

Country Name	The Project on Capacity Development in Urban Development Sector in Mongolia
Mongolia	

I. Project Outline

Background	<p>In Ulaanbaatar city, the capital city of Mongolia, the city population increased from 0.65 million in 1998 to 1 million in 2007 due to population inflow from rural areas. Housing supply could not catch up with the rapid population increase and urbanization, and it was estimated that 60% of the population lived in “ger areas”¹ without sufficient urban infrastructures. In addition, environmental problems including air pollution caused by coal for heating and water pollution caused by household wastewater were new urban issues. With that background, the government of Mongolia implemented a project “Study on City Master Plan and Urban Development Program of Ulaanbaatar City” (2007-2009) with the assistance of JICA and formulated the “Ulaanbaatar 2020 Master Plan and Development Approaches for 2030” (MP2020). MP2020, which was approved by the State Great Khural (the parliament of Mongolia) in February 2013, envisioned urban development models and socio-economic framework of Ulaanbaatar city, and presented administrative systems and development projects necessary for them. At the same time, finding that the legal system and enforcement regulations and guidelines were underdeveloped, the study pointed out that it was urgently needed to tackle the issues to implement urban development projects planned in MP2020.</p>										
Objectives of the Project	<p>Through formulation of the drafts of institutional framework, laws and regulations, organizations, and others for the urban development of Ulaanbaatar city, and improvement of the capacity of staff concerned, the project aims at establishment of the systems for urban redevelopment based on MP2020 and improvement of the implementation ability for MP2020, thereby contributing to the improvement of urban development, land use, and living environment of Ulaanbaatar city.</p> <ol style="list-style-type: none"> Overall Goal: To implement urban development projects in Ulaanbaatar City through the promotion and realization of land use and the improvement of living environment and condition according to the Ulaanbaatar urban master plan. Project Purpose: To enhance the capacity of development projects on planned areas to realize urban redevelopment according to the Ulaanbaatar urban master plan. 										
Activities of the Project	<ol style="list-style-type: none"> Project Site: Ulaanbaatar city Main Activities: <ol style="list-style-type: none"> Drafting of the institutional framework for urban development. Drafting of amendments of laws and regulations and development of technical manuals for urban development. Defining of roles and responsibilities of agencies involved in urban development. Improvement of the capacity of staff in charge of the operation of the systems. Inputs (to carry out above activities) <table border="0" style="width: 100%;"> <tr> <td style="width: 50%;">Japanese Side</td> <td style="width: 50%;">Mongolian Side</td> </tr> <tr> <td>1) Experts: 9 persons</td> <td>1) Staff Allocated: 105 persons</td> </tr> <tr> <td>2) Trainees Received: 35 persons</td> <td>2) Land and Facilities: project office</td> </tr> <tr> <td>3) Equipment: PCs, copy machines, printers, etc.</td> <td>3) Local cost: cost for utility of offices (electricity, water and telephone)</td> </tr> </table> 			Japanese Side	Mongolian Side	1) Experts: 9 persons	1) Staff Allocated: 105 persons	2) Trainees Received: 35 persons	2) Land and Facilities: project office	3) Equipment: PCs, copy machines, printers, etc.	3) Local cost: cost for utility of offices (electricity, water and telephone)
Japanese Side	Mongolian Side										
1) Experts: 9 persons	1) Staff Allocated: 105 persons										
2) Trainees Received: 35 persons	2) Land and Facilities: project office										
3) Equipment: PCs, copy machines, printers, etc.	3) Local cost: cost for utility of offices (electricity, water and telephone)										
Project Period	(ex-ante) April 2010 - March 2013 (actual) June 2010 - May 2013	Project Cost	(ex-ante) 320 million yen (actual) 367 million yen								
Implementing Agency	Ministry of Construction and Urban Development (MCUD), Ulaanbaatar City Government										
Cooperation Agency in Japan	Ministry of Land, Infrastructure, Transport and Tourism, Hokkaido Prefectural Government, Asahikawa City Government, ALMEC Corporation, Oriental Consultants Co., Ltd.										

II. Result of the Evaluation

<Special Perspectives Considered in the Ex-Post Evaluation>

- Targets of the indicator of the Overall Goal (X%, Y%, Z%) have not been fixed though they were supposed to be figured during the project period. The evaluation judgements in this ex-post evaluation were made by the trend of rise and fall of the number of houses supplied, the total area of development, and the number of development sites.
- Sustainability of the project was evaluated by the project effects including the effects made by the subsequent project of the “Project for Improvement for Planning and Implementation Skills of Ulaanbaatar Master Plan” (2014-2018)².

1 Relevance/Coherence

[Relevance]

<Consistency with the Development Policy of Mongolia at the Time of Ex-Ante Evaluation>

The project was consistent with the development policy of Mongolia at the time of ex-ante evaluation. In the section of “Economic Growth and Development Policies” in the “Comprehensive National Development Strategy of Mongolia 2007-2021,” four strategic objectives were defined to promote development of institutional framework for urban development. They were: 1) urban construction and

¹ Residential areas formed by the inflow of nomad into Ulaanbaatar city consist of gers (traditional portable houses) and simple detached houses.

² The precedent project of the “Study on City Master Plan and Urban Development Program of Ulaanbaatar City” (2007-2009) formulated MP2020, the project aimed to improve the administrative systems and implementation ability, and the subsequent project aimed to formulate the action plan and promote implementation of MP2020.

legal system development for urban planning to create appropriate population distribution and favorable living conditions for citizens in urban and other areas, 2) construction of buildings which meet the today's quality standard, 3) acceleration of housing supply, and 4) improvement of land use including promotion of land privatization. To execute the Strategy, the government formulated the "Action Plan of the Government of Mongolia 2008-2012" and announced the infrastructure development plan aiming at economic growth and sustainable development through industrialization. The plan targeted infrastructure development in ger areas, construction of 100 thousand houses, and building of the capital city of international level.

<Consistency with the Development Needs of Mongolia at the Time of Ex-Ante Evaluation>

The project was consistent with the development needs of Mongolia at the time of ex-ante evaluation. As stated above, because of the rapid urbanization due to population concentration and expansion of ger areas, living conditions including air and water had been deteriorated. The redevelopment in the city thus was an urgent issue. Besides, although land privatization was legally permitted in 2003 and land reform started, the considerable number of public and private projects were delayed or suspended due to underdeveloped legal and institutional framework of urban development.

<Appropriateness of Project Design/Approach>

The project design/approach was appropriate. The project aimed to formulate legal and institutional framework of urban development and redevelopment. The main issues of urban redevelopment in Mongolia especially in Ulaanbaatar city were redevelopment of ger areas and rehabilitation of old apartment houses. The average annual income of the residents in ger areas was lower than 30% of the national average, and most of the residents in old apartment houses were lower income or poverty populations. Thus, aiming at the improvement of living conditions of socially vulnerable people, the project was designed to realize social equality.

<Evaluation Result>

In light of the above, the relevance of the project is ③. (④ : very high, ③ : high, ② : moderately low, ① : low * To be the same afterwards.).

[Coherence]

<Consistency with Japan's ODA Policy at the Time of Ex-Ante Evaluation>

The project was consistent with the Japan's ODA policy to Mongolia at the time of ex-ante evaluation. The "Country Assistance Program for Mongolia" (November 2004) prioritized "the assistance for infrastructure development to vitalize economic activities" as one of the priority areas of assistance. The infrastructure development was intended to directly contribute to industrial growth in the capital city and regional core cities and improvement of the livelihood of the people.

<Collaboration/Coordination with other JICA's interventions>

The collaboration/coordination between the project and other JICA's projects was planned at the time of ex-ante evaluation and was implemented, the positive effects were confirmed at the time of ex-post evaluation. The project planned at the time of ex-ante evaluation to collaboration/coordination with the aforementioned subsequent project (Project 1) and the dispatch of individual experts for technical and legislative development on urban development (2013-2014) (Project 2). Project 1 formulated MP2020, and the project was implemented to develop legal and administrative systems to implement MP2020. Project 2 dispatched two individual experts to promote implementation of MP2020. The experts conducted study sessions and workshops for the implementing agency of the project and other officials concerned on the topics of land readjustment, legal systems improvement, and others. Applying the knowledge and experience gained in those collaboration/coordination, staff members of MCUD and the Ulaanbaatar City Government were engaged in the drafting of administrative systems, laws and regulations, institutional and organizational systems, and so forth.

<Cooperation with other institutions/ Coordination with international framework>

The cooperation/coordination with a project of the World Bank was planned at the time of ex-ante evaluation and implemented as planned, and the positive effect was confirmed at the time of ex-post evaluation. At the time of ex-ante evaluation, it was planned to cooperate and coordinate with the World Bank's "Ulaanbaatar Services Improvement Project (2)" (2004-2012) expecting to create synergetic effects on legal systems improvement and capacity development of the staff of Ulaanbaatar City Government for urban development. The World Bank's project has improved water supply system in Ulaanbaatar city including ger areas. Based on the improved water supply system, the staff of MCUD and Ulaanbaatar City Government involved in the project formulated the drafts for institutional, legal, and organizational improvement applying their knowledge and experience gained through the World Bank's project. The positive effects were particularly notable in the drafting of institutional and managerial improvement plans for urban water supply systems.

<Evaluation Result>

In light of the above, the coherence of the project is ③.

[Evaluation Result of Relevance/Coherence]

In the light above, the relevance/coherence of the project is ③.

2 Effectiveness/Impact

<Status of Achievement of the Project Purpose at the Time of Project Completion>

At the time of project completion, the Project Purpose was partially achieved. Planning and scheduling of legal system development fallen behind due to the delay of project team formulation affected by the general election in 2012. However, they were completed by the end of the project (Indicator 1). Due to the delay of project team formulation, administrative officials could not start operation and management of urban development activities using technical manuals prepared by the project at the time of project completion (Indicator 2).

<Continuation Status of Project Effects at the Time of Ex-Post Evaluation>

By the time of ex-post evaluation, the project effects have been continued. After the completion of the project, MCUD and the Ulaanbaatar City Government prepared the draft law of Urban Area Redevelopment and related regulations. The draft law was approved by the parliament. The draft law and related regulations were prepared by the staff of MCUD and the Ulaanbaatar City Government using the technical manuals and guidelines prepared by the project. Besides, MCUD has utilized the manuals and guidelines for drafting legal and policy documents and in public meetings, and the Ulaanbaatar City Government has utilized them in their daily activities of the implementation of MP2020.

<Status of Achievement of the Overall Goal at the Time of Ex-Post Evaluation>

At the time of ex-post evaluation, the Overall Goal has been partially achieved. The number of houses supplied and the total area of

development have steadily increased every year in all designated development sites in Ulaanbaatar city. However, according to the Ulaanbaatar City Government, the target of the number of development projects defined by the City Government has not been achieved. That was due to unstable investment in urban development because urban redevelopment projects have been implemented by the private investment.

<Other Impacts at the Time of Ex-Post Evaluation>

According to MCUD and the Ulaanbaatar City Government, land acquisition and resettlement caused by the project and the projects of MP2020 have not taken place. In the ger areas redeveloped according to MP2020, the projects removed old apartment houses and built new ones. Residents in the project sites were granted to exchange their lands for apartments, and the land of 2,427 units³ have been exchanged for apartments. Though the redevelopment projects were expected to create job opportunities and to improve environmental issues of air and soil pollutions, specific effects have not been confirmed at the time of ex-post evaluation. No negative impact has been confirmed at the time of ex-post evaluation.

<Evaluation Result>

In light of the above, the effectiveness/impact of the project is ③.

Achievement of Project Purpose and Overall Goal

Aim	Indicators	Results	Source																				
Project Purpose: To enhance the capacity of development projects on planned areas to realize urban redevelopment according to the Ulaanbaatar urban master plan.	Indicator 1: The agenda for approval of draft laws formulated by the project is clearly defined by the end of the project.	Status of the Achievement (Status of the Continuation): mostly achieved as planned (continued) (Project Completion) A considerable number of the staff of the implementing agency left their jobs due to the results of the general election in 2012. The project team was reorganized in 2013 just before the completion of the project. Planning and scheduling of legal system development fallen behind due to the delay of project team reformulation. However, they were completed by the end of the project. (Ex-Post Evaluation) After the completion of the project, based on the plan and schedule of legal system development, MCUD and the Ulaanbaatar City Government in collaboration prepared the draft law of urban redevelopment and related regulations. The draft law was approved by the parliament in June 2015.	Source: MCUD, Ulaanbaatar City Government																				
	Indicator 2: Administrative officials operate and manage urban development activities using technical manuals prepared by the project.	Status of the Achievement (Status of the Continuation): not achieved (achieved) (Project Completion) The project team was reformulated just before the completion of the project as stated above. Therefore, at the time of project completion, administrative officials did not start operation and management of urban development activities using technical manuals prepared by the project. (Ex-Post Evaluation) After the completion of the project, the staff of MCUD and the Ulaanbaatar City Government operate and manage urban development activities including preparation of the draft law of urban redevelopment and related regulations using technical manuals and guidelines prepared by the project. Besides, MCUD has utilized the manuals and guidelines for drafting legal and policy documents and in public meetings for citizens and private companies, and the Ulaanbaatar City Government has utilized them in their daily activities of the implementation of MP2020.	Source: Project Completion Report, MCUD, Ulaanbaatar City Government																				
Overall Goal: To implement urban development projects in Ulaanbaatar City through the promotion and realization of land use and the improvement of living	Indicator: Compared to the situation at the time of beginning of the project, urban development is driven forward, and the number of houses supplied, the total area of development, the number of development sites increased.	(Ex-Post Evaluation) partially achieved Table 1: Situation of urban development in Ulaanbaatar city	Source: MCUD, Ulaanbaatar City Government																				
		<table border="1"> <thead> <tr> <th>Year</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> </tr> </thead> <tbody> <tr> <td>Houses supplied</td> <td>1,037</td> <td>1,656</td> <td>2,181</td> <td>540</td> </tr> <tr> <td>Area of development (km²)</td> <td>-</td> <td>1,051</td> <td>871</td> <td>-</td> </tr> <tr> <td>Development sites</td> <td>6</td> <td>6</td> <td>6</td> <td>6</td> </tr> </tbody> </table>	Year	2014	2015	2016	2017	Houses supplied	1,037	1,656	2,181	540	Area of development (km ²)	-	1,051	871	-	Development sites	6	6	6	6	
Year	2014	2015	2016	2017																			
Houses supplied	1,037	1,656	2,181	540																			
Area of development (km ²)	-	1,051	871	-																			
Development sites	6	6	6	6																			

³ A legal unit used in Mongolia for land registration. It does not denote land area or the number of households.

environment and condition according to the Ulaanbaatar urban master plan.					
	Year	2018	2019	2020	2021
	Houses supplied	2,165	1,650	1,050	695
	Area of development (km ²)	709	645	668	1,067
	Development sites	6	6	6	6

The number of houses supplied and the total area of development have been fluctuating but steadily increasing every year. Development works were also done in 2014 and 2017 but the area data were not available. The number of development sites were stable at six. This indicates that the total number of designated urban development sites in Ulaanbaatar city was six, and urban development projects have been implemented in all of those six sites every year. However, according to the Ulaanbaatar City Government, the target of the number of development projects defined by the City Government has not been achieved. That was due to unstable investment in urban development because the projects for urban redevelopment and rehabilitation of old apartment houses have been implemented by the private investments.

3 Efficiency

Because the input of Japanese expert was increased to make up for the delay of activities, the project cost slightly exceeded the plan (the ratio against the plan: 115%), while the project period was as planned (the ratio against the plan: 100%). Outputs were produced as planned. In the light above, the efficiency of the project is ③.

4 Sustainability

<Policy Aspect>

The “Mongolia’s Long-Term Development Policy Vision 2050” (Vision 2050) (2020) is a long-term national development policy for 2020 to 2050. The chapter 9 of it is the “Development of Ulaanbaatar city and its satellite cities.” The “Action Plan of the Government of Mongolia for 2020-2024” prepared for implementing Vision 2050 and the four-year plan and one-year plan of the Ulaanbaatar City Government were formulated based on the draft law of Urban Area Redevelopment and related regulations drafted referring to the technical manuals and guidelines prepared by the project.

<Institutional/Organizational Aspect>

Although MCUD and the Ulaanbaatar City Government played different roles in urban development, platforms such as a taskforce for drafting bills were created in the project, on which both parties worked in collaboration. This system has been maintained after the completion of the project. A taskforce consists of the staff of MCUD and the Ulaanbaatar City Government formulated MP2040, an updated version of MP2020, and the draft of Urban Area Development Law. As for the organizational aspect, following the proposal made by the project, MCUD explicitly defined urban redevelopment as a task-in-charge of the Ministry, and the Ulaanbaatar City Government restructured its organization and increased the number of staff. However, the number of staff in charge of urban development is nine in MCUD and 15 in the Ulaanbaatar City Government, which are not sufficient for the volume of their works. Since staffing is done by the central government, it is hard to expect further increase in the staff.

<Technical Aspect>

The staff of MCUD and the Ulaanbaatar City Government involved in the project and the subsequent project have drafted policies and plans for urban development including the revision of Urban Development Law and MP2040 applying the knowledge and experience gained in those projects. On the other hand, turnover of the staff caused by the general election in the project period and staff rotation after the completion of the project has been the challenging issue for the technical sustainability. In the Ulaanbaatar City Government, the number of the staff involved in the project has decreased to four. Those four members are in charge of the training for newcomers to transfer their knowledge and experiences. The manuals, guidelines, and brochures prepared by the project were extensively used for the preparation of the draft of Urban Areas Development Law and related regulations. They also have been utilized in daily works including the occasions of study sessions on policy making and planning, public meetings for citizens and private companies, and others.

<Financial Aspect>

According to the ex-post evaluation report of the subsequent project (2022), the implementation rate of MP2020 is as low as 29.6% due to constraints of the budget for urban development. To cope with the situation, MCUD takes measures such as the dispersion of development budget to some years and some areas to keep conducting urban development activities. The Ulaanbaatar City Government has been undertaking coordination efforts in the city council to resolute an adjustment of annual urban development budget. As an assistance from a development partner, at the time of ex-post evaluation, a grant aid project by the Chinese government for apartment houses construction is ongoing.

<Environmental and Social Aspect>

To draft MP2040, various environmental surveys including environmental impact assessment surveys have been conducted referring to opinions and advice from specialized agencies, researchers and experts. The draft revision of Urban Development Law submitted to the parliament in 2020 included a clause stipulated that provincial governments and the Capital Urban Development Bureau of the Ulaanbaatar City Government in collaboration with related governmental agencies monitor social and environmental impacts caused by urban development activities including the impacts on air, water, soil, dust, noise, vibration, electromagnetic wave, and so on, and take countermeasures if necessary.

<Evaluation Result>

In light of the above, some problems have been observed in terms of the institutional/organizational, technical, and financial aspects of the implementing agency. Therefore, the sustainability of the project effects is ②.

5 Summary of the Evaluation

While operation and management of urban development activities applying the manuals prepared by the project were not started, the draft of administrative and legal systems development was formulated by the end of the project. Therefore, the Project Purpose was partially achieved. The Overall Goal was partially achieved because urban development projects have been steady implemented in Ulaanbaatar city although the City Government's target has not been achieved. As for sustainability, some problems have been observed in terms of the institutional/organizational, technical, and financial aspects. But some positive movements are observed in the organizational reforms with additional staff and financial support from a development partner. Considering all of the above points, this project is evaluated to be satisfactory.

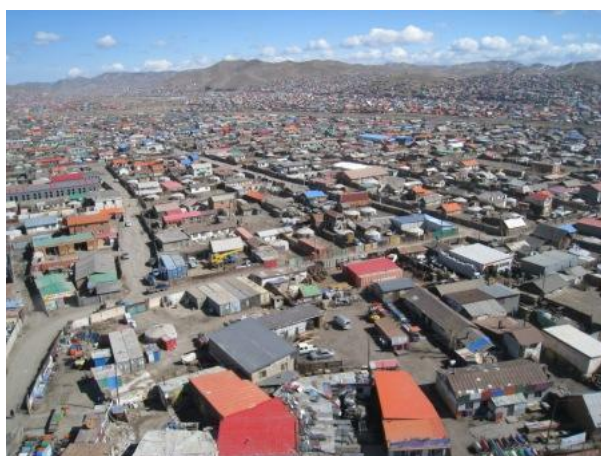
III. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

- The project aimed at capacity development of the staff of MCUD and the Ulaanbaatar City Government to implement urban development project through drafting administrative and legal systems and bills, and that objective was attained to a certain extent. However, due to the general election and staff rotation, they are facing a difficulty to take root the knowledge and experience gained in the project. Therefore, it is recommended that MCUD and the Ulaanbaatar City Government systematize training system including training for newcomers, on-the-job training (OJT), and coaching to transfer and sustain the knowledge and experience.
- According to the aforementioned ex-post evaluation report of the subsequent project (2022), the implementation rate of MP2020 is 29.6% due to insufficient budget for urban development. Therefore, it is recommended that MCUD and the Ulaanbaatar City Government secure the budget for accelerating the implementation of MP2020. Measures to secure the budget could be working on the state government or the city council to increase urban development budget, introduction and promotion of public and private collaboration such as Public Private Partnership (PPP), requesting development partners for financial assistance, and others.

Lessons Learned for JICA:

- The project aimed to improve practical abilities of the officials concerned through institutional, legal, organizational system development, and achieved its objectives to a certain extent. However, due to turnover caused by the general election and staff rotation, the technical sustainability of knowledge and experience is facing a difficulty. Staff rotation is a usual management event certainly takes place in some years, and a human resource outflow inevitably takes place by that. Therefore, it is recommended that a technical cooperation project aiming at institutional and organizational system development includes training, OJT, coaching, and other means⁴ to transfer and sustain knowledge and experience on the premise of turnover expected by staff rotation as a part of institutional system development.
- In a line of the projects, the precedent project formulated MP2020, the project improved the legal and administrative system, and the subsequent project formulated the action plan for MP2020. Although it was expected to consistently implement MP2020 by that project formation, the implementation of MP2020 significantly delayed at the time of ex-post evaluation mainly due to financial constraints. While institutional, legal, and organizational system development was included in the task of the project, a financial system development was not but only some proposals were made such as an establishment of urban redevelopment fund. However, any means for securing funds including the national budget, municipal budget, private investment, international loans require particular institutional systems to mobilize them. Therefore, it is suggested that a technical cooperation project for formulating or implementing a master plan clearly defines means for securing funds as early as possible and starts an institutional/organizational system development for that purpose in the project with the initiative of implementing agency.



A site of ger area redevelopment



Results of an old apartment houses reconstruction project

⁴ Tools for transferring and sustaining the knowledge and experience includes job-sharing; the practice of dividing the duties between two people, pair work; the practice of working together by two people, peer review; the practice of evaluating and checking the results of someone's duties by his/her colleague in the workplace, and others.