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Organization of the
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International
Labour
Organization



European Union Funded Project



SDG-aligned Budgeting to Transform the Employment in Mongolia

ANNUAL REPORT

(October 01, 2020 – September 30, 2021)



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1. PROJECT SUMMARY

Reporting period	1 st reporting period: (October 01, 2020, to September 30, 2021)
Donor	European Union
Country	Mongolia
Project title	ACA/2020/418930 SDG-aligned budgeting to transform the employment in Mongolia
Project goal and objectives	Overall objective is to increase employment and promote the decent work in Mongolia, which aims to: i) enable and promote employability in Mongolia via direct interventions and policy improvements, and ii) improve the public finance management systems to absorb results-oriented, effective, and evidence-based policies and budget initiatives in employment and labour sectors.
Project Start date	October 01, 2020
Project End date	April 01, 2024
Period covered by this report	October 1, 2020 – September 30, 2021
Implementing Partner	UNDP, FAO, and ILO
National and local level partners	Ministry of Finance Ministry of Food, Agriculture and Light Industry Ministry of Labor and Social Protection Parliament of Mongolia National Development Agency National Audit Office General Agency for Specialized Inspection Mongolian Employers' Federation Confederation of Mongolian Trade Unions Decent Work for Youth Network including the governmental and non-governmental organizations advocating labour rights for youth CSOs and research/media organizations Local authorities
Project beneficiaries	Youth Farmers/herders Remotely located youth and marginalized groups Persons with disabilities Women and girls Working men and women including those in the informal economy Unemployed/underemployed people Jobseekers
Project Total Budget	EUR 7,400,000
Contact person	Nashida Sattar Deputy Resident Representative UNDP Mongolia Nashida.sattar@undp.org



ABBREVIATIONS

ALMMs	Active Labour Market measures
AWP	Annual Work Plan
BAU	Budget Analysis Unit
BSC	Budget Standing Committee
CMTU	Confederation of Mongolian Trade Unions
CSO	Civil Society Organizations
DACUM	Developing a Curriculum
DW4YN	Decent Work for Youth Network
EU	European Union
FAO	Food and Agriculture Organization of United Nations
GASI	General Agency for Specialized Inspection
GIZ	German Corporation for International Cooperation
GoM	Government of Mongolia
ILO	International Labour Organization
ILS	International Labour Standards
KPI	Key Performance Indicator
M&E	Monitoring and Evaluation
MITUF	Mongolian Industry Trade Unions Federation
MLSP	Ministry of Labour and Social Protection
MoES	Ministry of Education and Science
MOF	Ministry of Finance
MOFALI	Ministry of Food, Agriculture and Light Industry
MONEF	Mongolian Employers' Federation
MTEF	Medium-Term Expenditure Framework
NAO	National Audit Office
NAOG	National Academy of Governance
NDA	National Development Agency
NGO	Non-Governmental Organization
PIU	Project Implementing Unit
PWD	People with Disabilities
RBB	Results-Based Budgeting
RILSP	Research Institute of Labour and Social Protection
SCP	Strategic Compliance Planning/Plan
SDG	Sustainable Development Goal
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Program
VETIC	Vocational Education, Training, and Industrial Centres
WG	Working Group



2. EXECUTIVE SUMMARY

The Project Document was signed in October 2020, and the Project was launched on December 22, 2020. The Project is managed by UNDP in partnership with FAO and ILO and has the following four components:

Component A: Bridging Policies with Budgets

Component B: Budget Oversight and Transparency

Component C: Employment Promotion: Boosting Employability

Component D: Effective Application of International Labor Standards by Strengthening Institutions of Work

The first Project Board meeting was held on 30 March 2021, approving the Annual Work Plan (AWP) for 2021. The AWP was prepared based on numerous consultation meetings with key stakeholders, including various departments and divisions of Ministry of Finance (MOF), Ministry of Labour and Social Protection (MLSP), Ministry of Food, Agriculture and Light Industry (MOFALI) and Parliament, National Development Agency (NDA), National Audit Office (NAO), General Agency for Specialized Inspection (GASI), Mongolian Employers' Federation (MONEF), Confederation of Mongolian Trade Unions (CMTU), and Food Association; and other international organizations including UN Agencies, GIZ, and World Bank.

Most activities carried out in the first reporting period of 2021 aimed at laying down the foundation for implementing the Theory of Change of the project, for the purpose of achieving its intended outcomes and impacts. Therefore, **many of the achievements reported for this year are intermediary and activity-level results, whereby the next level changes are expected from 2022 and onwards.**

Major accomplishments during the reporting period were as follows.

Component A:

- **Important practical steps were made to introduce results-based budgeting** and implement policy commitments of Public Finance Management (PFM) reforms. Both MLSP and MOFALI acknowledged and expressed the need to formulate results-based policy programs and analyze sectoral financing modalities in preparation for a shift to evidence-based and results-based budgeting.
- **Public Expenditure Reviews of two sectors (Employment Sector and Food, Agriculture and Light Industry Sector) were conducted** to establish baselines and to reveal practical ways of linking policies, performance indicators and budgets. Technical support was provided for two piloted ministries in charge of labor and agriculture, MLSP and MOFALI, in the formulation of the 2022 budget proposals that reflect Key Performance Indicators (KPIs), Sustainable Development Goals (SDG) indicators, and targets and in the negotiation of the updated proposals between MLSP, MOFALI, and MOF, and submission to the Parliament.
- **A policy paper on financing of Technical and Vocational Education and Training (TVET) institutions was developed**, demonstrating the need to optimize the current system, and proposed an alternative funding formula that more closely aligned funding with policy objectives and provides incentives to TVET results-oriented management. Curriculum-based costing analysis was completed, and was delivered to MLSP and MOF, along with the proposed costing formula and costing methodology, for further consultation and refinement.



Component B:

- Consultations on introducing a practice of **Parliamentary budget hearing** were held with the Parliament Budgetary Standing Committee and other Standing Committees. Explanatory notes on education sector expenditure analysis were prepared for information of MPs as part of the preparation for a budget hearing.
- **Training modules on budget analysis and oversight were prepared**, for use by CSOs, based on needs assessment and consultations with CSOs and other relevant stakeholders. A pilot training programme was conducted for 10-12 CSOs¹. This is the first time in recent years that CSOs wishing to work in budget oversight got equipped with comprehensive reference materials, which also included practical cases.
- Several **technical papers on strengthening performance audit** practices and integrating SDGs were developed for NAO, drawing on international guidelines, good practices, and needs assessment. Respective internal on-the-job trainings were carried out for auditors, both at the NAO and aimag Audit Offices.

Component C

- **A baseline study on labor market supply and demand for waged and self-employed, and future trends² and an impact evaluation of the National Employment policy 2016-2020³** were conducted in 2021, with the Project support, to establish baselines and devise necessary changes required for future interventions and for the legal and policy environment.
- **A mapping of existing national employment programs⁴** was carried out through a desk review that identified any gaps, challenges, and areas for improvement. The mapping study complemented the impact evaluation mentioned above by an analysis of implementation modality, program design, and institutional and business processes.
- **A proposed approach for re-designing employment promotion programs and delivery of employment services** was developed based on Active Labor Market measures (ALMMs), which is the Client-oriented service approach.
- **Two pilots were launched** with the Project support, four khoroos of Songinokhairkhan district and Bayanchandmani soum of Tuv aimag, to provide evidence for revised design of employment support services. Based on the results of the profiling carried out under the pilots, the following employment support measures are being implemented: i) apprenticeship program; ii) enterprising (start-up) program; iii) part-time job opportunities, vocational training, and communication support; iv) bus tickets as part of mobility support measures; and v) psychological counselling services⁵.

Technical meetings with stakeholders and field trips were conducted **to identify agricultural products and ideas which have export potential**. A few products, including garlic, cheese, protein-based whey drinks, and dairy products, were identified on a tentative basis, based on further discussions with a number of national

¹ Annex 6 - List of CSOs

² Annex 2 - Baseline study on Labor Market Supply and Demand, in English and Mongolian languages

³ Annex 2 - Impact Evaluation of National Employment policy, in English and Mongolian

⁴ Annex 2 - A mapping of existing national employment programs papers, in Mongolian

⁵ Annex 2 - Decent employment soum and district design, in Mongolian



companies. Consultations on the list of agricultural products with export potential are ongoing with the MOFALI.

Component D

- **Technical comments were provided by the Project on the revised draft of the State Inspection Law.** Regulatory impact assessment and cost analysis of the revised draft State Inspection Law were also conducted. The ILO technical team is preparing its comments and recommendations on the draft law from a perspective of International Labour Standards (ILS) on Labour Inspection.
- **The Government has fulfilled its reporting obligations for 2021 (<https://bit.ly/3H1f9uD>).** A series of technical trainings on ILS and reporting to members of Tripartite Sub-Committee on Application of International Labour Standards (ILS) were provided by the Project to key stakeholders, in complement with the EU Decent Work for Trade project. The trainings assisted the sub-committee to discuss and consult the reports with social partners on the application of ratified conventions. As a result, the reports on the application of three technical conventions were submitted on time or before September 1 this year (2021).
- **The project is supporting the GASI digital transformation, including extension of its online platform on industrial accidents and acute poisoning.** This platform was initially developed with ILO support in 2012, though a stand-alone platform, that was not linked to GASI main digital platform. Main improvements planned include the full integration of this electronic system into the centralized systems of GASI, creating the possibility of data exchange with other government systems, reflecting changes in regulatory framework and making it user friendly for both labour inspectors and user enterprises, including the development of a mobile application.
- **Important preparatory steps of the ILO Approach to Strategic Compliance Planning (SCP) is rolled out,** which will provide the labour inspectorate with a new methodology to achieve compliance outcomes in light of limited resources, mismatched powers and the ever-changing world of work. GASI is committed to developing and implementing its SCP for 2022. CMTU and MONEF acknowledged the importance of this compliance model and agreed to contribute to its operationalization under the project. Actual planning workshop led by the ILO specialist is scheduled in mid November 2021. The plan will be finalized by mid December 2021.
- **An assessment of training needs of labour and social security inspectors was conducted, and the findings and recommendations were discussed with GASI.** It will inform GASI to design a competency development plan for its labour inspectorate in line with identified national policy goals of the labour inspection system while guiding the project to target its future activities to priority areas of knowledge and skills that are critical for labour inspectors to effectively carry out their functions. A series of trainings have been identified and will start with labour law trainings in the first week of December 2021⁶.

⁶ Labour law training for labour inspectors was organized in December 8-10, 2021. (<http://inspection.gov.mn/new/?p=4396>). More trainings will be organized throughout the course of the project.



1. CONTEXT OF THE ACTION

COVID-19 and economic policy. The first year of the Project implementation (2021) took place during the period where the COVID-19 pandemic continued to affect society in many ways. The Government of Mongolia has pursued a procyclical fiscal policy since the outset of the COVID-19 pandemic. A “Comprehensive 10 trillion tugrug plan to protect public health and to revive the economy” was adopted in February 2021.

A public vaccination campaign against COVID-19 was launched in April 2021. Thanks to the vaccination campaign, the lockdown measures have been gradually eased and businesses have been able to reopen. Furthermore, overall economic activities have increased, resulting in economic growth of 3.6 percent in the first third quarter of 2021, from a sharp contraction of 6.7 percent in 2020. The credit growth remained at 6.5 percent and the total credit outstanding reached the pre-pandemic 2019 level at the end of September 2021. The Government reported that the Comprehensive Plan saved 266.8 thousand jobs as of September 2021⁷.

For 2022, the Government forecasts the economy to grow at 5 percent (Ministry of Finance⁸) by opening all businesses, facilitating foreign trade, increasing exports, kicking off megaprojects, pursuing a fiscal policy to support “Employment-Productivity-Growth”, and executing public infrastructure investment projects selected through newly introduced rigorous screening and evaluation processes. The following policy reforms are planned under the fiscal policy to support “Employment-Productivity-Growth” in order to achieve the goals and objectives set in “Vision 2050”, SDGs, and the Government Action Plan for 2020-2024:

- Economic reforms to commence development projects, to increase exports, to facilitate investment, and to promote inclusive growth;
- SOE reform to increase their profitability and return on public investment and to strengthen transparency and accountability;
- Savings scheme for Mongolian children backed with the Future Heritage Fund;
- “Welfare to Work” reform to enable low-income individuals to enter and re-enter labor market;
- Civil service restructuring to transition to procurement of services by relinquishing some government functions that can be performed by the private sector;
- Improved expenditure efficiency by generating savings, reallocating to productive expenditures, and by digitalizing public services;
- Implementation of productive infrastructure investment projects selected through rigorous screening and evaluation and abandoning investments with high recurrent and operational costs;
- Allocating sufficient financial resources to reduce UB city traffic congestion.

Fiscal reforms. In 2021, Mongolia continued reforms to strengthen fiscal discipline and the public financial management system towards introduction of program-based or result-based budgeting. A number of initiatives were taken to improve macro-fiscal management and government service delivery, and the initial results were mentioned in the World Bank [Public Expenditure and Financial Accountability \(PEFA\)](#) assessment (2021).

⁷ Statement made during the submission of the draft Budget Law for 2022; <https://www.news24.mn/a/4284>

⁸ https://mof.gov.mn/files/uploads/article/_%D0%BD%D0%BE%D0%BC.pdf



According to PEFA, which assessed the performance of Mongolia’s public financial management system over the last 5 years against the international benchmarks, Mongolia scored well in relation to access to public information, budget preparation process, financial data integrity, and external audit. The greatest gains since the first assessment of 2015 were in the areas of budget credibility, the predictability and control of budget execution, revenue administration processes, budget release processes, cash and debt recording, and payroll controls. Medium-term budgeting and use of performance evaluation to enhance government service delivery were identified as areas where further reforms are needed.

In 2021, public financial management reforms, especially programmatic approach to budget formulation, continued in health, education, and other social sectors, which account for over half of the total expenditures. The sector financing system is being reoriented towards final beneficiaries rather than public service providers or budget entities. Public service providers would be funded for results, including outcome level results, informed by indicators of quality and timely delivery of service in these sectors.

The Working Group to develop a medium-term (3-5 years) plan and strategy for budget and financial management reforms had been established by Finance Minister’s Order #389 back in 2017. The PFM Reform Strategy was approved by Finance Minister’s Order #234 in 2018, and was updated more recently in 2019, by the Order No. #192. The latter paper intends to introduce best global practices for improving the effectiveness and efficiency of public spending, the development of results and evidence-based budgeting methodologies and conduct phased piloting at line ministries.

In 2021, as part of the implementation of the PFM Reform Strategy, quality, results, and performance-based budget reform initiatives were included in the Medium-term Budget Framework Statement of 2022 and Budget assumption for 2023-2024, and a specific reference was made to agriculture and TVET sector budgetary reforms.

Employment sector reforms. The MLSP pursues a policy “from welfare to employment” and aims to reduce the number of welfare recipients by around 30%, from over 1.5 million down to around 960,000, and the number of social assistance services from 72 to 40. It has been found that some welfare recipients are not eligible for assistance, such as ‘food stamp’. Welfare assistance recipients who are at employable age and capable of employment are expected to shift to labour market, with relevant support by the Government. It has been estimated that over half of those on welfare who are expected to join the labour market will require comprehensive support. Managing this shift is a big challenge for the MLSP.

In response to the emerging changes of the labour market, the Government is giving priority to tackling unemployment of youth and women. A youth employment promotion pilot project called “Participation” was launched in 2021, aiming at reaching out to 5,000 unemployed youth aged 15-34 with multi-sectoral integrated support, to guide through the pathways to employment. Being a short-term employment promotion strategy for certain demographic groups, this initiative is similar to the scheme known in some European countries as Youth Guarantee. The project “Participation” is also a measure that the Government is taking in order to achieve the SDG indicator that aims to reduce the percentage of NEETs (Not in employment or in education training). In 2021, 3000 youth (2,500 from rural areas and 2,500 from Ulaanbaatar) benefitted



from this project. The programme consisted of 14 days of retreat training and 14 days of practice sessions. It is expected that the project will continue to run until 2024.

For 2022, the MLSP will focus on ensuring employment opportunities for women through Employment Promotion Programs. The actual scope of the proposed support is expected to be finalized early 2022.

Labour inspection reforms. In February 2021, a new strategic plan of GASI for 2021-2024 was approved, which includes digital transformation in public inspection services and revision of the Law on State Inspection.

In July 2021, the revised Labour Law was approved by the Parliament, after 22 years since the Law was first passed, and after deliberations across three Parliaments. The revised Labour Law extends labour protection to previously excluded groups and brings major changes in regulations, procedures, and institutions. The law now allows unannounced labour inspections at workplaces, in both formal and informal settings. This is an important step that Mongolia has taken towards ratifying ILO C81 and 129, concerning labour inspection. The Labour Law will come into force on 1 January 2022. The adoption of the Law has strong implications for designing future activities of the Project.

Legal and policy changes introduced in agriculture sector. The revised **Law on Cooperatives** was passed by the Parliament of Mongolia. The Law provides better opportunities for Cooperatives to access loan from financial institutions and allows establishment of Cooperative Development Fund, to be used for expansion of cooperative operations. The **Law on Livestock** was adopted in 2020. The enactment of this Law allows collection of livestock taxes in Local Development Funds, proceeds of which can, in turn, be used by local governments to improve livestock quality, to increase fodder reserves, and pastureland management and protection, all an important step for increasing investment in the livestock sector and decentralization of its use.

Project implementation unit (PIU). The Project PIU has three units, each responsible for activities implemented by UNDP, FAO, and ILO. The significant risk that impacted the speed of the Project implementation was the strict and cluster lockdown due to COVID-19 pandemic. For most of the time, the Project team and consultants worked remotely, conducting meetings virtually, which while efficient in terms of time and resources, affected the quality of consultations and reach-out in pilot areas. Lockdowns also delayed some of the planned activities. Shortage of qualified applicants for consultancy services was observed for some thematic areas.

UNDP PIU was formed in March 2021, while FAO PIU became fully functional in July 2021. Since July, the FAO team made efforts to quickly map out the project scope by organizing a technical meeting with over 50 stakeholders and field trips to the four aimags, and engaging with over 200 people from private and private sectors, NGOs, and academia within a short period of two and half months. The two ILO staff (manager and administrative assistant) joined the project starting from July 1, 2021 to manage Component D, and working at 50 percent until end of the year. Both staff will continue full time in 2022.



2. PROJECT PERFORMANCE AND RESULTS

The project mainly aims to increase employment and promote decent work in Mongolia. Under this primary goal, the four main objective areas formulated as follows:

- A. Bridging policies with budgets
- B. Budget oversight and transparency
- C. Employment promotion
- D. Labour regulations

To fulfill the outcomes mentioned above, the project team has worked to address the following critical bottlenecks for bridging policies with budgets:

- Budget formulation processes remain as an annual exercise;
- Policies and plans developed by policy departments include many activities or inputs, are not fully results-oriented, and do not always contain measurable results indicators, which thereby hamper introduction of results-based budgeting.
- Most sectoral financing schemes, including costing methods, are based on inputs or line items, making it challenging to assess budgetary effectiveness and efficiency, and undermining the importance of performance audits.
- Budget execution reports do not closely link with the results achieved with the funding allocated, despite existence of some performance indicators.
- Monitoring and evaluating policies and performance audits tend to comply with the relevant legal acts and policy documents than outcome or impact indicators.
- SDG indicators are not explicitly reflected in budget documents.

The below section demonstrates the achievements of intended goals and outcomes/outputs against their targets during the reporting period.

COMPONENT A. BRIDGING POLICIES WITH BUDGETS

This component intends to achieve four outcomes to improve the public financial management system through introduction of result-oriented, effective, and evidence-based policies and budget initiatives:

- A.1** Result-informed strategic budgeting,
- A.2** Result-informed budget presentation,
- A.3** Evidence-based budget formulation,
- A.4** Enhanced capacity of MOF and line ministries in RBB and budgeting for SDGs.

Over the reporting period, the Project collaborated with two pilot ministries, MLSP and MOFALI, to formulate the 2022 budget proposals that include sectoral KPIs, relevant SDG indicators, and targets, and to promote negotiations on updated budgets and performance targets between MLSP, MOFALI, and MOF, and to support preparation of budget justifications to be submitted to the Parliament for approval.



Contribution Towards Project Objective 1:

Project objective 1: Budget programmes aligned with policies and results			
Indicator	Baseline	Target (2021)	Progress and achievement
Number (and %) of ministries/sectors which developed results based MTEF and annual budget proposals with sectoral and SDG targets and negotiated with MOF	2 drafts (environment & health sector) (2019)	2 sectors (13%)	New budget proposals for 2022 are formulated, negotiated with MOF, and submitted for approval by the Parliament at two pilot ministries (MLSP/MOFALI)

A.1 RESULT-INFORMED STRATEGIC BUDGETING (MTEF)

Support to a shift from a Medium-Term Fiscal Framework system (MTFF) to a Medium-Term Expenditure Framework (MTEF) is a critical fundament of the budgeting reforms. In 2021, the Project focused on developing the practical ways of introducing MTEF and defining the key features of the budget reforms, through consultations with MOF and other stakeholders, including the pilot ministries.

The book 'Beyond the Annual Budget: Global Experience with Medium-Term Expenditure Framework' (World Bank) was translated into Mongolian language. It will be used as reference material for raising awareness and common understanding about MTEF-related global practices among the stakeholders and partners who will participate in developing the Medium-Term Expenditure Framework. A brief paper on the need for introducing MTEF was developed, based on international experience of MTEF⁹.

A.1.2 Project-led strategic input to move the budget reforms: Consultations with MOF on introducing RBB and MTEF were held throughout the year of 2021, including its sequence, scope to be covered, and the respective roles to be played by both MoF and sectoral Ministries.

A Joint Working Group was established in May 2021, with representatives of the MLSP and the MOF, to lead and facilitate the process of budgetary reforms and shift to results-based management and budgeting in employment and vocational education sectors. The WG scope of work also includes support to the development of coherent and aligned policy and budgetary program structures and support the drafting of the revised Employment Promotion Law and related consultations.

The incremental result of 2021 in RBB reforms is the inclusion of the reference to the quality, results, and performance-based budget reform initiatives into the Medium-term Budget Framework Statement of 2022 and Budget assumption for 2023-2024. A reference to agriculture and TVET sector budgetary reform was also included in the Statement as part of the Government budgetary reform commitment.

⁹ Annex 2 – A brief paper on the need for introducing MTEF, in Mongolian



Currently, MOF is refining and updating the PFM Reform Strategy. The Project has prepared a technical draft proposal specifying the roadmap in line with RBB and MTEF reforms, with the purpose of including it in the new, updated budget reform strategy paper. The contributions of the Project towards the implementation of this strategy will be agreed with MOF.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
A.1.1 Reforms plan to upgrade the MTEF	A.1.1.1. MTEF and RBB Reforms Roadmap and Annual Workplan developed	0	1	On track. /The project conducted a study on global experiences with IRBB/MTEF and current situational analysis. The reform roadmap is under consultation with MOF/
A.1.2 Result-based MTEF process established	A.1.2.1. Templates and procedures developed and adopted by MOF to host results and priority-based negotiations.	MOET pilot (2019)	1	On track. /SDG-informed budget circular & templates developed and circulated to both selected ministries/
	A.1.2.4. Results-based MTEF and budget proposals developed by selected ministries.	MOET pilot (2019)	1	On track. /MLSP and MOFALI have developed an initial version of the result-based budget proposals/
	A.1.2.5. Results-based MTEF negotiations on selected sector/s	MOET pilot (2019)	1	On track. The roadmap of results-based MTEF is under consultation with MOF

A.2 RESULT-INFORMED BUDGET PRESENTATION

A.2.1 Public Expenditure Reviews: Public Expenditure Review (PER) is a tool to map out the current situation of sectoral public expenditure vis-à-vis policy goals, analyze effectiveness and efficiency of budget allocated, and identify gaps in terms of the budget preparation, execution, and reporting processes and linking policies with budgets. It is also a tool for promoting transparency and accountability on budgets. Conducting sectoral public expenditure reviews is not an established routine practice in Mongolia.

In 2021, Public Expenditure Reviews were conducted in two sectors (employment sector and food, agriculture, and light Industry sector)¹⁰. Both reviews revealed the need for restructuring the main policy programs and the classification, the financing mechanisms, and costing methods. PERs also reviewed the current budget classifications against KPIs stated in Budget Annex 1 against SDGs and Vision 2050 targets and indicators, analyzed the performance of budgets over the last few years, and alignment of policies and sectoral programs with the budget classification. The findings were presented to the policy and finance department staff of both Ministries and the relevant staff of the MoF.

¹⁰ Annex 2 – Public Expenditure Review reports, MOFALI and MLSP, in English and Mongolian languages



Subnational level budgeting: The introduction of results-based budgeting cannot be complete without involving sub-national level budgeting practices. To complement the two sectoral reviews with bottom-up expenditure and budgetary planning analysis of local governments, expenditure review of Zavkhan aimag was conducted on a pilot basis. The initial findings of the study¹¹ are to be shared with the stakeholders by late December 2021. The evidence generated by the study is expected to inform RBB guidelines and practices, horizontal and vertical integration of results, and integrated results-based monitoring and evaluation.

2022 Budget formulation process: The key milestone of the Project for 2021 was technical support provided to formulation and preparation of the sectoral budget for 2022, in accordance with the MoF guidelines and reflecting SDG-aligned and result-based budgeting methodology.

The budget proposal guidelines and methodologies issued by the MOF and SDG-informed budget circular and templates were circulated to Ministries via the website by July 5, 2021. Following this, several discussions and technical consultations were organized with MLSP and MOFALI on integrating SDG targets into the national Budget Annex 1, and developing revised program classification which takes into account development policies' targets and SDG targets. Both the MOFALI and MLSP established a Working Group on formulation of their respective Ministry's budget proposal for 2022 in line with the templates and forms of budget proposal guidelines and methodologies issued by the MOF.

For the MLSP, the Budget Proposal for 2022 includes two programs: 'Employment Support and Labor Relations' and 'Vocational Training', and one integrated proposal covering both programs. The MOFALI developed nine program proposals under six categories of budget classification. Relevant performance indicators and SDG targets were included in the proposal, upon consultation with sectoral policy and finance department staff.

A.2.2 Budgeting guidelines, with elaboration of monitoring and performance-based reporting: A manual on using results-based budgeting is being developed, based on the assessment of the current budget formulation practices, lessons learned, and the requirements of RBB.

A.2.3 Improved budget transparency and citizens' involvement: 'Citizens' Budget' is a measure that was initiated by the MoF several years ago and provides simplified information of the annual budget for the general public. Citizens' Budget-2022 booklet¹² provides information about the budget policy to support "Labor, Productivity and Growth" and a package of reform strategies developed to achieve the goal of intensive economic recovery after the pandemic in 2022.

In 2021, the Project worked with MOF to integrate the annual budget data of the two pilot ministries into the Citizens' Budget booklet¹³. A flyer containing budgetary information was produced for broader use.

¹¹ Annex 2 – Public Expenditure review of Zavkhan aimag, in Mongolian

¹² Annex 2 – Citizens' Budget-2022 booklet

¹³ <https://online.flippingbook.com/view/384509691/>; <https://mof.gov.mn/article/entry/CB2022>



Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output A.2.1 Budget program aligned with policies and results	A.2.1.1. Mapping of policies vs. budget program structure (redesign of national programs to host structured information applicable in RBB context)	0	2 sectors	Completed. /2 sectoral PERs completed, and SDG targets integrated into budget annex 1/
	A.2.1.3. SDG targets integrated into the national Budget Annex 1	Drafts for 2 sectors (2019)	2 sectors	
Output A.2.2 Results-based Budget Monitoring and Reporting	A.2.2.1. Performance reporting templates and formats developed.	0	New template and procedures	On track. /Development of performance reporting template and guideline is underway and is expected by Nov 30/
Output A.2.3 Citizen's SDG Budget	A.2.3.1. Integration of policy priorities and results in the Citizen's Budget	Citizen budget no sector targets (2018)	2 drafts	Completed. /Policy priorities & results of 2022 budgets integrated into Citizen's budget 2022/

A.3 EVIDENCE-BASED BUDGET FORMULATION

TVET financing mechanisms: A sound basis of financing mechanisms is a requirement for transition to RBB. A research paper on the current financing model of TVET and international practices for TVET financing was produced to inform budgetary policy decision-making and to provide a better linkage between TVET policy outcomes, labor market demands, and budgets. Drawing on initial results of PER in the employment sector, the study revealed gaps in the current system of financing, and proposed a revised funding formula that includes output, results/outcomes, and equity components/parameters, integrates TVET outcomes and performance with the budget, and takes into account unit costs. An additional study on curriculum-based costing methodology was also completed covering 42 programs of 3 selected VET schools, including polytechnic colleges in Bayanchandmani soum, Nalaikh district, and UB-based construction polytechnic college. The project team had ongoing exchange of information with the GIZ funded project consultants who have been working on vocational education costing¹⁴.

An extended team, including representatives from MOF and MLSP, worked at Bayanchandmani soum TVET on July 30, 2021, to facilitate information exchange between various stakeholders and to initiate validation of the proposed costing model. The MLSP commenced testing of the model with another 2 TVET institutions to verify whether formula and costing methods would work well on the ground or to see if there is need for further revision or adjustments.

¹⁴ The mandate over TVET policy and coordination, including financing mechanisms, will be shifted from the MLSP to the Ministry of Education and Science starting from January 1, 2022.



Agricultural subsidy study was initiated in 2021 to research a linkage between the agricultural sector policy outcomes and their funding, in preparation for transition to RBB. The study aims to review the effectiveness and efficiency of different types of subsidies as a measure of policy intervention. The desk review was complemented by a field data collection, covering 14 soums of 4 aimags, including a survey of 300 respondents and key informant and focus group interviews with direct and indirect beneficiaries, local soum and aimag authorities, and agricultural sector officials.

The initial technical consultation with representatives from MOFALI was held on October 4, 2021. The study is due to be completed in December 2021.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output A.3.1 Sector Public Expenditure and Institutional Reviews for informed budget decision-making	A.3.1.1. Research on SDG priority sector public services and budget effectiveness and benefit incidence	0	1 research	Completed. (TVET financing policy paper)
	A.3.1.2. PEIR development for evidence-based budget formulation	0	1 PEIR	On track. (TVET costing analysis done and delivered for evidence-based budget formulation)
Output A.3.3 Improved costing of policies	A.3.2.1. Review of national programs' costing	3 costing completed by ADB (health)	Costing of one program completed	On track. Both of TVET costing and agricultural subsidy studies are underway

A.4 ENHANCED CAPACITY OF MOF AND LINE MINISTRIES IN RBB AND BUDGETING FOR SDGs

Output A.4.3 Training On-the-job Capacity Building: Over the past reporting period, nine training/mutual learning sessions were organized for 1,080 government officials, of which 580 were women. For most of these trainings, representatives of the Ministry of Finance took part, informing about the measures being taken by the MoF on transition to results-based, evidence-based budgeting, drawing on the recent experience with the health sector and lately, the education sector.

Three introductory training sessions were conducted for the two pilot ministries (MOFALI and MLSP), for both policy and finance department staff, on challenges and potential solutions for results-based budgeting and management. A total of 90 government staff (46 men and 44 women) attended these sessions in May and June 2021.

The timing of the second round of training sessions was aligned with the budget preparation cycle and deadlines. Training on 'Preparation of Portfolio budget 2022' was held in July virtually, for over 100 officials from MLSP, MOFALI and their agencies. The training provided an updated information and guidance on developing budget proposals for 2022, by focusing how performance and results indicators could be integrated.



The third round of the training sessions were held in October and November 2021, and targeted local government officers. The overall purpose of these sessions was to provide introductory information on budgetary reform directions for the coming years, core concepts of budgetary reforms taking place in health and education sectors, and key elements of RBB included in budget formulation for 2022. Over 800 representatives from the 21 aimag Governors' offices attended the workshop, namely: Investment and Development Policy and Planning, Social Policy, Finance, and Treasury divisions, and aimag Labor and Welfare Service, Food and Agriculture and Veterinary departments. These trainings sessions were organized in close collaboration with MOF, MLSP, MOFALI, and local government offices.

A workshop on 'Budget Reform Policy' designated for MOF staff was organized in November 2021, with over 90 staff representing all departments of the Ministry. The focus of the training was the overview of the ongoing budget reforms and its trends, international experience on RBB, and proposed ways to introduce SDG-aligned and results-oriented budgeting. The discussions highlighted the challenges related to introducing RBB and the need to tailor the international concepts to country-context and the need to strengthen integration between long-term sustainable development aspirations and the policies that will mobilize the investments needed to achieve those aspirations.

Online trainings for PFM experts working for the Project were organized on a routine basis throughout 2021 to promote mutual learning and proposed solutions for different aspects of budgetary reforms and RBB.

Overall, the trainings and workshops followed the approved instructions, given the legal environment remains unchanged and the budget circular contains incremental and sequenced approach to shift to RBB. However, all workshops had RBB sessions, aiming to sensitize the stakeholders and participants on the essence and importance of RBB and implications RBB would bring in actual budget formulation practices at all levels, and highlighted the need for both policy and finance officers to closely collaborate to provide a better link between intended policy outcomes and budgets.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output A.4.1 Strategic Advisory Services	A.4.1.1. Strategic Advisory Board Meetings and Recommendations	0	Strategic recommendations and Reform plan developed	On track. / The project engaged the IRBM and RBB expert to support strategic vision and step by step guidelines for MTEF and RBB processes ¹⁵ /
Output A.4.3 Training On-the-job Capacity Building	A.4.3.1. Training on MTEF and RBB for MOF and line ministries	0	4	Completed.

¹⁵ PPT on IRBM <https://drive.google.com/drive/folders/13PY-PAkIsiZB6rtEFEH3l0oC4vp64zB8?usp=sharing>



	A.4.3.2. On-the-job capacity building by resident PFM advisor	0	4	Completed.
	A.4.3.3. On-demand capacity building for RBB Budgeting		On demand	Completed. /Separate two workshops held for working groups at MLSP/MOFALI to support the drafting 2022 budget/



COMPONENT B. BUDGET OVERSIGHT AND TRANSPARENCY

Under this component, there are three main areas for strengthening budget oversight, transparency, and accountability:

- B.1** Enhanced parliamentary role in budget oversight
- B.2** Increased role of CSOs in budget analysis and oversight functions
- B.3** Strengthened and transparent performance audit

In 2021, significant progress was made in each of the above areas, while paving the groundwork for more substantive engagement for the coming years.

B.1 ENHANCED PARLIAMENTARY ROLE IN BUDGET SCRUTINY

Result-based budget scrutiny and monitoring: The priority areas for enhancing Parliamentary role in budget oversight were agreed with the Budget Analysis Unit (BAU), under the general guidance of the Budgetary Standing Committee (BSC) of the Parliament. These include: i) developing a methodology for monitoring budget planning; ii) developing a checklist on alignment of budget-funded projects with development policies; iii) conducting a budget hearing on at least one sector; and, iv) capacity-building training on RBB and budget oversight.

A brief paper on global experiences of budget hearings was prepared for stakeholders to provide an overview of the purpose, proceedings, and expected results of budget hearings. The paper will be used for developing the instruction manual on how to prepare and conduct the budget hearings effectively. Several consultations were held with the Budget Analysis Division and Monitoring Department of the Parliament Secretariat at the technical level in preparation for the budget hearing, although the proposed date was postponed due to hectic time of budget approval.

As the budget hearing was expected to focus on the education sector, as discussed at the technical level, explanatory notes on the education sector expenditure trend analysis and potential questions were developed for MPs' information.

Enhanced capacity-building on budget oversight: Over 45 officials from the Parliament Secretariat and National Audit Office attended the virtual workshop on 'BRIDGING POLICIES WITH BUDGET', organized in August 2021. Methodology, tools, and some initial results and lessons learned of the pilot Ministries on SDG-aligned, results-oriented budgeting and international experience of RBB were presented at the workshop. The points raised during a discussion's session demonstrated that budget oversight methodologies also need to be aligned with RBB in order to make the full cycle of budgeting RBB compliant.



Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output B.1.1 Policy analysis and oversight	B.1.1.1. Policy implementation analysis	0	1 sector	On track. Proposed budget hearing on education sector was postponed due to the overlap with the period of national budget approval. Topics for the next budget hearing are expected to be confirmed by BAU/BSC.
Output B.1.2 Results-based budget scrutiny and monitoring	B.1.2.1. Consultative meeting on implementation status, monitoring and further improvement of the budget spending for increasing employment and promotion of the labour sector.	0	1	On track. Budget hearing was re-scheduled for December 2021.
	B.1.2.2. Evaluation of the cost effectiveness of the spending (Annex 2 of the national annual budget)	0	1	On track. Education sector expenditure analysis was submitted to BSC for review.
	B.1.2.3. Sector and program expenditure reviews by committees	0	1	On track. (Education sector)
	B.1.2.4. Budget Hearings on Expenditure Effectiveness	0	1	On track. Planned for December
	B.1.2.5. Regular briefs/notes to MPs on findings of expenditure trend analyses	0	1	On track. (Notes on education sector expenditure were submitted)
Output B.1.4 Enhanced capacity of the Parliament in budget oversight	B.1.4.1. Handbook on annual budget proposal review (methodological guidance for newly elected parliamentarians)	0	1	Initiated.
	B.1.4.3. Training on policy oversight function by the parliament linked with RBB.	0	1	Completed. /1 training was held under the theme "Bridging policies with budget"/



B.2 INCREASED ROLE OF CSOs IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS

CSOs play a distinct role in budget monitoring and transparency. In 2021, training guidelines and modules on budget analysis and monitoring by CSOs were developed, based on a desk review of existing initiatives of CSO activities in budget monitoring, international good practices, and needs assessment involving CSO representatives and subject experts. The pilot training program, with four modules with six topics, was conducted for 1.5 days in October 2021 for 10-12 CSOs. CSOs shared the practical challenges and capacity constraints they face when conducting budget analysis and monitoring. The pilot training was well-received by the participating CSOs and all of them expressed their willingness to collaborate with the Project in rolling out the training as well as in carrying out actual budget analysis and monitoring exercises.

The training content was further updated based on the feedback of the pilot training, and the final version is being circulated with the key stakeholders, including the MoF. This is for the first time in recent years that CSOs wishing to work in budget oversight got equipped with comprehensive reference materials, which also include practical cases.

An initial consultation meeting was organized with the MoF on the role of CSOs in budget oversight, and main directions and areas of collaboration between MoF and CSOs on improving budget transparency.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output B.2.1 Sector Policy Analyses Performed	B.2.1.1. Collaborative research on policy effectiveness B.2.1.2. Policy advice development and communication to relevant line ministry and/or Parliament committee	0	1 policy paper (employment)	Completed. /Evaluation on National Employment policy 2016-2020 is being conducted, due to complete in December 2021; MLSP is expected to disseminate the key findings/
Output B.2.2 Budget Monitoring by CSOs	B.2.2.1. Approach Paper on MOF-CSO collaboration	0	1 approach paper	On track. /Under consultation with MOF and CSOs/
Output B.2.3 Capacity building for CSOs and media on budget monitoring and oversight functions	B.2.4.1. Training for CSOs on RBB, budget analytical toolkit, bridging research with policies and budgets, etc.	0	Training modules developed	Completed.



B.3 STRENGTHENED AND TRANSPARENT PERFORMANCE AUDITS

A performance audit is vital for ensuring policies are linked with budgets, and that timely feedback is provided to policy makers and budgeting / finance experts. The priority areas to focus on in 2021 and onwards for strengthening performance audit were agreed with the NAO, via several rounds of consultation with different departments of the NAO. The key priority identified is contextualizing the international results-based performance audit guidelines, based on a review of gaps in the current performance audit processes.

Performance Audit of SDG priority programs: Performance audit reports conducted between 2017-2020 were reviewed to reveal the issues and gaps that need to be addressed. The findings and proposed recommendations and potential solutions were presented to NAO officials.

INTOSAI's SDG Audit Model (Chapter 1-6) was translated into Mongolian and submitted to NAO as a reference material. Technical papers 'SDG-related Performance Auditing: International Benchmarks and Recommendations on localization' and 'MNAO's performance audit practice and recommendations on further improvements and intensification of SDG-related audits' were prepared and submitted to NAO as reference materials for reflecting SDGs in performance auditing. The papers provide practical steps for localization of the international benchmarks in SDG-related auditing, in short- and long-term timeframes, and proposes a model for SDG-related Performance Auditing for use by NAO. These papers paved the foundation for developing NAO's own guidelines, which will be used for performance audits planned for 2022. Internal workshops on the above topics will be held in the last week of December 2021.

Another technical paper on annual audit planning for NAO was developed, based on a review of current practices, with relevant proposed template and model plan for demonstration purposes. The paper was also submitted to NAO, to be used in internal trainings.

Capacity-building on performance audits: Since August 2021, a total of 6 internal workshops and sessions were organized with NAO, with a specific focus on providing **on-the-job** technical assistance on audit approach for ongoing audits, namely: (i) Food security monitoring framework and budget spending efficiency; (ii) State policy on medicine, implementation, and outcome; (iii) Implementation of development policy planning documents; and, (iv) energy transformation, distribution, tariff regulation, and efficiency.

As part of these ongoing on-the-job supports by the Project, 64 auditors and officials from 21 aimag Audit Offices attended an information sharing sessions on SDGs and food and agriculture sector policies; food security framework¹⁶; and optimization of supply chain¹⁷. Support was also provided to the Medicine policy audit team on defining audit criteria analysis for the case of medicine registration rules, regulation, drawing on international practice on medicine registration framework and best regulatory practice. Discussions were held with the Energy policy audit team, using the case of UK electricity audit findings, and relevant translations were provided. Numerous international reference materials related to the above ongoing audits were shared with the respective audit teams.

¹⁶ as illustrated by UN FAO, IFAD, UNICEF, WHO (2021)

¹⁷ Using a reference material by World Food Programme and Government of Odisha (2018)



In addition, a basic introductory training on the SDG Audit model referred to above was conducted for the NAO performance audit team (16 officials).

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output B. 3.1 Performance Audit of SDG priority programs	B.3.1.1. On-the-job support in mapping/bridging program-based planning vs. line-item budget execution data for effective performance audit B.3.1.2. Review of SDG-priority related sections of the NAO annual report within the SDV2030 context	0	SDG priority sector budget data are bridged	On track. /on-the-job support provided in mapping national programs with line-item of the budget. Technical papers provided the foundation for reflecting SDGs and policy priorities in performance audit/
Output B. 3.2 Civil Hall (Social) Audit	B.3.2.1. RBB based presentation of budget and audit reports. B.3.2.2. Verification of the findings from benefits perspective (e.g., via PETS or other budget monitoring tools)	0	1 civil hall audit	Expected to be shifted to 2022, and to be aligned with NAO annual plan.



COMPONENT C. EMPLOYMENT PROMOTION AND BOOSTING EMPLOYABILITY

Under this employment promotion, the Project aims to achieve results in the following main four areas:

- C.1** National programs on employment promotion strengthened and made more coherent;
- C.2** Ecosystem for innovation, start-ups, technology, business incubation and enterprising reinforced;
- C.3** Capacity and skills for wage and self-employment boosted;
- C.4** Pilots with scope for scaling-up undertaken for building evidence, establishing lessons and policy development (led by FAO).

C.1 NATIONAL PROGRAMS ON EMPLOYMENT STRENGTHENED AND MADE MORE COHERENT

C.1.1 Mapping and assessment of existing programs to identify bottlenecks:

A baseline study on labor market supply and demand for waged and self-employed, and future trends, was conducted with the Project support in the first half of 2021, in order to inform policy makers, establish baselines, and obtain data which would be able to inform the design of future interventions, especially those towards improving the employability of youth, women-headed households, and persons with disabilities. The study revealed gaps between labor supply and demand, by location, educational level, vocation, and age.

An impact evaluation of the National Employment policy 2016-2020 was conducted in 2021 with the Project support, to reveal the effects of the policy since it was adopted, and devise lessons to be learned for future policy making. The study reviewed the implementation of the NPE against indicators in three areas, namely: i) utilization of labour force resources; ii) effects of economic growth and development on employment; and iii) decent work, as well as evaluation of achievements of five objectives, and 37 sub-objectives of the NPE. Of these 37 sub-objectives, the evaluation found that for 14 achieved there are sufficient results, for 10 objectives there is a need to accelerate the implementation, and for 7 objectives there is no result. In addition, the evaluation highlighted that it is impossible to evaluate the implementation of 6 objectives. The draft report was submitted to the MLSP, and is expected to be disseminated more widely among stakeholders and the public in December 2021 and early 2022.

One of the key takeaways of the impact evaluation was that it was difficult or impossible to evaluate results when policy documents had been approved without adequate baselines, indicators, and targets, and implementation

reports are not results-based. It is in line with the recommendations provided by the performance audit teams of the NAO.

A mapping of existing national employment programs was carried out through a desk review, gaps, challenges, and areas for improvement were identified. The review covered the **current directions of the labor market policy, legislative environment, and institutional structure (gaps and bottlenecks)**, including issues and challenges in terms of program management, quality of employment services and employment support



measures, availability of data and information, registration processes, program monitoring and evaluation, and financing. The review also captured the key findings of recent studies conducted by employment-related projects and organizations, including the EU, World Bank, and NAOG. The mapping study complemented the impact evaluation mentioned above by an analysis of implementation modality, program design and institutional and business processes.

One of the key findings of the desk review was that employment services continue to lack results focus and reliable success measures which reflect outcome and impact level changes. The budgets allocated for labor divisions do not take into account actual demand or performance targets.

A proposed approach for re-designing employment promotion programs and delivery of employment services was developed based on Active Labor Market measures (ALMMs), the Client-oriented service approach (EU countries experience). The findings of the mapping and the proposed design were submitted to the MLSP as inputs for the draft revised Law on Employment Promotion. A revised set of tasks and revised job descriptions of employment specialists and middle-level managers were also drafted to complement the proposed model of employment promotion programs. Budget estimation of the proposed client-oriented employment services is underway.

The key findings and prototype model of the proposed employment services were presented to the MLSP staff in charge of employment policies and programs through a dedicated internal workshop. The presentation also covered overview of the client-based service approach in general, comparative analysis of some EU countries' experience, and use of an unemployment fund for the labor market.

A preliminary assessment and mapping of employment policy planning and intersectoral budget alignment was conducted to identify the gaps, bottlenecks, and potential areas of synergy of state budgetary resources allocated for employment promotion, including Employment Promotion Program, Small and Medium Enterprises Fund, Aimag Development Fund and Soum Development Fund. A large visual demonstration covering all steps, from planning to monitoring and evaluation stages in employment promotion measures, and activities showing inter-linkages from the top, or parliament and ministries down, to aimag and soum levels, and on-the-ground arrangements, was provided. The assessment findings are being used for designing a new model that coordinates the intersectoral employment promotion policy measures and ensures their budgets are aligned with respective results-based plans. This visual will also be used as a process baseline for tracking changes on the ground.

The MLSP initiated and developed an **initial version of the Labor Market Dynamic Model to manage labor market supply and demand** based on labor market forecasts and impact predictions. However, the model is currently incomplete and requires additional data and improvements to simulate accurate labor market trends. The MLSP has established a Working Group led by the Vice-Minister to complete the model. The Project has not engaged yet in this undertaking.

C.1.2. Support services for coherent program implementation designed as per labor markets: Under this output, two pilots were launched with the Project support, at two sites, to test out the client-oriented approach to employment services: four khoros of Songinokhairkhan district and Bayanchandmani soum of



Tuv aimag. The purpose of the pilots are manifold: they reveal the actual number of the unemployed seeking jobs for the given khoroo and soum, identify types of actual employment support services needed based on profiling of participants, gather information of previous employment support services received, and provide on a pilot basis some of the commonly needed support services, such as apprenticeship and business training/coaching to see if these services would be effective in securing longer-term waged or self-employed work. Overall, the pilots are expected to produce an evidence base for better designing and tailoring employment services to the needs of beneficiaries or clients.

For the district pilot sites, the completion rate of the profiling exercise was just under 50 percent (761 individuals out of 1,600) by October 2021, and the completion rate of the labor market demand survey at target khoroo was around 30 percent (66 of total 223 entities). The district labor market survey shows that most enterprises (50%) are grocery retailers with 1-3 employees; 10-15% are other kinds of service providers such as hairdressers, bathhouses, haberdashers/tailors (sewing shops), and cobblers (shoe repairers) with 1-3 employees, and other similar small shops providing similar services. Of the 51 enterprises surveyed, 40 reported no vacancies, while 11 entities reported 1-4 (30 in total) vacancies. The main problem highlighted by small enterprises was directly related to the COVID-19 pandemic, as for many of them, revenues had declined and thus forced them to reduce the number of workers they employed.

For Bayanchandmani soum, the profiling rate was around 20 percent (18 people out of 95 unemployed) by October 2021, due to high incidence of COVID-19; however, the market demand survey was completed, involving all 94 entities. A preliminary mapping of job demands, including vacancies and new jobs, was prepared.

Pilot employment support measures. Based on the results of the profiling, the following employment support measures are being implemented: i) apprenticeship program (expected to cover around 60 people); ii) enterprising (start-up) program; iii) part-time job opportunities, vocational training, and communication support; iv) bus tickets as part of mobility support measures; and, v) psychological counselling services. Two of them, apprenticeship, and micro/start-up development support, are intended for youth. All the pilot activities are ongoing and more tangible results are expected in the first half of 2022.

Potential mechanisms for support for micro- and small businesses: Financial and non-financial support provided by local governments and private organizations for employment services was mapped out as part of the soum and khoroo pilots to identify available resources at the local level. A draft handbook on utilizing financial and non-financial support¹⁸ provided by government and donor organizations was developed for use by employment specialists.

C.1.3 Support services incorporated in national programs and reflected in Ministry budget:

This activity will start in 2022, upon completion of the pilots, relevant costing, and the endorsement by the MLSP and MoF.

TVET graduate tracking system is being developed and due to finish early 2022. The tracking system is expected to provide real time data on employment status of cohorts of graduates by year, by TVET and where gaps are in terms of labour market supply and demand, by location and profession.

¹⁸ Annex 2 - draft handbook on access to financial and non-financial support, in Mongolian



Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output C.1.1 Existing national programs mapped, and bottlenecks identified	C.1.1 Mapping and assessment for update of National programs	0	1 study report	On track. Evaluation of the National Employment Policy 2016-2020 was completed.
	C.1.1.2 National programs aligned with local economic diversification and domestic opportunities.	0	1 report	A proposed design of employment services aligned with local economy and local labour market was drafted.
	C.1.1.3 Dissemination and consensus building	0	1 workshop	On track.
Output C.1.2 Support services for coherent program implementation designed as per labour markets, local economic policies	C.1.2.1 Identification of sectors/projects for wage and self -employment	0	1 study	On track. The preparation is underway and the actual study will start in 2022
	C.1.2.2 Identification of financial and non-financial support services	0	1 study	On track. Study was completed; based on findings, handbook for employment specialists is ready for use.
Output C.1.3 Support services incorporated in national programs, and in Ministry budget	C.1.3.1 Review/update of organizational management and coordination support services	0	1 update	Under discussions with NDA and MLSP ¹⁹
	C.1.3.2 Reflection of the support services in the national programs and budgets of MLSP, MOFALI, and agencies.	0	1 tracking system	Due in Year 4. The preparation will start in 2022.

C.2 ECOSYSTEM FOR INNOVATION, START-UPS, TECHNOLOGY, BUSINESS INCUBATION, AND ENTERPRISING

C.2.1 Common platform for innovative and start-up initiatives: A consultation **workshop on innovation and start-ups** was organized among government and non-governmental institutions, and private sector representatives working in this area to come to a common understanding on current situation of the ecosystem. The participants collectively agreed that a common interactive platform or ecosystem (online or offline) that coordinates the interventions of different organizations would be needed. However, the participants also agreed that common platform does not mean establishment of a physical center or building. Further explorations are being conducted, taking into account international experiences and by consulting with relevant partners. Further consultations are needed with SMEs and other market actors before actual interventions or activities are defined.

¹⁹ Updating the NDA database may not be effective, considering the database contains only medium and big enterprises data. Linking the current NDA database with the EJOB database maybe more useful but requires more preparation.



A podcast series was initiated to disseminate the concepts of decent work in Mongolia and provide information to young people about labour market demands and required skills and to engage with them in ways that would attract their interest. The content and mode of delivery will be further adjusted, based on the feedback received from audience.

C.2.2 Mapping and integrated assessment carried out of donor/partners initiatives: The scope and design of an **online system which displays ongoing activities of donor-funded projects** in employment and labour sector were developed and expected to be put into operation in December 2021. The online system will contribute to better coordination and synergies and exchange of lessons/ideas among the projects as well as other government and CSO initiated activities. The platform will also host all the studies, reports, infographics, and communications and visibility related products produced by the projects. Given the complexity and intersectoral nature of employment generation, the large scope of coverage of employment support services, and turnover of civil servants, ongoing mutual learning and up-to-date information sharing through such platform are critical for building and maintaining a forward looking ecosystem for employability. The platform is expected to be hosted by MLSP.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output C.2.1 Common platform for innovative and start-up initiatives, including crisis responses to shocks, designed, and established for customized support	C.2.1.1 Designing and implementation of a common platform.	0	1 platform designed	On track. Under exploration
Output C.2.2 Mapping and integrated assessment carried out of donor/partners initiatives towards employment to strengthen a forward-looking ecosystem for employability.	C.2.2.1. Mapping of the integrated assessment	0	1 mapping	On track. /Architecture for the platform is completed/

C.3 CAPACITY AND SKILLS FOR WAGE AND SELF-EMPLOYMENT BOOSTED

C.3.1 Institutionalized Capacity Development services institutionalized: An updated review of the gaps and **challenges of the technical and vocational education and training system** and its institutional setup was conducted in 2021, with the Project support. The findings were shared with the relevant officials of MLSP. The desk review findings will also be used in designing future activities for strengthening the role of TVETs in improving employability. The actual interventions required for institutionalized capacity development services are under study stage.

C.3.2 Distance/on-line platforms expanded for master trainings and capacity: Although the Law requires having special vocational programs for people with disabilities, there have been a limited number of vocational training programs tailored for people with disabilities. With the Project support, new **curricula for three**



occupations were developed for students with disabilities, based on the needs assessment, consultative discussions with associations of people with disabilities, non-governmental organizations, employers, social workers, and training institutions. These occupations are: i) Archive and Office Assistant; ii) E-service Staff; and, iii) Support Service Workers. A DACUM research team involving 30 people representing different stakeholders was established to provide quality assurance and to meet requirements of the occupational standards of vocational training curricula for people with disabilities MNS 6541: 2015.

Two courses are currently being piloted with sixteen students enrolled at the School for Vocational Education and Skills, for the first two occupations. The pilot of the third occupation will start next academic year, as the course requires specific training facilities and learning environment. These courses can be offered at all TVETs, after the pilot is completed.

Promoting virtual employment: The MLSP highlighted there are a substantial number of people who cannot work in-person at places of employment, due to their caregiving roles or other reasons, yet are available and capable to work from home. A needs assessment on virtual employment was conducted in 2021 through a desk review and focus group discussions and key informant interviews, to identify the kind of interventions needed.

A package of 14 short videos containing an information package on how to get virtual employment and virtually available roles was produced for easy reference and wider dissemination. The first set of four videos introduces the availability of virtual employment in Mongolia. The second set of videos shares information about popular e-jobs. Each video runs for around 12 minutes, and is produced in an engaging format tailored to the needs of target groups such as youth and vulnerable people. The feedback from users will be collected in 2022.

Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output C.3.1 Institutionalized Capacity Development services institutionalized for facilitators in Design Thinking and Behavioural Insights and Education institutes in Enterprise Education Pedagogy	C.3.1.1 Capacity needs assessment implemented	0	1 assessment	On track. /Under exploration/
Output C.3.2 Distance/on-line platforms expanded for master trainings and capacity increased to deliver employment services remotely for strengthened inclusion	C.3.2.1 Identification of disadvantaged groups	0	1 study	On track. Preparatory work is underway with pilots. The actual activity will start in 2022



C.4 PILOTS WITH SCOPE FOR SCALING-UP UNDERTAKEN FOR BUILDING EVIDENCE, ESTABLISHING LESSONS AND POLICY DEVELOPMENT

Under Component C.4, managed by FAO (C. 4.1-C.4.4), the Project aims to achieve results through five specific outputs.

Activities under this Component were started by July 2021, after some delays due to contractual issues, and were then accelerated towards the end of 2021. Tables under each of the outputs show progress achieved over the second half of 2021.

C.4.1 Effective public-private partnership models with large scale youth employment potential in agriculture value chains were identified, designed, and piloted in order to strengthen coherent on-ground implementation of the National programmes

Public-private partnership models. The first technical meeting was held online in July 2021 with the participation of over 50 stakeholders representing the MoFALI, MLSP, Governor's office of Khovd, Zavkhan, Tuv and Uvurkhangai aimags, Capital City Food and Agriculture Department, the EU, UNDP, FAO, ILO, and private entities in meat, dairy, and vegetable sectors and TVET institutions. The Project goals and work plan were presented at the meeting, ideas on youth employment potential in agriculture value chains were exchanged, possible ways to build competitive national Mongolian food brands in national and international markets were discussed.

As follow-up measures and feedback received from the participants, the team visited the four target aimags and had the meetings in Ulaanbaatar.

The project successfully conducted a field trip in August 2021 to four target aimags, Tuv, Uvurkhangai, Khovd and Zavkhan, and met with over 150 stakeholders from 20 organizations that included Aimag Governor's Office, Food and Agriculture Departments, Department of Labour and Welfare Services of each aimag, and TVETs; major meat, dairy, and vegetable value chain sector herders; farmers; and factory and business owners.

During the meetings with the private sector in four aimags, the team conducted a questionnaire to examine the clients' business type, operations, maturity, and competence level; and for the purpose of identifying and complementing any gaps, of which the project team could intervene and settle down in light of the project outputs. It was discovered that there were no companies that produce "specific" national brands and then export their products. They are willing to supply their products based on market needs by conducting proper market research and wish to increase the volume and supply of raw materials, including milk. The stakeholders seek support in the development of technical and practical skills, capacity-building of the employees, proper market, and consumer behaviour analysis. Ethics and business planning courses should be included in any curriculum of agriculture colleges to bring more business-minded and morale personnel, in order to create youth employment. The findings of the questionnaire analysis are enclosed in *Annex 5*.

During the Zavkhan aimag trip, the PIU team seized potential to support the development of red skin garlic as a national brand. Research was conducted by the Mongolian University of Science and Technology's "Food Research and Innovation Center to the ingredients of the red skin garlic planted in Zavkhan aimag soil". The results showed that the garlic in Zavkhan aimag was more nutritious as compared with that of Tuv and Khovd



aimags. Aimag officials concluded that the garlic can be a local brand and asked for support in the development of garlic value chains and the construction of a cellar for storage.

The PIU met with over 60 people in total from 17 organizations, in Ulaanbaatar, from July to September. This included organisations from the dairy, meat, and vegetable sectors; as well as NGOs, civil society, and academia. To name some companies of which have potential to export national products, these include Mongol Camel LLC, Silk Road Magic LLC, TESO LLC, Makh Market LLC.

Silk Road Magic LLC is a well-known company that produces cheese from ecologically pure Mongolian milk and operates in Jargalant soum of Tuv aimag, Bat-Ulzii, Zuunbayan-Ulaan and Uyanga soums of Uvurkhangai aimag. The company plans to enter the EU market with cheese products. This will increase local employment, provide income to herders, and promote national branded products in foreign markets.

Two meetings were held with the Mongolian Camel Corporation to clarify the product readiness for export in China. The company, which has obtained the exporting permits, sent “Camel dried milk (fermented milk)” product samples to Chinese partners, who expressed wiliness to buy the products, but import licenses are awaited from the latter. The Mongolian Camel Corporation is working to obtain specific information from the end customers. In order to export milk and dairy products to China, pre-export inspections will be carried out by the customs and inspection authorities of the exporting country, so it is necessary to double check whether the Mongolian Camel Corporation's relocated plant in Umnugovi aimag meets the requirements as mitigation activity.

TESO LLC is one of the largest milk processing companies in the country and alone supplies about 60 percent of the Mongolian ice cream market. In addition, the company aims to promote the Mongolian brand in foreign markets by exporting dairy products, sea buckthorn, and powdered milk to China, South Korea, Japan, and the United States. The project can intervene to support with the market research analysis to help them expand the export market. Further meetings with the company are expected.

The project team met with the Center for Instrument Analysis at the National University of Mongolia. The team learned that analysis on biotechnological separation of beta (β) lactoglobulin protein from whey is in progress by the scientists of the University. There is a potential to produce biologically valuable whey-based beverages. If it is considered possible, development of the product will be prototyped and tested in one of the milk processing plants with public and private partnership. Several meetings with the University will be held to make the final decision.

MAKH MARKET LLC is a major representative of the Mongolian meat industry, and one of the first companies to introduce HACCP, ISO 22000, FSSC22000 and HALAL standards. The company was founded in 2001 and supplies more than 10 products on the national markets. A thermal-processing meat factory was built in 2016 to export meat products to China, but in 2018 the export license was suspended. Since 2017, halal meat has been exported to Iran. If the company resumes its license, they plan to supply meatballs to China.

To conclude the findings from the meetings, there is a lesser chance to support the meat industry due to a foot and mouth disease outbreak in August 2021 in the country. To realize the project output of building competitive export-oriented products within the project implementation in three years, the team should cooperate with large nationwide companies, which have already exported their agri-products by identifying the gaps where FAO can intervene and provide the technical support.



Camel milk: Milko LLC of TESO Group is a major national producer, who collects and processes camel milk from Umnugovi Aimag to the domestic market. Milko LLC produces camel milk products and supplies to the domestic market. The company is currently working on possibilities to enter a Chinese market and solicited support with international experts on product improvement and branding from FAO.

TESO Group plans to develop an online platform to sell export-oriented food products. If it is in place, there is a possibility to enter the international markets. In addition, Mongol Camel Corporation LLC has exerted efforts to send samples of the camel milk powder to Chinese partners, who are willing to buy in small portions. Veterinary service from China is awaited now to examine conditions and requirements.

Red garlic: To ensure continuity and sustainability of the project, the PIU will develop a value chain of red-skin garlic and value-added garlic products and introduce good agricultural practices in seed and crop cultivation in collaboration with Zavkhan aimag's Food and Agriculture Department. Warehouses have been built under SECIM project. There is a potential to export black garlic products to Japan and South Korea.

Whey protein-based hypo allergenic and lactose free product: During the warm season (May-September), the supply of milk increases, and during the low season, milk processing plants produce a lot of curds and curd products, and a large amount of whey (10 million litre per year) is wasted as a secondary raw material.

The project met with the professors of National University of Mongolia, who conducted a scientific research and methods to develop lactose-tolerant whey products (powder and beverages). Vitafit company, which sells already whey beverages on a domestic market, will examine the development and improvement of lactose-tolerant whey products. More than half of the world's population (over 4 billion) does not absorb lactose, so it is possible to export the product if it is perfectly developed.

Cheese: "Cheese Republic" LLC, which specializes in the production of cheese, has established cheese factories in Uvurkhangai and Tuv aimags and invited cheese experts from the EU and Russia to introduce technology know-how. The company sent cheese samples to Hong Kong.

Designing skill needs and training. During the mission trip, it was concluded that facilities in TVETs and polytechnic colleges in the far remoted aimags are weak and not fully equipped, thus essential job trainings and programs should be organized in central TVETs, and polytechnic colleges are to invite teachers and trainers from distant areas. Likewise, according to the questionnaire analysis findings, the training programs should include ethics and business courses in addition to academic and practical lessons to prepare business-minded and moral professionals.

As requested by Erdene TVET and Bayanchadmani Polytechnical College in Tuv aimag, and given the good basic facilities for conducting trainings and practical lessons on site, development of a short-term training module on "*Livestock slaughter worker*" in Erdene TVET and a long-term training module on "*Operator and Repairman of agricultural machines and mechanisms*" in Bayanchadmani Polytechnical College was agreed at PIU level and further consulted and approved by the Director of TVET Policy Implementation and Coordination Department of the MLSP. She suggested the Professional Education and Training Standard for these modules be improved and updated before the development of the training modules. The FAO team, in collaboration with UNDP training consultants under the SDG project, will invite the experts in the working groups to update the training standards.

Furthermore, the project team, according to the FAO operational procedure, have drafted the Note for the File, Letter of Agreement, detailed Term of Reference or Scope of Work for designing the training modules by a third party.



Due to the fact that most of the local food enterprises in rural areas do not have a skilled workforce, they have requested to have capacity-building trainings for their employees and the team will look for opportunities to have the training based on their needs.

Promotion of network platform (Start-up Incubation). PIU has held meetings with Development Solutions NGO, Educated LLC, Start-Up Mongolia, and Kite. These non-profit organizations specialize in capacity-building and trainings in areas of SME support and start-up development in UB and the aimags. The consecutive meetings with them will feed into the action plan of this component of the project.

The PIU has mapped out the process mapping internally for start-up development and is in a process of defining the roles with these NGOs to execute the plan. The project will cooperate with the “Employment and Welfare Services Agency” in the target provinces.

In addition, the PIU discussed with UNDP, which has the same responsibility to develop an ecosystem for innovation and start-ups, to better align our activities in this field to avoid duplication of works and facilitate the project progress.

Progress towards Project Outputs

Indicators:	Targets: Year 1	Progress
C.4.1.1 Number of successful PPPs (increased number of end customers)	2 PPPs identified	The products which have been tentatively identified as having potential for exports include garlic, cheese, protein-based whey drink, and dairy products. PPPs will be promoted following the identification of products for export
C.4.1.2 Designing skill needs and training	Training modules developed; pilot testing of new modules training for 40 students	Skill needs in two areas were identified as critical and development of training modules is underway.
C.4.1.3 Promotion of network platform	Platform established.	Initial consultations were held with stakeholders and UNDP
C.4.1.4 Support to selected agriculture value chains	Assessment made	Support will be provided once the selection of two pilot products is finalized. Main activities will start in 2022 (Year 2)
C.4.1.5 Scaled up under regular budget	N/A	Will start in 2022 after pilots are completed. MOFALI is responsible for scaling up under regular budget, based on results of the pilots.

Output C.4.2 Organizational and technical innovations promoted to support Mongolian agribusiness enterprises move up the agri value chains

Indicators:	Targets: Year 1	Progress
C.4.2.1 Identification, nurture and commercialization of least 2 new agri-based products	at least 2 new agri-based products identified.	The products which have been tentatively identified as having potential for exports include garlic, cheese, protein-based whey drink, and dairy products.
C.4.2.2 Scaled up under ministry regular budget	N/A	Will start in 2022



Output C.4.3 Support building of competitive national Mongolian food brands in national and international markets that meet national and international quality/safety standards

Indicator(s):	Targets. Year 1	Progress
C.4.3.1 Potential products identified.	2 market feasibility studies	Will start in 2022 (Year 2), following results of activities under C.4.1.1, C.4.2.1.
C.4.3.2 Independent consumer market research		
C.4.3.3 Business plans developed among 150 trained		
C.4.3.4 Selected food brands piloted		
C.4.3.5 Scaled up under regular ministry budget	N/A	Will start in 2022 after pilots are completed. MOFALI is responsible for scaling up under regular budget, based on results of the pilots.

Output C.4.4 Agribusiness based youth employment policy and action plan for Mongolia developed, challenges identified, designed and piloted

Indicators:	Targets: Year 1	Achievement:
C.4.4.1 Analytical review of 4.1- 4.3 C.4.4.2 National level workshop C.4.4.3 High level workshop	Employment policy/ Government Action Plan includes aspect of youth employment in agriculture.	Will start in 2023, after activities under Output 4.1 - 4.3 are completed.



COMPONENT D. LABOUR REGULATIONS

Under Component D, managed by ILO, the Project aims to achieve the following key results:

- D.1** Regulatory frameworks aligned with International Labor Standards, and
- D.2** Compliance boosted through strengthened capacity of labor inspection system.

In July 2021, the Parliament of Mongolia approved the revised Labour law, giving the authority for labour inspectors “to enter freely and without previous notice at any enterprise or workplace liable to inspection”. The revised Labour law will come into force on 1 January 2022.

Contribution towards project Outcome 8: Regulatory frameworks aligned with international labour standards

Indicators:	Baseline:	Targets: Year 1	Progress
Number of unannounced labour inspections	None (not allowed)	-	(2021) Labour law now allows unannounced inspection, and the Law will be in effect from January 2022.

The project is providing support to GASl in revision of the Law on State Inspection with a view to aligning it with ILS. Under the current Law on State Inspection, a five-day advance notice is required for planned and unplanned inspection, where the latter is allowed only following a complaint submitted (within approved guidelines) or emergency situations. The draft law aims to remove this requirement of advance notice, and to be aligned with the revised labour law. The ILO technical team is now reviewing the draft text from ILS perspective, which will be discussed with GASl and other stakeholders including social partners in late November or early December 2021. GASl plans to submit the draft law to the Parliament by the end of 2021.

Output D.1.1. Ratification of the ILO Labour Inspection Convention, 1947 (No. 81) and the ILO Labour Inspection (Agriculture) Convention, 1969 (No. 129) and effective application of ILO Fundamental Conventions and employment-related conventions promoted. The MLSP and GASl have re-confirmed their commitment to ratify both Conventions in several official documents including the GASl Strategic Plan for 2021-2024 (approved in February 2021), the National Tripartite Agreement for Labour and Social Consensus for 2021-2022 (signed in May 2021) and the National Action Programme on OSH for 2021-2025 (approved in September 2021).

Despite several meetings with MLSP and GASl at various levels, their internal timelines are not known. To further advocate for ratification, a policy brief will be prepared after ILO comments on the draft revised Law on State Inspection become available. The ILO has also exchanged views with EU Delegation in Mongolia, as the ratification of two conventions has been set as an indicator for overall EU Budget support to Mongolia.



Progress Towards Project Outputs

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.1. Ratification of the ILO Labour Inspection Convention, 1947 (No. 81) and the ILO Labour Inspection (Agriculture) Convention, 1969 (No. 129) and effective application of ILO Fundamental Conventions and employment-related conventions promoted.	D.1.1.1 Number of policy or technical briefs produced	0	1 assessment	To be completed in 2022

Output D.1.2: Advice on improving legal environments to increase the efficiency of labour inspection and employment promotion provided. With support of the Project, GASI drafted the revised Law on State Inspection and other related documents by engaging a national consultant. The ILO is now reviewing the draft law and will provide comments from ILS perspective. In December 2021, the ILO comments will be discussed with GASI and other stakeholders including social partners. The project is also supporting GASI in conducting a regulatory impact assessment and financial implications of the draft revised law.

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.2: Advice on improving legal environments to increase the efficiency of labour inspection and employment promotion provided	D.1.2.1 Number of legal advice provided by ILO	0	1	1 (on track, including two assessment reports supported)

Output D.1.3. The Sub-Committee on Application of ILS assisted in their reviews and discussions of international labour standards and Mongolia's related obligations. Given the MLSP priorities, the Project focused on assisting MLSP and the Tripartite Sub-Committee on Application of International Labour Standards in preparing and reviewing government reports on application of ratified Conventions due this year. Two technical webinars led by the ILO specialists were organized with 42 participants (25 women). As a result, reports of the following three technical conventions were submitted on time this year:

1. Maternity Protection Convention (Revised), 1952 (No. 103)
2. Occupational Safety and Health Convention, 1981 (No. 155)
3. Safety and Health in Mines Convention, 1995 (No. 176)

As part of the webinar, the Maternity Protection Convention, 2000 (No. 183) was presented to members of the Sub-Committee to facilitate discussion on adopting updated standards to protect working women.

As per the AWP, another technical webinar on Safety and Health in Construction Convention, 1988 (No. 167) will be held in early December 2021. This will help MLSP and the Sub-Committee understand the newly ratified technical standard and prepare for the first detailed report due next year. MLSP and the Sub-Committee will consider issues for possible tripartite guidelines in the context of the revised Labour law. The EU funded Decent Work for Trade project plans to review and assess consultative processes and effectiveness of the Sub-Committee in December 2021. Informed by this assessment, the committee is expected to be re-established



with a new rule in early 2022 as the tripartite social dialogue institutions had been restructured by the revised Labour law. The project will provide further support to the Sub-committee after its re-establishment.

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.3. The Sub-Committee on Application of ILS assisted in their reviews and discussions of international labour standards and Mongolia's related obligations	D 1.3.1 Number of ILO convention translated into Mongolian reviewed and edited	0	1	0
	D 1.3.2 Number of recommendations by the sub-committee on Application of International Labour Standards	0	1	3 (technical advice for preparation of three government reports)

Output D.1.4: Law and practice research conducted to identify implementation gaps and areas for alignment with ILS, in particular those concerning fundamental principles and rights at work, occupational safety and health, employment and labour inspection. Activities under this output are scheduled for 2022.

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.4: Law and practice research conducted to identify implementation gaps and areas for alignment with ILS, in particular those concerning fundamental principles and rights at work, occupational safety and health, employment and labour inspection	D.1.4.1 Number of knowledge products on SDG trends and fundamental labour rights and labour law	0	1	0

Output D.1.5. MONEF and CMTU supported in their effective promotion of fundamental principles and rights at work, decent working conditions, formalization of employment and collective bargaining. Activities under this output are scheduled for 2022.

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.5. MONEF and CMTU supported in their effective promotion of fundamental principles and rights at work, decent working conditions, formalization of employment and collective bargaining	D.1.5.1 Number of improved or new services by the organizations of workers and employers	0	1	0

Output D.1.6: Professional groups and the Mongolia Decent Work for Youth Network (DW4YN) supported to promote awareness and action on labour rights of Mongolian youth especially with a view to promote formalization of employment. A webinar on Youth Labour Rights was co-organized with DW4YN, planning and



designing an awareness raising campaign targeted at young workers in the formal and informal sectors. DW4YN has launched the campaign at increasing youth awareness about the newly approved Labour law. To maximize both online and physical outreach, the project is co-funding this campaign with the ILO project on Informal Economy. Results of the campaign will be available in December 2021.

Output	Indicator	Baseline	Target 2021	Actual 2021
Output D.1.6: Professional groups and the Mongolia Decent Work for Youth Network (DW4YN) supported to promote awareness and action on labour rights of Mongolian youth especially with a view to promote formalization of employment	D.1.6.1 Number of decent work and compliance campaigns conducted	0	1	1 (on track)

Output D.2.1: Support provided for the formulation of annual Strategic Compliance Plan (SCP). Important preparatory steps have been taken to roll out the ILO Approach to SCP, which will provide the labour inspectorate with a new methodology to achieve compliance outcomes in light of limited resources, mismatched powers and the ever-changing world of work. GASI is committed to developing and implementing its SCP for 2022. In a tripartite introductory seminar, CMTU and MONEF acknowledged the importance of this compliance model and agreed to contribute to its operationalization under the project (Output D.1.5). An actual planning workshop led by the ILO specialist is scheduled in mid-November 2021. The plan will be finalized by mid-December 2021.

Output	Indicator	Baseline	Target 2021	Actual 2021
Output D.2.1: Support provided for the formulation of annual Strategic Compliance Plan (SCP).	D.2.1.1 Number of annual SCPs implemented	0	1	1 (on track)

Output D.2.2: Assessment of inspection data collection, analyses and dissemination, including sex- and age-disaggregated data, conducted with a view to develop evidence-based interventions.

Output D.2.3 Recommendations on improving and upgrading inspection data system provided to GASI and improvements of the existing data collection of occupational accidents and acute poisoning

One of the objectives of the newly approved Strategic Plan of GASI for 2021-2024 is to develop and implement a system wide digital transformation programme covering all types of inspection services. GASI established a Working Group tasked to develop the programme, including all the system review and business processes, requesting the project to provide support and technical inputs from a labour inspection perspective. Instead of conducting separate assessments, therefore, the project facilitated learning from international experiences and good practices in labour inspection action systems through two webinars. In selected locations, the project supported data collection of the study among inspectors, enterprises, and other stakeholders. The ILO will provide comments on the final outcome document of the digital programme from a labour inspection perspective. As part of this exercise, GASI has identified shortcomings of the existing electronic registration



and information system of occupational accidents and acute poisoning, and proposed solutions to address them. The project has agreed to support this modernization and related training of labour inspectors. Main improvements planned include streamlining the whole process including data processing and reporting, the full integration into the centralized systems of GASl, creating the possibility of data exchange and sharing with other government systems, reflecting changes in regulatory framework and making it user friendly for both labour inspectors and user enterprises, including the development of a mobile application. This work is expected to start in late November 2021.

Outputs	Indicator	Baseline	Target 2021	Actual 2021
Output D.2.2: Assessment of inspection data collection, analyses and dissemination, including sex- and age-disaggregated data, conducted with a view to develop evidence-based interventions	D.2.2.1 Number of knowledge product (assessment report)	0	1	1 (on track)
Output D.2.3 Recommendations on improving and upgrading inspection data system provided to GASl and improvements of the existing data collection of occupational accidents and acute poisoning	D.2.3.1 Number of knowledge product (assessment report)	0	1	Technical inputs (International good practices and comments)

Output D.2.4: Training programme on workplace compliance and labour rights delivered to social insurance, hygiene and labour inspectors at the national, aimag and soum levels and integrating into the Youth Employment Service desks (4 in provinces and 2 in UB). An assessment of training needs of labour and social security inspectors was conducted, and the findings and recommendations were discussed with GASl. It will inform GASl to design a competency development plan for its labour inspectorate in line with identified national policy goals of the labour inspection system, while guiding the project to target its future activities to priority areas of knowledge and skills that are critical for labour inspectors to effectively carry out their functions.

A series of trainings have been identified and will start with labour law trainings in the first week of December 2021. Linking to the youth awareness raising campaign under Output D.1.6, selected staff of Youth Employment Service Desks and members of DW4YN will be trained as facilitators to promote decent work and youth labour rights.

Output	Indicator	Baseline	Target 2021	Actual 2021
D.2.4 Training programme on workplace compliance and labour rights delivered to social insurance, hygiene and labour inspectors at the national, aimag and soum levels and integrating into the Youth Employment Service desks (4 in provinces and 2 in UB)	D.2.4.1 Number of assessment reports describing challenges and good practices in the provision of integrated services to promote compliance and formalization of employment	0	1	1 (training needs assessment report)



5. PARTNERSHIPS

Since the launch of the Project at the end of 2020, partnership-building and close engagement with partners have been at the core of all activities. Numerous meetings and consultations were organized in 2021 on various topics related to the Project to create and maintain a shared understanding among partners.

- **Government partners:** Government organizations the Project has collaborated with on budgetary reform include MoF, MLSP, MOFALI, MOES, NAO, Parliament of Mongolia and TVETs, as well as Finance and Investment departments of local governments. On employment and labor, and agricultural value chains and export products, the Project has worked with MLSP, GASI, MOFALI, RILSP, as well as Governor's offices, and aimag Labour and Agriculture departments.
- **Private sector and industry associations:** The Project has engaged with MONEF, National Chamber of Commerce and Industry, Confederation of Mongolian Trade Unions (CMTU), Decent Work for Youth Network (DW4YN), as well as private companies such as Mongol Camel LLC, Silk Road Magic LLC, TESO LLC, Makh Market LLC, and Suu, KITE Mongolia, shareholding company. More companies will be involved in 2022, either through MONEF, Supply Chain Actors, Producers, Buyers and Traders, Trade Associations, Banking and Finance or directly.
- **Civil Society Organizations:** Main CSO partners for 2021 have been budget oversight CSOs, youth associations, and CSOs working at the grassroots level with vulnerable people, Academics, Researchers, Charities, Start-Up Mongolia, National food Association, Development Solutions NGOs.
- **Other projects:** A number of projects related to employment, budgetary reform, labor rights and agricultural development are being implemented in Mongolia, including those funded by World Bank, ADB, JICA, EU, and GIZ. Regular information sharing meetings have been the main mechanism of collaboration.

In 2022, the Project plans to introduce quarterly employment sector coordination meeting of stakeholders, inviting both Government and non-government participants, to review the progress of the employment reforms and bring key issues to the attention of policymakers.



6. IMPLEMENTATION OF COMMUNICATION & VISIBILITY PLAN

In 2021, the Project adhered to its Communication and Visibility Strategy, included in the Project Document, raising awareness among stakeholders and the public about its activities and EU support to the country.

Below is a list of communications activities implemented in 2021, under **Component A, B, and C**.

#	Activity	When	Target Audience	Quantity	Report
RECURRENT COMMUNICATION ACTIVITIES					
1	Facebook Post	Biweekly	General public Stakeholders Government, Development partners and other partners	23	On track
2	Tweets			46	On track
3	Post project publications	As required	Public, Government, Development partners and partners	TVET Policy paper - 1 Study Report -1 Public Expenditure Review - 2 Guideline-2	On track
4	On-going compliance with EU visibility requirements in events, consultation, meetings, and workshops etc.	As required	Public, Government, Partners and partners and media representatives General public	38 times	On track
5	Annual, Semi-annual, Quarterly meetings, such as Steering Committee Meeting etc	Once in year	Project Board, Donor, Partner, Stakeholders, General public	Steering Committee Meeting - 1	On track
6	Newsletter	Quarterly	General public Stakeholders Government, Development partners and other partners	6 monthly reports	On track. Monthly reports submitted to EU, public newsletter to be disseminated starting from 2022.
INFORMATION AND VISIBILITY MATERIAL					
	Project Intro Video	Once	Partners Stakeholders Interested audience		On going
7	Stand Banner	As required	For events	Mon - 2 Eng - 2	Done
8	Project leaflets or brochures	As required	Partners Stakeholders other interested audience	Mon – 500 pcs	Done
9	A4 Folder	As required	Partners Stakeholders	Mon – 500 psc	On going



10	All materials, publications - Survey findings - Mapping - Policy papers - One pager - Flyers	As required	Partners Stakeholders Institutions Other interested audience	- One pager - 2 - Flyers - 2 - Survey findings - 1 - Mapping - 1	On track
MASS MEDIA					
11	Press Release	When necessary	Journalists Partners Stakeholders	Project Launch	On track
				The 1 st steering Committee Meeting	On track
				“Ensuring Inter-Sectoral Coordination to Support Employment” Consultation	On track
12	Media coverage on TV	When necessary	General Public Partners Stakeholders	Project Launch	MNB World MM Today
13	FM/Radio/Podcast	When necessary	General Public	On Employment sector	On track
14	Public websites	When necessary	General Public	Project Launch The 1st steering Board Meeting “Ensuring Inter-Sectoral Coordination to Support Employment” Consultation	On track
WORKSHOPS, CONSULTATION MEETINGS AND TRAININGS					
15	The high-level events, consultations, and workshops	When necessary	Journalists Partners Stakeholders Other interested audience	7	On track
16	Trainings	When necessary	Key Stakeholders	The list of trainings is provided below and in Annex 6	On track



EVENTS AND CONSULTATION MEETINGS:

- **Project Launch Event:**

<https://www.facebook.com/undp.mongolia/posts/1863547953794784>
<https://www.facebook.com/undp.mongolia/posts/1863551070461139>
<https://www.facebook.com/undp.mongolia/posts/1863556577127255>
<https://www.mn.undp.org/content/mongolia/en/home/presscenter/pressreleases/>

- **Steering Board Meeting:**

<https://www.facebook.com/undp.mongolia/posts/1943309925818586>
<https://www.mn.undp.org/content/mongolia/en/home/presscenter/pressreleases/>
<https://eeas.europa.eu/delegations/mongolia/96078/first-steering-committee-meeting>
<https://montsame.mn/mn/read/247598>
<https://gogo.mn/r/n4lg2>

- **Integrated National Financing Frameworks and Budgeting:**

<https://www.facebook.com/undp.mongolia/posts/1944143149068597>

- **The Employment Policy implementation and Coordination Departments of the MLSP:**

<https://www.facebook.com/undp.mongolia/posts/2103186589830918>
<https://twitter.com/UNDP Mongolia/status/1449278517481402369>
<https://twitter.com/UNDP Mongolia/status/1449277225698619393>

- **Piloting the Counselling Service for unemployed**

<https://www.facebook.com/undp.mongolia/posts/2111791192303791>
<https://twitter.com/UNDP Mongolia/status/1453306547291967493>

- **"Developing a Vocational Education and Training Curriculum for PwD of NGOs and CSOs"**

<https://www.facebook.com/undp.mongolia/posts/1980026312146947>
<https://twitter.com/UNDP Mongolia/status/1393512043471200256>
<https://twitter.com/UNDP Mongolia/status/1393514455275753474>

- **"The vocational training curriculum in three occupations for persons with disabilities"**

<https://www.facebook.com/undp.mongolia/posts/2097355147080729>
<https://twitter.com/UNDP Mongolia/status/1446759116290936833>
<https://twitter.com/UNDP Mongolia/status/1446759967399165955>

TRAININGS:

- **"SDG-Aligned Budgeting" MOFALI and MLSP**

<https://www.facebook.com/undp.mongolia/posts/1989919077824337>
<https://www.facebook.com/undp.mongolia/posts/1991545494328362>
<https://twitter.com/UNDP Mongolia/status/1397822890397945861>
<https://twitter.com/UNDP Mongolia/status/1397839198023872515>

- **"Preparation of Portfolio Budget 2022" MOFALI and MLSP**

<https://www.facebook.com/undp.mongolia/posts/2023463254469919>
<https://www.facebook.com/undp.mongolia/posts/2024185151064396>



<https://twitter.com/UNDP Mongolia/status/1413089105127174145>
<https://twitter.com/UNDP Mongolia/status/1420613538700152832>
<https://mof.gov.mn/article/entry/2022->

- **“Methodology of Profiling Job Seekers and Unemployed, and Developing Individual Employment Plan”**

<https://www.facebook.com/undp.mongolia/posts/2045637168919194>
<https://twitter.com/UNDP Mongolia/status/1423128851266248706>

- **Bridging Policies and Budgets for the Parliament Secretariat and National Audit Office**

<https://www.facebook.com/undp.mongolia/posts/2054500201366224>

- **“Career Counselling to the Labor and Social Welfare Specialists of Selected khoroos”**

<https://www.facebook.com/undp.mongolia/posts/2079568405526070>
<https://twitter.com/UNDP Mongolia/status/1438411338452135939>
<https://twitter.com/UNDP Mongolia/status/1438409249793536003>

- **“Fiscal Policy Reform” for MOF Officials**

<https://www.facebook.com/undp.mongolia/posts/2094501767366067>
<https://twitter.com/UNDP Mongolia/status/1445583310109896704>
<https://twitter.com/UNDP Mongolia/status/1445583769788813322>
<https://mof.gov.mn/article/entry/2021-10-05>

- **“Bridging Policies and Budgets” for Local Governors Officials**

<https://www.facebook.com/undp.mongolia/posts/2095606933922217>
<https://www.facebook.com/undp.mongolia/posts/2097363280413249>
<https://twitter.com/UNDP Mongolia/status/1446068450825162753>
<https://twitter.com/UNDP Mongolia/status/1446068817650601985>
<https://twitter.com/UNDP Mongolia/status/1446720380635279365>
<https://twitter.com/UNDP Mongolia/status/1446721393178001411>

Communiation and Visibility activities under Component C.4:

- **The project launch event, December 2020**

[ENG]<http://www.fao.org/mongolia/news/detail-events/en/c/1366046/>

- **The project signing event between MoFaLi and FAO Mongolia, June 2021**

[ENG]<http://www.fao.org/mongolia/news/detail-events/en/c/1392317/>

[MON]<http://www.fao.org/mongolia/news/detail-events/en/c/1392315/>

[ENG]https://eeas.europa.eu/headquarters/headquarters-homepage/96212/eu-unfao-and-ministry-food-agriculture-and-light-industry-will-continue-support-employment_en

[MON]https://eeas.europa.eu/headquarters/headquarters-homepage/96213/node/96213_mn

[MON]<https://mofa.gov.mn/exp/article/entry/2358>

[ENG]<https://montsame.mn/en/read/259565>

[MON]<https://montsame.mn/mn/read/259544>

[MON]<https://news.mn/r/2419398/>

[MON]<https://oronzai.mn/n/EUKRXGz3r3IVz8pT3g1b>

[MON]<http://itoim.mn/article/VoEcP/26867>



- **The technical meeting, July 2021**

[ENG]<http://www.fao.org/mongolia/news/detail-events/en/c/1414965/>

[MON]<http://www.fao.org/mongolia/news/detail-events/zh/c/1414969/>

[ENG]<https://montsame.mn/en/read/269283>

- **In-country travel mission to the 4 target provinces, Aug 2021**

[ENG]<https://montsame.gov.mn/en/read/271980>

[ENG]<https://www.montsame.mn/en/read/272710>

Project key activities and results posted on FAO Mongolia's Facebook page reached over 15,000 and engaged around 800 people. The links to the posts are provided below in chronological order:

<https://www.facebook.com/FAOMongolia/posts/508351447236919>

<https://www.facebook.com/FAOMongolia/posts/574049837333746>

<https://www.facebook.com/FAOMongolia/posts/582455259826537>

<https://www.facebook.com/FAOMongolia/posts/582456049826458>

<https://www.facebook.com/FAOMongolia/posts/582502966488433>

<https://www.facebook.com/FAOMongolia/posts/582503516488378>

<https://www.facebook.com/FAOMongolia/posts/583717813033615>

<https://www.facebook.com/FAOMongolia/posts/583718349700228>

<https://www.facebook.com/FAOMongolia/posts/597368825001847>

<https://www.facebook.com/FAOMongolia/posts/598693648202698>

<https://www.facebook.com/FAOMongolia/posts/601294707942592>

<https://www.facebook.com/FAOMongolia/posts/602707107801352>

Communication and visibility activities under Component D:

The following channels are used for communication and visibility:

- www.ilo.org/mongolia - the project page (component D) and information about events are regularly posted and updated in Mongolian and English;
- Зохистой хөдөлмөр (Decent work) Facebook page
- @ilo_mongolia twitter account

- **Project launch event**

https://twitter.com/ilo_mongolia/status/1341229638660599809

https://twitter.com/ilo_mongolia/status/1341226748491513857

- **Trainings on ILS reporting**

https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_792143/lang--en/index.htm

<https://www.facebook.com/decentproductivework/posts/1207402923029234>

https://twitter.com/ilo_mongolia/status/1399314888124665857

https://twitter.com/ilo_mongolia/status/1399318012331626498

https://twitter.com/ilo_mongolia/status/1397207633455730697

<https://www.facebook.com/MUEHolboo/posts/4434343653317289>

<https://www.facebook.com/MUEHolboo/posts/4413732365378418>

- **Webinars on International Experiences and Lessons in Developing and Operating the MIS for Labour Inspection**



https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_817110/lang--en/index.htm
https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_817111/lang--en/index.htm
<https://www.facebook.com/decentproductivework/posts/1261642447605281>
<https://www.facebook.com/decentproductivework/posts/1154722888297238>
https://twitter.com/ilo_mongolia/status/1370295214196281345
http://inspection.gov.mn/new/?p=4084&fbclid=IwAR2nXKqWKhvKJ43UgSZheVVF3AbVZ2JQ-VTorzq8Hgi5O_rpDLHTo3RrbQc
<https://tac.mn/post/81828>
<https://news.zindaa.mn/3ttk>
<http://inder.mn/51317>

- **Introductory Seminar on Strategic Compliance Planning for Labour inspection**

https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_808822/lang--en/index.htm
https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_808823/lang--en/index.htm
<https://www.facebook.com/decentproductivework/posts/1228657937570399>
https://twitter.com/ilo_mongolia/status/1410898113691275270
https://twitter.com/ilo_mongolia/status/1410907603853623305
<https://www.facebook.com/MUEHolboo/posts/4521636584587995>

- **Labour rights of youth webinar**

https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_817106/lang--en/index.htm
https://www.ilo.org/beijing/what-we-do/events-and-meetings/WCMS_817107/lang--en/index.htm
<https://www.facebook.com/decentproductivework/posts/1261612560941603>
<https://www.facebook.com/decentproductivework/posts/1203657433403783>

- **Training needs assessment of labour and social protection inspectors**

<https://www.facebook.com/decentproductivework/posts/1274468312989361>

The ILO includes a specific requirement in the implementation agreement established with project partners to prepare and deliver news and updates through their communication channels including official webpage and social media, and officially attaches the EU Visibility guideline. The Project invites a EU Delegation to high-level meetings to deliver a message. Meeting/training materials, and workshop (digital) banners show EU logo as a funding organization of the Project and events.



7. CHALLENGES/RISKS AND MITIGATION MEASURES

COVID-19. The major risk for the Project implementation in 2021 was strict and cluster lockdowns due to the COVID-19 pandemic. While the Project managed to ensure business continuity with virtual meetings and workshops, sometimes, it has not been the most effective, especially for participants with limited skills or exposure to online meetings, and organizations lacking equipment such as a laptop, camera, and earpieces. This situation continued until May 2021 for most organizations, and still continues for some. Field missions had been put on hold due to local travel restrictions, for most part of the year.

Due diligence is critical when choosing companies for collaboration to “build national brands and export-oriented products”. Below is the risk mitigation measure developed by the Project, in this respect.

HYPOTHESIS	RISK	MITIGATION
Consumer behavioural analysis and market research will help producing companies to export products and set clear vision of importing country requirements and consumer preference.	<ul style="list-style-type: none"> Consumer behavioral analysis and market research do not meet end user requirements. 	Set clear and detailed requirements in Terms of Reference.
	<ul style="list-style-type: none"> A contracted research company is not experienced. 	Make thorough analysis of experienced research companies in advance, evaluate their performance from clients.
All agreed and planned activities for piloting an effective PPP model with youth employment potential in agriculture value chains will bring the expected results.	Loss of interests by either party in the pilot and deviation from the planned activities due to political reasons or COVID-19.	Promotion of domestic production and job creation remain the top priority for parties. The project will seek the ways to sensitize parties of the importance of PPP model piloting.
The project came up with two new products and chose the right companies to cooperate with for the development of these two products. They are national brands and ready for export.	The chosen products are challenged with meeting import requirements.	Consumer behavioural analysis and market research should focus on borders, tax and tariff and non-tariff bans and conditions of importing countries. The project should make thorough analysis on choosing a right service company (most probably importing country research company) with proper prepared ToR and performance evaluation from clients.
	The project can't deliver the expected result within the project duration	PIU will exert efforts to have the products exported to international markets in cooperation with national companies, which meet importing countries' requirements and standard. If it is not able to export the products, market research of high quality will be done, enabling them to be realized even after project termination.
	The project chose the wrong companies to cooperate with	The project should make sure the chosen companies have importing/exporting licenses, which meet the requirements of importing countries, including volume of products.

Internal restructuring of the MLSP have affected some activities. The MLSP structure was approved by the Government in November 2020 but was operationalized in July 2021. Due to Ministry restructuring, the



Tripartite Sub-Committee on Application of International Labour Standards needs to be re-organized, as the sub-committee was led by the Ministry department which was abolished with the new structure.

8. LESSONS LEARNED AND WAY FORWARD

Coordination among the Project components. Each component of the Project has specific outputs and activities; however, there are many areas where activities complement each other across outputs and across components. For example, development of export-oriented agricultural products under Component 4.4 could provide business process model to be integrated with MOFALI planning and RBB. Another area is development of various training manuals which could be used by partners under different components of the Project.

Information sharing. The Project government and non-government partners under one component of the Project do not necessarily have information on activities being undertaken under the other Components. This may contribute to a lost opportunity for synergy. In 2022, UNDP will work with FAO and ILO to ensure sharing of project component information across partners, in addition to the online platform of donor-funded projects.

Support to fulfillment of EU Budget Support targets. The year 2021 was the first year where the Government had to share specific information with the EU Delegation. It was necessary for the Ministry of Finance to share the progress on indicators included in the Budget Support agreement in order for the Government to receive the next tranche of budget support funding. In 2022, the Project will support MoF on sensitization about indicators and targets to be met, and preparedness for reporting.

Scaling up. All components of the Project aim at policy-level and system wide changes. While various assessments and pilots were implemented in 2021 in preparation for such changes, the feasibility of outcome and impact level changes will depend on the extent to which the pilots can be scaled up. Therefore, strategies for scaling up employment and RBB related pilots will be drawn in January 2022, and communicated to key stakeholders.

Way forward. The largest amount of the Project multi-year budgets were allocated for 2022, which is year 2 of the Project implementation. In 2022, results of assessments, studies, and pilots will be further consolidated towards achieving the outcome-level targets and synergies among all Components. There will be no major changes in outputs specified in the Description of the Action (Project Document).

Results-based budgeting will continue in two sectors: Employment and agriculture; with better integration of meaningful results as a focus for the 2023 budget proposals, such as by working together with sectoral policy and finance officers. More elaborated cases of RBB in these sectors can be used for demonstration for other sectors, under the leadership of MOF. Concrete steps for implementation of MTEF will be implemented, drawing on the lessons learned.

Scaling up of the revised employment support services will take place along with extensive capacity building trainings for employment officers at all levels.

Business processes for identifying export oriented agricultural product development will be documented and used for mainstreaming these activities with MOFALI results-based planning and budgeting. Going forward,



UNDP as lead agency, will work closely with FAO and ILO, to bring out these complementarities in this and other areas under all four Components.

Communications and visibility activities will further expand to reach the target groups, including beneficiaries. Private sector representatives will be more closely engaged in designing the Project interventions and to strengthen their ownership and roles in employment generation, enterprising, and value chain ecosystems.



9. FINANCIAL REPORT

Financial update as of 30 September 2021 is described in below. Detailed information is provided in Annex 1 'Project Financial Report'.

Detail	Budget	Expenditure	Commitment	Total	Remaining
UNDP	965,226	162,306	344,749	507,054	458,172
ILO	92,350	10,733	15,684	26,417	65,933
FAO	311,916	28,572	63,645	92,217	219,699
PIU&GMS	344,082	120,193	76,751	196,944	147,138
TOTAL	1,713,574	321,804	500,829	822,632	890,942

ILO note: One laptop was purchased for the project administrative staff whose notebook is subject to mandatory replacement in 2021, which has caused to exceed the annual operational cost by USD 1307.60. However, the staff and monitoring travel cost was saved for the project, resulting in savings of USD 10,014.17.



10. WORK PLAN AND BUDGET FORECAST FOR THE NEXT REPORTING PERIOD

Work plans with preliminary budgets (UNDP, FAO, ILO) are attached in Annex 4.



11. ANNEXES

ANNEX 1

PROJECT FINANCIAL REPORT (including COMPONENT A, B, C AND D)

ANNEX 2

PROJECT PUBLICATIONS/TECHNICAL PAPERS

ANNEX 3

TRAINING LIST AND PARTICIPANTS

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WORK PLAN AND BUDGET FORECAST FOR NEXT REPORTING PERIOD (including COMPONENT A, B, C AND D)

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RESULTS OF QUESTIONNAIRE ANALYSIS

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LIST OF CSOs WHICH PARTICIPATED IN BUDGET ANALYSIS TRAINING



ANNEX 1

PROJECT FINANCIAL REPORT (including COMPONENT A, B, C AND D)

<https://bit.ly/3dQCP7y>



ANNEX 2



PROJECT PUBLICATIONS/TECHNICAL PAPERS

PROJECT COMPONENT	CONTRIBUTED OUTPUTS	TITLE OF PUBLICATION	COVER	LINK
COMPONENT A				
A.1 RESULTS-INFORMED STRATEGIC BUDGETING	A.1.1 Reforms plan to upgrade the MTEF	Study paper on global experiences with IRBB/MTEF [Mongolian] [Draft]		MTEF International experiences
		MTEF situational analysis [Mongolian] [Draft]		MTEF situational analysis
		Presentations on IRBM and RBB [English and Mongolian]	Presenter: Koshy Tomas	PPT in IRBM/RBB
A.2 RESULTS-INFORMED BUDGET PRESENTATION	A.2.1 Budget programs aligned with polices and results	Public Expenditure Review, Ministry of Labor and Social protection [English and Mongolian]		PER_Employment sector







		Public Expenditure Review, Ministry of Food, Agriculture, and Light Industry [English and Mongolian]		PER_MOFALI
		Public Expenditure Review, Local government, Zavkhan province [Mongolian] [Draft]		PER_Zavkhan aimag
	A.2.3 Citizens' Budget	Citizens' Budget 2022 (Booklet) [Mongolian]		Citizens budget
A.3 EVIDENCE-BASED BUDGET FORMULATION	A.3.1 Sector Public Expenditure and Institutional Reviews for budget informed decision-making	TVET policy paper [English and Mongolian]		TVET policy paper



		Final report on TVET costing [Mongolian]		TVET costing study
	A.3.3 Improved costing of policies	Impact Study on Agricultural Subsidies [Mongolian] [Draft]		Agricultural subsidies study
COMPONENT B				
B.2 INCREASED ROLE OF CSOS IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS	B.2.3 Capacity building for CSOs	Gaps analysis paper [Mongolian]		Gap analysis for CSOs
		Training guideline [Mongolian]		Training guideline for CSOs








		<p>Training modules [Mongolian]</p>		<p>CSO training module</p>
<p>B.3 STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT FUNCTIONS</p>	<p>B.3.1 Performance Audit of SDG priority programs</p>	<p>Technical guidelines on annual audit planning [English] for MNAO</p>		<p>Technical guideline on Audit annual planning</p>
		<p>The Review Paper: MNAO's performance audit practice and recommendations on further improvements and intensification of SDG-related audits [English] for MNAO</p>		<p>Review paper</p>
		<p>SDG-RELATED PERFORMANCE AUDITING: INTERNATIONAL BENCHMARKS AND RECOMMENDATIONS ON LOCALIZATION [English] for MNAO</p>		<p>Performance Audit</p>



		<p>INTOSAI Development Initiative's SDG Audit Model (52 pages Chapter 1-6) [Mongolian]</p>		ISAM guideline
		<p>Report on performance audit on selected state policy implementation [Mongolian]</p>		Report on PA on selected state policy
COMPONENT C				
C.1 NATIONAL PROGRAMS ON EMPLOYMENT PROMOTION	C.1.1 Existing national programs mapped and bottlenecks identified	<p>Study paper on current situation of the labor market policy, legislation, and institutional structure [Mongolian]</p>		Current situation on Labor Market
		<p>Baseline study on Supply and Demand for Self and Wage employment for current and future work [English and Mongolian] [Final]</p>		Baseline study



		<p>Impact evaluation of National Employment policy 2016-2020</p> <p>[English and Mongolian] [Final]</p>		<p>Impact evaluation of employment policy</p>
		<p>Assessment and mapping of employment policy planning and national and intersectoral budget alignment (visual presentation)</p> <p>[Mongolian]</p>		<p>Integrated mapping</p>
		<p>Technical proposal and recommendations to create a national system that meets the labor market skills demand</p> <p>[English]</p>		<p>Technical proposal on employment sector</p>
	<p>C.1.2. Support services for coherent program implementation designed as per labor markets</p>	<p>Result Based Policy Framework and Methodology to shift to Evidence-Based and Result-Oriented Employment Policy</p> <p>[English] [Draft]</p>		<p>RB Policy framework</p>
		<p>Decent Employment of soum and district design</p>		<p>Decent Employment Soum and District Design</p>



		<p>Handbook on utilizing the financial & non-financial supports</p> <p>[Mongolian]</p>		Handbook on financial and non financial support
		<p>Proposed design of a common platform for innovative and start-up initiatives</p> <p>[Mongolian] [Draft]</p>		Common platform
	C.3.2. Distance/on-line platforms expanded for career advisory master trainings and capacity increased to deliver employment services remotely for strengthened inclusion	<p>Feasibility assessment for Virtual Employment</p> <p>[Mongolian]</p>		Virtual employment
		<p>TVET Curriculum & standards</p> <p>[Mongolian]</p> <ul style="list-style-type: none"> - Service Staff - Archive Clerk - Virtual Service Staff 		TVET curriculum



		<p>TVET Standard [Mongolian]</p> <ul style="list-style-type: none"> - Service Staff - Archive Clerk - Virtual Service Staff 		<p>TVET standards</p>



			 <p>Қазақстан Республикасының Білім және Ғылым Министрлігі ұйымында 2024 жылғы 15.05.2024 жылғы жиналыс нәтижелері туралы хабарлама Алматы қаласы, 2024 жылғы 15.05.2024 жылғы</p> <p>МӘТІНДІК БӨЛІМДЕР, СУРҒАЛТ. ЕРҒОСЫН ШАҚИДІҚА, МНБ 6541-2018</p> <p>Сұрақтар мен жауаптар Қазақстан Республикасының Білім және Ғылым Министрлігі Алматы қаласы, 2024 жылғы 15.05.2024 жылғы</p> <p>Ақпараттық қолдау Алматы қаласы, 2024 жылғы 15.05.2024 жылғы</p> <p>МОНАРАҚА 001 2024 жыл</p>	
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ANNEX 3

TRAINING LIST AND PARTICIPANTS

	Date	Topic	Description	Participants		
				Total	Male	Female
COMPONENT A						
1	2021.05.27	Virtual Training "SDG-Aligned Budgeting" MOFALI	Strengthening the capacity of the Ministry of Food and Agriculture, Light Industry in the budget formulation using the result-oriented, effective, and evidence-based approach and deliver broad concepts of SDG-aligned budgeting and bridging policies with budget.	30	17	13
2	2021.05.28	Virtual training "SDG-Aligned Budgeting" MLSP		25	13	12
3	2021.06.24	Virtual Training "SDG-Aligned Budgeting" MLSP		35	16	19
4	2021.07.06	Virtual training workshop on "PREPARATION OF PORTFOLIO BUDGET 2022" MLSP	Strengthening the capacity of the Ministry of Food and Agriculture, Light Industry, its agencies, and officials of budgetary organizations on the results-oriented, effective, and evidence-based policies and budget planning in the employment sector and consult on the issues about budget planning in the sector in regarding preparation of the sectorial budget 2022	60	34	26
5	2021.07.07	Virtual training workshop on "PREPARATION OF PORTFOLIO BUDGET 2022" MOFALI		35	18	17
6	2021.10.05	Hybrid Training on "Fiscal Policies Reform"		90	35	55
7	2021.10.06-08	Series of Virtual Training workshop on "Bridging Policies with Budgets"	Strengthening the capacity of civil servants in charge of local development planning, budgeting, food, agriculture, and employment policy aligning with the development of evidence-based planning and budgeting in the employment sector to ensure the bridging policies and with budgeting	798	348	450
COMPONENT B						
7	2021.08.16	Virtual Training on "Bridging Policies with Budget"	Strengthen the capacity of the Parliament Secretariat and National Audit Office in reviewing and overseeing the SDGs-aligned/evidence-based and results-oriented budgeting. The methodology and tools used to introduce and enhance the SDGs aligned budgeting at pilot selected Ministries will be presented and follow-up collaboration actions will be discussed during the training.	50	30	20
COMPONENT C						
8	2021.08.03-04	Virtual Training on "METHODODOLOGY OF PROFILING JOB SEEKERS AND UNEMPLOYED, AND DEVELOPING INDIVIDUAL EMPLOYMENT PLAN"	Aimed at building capacity of employment specialists of target district and suom in delivering public employment service efficiently by introducing new working method of profiling. The training content covers: 1) Profiling of job seekers and unemployed; 2) Developing individual employment plan of job seekers and unemployed	26	7	19
				1149	518	631



ANNEX 4

WORK PLAN AND BUDGET FORECAST FOR NEXT REPORTING PERIOD (including COMPONENT A, B, C AND D)

<https://bit.ly/3pSAnml>

ANNEX 5

RESULTS OF QUESTIONNAIRE ANALYSIS

<https://bit.ly/3rTialh>

ANNEX 6

#	List of CSOs which participated in budget analysis training	Contact address
1	Administration Reform	tserenpurevp@gmail.com
2	Association of Mongolian Public Health Specialists	enkhtuya11@gmail.com
3	Mongolian Education Alliance	zambaltsogtgerel24@gmail.com
4	Mongolian Association of Parents and Teachers	sodnomdoo@yahoo.com
5	Centre for Human Rights and Development	baaska@chrd.org.mn
6	Association to support Mongolian Women's labour	ariunaa.shag@gmail.com
7	CSOs council in Khuvsgul	Lkhagvaa.bt@gmail.com
8	The Transparency Foundation	tseren2005@yahoo.com
9	Unenkhatamj	jadamba.sainzaya@gmail.com
10	Democracy Education centre	undral.gombodorj@gmail.com
11	The Citizens Oversight of Taxes	lees78958@yahoo.com
12	CSOs council in Gobi Altai	UndramGoshgiia@gmail.com

