

11 October 2023  
Ref.: 412/23

Javkhlan Bold  
Minister of Finance  
Ministry of Finance  
Government Building 2  
S. Danzan Street 5/1  
Ulaanbaatar 15160  
Mongolia

Dear Minister Javkhlan:

**Subject: Loan Nos. 4051-MON(COL) and 4052-MON: Second Shock-Responsive Social Protection Project  
– Amendments to Loan Agreements**

1. We refer to the Loan Agreement (Ordinary Operations) dated 28 May 2021 between Mongolia (“Borrower”) and Asian Development Bank (“ADB”) (“Ordinary Operations Loan Agreement”) and the Loan Agreement (Ordinary Operations [Concessional]) dated 28 May 2021 between the Borrower and ADB (“COL Loan Agreement”), for the captioned project (collectively, the “Loan Agreements”). All capitalized terms used but not defined herein shall have the meaning given thereto in the Ordinary Operations Loan Agreement and COL Loan Agreement, unless the context requires otherwise.
2. Following a request from the Borrower during the loan inception mission, ADB approved, on 16 November 2021, changes in the Project scope concerning the duration of CMP payments to be covered. Further, following a request from the Borrower dated 30 June 2023 and a request from the Borrower’s Ministry of Labour and Social Protection dated 21 July 2023, ADB approved on 11 September 2023, certain further changes in the Project including: (a) additional Project activities, (b) extension of the loan closing date, and (c) reallocation of loan proceeds. To give effect to the changes approved on 11 September 2023 and record the changes approved on 16 November 2021 and under implementation, ADB proposes that the Loan Agreements be amended as set out in the attachment hereto.
3. Save and except to the extent set out in the attachment hereto, the Loan Agreements remain unchanged.
4. Pursuant to ADB’s Access to Information Policy (2018) (“AIP”), the amendments to the Loan Agreements will be posted on ADB’s website within 2 weeks from the date that the amendments become effective, after removing any information that falls within the AIP exceptions as specified by the Borrower.

5. Please indicate the Borrower's concurrence to the amendments set out in the attachment hereto and to the terms of this letter agreement by countersigning each of the two original of this letter agreement in the space indicated below. Please retain one signed original of this letter agreement for your records and return the other to ADB. The proposed amendments shall take effect on the date of receipt by ADB of a signed original of this letter agreement.

Yours sincerely,



Shannon Cowlin  
Country Director  
Mongolia Resident Mission



cc: Ms. Gankhuu Enkhtuya, State Secretary, Ministry of Labor and Social Protection, Email: [international@mlsp.gov.mn](mailto:international@mlsp.gov.mn)

Mr. Chimidsuren Choigunsen, Director General, Development Financing and Investment Department, Ministry of Finance, Email: [chimidsuren@mof.gov.mn](mailto:chimidsuren@mof.gov.mn)

Mr. Khishigbayar Amarsaikhan, Director General, Policy Planning Department, Ministry of Labor and Social Protection, Email: [khishigbayar@mlsp.gov.mn](mailto:khishigbayar@mlsp.gov.mn)

Mr. Ganzorig Bulgankhuu, Head, Development Financing Division, Ministry of Finance, Email: [ganzorig\\_b@mof.gov.mn](mailto:ganzorig_b@mof.gov.mn)

Ms. Amarjargal Battur, ADB Desk Officer, Development Financing Department, Ministry of Finance, Email: [amarjargal\\_b@mof.gov.mn](mailto:amarjargal_b@mof.gov.mn)

Ms. Sofia Shakil, Director, ADB Human and Social Development Sector Office, Email: [sshakil@adb.org](mailto:sshakil@adb.org)

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Ms. Itgel Lonjid, Senior Social Sector Officer, ADB Mongolia Resident Mission, Email: [ilonjid@adb.org](mailto:ilonjid@adb.org)

Ms. Maria Victoria P. Dela Cruz, Project Officer, ADB Water and Urban Development Sector Office, Email: [mvdelacruz@adb.org](mailto:mvdelacruz@adb.org)

Ms. Uchralt Adiyakhuu, Senior Operations Assistant, ADB Mongolia Resident Mission, Email: [uadiyakhuu@adb.org](mailto:uadiyakhuu@adb.org)

A. Accepted and agreed.

B. Confirmed that the amendments to the Loan Agreements do not contain information falling within the AIP exceptions.

For and on behalf of Mongolia

Name: JAVKHLAN Bold

Designation: Minister of Finance, Mongolia

Date: 17 October 2023

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a vertical line and a horizontal stroke, positioned to the right of the name 'JAVKHLAN Bold'.

**Loan Nos. 4051-MON(COL) and 4052-MON: Second Shock-Responsive Social Protection Project**

**Amendments to the Ordinary Operations Loan Agreement**

1. Section 3.04 shall be revised to read as follows:

“Section 3.04. The Loan Closing Date for the purposes of Section 9.02 of the Loan Regulations shall be 31 August 2024 or such other date as may from time to time be agreed between the Borrower and ADB.”

2. Paragraph 2 of Schedule 1 shall be deleted and replaced by:

“2. The Project shall comprise:

- (a) financing a share of the extended shock-responsive increase in the monthly child grant benefits under CMP for the period from January 2021 to December 2021; and
- (b) (i) updating the poverty targeting system and the integrated household database of the Borrower, (ii) supporting the digitization of social welfare programs into the “e-welfare” system, (iii) piloting and evaluating the graduation approach to social protection by building on cash transfers with a holistic set of livelihood and coaching interventions, (iv) organizing study tours for MLSP staff to learn best practices in other countries on the graduation approach, poverty reduction and social welfare reform policy, (v) developing a policy for country-wide adaptation of the graduation approach, and (vi) developing poverty mitigation policy and approaches.”

3. Paragraph 3 of Schedule 1 shall be revised to read as follows:

“3. The Project is expected to be completed by 28 February 2024.”

4. The table in the Attachment to Schedule 3 shall be deleted and replaced by the following table:

<b>ALLOCATION AND WITHDRAWAL OF LOAN PROCEEDS</b>			
<b>Number</b>	<b>Items</b>	<b>Total Amount Allocated for ADB Financing (\$)</b>	<b>Basis for Withdrawal from the Loan Account</b>
		<b>Category</b>	
1	CMP cash assistance	40,559,251	100% of total expenditure claimed
2	Goods and services	2,200,000	100% of total expenditure claimed*
3	Consulting Services, project management support, and study tours	2,750,000	100% of total expenditure claimed*

4	Interest and Commitment Charges	510,000	100% of total amounts due
5	Unallocated	380,749	
	<b>TOTAL</b>	<b>46,400,000</b>	

\* Exclusive of value added taxes and duties on goods imposed within the territory of the Borrower.

### Amendment to the COL Loan Agreement

1. Section 1.02 shall be deleted and replaced by:

“Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations and in the OCR Loan Agreement (read with all amendments thereto) have the respective meanings therein set forth unless modified herein or the context otherwise requires. All references to the OCR Loan Agreement in this Loan Agreement shall be references to the OCR Loan Agreement together with any amendments thereto.”