

# TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ECID

TA No. and Name 3268-MON: Policy Support in the Road Sector			Amount Approved: \$670,000																					
			Revised Amount: \$670,000																					
Executing Agency: Department of Roads (DOR)	Source of Funding: Japan Special Fund		TA Amount Undisbursed \$6,514.95	TA Amount Utilized \$663,485.05																				
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Date</th> <th colspan="2" style="text-align: center;">Closing Date</th> </tr> </thead> <tbody> <tr> <td style="width: 33%;">Approval</td> <td style="width: 33%;">Signing</td> <td style="width: 33%;">Fielding of Consultants</td> <td style="width: 25%;">Original</td> <td style="width: 25%;">Actual</td> <td></td> </tr> <tr> <td>30-Sep-1999</td> <td>14-Oct-1999</td> <td>18-Mar-2000</td> <td>31-Oct-2000</td> <td>14 June 2002</td> <td></td> </tr> </tbody> </table>			Date			Closing Date		Approval	Signing	Fielding of Consultants	Original	Actual		30-Sep-1999	14-Oct-1999	18-Mar-2000	31-Oct-2000	14 June 2002						
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<p><b>Description</b></p> <p>The current situation in Mongolia's road sector calls for improvement and maintenance of the existing roads and building new roads, addressing the high cost of road construction and maintenance, developing and introducing better practices and technology, and developing the systems, procedures, and standards to improve the quality of road construction and management.</p> <p><b>Objectives and Scope</b></p> <p>The objective of the TA was to enhance the operational effectiveness and efficiency of Department of Roads by (i) strengthening its financial management system; (ii) encouraging privatization and private sector participation in road maintenance, improvement, and construction; and (iii) improving management of the Road Fund.</p> <p><b>Evaluation of Inputs</b></p> <p>The consultant provided good services in line with the terms of reference. The consultant understood the TA objectives well, conducted appropriate analysis, recommended suitable policy reforms, and helped to start implementation of selected reform measures. The study required 17 person-months of international and 10 person-months of local consulting services, which was adequate. The TA was completed within the budget in the scheduled time, September 2000. The accounts were closed only 14 June 2002 due to delays in finalizing the payments to the consultant.</p> <p><b>Evaluation of Outputs</b></p> <p>The TA produced the reports which address the main policy issues of road sector in Mongolia:</p> <ul style="list-style-type: none"> <li>Vol I: Executive Summary</li> <li>Vol II: Financial Accounting and Management Information Systems</li> <li>Vol III: Road Fund Management</li> <li>Vol IV: Road Sector Privatization and Private sector Participation</li> <li>Vol V: Equipment Leasing Company (ELC)</li> <li>Vol VI: Highway Design manual-IV (HDM-4IV) Implementation</li> <li>Vol VII: Workshops and Seminars</li> </ul> <p>The recommendations of the TA are useful but only some of them are being implemented. Their implementation is slow due to the reluctance of the government to privatize the road maintenance operations, and reluctance to allow independent (from the consolidated budget) operation of the Road Fund. Construction companies have been privatized and the ELC has been established and will start getting equipment being procured in the Second Roads Development Project under loan 1700-MON. HDM-IV cannot be used in Mongolia yet due to lack of required data.</p> <p><b>Overall Assessment and Rating</b></p> <p>The TA is rated as partly successful. Although the TA met the objectives and made important recommendations to the Transport Sector in Mongolia, the implementation of the recommendations is only partial. The TA was implemented in too short a time with insufficient participation of the Government.</p> <p><b>Major Lessons Learned</b> More time should have been allowed under the TA to fully implement the recommendations. To minimize problems in financing of the road sector the Ministry of Finance and Economy should be more closely engaged in the TA, and also develop ownership of the recommendations.</p> <p><b>Recommendations and Follow-Up Actions</b></p> <p>The DOR should implement the financial accounting and management information systems and commence the development of a relational database software for road inventory and condition, traffic, accidents, and capital projects (to be used in HDM-IV).</p>																								

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