Early Warning System

ADB-39229-033

Agriculture and Rural Development Project - Additional Financing

Early Warning System

Agriculture and Rural Development Project - Additional Financing

ADB-39229-033

Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	B
Voting Date	2015-09-23
Borrower	Government of Mongolia
Sectors	Agriculture and Forestry
Investment Type(s)	Loan
Investment Amount (USD)	$ 50.00 million
Project Cost (USD)	$ 63.00 million

Project Description

The additional financing will primarily help Mongolia increase the value addition on its rich yet underutilized livestock and other agricultural resources through (i) value chain investments (VCIs) by agro-enterprises and cooperatives, (ii) capacity strengthening of primary producers and processors, (iii) improvement of marketing and technical capacity of agro-enterprises and cooperatives, and (iv) development of Mongolian product brand(s). As a result, the additional financing is expected to generate employment opportunities and help diversify the Mongolian economy, which has been driven by the mining sector.

(i) Output delivery. The current project made progress toward the outcome and largely accomplished outputs 1 and 2. Against the outcome, the current project enabled 12 project participating enterprises (PPEs) to start selling some of their products to international and domestic premium-value buyers, but establishment of business partnerships will take longer. Against output 1, the current project financed 12 PPEs to develop their respective value chains to deliver higher-value products. Those PPEs have realized noticeable improvements in product quality and productivity, and significant job creation directly at the enterprises and indirectly at the producers of raw materials. The current project also provided (a) equipment and supplies to livestock testing centers and veterinary service centers of six selected provinces; and (b) machinery, equipment, and agricultural inputs, as well as training to selected agricultural cooperatives to improve the quality and production of raw materials. Against output 2, the current project developed a framework for brand development, applied it to animal fiber and its products, and developed a Mongolian brand certification mark, Mongolian Noble Fiber. The certification mark has been registered at the intellectual property offices of Mongolia and 33 selected countries.

Lessons from the current project were incorporated in the project design. First, it became clear that PPEs do not have sufficient technical and marketing capacity to establish business relationships with buyers of high-value products, particularly international ones. In response, two broad outputs under the current project were articulated into four outputs to factor in capacity improvement of agro-enterprises and primary producers in the project design. Second, the current project was implemented with three separate PMUs, according to project component, and experienced high costs of operation and difficult coordination between the components. To address such issues, the PMUs will be integrated into a single PMU with three s

IMPACT

Competitiveness of agriculture processing industry enhanced. Private sector-led employment generated. Small and medium-sized enterprises developed.

(MDG-based Comprehensive National Development Strategy of Mongolia, 2008)

CONSULTING SERVICES

The project is expected to require 382 person-months of seven national consultant inputs for project implementation. The executing agency will continue to engage six consultants selected through individual consultant selection method under the current project and recruit another consultant all to be financed by ADB following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The extension of those six consultants should be justified as their tasks represent a natural continuation of previous work carried out under the current project, and the built capacity of those consultants is needed for continuation of the smooth project implementation without lapse.

Investment Description

- Asian Development Bank (ADB)

Japan Fund for Poverty Reduction US$ 2 million

Contact Information

Ministry of Finance
ANUDARI@MOF.PMIS.GOV.MN
Government Building-2
Negdsen Undestnii gudamj-5/1
Ulaanbaatar-210646, Mongolia

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main

Bank Documents

- Agriculture and Rural Development Project (Additional Financing): Gender Action Plan [Original Source]
- Agriculture and Rural Development Project (Additional Financing): Procurement Plan [Original Source]
- Agriculture and Rural Development Project (Additional Financing): Project Administration Manual [Original Source]
- Agriculture and Rural Development Project (Additional Financing): Report and Recommendation of the P [Original Source]
- Khodoo azh akhui, khodoogiin khogzhliin tosol - Nemelt sankhuuzhilt : Tosliin Medeelliin Tailan [Original Source]
- Loan Agreement (Ordinary Operations) for Loan 3287-MON: Agriculture and Rural Development Project - [Original Source]
- Loan Agreement (Special Operations) for Loan 3288-MON: Agriculture and Rural Development Project - A [Original Source]
- Project Disclosure PDF