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Mongolia

FY2023 Ex-Post Evaluation Report of
Japanese Grant Aid Project
"Project for the Improvement of Facilities for Primary and Secondary Education in Ulaanbaatar City"

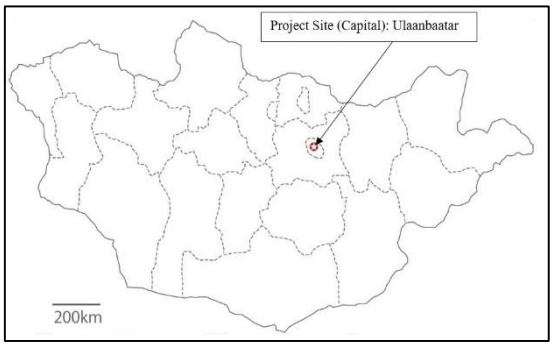
External Evaluator: Miyuki Koga, Octavia Japan Co., Ltd.

0. Summary

The aim of this project was to improve the quality of the primary and secondary education environment by constructing primary and secondary education facilities (taking into consideration disabilities, disaster prevention and the environment) in Ulaanbaatar, thereby contributing to the improvement of the quality of the city's primary and secondary education environment. This project is found to be "consistent with the development plan" and "consistent with the development needs." It is also "consistent with Japan's ODA Policy" and "internally coherent." While no concrete collaboration or synergy was observed in terms of "external coherence," it can be said that the project is consistent with the goals of the international framework (SDGs). Therefore, its relevance and coherence are high. The outputs of this project were largely as planned, and although the project period exceeded the plan, the project cost was within the plan; thus, the efficiency of the project is high. With respect to the quantitative effect indicators of effectiveness, all of the actual values exceeded the target values. As a result of the development of safe and comfortable school facilities, the educational environment at the target schools has improved. In terms of impact, the target schools of this project are recognized throughout Mongolia as examples of high-quality educational facilities. Therefore, the effectiveness and impacts of the project are high. With regard to sustainability, there are no particular concerns regarding the policy/system, institutional/organizational, technical, financial, and environmental and social aspects including the current status of operation and maintenance, and preventative measures to risks. Therefore, the sustainability of the project effects is high.

In light of the above, this project is evaluated to be highly satisfactory.

1. Project Description



Project Location
(Source: JICA)



School No. 75: Wheelchair Ramp at the Entrance
(Source: photographed by the evaluator)

1.1 Background

In recent years, Mongolia's population has been on the rise, and there has been a significant influx of people from rural areas into the capital, Ulaanbaatar.[1] Before the start of this project, the rapid increase in the number of pupils and students was forcing the city's educational facilities to conduct classes in two or three shifts. In some cases, children had no choice but to commute to schools outside their school district. Therefore, the expansion of educational facilities was an urgent issue. Under such circumstances, the government adopted the *Inclusive Education Program of Children with Disabilities* in 2003, with the goal of developing education, health and social security services that meet the needs of children with disabilities. In addition to the lack of infrastructure facilities where children with disabilities could learn, some facilities were not fully functional because, despite the existence of design standards, the design professionals did not fully understand them, so that the facilities were not built in line with the standards and thus had defects (such as access ramps that wheelchair users could not use without assistance due to absence of slopes and handrails, multi-purpose toilets with narrow doors that wheelchair users could not use, etc.). Therefore, there was a need to improve the quality of school construction, including consideration for children with disabilities. In addition, when the government conducted a seismic assessment of schools nationwide, it was found that many educational facilities were not earthquake resistant. Thus, measures were required also from the perspective of disaster prevention. Therefore, there was a significant need to promote the construction of high-quality primary and secondary educational facilities (taking into consideration disabilities, disaster prevention and the environment) that could serve as models for future school construction, thereby improving the educational environment promptly. Under such circumstances, the Mongolian government requested Japan grant aid funding.

[1] Mongolia's population is approximately 3.4 million. Of these, the population of Ulaanbaatar is approximately 1.6 million. (Data as of 2023, source: UN)

1.2 Project Outline

The objective of this project was to improve the educational environment in Ulaanbaatar City by constructing high-quality primary and secondary education facilities (taking into consideration disabilities, disaster prevention and the environment) to serve as a model for the Mongolian government's future school construction, thereby contributing to improving the quality of the primary and secondary education environment in the city.

Grant Limit / Actual Grant Amount	2,379 million yen / 2,211 million yen
Exchange of Notes Date / Grant Agreement Date	November 2017 / November 2017
Executing Agency(ies)	Ministry of Education, Culture, Science and Sports (In January 2020, the name was changed to Ministry of Education and Science (hereinafter referred to as "MES"))[2]
Project Completion	February 2021
Target Area	Ulaanbaatar City
Contractor	Iwata Chizaki Inc. / Dai Nippon Construction Co., Ltd. (JV)
Consultant	Matsuda Consultants International Co., Ltd.
Preparatory Survey	November 2016–January 2018
Related Projects	[Technical Cooperation Projects] - "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities" (2015–2019) - "Project for Promoting Social Participation of Persons with Disabilities in Ulaanbaatar City" (2016–2020) - "Project for Promoting Employment of Persons with Disabilities" (2021–2025) - "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities (Phase 2)" (2020–2024)

[2] The Metropolitan Education Department (hereinafter referred to as "MED") (formerly Ulaanbaatar City Education Department) has also participated in this project as a supporting agency. In addition, MES was reorganized in July 2024 during the ex-post evaluation and its name was changed to the Ministry of Education.

	[Others] - Asian Development Bank "Sustaining Access to and Quality of Education during Economic Difficulties"[3] (2018–2020) - Chinese government "School Construction Project"[4] (2017–2019)

2. Outline of the Evaluation Study

2.1 External Evaluator

Miyuki Koga, Octavia Japan Co., Ltd.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: September 2023–February 2025

Duration of the Field Study: November 30–December 16, 2023, May 23-31, 2024

3. Results of the Evaluation (Overall Rating: A[5])

3.1 Relevance/Coherence (Rating:③[6])

3.1.1 Relevance (Rating:③)

3.1.1.1 Consistency with the Development Plan of Mongolia

Prior to the start of this project, the Mongolian government formulated the *State Education Policy* (2014–2024), setting the goal of making education for every citizen "one that is high quality and accessible enough to be internationally recognized." Furthermore, in 2016 the government announced the *Mongolia Sustainable Development Vision 2030*, which stressed the need to quantitatively expand educational facilities in "development of a high-quality general education system in line with international standards" and also aimed to create an environment which is healthy, safe and friendly for all users." In addition, the *Law on the Rights of Persons with Disabilities* (revised in 2016)[7] stipulates that "reasonable accommodation must be given to children with disabilities when constructing educational facilities." In order to meet these requirements, there was a growing need for the development of educational facilities in Mongolia.

At the time of the ex-post evaluation, the above-mentioned *State Education Policy* (2014–

[3] New construction, expansion and renovation of kindergartens and 12-year schools were implemented in Ulaanbaatar.
[4] Seven primary education facilities were built in Ulaanbaatar city and one kindergarten in Arkhangai Province.
[5] A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory
[6] ④: Very High, ③: High, ②: Moderately Low, ①: Low
[7] By the time of the revision of the law, the definition of a person with disability had been established. It was based on the concept of the *United Nations Convention on the Rights of Persons with Disabilities*: "those who have long-term physical, mental, intellectual or sensory impairments which, in interaction with various barriers, may hinder their full and effective participation in society on an equal basis with other."

2024) is succeeded by *Vision 2050*, which was formulated by the government in May 2020. This vision sets out the goal of "providing equal opportunities to receive w quality education to all citizens and establishing education as the foundation for individual growth, family stability and national development." In addition, MES, the executing agency of this project, has set out a policy for creating an environment necessary for pupils and students with disabilities to study in regular schools[8] through Minister of Education Decree A/292 (May 2019). Furthermore, the Ministry's *Education Sector Medium-Term Development Plan* (2021–2030), which was formulated in October 2020, prioritizes quality of education, equal educational opportunities and inclusive education.[9] In addition, education-related law was revised in July 2023, indicating the intention to proceed with reforms based on the idea that "all Mongolians deserve equal opportunities to learn and grow."

In light of the above, before the start of this project and at the time of the ex-post evaluation, the Mongolian government places importance on providing equal opportunities for all citizens to receive quality education, including children with disabilities. Therefore, there are consistencies with the policies and measures in national plans, sector plans, etc., both at the time of planning and at the time of the ex-post evaluation.

3.1.1.2 Consistency with the Development Needs of Mongolia

Before the start of this project, the rapid increase in the number of pupils and students was forcing the city's educational facilities to conduct classes in two or three shifts. In some cases, children had no choice but to commute to schools outside their school district. Therefore, the expansion of educational facilities was an urgent issue. Under such circumstances, the government adopted the *Inclusive Education Program of Children with Disabilities* in 2003, with the goal of developing education, health and social security services that meet the needs of children with disabilities. However, in addition to the lack of infrastructure facilities where children with disabilities could learn, some facilities were not fully functional because, despite the existence of design standards, the design professionals did not fully understand them, so that the facilities were not built in line with the standards and thus had defects (such as access ramps that wheelchair users could not use without assistance due to absence of slopes and handrails, multi-purpose toilets with narrow doors that wheelchair users could not use, etc.). In addition, when the government conducted a seismic assessment of schools nationwide, it was found that

[8] A 12-year school that provides primary and secondary education for students from grades 1 to 12 (five years of primary education and four years of lower secondary education, totaling nine years, are compulsory education in Mongolia). In this document, the term "regular school" is used to imply that it is a school attended by both disabled and other children and students, as opposed to a "special needs school," which is attended only by disabled children.

[9] It means inclusive education for all children. It refers to the process of reforming the entire education system to meet the needs of all learners so that diverse learners (disabled people, people living in poverty, people living in remote areas, girls, ethnic minorities, etc.) are not excluded from education and learning.

many educational facilities were not earthquake resistant. Thus, measures were required also from the perspective of disaster prevention. Therefore, there was a significant need to promote the construction of high-quality primary and secondary educational facilities (taking into consideration disabilities, disaster prevention and the environment) that could serve as models for future school construction, thereby improving the educational environment promptly.

At the time of the ex-post evaluation, the number of pupils and students in Ulaanbaatar City is still on the rise.[10] The standard class size for primary and secondary education in Mongolia is 36 students per class, but it is not uncommon for classes to have more than 40 students. In some schools and grades, there are even cases where the class size exceeds 50 students. Thus, there continues to be a significant need for the development of primary and secondary education facilities. In addition, while there were 2,723 children with disabilities enrolled in primary and secondary education institutions in the city (2022 data),[11] less than 50% of persons with disabilities complete compulsory education (primary school: approx. 42%, secondary school: approx. 47%, high school: approx. 11%).[12] MES has set a policy of abolishing special needs schools and accommodating children with disabilities in regular schools and began training and deployment of assistant teachers who can respond to the needs of students in 2023.

From the above, as was the case before the start of this project, the need for developing primary and secondary education facilities remains high in Ulaanbaatar City at the time of the ex-post evaluation. In addition, based on the fact that MES is accepting children with disabilities in regular schools and promoting the training and deployment of assistant teachers to assist them, it can be said that there is a significant need for support for children with disabilities. Therefore, the project is recognized to be consistent with the development needs both before the start of the project and at the time of the ex-post evaluation.

3.1.1.3 Appropriateness of the Project Plan and Approach

Before the start of this project, lessons learned from the past ex-post evaluation had suggested that “when constructing school facilities in Mongolia, highly insulated sashes must be used, sufficient winter countermeasures must be taken including water leakage prevention; planning of construction schedules must take into account the fact that construction is not possible during winter.” In this evaluation, interviews with the project stakeholders confirmed that they carried out proper design and construction schedule planning and management.by taking into account the lessons above and adopted barrier-free designs in accordance with the international standard, as

[10] According to the data from the National Statistics Office (NSO), in the six years from before the start of this project (2017) to the time of the ex-post evaluation (2023), the total number of pupils and students enrolled in primary and secondary education (12-year system) in Ulaanbaatar City has increased by approximately 54%, as opposed to the national average of approximately 35% (approximately 20% for areas outside of Ulaanbaatar City).

[11] Source: NSO

[12] Source: White Paper on Disability in Mongolia 2019

a result of which the designs that incorporate users' perspectives are well received in Mongolia. Based on such facts, it can be judged that the project's plan, policy and approach were appropriate.

3.1.2 Coherence (Rating:③)

3.1.2.1 Consistency with Japan's ODA Policy

Prior to the start of this project, Japan formulated the *Country Assistance Policy for Mongolia* (May 2012), which listed "support for the realization of growth that benefits all people" as a priority area. In this policy, it was clearly stated that "basic social services, especially in the areas of health care and education, will be strengthened." In addition, the *JICA Country Analysis Paper* (September 2017) formulated by JICA indicated that "deterioration of the educational environment especially in Ulaanbaatar City" is an urgent issue in the area of basic education. Furthermore, concerning the support for persons with disabilities "consistent support from the entrance (early detection of disabilities) to the exit (employment and social participation)" and "children with disabilities' access to appropriate developmental support and educational services that meet their needs" are necessary.

This project aimed to improve the educational environment by constructing high-quality primary and secondary education facilities in Mongolia, thereby contributing to creating an educational environment that can benefit everyone, including children with disabilities. It is in line with the above-mentioned *Country Assistance Policy for Mongolia*, etc. Therefore, this project is consistent with Japan's ODA policy.

3.1.2.2 Internal Coherence

Before and after the implementation of this project, JICA was working to improve the quality of education in Mongolia and to provide support for persons with disabilities through the following technical cooperation projects. All of these projects are found to be in coherence with this project.

(1) Through the "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities (START)" (2015–2019), progress was made in terms of the establishment of "school committees" in regular schools, consideration of support systems for children with disabilities, lesson contents and school management that gives consideration to children who need support as well as the use of "Individual Education Plan (IEP)." In relation to this project, when teacher training was implemented at the target schools of this project, based on the requests of the schools, training was given on topics such as "Disability equality training," "What is inclusive education? Understanding by disability type," "How to create individualized education plans," "Understanding children with learning and behavioral challenges" and "How

to respond to parents and how to promote their understanding." Teachers at the target schools of this project learned basic knowledge and concrete methods (e.g., how to create individualized education plans and how to respond to parents) necessary to conduct lessons and school management that take into consideration children with disabilities. As a result, the target schools of this project can now provide education that meets the requirements of each child with a disability. This example is considered to demonstrate concrete cooperation and synergy between the two projects.

(2) The "Project for Promoting Social Participation of Persons with Disabilities in Ulaanbaatar City" (2016–2020) aimed to promote social inclusion of persons with disabilities and create an inclusive society. Disability and equality training was conducted, and the first *White Paper on Disability in Mongolia* was compiled. The consultant for this project exchanged opinions with the technical cooperation project experts on multiple occasions and reflected their professional knowledge in the design of the school facilities. Through this technical cooperation, there were opportunities for dialogue between the project stakeholders and persons with disabilities. Some of the opinions expressed through the dialogue were reflected in the design. This example is considered to demonstrate concrete collaboration and synergy between the two projects.

(3) "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities (START) Phase 2" (2020–2024) is a follow-up project to the above-mentioned "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities (START)." In order to expand the developmental support and education services for children with disabilities to all parts of Mongolia, developmental support is being piloted in selected schools. Twenty-five schools from Ulaanbaatar City, including the four schools targeted by this project, were selected as model schools that focus on inclusive education. The model schools were provided with management training, support to create inclusive education promotion plans and funds[13] to purchase necessary teaching materials. Visitors from regions (Health, Education and Social Security Branch Committee, Education and Science Bureau, school officials, etc.) came to see the target schools of this project, which were showcased as examples of inclusive education practice. In addition, online training was conducted (six times) for the teachers through this technical cooperation; the training contents can be accessed and viewed at any time via QR code. The materials of the online training are useful for training newly appointed teachers (including teachers at the target schools of this project). As inclusive education was further promoted in the target schools, this example is considered to demonstrate concrete cooperation and synergy between the two projects.

[13] The maximum limit was set at MNT 5 million per school.

3.1.2.3 External Coherence

Around the same time as this project, the Asian Development Bank (ADB) was building and renovating kindergartens and 12-year schools in Ulaanbaatar City. The Chinese government was also supporting the construction of seven primary schools in the city and one kindergarten in Arkhangai Province. However, there was no concrete collaboration or synergy between these projects and this project, neither was there overlap.

In terms of its relationship with international frameworks, this project is designed to improve the educational environment through the construction of high-quality primary and secondary education facilities; thus, it is in line with one of the SDGs, "Goal 4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all." This project is also consistent with the *Convention on the Rights of Persons with Disabilities*[14] and the *Convention on the Rights of the Child.*[15]

In this project, "consistency with the development plan" and "consistency with the development needs" are recognized. With regard to coherence, it is "consistent with Japan's ODA Policy" and "internally coherent." While no concrete collaboration or synergy was observed in terms of "external coherence," it can be said that the project is consistent with the goals of the international framework (SDGs). Therefore, its relevance and coherence are high.

3.2 Efficiency (Rating: ③)

3.2.1 Project Outputs

This project constructed and expanded primary and secondary education facilities in Ulaanbaatar City (a total of four facilities: School No. 75 in Khan-Uul district, School No. 149 in Chingeltei district, School No. 53 in Bayanzurkh district and School No. 109 in Nalaikh district). Table 1 shows the planned and actual outputs of this project.

[14] It advocates that persons with disabilities shall not be excluded from the general education system on the basis of disability and that children with disabilities shall not be excluded from free and compulsory primary education or from secondary education on the basis of disability. The Government of Mongolia joined on May 13, 2009.

[15] Articles 2 and 23 of the treaty advocate respecting the right of citizens to education and encouraging children with disabilities to receive an education and participate in society. The Mongolian government signed the treaty on January 26, 1990 and ratified it on July 5 of the same year.

Table 1: Planned and Actual Outputs of This Project

At the Time of Planning	Actual
[Planned Inputs by Japan's Side] 1) Civil Engineering Works, Procured Equipment, etc. Facilities: a total of 61 classrooms, gymnasiums, art hall, toilets, teachers' rooms, administrative rooms, libraries, ICT classrooms, technology and home economics classrooms, special classrooms, cafeteria and other ancillary facilities (a total of approximately 17,349 m^2) Equipment: primary education teaching materials, secondary education teaching materials, technology training equipment, sports equipment, music equipment, experiment and training equipment, ICT teaching materials, inclusive education equipment, other educational equipment. 2) Consulting Services / Soft Component Consulting Services: detailed design, tendering support, construction and procurement supervision Soft Component: 1) Holding seminars and workshops for professionals concerning school education and architecture/construction which includes tours of the completed facilities; 2) Creating and distributing PR materials (booklets, etc.) compiling examples of universal designs adopted by this project; 3) Holding energy management training and supporting the development of optimal heating operation models.	[Actual Inputs by Japan's Side] 1) Civil Engineering Works, Procured Equipment, etc. → Implemented mostly as planned. 2) Consulting Services / Soft Component → Implemented mostly as planned.
[Planned Inputs by Mongolian's Side] Bank formalities, conducting an environmental baseline study and preparing the report by a registered consultant, submitting an application for an initial Environmental Impact Assessment (EIA) and obtaining development permission, obtaining official deeds showing land use rights for the entire site, securing and leveling the land, obtaining permission to demolish the existing buildings, demolishing and removing the existing buildings and obstacles (fences, walls, playground equipment, pavement, curbs, etc.), securing the necessary study space for students during the construction of the new school building, relocating the	[Actual Inputs by Mongolian's Side] → Implemented mostly as planned

existing infrastructure (water supply and drainage, heating, electricity, etc.) that may hinder the construction, obtaining approval for the basic facility plan (including infrastructure connections, building layout, exterior plan, disaster prevention equipment plan), obtaining building permits, etc.	

Source: documents provided by JICA (at the time of planning), answers to the questionnaire (actual)

In this evaluation, the questionnaire, site visits and interviews confirmed that the actual outputs were mostly as planned. Classrooms for children with disabilities were added to each target school, and ramps that meet barrier-free standards, wheelchair-accessible hand washing sinks, alarm/fire extinguishing/evacuation guidance equipment and security systems, etc. were installed to them.[16]

3.2.2 Project Inputs

3.2.2.1 Project Cost

Under the original plan, the total cost of this project was to be approximately 2,427 million yen (of which 2,379 million yen was to be borne by Japan and approximately 48 million yen by Mongolia). On the other hand, the actual project cost was approximately 2,264 million yen (of which 2,211 million yen was borne by Japan and approximately 53 million yen by Mongolia), which was within the plan (approximately 93% of the plan). The actual amount contributed by the Mongolian side slightly exceeded the plan because it became necessary to procure and install transformers to adjust the voltage when installing the water and electricity lines.

3.2.2.2 Project Period

This project was planned to be implemented from December 2017 to July 2020 (32 months). The actual project period was from December 2017 to February 2021 (40 months), which slightly exceeded the plan (about 125% of the plan). The reasons for the delay include delays in the demolition of the existing building at School No. 75 and delays in relocating the heating system and renovating the existing building at School No. 53 by the Mongolian side. The bigger factor, however, was the impact of COVID-19. According to the contractor, the handover of three of the four target schools was completed in July 2020 and the last school (School No. 75) was scheduled to be handed over in November of the same year. However, they faced three lockdowns due to

[16] After the completion of this project, the regulations on school facility designs have been updated in Mongolia. Specifically, the *School Building Design Regulations* (BNbD 31-25-22) were established by Ministerial Order No. 211 of the Ministry of Construction and Urban Development (October 19, 2022), which makes it mandatory for school facilities constructed after April 17, 2023 to include "consideration for the elderly and disabled." In relation to earthquakes, it is stipulated that facilities must be designed to be three stories or less in areas where the seismic source is expected to be 7 or more on the seismic scale, and four stories or less in areas that are expected to be the epicenter of an earthquake with a seismic intensity of 7 or higher (mainly urban areas). After interviewing MES and the Ministry of Construction and Urban Development, it was confirmed that the school facilities of this project fully meet the design regulations and are an advanced model for other school facilities to be constructed in the future.

the spread of COVID-19 from mid-November 2020 to the end of February 2021, during which construction work was frequently suspended. While it was difficult for Japanese involved in this project to enter Mongolia, the contractor and consultant of this project increased the number of Mongolian engineers, managed to communicate using video calls and carried out the construction work and construction supervision remotely. As a result, there were no major delays.

The outputs of this project were largely as planned. Although the project period slightly exceeded the plan, the project cost was within the plan. Therefore, efficiency of the project is high.

3.3 Effectiveness and Impacts[17] (Rating: ③)

3.3.1 Effectiveness

3.3.1.1 Quantitative Effects (Operation and Effect Indicators)

This project was expected to improve the educational environment by constructing high-quality primary and secondary education facilities. The target schools are categorized into four types: A-1 (new construction in urban areas: School No. 75 in Khan-Uul district), A-2 (new construction in suburban areas: School No. 149 in Chingeltei district), B-1 (expansion in urban areas: School No. 53 in Bayanzurkh district) and B-2 (expansion in suburban areas: School No. 109 in Nalaikh district). Table 2 shows the quantitative effect indicators of this project (baseline values, target values and actual values).

Table 2: Quantitative Effect Indicators of This Project
(Baseline Values, Target Values and Actual Values)

Indicator	Baseline (2016)	Target Value (2023) [3 Years After Completion]	Actual Value (AY 2023/2024[18]) [3 Years After Completion]
1) Number of classrooms usable continuously in the target schools (Unit: classrooms)	35 classrooms The breakdown of the baseline value is as follows: A-1: 0 A-2: 0 B-1: 29 B-2: 6	96 classrooms (to be increased by 61) The breakdown of the increase is as follows: A-1: 23 A-2: 18 B-1: 12 B-2: 8	105 classrooms (increased by 70) (of which 68 by this project) The breakdown of the increase is as follows: A-1: 28 A-2: 16 B-1: 16 B-2: 8
2) Number of pupils/students who are learning	2,383	6,775 (to be increased by 4,392)	7,430 (increased by 5,047) (of which 4,605 are attributed to this project)

[17] When providing the sub-rating, Effectiveness and Impacts are to be considered together.
[18] The year is written as "AY 2023/2024" to match the academic year period (beginning in September and ending in June).

in classrooms usable continuously in the target schools (unit: pupils/students)		The target value set at the time of planning was 6,912 (an increase by 4,529) *Note	The breakdown of the increase is as follows: A-1: 1,840 A-2: 801 B-1: 1,519 B-2: 445

Source: JICA's document (baseline values and target values), answers to the questionnaire and interview results (actual values)
Note: At the time of planning, the number of students (capacity) in one classroom was estimated to be 36 with a two-shift system. Considering that 61 classrooms times 36 students times two-shift system equals 4,392 students, the calculation at the time of planning may have been incorrect.

In this evaluation, it was confirmed through the questionnaires and interviews with school personnel that the actual values of indicators 1) and 2) were above the target values. This is mainly because the number of classrooms has increased through this project meeting the demand and the number of pupils and students in urban areas (schools 75 and 53) has increased more than initially expected. The increase in pupils and students is due to an increase in population migrating from rural areas to the capital, Ulaanbaatar, and an increasing number of people are settling in search of a better living environment especially in the city center. According to the directors of both schools, many families decided to settle in the school districts after receiving information that public schools with full facilities would be newly established and/or expanded through this project. Thus, even after the school buildings have been newly established or expanded through this project, there is a shortage of classrooms; ICT classrooms, which are not considered to be regular classrooms, are being temporarily used as non-ICT classrooms. As both schools still face a shortage of classrooms, they rent buildings within walking distance of the schools and use rooms in the buildings as regular classrooms as well.[19]

For reference, Table 3 shows the changes in the number of pupils/students per teacher[20] in the target schools (average for the last five fiscal years).

(Reference) Table 3: Changes in the Pupil/Student-Teacher Ratio in the Target Schools

AY 2019/20	AY 2020/21	AY 2021/22	AY 2022/23	AY 2023/24
A-1: 17	A-1: 21	A-1: 26	A-1: 26	A-1: 24
A-2: 17	A-2: 16	A-2: 16	A-2: 16	A-2: 16
B-1: 30	B-1: 27	B-1: 29	B-1: 30	B-1: 29
B-2: 29	B-2: 25	B-2: 27	B-2: 29	B-2: 29

The average pupil/student-teacher ratio in primary and secondary education institutions in

[19] The Ulaanbaatar City authority pays the rent. Because this special classroom is a temporary facility that is not necessarily available for continued use, it was not included in the actual figures in Table 2.
[20] It is also called the "pupil/student-teacher ratio" and is the number of students at a school divided by the number of teachers.

Ulaanbaatar City is 22-23.[21] As shown in Table 3, there is a tendency for teachers to be in short supply except for School No. 149 (A-2). As an example, it was confirmed through the school director interview and site visits that School No. 75 (A-1) needs 14 English teachers but only has seven teachers, which is half of what they need because there are not enough applicants. With regard to this issue, MES pointed out that there is a shortage of teachers nationwide.[22] The Mongolian government is working to increase the number of teachers by making university-level teacher training courses free of charge and by trying to recruit former teachers who had left teaching. Nevertheless, the reality is that the increasing demand for teachers has not been met.

At the time of the ex-post evaluation, no classes in the target schools are operated in three-shifts. On the other hand, given the fact that the number of pupils and students has increased more than expected as shown in Tables 2 and 3, it is possible that if this project had not been implemented, the shortage of classrooms would have continued and the three-shift system might have been adopted against their will. From this point of view, it can be said that this project was implemented at the right time and in an appropriate manner, and supported the improvement of the educational environment in the target schools.

3.3.1.2 Qualitative Effects (Other Effects)

1) Relieving Overcrowding in Classrooms[23]

Before the project started, one of the expected qualitative effects was alleviation of overcrowded classrooms. Taking into account the former School Facility Planning Criteria (established in 2011) and the reality of Ulaanbaatar City (at the time of planning), the project set the capacity of one classroom at 36 students, above which is considered overcrowding. At the time of the ex-post evaluation, with the exception of School No. 149, which was newly established in the ger district[24] on the outskirts, many grades in the target schools have than 36 students per classroom. In some grades, there are more than 50 students per class. According to the school director, School No. 53 where the increase is particularly notable is expecting an increase by several hundred students in 2024/2025. This indicates that it is likely that the classrooms will become even more overcrowded in the future. According to the director, many families move into the school district because there is a “clean and well-equipped” public school, but this problem is not limited to the project target schools. Interviews with the directors and MES confirmed that other public schools in the center of Ulaanbaatar (not included in this project) also have a similar overcrowding issue. The more overcrowded the classrooms are, the greater the burden on teachers,

[21] The source: NSO

[22] Reasons cited for the shortage include issues with working conditions and the fact that many teachers leave their jobs due to pregnancy or marriage.

[23] The “average number of students per classroom in the target schools” will be discussed here.

[24] A ger is a mobile dwelling inhabited by nomads who move around the grasslands with their livestock. A ger district is an area formed when nomads move from rural areas to Ulaanbaatar in search of work and build gers one after another on the outskirts of the city.

and the less care and attention they can give to each student. There is also the possibility that the burden on school management, such as classroom and teacher allocation plans, will increase. As discussed above, the target schools have taken measures to alleviate the overcrowding by setting up temporary classrooms in nearby rental properties; nevertheless, there is little improvement. If this project had not been implemented, the overcrowding situation would likely have become even more serious. It is desirable for the Mongolian education authorities such as MES to continue working to improve the situation.[25]

2) Changes in Average Number of Classes per Day for Students at Target Schools

In Mongolia, the number of annual class hours is set for each grade level. For example, the number of classes per day is set at four to five on average for primary education, and at six to seven on average for lower secondary education.[26] Prior to the implementation of this project, each target school was operating in two shifts, following the number of class hours for each grade level set by MES. There was no particular change in the average number of classes per day after this project. However, if this project had not been implemented, there would have been a shortage of classrooms to accommodate the increasing number of pupils and students, which means there is a possibility that the set number of class hours would not have been met. From this point of view, it can be said that this project has contributed to steadily maintaining the number of classes at the target schools.



Photo 1: Regular Classroom
(School No. 75)
(Source: photographed by the evaluator)



Photo 2: Lesson in the ICT Classroom
(School No. 53)
(Source: photographed by the evaluator)

[25] According to Ministerial Decree No. 211 of the Ministry of Construction and Urban Development dated October 19, 2022 (BNbD 31-25-22) and the aforementioned *Vision 2050*, the recommended number of students per classroom is 30. It can be said that further efforts to alleviate overcrowding will be required in the future.

[26] Compulsory education in Mongolia lasts for a total of nine years, consisting of five years of primary education and four years of lower secondary education. Lower secondary education (grades 6-9) is equivalent to junior high school in Japan, and upper secondary education (grades 10-12) is equivalent to high school.

3.3.2 Impacts

3.3.2.1 Intended Impacts

(Contribution to Improving the Quality of the Primary and Secondary Education Environment Across Ulaanbaatar City)

Through interviews with the director of each target school, it was confirmed that each target school receives more than 10 groups of visitors[27] per year. The target schools are exemplary high-quality educational facilities in Mongolia, serving as models for primary and secondary educational facilities nationwide. According to the directors of the target schools, what the visitors particularly appreciated are "planning and designs that take persons with disabilities into consideration, the color use and design that focus on safety and comfort of students and the school rules (e.g., no shoes allowed inside the school[28])." It was confirmed that the target schools are generally bright and clean with high usability, enabling pupils/students to lead a safe school life. Therefore, it can be inferred that this project is contributing to the improvement in the quality of the educational environment.

It was also confirmed through interviews with MES that wheelchair ramps are included in the standard design (Model Blueprint) of school facilities in Mongolia based on the examples of the schools targeted by this project. MES provides standard design specifications, including examples of wheelchair ramp designs, free of charge to construction-related parties. These specifications are already being used in over 80% of school construction projects. Based on this, it can be inferred that the target schools of this project are contributing t to better consideration for persons with disabilities as model schools.

In addition, according to the Ministry of Construction and Urban Development, the schools targeted by this project serve as a good example in the latest version of the *School Building Design Regulations*.[29] The ministry officials commented, "In addition to the designs that take persons with disabilities into consideration, the adopted designs incorporate ingenuity on the premise that school facilities should function as evacuation shelters in the event of a disaster. The adopted designs also place importance on the perspective of the facility users (e.g., installing windows on the hallway side of each classroom), eliminating blind spots within the facility and making corners of walls rounded. With all these, the target schools have a higher level of safety than conventional ones and are very useful as a good reference." Based on such situations, it can be inferred that this project is contributing to the qualitative improvement of the environment in school facilities

[27] A wide range of professionals have participated, including education-related professionals and social welfare officials from Ulaanbaatar, education-related professionals from the regions, and design and construction professionals referred by the Ministry of Construction and Urban Development.

[28] Students, teachers and staff have to change into school shoes while visitors are advised to wear plastic covers over their shoes when entering the school building.

[29] BNbD 31-25-22, Ministerial Decree of the Ministry of Construction and Urban Development No. 211 dated October 19, 2022

nationwide.



Photo 3: Wheelchair Accessible Classroom Doors (School No. 149)
(Source: photographed by the evaluator)



Photo 4: Wheelchair Accessible Toilet (School No. 53)
(Source: photographed by the evaluator)

3.3.2.2 Other Positive and Negative Impacts

1) Impacts on the Environment

This project was classified as Category C by the *JICA Guidelines for Environmental and Social Considerations* (issued in April 2010), as it was judged to have minimal negative impact on the environment.

In this evaluation, the questionnaires and interviews with MED and target schools confirmed that implementation of the project had no negative impacts on the environment (e.g., air pollution, noise, vibrations, impacts on the ecosystem, etc.) as a result of the implementation of this project.

In this project, insulated and double-glazed glass was adopted to set an example of an environmentally friendly school facility. In one of interviews with the school directors, a director commented, "I feel that the energy-saving design makes the school building environmentally friendly. Before this project began, we would use the heating equipment at full capacity when heating was needed. Now, the school building is highly insulated, which keeps the school warm even without using the heater, enabling us to save on annual heating costs." From this perspective, it can be said that the educational environment has improved.

2) Resettlement and Land Acquisition

This project did not require resettlement or land acquisition.

3) Gender Equality, 4) Marginalized People, 5) Social Systems and Norms, Human Well-being and Human Rights

This project aimed to improve the educational environment through the construction of primary and secondary education facilities in Ulaanbaatar City. In terms of design, facilities were

developed so that they could be used comfortably by everyone, regardless of whether or not they have a disability. According to MED and school officials, since pupils/students with disabilities began attending regular schools, a spirit of mutual understanding and help is growing among the students. There have been cases in which children with disabilities who were transferred from special needs schools has tried to get dressed on their own, after studying with and observing other pupils/students at regular schools.

In addition, for people who had to commute long distances to schools outside of their school districts, the construction of schools in the ger areas (the schools targeted by this project) has improved their commuting environment. This shows that consideration has been given to ensuring equal access to educational infrastructure for marginalized people.

From the above, it can be inferred that there are more options for marginalized people, values have diversified, opportunities are being provided widely and equally, and events are being created that lead to people's improved well-being. As such, this project is thought to be playing a part.

It can be said that the expected outcomes and impacts of this project have been achieved largely as planned. In the long term, there have been almost no negative impacts on society (including human rights and gender equality), the environment or the economy. This project has achieved its objectives. Therefore, effectiveness and impacts of the project are high.



Photo 5: Handmade Teaching Materials to Promote the Development of Hands (Life Skills)
(School No. 149)
(Source: photographed by the evaluator)



Photo 6: The Old School Building (left) and New School Building Constructed Under This Project (right)
(School No. 109)
(Source: photographed by the evaluator)

3.4 Sustainability (Rating: ③)

3.4.1 Policy and System

The Mongolian government's *Vision 2050* calls for providing all citizens with equal opportunities to receive quality education and establishing education as the foundation for

personal growth, family stability and national development. In addition, MES has formulated the *Education Sector Medium-Term Development Plan* (2021-2030), which advocates the realization of inclusive education, including supporting education for children with disabilities, as a consistent goal at each educational stage. This project aimed to improve the educational environment by incorporating qualitative improvements and consideration for persons with disabilities; thus, this project continues to be in line with the Mongolian government's policies and directions at the time of the ex-post evaluation.

3.4.2 Institutional/Organizational Aspect

At the time of the ex-post evaluation, MES is the executing agency for this project. During the project, MES and MED worked together to implement the project. At the time of ex-post evaluation, MED is responsible for supervising the operation and maintenance status of each target school in Ulaanbaatar City.

In terms of operating the schools, 142 teachers (primary schools: 32, secondary schools: 110) and 35 staff members (five managerial staff, 30 general staff) were assigned to the four schools targeted by this project by the time of completion. At the time of the ex-post evaluation, the school directors and the head of academic affairs (also called "managers") are responsible for academic affairs at each school. In the primary education curriculum, in principle, homeroom teachers are responsible for all subjects, except for physical education and music, etc.; in the secondary education curriculum, subject teachers are responsible for their respective subjects. As for the non-teaching staff who are involved in school operations, accountants, administrators, document managers, social workers, school doctors, librarians, etc. are on the staff. Regarding the operation and maintenance of the facilities, the facility manager (mechanic), electrical technician, boiler technician, security guard, cleaners, etc. (collectively referred to as "facility management staff") regularly clean and inspect the facilities and equipment. There is also a system in place to carry out the repairs and maintenance as necessary. A system has been established whereby the facility management staff will request the services of local specialized companies if it is difficult to identify the cause of the malfunction, or if the malfunction is technically difficult or large-scale.

Based on the above, it is determined that there are no major problems with the institutional/organizational aspect of the operation and maintenance of this project.

3.4.3 Technical Aspect

According to the directors and managers of each school targeted by this project, the teachers are generally young; on average, they have about 10 years of experience. Some teachers have more than 30 years of work experience. The principals or directors of the school regularly provide on-the-job training (OJT) to younger teachers.

Teachers regularly attend training provided by MES and MED. If the director deems it necessary, teachers also have the opportunity to attend training (including online training) provided by external organizations apart from what is offered by MES and MED. As there are many young teachers, it seems that appropriate training and support are being provided. In addition, after taking up their positions, directors of each school have the opportunity to attend management training provided by the National Institute for Educational Research and other organizations at milestone years such as the first, fifth and tenth years. In addition, training for facility management staff is also provided as necessary.

This project was linked to the previously mentioned technical cooperation, the "Project for Strengthening Teachers' Ability and Reasonable Treatments for Children with Disabilities (START) Phase 2." As model schools working to create inclusive schools, they received management training and guidance on creating inclusive education promotion plans. This has enabled these target schools to develop plans independently while strengthening their ability to implement inclusive education based on such plans. The training content can be easily accessed using a QR code and it is being used to train newly appointed teachers. In other words, JICA's technical cooperation project supported the target schools to strengthen their skills and abilities by building "knowledge and skills to implement inclusive education," which are essential for operating the facilities developed through this project.

In light of the above, it is judged that there are no major problems with the technical aspect of the operation and maintenance of this project.

3.4.4 Financial Aspect

Table 4 shows the Ulaanbaatar City's total budget related to schools (including kindergartens). It has been on the rise for the past three years, with an increase of approximately 36% in 2022 and approximately 29% in 2023 compared to the previous year. Considering that the increase in the number of children and students (grades 1-10) in the city is approximately 7% and the national inflation rate is 13.2% in Mongolia (as of December 2022 compared to the same month of the previous year), it can be said that the city has secured a sufficient school-related budget. According to the MED official who was interviewed, the budgetary measures were sufficient, even taking into account the recent increases in the number of pupils and students and the number of schools.

Table 4: School-related Budget for Ulaanbaatar City

(Unit: million MNT)

FY2021	FY2022	FY2023
422,100	575,900	742,100

Source: MED

MED allocates the operating budget (mainly utility costs) and the maintenance budget, while MES allocates the teacher salaries. Each school submits a budget application for maintenance expenses, which is examined by MED to determine the amount to be allocated. Table 5 shows the recent changes in the operation and maintenance costs (by academic year) for each target school. Interviews confirmed that each school has been securing the necessary amounts for their operation and maintenance expenses. As shown in the table, in some years no maintenance expenses were allocated or the amount was less than the previous year. This is because the school facilities are still new and there was no need for repairs or renovations.

Table 5: Changes in the Operation and Maintenance Costs by School

(Unit: million MNT)

	Target School	AY 2019/20	AY 2020/21	AY 2021/22	AY 2022/23
Operation Cost	A-1	153.6	115.80	88.70	95.90
	A-2	7.55	133.47	187.41	240.99
	B-1	45.40	59.76	66.50	76.82
	B-2	347.29	458.78	624.62	647.40
Maintenance Cost	A-1	4.00	5.00	5.00	20.00
	A-2	NA*	1.26	0.00	8.00
	B-1	24.98	18.54	39.84	42.44
	B-2	9.50	8.87	15.30	1.75

Source: each target school

*Note: School No. 149 (A-2) began operating in September 2020. Therefore, there was no need for a maintenance and budget allocation in the 2019/20 school year, and it is marked as "NA."

In light of the above, it can be said that there are no particular concerns regarding the financial aspect of the operation and maintenance of this project.

3.4.5 Environmental and Social Aspect

No particular environmental or social mitigation measures have been taken after the completion of the project; no negative impacts on the natural environment are expected in the near future. As discussed in "1) Impacts on the Environment" under "3.3.2.2 Other Positive and Negative Impacts," no major negative impacts have occurred up to the time of the ex-post evaluation.

3.4.6 Preventative Measures to Risks

During the implementation of the project, there were no external conditions or events that needed to be controlled nor were there particularly high risks for MES, MED and school personnel. However, a total of three lockdowns were implemented between mid-November 2020 and February 2021, as a result of which construction work was frequently suspended. Restrictions on entry into Mongolia were imposed; some Japanese engineers (contractors) were unable to enter

the country. In light of this, the contractor increased the number of Mongolian engineers and at times carried out the work remotely using video calls, etc. Although this affected the construction schedule to some extent, there were no major delays in the end. Considering such fact, it can be said that appropriate measures were taken to address risks.

3.4.7 Status of Operation and Maintenance

Through the site visits, it was confirmed that the facilities and equipment provided under this project are operated and maintained properly. Daily inspections are carried out by teachers and staff under the direction of the school directors. If repairs or maintenance are necessary, the schools' facility management staff will handle the matter. If it is beyond their capacity, they will contact a local specialized company. During the site visit, the directors of School No. 75 expressed concerns about leaks after rain. After that, a contractor and other parties conducted an on-site inspection and did some leak prevention works. Therefore, it can be said that there are no particular problems with the operation and maintenance status of this project.

No particular issues have been observed in the policy/system, institutional/organizational, technical, financial or environmental and social aspects, including the current status of operation and maintenance or preventative measures in relation to risks. Therefore, sustainability of the project effects is high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The aim of this project was to improve the quality of the primary and secondary education environment by constructing primary and secondary education facilities (taking into consideration disabilities, disaster prevention and the environment) in Ulaanbaatar, thereby contributing to the improvement of the quality of the city's primary and secondary education environment. This project is found to be "consistent with the development plan" and "consistent with the development needs." It is also "consistent with Japan's ODA Policy" and "internally coherent." While no concrete collaboration or synergy was observed in terms of "external coherence," it can be said that the project is consistent with the goals of the international framework (SDGs). Therefore, its relevance and coherence are high. The outputs of this project were largely as planned, and although the project period exceeded the plan, the project cost was within the plan; thus, the efficiency of the project is high. With respect to the quantitative effect indicators of effectiveness, all of the actual values exceeded the target values. As a result of the development of safe and comfortable school facilities, the educational environment at the target schools has improved. In terms of impact, the target schools of this project are recognized throughout Mongolia as examples of high-

quality educational facilities. Therefore, the effectiveness and impacts of the project are high. With regard to sustainability, there are no particular concerns regarding the policy/system, institutional/organizational, technical, financial, and environmental and social aspects including the current status of operation and maintenance, and preventative measures to risks. Therefore, the sustainability of the project effects is high.

In light of the above, this project is evaluated to be highly satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

At the time of the ex-post evaluation, each of the target schools in this project receive more than 10 groups of visitors every year. The schools are widely known as "models" showcasing high-quality primary and secondary education facilities among education and school construction professionals not only in Ulaanbaatar City but also across the country. It is recommended that MED regularly check the current status of each target school and provide guidance as needed so that the target schools in this project are always maintained in a state worthy of being referred to as "models."

This project demonstrated examples of high-quality educational facilities that incorporated perspectives and elements such as considerations of disabilities, disasters and the environment. Regarding consideration for persons with disabilities, the target schools had limited knowledge and experience in accepting children with disabilities initially; thus, this project provided facilities (tangible aspect) while JICA's technical cooperation projects provided capacity development support for the teachers (intangible aspect). For future constructions and expansions of primary and secondary education facilities, it is recommended that the examples of the target schools of this project be referred to from the planning and design stages, and that perspectives and elements such as considerations of disabilities, disasters and the environment be incorporated as much as possible. It would also be meaningful to aim to improve not only the hardware (improving facilities) but also the software (nurturing and training for teachers, etc.).

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

<u>The Meaning and Importance of Linking Facility Development Projects with Other Projects and Initiatives</u>

One of the aims of this project was to provide an example of an educational facility that has considerations for persons with disabilities. It would have been difficult to achieve this by simply

building facilities because the target schools had limited knowledge and experience in accepting children with disabilities. Thus, capacity development support was provided for teachers at the target schools through JICA's technical cooperation projects that were ongoing at the time of project planning. At the time of the ex-post evaluation, the target schools have an established system for responding to the individual needs of children with disabilities owing to the knowledge and skills cultivated through the technical cooperation projects; such a system has become widely known as a model case for Mongolia. In other words, effective collaboration between this project (grant aid) and the technical cooperation projects led to the realization of efficient and effective school management, which is contributing to the improvement of the educational environment in Mongolia. When formulating similar projects in the future, it would be meaningful for both the assisting country and the recipient country to work in a way that creates greater impacts by identifying projects that can create synergy as early as possible and by incorporating the idea of strengthening collaboration into the project plans.

5. Non-Score Criteria

5.1 Performance

5.1.1 Objective Perspective

During the construction, the spread of COVID-19 resulted in multiple lockdowns and forced suspension of the construction. Japanese construction professionals (contractors) faced situations that could not be foreseen, such as restrictions on entering Mongolia. In the midst of this, the contractors increased the number of Mongolian workers and utilized online video calls at times to remotely supervise the construction. As a result of making every effort to respond to the situation as best they could, no major delays were incurred in the end. This proves that project personnel could successfully avoid delays with an appropriate supervision system, preventing benefits from being lost.

5.2 Additionality

None

(End)

Mongolia

FY2023 Ex-Post Evaluation Report of Japanese ODA Loan "New Ulaanbaatar International Airport Construction Project" "New Ulaanbaatar International Airport Construction Project (II)"/Technical Cooperation Project Related to ODA Loan "Project for Human Resource Development and O&M Capacity Development for New Ulaanbaatar International Airport"

External Evaluator: Hisae Takahashi, Octavia Japan, Co., Ltd.

0. Summary

The "New Ulaanbaatar International Airport Construction Project" and the "New Ulaanbaatar International Airport Construction Project (II)" (the Project)[1] were implemented to improve the safety, reliability, and convenience of the capital airport by the construction of a new international airport in the suburbs of Ulaanbaatar, thereby contributing to further economic growth in Mongolia.[2] In connection with the Project, a Technical Cooperation Project related to ODA Loan, the "Project for Human Resource Development and O&M Capacity Development for New Ulaanbaatar International Airport" (the Associated TC Project), was also executed to ensure the smooth operation of the new airport and to strengthen its operation and maintenance systems and capabilities. The Project aligns with Mongolia's development policy and development needs at the time of the appraisal and ex-post evaluation. Although there was no specific cooperation or coordination with the projects or assistance by JICA or other development organizations, the Project was consistent with Japan's aid policy and international framework such as the goals of the SDGs at the time of appraisal. Therefore, its relevance and consistency are high. Due to factors such as the rise in material prices, rapid exchange rate fluctuations, specification changes resulting from higher-than-expected passenger demand forecasts, and the addition of components covered by ODA loans, the Project costs significantly exceeded the plan. Additionally, the Project period also significantly exceeded the plan due to factors such as the addition of facilities, unsuccessful bids, and delays in the opening caused by the impact of the COVID-19 pandemic.[3] Therefore, efficiency of the project is low. At the new airport, effects such as an increase in annual passenger numbers, cargo volume, and the number of aircraft takeoffs and landings, as well as a decrease in the rate of delays and cancellations caused by weather conditions, have been observed. Additionally, while the former airport only permitted takeoffs and landings from one direction due to its location, the new airport allows for takeoffs and landings from both directions. Furthermore, the installation of lighting equipment has contributed to the reduction of delays and cancellations. Accordingly, improvements in reliability, safety, and convenience have been

[1] In this evaluation, "New Ulaanbaatar International Airport Construction Project" is referred to as Phase 1 and "New Ulaanbaatar International Airport Construction Project (II)" as Phase 2, and Phase 1 and Phase 2 are collectively referred to as the Project.

[2] The new airport was planned and constructed as the "New Ulaanbaatar International Airport," but it is now named "Chinggis Khaan International Airport."

[3] However, delays caused by the impact of COVID-19 were considered external factors, and the corresponding period was deducted from the actual performance for evaluation purposes (see "3.2.2.2 Project Period" for details).

confirmed. The increase in new flight routes and tourists has also contributed to the promotion of economic activities in the country. Therefore, effectiveness and impacts of the project are high. No issues have been observed in the policy/system, institutional/organizational, technical, and financial aspects, including the current status of operation and maintenance. Thus, sustainability is ensured. Therefore, sustainability of the project effects is very high.

In light of the above, this project is evaluated to be satisfactory.

1. Project Description



Project Location

(Source: Prepared by the external evaluator based on documents provided by JICA)



Photo 1 Chinggis Khaan International Airport

(Source: Japan International Cooperation Agency (JICA))

1.1 Background

In Mongolia, the real GDP growth rate remained robust due to the successful transition to a market economy since 1990, including privatization of state-owned assets, price and production liberalization, and introduction of a financial system, as well as significant improvements in international market conditions in the manufacturing and mining sectors, among others. In particular, the number of foreign visitors to the country continued to increase due to the growth of the service industry, which led to 50% of GDP growth (in 2005), and increased investment in Mongolia's abundant mineral and livestock resources. However, the former airport (Ulaanbaatar International Airport), which was the only international airport in the country, was surrounded by mountains to the south and east, and takeoffs and landings could only be made on the northwest side, causing frequent delays and flight cancellations, and no further expansion projects could be carried out at the same location. Therefore, to address the increasing demand, a decision was made to implement this project by constructing a new airport at a location free from these geographic constraints mentioned above and to relocate its functions. Phase 1 of the Project was approved in 2008. However, the total Project cost was expected to rise due to higher-than-expected increases in the prices of materials and equipment, rapid exchange rate fluctuations, and changes in specifications caused by an upswing in projected passenger demand. Additionally, the Mongolian government could not sufficiently cover the budget, resulting in a shortage of funds. To ensure

the smooth implementation of the Project and the realization of its effects, additional funding through Japanese ODA loans became essential. Consequently, a request for additional loans was made in 2013, leading to the implementation of Phase 2. Moreover, the smooth commencement of operations at the new airport was crucial for ensuring the effectiveness and sustainability of the Project. Given that Mongolia did not have sufficient experience in operating and maintaining an airport with an annual passenger volume of two million, there were challenges related to safety, security measures, and service level improvements. Therefore, the Associated TC Project was implemented to support the development of human resources responsible for the operation and maintenance of the new airport, as well as to establish a maintenance system.

1.2 Project Outline

The objective of the Project is to improve the safety, reliability and convenience of the capital airport by the construction of a new international airport in the suburbs of Ulaanbaatar, thereby contributing to further economic growth in Mongolia.

<Summary of ODA Loan Project>

Loan Approved Amount / Disbursed Amount	28,807 million yen / 28,669 million yen (Phase 1) 36,850 million yen / 36,587 million yen (Phase 2)
Exchange of Notes Date / Loan Agreement Signing Date	March 2008 / May 2008 (Phase 1) April 2015 / April 2015 (Phase 2)
Terms and Conditions	Interest Rate 0.2% (Main part) (Phase 1) 0.01% (Consulting services) (Phase 1) 0.1% (Main part) (Phase 2) 0.01% (Consulting services) (Phase 2) Repayment Period 40 years (Phase 1) (Phase 2) (Grace Period 10 years) (Phase 1) (Phase 2) Conditions for Procurement Tied (Special Terms for Economic Partnership (STEP) (Phase 1), Tied (STEP) (Phase 2)
Borrower / Executing Agency	The Government of Mongolia / Ministry of Road and Transport Development (MRTD)[4]
Project Completion[5]	June 2021
Target Area	Sergelen District, Central Tuv Province
Main Contractors (Over 1 billion yen)	Chiyoda Corporation (Japan) / Mitsubishi Corporation (Japan) (JV)
Main Consultants (Over 100 million yen)	Azusa Sekkei Co., Ltd. (Japan) / Oriental Consultants Global Co., Ltd. (Japan) (JV)

[4] The Ministry was renamed the Ministry of Road and Transport (MRT) in July 2024.
[5] Project completion is defined as the month in which consulting services are completed.

Related Studies (Feasibility Studies; (F/S), etc.)	F/S (Asian Development Bank (ADB), 1993), F/S (European Bank for Reconstruction and Development (EBRD), 2003)
Related Projects	[International Organizations, Aid Agencies, etc.] - ADB: "Ulaanbaatar Airport Feasibility Study" (1992) - EBRD: "Civil Aviation Master Plan Study in Mongolia" (2003)

<Outline of the Associated TC Project>

Overall Goal		NUBIA, the capital airport of Mongolia, is upgraded in its capacity to be able to function appropriately in case of rapid increase of customers as the gateway of the country.
Project Purpose		Mechanism as well as capacity for O&M is strengthened in NUBIA for its smooth inauguration.
Outputs	Output 1	O&M organization is established based on O&M plan including staff allocation.
	Output 2	Implementation capacity for revised maintenance plan of runways etc. at NUBIA is improved.
	Output 3	Implementation capacity for newly developed O&M plan of fuel supply at NUBIA is improved.
	Output 4	Implementation capacity for newly established charge setting system and tenant management plan at NUBIA is improved.
	Output 5	Implementation capacity for newly developed customer satisfaction (CS) plan for upgrading CS at NUBIA is improved.
	Output 6	Implementation capacity for newly developed relocation master plan is improved.
	Output 7	Capacity of Civil Aviation Authority of Mongolia (CAAM)[6] is developed for provision of Air Navigation Services at NUBIA.
Total cost (Japanese Side)		Approximately 589 million yen
Period of Cooperation		January 2015-September 2021 (of which extension period: August 2017-September 2021)
Target Area		Ulaanbaatar City
Implementing Agency		MRTD, CAAM

[6] CAAM is a subordinate organization of MRTD. At the time of the appraisal, it was in charge of airport operations and control, and the former airport was operated by CAAM's Chinggis Khaan International Airport Management Division. In 2019, New Ulaanbaatar International Airport LLC (NUBIA), the operator of the new airport, was established as a joint venture with a consortium of Japanese companies and the Mongolian government, and some staff from the former airport were transferred to NUBIA. In 2020, the National Civil Aviation Center (NCAC) of Mongolia was established as the operator arm of CAAM, and the NCAC is responsible for some operations at regional airports and new airports as an organization directly under CAAM.

2. Outline of the Evaluation Study

2.1 External Evaluator

Hisae Takahashi, Octavia Japan, Co., Ltd.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: September 2023-February 2025

Duration of the Field Study: March 10-March 31, 2024, August 4-August 11, 2024

2.3 Constraints During the Evaluation Study

New Ulaanbaatar International Airport LLC (NUBIA), which is responsible for the operation and maintenance of the new airport, is a private joint venture company, and therefore, its financial status is not publicly disclosed. In analyzing the sustainability from the financial aspect, financial data was not available, therefore, the evaluation was primarily based on interviews with NUBIA staff.

2.4 Methods and Criteria for a Comprehensive Evaluation

Regarding the Associated TC Project, after confirming the achievement of its project purpose, the synergistic effects resulting from collaboration with the Project were analyzed in terms of effectiveness and impact. These finding were taken into consideration in the evaluation. As for efficiency, a comparison of the planned and actual results is provided as a reference but is not taken into account in the evaluation judgment, following the external ex-post evaluation reference.

3. Results of the Evaluation (Overall Rating: B[7])

3.1 Relevance/Coherence (Rating: ③[8])

3.1.1. Relevance (Rating: ③)

3.1.1.1 Consistency with the Development Plan of Mongolia

The development policy at the time of the appraisal, the "*Action Program of the Government of Mongolia for 2004-2008*," outlined specific policies and goals in eight areas: (1) public sector, (2) social policy, (3) economic policy, (4) regional development, (5) environmental policy, (6) defense and disaster measures, (7) foreign policy, and (8) judiciary. Among these, in area (3), the construction of a larger new airport was stipulated. Additionally, at the time of the appraisal of Phase 2, "*Action Program of the Government of Mongolia for 2012-2016*," outlined policies in the following sectors: (1) employment and income security, (2) health, (3) education, (4) a safe society and environment, and (5) free citizens. Under area (1), it aimed

[7] A: Highly satisfactory, B: Satisfactory, C: Partially satisfactory, D: Unsatisfactory

[8] ④: Very High, ③: High, ②: Moderately Low, ①: Low

to develop the new airport into a hub for international passenger and cargo transportation. The "*National Development Strategy*," which set development goals for key areas over two phases (2007-2015 and 2016-2021), aimed to increase the number of international flights by the end of the first phase (2015) through the construction of the new airport and the active utilization of aviation agreements. The "*State Policy on Civil Aviation up to 2020*" (2013) also stipulated that the new airport would be developed as a hub for passenger and cargo transportation in Northeast Asia and that part of the new airport's operations would be outsourced to private companies.

The "*Action Program of the Government of Mongolia for 2020-2024*," at the time of the ex-post evaluation focuses on key policies in the following areas: (1) policies addressing social and economic challenges due to the COVID-19 pandemic, (2) human development policies, (3) economic policies, (4) governance policies, (5) green development policies, and (6) capital, regional, and local development policies. Regarding the airport transportation sector, the program aims to increase the number of flights and routes by expanding international flights and dispersion of traveler numbers and clearly states the commencement and stable operation of the new airport. The long-term development policy "*Vision 2050*" (2020) for the period 2021-2030 indicates that the transportation sector will commence operations of the new airport in Ulaanbaatar and establish it as a hub for passenger and cargo transportation in Northeast Asia. There is no successor policy to the "*State Policy on Civil Aviation up to 2020*" as the national development policy formulated after 2020 is to not issue sector-specific policies and plans separately from the national development policy.

In light of the above, the Project is consistent with Mongolia's development policy at the time of the appraisal and ex-post evaluation.

3.1.1.2 Consistency with the Development Needs of Mongolia

In Mongolia, at the time of the appraisal, there was an increasing trend in the number of foreign visitors, driven by steady economic growth since 1990, the growth of the service industry, and expanded investments in mineral and livestock resources. The number of passengers at Ulaanbaatar International Airport, the country's only international airport, doubled in 2006 from 2003, and further growth in demand was expected. On the other hand, due to the geographical restriction of the airport being surrounded by mountains to the south and east, takeoffs and landings were only possible from the northwest (one direction). Therefore, delays and cancellations were frequent. However, the above-mentioned location made it difficult to meet the increasing demand for air transportation, and it was urgently needed to relocate the airport to a location where geographical constraints could be avoided and to construct a new airport of appropriate size. As shown in the table, passenger and cargo volumes have been increasing from the start of Phase 2 of the Project to the time of the ex-

post evaluation. Passenger volume was limited in 2020 due to the impact of COVID-19, but in 2023 it exceeded the level before the impact of COVID-19, and its demand is expected to continue growing. Furthermore, the Government of Mongolia has designated the years 2023-2025 as "Welcome to Mongolia" to revive tourism after the COVID-19 convergence, and further demand is expected to increase in the future.

Table 1 Annual Passenger and Cargo Volume (International Flights) at the Former and New Airports since the Start of Phase 2 of the Project

	2016	2017	2018	2019	2020	2021	2022	2023
Number of Passengers (Thousands)	791	927	1,021	1,188	162	100	619	1,312
Cargo volume (tons)	4,751	5,266	5,644	5,678	2,643	6,414	12,869	8,556

Source: National Statistics Office of Mongolia
Note: The data shows the volume handled by the former airport before July 2021 and the new airport thereafter.

3.1.1.3 Appropriateness of the Project Plan and Approach

In the Project, as stated in "3.2 Efficiency," an additional loan (Phase 2) was implemented due to the funding shortfall, and some components were modified or added. As a result, the outputs increased, however, all of these outputs were essential facilities necessary for the airport's functionality, and there were no issues with their validity. The expected effects were also generally achieved, and the approach taken was considered appropriate. Moreover, lessons learned from similar projects in the past include: "It is important to determine the timing and scale of project implementation based on careful analysis of factors affecting demand forecasts, to establish an appropriate operation and maintenance system, and to secure costs", and "Airport operating entities need to strengthen organizational management, human resources, and technical capacity, and finances to operate airport facilities in a sustainable and self-reliant manner." In response to the said lessons learned, changes to the Project plan were decided after consultation and review with the consultant as appropriate. Additionally, lessons learned from similar projects in the past were utilized in the implementation phase of the Project, such as the implementation of the Associated TC Project to support the smooth relocation from the former airport to the new airport, and the contribution of such supports was confirmed.

3.1.2 Coherence (Rating: ②)

3.1.2.1 Consistency with Japan's ODA Policy

At the time of the appraisal for Phase 1, the "*Country Assistance Policy for Mongolia*" (2004) prioritized infrastructure development support, and the "*Operational Policy for Overseas Economic Cooperation Operations*" (2005) identified the foundation development for sustainable growth as a key focus area for assistance. The "*Country Assistance Policy for Mongolia*" (2012) at the time of the appraisal for Phase 2 identified strengthening the

functions of the city of Ulaanbaatar as a priority area, and the JICA Country Analysis Paper at the time also identified infrastructure development and improving urban planning and management capacity as key issues. The Project aims to improve the safety and reliability of the capital airport and increase its convenience by constructing a new airport, thereby contributing to the country's further economic development, consistent with Japan's aid policy at the time of the appraisal.

3.1.2.2 Internal Coherence

At the time of the appraisal, the implementation of projects in cooperation with the Project was not assumed. JICA did not implement any projects in the related fields, except for the Associated TC Project thereafter.[9]

3.1.2.3 External Coherence

During the implementation of the Project, no directly related projects were carried out. The Project aimed to contribute to Mongolian economic development by improving the safety and reliability of the capital airport through the construction of a new airport. In alignment with the international framework, it is consistent with SDGs Goal 9: Industry, Innovation and Infrastructure (Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation).[10]

As mentioned above, the Project is in line with Mongolia's development policy and development needs, and there are no issues with the Project plan and approach. The consistency with Japan's aid policy, and international frameworks was also confirmed. Therefore, its relevance and coherence are high.

3.2 Efficiency (Rating: ①)

In the Project, as stated in "3.2.2.1 Project Cost," due to the increase in the contractor's contract amount and the deterioration of Mongolia's financial situation, a funding shortfall occurred, leading to the implementation of Phase 2 (additional loan). However, since the changes in the Project scope was limited, the analysis of efficiency is based on a comparison between the Phase 1 plan and actual results.

3.2.1 Project Outputs

The project consisted of 1) runway development, 2) terminal building construction, 3)

[9] Source: Questionnaire answers from CAAM
[10] Source: SDGs document. https://www.mofa.go.jp/mofaj/gaiko/oda/sdgs/about/index.html (checked on September 11, 2024)

construction of airport-related facilities and procurement of equipment for the new airport, and 4) consulting services. The planned and actual outputs are shown in the table below.

Table 2 Planned and Actual Outputs

Item	Plan	Actual
1) Runway development Runway Taxiway Aprons	 3,600 m × 45 m 4,160 m × 23 m 101,084 m^2	 As planned 4,142 m × 23 m 108,800 m^2
2) Terminal building construction Passenger Cargo[Note 1]	 31,200 m^2 2,380 m^2	 33,300 m^2 3,689 m^2
3) Construction of airport-related facilities and procurement of equipment	- Control tower (including related facilities such as communications) - Aviation security facilities (radio facilities, aviation lights, etc.) - Fire and rescue facilities - Car parks - Access road within the airport - Power supply system - Heating system - Water supply system - Sewerage treatment system - Solid waste disposal system - Fueling system - Vehicles (firefighters/ ambulance, ground support vehicles) - GSE[Note 2] equipment, GSE building - Airport maintenance equipment	Modification: Fueling system Added: Terminal bridge, runway centerline lights Added: Aircraft hangar, heated parking
4) Consulting services	Phase 1: Design and bid support, construction supervision, environmental management support, etc. Phase 1: Design, construction supervision, etc.	As planned

Source: Documents provided by JICA, questionnaire answers from MRTD and CAAM
Note 1: Components implemented with Mongolian funding.
Note 2: Refers to Ground Service Equipment (GSE).
Note 3: Scopes underlined were added in Phase 2.

The changes from the plan for each item and their reasons are as follows.

<Description and reasons for changes>[11]

-Description of the change: 2) Expansion in cargo terminal building construction

Reason: The need for a cargo handling area (for imports and exports) and office space was requested by the Mongolian side, leading to the expansion.

-Description of the change: 3) Change of fueling method[12]

Reason: Due to the increase in air travel demand exceeding forecasts and the anticipated operation of large aircraft, the planned refueler fueling method at the time of the appraisal was changed to a hydrant fueling method to improve the efficiency of ground support operations and from the perspective of winter (severe sub-zero temperatures) operations.[13]

-Description of the change: 3) Addition of terminal bridge

Reason: Due to a strong request from the Mongolian side to separate the departure and arrival floors within the terminal, adding a terminal bridge became necessary.

-Description of the change: 3) Addition of centerline lights

Reason: Runway centerline lights were installed to ensure the safe operation of aircraft during nighttime, particularly when visibility is limited due to fog.

-Description of the change: 4) Addition of aircraft hangar

Reason: Although the construction of the aircraft hangar was initially planned to be funded by a private airline, it became impossible for the airline to bear the costs due to the airline's deteriorating financial condition at the implementation stage. On the other hand, since the hangar is essential for airport operations, the decision was made to proceed with its construction.

-Description of the change: 4) Addition of heated parking

Reason: Since parking cars outdoors in extremely cold conditions during the winter can cause breakdowns, it was decided to install the heated parking based on need.

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[11] Source: Questionnaire responses and interviews from MRTD and CAAM.

[12] There are two methods of aircraft fueling: the Refueler Method and the Hydrant Method. In the refueler method, a tanker-type dedicated refueling vehicle is attached to the aircraft and refuels the aircraft from the vehicle's fuel tank. The refueling volume is relatively low, and this method is often used at airports with many domestic flights. In the hydrant system, fuel is delivered to the aircraft through a refueling port located at a spot on the apron. This system is used at airports with a large number of jet aircraft.

[13] According to airport staff, when large jet aircraft are in service, refueling using the refueler method takes over two hours with three vehicles, and there were concerns about issues such as the fuel and water in the refueling vehicles freezing due to Mongolia's harsh climate. On the other hand, the hydrant method can complete the same task in about 30 minutes.




Photo 2 Waiting Area at Departure Terminal Photo 3 Convenience Store in the Airport

(Source: taken by the external evaluator)

The expansion of the passenger terminal area and the change in the refueling system method were made in consideration of increased demand and respective functions. The runway centerline lights were also added as needed from a safety perspective. The addition of aircraft hangars became unfeasible due to the economic situation of the private airline, but their installation was essential for the operation of the airport. All of these changes were considered reasonable as they were indispensable for the airport facilities and the expected outcomes.

3.2.2 Project Inputs

3.2.2.1 Project Cost

The total cost of the Project was planned to be 34,244 million yen (ODA loan: 28,807 million yen). However, due to the significant increase in material prices and labor costs,[14] rapid exchange rate fluctuations, and changes in refueling methods due to an upswing in projected passenger demand, etc., the contract amount with the contractor greatly exceeded expectations. Additionally, the GSE equipment, GSE buildings, aircraft hangars, and heated parking facilities, which were expected to be procured and developed with Mongolian and private funds, could not be financed due to the deterioration of the Mongolian financial situation. Therefore, these items were implemented in the second phase (additional loan). As a result of these changes, the total actual Project cost was 70,896 million yen (ODA loan: 65,256 million yen), significantly exceeded the plan (207% of the plan).

(Reference) Project cost of the Associated TC Project: The actual cost was approximately 589 million yen, which significantly exceeded the planned amount of 350 million yen (168% of the plan). The factors were the delays in the construction of airport facilities, the establishment of the airport operating company, and the delay in the airport opening caused by the impact of the

[14] From the signing of the L/A to the contractor contract, the cost of reinforced concrete increased by 159%, gasoline by 131%, and average wages by 222%

COVID-19 pandemic, which extended the project period and consequently increased the project costs. The implementation of the Associated TC Project aimed to ensure the smooth operation of the airport, with its activities planned to align with the execution of the Project. Although delays in the Project affected the progress of the Associated TC Project's activities, these delays were beyond the control of the Associated TC Project. Consequently, the increase in the project cost was an unavoidable response.

3.2.2.2 Project Period

The Project period[15] was planned to be 89 months, from May 2008 to September 2015, however, the actual Project period was 158 months, from May 2008 to June 2021. No contract changes occurred due to the impact of COVID-19. However, the opening of the new airport was postponed by a total of 13 months as a result of a decision by the Mongolian government influenced by the pandemic. This delay was deemed to be caused by external factors. Therefore, the actual Project period of 158 months was adjusted by subtracting the 13-month delay, resulting in a revised actual period of 145 months. Comparing the planned period (89 months) with the actual period (145 months), it results in 163%, significantly exceeded the plan (163% of the plan). If the actual period of 158 months, without accounting for external factors, is compared to the planned period (89 months), the result is 178%.

The major reasons for the delays were as follows.[16]

- Delays in the commencement of additional facility and utility construction, etc.

The addition of facilities such as the GSE building, heated parking, and aircraft hangar required time for design review, location determination, procurement, and document preparation, resulting in delays.

- Influence of the Great East Japan Earthquake on contractor agreements

Due to the impact of the Great East Japan Earthquake in 2011, major construction companies in Japan were engaged in reconstruction work, resulting in no bidding companies and three re-tenders, which caused delays.

- Delay in the opening of the airport (facility operation start month)

The contract was delayed because it took time to reach an agreement with the Mongolian government on the terms and conditions of the concession after the opening of the new airport, leading to a delay in the opening of the new airport.

- Impact of the COVID-19 epidemic

Due to the impact of COVID-19, the opening of the airport was postponed by a total of 13

[15] As defined at the time of the appraisal, the Project period of Phase 1 is defined as the month the loan agreement is signed to the month consultancy services are completed.

[16] Source: Documents provided by JICA, interviews with the executing agency

months, from July 2020 to October 2020 by the Government of Mongolia's Resolution No. 277, and further to July 2021 by Resolution No. 134.

(Reference) Project period of the Associated TC Project: The Project period was planned to be 32 months, from December 2014 to July 2017, however, the actual Project period was 81 months, from January 2015 to September 2021, significantly exceeded the plan (253% of the plan).[17] The factors for the delay were similar to those of the Project, including the construction of airport facilities, delays in the establishment of the operating company, and the impact of the COVID-19 pandemic on the opening of the new airport. Of the approximately four-year extension to the Associated TC project period, around one year is attributed to the delay in the new airport's opening caused by the impact of COVID-19.

3.2.3 Results of Calculations for Internal Rates of Return (Reference only)

(1) Financial Internal Rate of Return (FIRR)

At the time of the appraisal, the FIRR was calculated to be 0.5%, considering aviation-related revenues (airport usage fees, landing and takeoff fees, etc.) and non-aviation-related revenues (tenant income, etc.) as benefits, and project costs and operation and maintenance costs as expenses, with a project life of 40 years.[18] Recalculation was attempted during the ex-post evaluation under the same conditions as those at the time of the appraisal, resulting in an FIRR of -2.9%. The primary factors were delays in project implementation and project cost exceeding the planned estimates.

(2) Economic Internal Rate of Return (EIRR)

The EIRR was recalculated by considering the income generated from foreign tourists and the reduction in delays and cancellations as benefits, while including project costs and maintenance expenses as costs, with a project lifespan of 40 years. Since maintenance expenses were not included as costs in the EIRR calculation sheet at the time of the appraisal, a recalculation was conducted during the ex-post evaluation including these expenses, resulting in an EIRR value of 11.5%[19] at the time of the appraisal. Recalculation of the EIRR under the same conditions resulted in 5.1%, which is lower than the IRR value at the time of the appraisal. The factors include the significant extension of the Project period, the limited benefits due to the impact of COVID-19, and the increase in project costs beyond the initial estimates.

[17] The Associated TC Project was also delayed due to the impact of COVID-19, which extended the project period with the delay in the opening of the new airport. Considering the 13 month impact of COVID-19, similar to the Project, the actual project period was 69 months (81 months - 12 months), resulting in 216% of the plan.

[18] FIRR was not calculated at the time of the appraisal for Phase 2.

[19] The EIRR value at the time of the appraisal was calculated to be 14% for Phase 1 and 13.2 % for Phase 2. However, since maintenance expenses were not included as costs, the EIRR value including these expenses was 11.5%, which was considered the EIRR value at the time of the appraisal.

In light of the above, the Project cost significantly exceeded the plan due to factors such as the rise in material prices, rapid exchange rate fluctuations, specification changes due to higher-than-expected passenger demand, and the addition of ODA loan components. Additionally, the Project period also significantly exceeded the plan due to factors such as the addition of facilities, unsuccessful bids, and delays in the airport opening caused by the impact of COVID-19. Therefore, efficiency of the project is low.

3.3 Effectiveness and Impacts[20] (Rating: ③)

3.3.1 Effectiveness

3.3.1.1 Quantitative Effects (Operation and Effect Indicators)

In the Project, the wind coverage ratio, the number of passengers, the number of foreign passengers, the cargo volume, the number of aircraft takeoffs and landings, and rate of delays and cancellations caused by weather conditions were set as the operation and effect indicators to analyze the Project's effectiveness.

Table 3 Baseline, Target, and Actual Values for Operation and Effect Indicators

	Baseline value	Target value	Actual value		
	2005	2 Years After Completion	2021 Completion Year	2022 1 Year After Completion	**2023 2 Years After Completion**
Wind coverage ratio during the lowest months (%) Note 1	73	98	NA	NA	NA
Annual number of passengers (10,000 persons) Note 2 (Of this, international flights)	47 (34)	165 (138)	19.9 (10)	95.3 (62)	**173.1** **(131)**
Annual number of foreign passengers (10,000 persons) Note 2 (Annual number of foreign passengers in Mongolia)	11 (34)	45	NA (4)	NA (30)	NA **(64)**
Annual cargo volume (ton) (Of this, international cargo)	2,344 (2,334)	11,900 (9,200)	6,429 (6,414)	12,893 (12,869)	**8,574** **(8,556)**
Annual number of aircraft takeoffs and landings (Of which, international flights)	7,593 (3,546)	22,200 (14,500)	7,098 (2,435)	14,153 (5,334)	**19,964** **(9,654)**
Rate of delays and cancellations caused by weather conditions (%)	2.3	0.5	0.02	NA	**0.14**

Source: Documents provided by JICA, documents provided by MRTD and CAAM, National Statistics Office of Mongolia

Note 1: It refers to the percentage in the month with the lowest probability of occurrence of wind direction and wind speed assumed to be available for takeoff and landing.

Note 2: The baseline values for the number of passengers and the number of foreign passengers refer to the total of departures and arrivals at the former airport. Note that data on the number of foreign passengers at the new airport has not been aggregated at the time of the ex-post evaluation. Therefore, the actual figures are listed as a reference value based on the annual number of foreign passengers in Mongolia. This actual figure also includes foreign passengers entering Mongolia by land.

Note 3: The records for which no information was provided by the executing agency are marked as NA.

[20] When providing the sub-rating, Effectiveness and Impacts are to be considered together.

At the new airport, although it was affected by the COVID-19 pandemic at the time of project completion (2021), the performance showed signs of recovery two years after project completion (2023). The "annual number of passengers" and the "rate of delays and cancellations caused by weather conditions" have met the target values, and the "annual number of aircraft takeoffs and landings" has also reached 90% of the target value. According to CAAM, the number of aircraft takeoffs and landings slightly fell short of the target due to the ongoing shortage of airline staff caused by the impact of COVID-19. This shortage particularly affected international flights, resulting in fewer flights than assumed. On the other hand, the operation of large aircraft, which could not be accommodated before, has become possible at the new airport. As a result, while the number of flights has decreased, the number of passengers has been steadily increasing. Although the annual cargo volume exceeded the target value in 2022, the actual figure for 2023 remained at about 70% of the target value. CAAM explained that one contributing factor was the significant increase in air transportation during the period when COVID-19 was spreading, due to restrictions on land transportation. In 2023, land transportation resumed, and it is considered that the numbers are lower compared to 2022.[21] Although data on the wind coverage ratio during the lowest months was not available, CAAM reported that this ratio improved at the new airport due to the ability to take off and land from both directions. Since the "annual number of foreign passengers" at the new airport was not tabulated, it was not possible to determine the status of achievement. On the other hand, as a reference value, the annual number of foreign passengers in Mongolia (including air, rail, and land routes) was confirmed. Although it significantly decreased in 2021 due to the impact of COVID-19, a substantial increase was observed in 2022 and 2023. It is considered that the development of the new airport has also contributed to this increase.

3.3.1.2 Qualitative Effects (Other Effects)

At the time of the appraisal, two qualitative effects were expected through the project implementation: (1) improvement of airport safety and reliability, and (2) improvement of airport convenience. The status of these effects, as confirmed at the time of the ex-post evaluation, is as follows.

(1) Improvement in Reliability and Safety

At the new airport, it is now possible to take off and land from both directions on the runway, reducing delays and cancellations caused by weather and wind conditions that frequently

[21] According to CAAM, air cargo traffic peaked in 2022 after the COVID-19 pandemic and has been on a downward trend since then. However, in Japan, a significant increase was seen in 2021, and it began to decline again after 2022, etc. (Source: Japan Aircargo Forwarders Association, Air Cargo Handling Results), thus it is thought that different trends can be seen in different regions.

occurred at the former airport. As a result, punctuality has been ensured, and the reliability of air services has improved. Additionally, the former airport was close to the city center, and poor visibility due to air pollution was a safety concern. On the other hand, the new airport is located far from residential areas, and the installation of runway centerline lights has reduced the impact of heavy fog, bad weather, and air pollution on visibility, contributing to improved safety.

(2) Improvement of Convenience

According to interviews with airport users,[22] the convenience of the new airport has significantly improved compared to the firmer airport. For example, although the situation varies slightly depending on the season, day of the week, and time of day,[23] the waiting time for boarding and departure has been reduced at the new airport compared to the former one. Moreover, the expansion of the passenger terminal area compared to the former airport has also improved spatial comfort. The installation of Wi-Fi connections, desks, and power outlets, which were not available at the former airport, has helped passengers make better use of their waiting time and has received high marks from users. Furthermore, the passenger terminal has restaurants, cafes, convenience stores, shops, banks, and florists, offering a greater variety and number of stores compared to the former airport. It can also be said that the efficiency with which airport staff carry out their duties has contributed to the improvement of the situation. These improvements have been recognized, and in 2024, the new airport was certified as a 4-star airport by SKYTRAX.[24] However, many have pointed out that access to the new airport takes more time compared to the former airport,[25] and the lack of public transportation makes it difficult to travel.[26] Currently, taxis are available 24 hours a day at the airport arrival level. However, traveling between the airport and Ulaanbaatar city center by taxi is generally expensive in Mongolia, and there have been many requests for public transportation services connecting Ulaanbaatar city and the airport.

3.3.1.3 Achievement of the Outputs and Project Purpose of the Associated TC Project

The indicators for the outputs and project purpose set in the Associated TC Project were all

[22] In the first field survey, 15 people (Seven males and eight females) (three in their 20s, four in their 30s, four in their 40s, and four in their 50s), including eight airport users, three store staff, two taxi drivers, and two airport staff, were interviewed about the convenience of the new airport.

[23] For example, waiting times tend to increase during peak travel seasons and when flights take off and land at the same time.

[24] SKYTRAX, a UK-based airline service research company, assesses airport facilities, services, maintenance, cleanliness, and more. Based on passenger satisfaction surveys, they rate international airports and airlines from 1 to 5 stars.

[25] The distance from Ulaanbaatar city center to the former airport is approximately 15 km, while the distance to the new airport is about 50 km.

[26] According to CAAM, there was a period in the past when buses operated between the new airport and Ulaanbaatar city; however, as of the field study in August 2024, the service had already been discontinued. Subsequently, the executing agency reported that, in response to passenger demand, bus operations between the new airport and Ulaanbaatar city had resumed as of February 2025.

achieved by the time of project completion, as shown in the table below (including some information updated by the time of the ex-post evaluation).

Table 4 Achievement of the Project Purpose and Outputs

Project Purpose and Outputs	Status of achievement
Project Purpose: Mechanism as well as capacity for O&M is strengthened in the new airport for its smooth inauguration.	Achieved
Output 1: O&M organization is established based on O&M plan including staff allocation.	Achieved
Output 2: Implementation capacity for revised maintenance plan of runways, etc. at the new airport is improved.	Achieved
Output 3: Implementation capacity for newly developed O&M plan of fuel supply at the new airport is improved.	Achieved Although the majority of staff who underwent the training are no longer present due to transfers or resignations, operations have been conducted and continued without issue under the jurisdiction of CAAM.
Output 4: Implementation capacity for newly established charge setting system and tenant management plan at the new airport is improved.	Achieved Due to the impact of COVID-19, the tenant shops that had not opened by the completion of the project are now operating smoothly at the time of the ex-post evaluation.
Output 5: Implementation capacity for newly developed customer satisfaction (CS) plan for upgrading CS at the new airport is improved.	Achieved At the time of project completion, the numbers of international flights and passengers were limited due to the impact of COVID-19. However, both have shown a recovery trend at the time of the ex-post evaluation.
Output 6: Implementation capacity for newly developed relocation master plan is improved.	Achieved The actual relocation work was completed smoothly.
Output 7: Capacity of CAAM is developed for provision of Air Navigation Services at New Airport.[27]	Achieved Air Navigation Services are being carried out and continued without any issues under the jurisdiction of CAAM.

Source: Project Completion Report, interviews with staff of CAAM and NUBIA

[Effects generated through the collaboration of the Project and the Associated TC Project]

All activities and indicators for the outputs 1 to 7 were generally achieved by the completion of the Project, and the main objective of smoothly transferring operations from the former airport to the new airport was accomplished. For Mongolia, this was the first experience of airport relocation, and through the implementation of the Associated TC Project, the relocation plan was formulated, and the relocation was carried out without any issues in accordance with the plan. The Associated TC Project created a prioritized list specifying which facilities to relocate, when

[27] Output added in April 2016. (Source: Project Completion Report)

to relocate them, and how to proceed, forming the basis for the relocation plan. Initially, the plan was developed separately by each department. However, the related departments revised the plan through repeated discussions and coordination, which contributed to the smooth relocation process. According to CAAM and NUBIA staff, the implementation of the Associated TC Project was considered essential for the smooth operation of the new airport.

The training provided by the Associated TC Project has also influenced changes in awareness regarding airport operations. Through the training, airport staff have learned business perspectives, operational efficiency, and the implementation of tasks according to plans, which they were not conscious of during the former airport operations. It has been confirmed that they are now applying these aspects in their daily work. According to NUBIA staff, the former airport prioritized security, with little consideration for business efficiency. However, through the Associated TC Project, opportunities were provided to learn the importance of various aspects, including not only security but also efficiency, customer service, task execution according to plans, and staff health. The foundational knowledge gained through training has become integral to their daily operations.

3.3.2 Impacts

3.3.2.1 Intended Impacts

At the time of the appraisal, it was expected that the construction of the new airport would contribute to the revitalization of society and the economy through increased foreign investment and enhanced air transport capacity. This survey confirmed the following impacts.

(1) Strengthen Air Transportation Capacity (Increase in Flights, Number of New Flights, etc.)

The number of flights in the country has decreased since 2020 due to the impact of COVID-19. However, as noted in "3.3.1 Effectiveness", the new airport has seen an increasing trend in passenger numbers and cargo volumes. This can be attributed to the fact that, despite the decrease in the number of flights, the new airport is capable of accommodating large aircraft that the former airport could not.

Table 5 Number of Flights in Mongolia

(Unit: number of flights)

2018	2019	2020	2021	2022	2023
131,801	143,805	73,163	71,150	51,718	63,463

Source: National Statistics Office of Mongolia

According to CAAM, seven new airlines[28] have started operations since the opening of the

[28] Eznis Airways (Mongolia), Air Incheon (South Korea), Jeju Air (South Korea), T'way Air (South Korea), Spring Airlines (China), IrAero (Russia), KrasAvia (Russia)

new airport. Domestic airlines are steadily increasing the number of new flights to 53 new destinations in 23 countries, confirming that the new airport is helping to strengthen the country's air transportation capacity. In August 2023, an Open Skies Agreement was officially signed with the United States, .and the launch of direct flights to San Francisco is also being planned.

(2) Economic Revitalization through Increased Foreign Investment, etc.

Following the opening of the new airport, it is considered premature to judge the contribution of the Project to the amount of foreign investment inflows and GDP growth rate, partly due to the impact of COVID-19. On the other hand, despite the impact of COVID-19, the number of tourists significantly increased in 2023, and it can be said that the development of the new airport contributed to this growth. Although there is no data on the share of tourism in GDP, the trade, hotel, and restaurant industries account for an average of approximately 17% annually,[29] suggesting that they make a certain contribution to the country's economic activity.

Table 6 Foreign Direct Investment Inflows Amount

(Unit: million US$)

2015	2016	2017	2018	2019	2020	2021	2022
1,396	1,486	2,086	2,729	3,131	2,560	2,714	3,418

Source: National Statistics Office of Mongolia

Table 7 GDP Growth Rate

(Unit: %)

2015	2016	2017	2018	2019	2020	2021	2022	2023
3.0	1.2	5.9	7.0	7.1	-7.6	6.6	1.8	7.1

Source: National Statistics Office of Mongolia

Table 8 Number of Tourists

(Unit: thousands of people)

2015	2016	2017	2018	2019	2020	2021	2022	2023
121	150	191	222	260	8	1	123	321

Source: National Statistics Office of Mongolia

[The Associated TC Project] Achievement of the Overall Goal

Overall goal: New Airport, the capital airport of Mongolia, is upgraded in its capacity to be able to function appropriately in case of rapid increase of customers as the gateway of the country.

Indicator 1: New Airport is installed with the capacity to handle annual demand of passengers of two million properly.

[29] Source: National Statistics Office of Mongolia

Indicator 2: Convenience of stakeholders, such as airlines using New Airport, is increased.

At the time of completion of the Associated TC Project, the prospect of achieving the overall goal was considered "partially achieved" due to the significant decrease in air passengers caused by the impact of COVID-19. However, at the time of the ex-post evaluation, the annual passenger numbers reached 1.73 million, exceeding the target value, and the number of new flight routes has been also steadily increasing. The new airport is designed to handle two million passengers annually. Although the number of passengers in 2023 did not reach two million, the number of international passengers from January to May 2024 (winter season) increased by 1.4 times compared to the same period in 2023. According to MRTD, considering the increase in demand during the summer (high season), the number of passengers in 2024 is expected to exceed 2.4 million. Additionally, unlike the former airport, where takeoffs and landings were only possible from the north side due to geographical constraints, the new airport allows for takeoffs and landings from both directions. The introduction of runway centerline lights has also improved safety during nighttime and limited visibility conditions. Furthermore, the new airport can accommodate all large passenger aircraft (except the Boeing 747-8 and Airbus A380). As a result, delays and cancellations have been reduced, confirming the improved convenience for airport personnel.

3.3.2.2 Other Positive and Negative Impacts

1) Impacts on the Environment

The Project was classified as Category A as it falls under the airport sector as stipulated in the "JBIC Guidelines for Confirmation of Environmental and Social Considerations" (formulated in April 2002). It was considered that the Associated TC Project would have minimal or no adverse impact on the environment and society, and it was classified as Category C according to the "JICA Guidelines for Environmental and Social Considerations (formulated in April 2010." The Environmental Impact Assessment (EIA) report of the Project was approved by Mongolia's Ministry of Nature and Environment in June 2007. Although noise simulation results indicated that aircraft noise would not affect residential areas around the airport, measures to address air pollution such as restricting the idling of aircraft and work vehicles at the airport, introducing low-emission vehicles, installing wastewater treatment facilities to meet domestic standards for wastewater generated at the airport, and proper disposal of waste following domestic collection and disposal systems were planned. Additionally, to address the impact on water quality and soil due to the change in the refueling system from the refueler method to the hydrant method, seamless pipes that prevent oil leakage into the ground are being used. It was also planned to install oil leak detectors at the connection points between the pipes and equipment to monitor continuously. Furthermore, during

construction and operation, the executing agency planned to monitor air quality, water quality, noise and vibration, and the natural environment and they were to submit a monitoring report annually to the Mongolian State Specialized Inspection Agency for approval. During the project implementation, mitigation measures were carried out according to the plan, and monitoring was conducted by the contractor. The reports were submitted to the Mongolian State Specialized Inspection Agency and received approval. Additionally, it was confirmed by the executing agency that reports are submitted every four years even after the project's completion. There are no residential areas near the new airport, and no complaints have been received from residents during or after the implementation.

2) Resettlement and Land Acquisition

As all the land for the Project is government property, land acquisition and resettlement were not anticipated at the time of the appraisal. In fact, neither resettlement nor land acquisition occurred.

3) Gender Equality

At the time of the appraisal of the Project, it was assumed that a spacious nursing room would be provided in the passenger terminal building of the new airport, ensuring a design that would be convenient for mothers with infants. In practice, facilities that can be used by mothers with infants and children have been developed, and it has been confirmed that the design reflects the needs of women. These facilities are being utilized by mothers with infants and children, as well as their families.

4) Marginalized People

The design of the new airport incorporates considerations for people with disabilities, the elderly, pregnant women, and children. For example, wheelchairs are readily available at the information desks on each floor to ensure ease of use for individuals with such needs. Additionally, tactile paving for visually impaired individuals has been installed from the parking lot to the information desks on each floor, ensuring an accessible pathway. Multipurpose restrooms are also available on every floor. According to airport staff, these facilities are being effectively utilized by their intended users.

5) Social Systems and Norms, People's Well-being and Human Rights

No specific or direct activities from the perspective of social systems, norms, people's well-being, or human rights were indicated at the time of the appraisal, and no related impacts occurred during or after implementation of the Project.

6) Unintended Positive / Negative Impacts: Contribution to Medical Support During the COVID-19 Pandemic

Under the directive of the Mongolian government, the state-owned airline MIAT transported 8.6 million doses of vaccines to Mongolia on 41 international flights during the challenging pandemic period in 2021. Additionally, MIAT operated 800 flights connecting Asia and Europe to transport medicines, medical equipment, relief supplies, and various products from overseas. At the new airport, facilities such as the newly developed cargo terminal and the expanded capacity of refrigeration and freezing facilities compared to the former airport also contributed to the transportation and reception of those goods. During the COVID-19 pandemic, the cargo terminal played a vital role in receiving medical supplies, including vaccines delivered as emergency aid, and functioned as an essential facility for their proper storage and handling.



Photo 4 Nursing Room



Photo 5 Installed Multipurpose Toilet

(Source: taken by the external evaluator)

While the new airport was temporarily affected by COVID-19 after its opening, the annual number of passengers, cargo volumes, number of aircraft takeoffs and landings, and the rate of delays and cancellations have improved, generally reaching the target values. Due to location constraints, the former airport only allowed take-offs and landings from one direction. However, take-offs and landings are now possible at the new airport from both directions. Additionally, the installation of lighting equipment and other improvements have reduced delays and cancellations. As a result, the reliability and safety of the airport as the capital's primary airport have also been confirmed to have improved. Although there is room for improvement in access to the new airport, it is well-equipped with facilities, shops, and services, resulting in high customer satisfaction regarding convenience. The number of new flight routes and tourists has increased since the airport opened. Although indirectly, it can be said to contribute to the promotion of the country's economic activities.

In light of the above, this project has mostly achieved its objectives. Therefore, effectiveness

and impacts of the project are high.

3.4 Sustainability (Rating: ④)

3.4.1 Policy and System

The revised Civil Aviation Law (2023), which will come into effect in 2025, aims to strengthen regulations on civil aviation activities within Mongolia and its airspace and to improve aviation safety, efficiency, and accessibility, and the relevance of the Project, which aims to enhance the safety, reliability, and convenience of the capital's airport, is maintained. Additionally, in 2022, Parliamentary Resolution No. 143 concerning the development plan for the new satellite city of Zuunmod near the airport was approved. The resolution expects that the city, including the new airport, will create a favorable environment for tourism, business, finance, trade, services, and investment, while also serving as a hub for production, innovation, transportation, and logistics, thereby contributing to the promotion of economic growth.

3.4.2 Institutional/Organizational Aspect

The new airport is operated and maintained by New Ulaanbaatar International Airport LLC (NUBIA), a joint venture funded and participated in by a consortium of Japanese companies[30] and a Mongolian state-owned enterprise, under a 15-year concession agreement with the Mongolian Government's National Development Agency.[31] However, the maintenance of certain facilities, such as the control tower, runway centerline lights, and refueling systems, falls under the jurisdiction of CAAM, with the National Civil Aviation Center (NCAC),[32] a subsidiary of CAAM, responsible for their upkeep.[33] The majority of the staff from the former airport have been transferred to NUBIA or NCAC and are now engaged in the operation and maintenance of the new airport. At the time of the ex-post evaluation, NUBIA had approximately 660 employees, CAAM had about 100 employees, and NCAC had about 1,500 employees, with no reports of staffing shortages up to that point. However, the impact of COVID-19 is decreasing and the number of airport users is increasing, and some departments are expected to need additional staff in the future.[34]

As mentioned above, NUBIA and CAAM are in charge of the operation and maintenance of the new airport, and the division of roles among these organizations is clear. Although some departments will require additional staff in the future, the number of staff at the time of the ex-post evaluation has been secured, and there are no issues in institutional/organizational aspects.

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[30] Mitsubishi Corporation, Narita International Airport Corporation, Japan Airport Terminal Co., Ltd., and JALUX Inc. are participating.
[31] The agency was reorganized into the Ministry of Economic Development in 2022.
[32] NCAC is also responsible for the maintenance of airports in regions within Mongolia.
[33] Source: Documents provided by JICA, interviews with CAAM
[34] Source: Responses to the MRTD and CAAM questionnaires, and interviews with each department during the site visit.

3.4.3 Technical Aspect

Many of the staff members in each department engaged in the operation and maintenance of the new airport have expertise in airport facility maintenance, gained from their experience in operating and maintaining the former airport. Additionally, they have received training provided by suppliers as well as maintenance-related training of each department through the Associated TC Project, ensuring there are no technical issues. Additionally, manuals for each department have been prepared, and daily and periodic inspections are conducted following these manuals. Furthermore, NUBIA has undertaken various activities to improve airport services. The initiatives are implemented based on an analysis of needs derived from customer survey results, including activities such as the renewal of the airport website, the addition of signage, an increase in the number of trolleys, language training for employees, and clean airport campaigns.[35]

In light of the above, the staff involved in the operation and maintenance of the new airport possess the necessary technical capabilities. Maintenance is appropriately carried out in each department according to the manuals. Therefore, there are no issues in terms of the technical aspect.

[Contribution of the Associated TC Project]

Through the Associated TC Project, training was conducted to enhance the maintenance capabilities of the new airport. For example, training was provided on the differences between the asphalt runway of the former airport and the concrete cement runway of the new airport, as well as specific maintenance methods. In addition, in tenant operations, changes have been made from the area-based fee collection method used at the former airport to a revenue-based fee collection method, referencing examples from Japanese airports. Additionally, a POS system has been introduced. Regarding the refueling system, the newly introduced Highland method refueling system is operated and maintained according to plans developed by predecessors and engineers who participated in the Associated TC Project training. Maintenance is carried out annually according to these plans without any issues. Newly assigned staff have also been trained by the same two members, ensuring that the operation and maintenance of the new refueling system are carried out without any issues.[36] With the introduction of the Highland method, tasks that were previously outsourced to private companies due to staff shortages are now handled solely by CAAM personnel.

3.4.4 Financial Aspect

As explained in “3.4.2 Institutional/Organizational Aspect,” the operation and maintenance of

[35] Source: Interview with NUBIA staff and site visits
[36] Source: Interviews with NUBIA and CAAM Staff

the new airport are handled by NUBIA. Although NUBIA's financial information is not disclosed, according to NUBIA staff, the financial situation was challenging in 2021 and 2022 due to the impact of COVID-19 following the opening of the new airport. However, since 2023, both passenger and cargo volumes have been on a recovery trend, and the situation has significantly improved. It should be noted that NUBIA does not receive subsidies from the Mongolian government.[37] Furthermore, as described later in "3.4.7 Status of Operation and Maintenance," the new airport is well-maintained, and facility expansions are carried out as needed. Therefore, there are no financial concerns regarding the operation and maintenance of the new airport.

At the former airport, only landing fees were collected from airlines. However, under private management at the new airport, operations based on the experience of private companies have been implemented, such as charging for ground support services like cargo handling and refueling. On the other hand, unlike the public service-based operation of the former airport, the new airport is operated by private entities and is therefore subject to taxation. CAAM bears the burden of property and real estate taxes. CAAM was not aware of this tax burden in advance, and while NUBIA receives the revenue from the operation of the new airport, CAAM is responsible for paying the taxes, which poses a certain burden on CAAM. Regarding CAAM's budget, a budget plan is formulated each year based on the amounts requested by each department, and any urgently required budget is addressed through budget revisions. However, airport facilities are classified as important special infrastructure, and if the amount is substantial, funds are covered by the government's reserve fund. Therefore, there are no issues in terms of financial aspect.[38]

3.4.5 Environmental and Social Aspect

As explained in "3.3.2.2 Other Positive and Negative Impacts 1) Impacts on the Environment", mitigation measures were implemented for potential negative impacts, and no negative impacts occurred. Furthermore, it has been confirmed by the executing agency that there will be no anticipated negative impacts on the environmental and social aspects at the time of the ex-post evaluation.

3.4.6 Preventative Measures to Risks

At the time of the appraisal, two points were highlighted as key considerations for project implementation and management: "ensuring that the construction delays caused by changes to the Mongolian side's airport access road development plan do not occur," and "the transfer of international and domestic flight operations from the former airport to the new airport." The access road was funded by a loan that the Mongolian government applied for from China in 2015

[37] Source: Interviews with NUBIA staff
[38] Source: Interviews with CAAM staff

and were completed in 2019. Although there was a delay compared to the initial plan, the planning and construction were carried out to align with the actual opening of the airport, and as a result, the access road was completed in time for the opening. Additionally, the international and domestic operations have been transferred from the former airport to the new airport as planned.[39]

3.4.7 Status of Operation and Maintenance

All of the facilities and equipment maintained by the project are in good working order, well-maintained, and well-cleaned. In response to the increase in airport users, the length of two baggage conveyors was extended by about 1.5 times in 2023. Maintenance, including the procurement of consumables and spare parts, is carried out according to plan, and no problems have arisen.

While instances of congestion were observed when multiple large aircraft arrived simultaneously or during overlapping check-in times for several flights, it is not considered problematic compared to airports in other regions. Similar opinions were frequently confirmed in interviews with airport users. According to airport users, it is common in Mongolia for large groups to see off or welcome travelers during international trips. This results in many people, including those seeing off or picking up travelers, contributing to airport congestion.[40]

As mentioned above, all facilities at the new airport are operating without issues, and the maintenance is well-managed. Cleaning is thorough, and maintenance is carried out according to plan. No significant problems have arisen to date, and expansions to accommodate increased demand are being implemented. Therefore, there are no issues of concern in terms of the operation and maintenance status.

No issues have been observed in the policy/system, institutional/organizational, technical, financial, and environmental and social aspects, including the current status of operation and maintenance. Future risks have been well mitigated. Therefore, sustainability of the project effects is very high.

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

The Project was implemented to improve the safety, reliability, and convenience of the capital airport by the construction of a new international airport in the suburbs of Ulaanbaatar, thereby contributing to further economic growth in Mongolia. In connection with the Project, the

[39] Excluding military aircraft and emergency medical evacuations.
[40] Source: Site inspections, interviews with maintenance personnel from each department, and interviews with airport users.

Associated TC Project, was also executed to ensure the smooth operation of the new airport and to strengthen its operation and maintenance systems and capabilities. The Project aligns with Mongolia's development policy and development needs at the time of the appraisal and ex-post evaluation. Although there was no specific cooperation or coordination with the projects or assistance by JICA or other development organizations, the Project was consistent with Japan's aid policy and international framework such as the goals of the SDGs at the time of appraisal. Therefore, its relevance and consistency are high. Due to factors such as the rise in material prices, rapid exchange rate fluctuations, specification changes resulting from higher-than-expected passenger demand forecasts, and the addition of components covered by ODA loans, the Project costs significantly exceeded the plan. Additionally, the Project period also significantly exceeded the plan due to factors such as the addition of facilities, unsuccessful bids, and delays in the opening caused by the impact of the COVID-19 pandemic. Therefore, efficiency of the project is low. At the new airport, effects such as an increase in annual passenger numbers, cargo volume, and the number of aircraft takeoffs and landings, as well as a decrease in the rate of delays and cancellations caused by weather conditions, have been observed. Additionally, while the former airport only permitted takeoffs and landings from one direction due to its location, the new airport allows for takeoffs and landings from both directions. Furthermore, the installation of lighting equipment has contributed to the reduction of delays and cancellations. Accordingly, improvements in reliability, safety, and convenience have been confirmed. The increase in new flight routes and tourists has also contributed to the promotion of economic activities in the country. Therefore, effectiveness and impacts of the project are high. No issues have been observed in the policy/system, institutional/organizational, technical, and financial aspects, including the current status of operation and maintenance. Thus, sustainability is ensured. Therefore, sustainability of the project effects is very high.

In light of the above, this project is evaluated to be satisfactory.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

None

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

<u>The necessity of prior notification regarding the burden after airport relocation</u>

The operation of the new airport has been entrusted to a private company for the first time in Mongolia's airport sector, and it is being managed based on private sector experience. Although

some facilities were not fully operational immediately after the opening due to the impact of COVID-19, they are now fully operational. The operation of the airport, leveraging private sector experience, has also led to reported improvements in services. On the other hand, with the new airport being operated by a private company, the payment of property taxes has become the responsibility of CAAM (since the former airport was operated by the public entity CAAM and was therefore tax-exempt). While the revenue goes to the private sector, the tax payments have become a certain burden for CAAM. In cases like the Project, where the executing agency differs from the operation and maintenance agency, or where the operation and maintenance agency for a new facility differs from that of the previous facility, it can be said that the government and the executing agency should have more thoroughly identified, examined, and specified the roles of each agency, as well as the burdens arising after the transfer, during the planning stage. They should also have notified stakeholders in advance and gained their understanding.

5. Non-Score Criteria

5.1 Performance

5.1.1 Objective Perspective

None

5.2 Additionality

None

(End)

Comparison of the Original and Actual Scope of the Project

Item	Plan	Actual
1. Project Outputs		
1) Runway development		
Runway	3,600 m × 45 m	As planned
Taxiway	4,160 m × 23 m	4,142 m × 23 m
Aprons	101,084 m^2	108,800 m^2
2) Terminal building construction		
Passenger	31,200 m^2	33,300 m^2
Cargo	2,380 m^2	3,689 m^2
(Implemented with Mongolian funding		
3) Construction of airport-related facilities and procurement of equipment	Control tower (including related facilities such as communications), aviation security facilities (radio facilities, aviation lights, etc.), fire and rescue facilities, car parks, access road within the airport, power supply system, heating system, water supply system, sewerage treatment system, solid waste disposal system, fueling system, vehicles (firefighters, ambulance, ground support vehicles), GSE building, GSE equipment, airport maintenance equipment	Modification: Hydrant fueling system Added: Terminal bridge, runway centerline lights, aircraft hangar, heated parking
4) Consulting services	Phase 1: Design and bid support, construction supervision, environmental management support, etc. Phase 1: Design, construction supervision, etc.	As planned
2. Project Period	May 2008-September 2015 (89 months)	May 2008-June 2021 (158 months)
3. Project Cost		
Amount Paid in Foreign Currency	21,802 million yen	65,256 million yen
Amount Paid in Local Currency	12,442 million yen (124,420 million tugrik)	5,640 million yen (7,230 million tugrik)
Total	34,244 million yen	70,896 million yen
ODA Loan Portion	28,807 million yen	65,256 million yen
Exchange Rate	1 tugrik = 0.10 yen (As of October 2007)	1 tugrik = 0.78 yen (Average between May 2008 and June 2021)
4. Final Disbursement	Phase 1: August 2016 Phase 2: October 2021	

(End)

Mongolia

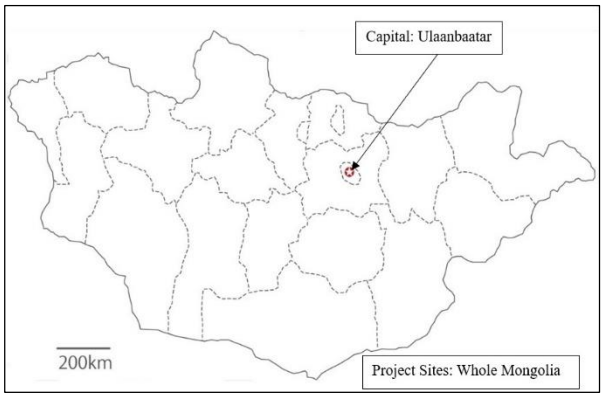
FY2023 Ex-Post Evaluation Report of
Japanese ODA Loan
"COVID-19 Crisis Response Emergency Support Loan"

External Evaluator: Kenichi Inazawa, Octavia Japan Co., Ltd.

0. Summary

This project provided financial support to the government of Mongolia, which was implementing public health measures, economic measures and expanded social security for socially vulnerable groups, thereby contributing to the expansion of the government's economic and social security policies in Mongolia[1], where there was increasing concern about the hardships of small and medium-sized enterprises and socially vulnerable groups because economic activities were restricted by various measures to curb the spread of the novel coronavirus (hereinafter referred to as "COVID-19"). With regard to relevance, this project was "consistent with the development plan" and "consistent with the development needs." While it was also "consistent with Japan's ODA policy," no specific collaboration or synergy effects could be identified concerning "internal coherence" and "external coherence." However, it can be said to be consistent with the goals of international frameworks (e.g., SDGs). Based on the above, its relevance and coherence are high. With regard to effectiveness and quantitative effect indicators, target values were mostly achieved for all the indicators. With respect to impacts, through interviews during field surveys and statistical data, it was confirmed that the government's economic and social security policies had supported low-income groups and improved the unemployment rate during and after the pandemic, contributing to reducing the government's fiscal gap (deficit). Therefore, effectiveness and impacts of the project are high.

1. Project Description



Project Location
(source: JICA)



Ulaanbaatar City Center
(source: photographed by the evaluator)

[1] The population is approximately 3.41 million people (2021 data, source: International Monetary Fund (IMF)).

1.1 Background

In 2020, COVID-19 was spreading worldwide. The Mongolian government was working to suppress the outbreak, establishing an advanced epidemic prevention system. The measures taken included the suspension of all international flights except for chartered flights, a restriction on foreigners' entry, the closing of land borders except for cargo and the closing of schools. As the infection spread, the country closed its border with China, with which Mongolia had a significant trade relationship. This led to a rapid economic decline and raised concerns about the impoverishment of the socially vulnerable. The government launched policies and measures with the aim of restoring the domestic economy and supporting the livelihoods of socially vulnerable groups. However, the fiscal year (FY) 2020's budget was expected to fall short (fiscal deficit), which forced the government to review its spending plans. As specific measures, supplementary funding from the Financial Stabilization Fund funded by mineral resource revenues, borrowing from overseas sources such as international financial institutions/bilateral aid agencies and the issuance of local currency-denominated bonds for the domestic market were being considered. Under such circumstances, this project was designed to provide financial support to the government, which was promoting economic and social security policies related to COVID-19 countermeasures.

1.2 Project Outline

The objective of this project is to support the expansion of the government's economic and social security policies by providing financial support to the government in its efforts to expand public health measures, economic measures and social security for vulnerable groups, thereby contributing to the promotion of social and economic stability and development efforts through suppressing the growth of unemployment and poverty rates in Mongolia, where there was increasing concern about the hardships of small and medium-sized enterprises and socially vulnerable groups because economic activities were restricted by various measures to curb the spread of COVID-19.

Loan Approved Amount / Disbursed Amount	25,000 million yen / 25,000 million yen
Exchange of Notes Date / Loan Agreement Signing Date	October 9, 2020 / November 5, 2020
Terms and Conditions	Interest Rate: 0.01 % Repayment Period: 15 years (Grace Period: 4 years) Conditions for Procurement: Untied
Borrower / Executing Agency(ies)	Government of Mongolia / Ministry of Finance of Mongolia

Project Completion	December 2020
Target Area	All of Mongolia
Main Contractor(s) (Over 1 billion yen)	None
Main Consultant(s) (Over 100 million yen)	None
Related Studies (Feasibility Studies, etc.)	None
Related Projects	[Technical Cooperation] - "Project for Strengthening Post-graduate Training for Health Professionals in Primary and Secondary Level Health Facilities" (2015–2020) - "Project for the Establishment of Hospital Management and Medical Services at the Mongolia-Japan Teaching Hospital" (2017–2022) - Science and Technology Research Partnership for Sustainable Development (SATREPS): "Control of Tuberculosis and Glanders in Mongolia" (2020–2025) [Grant Aid] - "Program for COVID-19 Crisis Response Emergency Support" (grant agreement was signed in 2021) [Other International Institutions, Agencies, etc.] - World Bank "COVID-19 Emergency Response and Health System Preparedness Project" (2020) - Asian Development Bank (ADB) "COVID-19 Rapid Response Program" (2020) - International Monetary Fund (IMF) "Rapid Financing Instrument" (2020) - Asian Infrastructure Investment Bank (AIIB) "COVID-19 Rapid Response Program" (2020)

2. Outline of the Evaluation Study

2.1 External Evaluator

Kenichi Inazawa, Octavia Japan, Co., Ltd.

2.2 Duration of Evaluation Study

This ex-post evaluation study was conducted with the following schedule.

Duration of the Study: September 2023–February 2025

Duration of the Field Study: November 18, 2023–December 3, 2023 and
April 6, 2024–April 14, 2024

2.3 Constraints During the Evaluation Study

This project is a program-type loan. The main evaluation items were limited to relevance, coherence, effectiveness and impact. Efficiency was not analyzed or evaluated because it is difficult to quantitatively compare the inputs (costs) and the outputs (results). Regarding effectiveness, the focus was given to the analysis and evaluation of the following: whether this project was able to meet the financial needs of the economic and social security policies to counter COVID-19, the implementation status of the policy actions and the degree to which the outcome indicators have been achieved. Concerning impacts, the analysis and evaluation were mainly conducted on social and economic stability as a result of controlling the worsening of unemployment and poverty rates. With regard to sustainability, only what was obtained during the information-gathering process was included in this report; no analysis or evaluation was performed. Sub-ratings were given for "Relevance/Coherence" and "Effectiveness/Impact," while no overall rating was given.

3. Results of the Evaluation (Overall Rating: N/A)

3.1 Relevance/Coherence (Rating:③[2])

3.1.1. Relevance (Rating:③)

3.1.1.1 Consistency with the Development Plan of Mongolia

Prior to the start of this project, the Mongolian government announced the *COVID-19 Pandemic Response Plan* in March 2020, which aimed to comprehensively prevent and treat COVID-19; efforts were made to strengthen the system in preparation for the spread of infection in the country. At the end of April of the same year, the *Act to Prevent the Spread of COVID-19* was enacted in an effort to maintain public health. However, the spread of the infection had not been contained at the time, and there were blockades and restrictions on movement at the border with China; there were growing concerns about the economic and social impact. Under such circumstances, with the aim of restoring the domestic economy and supporting the livelihoods of socially vulnerable groups, the government provided cabinet approval in March 2020 for the "Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness: Totaling 5.1 trillion MNT (approximately 1.84 billion USD)." In May the same year, the government adopted the second economic measure: "Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic: Totaling 0.793 trillion MNT (approximately 280 million USD)." Then in August the government held an extraordinary session of parliament where partial extensions of these economic measures and additional contributions through the supplementary budget were

[2] ④: Very High, ③: High, ②: Moderately Low, ①: Low

approved.[3]

At the time of the ex-post evaluation, the Mongolian government formulated the *Long-Term Vision 2050*, which aims to achieve social development, economic growth and improve quality of life, setting 2050 as the target year, with nine main goals. Among these, for the goal "quality of life and the middle class," the following are listed: to sustainably increase household income by promoting employment, to cultivate active and creative families by promoting housing development and to foster a middle class capable of maintaining household finances and a satisfying living environment. In addition, under the goal "human development," it aims to expand health systems that are of high quality, easily accessible and efficient. Furthermore, the government revised the "Social Welfare Act" and the "Employment Promotion Act" in 2022 with the aim of expanding and supporting employment support systems for poor households. The revision of the Social Welfare Act is expected to advance the provision of support and services that enable people who are unable to work and poor households to find work, while the revision of the Employment Promotion Act is expected to expand employment support services.

Based on the above, before the project commencement and at the time of the ex-post evaluation, the Mongolian government aimed to promote economic and social security policies so as to support economic development and to support people who are hindered from fair participation in society (poor households), and aimed to expand the welfare and health system by amending laws. Therefore, the project is consistent with the policies and measures stipulated in the national plan and the sector plan, etc., before the project commencement as well as at the time of the ex-post evaluation.

3.1.1.2 Consistency with the Development Needs of Mongolia

Prior to the project commencement, the Mongolian government had established an advanced epidemic prevention system as COVID-19 infections were on the rise. Measures taken included the suspension of international flights except for charter flights, a restriction on the entry of foreigners, the closing of land borders except for cargo and the closing of schools. Despite such efforts to prevent the spread of the virus, the closure of the national border with China caused a rapid economic decline, as China accounted for approximately 80% of Mongolia's exports. In particular, the production and export volume of mineral resources—a major export product—decreased. With the aim of restoring the domestic economy and supporting the livelihoods of socially vulnerable groups, the government needed to implement measures such as "Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of

[3] These economic measures were structured around a wide range of support, such as: exemptions on import taxes and value-added taxes related to the procurement of medical equipment and pharmaceuticals, to an increase in child allowance payments, a partial period of reduction/exemption of social insurance premium payments, corporate/individual income tax reduction/exemption, and the provision of subsidies and concessional loans for businesses.

Readiness" and "Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic."[4] Although the government has advanced economic and social security policies, the fiscal year 2020's budget was expected to fall short (fiscal deficit), which forced the government to review its spending plans. As specific measures, supplementary funding from the Financial Stabilization Fund funded by mineral resource revenues, borrowing from overseas sources such as international financial institutions/bilateral aid agencies and the issuance of local currency-denominated bonds for the domestic market were being considered. Under such circumstances, this project was designed to provide financial support to the government, which was promoting economic and social security policies related to COVID-19 countermeasures.

At the time of the ex-post evaluation, the government of Mongolia continues to take COVID-19 prevention measures.[5] The government passed a new revitalization policy in the parliament[6] to eliminate the negative social and economic impacts, overcome difficulties and resolve problems. In accordance with this policy, the government promoted the mining of coal (its main export product) and resumed exports to China, which resulted in an improvement in government revenues.[7] In addition, the government formulated a supplementary budget in June 2023, and policy measures to improve the living environment of the people will be implemented, such as the expansion of social security for children, the elderly and people with disabilities, and increasing civil servants' salaries.[8] As well as improving health and education services, the government plans to expand the middle-income class and raise income levels through economic revitalization.[9] Furthermore, the government is also working on fiscal discipline. According to Article 19, Paragraph 3 of the Fiscal Stability Act (revised in July 2021), in order to stabilize the fiscal balance, the government is working on debt management by setting targets: keeping the

[4] In addition, at the end of April 2020, the Mongolian government passed a resolution on "measures to ensure financial and economic stability, risk prevention and digitalization in response to COVID-19" in its parliament, with the aim of easing restrictions on the financial sector and improving systems to contribute to COVID-19 countermeasures. Initiatives such as lowering interest rates for commercial banks, introducing preferential housing loan treatment for doctors, civil servants, etc., and digitizing administrative services were also under consideration.

[5] At the time of the ex-post evaluation, improving infectious disease diagnosis, infection control and monitoring capabilities is an urgent issue in Mongolia; continuous efforts to prevent infectious diseases are needed.

[6] December 27, 2021 (Resolution No. 113 of the parliament).

[7] Reference information: Mongolia is a landlocked country bordering China on the east and south and Russia on the north. Approximately 65% of import sources are in China and Russia (35% China, 30% Russia), and approximately 85% of export destinations are in China; Mongolia has strong economic ties with its neighboring countries. Approximately 84% of exports are mineral products (gold, silver, copper, coal, nonferrous metals, etc., 2022 data, source: the National Statistical Office). In particular, trade between Mongolia and China (land border trade) has a significant influence on the national economy.

[8] According to the Ministry of Finance, if the Mongolian government's budget expands in the future, the government will implement measures such as increasing exports, simplifying government regulations, supporting business and investment, moving away from subsidies, implementing comprehensive reforms, diversifying the economy and improving social security systems. In addition, it will try to implement a system in which pensions and subsidies provided from the social insurance fund are adjusted and paid according to the inflation level based on certain rules.

[9] Based on these goals, the Mongolian government drafted the "Law for Establishing the Ministry of Economic Development" in September 2021 to respond to the further needs for national development and economic revitalization, and the ministry was established the following year.

debt balance within certain percentages of the gross domestic product (GDP) (75% in FY2019, 70% in FY2020 and 65% in FY2021 and FY2022). According to the Ministry of Finance, the parliament has been rigorously deliberating the pros and cons of accepting foreign debt and its impact on national finances in recent years. The negative impact on public finances has been declining, except for the period when COVID-19 emergency financial support was received (2020).

Based on the above, before the start of the project and at the time of the ex-post evaluation, the Mongolian government continued to take measures to prevent the spread of COVID-19, while working to improve the living environment of the people, revitalize the economy and restore public finances. Therefore, this project is consistent with the development needs both before the start of the project and at the time of the ex-post evaluation.

3.1.1.3 Appropriateness of the Project Plan and Approach

At the time of the appraisal of this project, a lesson was highlighted that "in light of the objective of the emergency financial assistance, the two points—the financial plans (demand for financing) and economic stimulus measures—would be the pillars and that the project should emphasize speed in terms of providing emergency financial assistance. The program formation and provision of funds should be expedited by setting monitoring indicators that are in line with Mongolian government's COVID-19 countermeasures and by simplifying procedures." The questionnaire, interviews with the Ministry of Finance and analysis of JICA documents as part of this evaluation confirmed that the process was simplified and the procedures from project formation, loan agreement signing and completion of loan disbursement were quick and thorough; focal points from the Ministry of Finance and JICA Mongolia Office were well aware of the procedures (what actions were required at which timings) and processed loan agreement ratification, signing, etc., smoothly. In the interviews with officials from the Ministry of Finance and JICA Mongolia Office, the following comments were received: "Usually, fiscal support deliberations are held twice in Mongolian parliament (standing committee on the budget). As the fiscal spending for pandemic countermeasures was on the rise, it was necessary to accept financial support quickly. Hence, only one deliberation was held. In addition, prior to the financial support through this project, procedures had been established for receiving financial support from the World Bank and the Asian Development Bank (loan agreements were signed in May–June 2020), and Mongolia already had an experience and lessons learned from the past financial support program implemented in the past. Although there were operational constraints due to the three lockdowns, the course of action was clear."

Therefore, it is judged that the plan, policy and approach of this project were appropriate.

3.1.2 Coherence (Rating:②)

3.1.2.1 Consistency with Japan's ODA Policy

In the *Country Development Cooperation Policy for Mongolia* (December 2017), Japan set forth the overall goal of "Creating sustainable economic growth and social development." It stated that Japan would "support efforts by the Government of Mongolia to secure consistency of the economic development, sufficient distribution of its benefits to people of all layers, and providing sustainable and well-balanced growth." In addition, *JICA's Country Analysis Paper for Mongolia* likewise designated "macroeconomic stability and development of industry" and "creating a sound society" as priority targets, aiming to simultaneously promote the achievement of economic growth via industrial diversification and expanding support for those remaining in poverty despite the economic growth.

This project supported the Mongolian government in its efforts to achieve economic recovery from COVID-19 and provide social security for socially vulnerable groups through financial support; it is consistent with the above policy. Therefore, it was consistent with Japan's ODA policy.

3.1.2.2 Internal Coherence

In Mongolia, JICA was implementing projects as support for COVID-19 countermeasures, such as: the "Project for Strengthening Post-Graduate Training for Health Professionals in Primary and Secondary Level Health Facilities" (2020), "Project for the Establishment of Hospital Management and Medical Services at the Mongolia-Japan Teaching Hospital" (2020), the Science and Technology Research Partnership for Sustainable Development (SATREPS): "Control of Tuberculosis and Glanders in Mongolia" (2020) and the "Program for COVID-19 Crisis Response Emergency Support" (2021). Interviews with those engaged in this project confirmed that no plan had been drawn up to create synergies with this project's financial support (emergency support loan); there was no specific collaboration. On the other hand, a comment was received: "While the Mongolian government expanded spending in 2020, Japan's support did not stop. Mongolia, with a population of approximately 3 million people, has a small number of medical personnel. If the central government's budget had been severely constrained, it would have been difficult to fund the project. Then the aftermath of the spread of infection could have depleted hospital operating budgets, which could have had an impact on this project. In particular, medical situations in rural areas would have been serious." In other words, although there was no specific collaboration between these projects, the government was able to quickly establish a financial backbone and, with the financial support of this project, prevented the budget from running out. In that sense, it can be said that this project supported the government's economic and social security and welfare measures, thereby supporting Mongolia's medical system during such a period.

3.1.2.3 External Coherence

International institutions provided emergency support loans to the Mongolian government around the same time as this project. The World Bank provided the Mongolian government with a loan through the "COVID-19 Emergency Response and Health System Preparedness Project," the Asian Development Bank (ADB) through the "COVID-19 Rapid Response Program," the International Monetary Fund (IMF) through the "Rapid Financing Instrument," and the Asian Infrastructure Investment Bank (AIIB) through the "COVID-19 Rapid Response Program." Nevertheless, the donors, including JICA, did not collaboratively set goals or provide financial support.[10] As for this project's financial support (emergency support loan), the Ministry of Finance of Mongolia and JICA worked together on the project formulation, appraisal, supervision and monitoring.

In relation to international frameworks, this project provided financial support to the government of Mongolia, as it was working to expand public health measures, economic measures and social security for vulnerable groups amid the spread of COVID-19. Considering that the government aimed to control the spread of infection while mitigating and suppressing the socio-economic impact of the policies intended to control the spread of infection, it was in line with multiple SDGs: "1. No Poverty," "3. Good Health and Well-Being for All," and "8. Decent Work and Economic Growth."

With regard to relevance of this project, it was "consistent with the development plan" and "consistent with the development needs." Regarding coherence, it was "consistent with Japan's ODA policy." Although specific collaboration or synergistic effects were not observed in terms of "internal coherence" and "external coherence," it can be said to be consistent with the goals of the international framework (SDGs). Therefore, its relevance and coherence are high.

3.2 Efficiency (Rating: N/A)

3.2.1 Project Outputs

This project provided support to the promotion of urgent policies by the Mongolian government. The loan was disbursed immediately after the loan agreement came into effect based on the

[10] The background to this is that 1) in 2020, international aid donors other than JICA began lending first (these loan agreements were signed around May–July 2020), and there was a time lag between these signings and JICA's loan agreement signing (November 2020), and 2) the policy matrix was simplified. In other words, coordination and collaboration between the donors were not necessarily needed when setting and monitoring the indicator data. According to the Ministry of Finance, "when formulating this project, it aimed to simplify the policy matrix so as to ensure that emergency support loans would be smoothly channeled into the economic measures and social security policies and the targets would surely be achieved. Indicator achievement targets were set for each donor, and the degree of achievement was measured for each."

government's application; the yen loan funds were incorporated into Mongolian government's general finances.

The Mongolian government's economic stimulus budget, approved by the cabinet in March 2020, was a total of 5.1 trillion MNT (approximately 1.84 billion USD) which aimed to restore the domestic economy and support the lives of socially vulnerable groups. Of this amount, approximately 2 trillion MNT was emergency support loans from abroad. They were spent on economic measures, public health protection and social security policies and programs implemented by the government. For reference, Table 1 shows the breakdown of financial support (emergency support loans) from outside Mongolia. The loan amount for this project was the largest among international aid donors, accounting for approximately 34% of the approximately 2 trillion MNT. These external loans were intended to help close the financing gap projected for the country's budget year.

Table 1: Loan from Outside Mongolia

Loan Source	Loan Amount
JICA (loan: financial support loan through this project)	688 billion MNT (= approx. 241.4 million USD) *Note 1
ADB (loan)	280 billion MNT (= approx. 100 million USD)
IMF (loan)	280 billion MNT (= approx. 99.5 million USD)
AIIB (loan)	285 billion MNT (= approx. 100 million USD)
ADB under IMF extended program (loan) *Note 2	171 billion MNT (= approx. 60 million USD)
World Bank under IMF extended program (loan) *Note 2	274 billion MNT (= approx. 100 million USD)
EU (grant)	54 billion MNT (= approx. 16 million Euro)
Total	approx. 2,030 billion MNT

Source: Ministry of Finance of Mongolia
Note 1: The USD and euro amounts are based on the exchange rate at the time of the loan agreement or grant contract. The official document in Mongolian side has stated the amount as US $242.3 million.
Note 2: The IMF extended program is not a new emergency support loan; it was a diversion from the existing financial support. (Financial support provided by ADB and the World Bank to Mongolia through IMF before the pandemic, etc.)

3.2.2 Project Inputs

3.2.2.1 Project Cost

At the time of the appraisal, the planned total project cost was 25,000 million yen. The actual amount was 25,000 million yen, which was as planned.

3.2.2.2 Project Period

At the time of the appraisal, it was planned that the financial support through this project would begin on April 1, 2020, when the Mongolian government's economic measure "Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness" was launched. The project was expected to be completed by the loan disbursement deadline of December 2020. As planned, the loan disbursement was completed in December 2020.

3.2.3 Results of Calculations for Internal Rates of Return (Reference only)

The internal rate of return was not calculated because it was a program-type loan project.

3.3 Effectiveness and Impacts[11] (Rating:③)

3.3.1 Effectiveness

3.3.1.1 Quantitative Effects (Operation and Effect Indicators)

At the time of the appraisal, of the various measures implemented by the Mongolian government, from the perspective of expanding social security for socially vulnerable groups and restoring business activities, JICA extracted activities on which it placed particular importance (the underlined parts in Table 2) as monitoring priority items to confirm whether this project had met the funding needs of the Mongolian government's economic and social security policies amid the COVID-19 pandemic. The plan was to monitor their implementation status after the loan was disbursed. Various indicators and target values were established as shown in Table 3 in order to assess whether the spread of COVID-19 was controlled and the adverse social and economic impacts of the policies to curb the spread of COVID-19 were mitigated and contained, and to measure whether this project contributed to the expansion of public health measures, economic measures and social security for socially vulnerable groups.

Table 2: Economic and Social Security Policies for COVID-19 Countermeasures by the Mongolian Government

Economic and Social Security Policies for COVID-19 Countermeasures	Field	Activity
Government Ordinance No. 114 (March 2020): Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness (First	Enhancing economic assistance and social security for individuals, primarily the socially	Partial exemptions for payments of social insurance premiums, payments of short-term subsidies to workers of some companies, partial exemptions of late payment charges for those late in paying their taxes, exemptions of personal income tax on wages/remuneration, additional payments of child allowances, exemptions of late

[11] When providing the sub-rating, Effectiveness and Impacts are to be considered together.

stage economic countermeasures)	vulnerable groups	payment charges for electricity fees, exemptions from measures to stop supplying electricity to those late in paying electricity fees
	Support for economic activities	Reductions of corporation taxes on some companies, partial exemptions of payments of social insurance premiums, exemptions of late payment charges for unpaid portions of social insurance premiums, deductions for corporate income tax on rental income under certain conditions, exemptions of import duties and value-added taxes on items like rice and wheat, lowering the fuel prices (for diesel oil, etc.)
	Enhancing public health measures	Procurement of medical devices, instruments, pharmaceuticals, and so forth, exemptions of import duties and value-added taxes on supplies related to COVID-19 countermeasures, etc.
	Highly efficient financial controls suited to ensuring budget revenue	Reassessing the priority of public budget investment projects and securing budgets for projects carried forward from the previous fiscal year and investment projects/measures for the health sector in a prioritized manner
Government Ordinance No. 167 (May 2020): Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic (Second stage economic countermeasures)	Enhancing economic assistance and social security for individuals, primarily the socially vulnerable	Adding additional child allowances and extending the payment period, increasing the amount of food coupons for low-income earners, increasing the amount of annual social welfare allowances, subsidies to owners of goats used to produce cashmere
	Revising budget plans for COVID19 countermeasures	Increasing the amount of gold mined and the export volumes of coal and petroleum, enhancing the management of domestic cargo transport operations, bolstering the production output of agricultural produce, revitalizing the domestic tourism industry, developing regulations and an environment for having hotels and other service facilities resume business activities, implementing activities geared towards boosting the visibility of measures to prevent infection

Source: JICA's document

Table 3: Quantitative Effect Indicators of This Project
(Monitoring Indicators for the Underlined Parts in Table 2)
(Baseline, Target and Actual Values)

Indicator*Note 1	Baseline Value	Target Value (March 2021)	Actual Value (March 2021)
Indicator 1: Number of workers (who are socially vulnerable) exempted from payments of their social insurance premiums for a six-month period (Apr. 1–Oct. 1, 2020)	0	Compelled enrollees: 401,800 Voluntary enrollees: 144,300	Compelled enrollees: 410,678 Voluntary enrollees: 169,174

(corresponding to Government Ordinance No. 114, 1.1 and 1.2)			
Indicator 2: Number of companies exempted from payments of their social insurance premiums for a six-month period (Apr. 1–Oct. 1, 2020) (corresponding to Government Ordinance No. 114, 1.1 and 1.2)	0	38,400	38,399
Indicator 3: Number of people who received short-term benefits (200,000 MNT) for workers employed at private companies that suspended business operations or that maintained employment despite seeing their revenue reduced by half in February and March 2020 due to COVID-19 (corresponding to Government Ordinance No. 114, 1.3)	0	73,000 (6,900 companies)	220,852 (7,287 companies)
Indicator 4: Number of SMEs and micro enterprises exempted from corporate income tax for a nine-month period (Apr. 1–Dec. 31, 2020) (corresponding to Government Ordinance No. 114, 1.4)	0	100,300	104,410
Indicator 5: Number of workers exempted from income taxes on account of their wages/remuneration for a six-month period (Apr. 1–Oct. 1, 2020) (corresponding to Government Ordinance No. 114, 1.9)	0	700,000	889,356
Indicator 6: Number of people who received an increased amount of child allowance payments* over a nine-month period (Apr. 1–Dec. 31, 2020) (corresponding to Government Ordinance No. 114, 2 and Government Ordinance No. 167, 5.1) *20,000 MNT/month → 100,000 MNT/month	0	1,250,000	1,186,289
Indicator 7: Number of people who received an increased amount of food coupons* provided to low-income earners over a six-month period (Apr. 1–Oct. 1, 2020: aimed at children) or a nine-month period (Apr. 1–Dec. 31, 2020: aimed at	0	Adults (Apr. 1–Oct. 1) 122,000 (Oct. 1–Dec. 31) 124,000	Adults (Apr. 1–Oct. 1) 123,514 (Oct. 1–Dec. 31) 145,948

adults) (corresponding to Government Ordinance No. 167, 5.2) *Adults: 16,000 MNT/month → 32,000 MNT/month *Children: 8,000 MNT/month → 16,000 MNT/month		Children 117,000	Children 118,474
Indicator 8: Number of people who received an increased amount of social welfare annuities and allowance payments for persons with disabilities and their families over a nine-month period (Apr. 1–Dec. 31, 2020) (corresponding to Government Ordinance No. 167, 5.3) *188,000 MNT/month → 288,000 MNT/month	0	73,300	71,554

Source: Baseline and target values were taken from JICA's document, while the actual values are based on the answers to the questionnaire and interviews with the Ministry of Finance
Note 1: At the time of the appraisal, the definitions and eligibility of the terminology used for the indicator were to be in accordance with the Mongolian government's economic and social security policy for COVID-19 countermeasures (Government Ordinance No. 114 and No. 167).

In this evaluation, the actual values of each indicator were obtained for the target year (data as of March 2021), as shown in Table 3.[12] The level of achievement was generally as targeted or exceeded the target values. It can be said that this project played a role in suppressing the spread of COVID-19 infection and mitigating the socio-economic impact, as originally expected.

With regard to indicator 3, the target value was set based on the assumption that each person would receive the short-term benefit once during the set period. However, each person actually received the short-term benefit of 200,000 MNT more than once. As a result, the actual value became larger compared to the target value. In reality, employees of the companies that suspended operations or had business revenue halved during the set period (from April 1, 2020, to the end of December 2020) but maintained employment received the benefits more than once. This is thought to be due to the fact that multiple lockdowns were issued. It can be said that this program provided generous emergency benefits to each employee two or three times in order to ensure the

[12] Through the interviews with the Ministry of Finance and JICA field office, it was confirmed that each indicator was monitored from the target value setting until the completion of the loan disbursement (three times in January, April and July 2021). The Ministry of Finance and JICA were both checking the trends in the Mongolian government's economic and social security policies and the actual figures shown in Table 3. It was also shared that the annotations such as "Corresponding to Government Ordinance No. 114, 1.1 and 1.2" and "Corresponding to Government Ordinance No. 167, 5.3" shown in Table 3 were included at the time of the appraisal based on the discussion between the Ministry of Finance and JICA to facilitate smooth data measurement, monitoring and the provision of data for the upcoming external ex-post evaluation (In other words, it was intended to make clear which data correspond to which policy basis). This was because there was an experience where it took time to organize the policy matrix tables and measure indicator data for the past fiscal support loans.

survival of the companies and to sustain employment.

The actual value slightly exceeded the target value for indicator 5 because it was difficult to accurately identify the number of workers for the income tax exemption period (six months) when setting the target value, according to the Ministry of Finance.

It was confirmed through interviews with project stakeholders that there were no particular failures in the logical path and logic leading to outcomes and impacts of the policy reform. “The logic of the underlined activities in Table 2→coherence of the indicator setting in Table 3→process for setting target values” is clear, which suggests that this project did support the social security policies and economic and business activities during the pandemic. As will be discussed in the section “3.3.2.1 Intended Impacts,” it can be judged that the policy objectives have been largely achieved because the unemployment rate has improved and tax revenues have stabilized after the pandemic.

3.3.2 Impacts

3.3.2.1 Intended Impacts

1) Contribution to Socio-Economic Stability and Promotion of Development Efforts by Addressing the Worsening of Unemployment and Poverty Rates

At the time of the appraisal, the “poverty rate”' and “unemployment rate” were the overall goals of this project. More specifically, it was expected that the quantitative effect indicators in Table 3 would be achieved and that both indicators would not worsen (i.e., be addressed). Table 4 shows the changes in poverty rate and Table 5 the changes in the unemployment rate. The most recent poverty rate data for 2022 show a downward trend; it has not worsened compared to 2018, before the pandemic. Regarding the unemployment rate, although it seems to have increased from 2020 to 2021 due to the impact of the pandemic, it appears to be improving from 2022 onwards. Regarding the poverty rate and unemployment rate, the Ministry of Social Welfare, responsible for social security policy, commented in the interviews: “Had the Mongolian government’s countermeasures against the COVID-19 pandemic and economic stimulus measures been insufficient, low-income people would have been further impoverished, anxiety would have increased among the people, leading to social chaos. There may have been an increase in the number of employee layoffs, especially in small and medium-sized enterprises. The unemployment rate might have increased—it might have even exceeded 10% especially during the lockdown period. (Among the social and economic measures taken by the government) It is thought that exempting the payment of social insurance premiums and providing short-term benefits led to keeping sustaining employment.” In other words, the “Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness” and the

"Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic," for which the emergency support loan was utilized, are believed to have been one of the factors that contributed to social and economic stability, that is, to the reduction of the "poverty rate" and "unemployment rate."

Table 4: Changes in Poverty Rate

(Unit: %)

2018	2020	2022
28.4	27.8	27.1

Source: Answers to the questionnaire, the National Statistical Office of Mongolia
Reference information: Poverty rates are measured every two years based on social surveys. The 2020 data were published in 2020, while the 2022 data were published in 2024. Mongolia's poverty rate is calculated by taking into account the necessary expenses for food and non-food items, the price level in the year of the survey, etc.

Table 5: Changes in Unemployment Rate

(Unit: %)

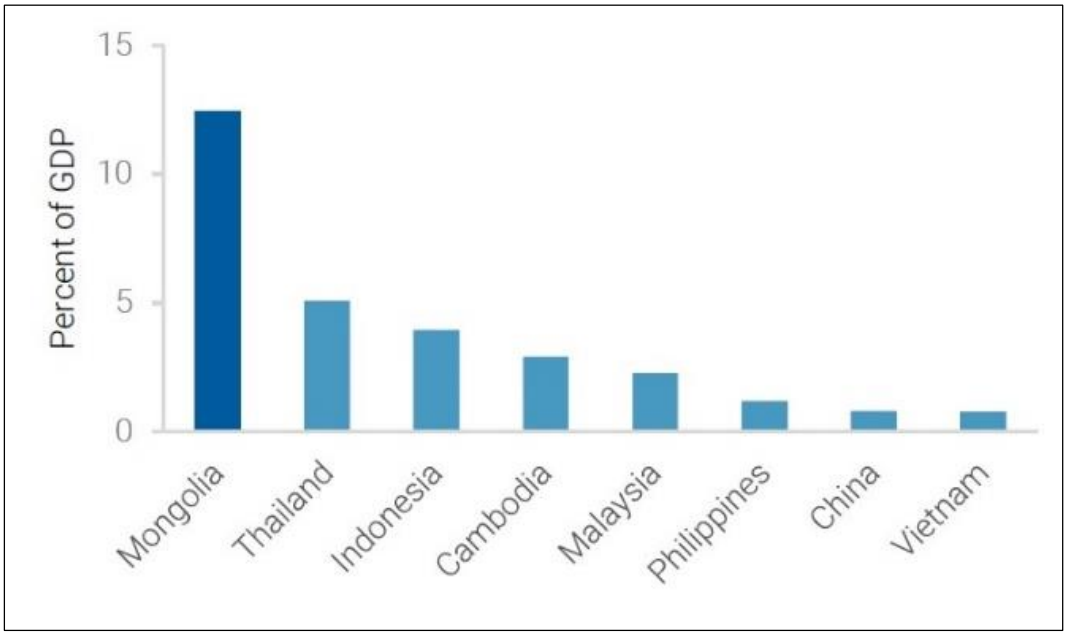
2018	2019	2020	2021	2022	2023*Note 1
7.8	10.0	7.0	8.1	6.7	5.2

Source: The National Statistical Office of Mongolia
*Note 1: October 2023 data (provisional value)
*Reference information: The unemployment rate usually indicates the percentage of completely unemployed people in the labor force (a sum of the employed and unemployed). In Mongolia, it shows the percentage of the population who are looking for work (i.e., registering their status as unemployed and looking for work with the help of government agencies).

For reference, the share of social security expenditures for households (as a percentage of GDP, 2020 data[13]) by each government in the East Asia and Southeast Asia regions is shown in Figure 1. This demonstrates that Mongolia had the highest rate in the region, which highlights how much emphasis was placed on the social security-related measures for households during the pandemic.

[13] This is the year in which the government of Mongolia implemented the "Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness" and the "Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic."

(Unit: %)



Source: Poverty Report 2020 (a joint report by the National Statistical Office of Mongolia and the World Bank)

Figure 1: Proportion of Social Security Expenditures for Households by Each Government (East Asia and Southeast Asia regions) (as a percentage of GDP, 2020 data)

<Interview Survey for Companies in Ulaanbaatar City>

In this evaluation study, interviews were conducted with small and medium-sized business owners and Japanese company agents (a total of three companies) in the capital city of Ulaanbaatar about their thoughts on the economic and social security measures related to COVID-19 implemented by the Mongolian government. Below are the comments received.

- "The government of Mongolia exempted corporate income tax for companies that were making profits. My company was not eligible because it was in the red. On the other hand, although it was only for some months, we were grateful for the exemption from paying social insurance premiums, the compensation for utility payment and the provision (increase) of child allowances. It was particularly helpful for families with many children as the allowance was given for each child. We believe there were no delays in the government support." (Mineral products-related company)
- "The Mongolian government's emergency measures against the infectious disease gave us the impression that support was more generous toward individuals rather than toward corporations. We believe the support for low-income groups was particularly generous. We as a company did not receive any support in particular, including lump-sum payments

or exemption from social security payments. We paid salaries to our employees without delay using the company's funds. Our company's main business, construction work, was halted when the COVID-19 pandemic was most serious. However, our business performance did not suffer much thanks to other lines of business. On the other hand, we heard that some small-scale construction companies had been affected and had to withdraw from business. The most affected by COVID-19 may be the construction and banking sectors. The government took measures to extend mortgage payment deadlines. Commercial banks experienced declining profitability, and the construction industry faced delays in deposits. Customs inspections at the border with China took time, which made it difficult for goods and construction materials to reach Ulaanbaatar. As a result, some construction companies must have seen their business performance suffer. From 2023 onwards, the flow of goods and materials has been gradually improving and the government has announced investments in public works projects. We think the economic situation will improve going forward."[14] (A major construction company)

- "There were three lockdowns in 2020–2021. Leaving home was restricted, and there was no newspaper delivery. Our business faced a difficult situation. There was little we could do, and the company's performance suffered. During tough times, I was engaged in other businesses to survive. I believe many people were helped by the short-term benefit payment (200,000 MNT). On the other hand, the whole nation was in a difficult situation. Of course, even without a job, I felt that just being alive was enough. Many Mongolians had a sense of helping each other, and some actively made donations. From the second half of 2022 to the end of 2023, the tourism industry has been recovering; 2024 should become even better." (A local agent representing a Japanese tour company that plans and implements sightseeing tours)

Based on the above, in relation to the Mongolian government's economic and social security measures related to COVID-19, some small companies were saved with the support from the government during difficult times, while some large companies survived the pandemic on their own, not requiring much support.

2) Effects of the Related Financial Support and Technical Cooperation Projects on Targeted Reform Goals

Table 6 shows the revenue, expenditure and balance of the Mongolian government.

[14] On the other hand, some people expressed concern about the future: "In the aftermath of the Russia-Ukraine war, material prices have skyrocketed, raising construction costs. High inflation can weaken purchasing power and consumption."

Table 6: Revenue, Expenditure and Balance of Mongolian Government (FY2019–FY2022)

(Unit: million MNT)

	FY2019	FY2020	FY2021	FY2022
Revenue	10,905,510.8	9,463,838.2	12,711,434.7	17,126,936.3
Expenditure	11,661,700.9	13,904,273.0	15,630,443.9	18,159,668.9
Balance	-756,190.4	-4,440,434.8	-2,919,009.2	-1,032,732.6

Source: The National Statistical Office of Mongolia
Reference information: 1 MNT = 0.04342 Japanese yen (exchange rate as of November 20, 2023, the exchange rate at the time of the ex-post evaluation).
Reference information: The Mongolian fiscal year begins in January and ends in December.

Regarding the Mongolian government's revenue, expenditure and balance, expenditures related to social security and economic stimulus measures have increased from fiscal year 2019 to fiscal year 2021, causing the balance to worsen. In fiscal year 2022, the expenditures were large due to increased economic and social security spending and inflation measures; however, revenues also increased thanks to favorable mineral exports. Although it remains in the red, the fiscal deficit was less compared to the previous fiscal year. Considering these facts, we will examine the relationship between elimination of the Mongolian government's fiscal gap and the contribution of this project. In 2020, the government approved a budget (5.1 trillion MNT) at a cabinet meeting for the "Partial Countermeasures for Economic Promotion in the Wake of the Adoption of a Heightened State of Readiness" and the "Partial Social Security Measures for Economic Revitalization and Public Livelihood Support during the COVID-19 Pandemic." The Ministry of Finance commented that "the financial support from donors, including JICA, was highly significant. Without financial support, spending on social security and health care nor supporting the low-income earners would not have been sufficient in the time of crisis."

Table 7 shows the composition of Mongolian government's tax revenue.

Table 7: Composition of the Tax Revenue of the Mongolian Government (2019–2022)

(Unit: million MNT)

	FY2019	FY2020	FY2021	FY2022
Corporate income tax	1,660,573	1,398,473	2,211,560	2,642,519
Personal income tax	933,289	864,387	1,147,283	1,355,259
Value-added tax	2,486,268	2,208,954	2,837,710	3,918,571
Special tax*Note 1	863,407	776,886	826,983	847,805
Other taxes, fees, charges, etc.	3,869,659	3,262,905	4,276,394	6,804,151
Total	9,813,196	8,511,605	11,299,930	15,568,305

Source: General Department of Taxation
Note 1: The special tax (national tax) is levied on certain domestic and imported goods, on specialized equipment and supplies used in gambling and gambling activities or on individuals or corporations engaged in these activities. It mainly targets alcoholic beverages, tobacco, gasoline, diesel fuel, kerosene and passenger vehicles. It was enacted in June 2006.

While the tax revenue declined from fiscal year 2019 to fiscal year 2020, from fiscal year 2021 onwards, it exceeded the pre-pandemic levels. During an interview with the General Department of Taxation of Mongolia, they commented: "At the height of the pandemic (2020), mineral-related

transactions fell sharply and the domestic economy slowed. In particular, small and medium-sized enterprises were hit hard. Tax revenues fell and tax delinquencies increased. As a result, the government's fiscal balance also worsened. Under such circumstances, the General Department of Taxation of Mongolia was making progress in reforming its tax administration system, and its tax collection capacity was improving[15]. Also, the government was swiftly implementing social security policies and economic measures during the pandemic, which were immediately effective. Thus, tax revenues did not fall drastically. I think this is one of the reasons why the fiscal deficit did not worsen." Although there is not necessarily a high correlation between improved tax collection capacity and securing and increasing tax revenue, the stabilizing tax system may be one of the factors supporting the government in closing its fiscal gap.

Based on the above, it can be assumed that the financial support provided by this project not only met Mongolia's financial needs, but also contributed to the effective economic measures and social security policies during the pandemic.[16]

In addition, corporate income tax shown in Table 7 decreased by approximately 16 percentage points (%) from MNT 1,660,573 million to MNT 1,398,473 million from fiscal year 2019 to fiscal year 2020, while personal income tax decreased by only approximately seven percentage points (%) from MNT 933,289 million to MNT 864,387 million. The degree of decrease in the latter was small in fiscal year 2020, when support was most urgent and needed. This may suggest that the Mongolian government's social security policies and economic measures were relatively more effective for individuals than for corporations.

3.3.2.2 Other Positive and Negative Impacts

1) Impacts on the Environment

There were no negative impacts on the environment. It was confirmed through interviews with the Ministry of Finance that no particular negative impacts on the environment occurred after the project was completed.

2) Resettlement and Land Acquisition

No resettlement or land acquisition occurred. As in the case above, it was confirmed through

[15] According to an official from the General Department of Taxation of Mongolia, the IMF has been providing focused support to Mongolia's tax sector for many years; the IMF has been providing support for simplifying tax payment procedures, making them online and strengthening the collection capability. It is believed to be linked to securing stable tax revenue. JICA also provides training and manuals to officials of the General Department of Taxation of Mongolia. JICA is working to establish fair tax administration to strengthen the revenue base through its technical cooperation (e.g., Project for the New Tax Law Enforcement by Strengthening Capacity of Implementation of Mongolian Tax Administration).

[16] Reference information: according to the Ministry of Finance, the total expenditures for economic and social security policies amid the COVID-19 pandemic were 59.7 million USD for economic revitalization measures, 7.92 million USD for public health measures and 5.67 million USD for employment and income protection measures. The expenditures also include the procurement of COVID-19 vaccines through reallocated programs by other donors.

the interviews with the Ministry of Finance that there were no particular negative impacts.

3) Gender Equality, Marginalized People, Social Systems and Norms, People's Well-being and Human Rights

This project supported the Mongolian government's economic and social security policies through financial assistance (an emergency assistance loan). With regard to gender equality, marginalized people, social systems and norms, People's well-being and human rights, no specific and detailed examples of direct impact of this project were found, aside from the comments received from the Ministry of Finance, the Ministry of Social Welfare and the interviewed small and medium-sized enterprises. However, the economic and social security policies, poverty alleviation measures and consideration for people with disabilities implemented in the country amid the COVID-19 pandemic played a role in protecting the lives of the people and in preventing social instability. It is believed that many citizens were able to retain the opportunities to participate fairly in society.

Regarding the effectiveness and quantitative effect indicators, the targets were generally met. With regard to impacts, the interviews during the field surveys and obtained statistical data confirm that the Mongolian government's economic measures and social security policies helped support low-income population and improve the unemployment rate during and after the pandemic, thereby contributing to improving the government's fiscal gap (deficit). In addition, it can be said that the negative impacts on society (including human rights and gender equality), the environment and the economy in the long term were almost none. This project has achieved its objectives. Therefore, effectiveness and impacts of the project are high.

3.4 Sustainability (Rating: N/A)

3.4.1 Institutional/Organizational Aspect

The executing agency of this project is the Ministry of Finance. During the COVID-19 pandemic, the Ministry of Finance played a leading role in overall coordination among relevant ministries and agencies to facilitate the policy implementation on emergency support loans through regular meetings, consultations and advice. In addition, the Ministry of Finance and JICA Mongolia Office regularly monitored, discussed and shared information regarding the implementation and progress of this project before the project commencement through mid-2021.

3.4.2 Preventative Measures to Risks

Before the start of this project, the following external conditions and risks were expected to be controlled: "If the impact of COVID-19 spreads worldwide due to delays in containing the virus,

and if progress is not made in containing COVID-19 in Mongolia, there is a risk that the current crisis measures will be insufficient. Therefore, the future impacts need to be regularly monitored and the need for additional support should be considered flexibly." After the project started, the Ministry of Finance and JICA monitored the quantitative effect indicators and checked the progress regularly. The financial support through this project (an emergency support loan) was completed by the end of the Mongolian government's fiscal year (end of December 2020) and was allocated to the economic measures and social security policies related to COVID-19. It was confirmed through interviews that there were no additional loans considered. It can be said that there were no particular risks, external conditions or events that needed to be controlled during the implementation of the project.



Photo 1: Ulaanbaatar City
(source: photographed by the evaluator)



Photo 2: Outskirt of Ulaanbaatar City
(source: photographed by the evaluator)

4. Conclusion, Lessons Learned and Recommendations

4.1 Conclusion

This project provided financial support to the government of Mongolia, which was implementing public health measures, economic measures and expanded social security for socially vulnerable groups, thereby contributing to the expansion of the government's economic and social security policies in Mongolia, where there was increasing concern about the hardships of small and medium-sized enterprises and socially vulnerable groups because economic activities were restricted by various measures to curb the spread of COVID-19. With regard to relevance, this project was "consistent with the development plan" and "consistent with the development needs." While it was also "consistent with Japan's ODA policy," no specific collaboration or synergy effects could be identified concerning "internal coherence" and "external coherence." However, it can be said to be consistent with the goals of international frameworks (e.g., SDGs). Based on the above, its relevance and coherence are high. With regard to effectiveness and quantitative effect indicators, target values were mostly achieved for all the indicators. With respect to impacts, through interviews during field surveys and statistical data, it

was confirmed that the government's economic and social security policies had supported low-income groups and improved the unemployment rate during and after the pandemic, contributing to reducing the government's fiscal gap (deficit). Therefore, effectiveness and impacts of the project are high.

4.2 Recommendations

4.2.1 Recommendations to the Executing Agency

None

4.2.2 Recommendations to JICA

None

4.3 Lessons Learned

The Importance of Responding Quickly to Emergency Support Loans, Understanding the Needs, Understanding the Loan Procedures, Formulating Clear and Achievable Policy Matrices and Effect Indicators and Thorough Monitoring

When providing the financial support through this project, the recipient and the provider of the assistance (the Ministry of Finance and JICA) quickly proceeded with the loan agreement, set goals centered around economic measures and social security policies and understood what types of support would be most needed. Before and after the loan disbursement, the targeted outcomes were regularly monitored, and the path to achieving the overall goal of the financial support (curbing the spread of poverty and unemployment rates) was clearly indicated. In order to prepare for a post-evaluation (external ex-post evaluation) which was scheduled to be conducted a few years later, both parties had a clear understanding of the definitions and sources of the indicators and had a system in place to provide the monitoring records and data in a timely manner. Given this experience, in future financial assistance similar to this project (emergency assistance loans), it is desirable for the assisting country and the recipient country to grasp the assistance needs at an early stage, determine what procedures are required for the loan at which timings and what tasks and issues need to be addressed after the loan disbursement. It is also desirable to set policy matrices and effect indicators that are easy to understand and not difficult to achieve, indicating the path to achieving the goals with a clear monitoring system. This can potentially increase the effectiveness and impact of financial support.

5. Non-Score Criteria

5.1 Performance

5.1.1 Objective Perspective

A simplification of the loan agreement and post-approval procedures was achieved for the financial support of this project. The loan disbursement was completed within fiscal year 2020,

and the monitoring of the quantitative effect indicators was carried out smoothly. One of the reasons is that the Ministry of Finance and the JICA Mongolia Office had carefully examined the content of the financial assistance (including sorting and confirming the indicators) with a thorough understanding of what procedures would be required at what timing, including ratification and signing of the loan agreement. Through the interviews with those involved in the project, it became clear that there had been thorough communication from the early stages of the project formulation, and that the project had proceeded swiftly and carefully so as to provide financial support amid the difficult time of the pandemic. Taking into account the experience from the past financial assistance, both sides gave particular attention to setting and monitoring the quantitative effect indicators that were realistic and achievable. This may have been a factor in ensuring the steady implementation of the fiscal support and in enhancing the results of the economic stimulus measures and social security policies for the low-income population.

5.2 Additionality

None

(End)

Comparison of the Original and Actual Scope of the Project

Item	Plan	Actual
1. Project Outputs	This project will support the promotion of emergency policies of the Mongolian government. The loan will be disbursed immediately upon application by the Mongolian government after the loan agreement comes into effect, and the ODA loan funds will be incorporated into the Mongolian government's general finances.	→ The loan was provided as planned, and the ODA loan funds were incorporated into the general finances of the government of Mongolia.
2. Project Period	April 2020–December 2020 (9 months)	April 2020–December 2020 (9 months)
3. Project Cost (ODA Emergency Assistance Loan)	25,000 million yen	25,000 million yen
4. Final Disbursement	December 2020	