

Summary Table of the Terminal Evaluation Results

Peace-Building, Urban and Regional Development Division I,
Economic Infrastructure Department

| 1. Project Outline | |
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| Country: Mongolia | Project Name: The Project on Capacity Development in Urban Development Sector in Mongolia |
| Field: Urban development | Cooperation Scheme: Technical cooperation project |
| Division in charge: Peace-Building, Urban and Regional Development Division I, Economic Infrastructure Department | Cooperation Amount (at the Evaluation): 366,746,000yen |
| Cooperation (R/D) Period: June 2010 through May 2013 | Country's authorities: Ministry of Construction and Urban Development ¹ and the Ulaanbaatar city government |
| | Japan's Cooperating Agency: Ministry of Land, Infrastructure, Transport and Tourism, Hokkaido Government, Asahikawa City Government, |
| | Other Cooperators: Asahikawa International Committee |
| <p>1-1 Background and Outline of the Cooperation</p> <p>In Ulaanbaatar City in Mongolia, the population has increased sharply from 650,000 in 1998 to more than 1 million in 2007 as a result of the liberalization of population migration in 1997 and the inflow of nomads from rural areas who became unable to continue grazing due to the severe snow disasters in 1999 and 2003. Currently, the population growth rate of the city is around 3%.</p> <p>Most of the population increment has come as a result of migration from rural areas. These nomads have built portable dwellings (Ger) around the city so it has sprawled out. In the face of this population growth, the available housing is unable to fulfill the demand since the Housing Finance Corporation has insufficient capacity to support further public housing. 60% of the city's population is estimated to be living in Ger areas where the basic urban infrastructure is lacking. In addition, there are environmental problems including air pollution from the use of coal for heating and new urban problems such as pollution caused by the effluent generated in these areas.</p> <p>Under these circumstances, JICA conducted "The Study on City Master Plan and Urban Development Program of Ulaanbaatar City" between 2007 and 2009, which presented a socioeconomic framework and urban development vision for this city up to the year 2030. The master plan predicted that this city's population, accounting for 37.7% of the national population in 2007, would account for 55.5% in 2030 and the density of the population in the city would increase further without progress in the development of other regions. In light of the fact that urban problems will be aggravated due to this overconcentration, development projects and zoning system, which are required to achieve a favorable urban environment, were proposed in the Master Plan Study.</p> <p>Meanwhile, the following challenges were also identified concerning the legal system for urban planning:</p> <ul style="list-style-type: none"> - Laws relevant to urban development, including the "Land Law," the "Urban Development Law," the "Housing Law," and the "Construction Law," are not fully consistent while the contents of individual laws are not sufficient, and - Detailed enforcement regulations and operational guidelines for these laws have not been prepared yet. <p>The study revealed that there is an urgent need to address these challenges for the implementation of the urban development projects proposed in the Master Plan. The Mongolian side also understands this situation and requested for technical support for improvements to the legal system related to urban development in May 2009.</p> <p>1-2 Contents of the Cooperation</p> <p>Training of urban development personnel of the Ministry of Construction and Urban Development (hereinafter the "Ministry") and the city of Ulaanbaatar to improve the performance of urban improvement or urban development projects according to the areas for redevelopment, based on the Master Plan for Ulaanbaatar City, through: 1) improving urban development institutions and systems, 2) formulating new laws,</p> | |

¹ After the change of government in August 2012, the Ministry of Road Traffic, Construction and Urban Development was reorganized and renamed the Ministry of Construction and Urban Development.

amendments, drafts of detailed rules and regulations and technical manuals for laws related to urban development, 3) clarifying the organizational structure and the accountability of the organizations concerned, and 4) organizational and individual capacity building to operate urban development projects using the rules and regulations and technical manuals.

(1) Overall Goal

Implementation of urban development projects in UB City promotes to realize land use and the improvement of living environment according to the UB urban master plan

(2) Project Purpose

Implementation capacity of development projects of planned areas to realize urban redevelopment according to the UB urban master plan is enhanced.

(3) Outputs

Output 1: Draft outline of legal and administrative system for urban development will be formulated

Output 2: New and revised laws, enforcement regulations (implementation guidelines), and technical manuals for urban development will be drafted.

Output 3: Role and responsibility of each agency which deals with urban development according to the above draft laws, regulations and technical manuals will be clearly defined and then institutional capacity will be improved.

Output 4: Operational capacity of urban development system of staff in charge will be enhanced

(4) Input (at the Terminal Evaluation)

Japanese side:

| | | | |
|-------------------------|-----------------|---|-------------------|
| 1) Expert dispatch | | 4) Cost of local operation borne by the Japanese side | |
| Long-term ² | 9 experts | Total | 173,317US dollars |
| Short-term | 5 experts | | |
| 2) Equipment provision | | | |
| Materials and equipment | 7,659US dollars | | |
| 3) Trainee reception | | | |
| Training in Japan | 35 trainees | | |

(1 US dollar = 80 yen as of November 2012)

Mongolian side:

Unit: Mongolian tugrik

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|--|-------------|--|--|
| 1) Counterpart staffing | | 4) Cost of local operation borne by the Mongolian side | |
| Full-time | None | Total | 41,720,375 tugrik (Equivalent to 1,189US dollars) |
| Part-time | 105 persons | | |
| 2) Land and facility provision | | | |
| Project office | | | |
| 3) Others | | | |
| Utility costs, equipment maintenance costs, etc. | In kind | | |

(1 Mongolian tugrik= 0.00071US dollar as of November 2012)

2. Outline of the Evaluation Study Group

Members:

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| Takeo OCHI | Team Leader | Senior Advisor, JICA |
| Noriko ISHIBASHI | Evaluation Analysis | Consultant, IC Net Limited |
| Sho TAKANO | Cooperation planning | Peace-Building, Urban and Regional Development Division I, Economic |

² Including experts provided through shuttle dispatch

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| | Infrastructure Department, JICA | |
| Evaluation Study Period: | November 13–21, 2012 | Evaluation Type: Terminal evaluation |
| 3. Outline of the Evaluation Results | | |
| 3-1 Confirmation of the Results | | |
| <p>(1) The Project Purpose: “Implementation capacity of development projects of planned areas to realize urban redevelopment according to the UB urban master plan is enhanced” The Project Purpose was partially achieved.</p> <ul style="list-style-type: none"> The first indicator was achieved since the approval of draft Urban Redevelopment Law is to be submitted to the spring session of Parliament in 2013. The second indicator is yet to be achieved since operationalization of manuals is supposed to be followed by the finalization of all designated manuals. The prospect of achieving the second indicator of the two by the end of the Project is little. Although the project attempted the use of a part of its draft manuals in planning and operating one of urban redevelopment projects, it is limited to a trial without finalization of technical manuals. <p>(2) Outputs</p> <p>1) Output 1 Draft outline of legal and administrative system for urban development will be formulated The indicator has been achieved.</p> <ul style="list-style-type: none"> A plan of the institutions and systems was prepared and proposed to the country’s authorities in 2011. <p>2) Output 2 New and revised laws, enforcement regulations (implementation guidelines), and technical manuals for urban development will be drafted. The indicator of Output 2 has not been achieved but has a chance of being achieved by the end of the Project.</p> <ul style="list-style-type: none"> The bills have been formulated, while the draft detailed regulations and draft technical manuals have not been formulated. For four of the seven detailed regulations, the first drafts have been prepared. Four of the five manuals have been prepared. It is expected that all drafts will be prepared by the end of the Project in May 2013. <p>3) Output 3 Role and responsibility of each agency which deals with urban development according to the above draft laws, regulations and technical manuals will be clearly defined and then institutional capacity will be improved. The indicators have been partly achieved. Even the parts that have not been achieved yet have a chance of being achieved by the end of the Project.</p> <ul style="list-style-type: none"> A written proposal for organizational improvements was prepared and submitted to the country’s authorities. Concerning the second indicator, “Agreement on the division of duties among the organizations,” the duties have not been divided in order due to the reorganization after the latest change of government. It is expected that the division of duties among the related departments will be completed by the end of the Project. <p>4) Output 4 Operational capacity of urban development system of staff in charge will be enhanced. This output has not been achieved. The first of the two indicators has a chance of being achieved by the end of the Project, while the second indicator has no chance of being achieved during the Project period.</p> <ul style="list-style-type: none"> The first indicator, “Working groups can prepare the legal system improvement by the end of the project” has not been achieved yet but has a chance of being achieved by the end of the Project. The second indicator, 4-2 “Staff can implement the pilot project with implementation guideline and technical manual” has no chance of being achieved during the Project period. | | |
| 3-2 Summary of the Evaluation Results | | |
| <p>(1) Relevance The relevance of the Project is high for the following reasons.</p> <ul style="list-style-type: none"> No major changes are scheduled in the policies of Mongolia for the urban development field. City Planning is one of the strategic objectives of infrastructure development, which is one of six development priorities listed in National Development Strategy of Mongolia (2008). As for the urban development sector of Ulaanbaatar City, supply of housings and urban development are highly prioritized in Ulaanbaatar City to meet the swift development and urbanization. Therefore, this Project is in line with | | |

the policy of GoM.

- JICA's Country Assistance Programme to Mongol highlights the strengthening of the urban functions in Ulaanbaatar as one of the prioritized areas, and sets the infrastructure development and improvement of management capacity of urban planning as a smaller goal. Therefore, this Project is in line with these aid policies.
- As described in "Background and Outline of the Cooperation" in Section 1-1, the strategy of the Project is to establish legal systems as well as to operate the laws with detailed rules and regulations and technical manuals, while aiming to improve the capacity of human resources of the concerned ministries involved in urban development as well as those of Ulaanbaatar City for urban redevelopment essential for the sound urban environment in Ulaanbaatar City which suffers high population density. Hence the Project contributes directly to addressing the issues of the urban development of Ulaanbaatar City, and the counterpart organizations of the Project were also appropriate.

(2) Effectiveness

The effectiveness of the Project is moderate for the following reasons.

- The indicators for the Project Purpose were partially achieved, and will not be fully accomplished during the Project period. The Urban Redevelopment Law is under deliberation in the Ministry and is to be submitted to the upcoming session of the State Great Hural, i.e., parliament. Therefore the first indicator is likely to be achieved. Nonetheless, the second indicator is not. Some parts of the necessary detailed regulations and manuals for the second indicator are under preparation, and need to be finalized after the relevant Law has passed the Parliament. Therefore, during the Project period, the counterpart organization is not expected to operate or manage the urban development project using the finalized manual(s), and achieve the second indicator within the said period. Achievement of the Project Purpose is not expected because the counterpart officers were unable to manage and operate the urban development utilizing all the five manuals during the Project period due to delay of bill preparation. However, the redevelopment project stated in the Memorandum of Understanding (2013-2016) concluded between the Ministry and Ulaanbaatar is to be implemented in the future. Thus it is fair to say that the Project Purpose is to be achieved.
- This Project is adequately designed so as to achieve the Project Purpose by achieving the outputs.

(3) Efficiency

The efficiency of the Project is high for the following reasons.

- Judging from the current condition of the achievement of the indicators, all four outputs except Output 4 are expected to be achieved during the Project period.
- For achieving the outputs, Japanese experts were adequately dispatched in terms of quality and quantity. However, certain short-term experts were dispatched only for a short period of time; some at a time when the Mongolian counterparts were not available. Regarding the inputs from the Mongolian side, C/P personnel working in the Task Forces were often replaced and key decision makers in JCC were also changed as well as the impact from the change of government in August 2012 whereby significantly delayed the legislation related activities comparing to the planned schedule. Especially the reorganization of legislation task force in response to the comments given by the National Safety Council. Considering time loss caused by the external reasons such as above mentioned reorganization of the legislation task force and others, which took around eight months and nearly a quarter of the entire Project period, the efficiency of the Project for achieving the output was relatively high.

(4) Impact

A visible impact of the Project has not appeared at present for the following reasons.

- The possibility to achieve the Overall Goal indicators (such as supply of housings or increase of redevelopment projects) is unclear because all types of pilot projects were not yet carried out as a part of the Project activities.
However, as stated in the memorandum on the urban development plan of Ulaanbaatar, the City of Ulaanbaatar has clearly announced its intent to actively promote urban development. The plan is likely to make progress.
- No clear social or economic impact through the Project activities was visible at the Terminal Evaluation. Moreover, ripple effects to areas outside the Project area were not seen as of present.

(5) Sustainability

Although this Project is expected to have a relatively high sustainability, prospects for sustainability are unclear at present for the following reasons.

- Policy aspect: Major changes are not expected in terms of urban development policy. In addition, Ulaanbaatar, the main body of the urban redevelopment activities, has concluded a memorandum with the

Ministry to proceed with urban redevelopment according to the Master Plan. Therefore, the sustainability in policy aspect is high.

- Organizational and financial aspect: Changes have been made to the structure and scope of work of the counterpart organizations in the Ministry due to recent turn of the Government. On the bright side, new department for the redevelopment of 'Housing Project for Ger area' of Ulaanbaatar City has been established with favorable prospect of budget allocation. However, the scope of the work of concerned departments of the Ministry and the City as well as each others' division of the roles among those departments remain unclear at the time of Terminal Evaluation. With the condition that the division of work among them clarified by the end of the project term and the newly established department in Ulaanbaatar City is likely to obtain budget, the effect of the project is highly likely to be maintained.
- Technical aspect:
Due to the issues in the organization aspect, the policy for improving the capacity for legislation, which is one of the Project outputs, is unclear.

3-3 Cause that Contributed to Effect

(1) Cause related to the plan

Cause that contributed to achieving the Project Purpose
Not particularly observed.

(2) Cause related to the process of implementing the plans

The project organized two task forces, legislation and urban development respectively, in the beginning in order to facilitate horizontally share the outputs of the existing working groups across all concerned organizations. The project implementation structure of this kind effectively involved the stakeholders concerned into the project thus enabled the cross-organizational and practical discussions so that facilitated the preparation of draft laws as well as rules and regulations.

3-4 Issues and Their Causes obstructed to Effect

(1) Causes related to the plan

Not particularly observed.

(2) Cause related to the process of implementing the plans

Replacement of the legislation task force members and key decision makers of JCC members as well as restructuring of organization prolonged the process of preparing draft laws which was scheduled to be completed in the earlier part of the project. Thus the project was unable to fully conduct the capacity building part of the activities which was scheduled in the latter half of the project.

3-5 Conclusion

This project is along with the policy of Mongol government as well as the needs of Ulaanbaatar City as well as the official development assistance program of Japanese side. Therefore the relevance of this project is high. Preparation of the draft Urban Redevelopment Law and its rules and regulations are expected to be fully completed by the end of the project, however, the project was unable to achieve the plan of strengthening the implementation capacity of C/Ps. Therefore the effectiveness of the project is moderate. For the efficiency, the four Outputs of the project are yet to be achieved at the time of Terminal Evaluation, nonetheless, expected to be achieved except for Output 4 by the time of its termination. However considering the delays, for almost quarter of the project period, caused by external factors such as reorganization of task force and replacement of key C/Ps, the efficiency of the project is assessed relatively high. For the impact, there is no particular impact observed since the overall goal is not achieved yet, nor the other positive or negative impact observed yet. For the sustainability, considering the fact that there is no particular policy change expected and that the Ulaanbaatar City concluded the memorandum with the ministry regarding the urban redevelopment and established a new organization in charge of Ger area redevelopment, the sustainability of this project is expected to be high. On the contrary, judging from the fact that the division of responsibilities among the organizations concerned is waiting for clarification and newly assigned C/P officers needs technical backups for implementing urban redevelopment projects, the sustainability of this project is understood as moderate.

Although not all the Outputs and Project Purpose would be fully achieved, the rules and regulations and manuals would be finalized with necessary implementation structure to be clarified, whereby necessary provisions to achieve most of Outputs and project purpose would be filled by the project termination. Therefore the Project is to be completed in May 2013, as initially planned.

3-6 Recommendations

(1) Points which must be achieved within the Project period

1) Completion of the first issue of the handbook by the initiative of the Mongolian side, and distribution of the handbook to stakeholders

In the Project at present, the method of extension based on the farmers' needs is being summarized in the first edition of the handbook. The English version is to be completed at the end of December 2012; the Mongolian version, around January 2013. In the near future, the Project must complete the handbook as planned while collecting all of the reports from 31TS and reflecting their contents in the handbook. The completed handbook must be shared among all stakeholders within the Project period.

Furthermore, the handbook must be revised in the future by the Mongolian side by taking the feedback from ES into account. Therefore, the Mongolian side should take the lead in the ongoing formulation process of the first edition.

2) Improving the reporting system

At present, the Project is receiving the farmers' evaluation and views on EW's activity through the reports from MES, and then reviewing the training courses for the central and local government, as well as extension services of EW. However, these reports are not submitted on time, preventing appropriate feedback. Therefore, the Project must take measures to have MES submit the reports on time.

3-7 Lessons Learned

In the first half of the Project period, there was no consensus on such Project-related terms as "extension methodology," "model extension specialist," and "localizing extension training materials." In the operation advisory study in 2009, the definitions of these terms were reconfirmed. The Project activities became smoother after the operation advisory study and helped achieve the Project Purpose. However, in order to effectively utilize the limited period of the Project, it is essential that the terms used in the Project be defined before or at an early stage of the Project, and that all stakeholders reach a consensus on the direction of the Project activities.