

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: EASS

TA No. and Name: TA 4352-MON: Developing an Urban Development and Housing Sector Strategy			Amount Approved: \$350,000	
			Revised Amount:	
Executing Agency: Ministry of Construction and Urban Development		Source of Funding: TASF	TA Amount Undisbursed \$67,778	TA Amount Utilized \$282,222
Date			Completion Date	
Approval 2 Jul 04	Signing 11 Aug 04	Fielding of Consultants 8 Nov 04	Original 31 Dec 04	Actual 2 May 05
			Closing Date	
			Original 31 Dec 04	Actual 31 Mar 06
Description				
ADB is one of the main sources of external assistance in the urban development and housing sector in Mongolia. Through loan and grant projects, ADB has provided assistance for basic urban services improvements in the provincial capitals; housing finance; living environment improvement in the ger areas; and cadastral survey and land registration; and a technical assistance (TA) project on regional development planning. Given the high rural-to-urban migration and rapid urbanization in Ulaanbaatar, the rapid growth of the urban informal economy, changes in investment and employment patterns, and revised Government priorities, the Government requested TA assistance from ADB to prepare an urban development and housing sector strategy. The TA reviewed the recent developments, determined priority sectoral and geographical needs and areas of focus, and identified future directions for ADB's strategy and program in urban development and housing to ensure maximum impact on the sector.				
Objectives and Scope				
The purpose of the TA was to assist the government in effectively responding to the above mentioned changes in the urban sector and the Government's priorities. The overall goal of the TA was to help increase understanding and capability to plan and implement ADB's TA and lending programs for the urban development and housing sector in Mongolia for 2005–2008. The TA was expected to facilitate economic growth in urban areas while enhancing the access of the poor to urban services and sustaining the environment. The principal outputs were (i) updated basic information in urban development and housing, (ii) an urban development and housing sector strategy for ADB for 2005–2008, and (iii) outline proposals of priority investments and institutional capacity development requirements. The TA was also aimed to help the Government increase awareness of issues, constraints, and opportunities in the sector. The TA was well designed and highly relevant to meeting the changing needs in the urban sector in Mongolia.				
Evaluation of Inputs				
The Ministry of Infrastructure (MOI) was identified as the executing agency (EA) at TA fact-finding in April/May 2004. The new Government was established following the national election held in June 2004. Subsequently, MOI was divided into three ministries: Ministry of Construction and Urban Development (MCUD); Ministry of Road, Transport and Tourism; and Ministry of Energy. As a result, MCUD became the new EA for the TA. Despite these changes, MCUD provided adequate counterpart inputs, office space with basic facilities, and acceptable working conditions for the consultants as envisaged. MCUD also provided policy guidance, facilitated interagency coordination, and resolved institutional problems which contributed to successful implementation of the TA. The Urban Development Policy Coordination Department and the Construction and Public Utility Policy Coordination Department of MCUD oversaw the day-to-day implementation of the TA. The performance of the EA was highly satisfactory.				
A consulting firm was engaged to implement the TA in partnership with MCUD. The consultants' terms of reference were comprehensive and well formulated to achieve objective of the TA and met the expectations of the EA. The international consultants comprised an urban development specialist/team leader, a municipal and housing finance specialist, and an urban infrastructure specialist. The domestic consultants comprised an institutional and governance specialist, a social development specialist, a finance specialist, and an environmental specialist. Total inputs were 10 person-months (pms) for the international and 12.19 pms for the domestic consultants as compared with 10 and 9 pms for international and domestic consulting services that were envisaged. Domestic consultants' inputs were increased by 3.19 pms to undertake an additional task to assist the Government in revising existing codes, standards, and regulations related to construction and urban development. All consultants had extensive experience in the urban development and housing sector in Mongolia. Overall performance of the consultants was rated excellent in the performance evaluation of the consulting firm prepared in August 2005. However, MCUD indicated that communications with the consultants were inadequate and that some comments on the draft report were not incorporated in the final report. The consultants began field work on 8 November 2004 and the TA was completed on 2 May 2005. Originally it was envisaged that the TA would be implemented from August to December 2004. Due to delays in recruiting the consultants, the commencement and completion of the TA was delayed by about 4 months.				

ADB provided regular guidance to the TA implementation, helped to resolve implementation issues, and carried out an inception mission and two review missions for tripartite discussions on the interim and draft final reports. These missions enabled the mission leader to participate in workshops convened to discuss the recommendations of the TA with the EA and key government officials. The number and timing of the missions was considered appropriate by the EA. The performance of ADB was fully satisfactory.

Evaluation of Outputs

The TA has achieved its outputs as envisaged and is considered efficient. The TA outputs included: (i) updated basic information in urban development and housing, (ii) an urban development and housing sector strategy for 2005-2008, and (iii) outline proposals of priority investments and institutional capacity development requirements. The final report covered all expected outputs. In response to Government's revised policy and priority areas and at the request of the EA during TA inception, special attention was paid during TA implementation to (i) prepare a detailed implementation plan of the program to provide 40,000 families with opportunities to live in housing with improved basic services; (ii) revise existing codes, standards, and regulations related to construction and urban development, especially those developed by the former Soviet Union; and (iii) undertake a thorough study including recommendations on how to develop and expand the existing mortgage market. Due to the delay in recruiting the consultants, delivery of outputs was delayed by about 4 months. However, the TA was completed within 5 months as envisaged.

Overall Assessment and Rating

The TA has effectively achieved its objectives and is rated successful. The TA assisted the Government in increasing understanding and capability to plan and implement ADB's TA and lending programs in the urban development and housing sector. The TA also helped the Government identify priority investments and institutional capacity development requirements that would serve to facilitate economic growth in urban areas while enhancing the access of the poor to urban services and sustaining the environment.

The urban development and housing sector strategy for 2005-2008 was also fully incorporated in ADB's country strategy and program for Mongolia. A follow-on project preparatory TA, designed based on the outline proposals of priority investments and institutional capacity development requirements, is currently preparing a project suitable for ADB financing. The PPTA was included in the 2005 program and the ensuing loan is programmed for 2006. Workshops and seminars promoted wider participation in the formulation of the urban development and housing sector strategy, and facilitated the dissemination of the TA outputs.

Major Lessons Learned

A two-step approach, comprising policy, planning, and priority setting followed by program and feasibility studies, is effective in enabling the Government to identify and structure appropriate investment packages to meet its development needs, especially under the circumstance of changing Government organizations and policies.

Recommendations and Follow-Up Actions

Based on the work done under the TA, a follow-on project preparatory TA is being implemented. The ensuing project is expected to focus on improvement of living conditions and the quality of life of the urban population through (i) provision of sustainable and affordable infrastructure and services for the urban poor, especially in ger areas; (ii) promotion of community participation in project preparation, implementation, and post-project operation and maintenance activities; and (iii) improvement of urban planning and management, and capacity of government agencies to provide and operate urban services. A sector loan approach is considered for implementation of the ensuing project. To ensure sustainability of the ensuing project, further capacity building and institutional strengthening is required during implementation of the PPTA and the ensuing project.

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