



Technical Assistance Report

Project Number: 51103-001
Knowledge and Support Technical Assistance (KSTA)
September 2017

Mongolia: Supporting the Development of an Education Sector Master Plan (Financed by the Japan Fund for Poverty Reduction)

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 7 September 2017)

Currency unit	–	togrog (MNT)
MNT1.00	=	\$0.00041
\$1.00	=	MNT2,438.00

ABBREVIATIONS

ADB	–	Asian Development Bank
EDCM	–	Education Donors' Consultative Mechanism
ESMP	–	education sector master plan
MECSS	–	Ministry of Education, Culture, Science and Sports
TA	–	technical assistance

NOTES

- (i) In this report, "\$" refers to United States dollars.
- (ii) The school year in Mongolia starts on 1 September and ends on 1 June.

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CONTENTS

	Page
KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE	
I. INTRODUCTION	1
II. ISSUES	1
III. THE TECHNICAL ASSISTANCE	2
A. Impact and Outcome	2
B. Outputs, Methods, and 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	9
3. List of Linked Documents	10

KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 51103-001	
Project Name	Supporting the Development of an Education Sector Master Plan	Department /Division	EARD/EASS
Nature of Activity	Capacity Development, Policy Advice, Research and Development	Executing Agency	Ministry of Education, Culture, Science & Sports
Modality	Regular		
Country	Mongolia		
2. Sector		Financing (\$ million)	
✓ Education	Education sector development		0.60
		Total	0.60
3. Strategic Agenda		Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Climate Change impact on the Project	Low
4. Drivers of Change		Gender Equity and Mainstreaming	
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 Public financial governance	Some gender elements (SGE)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
Partnerships (PAR)	Bilateral institutions (not client government) Civil society organizations Implementation International finance institutions (IFI) United Nations organization		
5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	No	Not Applicable	
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG4		
6. Risk Categorization		Low	
7. Safeguard Categorization Safeguard Policy Statement does not apply			
8. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.00	
None		0.00	
Cofinancing		0.60	
Japan Fund for Poverty Reduction		0.60	
Counterpart		0.00	
None		0.00	
Total		0.60	

I. INTRODUCTION

1. The proposed knowledge and support technical assistance (TA) will support the development of an education sector master plan (ESMP) in Mongolia through capacity development, research and development, and policy advice aimed at improving the planning and management of the education system. The Government of Mongolia has requested the TA from the Asian Development Bank (ADB) to develop a long-term plan for the education sector that clearly maps the road toward the goals in Mongolia Sustainable Development Vision 2030 (Vision 2030).¹ ADB provided technical assistance for the development of the first ESMP, 2006–2015 and its update, 2009–2015, and has been one of the major development partners in the education sector in Mongolia since the late 1990s. During the mission conducted in June 2017, ADB and the government reached agreement on the objectives, scope, implementation arrangements, costs, and consulting service requirements.² The TA is included in ADB's country operations business plan for Mongolia, 2017–2019.³

II. ISSUES

2. Mongolia's education sector underwent a decade of reforms (2004–2015) associated with the restructuring of the education system from a 10-year (4+4+2) into a 12-year (5+4+3) system in line with international standards. During this reform period, the first ESMP, developed jointly by the Ministry of Education, Culture, Science and Sports (MECSS), development partners, and other stakeholders, guided and coordinated their interventions in the sector. There was also an institutionalized mechanism led by MECSS—Education Donors' Consultative Mechanism (EDCM)—to review progress in ESMP implementation and discuss issues related to the education sector with development partners. The ESMP and EDCM helped reduce overlaps and ensure synergies between different interventions supported by development partners, increased predictability and sustainability in policy directions, and enhanced accountability.

3. The EDCM, however, ceased to function in the early 2010s because institutional leadership was lacking, and the first ESMP expired in 2015. Since then, no further education sector plan has been developed based on solid assessments and broad consultations with development partners. In addition, no mechanism has been in place for education stakeholders to gather, jointly review, and discuss progress and issues in the sector. Underlying is the fundamental issue—weak capacity and systems to plan and manage the education sector based on detailed studies and assessments and to make education policies and reforms more credible, accountable, and sustainable. This issue further involves inadequate staffing as well as frequent management and staff turnover at MECSS and associated institutions.

4. Mongolia's severe economic difficulties have amplified the negative effects of the lack of long-term planning for the education sector. Although the kindergarten-aged population has been growing by 10%–25% annually since 2009, and the school-aged population by 8%, timely investments have not been made to meet the growing demand for education. As a result, the enrollment capacity of kindergartens and schools has been overstretched, resulting in large classes with more than 30 students (occasionally 40–50 students) at schools and kindergartens, and schools operating in two and three shifts in Ulaanbaatar and some *aimag* (province) centers. Unless long-term planning and forward-looking investments are made, progress in the net enrollment rates at pre-primary, primary, and junior secondary levels may be reversed, as the

¹ State Great Khural. 2016. *Mongolia Sustainable Development Vision 2016–2030*. Ulaanbaatar.

² The TA first appeared in the business opportunities section of ADB's website on 3 August 2017.

³ ADB. 2017. *Country Operations Business Plan: Mongolia, 2017–2019*. Manila.

kindergarten-aged population is projected to grow further until 2019 and the school-aged population until 2025.⁴ The lack of long-term planning also led to difficulties with the introduction of elective courses at senior secondary level—the key reform action in senior secondary education—in the school year 2016/17, especially at small schools with only a handful of students at senior secondary level (grades 10–12). The delays in the reform of senior secondary education have slowed down the reform of other areas in pre-primary, primary, junior, and senior secondary education, such as curriculum, student learning assessment, teaching and learning materials, pre-service and in-service teacher training, school leadership, and evaluation. A new loan is included in the country operations business plan for Mongolia, 2017–2019 to mitigate these negative effects and support forward-looking investments.

5. Sluggish economic growth has also accentuated the importance of skills and human resource development that responds to and anticipates labor market needs. As youth unemployment rates rise, poor employability of senior secondary and higher education graduates has increasingly become an issue. Likewise, as the current economic difficulties have highlighted the need for investments in science, technology, and innovation to diversify the economy, strengthening research and development in higher education and developing science and technology human resources have become a priority. Addressing these issues requires a concerted effort in the long run.

6. Vision 2030, approved by the Parliament in 2016, sets out broad directions and goals for the education sector until 2030 in line with Sustainable Development Goal 4. However, no detailed plan exists at present that defines concrete actions in a rational sequence to attain the goals of Vision 2030, nor does a credible and comprehensive expenditure framework. Moreover, the lack of an evidence-based, long-term education sector plan means that the operations of development partners are uncoordinated. The joint development of a new ESMP by MECSS and its associated institutions, development partners, and other stakeholders can fill the gap, while opening up new possibilities for adopting a sector-wide programmatic approach to education sector development in Mongolia.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The TA is aligned with the following impact: access to, and quality and relevance of education improved (footnote 1). The TA will have the following outcome: planning and management of the education system strengthened.⁵

B. Outputs, Methods, and Activities

8. The TA will have three outputs that correspond to three phases of ESMP development, as follows.

9. **Output 1: Management and coordination mechanisms for ESMP development established (Phase I).** The TA will support the establishment of mechanisms to plan, manage, and coordinate the process of ESMP development, based on a rapid assessment of institutional arrangements and capacity in the education sector, and in consultation with development

⁴ The net enrollment rate in the school year 2015/16 was 75.1% at pre-primary level, 96.3% at primary level, 98.1% at junior secondary level, and 68.7% at senior secondary level.

⁵ The design and monitoring framework is in Appendix 1.

partners—Japan International Cooperation Agency (JICA); United Nations Educational, Scientific, and Cultural Organization (UNESCO); United Nations Children’s Fund (UNICEF); the World Bank; international and national nongovernment organizations—and other stakeholders. The mechanisms, to be led by MECSS, will comprise (i) a project management unit to provide management, coordination, and logistics support for MECSS throughout phases I–III; (ii) a core technical team to coordinate technical sub-teams and their inputs for in-depth studies and reviews, and public consultations; and to prepare a draft ESMP, policy simulations, and expenditure framework;⁶ and (iii) the EDCM to review and endorse plans, studies, and frameworks, and other documents to be developed throughout phases I–III. A detailed work plan with clear roles and responsibilities for each institution involved, and monitoring and evaluation mechanisms for the implementation of the work plan will be developed by (i) mapping education policy and reform actions undertaken and planned by MECSS, and ongoing and planned education sector operations of development partners; (ii) taking stock of studies and assessments conducted by MECSS and development partners in 2015–2017 as well as global study reports on trends in the education sector and 21st century competencies;⁷ (iii) determining the scope of the ESMP and areas in which to conduct in-depth studies and reviews; and (iv) agreeing on a task allocation between the institutions involved, key milestones, and joint monitoring and evaluation mechanisms.

10. Output 2: In-depth education sector studies and reviews of international experience and lessons completed (Phase II). The TA will support in-depth studies and reviews of international experience and lessons in the areas defined in the detailed work plan. These will include studies and reviews of higher education, junior and senior secondary education, and other areas identified under output 1 from the perspectives of access, quality, relevance, and equity, and with an emphasis on student learning and labor market outcomes. International experience and lessons will be assessed through literature and desk reviews of policies and reforms that helped improve access, quality and relevance of teaching and learning, student learning and labor market outcomes, and equity in member countries of the Organisation for Economic Co-operation and Development. The TA will also build the capacity of MECSS and associated institutions engaged in the technical core team and sub-teams to collect and analyze data by organizing training and seminars. Findings and recommendations of in-depth studies and reviews will be presented and discussed at meetings and workshops organized through the management and coordination mechanisms established under output 1.

11. Output 3: ESMP and expenditure framework developed (Phase III). The TA will support the identification of priority policy and reform actions, physical investments, institutional capacity development, and their sequencing with a view to improving student learning and labor market outcomes in accordance with Vision 2030 and through broader public consultations. Based on the priorities and sequences identified, and several macroeconomic and demographic scenarios, the TA team will perform policy simulations and develop a medium-term expenditure framework that includes ongoing and planned funding of development partners. The draft ESMP, policy simulations, and expenditure framework will be presented and discussed at meetings and workshops organized through the management and coordination mechanisms. The TA will also

⁶ The core technical team will include representatives from the Institute of Education, Institute of Teachers Professional Development, Education Evaluation Center, Mongolia State University of Education, National University of Mongolia, and development partners.

⁷ Include studies and assessments conducted under ADB’s ongoing TA projects (ADB. 2015. *Technical Assistance to Mongolia for Education Sector Development*. Manila [TA 8931-MON]; ADB. 2016. *Technical Assistance to Mongolia for Sustaining Access to and Quality of Education during Economic Difficulties*. Manila [TA 9216-MON]); and early grade reading, math assessments, and in-depth pre-primary education study carried out by the World Bank.

assist the development of institutional mechanisms for managing, coordinating, and monitoring ESMP implementation in consultation with development partners and other stakeholders.

12. The key risk to achieving the outcome lies in leadership changes in the government that may jeopardize the institutional mechanisms for managing, coordinating, and monitoring ESMP implementation. Inadequate staffing and frequent management and staff turnover at MECSS and associated institutions, on the other hand, may slow down TA implementation, which is seen as the major risk to the development of the three outputs.

C. Cost and Financing

13. The TA is estimated to cost \$650,000, of which \$600,000 will be financed on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. Key expenditure items are listed in Appendix 2. Ineligible expenditures include (i) purchase of vehicles, (ii) salaries for civil servants, (iii) foreign travel, (iv) scholarships or long internships, (v) detailed engineering design, (vi) civil works and other related expenses, and (vii) those under ADB's List of Ineligible Items (or Negative List) and Prohibited Investment Activities List.⁸ The government will provide counterpart support in the form of counterpart staff, data, information and relevant documents, and other in-kind contributions.

D. Implementation Arrangements

14. ADB will administer the TA. It will select, supervise, and evaluate consultants, and coordinate with JICA; UNESCO; UNICEF; the World Bank; and nongovernment organizations until the management and coordination mechanisms are established under output 1. MECSS will be the executing and implementing agency and will be responsible for providing guidance and support to consultants engaged under the TA and to all institutions involved in TA implementation as part of the technical core team and sub-teams, or the EDCM, such as Institute of Education, Institute of Teachers Professional Development, Education Evaluation Center, universities, metropolitan and *aimag* education departments, schools, lifelong learning centers, development partners, nongovernment organizations, and other stakeholders. A project steering committee, chaired by the state secretary of MECSS and comprising the directors of MECSS and representatives of institutions, will be established to review implementation progress and provide guidance on a quarterly basis. The TA will be implemented from October 2017 to October 2019. The TA proceeds will be disbursed in line with the *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	October 2017–October 2019		
Executing and implementing agency	MECSS		
Consultants	To be selected and engaged by ADB		
	Quality- and cost-based selection	24 person-months	\$288,800
	Individual consultant selection	32 person-months	\$296,800

⁸ ADB. 2011. Cost Sharing and Expenditure Eligibility. *Compendium of Staff Instructions*. Manila; ADB. 2017. *Japan Fund for Poverty Reduction Policy Guidelines for Technical Assistance Grants*. Manila.

Aspects	Arrangements
Disbursement	ADB will administer the TA. The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).

ADB = Asian Development Bank; MECSS = Ministry of Education, Culture, Science and Sports; TA = technical assistance.

Source: Asian Development Bank.

15. **Consulting services.** ADB will engage a consulting firm (international, 4 person-months; national, 20 person-months) to provide expertise in planning and management of ESMP development throughout the three phases, while serving as a project management unit. The consulting firm will be selected using the quality- and cost-based selection method with a quality–cost ratio of 90:10, and simplified technical proposal. ADB will also engage individual consultants (4 international specialists, 10 person-months; 4 national specialists, 22 person-months) in phases II and III as part of the technical sub-teams to provide expertise on secondary education, higher education, and other areas identified under output 1. Output-based, lump-sum contracts with a provision for fixed out-of-pocket expenditures will be considered for the consulting firm and individual consultants. ADB will engage consulting firms and individual consultants in accordance with ADB Procurement Policy (2017, as amended from time to time) and the associated project administration instructions and TA staff instructions.⁹

16. The TA will be monitored and evaluated based on the implementation of activities and satisfactory delivery of outputs following the agreed timeline and budget. To support monitoring and evaluation, the consultants will submit an inception report, a midterm report, a draft final report, and a final report to ADB and MECSS. The main mechanism to monitor and assess the TA will be review missions jointly conducted by ADB and MECSS.

IV. THE PRESIDENT'S DECISION

17. The President, acting under the authority delegated by the Board, has approved ADB administering technical assistance not exceeding the equivalent of \$600,000 to the Government of Mongolia to be financed on a grant basis by the Japan Fund for Poverty Reduction for Supporting the Development of an Education Sector Master Plan, and hereby reports this action to the Board.

⁹ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 3).

DESIGN AND MONITORING FRAMEWORK

Impact the TA is Aligned with Access to, and quality and relevance of education improved (Mongolia Sustainable Development Vision 2030) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Outcome Planning and management of the education system strengthened	By 2020 a. ESMP and expenditure framework jointly endorsed by the government and development partners (2017 baseline: not developed) b. Meeting minutes and reports of the institutional mechanisms for managing, coordinating, and monitoring ESMP implementation available (2017 baseline: not available)	a. Endorsed ESMP and expenditure framework b. Meeting minutes and reports of the institutional mechanisms	Leadership changes in the government jeopardize the institutional mechanisms for managing, coordinating, and monitoring ESMP implementation.
Outputs 1. Management and coordination mechanisms for ESMP development established	By mid-2018 1a. Documents establishing and detailing mechanisms to plan, manage, and coordinate the process of ESMP development approved (2017 baseline: not prepared) 1b. Detailed work plan with clear roles and responsibilities and monitoring and evaluation mechanisms developed (2017 baseline: not developed)	1a. MECSS's orders and documents detailing the mechanisms endorsed by MECSS and development partners 1b. Detailed work plan endorsed by MECSS and development partners	Inadequate staffing and frequent management and staff turnover at MECSS and associated institutions slow down TA implementation.
2. In-depth education sector studies and reviews of international experience and lessons completed	By mid-2019 2a. 50% of technical core team and sub-team members reporting improved knowledge and skills in data collection and analysis (2017 baseline: technical core team and sub-teams not established)	2a. Training materials and TA consultants' reports	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	2b. At least two in-depth education sector studies completed (2017 baseline: not started) 2c. At least two reports on reviews of international experience and lessons learned completed (2017 baseline: not started)	2b. Draft in-depth studies reviewed by MECSS, ADB, and other development partners 2c. Draft reports reviewed by MECSS, ADB, and other development partners	
3. ESMP and expenditure framework developed	By 2019 3a. Draft ESMP developed (2017 baseline: not developed) 3b. Draft expenditure framework developed (2017 baseline: not developed) 3c. Documents detailing institutional mechanisms for managing, coordinating, and monitoring the implementation of the ESMP drafted (2017 baseline: not drafted)	3a. Draft ESMP presented and discussed at workshops 3b. Draft expenditure framework presented and discussed at workshops 3c. Draft documents detailing institutional mechanisms presented and discussed at workshops	

Key Activities with Milestones

1. Management and coordination mechanisms for ESMP development established

- 1.1 Conduct a rapid assessment of institutional arrangements and capacity in the education sector (Q4 2017)
- 1.2 Develop management and coordination mechanisms and documentation detailing the mechanisms to plan and manage the process of ESMP development in consultation with development partners and other stakeholders (Q4 2017)
- 1.3 Map education policy and reform actions planned and undertaken by MECSS, and ongoing and planned education sector operations of development partners; take stock of studies and assessments conducted by MECSS and development partners; determine the scope of ESMP and in-depth studies and reviews to be conducted; and agree on task allocation between the institutions involved, key milestones, and joint monitoring and evaluation mechanisms (Q4 2017–Q1 2018)

2. In-depth education sector studies and reviews of international experience and lessons completed

- 2.1 Engage consultants to conduct in-depth studies and reviews in the areas identified in the detailed work plan (Q1–Q2 2018)
- 2.2 Organize training and seminars on data collection and analysis for technical core team and sub-team members (Q2 2018–Q2 2019)
- 2.3 Review detailed work plans and methodologies to conduct in-depth studies and reviews, collect and analyze data, draft in-depth studies and reviews, and present and discuss findings and recommendations of in-depth studies and reviews (Q2 2018–Q2 2019)

Key Activities with Milestones**3. ESMP and expenditure framework developed**

- 3.1 Identify priority policy and reform actions, physical investments, institutional capacity development, and their sequencing through broader public consultations; and draft ESMP (Q2–Q3 2019)
- 3.2 Perform policy simulations and prepare expenditure framework (Q2–Q3 2019)
- 3.3 Present and discuss draft ESMP, policy simulations, and expenditure framework at meetings and workshops (Q3–Q4 2019)
- 3.4 Develop institutional mechanisms and documentation detailing the institutional mechanisms for managing, coordinating, and monitoring ESMP implementation (Q3–Q4 2019)

Inputs

Japan Fund for Poverty Reduction: \$600,000

Note: The government will provide counterpart support in the form of counterpart staff, data, information and relevant documents, and other in-kind contributions.

Assumptions for Partner Financing

Not Applicable

ADB = Asian Development Bank; ESMP = education sector master plan; MECSS = Ministry of Education, Culture, Science and Sports; TA = technical assistance.

^a State Great Khural. 2016. *Mongolia Sustainable Development Vision 2016–2030*. Ulaanbaatar.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Japan Fund for Poverty Reduction^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	288.0
ii. National consultants	114.6
b. Out-of-pocket expenditures	
i. International and local travel	36.0
ii. Office space rental and related facilities	12.0
iii. Surveys	70.0
iv. Training, seminars, and conferences ^b	30.0
v. Reports and communications	20.0
vi. Miscellaneous administration and support costs ^c	15.0
2. Contingencies	14.4
Total	600.0

Note: The technical assistance (TA) is estimated to cost \$650,000, of which contributions from the Japan Fund for Poverty Reduction are presented in the table above. The government will provide counterpart support in the form of counterpart staff, data, information and relevant documents, and other in-kind contributions. The value of government contribution is estimated to account for 7.7% of the total TA cost.

^a Administered by the Asian Development Bank.

^b At least one training seminar with 30 participants to be organized in Ulaanbaatar; 5 consultation workshops with 40–80 participants to be organized in Ulaanbaatar, including inception, interim, and final workshops; and 4 consultation workshops with 50 participants to be organized in regions.

^c Includes costs for translation of in-depth studies, reviews, and other materials produced by individual consultants.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=51103-001-TARreport>

1. Terms of Reference for Consultants