

# ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

## Mongolia: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
430.00	-	11.18	78.60	519.78

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

## Mongolia: Cumulative Lending, Grant, and Technical Assistance Commitments<sup>a, b, c</sup>

Sector	No.	Total Amount (\$ million) <sup>d</sup>	% <sup>d</sup>
Agriculture, Natural Resources, and Rural Development	42	167.45	5.84
Education	31	181.28	6.32
Energy	33	179.63	6.26
Finance	53	387.29	13.50
Health	41	252.03	8.79
Industry and Trade	14	112.80	3.93
Information and Communication Technology	1	2.00	0.07
Multisector	7	21.90	0.76
Public Sector Management	58	562.00	19.59
Transport	51	629.26	21.94
Water and Other Urban Infrastructure and Services	36	372.83	13.00
<b>Total</b>	<b>367</b>	<b>2,868.47</b>	<b>100.00</b>

<sup>a</sup> Grants and technical assistance include ADB-administered cofinancing.

<sup>b</sup> Includes sovereign and nonsovereign loans and technical assistance.

<sup>c</sup> Using primary sector in reporting of commitments.

<sup>d</sup> Numbers may not sum precisely because of rounding.

## Mongolia: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	Amount (\$ million)
Loans	90.00
Equity Investments	-
Guarantees	-
<b>Total</b>	<b>90.00</b>

- = nil.

ADB operations in Mongolia address infrastructure gaps, promote renewable energy, foster regional economic integration, expand access to basic urban services, and provide support to agribusiness.

## MONGOLIA

In 2018, Mongolia's economic recovery continued due to comparatively high commodity prices and sustained foreign direct investment in mining. This sustained growth, along with specific government measures, helped ease debt accumulation and banking sector vulnerabilities—but poverty and inequality remain high in the country. Providing targeted social protection, building economic buffers, and taking steps to diversify the economy are essential to ensure inclusive and resilient economic growth and poverty reduction.

The Asian Development Bank (ADB) has been Mongolia's largest multilateral development partner since 1991, playing a central role in the country's transformation to a middle-income, market-based economy. ADB has approved sovereign loans totaling \$2.3 billion, nonsovereign loans totaling \$105.1 million, grants of \$313.9 million, and technical assistance projects worth \$161.1 million for Mongolia. In 2018, ADB committed \$430 million for 8 projects, and \$11.18 million on technical assistance for 20 projects.

Cumulative loan and grant disbursements to the Mongolia amount to \$1.76 billion. These were financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other special funds.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2018, ADB commitments in Mongolia centered on education, social equity, renewable energy, and air quality.

The bank committed a \$50 million loan to help improve access to, and the quality of, Mongolia's pre-primary, primary, and secondary education systems. The project will expand the seating capacity of schools, reduce class sizes, update the curriculum, reform assessment systems, provide new learning materials, and train teachers



and education administrators. It will directly benefit about 15,000 children enrolled in 35 newly constructed or expanded schools and kindergartens.

In April, ADB and Mongolia signed a \$25 million loan to make it easier for people with disabilities to access basic services and job opportunities. Through the project, cofinanced with a \$2 million grant from the [Japan Fund for Poverty Reduction](#) (JFPR), ADB will help provide early medical and social intervention services to children with disabilities, construct infrastructure and public spaces designed to accommodate people with disabilities, and build industry partnerships to enhance job opportunities.

In the energy sector, ADB and Mongolia signed a \$40 million loan to develop a 41-megawatt renewable energy system using solar and wind power, with advanced battery storage technology and energy management systems. A first for Mongolia, the project will supply clean and reliable electricity to about 260,000 people in remote towns in the west of the country—people who currently rely on high-cost, carbon-intensive electricity sources.

ADB also conducted a major assessment on Mongolia's transport sector in 2018. The findings will help the bank identify investment gaps to be filled through innovative lending operations. ADB also prepared a study to help design a project to address the high levels of gender-based violence in the ger areas of Ulaanbaatar.

## NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB's own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB's own resources stood at \$12.7 billion as of 31 December 2018.

## COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's [Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in Mongolia in 1994. Since then, cumulative direct value-added (DVA) official cofinancing commitments for Mongolia have amounted to \$215.59 million for 35 investment projects and \$47.37 million for 55 technical assistance projects. Cumulative DVA commercial cofinancing for Mongolia has amounted to \$166.78 million for three investment projects.

In 2018, Mongolia received \$78.6 million in grant cofinancing from the JFPR, [Japan Fund for the Joint](#)

### Mongolia: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2006	100.0	1
2008	100.0	1
2009	50.0	2
2010	33.3	3
2011	33.3	3
2012	–	2
2013	100.0	1
2014	100.0	1
2015	100.0	3
2016	–	1
2017	100.0	1
<b>Total</b>	<b>57.9</b>	<b>19</b>

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

### Mongolia: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans <sup>a</sup> (as of 31 Dec 2018)	33	
	2017 (\$ million)	2018 (\$ million)
Contract Awards <sup>b,c</sup>	71.34	85.50
Disbursements <sup>b</sup>	273.12	274.32
No. of Ongoing Grants <sup>a</sup> (as of 31 Dec 2018)	3	
	2017 (\$ million)	2018 (\$ million)
Contract Awards <sup>b,c</sup>	6.58	0.51
Disbursements <sup>b,d</sup>	1.39	1.15
Actual Problem Projects (%) (as of 31 Dec 2018)	7	

<sup>a</sup> Based on commitments.

<sup>b</sup> Includes closed loans/grants that had contract awards or disbursements during the year.

<sup>c</sup> Excludes policy-based lending/grants.

<sup>d</sup> Includes only Asian Development Fund and other ADB special funds.

### Mongolia: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects <sup>a</sup>	15	276.10
Grants	11	98.60
Official loan	2	48.02
Commercial cofinancing	3	129.48
Technical Assistance Grants	31	27.98

<sup>a</sup> A project with more than one source of cofinancing is counted once.

### Mongolia: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	222.52	2.18	186.18	1.48	1,081.90	0.60
Consulting Services	8.55	1.14	7.70	1.11	42.93	0.34
<b>Total Procurement</b>	<b>231.06</b>	<b>2.11</b>	<b>193.88</b>	<b>1.46</b>	<b>1,124.83</b>	<b>0.58</b>

## Top 5 Contractors/Suppliers from Mongolia Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
HKB International Holding LLC & Xinjiang Road and Bridge Construction Group Co. Ltd. (JV)	TRA	27.42
Comfort Impex LLC	HLT, WUS	7.43
ChMM LLC	TRA, WUS	6.26
Medimpex International LLC	ANR, EDU, HLT	4.39
White Phoenix, Hasu Megawatt, Evttruck (JV)	WUS	4.17
Others		590.37
<b>Total</b>		<b>640.04</b>

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; TRA = transport; WUS = water and other urban infrastructure and services.

## Top 5 Consultants from Mongolia Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Monconsult LLC	ANR, HLT, TRA	2.40
BDO Audit LLC (Mongolia)	PSM	2.31
Fenco LLC	HLT	0.90
Tatakh Khuch LLC	EDU, IND	0.86
Magic Jet LLC	HLT	0.75
Individual Consultants		15.77
Others		4.17
<b>Total</b>		<b>27.16</b>

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health, IND = industry and trade; PSM = public sector management; TRA = transport; WUS = water and other urban infrastructure and services.

Crediting Mechanism, Strategic Climate Fund-Scaling Up Renewable Program in Low-Income Countries, High-Level Technology Fund, and Green Climate Fund for four investment projects.

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at [www.adb.org/countries/mongolia/cofinancing](http://www.adb.org/countries/mongolia/cofinancing).

### PARTNERSHIPS

ADB and the Government of Mongolia continue to work with the World Health Organization, the United Nations Development Programme, the United Nations Children's Fund (UNICEF), the European Investment Bank, the Japan International Cooperation Agency, the German Corporation for International Cooperation, the Gates Foundation, the Clean Energy Financing Partnership Facility, the e-Asia and Knowledge Partnership Fund, the Financial Sector Development Partnership Fund, and UN-Habitat.

ADB is working with nongovernment organizations to bring financial services to Mongolia's poor, foster entrepreneurship by women, and improve child health and nutrition. With the World Health Organization, ADB supported the upgrading of Mongolia's Drug Control Laboratory—now the only globally recognized laboratory in the country's health sector—to ensure access to high quality medicines. To improve secondary school dormitories in the country's west, ADB and UNICEF will cooperate to provide repairs, installation, and maintenance of water, sanitation, and hygiene facilities. The bank is working with the United

Nations Development Programme to help the government better integrate the Sustainable Development Goals into the national budget and annual planning cycle.

### PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

#### Share of ADB's Procurement Contracts

##### Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In Mongolia, 2,786 contracts worth \$1.08 billion have been awarded to contractors and suppliers since 1991.

##### Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In Mongolia, 1,233 contracts worth \$42.93 million have been awarded to consultants since 1991.

### OPERATIONAL CHALLENGES

Macroeconomic stability is improving but remains vulnerable to shocks. The country's small and medium-sized enterprises play an important role in promoting diversification and making the growth process more labor-intensive, particularly in developing value chains for Mongolia's unique agricultural resources. This requires structural reforms to expand access to finance. It will also require infrastructure investments and regional integration to improve connectivity and access to external markets. Developing a more skilled workforce and enhancing the quality of life in urban areas will be critical. Policy reform and institutional strengthening will be needed to improve the inclusiveness and efficiency of social service delivery. Rapid urbanization, poorly regulated development of the mining sector, and the impacts of climate change are causing significant environmental degradation, and these issues must be addressed.

### FUTURE DIRECTIONS

ADB's country partnership strategy, 2017–2020 for Mongolia guides the bank's future investments in the country. ADB will address infrastructure gaps, promote renewable energy, foster regional economic integration, expand access to basic urban services, and provide support to agribusiness. Gender equality will remain a focus across ADB operations. The bank will use partnerships—in power, heating, renewable energy, and water—to

transform service delivery, foster private sector participation, and promote green development in the country. ADB will also intensify its cofinancing partnerships, providing additional

resources and knowledge products to address Mongolia's most-pressing development issues, including the launch of a policy note series.



## ABOUT MONGOLIA AND ADB

### ADB Membership

Joined 1991

### Shareholding and Voting Power

Number of shares held:	1,596 (0.015% of total shares)
Votes:	41,293 (0.311% of total membership, 0.477% of total regional membership)
Overall capital subscription:	\$22.20 million
Paid-in capital subscription:	\$1.11 million

**Paul Dominguez** is the Director and **Shahid Mahmood** is the Alternate Director representing Mongolia on the ADB Board of Directors.

**Yolanda Fernandez Lommen** is the ADB Country Director for Mongolia. The Mongolia Resident Mission was opened in 2001, and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in Mongolia.

The Mongolia government agencies handling ADB affairs are the Ministry of Finance and the Bank of Mongolia (the Central Bank).

## ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

### Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

## CONTACTS

### Mongolia Resident Mission

Asian Development Bank  
International Commerce Center (ICC) Tower,  
17th Floor, Jamyang Gunii Street-9, Ulaanbaatar  
14210, Mongolia  
Tel ++976 11 313440 / 323507 / 329836  
Fax +976 11 311795  
[adbmnrm@adb.org](mailto:adbmnrm@adb.org)  
[www.adb.org/mongolia](http://www.adb.org/mongolia)

### ADB Headquarters

6 ADB Avenue, Mandaluyong City  
1550 Metro Manila, Philippines  
Tel +63 2 8632 4444  
Fax +63 2 8636 2444  
(Please omit the "8" from ADB HQ numbers until  
Manila numbers change on 8 October 2019.)

### Ministry of Finance

Government Building No. 2  
S. Danzan's Street 5/1  
Ulaanbaatar 15160, Mongolia  
Tel +976 51 264694  
Fax +976 51 264908

### Useful ADB websites

Asian Development Bank  
[www.adb.org](http://www.adb.org)

Annual Report  
[www.adb.org/documents/series/adb-annual-reports](http://www.adb.org/documents/series/adb-annual-reports)

Asian Development Outlook  
[www.adb.org/publications/series/asian-development-outlook](http://www.adb.org/publications/series/asian-development-outlook)

ADB Data Library  
[data.adb.org](http://data.adb.org)