

Early Warning System

# ADB-55044-002

## Border Efficiency for Sustainable Trade Project

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### Quick Facts

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| **Countries** | Mongolia |
| **Financial Institutions** | Asian Development Bank (ADB) |
| **Status** | Approved |
| **Bank Risk Rating** | B |
| **Voting Date** | 2023-12-08 |
| **Borrower** | Government of Mongolia - Office of the National Committee for Port Revival |
| **Sectors** | Industry and Trade |
| **Investment Type(s)** | Grant, Loan |
| **Investment Amount (USD)** | $ 95.00 million |
| **Grant Amount (USD)** | $ 5.00 million |
| **Project Cost (USD)** | $ 106.30 million |

## Project Description

According to the Bank’s website, the project will support Mongolia’s economic recovery, diversification, and resilience through a sector loan by (i) upgrading selected border crossing points (BCPs), (ii) establishing One Health coordination mechanisms and facilities at selected BCPs, and (iii) implementing key modules under the national single window (NSW) for risk management and paperless trade. It will benefit remote border communities in east and west Mongolia, providing access to crucial imports and increased sources of income and livelihoods from transport, tourism, and trade.

### Early Warning System Project Analysis

Environment (category B). Following the environment due diligence required by ADB's SPS for the sector loan modality, two safeguard guidance documents have been developed: (i) an environmental assessment review framework (EARF), specifying the selection and approval procedures covering risk screening, impact assessment, monitoring, and reporting requirements for additional (non-sample) BCP subprojects to be developed; and (ii) an initial environmental examination and environmental management plan covering output 1 and 2 sample subprojects at Khavirga BCP, including a due diligence review of the existing and associated facilities.

Involuntary resettlement (category B). Due diligence of the subprojects at Khavirga indicated that there will have no land acquisition and resettlement impacts. Impacts remain unlikely for additional subprojects but cannot be ruled out.

Indigenous peoples (category B). Due diligence confirmed that the subprojects at Khavirga will not trigger indigenous peoples safeguards. Ethnic group impacts are unlikely for the remaining subprojects but cannot be ruled out.

## Investment Description

- Asian Development Bank (ADB)

(i) a loan of $50,000,000 to Mongolia for the Border Efficiency for Sustainable Trade Project, from ADB's ordinary capital resources, in regular terms, with interest to be determined in accordance with ADB's Flexible Loan Product; for a term of 25 years, including a grace period of 6 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board;
(ii) a loan of $45,000,000 to Mongolia for the Border Efficiency for Sustainable Trade Project, from ADB's ordinary capital resources, in concessional terms, with an interest charge at the rate of 2% per year during the grace period and thereafter; for a term of 25 years, including a grace period of 5 years; and such other terms and conditions as are substantially in accordance with those set forth in the draft loan agreement presented to the Board; and
(iii) a grant not exceeding $5,000,000 to Mongolia from ADB's Special Funds resources (Asian Development Fund) for the Border Efficiency for Sustainable Trade Project, on terms and conditions that are substantially in accordance with those set forth in the draft grant agreement presented to the Board.

The government will provide $6.3 million in-kind counterpart funding.

## Contact Information

Executing Agency

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Implementing Agencies

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Mongolian Customs

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ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

**Bank Documents**

- Border Efficiency for Sustainable Trade (formerly Resilient and Integrated Border Services for Safe
- Border Efficiency for Sustainable Trade Project: Gender Assessment and Action Plan
- Border Efficiency for Sustainable Trade Project: Procurement Plan
- Border Efficiency for Sustainable Trade Project: Project Administration Manual
- Border Efficiency for Sustainable Trade Project: Report and Recommendation of the President
- Border Efficiency for Sustainable Trade Project: Supplementary Documents
- Border Efficiency for Sustainable Trade: Draft Environmental Assessment and Review Framework
- Border Efficiency for Sustainable Trade: Draft Resettlement Framework
- Border Efficiency for Sustainable Trade: Ethnic Group Development Framework
- Border Efficiency for Sustainable Trade: Khavirga Border Crossing Point in Dornod Aimag Resettlement
- Border Efficiency for Sustainable Trade: Khavirga Border Crossing Point Rehabilitation and Moderniza
- Grant Agreement (Special Operations) for Grant 0929-MON: Border Efficiency for Sustainable Trade Pro
- Loan Agreement (Ordinary Operations [Concessional]) for Loan 4419-MON: Border Efficiency for Sustain
- Loan Agreement (Ordinary Operations) for Loan 4420-MON: Border Efficiency for Sustainable Trade Proj
- Project Disclosure PDF

## Other Related Projects

- ADB-55044-001 Preparing and Improving Capacities for Sustainable Cross Border Operations and Regional Public Goods
- ADB-55044-003 Cross Border Facilitation and Ports Coordination and Integration