



Completion Report

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Mongolia: Strengthening of Public Procurement for Improved Project Implementation

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TECHNICAL ASSISTANCE COMPLETION REPORT

TA Number, Country, and Name: TA 9158-MON: Strengthening of Public Procurement for Improved Project Implementation		Amount Approved: \$750,000.00	
		Revised Amount: \$2,050,000.00	
Executing Agency: Ministry of Finance	Source of Funding: Technical Assistance Special Fund (TASF V)	Amount Undisbursed: \$273,864.36	Amount Used: \$1,776,135.64
TA Approval Date: 19 August 2016	TA Signing Date: 12 September 2016	TA Completion Date	
		Original Date: 31 October 2018	Latest Revised Date: 12 September 2021
		Financial Closing Date: 29 October 2021	Number of Extensions: 3
TA Type: Capacity development			

Description

The Government of Mongolia requested the Asian Development Bank (ADB) for a technical assistance (TA) to strengthen public procurement for improved project implementation. The TA aimed at supporting the government to enhance its capacity to upgrade the regulatory framework for procurement inspections and audits through trainings and workshops; build government staff capacity to handle the procurement transactions of the official development assistance (ODA)-funded projects; and provide advisory support for the introduction of advance procurement and consultant recruitment actions in the national legal framework to reduce project start-up delays, and speed up project implementation.

Expected Impact, Outcome, and Outputs

The expected impact was to strengthen country portfolio performance. The outcome was a strengthened public procurement system in Mongolia for implementing government and ODA-funded projects. There were seven outputs: (i) advance procurement action for ADB and other ODA-funded projects in Mongolia applied; (ii) institutional capacity building at the Legal and Procurement Policy Department (LPPD)¹ of the Ministry of Finance (MOF) strengthened; (iii) procurement capacity of government agencies, including the State Procurement Agency (SPA)² improved; (iv) skills of implementing agencies and the MOF in project and contract management enhanced; (v) capacity of the officials for implementing framework agreement strengthened; (vi) national e-procurement platform assessed; and (vii) e-catalogue for goods offered at the market developed.

Implementation Arrangements

The MOF was the executing agency. The LPPD and the SPA were the implementing agencies. The implementing agencies provided suitably furnished office with computers, utilities, and telecommunications access (including broadband internet connection) for individual consultants, and supplied data and documents as required under the TA. Overall, it is assessed that the performance of the executing and implementing agencies was highly satisfactory.

The TA was originally approved with four outputs in the amount of \$750,000. The TA was implemented from 13 September 2016 to 12 September 2021 with three extensions to accommodate new outputs requested by MOF in 2018 and 2019. Additional resources from TASF (\$400,000 and \$900,000) were provided for the additional outputs (i) strengthening capacity of officials for framework agreement, (ii) assessment of national e-procurement platform, and (iii) development of e-catalogue for goods offered at the market.

Nineteen individual consultants (6 international with 22.4 person-months, and 13 national with 230.1 person-months) and three consulting firms (1 international with 15.5 person-months, and 2 national with 49.8 person-months) were mobilized under the TA.³ The performance of all consultants and firms was satisfactory. ADB handed over to MOF and SPA all the hardware and IT equipment procured under the TA.

Conduct of Activities

Output 1: Advance procurement action for ADB and other official development assistance-funded projects in Mongolia applied. Output 1 was achieved. The amendment to the Public Procurement Law of Mongolia (PPLM) to allow the use of advance procurement action was ratified by the Mongolia Parliament on 22 March 2019. The advance procurement regulation was approved by the Finance Minister's order # 208 on 23 September 2019. Advance actions for recruitment of consulting services and PIU staff were done for Grant 9206-MON: Managing Solid Waste in Secondary Cities Project, and Grant 9204-MON: Improving Transport Services in Ger Areas Project. Additionally, a study tour for seven officials of MOF to

¹ The LPPD was later renamed to Legal Department.

² The former Government Procurement Agency (GPA) until 2018, and the former State Property Policy and Coordination Agency (SPPCA) in 2018–2020.

³ All consultants were recruited in accordance with ADB's *Guidelines on the Use of Consultants* (2013, as amended from time to time).

the Philippines and Indonesia to learn best practices in the implementation of advance procurement actions was held during 21–25 August 2017. The knowledge learned was applied in the preparation of the draft amendment to PPLM.

Output 2: Institutional capacity building of the MOF's Legal and Procurement Policy Department strengthened. Output 2 was fully achieved. The public procurement internal audit regulation was approved by the Finance Minister's order # 365, and the public procurement inspection manual was endorsed by the MOF on 15 December 2017. Ten in-country trainings for 184 audit and inspection officials were conducted in Q1–Q3 of 2018 against the planned 4 trainings for 40 officials. In addition, a study tour to Austria for 8 officials of MOF and the Ministry of Justice to learn best practices in public procurement audit and inspection was conducted on 15–19 October 2017, and the knowledge gained was used for drafting regulations for public procurement audit and inspection. As a result, the public procurement system in Mongolia was strengthened with the development of new regulation and a manual for procurement audit and inspection as approved by the Finance Minister's order #365, and published in <https://www.tender.gov.mn>, and capacity building of audit and inspection officers throughout all provinces and Ulaanbaatar city, including at the MOF. Moreover, 7 public procurement regulations (against the planned 5 regulations) and 3 national standard bidding documents were updated.

Output 3: Procurement capacity of government agencies, including the State Procurement Agency, improved. Output 3 was achieved. The individual consultant developed 1 training program, conducted 5 in-house trainings for 177 officials in 2017, and 2 on-the-job trainings for SPA's procurement staff in the first half of 2018. The overseas training was organized at the Headquarters of the ADB in Manila, Philippines on 4–6 December 2017, 14 officials from the MOF and SPA participated, and the knowledge gained was used in their daily work. ADB conducted three trainings for officials of project executing agencies and project implementation units on the current and new ADB Procurement Policy and Regulations. A total of 140 government personnel attended trainings, 50 participants in April 2019, 30 in September 2019, and 60 in November 2020. Due to the coronavirus disease (COVID-19) pandemic and the government lockdown in Mongolia, training for remaining 60 staff was canceled in 2021. Three guidance notes on procurement (open competitive bidding, consulting services administered by ADB borrowers, and subcontracting) were translated and distributed to the project executing and implementing agencies. Accomplishment of Output 3 contributed to strengthening the public procurement system of Mongolia through capacity building of government executing agencies in terms of ADB's procurement policy and regulations. Some procurement activities under the ADB financed projects (with the Ministry of Health, Ministry of Education and Science, and Municipality of Ulaanbaatar city) were shifted to and handled by SPA with consultation with ADB.

Output 4: Skills of implementing agencies and the Ministry of Finance in project and contract management enhanced. Output 4 was not fully achieved due to the COVID-19 pandemic. Out of 4 performance indicators, the first 3 performance indicators were fully completed as follows. The international consultant designed and prepared two training programs and two training materials for executing and implementing agencies on project and contract management. The project management training for 60 officials was conducted in December 2017 and the contract management training for 60 officials was conducted in March 2018. Unfortunately, due to the COVID-19 pandemic and the government lockdown in Mongolia, FIDIC/ENAA trainings (the fourth performance indicator of the Output 4) were not organized pursuant to MOF's formal request. Instead, the savings were used for technical capacity for the national e-procurement system under output 6 in below.

Output 5: Capacity of officials for implementing the framework agreement strengthened. Output 5 was fully achieved. 58 nationwide trainings for 2,705 officials (against the planned 1,500 officials) of procurement entities and representatives of suppliers and service providers on the legal framework and practical use of the framework agreement for public procurement were organized in 2019 to improve knowledge and understanding of officials in applying the framework agreement in practice.

A guideline for conducting surveys to identify potential goods and services to be procured through the framework agreement was developed. Comprehensive training on the guideline was organized for SPA procurement staff, and their capacity in conducting framework agreement survey was built. Two surveys to identify potential goods and services packages to be procured through the framework agreement were conducted. The initial survey in 2019 covered the procurement needs of 118 procuring entities; and products and services of 188 suppliers and service providers nationwide. Needs assessment, supply and demand survey, and strengths, weaknesses, opportunities, and threats analysis of 10 products were completed. Recommendations to procure the selected 10 products under the framework agreement were submitted to the MOF and SPA for public procurement policy development and decision-making. The second framework agreement survey on potential goods was recommended to procure the identified products under the framework agreement, and framework agreement biddings were organized in 2020 and 2021. As a result, framework agreements to procure a textbook printing service for 165 textbooks for public schools, 8 medicines, 1 injection and 11 testers for COVID-19 treatment, and 29 types of furniture for public schools were established, posted in the Mongolian e-procurement system (MEPS) (<https://www.tender.gov.mn/mn/eshop/>), and the procuring entities started purchasing these products under the framework agreement terms and conditions.

A study tour to Stockholm, Sweden for 10 officials from MOF and SPA to learn best practices and lessons learned in the use of the framework agreement for public procurement was organized during 25–29 March 2019, and the acquired knowledge was used for public procurement policy development and practice.

Output 6: National e-procurement platform assessed. Output 6 was fully delivered. The national e-procurement platform was assessed along with recommendations for the MEPS improvements. Based on the recommendations, technical capacity of the national e-procurement platform was improved through procurement of hardware backup, including servers, firewalls, storages, hard drives, etc. In 2021, the international consulting firm, through auditing of MEPS, assessed hardware and data backup procedures of the MEPS, conducted penetration test to the web and mobile applications of the MEPS, and verified compliance of the MEPS with the security audit guidelines that include (i) MDB e-Tendering guidelines, (ii) ISO 27001 - 2016

guidelines, and (iii) Open web application security project. The audit report and recommendations to improve the national e-procurement system were submitted to MOF and SPA for further development and improvement of the MEPS. Beyond the original performance indicators for the Output 6, MOF and GPA supported the use of national e-procurement platform (e-tender.gov.mn) for publishing bid invitations of the procurements funded by ADB. Now, all EAs/PIUs of the ADB-funded projects are using the e-tender.gov.mn for bid invitations.

Output 7: E-catalogue for goods offered at the market developed. Output 7 was fully achieved. Technical and functional requirements to develop an e-catalogue were established. Based on the requirements, the e-catalogue for goods offered in the market was developed and completed in August 2021. The e-catalogue was accepted by MOF and SPA, and procuring entities started using the e-catalogue. The e-catalogue stores technical specifications, pictures, clips, and related information of products and services that are classified in 12,000 categories using The United Nations Standard Products and Services Code. Due to the COVID-19 pandemic and international travel restrictions in Mongolia, the study tour to learn the international experience of e-catalogue use was not organized.

Technical Assistance Assessment Ratings

Criterion	Assessment	Rating
Relevance	The TA was requested by the government and was aligned with Mongolia's reform priorities in the public procurement to implement the Government Action Plan for 2020–2024, and the 2016 National program to fight corruption. The TA was also aligned with ADB Procurement Policy, October 2017. The TA design and result chain was generally appropriate. There were no design deficiencies.	Relevant
Effectiveness	<p>The TA is rated less than effective. The TA outputs, as targeted, were essentially achieved. However, the TA outcome was not met due to the impact of the COVID-19 pandemic on the global and Mongolia's economy (including ADB-funded projects) which was beyond the control of the government. All organizations, public and private, were closed, the public opening of bids and the bid evaluation meetings were postponed following restrictions on public events and gathering in Mongolia, and the deadline for submission of bids for all ongoing procurements were extended by one to three times throughout 2021 for all ADB-funded projects.</p> <p>The TA supported Mongolia's public procurement reform in multiple ways at the central and local government levels by leveraging the legal environment, updating the relevant regulations and standard bidding documents, establishing capacity building of government officials on procurement audit, procurement inspection, framework agreement, project management, and contract management, improving the technical capacity of the national e-procurement platform, and developing the e-catalogue for goods procurement.</p> <p>Policy notes and recommendations were shared with MOF and SPA to further improve the national e-procurement platform. Capacity building events trained about 3,100 central and local government officials. ADB will continue to work with the government to achieve the outcome in due course.</p>	Less than effective
Efficiency	<p>Output targets were essentially achieved within the budget. The TA was extended to implement additional outputs and activities. The original TA with outputs 1–4 was completed within the planned budget and in accordance with the planned completion date. Prior to the TA completion date, MOF requested new outputs 5 and 6, and additional funds for the new outputs. After careful review of MOF's request, ADB agreed to support the request for new outputs and corresponding extension of completion date to implement the two new outputs. To process the supplementary TA, the TA completion date was extended by 2 months. The first supplementary TA funding of \$400,000 covered the implementation of the new outputs 5 and 6 with an extension for 1 year. Prior to the completion date of the first supplementary financing, MOF requested the new output 7 and new activities for the existing outputs along with additional funds. ADB supported the second request of the MOF for additional funding of \$900,000 and extension of implementation period by 1 year and 8.5 months to implement the new output 7 and the newly added activities for existing outputs. Before agreeing to approve the first and second supplementary funding, ADB internally discussed the MOF's requests, and instead of processing a new TA, concluded to add the new outputs to the existing TA by adding supplementary funds and extending the completion dates.</p> <p>Funds were used as intended and complied with fiduciary requirements for financial reporting and procurement. The consultants' efficient delivery of good quality outputs was appreciated by MOF and SPA. The new outputs such as the framework agreement implementation and the national e-procurement platform strengthening were completed on time within the budget.</p>	Efficient
Overall Assessment	The TA had no design flaws and was fully aligned with the government's and ADB's priorities. The need for the TA was well articulated and the choice of TA type was appropriate. There were no cost and time overruns. Taking into consideration the ratings on relevance,	Successful

Criterion	Assessment	Rating
	effectiveness and efficiency, the overall assessment is successful with the weighted overall score of 2.0.	
Sustainability	The government started using the newly developed e-catalogue immediately after its acceptance. As part of national procurement reform, Mongolia is revising the PPLM and continues to maintain the legal provisions for advance procurement actions. Improvements in procurement rules and regulations are expected to be completed through internal sources of the MOF and SPA after the Parliament's ratification of the revised PPLM in 2022 with reasonable prospects for replication in other DMCs.	Most likely sustainable

Lessons Learned and Recommendations

Design and/or planning	The TA was designed to provide quick and flexible response to Mongolia's needs for procurement policy reform and capacity building and helped facilitate policy dialogue among the ministries and agencies of the Government of Mongolia. With the formal adoption of the advance procurement by Mongolia through the revised PPLM in 2019, it is recommended to widely use the advance procurement in new projects funded by ADB and update the current national regulation to be able to apply the advance procurement actions to facilitate achievement of ADB's project readiness target in its operations in Mongolia. In designing the TA, TA output should be carefully identified and determined to avoid ambiguous performance indicators and assumption of possible risks.
Implementation and/or delivery	Proper and timely selection of consultants, and close consultation and effective communication with MOF and SPA were the main factors contributing to effective implementation and high-quality results of the project. The executing agency, MOF, conducted more frequent consultations and discussions with various government agencies to expedite the usage of the advance procurement actions in new projects. The TA project coordinator and finance/administration officer performed actively and diligently in helping MOF, SPA, ADB and other authorities with efficient delivery of the TA outputs. As a formal authority in Mongolia for organizing, coordinating, and monitoring the execution of projects financed by bilateral and multilateral development partners, and to improve the efficiency and effectivity of implementation of projects, the MOF is encouraged to allow advance procurement actions in all new projects financed by ADB to meet requirements for project readiness. For successful implementation of TAs, mutual and efficient cooperation among ADB and executing and implementing agencies should be encouraged.
Stakeholder Participation	Good coordination between MOF and SPA helped support various implementing agencies on implementation of the TA outputs through prompt and effective actions. As a result, the TA benefited from the participation of key stakeholders from central government, local government, Ulaanbaatar city levels, private sector and civil society for the TA outputs. One of the examples is that MOF and MNRM jointly conducted a dissemination workshop in June 2019 to all government ministries and development partners (World Bank, United Nations, and diplomatic embassies) on adoption of the advance procurement actions in the national legal system and further actions. Frequent monitoring and management of the TA outputs and performance parameters by both, ADB and executing agencies during the TA implementation with support of stakeholder participation would be paramount.
Partnership	MOF coordinated with other government agencies on the outputs' implementation, specifically for capacity building events and law and regulations' revisions. As a result, the TA benefited from the participation of key stakeholders from central, local levels, and civil society organizations. As we learned, public hearing and discussions on revisions of laws and regulations for public procurement is important to improve the legal environment.
Replication and/or scaling up	Mongolia's experience of adopting advance procurement actions in the national legal system could be introduced and executed in other DMCs which will help eliminate start-up delays in projects.

Follow-up Actions

Mongolia's public procurement reform is still evolving due to a new draft PPLM revision which is currently under discussion and approval of the Cabinet. Continuous knowledge support from ADB in this regard is crucial. Following new PPLM revision, the country's regulatory framework needs significant improvement to update the current regulations and standard bidding documents at the central level, and regulate and monitor public procurement activities in both central and local governments. ADB should continue to support the Mongolia's national e-procurement system, and procurement policy capacity. As the TA helped the Government of Mongolia define the functional features for the national e-procurement system to meet the basic requirements of multilateral development banks, pilot use of the national e-procurement system for bidding of ADB-financed procurements are recommended for the follow-up actions from ADB.

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DESIGN AND MONITORING FRAMEWORK

Impact Country portfolio performance strengthened (<i>Strategy 2020; Mongolia COBP 2016</i>) ^a		
Results Chain	Performance Indicators with Targets and Baselines	Achievements
Outcome Public procurement system in Mongolia for implementing Government of Mongolia and ODA-funded projects strengthened	By 2022, at least 90% of sovereign operations' performance at implementation rated <i>satisfactory</i> (2015 baseline: 80%)	By 31 December 2020, 84.1% of sovereign operations' performance at implementation rated satisfactory. As of 31 December 2021, 75.0% of sovereign operations' performance at implementation rated satisfactory. ^{b,c,d}
Outputs 1. Advance procurement action for ADB and other ODA-funded projects in Mongolia applied 2. Institutional capacity building of the MOF LPPD strengthened	<p>1a. Legal environment for advance procurement action developed by Q4 2019 (2016 baseline: 0)</p> <p>1b. One study tour for at least 8 officials in 2017 (2016 baseline: 0)^e</p> <p>1c. Legal environment for advance procurement action developed by Q4 2019 (2016 baseline: 0)^f</p> <p>2a. Two regulation manuals or guidelines for public procurement audit and inspections finalized and approved by Q2 2018 (2016 baseline: 0)</p> <p>2b. At least 8 officials in 1 study tour and 40 officials in 4 in-country training reports improved skills on public procurement audit and inspection (2016 baseline: 0)</p> <p>2c. At least 5 public procurement regulations and 3 standard bidding documents updated by Q4 2021 (2019 baseline: 0)^f</p>	<p>1a. The amendment to the PPLM to allow the use of advance procurement action in project implementation was ratified by the Parliament on 22 March 2019. (2019 achievement: 100%) https://www.legalinfo.mn/law/details/493</p> <p>1b. TA supported the study tour (7 officials) to Indonesia and Philippines in Q3 2017. (2017 achievement: 100%)</p> <p>1c. The advance procurement regulation was approved by the Finance Minister's order # 208 on 23 September 2019. (2019 achievement: 100%) https://www.legalinfo.mn/law/details/14657</p> <p>2a. The public procurement internal audit regulation was approved by the Finance Minister's order # 365 on 15 December 2017. The public procurement inspection manual was endorsed by the Ministry of Finance on 15 December 2017 and disseminated for internal use to all state public procurement inspectors. (2017 achievement: 100%) http://www.spa.gov.mn/file/2388</p> <p>2b. A study tour of 8 officials to Austria was undertaken in Q4 2017. Ten in-country trainings for 194 audit and inspection officials were conducted in Q1–Q3 of 2018. (2018 achievement: 100%)</p> <p>2c. TA updated seven public procurement regulations: (i) State public procurement inspector regulation: The Cabinet decree # 274, 3 July 2019; https://www.legalinfo.mn/law/details/14543 (ii) Regulation on restricting bidder from participating in a bid: The Cabinet decree # 274, 3 July 2019; https://www.legalinfo.mn/law/details/14543 (iii) Regulation on public procurement complaint review: The Finance Minister's order # 131, 4 June 2019; https://www.legalinfo.mn/law/details/14468 (iv) Regulation on disclosing bid related documents to the participating bidders: The Finance Minister's order # 132, 4 June 2019; https://www.legalinfo.mn/law/details/14484</p>

Results Chain	Performance Indicators with Targets and Baselines	Achievements
3. Procurement capacity of government agencies, including the SPPCA, improved	<p>3a. One training program for at least 30 officials completed by Q2 2017 (2016 baseline: 0)</p> <p>3b. Four trainings (including 3 in-house and 1 overseas, and including numerous on-the-job trainings) for at least 60 officials conducted by Q2 2017 (2016 baseline: 0)</p> <p>3c. At least 200 officials report improved procurement skills on the current and new ADB Procurement Policy and Procurement Regulations by Q4 2021 (2018 baseline: 0)^e</p> <p>3d. Three key guidance notes translated and distributed by Q4 2021 (2018 baseline: 0)^e</p>	<p>(v) Advance procurement regulation: The Finance Minister's order # 208, 23 September 2019. https://www.legalinfo.mn/law/details/14657</p> <p>(vi) Regulation on procurement planning and reporting: The Finance Minister's order # 102, 30 June 2021; https://www.legalinfo.mn/law/details/16763?lawid=16763</p> <p>(vii) Regulation on evaluation committee operation: The Finance Minister's order # 103, 30 June 2021; https://www.legalinfo.mn/law/details/16762?lawid=16762</p> <p>Three (3) standard bidding documents were updated and approved by the Finance Minister's order # 124 on 30 July 2021:</p> <p>(i) Standard bidding document for goods (shopping); (ii) Standard bidding document for works (shopping); (iii) Standard bidding document for non-consulting services (shopping) (2021 achievement: 100%)</p> <p>3a. Training programs for four target groups were developed and approved in Q2 2017. (2017 achievement: 100%)</p> <p>3b. Five in-house trainings for 177 officials were conducted in Q2 and Q3 2017 and two on-the-job trainings for the procurement staff of SPA were conducted in the first half of 2018. One overseas training for 14 officials was organized in Q4 2017. (2018 achievement: 100%)</p> <p>3c. Trainings for officials and officers of project executing agencies and project implementation units on current and new ADB Procurement Policy and Procurement Regulations were organized for 140 officials, 50 in April 2019, 30 in September 2019, and 60 in November 2020. The training reports were submitted to ADB, reviewed, and accepted. Due to the COVID-19 pandemic in Mongolia and the government lockdown restrictions, training for remaining 60 staff which was planned to be organized in March 2021 did not materialize. Instead ADB conducted 23 independent procurement clinics for 123 government officials virtually from 27 September to 12 October 2021. (2021 achievement: 100%)</p> <p>3d. The Mongolian version of three ADB procurement guidance notes were translated and uploaded in ADB website for government, bidders, civil society organizations, and others. (2020 achievement: 100%) https://www.adb.org/mn/documents/open-competitive-bidding https://www.adb.org/mn/documents/consulting-services https://www.adb.org/mn/documents/procurement-subcontracting</p>
4. Skills of implementing agencies and the MOF in project and	4a. Two training programs for at least 50 officials completed by Q1 2017 (2016 baseline: 0)	4a. A project management training program for 60 officials was completed in Q3 2017 and a contract management training program for 60 officials was completed in Q1 2018. (2018 achievement: 100%)

Results Chain	Performance Indicators with Targets and Baselines	Achievements
contract management enhanced	<p>4b. Two training materials finalized and distributed by Q1 2017 (2016 baseline: 0)</p> <p>4c. Two training projects for at least 50 officials on project and contract management conducted by Q2 2017 (2016 baseline: 0)</p> <p>4d. Two trainings for FIDIC/ENAA contracts conducted by Q4 2021 (2019 baseline: 0)^f</p>	<p>4b. The project management training materials were finalized in Q3 2017 and distributed in Q4 2017; and the contract management training materials were finalized and distributed in Q1 2018. (2018 achievement: 100%)</p> <p>4c. The TA trained 60 officials on project management in Q4 2017 and 60 officials on contract management in Q1 2018. In addition, TA financed all logistics expenses (venue, meals, rental of translation equipment, and synchronized interpretation) of FIDIC training for 85 government officials. Moreover, TA trained MNRM operations staff on contract management. (2018 achievement: 100%)</p> <p>4d. A new indicator added in 18 December 2019 through the second additional fund of \$900,000. The trainings were planned to be implemented in June 2020. Due to the COVID-19 pandemic and the government lockdown restrictions, and based on the formal written request of MOF, the trainings were canceled, and the unutilized amount was used to purchase hardware to increase backup capacity of MEPS (item 6c). (2021 achievement: 0%)</p>
5. Capacity of officials for implementing the framework agreement strengthened ^e	<p>5a. One nationwide survey for potential goods and services under the framework agreement conducted by Q2–Q3 2019 (2018 baseline: 0)^e</p> <p>5b. One guidance note of conducting a survey to define potential goods and services finalized and approved by Q3 2019 (2018 baseline: 0)^e</p> <p>5c. At least 8 officials in a study tour report improved skills on framework agreement by Q1–Q2 2019 (2018 baseline: 0)^e</p> <p>5d. At least 1,500 officials report improved skills on framework agreement by Q3–Q4 2019. (2018 Baseline: 0)^e</p> <p>5e. Second nationwide survey for potential goods and services under the framework agreement conducted by Q3 2021 (2018 baseline: 0)^f</p>	<p>5a. The nationwide survey for potential goods and services under the framework agreement was conducted in Q3 2019. The survey result was submitted to MOF, SPA, and ADB. Results were reviewed and accepted. (2019 achievement: 100%)</p> <p>5b. The guideline to conduct a survey for potential goods and services procured under the framework agreement was developed and accepted in Q3 2019. (2019 achievement: 100%)</p> <p>5c. A study tour for 10 officials to Sweden was organized in Q1 2019. The study tour report was submitted, reviewed, and accepted by ADB. (2019 achievement: 100%)</p> <p>5d. The TA trained 2,705 officials through 58 nationwide trainings in Q2–Q4 2019. The training reports were submitted, reviewed, and accepted by ADB. (2019 achievement: 100%)</p> <p>5e. The TA conducted the second nationwide survey for potential goods and services to be procured under the framework agreement from Q3 2020 to Q3 2021. (2021 achievement: 100%)</p>
6. National e-procurement platform assessed ^e	<p>6a. Assessment on current national e-procurement platform conducted along with recommendation for improvement by Q2 2019 (2018 baseline: 0)^e</p> <p>6b. Mongolian e-procurement system audited by certified international audit firm by Q4 2021 (2019 baseline: 0)^f</p>	<p>6a. The assessment on the current national e-procurement platform was done in Q3 2019. The report and recommendations to improve the platform were accepted by MOF, SPA, and ADB. (2019 achievement: 100%)</p> <p>6b. The TA audited the national e-procurement system in Q2–Q3 2021. The report and recommendations to improve the e-procurement system were accepted by MOF, SPA, and ADB. (2021 achievement: 100%)</p>

Results Chain	Performance Indicators with Targets and Baselines	Achievements
7. E-catalogue for goods offered at the market developed. ^f	<p>6c. Hardware backup capacity for MEPS build by Q4 2021 (2019 baseline: 0)^f</p> <p>7a. Report on technical and functional requirements for developing e-catalogue produced by Q4 2020 (2019 baseline: 0)^f</p> <p>7b. E-catalogue for goods accepted by Q4 2021 (2019 baseline: 0)^f</p>	<p>6c. The TA provided IT equipment, including servers, firewalls, storages, hard drives in Q2–Q3 2021. (2021 achievement: 100%)</p> <p>7a. The report on technical and functional requirements for developing e-catalogue for goods was completed and submitted to SPA, MOF, and ADB in Q4 2020. (2020 achievement: 100%)</p> <p>7b. The TA developed the e-catalogue for goods and accepted by MOF and SPA in Q2–Q3 2021. (2021 achievement: 100%)</p>
Actual Key Activities with Milestones		
<p>1. Advance procurement action for ADB and other official development assistance-funded projects in Mongolia applied.</p> <p>1.1 Analyzed and assessed the current legal environment, including relevant laws in Q1 2017. Based on these assessments, MOF concluded to draft an amendment to PPLM with exclusion of the Budget Law.</p> <p>1.2 Drafted the amendment to PPLM to allow the use of advance procurement and consultant recruitment actions in Q4 2017.</p> <p>1.3 Reviewed and provided recommendations on draft amendment to PPLM to allow the use of advance procurement and consultant recruitment actions in Q2 2018.</p> <p>1.4 Assisted the MOF in organizing consultative meetings with the LPPD, line ministries, and members of Parliament to reach a consensus and introduce the recommendations on advance actions in Q4 2018.</p> <p>2. Institutional capacity building of the Legal and Procurement Policy Department strengthened.</p> <p>2.1 Reviewed the international regulation documents and analyzed the best international practices in procurement audit, inspection, and advance procurement actions applicable to Mongolia in Q2 2017.</p> <p>2.2 Prepared manuals and guidance for procurement audit and inspection in Q4 2017.</p> <p>2.3 Reviewed and provided recommendations on draft manuals and guidance to the LPPD and the MNAO in Q1 2018.</p> <p>2.4 Assisted the MOF in organizing consultative meetings and workshops with the LPPD, the MNAO, line ministries, and CSOs to reach a consensus and introduce the recommendations on procurement audits and inspections in Q2 2018.</p> <p>2.5 Enhanced the knowledge and qualifications of the LPPD staff in charge of procurement policy, audit, and inspection via the overseas study tour in October 2017 and in-country trainings in Q1–Q3 2018.</p> <p>2.6 Reviewed public procurement regulations and standard bidding documents and prepare revised versions of these documents in Q4 2020–Q2 2021.</p> <p>2.7 Finalized revisions of public procurement regulations and standard bidding documents in Q3 2021.</p> <p>3. Procurement capacity of government agencies, including the State Property Policy and Coordination Agency, improved.</p> <p>3.1 Assessed training needs to enhance the knowledge and understanding of ADB and other multilateral development bank procurement and consulting services guidelines and other good international practice procurement documentation, such as the ADB Guide on Bid Evaluation in Q1 2017.</p> <p>3.2 Assessed the CSOs' involvement in bid evaluation committees to improve procurement transparency in Q2 2017.</p> <p>3.3 Designed training programs on procurement for government agencies and CSOs in Q2 2017.</p> <p>3.4 Prepared training materials, covering procurement planning, packaging, advertisement, bidding and evaluation, contract awards, contract administration, and anticorruption policy and measures in ADB procurement and consultant selection for government agencies and CSOs in Q3 2017.</p> <p>3.5 Delivered presentations at the workshops in Q4 2017.</p> <p>3.6 Conducted the trainings on New ADB Procurement Policy and Procurement Regulations in April 2019, and October 2020. Due to COVID-19 pandemic, the 23 virtual procurement clinics were conducted in October to November 2021.</p>		

<p>4. Skills of implementing agencies and the Ministry of Finance in project and contract management enhanced.</p> <p>4.1 Designed training programs on FIDIC and consulting services contracts, including contract provisions and contract management for executing and implementing agencies in Q3 2017.</p> <p>4.2 Prepared training materials covering FIDIC and consulting services contracts, including contract provisions and contract management in Q3 2017.</p> <p>4.3 Delivered presentations at the workshops in Q1 2018. Workshops were conducted for 60 officials on project management in Q4 2017 and for 60 officials on contract management including FIDIC in Q1 2018.</p> <p>4.4 Due to COVID-19 pandemic, the FIDIC/ENAA trainings were canceled.</p> <p>5. Capacity of officials for implementing the framework agreement strengthened.</p> <p>5.1 Improved the government officials' knowledge and understanding of applying the framework agreement in practice via trainings (Q2–Q3 2019).</p> <p>5.2 Developed instructions for conducting surveys to identify potential goods and services to be procured under the framework agreement (Q3 2019).</p> <p>5.3 Conducted surveys to identify potential goods and services to be procured under the framework agreement (Q2–Q3 2019/Q3 2021).</p> <p>5.4 Enhanced the knowledge and qualifications of the MOF staff in charge of procurement policy and implementation via the overseas study tour to Sweden in March 2019.</p> <p>6. National e-procurement platform assessed.</p> <p>6.1 Assessed the current national e-procurement platform and provide recommendations for improvement in May 2019.</p> <p>6.2 Conducted IT auditing of the Mongolian e-procurement system by certified international audit firm in September 2021.</p> <p>6.3 Procured and installed hardware for backing up the Mongolian e-procurement system in August 2021.</p> <p>7. E-catalogue for goods offered at the market developed.</p> <p>7.1 Prepared technical and functional requirements for developing the e-catalogue in December 2020.</p> <p>7.2 Developed and accepted the e-catalogue for goods offered at the market in August 2021.</p> <p>Actual Inputs</p> <p>Asian Development Bank: \$1,776,135.64</p> <p>Government: \$60,000.00 (estimated in-kind contribution from the government in the form of counterpart staff, office accommodation, office furniture and computers for the project implementation unit and individual consultants, venues for meetings, access to data)</p>
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ADB = Asian Development Bank, COBP = country operations business plan, COVID-19 = coronavirus disease, CSO = civil society organization, ENAA = Engineering Advancement Association of Japan, FIDIC = International Federation of Consulting Engineers (commonly known as FIDIC, acronym for its French name *Fédération Internationale Des Ingénieurs-Conseils*), IT = information technology, LPPD = Legal and Procurement Policy Department, MEPS = Mongolia e-Procurement System, MNAO = Mongolia National Audit Office, MOF = Ministry of Finance, ODA = official development assistance, PPLM = Public Procurement Law of Mongolia, SPA = State Procurement Agency, SPPCA = State Property Policy and Coordination Agency, TA = technical assistance.

^a ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila; and ADB. 2016. *Country Operations Business Plan: Mongolia, 2016*. Manila.

^b As the TA is dedicated entirely for procurement, the implementation rating was based on the performance indicator “Contract Awards” for all sovereign operations in Mongolia.

^c The COVID-19 pandemic has impacted the ADB's sovereign operations in 2020, and drastically in 2021 as Mongolia, the PRC and the Russian Federation unilaterally closed the air and land border several times with duration of two weeks, one month or above per each closure time for the period of late 2020 and throughout 2021, and the shortages of goods, materials, products and equipments caused by the COVID-19 pandemic quickly became a major issue worldwide, as did interruptions to the global supply chain. In addition, suspension of approving the withdrawal applications by MOF has impacted too.

^d Source: Asian Development Bank estimates.

^e ADB (East Asia Department). 2018. Increase in TA Amount, Major Changes in TA Scope, and Minor Changes in Implementation Arrangements. Memorandum. 15 November (internal).

^f ADB (East Asia Department). 2019. Increase in TA Amount, Major Changes in TA Scope, and Minor Changes in Implementation Arrangements. Memorandum. 18 December (internal).

TECHNICAL ASSISTANCE COST

Table A2.1: Technical Assistance Cost by Activity
(\$'000)

Item	Amount			
	Original	Revised ^a	Revised ^b	Actual
1. Consultants	610.0	615.0	1,096.5	993.1
2. Goods	0.0	0.0	440.0	435.7
3. Training, seminars and/or conferences	90.0	385.0	392.1	323.5
4. Surveys	0.0	70.0	0.0	0.0
5. Miscellaneous TA administration	10.0	40.0	35.0	23.8
6. Contingency	40.0	40.0	86.4	0.0
Total	750.0	1,150.0	2,050.0	1,776.1

TA = technical assistance.

^a Increase in TA amount by \$400,000 approved on 15 November 2018.

^b Increase in TA amount by \$900,000 approved on 18 December 2019 and last cost reallocation was approved on 24 June 2021.

Source: Asian Development Bank.

Table A2.2: Technical Assistance Cost by Fund
(\$'000)

	TASF	Total Cost
1. Original	750.0	750.0
2. Revised	2,050.0	2,050.0
3. Actual	1,776.1	1,776.1
4. Unused	273.9	273.9

TASF = Technical Assistance Special Fund

Source: Asian Development Bank.