

# Business Opportunity Seminar

Ulaanbaatar, 19 Nov 2024

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**For smooth and focused discussion, kindly switch off your mobile phone during the meeting – Many thanks!**

# Outline of the Presentation

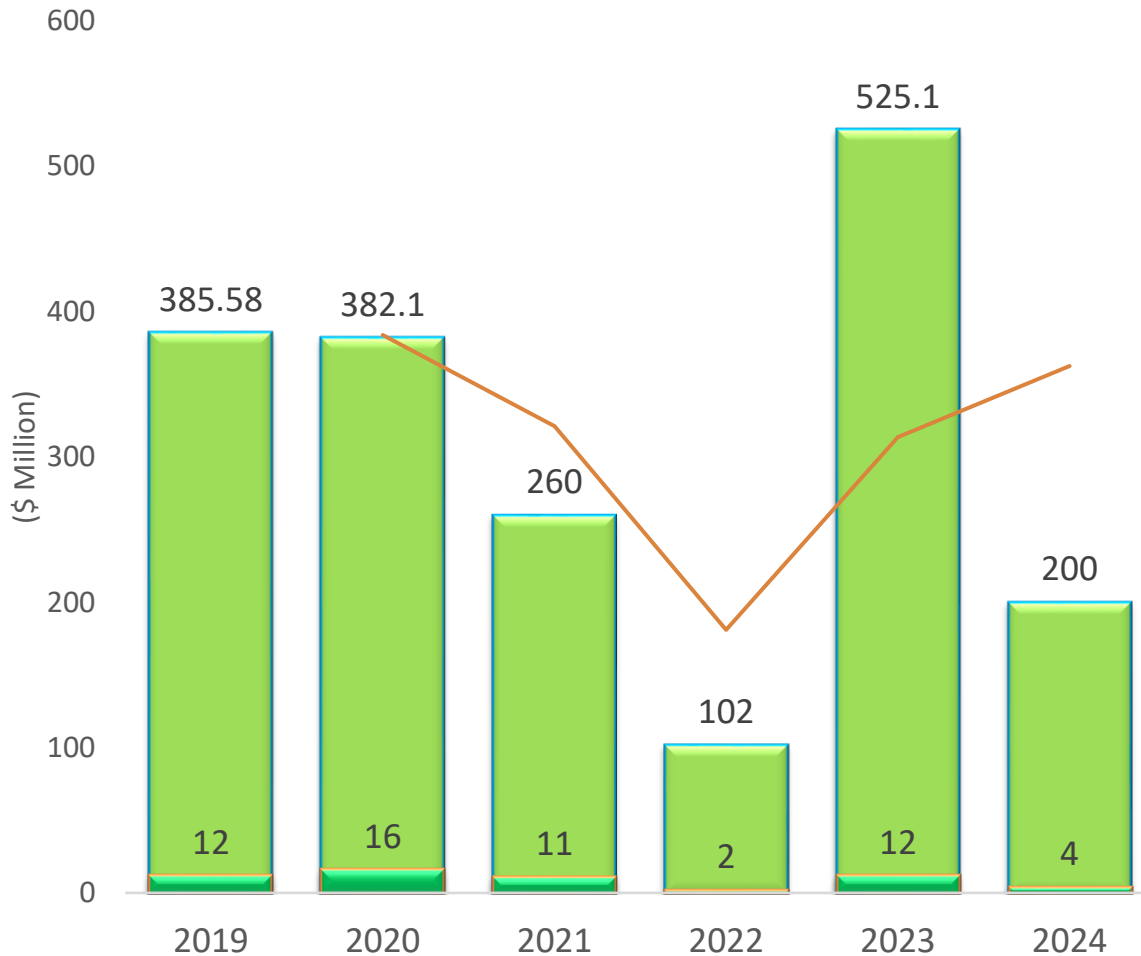
- ADB Operations in Mongolia
- Overview of ADB's Current Mongolia Portfolio
- ADB's Country Partnership Strategy (CPS 2021-2024)
- ADB's Loan/Grants Portfolio Performance
- Procurement Efficiency of ADB projects in Mongolia
- ADB's Capacity Building Measures for EA/IA/PIUs
- Project Implementation Issues and Key Messages

# ADB Sovereign Operations in Mongolia (1991-2023)

Product	Number	Cumulative Commitments
Loans	108	\$3,746 million
Grants	17	\$185 million
TAs	246	\$164 million
<b>TOTAL</b>	<b>371</b>	<b>\$4.1 billion</b>

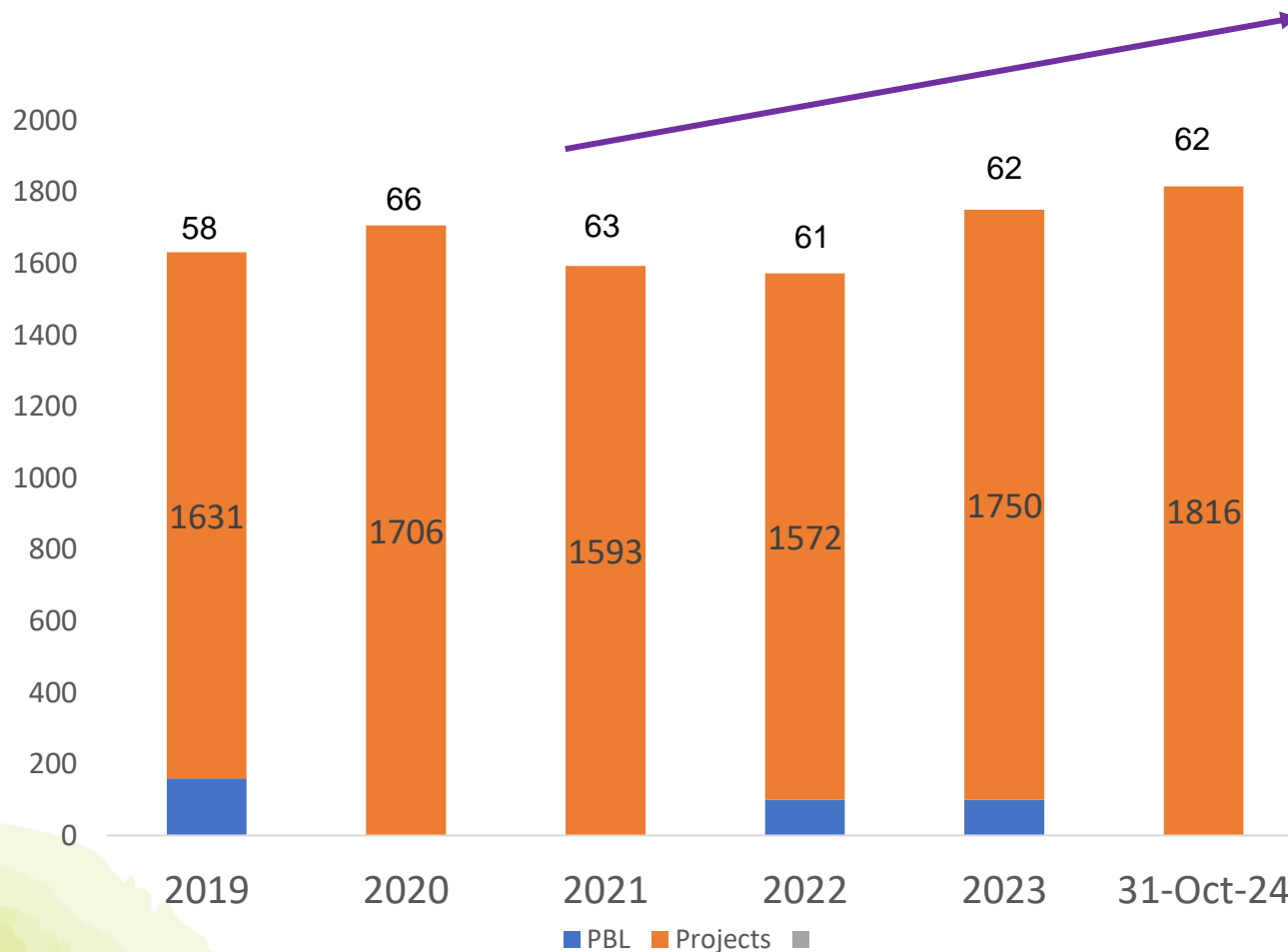
The loan and grant disbursements are financed by regular and concessional ordinary capital resources, the Asian Development Fund, and other ADB-administered special trust funds.

# ADB Loan & Grants Approvals for Mongolia (2019-2024)

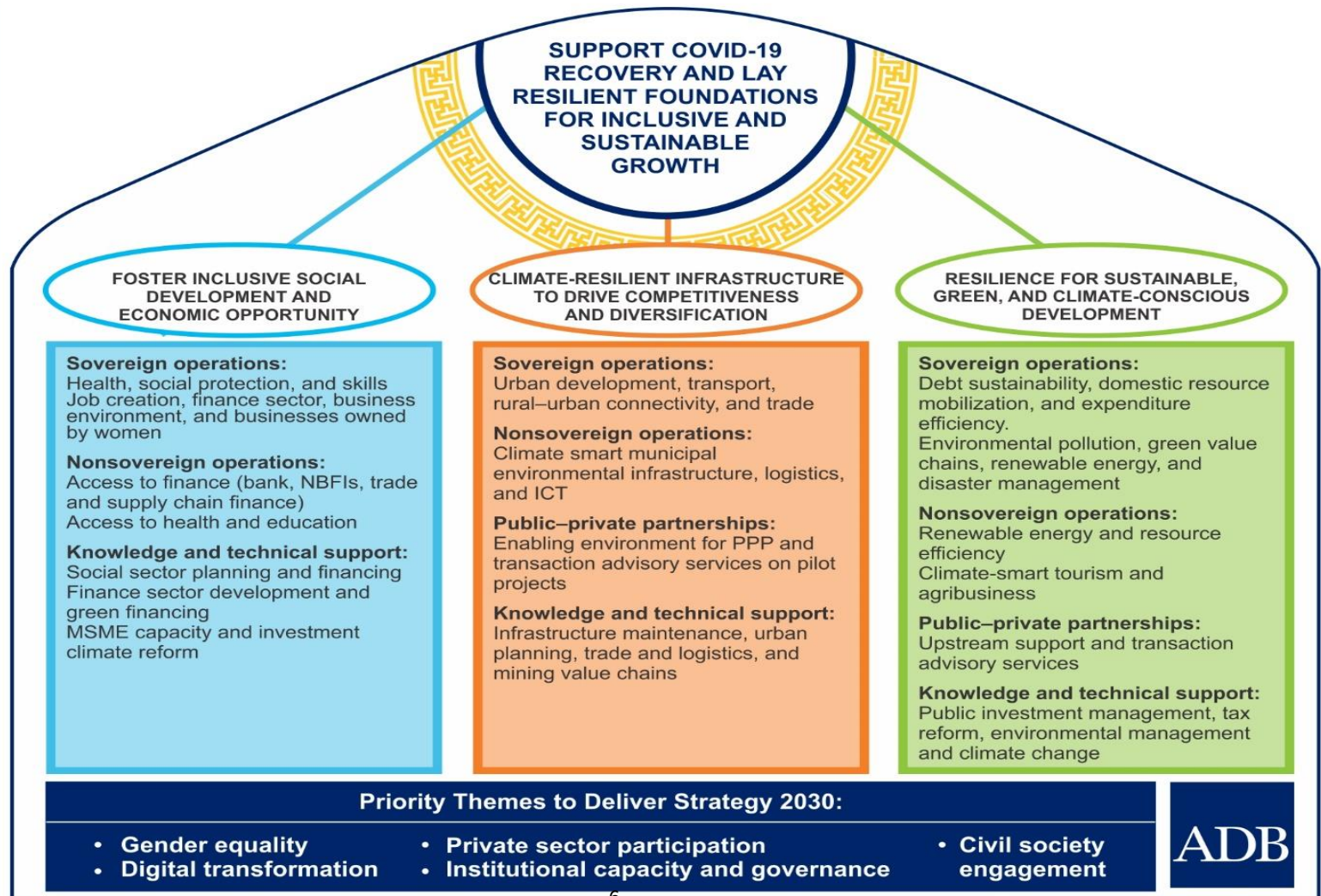


Note: These include ADB loans (OCR & COL), ADF grants, JFPR and other ADB-administered grants.

# Active ADB Mongolia Portfolio (2019-2024)



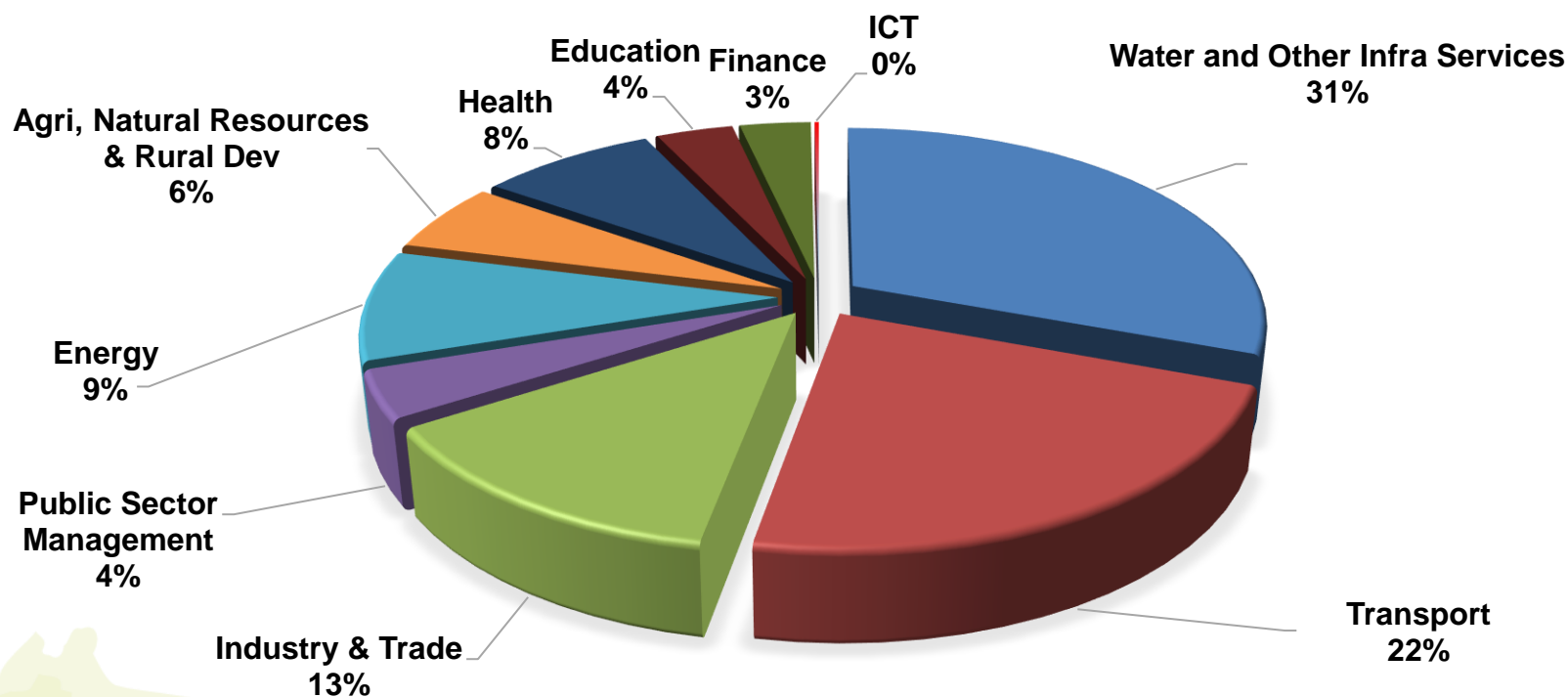
# ADB Country Partnership Strategy for Mongolia, 2021-2024



ADB = Asian Development Bank; COVID-19 = coronavirus disease; ICT = information and communication technology; MSMEs = micro, small, and medium-sized enterprises; NBFIs = nonbank financial institution; PPP = public-private partnership.

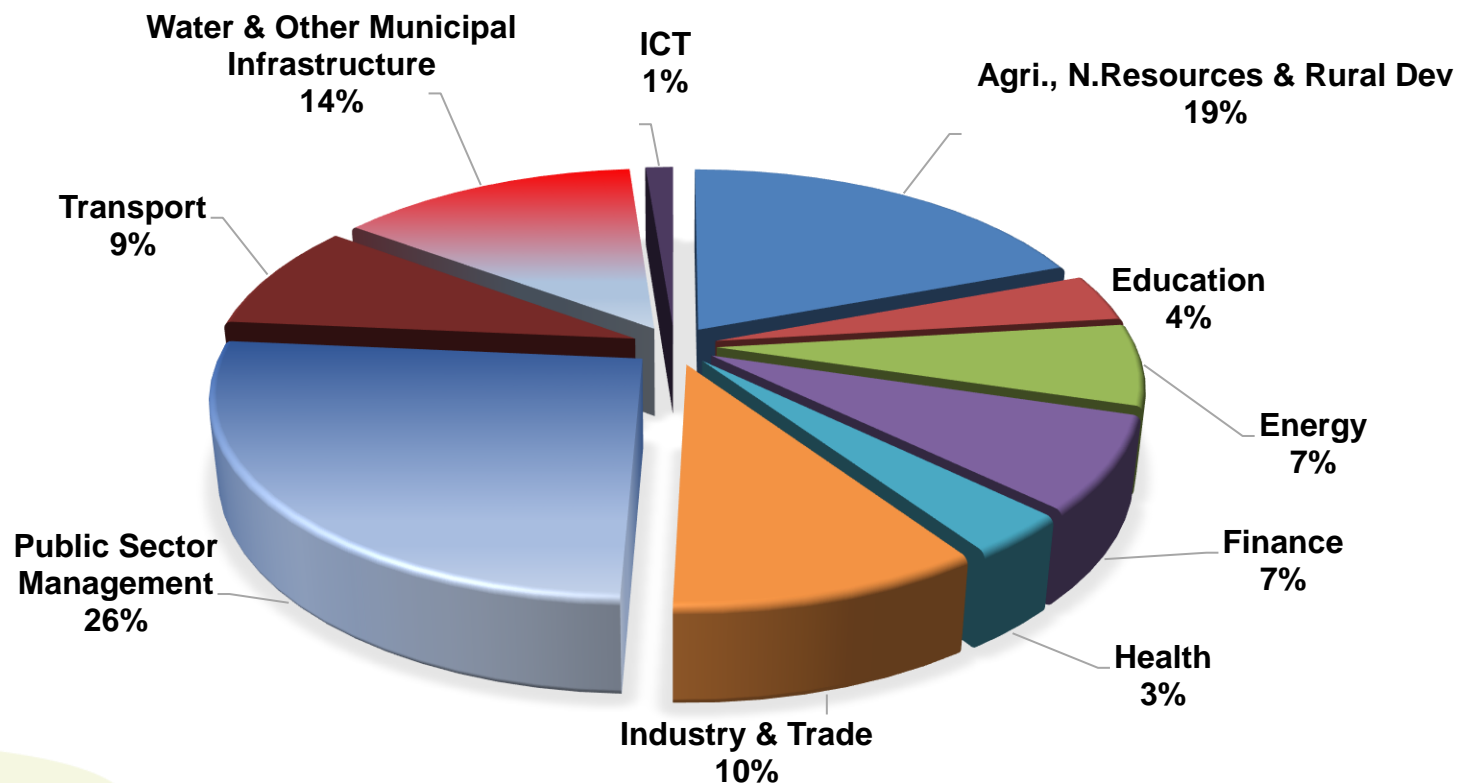
Source: Asian Development Bank.

# Active ADB Mongolia Loan/Grant Portfolio by Sector (as of 31 Oct 2024)



**Overall ADB Sovereign Portfolio: \$ 1,816 million – 62 Loans/Grants**

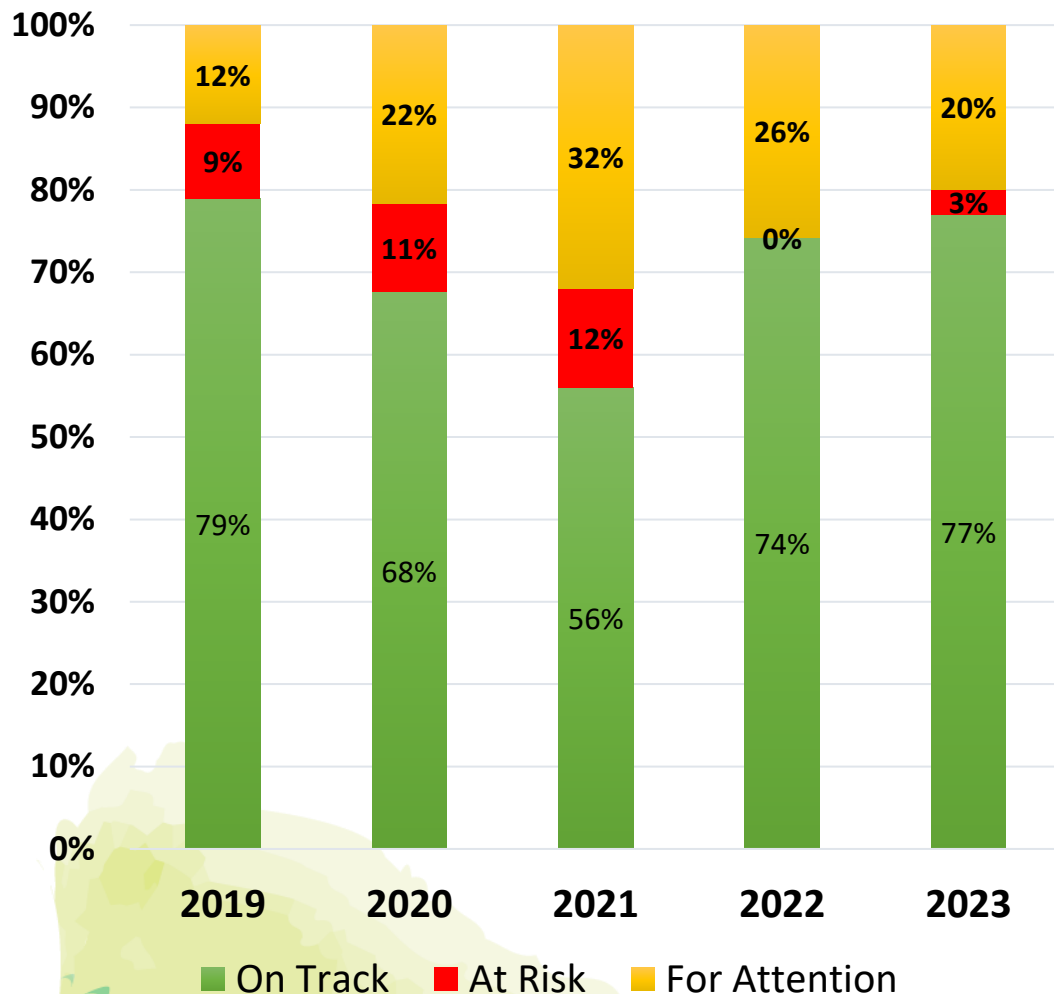
# ADB Mongolia Active TA Portfolio by Sector (As of 31 Oct 2024)



**Overall ADB TA Portfolio: 44 TAs for \$48.17 million**

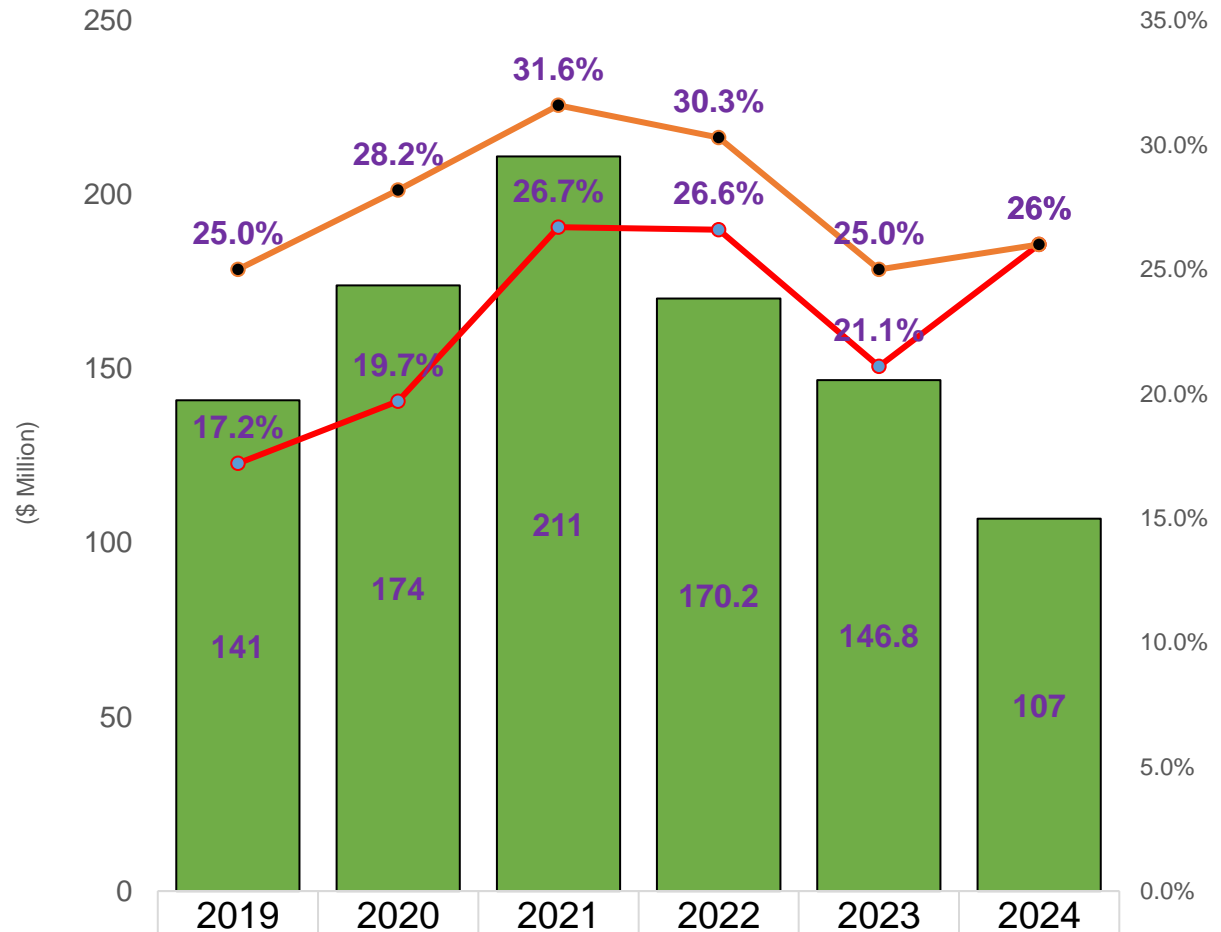


# Project Performance Ratings 2019-2023



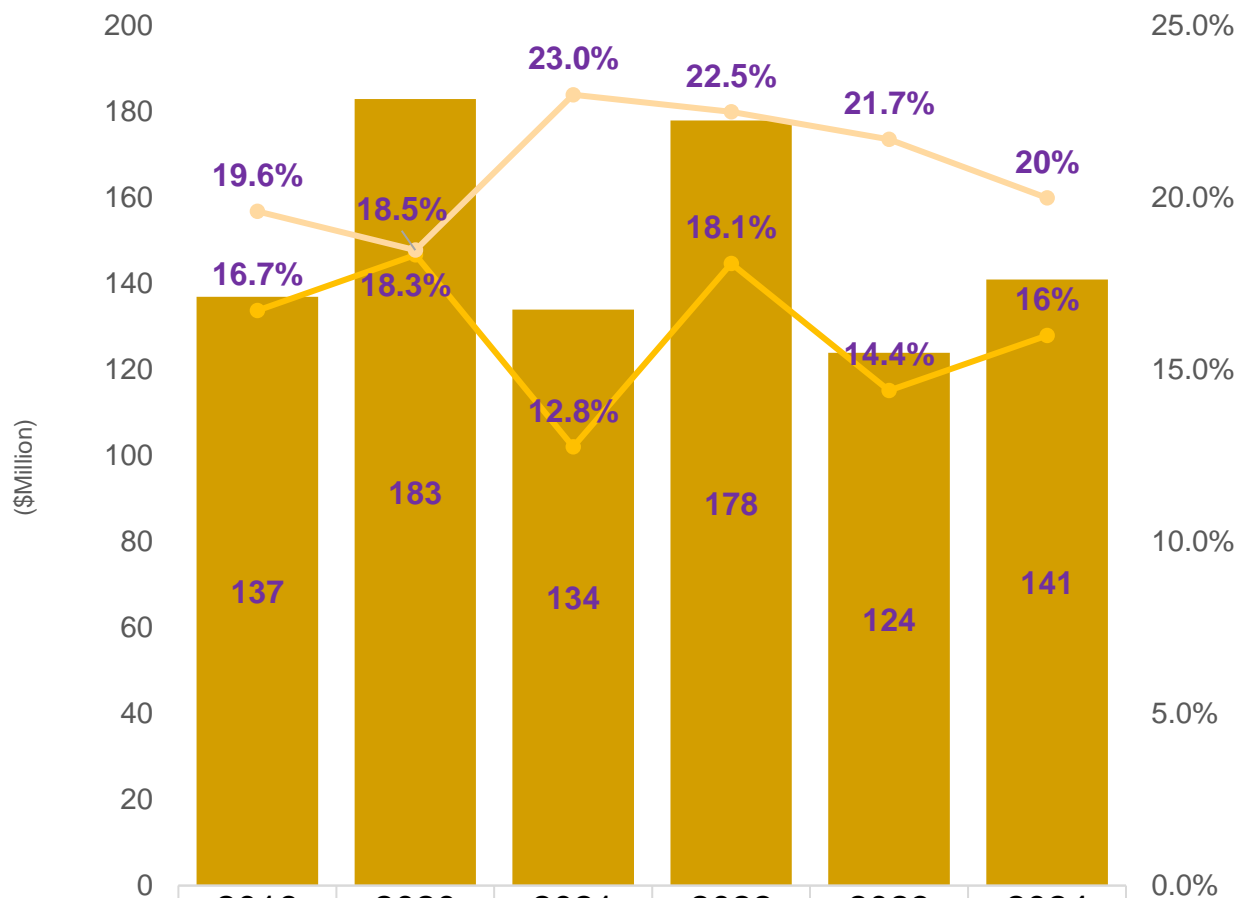
- Only 3% "At-Risk" project in Mongolia portfolio as of end 2023.
- Share of "On-Track" project has increased from 74% in 2022 to 77% in 2023.
- Share of "For Attention" projects reduced from 26% in 2022 to 20% in 2023.
- ADB and the government are making their efforts to maintain the quality of Mongolia portfolio.

# ADB Mongolia Contract Awards (2019-2024)



Contract Awards (\$ M)	141	174	211	170.2	146.8	107
Contract Awards Ratio	17.2%	19.7%	26.7%	26.6%	21.1%	26%
ADB Average CA Ratio	25.0%	28.2%	31.6%	30.3%	25.0%	26%

# ADB Mongolia Disbursements (2019-2024)



	2019	2020	2021	2022	2023	2024
Disbursement (\$ Million)	137	183	134	178	124	141
Disbursement Ratio	16.7%	18.3%	12.8%	18.1%	14.4%	16%
ADB Average Disb Ratio	19.6%	18.5%	23.0%	22.5%	21.7%	20%

# Good Project Implementation Performance – Why does it matter?

- Time is Money:
  - ✓ Project implementation speed has an impact on the cost of borrowing for GOM
  - ✓ Project NPV, EIRR
  - ✓ Inclusive economic growth
- To save limited foreign exchange reserves of Mongolia
- To reduce commitment charge burden on the govt

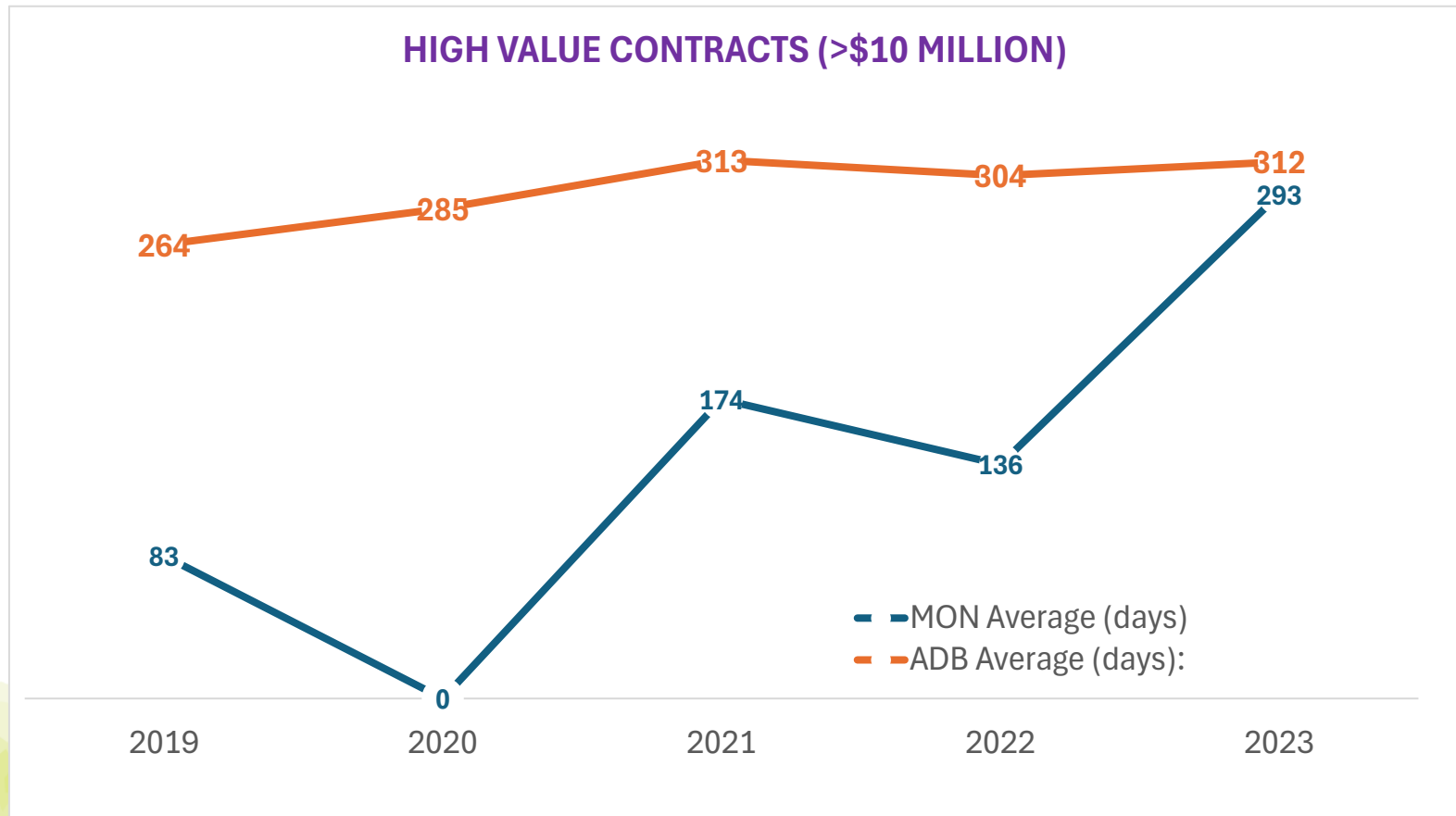
# Good Project Implementation Performance – What is it needed?

- **Need for solid project readiness** - timely detail design for works, timely procurement & contract award, PIU Establishment, safeguards compliance and financial management
- **Efficient procurement:**
  - ✓ Adhere to ADB Procurement Policies and Procedures
  - ✓ Flexibility
  - ✓ Accountability
- **Advance Contracting** –Public Procurement Regulations amended in June 2024 to allow advance procurement action before loan signing, it can be a game changer to enhance readiness
- **Need to expedite implementation** of ongoing projects
- **Need to address the reasons for procurement delays** and address them mutually together in solution-oriented manner

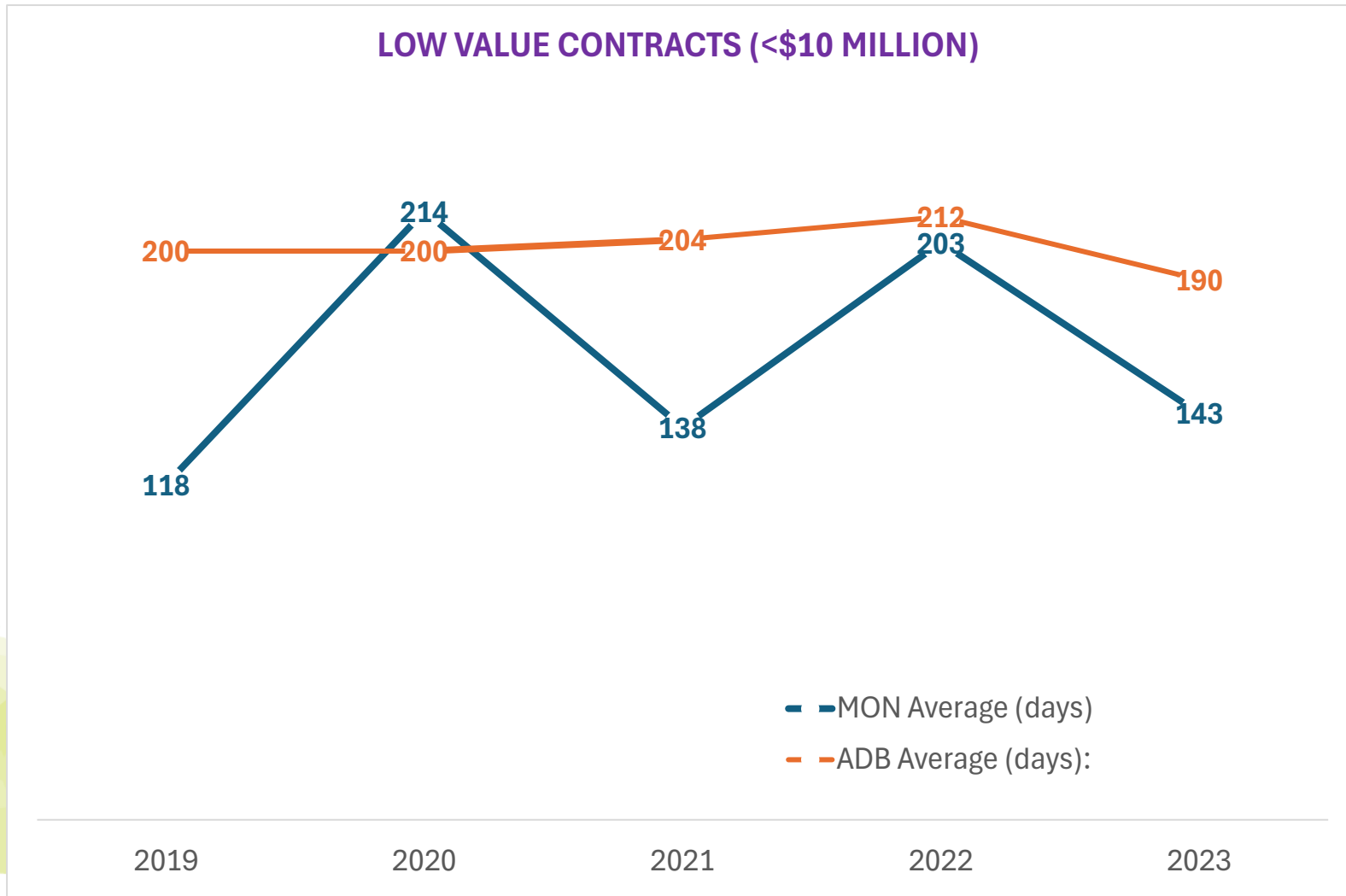
# ADB's Capacity Building Measures for EA/IA/PIUs

- In Dec 2023, ADB has approved a TA 10225 for \$0.5 million for capacity building of EA/IA/PIUs. The TA amount has been further increased from \$0.5 million to \$1 million in November 2024.
- The TA has identified capacity gaps and training needs, prepared medium & long-term strategy and is conduct trainings for EA/IA/PIUs in identified areas.
- In last 2 years, ADB have trained about 750 EA/IA/PIU staff under 28 capacity building trainings on project implementation topics. This has improved the project implementation capacity.

# Procurement Efficiency High Value Contracts (2019-2023)

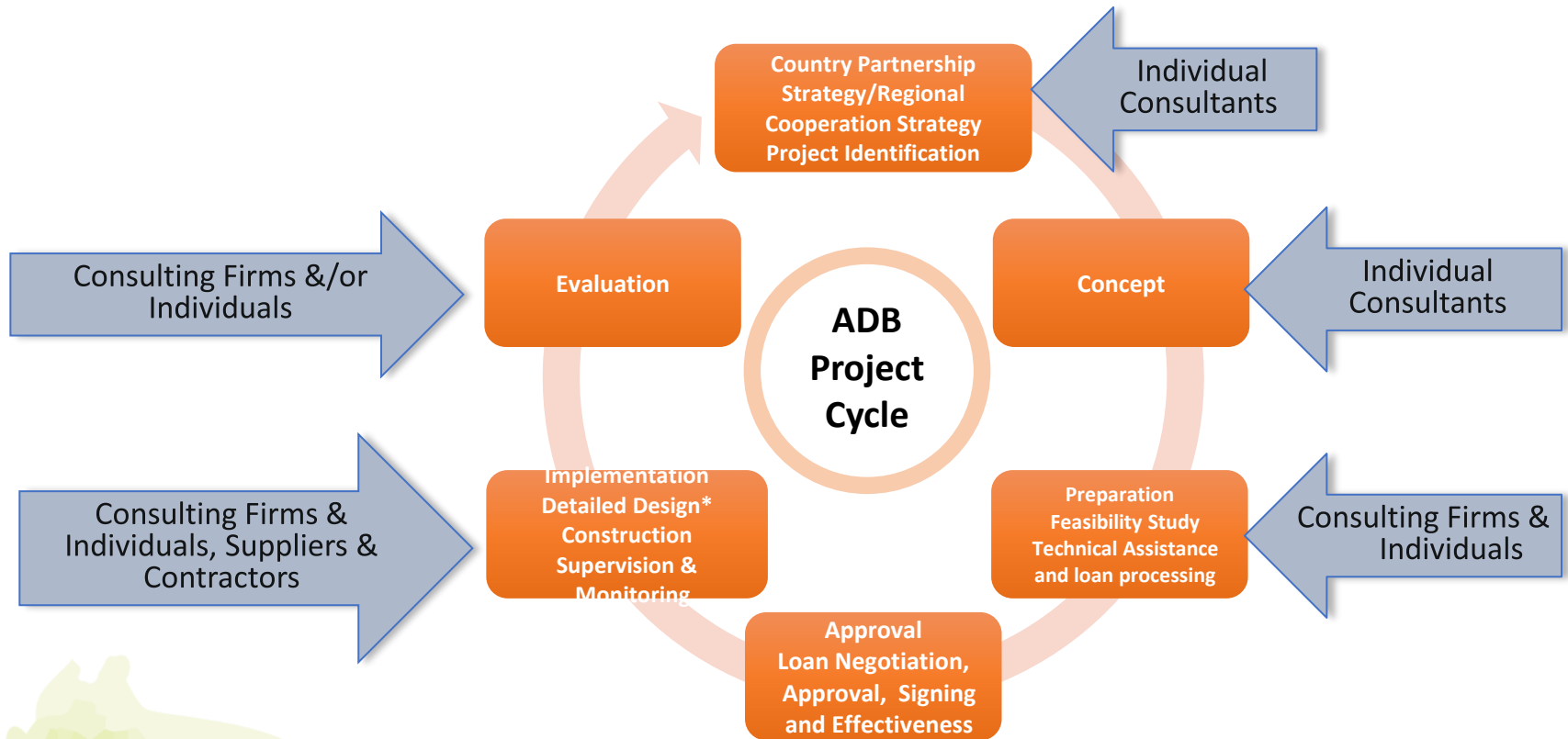


# Procurement Efficiency Low Value Contracts (2019-2023)











# When do we need contractors/consultants ?



\*In some circumstances, detailed design may take place during the preparation stage of projects

# ADB's Core Procurement Principles

Principles		Outcomes
 <b>Fairness</b>		Equal opportunity; equitable distribution; and credible mechanisms for addressing procurement-related complaints.
 <b>Economy</b>		Using price, quality, and any nonprice attributes to deliver viable projects.
 <b>Efficiency</b>		Ensures procurement processes are proportional to value and risks.
 <b>Transparency</b>		Deliver relevant procurement information publicly in a consistent and timely manner; appropriate reporting; and confidentiality.
 <b>Quality</b>		Structured arrangements delivering appropriate outputs in an effective manner to achieve project outcomes and objectives.
 <b>New</b>	<b>Value for Money</b>	Obtain optimal benefits through effective, efficient, and economic use of resources.

# Roles and Responsibilities in ADB Procurement

- The Borrower (it includes Executing Agency & PIU) is responsible to procure most of goods, works, and services
- ADB reviews the procurement activities of EAs to ensure compliance with its Procurement Policy and Regulations for Borrowers
- Open competitive bidding (OCB) is the default procurement method for both goods & works and consulting services
- Sealed technical and financial proposals - integral part of the bid submissions
- ADB staff doesn't participate in any bid evaluation committee or consultant selection committee (CSC)

# Thank you