



Draft Design and Monitoring Framework

Project Number: 39265
August 2007

MON: Western Regional Road Corridor Development Project – Phase I

A design and monitoring framework is an active document, progressively updated and revised as necessary, particularly following any changes in project design and implementation. In accordance with ADB's public communications policy (2005), it is disclosed before appraisal of the project or program. This draft framework may change during processing of the project or program, and the revised version will be disclosed as an appendix to the report and recommendation of the President.

Asian Development Bank

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Impact Promotion of regional transport of freight and passengers via the Western Road Corridor and increased economic development and regional trade</p>	<p>Increased gross regional product of Hovd aimag by 6% per year after completion of the Project</p> <p>Regional transit trade tonnages increased by 25% during 2007 to 2014</p> <p>Trade between Western Region and PRC increased by 15% during 2007 to 2014</p>	<p>MCGA Reports</p> <p>Mongolia Statistical Yearbook</p> <p>Project monitoring and evaluation plan</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Tripartite Agreement signed and implemented • Continued macroeconomic stability and growth in Mongolia and neighboring countries • Private sector investors respond to GOM investment • Project implemented in a timely fashion <p>Risk The Government may not have sufficient budget to implement the Phase 2 of the Project</p>
<p>Outcome An efficient and safe regional transport route is developed in the Western Region to link Mongolia with the Xinjiang Autonomous Region, PRC, and Siberia Province of the Russian Federation.</p>	<p>Average speed increase on road from 40 kph to 60 kph by 2013</p> <p>Reduced travel time from Yarant-Hovd City by 3 hours from 10 hours at present by 2013</p> <p>Reduced average border processing times for goods and passengers at Yarant by 1 hour by 2013</p> <p>Traffic volume at the border at Yarant increased by 15% annually from 2012–2015</p>	<p>Review of MORTT and RSRC funding and expenditure data</p> <p>RSRC traffic counts</p> <p>Project monitoring and evaluation process</p> <p>Project completion report</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • GOM continuing commitment to road subsector financing reform • Successful adoption and implementation of Action Plan • Aimag and soum administrations capitalize on enhanced access in filling vacant position in rural portion of project impact area <p>Risk</p> <ul style="list-style-type: none"> • Herding households fail to respond to new opportunities

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<p>Outputs</p> <p>1. Improved 431.2 km Yarant-Hovd City road</p> <p>2. Establishment of road maintenance units</p> <p>3. Procurement of Equipment</p> <p>4. Poverty reduction</p> <p>5. Strengthening of institutional capacity of MRTT</p>	<p>431.2 km Yarant-Hovd City road opened to traffic as scheduled by 2012</p> <p>Road safety enhanced through improved surface quality and provision of shoulders, signs, marking and rest areas</p> <p>Establishment of road maintenance units at every 100 km of the project road</p> <p>Procurement of equipments for maintenance centers at every 100 km between Yarant-Hovd City</p> <p>Income of targeted participants of the program increased by 10% annually</p> <p>person-months of training and seminars</p>	<p>PAMs, PRs, and project completion report</p> <p>Contract awards</p> <p>ADB project review missions</p>	<p>Assumptions</p> <ul style="list-style-type: none"> • Procurement process carried out in transparent fashion • Strong implementation capacity and strong commitment of MRTT • Strong support from GOM and border agencies
<p>Activities with Milestones</p> <p>1.1 Procurement of Supervision Consultants (completed by second quarter 2008)</p> <p>1.2 Procurement of Contractors (completed by last quarter 2008)</p> <p>1.3 First contract initiated (initiated by 1 January 2009)</p> <p>1.4 Last contract completed (completed by 30 September 2012)</p>			<p>Inputs</p> <ul style="list-style-type: none"> • ADB: \$40 million • Government of Mongolia: \$37.10 million counterpart funding • Proposed PRC cofinancing: \$35 million loan

ADB = Asian Development Bank, GOM = Government of Mongolia, km = kilometer, kph = kilometer per hour, MCGA = Mongolia Customs General Administration, MRTT = Ministry of Roads, Transport and Tourism, PAM = project administration memorandum, PR = progress report, PRC = People's Republic of China, RSRC = Road Supervision and Research Center, VOC = vehicle operating cost.

Source: Asian Development Bank and technical assistance consultant.