

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



## Mongolia: 2020 Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments (\$ million)<sup>a</sup>

Product Type	Sovereign	Nonsovereign	Total
Loans	371.28	15.12	386.40
Grants	17.00	-	17.00
Technical Assistance <sup>b</sup>	15.57	0.37	15.94
Trade and Supply Chain Finance and Microfinance <sup>c</sup>	-	19.75	19.75
<b>Total</b>	<b>403.85</b>	<b>35.24</b>	<b>439.09</b>

- = nil, DMC = developing member country, TA = technical assistance.

Notes:  
Commitment is the financing approved by ADB's Board of Directors or Management for which the legal agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and TA include ADB-administered cofinancing.

<sup>a</sup> Numbers may not sum precisely because of rounding.

<sup>b</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

<sup>c</sup> ADB-financed commitments from nonsovereign revolving programs of which \$14.62 million is short term.

## Mongolia: Cumulative Loans, Grants, Equity Investments, Technical Assistance, and Trade and Supply Chain Finance and Microfinance Program Commitments<sup>a, b, c, d</sup>

Sector	Projects and	Total	%	COVID-19
	No.	Amount <sup>e</sup> (\$ million) <sup>a</sup>	Amount <sup>e</sup> (\$ million) <sup>a</sup>	Response (\$ million) <sup>e</sup>
<b>Technical Assistance</b>	<b>432</b>	<b>3,731.60</b>	<b>95.67</b>	<b>177.50</b>
Agriculture, Natural Resources, and Rural Development	57	240.60	6.17	15.95
Education	32	183.28	4.70	-
Energy	41	457.01	11.72	-
Finance	57	419.17	10.75	0.07
Health	49	304.80	7.81	34.40
Industry and Trade	18	208.64	5.35	0.21
Information and Communication Technology	4	81.85	2.10	0.07
Multisector	7	22.03	0.56	-
Public Sector Management	69	696.42	17.85	126.80
Transport	55	691.92	17.74	-
Water and Other Urban Infrastructure and Services	43	425.89	10.92	-
<b>Trade and Supply Chain Finance and Microfinance<sup>f</sup></b>	<b>653</b>	<b>168.86</b>	<b>4.33</b>	<b>11.13</b>
Finance	330	84.43	2.16	5.56
Industry and Trade	323	84.43	2.16	5.56
<b>Total</b>	<b>1,085</b>	<b>3,900.46</b>	<b>100.00</b>	<b>188.63</b>

- = nil, COVID-19 = coronavirus disease, DMC = developing member country, TA = technical assistance.

<sup>a</sup> Grants and TA include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Financing for TA projects with regional coverage is distributed to their specific DMCs where breakdown is available.

<sup>e</sup> Numbers may not sum precisely because of rounding.

<sup>f</sup> ADB-financed commitments from nonsovereign revolving programs of which \$121 million is short term.

Building on a 3-decade partnership, ADB will use sovereign, nonsovereign, and knowledge initiatives to ensure that Mongolia is resilient to the impacts of the pandemic and can continue to progress toward long-term sustainable and inclusive development.

## MONGOLIA

Prior to the coronavirus disease (COVID-19) outbreak, the country's economic growth averaged 5.9% during 2017–2020, boosted by stronger external demand and a recovery in foreign direct investment.

COVID-19 has put the economy under deep pressure, despite resolute action taken by the Government of Mongolia to contain the virus. Gross domestic product contracted by 5.3% in 2020.

The Asian Development Bank (ADB) has been Mongolia's largest multilateral development partner since 1991, supporting the country's transformation to a middle-income, market-based economy.

Since 1991, ADB has committed sovereign loans totaling \$3 billion, nonsovereign loans totaling \$182.1 million, grants of \$335.7 million, and technical assistance worth \$187.1 million for Mongolia. Cumulative loan and grant disbursements to Mongolia amount to \$2.42 billion. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

## ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2020, ADB provided immediate COVID-19 support for Mongolia to improve preparedness and response, prevent domestic violence, and manage the risk of food insecurity. [Asia Pacific Disaster Response Fund](#) resources were also tapped for two emergency response grants.

ADB's [COVID-19 Rapid Response Program](#) loan of \$100 million helped the government mitigate severe health and economic impacts, deliver medical equipment and supplies, and improve infection control and testing capacities. The program ensured vulnerable female employees, including those in micro, small, and medium-sized enterprises, benefited from tailored social protection and job retention support.



ADB also approved a [\\$30 million health sector development project \(additional financing\)](#) to improve the capacity and hygiene of hospitals, and committed \$26.4 million for cash transfers to needy households affected by the pandemic.

In 2020, ADB continued its support for inclusive and sustainable development in Mongolia. Through a \$2 million grant from the [Japan Fund for Poverty Reduction \(JFPR\)](#), an inclusive education project will help [improve accessibility in schools and kindergartens](#), while a \$100 million loan and a \$3 million grant will install 125 megawatts of [advanced battery energy storage](#)—the first such system in Mongolia and among the largest globally. Suited to Mongolia's cold climate and charged entirely by renewable electricity, the system is expected to avoid 842,039 tons of carbon dioxide emissions annually from 2025.

In Ulaanbaatar, ADB committed \$43.65 million for [urban services and ger area development](#), benefitting 840,000 people by constructing roads, flood protection channels, electricity cables, water and sewerage pipelines, and social facilities. To improve air quality and public health, ADB released another \$60 million for [air quality improvement](#)

efforts in the capital city. The bank also administers a JFPR grant of \$2 million to improve solid waste management and recycling in four secondary cities.

[Underpinning agriculture](#), ADB provided a \$40 million loan and a \$2 million JFPR grant to establish efficient and climate-resilient irrigation systems, benefitting 3,458 farming households.

ADB also committed a \$30 million loan to develop and operationalize the [Zamyn-Uud free zone as part of economic cooperation](#) between Mongolia and the People's Republic of China.

To ensure the policy relevance of its knowledge products, ADB continued its bilingual policy note series with an issue titled [Boosting Mongolia's Long-Term Economic Growth through More Equal Labor Force Participation between Men and Women](#). The publication provides concrete recommendations to increase women's participation in the economy through the labor code improvements and the business enabling environment. ADB also published a book setting out policy recommendations to address the country's main development challenges and opportunities.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments in loans and equity investments from ADB's own funds in 2020 amounted to \$1.4 billion for 38 transactions in economic and social infrastructure, finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2020, ADB mobilized \$1.9 billion of long-term project cofinancing and \$3.3 billion of cofinancing through its [Trade and Supply Chain Finance Program](#) and [Microfinance Program](#). Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$14.3 billion as of 31 December 2020.

In 2020, commitments from ADB's own funds amounted to \$15.1 million for a wheat supply chain liquidity support project and a dairy value chain project in Mongolia. Total outstanding balances and commitments of ADB's nonsovereign transactions in the country as of 31 December 2020 was \$69.5 million, representing 0.5% of ADB's total nonsovereign portfolio.

### Mongolia: Evaluation Results for Sovereign and Nonsovereign Operations, 2011–2020

	Total Number of Validated and Evaluated Projects and Programs	Evaluation Ratings		
		Highly successful and successful	Less than successful	Unsuccessful
Sovereign Operations	14	8	6	–
Nonsovereign Operations	4	1	3	–

– = nil, IED = Independent Evaluation Department.

Note: The figures indicate the number of sovereign and nonsovereign operations in the country that have been validated or evaluated by the IED and their overall performance ratings. The coverage consists of all validated or evaluated project completion reports and extended annual review reports circulated by ADB within the 10-year period from 1 July 2010 to 30 June 2020. See [evaluations](#) related to Mongolia.

Source: IED success rate database (as of 31 December 2020).

### Mongolia: Projects Cofinanced, 1 January 2016–31 December 2020

Cofinancing	No. of Projects	Amount (\$ million)
Sovereign <sup>a</sup>	51	438.62
Loans	6	298.29
Grants	17	112.88
Technical Assistance	29	27.45
Nonsovereign	2	122.20

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Mongolia: Ordinary Capital Resources Nonsovereign Commitments by Product

	2020	2016–2020
Number of Transactions Signed (OCR)	1	4
Number of Transactions Signed (Programs)	35	426
	Amount (\$ million)	
Loans	15.12	62.10
Equity Investments	–	–
Guarantees	–	–
Trade and Supply Chain Finance Program and Microfinance Program	19.75	91.48
<b>Total</b>	<b>34.87</b>	<b>153.58</b>

– = nil, OCR = ordinary capital resources.

### Mongolia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2019–2020

	2019 (\$ million)	2020 (\$ million)
No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2020)		44
Contract Awards <sup>b, c</sup>	134.48	160.10
Disbursements <sup>b</sup>	261.58	330.07
No. of Ongoing Grants <sup>a, d</sup> (as of 31 Dec 2020)		2
Contract Awards <sup>b, c, d</sup>	0.95	5.08
Disbursements <sup>b, d</sup>	0.75	7.28
At Risk Projects (%) (as of 31 Dec 2020)		11

<sup>a</sup> Based on commitments.

<sup>b</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>c</sup> Excludes policy-based, results-based, and financial intermediation/credit loans and grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

## Mongolia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2019		2020		Cumulative (as of 31 Dec 2020)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	198.15	1.40	282.82	1.24	1,565.16	0.72
Consulting Services	9.67	1.28	12.04	1.64	64.43	0.46
<b>Total Procurement</b>	<b>207.82</b>	<b>1.39</b>	<b>294.86</b>	<b>1.25</b>	<b>1,629.59</b>	<b>0.71</b>

### Top 5 Contractors/Suppliers from Mongolia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2016–31 December 2020

Contractor/Supplier	Sector	Contract Amount (\$ million)
VAMED Engineering	HLT	13.30
Comfort Impex LLC	WUS	11.14
HKB International Holding LLC	IND, TRA	9.88
IT Zone LLC	EDU, ENE, FIN, HLT, PSM, TRA, WUS	9.81
Medimpex International LLC	ANR, EDU, HLT, IND	9.63
Others		907.91
<b>Total</b>		<b>961.67</b>

ANR = agriculture, natural resources, and rural development; EDU = education; ENE = energy; FIN = finance; HLT = health; IND = industry and trade; PSM = public sector management; TRA = transport; WUS = water and other urban infrastructure and services.

### Top 5 Consultants from Mongolia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2016–31 December 2020

Consultant	Sector	Contract Amount (\$ million)
Monconsult LLC	ANR, TRA	2.36
BDO Audit LLC	PSM	2.31
IT Zone LLC	HLT	1.55
Tatakh Khuch LLC	EDU, IND	1.40
Richwell Engineering LLC	WUS	1.10
Individual Consultants		20.46
Others		15.16
<b>Total</b>		<b>44.33</b>

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; IND = industry and trade; PSM = public sector management; TRA = transport; WUS = water and other urban infrastructure and services.

## PARTNERSHIPS

ADB and the government continue to work with the World Health Organization, the United Nations Development Programme, the United Nations Children's Fund (UNICEF), the European Investment Bank, the Japan International Cooperation Agency, the German Corporation for International Cooperation, the Bill & Melinda Gates Foundation, the Clean Energy Financing Partnership Facility, the e-Asia and Knowledge Partnership Fund, the Financial Sector Development Partnership Fund, the Asia Foundation, the United Nations Human Settlements Programme (UN-Habitat), and the World Bank. Close coordination was instrumental in containing the consequences of COVID-19.

ADB also established a Civil Society Advisory Committee to guide its operations in Mongolia and organized nine separate consultations with civil society organizations on preparing a new country partnership strategy as well as close dialogue on ongoing projects.

## FINANCING PARTNERSHIPS

Financing partnerships enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds

are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program.

ADB began cofinancing operations in Mongolia in 1994. Since then, sovereign cofinancing commitments for Mongolia have amounted to \$513.72 million for 47 investment projects and \$60.1 million for 66 technical assistance projects. Nonsovereign cofinancing for Mongolia has amounted to \$188.05 million for five investment projects and \$0.22 million for one technical assistance project.

In 2020, Mongolia received a total of \$123.65 million loan cofinancing from the Asian Infrastructure Investment Bank, the European Investment Bank, and the World Bank for three investment projects; and a total of \$14.5 million grant cofinancing from the High Level Technology Fund and the Japan Fund for Poverty Reduction, for seven investment projects.

A summary of projects with cofinancing from 1 January 2016 to 31 December 2020 is available at [www.adb.org/countries/mongolia/cofinancing](http://www.adb.org/countries/mongolia/cofinancing).

## PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from all ADB members.

### Share of ADB's Procurement Contracts

#### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$14.19 billion in 2019 and \$22.79 billion in 2020. Cumulative procurement since 1966 has been \$216.35 billion covering 222,415 contracts.

For contractors and suppliers from Mongolia, 3,509 contracts worth \$1.57 billion have been awarded since 1991.

#### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$756.72 million in 2019 and \$732.11 million in 2020. Cumulative procurement since 1966 has been \$14.13 billion covering 67,086 contracts.

For consultants from Mongolia, 1,624 contracts worth \$64.43 million have been awarded since 1991.

## OPERATIONAL CHALLENGES

Despite improvement in macroeconomic stability before COVID-19, Mongolia remains vulnerable to shocks. The economic base needs to be broadened and diversified. Small and medium-sized enterprises can stimulate diversification and ensure more inclusive growth, particularly in developing value chains for Mongolia's unique agricultural resources. This requires expanded access to finance, infrastructure investment, and regional integration to improve

connectivity and access to external markets. Developing a more skilled workforce and enhancing the quality of life in urban areas will be critical. Policy reform and institutional strengthening will be needed to improve the inclusiveness and efficiency of social service delivery. Rapid urbanization, a poorly regulated mining sector, and the impacts of climate change are causing significant environmental degradation, and these issues must be addressed.

## FUTURE DIRECTIONS

ADB is developing a new country partnership strategy, 2021–2024

for Mongolia. It will focus on supporting the country's COVID-19 recovery as well as encouraging sustainable and inclusive growth. ADB will use sovereign, nonsovereign, and knowledge initiatives to ensure that Mongolia's economy is resilient to the impacts of the pandemic. The bank will work with the government to give people the skills to fulfil their potential and help shape a diversified, environmentally responsible, and socially equitable economy. ADB will also intensify its cofinancing partnerships, providing additional resources and knowledge products to address Mongolia's most-pressing development issues.

## ABOUT MONGOLIA AND ADB

### ADB Membership

Joined 1991

### Shareholding and Voting Power

Number of shares held: 1,596 (0.015% of total shares)  
Votes: 40,710 (0.306% of total membership, 0.47% of total regional membership)

\*Overall capital subscription: \$22.99 million

\*Paid-in capital subscription: \$1.15 million

\*United States dollar figures are valued at rate as of 31 December 2020.

**Javkhlan Bold** is the Governor and **Lkhagvasuren Byadran** is the Alternate Governor for Mongolia in ADB.

**Noor Ahmed** is the Director and **Paul Dominguez** is the Alternate Director representing Mongolia on the ADB Board of Directors.

**Pavit Ramachandran** is the ADB Country Director for Mongolia. The Mongolia Resident Mission was opened in 2001, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Mongolia.

The Mongolia government agencies handling ADB affairs are the Ministry of Finance and the Bank of Mongolia (the Central Bank).

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from Asia and the Pacific and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2020, lending volume was \$26.9 billion (149 projects), with technical assistance at \$293.56 million (275 projects) and grant-financed projects at \$1.08 billion (62 projects). In addition, \$16.41 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade and Supply Chain Finance Program and Microfinance Program. From 1 January 2016 to 31 December 2020, ADB's annual lending volume averaged \$19.69 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$805.5 million and \$230.81 million respectively over the same period. As of 31 December 2020, the cumulative commitments excluding cofinancing were \$323.17 billion in loans for 3,369 projects in 44 countries, \$11.3 billion in 495 grants, and \$5.01 billion in technical assistance grants, including regional technical assistance grants.

Notes:

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars. Data are updated as of 31 December 2020 unless otherwise indicated.

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### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

ADB Data Library  
[data.adb.org](http://data.adb.org)