



## Mongolia: Western Regional Road Corridor Investment Program - Tranche 2

Project Name	Western Regional Road Corridor Investment Program - Tranche 2	
Project Number	41193-019	
Country	Mongolia	
Project Status	Active	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	<b>Loan 3129-MON: Western Regional Road Corridor Investment Program - Tranche II</b>	
	Ordinary capital resources	US\$ 125.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth	
Drivers of Change	Governance and capacity development	
Sector / Subsector	<b>Transport</b> - Road transport (non-urban)	
Gender Equity and Mainstreaming	Some gender elements	
Description	<p>The impact of the Western Regional Road Corridor Investment Program (Tranche-2) will be inclusive economic growth promoted by enhanced local and regional connectivity in the remote western region of Mongolia. The outcome will be improved transport accessibility within the project area and between countries. The outputs of Tranche-2 will be (i) 189.7 kilometers (km) of paved road constructed between Khovd and Ulaanbaishint; (ii) three bridges (0.49 km) and 14.9 km of urban roads rehabilitated in the towns of Khovd and Ulgii; (iii) two road maintenance units established and equipped with staff trained; and (iv) project management, consulting services and capacity development for maintenance planning, civil works, and procurement.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Mongolia is a large, sparsely populated country located between the People's Republic of China (PRC) to the south, and the Russian Federation to the north. Its large land area, low population density, and severe weather conditions during winter are key challenges for development of the transport network in the country. Paved roads account for just over 5% of the total road network with the majority of roads being dirt tracks. The route of the proposed western regional road corridor, which is part of Asian Highway 4 and is designated Central Asia Regional Economic Cooperation (CAREC) Corridor 4a, runs north-south from Mongolia's border with the Russian Federation at Ulaanbaishint to its border with the PRC at Yarant, a total distance of about 743 kilometers (km). The Western Regional Road represents an expansion of over 20% of the entire paved road network in Mongolia, which will require a medium to long-term commitment by ADB to assist the government to complete the road corridor. The cost to complete the remaining sections of the Western Regional Road is estimated to be about \$260 million. A functioning paved road network will help Mongolia to link together its large and poorly connected territory to promote social and economic development. The MFF modality allows ADB to include the full scope of the road under the program and align ADB's financing with the government's ability to implement the Program.</p>	
Impact	Inclusive economic growth is promoted by enhanced local and regional connectivity	

### Project Outcome

Description of Outcome	transport accessibility within the project area and between countries improved
Progress Toward Outcome	Civil works for Contracts CW1-1, CW1-2 and CW1-3 ongoing. CW1-4 yet to be mobilized

### Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Road section constructed</li> <li>2. Urban roads and bridges constructed</li> <li>3. Road maintenance unit established</li> <li>4. Project management and consulting services</li> </ol>
Status of Implementation Progress (Outputs, Activities, and Issues)	<ol style="list-style-type: none"> <li>1. civil works ongoing</li> <li>2. Yet to start</li> <li>3. Yet to start</li> <li>4. consulting service ongoing</li> </ol>
Geographical Location	

## Safeguard Categories

Environment	A
Involuntary Resettlement	C
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects	Project 2 has been classified under environment category A. The EIA was prepared and disclosed in compliance with ADB's Safeguard Policy Statement (2009). The main potential environmental impacts concern wildlife migration and livestock movements. To address these impacts, the EMP for project 2 includes a wildlife movement study and consultation with local herders to establish crossing locations and implement measures to ensure safe crossings along the project road. The government will be required to implement the EMP, and experience demonstrates that it has sufficient institutional capacity. Assuming effective implementation of the mitigation measures and monitoring requirements as outlined in the plan, project 2 is not expected to have significant adverse environmental impacts.
Involuntary Resettlement	Project 2 has been classified category C for involuntary resettlement because it follows the existing alignment within state owned land and no impact on any individual, household, assets, or livelihood is anticipated. The urban roads and bridges are existing ones and, since improvements through the project will be confined to rehabilitation, there will not be any involuntary resettlement impacts. A resettlement framework for the investment program was prepared as a precautionary measure, endorsed by the MRT, and disclosed on ADB's website on 7 October 2011.
Indigenous Peoples	Project 2 has been classified under indigenous peoples category C as the ethnic minorities in the project area are well integrated in the society and are represented in the government on the provincial and national levels. A comprehensive SDAP will be prepared to address potential negative social impacts and enhance benefits for all the communities within the project area.

## Stakeholder Communication, Participation, and Consultation

During Project Design	The PIU with support of supervision consultants is undertaking consultations with key stakeholders. Communication with stakeholders is managed by the PIU social and environmental monitoring specialist with the support of three soum-level community outreach officers. Soum-level staff ensure that local stakeholders are consulted, that information on the project is disseminated, and that questions and complaints are addressed quickly and effectively.
During Project Implementation	Consultations with stakeholders is ongoing during project implementation.

## Business Opportunities

Consulting Services	All consulting services to be financed under the MFF will be procured in accordance with ADB Guidelines on the Use of Consultants (2010, as amended from time to time).
Procurement	All works and goods to be financed under the MFF will be procured in accordance with ADB's Procurement Guidelines (2010, as amended from time to time).

## Responsible Staff

Responsible ADB Officer	Nishimura, Masahiro
Responsible ADB Department	East Asia Department
Responsible ADB Division	Transport and Communications Division, EARD
Executing Agencies	<i>Ministry of Road and Transportation</i> <i>ONON@MRT.GOV.MN</i> <i>11 Chinggis Avenue, Sukhbaatar District</i> <i>Ulaanbaatar 14251 Mongolia</i>

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	-
Approval	14 May 2014
Last Review Mission	-
Last PDS Update	28 Apr 2017

## Loan 3129-MON

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
14 May 2014	02 Jun 2014	31 Aug 2014	30 Jun 2019	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	125.00	Cumulative Contract Awards			
ADB	125.00	14 May 2014	101.54	0.00	81%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	14 May 2014	22.37	0.00	18%

Project Page	<a href="https://www.adb.org/projects/41193-019/main">https://www.adb.org/projects/41193-019/main</a>
Request for Information	<a href="http://www.adb.org/forms/request-information-form?subject=41193-019">http://www.adb.org/forms/request-information-form?subject=41193-019</a>
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