



# Technical Assistance Report

---

Project Number: 48187-001  
Capacity Development Technical Assistance (CDTA)  
December 2014

## Mongolia: Promoting Effectiveness of Development Cooperation

This document is being disclosed to the public in accordance with ADB's Public Communications Policy 2011.

**Asian Development Bank**

## CURRENCY EQUIVALENTS

(as of 13 November 2014)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.000535
\$1.00	=	MNT1,870.00

## ABBREVIATIONS

ADB	–	Asian Development Bank
MOED	–	Ministry of Economic Development
MOF	–	Ministry of Finance
TA	–	technical assistance

## NOTE

In this report, "\$" refers to US dollars.

<b>Vice-President</b>	S. Groff, Operations 2
<b>Director General</b>	A. Konishi, East Asia Department (EARD)
<b>Country Director</b>	R. Schoellhammer, Mongolia Resident Mission, EARD
<b>Team leader</b>	M. Bezemer, Senior Country Economist, EARD
<b>Team members</b>	B. Battsengel, Operations Assistant, EARD T. Galsanchoimbol, Project Analyst, EARD A. Lkhagvasuren, Economics Officer, EARD

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

## CONTENTS

	<b>Page</b>
CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE	2
A. Impact and Outcome	2
B. Methodology and Key Activities	2
C. Cost and Financing	4
D. Implementation Arrangements	4
IV. THE PRESIDENT'S DECISION	5
APPENDIXES	
1. Design and Monitoring Framework	6
2. Cost Estimates and Financing Plan	8
3. Outline Terms of Reference for Consultants	9

## CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE AT A GLANCE

<b>1. Basic Data</b>		<b>Project Number: 48187-001</b>	
<b>Project Name</b>	Promoting Effectiveness of Development Cooperation	<b>Department /Division</b>	EARD/MNRM
<b>Country Borrower</b>	Mongolia Ministry of Finance	<b>Executing Agency</b>	Ministry of Finance
<b>2. Sector</b>		<b>ADB Financing (\$ million)</b>	
✓ Public sector management	Public administration		0.70
		<b>Total</b>	<b>0.70</b>
<b>3. Strategic Agenda</b>		<b>Climate Change Information</b>	
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project	Low
<b>4. Drivers of Change</b>		<b>Gender Equity and Mainstreaming</b>	
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Civil society participation Institutional development Institutional systems and political economy Organizational development Public financial governance	No gender elements (NGE)	✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities		
<b>5. Poverty Targeting</b>		<b>Location Impact</b>	
Project directly targets poverty	No	Nation-wide	High
<b>6. TA Category:</b>	B		
<b>7. Safeguard Categorization</b>	Not Applicable		
<b>8. Financing</b>			
<b>Modality and Sources</b>		<b>Amount (\$ million)</b>	
<b>ADB</b>		<b>0.70</b>	
Sovereign Capacity development technical assistance: Technical Assistance Special Fund		0.70	
<b>Cofinancing</b>		<b>0.00</b>	
None		0.00	
<b>Counterpart</b>		<b>0.05</b>	
Government		0.05	
<b>Total</b>		<b>0.75</b>	
<b>9. Effective Development Cooperation</b>			
Use of country procurement systems	No		
Use of country public financial management systems	No		

## I. INTRODUCTION

1. The Government of Mongolia requested the Asian Development Bank (ADB) to provide technical assistance (TA) to improve the alignment of development partners' assistance with the government's development priorities and objectives. Capacity development for aid effectiveness was emphasized in the interim country partnership strategy, 2014–2016,<sup>1</sup> and the TA was included in ADB's country operations business plan, 2014–2016.<sup>2</sup> A TA fact-finding mission on 16–27 October 2014 reached agreement with the government on the TA impact, outcome, outputs, implementation arrangements, costs, financial arrangements, and terms of reference for consulting services. The design and monitoring framework is in Appendix 1.<sup>3</sup>

## II. ISSUES

2. The Mongolian economy, traditionally based on livestock herding, is experiencing rapid transformation and growth due to the discovery of large mineral deposits and the development of the mining industry. While economic growth averaged about 10% over the past decade and substantially boosted average income, 27.4% of the population still lived below the national poverty line in 2012. This is largely because mineral-led growth has failed to generate substantial employment, with just 4% of the labor force engaged in this sector.

3. Substantial public and private investments in infrastructure are needed to support economic growth, diversify the economy, and create jobs, while increasing access for all people to essential services like heat, power, health, education, housing, water, and sanitation.<sup>4</sup> Mongolia has been able to access international financial markets in recent years, but it continues to face serious challenges in project planning, processing, and implementation.

4. Development assistance plays an essential role in alleviating poverty through job creation, social protection, environmental protection, and strengthened governance, especially to manage burgeoning mining revenues. Because the relative size and concessionality of official development assistance is declining as Mongolia moves towards becoming an upper middle-income country, the effectiveness and efficiency of these scarce resources and the government's ability to align development partners' assistance with its priorities are increasingly important.<sup>5</sup>

5. The government demonstrated commitment to promoting the effectiveness of development cooperation by signing the Paris Declaration on Aid Effectiveness<sup>6</sup> (2005) and endorsing the Busan Partnership for Effective Development Co-operation<sup>7</sup> (2011), which

---

<sup>1</sup> ADB. 2014. *Interim Country Partnership Strategy: Mongolia, 2014–2016*. Manila.

<sup>2</sup> ADB. 2014. *Country Operations Business Plan: Mongolia, 2014–2016*. Manila.

<sup>3</sup> The TA first appeared in the business opportunities section of ADB's website on 9 December 2014.

<sup>4</sup> In Ulaanbaatar, peri-urban informal settlements or "ger areas" are home to about 60% of residents and virtually not served by the city's heating, water supply, and sanitation networks.

<sup>5</sup> Increased gross domestic product per capita in recent years has led development partners, including ADB, to substitute grant financing for lending with increasingly less concessional terms, leading the government to further explore alternative sources of development finance, especially by tapping international financial markets and making use of its Development Bank of Mongolia. Several bilateral development partners are scaling or shutting down operations in Mongolia.

<sup>6</sup> Organisation for Economic Co-operation and Development. 2005. *The Paris Declaration on Aid Effectiveness*. <http://www.oecd.org/dac/effectiveness/34428351.pdf>

<sup>7</sup> Working Party on Aid Effectiveness. 2011. *Busan Partnership for Effective Development Co-operation*. [http://effectivecooperation.org/files/OUTCOME\\_DOCUMENT\\_-\\_FINAL\\_EN2.pdf](http://effectivecooperation.org/files/OUTCOME_DOCUMENT_-_FINAL_EN2.pdf)

established the Global Partnership for Effective Development Co-operation.<sup>8</sup> However, the country has no mechanisms in place to implement, coordinate, and monitor the commitments under the Busan and Paris declarations. For instance, Mongolia was not yet included in the list of countries assessed in the 2014 Global Partnership Monitoring Report.<sup>9</sup>

6. The government's aid management capacity has been affected by repeated government restructuring. The Ministry of Economic Development (MOED) was created in 2012 and became responsible for planning foreign aid and the counterpart for ADB, together with the Ministry of Finance (MOF). As a new agency, MOED struggled severely to build its capacity to plan and coordinate development assistance and develop systems and mechanisms for coordinating with the MOF, other agencies, development partners, and stakeholders. Key government–development partner coordination mechanisms fell into disuse, including the annual coordination meeting chaired by the government and the World Bank, which was discontinued in 2012. Successor arrangements are needed to ensure that development assistance is well targeted and effective.

7. On 7 October 2014, a bill was passed to reduce the number of ministries from 16 to 13. According to this bill, the MOED was abolished and its functions were transferred to the MOF and the Ministry of Foreign Affairs and Economic Cooperation, with the MOF again in charge of loan and aid policy. Unfortunately, this occurred with a very limited transfer of responsible MOED staff to the MOF, which may result in a further loss of institutional memory. In its short existence, MOED was unable to submit a development assistance policy to Parliament. The MOF faces a major challenge to rebuild its aid management capacity and bring Mongolia's development assistance policies and practices rapidly in line with international best practices.

### III. THE CAPACITY DEVELOPMENT TECHNICAL ASSISTANCE

#### A. Impact and Outcome

8. The TA impact will be an improved alignment of development partners' assistance with the government's development priorities and objectives. The outcome will be the improved performance of the government to effectively plan and manage development assistance-supported projects.

#### B. Methodology and Key Activities

9. The TA will provide support to improve the government's performance to plan and manage development assistance-supported projects through the following outputs: (i) a comprehensive assessment of Mongolia's aid management against international best practices—including Mongolia's commitments under the Busan and Paris declarations—prepared, resulting in pragmatic recommendations for improvement; (ii) development assistance policy formulated; (iii) effective government–development partner coordination mechanisms

---

<sup>8</sup> The monitoring framework that tracks progress on the commitments made at the Fourth High Level Forum on Aid Effectiveness in Busan was recently discussed at the first ministerial-level meeting of the Global Partnership for Effective Development Cooperation in Mexico. Examples of indicators under the Monitoring Framework of the Global Partnership include (i) proportion of development cooperation funding covered by indicative forward spending plans provided at the country level, (ii) percentage of development cooperation funding scheduled for disbursement that is recorded in the annual budgets approved by the legislature, and (iii) use of country public financial management and procurement systems.

<sup>9</sup> Organisation for Economic Co-operation and Development. 2014. *Making Development Co-operation More Effective: 2014 Progress Report*. [http://www.keepeek.com/Digital-Asset-Management/oeecd/development/making-development-co-operation-more-effective\\_9789264209305-en](http://www.keepeek.com/Digital-Asset-Management/oeecd/development/making-development-co-operation-more-effective_9789264209305-en)

established; and (iv) skills of key government officials in development assistance management improved.<sup>10</sup>

10. **Output 1: Aid management assessment prepared.** Under this output, the TA will produce a comprehensive aid management assessment to benchmark development assistance processes and procedures against international best practices, including Mongolia's commitments under the Busan and Paris declarations and the Mexico High Level Meeting Communiqué (footnote 8).<sup>11</sup> Based on a detailed assessment, the report will provide pragmatic recommendations to the government for implementing major commitments and enhancing the effectiveness and efficiency of development assistance, some of which may be supported by the TA through, for instance, training or workshops.

11. **Output 2: Development assistance policy formulated.** Under this output, the TA will draft a detailed development assistance policy in line with international best practices for aid management, taking into account medium-term economic prospects for Mongolia, government capacity, and the evolving international development cooperation architecture that highlights the importance of nontraditional development partners. In considering Mongolia's development strategy, access to international capital markets, debt management framework, budgetary constraints, and medium-term public investment plan, the policy would support the alignment of development assistance to the country's public investment and TA needs. The policy would not only address current needs and challenges, but also anticipate future requirements and partnerships. The policy could assist the government in, among others, prioritizing sectors and themes for development cooperation (e.g., climate change or health), adequately distinguishing instruments in its financing strategy (e.g., grants or concessional and market-based loans), and facilitating subnational borrowing or onlending, where appropriate.<sup>12</sup>

12. **Output 3: Government–development partner coordination mechanisms established.** Under this output, the TA will establish effective government–development partner coordination mechanisms resulting in regular government-led coordination meetings at the national and/or sector level.<sup>13</sup> The TA will help institute effective intergovernmental horizontal and vertical communication and coordination mechanisms and maintain a comprehensive development partner matrix, with possible coverage ranging from bilateral and multilateral development partners to relevant nontraditional partners, such as the private sector and civil society organizations.

13. **Output 4: Skills in development assistance management improved.** Under this output, the TA will organize targeted training, high-level workshops, conferences and/or seminars to improve the skills of key government officials on the effective use and management of development assistance, including new global actors and funding sources (e.g., regional and global funds, public–private partnerships).<sup>14</sup> Eminent resource persons and international

<sup>10</sup> Where possible, the TA intends to align with and build upon the efforts of other bilateral and multilateral development partners (e.g., analysis or existing meeting structures).

<sup>11</sup> This includes, among others, the country's loan and grant initiation, preparation, and approval processes.

<sup>12</sup> The formulation of development assistance policy is crucial given Mongolia's recent graduation from the status of grant recipient to blend country with increased access to nonconcessional funding. As there is no existing policy, there is an emerging need for a policy that better guides official development assistance flows with less concessional terms.

<sup>13</sup> There is an opportunity for the government to build on existing development partner meetings, for instance for extractive industries.

<sup>14</sup> The program could include staff of the MOF, Economic Development Committee, Ministry of Foreign Affairs and Economic Cooperation, Cabinet Secretariat, key line ministries, regional bodies in charge of planning and development, and other central and regional agencies.

consultants will support the events, which will be organized in cooperation with active development partners.<sup>15</sup> The TA will provide training and practical guidance for government officials on accessing and applying for development finance from international sources, of which several are largely untapped. Where necessary, the TA could also support experience and learning exchanges from peer countries through conferences, study tours, or exchanges of government officials to learn from, for instance, other natural resource-dependent countries such as Azerbaijan, Indonesia, and Kazakhstan. The TA may engage international and national resource persons and short-term experts to carry out well-defined tasks that contribute to skill development (e.g., case study papers, workshop participation, and presentations).

14. The TA assumes strong commitment from major development partners in Mongolia to support improved aid management by the government, strong commitment from the government to improve its aid management, and sufficient government support, including relevant data, being provided to the consultant team. TA impact may be at risk in case of renewed government institutional restructuring and high turnover of government officials; insufficient cooperation between the MOF and other ministries; or deficiencies in government readiness, capacity, and priorities following recent government restructuring. These risks will be managed by establishing a steering committee consisting of relevant government agencies, preparing proper documentation of intermediate outputs, and facilitating ongoing dialogue with the MOF and key stakeholders.

### **C. Cost and Financing**

15. The TA is estimated to cost \$750,000, of which \$700,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V). The government will provide counterpart support in the form of counterpart staff, office space, office supplies, and other in-kind contributions.

### **D. Implementation Arrangements**

16. The TA will be implemented over 27 months, from 1 January 2015 to 31 March 2017. The executing agency will be the MOF, and the implementing agency will be the MOF.<sup>16</sup> The TA will establish a steering committee co-chaired by the MOF and the Cabinet Secretariat that may include officials from the Economic Development Committee, key line ministries, and other relevant agencies.<sup>17</sup> It will convene at least biannual meetings. The MOF will be responsible to involve all relevant stakeholders in the required TA consultations and implementation.

17. ADB will recruit a consulting firm using quality- and cost-based selection with a standard quality–cost ratio of 90:10 by inviting simplified technical proposals to provide 16 person-months of international consultants and 26 person-months of national consultants. The consultants will have theoretical and practical expertise in development assistance policy, cooperation, and coordination, and will deliver the outputs described in para. 9. In addition, ADB will recruit an individual national consultant as project coordinator for 22 person-months to coordinate TA implementation, compose the project implementation unit, and closely liaise with ADB, the MOF, other stakeholders, and the firm. An outline terms of reference for the consultants is in Appendix 3.

<sup>15</sup> Development partners not operating in the country but with a potentially important future role could be invited.

<sup>16</sup> The implementation agency will include the successor to the former MOED department that was responsible for loan and aid policy (yet to be determined).

<sup>17</sup> In particular, the Ministry of Energy and Mining may be interested to participate, as a group of development partners is already organizing periodic meetings.



18. The consultants will be engaged by ADB in accordance with the Guidelines on the Use of Consultants (2013, as amended from time to time). The TA proceeds will be disbursed in line with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time). The MOF will provide all counterpart facilities and support required by the consultants.

19. To facilitate implementation, ADB may establish an advance payment facility with the MOF to support certain agreed cash expenditures, including workshops, training, seminars, study tours, and conferences, and field work and survey activities, with details of the proposed activities, including cost estimates, submitted through the executing agency to ADB for approval. ADB may also make certain direct payments (e.g., for workshop venues).

20. The TA results, including knowledge products, will be disseminated through the release of project reports, workshops, seminars, and targeted outreach to government agencies and development partners. Workshops and seminars are expected to be attended by government officials, development partners, specialists, and ADB representatives, to allow for the inclusion of diverse views and wide dissemination of project outputs. MOF, as the executing and implementing agency, with ADB support, will monitor project-specific indicators and targets in the design and monitoring framework, including the outcome evaluation.

#### **IV. THE PRESIDENT'S DECISION**

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$700,000 on a grant basis to the Government of Mongolia for Promoting Effectiveness of Development Cooperation, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
<p><b>Impact</b> Improved alignment of development partners' assistance with government development priorities and objectives</p>	<p>Two-thirds of relevant development partners and government officials surveyed in 2018 report an improvement in the government's aid management, resulting in better alignment of development assistance with the government's objectives relative to 2014 (baseline 2014: 0%)</p>	<p>Survey of development partners by MNRM in 2018</p>	<p><b>Assumption</b> Strong commitment by major development partners in Mongolia to support improved aid management by the government.</p> <p><b>Risk</b> Renewed government institutional restructuring and turnover of government officials.</p>
<p><b>Outcome</b> Improved performance of government to effectively plan and manage development assistance-supported projects</p>	<p>Government coordinates development partner meetings at least annually by 2017 (baseline 2014: 0 meetings)</p>	<p>MNRM (received invitations)</p>	<p><b>Assumption</b> Strong commitment by the government to improve its aid management.</p> <p><b>Risk</b> Insufficient cooperation between the MOF and other ministries.</p>
<p><b>Outputs</b></p> <p>1. Comprehensive aid management assessment against international best practices, including Mongolia's commitments under the Declarations, prepared along with pragmatic recommendations for improvement</p> <p>2. Development assistance policy formulated</p> <p>3. Effective government–development partner coordination mechanisms established</p>	<p>Study and knowledge product on aid management in Mongolia submitted to ADB and recommendations discussed with the MOF by December 2015 (baseline not applicable)</p> <p>Development assistance policy submitted to Parliament by July 2016 (baseline not applicable)</p> <p>Agreement reached between government agencies and main development partners on procedures for development coordination</p>	<p>Consultant interim and final reports</p> <p>Parliament website</p> <p>TA review mission</p>	<p><b>Assumption</b> Provision of necessary support, including relevant data, from the government to consultant team.</p> <p><b>Risk</b> Deficiencies in government readiness, capacity, and priorities following recent government restructuring.</p>

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
4. Skills of key government officials in development assistance management improved	by July 2016 (baseline not applicable)  25 government officials participate in training by March 2017 (baseline 0 in 2013), reporting an average satisfaction rating of 3.7 or higher (rating on a scale of 1–5)	Post-training surveys conducted by trainer	
<b>Activities with Milestones</b> <ol style="list-style-type: none"> <li>1. <b>Recruit consultants (by June 2015).</b></li> <li>2. <b>Complete an aid management assessment against international best practices, including the implementation status of Mongolia’s commitments under the Busan and Paris declarations and Mexico High Level Meeting Communiqué (by December 2015).</b> <ol style="list-style-type: none"> <li>2.1 Conduct research, interviews, consultation meetings, and surveys (June 2015–August 2015)</li> <li>2.2 Draft working paper (August–September 2015)</li> <li>2.3 Consult with stakeholders and finalize aid management assessment (October–November 2015)</li> <li>2.4 Discuss recommendations with the MOF (December 2015)</li> </ol> </li> <li>3. <b>Support formulation of development assistance policy (by March 2016).</b> <ol style="list-style-type: none"> <li>3.1 Conduct research, interviews, and consultation meetings (June 2015–November 2015)</li> <li>3.2 Design draft development assistance policy (December 2015)</li> <li>3.3 Consult with stakeholders and propose development assistance policy to the MOF (January 2016–March 2016)</li> </ol> </li> <li>4. <b>Establish effective government–development partner coordination mechanisms (by March 2016).</b> <ol style="list-style-type: none"> <li>4.1 Consult with stakeholders (June 2015–November 2015)</li> <li>4.2 Establish coordination mechanism (March 2016)</li> </ol> </li> <li>5. <b>Build capacity of key government officials in effective management of development assistance (by March 2017).</b> <ol style="list-style-type: none"> <li>5.1 Prepare training materials and identify participants (December 2015–March 2016)</li> <li>5.2 Conduct training, workshops, seminars, study tours, and/or conferences, as needed (March 2016–March 2017)</li> </ol> </li> </ol>		<b>Inputs</b>  <b>ADB: \$700,000</b>  Note: The government will provide counterpart support in the form of counterpart staff, office space, office supplies, and other in-kind contributions.	

ADB = Asian Development Bank, MNRM = Mongolia Resident Mission, MOF = Ministry of Finance, TA = technical assistance.

Source: Asian Development Bank.

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Amount
<b>Asian Development Bank<sup>a</sup></b>	
1. Consultants	
a. Remuneration and per diem	
i. International consultants (16 person-months)	320.0
ii. National consultants (48 person-months)	145.0
b. International and local travel <sup>b</sup>	70.0
c. Reports and communications <sup>c</sup>	15.0
2. Training, seminars, and conferences <sup>d</sup>	
a. Seminars and workshops <sup>e</sup>	65.0
b. Resource persons	25.0
c. Training	15.0
3. Surveys	5.0
4. Miscellaneous administration and support costs <sup>f</sup>	20.0
5. Contingencies	20.0
<b>Total</b>	<b>700.0</b>

Note: The technical assistance (TA) is estimated to cost \$750,000, of which contributions from the Asian Development Bank (ADB) are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office space, and other in-kind contributions. The value of government contribution is estimated to account for 6.7% of the total TA cost. TA funds for budget line items 2–3 will be administered by the executing agency; an advance payment facility may be used.

<sup>a</sup> Financed by ADB's Technical Assistance Special Fund (TASF-V).

<sup>b</sup> Limited to transportation costs and daily subsistence allowance only.

<sup>c</sup> Includes translation costs for policy notes, work plan, progress reports, and final reports.

<sup>d</sup> The study tours will be conducted in ADB member countries.

<sup>e</sup> Includes costs of arrangement of venues, translation and/or interpretation of seminar, and workshop-related items. Specific budget and arrangements are subject to prior approval from ADB.

<sup>f</sup> Includes costs of translation and interpretation for TA-related documents, data, and events other than consultants' reports and TA training events.

Source: ADB estimates.

## **OUTLINE TERMS OF REFERENCE FOR CONSULTANTS**

1. The technical assistance (TA) will be implemented over 27 months, from January 2015 to March 2017. The Asian Development Bank (ADB) will recruit a consulting firm using quality- and cost-based selection with the standard ratio of 90:10 to provide 16 person-months of international and 26 person-months of national consultants. In addition, ADB will recruit an individual national consultant as project coordinator for 22 person-months to coordinate TA implementation, compose the project implementation unit, and closely liaise with ADB, the MOF, other stakeholders, and the firm. The firm and individual consultant will be recruited in accordance with ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The project coordinator, an individual national consultant, will comprise the project implementation unit, and coordinate TA implementation, and liaise with ADB, the Ministry of Finance (MOF), the implementing agency, other stakeholders, and the firm.

2. The international consultants should have relevant degrees; at least 10 years of relevant experience in development cooperation and coordination, economics, public administration, and/or political science; and strong English language skills. Experience in Asia, particularly in Mongolia, will be an advantage. The consultants will prepare a work plan within the first 2 weeks of the assignment; brief quarterly progress reports summarizing the key project activities; a draft final report 4 weeks before the contract's conclusion; and the final report within 2 weeks after comments have been received from ADB and the MOF. The consultants will work closely with the MOF, other Government of Mongolia ministries and agencies, and development partners.

3. Eminent international and national resource persons will be engaged as facilitators, speakers, and/or panelists in conferences, workshops, and seminars. Study tours and exchanges will be carried out to learn from the experiences of other countries (e.g., natural-resource dependent countries such as Azerbaijan, Indonesia, and Kazakhstan).

### **A. International Consultants (16 person-months total)**

4. **Development policy and coordination specialists** (10 person-months). The specialist(s), one of whom will be team leader, will advise the MOF in preparing a development cooperation policy. The specialist(s) will provide training for designated government officials on development cooperation, in particular on planning and programming. The specialist(s) will advise the government and provide training on taking leadership in consultations and coordination among a range of development partners. The specialist(s) will also advise development partners active in Mongolia on how to reduce fragmentation of aid channels and projects, make greater use of country systems, divide responsibilities among priority sectors, and increasingly use program-based approaches where feasible.

5. The specialist(s) will have the following specific responsibilities:

- (i) Provide comprehensive advice on preparing the development cooperation policy, based on good international practice.
- (ii) Advise on establishing proper mechanisms to create strong links between development assistance, the national development strategy, and the government budget.
- (iii) Assist the MOF to identify priorities in development cooperation in consultation with other government ministries and agencies.
- (iv) Advise on the evolving architecture in international development cooperation, in particular the greater number of state- and non-state actors, as well as

- cooperation among countries at different stages in their development (including south–south and triangular forms of cooperation).
- (v) Advise on a broad range of issues related to public debt sustainability.
  - (vi) Advise on a strategy to gradually increase independence from foreign aid.
  - (vii) Advise on the diverse domestic and foreign finance sources to support development expenditure, including domestic taxation, private investment, aid for trade, philanthropy, nonconcessional public funding, and climate change finance.
  - (viii) Provide training in development policy, coordination, and cooperation.
  - (ix) Suggest effective mechanisms by which the government can lead consultation and coordination efforts and support coordination among development partners, including new players, based on good international practice.
  - (x) Recommend ways to improve the coordination and increase the transparency of the solicitation of development assistance (in particular TA) by various government agencies to minimize overlapping or conflicting policy advice from development partners.
  - (xi) Review current government and development agency approval procedures, and propose ways to better coordinate between various sets of procedures.
  - (xii) Based on good international practice, advise on the distribution of responsibilities and coordination for development cooperation between the MOF, line ministries, and other relevant agencies.
  - (xiii) Advise on establishing regular development partner sector coordination meetings.

6. The specialist(s) should have a relevant master's degree; at least 10 years of relevant experience in development cooperation and coordination, economics, public administration, and/or political science; and strong English language skills. The team leader should have considerable experience leading and managing multi-skilled project teams, particularly in development projects. Experience with development partners (and ADB) is preferred.

7. **Development coordination specialist** (6 person-months). The specialist will carry out a prioritized aid management assessment, benchmarking development assistance processes and procedures against international best practices, including Mongolia's commitments under the Paris Declaration on Aid Effectiveness<sup>1</sup> (2005) and the Busan Partnership for Effective Development Co-operation<sup>2</sup> (2011) and the Mexico High Level Meeting Communiqué. Based on this detailed assessment, the specialist will provide pragmatic recommendations for the government to enhance the effectiveness and efficiency of development assistance. The specialist will also design a capacity-building program and provide training for designated government officials on development cooperation.

8. The specialist will have the following specific responsibilities:
- (i) Map the current status of development cooperation in Mongolia, including active development partners, financing sources, and major projects.
  - (ii) Assess the current status of Mongolia's commitments under the Busan and Paris declarations, benchmark relevant development assistance processes and procedures against international best practices, and provide pragmatic recommendations for the government to enhance the effectiveness and efficiency of development assistance and implement major commitments.

<sup>1</sup> Organisation for Economic Co-operation and Development. 2005. *The Paris Declaration on Aid Effectiveness*. <http://www.oecd.org/dac/effectiveness/34428351.pdf>

<sup>2</sup> Working Party on Aid Effectiveness. 2011. *Busan Partnership for Effective Development Co-operation*. [http://effectivecooperation.org/files/OUTCOME\\_DOCUMENT\\_-\\_FINAL\\_EN2.pdf](http://effectivecooperation.org/files/OUTCOME_DOCUMENT_-_FINAL_EN2.pdf)

- (iii) Advise on different financial and operational modalities for development cooperation, including program and project support, and TA.
- (iv) Advise on globally available sources of development finance (e.g., climate change and environment funds and specific bilateral trust funds).
- (v) Based on international experience, advise on changing development priorities and/or needs in a rapidly growing natural resource-driven economy.
- (vi) In cooperation with line ministries and other implementing agencies, advise on developing a comprehensive mechanism for monitoring ongoing projects.
- (vii) In cooperation with line ministries and other implementing agencies, advise on creating an effective evaluation mechanism for official development assistance projects, including strong linkages between monitoring and evaluation and planning and programming.
- (viii) Assess and advise on comparative advantages of individual developing partners in specific sectors;
- (ix) Advise on the evolving architecture in development cooperation, in particular the greater number of state and nonstate actors, as well as cooperation among countries at different stages in their development (including south–south and triangular forms of cooperation), and on new and increasingly prominent modalities for development, including public–private partnerships.
- (x) Identify and support opportunities for participation in global networks for knowledge sharing.
- (xi) Assess capacity-building needs for wider development cooperation in the MOF and major line ministries and agencies; propose the strategy, methodology, and requirements for developing capacity; and provide capacity building.

9. The specialist should have a relevant master's degree; at least 10 years of relevant experience in development cooperation and coordination, economics, public administration, and/or political science; and strong English language skills. He or she should have demonstrable knowledge of international best practices in aid management and experience implementing these in a developing country. Experience with development partners is required.

## **B. National Consultants (48 person-months total)**

10. **Project coordinator** (individual consultant, 22 person-months). The coordinator will facilitate TA implementation, comprise the project implementation unit, and closely liaise with ADB, the MOF, implementing agencies, other stakeholders, and national and international consultants. The coordinator will have public sector management knowledge, managerial and organizational skills, capacity development expertise, and extensive experience in dealing with government agencies, development partners, nongovernment organizations, and the private sector. He or she should have a master's degree or equivalent in a relevant field and at least 2 years' relevant experience.

11. The coordinator will also have the following specific responsibilities:

- (i) Ensure effective coordination between ADB, the government, development partners, and other stakeholders.
- (ii) Assist in drafting terms of reference and recruiting the consulting firm or TA resource persons.
- (iii) Assist in conducting capacity-building activities and training.
- (iv) Assist in various analytical work and data collection regarding development cooperation in Mongolia.
- (v) Provide organizational and logistical support for the international consultants.

- (vi) Organize workshops, training, seminars, and conferences in consultation with ADB, the MOF, implementing agencies, and other stakeholders, with the support of other national consultants.
- (vii) Prepare minutes of related conferences, workshops, and meetings.
- (viii) Assist in interpretation and translations as needed.
- (ix) Authorize expenditures related to the implementation unit in line with ADB policies and procedures.
- (x) Keep the financial records of the implementation unit.
- (xi) Complete other tasks as required by the ADB project manager.

12. **Development policy and coordination specialists** (10 person-months). The specialist(s) will assist the international development policy and coordination specialists in (i) preparing a development cooperation strategy and policy; (ii) providing training for designated government officials on development cooperation; (iii) advising the government and development partners active in Mongolia on aligning their operations, maximizing country systems, and increasingly using program-based approaches, where feasible; and (iv) providing management and logistical support to establish sector-specific development partner working groups. The specialist(s) will be familiar with Mongolia's development coordination practices and international best practices. He or she should have a master's degree or equivalent in a relevant field and at least 5 years of relevant experience.

13. The specialist(s) will also have the following specific responsibilities:
- (i) Provide country-specific data and background analysis as support for the preparation of Mongolia's development cooperation policy and strategy.
  - (ii) Advise on how to link development assistance, the national development strategy, and the government budget.
  - (iii) Assist the MOF to identify priorities in development cooperation in consultation with other government ministries and agencies.
  - (iv) Study and advise on the roles and responsibilities of government entities in development cooperation, including provincial governments, and improve intergovernmental coordination.
  - (v) Support analysis related to public debt sustainability.
  - (vi) Provide training in development policy, coordination, and cooperation.
  - (vii) Advise on responsibility distribution and coordination among the MOF and line ministries and agencies as major implementers in development cooperation.
  - (viii) Review current government and development agency approval procedures and propose ways for better coordination between the sets of procedures; advise on joint efforts to improve procurement processes, practices, and outcomes.
  - (ix) Provide management and logistical support to establish regular development partner sector coordination meetings.

14. **Development coordination specialist** (16 person-months). The consultant will assist the international development cooperation specialist to benchmark relevant development assistance processes and procedures against international best practices, including Mongolia's commitments under the Busan and Paris declarations and the Mexico High Level Meeting Communiqué. The consultant will also support training of designated government officials on development cooperation.

15. The specialist will have the following specific responsibilities:
- (i) Map the current status of development cooperation in Mongolia, including active development partners, financing sources, priority sectors, and major projects.



- (ii) Conduct a development assistance survey among relevant government agencies, development partners, and other stakeholders.
- (iii) Assist in assessing the status of Mongolia's commitments under the Mexico High Level Meeting Communiqué and Busan and Paris declarations.
- (iv) In cooperation with the MOF, line ministries, and other implementing agencies, advise on creating an evaluation mechanism for official development assistance projects, including strong linkages between monitoring and evaluation and planning and programming.
- (v) Assess and advise on comparative advantages of individual development partners in specific sectors.
- (vi) Identify and establish national networks for knowledge sharing.
- (vii) Assess capacity-building needs for wider development cooperation in the MOF and major line ministries and agencies, and support training activities.