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Building Balanced Food and Nutrition Security: A Case Study on Mongolia

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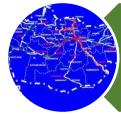
Food Self-sufficiency and untapped opportunities for export-driven value chains are key sector imperatives



High dependence on food imports (particularly vegetables and fruits)



Rising food prices and poverty impacts



Underdevelopment of infrastructure and logistics networks



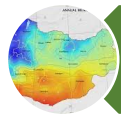
Limited variety of fresh foods and processed products available in rural areas



Climate change and increasing food safety risks



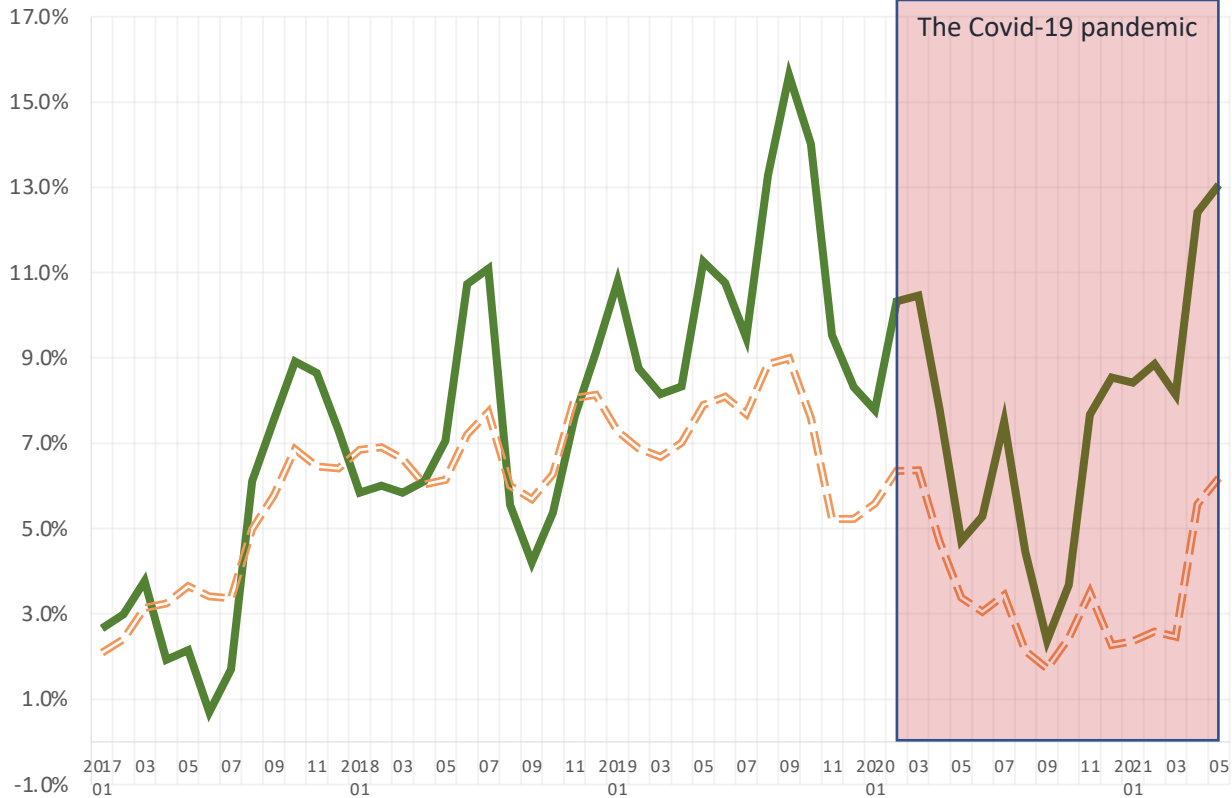
Low productivity and inefficiency in food value chains



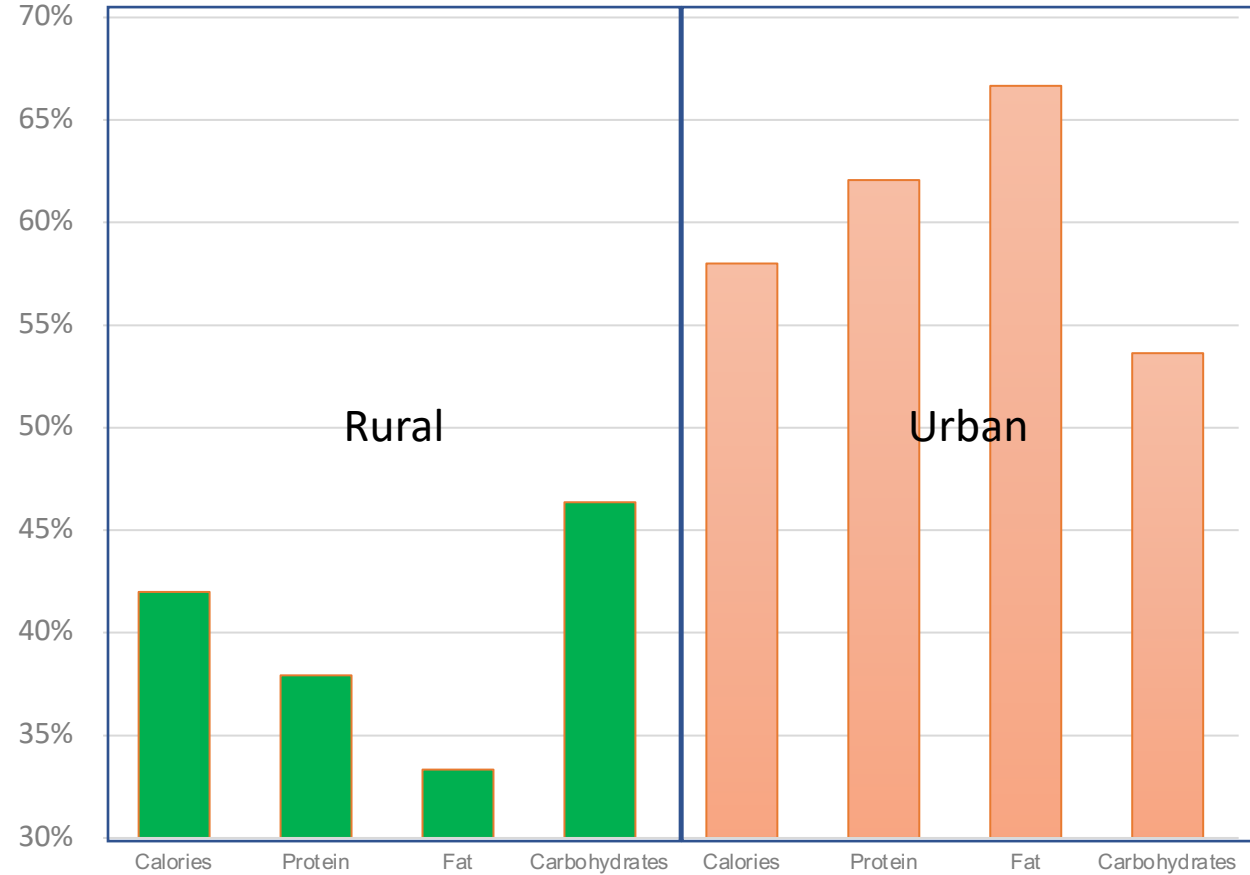
High malnutrition risks for children and the poor

COVID-19 has contributed to food supply chain shocks and exacerbated the already volatile situation in MON

— Food price inflation - - - CPI annual changes

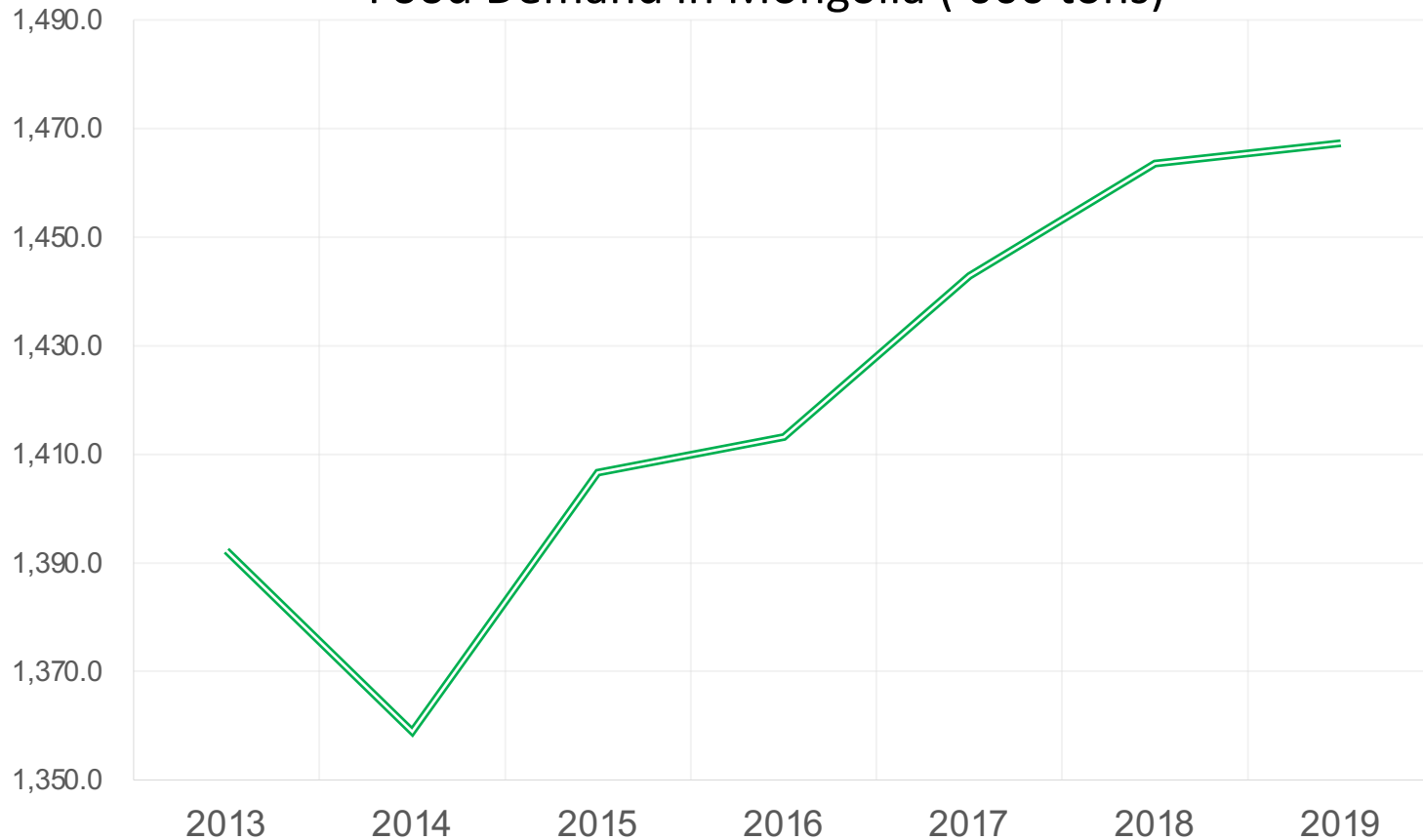


Distribution of daily calorie intake



Rising demand for food requires sustainable food supply and waste reduction

Food Demand in Mongolia ('000 tons)

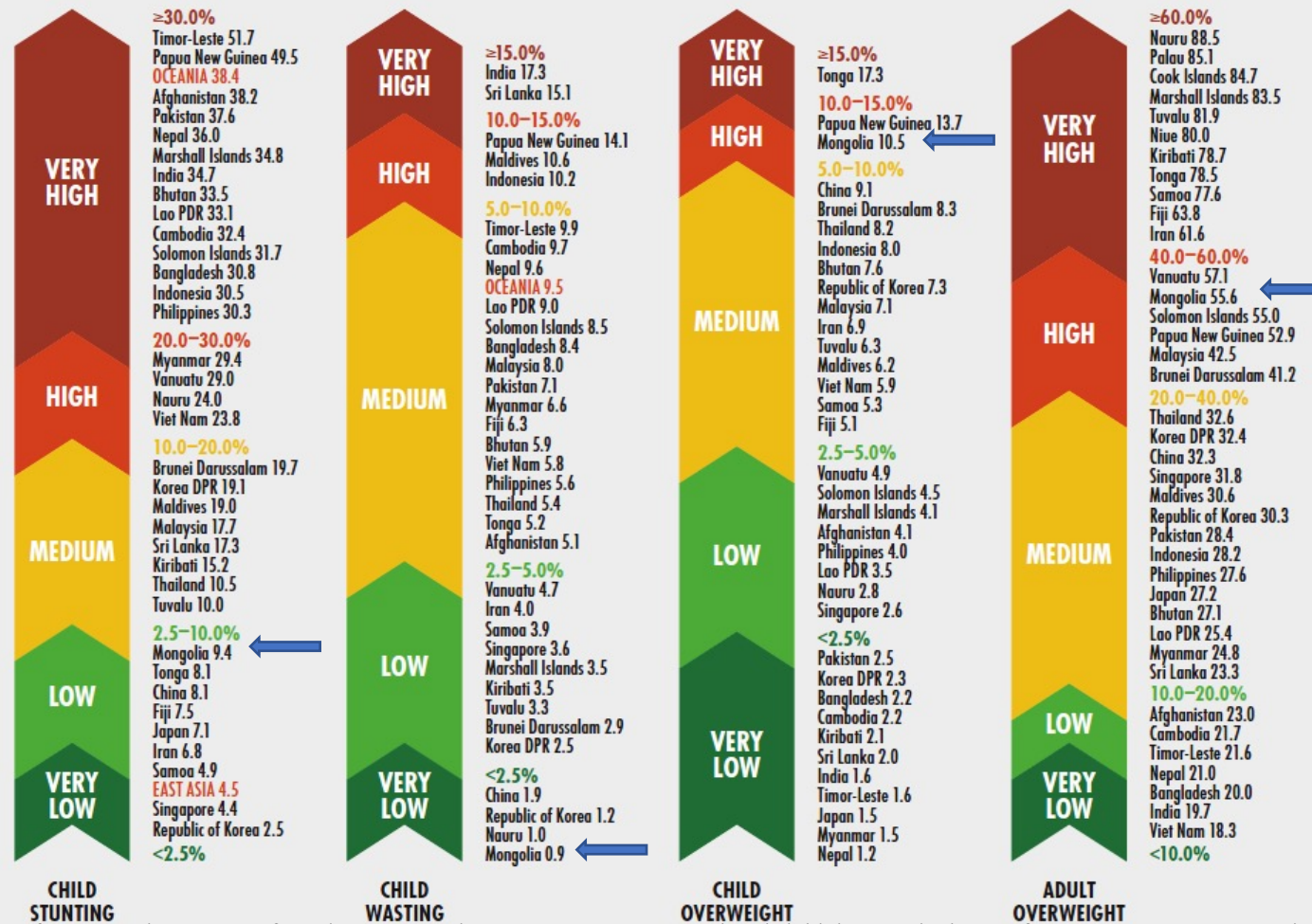


Source: NSO 2021

- Food waste increases with increasing urbanization and rising demand for food.
- Ratio of food waste in solid waste in Ulaanbaatar is the largest (36.0%) in summer and the second largest (23.0%) nationwide
- Food waste is NOT recycled in Mongolia

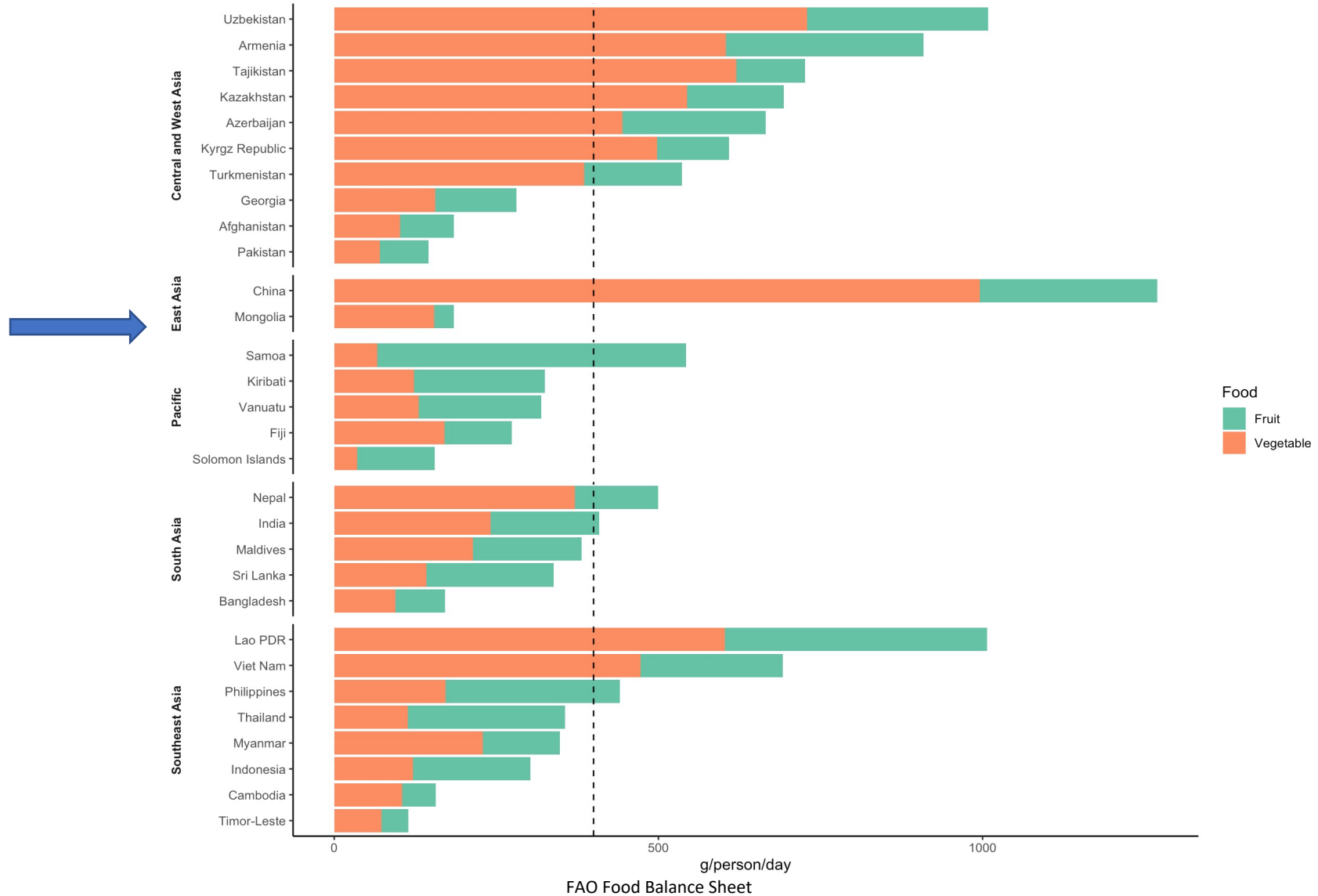
Nutrition Issues are particularly significant for children and rural populations

LEVELS OF MALNUTRITION IN ASIA AND THE PACIFIC, LATEST AVAILABLE DATA (PERCENT)



Dietary intake is particularly unbalanced

Supply of Fruit and Vegetables (2018)



ADB contribution to food, agriculture and rural development in MON is multifaceted and comprehensive

AREAS	ADB OPERATIONS AND SUPPORT
Logistics and Infrastructure	<ul style="list-style-type: none"> Built/rehabilitated roads, water supply and wastewater facilities in economic centers and rural areas (Regional Road Development Project-\$69.5m, Urban Development Sector Project-\$35.2 m, Southeast Gobi Urban and Border Town Development Project-\$55.4m) Started constructing and rehabilitating 11 irrigation systems across the country (Vegetable Production and Irrigated Agriculture-\$42m)
Farming and Raw Material Quality	<ul style="list-style-type: none"> 3,800 herders and farmers trained in warehouse standards, food hygiene aspects, processing and raw material grading. (Supporting the Agriculture Value Chain TA). Enhanced collaboration and organization amongst 306 small vegetable farmers and 39 cooperatives (Community Vegetable Farming for Livelihood Improvement Project-\$3.5 m).
Processing	<ul style="list-style-type: none"> value chain investment loans and advisory services for over 40 agribusinesses; created more than 2500 jobs (ARDP-\$75m) Pandemic emergency support for Ulaanbaatar Flour LLC and Tavan Bogd Foods LLC (NSO-\$15m) Direct financial assistance to TESO Group to expand dairy processing production and export (NSO-\$7.5m)
Distribution and Nutrition Intake Enhancement	<ul style="list-style-type: none"> supported innovative targeting approaches for food stamps in 2009 and introduced proper mechanism for delivering food stamps to help the poor (Food and Nutrition Social Welfare Program-\$32.5 m)

ADB Country Partnership Strategy emphasizes continued support on agriculture, inclusive rural development and green recovery, 2021–2024



Support COVID-19 Recovery and Lay Resilient Foundations for Inclusive and Sustainable Growth

 Strategic Priority 1: Foster Inclusive Social Development and Economic Opportunity	 Strategic Priority 2: Climate Resilient Infrastructure to Drive Competitiveness and Diversification	 Strategic Priority 3: Resilience for Sustainable, Green and Climate Conscious Development
<p>Sovereign Operations: Health, social protection, and skills Job creation, financial sector, business environment, MSMEs, and women-owned businesses</p> <p>Nonsovereign Operations: Access to finance, trade finance, and access to health and education</p> <p>Knowledge and technical support: Social sector planning and financing Financial sector development and green financing MSME capacity and investment climate reform</p> <p> OP1  OP2  OP5  OP6</p>	<p>Sovereign Operations: Urban development, transport, rural-urban connectivity, and trade</p> <p>Nonsovereign Operations: Urban services and transport, logistics, and ICT</p> <p>Public Private Partnerships: Enabling environment for PPP and transaction advice</p> <p>Knowledge and technical support: Infrastructure maintenance, urban planning, trade and logistics, and mining value chains</p> <p> OP4  OP5  OP7</p>	<p>Sovereign Operations: Debt sustainability, domestic resource mobilization, and expenditure efficiency. Air, water and soil pollution, green value chains, renewable energy, and disaster management</p> <p>Nonsovereign Operations: Renewable energy, and climate-smart and gender-sensitive agribusiness value chains</p> <p>Knowledge and technical support: FDI, public investment management, tax reform, environmental management and climate change</p> <p> OP3  OP5  OP6</p>

Priority Themes to Deliver Strategy 2030:

- ▶ Gender Equality(OP 2)
- ▶ Private Sector Participation(covers all OPs)
- ▶ Civil Society(covers all OPs)
- ▶ Digital Transformation(covers all OPs)
- ▶ Institutional Capacity and Governance(OP 6)

ADB is well positioned to address remaining challenges (2021-2024) in collaboration with development partners and the private sector

AREAS	ADB INTERVENTIONS
Rural infrastructure	<ul style="list-style-type: none"> Support aimags in developing urban infrastructure, warehouse and utilities (Aimags and Soums Green Regional Development Investment Program/ASGRDIP-ADB \$273m; GCF-\$175m; EIB-\$150m; EU-\$30m)
Food Quality and Nutrition	<ul style="list-style-type: none"> Extend investment and technical support to food processors and farmers (ARDP 2- \$57m) Nonsovereign operations covering all stages of food value chain, including distribution Assess food supply chains and produce national strategy and action plan (Managing the Risks of Food Insecurity in Mongolia during the COVID-19 Crisis TA)
Production inefficiency in value chain and access to long-term finance	<ul style="list-style-type: none"> Provide financial and technical support to agribusinesses in the western aimags of Mongolia (ASGRDIP) Strengthen livestock value chain in rural areas (Climate-Resilient and Sustainable Livestock Development Project/CRSLDP-\$30m)
Green Recovery and Climate Change	<ul style="list-style-type: none"> Introduce climate change adoption technology to rural areas (ASGRDIP) Improve climate resilience of livestock, pasture, and water management (CRSLDP)

Thank you for your attention