

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: EATC

TA No., Country and Name			Amount Approved: \$300,000	
TA 4471-MON: Formulating a Transport Strategy (2005-2015)			Revised Amount: \$300,000	
Executing Agency: The Ministry of Roads, Transport and Tourism (MRTT)		Source of Funding: TA Special Fund	Amount Undisbursed: \$8,404.49	Amount Utilized: \$291,595.51
TA Approval Date:	TA Signing Date:	Fielding of First Consultant	TA Completion Date Original: 31 Aug 2005	Actual: 12 Dec 2005
13 Dec 2004	10 Jan 2005	27 May 2005	Account Closing Date Original: 31 Aug 2005	Actual: 25 Aug 2006
Description A transport strategy for Mongolia is crucial for optimizing transport's contribution to sustainable economic growth in the country. The previous strategy was formulated in 1999 with World Bank assistance. Subsequent development included (i) approval of the Economic Growth Support and Poverty Reduction Strategy (prepared by the Government in 2003 and implemented by the newly-established Government in 2004); (ii) private sector replaced the Government as the main engine of growth; (iii) Mongolia, together with 26 other Asian countries, signed an Agreement on Asian Highway Network Development in April 2004; (iv) rural to urban migration accelerated after 2000, caused in part by consecutive harsh winters and droughts; and (v) the Government's master plans for railways, civil aviation, and Ulaanbaatar urban transport needed to be updated. This technical assistance was provided to formulate a new transport strategy that would (i) support the Government's poverty reduction efforts, (ii) promote greater private sector involvement in transport to increase the efficiency and quality of transport services, (iii) reflect Mongolia's commitment to regional transport cooperation and integration, (iv) re-assess future transport demand, and (v) ensure effective integration of various transport modes and improve competitiveness of the transport system in the country.				
Expected Impact, Outcome and Outputs The Transport Strategy for Mongolia for 2005–2015 (the Strategy), prepared under the TA is the main output. It attempted to identify strategic priorities and resources for transport development in response to the expected sector challenges over a 10 year period as the outcome. The Strategy provides guidance to the Government in formulating policies and public investments in the transport sector. The expected impact of the TA is the improvement in performance of the transport sector to facilitate sustainable economic growth and poverty reduction in Mongolia. The design, scope, and terms of reference (TOR) of the TA were considered adequate in achieving the TA objectives.				
Delivery of Inputs and Conduct of Activities Implementation of the TA was scheduled to commence in April 2005 but was delayed until end of May 2005 due to delay in recruitment of consultants. A consulting firm from Canada was selected to provide 9.5 person-months of international and 20 person-months of domestic consulting services. During the TA implementation period of seven months, consultants provided 8.5 person-months of international and 24 person-months of domestic consulting services. The increase in the inputs of domestic consultants and reduction in the inputs of international consultants were considered appropriate as the consultants had to gather a large volume of data relating to the TA. The international team comprised three experts covering transport planning, transport and financial management, while the domestic team comprised five experts covering regional transport, urban transport, railway, road and civil aviation. The number of person-months of consultancy services provided was adequate to produce the expected TA outputs.				
Two public consultation meetings were held to gather additional information and provide feedback. The TA inputs in the form of counterpart staff, records, and office facilities were provided as planned and were adequate to achieve the TA objectives. The Government formed a TA steering committee comprising members from Ministry of Roads, Transport and Tourism (MRTT), Ministry of Finance, Civil Aviation Authority, Railway Authority, Ulaanbaatar Governor's Office and Road Police, to provide guidance and advice to the TA consultants. ADB provided the necessary support in coordinating TA activities with MRTT and the consultants. ADB staff conducted an Inception Mission in June 2005 and participated in a tripartite meeting in October 2005 to discuss the draft final report (DFR) of the consultants. Even though the EA was satisfied with the ADB's involvement of the TA administration, a much closer monitoring of the TA consultants' work by ADB would have helped to improve the outputs of the TA and mitigated the EA's concern about lack of consultations with the government by the TA consultants.				

Evaluation of Outputs and Achievement of Outcome

Consultants were fielded in Ulaanbaatar, Mongolia on 27 May 2005. Consultants submitted four progress reports and the DFR on 17 October 2005. The DFR was discussed at a tripartite meeting held on 28 October 2005. It was agreed that the DFR needed significant revision and consultants would incorporate all comments received from ADB and the Government and submit its final report on 5 December 2005. The final report was delivered to ADB on 12 December 2005. However the Government continued to show its dissatisfaction with the final report and indicated that their views had not been fully reflected in the report. This was communicated to ADB during its subsequent follow-up missions to Mongolia. Following the closure of the TA the consultants work output was rated as marginal.

Three performance indicators/targets were included in the TA framework to monitor the success of the TA output, outcomes and impact: (i) increase freight and passenger traffic by at least 5% per annum during 2005-2015 compared with base data in 2003; (ii) increase share of public/private funding for transport to gross domestic project (GDP) from 1.5% in 2003 to 3.5% in 2015; and (iii) increase share of funding for road maintenance to GDP from 0.13% to 1% in 2015. The target of increasing freight and passenger volumes by 5% per annum from 2005 was deemed ambitious taking into account the fact that the TA output was produced in late 2005 and would not have made any immediate contribution to growth in the transport sector. However, it is highly likely that transport strategy will have an impact in all the three indicators in the longer term but these need to be assessed at a later stage.

Overall Assessment and Rating

Considering the relevance of the TA, the limited extent to which the outcome has been achieved, the contents and the quality of the final report produced by the TA consultants and how efficiently and economically the TA resources were converted to results, the TA is rated as partly successful.

Major Lessons

A key factor in any successful TA project is the high level of ownership by the executing agency, in this case the MRTT. MRTT complained that the TA consultants had limited interactions with the EA and worked in a somewhat isolated environment. It is essential that TA consultants work very closely with EA and listen to all of their concerns. This, in turn, will enhance the EA's ownership of the TA and its output. Furthermore, a much closer involvement of ADB would have helped the consultants and the EA to work together more effectively.

Recommendations and Follow-Up Actions

The revised report with additional input from a staff consultant and titled "National Transport Strategy for Mongolia" was handed over to the Government in September 2006. Based on this paper, MRTT has prepared a Briefing Paper to the President's Office and the Parliament in February 2007. Strategy is not something that remains static. It is an evolving process and changes are needed to reflect new developments. It is recommended that EATC continue to discuss with MRTT on the implementation of the Transport Strategy and ensure that the strategy is updated as needed.