

# **ADB's Assistance to Mongolia-PRC Cooperation**

Ulaanbaatar, 25 June 2009

Yuebin Zhang  
Regional Cooperation Specialist  
East Asia Department (EARD)



# RCI and ADB

RCI: mandated by ADB Charter and a new priority for ADB

- RCI is an important means of achieving ADB's overarching objective of poverty reduction by
  - Achieving more efficient use of regional resources
  - Enhancing economic complementarities among countries
  - Facilitating cross-border trade/investment
- RCI is one of the five core operational areas of ADB's Strategy 2020.

# RCI and ADB – Cont.

ADB's role in promoting RCI – a trusted partner

- Providing financial and TA resources for RCI projects/programs
- Acting as a knowledge bank by providing knowledge support and disseminating best practices
- Building institutional and human capacity
- Serving as an honest broker and effective facilitator among countries and institutions in the region

# Regional Cooperation for MON

- Regional cooperation is of special significance for Mongolia as a landlocked country.
- Regional cooperation is a cross-cutting theme in the new CPS 2009-2013.
- Regional cooperation is an area where ADB has values to add.
- Mongolia is an active participant in various RCI programs (CAREC, MON-PRC cooperation, UNDP-led GTI, etc).

# Regional Cooperation for MON – Cont.

ADB's RCI-related assistance to Mongolian

- As of 2008, ADB's CAREC-related lending portfolio consists of 5 projects for \$126.4 mn (\$88.8 mn loan & \$37.6 mn grant), including 4 roads and 1 Customs Modernization project.
- Over 2009-2011, ADB plans to finance 4 infrastructure projects totaling \$129 mn.

# Regional Cooperation for PRC

- Regional cooperation is an important part of ADB's operations in PRC. It's also a prominent theme in the CPS 2008-2010.
- PRC is already a key member of many of ADB-led RCI programs, notably CAREC and GMS.
- PRC also contributes to the success of those regional cooperation programs (eg. PRC Fund).

# Regional Cooperation for PRC – Cont.

## ADB's RCI-related assistance to PRC

- As of 2008, ADB's lending to PRC in support of CAREC and GMS programs consists of 10 projects for \$1.7 bn, mainly in transport sector.
- Over 2009-2011, ADB plans to finance 6 infrastructure projects totaling \$1.1 bn under the broad framework of CAREC and GMS.

# MON-PRC Cooperation

- MON-PRC cooperation program will help further strengthen the close relationship between the two countries.
  - A common border of 4600 km and long historical ties.
  - PRC as MON's biggest trade partner, accounting for over 50% of MON exports and 30% of imports
  - PRC as largest source of FDI for MON (\$1.2 bn accounting for over 50% of total FDI as of 2007)
  - PRC also benefits from trade with MON (natural resources; transit country for trade with Russia and Europe, etc.)
  - Strong commitment to cooperation at the highest political level
- MON-PRC cooperation is an integral part of CAREC, but focuses more on MON and PRC priorities.
- ADB supports MON-PRC cooperation through TA.



# RETA 6370

- To develop regional cooperation programs for MON and PRC
- Approved in December 2006 for implementation over Jan. 2007-June 2009, with \$800,000
- Strong ownership by governments and highly participatory implementation approach:
  - 4 priority areas jointly identified (trade logistics & border town; energy/power; transport; and customs)
  - TORs for studies developed in consultation with governments
  - International consultants supported by national experts

# RETA 6370 – Cont.

- Trade logistics and border town development study
  - To Harmonize trade logistics and infrastructure development planning in the two countries
  - Focusing on Zamyn-Uud and Erlian which serve as the major gateway for MON-PRC trade and transit trade
  - To propose investment projects for ADB and private financing
  - Study completed in April 2009
- Energy cooperation study
  - To promote MON-PRC energy/power cooperation
  - Focusing on improving the regulatory and policy environment for power trade
  - To build on the existing bilateral dialogue mechanism, and to help set up regional bodies of power regulators and operators for effective power trading and regional cross-border power market development
  - Study to be completed by June 2009

# RETA 6370 – Cont.

- Customs
  - To support the MON-PRC customs cooperation program under the broad CAREC framework
  - Focusing on the pilot-test of MON-PRC joint border control initiative (harmonization of cargo manifest, streamlining of customs procedures, etc.)
  - Training programs for MON customs officers on various subjects in Shanghai Customs College
- Transport study
  - To harmonize transport planning between MON and PRC's IMAR and northeastern provinces, focusing on railway
  - To improve MON central transport corridor linking Russia and PRC
  - To recommend key investment proposals
  - To improve MON access to seaports in PRC
  - Study to be complete by June 2009

# RETA 6434

- To build/enhance MON's and PRC's capacity for regional cooperation
- Approved in December 2007 for \$750,000 and to be implemented over 2008-2009
- Key activities
  - Developing MON national strategy for regional cooperation
  - Developing IMAR's strategy for regional cooperation
  - Organizing in-country consultation workshops on regional cooperation
  - Strengthening MON national secretariat for regional cooperation to improve inter-agency coordination
  - Training MON and PRC officials with responsibilities for regional cooperation
  - National consultants positioned in MOF

# 2009 Special for MON-PRC

- 60<sup>th</sup> Anniversary of MON-PRC diplomatic ties
- MON hosting 8<sup>th</sup> CAREC MC
- ADB will provide continued support to MON-PRC cooperation (e.g. follow-up TAs).

# Thank you!

For more information, please contact:

- Naomi Chakwin, Director, EAFM  
Email: <[nchakwin@adb.org](mailto:nchakwin@adb.org)>
- Yuebin Zhang (EARD Regional Cooperation Specialist)  
Email: [yuebinzhang@adb.org](mailto:yuebinzhang@adb.org)
- Luvsan Vanjildorj, MNRM  
Email: <[lvanjildorj@adb.org](mailto:lvanjildorj@adb.org)>