**FAA Schedule 3. Updated Implementation Arrangements**

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| **Outputs** | **Executing Entities in Charge** |
| 1. Resilient urban infrastructure, public facilities, and social housing units in ger areas constructed (public sector component) | MUB |
| 2. Long-term financing to developers for low-carbon affordable housing, market rate housing, and economic facilities in ger areas and to households for green mortgages increased (financial intermediation loan (FIL) component) | MUB/DBMs |
| 3. Sector policy reforms implemented, and capacity strengthened | MUB/DBM |

Detailed implementation arrangement

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| **Project Implementation Organizations** | **Management Roles and Responsibilities** |
| **Executing Agency** MUB | MUB, headed by the Governor of Ulaanbaatar, will be responsible for identifying, prioritizing, formulating, appraising, approving, and overseeing the implementation of subprojects in accordance with technical, financial, and economic appraisal criteria, including social and environmental criteria, as agreed with ADB. Its main responsibilities are:   1. overall project oversight and administration; 2. set up of a multisectoral coordination committee and monitoring of the action plan; 3. oversee the implementation of project policy improvement; 4. submit progress reports to the steering committee for decision making; 5. prepare the redevelopment sites components and urban redevelopment unit; 6. be accountable and responsible for the proper use of advance accounts and funds from ADB loans, GCF loan/grant, and HLTF grant; 7. endorse and submit withdrawal applications; 8. ensure compliance with project covenants; 9. hold quarterly meetings with multisectoral coordination committee and the project management office (PMO); and 10. monitor cooperation among related official development assistance-funded projects. 11. act as a major shareholder of EDAF; 12. provide necessary guidance to DBM Asset Management SC LLC on the management of EDAF; 13. enter into an asset management agreement with DBM Asset Management SC LLC. |
| **Project Steering Committee** | A project steering committee headed by the MUB, will comprise government officials from the Ministry of Finance (MOF), Ministry of Environment and Tourism, MUB departments and agencies, Ministry of Construction and Urban Development, DBM, and Capital City Housing Corporation will be established to oversee the project implementation and provide strategic and policy guidance. The steering committee will, among others:   1. provide policy guidance to facilitate, complete, and achieve the project objectives specified in underlying agreements in a timely manner; 2. provide coordination and cohesiveness within the sector and between subsectors to ensure effectiveness and efficiency of project activities; 3. review and approve the pipeline of subprojects to be prepared, financed, and implemented; 4. review and approve the project midterm implementation plan, detailed annual implementation plan, as well as procurement and financial plans; 5. review and evaluate, on a semiannual basis, the implementation plans and related monitoring and evaluation reports, review and evaluate annual project progress assessment report during the meeting to be held in the first quarter of the following year, and provide recommendations on remedial actions to MUB, PMO, and DBM Asset Management SC LLC, if required, and oversee implementation of such recommendations; and 6. if implementation of recommendations is considered not satisfactory, advise MUB to impose disciplinary measures on responsible staff. |
| **PMO** under MUB | The PMO will be established under the Mayor of Ulaanbaatar and will be responsible for the overall implementation of the project and closely coordinate with DBM Asset Management SC LLC regarding project implementation. Its main responsibilities are:   1. perform day-to-day management work during project preparation, implementation, and supervision periods; 2. coordinate with government agencies and other involved parties for project implementation; 3. communicate and coordinate with ADB for project management and implementation; 4. report project implementation progress and compliance monitoring to ADB; 5. prepare the project completion report; 6. engage project management consulting services; 7. engage external resettlement, environmental, and social monitors; 8. prepare and submit bidding documents, lead the bidding process, prepare bid evaluation reports, sign the contract with the winning firm, and other necessary documentation for ADB approval; 9. submit withdrawal applications to MOF; 10. submit required annual audit reports and financial statements of project account to ADB complying with international accounting standards; 11. identify subprojects and selection; 12. be responsible for community engagement, land valuation, and voluntary land swapping process; 13. take responsibility for detailed architectural and infrastructure design; 14. ensure due diligence and compliance with ADB safeguard policies; 15. carry out the procurement for all works and equipment under the public sector component such as infrastructure, social housing, and public space under output 1; 16. evaluate the technical proposal of the real estate developer’s proposals under output 2; 17. undertake construction supervision and performance audit of buildings; and 18. manage the Green Building Facility |
| **Project implementing agency**  DBM | DBM will act as the project implementing agency, providing overall support to DBM Asset Management SC LLC in its establishment and management of the eco-district and affordable housing fund (EDAF). Its main responsibilities are:   1. provide support to facilitate, complete, and achieve the project objectives specified in underlying agreements in a timely manner; 2. provide coordination and cohesiveness within the sector and between subsectors to ensure effectiveness and efficiency of project activities; 3. provide technical and financial support to the project implementation unit and ensure that DBM Asset Management SC LLC has sufficient capacity to manage the EDAF; 4. ensure that the project is implemented in accordance with the detailed arrangements set forth in the project administration manual (PAM); 5. ensure that DBM Asset Management SC LLC receives capacity building support by facilitating training of DBM Asset Management SC LLC staff on ADB’s disbursement policies and procedures, and project administration and accounting to manage the EDAF; 6. ensure compliance with project covenants; 7. ensure project policies and guidelines affecting the structure and operations of the EDAF are formulated and approved by the Project Steering Committee promptly; and 8. ensure DBM Asset Management SC LLC is compliant at all times with the prudential regulations of Mongolia’s Financial Regulatory Commission including the requirements against anti-corruption, anti-money laundering and counter financing of terrorism. |
| **Project Implementation Unit**  DBM Asset Management SC LLC | DBM Asset Management SC LLC will serve as the project implementation unit to manage EDAF and will directly report to the executing agency and MOF on the status of the EDAF. Its main responsibilities are:   1. develop and secure approval from the MUB/shareholder for the guidelines, criteria, and procedures to be followed by participating commercial banks in accessing and using loan proceeds from the EDAF; 2. conduct briefings for commercial banks, developers, and the targeted household beneficiaries on the project and EDAF's policies and procedures; 3. responsible for the financial evaluation and the final selection of the real estate developer’s proposals under output; 4. in coordination with MUB and PMO, conduct preliminary due diligence of real estate developers for the project; 5. undertake financial and integrity due diligence of commercial banks borrowing from EDAF, and recommend approval by MOF of their proposed EDAF loans; 6. provide relevant input for preparing the project completion report; 7. enter into a debt financing agreement with the respective commercial banks and sub-borrowers with cross default provisions to the subproject agreement between commercial banks and sub-borrowers and to the co-financing loan, where applicable; 8. manage EDAF's on lending activities to qualified commercial banks in accordance with the project's approved guidelines, criteria, and procedures; 9. manage the EDAF advance account for the GCF concessional lending; 10. monitor the utilization of EDAF loans for developer and mortgage financing and prepare the necessary periodic progress reports for submission to MUB and MOF; 11. prepare financial management reports on the EDAF and other reports required by MUB and the project; 12. facilitate the preparation and timely submission of EDAF audit reports; and 13. under the project, prepare and implement a strategic plan for sector capacity development and institutional strengthening in green banking for climate resilient housing. |
| **Participating Commercial Banks** | A commercial bank deemed eligible for the project and subsequently selected to develop an eco-district subproject in partnership with a proponent real estate property developer will be referred to in the project as a participating commercial bank. A participating commercial bank will:   1. submit to the EDAF all necessary documents and reports to be considered eligible for the project, initially, and periodically as required to maintain project accreditation; 2. enter into a sub-loan agreement with the EDAF to provide debt financing to its partner real estate developer for the development of an eco-district subproject, and to convert proportionate shares of this debt financing into individual green mortgages upon purchase of the housing units built by qualified household beneficiaries, in accordance with the approved project relending and on lending guidelines; and 3. prepare and submit financial management reports to the EDAF on its sub-borrowing(s) for the project in accordance with the project requirements. |
| **Capital City Housing Corporation** (NOSK) | NOSK will be in-charge of operating and maintaining the social housing built by the project. More specifically NOSK will:   1. screen the eligibility criteria of the household to access to social housing, 2. collect the rent, 3. maintain the facilities, 4. manage the rent-to-own scheme, and 5. manage the public sector homeowner associations. |
| **MOF** | MOF will act as the borrower and will oversee and support the overall implementation of the project. More specifically, MOF will:   1. plan and allocate necessary funding from the project resources for the project activities |
| **ADB** | ADB will oversee the project administration, monitor the project implementation, and will ensure project compliance with ADB safeguards and relevant policies. ADB will review the execution of subprojects, monitor the capability and performance of MUB, and assess any change in circumstances that may have a bearing on the sector development plan in general and on the implementation and operation of the sector subprojects in particular. More specifically, ADB will:   1. conduct review missions; 2. monitor the government's compliance with loan effectiveness conditions; 3. update of the PAM; 4. monitor the procurement of goods, works, and consulting services; 5. monitor implementation and development performance, using the elements of the project performance management system, design monitoring framework, and the PAM; 6. analyze progress reports; 7. disburse loan proceeds, and monitor project cash flows, both from ADB and other financing sources; 8. review audited project accounts and agency financial statements; 9. monitor the government's compliance with applicable ADB policies as set out in the legal agreements; 10. monitor project compliance with environmental and social safeguards, social dimensions, and gender development; 11. monitor physical works progress, sector policy changes, sector restructuring, and tariff reform; 12. monitor the government's and MUB's compliance with covenants; 13. strengthen MUB's and implementing agencies' financial management and develop their capacity; 14. prepare project completion reports; and 15. assess the achievement of the project outcome and outputs, and the contribution to achieving the development impact. |