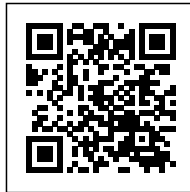


MONGOLIA BORROWS USD 100 MILLION FROM AIIB

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The loan agreement between Mongolia and the Asian Infrastructure Investment Bank (AIIB) for the Weathering Exogenous Shocks Program was approved by the majority of the members of Parliament.

The Minister of Finance highlighted that the funding source, amounting USD 100 million, is within the government's limit specified in Article 12 of the 2022 Budget Law of Mongolia.

The repayment period is seven years, with a three-year grace period and an interest rate of 0.81 percent on top of the secured overnight financing rate. The program objective is to enhance the resilience of the population, specifically the poor and vulnerable groups, against the adverse impacts of the ongoing Covid-19 pandemic along with multiple macroeconomic pressures in Mongolia.

The AIIB will support the program under the COVID-19 Crisis Recovery Facility, which will be co-financed with the Asian Development Bank. The program will aid the government in its measures and financing needs, mitigating the social and economic effects on the Mongolian people by providing targeted assistance to vulnerable groups, including women and girls.

The Mongolian government has prepared a countercyclical development expenditure program (CDEP) to help vulnerable groups, curb inflationary pressure, and promote macroeconomic stabilization. The approved

2022 budget was revised twice to strengthen the critical measures to address the impacts of the twin shocks. The Program will assist the CDEP and deliver the following three outputs:

- (i) measures to temporarily increase cash transfers directly to households;
- (ii) measures to alleviate adverse socioeconomic impacts on vulnerable groups, including women, and
- (iii) measures to counteract inflationary pressures of imported essential goods and commodities.