

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ECSS

TA No. and Name: TA 3948-MON: Capacity Building for Integrated Regional Development Planning			Amount Approved: \$600,000	
			Revised Amount: -	
Executing Agency: Ministry of Finance and Economy	Source of Funding: TASF		TA Amount Undisbursed \$31,781	TA Amount Utilized \$568,219
Date			Completion Date	
Approval 24 Oct 2002	Signing 21 Nov 2002	Fielding of Consultants 14 Apr 2003	Original 31 Dec 2003	Actual 30 Apr 2004
			Closing Date	
			Original 31 May 2003	Actual ¹
Description				
<p>The Parliament of Mongolia adopted the Regional Development Concept (RDC) in June 2001 (Resolution No. 57) to redress regional imbalances and achieve integrated development toward a market economy. Accordingly, the Government requested ADB for advisory technical assistance (TA) to strengthen its policy, planning, and implementation of strategies for the RDC, including the capacity to link physical spatial development with economic development. In response to this request, ADB included the TA in its Country Strategy and Program Update (2002-2004).</p>				
Objectives and Scope				
<p>The overall goal of the TA was to support balanced and equitable regional development in Mongolia. The TA was expected to play an important role by helping build the capacity in the Government to formulate appropriate policies for regional development, along with realistic plans to achieve such an outcome. The objectives of the TA were to (i) help the Government assess the economic rationale and financial viability of the RDC by preparing an integrated Medium Term Regional Development Strategy (MTRDS), (ii) strengthen the capacity of the regional policy and planning staff of the Government to undertake their work in the framework of market economy principles, and (iii) prepare operating guidelines for the establishment of a department that will function as a regional policy development unit.</p>				
Evaluation of Inputs				
<p>A consulting firm was engaged to implement the TA in partnership with the Ministry of Finance and Economy (MOFE), the executing agency. The international consultants comprised a regional economic development and policy advisor, and an institutional development and legal specialist, while the domestic consultants comprised an urban and regional planner, an institutional development and legal specialist, two sectoral planning specialists, and two social development and community consultation specialists. Total inputs were 13.5 person-months for the international and 58 person-months for the domestic consultants. The consultants began the field work on 14 April 2003 and the TA was completed in 30 April 2004.</p>				
<p>The TA had four components. Component A aimed to establish a framework to enhance the economic foundation of the RDC and strengthen public policy analysis covering analysis of existing regional development policy, plans and activities; review of the RDC; analysis of the economic factors and policies that impact on regional development; and initial assessment of the legal, organizational and institutional framework for the regional development. Component B provided training for 20 Government officials. The training was conducted in Australia in October 2003. Component C originally intended to help the Government prepare the MTRDS. However, the Parliament moved ahead to approve the MTRDS much quicker than anticipated at TA fact-finding. Accordingly, the TOR was modified and the consultants reviewed the MTRDS that was drafted and approved by the Government and prepared recommendations for its improvement. Component D included the conduct of workshops and a conference. Three regional workshops to consult with regional communities were held in August and September 2003, followed by a national workshop held in Ulaanbaatar in November 2003 which disseminated the results of the TA. Finally, a national conference was held in Ulaanbaatar in March 2004 to disseminate the final outcomes of the TA. The consultants delivered their services in accordance with the TOR. Originally it was envisaged that the TA would be implemented from January to December 2003, however, due to some delays in recruiting the consultants, the commencement and completion of the TA were delayed by about three months.</p>				

¹ Pending financial closure of consultant's TA account.

MOFE provided counterpart inputs as envisaged. Adequate office space with facilities and acceptable working conditions were arranged by MOFE for the consultants. The steering committee, secretariat of the steering committee, and TA management unit including staff assigned from relevant ministries, were established to facilitate close coordination with related central and line ministries.

ADB provided regular guidance to resolve issues arising in relation to the TA implementation, and carried out an inception mission and two review missions. The project officer for the TA changed twice, and a total of three officers administered TA implementation. ADB ensured the smooth implementation of the TA through coordination and transfer of information between the officers, and support from MNRM.

Evaluation of Outputs

Outputs expected under Components A and C were produced successfully. The following reports were prepared: the inception report, review report of the RDC and MTRDS, training report, four working papers, seven policy advisory papers, two occasional papers, draft final report, and final report. Each of the working papers, policy advisory papers, and occasional papers focused on a specific theme of policy planning and implementation of regional development in the context of the social and economic situation of Mongolia, and was compact in size (mostly about 20 pages). These factors made the reports readable and facilitated their wider dissemination to stakeholders. Recommendations prepared by the consultants covered (i) the purpose and approach for regionalization; (ii) the viability of the five region model, pillar centers, and free economic zones proposed under the RDC and MTRDS; (iii) the role and function of the Government in regional development; (iv) the introduction of market economy principles in regional development; and (v) institutional and organizational issues for the implementation of the RDC and MTRDC. These recommendations will be considered in further planning and implementation of activities proposed under the RDC and MTRDS. Component B produced all expected outputs. Training served considerably to increase the knowledge of the participating Government officials about many aspects of regional development, the use of market economics in policy development, and of economic policy making in general. Component D also produced expected outputs. Workshops and a conference promoted wider participation in the formulation of regional development plans, facilitated the dissemination of the outcomes of the TA, and informed stakeholders about various activities underway in relation to regional development.

Overall Assessment and Rating

The TA achieved its objectives and is rated as successful. Objective (i) including modification of “preparation of the MTRDS” to “review and preparation of recommendations for improvements of the MTRDS”, was successfully met. The consultants performed well in addressing the need to apply market economy principles and a bottom-up approach to regional development policy formulation and implementation. The TA succeeded to attain objective (ii) and increased recognition among Government officials about the principles of regional development in a market economy setting. The Government will utilize the outcomes of the TA to plan and implement activities proposed under the RDC and MTRDS. Objective (iii) was also fully attained. The consultants’ recommendations on establishment of the regional policy development unit were prepared based on extensive analysis of institutional and organizational aspects to support regional development. The Government is expected to establish such a unit upon establishment of the new Government. In addition, the TA reports were widely disseminated and well received by various stakeholders including NGOs, private sector, and other multilateral and bilateral aid agencies that have potential to assist regional development.

Major Lessons Learned

The modifications in the TOR did not result in any changes in the implementation schedule and consultants’ inputs of the TA, and the recommendations proposed under the TA were well received by the Government and stakeholders. However, any modification in the TOR after the commencement of the TA is not desirable and should be avoided as much as possible. Close consultation with the Government should be ensured during country programming and TA processing. Frequent changes of ADB staff administering the TA should also be avoided to the extent possible, to maintain the continuity of policy dialogue and implementation support.

Recommendations and Follow-Up Actions

The Government will prioritize the recommendations prepared under the TA, and will determine concrete actions to implement the RDC and MTRDS. It will be important to link the outcomes of this TA with possible administrative consolidation efforts which may take place under the new Government. ADB will need to continue monitoring developments in the Government and consider further support in regional development, once the Government can demonstrate that the TA had a significant impact on its regional development policies and strategies.