

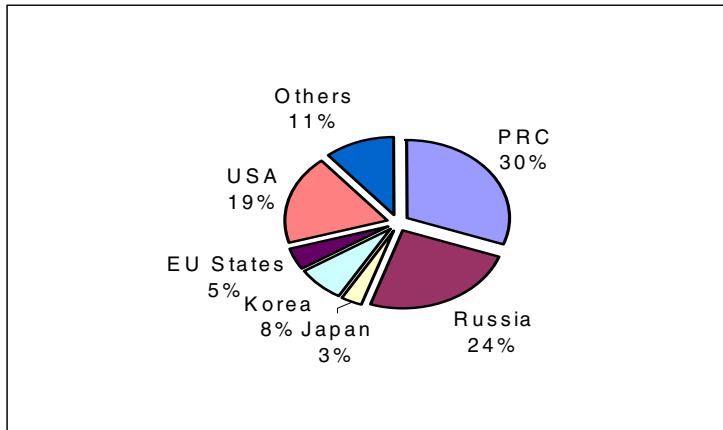
**CENTRAL GOVERNMENT REVENUES**  
(at current prices MNT Million)

	2000	2001	2002
<b>Current Revenue</b>	346,205.2	429,951.4	459,433.6
<b>Tax Revenue</b>	260,640.8	328,203.2	356,501.1
	( 75% )	(76%)	(78%)
<b>Income Tax</b>	62,826.1	64,504.5	70,921
	(24%)	(20%)	(20%)
• Enterprise	47,996.1	43,828.7	44,762.3
• Personal	14,830.0	20,675.8	26,158.7
<b>Social Security</b>	39,272.7	53,956.7	53,343.5
<b>Property Taxes</b>	262.9	1,716.9	2,960.3
<b>Tax on Goods and Services</b>	124,347.4	166,415.9	178,513.6
	(48%)	(51%)	(50%)
• VAT	76,218.6	104,193.8	117,363.6
○ Domestic	30,182.1	43,798.3	40,076.3
○ Import	46,036.5	60,395.5	77,287.3
• Excise tax	41,011.8	50,330.0	52,344.7
<b>Taxes on Foreign Trade</b>	22,305.9	27,018.7	25,107.9
• Customs Duty on imports	17,152.9	25,991.4	24,216.3
• Customs Duty on exports	5,153.1	1,027.3	891.6
<b>Other Taxes and Fees</b>	11,625.6	14,590.5	25,655

Source: NSO Statistics 2002.

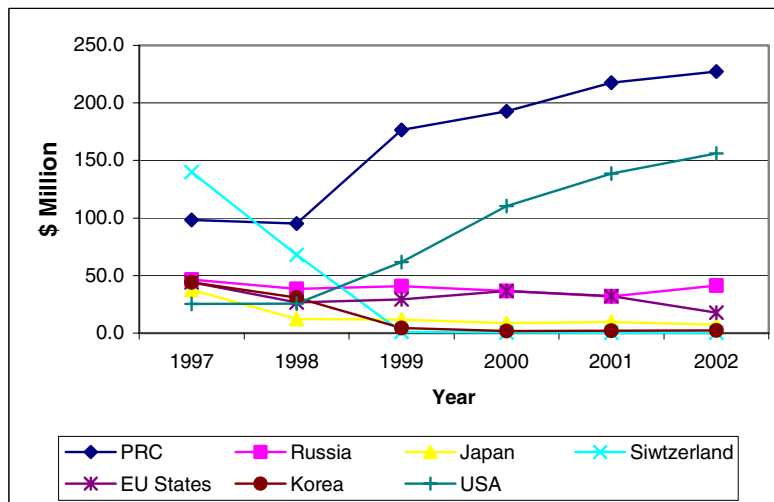
**KEY TRADE DATA**

**Figure A2.1: Mongolia's Top Trade Partners (2002)**



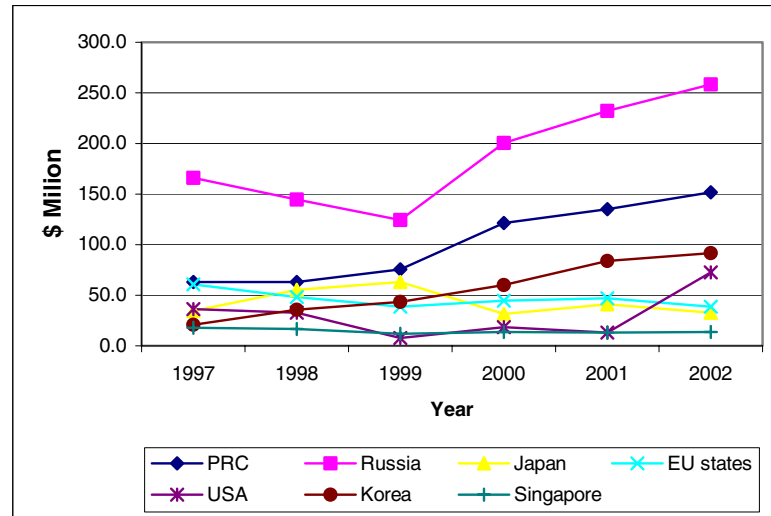
Source: Asian Development Bank Key Indicators 2003.

**Figure A2.2: Mongolia's Leading Export Partners (1997-2002)**



Source: Asian Development Bank Key Indicators 2003.

**Figure A2.3: Mongolia's Leading Import Partners  
(1997-2002)**



Source: Asian Development Bank Key Indicators 2003.

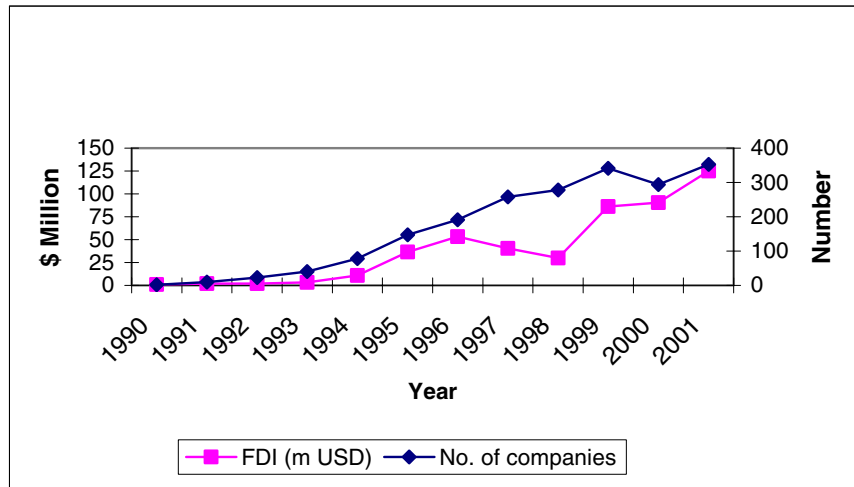
**PRIVATE SECTOR'S SHARE OF GROSS DOMESTIC PRODUCT BY SECTOR**

<b>Sector</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Agriculture	96.4	98.0	98.3
Mining	56.0	56.6	74.9
Manufacturing	75.0	78.7	94.9
Transport and Communications	41.1	57.7	58.0
Construction	89.1	89.2	89.5
Trade	80.3	88.8	90.0
Financial Intermediation <sup>a</sup>	28.0	31.4	30.6

<sup>a</sup>Based on the recent privatization of TDB and Agricultural Bank, the private sector now controls the financial sector. Note further, that Mongol Daatgal, the largest insurance company, is currently being privatized.  
Source: *Mongolian Statistical Yearbook 2002*.

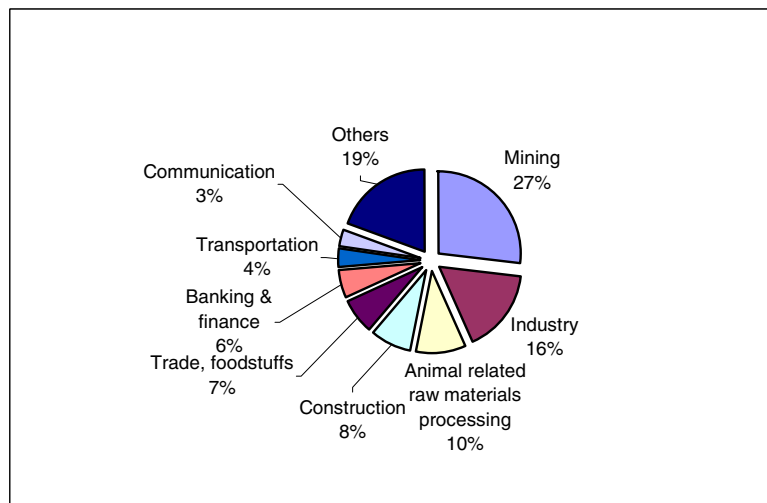
### FOREIGN DIRECT INVESTMENT

**Figure A4.1: FDI Commitments and Foreign Invested Companies (1990-2001)**



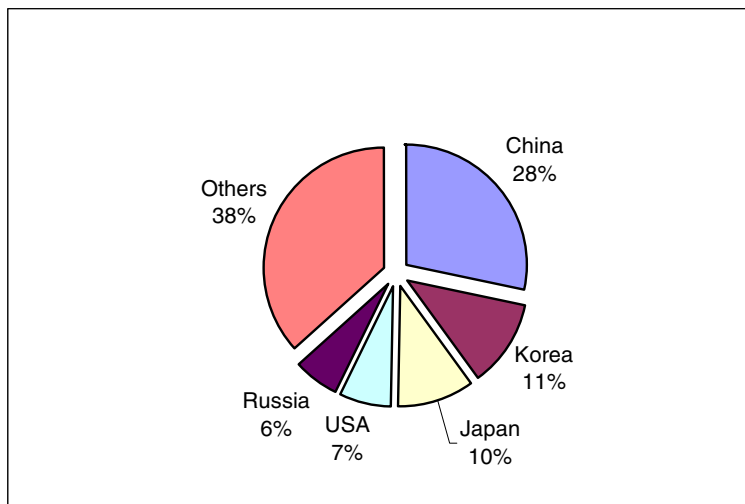
Source: ADB Trade Policy Review Report citing Foreign Investment and Foreign Trade Agency.

**Figure A4.2: FDI Commitments by Sector (1991-2001)**



Source: Foreign Investment and Foreign Trade Agency.

**Figure A4.3: FDI Commitments by Country  
(1991-2001)**



Source: Foreign Investment and Foreign Trade Agency.

**BANKING SECTOR DEVELOPMENT CHRONOLOGY**

- December 1990: Investment and Technological Innovation Bank (ITT) and Trade and Development Bank (TDB) are separated from the State Bank of Mongolia.
- April 1991: Banking Law adopted establishing the central bank, Bank of Mongolia (BOM), and providing new bank licenses for commercial bank. By year-end, four new banks are formed, People's Bank, Insurance Bank, Agricultural Bank, and Cooperative Bank.
- 1992: 9 new small banks are established: Mongol Post, Export-Import, Industrial, Business, Central Asia, Mercury, Selenge, Autoroad, and Bayanbodg Banks.
- September 1994: Cooperative and Selenge Banks are forced to merge with Peoples' Bank and ITI Bank, respectively.
- 1995: First private bank with foreign equity participation, Golomt Bank, is established.
- July 1996: Central Asia Bank closed due to insolvency amidst allegations of widespread fraud.
- December 1996: Peoples' and Insurance Banks are closed. Savings Bank and Reconstruction Bank are established. Mongolian Asset Recovery Agency (MARA) is established to purchase non-performing loans of banks in exchange for government bonds.
- May 1998: Golomt Bank takes over the insolvent Reconstruction Bank.
- August 1998: Parliament reverses the merger of Golomt Bank and Reconstruction Bank.
- December 1999: Liquidation of Reconstruction Bank and ITI Bank.
- July 2000: Agricultural Bank is placed under a management contract with Development Alternatives Inc., a foreign firm, with USAID funding.
- November 2001: Parliament passes a law to allow non-judicial foreclosure of movable property to enforce lending contracts.
- 2002: Parliament amends Civil Code to require court procedures to foreclose on immovable (land only) property.
- May 2002: TDB privatized through international tender.
- January 2003: Agricultural Bank privatized through international tender.

**LOAN APPROVALS, OCTOBER 1991–DECEMBER 2003**  
(\$ Million)

Loan No.	Asian Development Fund Project	Sector	Approved Amount	Date Approved
1109	Special Assistance	GFTI	30.0	29 Oct 91
1152	Egiin Hydropower	INFRA	3.8	09 Jan 92
1244	Industrial Sector Program	GFTI	30.0	17 Aug 93
1256	Ulaanbaatar Airport	INFRA	36.0	12 Oct 93
1290	Employment Generation	AGRI	3.0	16 Dec 93
1300	Telecommunications	INRA	24.5	16 Jun 94
1334	Power Rehabilitation	INFRA	40.0	24 Nov 94
1364	Roads Development	INRA	25.0	22 Aug 95
1370	National Air Navigation Development	INFRA	24.0	05 Sep 95
1409	Agriculture Sector Program	AGRI	35.0	05 Dec 95
1492	Energy Conservation	INFRA	10.0	26 Nov 96
1507	Education Sector Development Program	SS	6.5	19 Dec 96
1508	Education Sector Development Project	SS	9.0	19 Dec 96
1509	Financial Sector Program Loan	GFTI	35.0	19 Dec 96
1510	Upgrading Skills and Systems of Commercial Banks	GFTI	3.0	19 Dec 96
1548	Ulaanbaatar Heat Efficiency	INFRA	40.0	25 Sep 97
1560	Provincial Towns Basic Urban Services	SS	6.8	30 Sep 97
1568	Health Sector Development Program	SS	4.0	04 Nov 97
1569	Health Sector Development Project	SS	11.9	04 Nov 97
1700	Second Roads Development	INFRA	25.0	30 Sep 99
1713	Governance Reform Program	GFTI	25.0	02 Dec 99
1736	Cadastral Survey and Land Registration	AGRI	9.9	27 Jan 00
1743	Second Financial Sector Reform Program	GFTI	15.0	22 Jun 00
1821	Agriculture Sector Development Program-Program Loan	AGRI	7.0	21 Dec 00
1822	Agriculture Sector Development Program-Project Loan	AGRI	10.0	21 Dec 00
1836	Social Security Sector Development Program (Project)	SS	4.0	28 Aug 01
1837	Social Security Sector Development Program (Program)	SS	8.0	28 Aug 01
1847	Housing Finance (Sector)	SS	15.0	18 Oct 01
1848	Rural Finance	AGRI	8.7	25 Oct 01
1907	Integrated Development of Basic Urban Services in Provincial Towns	SS	20.1	06 Aug 02
1908	Second Education Development	SS	14.0	06 Aug 02
1998	Second Health Sector Development	SS	14.0	05 Jun 03
2010	Second Phase of the Governance Reform Program (Program Loan)	GFTI	13.5	
2011	Second Phase of the Governance Reform Program (TA Loan)	GFTI	2.0	
<b>Total Lending</b>			<b>568.7</b>	

Source: Asian Development Bank Loan, Technical Assistance and Equity Approval Database.

**TECHNICAL ASSISTANCE APPROVALS, JULY 1991–DECEMBER 2003**  
(\$ Million)

TA No.	Project Name	Type	Amount	Approved	
1991	1536 Adviser to Mongolian Stock Exchange	AD	100,000	17 Jul 91	
	1542 Training for the Mongolian Stock Exchange	AD	95,000	24 Jul 91	
	1585 Institutional Support for Procurement and Disbursements	AD	247,800	29 Oct 91	
1992	1586 Restructuring and Development of the Industrial Sector	AD	635,000	29 Oct 91	
	1643 Institutional Support to the Mongol Bank	AD	100,000	02 Jan 92	
	1648 Ulaanbaatar Airport Feasibility Study	PP	600,000	03 Jan 92	
	1647 Strengthening Environmental Assessment Procedures	AD	370,000	07 Jan 92	
	1649 Livestock Feed Improvement	PP	410,900	07 Jan 92	
	1653 Egiin Hydropower	PP	1,400,000	09 Jan 92	
	1686 Telecommunications Development	PP	600,000	01 Apr 92	
	1703 Seminar on Bank Operational Policies and Procedures in Mongolia, 1992	AD	40,000	25 May 92	
	1750 Energy Audit, Efficiency and Conservation Study	AD	407,500	04 Sep 92	
	1801 Human Resources Development and Education Reform	AD	535,000	11 Dec 92	
	1808 Agricultural Processing, Storage and Distribution	PP	400,000	17 Dec 92	
	1811 Improving and Strengthening the Statistical System	AD	500,000	22 Dec 92	
	1820 Road Master Plan and Feasibility Study	PP	600,000	23 Dec 92	
	1993	1840 Employment-Generation	PP	100,000	08 Jan 93
		1855 Institutional Strengthening of the Financial Sector	AD	595,000	17 Mar 93
1649 Livestock Feed Improvement (Supplementary)		PP	59,150	24 Mar 93	
1886 Irrigation Systems Rehabilitation		PP	500,000	13 May 93	
1929 Strengthening the Industrial Sector		AD	545,000	17 Aug 93	
1930 Developing Mongolia's Legal Framework		AD	500,000	17 Aug 93	
1963 Institutional Strengthening of the Civil Aviation Sector and National Air Safety Master Plan		AD	850,000	12 Oct 93	
1989 State Privatization Commission		AD	490,000	22 Nov 93	
2020 Institutional Enhancement for Employment Generation		AD	598,000	16 Dec 93	
2035 CES Institutional and Tariff Study		AD	500,000	27 Dec 93	
1994		2069 Strengthening State Strategic Planning and Coordination in the National Development Board	AD	562,000	14 Mar 94
		2093 Power Rehabilitation	PP	100,000	25 May 94
	2095 Power System Master Plan Study	AD	595,000	06 Jun 94	
	2101 Sector Reform	AD	588,000	16 Jun 94	
	2102 Accounting and Management Information Systems and Tariff Reform	AD	599,000	16 Jun 94	
	2105 Institutional Strengthening of Agricultural Banking Services	AD	300,000	20 Jun 94	
	2127 Agriculture Sector Program	PP	300,000	25 Jul 94	
	2208 Strengthening the Environmental Management Capability of the Ministry of Nature and Environment	AD	574,000	24 Nov 94	
	2219 Strengthening of the Commercial Banking System	AD	600,000	05 Dec 94	
	2228 Education Development	PP	400,000	09 Dec 94	
	2252 Strengthening Social Insurance	AD	84,000	20 Dec 94	
	2279 Strengthening Health Insurance	AD	500,000	29 Dec 94	
	1995	2127 Agriculture Sector Program (Supplementary)	PP	175,000	13 Jun 95
		2350 Energy Conservation	PP	100,000	26 Jun 95
		2353 Strengthening of Financial Intermediaries	AD	600,000	30 Jun 95
1989 State Privatization Commission (Supplementary)		AD	110,000	28 Jul 95	
2371 Administrative Reform of Social Insurance		AD	900,000	28 Jul 95	
2380 Institutional Strengthening of the Road Sector		AD	920,000	22 Aug 95	
2390 Improving Accounting and Auditing Systems		AD	600,000	05 Sep 95	
2391 Phase II Institutional Strengthening of the Civil Aviation Sector		AD	592,000	05 Sep 95	
2414 Health Sector Development		PP	600,000	03 Oct 95	
2457 Institutional Strengthening in the Agriculture Sector		AD	800,000	05 Dec 95	
2458 Strengthening Land Use Policies		AD	580,000	05 Dec 95	
1996		2543 Development of Procedures for the Reconstruction and Liquidation of Insolvent Banks	AD	100,000	19 Mar 96
	2549 Institutional Support for Local Government and Decentralization (Phase I)	AD	100,000	26 Mar 96	
	2105 Institutional Strengthening of Agricultural Banking Services (Supplementary)	AD	205,000	29 Mar 96	

TA = technical assistance

*Continued on next page*

## Appendix 7—Continued

	TA No.	Project Name	Type	Amount	Approved	
1996	2571	CES Accounting & Financial Management Systems Improvement	AD	550,000	17 May 96	
	2582	Provincial Towns Basic Urban Services	PP	600,000	07 Jun 96	
	2602	Study of Extensive Livestock Production Systems	AD	600,000	04 Jul 96	
	2605	Development of Bank Restructuring Strategies	AD	100,000	09 Jul 96	
	2606	Strengthening the Taxation System	AD	343,000	09 Jul 96	
	2610	Ulaanbaatar Heat Rehabilitation	PP	450,000	18 Jul 96	
	2659	Restructuring and Staff Rationalization	AD	70,000	07 Oct 96	
	2683	Strengthening the National Poverty Alleviation Program	AD	422,000	07 Nov 96	
	2697	Implementation of Bank Restructuring Strategies	AD	100,000	03 Dec 96	
	2719	Institutional Strengthening in the Education Sector	AD	950,000	19 Dec 96	
	2720	Strengthening the Supervisory and Restructuring Capacity of the Bank of Mongolia	AD	1,000,000	19 Dec 96	
	2727	Restructuring and Capacity Building for the Ministry of Justice	AD	56,000	23 Dec 96	
	2731	Health Sector Resources Development	PP	100,000	23 Dec 96	
1997	2769	Institutional Strengthening of the Local Government and Decentralization (Phase II)	AD	550,000	14 Mar 97	
	2797	Development of a Regulatory Framework for Non-Bank Financial Institutions	AD	100,000	20 May 97	
	2819	Agriculture Sector Development Program	PP	492,000	27 Jun 97	
	2827	Second Roads Development	PP	500,000	22 Jul 97	
	2458	Strengthening Land Use Policies (Supplementary)	AD	244,000	14 Aug 97	
	2868	Initial Phase of Civil Service Reforms	AD	150,000	15 Sep 97	
	2881	Capacity Building for the Provision of Urban Services in Provincial Towns	AD	825,000	30 Sep 97	
	2887	Egiin Hydropower BOT	PP	150,000	03 Oct 97	
	2890	Housing Sector Policy	AD	150,000	08 Oct 97	
	2907	Support for Decentralized Health Services	AD	600,000	04 Nov 97	
	2931	Program Preparation of Governance Reforms	PP	967,300	10 Dec 97	
	2964	Improving Accounting and Auditing Systems	AD	688,000	23 Dec 97	
	2967	Retraining of Legal Professionals in a Market Economy	AD	1,000,000	23 Dec 97	
1998	2978	Social Safety Net	PP	985,000	31 Dec 97	
	2990	Analyzing Development Issues in Mongolia	AD	150,000	23 Feb 98	
	2993	Capacity Building in Project Accounting	AD	150,000	10 Mar 98	
	2890	Housing Sector Policy (Supplementary)	AD	60,000	26 Mar 98	
	3016	Energy Rehabilitation	PP	0	07 May 98	
	3029	Improving Energy Authority's Billing and Collection System	AD	450,000	10 Jun 98	
	3031	Development of Procurement Legislation and Guidelines	AD	550,000	23 Jun 98	
	3090	Institutional Strengthening of the Housing Sector	AD	800,000	19 Oct 98	
	1999	3174	Education Sector Strategy Study 2000-05	AD	150,000	12 Mar 99
		3208	Strengthening Restructuring of the Banking System	AD	220,000	17 Jun 99
		3268	Policy Support in the Road Sector	AD	670,000	30 Sep 99
		3299	Capacity Building for Energy Planning	AD	700,000	17 Nov 99
		3316	Initial Phase of Public Administration Reform	AD	1,100,000	02 Dec 99
3317		Public Expenditure Management	AD	496,000	02 Dec 99	
3318		Study on Central-Local Aspects of Reform Implementation	AD	235,000	02 Dec 99	
3351		Second Education Development	PP	550,000	20 Dec 99	
2000		3395	Capacity Building for Cadastral Survey and Land Registration	AD	990,000	27 Jan 00
		3397	Rural Finance	PP	700,000	02 Feb 00
		3406	Housing Sector Finance	PP	600,000	02 Mar 00
		3459	Strengthening Financial Sector Development	AD	600,000	22 Jun 00
		3606	Capacity Building in Agriculture	AD	695,000	21 Dec 00
	2001	3628	Establishment of a Central Procurement Monitoring Office	AD	600,000	02 Feb 01
		3684	Improving Social Statistics	AD	500,000	12 Jul 01
		3685	Integrated Development of Basic Urban Services in Secondary Towns	PP	700,000	19 Jul 01
		3686	Crop Production	PP	500,000	23 Jul 01
		3709	Strengthening Policy for Social Security Reform	AD	600,000	28 Aug 01
		3750	Second Health Sector	PP	600,000	29 Oct 01
		3811	Improving Aid Coordination and Management	AD	300,000	18 Dec 01
		2002	3904	TA to Support Privatization in the Banking Sector	AD	150,000
3913			Capacity Building for Accounting and Auditing Professionals	AD	500,000	04 Sep 02
3920			Strengthening Public Sector Administration and Financial Management	AD	650,000	05 Sep 02
3934			Trade Policy Review	AD	150,000	30 Sep 02
3938			Civil Aviation Policy Development	AD	300,000	10 Oct 02
3948			Capacity Building for Integrated Regional Development Planning	AD	600,000	24 Oct 02
3965	Renewable Energy Development in Small Towns and Rural Areas		AD	400,000	04 Nov 02	
3990	Third Roads Development		PP	600,000	15 Nov 02	
4077	Retraining of Legal Professionals in a Market Economy II		AD	150,000	20 Dec 02	
2003	4123		Health Sector Reform	AD	650,000	05 Jun 03
	4236		Preparing the Third Financial Sector Program (JSF)	PP	500,000	03 Dec 03
<b>Total Technical Assistance</b>				<b>54,420,650</b>		

Source: Asian Development Bank Loan, Technical Assistance and Equity Approval Database.

**COMMERCIAL BANKS' OUTSTANDING LOANS, 2003**  
(MNT billion)

Mongolian Banks		Loans		Ownership Control		
Rank <sup>a</sup>	Name	Outstanding (MNT million)	Outstanding (% of Total)	State	Foreign	Domestic Private
1	Anod Bank	68.45	15.4			YES
2	Trade and Development Bank	64.31	24.6		YES	
3	Agricultural Bank	52.09	11.7		YES	
4	Chinggis Khan Bank <sup>b</sup>	51.64	11.6			
5	Golomt Bank	50.78	11.4			YES
6	Mongol Post Bank	31.64	7.1			YES
7	Zoos Bank	25.78	5.8			YES
8	Capitron Bank	18.02	4.0			YES
9	Savings Bank	15.55	3.5	YES		
10	Menatep (RUS)	15.41	3.5		YES	
11	Xac Bank	11.01	2.5		YES	
12	Interbank	10.66	2.4			YES
13	UB City Bank	8.66	1.9	YES		
14	Shinechlel Bank	6.17	1.4			YES
15	Transport & Development Bank	6.09	1.4			YES
16	Erel Bank	4.87	1.1			YES
17	Credit Bank	4.03	1.0			YES
<b>Total (% of loans)</b>		<b>445.43</b>	<b>100.0</b>			

<sup>a</sup> Ranked by size of loan portfolio.

<sup>b</sup> Chinggis Khan Bank received banking license in 2003.

Source: Bank of Mongolia.

**COMMERCIAL BANK LOANS BY ECONOMIC SECTOR (2002 AND 2003)**  
(MNT 000)

<b>ECONOMIC SECTOR</b>	<b>Outstanding Loans 31/12/02</b>	<b>% of Total 31/12/02</b>	<b>Outstanding Loans 31/12/03</b>	<b>% of Total 31/12/03</b>
<b>Total Loans</b>	<b>231,449,865</b>	<b>100</b>	<b>441,949,532.1</b>	<b>100</b>
Agriculture, hunting, forestry	9,468,553	4.1	25,228,628.7	5.7
Energy, gas, water supply	3,490,564	1.5	8,603,820.6	1.9
Construction	14,400,720	6.2	33,331,051.3	7.5
Mining sector	35,628,446	15.4	37,307,427.2	8.4
Raw material processing	56,109,655	24.2	88,704,245.8	20.1
Whole and retail sales	71,258,021	30.8	150,402,055.9	34.0
Tourism, hotels, restaurants	3,969,688	1.7	7,806,980.5	1.8
Transport, storage, communications	6,749,073	2.9	13,333,801.6	3.0
Real estate and rentals	2,471,237	1.1	9,844,445.7	2.2
Health and education	1,301,301	0.6	2,092,443.2	0.5
Financial services	1,107,581	0.5	4,420,918.2	1.1
Others	25,495,026	11.0	60,973,713.6	13.8

Source: Bank of Mongolia.

## SECTOR SUPPORT ACTIVITIES OF DONOR AGENCIES

### Table A10.1: Multilateral Agencies

Sector	ADB	World Bank	IMF	UNDP and Other UN Agencies	European Union/TACIS
Agriculture and Natural Resources/Rural Development	<ul style="list-style-type: none"> <li>• Sector Development program</li> <li>• Crop sector Development</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable livelihood project</li> </ul>	<ul style="list-style-type: none"> <li>•</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable natural resources</li> <li>• Straw bail building project (energy efficiency)</li> <li>• Eastern steppe project</li> <li>• Pasture livestock risk management improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Integration of crop and livestock project</li> <li>• Long term assistance to dzud</li> <li>• Rural development project in selected <i>aimags</i></li> </ul>
Finance and Industry/Rural Financing Sector	<ul style="list-style-type: none"> <li>• Supporting policy and sector based reforms</li> <li>• Rural sector financing</li> </ul>	<ul style="list-style-type: none"> <li>• Finance sector capacity improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty reduction and growth facility</li> <li>• Fiscal reforms</li> </ul>	<ul style="list-style-type: none"> <li>• Industry and trade policy support</li> <li>• Rural microfinance</li> </ul>	<ul style="list-style-type: none"> <li>• SME development</li> <li>• Small businesses credit fund</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Road sector</li> <li>• Capacity building for energy</li> <li>• Heat efficiency</li> <li>• Ulaanbaatar airport</li> <li>• Hydropower</li> <li>• Telecommunications</li> </ul>	<ul style="list-style-type: none"> <li>• Energy sector investment project</li> <li>• Road rehabilitation project II</li> </ul>		<ul style="list-style-type: none"> <li>• Energy conservation and efficiency</li> <li>• Tourism development</li> </ul>	<ul style="list-style-type: none"> <li>• Zamin Uud bulk fuel transshipment facility</li> </ul>
Urban Development and Housing	<ul style="list-style-type: none"> <li>• Rural area urban sector development</li> <li>• Housing financing</li> <li>• Cadastral survey and land registration</li> <li>• Provincial Towns Basic Urban services</li> </ul>	<ul style="list-style-type: none"> <li>• Ulaanbaatar urban services rehabilitation project</li> <li>• Stove improvement</li> </ul>		<ul style="list-style-type: none"> <li>• Development of natural water, sanitation and hygiene education program</li> </ul>	
Education	<ul style="list-style-type: none"> <li>• Sector development program</li> </ul>			<ul style="list-style-type: none"> <li>• Preschool education strengthening</li> </ul>	
Health	<ul style="list-style-type: none"> <li>• Sector development program</li> </ul>			<ul style="list-style-type: none"> <li>• Health sector policy issues</li> <li>• STD/HIV/AIDS intervention</li> </ul>	
Social Sector/poverty reduction	<ul style="list-style-type: none"> <li>• Social security development program</li> <li>• Employment generation</li> </ul>	<ul style="list-style-type: none"> <li>• Poverty reduction</li> </ul>		<ul style="list-style-type: none"> <li>• Poverty reduction</li> <li>• Employment promotion</li> <li>• Micro nutrients issues</li> </ul>	<ul style="list-style-type: none"> <li>• Support for NGO development</li> </ul>
Governance	<ul style="list-style-type: none"> <li>• Governance reform program</li> </ul>	<ul style="list-style-type: none"> <li>• Public expenditure review</li> </ul>		<ul style="list-style-type: none"> <li>• Democratic governance (anti-corruption)</li> </ul>	<ul style="list-style-type: none"> <li>• Twinning projects with local government</li> </ul>

ADB = Asian Development Bank, AIDS = acquired immunodeficiency syndrome, EU TACIS = European Union Technical Assistance for the Commonwealth of Independent States, HIV = human immunodeficiency virus IMF = International Monetary Fund, NGO = nongovernment organization, SME = small and medium enterprise, STD = sexually transmitted disease, UN = United Nations, UNDP = United Nations Development Programme.

*Continued on next page*

Table A10.1—Continued

Sector	ADB	World Bank	IMF	UNP and Other UN Agencies	European Union/TACIS
Environmental Protection/Sustainable Development				<ul style="list-style-type: none"> <li>• Forestry rehabilitation</li> <li>• Biodiversity and environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>• Aid coordination</li> <li>• Private sector development</li> </ul>
Others	<ul style="list-style-type: none"> <li>• Aid coordination</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and Judicial Reform project</li> </ul>		<ul style="list-style-type: none"> <li>• Aid coordination</li> <li>• Disaster management</li> </ul>	

**Table A10.2: Bilateral Agencies**

Sector	Japan/JICA	USA/USAID	UK	Germany/GTZ	France	Others
Agriculture and Natural Resources/Rural Development	<ul style="list-style-type: none"> <li>Food and supply</li> <li>Well rehabilitation in Gobi region</li> </ul>	<ul style="list-style-type: none"> <li>Gobi initiative: rural development</li> </ul>	<ul style="list-style-type: none"> <li>Disaster preparedness system</li> </ul>	<ul style="list-style-type: none"> <li>Privatization in agriculture sector</li> </ul>		
Finance and industry/Rural Financing Sector	<ul style="list-style-type: none"> <li>Advisory service to MOFE</li> </ul>	<ul style="list-style-type: none"> <li>Economic policy advisory service</li> <li>Management contract for Agriculture bank</li> <li>Cashmere industry</li> </ul>		<ul style="list-style-type: none"> <li>Economic reform and support to market oriented structures</li> <li>Commercial law reform</li> <li>Rural finance</li> <li>SME support</li> <li>Decentralization</li> <li>Micro finance</li> <li>Energizing private sector</li> </ul>		
Infrastructure	<ul style="list-style-type: none"> <li>Rural telecommunications</li> </ul>	<ul style="list-style-type: none"> <li>Tourism development</li> <li>Energy sector restructuring</li> </ul>		<ul style="list-style-type: none"> <li>Renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation of telephone network</li> </ul>	<ul style="list-style-type: none"> <li>Kuwait hydro-power project</li> </ul>
Urban Development and Housing	<ul style="list-style-type: none"> <li>Rehabilitation of power plants in soum centers</li> </ul>				<ul style="list-style-type: none"> <li>Water supply equipment renovation project</li> </ul>	
Education	<ul style="list-style-type: none"> <li>New school construction</li> <li>Provision of IT to schools</li> </ul>			<ul style="list-style-type: none"> <li>Human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Rehabilitation of trauma hospital</li> </ul>	
Social Sector/Poverty Reduction		<ul style="list-style-type: none"> <li>Peri-urban Business Support (Darkhan, Erdenet and Ulaanbaatar)</li> </ul>		<ul style="list-style-type: none"> <li>Poverty alleviation</li> </ul>		
Governance	<ul style="list-style-type: none"> <li>Grassroots project</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening the parliamentary system</li> <li>Advice to government on privatization</li> <li>Judicial reform project</li> </ul>		<ul style="list-style-type: none"> <li>Economic law</li> </ul>		
Environmental protection/Sustainable Development	<ul style="list-style-type: none"> <li>Environment</li> </ul>			<ul style="list-style-type: none"> <li>Buffer zone management</li> <li>Sustainable forestry and anti-desertification</li> </ul>		
Others	<ul style="list-style-type: none"> <li>Emergency relief</li> </ul>	<ul style="list-style-type: none"> <li>Food aid</li> </ul>				

GTZ = German Agency for Technical Cooperation, IT = information technology, JICA = Japan International Cooperation Agency, MOFE = Ministry of Finance and Economy, UK = United Kingdom, USA = United States of America, USAID = United States Agency for International Development

**COMPREHENSIVE DEVELOPMENT FRAMEWORK  
PSD PROGRAM MATRIX**

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
Support for SMEs, including Agro-Processing	EU TACIS	SME	2.2	Completed	04/1995–07/1997	SME MON 9501	MBDA	SAC International, UK
Strengthening of Services to Support SME Access to Foreign Investment, Support Establishment of Regional Business Advisory Services	EU TACIS	SME	1.6	Completed	01/1998–12/2000	SME MON 9601	MBDA	BMB Management Consultants, Netherlands
Extension of SME Development Activities in Mongolia	EU TACIS	SME	0.8	Completed	04/1999–08/2001	SME MON 9801	MIT	SAC International, UK
Financial Services for SMEs in Mongolia	EU TACIS	SME	0.9	Due to start 2001	18 months	SME MON 0001		
Policy Development, Training and Management Support to Agricultural Enterprises in Crop Production	EU TACIS	SME	2.0	Ongoing	01/1999–10/2001	FD MON 9801	MOFA	Agroconsult, Austria Transtec, Belgium
Gobi Regional Economic Growth Initiative	USAID	SME	6.4	Ongoing		CA 438-0101 Gobi <i>airmags</i> TA1649 PP	Mercy Corp. international	
Livestock Feed Improvement	ADB	SME	0.4	Ongoing		MON/00/104	MOI	
E-jobs	UNDP/ UNESCAP	SME	0.1	Ongoing	2001–2002		MOI	
Tourism	UNDP/WTO	SME		To be started	2002	MON02/105/A/ 08/49	MOI	UNDP
Micro Start Mongolia	UNDP	SME						Finland
Re-stocking Cattle	UNDP	SME	0.05	Completed	1994–1995	MON/94/001	MOFA	UNDP
SME-1	Germany	SME	8.4	Completed	1993–1998	9:65 235	MOFA	Germany
Advisory Service for Rural Family Enterprise	Germany	SME	1.8	Completed	1996–1999	341	MOFA	Germany
Grant: SME Credit Program-Financial Sector Promotion	Germany	SME	10.0	Completed	1996/1999	95.6523.5		Germany

ADB = Asian Development Bank, EU TACIS = European Union Technical Assistance for the Commonwealth of Independent States, MBDA = Mongolian Business Development Agency, MIT = Ministry of Industry and Trade, MOFA = Ministry of Food and Agriculture, MOI = Ministry of Infrastructure, SME = small and medium enterprise, UK = United Kingdom, UNDP = United Nations Development Programme, UNESCAP = , USAID = United States Agency for International Development, WTO = World Trade Organization.

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## Appendix 11—Continued

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
Grant: Attendant Measure to the SME Credit Program	Germany	SME	0.8			95.70228.4		Germany
Privatization of Veterinarian Services	Germany	SME	2.1	Ongoing	1999–2002	16	MOFA	Germany
Livestock Keeping Promotion Project	Germany	SME	0.4	Completed	1993–1995	321	MOFA	Germany
Creation of Rural Finance System	GTZ	SME	2.0					GTZ
SME Promotion Project	GTZ/BMZ (see subprojects)	SME	2.9	Ongoing	09/98-2006 1998-2001 Preparation phase; 2001- Implementation phase; 2004–2006 Evaluation phase	1995.2166.7	MIT	GTZ/BMZ (see subprojects)
Agricultural Bank Micro Credit Advisors	EBRD	SME	0.85	Ongoing	18–24 months		Agricultural Bank	EBRD
<b>Sub-total</b>		<b>SME programs</b>	<b>43.7</b>					
Integrated Crop and Livestock Production in Mongolia	EU TACIS	Competitiveness	2.6	Due to start 2001	3 years	FD MON0001	MOFA	
Participation of Mongolian Enterprises in the Europartenariat Events	EU TACIS	Competitiveness	0.09	Completed	1996–1999		Private enterprises	Various
Productivity Initiative Program	EU TACIS	Competitiveness	0.1	Completed	2000–2001		Private Enterprises	The British Council, UK Deutsche Management Akademie, Germany

EBRD = European Bank for Reconstruction and Development, GTZ = German Agency for Technical Cooperation.

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## Appendix 11—Continued

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
NIS Managers' Training Programme	EU TACIS	Competitiveness	0.1	Ongoing	09/1999–09/2002	99-0143.00-99-0144.00	Managers	Deutsche Management Akademie, Germany
Practical, On-demand Advice to the Private Businesses by Senior Experts	EU TACIS	Competitiveness	0.4	Completed	1996/2001		Private enterprises	Kampsax International A/S Denmark
The Competitiveness Initiative Mongolia	USAID	Competitiveness	2.0	Ongoing	2000–2002	438-0101	Export oriented local industries (meat, cashmere, tourism)	Nathan Associates
Loan: Banking and Enterprise sector adjustment credit (BESAC)	World Bank	Competitiveness	10.0	Completed	1997	MN-PE-41741		IDA
Advice on Finances Operations of Erdenet Copper Mine	World Bank	Competitiveness	0					IFC
Enterprise Restructuring	UNDP	Competitiveness	2.8	Ongoing	1998–2000	MON/98/132	MIT	UNDP/Netherlands
Country Focused Training Program on Strategic Business Management	JICA	Competitiveness	N/A	Ongoing	2000–2003		SMEs	
Expert Dispatch Program for Factory Management (Darkhan Metallurgical Factory)	JICA	Competitiveness	N/A	Ongoing	1994–		MIT	
Expert Dispatch Program for Development and Management of SMEs	JICA	Competitiveness	N/A		1998–2001		MIT	
Development Study for the Promotion of the Industrial Sector	JICA	Competitiveness	N/A	Completed	1997–1999		MOFA	
Counseling and Trade Promotion for Private Enterprises	Germany	Competitiveness	1.8	Completed	1992–2000	344	MOFA	Germany

IDA = International Development Association, IFC = International Finance Corporation.

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## Appendix 11—Continued

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
Promotion of Trade and Consultation to the Private Sector	Germany	Competitiveness	1.8	Completed	1994–1996	GR 79	MOFA	Germany
Cooperation of International Trade Policy	GTZ	Competitiveness	1.0					GTZ
Preparation of Private Sector Participation in Selected Power Sector Companies	EBRD	Competitiveness	.5	Pipeline			SPC	EBRD
Turnaround Management	EBRD	Competitiveness	1.0	Approved	12–18 months			EBRD
<b>Sub-total</b>		<b>Competitiveness Programs</b>	<b>24.19</b>					
Barents Group Privatization Program	USAID	Privatization/Infra	2.8	Ongoing	1998–2002	438-0201	GOM/SPC	Barents/KPMG LLP
Energy Sector Credit	World Bank	Privatization/Infra	30.0	Ongoing				World Bank
PPAF Support for Infrastructure Regulation	World Bank	Privatization/Infra	0					World Bank
Advice on Road and Rail Development	World Bank	Privatization/Infra	0					World Bank
<b>Sub-total</b>		<b>Privatization/Infra Programs</b>	<b>32.8</b>					World Bank
USAID Project to Support Drafting of Company Law	USAID	Legal	Under Economic Policy Support Project					
USAID Project to Support Ulaanbaatar Stock Exchange	USAID	Legal	Under Economic Policy Support Project					

SPC = State Property Committee.

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## Appendix 11—Continued

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
TA: Banking, Enterprise and Legal Technical Assistance Credit (BELTAC)	World Bank	Legal	2.0	Completed	1997/1999	Mn-PE 47683		IDA
Strengthening the Taxation System	ADB	Legal/Tax	0.1			TA2606AD		
Recommendations on Amendment to the Corporate Law and on Strengthening Capital Market Development in Mongolia	World Bank	Legal/Tax		Completed	2002		SPC, MSEC, MSE	World Bank
Investment Advisory Council	EBRD	Legal	0.25	Pipeline			MOI	EBRD
<b>Sub-total</b>		<b>Legal/Tax programs</b>	<b>2.35</b>					
Private Sector Development Credit	World Bank	Finance/ Governance	12.5	Ongoing	06/1999– 12/2002	3226 MOG-SDR	Golomt Bank	IDA
Financial Sector Adjustment Credit	World Bank	Finance/ Governance	32.0	Ongoing	04/2000–			IDA
Expert Dispatch Program for Banking Loan	JICA	Finance	N/A	Ongoing	2000–		Bank of Mongolia, Golomt Bank, Saving Bank, Trade and Development Bank	
Capacity Building Technical Assistance	IFC	Finance/ Governance	0.25	Ongoing	2002–2003	IFC-00505069-BB-XAC-TA	XAC Bank	IFC
IFC Straight Loan	IFC	Finance/ Governance	0.4	Ongoing	2002–2010	IFC-00010500-BF-00110-SEF XAC Bank	XAC Bank	IFC
<b>Subtotal</b>		<b>Finance/ Governance programs</b>	<b>45.15</b>					

MSE = Mongolian Stock Exchange, MSEC = Mongolian Securities and Exchange Commission.

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## Appendix 11—Continued

Name of Project	Donor	Program	Total Funding (\$ Million)	Status	Duration	Contract Number	Recipient	Contractor
Economic Policy Support Project DO# 7, DO# 11	USAID	Miscellaneous	8.7	Ongoing	1995/2002	438-0101	GOM	Development Alternatives, Inc.
Poverty Alleviation for Vulnerable groups	World Bank	Miscellaneous	3.8	Completed	1999–2002	438-0006	PAPO	IDA
Promotion of the Private Sector	Germany	Miscellaneous	1.3	Completed	1996–2000	270 MOG		
Master Plan Study of the Civil Aviation Sector	EBRD	Miscellaneous	8.0	Approved	15–16 months	95.2166.7	Mongolian Civil Aviation Authority	EBRD
Restructuring of Erdenet	EBRD	Miscellaneous	0.39	Pipeline			Erdenet Plant	EBRD
Telecommunications (ICT)	EBRD	Miscellaneous	0.1	Committed			Mol	EBRD
<b>Sub-total</b>		<b>Miscellaneous</b>	<b>0.3</b>					
<b>TOTAL PROJECT AMOUNT</b>			<b>22.59</b>					
			<b>170.78</b>					

Sources: ADB research, various agencies.

## DEVELOPMENT COORDINATION MATRIX

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Agriculture	<ul style="list-style-type: none"> <li>• Sector development program</li> <li>• Crop sector development</li> <li>• Cadastral survey and land registration</li> </ul>	<p><b>World Bank:</b> Has a sustainable livelihood project and will prepare a land reform note in 2003.</p> <p><b>EU TACIS:</b> Has an ongoing project on mixed-farming projects (a follow-on from the crop production project). Planned projects include rural development in Dorngobi, Sukhbat, and Gobi Sumer <i>aimag</i> (province) (using ADB's Agricultural Sector Development Project as a model), and reestablishment of a distribution and collection system in the same <i>aimag</i>.</p> <p>Germany: GTZ supports rural development.</p> <p><b>Japan:</b> JICA will continue to support rural development, including well rehabilitation in the Gobi Region. JBIC is planning to revive its operations in Mongolia and is doing research study in microfinance and selected agriculture sectors.</p> <p><b>UNDP:</b> Takes the lead in donor coordination for rural development and pasture livestock risk management improvement.</p> <p><b>USAID:</b> Program includes the Gobi initiative, including rural development with a strong private enterprise focus; and the Competitive initiative, including the tourism, meat and cashmere industries.</p>
Energy	<ul style="list-style-type: none"> <li>• Capacity building in energy sector master planning</li> <li>• Heat efficiency project</li> <li>• Renewable energy</li> </ul>	<p><b>World Bank:</b> Has a \$30 million investment project, including power distribution in Ulaanbaatar, and supported a donor coordination conference on energy held in March 2002. World Bank's 2004 program includes a \$20 million project on electricity transmission. World Bank remains active in coordinating donor activities in the energy sector.</p>

ADB = Asian Development Bank, EU TACIS = European Union Technical Assistance for the Commonwealth of Independent States, GTZ = German Agency for Technical Cooperation, JBIC = Japan Bank for International Cooperation, JICA = Japan International Cooperation Agency, UNDP = United Nations Development Programme, USAID = United States Agency for International Development.

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## Appendix 12—Continued

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Energy		<p><b>Japan:</b> JBIC provided a loan to the power sector in 1995. Currently has a project for rehabilitation of Power Plant 4 as a part of that loan. Also supports rehabilitation of power plants in sum centers.</p> <p><b>Germany:</b> GTZ and KfW will focus on renewable energy in Zavkhan and Khuvsgul <i>aimags</i> on renewable energy.</p> <p><b>USAID:</b> Funds the Policy Support Project for energy sector restructuring.</p> <p><b>Kuwait Fund and OPEC Fund:</b> Jointly financing hydropower projects</p>
Finance	<ul style="list-style-type: none"> <li>• Supporting policy and sector-based reforms</li> <li>• Rural sector financing</li> </ul>	<p><b>World Bank:</b> Provides the \$5 million Financial Sector Capacity TA to help the Government implement the policy matrix under the Financial Sector Adjustment Credit. World Bank envisages a municipal finance/urban sector note in 2003. World Bank also actively coordinates donor activities in the financial sector and private sector development.</p> <p><b>DFID:</b> Plans to provide TA to Credit Mongol with a capital injection of €500,000 as part of the EU TACIS program.</p> <p><b>USAID:</b> Funds the Policy Support Project, including a management contract for the Agricultural Bank, and advises the Government on privatization (particularly Barents Group).</p> <p><b>KfW:</b> Their forward program will include assistance for financial sector reform, but details not yet specified.</p>
Social Infrastructure		
Education	<ul style="list-style-type: none"> <li>• Sector development program</li> <li>• Basic education applications of ICT</li> </ul>	<p><b>World Bank:</b> Will assist in the privatization of the education sector under PHRD Fund.</p> <p><b>Germany:</b> GTZ is implementing a \$1.5 million project to develop vocational education (2000-2002).</p>

DFID = Department for International Development, ICT = information and communications technology, KfW = Kreditanstalt für Wiederaufbau, OPEC Fund = Organization of Petroleum Exporting Countries (OPEC) Fund for International Development, PHRD Fund = Japan Policy and Human Resources Development Fund, TA = technical assistance.

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## Appendix 12—Continued

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Education		<p><b>Japan:</b> JICA continues to support education with policy and planning support, upgrading of school facilities, and development of information and communications technologies, in partnership with ADB as cofinancier of the Second Education Development Project.</p> <p><b>NDF:</b> In partnership with ADB, NDF is planning a \$4.8 million loan to cofinance the Second Education Development Project, focusing on science and vocational education as well as upgrading of kindergartens and primary schools.</p> <p><b>Soros Foundation:</b> Active in improving the quality of basic education and capacity building, with \$3 million grant financing provided since 1998. Will also provide assistance on ICT to the Mongolian Foundation for an Open Society.</p>
Health	<ul style="list-style-type: none"> <li>• Sector development program</li> </ul>	<p><b>World Bank:</b> Will help in the privatization of the health sector within PHRD grant. Also the report on hospital management is under preparation.</p>
Transportation and Communications	<ul style="list-style-type: none"> <li>• Road–north-south corridor</li> </ul>	<p><b>World Bank:</b> The 2004 World Bank program includes a \$20 million loan to develop another section of the east/west road corridor. World Bank will also prepare a transport and communications sector strategy note to update the 2000 strategy.</p> <p><b>ADB and World Bank</b> plan a joint sector study and dialogue with the Government on road financing, maintenance, and the proposed Millennium Road.</p> <p><b>Japan:</b> JICA supports improvement of rural telecommunications. JBIC is expected to continue its support in the roads and urban infrastructure.</p> <p><b>EU TACIS</b> is working on Zamiin Uud bulk fuel transshipment facility.</p> <p><b>Kuwait</b> is working on road rehabilitation in Bulgan <i>aimag</i>.</p> <p><b>France</b> is rehabilitating a telephone network.</p>

NDF = Nordic Development Fund

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## Appendix 12—Continued

Sector/Thematic/Area	ADB Strategy/Activities	Other Development Partners' Strategy/Activities
Poverty	<ul style="list-style-type: none"> <li>• Poverty Partnership Agreement</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>• Governance reform program</li> <li>• Government procurement monitoring</li> </ul>	
Private Sector Operations	<ul style="list-style-type: none"> <li>• Private sector assessment</li> </ul>	<p><b>World Bank:</b> Provides credit line under Public Sector Deployment Center to private enterprises in all economic sectors. Supported Investors' Forum in 2002.</p>
Multisector/Other	<ul style="list-style-type: none"> <li>• Aid coordination</li> <li>• Concept of regional development</li> <li>• Study on trade and growth</li> <li>• Training of legal professionals</li> </ul>	<p><b>World Bank:</b> For 2003, World Bank envisages a study of growth in the economy and regional development. Supports Consultative Group meetings as well as sector donor meetings. A new Country Assistance Strategy will be approved in 2003. Seeks Institutional Development Fund grant for improvement of procurement systems.</p> <p><b>Germany:</b> GTZ concentrates on economic reform and support to market-oriented structures, including economic law, support for small and medium-sized enterprises, and human development.</p> <p><b>UNDP:</b> Supports small-scale activities, including ICT support and industry and trade policy support.</p> <p><b>USAID:</b> Supports judicial reform.</p>

Source: ADB research.