

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has been a leading partner in the urban development sector in Mongolia. This is one of the ADB's priority sectors in Mongolia and was first included as a distinct sector in the 1992 Mongolia country strategy. Most development partner assistance (currently standing at \$3.2 billion)¹ to urban development in Mongolia has been provided by GIZ, Japan International Cooperation Agency (JICA), the United States' Millennium Challenge Account, United Nations Human Settlements Programme (UN-HABITAT), and the World Bank. ADB is the largest multilateral development partner and source of official development financing.²

Major Development Partners

Development Partner	Project Name ^a	Duration	Amount (\$ million) ^a
Urban Development (Theme)³			
ADB	Housing Sector Finance (TA)	2000–2001	0.60
	Housing Finance Sector Project (loan)	2001–2008	15.00
	Integrated Development of Basic Urban Services in Secondary Towns (TA)	2001–2002	0.70
	Improving the Living Environment of the Poor in Ger Areas of Mongolia's Cities (grant)	2002–2005	2.20
	Integrated Development of Basic Urban Services in Provincial Towns Project (loan)	2002–2009	20.10
	Urban Development and Housing Sector Strategy (TA)	2004–2006	0.35
	Urban Development and Housing (TA)	2005–2007	0.60
	Urban Development Sector Project (loan)	2006–2015	35.23
	Community-Driven Development for Urban Poor in Ger Areas (grant)	2007–2012	1.50
	Southeast Gobi Urban and Border Town Development (TA)	2008–2010	0.40
	Southeast Gobi Urban and Border Town Development (grant)	2010–2015	15.00
	Ulaanbaatar Urban Services and Ger Areas Development Investment Program (TA)	2012–2013	1.70
	World Bank	City Development Strategies for Secondary Cities (TA)	2003–2005
Second Ulaanbaatar Services Improvement (loan)		2004–2012	22.98
Community-Led Infrastructure Development for the Urban Poor in Ulaanbaatar (grant)		2004–2011	1.98
Community-Led Infrastructure Development for the Urban Poor in Ulaanbaatar, Phase 2 (grant)		2011–2015	2.77
JICA	Study on City Master Plan and Urban Development Program of Ulaanbaatar City (TA)	2007–2009	¥4.50
United States	Property Rights Project (Millennium Challenge Account) (grant)	2007–2013	27.15
UN-HABITAT	Sustainable Urbanization in Mongolia (Sustainable Cities Programme Support) (TA)	2005–2008	0.10
	Citywide Pro-poor Ger area Upgrading Strategy and Investment Plan of Ulaanbaatar City (funded by Cities Alliance) (TA)	2005–2010	0.50
	Community Led Ger Area Upgrading in Ulaanbaatar (funded by the Government of Japan) (grant)	2009–2013	5.80

¹ World Bank. 2012. Country Partnership Strategy for Mongolia for the Period FY2013–2017. Report No. 67567. Washington, DC.

² Mongolia. Responses to the Co-chairs' Questionnaire.

³ ADB. Sectors and Themes. <http://www.adb.org/focus-areas>

Development Partner	Project Name^a	Duration	Amount (\$ million)^a
GIZ	Integrated Urban Development	2006–2012	€8.38
Water (Sector)			
ADB	Ulaanbaatar Water and Sanitation Services and Planning Improvement (TA)	2010–2012	0.60
World Bank	Low Cost Sanitation for the Urban Poor (Sanitation, Hygiene, and Wastewater Support Service) (TA)	2005–2006	0.05
	Water and Wastewater Master Plan of Ulaanbaatar 2020 (funded by the Government of France) (TA)	2005–2006	€0.73
JICA	Programme for Ulaanbaatar Water Supply Development in Gachuurt (grant)	2011–2016	¥33.00
	Study on the Strategic Planning for Water Supply and Sewerage Sector in Ulaanbaatar City in Mongolia (TA)	2012–2013	¥1.90
Energy (Sector)			
ADB	Ulaanbaatar Clean Air (TA)	2009–2012	0.50
	Ulaanbaatar Low Carbon Energy Supply Project Using a Public–Private Partnership Model (TA)	2010–2012	1.50
World Bank	Improved Household Stoves in Urban Centers, Global Environment Facility (TA)	2001–2007	0.75
	Ulaanbaatar Clean Air Project (loan)	2012–2017	21.89
United States	Energy and Environment Project (Millennium Challenge Account) (grant)	2007–2013	43.96
Transport (Sector)			
ADB	Urban Transport Development Project (TA)	2012–2013	1.62
	Ulaanbaatar Urban Transport Capacity Development (TA)	2012–2014	1.00
	Urban Transport Development Investment Program, Tranche 1 (grant)	2012–2018	1.50
	Urban Transport Development Investment Program (loan)	2012–2022	215.90
	Urban Transport Development Investment Program, Tranche 1 (Part of loan MFF 0070-MON) (loan)	2012–2018	59.90
JICA	Study on Implementation of Ulaanbaatar City Urban Transport Project in Mongolia (TA)	2011–2013	¥1.50
	Ulaanbaatar Metro Project (proposed) (loan)	2013–2016	¥600.00
Capacity Development (Theme)			
JICA	Project on Capacity Development in Urban Development Sector in Mongolia (TA)	2010–2013	¥3.20
	Capacity Development Project for Air Pollution Control in Ulaanbaatar City (TA)	2010–2013	¥4.00

ADB = Asian Development Bank, JICA = Japan International Cooperation Agency, TA = technical assistance.

^a ¥ figures are in 100 million.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

2. The proposed investment program is included in the ADB country partnership strategy, 2011–2015 for Mongolia. It is in line with the impacts, outcomes, and outputs supported by the country partnership strategy, and will contribute to the achievement of Millennium Development Goal targets for improved access to water supply and sanitation in urban areas. The investment program is aligned with the revised Ulaanbaatar City Master Plan 2030, which Parliament approved in February 2013. It also supports the Development Program of the Mayor of Ulaanbaatar City, 2012–2016.

3. Until 2010, ADB and the World Bank coordinated their urban development-related assistance: ADB supported secondary and/or smaller cities and the World Bank supported Ulaanbaatar City.⁴ Since 2010 and in discussion with the World Bank, ADB has been providing development assistance to Ulaanbaatar, thus leading to the request from the Government of Mongolia and Municipality of Ulaanbaatar (MUB) for program preparatory technical assistance for the Ulaanbaatar Urban Services and Ger Areas Development Investment Program (2012–2013). ADB will provide coordination for implementation of the program and the Urban Transport Development Investment Program (MFF).

4. The MUB is implementing its Ger Area Redevelopment Program, which is based on community participation, research on infrastructure and technical conditions, and estimation of financial and economic efficiency. The newly established Ger Area Development Agency is in charge of its implementation. ADB has ensured that the proposed investment program does not overlap with the Ger Area Development Program. The Ministry of Economic Development is formulating the Street Project, which will be funded by \$200 million in Chinggis bonds.⁵ The Street Project will aim to introduce improved traffic interchanges, finance highways, and improve the road network in ger areas. ADB is continuing discussions with the Street Project to ensure coordination and avoid overlap.

C. Achievements and Issues

15. ADB, UN-HABITAT, and the World Bank have implemented community-driven development projects aimed at ger area urban upgrading and environmental improvement in Ulaanbaatar and secondary cities. Three key lessons have been identified: (i) improved urban planning is necessary for ger area upgrading and redevelopment; (ii) infrastructure (water supply, sanitation, heating, and roads) provision is key to improving livability; and (iii) community participation is central to ger area planning, upgrading, and redevelopment. Development partner assistance has focused mainly on ger area upgrading. The proposed investment program builds on plans and implementation of subcenter redevelopment in the middle ger areas of Ulaanbaatar City, which may become a model for ger area redevelopment not only for Ulaanbaatar but also for secondary cities in the country.

D. Summary and Recommendations

5. The Strategy for Ulaanbaatar Urban Services and Ger Area Development and Investment agreed to by ADB and the MUB serves as the development coordination framework in Ulaanbaatar City. Moreover, ADB and the MUB should seek support from the Mongolian Association of Urban Centers to disseminate lessons from program implementation with secondary and smaller cities in Mongolia. Most importantly, a national urban development forum should be established led by the Ministry of Construction and Urban Development, ADB, and UN-HABITAT, with the Mongolian Association of Urban Centers, the MUB, and various development partners as members. Its functions should include sharing information on government and development partner activities in urban development, facilitating development partner coordination, and supporting policy dialogue on key issues.

⁴ Exceptions to this arrangement include the ADB loan for housing finance, which also provided assistance to Ulaanbaatar City. ADB. 2001. *Report and Recommendation of the President to the Board of Directors: Proposed Loan to Mongolia for Housing Finance Sector Loan*. Manila.

⁵ As of today, \$347 million is left from the “Chinggis” Bond, said Premier N. Altankhuyag, news report available at <http://www.infomongolia.com/ct/ci/6020/56/As%20of%20today,%20347%20million%20USD%20is%20left%20from%20the%20> (accessed 20 May 2013).