

 Early Warning System

ADB-55218-001

Agriculture and Rural Development Project Phase 2



Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-12-07
Borrower	Government of Mongolia
Sectors	Agriculture and Forestry, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 57.10 million
Loan Amount (USD)	\$ 57.10 million
Project Cost (USD)	\$ 68.11 million



Project Description

As stated by the ADB, the project will be aligned with the following impact: competitiveness and sustainability of Mongolia's agriculture sector improved.

The outcome of the project will be value addition on Mongolian agricultural resources increased by project participating enterprises (PPE).

The project is expected to enhance technology adoption of agro-enterprise, to increase primarily the agro-processing capacity and secondly agricultural production in Mongolia, and hence increase value addition to agricultural resources. The increased capacity will lead to employment generation, and indirectly benefit herders, farmers, and primary processors through the PPEs' increased demand for raw materials.



Early Warning System Project Analysis

The ADB categorized the risk of the project as follows:

Environment	B
Involuntary Resettlement	C
Indigenous Peoples	C



Investment Description

- Asian Development Bank (ADB)

Modality and Sources Amount (\$ million : US Dollar)

ADB 57.100

Sovereign Project (Concessional Loan): Ordinary capital resources 42.700

Sovereign Project (Regular Loan): Ordinary capital resources 14.400

Cofinancing 0.000

None 0.000

Counterpart 11.010

Beneficiaries 6.640

Government 4.370

Total 68.110



Private Actors Description

As stated by the ADB, Khanbogd Cashmere LLC is located in an existing industrial area of Songinokhairkhan District in western of Ulaanbaatar City. Since its establishment in 1999, the company has been operating a sustainable cashmere scouring, de-hairing and exporting business, and it is now the largest primary cashmere processing companies in Mongolia, processing 11% of all the scoured cashmere in the country. Production in 2021 was 745 tons (t) of scoured cashmere and 205 t of de-haired cashmere.

Erdmeat LLC currently operates a small-scale meat processing plant. Procured from Erdenet Mining Corporation in 2012, the plant is located in the industrial area of Erdenet City of Orkhon Aimag. Erdenet City, the second-largest city in Mongolia is situated 410 km northwest from the capital city Ulaanbaatar.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Erdmeat LLC	Client	Agriculture and Forestry
-	-	-	-	Khanbogd Cashmere	Client	Industry and Trade



Contact Information

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Executing and Implementing Agency - Ministry of Food, Agriculture, and Light Industry:

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Address: Government building 9/A, Peace Avenue, Bayanzurkh district, Ulaanbaatar-13381

Clients -

Erdmeat LLC:

Address: Erdenet, Orkhon 61020, Mongolia

Phone: +976 9906 0017

Website: <https://erdmeat-llc.business.site/>

Khanbogd Cashmere:

Address: Bayanzurkh District, 1st khoroo, Seoul Business Center 406, Ulaanbaatar, 13380, Mongolia

Phone: +976-7509-5588

Email: cashmere@khanbogd.mn

Website: <https://khanbogdcashmere.com/en/>

ACCESS TO INFORMATION

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

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

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

- [Draft Environmental Assessment and Review Framework](#)
- [Erdmeat LLC Plant Expansion Subproject Draft Initial Environmental Examination](#)
- [Gender Action Plan](#)
- [Indigenous Peoples Planning Framework](#)
- [Initial Poverty and Social Analysis](#)
- [Khanbogd Cashmere Value Chain Development and Green Investment Subproject Draft Initial Environmenta](#)
- [Procurement Plan](#)
- [Project Administration Manual](#)
- [Project Disclosure PDF](#)
- [Report and Recommendation of the President](#)
- [Voluntary Land Rights Lease/Purchase Framework](#)



Other Related Projects

- ADB-55218-002 Preparing the Agriculture and Rural Development Project Phase 2
- ADB-55218-003 Mongolia : Capacity Building for Agriculture Value Chain Financing