

**MANAGEMENT RESPONSE TO THE PROGRAM PERFORMANCE EVALUATION REPORT  
FOR THE EDUCATION SECTOR DEVELOPMENT PROGRAM IN MONGOLIA  
(Loans 1507-MON[SF]/1508-MON[SF])**

On 26 July 2007, the Director General, Operations Evaluation Department, received the following response from the Managing Director General on behalf of Management:

1. We appreciate OED's evaluation of the Education Sector Development Program (ESDP) in Mongolia and its overall highly satisfactory rating of the project.
2. We agree that while the ESDP has been successful, some problems such as inadequate budget allocations for school maintenance and the need to improve education infrastructure still remain in the sector. We note that these are long-term issues and the Government of Mongolia is committed to addressing these problems. We also note that these issues are also being addressed under the ongoing ADB's assistance including Loan 1908-MON (SF): Second Education Development Project and Loan 2238-MON (SF): Third Education Development Project. We also note that distance education is being supported under the JFICT-9044-MON: Information and Communication Technology for Innovating Rural Education. As requested by the Government, ADB will also provide further assistance in addressing these problems through the Education Sector Reform Project (ESRP) which is planned for Board consideration in 2008.
3. We agree with the recommendations that ADB should support policy development in the areas of an updated urban education infrastructure and financing plan, a future-oriented rural primary education development strategy, and a financing strategy for a new higher education center of excellence. The first two areas are being undertaken in the ongoing education sector coordination work in Mongolia. The ESRP will conduct a higher education subsector review and recommend measures and mechanisms for improving higher education performance including a financing strategy. Given ADB's commitment to the education sector in Mongolia, the proposed policy development areas will continue to be explored in future country programming of ADB's assistance to the country.