



Technical Assistance Report

Project Number: 53039-002
Transaction Technical Assistance (TRTA)
July 2020

Mongolia: Preparing the Strengthening Integrated Early Warning System in Mongolia Project

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Asian Development Bank

CURRENCY EQUIVALENTS

(as of 23 June 2020)

Currency unit	–	Togrog (MNT)
MNT1.00	=	\$0.00036
\$1.00	=	MNT2,816.73

ABBREVIATIONS

ADB	–	Asian Development Bank
DRM	–	disaster risk management
EWS	–	early warning system
NEMA	–	National Emergency Management Agency
TA	–	technical assistance

GLOSSARY

<i>aimag</i>	–	Province
<i>soum</i>	–	District

NOTE

In this report, "\$" refers to United States dollars.

Vice-President	Ahmed M. Saeed, Operations Group 2
Director General	James P. Lynch, East Asia Department (EARD)
Director	Qingfeng Zhang, Environment, Natural Resources, and Agriculture Division, (EAER), EARD
Team leader	Rabindra Osti, Senior Water Resources Specialist, EAER, EARD
Deputy Team leader	Ongonsar Purev, Senior Environment Officer, Mongolia Resident Mission (MNRM), EARD
Team members	Charlotte Benson, Principal Disaster Risk Management Specialist, Climate Change & Disaster Risk Management Division, Sustainable Development and Climate Change Department Mark R. Bezuijen, Senior Environment Specialist, EAER, EARD Daisy B. Gavina, Associate Project Analyst, EAER, EARD Najibullah Habib, Health Specialist, Urban and Social Sectors Division, EARD Jan Hinrichs, Senior Natural Resources Economist, EAER, EARD Aysha Qadir, Principal Counsel, Office of the General Counsel Suzanne Robertson, Principal Natural Resources and Agriculture Specialist, EAER, EARD Nogendra Sapkota, Senior Social Development Specialist, EAER, EARD Hiet T.H. Tran, Senior Procurement Specialist, Procurement Division 2, Procurement, Portfolio and Financial Management Department ^a Mary Dianne Rose M. Umayan, Senior Operations Assistant, EAER, EARD
Peer reviewer	Steven J. Goldfinch, Disaster Risk Management Specialist, SDCC, SDCC

^a Outposted to the Mongolia Resident Mission.

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 53039-002	
Project Name	Strengthening Integrated Early Warning System in Mongolia	Department/Division	EARD/EAER
Nature of Activity	Project Preparation	Executing Agency	National Emergency Management Agency
Modality	Regular		
Country	Mongolia		
2. Sector	Subsector(s)	ADB Financing (\$ million)	
✓ Agriculture, natural resources and rural development	Agricultural policy, institutional and capacity development		0.55
		Total	0.55
3. Operational Priorities		Climate Change Information	
✓ Addressing remaining poverty and reducing inequalities		GHG Reductions (tons per annum)	0
✓ Accelerating progress in gender equality		Climate Change impact on the Project	Low
✓ Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability		ADB Financing	
✓ Promoting rural development and food security		Adaptation (\$ million)	0.00
✓ Strengthening governance and institutional capacity		Mitigation (\$ million)	0.00
		Cofinancing	
		Adaptation (\$ million)	0.00
		Mitigation (\$ million)	0.00
Sustainable Development Goals		Gender Equity and Mainstreaming	
SDG 1.5		Effective gender mainstreaming (EGM)	✓
SDG 2.4			
SDG 5.a		Poverty Targeting	
SDG 10.2		Geographic Targeting	✓
4. Risk Categorization	Low		
5. Safeguard Categorization	Safeguard Policy Statement does not apply		
6. Financing			
Modality and Sources		Amount (\$ million)	
ADB		0.55	
Transaction technical assistance: Technical Assistance Special Fund		0.55	
Cofinancing		0.50	
Japan Fund for Poverty Reduction (Full ADB Administration)		0.50	
Counterpart		0.00	
None		0.00	
Total		1.05	
Currency of ADB Financing: US Dollar			

I. THE ENSUING PROJECT

1. The Government of Mongolia, during the country programming mission held in Ulaanbaatar in March 2018, requested the Asian Development Bank (ADB) to provide a lending support to prepare the Strengthening Integrated Early Warning System Mongolia Project. The ensuing loan and the proposed transaction technical assistance (TA) is included in ADB's country operations business plan for Mongolia, 2020–2021.¹

2. The government plans to increase investments in disaster risk reduction, and preparedness measures. This should include the establishment of a multi-hazard particularly the selected hazards including epidemics and pandemics early warning system (EWS), which can provide information on hazards that enables advance action to reduce the associated risks. They are an important element of disaster risk management (DRM) as early action can reduce the loss of human life and other assets. To be effective and sustainable they must involve communities with emphasis on increased awareness and capacity of communities to be able to respond to warnings and have in place preparedness plans.

3. The proposed project will support the development of a comprehensive approach to EWS by putting in place the five key elements of EWS in a cycle (i) risk knowledge with appropriate assessment; (ii) detection and surveillance networks, monitoring and analysis; (iii) forecasting and warning; (iv) dissemination and communication; and (v) preparedness and response capacity. These elements are fundamental needs for early warning system for all kind of hazards including epidemics and pandemics. Lack of or inadequate interventions or poor performance of any of these elements in the cycle may lead to the failure of the entire EWS. To achieve an outcome of effective EWS, the system should (i) involve the people and communities at risk from a range of hazards; (ii) link EWS to contingency plans, adequately supported by physical and social infrastructure; (iii) utilize cutting edge technologies to enhance efficiency; (iv) promote inclusiveness; and (v) engage all stakeholders at different levels. At present, integrated EWS is not available in Mongolia, and its need is becoming even more apparent during recent national emergencies. In Mongolia, early warning information is available only for selected hazards such as earthquakes in and around Ulaanbaatar. Likewise, meteorological forecast alone is often regarded as warning information. Investment in comprehensive EWS for critical hazards through proper assessment is therefore urgently needed in Mongolia.

4. The proposed project will also result in significant capacity building and awareness raising about DRM and the role of disaster risk reduction strategies. The proposed loan will build on existing capacity and activities within the National Emergency and Management Agency (NEMA) as well as coordinate with stakeholders in the sector. Specifically, it will scale up activities from the knowledge and support technical assistance (TA) MON (52021): Strengthening Capacity on Disaster Risk Assessment, Reduction and Transfer Instruments in Mongolia. The disaster risk reduction approaches developed under this TA for (i) disaster risk assessments to improve the identification of hazards, assess risk exposure and vulnerability, and estimate the severity of potential damage and losses; and (ii) strengthened government and community planning, with emphasis on risk reduction and prevention will be upscaled through this proposed loan project.

5. The ensuing project is estimated to cost \$30.3 million. ADB is requested to finance \$30.0 million (\$20.0 million from regular loan and \$10.0 million from concessional loan) largely for

¹ ADB. 2019. *Country Operations Business Plan: Mongolia, 2020–2021*. Manila. The project is listed as Disaster Risk Management Project.

investment and capacity building through a loan. The central and local governments will provide in-kind contribution equivalent to \$0.3 million.

II. THE TECHNICAL ASSISTANCE

A. Justification

6. The executing agency, the NEMA has limited experience with ADB requirements for loan preparation. The transaction TA will help the government prepare a project design that complies with ADB requirements and international best practice.²

B. Outputs and Activities

7. The major outputs and activities are summarized in Table 1.

Table 1: Summary of Major Outputs and Activities

Major Outputs	Delivery Dates	Key Activities with Milestones
1. Technical design developed and feasibility assessments conducted	September 2020 to March 2021	1.1 Conduct disaster risk management assessment focusing on identification of the hazard to be covered; current state of surveillance, detection, forecasting; and stakeholder analysis 1.2 Assess technical, economic, and financial feasibility of the project 1.3 Finalize project design, scope, costs, and implementation arrangements, addressing the main gaps in all five stages of the proposed multi-hazard early warning system 1.4 Pilot the proposed surveillance system and decision support system to be upscaled under the project 1.5 Prepare inputs for progress report
2. Technical and project management capacity of the executing and implementing agencies improved	September 2020 to April 2021	2.1 Assess sector, stakeholders, and institutional capacity, and identify training needs 2.2 Conduct capacity building trainings, workshop, and consultations 2.3 Prepare final report
3. Assessment and planning on social, gender, and safeguards (social and environment) completed	September 2020 to February 2021	3.1 Conduct social surveys and consultations 3.2 Carry out due diligence and assess environmental including climate change impact and social impacts of the project 3.3 Prepare project documents according to the Asian Development Bank and government requirements 3.4 Prepare inputs for progress report
4. Implementation arrangements, investment plan and procurement packages prepared	January 2021 to April 2021	4.1 Conduct procurement risk and financial management assessments 4.2 Prepare project procurement and investment plans 4.3 Prepare project documents according to the Asian Development Bank and government requirements

Source: Asian Development Bank.

C. Cost and Financing

8. The TA is estimated to cost \$1,050,000, of which \$550,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-Others) and \$500,000 will be financed

² The TA first appeared in the business opportunities section of ADB's website on 28 April 2020.

on a grant basis by the Japan Fund for Poverty Reduction and administered by ADB. The key expenditure items are listed in Appendix 1.

9. As part of the use of the Japan Fund for Poverty Reduction, the following are ineligible expenditures under the TA: (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.

10. The government will provide counterpart support in the form of counterpart staff, domestic transportation, data collection, logistic support in arranging workshops and field visits, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

11. ADB will administer the TA. The Emergency Management Department of NEMA will provide guidance during project preparation. The project implementation unit at NEMA will also oversee project preparation and implement the project in close coordination with the (i) Ministry of Environment and Tourism on weather-related and fire hazards; (ii) Ministry of Health on epidemics and pandemics; (iii) and other relevant agencies at different levels. The TA will be implemented over 18 months, tentatively from September 2020 to March 2022. Equipment for the TA consultants will be procured following ADB's Procurement Policy (2017, as amended from time to time) and the associated staff instructions, and handed over to NEMA upon TA completion. Disbursements under the TA will be in line with ADB's Technical Assistance Disbursement Handbook (2020, as amended from time to time).

12. The implementation arrangements are summarized in Table 2.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	September 2020–March 2022		
Executing agency	National Emergency and Management Agency		
Implementing agency	Emergency Management Department		
Consultants	To be selected and engaged by the Asian Development Bank		
	Firm: QCBS	Preparing the Strengthening Integrated Early Warning System and Disaster Preparedness in Mongolia	\$1.05 million
Procurement ^a	To be procured by consultants		
	Request for Quotations	9 contracts	\$174,000
Disbursement	The technical assistance resources will be disbursed following the Asian Development Bank's <i>Technical Assistance Disbursement Handbook</i> (2020, as amended from time to time).		
Asset turnover or disposal arrangement upon TA completion	Equipment will be handed over to the National Emergency and Management Agency upon technical assistance completion.		

^a Procurement Plan (accessible from the list of linked documents in Appendix 2).

Source: Asian Development Bank.

13. **Consulting services.** ADB will engage the consultants following the ADB Procurement Policy (2017, as amended from time to time) and the associated staff instructions.³ The consulting firm will procure goods as required.

14. **ADB's procurement.** Procurement will follow the ADB Procurement Policy (2017, as amended from time to time) and the associated staff instructions.

³ Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
A. Japan Fund for Poverty Reduction ^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	225.8
ii. National consultants	127.0
b. Out-of-pocket expenditures	
i. International and local travel	31.0
ii. Goods (rental and/or purchase) ^b	10.0
iii. Surveys	28.0
iv. Training, seminars, and conferences ^d	30.0
v. Reports and communications	8.0
vi. Miscellaneous administration and support costs ^e	11.0
2. Contingencies	29.2
Subtotal (A)	500.0
B. Technical Assistance Special Fund^c	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	171.3
ii. National consultants	130.0
b. Out-of-pocket expenditures	
i. International and local travel	39.2
ii. Surveys and pilot surveillance system	160.0
iii. Training, seminars, and conferences ^d	10.0
iv. Reports and communications	0.0
v. Miscellaneous administration and support costs ^e	25.0
2. Contingencies	14.5
Subtotal (B)	550.0
Total	1,050.0

The technical assistance (TA) is estimated to cost \$1.35 million, of which contributions from the Asian Development Bank TASF-Others and Japan Fund for Poverty Reduction are presented in the table. The government will provide counterpart support in the form of counterpart staff, domestic transportation, data collection, logistic support in arranging workshops and field visits, and other in-kind contributions. The value of the government contribution is estimated to account for 10% of the total TA cost.

^a Administered by the Asian Development Bank.

^b Equipment will be handed over to Emergency Management Department, National Emergency and Management Agency upon completion of the TA.

Type	Quantity	Cost (\$)
Office computer with wireless broadband internet access	5	10,000
Printer	1	1,000
Photocopy machine	1	2,000
Pilot surveillance system for selected hazards and epidemic	1	160,000
Other small peripherals	1	1,000

^c Administered by the Asian Development Bank.

^d Workshops, training, seminars, and conferences will be administered by the consultants. These costs may include representation costs, such as food and beverages.

Purpose	Venue
Stakeholder consultation workshops	<i>Aimag, Soum</i> and Ulaanbaatar, Mongolia
Social and environmental safeguards, procurement, and financial management	<i>Aimag, Soum</i> and Ulaanbaatar, Mongolia
Inception, interim and final workshops	Ulaanbaatar, Mongolia

^e Miscellaneous administration and support costs include general operating costs, office supplies, interpretation, and translation costs.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=53039-002-TARreport>

1. Terms of Reference for Consultants
2. Procurement Plan