.

^b Potential problem loans are satisfactory loans but have four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^c A loan is "at risk" if it is rated as partly satisfactory, 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 2005)

Disbursements and Transfers	OCR	ADF	Total
Disbursements^a			
Total Funds Available for Withdrawal (\$ million)	0.00	232.1	232.1
Disbursed Amount (\$ million, cumulative)	0.00	116.0	116.0
Percentage Disbursed (disbursed amount/total available)	0.00	50.0	50.0
Disbursements (\$ million, latest year)	0.00	29.9	29.9
Disbursement Ratio (%) ^b	0.00	18.8	18.8
Net Transfer of Resources (\$ million)^c			
2001	0.00	27.5	27.5
2002	0.00	22.7	22.7
2003	0.00	34.5	34.5
2004	0.00	32.5	32.5
2005	0.00	21.1	21.1

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

^a Includes all loans with disbursements during 2005.

^b Ratio of disbursements during the year over the undisbursed net loan balance at the beginning of the year less cancellations during the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^c Includes private sector projects.

Source: Asian Development Bank estimates.

Table A1.8: Portfolio Indicators—Evaluation Rating by Sector
(1996–2005)

Sector	Highly Successful		Successful		Partly Successful		Unsuccessful		No Rating		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources	0	0.00	0	0.00	1	100.00	0	0.00	0	0.00	1	100.00
Education	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Energy	0	0.00	0	0.00	1	100.00	0	0.00	0	0.00	1	100.00
Finance	0	0.00	1	33.30	2	66.70	0	0.00	0	0.00	3	100.00
Health, Nutrition, and Social Protection	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Industry and Trade	0	0.00	1	50.00	1	50.00	0	0.00	0	0.00	2	100.00
Law and Public Sector Management	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Multisector	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Transport and Communications	2	66.70	1	33.30	0	0.00	0	0.00	0	0.00	3	100.00
Water Supply, Sanitation, and Waste Management	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	2	20.00	3	30.00	5	50.00	0	0.00	0	0.00	10	100.00

Source: Asian Development Bank project (program) audit reports.

Table A1.9: Portfolio Implementation Status
(public sector loans, as of 31 December 2005)

Sector	Loan No.	Seg	Title	Net Loan Amount		Approval Date	Effectivity Date	Closing Date		Progress (% complete)
				OCR (\$ million)	ADF (\$ million)			Original	Revised	
AG	1736		Cadastral Survey and Land Registration Project	0.0	10.3	27 Jan 00	27 Sep 01	31 Dec 07		46
AG	1822		Agriculture Sector Development Project	0.0	11.0	21 Dec 00	20 Jun 01	30 Sep 06		69
ED	1908		Second Education Development Project	0.0	15.6	06 Aug 02	19 Nov 02	30 Jun 08		50
EN	1548		Ulaanbaatar Heat Efficiency Project	0.0	40.9	25 Sep 97	24 Nov 98	30 Jun 03	30 Sep 06	65
FI	1847		Housing Finance Sector Loan	0.0	17.1	18 Oct 01	15 May 02	30 Jun 07		80
FI	1848		Rural Finance Project	0.0	9.8	25 Oct 01	29 Jul 02	30 Jun 09		15
FI	2218		Financial Regulation And Governance Program (FRGP)	0.0	9.9	15 Dec 05		30 Jun 10		
HL	1836		Social Security Sector Development Project	0.0	4.6	28 Aug 01	21 Feb 02	30 Apr 07		60
HL	1837		Social Security Sector Devt Program (Program & Investment Loans)	0.0	9.1	28 Aug 01	21 Feb 02	31 Oct 05	28 Feb 06	
HL	1998		Second Health Sector Development Project	0.0	14.7	05 Jun 03	24 Nov 03	31 Dec 08		10
LW	2010		2nd Phase Of The Governance Reform Program (Subprogram 1)	0.0	14.1	14 Oct 03	27 Jan 04	31 Dec 05		
LW	2011		Capacity Building For Government Reform	0.0	2.1	14 Oct 03	27 Jan 04	31 Mar 07		80
TC	1700		Second Roads Development Project	0.0	25.8	30 Sep 99	02 Mar 00	31 Jan 05	31 Jan 06	100
TC	2087		Regional Road Development Project	0.0	36.5	22 Jul 04	01 Jul 05	01 Jan 10		4
WS	1907		Integrated Development of Basic Urban Services In Provincial Towns.	0.0	22.2	06 Aug 02	25 Nov 02	30 Jun 08		20
Total				0.0	243.5					

ADF = Asian Development Fund; AG = agriculture and natural resources; ED = education; EN = energy; FI = finance; HL = health, nutrition, and social protection; IN = industry and trade; LW = law and public sector management; MS=multisector; No. = number; OCR = ordinary capital resources; Seg = segment (pertaining to loans with more than one withdrawal authority); TC = transport and communications; WS = water supply, sanitation, and waste management
Source: Asian Development Bank estimates.

Sector	Loan No.	Seg	Title	Cumulative Contracts/ Commitments (\$ million)	Cumulative Disbursements (\$ million)	Rating		Potential Problem ^a	At Risk ^b
						IP	DO		
AG	1736		Cadastral Survey and Land Registration Project	3.1	2.9	S	S	No	No
AG	1822		Agriculture Sector Development Project	8.5	9.3	S	S	No	No
ED	1908		Second Education Development Project	7.5	7.1	S	S	No	No
EN	1548		Ulaanbaatar Heat Efficiency Project	39.7	34.5	S	S	No	No
FI	1847		Housing Finance Sector Loan	13.0	13.5	HS	S	No	No
FI	1848		Rural Finance Project	1.1	1.0	S	S	No	No
FI	2218		Financial Regulation And Governance Program (FRGP)	0.0	0.0	S	S	No	No
HL	1836		Social Security Sector Development Project	2.2	2.6	S	S	No	No
HL	1837		Social Security Sector Devt Program (Program & Investment Loans)	5.7	5.7	S	S	No	No
HL	1998		Second Health Sector Development Project	3.6	3.4	HS	S	No	No
LW	2010		2nd Phase Of The Governance Reform Program (Subprogram 1)	14.1	14.1	S	S	No	No
LW	2011		Capacity Building For Government Reform	1.2	0.4	S	S	No	No
TC	1700		Second Roads Development Project	23.7	19.6	S	S	No	No
TC	2087		Regional Road Development Project	0.0	0.1	S	S	No	No
WS	1907		Integrated Devt Of Basic Urban Services In Provincial Towns.	2.5	2.0	S	S	No	No
Total				125.8	116.0				

AG = agriculture and natural resources; ED = education; EN = energy; FI = finance; HL = health, nutrition, and social protection; IN = industry and trade; LW = law and public sector management; MS=multisector; no. = number; OCR = ordinary capital resources; Seg = segment (pertaining to loans with more than one withdrawal authority); TC = transport and communications; WS = water supply, sanitation, and waste management; DO = development objectives; HS = highly satisfactory; IP = implementation progress; PS = partly satisfactory; S = satisfactory; U = unsatisfactory.

^a "Yes" for loans with four or more risk factors associated with partly satisfactory or unsatisfactory performance.

^b 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.

Source: Asian Development Bank estimates

Table A1.10: Assistance Pipeline for Lending Products, 2007–2009

Sector Project/Program Name	Targeting Classifi- cation	Thematic Priority	Division	Year of Project Preparatory Assistance	Total	Cost (\$ million)						
						OCR	ADB		Total	Gov't.	Co- financing	
							Loans	Grants				
2007 Firm Loans												
Agriculture and Natural Resources												
Agriculture and Rural Development	PI	ECG	EAAE	2006	14.00	0.00	14.00	0.00	14.00	0.00	0.00	
Subtotal					14.00	0.00	14.00	0.00	14.00	0.00	0.00	
Transport and Communications												
Western Regional Road Development	OTH	ECG/REG	EATC	2006	32.00	0.00	12.00	0.00	32.00 ^a	0.00	0.00	
Subtotal					32.00	0.00	12.00	0.00	32.00^a	0.00	0.00	
Total					46.00	0.00	26.00	0.00	46.00^a	0.00	0.00	
2008 Firm Loans												
Health, Nutrition and Social Protection												
Health Sector Reform	PI	ISD	EASS	2007	10.00	0.00	10.00	0.00	10.00	0.00	0.00	
Subtotal					10.00	0.00	10.00	0.00	10.00	0.00	0.00	
Transport and Communications												
Regional Transport Project	OTH	ECG/REG	EATC	2007	32.00	0.00	12.00	0.00	32.00 ^a	0.00	0.00	
Subtotal					32.00	0.00	12.00	0.00	32.00^a	0.00	0.00	
Total					42.00	0.00	22.00	0.00	42.00^a	0.00	0.00	
2009 Firm Loans												
Education												
Education Sector Reform	OTH	ISD	EASS	2008	15.00	0.00	15.00	0.00	15.00	0.00	0.00	
Subtotal					15.00	0.00	15.00	0.00	15.00	0.00	0.00	
Water Supply, Sanitation, and Waste Management												
Urban Development	OTH	ISD	EASS	2008	15.00	0.00	15.00	0.00	15.00 ^a	0.00	0.00	
Subtotal					15.00	0.00	15.00	0.00	15.00	0.00	0.00	
Total					30.00	0.00	30.00	0.00	30.00	0.00	0.00	

ADB = Asian Development Bank; ADF = Asian Development Fund; GOV = governance, Gov't = government, EAAE = Agriculture, Environment, and Natural Resources Division; ECG = sustainable economic growth; EASS = Social Sectors Division; EATC = Transport and Communications Division; ISD = inclusive social development; OCR = ordinary capital resources; OTH = others; PI = poverty intervention; REG = regional cooperation.

^a \$12 million financed under an ADF allocation and \$20 million under regional.

Source: Asian Development Bank estimates.

Table A1.11: Assistance Pipeline for Nonlending Products and Services, 2007–2009

Sector Assistance Name	Responsible Division	Assistance Type	Sources of Funding				Total (\$'000)
			ADB		Others		
			Source	Amount (\$'000)	Source	Amount (\$'000)	
2007							
Health, Nutrition, and Social Protection							
1. Health Sector Reform	EASS	PPTA		500.00	—	—	500.00
Subtotal				500.00	—	—	500.00
Agriculture and Natural Resources							
1. Agricultural Marketing	MNRM	AOTA	TASF	800.00	—	—	800.00
Subtotal				800.00	—	—	800.00
Law, Economic Management, and Public Policy							
1. Institutional Strengthening for MfDR	MNRM	AOTA	TASF	400.00	—	—	400.00
Subtotal				400.00	—	—	400.00
Transport and Communications							
1. Regional Transport Project	EATC	PPTA		600.00	—	—	600.00
Subtotal				600.00	—	—	600.00
Total				2,300.00	—	—	2,300.00
2008							
Education							
1. Education Sector Reform	EASS	PPTA		600.00	—	—	600.00
Subtotal				600.00	—	—	600.00
Health, Nutrition, and Social Protection							
1. Admin' Consolidation Health Sector	EASS	AOTA	TASF	400.00	—	—	400.00
Water Supply, Sanitation, and Waste Management							
1. Urban Development	EASS	PPTA		600.00	—	—	600.00
Subtotal				1,000.00	—	—	1,000.00
Multisector							
1. Poverty and MDGs Assessment	MNRM	AOTA	TASF	300.00	—	—	300.00
Subtotal				300.00	—	—	300.00
Total				1,900.00	—	—	1,900.00
2009							
Agriculture and Natural Resources							
1. Rural Enterprise Development	EAAE	PPTA		600.00	—	—	600.00
2. Environment Management	EAAE/EAEN	PPTA		1,000.00	—	—	1,000.00
Subtotal				1,600.00	—	—	1,600.00
Multisector							
1. Sustainable Urban Transport ^a	EASS/EATC	PPTA		600.00	—	—	600.00
Subtotal				600.00	—	—	600.00
Total				2,200.00	—	—	2,200.00

ADB = Asian Development Bank; AOTA = advisory and operational technical assistance; EAAE = Agriculture, Environment, and Natural Resources Division; EARG = Country Coordination, Regional Cooperation, Governance, Finance, and Trade Division; EASS = Social Sectors Division; MNRM = Mongolia Resident Mission; PPTA = project preparatory technical assistance; TASF = technical assistance special fund.

^a Aimed at reducing air pollution and other positive environmental impacts by introducing urban transport systems based upon environmentally friendly technologies and urban planning.

Source: Asian Development Bank.

CONCEPT PAPERS FOR LENDING PRODUCTS

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

- (i) Table A2.1 Agriculture and Rural Development
- (ii) Table A2.2 Western Regional Road Development

**Table A2.1: Agriculture and Rural Development
Concept Paper**

Date: June 2006

<p>1. Type/modality of assistance</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"/> ADF grant-financed</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>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the</p> <p> Sector: Agriculture and natural resources</p> <p> Subsector: Agriculture sector development</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input checked="" type="checkbox"/> General intervention</p> <p>c. Key thematic areas</p> <p> Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td></td> </tr> </table> <p> Subthemes: Developing rural areas, natural resources management.</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development								
<p>3. Coverage</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>4. Responsible division/department: Mongolia Resident Mission, East Asia Regional Department</p>								
<p>5. Responsible ADB officer: M. Jayawant,</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: Growth of the agriculture sector is extremely important for economic growth and poverty reduction in Mongolia. Low agriculture growth will put overall growth at risk. Low and unstable agricultural incomes and limited rural income opportunities are a cause of poverty and vulnerability. This project is directed toward the Government National Action Plan priorities of higher, stable, private-sector-led growth to improve living standards and reduce income disparities.</p> <p>b. Goal and purpose: The goal of the project will be to provide competitive differentiation for Mongolian agricultural products, fetch them premium prices, increase sales volumes, secure demand, and reduce vulnerability to general international commodities prices. The project will induce growth of agro-enterprises, improve production, management and post-production in agriculture operations, encourage adoption of responsive technology, and lead to the development of sustainable market and technical information systems.</p> <p>c. Components and outputs: The project preparatory TA (PPTA) will determine the scope of the project by assessing the feasibility of public or private investments as appropriate for (i) brand development activities; (ii) expansion, modernization, improved management of private agro-enterprises; (iii) developing the agricultural production base; (iv) improving coordination between farmers and agro-enterprises; and (v) rural infrastructure and</p>								

<p>support services.</p> <p>d. Expected results and deliverables: By the end of the project period, it is anticipated that there will be higher international and domestic brand awareness; increases of at least 20% in international prices for Mongolian products; increases of at least 10% in the value of agricultural exports; decreases of at least 10% in the volatility of export prices; increases of an average of 100% in the turnover of selected enterprises; production and post-production activities responsive to market needs; technology adoption that meets market requirements; and effective communication channels between producers and agro-enterprises.</p> <p>e. Social or environmental issues or concerns: The project will induce commercialization of agricultural production, reduce vulnerability, and increase incomes. Environmental impacts of individual agro-enterprises will be assessed against environmental standards established by the PPTA. Land and water management issues will be addressed through public sector investments to be designed in conjunction with private investments. Project initiatives will be consistent with ADB's Policy on Indigenous Peoples.</p> <p>f. Plans for disseminating results/deliverables: To be finalized during TA implementation.</p>
<p>7. Proposed executing/implementing agency or agencies: Ministry of Food and Agriculture, Ministry of Industry and Trade, Ministry of Finance.</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: As it finalized its agriculture sector strategy over 2005–2006, the Government refined the project concept attached to the CSP. The PPTA is preparing a project based on the Government's concept. The TA design was discussed with the Government; the private sector, including commercial banks with rural operations; agricultural producers; civil society; and other external funding agencies.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2005</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending: 2007</p> <p style="padding-left: 20px;">Nonlending (project preparatory): 2006</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance{s}</p> <p style="padding-left: 20px;">Lending: 2007–2012</p> <p style="padding-left: 20px;">Nonlending: 2006, 12 months</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p style="padding-left: 20px;"><input type="checkbox"/> Ordinary capital resources:</p> <p style="padding-left: 20px;"><input checked="" type="checkbox"/> Asian Development Fund (loan): \$14.0 million</p> <p style="padding-left: 20px;"><input type="checkbox"/> Asian Development Fund (grant):</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other:</p> <p>b. For nonlending</p> <p style="padding-left: 20px;"><input type="checkbox"/> No resources required, other than ADB staff</p> <p style="padding-left: 20px;"><input type="checkbox"/> ADB's administrative budget:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Grant TA funds:</p> <p style="padding-left: 20px;"><input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A2.2: Western Regional Road Development Project
Concept Paper**

Date: June, 2006

<p>1. Type/modality of assistance</p> <p><input checked="" type="checkbox"/> Lending</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project loan <input type="checkbox"/> Program loan <input type="checkbox"/> Sector loan <input type="checkbox"/> Sector development program loan <input type="checkbox"/> ADF grant-financed <input type="checkbox"/> Other: <p><input type="checkbox"/> Nonlending</p> <ul style="list-style-type: none"> <input type="checkbox"/> Project preparatory <input type="checkbox"/> Other than project preparatory <ul style="list-style-type: none"> <input type="checkbox"/> Economic, thematic, and sector work <input type="checkbox"/> Institutional development <input type="checkbox"/> Other: 								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and communications Subsector: Roads and highways</p> <p>b. For project preparatory and lending, classification</p> <ul style="list-style-type: none"> <input type="checkbox"/> Targeted intervention <input checked="" type="checkbox"/> General intervention <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Promoting economic efficiency and enabling markets, fostering physical infrastructure development</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</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>4. Responsible division/department: Transport Division, East Asia Regional Department</p>								
<p>5. Responsible ADB officer: Lakshman Athukorala</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: ADB has been assisting Mongolia to develop its primary north–south road corridor linking the road systems in the PRC and the Russian Federation through major economic centers of Mongolia. To develop further subregional links, the governments of the PRC, Mongolia, and the Russian Federation have informally discussed development of a north–south Western road corridor that links south-west Siberia (from Novosibirsk) in the Russian Federation with the Xinjiang Uygur Autonomous Region of the PRC via western Mongolia. This corridor forms part of the Asian highway network and has the potential to become an important route for regional and international traffic as well as promoting cooperation among the PRC, Mongolia, the Russian Federation, and Central Asian countries. The Government accords high priority to the development of the Western road corridor.</p> <p>b. Goal and purpose: The purpose of the Project is to enhance transport links among PRC, Mongolia, and other countries in the region and promote regional transport via the Western road corridor.</p>								

<p>c. Components and outputs: The project preparatory TA (PPTA) is being implemented in two phases. Phase I is assessing the economic viability of the project; analyzing the distribution of benefits; assessing suitability for ADB financing; and discussing co-financing. Phase II will complete the preliminary design of a project. The project may include improvements to roads between Yarant and Tsagaannuur via Hovd and Olgiy.</p> <p>d. Expected results and deliverables: The result of the PPTA will be a feasibility report, delivered to governments; civil society; the private sector in Mongolia, the PRC, and other countries in the region; and other external aid agencies.</p> <p>e. Social or environmental issues or concerns: To be specified during the PP TA.</p> <p>f. Plans for disseminating results/deliverables: To be determined.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) _____</p>
<p>7. Proposed executing/implementing agency or agencies: Ministry of Road, Transport, and Tourism</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:</p> <p>The governments of the PRC and Mongolia have been involved in identifying and conceptualizing the Project. PRC government agencies consulted include the National Development and Reform Commission, Ministry of Finance, Ministry of Communications, Xinjiang Uygur Autonomous Region, and the Inner Mongolia Autonomous Region. In Mongolia Ministry of Finance and the Ministry of Road, Transport and Tourism were consulted. In September 2003, officials from central and local governments of Mongolia, the government of Xinjiang Uygur Autonomous Region, and ADB staff visited western Mongolia to conduct a preliminary examination.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending: 2007</p> <p style="padding-left: 20px;">Nonlending (project preparatory): 2006</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance</p> <p style="padding-left: 20px;">Lending: 2007–2011</p> <p style="padding-left: 20px;">Nonlending: 2006–2007</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input checked="" type="checkbox"/> Asian Development Fund (loan): \$ 12 million (plus \$20 million from the regional allocation)</p> <p><input type="checkbox"/> Asian Development Fund (grant):</p> <p><input type="checkbox"/> Other:</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input type="checkbox"/> Grant TA funds:</p> <p><input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, CSP = country strategy and program, PRC = People's Republic of China, RCSP = regional cooperation strategy and program, TA = technical assistance.

CONCEPT PAPERS FOR NONLENDING PRODUCTS AND SERVICES

This appendix contains the concept papers for projected nonlending products:

- (i) Table A3.1 Agricultural Marketing
- (ii) Table A3.2 Institutional Strengthening for MfDR
- (iii) Table A3.3 Regional Transport Project

**Table A3.1: Agricultural Marketing
Concept Paper**

Date: June 2006

<p>1. Type/modality of assistance</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"/> ADF grant-financed</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 type="checkbox"/> Institutional development</p> <p> <input checked="" type="checkbox"/> Other:</p>								
<p>2. Assistance focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Agriculture and Natural Resources Subsector: Agriculture production, agro-processing, and agribusiness</p> <p>b. For project preparatory and lending, classification</p> <p> <input type="checkbox"/> Targeted intervention</p> <p> <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input checked="" type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Developing rural areas, promoting economic efficiency and enabling markets</p>	<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input checked="" type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input type="checkbox"/> Capacity development							
<p>3. Coverage</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>4. Responsible division/department: Mongolia Resident Mission, East Asia Regional Department</p>								
<p>5. Responsible ADB officer: M. Jayawant</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: An Agriculture and Rural Development Project is included in the CSP 2007 pipeline. An important component of the project is the development of an international branding campaign. In association with the branding campaign activities will have to be undertaken to ensure that Mongolian agriculture products are able to meet the quality and other consumer requirements of international markets and command a price premium. This advisory TA (ADTA) will help develop domestic capacity toward this end.</p> <p>b. Goal and purpose: The goal of the ADTA is improved international market access for Mongolian agriculture products and development of price premiums for Mongolian products. The goal of the advisory TA is to design and establish domestic systems to ensure that Mongolian agriculture products meet quality and consumer requirements in international markets.</p> <p>c. Components and outputs: The ADTA will complement the branding campaign component of the Agriculture and Rural Development project by providing assistance to industry associations to develop their international presence. Specific activities will be determined by the ongoing project preparatory TA but are expected to include capacity building for market analysis, networking, and establishing presence at international trade fairs. Assistance will also be provided for domestic activities such as quality control and certification. ADTA activities will be conducted in partnership and with matching contributions from the private sector.</p> <p>c. Rationale and purpose of ADF grant financing: Growth of the agriculture sector is extremely important for economic growth and poverty reduction in Mongolia. A recognized and differentiated brand would provide long-term security and growth to Mongolia's agriculture sector by providing competitive differentiation, increasing prices and sales volumes, securing demand, and reducing vulnerability to general international commodities</p>								

<p>prices. This would in turn improve returns obtained by poor agricultural producers, induce commercial production, and reduce the predominance of subsistence production that is a primary cause of poverty in Mongolia.</p> <p>e. Expected results and deliverables: The result will be business plans for industry associations and accomplishment of key activities in the business plans.</p> <p>f. Plans for disseminating results/deliverables: Visibility in the international and domestic media for TA activities will be essential for the success of the TA.</p> <p>For TA, method(s) of TA output dissemination:</p> <ul style="list-style-type: none"> <input checked="" type="checkbox"/> A conference/workshop/brown bag <input checked="" type="checkbox"/> Publication of article(s) in external journals or books <input checked="" type="checkbox"/> External press release to news agencies, including www.adb.org <input type="checkbox"/> Internal press release in <i>ADB Today</i> <input checked="" type="checkbox"/> Others (specify) :TV, international trade fairs, industry conferences.
<p>7. Proposed executing/implementing agency or agencies: Ministry of Finance, Ministry of Industry and Trade.</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Private sector groups and the Government have been consulted. More consultations are planned during the project preparatory TA implementation for the Agriculture and Rural Development Project.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <ul style="list-style-type: none"> a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006 b. Expected date of submission for approval <ul style="list-style-type: none"> Lending: Nonlending (project preparatory): Nonlending (other than project preparatory): 2007 c. Period and duration of assistance <ul style="list-style-type: none"> Lending: Nonlending: 2008–2009
<p>10. Financing Plan</p> <ul style="list-style-type: none"> a. For lending <ul style="list-style-type: none"> <input type="checkbox"/> Ordinary capital resources: <input type="checkbox"/> Asian Development Fund (loan): <input type="checkbox"/> Asian Development Fund (grant): <input type="checkbox"/> Other: b. For nonlending <ul style="list-style-type: none"> <input type="checkbox"/> No resources required, other than ADB staff <input type="checkbox"/> ADB's administrative budget: <input checked="" type="checkbox"/> Grant TA funds: \$800,000 <input type="checkbox"/> Other: Industry Associations

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.2: Institutional Strengthening for MfDR
Concept Paper**

Date: June 2006

<p>1. Type/modality of assistance</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"/> ADF grant-financed</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>2. Assistance focus</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"/> Targeted intervention</p> <p> <input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Capacity development</td> </tr> </table> <p>Subtheme(s): Result-based management</p>	<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development
<input type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability							
<input type="checkbox"/> Inclusive social development	<input type="checkbox"/> Regional cooperation							
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development							
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development							
<p>3. Coverage</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>4. Responsible division/department: Mongolia Resident Mission, East Asia Regional Department</p>								
<p>5. Responsible ADB officer: M. Jayawant</p>								
<p>6. Description of assistance(s)</p> <p>a. Background/linkage to country/regional strategy: The 2006–2008 CSP was designed with a fully results-based approach. The results framework that underpins any results-oriented CSP should be the end-result of a process undertaken by the host government, ADB and, other development partners to agree on country priorities, ensure that projects and programs are aligned with those priorities, and harmonize the approaches of external funding agencies. This advisory TA (ADTA) is aimed towards the CSP target of developing and establishing a results framework that can be used as a basis for alignment of the strategies of external funding agencies around country priorities and to further manage the program and hence the external debt to maximize its effectiveness.</p> <p>The CSP proposed technical assistance for aid coordination and results-based management in 2006. However, the CPRM in 2005 suggested that it would be more efficient to undertake much of the preliminary work toward results-based management of projects under the portfolio management action plan. Furthermore, recent experience has indicated that a consolidated approach to results-based management would be more efficient. Therefore, three technical assistance projects proposed in the CSP have been consolidated into a single non-lending product for “Institutional Strengthening for Managing for Development Results” in 2007.</p> <p>The recent institution of a community of practice for MfDR with ADB support provides the potential for civil society participation in project identification and monitoring. This ADTA will develop this potential.</p> <p>b. Goal and purpose: The goals of the ADTA are better identification, development, and monitoring of development aid projects. The purpose of the ADTA is to improve capacity for project preparation and monitoring, including increased civil society participation.</p> <p>c. Components and outputs: The ADTA will develop systems for monitoring and evaluation (including data</p>								

<p>collection systems) and train communities and government agencies to work together in project preparation and impact assessment. In particular, the ADTA will work with the MfDR community of practice supported by ADB.</p> <p>d. Rationale and purpose of ADF grant financing: Results-based monitoring is considered vital to improving the efficiency and effectiveness of ADB funding and in general of all development funding in Mongolia. Civil society participation in project preparation and monitoring will have direct impacts on poverty as projects respond directly to community needs. ADF grant financing for this advisory TA will have multiplier effects for all ADF financing.</p> <p>e. Expected results and deliverables: The result will be systems for data collection, analysis, and monitoring; and systems and capacity for program preparation and prioritization.</p> <p>f. Social or environmental issues or concerns: The ADTA will increase civil society participation in development programs and therefore have significant positive social impacts in terms of directing development assistance toward the needs of communities. The ADTA will also target governance issues by making development programs accountable to local populations.</p> <p>g. Plans for disseminating results/deliverables: Continuous dissemination of TA progress will keep communities engaged in the TA.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input checked="" type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input type="checkbox"/> Others (specify) :</p>
<p>7. Proposed executing/implementing agency or agencies: Ministry of Finance</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: The Government proposed the technical assistance. The request originated with the Minister of Finance who has made effectiveness and efficiency of development initiatives a top priority.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan: 2006</p> <p>b. Expected date of submission for approval</p> <p>Lending:</p> <p>Nonlending (project preparatory):</p> <p>Nonlending (other than project preparatory): 2007</p> <p>c. Period and duration of assistance</p> <p>Lending:</p> <p>Nonlending: 2007–2008</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources:</p> <p><input type="checkbox"/> Asian Development Fund (loan):</p> <p><input type="checkbox"/> Asian Development Fund (grant):</p> <p><input type="checkbox"/> Other:</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget:</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$400,000</p> <p><input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, ADF = Asian Development Fund, CSP = country strategy and program, MfDR = managing for development results, RCSP = regional cooperation strategy and program, TA = technical assistance.

**Table A3.3 : Regional Transport Project
Concept Paper**

Date: June 2006

<p>1. Type/modality of assistance</p> <p><input checked="" 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"/> ADF grant-financed</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>2. Assistance Focus</p> <p>a. If assistance focuses on a particular sector or subsector, specify the Sector: Transport and Communication Subsector: Roads and highways</p> <p>b. For project preparatory and lending, classification</p> <p><input checked="" type="checkbox"/> Targeted intervention</p> <p><input type="checkbox"/> General intervention</p> <p>c. Key thematic area(s)</p> <p>Themes:</p> <table border="0"> <tr> <td><input checked="" type="checkbox"/> Sustainable economic growth</td> <td><input type="checkbox"/> Environmental sustainability</td> </tr> <tr> <td><input type="checkbox"/> Inclusive social development</td> <td><input checked="" type="checkbox"/> Regional cooperation</td> </tr> <tr> <td><input type="checkbox"/> Governance</td> <td><input type="checkbox"/> Private sector development</td> </tr> <tr> <td><input type="checkbox"/> Gender and development</td> <td><input checked="" type="checkbox"/> Capacity development</td> </tr> </table> <p>Subthemes: Fostering physical infrastructure development; Institutional development</p>		<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability	<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation	<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development	<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development
<input checked="" type="checkbox"/> Sustainable economic growth	<input type="checkbox"/> Environmental sustainability								
<input type="checkbox"/> Inclusive social development	<input checked="" type="checkbox"/> Regional cooperation								
<input type="checkbox"/> Governance	<input type="checkbox"/> Private sector development								
<input type="checkbox"/> Gender and development	<input checked="" type="checkbox"/> Capacity development								
<p>3. Coverage</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>4. Responsible division/department: Transport Division, East Asia Regional Department</p>									
<p>5. Responsible ADB officer: L. Athukorala</p>									
<p>6. Description of assistance</p> <p>a. Background/linkage to country/regional strategy: Better roads stimulate economic growth in less developed areas, reduce poverty, and improve access to education, health and other social services. As Mongolia is a landlocked country, the road transport sector plays an important role in its growing economy. It is also critical for the domestic economy for the local population to be linked to urban and international markets. Promoting regional cooperation is a strategic priority of ADB operations and ADB has been helping Mongolia to develop its road links to neighboring countries.</p> <p>b. Goal and purpose: The proposed nonlending assistance will help to prepare the Regional Transport Project in Mongolia. The project will be based on the findings of a study on the transport sector strategy. The project is intended to contribute to the economic development of Mongolia by providing better access to population centers and poor areas and by enhancing transport links to neighboring counties.</p> <p>c. Components and outputs: The PPTA will build the institutional capacity of the Road Department of the Ministry of Roads Transport and Tourism. It will address such road sector policy issues as ensuring effective maintenance, minimizing environment and social impacts, and enhancing road safety. The PPTA will determine the scope of the project loan, which will include improvements to Mongolia's road network and its links to neighboring countries.</p> <p>d. Expected results and deliverables: Project framework and monitoring indicators for development impacts.</p> <p>e. Social or environmental issues or concerns: The impact of the loan project on poverty reduction and the environment, resettlement, and land issues will be identified and analyzed during PPTA implementation. A (i) resettlement framework and plan and (ii) an environmental impact assessment will be carried out.</p>									

<p>f. Plans for disseminating results/deliverables: Public consultations with stakeholders will be held during PPTA implementation and loan processing. A summary of the final report and resettlement framework and plan will be posted on the Government and ADB websites.</p> <p>For TA, method(s) of TA output dissemination:</p> <p><input type="checkbox"/> A conference/workshop/brown bag</p> <p><input type="checkbox"/> Publication of article(s) in external journals or books</p> <p><input type="checkbox"/> External press release to news agencies, including www.adb.org</p> <p><input type="checkbox"/> Internal press release in <i>ADB Today</i></p> <p><input checked="" type="checkbox"/> Others: Public consultations during PPTA implementation</p>
<p>7. Proposed executing/implementing agencies: Ministry of Road Transport and Tourism</p>
<p>8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance: Consultation with stakeholders, including road users, and the poor living along the roads will be carried out during PPTA fact finding and will continue during the PPTA implementation and loan processing. Consultation meetings will involve all stakeholders, specifically the poor, and will be used as input to formulate and agree upon the scope of the project.</p>
<p>9. Timetable for assistance design, processing, and implementation</p> <p>a. Year included in CSP, CSP update, RCSP, RCSP update, or interregional work plan: CSPU 2006</p> <p>b. Expected date of submission for approval</p> <p style="padding-left: 20px;">Lending: 2008</p> <p style="padding-left: 20px;">Nonlending (project preparatory): 2007</p> <p style="padding-left: 20px;">Nonlending (other than project preparatory):</p> <p>c. Period and duration of assistance</p> <p style="padding-left: 20px;">Lending: 2008–2011</p> <p style="padding-left: 20px;">Nonlending: 2007–2008</p>
<p>10. Financing Plan</p> <p>a. For lending</p> <p><input type="checkbox"/> Ordinary capital resources: \$</p> <p><input checked="" type="checkbox"/> Asian Development Fund (loan): \$12 million (plus \$20 million from the regional allocation)</p> <p><input type="checkbox"/> Asian Development Fund (grant): \$</p> <p><input type="checkbox"/> Other: \$</p> <p>If cofinancing is required, indicate amount and sources sought: To be assessed during PPTA implementation.</p> <p>b. For nonlending</p> <p><input type="checkbox"/> No resources required, other than ADB staff</p> <p><input type="checkbox"/> ADB's administrative budget: \$</p> <p><input checked="" type="checkbox"/> Grant TA funds: \$600,000 (PPTA)</p> <p><input type="checkbox"/> Other:</p>

ADB = Asian Development Bank, CSP = country strategy and program, PPTA = project preparatory technical assistance, TASF = Technical Assistance Special Fund.