

Project Administration Manual

Project Number: 47174-001
Loan Number: 3387
April 2016

Mongolia: Regional Improvement of Border Services

Contents

ABBREVIATIONS	IV
I. PROJECT DESCRIPTION	1
II. IMPLEMENTATION PLAN	5
A. Project Readiness Activities	5
B. Overall Project Implementation Plan	6
III. PROJECT MANAGEMENT ARRANGEMENTS	9
A. Project Implementation Organizations–Roles and Responsibilities	9
B. Key Persons Involved in Implementation	11
C. Project Organization Structure	12
IV. COSTS AND FINANCING	13
A. Detailed Cost Estimates by Expenditure Category	14
B. Allocation and Withdrawal of Loan Proceeds	15
C. Detailed Cost Estimates by Financier (\$ million)	16
D. Detailed Cost Estimates by Outputs/Components (\$ million)	17
E. Detailed Cost Estimates by Year	18
F. Contract and Disbursement S-curve	19
G. Fund Flow Diagram	20
V. FINANCIAL MANAGEMENT	20
A. Financial Management Assessment	20
B. Disbursement	22
C. Accounting	23
D. Auditing	24
E. Public Disclosure	24
VI. PROCUREMENT AND CONSULTING SERVICES	24
A. Advance Contracting and Retroactive Financing	24
B. Procurement of Goods, Works and Consulting Services	24
C. Procurement Plan	25
D. Consultant's Terms of Reference	29
VII. SAFEGUARDS	39
A. Environment	39
B. Indigenous Peoples	39
C. Involuntary Resettlement	39
VIII. GENDER AND SOCIAL DIMENSIONS	40
IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION	42
A. Project Design and Monitoring Framework	42
B. Monitoring	44
C. Evaluation	46
D. Reporting	46
E. Stakeholder Communication Strategy	47
X. ANTICORRUPTION POLICY	48
XI. ACCOUNTABILITY MECHANISM	48
XII. RECORD OF PAM CHANGES	48

Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with Government and Asian Development Bank (ADB) policies and procedures. The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Ministry of Finance and the General Authority of Customs and Taxation are wholly responsible for the implementation of ADB financed projects, as agreed jointly between the borrower and ADB, and in accordance with Government and ADB's policies and procedures. ADB staff is responsible to support implementation including compliance by the Ministry of Finance and the Mongolian Customs General Administration of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At Loan Negotiations the borrower and ADB shall agree to the PAM and ensure consistency with the Loan agreement. Such agreement shall be reflected in the minutes of the Loan Negotiations. In the event of any discrepancy or contradiction between the PAM and the Loan Agreement, the provisions of the Loan Agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP) changes in implementation arrangements are subject to agreement and approval pursuant to relevant Government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval they will be subsequently incorporated in the PAM.

Abbreviations

ADB	=	Asian Development Bank
AFS	=	audited financial statements
BCP	=	border crossing point
CAIS	=	Customs automated information system
CAREC	=	Central Asia Regional Economic Cooperation (Program)
CPMM	=	corridor performance measurement and monitoring
DMF	=	design and monitoring framework
EARF	=	environmental assessment and review framework
EMP	=	environmental management plan
ESMS	=	environmental and social management system
GACAP	=	governance and anticorruption action plan
GACT	=	General Authority of Customs and Taxation
GDP	=	gross domestic product
GOM	=	Government of Mongolia
ICB	=	international competitive bidding
ICT	=	information and communication technology
IEE	=	initial environmental examination
MOF	=	Ministry of Finance
NCB	=	national competitive bidding
NGOs	=	nongovernment organizations
OECD	=	Organization for Economic Cooperation and Development
PAI	=	project administration instructions
PAM	=	project administration manual
PIU	=	project implementation unit
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
RRP	=	report and recommendation of the President to the Board
RIBS	=	regional improvement of border services
SBD	=	standard bidding documents
SOE	=	statement of expenditure
SPS	=	Safeguard Policy Statement
SPRSS	=	summary poverty reduction and social strategy
TOR	=	terms of reference

I. PROJECT DESCRIPTION

A. Rationale, Location and Beneficiaries

1.**Rationale.** Mongolia's balance of trade is moving in a favorable direction. The region's abundance of natural resources and its agricultural sector has led to increase trade. In recent years much progress has been made to liberalize trade regimes and improve trading agreements with developed partners like Japan which would help Mongolia boost exports. However, market access alone is not a sufficient condition for harnessing trade for development. Poor trade facilitation significantly reduce Mongolia's comparative advantage in global markets.

2.In spite of significant improvements made on transport connectivity, the cost of trade is still high in Mongolia. In the 2016 World Bank Doing Business Report, Mongolia ranked 74 out of 189 countries on the ease of trading across borders. The Logistics Performance Index 2014 ranks Mongolia 135th out of 160 countries, and has one of the lowest scores for customs clearance and border crossing.¹ The time between accepted customs declaration and customs clearance is one day in Organization for Economic Cooperation and Development countries but it takes four times longer in Mongolia. In particular excessive physical inspections represent a major source of delay. Delays at border posts impose heavy costs on traders largely through storage, the securing of goods while in transit, and the payment of accompanying fees. More efficient international trade procedures and customs operations can significantly reduce trade transaction costs which could in turn result in increased volumes of trade and welfare gains.

3.Enhancing efficiency and transparency of trade processes and procedures is essential to facilitate cross border trade along Central Asia Regional Economic Cooperation (CAREC) corridors and reduce trade transactions costs in Mongolia. The proposed project will address this issue through rehabilitation and provision of modern equipment in three major border crossing points (BCPs), upgrading the Customs Automated Information System (CAIS) and preparatory work for the establishment of a Single Window (SW) system.

4.**Location.** Investments will focus on three border crossing points located along CAREC corridors 4B and 4C, namely, Altanbulag, Bichigt and Zamiin-Uud.

5.**Beneficiaries.** The primary project beneficiaries are (i) the government agency responsible for customs inspections and release of goods; (ii) civil servants responsible for carrying out customs border management functions; (iii) traders, truck drivers, freight forwarders, and transport service providers who generally conduct international trade and transport activities; (iv) the herders, farmers, employees, and owners of international trade dependent industries engaged in manufacturing, processing, and producing goods and commodities; and (v) communities situated in the vicinity of BCPs that depend on ease of access to cross-border markets. The poor and socially excluded would benefit indirectly from trade-led economic growth.

¹ World Bank. 2014. Logistics Performance Index. Global Rankings 2014.<http://lpi.worldbank.org/international/global>.

B. Impact and Outcome

6. The envisaged Project impact is increased trade and competitiveness as a result of efficient and predictable cross-border trade. The intended Project outcome is reduced cost and time of compliance with trade procedures.

C. Outputs

7. The Project will have three outputs:

8. Output 1: Facilities and equipment at Altanbulag, Bichigt, and Zamiin-Uud BCPs are upgraded and improved. The infrastructure and equipment at the three BCPs is relatively old and considered inefficient to provide an appropriate environment for customs officials and their clients. In addition, there is very limited cooperation among border agencies. Investments will focus on:

- (i) Rehabilitation and reorganization of BCP facilities to strengthen customs processing capacity and facilitate trade in line with modern customs practices. Space in the current used facilities will be optimized and reshaped to enhance its functionality (re-establishment of lanes, parking areas, directional and information signage and traffic flow re-engineering for vehicles and passengers. Separations systems between passengers and vehicles during entry and exit will be provided as well as independent electricity supply units. Checking and examination zones for cargo to be covered with a canopy serving a sheltered passageway.
- (ii) Provision of modern equipment to enable customs officials to effectively undertake their customs control function and reduce reliance on manual checks. This includes mobile x-ray units for cargo scanning, testing equipment for narcotics and explosives, mirrors for quick vehicle inspection, closed circuit television and base station monitors and surveillance. Training of customs officers on the use of newly acquire equipment and modern customs practices (i.e risk management techniques, coordinated border management, awareness rising of human trafficking). This will help ensure efficient operation of the BCPs, address the need of the border staff, traders and passengers, and handle the increasing traffic.

9. Output 2: Communication infrastructure for the CAIS is improved, and for General Authority of Customs and Taxation (GACT), systems are interoperable: The Mongolian Customs General Administration (MCGA) embarked on the largest information and communication technology (ICT) project to date with Asian Development Bank (ADB) support. The CAIS was launched in 2010 and since then the data center hardware has been upgraded, in particular the servers and storage devices. However, the software was only upgraded in 2013 funded with internal resources. Several user enhancements have been rolled out, including several functional features such as the expansion of the Customs External Portal interfaces and the implementation of the e-manifest. However, there is need for new upgrades for effective and efficient customs operations.

10. In addition, MCGA has recently been merged with the Tax Authority to create the GACT. As both institutions were using separate ICT platforms, both systems need to be interoperable in order to be able to share relevant information. The interoperability of both systems is challenging and requires substantial support.

11. The core CAIS application modules will be upgraded to provide added functionalities for increased operational efficiencies. The CAIS system will be also made single window ready,

and capacity will be increased for anticipated volume and throughout. In this regard, hardware will be upgraded accordingly as well as network upgrades. Technical training will be provided to enhance the capacity of ICT staff at GACT. Advisory support will be provided on developing inter-operability of information systems of the customs and taxation authorities. A business process integration strategy will be developed, which will inform the IT systems integration process.

12. Investments will focus on:

- (a) Upgrade of core CAIS application modules to provide added functionalities for increase operational efficiencies; make CAIS single window "ready"; and increase the capacity for anticipated volume and throughput.
- (b) Upgrade² the bandwidth by migrating to network solutions that provide a minimum of 3 MBPS³ of Internet speed. Solutions to consider are fiber, assymetric digital subscriber line (ADSL) or cellular data.⁴
- (c) In addition to assisting MCGA with the CAIS upgrade, additional assistance have been identified in the form of consulting, advisory and guidance to develop a GACT ICT plan and a roadmap that will include identifying possible inter-operability for efficiency and effectiveness between the MCGA and Mongolian Tax Administration (MTA) information systems.

13. Output 3: Preparatory work for single window is undertaken. A revised single window model will be prepared to be used in principle only by border agencies and private sectors actors involved in the trade supply chain. Business process analysis will be undertaken in order to redesign processes and procedures to incorporate a coordinate border management approach to operations including cargo examinations and information sharing. The current documentary requirements for all agencies will also be examined to streamline into an agreed set of documents needed to clear cargo.⁵ Preparation for the single window will include also an agreement from all border agencies to work together to share information and link current IT systems. An agreement should be reached on the lead agency to manage single window and financial implications of maintaining and upgrading the system. The development of a national single window in Mongolia will be based on functional requirements established in these preparatory works.

14. In addition to laying the ground and preparatory work for the implementation of a SW platform,⁶ the approach calls for the development of citizen-friendly SW applications that can be rolled out with minimum cross-agency participation (hereinafter called 1st Generation SW or

² Upgrading existing very small aperture terminal (VSAT) equipment is not recommended given the emergence of new local loop technologies and in anticipation of additional ADSL or cellular data coverage across Mongolia by a number of communication service providers thru 2018. Given challenges in obtaining current information or securing a commitment from service providers with their franchise plan, the budget assumes the cost of a VSAT upgrade. Provisionary Network Upgrade Plan. A review of alternative connections (other than VSAT) thru to 2019 must be performed before entering into a binding contract with Isatcom. Furthermore, identify possible locations where VSAT (which currently act as a parallel and backup network) can be retired due to availability of faster alternative Internet connections such as in Zamiin-Uud and Altanbulag. This will save GACT approximately \$4,500 per month per installation.

³ Three Mbps means the connection transfers three megabits (3,000 bits) of data every second.

⁴ A minimum of 3G is required to run the CAIS and SW applications.

⁵ The World Customs Organization Data Model provides guidance in this area.

⁶ This includes, but is not limited to, the hardware, operating systems and infrastructure.

1GSW) to demonstrate concrete outcomes and tangible benefits under the Regional Improvement of Border Services (RIBS). The 1GSW applications proposed for development and implementation are as follows: e-Licensing,⁷ e-Signature,⁸ e-Logistics,⁹ e-Payment¹⁰ and SW reporting.

15. Project Management Activities. The project will support the establishment of a project implementation unit (PIU) to effectively manage, implement, monitor and evaluate the project. The PIU will assist in implementing day-to-day activities and ensure timely delivery of project outputs.

⁷ High-level scope of 1st Generation e-Licensing will include: (i) develop license application module; (ii) process declarations within the scope of which MCGA can process; (iii) develop license management module. Detailed scope, analysis and design will be required.

⁸ High-level scope of 1st Generation e-Signature will include: (i) compliance and standards to the national digital signature initiative and the “Law of Mongolia on Electronic Signature”; (ii) develop electronic signature module and its interface to SW; (iii) develop authorize and confirmation transactions through electronic signature. Detailed scope, analysis and design will be required.

⁹ High-level scope of 1st Generation e-Logistics will include: (i) develop logistics information exchange platform; (ii) develop transportation registration, point-to-point monitoring and tracking. Detailed scope, analysis and design will be required.

¹⁰ High-level scope of 1st Generation e-Payment will include: (i) develop an integrated payment platform that facilitates the acceptance of electronic payment online including credit card (mobile payment can be deferred to future generations of SW applications); (ii) develop interfaces to banks and other payment systems (e.g. banking and credit card systems). Detailed scope, analysis and design will be required.

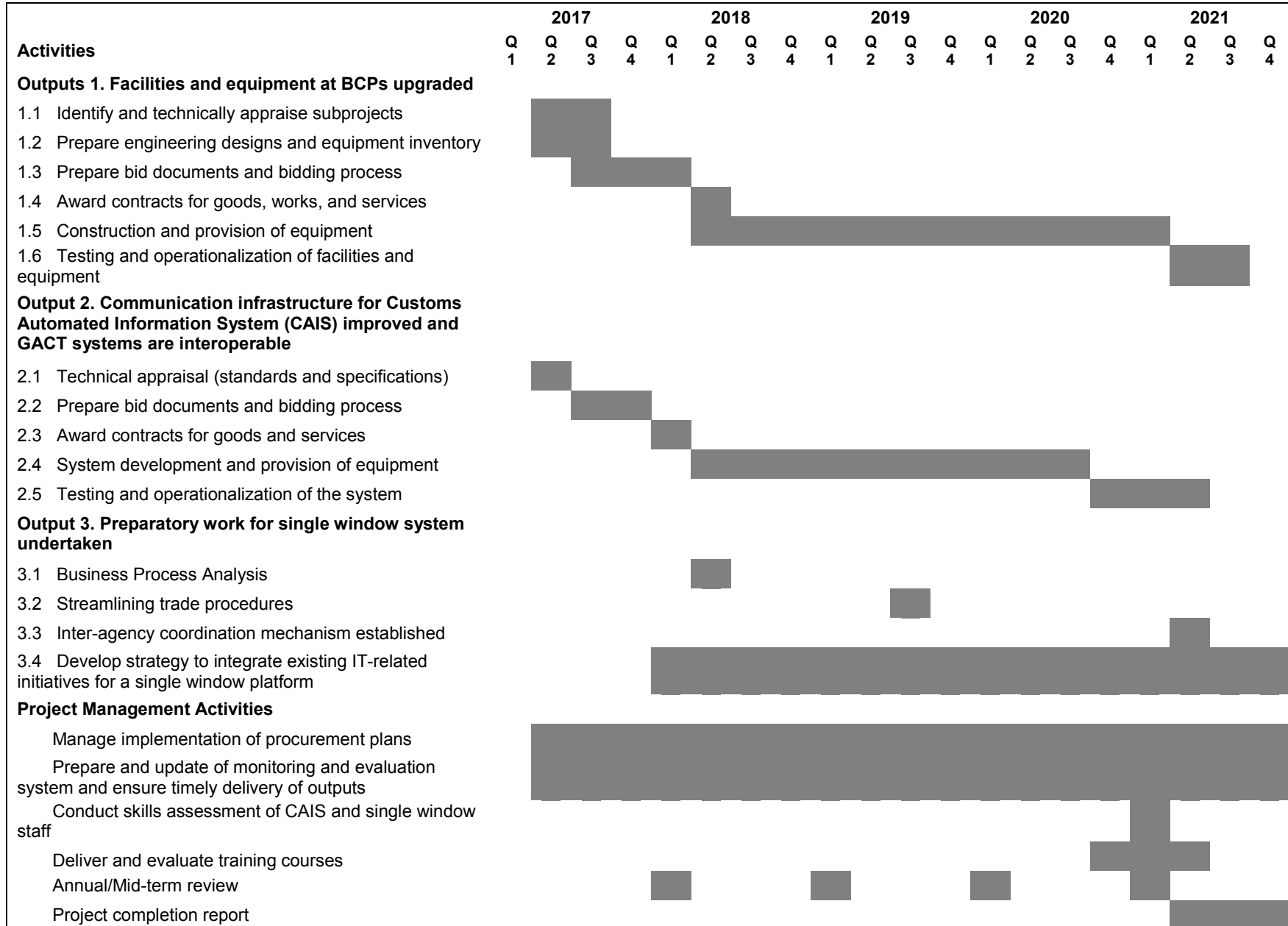
II. IMPLEMENTATION PLAN

A. Project Readiness Activities

Activities	2016								Responsible Agency(s)
	2	3	4	5	6	7	8		
Fact-finding mission									ADB
MOU									ADB, MOF, GACT
Loan negotiations									ADB, MOF, GACT
ADB Board approval									ADB
Loan signing									ADB, MOF
Government legal opinions									MOJ
Loan effectiveness									ADB

ADB = Asian Development Bank, GACT = General Authority of Customs and Taxation, MOF = Ministry of Finance, MOJ = Ministry of Justice, MOU = Memorandum of Understanding.

B. Overall Project Implementation Plan



III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations–Roles and Responsibilities

16. The Ministry of Finance (MOF) will be the executing agency for the project and will oversee overall project implementation and management activities to ensure smooth and timely implementation and completion of project activities. The GACT will be the implementing agency. The executing agency will guide and coordinate closely with other government agencies and the ADB for the timely resolution of any issue and completion of the project within the target dates, expediting the procurement process, and organizing and chairing the Project Steering Committee (PSC) meetings. The executing agency will designate a PIU Director to oversee the day-to-day management of the project and liaise with all relevant government offices. The executing agency will also designate a Chairman of PSC that will provide overall supervision to project implementation.

17. The PSC will be established by the executing agency. The PSC will be chaired by the designated official from the executing agency and composed of senior officials of the MOF, GACT, Cabinet Secretariat, General Agency for Specialized Inspection, Veterinary and Animal Breeding Agency, Mongolian Immigration Office, and Mongolian National Chamber of Commerce and Industry. The PSC will meet semiannually or as needed to (i) approve annual budgets and plans for the project; (ii) review project implementation progress; (iii) guide and support project implementation; (iv) provide coordination between ministries and agencies involved in project implementation; and (v) ensure coordination between ADB supported projects. The operational cost of the PSC will be funded by executing agency. ADB will attend the PSC meetings as observer, as needed.

18. The PIU will be established by the executing agency. On behalf of the executing and implementing agencies, the PIU will assume day-to-day management of the project and will be responsible for coordinating and implementing project activities, including procurement, recruitment, disbursement, contract administration, monitoring and reporting. The PIU will be headed by a Project Manager and will comprise full-time core staff, including , ICT specialist, infrastructure specialist, procurement specialist, finance specialist, project performance monitoring specialist, administrative officer, driver, and will engage an external auditor. The PIU Director will guide and supervise the work of the PIU. The PIU consultants will be recruited under the guidance of the executing agency and ADB. The outline terms of reference for consulting services and PIU staff is provided in Part VI (i.e., Procurement and Consulting Services) Section D. The executing agency will ensure the provision of a furnished, air conditioned/heated office space with communication and other support facilities as in-kind contribution for project implementation and management.

19. **Tender Evaluation Committee.** For purposes of evaluating the various bids that will be received for procurement of works and goods and for recruiting consultants, an independent evaluation committee will be formed following Government practices. Members of the committee must not in any way be involved with any of the bidders that may constitute a conflict of interest.

Project implementation organizations

Management Roles and Responsibilities

Executing Agency

- Ministry of Finance

- Signing of the Loan Agreement.
- Establish project steering committee (PSC).
- Establish project implementation unit (PIU).
- Guide and coordinate closely with all relevant government agencies for the timely resolution of any issue and completion of the project within the target.
- Coordinate with Asian Development Bank (ADB) all project implementation issues.
- Oversee overall project implementation and management activities to ensure smooth and timely implementation and completion of project activities.

- Project Steering Committee

- Approve annual budgets and plans for the project.
- Oversee progress in project implementation.
- Guide and support project implementation.
- Provide coordination between ministries and agencies involved in project implementation.
- Ensure coordination between ADB supported projects.

Implementing Agency

- General Authority of Customs and Taxation

- Work with the project implementation unit and consultants to accurately define the technical specifications and designs.
- Monitor project activities and outputs and reporting to the PSC.
- Prepare reports reflecting issues and time-bound actions taken (or to be taken).
- Quality assurance of works, and services of consultants and counterpart staff.
- Prepare regular periodic progress reports, and project completion report and their timely submission to executing agency and ADB.
- Ensure project's sustainability during post implementation stage and reporting to ADB on the assessed development impacts.

- Project implementation unit (PIU)

- Assume day-to-day management of the project.
 - Coordinate and implement project activities, including procurement, recruitment, disbursements, contract administration, monitoring, and reporting.
 - Prepare, on behalf of the executing and implementing agencies, bidding documents, reports, and other supporting documents and submit for review and approval.
 - Maintain on behalf of the executing agency the imprest account, and prepare and submit withdrawal applications and supporting documents, quarterly and annual reports, and financial statements.
 - Prepare and submit periodic/progress reports to executing and implementing agencies.
 - Regularly liaise with the executing agency and ADB
-

Project implementation organizations

Management Roles and Responsibilities

	➤ Manage, address and report grievances, should they arise.
• ADB	➤ Provide technical support for project implementation. ➤ Supervise and ensure compliance by the executing agency and implementing agencies with ADB's policies and procedures in project implementation. ➤ Conduct periodic loan review missions, a mid-term review, and Project completion mission. ➤ Monitor compliance with all loan covenants including safeguards.

B. Key Persons Involved in Implementation

Executing Agency

State Secretary
Gantsogt Kherelbaatar
State Secretary
Ministry of Finance (MOF)
Phone: (976)51264346

Gantulga Badamkhatan
Director General
Development Financing and Debt Management
Department, MOF
E-mail: gantulga.b@mof.gov.mn

Narangerel Nyamsambuu
Director of Debt Management Division, Development
Financing and Debt Management Department, MOF
E-mail: Narangerel_n@mof.gov.mn
Telephone: +976 51 262 272
Fax No.: +976 51 267 468

Implementing Agency

Purev Surenjav
Director General
General Authority for Customs and Taxation
Telephone: +976 11 320167-218815
Fax No: +976 11 327687-327687
Address: GACT building, UN street 5-1, Chingeltei district,
Ulaanbaatar, Mongolia

ADB

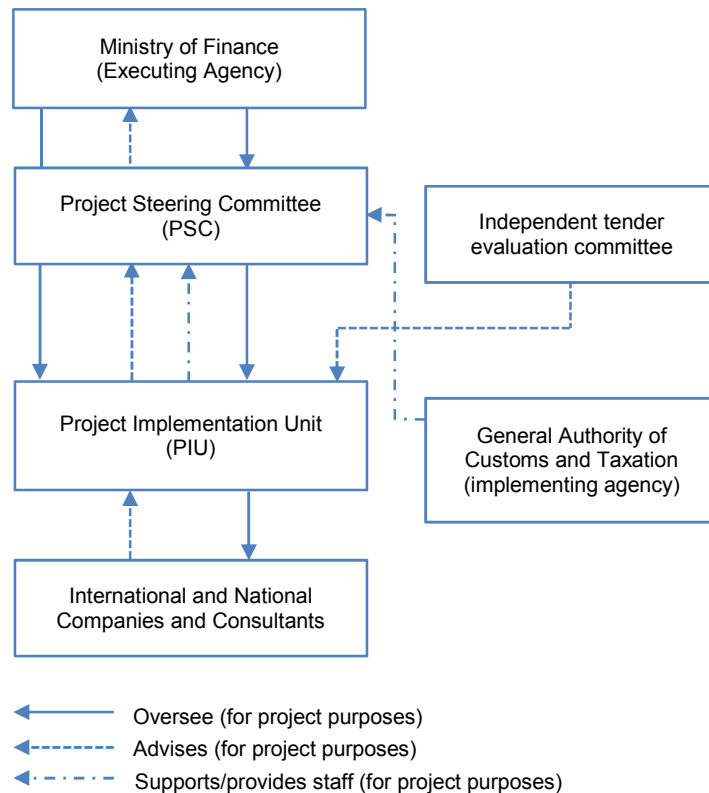
Public Management, Financial
Sector and Regional
Cooperation Division/East Asia
Department

Staff Name: Cristina Lozano
Position: Regional Cooperation Specialist
Telephone No.: +63 2 632 4285
Email address: clozano@adb.org

C. Project Organization Structure

20. The PIU will be established prior to loan effectiveness. International consultants will be engaged to develop goods, works and consulting services contract packages including design, supply and build for the major project components and assist in procurement activities.

Figure 1: Project Organization Structure



IV. COSTS AND FINANCING

21. The Project investment cost is estimated at \$29.07 million, including physical and price contingencies, taxes and duties, and financing charges during implementation (Table 1). The project cost of \$27.0 million equivalent will be financed by ADB's Special Fund (ADF) loan the Government of Mongolia (GOM) will fund the remaining \$2.07 million, covering taxes and duties in the form of tax exemption.¹¹

Table 1: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Infrastructure and equipment at border crossing points	14.85
2. Upgrades of customs automated information system	2.44
3. Single Window preparation	7.68
4. Project management and supervision	0.78
Subtotal (A)	25.75
B. Contingencies^c	1.70
C. Financing Charges During Implementation^d	1.62
Total (A+B+C)	29.07

^a Includes taxes and duties of \$2.07 million to be financed from government resources, in the form of tax exemption. The Asian Development Bank will finance taxes and duties for small expenditures which may not be tax-exempted. The amount of taxes and duties is determined on the grounds that (i) the amount will not represent an excessive share of the project investment plan, (ii) the taxes and duties apply only to ADB finance expenditures, and (iii) the financing of taxes and duties is relevant to the success of the project.

^b In mid-2015 prices.

^c Physical contingencies computed at 4.4% for civil works; and 5% for field research and development, training, surveys, and studies. Price contingencies computed at 2.19% on foreign exchange costs and 2.79% on local currency costs; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Interest during implementation for ADB loan has been computed at 2%.

Source: Asian Development Bank estimates.

22. The Government has requested a loan from ADB's Special Funds resources (ADF loan) to help finance the project. The loan will have a 25-year term, including a grace period of 5 years, an interest rate of 2.0% per annum during the grace period and thereafter, and such other terms and conditions set forth in the loan agreement.

¹¹ Taxes and duties for goods and works is estimated at 8.5% , and for consulting, income tax 10%.

A. Detailed Cost Estimates by Expenditure Category

Item	Total Cost (\$ million)	% of Total Base Cost
A. Investment Costs^a		
1 Civil works	7.7	26.6
2 Goods	13.4	46.2
3 Consulting services	3.3	11.5
4 Project management	0.5	1.8
Subtotal (A)	25.04	86.1
B. Recurrent Costs	0.7	2.4
Total Base Cost	25.75	88.6
C. Contingencies		
1 Physical ^b	1.1	3.9
2 Price ^c	0.6	1.9
Subtotal (C)	1.70	5.8
D. Financing Charges During Implementation^d		
Interest During Implementation	1.6	5.6
Total Project Cost (A+B+C+D)	29.07	100.0

Note: Numbers may not sum precisely due to rounding.

^a In mid-2015 prices. Includes taxes and duties of about \$2.07 million to be financed from government resources in the form of tax exemption.

^b Physical contingencies computed at 4.4% for base investment costs.

^c Price contingencies computed on average at 2.19% on foreign exchange costs and 2.79% on local currency costs. Includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Interest during implementation for ADB loan has been computed at 2%.

B. Allocation and Withdrawal of Loan Proceeds

ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS (ADF)			
CATEGORY			ADB FINANCING BASIS
Number	Item	Total Amount Allocated for ADB Financing \$	Percentage of ADB Financing from the Loan Account
		Category	
1	Project Costs	25,377,847	100% of total expenditure claimed
2	Financing Charges	1,622,153	100% of total amount due
	Total	27,000,000	

C. Detailed Cost Estimates by Financier (\$ million)

Item	ADB		Government		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	
A. Investment Costs^a					
1 Civil works	7.1	92.2	0.6	7.8	7.7
2 Goods	12.1	90.1	1.3	9.9	13.4
3 Consulting services	3.3	99.1	0.0	0.9	3.3
4 Project management	0.5	90.9	0.0	9.1	0.5
Subtotal (A)	23.0	92.0	2.0	8.0	25.0
B. Recurrent Costs	0.7	91.6	0.1	8.4	0.7
Total Base Cost	23.7	92.0	2.1	8.0	25.7
C. Contingencies^b	1.7	100.0	0.0	0.0	1.7
D. Financing Charges During Implementation^c	1.6	100.0	0.0	0.0	1.6
Total Project Cost (A+B+C+D)	27.0	92.9	2.1	7.1	29.1
% Total Project Cost		92.9		7.1	100.0

Note: Numbers may not sum precisely due to rounding.

^a In mid-2015 prices. Includes taxes and duties of about \$2.07 million to be financed from government resources in the form of tax exemption.

^b Physical contingencies computed at 4.4% for base investment costs. Price contingencies computed on average at 2.19% on foreign exchange costs and 2.79% on local currency costs. Includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^c Interest during implementation for ADB loan has been computed at 2%.

D. Detailed Cost Estimates by Outputs/Components (\$ million)

Item	Total Cost	Output 1		Output 2		Output 3	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^a							
1 Civil works	7.7	7.7	100.0	0.0	0.0	0.0	0.0
2 Goods	13.4	7.1	53.0	1.6	12.2	4.7	34.8
3 Consulting services	3.3	0.0	0.0	0.4	13.0	2.9	87.0
4 Project management	0.5	0.2	33.3	0.2	33.3	0.2	33.3
Subtotal (A)	25.0	15.0	60.0	2.2	9.0	7.8	31.0
B. Recurrent Costs	0.7	0.1	10.8	0.4	63.2	0.2	26.0
Total Base Cost	25.7	15.1	58.7	2.7	10.5	7.9	30.8
C. Contingencies							
1 Physical ^b	1.1	0.7	58.7	0.1	10.5	0.3	30.9
2 Price ^c	0.6	0.3	58.7	0.1	10.5	0.2	30.9
Subtotal (C)	1.7	1.0	58.7	0.2	10.5	0.5	30.9
	27.4	16.1	94.4	2.9	94.4	8.5	94.4
D. Financing Charges During Implementation^d							
1 Interest During Implementation	1.6	1.0	58.7	0.2	10.5	0.5	30.8
Subtotal (D)	1.6	1.0	58.7	0.2	10.5	0.5	30.8
Total Project Cost (A+B+C+D)	29.07	17.1	58.7	3.0	10.5	9.0	30.8

Note: Numbers may not sum precisely due to rounding.

^a In mid-2015 prices. Includes taxes and duties of about \$2.07 million to be financed from government resources in the form of tax exemption.

^b Physical contingencies computed at 4.4% for base investment costs.

^c Price contingencies computed on average at 2.19% on foreign exchange costs and 2.79% on local currency costs. Includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d Interest during implementation for ADB loan has been computed at 2%.

Source: Asian Development Bank estimates

E. Detailed Cost Estimates by Year

		(\$ million)					
Item	Total Cost ^a	Year 1	Year 2	Year 3	Year 4	Year 5	
A. Investment Costs^b							
1 Civil works	7.1	1.1	3.6	1.4	1.1	0.0	
2 Goods	12.1	1.8	6.1	2.4	1.8	0.0	
3 Consulting services	3.3	0.5	1.7	0.7	0.5	0.0	
4 Project management	0.5	0.1	0.2	0.1	0.1	0.0	
Subtotal (A)	23.0	3.5	11.5	4.6	3.5	0.0	
B. Recurrent Costs	0.7	0.1	0.3	0.1	0.1	0.0	
Total Base Cost	23.7	3.6	11.8	4.7	3.6	0.0	
C. Contingencies	1.7	0.3	0.8	0.3	0.3	0.0	
D. Financing Charges During Implementation	1.6	0.2	0.8	0.3	0.2	0.0	
Total Project Cost (A+B+C+D)	27.0	4.0	13.5	5.4	4.0	0.0	
% Total Project Cost	100.0	15.0	50.0	20.0	15.0	0.0	

Note: Numbers may not sum precisely due to rounding.

^a The total cost amount represented in this table is the sum of all ADB funds for the project.

^b In mid-2015 prices. Includes taxes and duties of about \$2.07 million to be financed from government resources in the form of tax exemption.

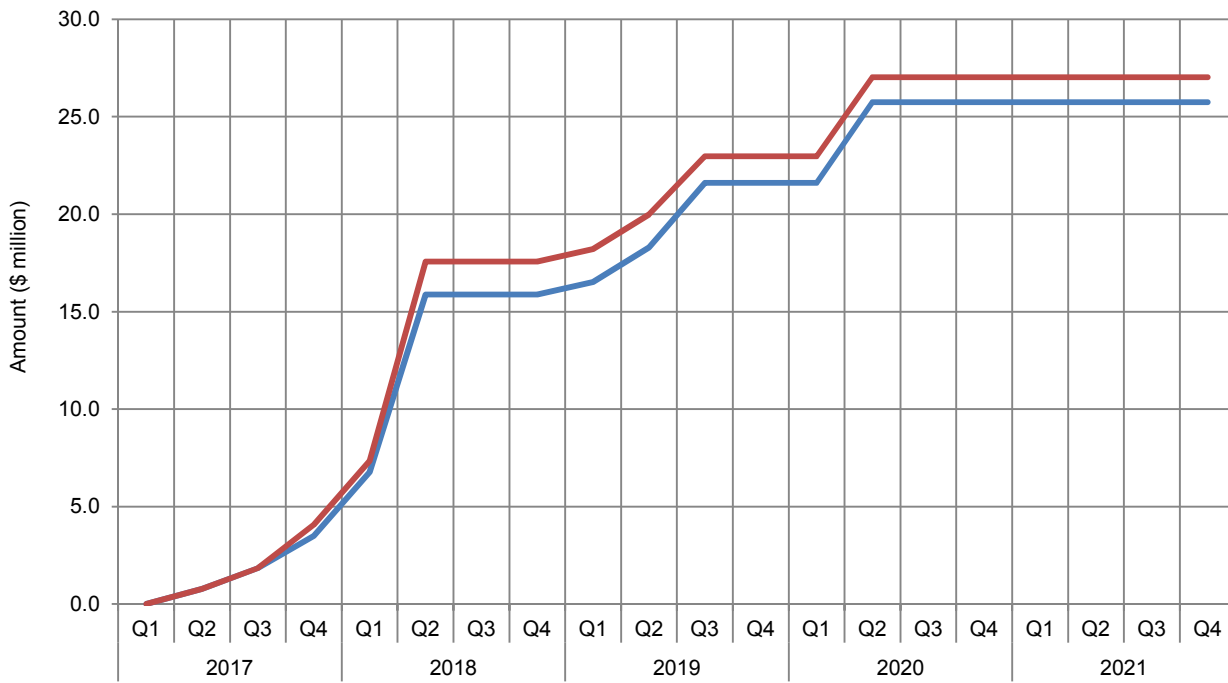
^d Physical contingencies computed at 4.4% for base investment costs. Price contingencies computed on average at 2.19% on foreign exchange costs and 2.79% on local currency costs. Includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^e Interest during implementation for ADB loan has been computed at 2%.

F. Contract and Disbursement S-curve

23. Figure 2 shows the estimated disbursement progress over the implementation period of the Project. The Disbursement S-Curve will help to assess disbursement performance at any time during the project implementation. In case of delays and poor disbursements, this will help as an early warning system for taking timely remedial measures.

Figure 2: Disbursement S-curve

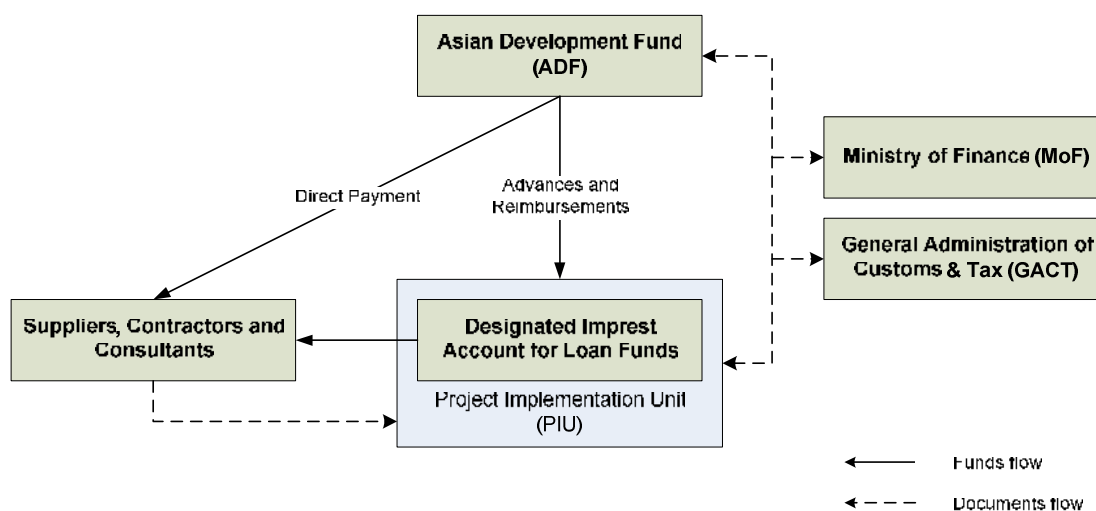


\$ million	2017				2018				2019				2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Contract Awards	0.0	0.8	1.9	3.5	6.8	15.9	15.9	15.9	16.5	18.3	21.6	21.6	21.6	25.7	25.7	25.7	25.7	25.7	25.7	25.7
Disbursement	0.0	0.8	1.9	4.1	7.3	17.6	17.6	17.6	18.2	20.0	23.0	23.0	23.0	27.0	27.0	27.0	27.0	27.0	27.0	27.0

G. Fund Flow Diagram

24. Figure 3 shows how the funds will flow from ADB and GOM to implement the Project.

Figure 3: Fund Flow Diagram



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

25. A financial management assessment (FMA) was carried out in accordance with the 2015 Technical Guidance Note to review the capacity of GACT as regards its financial management (FM) system and procedures. The risk management measures to address FM risks are establishing a PIU and additional measures, including for GACT to improve its internal planning and budgeting processes, provide staff training on ADB's FM procedures, prepare a new Accounting Policy Document, consider establishing an Audit Committee, apply a common accounting software, and revise IT back-up system procedures.

26. The assessment overall finds the project FM risk, pre-mitigation, to be *moderate*.

27. The following FM weaknesses and related fiduciary risks were identified:

Table 7: Summary of the Financial Management Assessment

Particulars	Conclusions
Planning and budgeting	The annual planning and budgeting processes undertaken by MCGA and GDT have tended to disregard MOF's budget ceilings. This risks undermining the strategic prioritizations undertaken by the GOM and could have adverse downstream effects.
Funds flow	GACT's in-year budget execution is adversely affected by the lack of predictability in funds availability as well as in-year reductions in the annual budget, which creates risks that funds spent do not fully achieve value-for-money.

Particulars	Conclusions
Staffing	GACT's Finance and Investment Department has an adequate number of qualified and experienced staff who participate regularly in training, and turnover rates have been low in recent years. However, staff is not familiar with ADB's procedures for FM.
Accounting	Following the merger, GACT needs to prepare a new Accounting Policy Document so as to ensure that a commonly understood and agreed basis is in place that describes all relevant FM procedures.
Internal audit	The internal audit unit is functional, but the lack of an Audit Committee could result in necessary guidance and oversight not being provided.
External audit	External audit of the RIBS project financial statements will formally be the responsibility of the MNAO, but the audit task will in practical terms be carried out by a private audit firm based on a TOR acceptable to ADB and MOF.
Reporting	GACT currently applies two different accounting software programs. While both are well-functioning and adequate for the purpose of supporting agency-level FM, GACT must select one of these as the sole future basis.
Information systems	GACT undertakes back-ups of the accounting software programs and financial data only once per year, which constitutes a real risk of data loss.

ADB = Asian Development Bank, FM = financial management, GACT = General Administration of Customs and Taxation, GDT = General Department for Taxation, GOM = Government of Mongolia, MCGA = Mongolian Customs General Administration, MNAO = Mongolia National Audit Office, MOF = Ministry of Finance, RIBS = Regional Improvement of Border Services, TOR = terms of reference

28. The PIU will have a full-time Finance Specialist. As outlined in the sections below, project FM procedures will be based on ADB's requirements – on disbursement, reimbursement, accounting and financial reporting – which will provide adequate protection against most fiduciary risks. The following additional measures are proposed to address identified issues (specific measures related to the PIU are included).

Table 8: Financial Management Risk Assessment and Mitigation Measures

	Risk Assessment	Mitigation Measures	Implementation Period
<i>Inherent Risk</i>			
Country-specific Risks	Substantial	ADB should continue to support the GOM's efforts to further develop and improve the PFM system, including with focused grant-funded initiatives (e.g. ADB's current support to develop cash management, public investment management and e-taxation) and more generally on support to promote drivers of change such as public sector governance and capacity development.	2016-2021
Agency-specific Risks	Moderate	ADB to support, where possible, technical and policy-level initiatives to address systemic FM issues in order to strengthen the framework within which to undertake FM. ADB to encourage GACT to address all outstanding issues related to the merger of MCGA and GDT.	2016-2017 2016
Overall Inherent Risk	Moderate	-	-
<i>Project Risk</i>			
Planning and budgeting	Moderate	GACT's Finance and Investment Department to review existing processes and outline process to be followed in preparing the budget for 2017 and onwards. ADB/PIU to prepare an annual work plan for the project.	June 2016 December 2016

	Risk Assessment	Mitigation Measures	Implementation Period
Funds Flow	Substantial	GACT's Finance and Investment Department to prioritize activities and establish related costs as part of the annual budget preparation process.	July-October 2016
Staffing	Low	GACT's HR Division to formulate and implement measures for retaining finance and accounting staff.	January 2017
		ADB/PIU to hire project Finance Specialist and arrange FM training (if needed).	December 2016
Accounting	Moderate	GACT's Finance & Investment Department to prepare a new joint Accounting Policy Document and arrange orientation (if relevant).	May 2016
		ADB/PIU to develop project Accounting Manual.	January 2017
Internal Audit	Moderate	GACT's Public Administration and Management Department to consider the establishment of an Audit Committee.	December 2016
		GACT's M&E and Internal Audit Department to ensure that the PIU and project activities are covered by GACT's internal audit function.	February 2017
External Audit	Low	PIU in consultation with Director General's Office to prepare TOR for the external audit that is acceptable to ADB, and agreed by MOF and MNAO.	October 2017
Reporting	Moderate	GACT's Finance and Investment Department to select, install and apply GACT accounting software to be used in future at HQ.	December 2016
Information Systems	High	GACT's Finance and Investment Department to revise IT back-up procedure for the accounting system(s).	May 2016
		PIU to undertake weekly back-up of project accounting software program and financial data.	January 2017
Overall Project Risk	Moderate	-	-
Overall Risk	Moderate	-	-

ADB = Asian Development Bank, FM = financial management, GACT = General Administration of Customs and Taxation, GDT=General Department for Taxation, GOM=Government of Mongolia, HQ=Headquarters, M&E = monitoring and evaluation, MCGA = Mongolian Customs General Administration, MNAO = Mongolian National Audit Office, PFM = public financial management,..... PIU = project implementation unit....

29. On the basis of the PIU and the proposed mitigation measures, the project FM risk is considered to be *moderate*, and the planned project arrangements satisfactory.

B. Disbursement

30. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2015, as amended from time to time),¹² and detailed arrangements agreed upon between the Government and the ADB. Online training for project staff on disbursement policies and procedures is available at: http://wpqr4.adb.org/disbursement_elearning. Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

31. **Imprest account:** To facilitate project implementation through timely release of loan proceeds, the executing agency/implementing agency will, through the PIU, establish an imprest

¹² Available at: <http://www.adb.org/sites/default/files/institutional-document/33606/adb-loan-disbursement-handbook.pdf>.

account promptly after loan effectiveness at a commercial bank acceptable to ADB. The currency of the imprest account will be in US dollars. The PIU establishes the imprest account in its name, and will be accountable and responsible for the proper use of advances. The imprest account is to be used exclusively for ADB's share of eligible expenditures, and the bank charges incurred in its operation may be financed from the loan proceeds. The initial and additional advances to the imprest account may be requested based on six months estimated expenditures to be financed through the imprest account. The imprest account will be established, managed, and liquidated in accordance with ADB's Loan Disbursement Handbook and detailed arrangements agreed by the Government and ADB. ADB's Loan Disbursement Handbook describes which supporting documents should be submitted to ADB and which should be retained by the Government for liquidation and replenishment of the imprest account.

32. **Statement-of-expenditure (SOE):** This may be used for reimbursement of eligible expenses or liquidation of advances to the imprest account. Given that the GACT overall is found to have some challenges regarding its FM capacity, it is proposed that a ceiling of \$500,000 be applied on the use of the SOE procedure.¹³ Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

33. **Withdrawal application (WA):** The minimum value per WA is set in accordance with the Loan Disbursement Handbook. Individual payments below this amount should be paid through the imprest account procedure. Before the submission of the first WA, the Government should submit to ADB sufficient evidence of the authority of the person(s) who will sign the WAs on behalf of the Borrower, together with the authenticated specimen signatures of each authorized person.

C. Accounting

34. The PIU will maintain separate project accounts and records for all funds received and expenditures incurred by the project. The applied accounting standards and procedures will be the International Public Sector Accounting Standards (IPSAS).

35. The PIU will apply the financial reporting framework of the GOM, and hence prepare budget performance (execution) reports on a monthly, quarterly, semi-annually and annual basis. It will also prepare financial statements on a quarterly, semi-annually and annual basis. The PIU will apply the reporting templates of the GOM, adjusted for the purpose of the project, if required. The GOM has adopted the **IPSAS** in 2003 and the process of adopting IPSAS (accruals) remains on-going.

¹³ This is in line with paragraph 9.18 of ADB. 2015. *Loan Disbursement Handbook*. Manila.

D. Auditing

36. The executing agency/implementing agency will, through the PIU, ensure that the project annual financial statements are audited in accordance with International Standards on Auditing (ISA) and the GOM's audit regulations by an independent auditor (private firm) acceptable to ADB. This will be arranged by the Mongolia National Audit Office (MNAO) based on a TOR acceptable to ADB. The audited project annual financial statements will be submitted in the English language to ADB within 6 months of the end of the financial reporting period (fiscal year) by the MOF through the PIU.

37. The annual audit report for the project accounts will include an audit management letter and audit opinions covering: (i) whether the project financial statements present a true and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting framework; (ii) whether loan and grant proceeds were used only for the purposes of the project or not; and (iii) the level of compliance for each financial covenant contained in the legal agreements for the project.

38. Compliance with financial reporting and auditing requirements will be monitored by review missions and during ordinary project supervision, and follow-up undertaken regularly with all parties concerned, including the MNAO in its role as external auditor.

39. The, MOF and GACT have been made aware of ADB's policy on delayed submission, and the requirements for satisfactory and acceptable quality of audited project financial statements. ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

E. Public Disclosure

40. Public disclosure of the project financial statements, including the audit report on the project financial statements, will be guided by ADB's Public Communications Policy (2011). After review, ADB will disclose the project financial statements and the opinion of the auditors on the financial statements within 14 calendar days of the date of their acceptance by posting them on ADB's website. The Audit Management Letter will not be disclosed.

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

41. The project will not require advance contracting and retroactive financing.

B. Procurement of Goods, Works and Consulting Services

42. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines. International competitive bidding (ICB) will be applied to goods contracts estimated to cost \$2.0 million and more, and works contracts estimated to cost \$5 million and more. Goods contracts worth less than \$2.0 million and works contracts worth less than \$5.0 million will follow national competitive bidding (NCB). Shopping will be used for contracts for works and goods valued less than \$100,000. NCB procurement will be carried out

in accordance with the Mongolia Procurement Law, subject to modifications agreed with ADB. Before the start of any procurement ADB and the Government will review the public procurement laws of the Government to ensure consistency with ADB's Procurement Guidelines. The selection and engagement of contractors will be subject to ADB's prior review and approval. Any internationally tendered equipment packages will include the necessary technical support for ensuring proper installation, testing, commissioning, and training of operational staff as part of the related contracts. In accordance with ADB requirements, foreign contractors may participate in bidding for NCB contracts. An 18-month procurement plan indicating threshold and review procedures, goods, works, and consulting services contract packages and national competitive bidding guidelines is in Section C.

43. All consultants will be recruited according to ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).¹⁴ The terms of reference for all consulting services are detailed in Section D. The relevant sections of ADB's Anticorruption Policy (1998, as amended from time to time) will be included in all documents and contracts relating to the engagement of consultants. Consultants will be selected and engaged using ADB's quality and cost-based selection procedure. A total of 400 person-months (59 person-months international and 341 person-months national) of consulting services will be needed to prepare design, technical specifications, and bid documents, and project management services. Consultants will be engaged using QCBS with the standard ratio of 80:20 and individual selection methods.

44. The Government Procurement Agency (GPA) will support the procurement activities in coordination with the executing agency.

C. Procurement Plan

Basic Data

Project Name: Regional Improvement of Border Services Project	
Project Number: 47174-001	Approval Number:
Country: Mongolia	Executing Agency: Ministry of Finance
Project Financing Amount: \$29.07 million ADB Financing: \$27.0 million Non-ADB Financing: \$2.07 million	Implementing Agency: General Authority of Customs and Taxation
Date of First Procurement Plan: 5 February 2016	Date of this procurement plan: 5 February 2016

1. Process Thresholds, Review and 18-Month Procurement Plan

Procurement and Consulting Methods and Thresholds

Except as the ADB may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Procurement Method	Threshold	Comments
International Competitive Bidding (ICB) for Works	\$5,000,000	
International Competitive Bidding (ICB) for Goods	\$2,000,000	
National Competitive Bidding (NCB) for Works	Beneath that stated for ICB, Works	
National Competitive Bidding (NCB) for Goods	Beneath that stated for ICB, Goods	

¹⁴ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	
Quality Based Selection	
Consultant's Qualification Selection	
Least-Cost Selection	
Fixed Budget Selection	
Individual Consultant Selection (ICS)	

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

45. The following table lists goods and works contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
1	Design and construct facilities in Bichigt BCP	3.40	NCB	Post	1S1E	Q4/ 2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Works
2	Design and construct facilities in Zamiin-Uud BCP	2.95	NCB	Post	1S1E	Q4/ 2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods
3	Equipment for the three BCPs	7.11	ICB	Prior	1S1E	Q4/ 2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
							Document: Goods
4	CAIS ICT equipment ¹⁵	1.2	NCB	Prior	1S1E	Q3 / 2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods
5	Single Window equipment ¹⁶	3.81	ICB	Prior	1S1E	Q4 / 2018	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods

3. Consulting Services Contracts Estimated to Cost \$100,000 or More

46. The following table lists consulting services contracts for which procurement activity is either ongoing or expected to commence within 18 months of project commencement.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
6	Consulting Firm 1 (conceptual design and tender services for goods and works)	0.25	QCBS ^a	Prior	STP	Q4/ 2016	Assignment: International Quality-Cost Ratio: 80:20

¹⁵ (i) Post 201014 implementation operating and system level upgrades;(ii) Hardware upgrade for CAIS; and (iii) Technical training

¹⁶ (i) Operating systems, security systems, infrastructure tools; (ii) Hardware acquisition and network upgrade; and (iii) technical training

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
7	Consulting Firm 2 (CAIS Application Development) ¹⁷	0.4	QCBS ^b	Prior	STP	Q2/ 2017	Assignment: International Quality-Cost Ratio: 80:20
8	Consulting Firm 3 (Single Window Preparatory and Application Development) ¹⁸	2.41	QCBS	Prior	STP	Q1/2018	Assignment: International Quality-Cost Ratio: 80:20
9	ICT advisor for CAIS and MCGA / MTA information systems ¹⁹	0.2	ICS	Prior		Q1/2017	Assignment: International

^{a, b} Firm may use more than one consultant depending on level of effort.

4. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

47. The following table groups smaller-value goods, works and consulting services contracts for which procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
10	Design and construct facilities in Altanbulag BCP	0.93	NCB	Post	1S1E	Q4/ 2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Works
11	PIU office equipment	0.26	Shopping	Prior		Q1 / 2017	Prequalification of Bidders: N

¹⁷ (i) Upgrading CAIS user interface; (ii) Post 201012 implementation application upgrades; and (iii) upgrade to CEPS (Customs External Portal System)

¹⁸ Application development of: (i) e-Licensing; (ii) e-Signature; (iii) e-Logistics; (iv) e- Payment; and (v) Reporting

¹⁹ ICT and project management specialist and advisor for CAIS Upgrade, Single Window and MCGA/ MTA information systems integration

Package Number	General Description	Estimated Value	Procurement Method	Review (Prior/Post)	Bidding Procedure	Advertisement Date (quarter/year)	Comments
12	Network upgrades	0.26	NCB	Prior	1S1E	Q2/2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods
13	Legal and Regulatory Consultant	0.02	ICS	Prior		Q3/ 2017	Assignment: National
14	Single Window Financial System	0.58	NCB	Post		Q4/2017	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods
15	Call Center Specialist	0.04	ICS	Prior		Q1/2018	Assignment: International
16	Call Center support solution	0.17	NCB	Post	1S1E	Q2/2018	Prequalification of Bidders: N Domestic Preference Applicable: N Bidding Document: Goods

D. Consultant's Terms of Reference

Individual Consultants:

1. ICT advisor for CAIS and MCGA / MTA information systems (13 person-months, international, intermittent)

Tasks and responsibilities will include:

- Developing the ICT roadmap for GACT, particularly in respect to the CAIS upgrade, single window implementation and finding efficiencies between CAIS and Tax Administration systems
- Developing an enterprise architecture for GACT
- Providing oversight by conducting quarterly project reviews to minimize risk and ensure Project is on track
- Regularly review the project plans and outputs of consultants engaged through a firm

- Advising the PIU Procurement Specialist in preparation of the bid documents
- Advising PIU Project Manager and senior levels of GACT on matters regarding ICT and the Project
- Advising on best practices and transformation methods
- Advise and develop a plan for capacity building of IT staff
- Previous experience in leading technical discussions and consultations with government agencies in other CAREC countries is an asset

Qualifications and Experience

- Bachelor's degree in computer science, information technology, engineering or a related study or equivalent experience.
- A certified Project Management Professional (PMP).
- At least 15 years experience in developing an ICT Strategy.
- Exceptional interpersonal skills, including teamwork, facilitation and negotiations.
- Strong and demonstrable leadership skills.
- Proven track record working with senior management.
- Excellent written and verbal communication skills.
- Excellent planning and communications skills.
- Knowledge of customs and single window is essential.
- Knowledge of business process re-engineering principles and processes is essential.
- Knowledge of Enterprise Architecture framework and principles is essential.
- Knowledge of ADB procurement is essential.
- Work experience in at least one customs and/or single window project is essential.
- Worked at least on three ADB/ other development agencies funded projects is desirable.
- Experience working in Mongolia is highly desirable.

2.Call Center Specialist (3 person-months, international, intermittent)

Tasks and responsibilities will include:

- Conducting a comprehensive operational assessment, including a workforce management assessment
- Conducting
- Analyzing the call center requirements of GACT and provide recommendations
- Developing the call center architecture
- Designing the call center based on approved recommendations
- Documenting the business, technical and management requirements in sufficient enough detail to acquire a call center solution

Qualifications and Experience

- Bachelor's degree in computer science, information technology, engineering or a related study or equivalent experience.
- At least 8 years in customer experience consulting.
- At least 10 years in call or contact center consulting.
- Proven track record working with change management.
- Excellent written and verbal communication skills.
- Excellent planning and communications skills.

3. Legal and Regulatory Consultant (12 person-months, national, intermittent)

Tasks and responsibilities will include:

- Conducting desk research and consultation as necessary on existing and planned UNECE, UNCITRAL and other UN and international agencies' work on single window and on WTO and WCO single window activities, especially from the perspective of national trade legislation and departmental regulations, also to include international conventions, recommendations on e-Commerce principles, digital signatures, paperless trade and any other relevant legislative trends, and UN/CEFACT recommendations 33 and 35
- Evaluating national legislation to identify any gaps, ambiguities or anomalies with respect to the application of ICT to trade and particularly the single window and its underlying principles
- Identify legal and regulatory constraints that impede inter-agency coordination towards the goal of a national single window
- Evaluating departmental trade process regulations and decrees in order to identify incompatibilities with the effective and efficient operation of a national single window;
- Identifying processes and the timescale to make departmental changes to trade regulations in order to design new processes to overcome inbuilt inhibitors to best practices
- Producing a paper and a set of prioritized recommendations on gaps in legislation and regulation which will hinder the cause of the single window and its overall aims for the country
- Translating documents to English and/or Mongolian, when necessary.
- Providing support to the single window consultant

Qualifications and Experience

- At least five years of experience in trade process regulation and legislation.
- Experience in Mongolia and/or other CAREC countries would be an advantage.
- Previous experience in leading technical discussions with governments and reform with stakeholders in other countries will be a distinct asset, as this will be the key to raising stakeholders' awareness of international experience of similar reform challenges.
- Must be able to demonstrate an understanding of the importance of single window concept to national trade performance and national competitive advantage.
- Should be able to articulate the need for ICT-based reform in the trade process and compliance with UN and other international agencies initiatives in improving trade processes through the application of technology and global standards, together with legal and regulatory reform.
- Must be able to relate the specific objectives of their assignment to the fundamental success of the single window project and improved trade facilitation.
- Must be able to communicate and write in English fluently.

Consultants Engaged through a Firm

4. Consultant for CAIS Application Development (26 person-months, international, intermittent)

Tasks and responsibilities will include:

- Identifying, together with GACT and border and international trade-relevant agencies, the specific standards required to be upgraded and improved

- Developing a business process re-engineering plan for selected agencies, in coordination with departmental staff and single window work group
- Identify transformational improvements by rationalizing, streamlining, simplifying and redesigning the future state of all information, documents and processes across all levels of Customs and possibly other agencies (government, NGO and private sector)
- Develop a conversion plan
- Producing detailed lists of user and technical requirements, and in turn, developing the functional requirements, detailed design and technical specifications, including redesigning user interfaces and forms
- Updating the application, information (including data models) and technical architecture
- Upgrading the CAIS and coupled applications²⁰ based on approved requirements
- Identifying the training needs on the basis of the new standards and standard operating procedures as defined in accordance
- Bringing best practices in Customs automation and processes
- Preparing a training program

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above
- At least 10 years of delivering IT solutions in an Oracle Applications environment
- At least 10 years of significant experience in the area of business process re-engineering in a government and departmental context, preferably Customs
- At least 10 years work experience in business process analysis, solutions delivery and standards harmonization
- In-house change management methodology and a proven track record of delivering transformational change in government.
- Familiar with UNEDIFACT, UNCEFACT and WCO standards and recommendations.
- Experience in business process re-engineering in the context of trade facilitation and the international supply chain is desirable as is experience of single window implementation operations and implementation will be desirable.
- Experience in project in Mongolia will be an advantage.
- Preferably with experience working in ADB project or similar international donor projects.

5.Consultant for Single Window Preparatory and Application Development (175 person-months, international, intermittent)

Tasks and responsibilities will include:

- Conduct Upstream Analysis including: (i) identifying any gaps, ambiguities or anomalies with respect to the application of ICT to trade and particularly the single window and its underlying principles; (ii) determining incompatibilities with the effective and efficient operation of a national single window based on the current state; and (iii) analyzing and designing the future state national single window that include relevant agencies outside of GACT
- Identifying future generations of single window applications and solutions based on Upstream Analysis
- Developing the national single window enterprise architecture in collaboration with ITPFA and other relevant agencies
- Developing the 1st generation single window applications including: e-Licensing, e-Signature, e-Logistics, e-Payment and Reporting

²⁰ Such as the Customs External Portal (CEP)

- Developing the national and transnational information exchange platform
- Producing detailed lists of user and technical requirements, and in turn, developing the functional requirements, detailed design and technical specifications of the 1st generation applications and information exchange platform
- Developing training plan for users, stakeholders and single window staff
- Bringing best practices in single window
- Providing input to functional requirements of the CAIS application development and upgrade

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above.
- At least 5 years of designing and developing single window solutions.
- At least 10 years of work experience in business process analysis, solutions delivery and standards harmonization.
- At least 10 years of experience in trade process regulation and legislation.
- Must be able to demonstrate an understanding of the importance of single window concepts to national trade performance and national competitive advantage and be able to articulate the need for ICT based reform in the trade process and compliance with United Nations (UN) and other international agencies initiatives in improving trade processes through the application of technology and global standards together with legal and regulatory reform.
- Must be able to relate the specific objectives of their assignment to the success of the single window project and improved trade facilitation.
- Familiar with UNEDIFACT, UNCEFACT and WCO Single Window Guidelines, standards and recommendations.
- Experience working in Mongolia is desirable.

6.Consultant for conceptual design and tender services for construction of BCP facilities (12 person-months, international, intermittent)

The consultants' tasks and responsibilities will include preparation of the conceptual design and preparing tender documents, and assisting in bid evaluation of works to ensure that technical quality of construction for the selected BCP facilities and needed equipment and specifically:

- inspecting proposed project site, survey, and assess the scope of removal work of existing buildings
- preparing schematic designs for the BCP facilities
- preparing preliminary engineering documentation for the design and build packages, which documents will be used for bidding, contracting, supervision, and administering implementation
- preparing bill of quantities and preliminary surveys
- prepare tender documents for BCP goods and works design and build packages
- assisting in prequalification up until contract award to contractors who will be responsible for construction and supply of equipment
- coordinating initial work scoping with design and build contractors and PIU
- advising PIU on goods and works procurement and implementation, when needed

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above.
- At least 10 years specializing in/ architecture/engineering with at least 10 years of experience in designing of construction/renovation of cross-border facilities.
- Experience in works tendering and preferably on design and build contracts.

- Experience in project in Mongolia will be an advantage.
- Preferably with experience working in ADB project or similar international donor projects.

PIU Staff:

PIU Project Manager. The consultant will be engaged on an individual basis to be responsible for the day-to-day management of the PIU to ensure timely achievement of project outputs and smooth implementation of project activities.

Tasks and responsibilities will include:

- Project implementation schedules and budget
- Maintaining regular coordination of the PIU with related parties/agencies
- Closely coordinating with executing and implementing agencies, PSC, ADB, contractors and consultants
- Ensuring that the project follows applicable procedures and guidelines of ADB and GOM
- Regular reporting on project progress to and raise issues with the implementing agency, PSC and the executing agency.
- Ensuring timely preparations of all required reports under the Project.

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above at the required level
- College graduate or master degree on project management, ICT, civil engineering or related field.
- A minimum of 10 years professional experience including at least five years as program/project manager/executive/senior position on relevant project (preferably with infrastructure and ICT components).
- Previous experience of working with IFI's is an important asset. Work experience in ADB project implementation is an advantage.
- High standards of professional and work ethics.
- Excellent computer and communication skills.
- Good leadership.
- Proficient in English language.

PIU ICT Specialist/ Deputy Project Manager. The consultant will be engaged on an individual basis to be responsible for timely implementation and provision of CAIS upgrades and single window software applications.

Tasks and responsibilities will include:

- Preparing and/or reviewing bid documents
- Developing technical specification of CAIS goods and services
- Developing testing strategy and acceptance criteria of CAIS upgrade and single window implementation
- Preparing and/or updating implementation plans for CAIS upgrades and single window implementation
- Preparing progress report on CAIS and single window project activities and focal for all relevant documents
- Assisting in bid evaluations and advising on procurement procedures

- Liaising between all the stakeholders in designing, developing and pilot testing of CAIS upgrades and Single Window applications
- Briefing the PIU Project Manager on progress and potential problems
- Assisting the International PIU ICT Specialist
- Coordinate with GOM ICT units, particularly ITPFA
- Advising on resolving implementation and technical issues

Qualifications and Experience

- An educational background in the field of ICT.
- A minimum of 10 years work experience on technical capacity including 5 years on system development.
- A minimum of 3 years work experience managing an ICT project.
- Work experience in at least one ICT project and worked on ADB/other development agencies funded projects an advantage.
- Knowledge in testing and quality assurance is essential.
- Knowledge in workflow and process modeling tools is essential.
- Must be able to communicate and write in English fluently.

PIU Infrastructure Specialist. The consultant will be engaged on an individual basis to supervise construction of BCP inspection and quarantine facilities and laboratories.

Tasks and responsibilities will include:

- Assisting in bid document review and preparation including bills of quantities and cost estimates
- Assisting in developing technical specification of works
- Developing and updating implementation plan for construction of BCP inspection and quarantine facilities and laboratories
- Coordinating activities closely with contractors and advise in advance of possible delays and recommend measures to avoid slippage
- Ensuring that the construction of the Project minimises impacts on the environment, local communities and BCP employees and users and is implemented in line with the specified environmental conditions of contract.
- Assisting in bid evaluations
- Providing advice and recommend measures to Project Manager to avoid slippage
- Preparing monthly progress report incorporating any environmental issues or grievances should they arise.
- Establish and manage Grievance Redress Mechanism in line with the specified environmental conditions of contract.

Qualifications and experience

- Academic/professional qualification in civil engineering or relevant field.
- A minimum of 10 years professional experience and with related experience of 5 years in design and construction of infrastructure (buildings, roads etc.).
- Work experience in at least one border crossing point project and worked on ADB/other development agencies funded projects an advantage.
- Good command and skill in English language.

PIU Procurement Specialist . The consultant will be engaged on an individual basis to oversee and ensure timely implementation of all procurement activities.

Tasks and responsibilities will include:

- Preparing and/or reviewing bid documents including terms of reference, bills of quantities and cost estimates
- Developing technical specification of works, goods and services
- Preparing and/or updating procurement plans and an integrated implementation arrangement for all the BCPs, capacity development, training, and CAIS and single window components
- Coordinating and scheduling procurement activities
- Preparing progress report on procurement activities and focal for all relevant documents
- Requesting for and reviewing proposals
- Assisting in bid evaluations and advising on procurement procedures
- Overall management of the procurement of the works, goods and services to ensure transparency, and compliance of the ADB Guidelines and GOM procurement policies and procedures
- Providing advice and recommendations to executing and implementing agencies to adopt best practices in good governance particularly for public procurement and project administration

Qualifications and experience

- Academic/professional qualification in purchasing, business, engineering or relevant field.
- A minimum of 10 years professional experience and with related experience of 5 years in design and construction of infrastructure (buildings, roads etc.).
- A minimum of 3 years in a procurement function preferably in development agencies funded projects.
- Work experience in at least one border crossing point and/or one ICT project, and worked at least on two ADB/other development agencies funded projects is desirable.
- Proficient in English language.

PIU Finance Specialist. The consultant will be engaged on an individual basis to be responsible for finance and administration aspects of the project, including management of imprest account in accordance with the ADB procedures, under the direct guidance of the PIU Project Manager. He/she will ensure adherence to ADB and GOM applicable procedures and guidelines.

Tasks and responsibilities will include:

- Budget planning and utilization
- Assisting in drawing up of Project funds
- Preparing liquidation/claims reports
- Participating in procurement activities
- In-charge of accounting in accordance with accounting standards and requirements of ADB and preparing related reports
- Preparing financial statements and other financial reports under the Project
- Overseeing the physical inventory of equipment and other parts and supplies purchased under the Project

Qualifications and experience

- Academic/professional qualification relevant to finance/accounting (preferably certified accountant).
- A minimum of 5 years of experience on finance/accounting.
- Work experience in ADB project implementation and knowledge of ADB procedures is an advantage.
- Ability to work independently and within tight schedule.
- High standards of professional and work ethics.
- Good team player.
- Proficient in English language.

PIU Project Performance Monitoring Specialist. The consultant will be engaged on an individual basis to monitor and recommend measure on timely implementation of project activities.

Tasks and responsibilities will include:

- Preparing and updating the Project performance management system (PPMS) consistent with DMF
- Monitoring the project implementation
- Preparing overall project monthly, quarterly and annual progress reports;
- Identify implementation issues, as early as possible, and providing recommendations and coordinating with concerned parties to find solutions;
- Assisting in work and budget planning
- Coordinating with PIU staff to account for up-to-date physical and financial accomplishments
- Collecting baseline data and monitoring the progress towards achieving targets and indicators as specified in the Project Design and Monitoring Framework
- Undertaking other pertinent tasks that may be assigned by the PIU Project Manager

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above.
- College graduate or master's degree on project management, administration or related field.
- Preferably with 10 years of relevant professional experience, with three years' experience in monitoring and implementing ADB project.
- Familiarity with ADB PPMS is an advantage.
- Ability to work independently and within tight schedule.
- High standards of professional and work ethics.
- Good team player.
- Proficient in English language.

PIU Administrative Officer. The consultant will be engaged on an individual basis to provide administrative assistance to PIU and support day-to-day project activities and translation services, as needed, under the guidance of the PIU Project Manager.

Tasks and responsibilities will include:

- Preparing Project correspondences

- Maintaining and organizing all Project documents
- Keeping Project contact register up-to-date
- Making travel arrangements for the PIU staff
- Coordinating and arranging meetings of PIU with ADB, PSC, contractors, consultants and other Project stakeholders
- Preparing minutes of the meetings
- Manning the PIU front desk
- Providing translation services, as needed

Qualifications and Experience

- Suitability to undertake the responsibilities mentioned above.
- Graduate of secretarial course, administration, psychology, or related field.
- At least five years of relevant professional experience, preferably of which at least one year should be working with ADB project or similar international projects.
- Good written and oral communications skills, including a good knowledge of English.
- Proficient in Microsoft Word, Excel and PowerPoint, and internet research.
- A good knowledge of office administration procedures.
- Ability to work independently and within tight schedule.
- High standards of professional and work ethics.
- Good team player.

PIU Driver. The consultant will be engaged on an individual basis to provide assistance to PIU and support day-to-day project activities especially site inspections and attending meetings, under the guidance of the Project Manager. He/she will coordinate travel schedules and expenses including payables and budget needed. He/she should have a professional driver's license and at least 10 years of professional driving experience. Work experience with ADB project or similar international projects will be an advantage.

VII. SAFEGUARDS

48. Pursuant to ADB's Safeguard Policy Statement (2009) (SPS), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at appendix 5 of the SPS.

A. Environment

49. The project is classified as category C for environment as there will be minimal or no adverse environmental impacts. An issues paper has been prepared which identifies strategic environmental and social improvements needed at the BCPs, best practice environmental management for BCPs and potential risks during implementation.

50. The issues paper makes best practice recommendations for BCPs on waste minimization, pollution prevention, stormwater management, water conservation, wastewater management, solid, hazardous and laboratory wastes, air pollution, climate change and heating systems. The other strategic environmental issue at BCPs is capacity for control of trans-border movement of illegal and/or hazardous substances, products, wildlife and their parts. A provision for capacity building for border officials has been included and will address wildlife trafficking.

51. Key environmental risks during implementation are associated with physical works for Output 1. These risks are localized and minor, for example, waste disposal and nuisance (noise, dust and air emissions, minor disruption of access routes). These risks can be easily managed through effective construction site planning and management. The issues paper includes environmental conditions of contract which require the Contractor to prepare a Site Environmental Management Plan identifying any particular environmental risks and control measures to be implemented. Although risks are minor and grievances are considered unlikely, an information board will be displayed at the BCP and nearest soum center, with contact details of the PIU and Contractor.

52. The climate risk screening has indicated a medium risk for climate change impacts for Bichigt and Zamiin-Uud and a high risk for Altanbulag. Climate change risks include increased snow loading, melting permafrost and risk of flood. Results and recommendations of the climate risk and vulnerability assessment will be taken into account during the detailed design.

B. Indigenous Peoples

53. The Project is classified as category C for indigenous peoples. The assessment determined that the project will not directly or indirectly affect ethnic minority communities. Therefore, no indigenous peoples plan is required. In case of unanticipated impacts, indigenous people's activities will be conducted in accordance with ADB's Safeguard Policy Statement (2009). Otherwise, no further actions are required.

C. Involuntary Resettlement

54. The Project is classified as category C for involuntary resettlement. The project involves minor civil works which will be carried out on existing government land so no land acquisition and resettlement impacts are anticipated. In case of unanticipated involuntary resettlement impacts during project implementation, land acquisition and resettlement activities will be

conducted in accordance with ADB’s Safeguard Policy Statement (2009). A resettlement plan will need to be prepared and submitted to ADB for approval prior to commencement of civil works. Otherwise, no further action is required.

VIII. GENDER AND SOCIAL DIMENSIONS

55. The executing agency will also include a specific provision in the bidding documents to ensure that civil works contractors: (i) comply with core labor standards, applicable laws and regulations in Mongolia and incorporate applicable workplace occupational safety norms; (ii) do not differentiate payment between men and women for work of equal value; (iii) do not employ child labor in the construction and maintenance activities; (iv) do not use forced or compulsory labor; (v) prevent employment discrimination; (vi) to the extent possible, maximize employment of local poor and disadvantaged persons for project construction and operations purposes ; and (vii) disseminate information on the risks of communicable diseases, including human immunodeficiency virus/acquired immunodeficiency syndrome, drug trafficking and human trafficking to the BCP staff, BCP users and employees of the contractors under the Project and to members of the local communities near the BCPs.

56. The executing agency and implementing agency will implement the Social Development Action Plan (see table 4 below) and report on progress and achievements to MOF and ADB.

Table 4: Social Development Action Plan

Proposed Actions	Targets/Indicators	Agencies Involved	Timing	Funding Source
A. Job creation at border crossing points <ul style="list-style-type: none"> • Use of local unskilled labor including women. • Priority given by local governments to local sellers in providing services, food and supplies at project sites • Operations staff includes women. 	Construction: Around 100 unskilled labor force hired locally, including 20% of women / Number of local labor employed by gender Number of local sellers provisioning the project sites by gender Operations: Maintain current levels of staff by gender / Numbers of staff by gender	GACT, contractors, consulting firm	2017–2021	Labor costs are included in Project costs Admin budget
B. Construction safety <ul style="list-style-type: none"> • Ensure safety guidelines developed and incorporated into contracts with all contractors • Health and safety induction training for all workers and service providers 	All contractors, and construction workers are trained / number and quality of induction training, number of workers injured	GACT and contractors	2017–2021	Project budget

Proposed Actions	Targets/Indicators	Agencies Involved	Timing	Funding Source
C. Public awareness and prevention campaigns of communicable diseases (including HIV/AIDS and STIs), and human trafficking at BCPs	Capacity building/training for BCP staff / number of customs and border staff trained	GACT, contractors	2017 onward	Project budget
	Dissemination of information to travelers and local communities / posters and pamphlets on communicable diseases prevention and trafficking awareness displayed.	GACT and contractors	2017 onward	Project budget
<ul style="list-style-type: none"> • Creation of gender-sensitive environment 	Separate lanes and inspection for women traders. Adequate washroom facilities for women.	GACT	2017 onward	Project budget
<ul style="list-style-type: none"> • Strengthening of inter-agency coordination mechanism 	Trade processes and procedures simplified resulting in time savings, including for small-scale female traders.	GACT, GASI, Immigration	By 2021	Project budget

BCP = border crossing point, GACT = General Authority of Customs and Taxation, GASI = General Agency for Specialized Inspection

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING AND COMMUNICATION

A. Project Design and Monitoring Framework

<p>Impacts the Project is aligned with:</p> <p>Trade and competitiveness increased (CAREC Transport and Trade Facilitation Strategy 2020)</p>
--

Project Results Chain	Performance Indicators with Targets and Baselines	Data Sources or Reporting Mechanisms	Risks
<p>Outcome Cost and time of compliance with trade procedures reduced.</p>	<p>By 2026</p> <p>Time and cost to cross project BCPs reduced by 30% (2014 baseline: Altanbulag BCP: 4.8 hours, \$659; Bichigt BCP: 3.7 hours, \$660; and Zamyn-Uud BCP: 8.7 hours, \$383)</p>	<p>CAREC CPMM quarterly and annual reports</p> <p>CAREC TSCC and CCC annual reports</p> <p>GACT semi-annual reports</p>	<p>Government does not pursue efforts on priority SW reforms and to enhance regional customs cooperation</p>
<p>Outputs</p> <p>1. Facilities and equipment at BCPs upgraded and improved.</p>	<p>1a. Civil works completed with the required facilities by 2021. (2014 baseline: 0)</p> <p>1b. Needed equipment installed at project BCPs by 2021. (2014 baseline: 0)</p> <p>1b. Separate lanes for inspection of women traders established (2014 baseline: 0)</p>	<p>Quarterly progress reports from contractors</p> <p>Updates to CAREC annual SOM and MC</p> <p>CAREC CPMM quarterly and annual reports</p> <p>CFCFA reports</p>	<p>Insufficient commitment and coordination among key ministries and agencies</p> <p>Slow decision making process as a result of structural changes after creation of the new GACT</p>
<p>2. Communication infrastructure for CAIS improved and GACT systems made interoperable</p>	<p>2a. CAIS functional requirements developed and operational</p> <p>2010 baseline: basic application development</p> <p>2b. GACT systems seamlessly exchange information</p> <p>2014 baseline: no information exchange</p>	<p>2a. Quarterly progress reports from ICT firm</p> <p>2b. GACT semi-annual report</p>	
<p>3. Preparatory work for SW system undertaken.</p>	<p>Time to prepare and process export and import documents reduced by 50% in Mongolia by</p>	<p>World Bank– International Finance Corporation</p>	<p>Lack of participation and engagement by other trade related</p>

	2025 (2015 baseline: 37 hours for export and 22 hours for import)	Annual Doing Business indicators	agencies in the SW.
Key Activities with Milestones			
Outputs 1. Facilities and equipment at BCPs upgraded			
1.1 Identify and technically appraise subprojects (Q2–Q3 2017)			
1.2 Prepare engineering designs and equipment inventory (Q2–Q3 2017)			
1.3 Prepare bid documents (Q3 2017)			
1.4 Award contracts for goods, works, and services (Q2 2018)			
1.5 Construct and provision of equipment (Q2 2018–Q1 2021)			
1.6 Test and operationalize of facilities and equipment (Q2–Q3 2021)			
Output 2. Communication infrastructure for CAIS improved and GACT systems made interoperable			
2.1 Technical appraisal (standards and specifications) (Q2 2017)			
2.2 Prepare bid documents (Q3 2017)			
2.3 Award contracts for goods and services (Q1 2018)			
2.4 Develop the system and provide equipment (Q2 2018–Q3 2020)			
2.5 Test and operationalize of the system (Q4 2020–Q2 2021)			
Output 3. Preparatory work for SW system undertaken			
3.1 Undertake Business Process Analysis (Q2 2018)			
3.2 Streamline trade procedures (Q3 2019)			
3.3 Establish Inter-agency coordination mechanism (Q2 2021)			
3.4 Develop strategy to integrate existing IT-related initiatives for a single window platform (Q1 2018–Q4 2021)			
3.5 Develop targeted SW application (Q3 2018–Q4 2019)			
Project Management Activities			
Manage implementation of procurement plans (Q2 2017–Q4 2021)			
Prepare and update of monitoring and evaluation system and ensure timely delivery of outputs (Q2 2017–Q4 2021)			
Conduct skills assessment of CAIS and single window staff (Q1 2021)			
Deliver and evaluate training courses (Q4 2020–Q2 2021)			
Implement the SDAP (all through the project)			
Inputs			
ADB: \$27,000,000			
Government: \$ 2,070,000			
Assumptions for Partner Financing			
Not applicable.			

BCP = border crossing points, CAIS = Customs Automated Information System, CAREC = Central Asia Regional Economic Cooperation, CCC = Customs Cooperation Committee, CFCFA = CAREC Federation of Carrier and Forwarder Associations, CPMM = Corridor Performance Measurement and Monitoring, GACT = General Authority of Customs and Taxation, ICT = information and communications technology, MC = Ministerial Conference, SOM = Senior Officials Meeting, SW = single window.

B. Monitoring

57. Project performance monitoring: The PIU will establish an appropriate project performance monitoring system within one year of effectiveness following the DMF indicators. The PIU will, in consultation with ADB, develop a set of project performance monitoring indicators consistent with the ADB Guidelines for Preparing a Design and Monitoring Framework. This includes measurement metrics that help assess the improvement in the reliability and processing speeds at border crossing points, and improvement in transparency, efficiency and governance in customs services. Monitoring and evaluation reports will be submitted by the PIU to ADB on a semiannual basis.

58. The executing agency will exercise rigorous monitoring to ensure expeditious contract awards and disbursement. In this respect, actions will include:

- (i) To avoid delays in bid evaluation resulting from contractors' submission of incomplete bids, a checklist of all the supporting documents, forms, and guarantees (Table 5) will be attached with the bids for future tendering. This will be further discussed during pre-bid meetings;
- (ii) Monitoring of agreed time-bound activities from preparation of bid evaluation report (BER) to the contract award will be carried out using a checklist (Table 6) for each action with the given timeframe; and
- (iii) For ADB monitoring, consultants shall copy to ADB project officer the interim payment certificates, which will help intensify ADB's monitoring, expedite withdrawal application processing and payments to contractors, and consequently improve the project implementation progress.

Table 5: Checklist of Documents for Bidders at Purchase of Tender Documents

Instruction to Bidders (ITB) Requirements	Specific Instructions and Supporting Documents
(a) Letter of Bid	<ul style="list-style-type: none"> ➤ Total bid price (excluding discount); ➤ Discount (if any); ➤ Bid validity of 150 days ➤ Signed by an authorized person (see. Item e, below)
(b) Completed schedules as required, including priced bill of quantities (BOQ)	<ul style="list-style-type: none"> ➤ Accomplished Schedule of Payment Currencies, if wished to be paid in foreign currency; ➤ Accomplished Tables of Adjustment Data; ➤ Accomplished BOQs
(c) Bid Security	<ul style="list-style-type: none"> ➤ Bidders may utilize their existing bid security, with no revision to the expiry date, provided it meets the following: <ul style="list-style-type: none"> ➤ Format in accordance with the Form of Bid Security, or any format acceptable to the Employer; other forms like cashier's or manager's check is also acceptable; ➤ Each lot (if in lots) is covered by a bid security (either one bid security per lot or one bid security covering multiple lots - executing agency should check if these are the same amounts indicated in the Bidding Documents); ➤ Validity of bid security is 28 days beyond the validity of the bid; and ➤ For Joint Ventures (JV), the bid security is in the name of the JV or names of all future partners of the JV, if not

Instruction to Bidders (ITB) Requirements	Specific Instructions and Supporting Documents
	yet constituted.
(d) Alternative bids, if permissible	Alternative bid is not permitted. Any alternative bid will not be considered.
(e) Written confirmation authorizing the signatory of the Bid to commit the Bidder	➤ Notarized Power of Attorney demonstrating the authority of the signatory of the bid.
(f) Documentary evidence in establishing the Bidder's qualifications to perform the contract if its Bid is accepted	<ul style="list-style-type: none"> ➤ Accomplished Current Contract Commitments / Works in Progress form. ➤ Accomplished Financial Resources form with supporting documents. ➤ Accomplished Bidder Information Sheet, JV Information Sheet, Pending Litigation Accomplished Financial Situation with supporting documents, and Average Annual Construction Turnover.
(g) Technical Proposal	<ul style="list-style-type: none"> ➤ Accomplished Personnel Forms; ➤ Accomplished Equipment form; ➤ Site Organization; ➤ Method Statement; ➤ Mobilization Schedule; ➤ Construction Schedule (work program or overall implementation schedule); and ➤ In case of JV, a copy of the Joint Venture Agreement, or a Letter of Intent to execute a JV in the event of a successful bid together with a copy of the proposed JV agreement.

Table 6: Time-bound Action Plan for Preparation and Approval of Bid Evaluation Reports

Activity	No. of Days	Responsible Agency/Department
Evaluation of Bids and preparation of BER	10-15 days	EA and EC
EAPF's receipt and review of BER and preparation of procurement paper	4 days	EAPF
EA's/IA's incorporation of ADB comments in BER, if any	2 days	EA
EAPF's receipt of revised BER and final review	2 days	EAPF
Transmittal of ADB's no-objection of recommendation of award	1 day	EAPF
Notification of award to winning bidder(s)	2 days	EA
Contract signing	15 days	EA and Contractor

ADB = Asian Development Bank, BER = bid evaluation report, BOQ = bill of quantities, EA = executing agency, EC = Evaluation Committee, EAPF = East Asia Public Management, Financial Sector and Regional Cooperation Division, JV = joint venture

Source: Asian Development Bank.

59. Compliance monitoring: The compliance status of loan covenants will be reported and assessed through the quarterly progress reports and verified by ADB review missions.

60. Safeguards monitoring: The project has been classified as category C for environment, involuntary resettlement and ethnic minorities. An environment and social issues paper has been prepared to identify potential risks during implementation, minor risks could result from the implementation of Output 1, however, these risks can be avoided through good construction site management. The PIU Infrastructure Specialist will be responsible for supervising the contractor

and making PIU Head aware of any environmental or grievance issues to be included in the quarterly progress reports. Regarding social dimensions, a Social Development Action Plan has been developed and the executing agency and implementing agencies will monitor its implementation and the progress, issues and results will be reported in the quarterly progress reports

C. Evaluation

61. ADB will field an inception mission within three months after signing of the loan agreement. ADB and the government will jointly undertake reviews of the project at least once a year. The reviews will assess progress in each output, identify issues and constraints, and determine necessary remedial actions and adjustments. The government and ADB will undertake a comprehensive midterm review in the third year of project implementation. The midterm review will (i) review the design, and implementation arrangements and identify adjustments required; (ii) assess the progress of project implementation against performance indicators; and (iii) recommend changes in the design or implementation arrangements, if necessary. Within six months of physical completion of the Project, the EA will submit the project completion report to ADB.²¹

D. Reporting

62. The executing agency through the PIU will provide ADB with (i) quarterly progress reports within one month from the end of the related quarter in a format consistent with ADB's project performance monitoring system, progress made implementing SDAP and environmental and grievance issues, should they arise, should be included in the report; (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for next 12 months; and (iii) a project completion report within six months of physical completion of the Project.

²¹ Project completion report format available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

E. Stakeholder Communication Strategy

63. Various stakeholders have been consulted in the process of developing the design and implementation measures of the project. Key stakeholders include (i) government agencies responsible for the design and implementation of the project; (ii) industry and professional associations like the Chamber of Commerce and (iii) donors actively involved in the sector.

64. Public information of project components during detailed design and prior to construction will be undertaken.

Project Documents	Means of Communication	Responsible Party	Frequency	Audience(s)
Project Data Sheet	ADB's website	ADB	semiannually	General Public
Report and Recommendation of the President	ADB's website	ADB	upon approval by the Board	General Public
Legal Agreements	ADB's website	ADB	upon signing	General Public
Social Monitoring Reports	ADB's website	ADB	routinely disclosed	General Public, project-affected people in particular
Major Change in Scope	ADB's website	ADB	upon approval of such change	General Public
Completion Report	ADB's website	ADB	upon circulation to the Board	General Public
Evaluation Report	ADB's website	ADB	upon circulation to Management and the Board	General Public

X. ANTICORRUPTION POLICY

65. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the Project.²² All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all Project contractors, suppliers, consultants and other service providers. Individuals/entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the Project.²³

66. To support these efforts, relevant provisions are included in the loan agreement/regulations and the bidding documents for the Project.

XI. ACCOUNTABILITY MECHANISM

67. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make a good faith effort to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²⁴

XII. RECORD OF PAM CHANGES

68. All revisions and/or updates during the course of implementation should be retained in this Section to provide a chronological history of changes to implemented arrangements recorded in the PAM.²⁵

Table 7. Table for Recording PAM Changes

PAM Version	Created Date	Revision Date	Reasons of Change	Main Contents of Change
V1.0	February 2016	N/A	Initial	N/A

²² Available at: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²³ ADB's Integrity Office web site is available at: <http://www.adb.org/integrity/unit.asp>

²⁴ For further information see: <http://www.adb.org/Accountability-Mechanism/default.asp>

²⁵ EA and ADB shall ensure that changes to the PAM during project implementation.