

FINANCIAL FRAMEWORK ARRANGEMENT

BETWEEN

ASIAN DEVELOPMENT BANK

AND

MONGOLIA

WHEREAS

(A) Mongolia may from time to time request Asian Development Bank (hereinafter referred to as "ADB") to provide lending to finance its development projects and programs listed in Annex 1.

(B) Mongolia and ADB wish to establish a financial framework arrangement (hereinafter referred to as "Framework Arrangement") within which Mongolia may request for lending from ADB and the terms and conditions for ADB to provide such lending.

NOW THEREFORE the parties hereto agree as follows:

ARTICLE I

Section 1.01. Subject to the provisions set out in Sections 1.02 and 1.03 below, ADB may provide lending to Mongolia to finance its development projects and programs as mentioned in Annex 1 to this Framework Arrangement.

- a) The lending amount shall not exceed the equivalent of four hundred seventy five million dollars (\$475,000,000)¹, which may be used as regular and concessional loans from ADB's ordinary capital resources.

Section 1.02. The amount to finance each development project or program shall be as agreed upon in the signed loan agreement between ADB and Mongolia. The indicative details of the development projects and programs are set out in Annex 1 hereto. As counterpart investment, Mongolia may exempt the value added taxes and the custom duties imposed within the territory of Mongolia along with financing of project implementation units from the corresponding State Budget. Mongolia's exemption, if any, of applicable value added taxes and the customs duties imposed within the territory of Mongolia shall be treated as its counterpart investment in development projects and programs.

Section 1.03. For each development project or program, ADB shall provide lending only in response to a request by Mongolia and after approval by ADB's Board of

¹ The overall lending amount/ceiling specified in Section 1.01(a) of this Framework Arrangement does not include the indicative amounts specified for the multitranche financing facilities and their individual tranches.

Directors. This Framework Arrangement does not constitute an obligation on the part of Mongolia to request or on the part of ADB to approve any lending.

ARTICLE II

Section 2.01. The terms and conditions of ADB lending using regular loans from ordinary capital resources shall be governed by (a) the provisions of ADB's Ordinary Operations Loan Regulations Applicable to Regular Loans Made from ADB's Ordinary Capital Resources, dated 1 January 2022; (b) ADB's financing policies; and (c) the relevant loan agreement.

Section 2.02. The terms and conditions of ADB lending using concessional loans from ordinary capital resources shall be governed by (a) the provisions of ADB's Ordinary Operations (Concessional) Loan Regulations Applicable to Concessional Loans Made from ADB's Ordinary Capital Resources, dated 1 January 2022; (b) ADB's financing policies; and (c) the relevant loan agreement.

Section 2.03. Mongolia shall implement the development project or program to be financed through ADB lending in accordance with all applicable ADB policies including those concerning anticorruption measures, safeguards, gender, procurement, consulting services, and disbursement to be described in detail in the relevant loan agreement and other loan documents.

ARTICLE III

Section 3.01 This Framework Arrangement may be publicly disclosed by each of the parties in accordance with their respective policies on disclosure and/or access to information.

ARTICLE IV

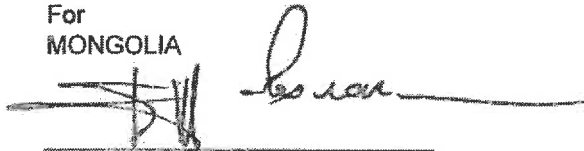
Section 4.01. This Framework Arrangement will come into effect on the date of ratification by the Parliament of Mongolia and will remain in effect until 31 December 2027, or the completion date of the projects and programs listed in Annex 1, whichever is the later. It may be extended for a further period as may be decided in writing by the Parties. Either Party may terminate this Framework Arrangement in consultation with the other Party.

--End of Clauses --

The foregoing record represents the understandings reached between Mongolia and Asian Development Bank upon the matters referred to therein.

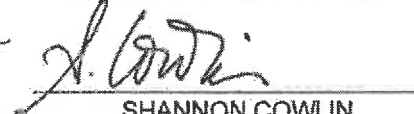
Signed in duplicate in Ulaanbaatar, Mongolia, dated 24 Nov 2015 each in the English language, all texts being equally authentic.

For
MONGOLIA



JAVKHLAN BOLD
Minister
Ministry of Finance

For
ASIAN DEVELOPMENT BANK



SHANNON COWLIN
Country Director
Mongolia Resident Mission

List of Indicative Projects and Programs

No.	Name of Project	Project cost (\$ million)
1	Provincial Health Service Strengthening and Modernization Project	225.0
2	Sustaining Access to and Quality of Education During Economic Difficulties Project – Second Additional Financing	130.0
3	Developing the Skills and Capacity of Mongolia's Workforce	20.0
4	Strengthening Mongolia's Disaster Resilience Capacity Project	100.0
	Total	475.0