

TERMS OF REFERENCE FOR CONSULTANTS

1. The Asian Development Bank (ADB) will engage (i) an individual education results-based lending (RBL) program specialist, and (ii) a consulting firm or nongovernment organization with extensive Mongolia and education sector expertise to conduct detailed assessments and due diligence for the preparation of an RBL program to support Mongolia's education sector.

A. Program Background

2. Mongolia is experiencing a demographic shift and rapid urbanization. With an annual population growth of 1.9%, nearly two-thirds of the population is under the age of 35. Younger people are increasingly moving to urban centers seeking jobs.¹ The Government of Mongolia is committed to capitalize on this demographic dividend to become a knowledge-based economy. The country's Vision 2050 aims at human development and well-being through access to quality education.² In the first phase, 2021–2030, Vision 2050 includes reforms to ensure equal access to quality education by making the education system more inclusive. Developed with ADB technical assistance (TA),³ the comprehensive Education Sector Medium-Term Development Plan (ESMTDP), 2021–2030 supports the achievement of Vision 2050 targets.⁴ The focus of the ESMTDP is on human resources, service provision, and lifelong learning, within a framework of quality, access, and governance.

3. Mongolia achieved significant gains in education under the Strategic Plan for Education 2000–2005 and the Master Plan for Education Sector Development, 2006–2015.⁵ But persistent gaps in learning outcomes, and in ensuring that graduates' skills match labor market demand, the education system does not build the competencies required to live and work in a knowledge-based society. The ADB country partnership strategy for Mongolia, 2021–2024 identifies low educational quality and low labor productivity as key bottlenecks.⁶

4. To address these issues, ADB developed a program concept paper for the Education Sector Results-Based Lending Program. The program is aligned with the ESMTDP impact of holistic development of Mongolian citizens with competencies to work and live in the digital era, participate in a knowledge-based society, and engage in lifelong learning ensured. The outcome will be preprimary education and technical and vocational education and training (TVET) students' learning outcomes improved. The three outputs are (i) preprimary education and TVET quality enhanced; (ii) access to inclusive preprimary education and TVET facilities and services increased; and (iii) capacity for governance, management, and administration of preprimary education and TVET facilities and services improved. The indicative loan amount is \$50 million from ADB regular ordinary capital resources.

B. Terms of Reference for the Individual Consultant

a. Objective of the Assignment

¹ World Bank. 2020. *Towards Mongolia's Long-Term Development Policy Vision 2050: Advancing Education Equity, Efficiency and Outcomes*. Washington DC.

² State Great Khural. 2020. *"Vision-2050" Long-Term Development Policy of Mongolia*. Ulaanbaatar.

³ ADB. *Mongolia: Supporting the Development of an Education Sector Master Plan*.

⁴ Ministry of Education and Science. 2020. *Education Sector Medium-Term Development Plan, 2021–2030*. Ulaanbaatar.

⁵ Decrees by the Government of Mongolia approving the documents: <https://legalinfo.mn/mn/detail?lawId=1948> and <https://legalinfo.mn/mn/detail?lawId=1988>

⁶ ADB. 2021. *Country Partnership Strategy: Mongolia, 2021–2024: Laying Resilient Foundations for Inclusive and Sustainable Growth*. Manila.

5. With the approved concept paper as the starting point, the objective of the individual consultant's assignment is to support the TA start-up and the firm's recruitment, supervise and contribute to the required due diligence, offering guidance, and ensuring quality of the detailed assessments required to prepare an education sector RBL program in Mongolia, closely following the detailed ADB RBL staff instructions, guidelines, and templates (available online and on request).

b. Scope of Services

6. The assignment will be for 8 person-months, intermittent. The consultant will:
- (i) support the recruitment process for the firm and evaluation of proposals;
 - (ii) ensure understanding among all team members, and staff of the executing and implementing agencies and program management office, of the approved program concept paper and updated ADB RBL program policies and guidance;
 - (iii) undertake data analysis and stakeholder consultation to support the government in the preparation of the Education Sector Results-Based Lending Program;
 - (iv) work with the executing agency and the consulting firm to refine the summary sector assessment, RBL program boundary, and results framework based on the ESMTDP, Vision 2050, and human capital development plan;
 - (v) work with the executing agency and the consulting firm to define the disbursement linked indicators (DLIs);
 - (vi) ensure that all program documentation carefully follows the ADB templates and highlights innovative features, private sector participation, and ADB's added value;
 - (vii) participate in the (a) TA midterm review mission to review initial document drafts and progress, and (b) loan fact-finding mission to review and agree with the government on the finalized report and recommendation of the President (RRP) linked documents; and
 - (viii) support the ADB mission leader to respond to comments and revise documents during the ADB interdepartmental review process leading up to the management review meeting.

c. Detailed Reporting Requirements and Deliverables

7. The individual consultant's deliverables include (i) support for the recruitment process including evaluation; (ii) guidance and written comments on the firm's inception report, midterm report, and draft final report, with all appendixes (para. 24); (iii) an update of the summary sector assessment, as needed; (iv) coordination of responses to ADB interdepartmental reviewers; and (v) PowerPoint presentations and talking points for the ADB management approval process. These reporting requirements and deliverables will be aligned with the ADB processing schedule milestones.

d. Minimum Qualifications

8. The consultant will be an education RBL program specialist with (i) a Master's degree or higher in education management, education policy, development studies, or a similar social science; (ii) recent ADB loan processing experience; (iii) demonstrated familiarity with RBL guidelines and templates; and (iv) excellent written and spoken English.

e. Terms of the Assignment

9. The consultant will conduct the assessments working with government and civil society counterparts. Travel restrictions brought about by the coronavirus disease (COVID-19) pandemic may continue to require some remote (home-based) input, but field presence will be essential especially for key missions. The duration of the assignment is 18 months from the contract start date. The assignment will be intermittent in nature. The government will provide counterpart staff, office space, venues for workshops and capacity building activities, and other in-kind contributions. The terms of reference may be revised based on consultations between the government, ADB, and the consultants according to changes and/or additional requirements identified during implementation.

B. Terms of Reference for the Firm

a. Objective of the Assignment

10. With the approved program concept paper as the starting point, the objective of the consulting firm assignment is to (i) undertake the required RBL due diligence and detailed assessments, anchored on the ESMTDP as the broader government program, and closely following the detailed ADB RBL staff instructions, guidelines, and templates (available online and on request), taking the approved ADB program concept paper as the starting point; (ii) build capacity; and (iii) coordinate processing milestones.

b. Scope of Services

11. The firm will map out a work plan and assemble a team of national and international experts to work with the Ministry of Education (MES) to refine the RBL program scope and design, complete the detailed due diligence, and deliver the following RRP linked documents:

- (i) program soundness assessment (PSA);
- (ii) program results assessment;
- (iii) program results framework;
- (iv) program expenditure and financing assessment;
- (v) program monitoring and evaluation system assessment;
- (vi) program fiduciary systems assessment;
- (vii) risk assessment and risk management plan;
- (viii) contribution to Strategy 2030 operational priorities;
- (ix) summary poverty reduction and social strategy;
- (x) program implementation document;
- (xi) program safeguard systems assessment;
- (xii) program action plan;
- (xiii) climate change assessment; and
- (xiv) poverty, social, and gender assessment.

12. The PSA evaluates the relevance and justification, adequacy, and implementation arrangements for the proposed RBL program. The PSA assesses whether the RBL program financing is predictable and sustainable. The financial sustainability of the RBL program during its economic life should be assessed to provide assurance that the results of the RBL program are not short term or easily reversible. It should assess the adequacy of incremental financing arrangements for the continued delivery of services during the economic life of the RBL program (e.g., adequate resources for financing incremental recurrent costs or for debt service). A summary of the assessment results should be presented in the PSA linked document of the RRP.

13. The **program results assessment** evaluates the quality of the RBL program's results framework to ensure the indicators are concrete, measurable, transparent, achievable, and time bound. The program team assesses the suitability of the results indicators in the framework and analyzes the results chain to establish causal links between the RBL program's outcome and outputs. If the results framework is not in place or well-defined, the program team works with the government to develop it or to revise and refine it to a level acceptable to both the government and ADB.

14. The **program expenditure and financing assessment** aims to ensure that the RBL program is adequately budgeted for and that required financing will be provided and efficiently utilized. The assessment should be undertaken by experts fully familiar with government expenditure and budgeting processes.

- (i) **Expenditure framework** should ensure that the RBL program's priorities and costs are realistic. The due diligence will assess the effectiveness, efficiency and economy, and adequacy of the RBL program's expenditure framework. It is also important to ensure that the expenditures in the RBL program expenditure framework can be easily reported according to ADB financial reporting requirements.
- (ii) **RBL program financing** assesses the adequacy and sustainability of the financing plan for the RBL program. It examines whether the financing plan is sufficient for the RBL program expenditure framework and whether the results can be achieved within the RBL program's resource envelope. It also assesses the financial sustainability of the RBL program, including its operations after completion. The amount of ADB financing is determined based on the RBL's program financing needs, ADB lending in the government, the soundness of the RBL program, and the priorities of the government and ADB.

15. **Program monitoring and evaluation system assessment.** The assessment of the monitoring and evaluation (M&E) system will examine whether it can generate reliable, timely, and adequate information about the results. As RBL disburses on the basis of results achieved rather than on expenditure incurred, the robustness of the M&E is a key success factor in implementing an RBL program and therefore, the importance of a thorough M&E assessment cannot be overstated.

16. **Program fiduciary systems assessment.** This will examine the program's financial management, procurement, and anticorruption systems. It will determine the degree to which the RBL program systems provide reasonable assurance that the program funds will be used appropriately, for intended purposes, and with due consideration for economy and efficiency. It will identify and evaluate fiduciary risks and, where applicable, present any actions agreed with the government to improve program fiduciary systems.

- (i) For **financial management**, the assessment determines the degree to which the RBL program manages risks and provides reasonable assurance that RBL program funds will be used appropriately and that the RBL program executing agency has the requisite financial management capacity, including for financial reporting and auditing. For financial reporting, the RBL program's financial statement should report on the aggregate funds received and aggregate expenditures made for the entire RBL program.
- (ii) For **procurement**, the assessment determines whether the procurement system and the capacity of the executing and implementing agencies provide sufficient assurance that the RBL proceeds will be used for the intended purpose, considering the procurement principles of economy, efficiency, fairness,

transparency, quality, and value for money as stated in the ADB Procurement Policy (2017, as amended from time to time).

- (iii) For **anticorruption**, the assessment identifies the risks of fraud and corruption and other integrity violations of the RBL program as defined by ADB's Integrity Principles and Guidelines (2015, as amended from time to time) and examines how the RBL program's fiduciary and anticorruption systems will address the risks.

17. **Program safeguard systems assessment.** RBL programs must be designed to achieve the objectives of the Safeguard Policy Statement (2009) and adhere to its principles. The firm's team of social safeguards, social development, and environment specialists will undertake a program safeguard systems assessment (PSSA) of the applicable laws, regulations, rules, and procedures for managing and mitigating environmental and social impacts of an RBL program. The PSSA determines whether the government has adequate implementation practice, capacity, and commitment to plan, implement, monitor, and report on the safeguard measures for the RBL program. The results of the PSSA inform measures to ensure that the RBL program systems can manage and mitigate RBL program risks and build capacity in the RBL program, if needed. They will also help determine the eligibility of activities for inclusion in the RBL program based on safeguard considerations for the environment, involuntary resettlement, and indigenous peoples. The level of comprehensiveness and the details of the assessments and measures will be commensurate with the nature and scope of the RBL program. ADB and the government will agree on measures to strengthen the RBL program safeguard systems and include them in the program action plan. At concept stage, this program is categorized as B for environment, B for indigenous peoples, and C for involuntary resettlement.

18. **Risk assessment and risk management plan.** The program team identifies the RBL program's strengths, weaknesses, and risks based on the assessments undertaken. ADB and the government will integrate these findings to determine the overall soundness of the RBL program and its systems, the risks and mitigating measures, and the improvements required in five interlinked categories: development, expenditures and financing, fiduciary, safeguards, and operating environment. A risk assessment and risk management plan will be prepared to assess and present the overall RBL program risks and how they will be managed during program implementation.

19. **Poverty, social, and gender assessment.** This assessment should be carried out in advance so that the results may inform the RBL program design, including the development of DLIs and specific social or gender actions. The due diligence process must collect sex-disaggregated baseline data against which gender DLIs can be set. The gender analysis should also assess the government's gender mainstreaming commitment, system, and strategy relevant to the proposed program; and identify actions that build on them to be included in the program design. The comprehensive assessment should identify (i) program beneficiaries; (ii) opportunities for maximizing gender equality and women's empowerment benefits; and (iii) social and gender risks inherent in the program design that require risk mitigation measures (such as access or affordability risks, or increased exposure to gender-based violence or sexual abuse). No separate gender action plans is required under the RBL modality. Instead, gender actions will be integrated into the program design (through inclusion in the results framework, DLIs, program action plan, and risk management measures).

20. **Summary poverty reduction and social strategy.** This is a standard RRP linked document for all ADB lending operations, with a detailed template. It reflects the results of the poverty, social, and gender assessment.

21. **Program implementation document.** This document consolidates the essential program implementation information. Equivalent to the project administration manual for investment lending, the program implementation document is a management tool that supports effective program implementation, monitoring, and reporting. It is developed throughout program processing and is discussed with the government at loan negotiations. It is a living document that should be refined and kept up-to-date during program implementation.

22. **Program action plan.** The assessments inform the appropriate scope, measures, and intensity for capacity development and implementation support. ADB and the government agree on a program action plan (PAP) to be carried out and monitored during implementation. Actions may include those that improve the RBL program's design and implementation, strengthen systems and institutions, enhance the capacities of agencies, strengthen the M&E system, and assess and mitigate risks. The agreed actions in the PAP should complement the incentives fostered by DLIs and improve the prospects of achieving the agreed on RBL program results. The program team should be selective in the number and nature of actions included in the PAP.

23. Other tasks the firm will undertake include:

- (i) Plan and implement research, data analysis, fieldwork, and in-depth stakeholder consultation.
- (ii) Ensure that the program documentation carefully follows the RRP linked document templates, and highlights innovative features, private sector participation, and ADB's added value.
- (iii) Coordinate the (a) TA midterm review mission to present initial document drafts and progress, and (b) loan fact-finding mission to review and agree with the government on the finalized RRP linked documents. All documents should be submitted to ADB and MES in English and Mongolian at least 10 working days prior to the missions. Coordinate preparation of bilingual memorandum of understanding for each mission.
- (iv) Build capacity of the executing and implementing agencies and PMO staff on RBL program design and implementation, including provision of education sector expert's inputs to support achievement of program actions during implementation.
- (v) Consult with MES and MOF on lending terms.
- (vi) Support the individual consultant and ADB mission leader to respond to comments and revise documents during the ADB interdepartmental review process leading up to the management review meeting.
- (vii) Support MES on the domestic procedures required for government approval.
- (viii) Support loan negotiations after the completion of domestic approval procedures.

c. Detailed Reporting Requirements and Deliverables

24. The firm will prepare an inception report, a midterm report, a draft final report, and a final report. The timing of these will be aligned with the ADB processing missions and milestones, as outlined in the table.

Reporting and Milestones		
Report No.	Description	Timeline and Milestones
1	Inception report including a detailed work plan and an annotated outline of each RRP linked document based on ADB guidelines and templates	2 weeks before the TA inception mission
2	Midterm report with complete first draft of each RRP linked document	2 weeks before the TA midterm review mission
3	Draft final report presenting complete assessments with any data gaps highlighted for the loan fact-finding mission	2 weeks before the loan fact-finding mission
4	Final report that includes final versions of assessments and response to comments received from ADB interdepartmental reviewers	By the contract closing date

ADB = Asian Development Bank, RRP = report and recommendation of the President, TA = technical assistance.
Source: ADB.

d. Key Expertise Required

25. The firm's contract will be performance-based. Proposing entities will be free to determine the exact number and the nature of the experts required to achieve the objectives of the contract, in accordance with their proposed approach and methodology. The team will comprise key and non-key experts. ADB requires a minimum of three key experts (paras. 26–28).

26. The **senior program development specialist/team leader** (international, 5 person-months, intermittent) will coordinate the planning, implementation, and delivery of the required RBL assessments, ensuring high quality and timely submission to ADB and the government. As this is the first application of the RBL modality in Mongolia, the team leader will also design and deliver a program of capacity development for government counterparts on the RBL modality, to be delivered by the team of experts (this includes the individual consultant that ADB will engage separately, with whom the team leader should coordinate very closely). The team leader should meet the following minimum qualifications:

- (i) a Master's degree or higher in education, economics, public policy, international development, social policy, or a related discipline;
- (ii) a demonstrated understanding of results-based lending, also known as program-for-results (PforR) financing;
- (iii) at least 10 years' experience in designing and managing international development projects and programs, with both country (Mongolia) and ADB RBL or World Bank program-for-results financing experience;
- (iv) demonstrated management and team leadership skills; and
- (v) excellent written and spoken English.

27. The **education specialist** (national, 11 person-months, intermittent) will have sector technical expertise and may combine this with a deputy team leader function, contributing to various technical and system assessments, especially the program soundness assessment, under the guidance of the team leader. The national education specialist will be highly familiar with the ESMTDP and with the education sector targets in Vision 2050 and other national human development plans. The education specialist will help refine the sector assessment summary prepared for the program concept paper and develop the detailed program results framework. The national specialist will meet the the following minimum qualifications:

- (i) a Master's degree or higher in education policy, education, social policy, or a closely related discipline;
- (ii) at least 10 years experience in education research, teaching, curriculum development, policy development, or similar;
- (iii) demonstrated experience and knowledge of the education sector challenges in Mongolia—especially in preprimary education and TVET—gained through work with the government, civil society, and/or development partners;
- (iv) demonstrated management and team leadership skills; and
- (v) excellent written and spoken English.

28. The **financial management specialist** (national, 8 person-months, intermittent) will be fully familiar with the Mongolian government expenditure and budgeting processes. The specialist will be primarily responsible for the program expenditure and financing assessment, program soundness assessment, and the financial management section of the fiduciary systems assessment, under the guidance of the team leader. The national specialist will meet the following minimum qualifications:

- (i) a Master's degree or higher in finance, economics, accounting, business, or a closely related discipline, and preferably with a recognized professional accountancy qualification;
- (ii) at least 10 years experience in financial management;
- (iii) demonstrated experience and knowledge of expenditure and budgeting processes, preferably in the education sector—gained through work with the government, civil society, and/or development partners; and
- (iv) excellent written and spoken English.

29. Other team members may be international or national, with assignment duration to be determined by proposing entities. Areas of the team's expertise are expected to include economic and financial analysis, education financing, fiduciary systems including procurement (preferably international expertise, with RBL experience), gender and social development, environmental and social safeguards (especially indigenous peoples), and monitoring and evaluation, among others, as required. Team members' experience with ADB RBL or World Bank PforR will be rated highly.

30. Only one curriculum vitae (CV) must be submitted for each key or non-key expert included in the proposal. Only the CVs of key experts will be scored as part of the technical evaluation of proposals. The CVs of non-key experts will not be individually scored. However, all CVs of non-key expert positions in the proposal will be reviewed and individually approved or rejected, and the credentials of non-key positions as well as the design of the team as a whole will be taken into account in the evaluation of the Approach and Methodology and Personnel Schedule criteria.

e. Terms of the Assignment

31. The consulting firm's team members will conduct the assessments working with government and civil society counterparts. Travel restrictions brought about by the coronavirus disease (COVID-19) pandemic may continue to require some remote (home-based) input, but field presence will be essential. The duration of the assignment is 27 months from the contract start date, with the bulk of the program processing work to be completed by the end of 2023. Thereafter the focus will shift to education sector expert inputs to support achievement of the program actions. The team members' assignments will be intermittent in nature. The government will provide counterpart staff, office space, venues for workshops and capacity building activities, and other in-kind contributions. The terms of reference may be revised based on consultations

between the government, ADB, and the consultants according to changes and/or additional requirements identified during implementation.