

# Regional Improvement of Border Services Project MONGOLIA

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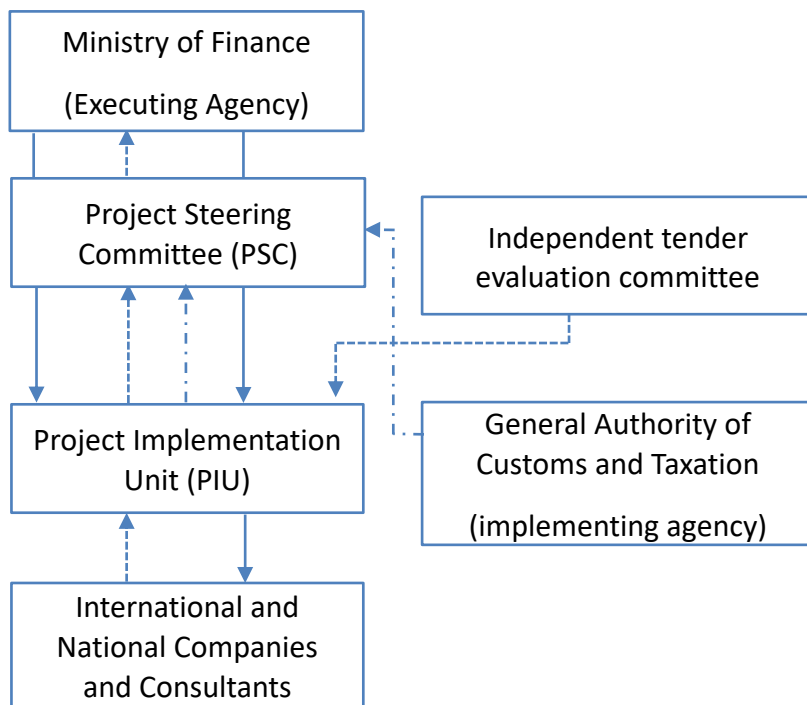
*NOROV UNURTSETSEG*

*PROJECT IMPLEMENTATION UNIT*

# Background information: L3387-MON & L3810-MON

L3387-MON	
Loan signing date	28 April 2016
Effectivity date	11 July 2016
Original/Revised Closing Date	31 December 2021/31 December 2023
Executing Agency	Ministry of Finance
Implementing Agency	Customs General Administration
Project Financing Amount	SDR 19,394,000
Project outputs	<b>Output 1:</b> Facilities and equipment at BCPs upgraded and improved. <b>Output 2:</b> Communication infrastructure for CAIS improved and MCGA systems made interoperable. <b>Output 3:</b> Preparatory work for Foreign Trade SEW system undertaken.
L3810-MON – Additional Financing	
Loan signing date	02 October 2019
Closing Date	30 June 2024
Project Financing Amount	USD 27,000,000
Project outputs	<b>Output 1:</b> Facilities and equipment at BCPs upgraded and improved. <b>Output 2:</b> Capacity of relevant border agencies improved.

# Project Implementation Arrangements



- ← Oversees (for project purposes)
- ←- - - Advises (for project purposes)
- ←- - - Supports/provides staff (for project purposes)

Project implementation organizations	Management Roles and Responsibilities
<b>Executing Agency</b>	
<ul style="list-style-type: none"> <li>Ministry of Finance</li> </ul>	<ul style="list-style-type: none"> <li>Signing of the Loan Agreement.</li> <li>Establish project steering committee (PSC).</li> <li>Establish project implementation unit (PIU).</li> <li>Guide and coordinate closely with all relevant government agencies for the timely resolution of any issue and completion of the project within the target.</li> <li>Coordinate with ADB all project implementation issues.</li> <li>Oversee overall project implementation and management activities to ensure smooth and timely implementation and completion of project activities.</li> </ul>
<ul style="list-style-type: none"> <li>Project Steering Committee</li> </ul>	<ul style="list-style-type: none"> <li>Approve annual budgets and plans for the project.</li> <li>Oversee progress in project implementation.</li> <li>Guide and support project implementation.</li> <li>Provide coordination between ministries and agencies involved in project implementation.</li> </ul>
<b>Implementing Agency</b>	
<ul style="list-style-type: none"> <li>General Authority of Customs and Taxation</li> </ul>	<ul style="list-style-type: none"> <li>Work with the project implementation unit and consultants to accurately define the technical specifications and designs.</li> <li>Monitor project activities and outputs and reporting to the PSC.</li> <li>Prepare reports reflecting issues and time-bound actions taken (or to be taken).</li> <li>Quality assurance of works, and services of consultants and counterpart staff.</li> <li>Prepare regular periodic progress reports, and project completion report and their timely submission to executing agency and ADB.</li> <li>Ensure project's sustainability during post implementation stage and reporting to ADB on the assessed development impacts.</li> </ul>
<ul style="list-style-type: none"> <li>Project implementation unit (PIU)</li> </ul>	<ul style="list-style-type: none"> <li>Assume day-to-day management of the project.</li> <li>Coordinate and implement project activities, including procurement, recruitment, disbursements, contract administration, monitoring, and reporting.</li> <li>Prepare, on behalf of the executing and implementing agencies, bidding documents, reports, and other supporting documents and submit for review and approval.</li> <li>Maintain on behalf of the executing agency the imprest account, and prepare and submit withdrawal applications and supporting documents, quarterly and annual reports, and financial statements.</li> <li>Prepare and submit periodic/progress reports to executing and implementing agencies.</li> <li>Regularly liaise with the executing agency and ADB</li> <li>Manage, address and report grievances, should they arise.</li> </ul>
<ul style="list-style-type: none"> <li>ADB</li> </ul>	<ul style="list-style-type: none"> <li>Provide technical support for project implementation.</li> <li>Supervise and ensure compliance by the executing agency and implementing agencies with ADB's policies and procedures in project implementation.</li> <li>Conduct periodic loan review missions, a mid-term review, and Project completion mission.</li> <li>Monitor compliance with all loan covenants including safeguards.</li> </ul>

## How were the border crossing points (BCPs) covered by the project selected?

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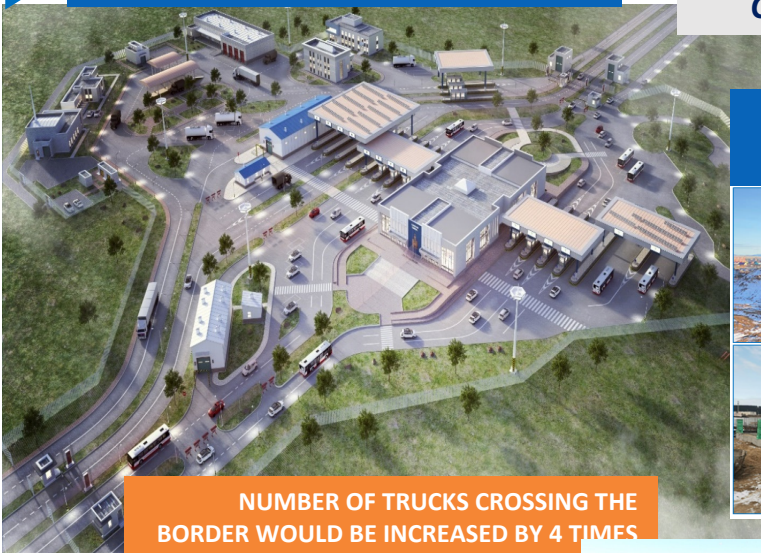
- One of main international BCPs
- Time and cost to cross Altanbulag BCP: 4.8 hours, \$659; Bichigt BCP: 3.7 hours, \$660 (*CAREC CPMM report-2014 baseline*)
- Strategic route for transit or international agreement (CAREC corridor 4b, 4c)
- Strategic locations along Mongolia's borders with neighbouring countries



## Current view of the Altanbulag BCP



## Upgraded Altanbulag BCP/ design



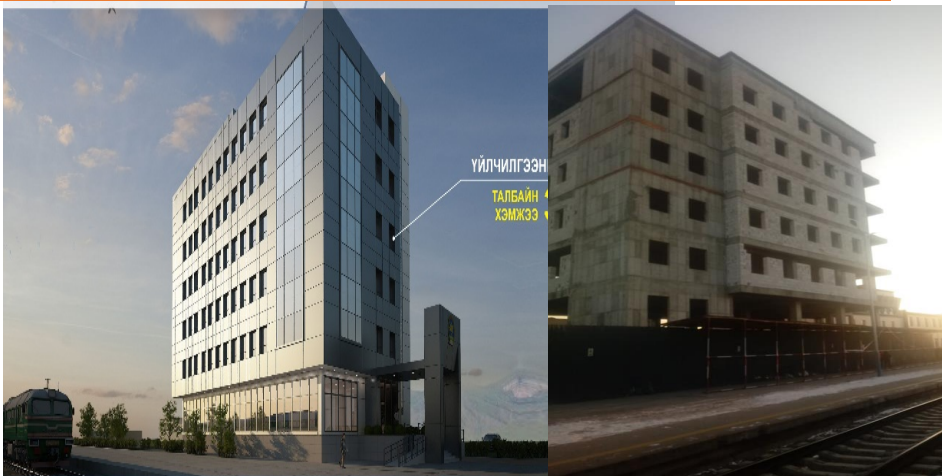
NUMBER OF TRUCKS CROSSING THE BORDER WOULD BE INCREASED BY 4 TIMES

## CAREC corridor 4b

a few samples of current construction



## CONSTRUCTION OF SUKHBAATAR BCP SINGLE STOP SERVICE CENTER BUILDING/ Design and Current construction



ҮЙЛЧИЛГЭЭН  
ТАЛБАЙН  
ХЭМЖЭЭ

TOTAL ROAD AREA OF THE BCP WOULD BE DOUBLED



a few samples of current construction



CONSTRUCTION OF DUAL CARRIAGE ROAD8 ADDITIONAL ROADS, AND PARKING/ design

COST AND TIME OF COMPLIANCE WITH TRADE PROCEDURES WOULD BE REDUCED BY 30%.



## Current view of BORSHOO BCP



**TOTAL OF 21 CARGO AND PASSENGER FACILITIES and INFRASTRUCTURE AND GREEN FACILITIES WILL BE CONSTRUCTED.**

## Upgraded BORSHOO BCP/ design



Number of passenger cars crossing the border per day would be increased by 6.7 times

## a few samples of current Construction of BCP facilities



## a few samples of current Construction of BCP road and utility connection



## Current view of BICHIGT BCP



**TOTAL OF 24 CARGO AND PASSENGER FACILITIES and INFRASTRUCTURE AND GREEN FACILITIES WILL BE CONSTRUCTED.**

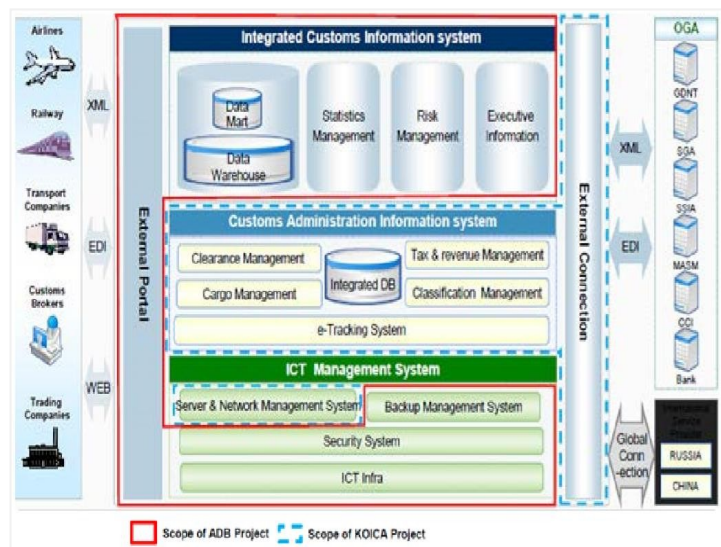
## Upgraded BICHIGT BCP/design



## CAREC corridor 4c

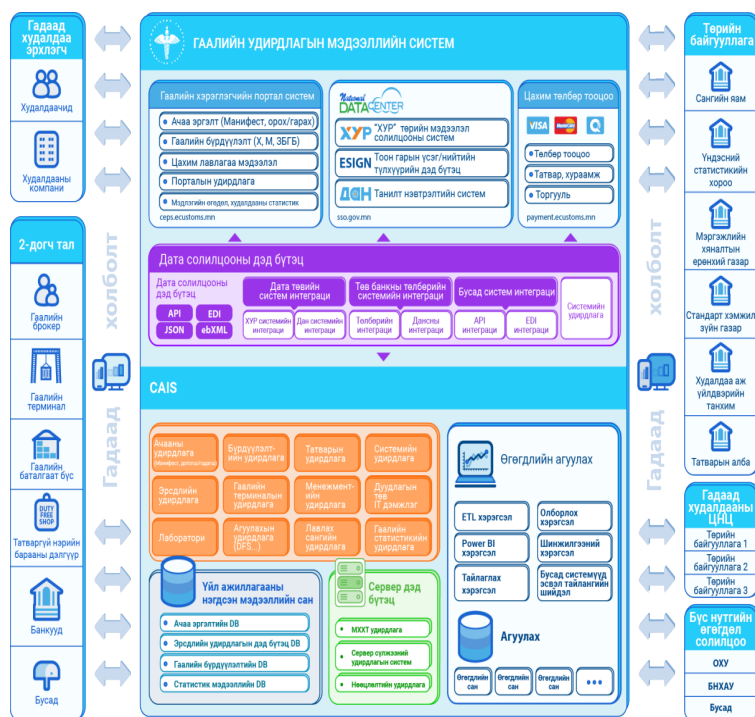
Number of trucks crossing the border per day would be increased by 5 times

The Bid Evaluation of 2 packages for Bichigt BCP is in process



CAIS was launched in 2010 under the Customs Modernization Project financed by the ADB replacing previous GAMAS system.

Most of applications, software and hardware were outdated



Under the current Project the core CAIS application modules in the process of upgrade

CAIS would be single window "ready"

Multi-Generations of FTSEW  
recommended by the International  
consultant



1<sup>st</sup> and 2<sup>nd</sup> generations would  
be implemented under the  
current Project



### 1<sup>st</sup> Generation:

1. Trader Registration & Regulatory Authorization
2. Application for Certificates, Permits and Licenses

CAIS  
(Upgraded)

Trade  
Information  
Portal  
(IFC)

### 2<sup>nd</sup> Generation:

3. Advance Information
4. Declaration and Release
5. Post Release



As-Is report and initial version  
of To-Be report have been  
prepared by the Management  
consultancy services for  
implementation of FTSEW .





# Lessons Learned and Recommendations for other Countries

- Carefully consider the risk of force majeure (*International firms and consultants couldn't arrive to Mongolia due to Covid-19 related travel restrictions which caused delay in implementation*)

## Physical Infrastructure:

- Feasibility study on renovation and expansion of border crossing facilities, infrastructure and equipment including sub-infrastructure aspects such as power supply, water supply, heating supply, internet fiber optic source should be conducted prior to the Loan negotiation or approval.

## Soft Infrastructure:

- Customer and contractor should have a detailed common understanding of terms of reference and performance. (*Contract has been extended due to different position by MCGA and Contractor on evaluation of system development of CAIS & CEPS*)
- Lead agency to foster strong inter-government collaboration in implementation of SEW should be appointed prior to the Project commencement.
- Should focus on strengthening the participation of stakeholders particularly government agencies. (*Agencies except customs have been inactive in making contribution to As-Is report submitted by the Contractor*)

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THANK YOU FOR YOUR ATTENTION

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