



Technical Assistance Report

Project Number: 39254
July 2007

Mongolia: Preparing the Education Sector Reform Project (Financed by the Japan Special Fund)

Asian Development Bank

CURRENCY EQUIVALENTS

(as of 4 May 2007)

| | | |
|---------------|---|--------------|
| Currency Unit | – | togrog (MNT) |
| MNT1.00 | = | \$0.000858 |
| \$1.00 | = | MNT1,165 |

ABBREVIATIONS

| | | |
|------|---|--|
| ADB | – | Asian Development Bank |
| AP | – | affected people |
| EDCM | – | Education Donors' Consultative Mechanism |
| ESDP | – | Education Sector Development Project |
| ICT | – | information and communications technology |
| IPDP | – | indigenous peoples development plan |
| IR | – | involuntary resettlement |
| MECS | – | Ministry of Education, Culture and Science |
| RP | – | resettlement plan |
| SEDP | – | Second Education Development Project |
| TA | – | technical assistance |
| TTC | – | teacher training college |

TECHNICAL ASSISTANCE CLASSIFICATION

| | | |
|---------------------------------|---|---|
| Targeting Classification | – | General intervention |
| Sector | – | Education |
| Subsectors | – | Education sector development, basic education, tertiary education |
| Theme | – | Inclusive social development |
| Subthemes | – | Human development, other vulnerable groups |

NOTE

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

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|-------------------------|--|
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I. INTRODUCTION

1. The Asian Development Bank (ADB) has assisted the Government of Mongolia (the Government) in restructuring its education system since 1994. The Mongolia country strategy and program update 2007–2009 includes the Education Sector Reform Project (the Project) in 2009.¹ During the country programming review in December 2006, the Government and ADB agreed to advance the Project from 2009 to 2008.² A project preparatory technical assistance (TA) was included in the ADB assistance program for 2007 to help the Government prepare the Project. In April 2007, ADB fielded the Fact-Finding Mission for the TA, which reached agreement with the Government on the impact, outcome, outputs, methodology and key activities, implementation arrangements, cost estimates, financing plan, and outline terms of reference for consulting services of the TA. The design and monitoring framework of the TA is in Appendix 1.

II. ISSUES

2. Education is a high priority in Mongolia. After encountering difficulties during the initial economic transition in the 1990s, Mongolia has made significant progress in developing the education sector. In 2004, the gross enrollment rate was 97% for primary and secondary education, and the adult literacy rate was 97%. This, along with the small disparity between the female and male enrollment ratios, indicates that Mongolia is on track to achieve the education-related Millennium Development Goals. Annual public expenditure on education is high at 8–9% of gross domestic product (GDP). The Government adopted the Education Sector Master Plan 2006–2015 in 2006. The master plan spells out the vision, policy goals and objectives, implementing strategies (including institutional mechanisms), and estimated resources for implementing sector reform over the next decade. According to the revised Education Law, enacted in January 2007, the transition to a 12-year public education system will begin in the 2008–2009 school year.

3. ADB has been a close partner in supporting education sector reform and development in Mongolia since the mid-1990s. The Education Sector Development Program (ESDP),³ approved in 1996, provided integrated policy and investment support to (i) improve the sector's financial sustainability through staffing rationalization, cost sharing for textbook printing and distribution, privatization of state universities, and private sector involvement in vocational education and training, and higher education; and (ii) provide initial rehabilitation of selected school buildings in very poor condition. ESDP was completed successfully in 2002. To build on its achievements, ADB approved the Second Education Development Project (SEDP) in 2002.⁴ Cofinanced by the Nordic Development Fund, SEDP focuses on (i) rehabilitating schools in critical physical condition, (ii) providing instructional materials, and (iii) building capacity of schoolteachers and administrators. SEDP is due to be completed in 2008. The Third Education Development Project (TEDP), which began implementation in March 2007,⁵ will complement ESDP and SEDP by (i) revising the curriculum framework, education standards, accreditation system for pre-service teacher training, and certification system for in-service teacher training for the new 12-year school system; (ii) improving the learning environment, including rehabilitating schools; and (iii)

¹ ADB. 2006. *Country Strategy and Program Update (2007-2009): Mongolia*. Manila.

² The TA first appeared in *ADB Business Opportunities* on 13 April 2007.

³ ADB. 1996. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan and Technical Assistance to Mongolia for the Education Sector Development Project*. Manila (Loan 1507-MON).

⁴ ADB. 2002. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Mongolia for the Second Education Development Project*. Manila (Loan 1908-MON).

⁵ ADB. 2006. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to Mongolia for the Third Education Development Project*. Manila (Loan 2238-MON).

promoting demand-driven vocational education, including establishing an appropriate policy and regulatory framework.

4. Despite these significant achievements, the education sector faces some new constraints and priorities, including (i) further improving access to and quality of basic education (primary and secondary), (ii) further enhancing sector efficiency and effectiveness, and (iii) reforming the higher education subsector.

5. **Access and Quality of Basic Education.** The initial major efforts of the Government and ADB (para. 3) to address quality and access issues focused on rehabilitating schools in critical physical condition. More recently, rural-urban migration and the ongoing transition from a 10-year to an 11-year school system—with plans for a 12-year school system beginning in 2008—have brought a new range of concerns regarding access to and quality of basic education.

6. The continued rural-urban migration has caused increased crowding in urban schools. To accommodate rising enrollments, many schools that already were running in two shifts have had to increase class size to 50–60 students—far above the upper limit of 35 students per class set by the Education Law. Some schools operate in three shifts. Schools in rural areas where out-migration has occurred face difficulties in maintaining school operations due to shrinking budgets and departing teachers. Under the ongoing transition to an 11-year school system, and further transition to a 12-year school system beginning in 2008, children will start schooling at 6 years old instead of 8. In addition to creating pedagogical issues, this will increase demand for school buildings (including dormitories), facilities, and equipment to address higher overall enrollments, as well as to ensure an appropriate learning environment for children at such a young age. In many schools, laboratory equipment and other teaching and learning materials are outdated, in poor condition, or in short supply. The expected rise in enrollment will increase demand for such equipment and materials. This situation suggests an urgent need for a systematic assessment of these expanding priorities, and the development of coping strategies and implementation plans.

7. The quality of education depends on the quality of teachers, particularly on the pre-service teacher training that is carried out mainly in the country's five state-owned teacher training colleges (TTC). Systematic improvement in the quality of pre-service teacher training is urgently needed, including (i) improving the quality of the teaching staff in the TTCs; (ii) improving the teaching and learning conditions at the TTCs, including buildings, facilities, materials, and equipment; (iii) strengthening TTC financing, as these state-owned institutions receive no budget allocation from the Government and rely solely on tuition fees; and (iv) strengthening TTCs into strong support centers for in-service teacher training and development. With the accreditation system to be established under TEDP (para. 3), further strengthening of pre-service teacher training will complement Government and development partners' efforts, which have focused on improving in-service teacher training.

8. **Sector Efficiency and Effectiveness.** While continuing to allocate 8–9% of GDP to the education sector, the Government has paid increasing policy attention to improving the efficiency (how efficiently resources are used) and enhancing the effectiveness (how resources are translated into education attainment and outcomes). Enhanced efficiency and effectiveness will strengthen the sector's sustainability and resilience to unanticipated fiscal and financial difficulties due to commodity price swings and other external shocks to the economy.

9. Key measures include improvements in budgeting, as well as financial and human resource management. Budget allocations to schools for operations and maintenance should be increased to reduce premature wear and tear of school buildings and facilities. The use of

innovative technologies in renewable energy, thermal insulation, and water treatment and sanitation offers significant potential for reducing heating costs, which account for about 18% of the average school budget (more than 20% for rural and smaller schools), and increasing the operational efficiency of schools. To provide proper incentives, schools must be given the financial management flexibility to keep budget savings derived from adopting these measures. Similarly, the Government can strengthen its ongoing effort to streamline teachers' compensation and provide incentives for teachers in remote and rural areas, and to multi-grade and multi-subject teaching.

10. Integrating information and communications technology (ICT) into education is a priority of the education master plan. However, ICT integration into education in an educationally effective and financially sustainable manner will have major financial costs for hardware, software, and operations and maintenance, straining the entire education system. Thus, the development of a strategy to guide ICT integration is urgently needed. Since 2004, parents have been responsible for textbook purchases. International best practice has demonstrated repeatedly that a well-designed and managed textbook rental scheme can ease the burden of education costs on students and parents, especially on poor families, and stimulate the development of other teaching and learning materials and textbooks. This will build on ESDP's support for textbook printing and distribution to enhance textbook and learning materials provision and development with a pro-poor focus.

11. **Higher Education Reform.** Mongolia has about 150 higher education institutions, including state-owned establishments and many relatively new private institutions. For a country with a population of about 2.5 million, this is a high number that indicates inefficiency and the need for subsector rationalization. The subsector lacks a proper policy and regulatory framework, defining clearly (i) the respective roles of public and private institutions; (ii) the subsector management structure, including the degree of autonomy of public institutions; (iii) the responsibility and accountability of higher education institutions; and (iv) sustainable sector financing. Such a policy and regulatory framework will be needed to guide rationalization and other measures to improve sector management and performance systematically, including (i) curriculum and materials development, (ii) quality of teaching staff, (iii) testing and quality standards, and (iv) other teaching and learning conditions.

12. **Government Strategy and Support from Development Partners.** The education master plan provides a foundation for all reform and development activities in the sector supported by the Government and its development partners, including ADB. Established in 2005, the Education Donors' Consultative Mechanism (EDCM), which the Ministry of Education, Culture and Science (MECS) chairs, provides an effective mechanism to guide the partnership between the Government and its development partners. As testimony to the success of this partnership, Mongolia gained access in 2006 to grant resources from Education for All-Fast-Track Initiative. ADB is a lead development partner in the education sector and, on behalf of development partners, co-chairs EDCM with Japan, which provides the largest amount of support to the sector. ADB is providing TA for planning and developing a sector-wide approach in the education sector. World Bank has conducted several analytical studies on education, which the ADB TA will build on. World Bank's ongoing Rural Education and Development Project supports the school cluster development to strengthen sector management at school levels. ADB coordinates and collaborates closely with all development partners in the sector through EDCM, which will contribute to the effective implementation of the TA.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

13. The impact of the TA will be improved access, quality, efficiency, and effectiveness of the education sector. The outcome of the TA will be a design, agreed on by ADB and the Government, for an investment project suitable for ADB support. The TA output will be a feasibility study for a project prepared in accordance with Government policies and priorities in the education sector, as well as ADB policies, guidelines, and procedures.

B. Methodology and Key Activities

14. The TA will follow a participatory approach. Key stakeholders will be consulted frequently on TA findings to build consensus on important sector issues and make recommendations on the project design. EDCM, among others, will serve as an important forum and platform for such consultation. The main TA activities and methodologies are discussed in paras. 15-17.

15. **Review of Key Sector Issues.** Regarding access and quality of basic education, the TA will review and assess (i) rural-urban migration and its impact on crowded urban schools and rural schools, (ii) the impact of the transition to a 12-year education system, and (iii) the quality of pre-service teacher training. For sector efficiency and effectiveness, the analysis will review (i) budget, financial, and human resource management; and (ii) innovative energy efficiency (renewable energy, thermal insulation) and other efficiency-enhancing technologies, building on ongoing work by other development partners. In addition, the TA will (i) develop an educationally effective and financially sustainable strategy for integrating ICT into basic education; and (ii) review effective ways of providing textbooks, including the feasibility of establishing a textbook rental scheme. For higher education, the TA will review subsector issues, incorporate and build on results from an ongoing World Bank study on higher education financing (to be completed in September 2007), and make recommendations on higher education development to meet the long-term needs of the country.

16. **Sector Harmonization.** The TA will assess (i) current implementation arrangements for projects funded by development partners, and the feasibility of harmonizing such arrangements into one unified arrangement; (ii) effective ways for integrating similar components across projects funded by different development partners to enhance development impacts; and (iii) the establishment of an effective sector-wide monitoring and evaluation system, building on the ongoing sector-wide approach exercise.

17. The TA will review resettlement issues, environmental impacts, civil works, and equipment; and will conduct economic and financial analysis, in accordance with established ADB policies and procedures, as well as Government regulations and procedures. Fieldwork, surveys, interviews, focus groups, and workshops and seminars will be designed and conducted to meet TA objectives. The main TA findings will be disseminated widely in various forms to stakeholders, including through workshops, ADB's Web site, and publications.

C. Cost and Financing

18. The TA is estimated to cost the equivalent of \$706,000. The Government has asked ADB to finance \$600,000. The TA will be financed on a grant basis by the Japan Special Fund, funded by the Government of Japan. The Government will finance the balance of the TA costs, equivalent to \$106,000, through in-kind contributions of office space, telecommunication connections, logistical support (not including transportation), and salaries of counterpart staff.

Details of the cost estimates and financing plan are in Appendix 3. The Government has been informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

19. MECS will be the Executing Agency for the TA. A steering committee, chaired by the minister of MECS, will be established before TA activities begin to provide overall guidance to TA implementation, including interagency coordination. The steering committee will consist of key officials of MECS and the Ministry of Finance, including directors general of the departments of primary and secondary education, vocational and higher education, and planning and investment of MECS. These officials will provide guidance and assistance to the consultant team to ensure timely and effective TA implementation. The steering committee will appoint a focal point for day-to-day coordination between MECS, ADB, and the consultant team. MECS will provide the necessary conditions for timely and effective TA implementation, including access by the consultant team to the necessary government documents and other relevant information.

20. The TA will require 49 person-months of consulting services, comprising 17 person-months of international consultants and 32 person-months of national consultants. The consultants will have expertise in (i) education sector policy and planning (including ICT in education, and textbook provision); (ii) education economics and finance; (iii) higher education policy and planning; (iv) teacher training (especially pre-service) planning and development; (v) education facilities, civil works, and equipment; and (vi) social and environmental issues. The consultants will be engaged through an international consulting firm using the quality- and cost-based selection method, with a simplified technical proposal in accordance with ADB's *Guidelines on the Use of Consultants* (2007, as amended from time to time). The outline terms of reference for the consultants are in Appendix 4. The TA will provide office equipment necessary for TA implementation (computers, printers, fax machine, scanner, among others). The TA equipment will be procured by the consultants in accordance with ADB's *Procurement Guidelines* (2007, as amended from time to time) and transferred to MECS upon the completion of the TA.

21. The TA will be implemented over six months from September 2007 to March 2008. The consultants will submit four reports, including an inception report by the end of the first month, a midterm report by the end of the third month, a draft final report by the end of the fourth month, and the final report by the end of the sixth month after incorporating comments from ADB and the Government. TA findings will be presented in the interim, midterm, and draft final workshops with participation of all stakeholders.

IV. THE PRESIDENT'S DECISION

22. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$600,000 on a grant basis to the Government of Mongolia for preparing the Education Sector Reform Project, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|--|---|--|--|
| <p>Impact</p> <p>Improve quality, access, efficiency, and effectiveness of the education sector</p> | <p>Gross enrollment rate among school age population maintained at 98%; and net enrollment rate to increase from 89.4% in 2004 to 95% by 2015</p> <p>School dropouts reduced from xx% to xx% by 2015 (baseline data to be established)</p> <p>Number of students per classroom reduced from 50–60 to 35 in project schools, in accordance with Education Law</p> <p>Test scores of students improved by 10% in project schools (baseline data to be established)</p> <p>Quality of graduates from teachers' colleges improved (baseline data to be established)</p> <p>Heating costs reduced in project schools from an average of 18% of school budgets to 13%</p> <p>A reform and development plan for higher education subsector adopted and implemented</p> | <p>Statistical reports of the Government</p> <p>Other statistical reports by development partners and other stakeholders</p> | <p>Assumptions</p> <p>Education continues to be a priority of the Government with adequate budget allocations</p> <p>Continued robust economic growth and Government revenue growth</p> <p>Risk</p> <p>Prolonged decision time for implementing reform measures, including in the higher education subsector</p> |
| <p>Outcome</p> <p>A project design agreed upon by ADB and the Government for an investment project suitable for ADB support</p> | <p>Signing of memorandum of understanding by ADB and the Government at the final tripartite meeting</p> | <p>Memorandum of understanding</p> | <p>Assumption</p> <p>Acceptability of TA recommendations and the project design by the Government</p> <p>Risk</p> <p>Prolonged review of the draft final report by the Government</p> |
| <p>Output</p> <p>A feasibility study for a project prepared in</p> | <p>Recommendations made by the end of March 2008 on the following:</p> | <p>Inception report with detailed work plans submitted</p> | <p>Assumptions</p> <p>Effective cooperation from provincial governments, and</p> |

| Design Summary | Performance Targets/Indicators | Data Sources/Reporting Mechanisms | Assumptions and Risks |
|---|---|---|--|
| <p>accordance with policies and guidelines of ADB</p> | <p>(i) a project design, including project impact, outcome, outputs and components, cost and financing, procurement, project management, implementation schedule, and necessary assurances;</p> <p>(ii) a sector study on higher education subsector reform and development; and</p> <p>(iii) a strategy for integrating ICT into education with costing and phased implementation plans</p> <p>Meetings held under EDMC for development partners coordination and consensus, building on key issues, policies, and TA findings</p> | <p>Midterm report submitted</p> <p>Draft final report revised and finalized</p> | <p>effective coordination between MECS and MOF and other key relevant government agencies</p> <p>Availability of information needed for TA implementation</p> <p>Risks</p> <p>Lack of experience with ADB procedures and requirements at the provincial level</p> <p>Inadequate participation by some stakeholders in TA activities</p> |
| <p>Activities with Milestones</p> <p>1. Analysis of key sector issues</p> <p>1.1 Quality and access – conduct a comprehensive analysis of the issue in the context of rural-urban migration, focusing on crowded urban schools and needs of rural schools, the transition to a 12-year education system, and the need for improving pre-service teacher training quality.</p> <p>Based on the analysis, propose appropriate measures in the project design for enhancing access and quality of basic education (months 1-3).</p> <p>1.2 Sector efficiency and effectiveness – conduct comprehensive analysis of (i) budgeting, financial, and human resource management, including teacher compensation; (ii) technical effectiveness and financial viability of innovative technologies for integrating in school civil works; (iii) a strategy for integrating ICT into education in an educationally effective and financially sustainable way; and (iv) feasibility of establishing an effective textbook rental scheme.</p> <p>Propose appropriate measures in project design to address these issues, including piloting, if appropriate, an ICT strategy in education and the textbook rental scheme (months 1-3).</p> | | | <p>Inputs</p> <p>ADB: \$600,000</p> <p>Consulting services: \$483,000 Field work: \$10,000 Workshops: \$20,000 Office equipment: \$20,000 Contract negotiations: \$7,000 Contingencies: \$60,000</p> <p>Government: \$106,000</p> <p>Office: \$50,000 Counterpart staff: \$40,000 Others: \$16,000</p> |

| | |
|--|--|
| <p>1.3 Higher education subsector analysis – conduct a comprehensive analysis of key challenges, constraints, and opportunities facing the higher education subsector to meet the medium- and long-term development needs of the country.</p> <p>Propose appropriate measures to address comprehensively key sector issues, with costed options and implementation schedule (months 1-3).</p> <p>2. Economic and financial analysis</p> <p>2.1. Conduct appropriate analysis as components of the analyses to be done under 1 above (months 1-3).</p> <p>2.2. Conduct standard project economic and financial analysis in accordance with ADB established guidelines on these analyses (months 4-6).</p> <p>2.3. Based on the above, propose appropriate measures to enhance financial and economic benefits of the proposed Project (months 4-6).</p> <p>3. Civil works and equipment</p> <p>3.1. Identify project schools.</p> <p>3.2. Review innovative technologies consistent with international best practices and child-friendly designs for incorporating in the civil work design (months 1-2).</p> <p>3.3. Prepare initial cash estimates of civil works and equipment (months 5-6).</p> <p>4. Poverty and socioeconomic analysis</p> <p>4.1. Conduct relevant stakeholder survey, analysis, and consultation to estimate poverty and socioeconomic impact of the proposed Project, and the potential impact on the poor, including gender issues.</p> <p>4.2. Propose appropriate measures to enhance the proposed Project's beneficial impact on relevant stakeholders and strengthen poverty reduction impact (months 4-5).</p> <p>5. Resettlement and environmental impact review</p> <p>5.1. The TA will carefully review and confirm that land acquisition and the potential related resettlement issues and negative environmental impact relating to civil works will be minimal (months 1-3).</p> <p>5.2. Propose necessary actions to meet ADB safeguard requirements (months 1-3).</p> <p>6. Sector harmonization assessment</p> <p>6.1. Review comprehensively (i) the feasibility of harmonizing project-based implementation arrangements into one unified arrangement; (ii) effective ways of integrating similar components across projects funded by different development partners; and (iii) the establishment of an effective sector-wide monitoring and evaluation system (months 4-5).</p> <p>6.2. This analysis should build on the ongoing sector-wide approach exercise, to develop consistent assessment, proposals on harmonization, and plans for sector institutional capacity development (months 4-5).</p> | |
|--|--|

ADB = Asian Development Bank; EDMC = Education Donors' Consultative Mechanism; ICT = information and communications technology; MECS = Ministry of Education, Culture, and Science; MOF = Ministry of Finance; TA = technical assistance.

INITIAL POVERTY AND SOCIAL ANALYSIS

| | |
|---|---|
| A. Links to the Country Poverty Analysis | |
| <p>Is the sector identified as a national priority in country poverty analysis?</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> | <p>Is the sector identified as a national priority in country poverty partnership agreement?</p> <p style="text-align: right;"><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> |
| <p>Contribution of the sector or subsector to reduce poverty in Mongolia:</p> <p>Although the project is not classified as a direct poverty intervention project, it will help to reduce poverty by (i) improving access to schools in urban and rural areas, which will benefit the poor more; (ii) improving the efficiency of the education system, including energy efficiency, which will yield higher relative benefits to students from poorer families; (iii) implementing and piloting specific measures for improving system efficiency, such as an information and communications technology strategy and other sustainability enhancing schemes, which will ease the burden on the poor; (iv) implementing measures to improve budgeting and financial management, and community participation, which will benefit the poor; (v) improving teacher training with measures to encourage posting in the rural areas, which is pro-poor; and (vi) enhancing higher education subsector efficiency and effectiveness, with particular attention to equitable access to higher education by the poor.</p> | |
| <p>B. Poverty Analysis Targeting Classification: General Intervention</p> | |
| <p>What type of poverty analysis is needed?</p> <p>The poverty and social analysis should</p> <ul style="list-style-type: none"> (i) show how the project relates to national priorities identified in the country poverty analysis, Education Sector Master Plan 2006–2015, and the draft national development strategy to be adopted by the Government; (ii) identify project beneficiaries and likely barriers to their participation in and benefiting from the project; and propose appropriate measures to maximize project benefits, especially to the poor, including measures to improve affordability by the poor; (iii) assess the impact of any piloting under the project with a pro-poor focus; (iv) identify how further reforms in higher education subsector can benefit the poor; (v) assess the gender impact of the project, and identify specific measures to correct gender bias and ensure maximum participation of both genders. | |
| C. Participation Process | |
| <p>Is there a stakeholder analysis? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>The technical assistance will focus on building consensus among key stakeholders on the main development issues of the education sector, and policy measures for reform and development, through a series of meetings, workshops, seminars, training, and consultations.</p> | |
| <p>Is there a participation strategy? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>A participatory strategy will be developed to promote indigenous ownership and capacity by working closely with key stakeholders, including (i) government agencies (parliamentarians, ministries, and other agencies); (ii) teachers, principals, and parents and students; (iii) private sector, especially regarding the higher education subsector; and (iv) development partners' community. The Education Donors' Consultative Mechanism, which the Ministry of Education, Culture and Science chairs, and Asian Development Bank and Embassy of Japan co-chair, will be best suited as a forum for such wide-ranging consultation and consensus building.</p> | |
| D. Gender Development | |
| <p>Strategy to maximize impacts on women:</p> <p>While Mongolia has achieved gender equality in basic education, gender issues remain from secondary education up. The project will develop a strategy to maximize the impact on women by (i) correcting gender stereotyping regarding teacher training material development; (ii) incorporating child-friendly design in school improvement, including water and sanitation; and (iii) discussing and developing strategies on important gender and education issues.</p> | |
| <p>Has an output been prepared? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> | |

| E. Social Safeguards and Other Social Risks | | | |
|--|--|---|---|
| Item | Significant/ Not Significant/ None | Strategy to Address Issues | Plan Required |
| Resettlement | <input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None | Civil works under the Project will include rehabilitation and upgrading and/or expansion of existing school buildings and facilities. The Government has assured ADB that school improvements will be carried out on existing school and college compounds or government land, where land acquisition and resettlement impacts will be minimal. | <input type="checkbox"/> Full <input checked="" type="checkbox"/> Short <input type="checkbox"/> None |
| Affordability | <input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None | Affordability is not considered a major concern. Currently, children have to purchase textbooks, while under the Project textbooks will be rented to students, thereby reducing the costs of education, making it more affordable. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Labor | <input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None | No labor retrenchments are envisaged. Procurement of goods and services complies with national labor legislation. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Indigenous Peoples | <input type="checkbox"/> Significant <input checked="" type="checkbox"/> Not significant <input type="checkbox"/> None | The project will have positive impacts on indigenous people. Since the project location has not been decided, the TA will confirm whether it will have impacts, both positive and negative, on indigenous peoples. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Other Risks and/or Vulnerabilities | <input type="checkbox"/> Significant <input type="checkbox"/> Not significant <input checked="" type="checkbox"/> None | No other social risks are anticipated as a result of the project. | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

COST ESTIMATES AND FINANCING PLAN
(\$'000)

| Item | Total Cost |
|--|-----------------------|
| A. Asian Development Bank Financing^a | |
| 1. Consultants | |
| a. Remuneration and Per Diem | |
| i. International Consultants | 330.0 |
| ii. National Consultants | 73.0 |
| b. International and Local Travel | 60.0 |
| c. Reports and Translation | 20.0 |
| 2. Fieldwork Including Survey | 10.0 |
| 3. Workshops and Seminars | 20.0 |
| 4. Office Equipment ^b | 20.0 |
| 5. Contract Negotiations ^c | 7.0 |
| 6. Contingencies | 60.0 |
| Subtotal (A) | 600.0 |
| B. Government Financing | |
| 1. Office Accommodation | 50.0 |
| 2. Remuneration and Per Diem of Counterpart Staff | 40.0 |
| 3. Others | 16.0 |
| Subtotal (B) | 106.0 |
| Total | 706.0 |

^a Financed by the Japan Special Fund, funded by the Government of Japan.

^b Includes computers, fax machine, scanner, and other standard office equipment necessary for project implementation.

^c Includes the cost of travel and per diem for Government observers invited for contract negotiations.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The technical assistance (TA) will require a total of 49 person-months of consulting services, comprising six international consultants for 17 person-months and nine national consultants for 32 person-months. The consulting services will be provided intermittently from September 2007 to March 2008. The consultants will be recruited as a team through an international firm in accordance with Asian Development Bank (ADB) *Guidelines on the Use of Consultants* (2007, as amended from time to time). The main responsibilities and terms of reference of the consultants are outlined in this appendix.

2. **International Education Sector Policy and Planning Specialist and Team Leader** (4 person-months). The specialist will be responsible for

- (i) Overall project implementation management to ensure (a) the quality and timely delivery of all activities and outputs of the TA under guidance of ADB and the Ministry of Education, Culture and Science (MECS); and (b) adherence to relevant ADB, as well as Government guidelines and policies.
- (ii) Leading all policy dialogue with MECS and other government agencies, including Ministry of Finance and local governments; and all stakeholder consultation and consensus building, including that done through the Education Donors' Consultative Mechanism.
- (iii) Leading all analytical and policy work on (a) enhancing access and quality of basic education, including developing a strategy for improving urban school crowding and rural schooling; (b) improving sector efficiency and effectiveness; and (c) assessing sector harmonization.
- (iv) Developing in a participatory manner a sustainable strategy for integrating information and communications technology (ICT) into basic education, drawing from international best practice and ADB's ongoing regional TA and project in ICT, with costed and phased implementation plans; and developing it into a knowledge product for publication.
- (v) Assessing the feasibility of a financially sustainable textbook rental scheme, and developing in a participatory manner appropriate implementation plans and/or piloting schemes.

3. **National Education Sector Planning Specialist** (5 person-months). The national specialist will be responsible for assisting the team leader in

- (i) All analytical work to be conducted by the team leader.
- (ii) Development of an educationally effective and financially sustainable strategy for integrating ICT into basic education.
- (iii) Project management work, especially liaising with government agencies and other project-related activities, as assigned by the team leader.
- (iv) Other project-related activities, as assigned by the team leader.

4. **National Basic Education Specialist** (5 person-months). The national specialist will be responsible for assisting the team leader in

- (i) Analyzing sector efficiency and effectiveness, and developing appropriate policy measures and recommendations.
- (ii) Developing a financially sustainable textbook rental scheme with appropriate implementation plans and/or piloting schemes.

- (iii) Carrying out social impact analysis with appropriate coping measures, and gender issues, including an analysis that accounts for Mongolia's achievement in gender parity and other results to offer lessons that others can learn from.
- (iv) Coordinating with other projects under implementation, and assessing integration by educational issues and project implementation arrangements; and closely coordinating and working with the sector-wide approach team at MECS.
- (v) Undertaking other project-related activities, as assigned by the team leader.

5. **International Education Economist and Financial Analysis Specialist** (3.5 person-months). The specialist will be responsible for

- (i) Providing economic and financial analysis on key sector issues, as needed to support all project components.
- (ii) Conducting analysis on project social and economic benefits of relevant stakeholders, and ways to maximize such benefits with emphasis on benefiting the poor.
- (iii) Conducting standard project economic and financial analysis in accordance with ADB published guidelines.
- (iv) Assisting in economic and financial analysis on land acquisition and resettlement, if needed.
- (v) Designing and conducting surveys, interviews, and other fieldwork, as appropriate.
- (vi) Assisting the team leader in other project-related activities, as assigned.

6. **National Financial Analyst** (5 person-months). The national financial specialist will be responsible for assisting the international education economist and financial analysis specialist in

- (i) Participating in all economic and financial analysis to be conducted for the project.
- (ii) Designing, organizing, and conducting fieldwork of all forms needed, and analyzing the results.
- (iii) Conducting standard economic and financial analysis for projects in accordance with established ADB guidelines and requirements.
- (iv) Conducting an assessment of the financial management capacity and capability of MECS and related government agencies at the central and local levels.
- (v) Undertaking other project-related activities, as assigned by the team leader.

7. **International Teacher Training and Development Specialist** (3 person-months). The specialist will be responsible for

- (i) Conducting a comprehensive assessment of the teacher training and development system, with a focus on pre-service teacher training, including the policy and regulatory framework, such as standards, resource allocation, curriculum and materials, teaching and learning conditions, etc.
- (ii) Developing measures for enhancing the policy and regulatory environment of pre-service teacher training, and developing costed strategies that can be implemented to improve pre-service teacher training conditions as a component of the teacher training system.
- (iii) Providing inputs to integrate analysis and policy recommendations on pre-service teacher training with those on access and quality of basic education.
- (iv) Working closely with the higher education consultants under the TA, and with consultants on teacher training under ADB's Third Education Development Project.
- (v) Undertaking project-related activities, as assigned by the team leader.

8. **National Teacher Training Policy Specialist** (3 person-months). The national specialist will be responsible for assisting the international teacher training and development specialist in

- (i) Conducting policy analysis of pre-service teacher training and its regulatory environment by identifying key constraints and opportunities.
- (ii) Identifying and assessing key constraints facing pre-service teacher training institutions in the broad context of higher education sector reform and appropriate coping measures.
- (iii) Assessing policy measures for the mid- and long-term strengthening of the five teacher colleges and other relevant institutions.
- (iv) Undertaking other project-related activities, as assigned by the team leader.

9. **National Specialist on Teacher Training Quality Improvement** (3 person-months). The national specialist will be responsible for assisting the international teacher training and development specialist in

- (i) Carrying out systematic curriculum development for pre-service teacher training in line with the new standards for a 12-year system.
- (ii) Modifying subjects and developing materials for pre-service teacher training in the five teacher colleges.
- (iii) Identifying key constraints to improving the quality of teacher training, including improving teaching and learning conditions in the five teachers' colleges and the education institute.
- (iv) Undertaking other project-related activities, as assigned by the team leader.

10. **International Education Civil Work Specialist** (2 person-months, to be extended, if necessary). The specialist will be responsible for

- (i) Identifying crowded schools in Ulaanbaatar and aimag centers for rehabilitation and expansion (including 3-shift schools), and schools in the region for rehabilitation and capacity enhancement.
- (ii) Ensuring the use of technically sound and cost-effective designs in all civil works.
- (iii) Evaluating child-friendly school designs and innovative technologies on renewable energy, energy efficiency, water treatment and sanitation, and other similar technologies, to identify those that are technologically effective and financially sustainable; and developing measures for integrating those in civil works.
- (iv) Based on (i)-(iii), providing initial cost estimates on civil works of the project schools.
- (v) Evaluating the maintenance status and practices, and developing ways for enhancing maintenance, including increasing budget allocations for maintenance in schools.
- (vi) Reviewing and verifying that the environmental impact of the proposed Project is minimal and conforms to government norms and regulations; and, if needed, conducting environment assessment and developing the summary environmental impact assessment in accordance with ADB's *Environment Policy* (2002), *Environment Guidelines* (2003), and other relevant safeguard requirements.
- (vii) Undertaking other project-related activities, as assigned by the team leader.

11. **National School Design Engineering and Maintenance Specialist** (3 person-months). The national specialist will be responsible for assisting the international education civil work specialist in

- (i) Identifying schools to be rehabilitated or expanded in the proposed project.

- (ii) Evaluating new technologies and ensuring that those appropriate are incorporated in the civil works under the proposed Project.
- (iii) Carrying out all work related to reviewing, assessing, and mitigating, if necessary, the project environmental impact in accordance with government norms and regulations and ADB safeguard requirements, as in (vi) para. 10.
- (iv) Evaluating maintenance needs and proposing appropriate measures for enhancing maintenance in schools, including budget allocation and management.
- (v) Ensuring that all designs for civil works are technically sound and cost-effective.
- (vi) Undertaking other project-related activities, as assigned by the team leader.

12. **International Resettlement and Indigenous People Specialist** (1 person-month, to be extended, if necessary). The specialist will be responsible for:

- (i) Conducting an initial screening of involuntary resettlement (IR) to ensure that land acquisition and resettlement impacts on selected schools and colleges are minimal.
- (ii) If required, conducting a census and sample socioeconomic survey of affected persons; and assessing the replacement value of lost land and other assets, and best practices and lessons learned.
- (iii) Identifying relocation sites for affected people (APs) (if required), and confirming the availability of the site from the Government.
- (iv) Evaluating the capacity of the relevant Government agency to implement social and resettlement action plans or mitigating measures (including a monitoring plan); and proposing institutional strengthening measures, if necessary.
- (v) Preparing (a) a short or full resettlement plan (RP) with detailed cost estimates and implementation schedule in consultation with the affected persons and relevant Government agencies, and in accordance with ADB's policy on *Involuntary Resettlement* (1995), as well as government regulations and policies; (b) a summary RP for inclusion in the report and recommendation of the President, and also assisting MECS in translation and disclosure of the summary RP to the APs; and (c) a review of relevant national and legal policy framework and acts related to land acquisition and resettlement, and differences from the ADB's policy on *Involuntary Resettlement*.
- (vi) Validating the presence of indigenous peoples in the project area; and, if needed, gathering key project-related social, economic, and cultural information about them based on consultations and available valid data and methodologies.
- (vii) Assessing the likely impacts on the indigenous peoples and recommending appropriate measures for enhancing project benefits, or avoiding/mitigating negative impacts; and helping the Government prepare an indigenous peoples development planning (IPDP) document, including recommending specific actions, if necessary.

13. **National Resettlement and Indigenous People Specialist** (2 person-months). The specialist will assist the international resettlement and indigenous people specialist in

- (i) Carrying out the initial IR screening; and, if IR impacts are determined to exist, then holding consultations with all stakeholders, including APs, and reviewing relevant government policy framework and government capacity to implement relevant RPs or mitigating measures.
- (ii) Preparing detailed cost estimates and an implementation schedule for the RP (short or full), and preparing a summary RP for inclusion in the project document.
- (iii) If the initial screening and the poverty and social assessment identify probable positive or negative impacts on indigenous people, preparing IPDP or specific actions, if required, in accordance with ADB established policies, and a summary IPDP for inclusion in the project document.

- (iv) Undertaking other relevant actions, as assigned by the international resettlement and indigenous people specialist and/or the team leader.

14. International Higher Education Policy and Planning Specialist (3.5 person-months). The specialist will be responsible for

- (i) Conducting a comprehensive study on the sector, focusing on (a) sector policy and regulatory framework, including policies, roles, rules, and performance monitoring and evaluation for public and private institutions, accreditation, curriculum, standards, and examinations; (b) sector management structure and arrangements, including the role of private sector participation and public-private partnership, and the institutional autonomy, and the interrelationship with other subsectors; (c) planning/resource allocation, including the role and effectiveness of planning in the sector, sector financing arrangements and its effect on sector development, planning system and adequacy of planning capacity, resource allocation among disciplines and areas of study including continuous professional development programs, and other sector sustainability issues; (d) quality of higher education, including an evaluation of the outcomes, identifying pressing needs for improving teaching and learning conditions in the sector, and specific areas of shortage of graduates in line with national development needs.
- (ii) Based on the analysis above, developing recommendations for systematic improvement of the sector, including those colleges for pre-service teacher training, including a realistic implementation plan with costed options.
- (iii) Building on the analytical work to be completed in third or fourth quarter 2007 on higher education financing conducted by the World Bank, and integrating relevant results of their analytical work into the present study.
- (iv) Based on the study, preparing a higher education subsector study.

15. National Specialist on Higher Education Policies and Planning (4 person-months). The national specialist will be responsible for assisting the international higher education policy and planning specialist in

- (i) Assessing the policy and regulatory framework of the sector, and proposing ways to strengthen the policy and framework.
- (ii) Assessing the private sector's role in the higher education subsector, and proposing effective ways to enhance public-private partnerships.
- (iii) Assessing higher education financing issues, and sector effectiveness and sustainability (in close coordination with the higher education financing study conducted by the World Bank), and proposing ways for strengthening.
- (iv) Developing policy recommendations and implementation plans with costed options.
- (v) Undertaking other tasks, as assigned by the international specialist on the higher education subsector and/or the team leader.

16. National Specialist on Higher Education Quality Improvement (4 person-months). The national specialist will be responsible for assisting the international higher education policy and planning specialist in

- (i) Assessing the quality of higher education using available means, including performance indicators, and other statistics and evaluation means, such as surveys and interviews with employers, students, administrators, and teaching staff.
- (ii) Assessing teaching and learning conditions in the sector, as well as areas of needs for improvement, including costed options for phased implementation.
- (iii) Undertaking other tasks, as assigned by the international specialist on higher education and/or the team leader.