

**ASIAN DEVELOPMENT BANK**

**TAR: MON 38091**

**TECHNICAL ASSISTANCE**

**TO**

**MONGOLIA**

**FOR**

**FORMULATING A TRANSPORT STRATEGY (2005–2015)**

**December 2004**

## **CURRENCY EQUIVALENTS**

(as of 1 November 2004)

Currency Unit	–	togrog (MNT)
MNT1.00	=	\$0.0008
\$1.00	=	MNT1,207

## **ABBREVIATIONS**

ADB	–	Asian Development Bank
EBRD	–	European Bank for Reconstruction and Development
GDP	–	gross domestic product
JICA	–	Japan International Cooperation Agency
MORTT	–	Ministry of Roads, Transport, and Tourism
PRC	–	People's Republic of China
TA	–	technical assistance

## **TECHNICAL ASSISTANCE CLASSIFICATION**

Targeting Classification	–	General intervention
Sector	–	Transportation and communication
Subsector	–	Multimodal transport and sector development
Theme	–	Sustainable economic growth
Subtheme	–	Promoting economic efficiency and enabling markets

## **NOTE**

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

This report was prepared by Hong Wang, Transport and Communications Division, East and Central Asia Department.

## I. INTRODUCTION

1. A transport strategy for Mongolia is crucial for optimizing transport's contribution to sustainable and inclusive economic growth in the country. The current strategy was formulated in 1999 with World Bank assistance.<sup>1</sup> Several developments since then justify the formulation of a new transport strategy. First, following the approval of the Economic Growth Support and Poverty Reduction Strategy by the previous government in 2003, the new Government, which was established in September 2004, remains committed to poverty reduction. A new transport strategy should support the Government's poverty reduction efforts. Second, the economy has shown signs of changes over the past few years. The private sector has replaced government as the engine of growth. This requires a new transport strategy that would promote greater private sector involvement in transport to increase the efficiency and quality of transport services. Third, Mongolia, together with 26 other Asian countries, signed the Agreement on Asian Highway Network Development in April 2004. A new transport strategy should reflect Mongolia's commitment to regional transport cooperation and integration. Fourth, rural to urban migration has accelerated since 2000, caused in part by consecutive harsh winters and droughts. This has important implications for future transport demand. Fifth, the Government has prepared master plans<sup>2</sup> for railways, civil aviation, and Ulaanbaatar urban transport and will update the road master plan. A new transport strategy would ensure effective integration of various transport modes and improve competitiveness of the transport system in the country.<sup>3</sup>

2. Consequently, the Government has requested technical assistance (TA) from the Asian Development Bank (ADB) for formulating a new transport strategy. The TA<sup>4</sup> is included in ADB's Country Strategy and Program for Mongolia for 2004. A fact-finding mission<sup>5</sup> visited Mongolia from 25–29 October 2004 and reached an agreement with the Government on the objectives, scope, cost estimates, financing plan, implementation arrangements, and terms of reference for consultants for the TA. The TA framework is shown in Appendix 1.

## II. ISSUES

3. Despite recent increases in traffic volume and progress on a number of transport infrastructure investment projects, a number of issues relating to the transport sector need to be addressed in the new transport strategy. The major issues include Mongolia's landlocked location, isolated regions within the country, transport and poverty reduction, integration of various transport modes, transport financing, the need for appropriate transport policies and regulations, traffic safety, private sector involvement, and human resource development.

4. Mongolia is landlocked by the People's Republic of China (PRC) and the Russian Federation and is remote from major developed markets. This results in high transport costs

---

<sup>1</sup> World Bank. 1999. *Taming the Tyrannies of Distance and Isolation: A Transport Strategy for Mongolia*. Washington, DC.

<sup>2</sup> Mongolian Railways prepared the railway master plan for the period up to 2020. It will soon be submitted to the Government for approval. The civil aviation master plan for 2004–2014 prepared with European Bank for Reconstruction and Development funding will be re-submitted to the Ministry of Roads, Transport, and Tourism for approval shortly. The master plan for Ulaanbaatar urban transport was prepared with Japan International Cooperation Agency funding in 1999. The road master plan was developed in 1995 with Asian Development Bank assistance and a road transport master plan was prepared in 2004.

<sup>3</sup> The existing master plans for each transport mode will be revised according to the new Transport Strategy (2005–2015) after the Government approves the strategy.

<sup>4</sup> The TA first appeared in *ADB Business Opportunities* (Internet edition) on 21 October 2004.

<sup>5</sup> Staff of the World Bank and the Japan International Cooperation Agency participated in the discussions held during the TA Fact-Finding Mission.

and requires appropriate cross-border agreements with the two neighboring countries. Meanwhile, Mongolia can serve as a corridor for transit traffic between the two countries, reducing their transport costs and providing a sustainable source of foreign exchange earnings for Mongolia. The transport strategy should take into account the implications of Mongolia's unique location and provide guidance to help overcome its adverse impact on development.

5. Because of the large territory, sparse population,<sup>6</sup> and inadequate transport networks, various regions within Mongolia suffer from isolation from the country's political and economic centers. Roads to remote areas, particularly in western Mongolia, are deteriorating and many are impassable during the rainy or winter seasons. Airlines have reduced domestic flights significantly with only four aircrafts currently in operation due to continued financial losses. As a result, residents in remote rural areas lack reasonable access to markets and social services. The transport strategy should identify the best ways to help reduce the isolation of remote regions and increase the internal integration of the country.

6. Poverty remains a major concern in Mongolia, as about 36% of the population is living below the poverty line. Lack of basic transport infrastructure and services is a dominant problem for many of the poor in rural areas and for rapidly growing numbers in cities. Transport development can facilitate poverty reduction by increasing the accessibility of the poor to social services, markets, and business; and creating job and income opportunities. Thus, targeted transport investments to the poor or poor regions must be an integral element of the transport strategy to ensure that the poor benefit the most from improved transport performance.

7. Mongolia's transport sector comprises railways, roads, civil aviation, and inland waterways. Railways are the dominant mode of transport, accounting for more than 90% of freight traffic and about 55% of passenger traffic. Roads carry most of the remaining traffic. Civil aviation plays a key role in providing international access and linking remote aimag centers. The role of inland waterways is limited to a few lakes located in northern Mongolia. Given the country's large territory and the limitation of the existing network for each transport mode, the adoption of an integrated multimodal transport approach is most cost-effective to improve transport system performance. Such an approach requires developing well-linked modal infrastructure, harmonizing regulations and procedures set by modal agencies, and solving multimodal logistical obstacles.

8. Inadequate financing is a principal constraint to transport sector development. The Transport Strategy formulated in 1999 requires annual funding equivalent to 3.5% of gross domestic product (GDP) for the transport sector during 1999–2014. However, the actual funding during 1999–2003 accounted for no more than 1.5% of GDP per annum. Funding for maintenance, particularly road maintenance, has been limited. Funding for road maintenance accounted for less than 0.2% of GDP, which is lower than in many other Asian countries. As a result, while transport infrastructure is expanding, the existing infrastructure is deteriorating rapidly. The transport strategy should identify sector priorities, selection criteria for public investment projects in the sector, and the financial resources required for their implementation. This would ensure that limited financial resources are allocated to priority areas and projects.

9. Policies and regulations in the transport sector need to be improved. Regulations on road transport operations nationwide need to be established and those for urban areas to be revised to create an environment for fair competition among transport operators. Road

---

<sup>6</sup> Mongolia has a total land area of 1.6 million square kilometers (about 4 times larger than that of Japan) and a population of 2.5 million, with a low population density of 1.6 persons per square kilometer.

maintenance should be funded primarily from road user charges. In the railway subsector, consideration should be given to private sector participation in passenger operations and enclave arrangements for dedicated mineral operations to enhance reliance on market principles. The tariff policies that result in subsidizing railway passengers from freight revenues, domestic flight passengers from international flights, and urban passenger transport need to be revisited. Appropriate policies should be developed to address road safety and vehicle emissions – one of the primary causes of deteriorating air quality in Ulaanbaatar.

10. Traffic safety is an emerging issue. Since the mid-1990s road traffic accidents have increased significantly, with the total rising from 1,753 in 1994 to 5,278 in 2003. The fatality rate for 2003 was 28 persons per 10,000 vehicles, which was higher than in many other Asian countries.<sup>7</sup> Traffic accidents are particularly acute in Ulaanbaatar. The main reasons include poor driving skills, intoxicated driving, and high vehicle speeds. Government funding for traffic safety awareness and training programs is inadequate. With the present rapid rate of growth in vehicle ownership, road accidents could increase, unless action is taken to address them.

11. The involvement of the private sector in the transport sector is mainly in road transport services and, to a much less extent, in civil aviation. The proposal to privatize Mongolian Airlines has yet to be implemented, although a foreign firm<sup>8</sup> has been contracted to manage its operations. The private sector remains absent in railways, which is monopolized by Mongolian Railways.<sup>9</sup> Interest of private financing in transport infrastructure investments is limited. Strong efforts are needed to promote greater private sector involvement in the sector by improving sector policies and regulations.

12. Despite some improvements, human resource capacity in the transport sector remains weak. Government officials, transport infrastructure construction companies, transport operators, and consumers have limited knowledge of transport policies and regulations needed for a market economy, management of commercially based transport operations, new technologies in construction and maintenance of transport infrastructure, and appropriate methodology for evaluating transport investment projects. Further measures are needed to strengthen human resource capacity in the sector.

13. Since 1991 Mongolia has received external assistance to address these transport sector issues. In addition to World Bank assistance for formulating the Transport Strategy in 1999, ADB, European Bank for Reconstruction and Development (EBRD), and the Japan International Cooperation Agency (JICA) helped prepare master plans for roads, civil aviation, and Ulaanbaatar urban transport, respectively (footnote 2). ADB and other external aid sources<sup>10</sup> helped develop road networks. ADB and EBRD helped improve air transport infrastructure and operations. The World Bank assisted Mongolian Railways in improving the financial accounting system. JICA provided support for improving urban transport infrastructure in Ulaanbaatar.

14. ADB's Country Strategy and Program Update for Mongolia (2005–2006) identifies transport as a strategically important sector for ADB assistance. As of 31 October 2004, ADB had extended five loans totaling \$147.1 million and nine TA grants totaling about \$5.6 million for the sector. ADB assistance helps develop the north-south road corridor and air transport

---

<sup>7</sup> For example, the road accident fatality rate in the PRC for 2001 was 17 persons per 10,000 vehicles.

<sup>8</sup> An Irish company is currently contracted to manage operations of Mongolian Airlines with grant financing from the European Bank for Reconstruction and Development.

<sup>9</sup> Mongolian Railways is owned equally by the Government of Mongolia and Russian Railways.

<sup>10</sup> Including the PRC, European Union, Germany, Japan International Cooperation Agency, Republic of Korea, Kuwait Fund, and the World Bank.

infrastructure, facilitate sector reform, strengthen institutional capacity, and prepare the road master plan. ADB's portfolio performance in the sector is generally satisfactory. Evaluation of the country assistance program conducted in 2002<sup>11</sup> concluded that ADB's transport projects helped increase traffic counts, improve transport safety, advance sector reform, and expand economic activities in the project-influenced areas.

15. ADB has collaborated with other external aid agencies in support for the transport sector. A working group on infrastructure, co-chaired by ADB and the World Bank, was established in April 2004 to coordinate external assistance activities in the sector. The working group held policy dialogue with the Government on transport strategy and financing issues and coordinated with the Government on preparing terms of reference for consultants for the TA.

16. Three lessons learned were applied when formulating the TA. First, country ownership and public consultations are key to TA relevance and effectiveness. The Government took the lead in preparing the terms of reference for TA consultants. The Mission held extensive consultations with the Government, civil society, transport operators, private sector, and other external aid agencies on TA design. The TA thus reflects a high degree of country ownership and consensus among stakeholders. Second, the new transport strategy will adopt an integrated multimodal transport approach and provide directions for future activities from the perspective of the transport sector, rather than from each transport mode. Third, linking a strategy to resources is fundamental to success. The new transport strategy will identify future sector priorities and funding requirements for implementing them. Such funding requirements must be reflected in the Government's medium-term fiscal framework.

### **III. THE TECHNICAL ASSISTANCE**

#### **A. Purpose and Output**

17. The goal of the TA is to improve transport performance to facilitate sustainable economic growth and poverty reduction in Mongolia. The purpose is to help the Government formulate a transport strategy for 2005–2015. Taking into account Mongolia's long-term development objectives, the transport strategy will identify the best ways to respond to the sector challenges and set strategic priorities and resources for transport development in the next 10 years. As the expected output of the TA, the transport strategy will serve as the Government's key document guiding the policies and public investments in the transport sector for 2005–2015. The outline of the transport strategy is provided in Appendix 2.

#### **B. Methodology and Key Activities**

18. International consultants with support from domestic consultants will be engaged to help the Government prepare the transport strategy. With assistance from the major external aid agencies, the Government prepared the terms of reference for TA consultants. The TA will involve analytical and innovative research, fieldwork, and public consultations with the Government, civil society, private sector, local communities, and external aid agencies.

19. The key activities of the TA include (i) undertaking an analytical review of the current status of the transport sector and preparing a transport sector update; (ii) reviewing the existing master plans for civil aviation, railways, roads, and Ulaanbaatar urban transport; (iii) identifying the long-term sector challenges and assessing the Government's response to the challenges;

---

<sup>11</sup> ADB. 2002. *Country Assistance Program Evaluation in Mongolia*. Manila.

(iv) conducting public consultations including at least two consultative workshops: the first workshop to be held in the initial period of TA implementation to seek public views and suggestions, and the second to discuss the draft transport strategy; and (v) preparing the transport strategy for 2005–2015 including the role of the private sector, based on the transport sector review and public consultations and in line with the outline shown in Appendix 2.

### **C. Cost and Financing**

20. The total cost of the TA is estimated at \$353,000 equivalent, comprising \$226,000 in foreign exchange and \$127,000 equivalent in local currency. ADB will provide \$300,000 to cover the entire foreign exchange cost and \$74,000 equivalent of local currency costs. The TA will be financed on a grant basis by ADB's TA funding program. The Government will finance the remaining local currency costs in kind by providing office space, counterpart staff, and administrative support. Detailed cost estimates and financing plan are shown in Appendix 3.

### **D. Implementation Arrangements**

21. The Ministry of Roads, Transport, and Tourism (MORTT) will be the Executing Agency. A steering committee<sup>12</sup> will be set up to guide TA implementation. It will be chaired at least by the Director General of the Transport Policy and Coordination Department of MORTT and comprise representatives of the Ministry of Finance, Ministry of Industry and Trade, Ministry of Agriculture, Civil Aviation Authority, Railway Authority, Traffic Police Department, Ulaanbaatar Municipal Government, and major external aid agencies involved in the transport sector. The Transport Policy and Coordination Department will coordinate TA activities, supervise the consultant's work, and monitor TA performance. The Department will appoint a TA coordinator, who will provide liaison between the consultants, MORTT, and other government agencies.

22. The TA will provide a total of 29.5 person-months of consulting services (9.5 international and 20 domestic) through a consulting firm. The consultants should have expertise in transport strategy, planning, economics, financial management, and engineering. The outline terms of reference for the consultants are in Appendix 4. The consultants will be recruited according to the quality- and cost-based selection method of ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for selecting and engaging domestic consultants. Given the analytical nature of the TA and the required innovative approach, simplified technical proposals will be used to select the consultants. Procurement of equipment, supplies, and materials by consultants under the TA will follow ADB's *Guidelines for Procurement*. The equipment will be turned over to MORTT after TA completion. The TA is expected to be implemented during January–August 2005. The final draft transport strategy will be disseminated to the public upon TA completion.

## **IV. THE PRESIDENT'S DECISION**

23. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$300,000 on a grant basis to the Government of Mongolia for Formulating a Transport Strategy (2005–2015), and hereby reports this action to the Board.

---

<sup>12</sup> Since the objectives and composition of the steering committee are similar to those of the working group on infrastructure established earlier for aid coordination, the steering committee will be complementary to the work of the working group.

### TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<b>Goal</b> Improved transport performance in Mongolia	Increased freight and passenger traffic by at least 5% per annum during 2005–2015, compared with the traffic of 7,504 million ton-km and 2,246 million passenger-km in 2003  Increased share of public/private funding (investments and maintenance) for transport to gross domestic product (GDP) from 1.5% in 2003 to 3.5% in 2015  Increased share of funding for road maintenance to GDP from 0.13% in 2003 to 1.0% in 2015	National economic and transport statistics  Government budgets	
<b>Purpose</b> Identification of strategic priorities and resources for transport development in response to the sector challenges during (2005–2015)	Strategic priorities in the transport sector identified  Sound transport sector policies developed  Role of the private sector in transport sector development specified  Resources required for implementing the new transport strategy identified, and public funding requirements reflected in the Government's medium-term fiscal framework	Technical Assistance (TA) progress reports  TA review mission reports  Asian Development Bank (ADB) TA completion report  Government's medium-term fiscal framework	<b>Assumptions</b> The Government's commitment to implement the transport strategy (2005–2015)  Support from other external aid agencies for implementing the transport strategy (2005–2015)
<b>Outputs</b> A Transport Strategy for Mongolia (2005–2015) prepared	Completed by August 2005	TA progress reports  TA review mission reports  ADB TA completion report	<b>Assumptions</b> Close coordination among government agencies during TA implementation  Continued support from other external aid agencies during TA implementation
<b>Activities</b> Commencement of consulting services  Consultative workshops  Draft transport strategy (2005–2015)  Final draft transport strategy (2005–2015)	April 2005  The first workshop to be held within the first month of consulting services, and the second workshop within the fourth month of consulting services to discuss the draft transport strategy  Submission to the Government and ADB by mid-July 2005  Submission to the Government and ADB by mid-August 2005	TA progress reports  TA review mission reports  ADB TA completion report	<b>Assumptions</b> Support from all stakeholders to the consultants  Active participation of stakeholders in public consultations  Availability of the information and data needed for preparing the transport strategy
<b>Inputs</b> Consulting services  Government's financing  Staff time	9.5 person-months (international) and 20 person-months (domestic)  \$53,000 equivalent (in kind)	Consultants' contract  TA disbursement data  TA review mission reports	<b>Assumptions</b> Availability of competent consultants  Sufficient staff time to supervise consultants' work

## **OUTLINE OF THE TRANSPORT STRATEGY FOR MONGOLIA (2005–2015)**

### **EXECUTIVE SUMMARY**

#### **MAP**

- I. INTRODUCTION**
  - A. Rationale for Formulation of a New Transport Strategy
  - B. Experience of Implementation of the Current Transport Strategy
  
- II. CHALLENGES FOR THE TRANSPORT SECTOR**
  - A. Mongolia's Landlocked Location
  - B. Isolated Regions within the Country
  - C. Transport and Poverty Reduction
  - D. Integration of Various Transport Modes
  - E. Need for Appropriate Transport Policies and Regulations
  - F. Transport Financing
  - G. Traffic Safety
  - H. Private Sector Involvement
  - I. Human Resource Development
  - J. Government's Response to the Challenges
  
- III. THE TRANSPORT STRATEGY**
  - A. Guiding Principles
  - B. The Strategy
  - C. Role of the Private Sector
  - D. Sector Priorities
  - E. Future Activities
  
- IV. IMPLEMENTING THE STRATEGY**
  - A. Developing Performance Targets
  - B. Adopting Sound Policies and Regulations
  - C. Strengthening Institutions and Capacity Building
  - D. Promoting Private Sector Involvement
  - E. Improving Resource Management
  - F. Applying Appropriate Technologies
  - G. Enhancing Subregional Cooperation
  - H. Working with Partners
  - I. Monitoring Progress
  - J. Review of the Strategy
  
- V. RESOURCES FOR THE STRATEGY**
  - A. Financial Resources
  - B. Physical Resources
  - C. Human Resources
  
- VI. NEXT STEPS**

### **APPENDIXES**

- 1. Transport Sector Update
- 2. Selection Criteria for Public Investment Projects in the Transport Sector

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
<b>A. Asian Development Bank Financing<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	190.0	0.0	190.0
ii. Domestic Consultants	0.0	30.0	30.0
b. International and Local Travel	15.0	8.0	23.0
c. Reports and Communications	3.0	3.0	6.0
2. Equipment <sup>b</sup>	0.0	12.0	12.0
3. Workshops	0.0	5.0	5.0
4. Miscellaneous Administration and Support Costs <sup>c</sup>	0.0	6.0	6.0
5. Representative for Contract Negotiations	3.0	0.0	3.0
6. Contingencies	15.0	10.0	25.0
<b>Subtotal (A)</b>	<b>226.0</b>	<b>74.0</b>	<b>300.0</b>
<b>B. Government Financing</b>			
1. Office	0.0	25.0	25.0
2. Remuneration and Per Diem of Counterpart Staff	0.0	23.0	23.0
3. Administrative Support and Others	0.0	5.0	5.0
<b>Subtotal (B)</b>	<b>0.0</b>	<b>53.0</b>	<b>53.0</b>
<b>Total</b>	<b>226.0</b>	<b>127.0</b>	<b>353.0</b>

<sup>a</sup> Financed by the Asian Development Bank's technical assistance funding program.

<sup>b</sup> Including a photocopier, fax machine, printers, and computers.

<sup>c</sup> Including translation costs.

Source: Asian Development Bank estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

### A. Introduction

1. A total of 29.5 person-months of consulting services (9.5 international and 20 domestic) will be provided through a consulting firm under the technical assistance (TA) to help the Government of Mongolia formulate a transport strategy for 2005–2015. The consultants will be recruited according to the Asian Development Bank (ADB)'s *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for selecting and engaging domestic consultants.

2. The international and domestic consultants will work closely during the assignment. All consultants will work under the supervision of the international transport planning specialist who will also serve as Team Leader. The outline terms of reference for consultants follow.

### B. Terms of Reference

3. The tasks to be undertaken by the consultants will include, but not be limited to, the following:

- (i) Undertake a comprehensive and analytical review of the current status of the transport sector<sup>1</sup> in Mongolia. The review should cover (a) the role of the transport sector in economic and social development of Mongolia and in the region; (b) transport networks, infrastructure, and services; (c) transport demand (including freight and passenger traffic, and domestic and regional transit traffic); (d) modal shares; (e) transport policies, legislation, and regulations; (f) transport financing and financial management capacity; (g) traffic safety; (h) institutional structure and human resource capacity in the transport sector; (j) experience and lessons of the implementation of the current Transport Strategy (formulated in 1999), (k) the cross-border transport agreements; and (m) existing (or draft) master plans for railways, roads, civil aviation, and Ulaanbaatar urban transport. Based on the reviews, prepare a transport sector update.
- (ii) Identify the long-term challenges for the transport sector, taking into account the global and regional context, Mongolia's geographic and demographic features, and the Government's action plan for 2004–2008 and other development programs. Assess the Government's response to the challenges.
- (iii) Conduct public consultations on the formulation of the transport strategy. Organize at least two consultative workshops to be attended by representatives of government officials, transport operators, consumers, nongovernment organizations, private sector, local communities, and external aid agencies. The first workshop will be held in the initial period of services to seek public views and suggestions, and the second to discuss the draft transport strategy prepared by the consultants.
- (iv) Based on the sector review and public consultations, prepare a transport strategy for Mongolia (2005–2015) in line with the outline shown in Appendix 2. The transport strategy should identify the best ways to respond to future sector

---

<sup>1</sup> The transport sector covers roads, railways, civil aviation, inland waterway, and urban transport.

challenges; set the sector's strategic agenda and priorities; recommend necessary changes in transport policies, regulations, and organizational structure, also with a view to encourage the role of the private sector; develop the criteria for selecting public investment projects in the sector; propose a time-bound program of action; and specify the resources required for implementing the strategy. Present the draft transport strategy at the second workshop. Based on the comments received from workshop participants and the tripartite meeting, revise the transport strategy for Mongolia (2005–2015).

### **C. Composition of Consultants**

4. The consultant team comprises three international consultants and five domestic consultants. The international consultants will consist of a transport planning specialist and a transport specialist each to be engaged for 4 person-months, and a financial management/institutional specialist for 1.5 person-months. The international transport planning specialist will also serve as Team Leader responsible for coordination with other consultants and preparation of the transport strategy. The five domestic consultants will comprise a road specialist, a railway specialist, a civil aviation specialist, a regional transport specialist, and an urban transport specialist, with each to be engaged for 4 person-months. Under the supervision of the international consultants, the domestic consultants will assist in (i) data collection and review of published documents and reports; (ii) analysis of information and data obtained in their respective areas; (iii) conduct of public consultations including consultative workshops; (iv) provision of inputs for the transport strategy; and (v) other tasks as needed.

### **D. Reporting Requirements**

5. The consultants will be required to submit to the Government and ADB (i) an inception report within 4 weeks after commencement of services, (ii) the draft transport strategy (2005–2015) (including appendixes) within 14 weeks after commencement of services, and (iii) the final draft transport strategy (2005–2015) within 2 weeks after receipt of comments on the draft transport strategy. The consultants will also be required to submit brief project progress reports to the Government and ADB on a monthly basis during the services.

6. All reports and the transport strategy will be delivered in a format and substance satisfactory to the Government and ADB and in 3 copies (in English) to ADB and 6 copies (3 copies each in English and Mongolian) to the Ministry of Roads, Transport, and Tourism (the Executing Agency). The main text of the strategy (2005–2015) must not exceed 70 pages (A4 size, single-spaced). An electronic copy of the final draft transport strategy (in Word, Excel format, and in compact disc) and the summary of the final draft transport strategy (in PowerPoint) will be submitted to ADB (in English) and the Executing Agency (in English and Mongolian) at the end of services.