



Urban Transport Development Investment Program – Project 1

**ADB GEF PROJECT IMPLEMENTATION REPORT (PIR)**

**I. Project Profile**

**ADB Official Project Title: Urban Transport Development Investment Program – Project 1**

**ADB Project Number: 39256-024**

|                        |    |  |  |
|------------------------|----|--|--|
| 1. General Information | 1  | GEF ID (PMIS ID)   | 39256-12   |
|                        | 2  | Focal Area(s)  | Climate Change Mitigation                                  |
|                        | 3  | Region   | East Asia  |
|                        | 4  | Country  | Mongolia   |
|                        | 5  | GEF Project Title  | Urban Transport Development Investment Program – Project 1 |
|                        | 6  | Project Size (FSP; MSP)  | FSP  |
|                        | 7  | Trust Fund (GEFTF; SCCF; LDCF)   | GEFTF  |
| 2. Milestone Dates     | 8  | GEF CEO Endorsement Date (mm/dd/yy)  | 11/08/12   |
|                        | 9  | ADB Approval Date (mm/dd/yy)   | 11/08/12   |
|                        | 10 | GEF Grant Signing (mm/dd/yy)   | 05/05/15   |
|                        | 11 | Project Implementation Start Date (mm/dd/yy)   | 06/09/19   |
|                        | 12 | Date of 1st GEF Grant Disbursement (mm/dd/yy)  | 26/10/17   |
|                        | 13 | Final date of GEF Grant Disbursement (mm/dd/yy)  | N/A  |
|                        |    | Proposed/Revised Implementation End (mm/dd/yy)   | 28/02/20   |
|                        | 14 | Actual Implementation End (mm/dd/yy)   | N/A  |
|                        | 15 | Expected Financial Closure Date (mm/dd/yy)   | 28/02/20   |
| 3. Funding             | 16 | PPG/PDF Funding (USD)  | 1,500,000  |
|                        | 17 | GEF Grant (USD)  | 1,500,000  |
|                        | 18 | Total GEF Disbursement as of 15 August 2018 (USD)  | 130,600  |
|                        | 19 | Confirmed Co-Finance at CEO Endorsement (USD)  | N/A  |
|                        | 20 | Materialized Co-Finance at project mid-term (USD)  | N/A  |
|                        | 21 | Materialized Co-Finance at project completion (USD)  | N/A  |
| 4. Evaluations         | 22 | Proposed Mid-term date (mm/dd/yy)  | 30/06/19   |
|                        | 23 | Actual Mid-Term date - if applicable (mm/dd/yy)  | N/A  |
|                        | 24 | Proposed Terminal Evaluation date (mm/dd/yy)   | 30/06/20   |
|                        | 25 | Actual Terminal Evaluation Date (mm/dd/yy)   | N/A  |
|                        | 26 | Tracking Tools Required (Yes/No/ Focal Area TT)  | No   |
|                        | 27 | Tracking Tools Date - if applicable (mm/dd/yy)<br>Midterm Tracking Tool<br>Terminal Evaluation Tracking Tool | N/A  |
| 5. Ratings             | 28 | Overall Implementation Progress Rating (IP)  | MU   |
|                        | 29 | Overall Development Objectives Rating (DO)   | MS   |
|                        | 30 | Overall Risk Rating  | L  |
|                        | 31 | Overall Project Rating   | MU   |

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|-----------|----|---|-----------------------------------|
| 6. Status | 32 | Status (GEF grant for ADB board approval/ GEF grant on-going)                                 | GEF grant on*going                |
|           | 33 | Implementation Status (1 <sup>st</sup> , 2 <sup>nd</sup> , 3 <sup>rd</sup> PIR..., Final PIR) | 2 <sup>nd</sup> PIR from MNRM     |
| 7. Files  | 34 | PIR File Name<br>(GEFID#_2018_ADB_Country_ProjectName)  | GEFID5055_2018_ADB_Mongolia_UTDIP |

**II. Project Contacts**

|                                     |  |
|-------------------------------------|--|
| <b>ADB Project Officer</b>          | Anand Ganbaatar  |
| <b>Division and Department</b>      | Mongolia Resident Mission  |
| <b>Email</b>                        | <a href="mailto:aganbaatar@adb.org">aganbaatar@adb.org</a><br>International Commerce Center (ICC) Tower, 17th Floor, Jamyran Gunii Street-9, Ulaanbaatar 14210, Mongolia   |
| <b>EA Project Officer</b>           | Ulziibayar Gonchig, Project Director   |
| <b>Name and Agency</b>              | Municipality of Ulaanbaatar<br>Policy and Planning Department  |
| <b>Email</b>                        | <a href="mailto:ulziibayar@outlook.com">ulziibayar@outlook.com</a> , <a href="mailto:ulziibayar.g@ulaanbaatar.mn">ulziibayar.g@ulaanbaatar.mn</a><br>Janjin D. Sukhbaatar Square-7, Khoroo 1, Chingeltei district, Ulaanbaatar 15160, Mongolia |
| <b>Co-Implementing Partner</b>      |  |
| <b>Name and Agency</b>              |  |
| <b>Email</b>                        |  |
| <b>Project Coordinator/Manager</b>  | Gansukh Badamsed, Project Coordinator,<br>Project Implementation Unit  |
| <b>Name and Agency</b>              | Municipality of Ulaanbaatar  |
| <b>Email</b>                        | <a href="mailto:gansukh.b@brt.mn">gansukh.b@brt.mn</a><br>Gegeenten complex, #703, Khan-Uul district, Ulaanbaatar, Mongolia  |
| <b>UNDP Country Program Officer</b> |  |
| <b>Email</b>                        |  |

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**III. Project Implementation****A. Project Description:**

The ADB approved Loans 2934/2935 and Grant 0315-MON: Urban Transport Development Investment Program – Tranche 1 (the project) of the Multi-Tranche Financing Facility (MFF) on 8 November 2012. The loan and grant agreements were signed on 5 May 2015 and became effective on 9 June 2015. The total project cost is \$78.4 million, which is financed by \$59.9 million from the Ordinary Capital Resources (OCR) and Concessional OCR resources, \$1.5 million co-financing from the Global Environment Facility (GEF) administered by ADB, and \$17.0 million from the Government of Mongolia.

The project objective is to support the Ulaanbaatar urban transport system that requires a comprehensive program including the investments in infrastructure improvement combined with modern traffic management technologies, policy reforms, efficient and sustainable transport modalities, and institutional development.

The project has six outputs: (i) infrastructure for Bus Rapid Transit (BRT) developed; (ii) sustainable, affordable, and efficient BRT system established and operational; (iii) Intelligent Transport System (ITS): bus management, bus information, and smart-ticketing systems; (iv) improved traffic and pedestrian safety; (v) improved public transport and traffic management, policies, and institutional capacity; and (vi) the investment program is managed efficiently according to the schedule and budget. The Municipality of Ulaanbaatar (MUB) is the project Executing Agency (EA). The revised project loan and grant closing date is 28 February 2020

**B. Implementation Progress (IP) Rating:****Moderately Unsatisfactory (MU)**

Due to delays with obtaining the government approval and parliament ratification the MFF validity was extended twice from 18 September 2013 to 18 May 2015.<sup>1</sup>

The East Asia Transport and Communication Division (EATC) transferred the project administration to the Mongolia Resident Mission (MNRM) on 9 June 2017.

As of 15 August 2018, the project elapsed time is 79%. The project implementation is behind the schedule due to (i) the time required for achieving consensus with project stakeholders on the Ulaanbaatar transport modalities and respective BRT corridor alignments; and (ii) the government restructuring that occurred after the 29 June 2016 parliamentary elections.

After the initial start-up delays, project implementation has accelerated. The EA (i) established the Project Steering Committee (PSC) on 12 January 2017; (ii) held the first PSC meeting on 16 June 2017; (iii) established the project implementation unit (PIU) in May 2017; (iv) appointed the Project Director on 7 June 2017; (v) opened the project imprest accounts and sub-accounts at the Ulaanbaatar City bank based on the Ministry of Finance (MOF) approval letter of 15 May 2017; (v) established the Consultant Selection Committee (CSC) for procurement of the detailed engineering

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<sup>1</sup> The original Board approval validity for Tranche 1 expired on 18 September 2013. On an exceptional basis—recognizing various factors, including a change of government—on 10 March 2014 the Board granted a 1-year extension until 18 September 2014. The second extension by an additional 8 months from 18 September 2014 to 18 May 2015 of the facility validity was approved by the Board on 10 November 2014.

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design and construction supervision consulting services on 20 July 2017; and (vi) signed the new Subsidiary Loan Agreement (SLA) with MOF on 27 July 2017. ADB accepted and declared the fulfillment of the withdrawal conditions from the loan accounts by MOF and EA effective on 27 July 2017 through its 31 July 2017 letter and transferred the initial advance of \$2.5 million from Loan 2935 to the project imprest account. On 26 October 2017, the initial advance of \$130,600 under G0315 (GEF) was transferred.

MNRM fielded a loan inception mission from 24-27 July 2017 to meet with the EA officials, and discuss and agree on the following project implementation aspects: (i) steps to ensure the project compliance with ADB's project implementation procedures and requirements; (ii) details of consultants recruitment, procurement of goods, civil works and related services, and loan and grant disbursement; and (iii) updating the facility administration manual (FAM), cost estimates, procurement plan, project implementation schedule, baseline projections on contract awards and disbursements, and financing plan. The EA and mission signed the memorandum of understanding on 20 September 2017. MNRM has been working closely with the EA, PIU and MOF to expedite project implementation.

On 17 July 2017, the EA established a Consultant Selection Committee (CSC) for the package No.CS01: Detailed Engineering Design and Construction Supervision consulting service for BRT infrastructure. On 26 October 2017, CSC published Consulting Services Recruitment Notice on the local media and ADB Consultant Management System. The recruitment is at the advanced stage that the EA organized a contract negotiation with the first ranked consulting firm in the week of 23 July 2018 and submitted the draft negotiated contract to ADB on 2 August 2018. The project team is reviewing the draft negotiated contract.

On 29 September 2017, ADB approved approve a two-year loan and grant closing date extension to assess the (i) project implementation progress; (ii) the EA's commitment to the project; and (iii) the PIU staff capacity to carry out the project implementation tasks. If tangible project implementation progress is achieved within the proposed extension period, the loan and grant closing date can be further extended at a later stage. The revised project implementation schedule for 2017-2020 includes the recruitment of the consulting firms for (i) detailed engineering design and construction supervision for BRT infrastructure; (ii) detailed engineering design for ITS under QCBS method; (iii) individual consultants (international) on the public transport modelling and ITS; and (iv) procurement of goods and civil works with an expected completion within 2018 and the civil works commencement in 2019.

In July 2018, the EA recruited two international individual consultants, which are Public Transport Specialist and Intelligent Transport System (ITS) specialist.

On 10 July 2018, the EA established CSC for the package No.CS07: Introduction and Enforcement of Stringent Vehicle Emissions Standards and Improving Energy Efficiency of Bus Operations consulting service, which is to be financed from GEF grant. The CSC submitted the draft terms of refence and cost estimate of the consulting service to ADB. The estimated cost for this consulting service is \$507,000.

**a. GEF Grant Disbursement**

The EA/PIU opened the imprest account and sub-account at the commercial bank acceptable to ADB. On 26 October 2017, the project initial advance of \$130,600 was disbursed to PIU imprest account.

**b. Gender Action Plan Implementation Status**

The project is designed as effective gender mainstreaming (EGM). As the detailed design and civil works of BRT infrastructure has not started, there is no Gender Action Plan implementation.

**c. Social and Environmental Safeguard Plan Implementation Status**

As the detailed design and civil works of BRT infrastructure has not started, there is no Social and Environmental Safeguard Plan Implementation.

**C. Global Environmental Benefits (GEB) Objective/ Development Objective (DO) Rating:  
Moderately Satisfactory (MS)**

Although the project detailed design and civil works implementation has not started yet, the below project impact and outcome will be satisfactorily achieved consequently after developing BRT corridors with its components.

- a. Public transport use will increase by 20%, compared to 600,000 rides per day in 2010
- b. Bus travel time in BRT corridors will decrease by 30% during peak hours in the central business district compared to 2011.
- c. Traffic delay will decrease by 30% during peak hours at major road intersections in BRT corridors compared to 2011.
- d. Traffic accidents and casualties will reduce by 15% compared to 176 fatalities and 515 injuries in 2010.
- e. BRT fare is kept at the same level as bus fare and a large transfer discount is applied.

**D. Risk Rating:  
Low Risk**

On 10 July 2018, the EA established CSC for the package No.CS07: Introduction and Enforcement of Stringent Vehicle Emissions Standards and Improving Energy Efficiency of Bus Operations consulting service, which is to be financed from GEF grant. The CSC submitted the draft terms of reference and cost estimate of the consulting service to ADB. The estimated cost for this consulting service is \$507,000. Under this consulting service following tasks will be supported and carried out: (i) developing and introducing of eco-friendly public transport bus standard and bus emission standards, (ii) developing survey assessment and recommendation including energy efficient bus operations, (iii) conduct emission measurements and bus operations survey under current transportation and weather, and (iv) supporting EA on procurement and testing of emission testing equipment and low emission buses.

The procurement of low emission buses and vehicle emission testing equipment is planned in Q1 of 2019.

**E. Overall Rating of the Project:**

Overall Rating: Moderately Unsatisfactory (MU)

**F. Additional Comments – Good Practices And Lessons Learned:**

None.

**G. Knowledge Management:**

- 1) List the Knowledge Management Materials that have been prepared during the reporting period (1 July 2017 to 30 June 2018) – None.
- 2) List the proposed Knowledge Management Materials – (i) develop updated emissions standards, targets and associated regulations for transport vehicles; (ii) prepare a strategy for staged implementation, monitoring and enforcement of the policy/regulations, including the role of the public and private sectors;

**H. Location Data:**

Ulaanbaatar, Mongolia

West end-point – Khoroo 18

Latitude: 47.90969

Longitude: 106.81278

East end-point – Officer Palace

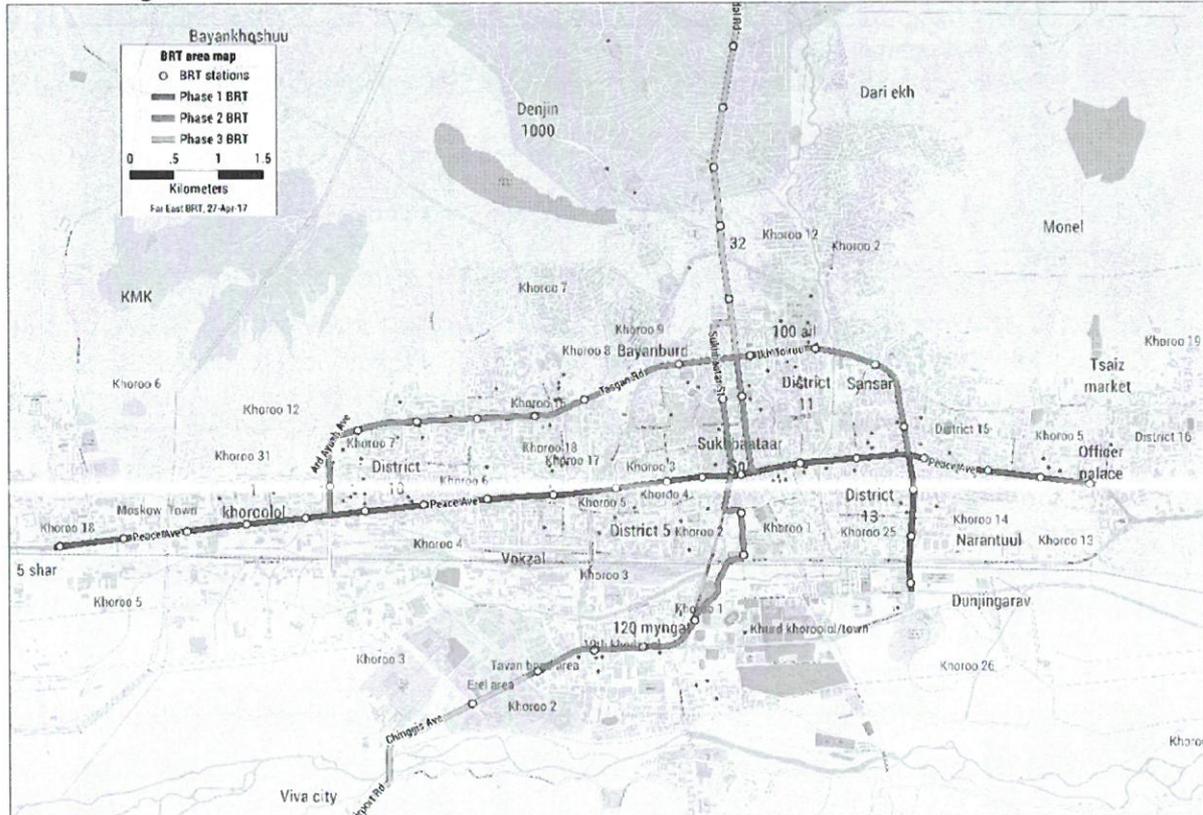
Latitude: 47.91584

Longitude: 106.97200

South end-point – Dunjingarav

Latitude: 47.90479

Longitude: 106.94357





Signature:

Name of Project Officer: Anand Ganbaatar

Position: Transport Officer, MNRM

Date: 15 August 2018

for

Endorsed by: Yolanda Fernandez Lommen,  
Country Director, MNRM

## Annex 1: DEFINITION OF RATINGS

### Implementation Progress Ratings

**Highly Satisfactory (HS):** Implementation of **all** components is in substantial compliance with the original/formally revised implementation plan for the project. The project can be presented as “good practice”.

**Satisfactory (S):** Implementation of **most** components is in substantial compliance with the original/formally revised plan except for only a few that is subject to remedial action.

**Moderately Satisfactory (MS):** Implementation of **some** components is in substantial compliance with the original/formally revised plan with **some** components requiring remedial action.

**Moderately Unsatisfactory (MU):** Implementation of **some** components is not in substantial compliance with the original/formally revised plan with **most** components requiring remedial action.

**Unsatisfactory (U):** Implementation of **most** components is not in substantial compliance with the original/formally revised plan.

**Highly Unsatisfactory (HU):** Implementation of **none** of the components is in substantial compliance with the original/formally revised plan.

### Global Environment Objective/Development Objective Ratings

**Highly Satisfactory (HS):** Project is expected to achieve or exceed **all** its major global environmental objectives, and yield substantial global environmental benefits, without major shortcomings. The project can be presented as “good practice”.

**Satisfactory (S):** Project is expected to achieve **most** of its major global environmental objectives, and yield satisfactory global environmental benefits, with only minor shortcomings.

**Moderately Satisfactory (MS):** Project is expected to achieve **most** of its major relevant objectives but with either significant shortcomings or modest overall relevance. Project is expected not to achieve **some** of its major global environmental objectives or yield some of the expected global environment benefits.

**Moderately Unsatisfactory (MU):** Project is expected to achieve of its major global environmental objectives with major shortcomings or is expected to achieve only **some** of its major global environmental objectives.

**Unsatisfactory (U):** Project is expected **not** to achieve **most** of its major global environment objectives or to yield any satisfactory global environmental benefits.

**Highly Unsatisfactory (HU):** The project has failed to achieve, and is not expected to achieve, **any** of its major global environment objectives with no worthwhile benefits.

### Risk Rating

Risk ratings will assess the overall risk of factors internal or external to the project which may affect implementation or prospects for achieving project objectives. Risks of projects should be rated on the following scale:

**High Risk (H):** There is a probability of greater than 75% that assumptions may fail to hold or materialize, and/or the project may face high risks.

**Substantial Risk (S):** There is a probability of between 51% and 75% that assumptions may fail to hold and/or the project may face substantial risks.

**Modest Risk (M):** There is a probability of between 26% and 50% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.

**Low Risk (L):** There is a probability of up to 25% that assumptions may fail to hold or materialize, and/ or the project may face only modest risks.