



*Empowered lives.
Resilient nations.*

ANNEX I

DESCRIPTION OF THE ACTION

“SDG-Aligned Budgeting to Transform Employment in Mongolia”

Technical Assistance Component of the EU Budget Support for Employment Reforms in Mongolia

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Annex I – Description of the Action

Title	SDG-Aligned Budgeting to Transform Employment in Mongolia
Location	Mongolia
Total duration of the action	See article 2.3 of the Special Conditions
Total Budget for the Action	See Annex III – Budget for the Action
Amount (in EUR) of requested EU contribution	EUR 7,400,000
Objectives of the action	The overall objective of the Action is to increase employment and promote decent work in Mongolia. Specific objectives of the Technical Assistance component of the Action are supporting efficient, accountable and responsive delivery of public services in the Labour and Employment sector; supporting the modernisation of Mongolia's Public Finance Management (PFM) systems and strengthening institutional capacities;
Target groups	The immediate target groups are primarily central and local government institutions, including the Ministry of Finance, the Ministry of Food, Agriculture and Light Industry, the Ministry of Labour and Social Protection, the Parliament, local authorities, the judiciary and law enforcement agencies, as well as civil society organizations supporting employment and public financial management reforms in Mongolia.
Final beneficiaries	The final beneficiaries are the job-seekers, unemployed/underemployed people from various groups, including remotely located youth, persons with disabilities, as well as employers seeking more productive and contented workers and employees improving their labour conditions. The ultimate beneficiaries of the improved Public Financial Management system in Mongolia are the general public, taxpayers and citizens of Mongolia.

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List of abbreviations

ADB	Asian Development Bank
AFCYD	Agency of Family, Child and Youth Development
BS	Budget support
CMTU	Confederation of Mongolian Trade Unions
CPD	Country Programme Document
CSO	Civil Society Organizations
DBS/BS	Direct Budget Support/Budget Support
DIM	Direct Implementation Modality
DWYN	Decent Work for Youth Network
EU	European Union
FAO	Food and Agriculture Organization
GASI	Generalized Agency on State Inspection
GDP	Gross Domestic Product
GIFT	Global Initiative for Fiscal Transparency
GIZ	German Corporation for International Cooperation (Deutsche Gesellschaft für Internationale Zusammenarbeit)
GSP	Generalised Scheme of Preferences
HACT	Harmonized Approach to Cash Transfers
ILO	International Labour Organization
ILS	International Labour Standards
IMF	International Monetary Fund
LNOB	Leaving no one behind
MAPS	Mainstreaming, Acceleration and Policy Support
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
NDA	National Development Agency
NGO	Non-Governmental Organization
NHRC	National Human Rights Commission
NSO	National Statistics Office
OECD	Organisation for Economic Co-operation and Development
PETS	Public Expenditure Tracking Surveys
PFM	Public Financial Management
PIU	Project Implementation Unit
POPP	Programme and Operations Policies and Procedures
RBB	Results-Based Budgeting
SCP	Strategic Compliance Plan
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
SDV 2030	Sustainable Development Vision for 2030
SECiM	"Support to Employment Creation in Mongolia" project
SME	Small and Medium-Sized Enterprises
TA	Technical Assistance
TNA	Training Needs Assessment
TVET	Technical and Vocational Education and Training
UNDAF	UN Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
VNR	Voluntary National Review
WB	World Bank
YES	Youth Employment Service

SECTION 1. RELEVANCE OF THE ACTION

1.2. PUBLIC FINANCIAL MANAGEMENT AND EMPLOYMENT CHALLENGES IN MONGOLIA

Mongolian economy is highly exposed to external shocks, including commodity price cycle, change in demand of main trade partners, and climate change. During mining boom, between 2010 and 2012, Mongolia was the fastest growing economy in the world¹ back in 2011 with 17% annual GDP growth at its peak and impressive per capita growth rates in the following years. The country switched to an upper middle-income country status in 2015 by the World Bank when it was outperforming both the average global growth rates and its peers from the lower middle-income countries during the 2010-2015 period. However, one year later, the country moved back into the lower-income countries list as a result of the serious economic downturn during 2015 and 2016 due to commodity price shocks. In the period of global economy strengthening between 2017 and 2019, the economic growth has accelerated to 5-7 percent. Since January 2020 Mongolia has been grappling with the unforeseen Covid-2019 outbreak, which has since become a global pandemic, with global economic, social, and other consequences, including the need to urgently protect human health, the measures of which bring adverse impacts to livelihoods.

In past years, Mongolia has been constantly improving the macroeconomic and fiscal situation in the country in close cooperation with the IMF. Mongolia succeeded in boosting economic recovery, with growth rebounding and fiscal deficits narrowing. As a result, the public debt has decreased down to 55.6 per cent of GDP, the overall fiscal discipline has been improved and the country accumulated some reserves and buffers for possible external shocks. This is helpful in supporting the achievement of SDGs, including responding effectively to Covid-19. However, as the recent IMF mission states *"buffers are too low to withstand large shocks; the economy remains very exposed to changes in external conditions and climate change; and poverty is still high, despite years of rapid economic growth."*² The pressure on fiscal space has been further compounded by the imperative of Covid-19 prevention and response measures; the protection of health, income and employment; and support for economic recovery.

Furthermore, due to the less diversified and resource-based economy, economic growth has been not sufficiently inclusive and remains fragile: poverty is hovering at 28.4% (2018) with another 15% of the population just above the poverty level, along with widening inequalities, unemployment and environmental concerns, such as climate change and air pollution. Additionally, the altered external circumstances from the Covid-19 pandemic, with severe pressure on economic activities, especially smaller enterprises and labour intensive sectors, workplace closures, reduced work duration, declined earnings of informal and own account workers, and lower incomes overall, could undermine Mongolia's ability to achieve the SDGs³. While prevention measures taken by the government have been limiting the economic activities, global recession and Chinese economic slowdown have put downward pressure on external demand. Exports of goods declined by 40 percent in the first three months of 2020 over the same period last year, which led the fall in government budget revenue. Mongolian Tourism Association also indicates that 70% of tourists who have booked travel to the country this year have cancelled their trips. The decline in tourism industry is leading adverse effect on labour intensive domestic industries, including hospitality services and retail, including cashmere clothing. Capturing these circumstance, IMF projects -1 percent growth for Mongolia in 2020 as a baseline scenario. The diversity and intensity of implications of the pandemic are still emerging, so the overall impacts on the society and economy are currently unpredictable.

Since the authorities declared a state of high alert on February 13, the Government of Mongolia have announced a series of fiscal packages to respond to the pandemic, including additional health spending, tax exemptions, increasing social protection spending and credit guarantees, and soft loans for helping disrupted value chains. Together with the economic challenges, these fiscal responses are expected to impact fiscal space. Thus, improved public finance management has

¹ <http://documents.worldbank.org/curated/en/603441484881231205/Mongolia-Performance-and-learning-review-of-the-country-partnership-strategy-for-the-period-FY2013-2017>

² IMF 2019 Article IV Mission to Mongolia, June 28, 2019

³ <http://www.mn.undp.org/content/mongolia/en/home/presscenter/speeches/2018/SDGs-forum.html>

become even more important in progressing towards the SDGs while facing the current Covid-19 challenge.

EU Budget Support (BS) programme aims to address some of the above challenges and to support the Government of Mongolia to implement the national reform agenda and assist the implementation of the Public Finance Management and Employment policies. The EU BS programme and its Technical Assistance project will support the country in delivering sustainable growth and its transformation into a sustainable development model with more productivity, better capacity to respond to and recover from unanticipated crises, and more employment opportunities for all social groups, especially the more vulnerable and disadvantaged.

In the context of this project document, the development challenges for the country are in two areas:

1. Governance and specifically the Public Financial Management (PFM) challenges to formulate and deliver results-based and accountable budgets, including on employment programmes. Mongolia has initiated programme-based budgeting reforms over a decade ago, and some elements of those reforms are still in place (e.g. Annex 1 of the Budget on performance targets). However, the actual budgeting process on the ground still lacks a systemic connection to national strategies, including strategies for countering Covid-19 impacts, and the SDG framework. The country still relies on inputs-driven budget formulation and execution systems despite few fragmented efforts to integrate results into the PFM system (including the recent initiative on budgeting for SDGs in few pilot sectors).

To address overall PFM challenges, the Ministry of Finance (MOF) has recently adopted a PFM Strategy with various components supporting the results-based budgeting, enhancement of the Medium-Term Expenditure framework, and social audit.

2. Challenges to employment and decent work have become entrenched, contributing to systemic exclusion of the unemployed and underemployed from the benefits of economic growth. Livelihoods, income and job losses due to prevention and response measures necessitated from the Covid-19 pandemic have compounded pre-existing issues. Growth has not translated into more and better-paid work opportunities. The restrictions instituted by the government for social distancing have contributed to temporary pressure on employment through job losses, lower work hours, and lower salaries, due to adverse impacts across the board, and especially on all external-facing sectors, for example, agriculture, cashmere, mining, and tourism. Even during periods of rapid GDP growth, when the overall unemployment rate declined slightly, unemployment among young population was significantly above the national average. Among the employed, there is a high aspiration for decent work, pointing to widespread informal employment, long hours, low productivity and remuneration. About one-in-four of all employed are the "working poor". The Government recognizes the importance of these challenges, and their negative implications across the SDGs⁴. This recognition provides a good entry point to support official efforts towards employment and decent work.

Mongolia's persisting employment challenge contributes to deepening inequality and exclusion of significant sections of its most productive population - lost opportunities for job-seekers and the country as a whole. Participatory economic and social development generated by various social groups are necessary for transforming GDP growth into a more inclusive and sustainable economy, which can recover from unanticipated situations. Employment supporting policies and initiatives, therefore, need to recognize the bottlenecks and equal opportunities in this endeavour⁵:

- Unemployment among youth aged 15-24 years, at 25.3% in 2018, is three times higher than the national average; that among urban youth is 17.9 points higher than the national average.
- Unemployment is significantly higher among young women, in aimag centres and Ulaanbaatar.
- Since the beginning of 2020 there have been new constraints on jobs and incomes due to the country's necessary response in combating the Covid-19 pandemic. Initial estimates by the Mongolian Chamber of Commerce and Industry suggest that over 1100 companies reduced the

⁴ Government of Mongolia 2019. *Mongolia Voluntary National Review Report: Implementation of the Sustainable Development Goals*. Ulaanbaatar

⁵ GoM 2019. VNR

number of active employees by 33%, more than 240,000 workers risk being laid off; and 475,000 people are in danger of falling below the poverty line.

- Growing one-way urban migration, and especially to Ulaanbaatar in search of opportunities aggravates urban unemployment, hence the need for better rural opportunities as well.
- More than half of all youth, 25-34 years, is still looking for stable work; another 40% have not yet undertaken the school-to-work transition. This reflects an interest in more education/training and reveals mismatches between job-seeker skills and expectations from employers.
- Among the employed, decent work cannot be taken for granted: widespread informal employment presents bottlenecks to decent work. Over the decade 2006 to 2016, the share of persons in informal employment doubled from 12.7% to 26.3%.
- Paucity and hardship in spite of employment: One out of 4 people in work are poor, facing low remuneration and low productivity.
- Long or extended hours of work is another concern: 41.2% employed worked more than 48 hours per week, 18.2% worked 49-59 hours, 23.2% worked more than 60 hours (2016).
- Inequality in the workplace also undermines SDG progress. Although education among women is high, their labour force participation rate is lower (55.2%) than that of men (67.5%); and there is a male-female salary gap of 11.4% adverse to women. Women are much more likely to be in unpaid domestic and care work, inhibiting their opportunities in the job market.
- The differently-abled people face barriers to employment, with only 20% employed. Importantly, the perceptions and attitudes of employers towards them are generally negative. There is a need to create an environment that enables them to be economically independent by supporting a meaningful and productive job opportunity. For example, in leather and textile industries where deafness in noisy factories and wheel-chair bound in sewing, design and computer aided design, can turn 'disability' to 'advantage'.
- Labour market suitability, quality, and access to education and training are varied, across urban and rural settlements, regional and district levels, public and private schools. Especially herders or people making a living from other agriculture, people with disabilities, the ones from poor economic background, adolescent girls, and young mothers, face challenges in accessing opportunities.
- There is a gap between education and training and dynamic needs of the labour market, in line with the extent of economic diversification at national, regional, and local levels. Working with employers' associations and industry in shaping training, combined with on-the-job learning, and e-learning may bridge some of the gaps while expanding access.
- Higher education is not a guarantee for successful employment. Formal education does not automatically provide transformable skills for jobs. Although the young graduates may be intelligent and technically savvy, many lack transformable skills such as enterprising, workplace professionalism, business communication, conflict resolution, and time management for the jobs. As of 2018, 18% of the total unemployed were graduates from technical and vocational schools, of which 29.7% were graduates from universities and those with bachelor's degrees.
- Agriculture employs about one-third of the total workers, directly and indirectly, and is expected to remain an important sector for labour absorption. There are untapped opportunities for wage- and self-employment that link rural and urban areas. Employability could be opened up and strengthened by focusing on unlocking the bottlenecks, which include low quality, poor sanitary and phytosanitary practices, weak market linkages, and lack of access to finance.
- For jobs at a medium skill level, livestock product processing is one of the largest sectors accessible to vocational and specialized training, as well as higher levels of specialization. This can boost quality products for export and domestic markets – the key difference between Italian leather and Mongolian leather or fabrics is often the skills of trainers rather than the quality of equipment.
- There is also an attitude bottleneck - reluctance to consider agri-entrepreneurship as a career option.
- Enterprising mindsets, work-place attitudes, and soft skills, apart from industry/sector-specific skills, are critical to making a success in the job market, but generally are a binding bottleneck.



- Both employers and employees have negative perceptions about each other, pointing to a need for better dialogue and mutual understanding.
- More than 25% of employment by registered businesses in Mongolia are non-standard forms of employment, suggesting a high share of workers in precarious employment.
- The Government of Mongolia needs to demonstrate how it is progressively closing the gaps between the ILO conventions ratified by Mongolia and national legislation and practices. The revised Labour Law, substantively aligned with international labour standards, will provide minimum labour standards for all workers.
- Collective bargaining is new to Mongolia, where until now the government is perceived, like in a centrally planned economy, the provider of employment and determinant of employment conditions.
- Mongolia's share of labour inspectors and workers in 2017 was 0.8, which translates as eight labour inspectors per 100,000 employed persons; this indicates considerable staff shortage with a high probability that working conditions of employed persons are rarely inspected, preventive measures are hardly taken, and complaints may remain unattended by the public administration.
- A review of labour-related complaints submitted to the court and the National Human Rights Commission of Mongolia (NHRC) during 2011-2015 reveals that majority of the complaints were concerned with wrongful termination of employment, wrongful transfer of employment, and non-payment of salary.
- The NHRC survey of labour rights in the private sector, conducted in 2016-2017, revealed young workers were vulnerable to harassment in the workplace, non-payment of salary, and discrimination in employment practices. Traits of unacceptable forms of employment such as withholding of personal identification and employment of under-aged workers prevail. Child labour, discrimination, forced labour and harassment are often viewed from traditionalist and culturalist lenses, thus leading to sanctions of various practices that contravene international labour standards.
- Covid-19 prevention and response measures since January 2020, backed by a law in April 2020, have adversely affected businesses, exports, and job prospects during the first quarter of 2020; the impacts are expected to continue throughout summer, when the employment-rich tourism sector faces further consequences of the cancelation of all commercial flights.
- While it is difficult to assess more accurately how much more the world economy and global supply chains will be disrupted by the pandemic, it becomes imperative to incorporate the possibility of extended lockdowns across the world, border closures, further limitations on exports/imports of food and other products, absence of tourists, etc., through support for job creators and job-seekers. The positive aspect is that Mongolian businesses expect to recover quickly once the restrictions end, as all 41 Covid-19 cases so far have been imported cases.
- In just the first three months of 2020, the state budget has come under stress and would benefit from support. Fiscal revenues decreased by 9.6% as compared with the same period last year; exports fell by 40%, reducing the inflows into the state budget from mining, the largest contributor; reduction in raw material demand from China, especially 60% decrease in demand for coal, lowered mining sector contribution by one-third in this short period of 2020.

1.2. MONGOLIA AND SUSTAINABLE DEVELOPMENT GOALS

Mongolia has made good initial progress towards the SDGs, but challenges remain. The country's 2019 Voluntary National Review (VNR) assesses where Mongolia stands on the SDGs. It was an early adopter by creating its own Sustainable Development Vision for 2030 (SDV 2030) back in 2016⁶. The strategy specifies commitments to achieve those goals, identifies priorities, and milestones using performance indicators. Government ministries, the National Development Agency (NDA), the State Great Khural and other stakeholders show significant engagement in the SDG framework and the overall position of national stakeholders towards the SDGs and achievement of the targets is favourable. SDV-2030 presents four pillars (economic, social, environmental, and

⁶ Parliament Resolution No.19, February 2016.

governance), 44 objectives and 20 indicators and plays a key role as the key strategic planning document in the country. The long term policy document Vision 2050 was adopted in May 2020.

There is a consensus that strengthening employability, especially with a focus on the disadvantaged as envisaged under the project, is critical for accelerating progress across almost all the SDGs. The SDV-2030 and the VNR 2019, both recognize employment as one of the priorities in the country, while the former has identified specific milestones and objectives. Meanwhile, the transformation of policies, objectives and strategic plans into action is constrained by capacity challenges in ministries and sub-national government bodies in various aspects of governance and public financial management specifically. Moreover, the multiplicity of policy documents, without coherence, integration, adequate situation analysis, or clear articulation of expected results, has also contributed to difficulties in implementation.

A joint UN-ADB MAPS mission in November 2017 has revealed key challenges and provided recommendations on improvement of governance processes in Mongolia⁷, such as:

- Coherent policy-making and strong institutional coordination across sectors and administrative layers anchored at the highest level of decision making
- Making sure annual budgets support the SDGs and SDV priorities
- Setting up monitoring and evaluation systems to assess and report on progress

1.3. LESSONS LEARNED, COMPLEMENTARITIES AND SYNERGIES

The Project supports the UN Development Assistance Framework (UNDAF) (2017-2021) and Country Programme Document for Mongolia (CPD) (2017-2021). Specifically, the Project will contribute to the Outcome 1 of the UNDAF and Outcome 1 of the CPD.

UNDAF Mongolia 2017-2021

Outcome 1. By 2021, poor and vulnerable people are more resilient to shocks and benefit from inclusive growth and a healthy ecosystem

Outcome 1.1. Development visions, strategies and plans that integrate the SDGs and are focused on poverty reduction, inclusive growth, economic diversification and resilience at the national and local level

Outcome 1.2. People based climate change adaptation and mitigation approaches tailored to the Mongolian context including national green economy strategies that generate new jobs and skills, promote clean technologies, and reduce environmental risks and poverty (in sectors such as agriculture, forestry, mining, and industry);

CPD Mongolia 2017-2021

Outcome 1. Inclusive and sustainable development

Mainstreaming the 2030 Agenda

Output 1.1. National and subnational medium-term plans and budgets, as well as sector plans, prioritize achievement of sustainable development goals (SDGs) and sustainable development, with corresponding monitoring processes with reliable data in place.

UNDP has designed the Project outputs and sequencing of activities so as to ensure the interlinkages and synergies between the various components and outputs. The outputs and sequencing also ensure adequate scope and flexibility for incorporating unforeseen shocks like those that have come as a result of Covid-19. The essence of that approach is the interlinkages between the outputs groups from the Component A and C (Public Expenditure Reviews will contribute to better and results-oriented National Programme on Employment with specific new effective initiatives, which in turn will contribute to results-based budget negotiations on the

⁷ Sustainable Development Goals in Mongolia: Consultative Meeting
<http://www.mn.undp.org/content/mongolia/en/home/presscenter/speeches/2018/SDGs-forum.html>

additional fiscal space); and components A and B (integration of results and targets in budget documents will enable the parliament for better and results-based budget scrutiny). The overall Theory of Change for the TA component is presented in Section 2.3.

SECTION 2. OBJECTIVES AND DESCRIPTION OF ACTIONS

2.1. OBJECTIVES

The overall objective of the Action is to increase employment and promote decent work in Mongolia.

Specific objectives of the Technical Assistance component of the Action are supporting efficient, accountable and responsive delivery of public services in the Labour and Employment sector; supporting the modernisation of Mongolia's PFM systems and strengthening institutional capacities;

The Project led by UNDP plans to achieve the objectives by conjoining two main streams of activities – i) Enabling and promoting employability in Mongolia via direct interventions and policy improvements, and ii) Improving the PFM systems to absorb results-oriented, effective and evidence-based policies and budget initiatives in employment and labour sectors. The latter is critically important as the EU BS will create an additional fiscal space for 43 million EUR for four-year period and so the government needs to effectively absorb that fiscal space for employment promotion and decent work in the country, including through times of unforeseen disruptions, and contribute to the SDG 8 targets (Decent Work and Economic Growth). Therefore, an effective and results-oriented PFM systems at both the Executive and the Legislature and other stakeholder levels must be in place to enable the government to effectively absorb significant resources provided by the EU's Budget Support.

The Project structure directly reflects the EU Action objectives in the four categories:

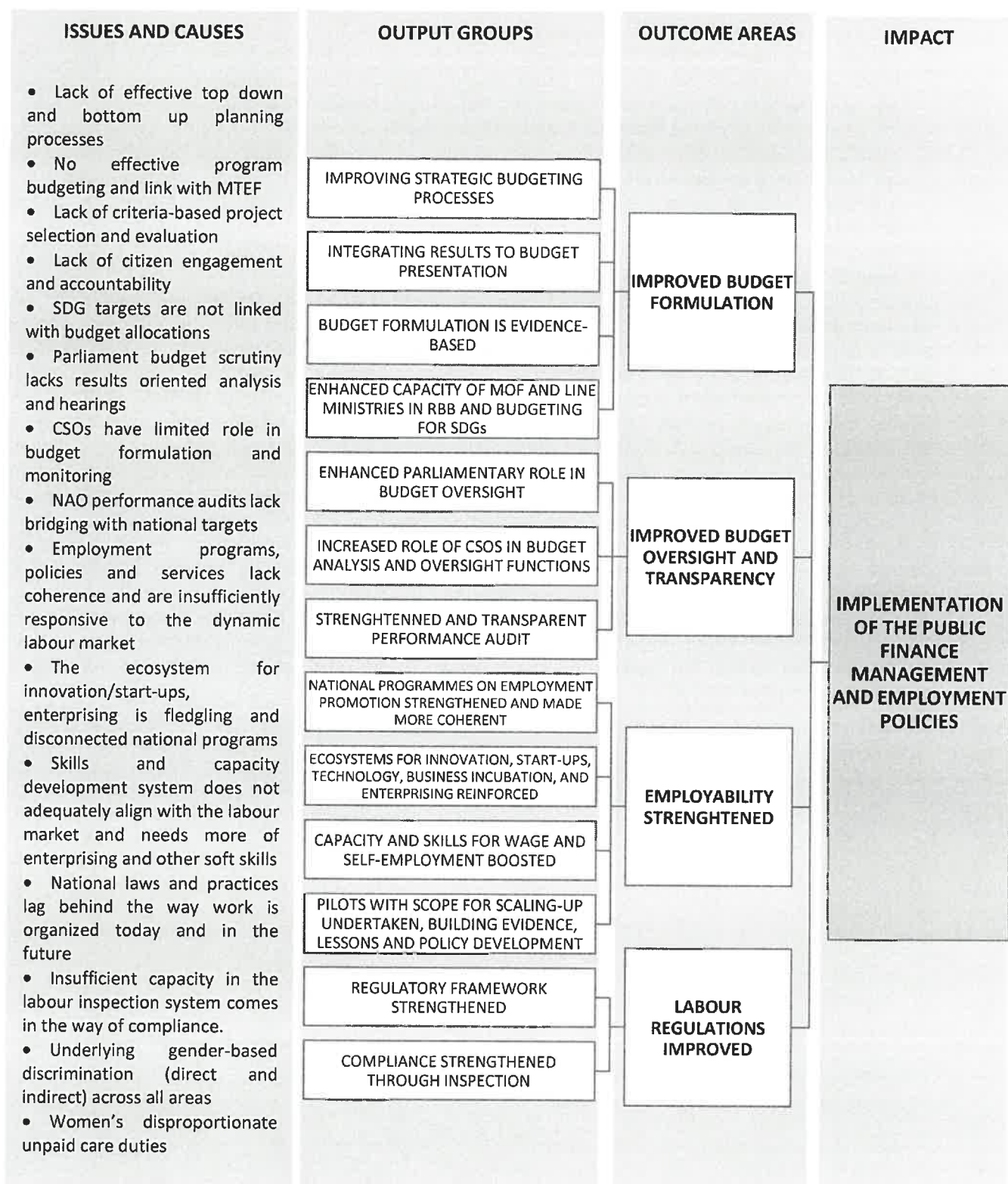
- A. Public Finance Management (Mid Term Expenditure Framework, SDG based budgeting);
- B. Oversight and budget transparency reforms;
- C. Youth and people with disability employment generation;
- D. Compliance with international standards in labour statistics and labour rights.

2.2. FINAL BENEFICIARIES/TARGET GROUPS

The immediate target groups are primarily central and local government institutions, including the Ministry of Finance, the Ministry of Food, Agriculture and Light Industry, the Ministry of Labour and Social Protection, the Parliament, local authorities, the judiciary and law enforcement agencies, as well as civil society organizations supporting employment and public financial management reforms in Mongolia.

The final beneficiaries are the jobseekers, unemployed/under-employed people from various groups, including remotely located youth, persons with disabilities, as well as employers seeking more productive and contented workers and employees improving their labour conditions. The ultimate beneficiaries of the improved Public Financial Management system in Mongolia are the general public, taxpayers and citizens of Mongolia.

2.3. THEORY OF CHANGE



Component A. BRIDGING POLICIES WITH BUDGETS

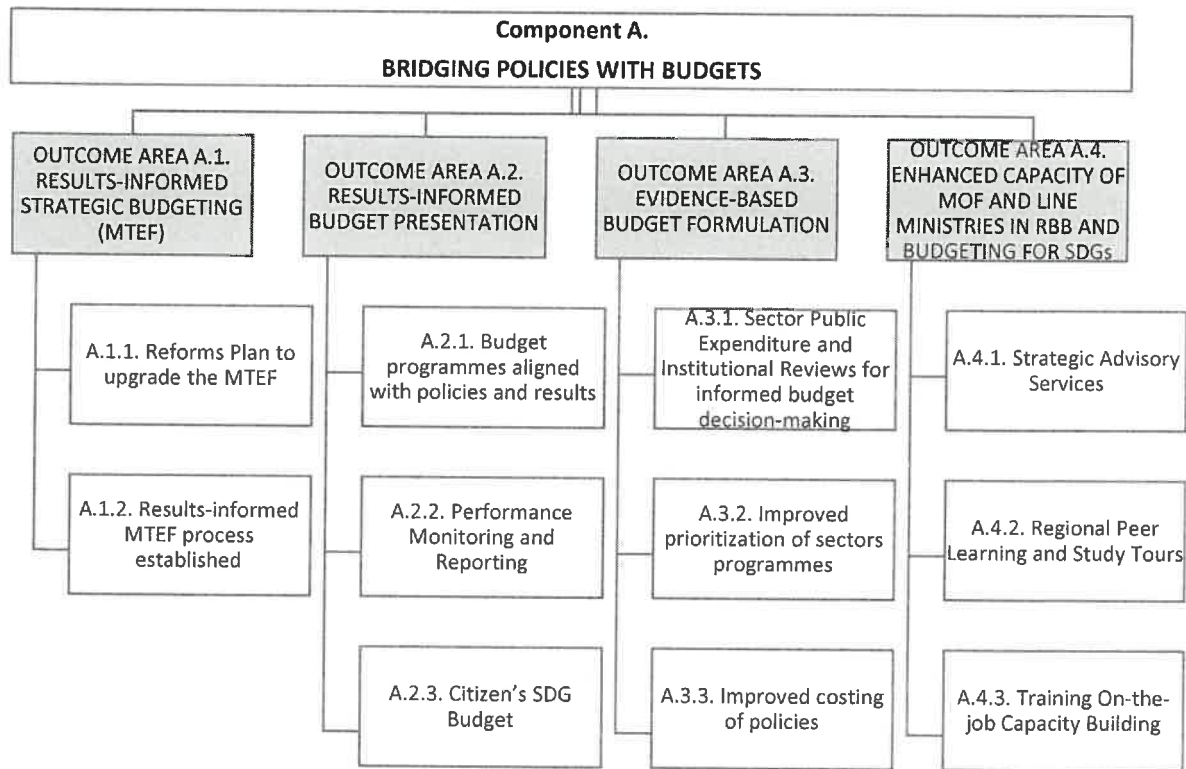
The primary focus for this component is to assist the Government of Mongolia to institutionalize system approach towards the results-based budgeting by:

- empowering line ministries to participate to the development of the Medium-Term Expenditure Framework more actively and with better budget justification toolkit applied;
- bridging national policies and programmes with budget programme structure;
- introducing performance framework and bridging those with the SDG policies and targets;
- supporting selected SDG sector ministries in integrating performance reporting into the budget accountability framework (primarily for the employment and labour budget programmes);
- Improving budget transparency and accountability by integrating SDG targets in budget documents presented to the Parliament;
- Bridging research/evidence to budget decision-making via cooperation with CSOs/research institutions.

Drawing from the global experience in Results-based budgeting, the Project will identify the key elements of RBB that are applicable in the Mongolian context in the short- to mid-term horizon specifically bridging those with the SDG framework – a process often referred to as ‘Budgeting for SDGs’. The global evidence from the PFM practices suggest that switching from inputs-based budgeting to results-based budgeting in any of its form requires significant political, financial and human resources, as well as time to implement such reforms. This lesson has been integrated in the design of the UNDP TA Project for the EU BS Action. The experience across many countries also indicates the increasing role of spending reviews (Public Expenditure Reviews) as one of the tools to support the results-based budgeting, as well as a distinct role in promoting transparency and accountability on budgets⁸. Another important evidence from OECD experience with the central budget agencies is the need for a “tool to inform the allocation and prioritisation of resources in the annual budget” and that tool is a medium to high priority factor behind the introduction of performance budgeting. Hence UNDP has designed this TA Project reflective of that experience, e.g. by prioritizing an improvement in Medium-Term Expenditure Framework (output A.1.2 of this Project), informing budgets on performance targets and national programme priorities (output A.2.1), evidence-based budget formulation, effective use of PERs and other tools for budget formulation and M&E (outputs A.2.2., A.3.2).

⁸ OECD (2016); PERFORMANCE BUDGETING SURVEY: Integrating performance and results in budgeting



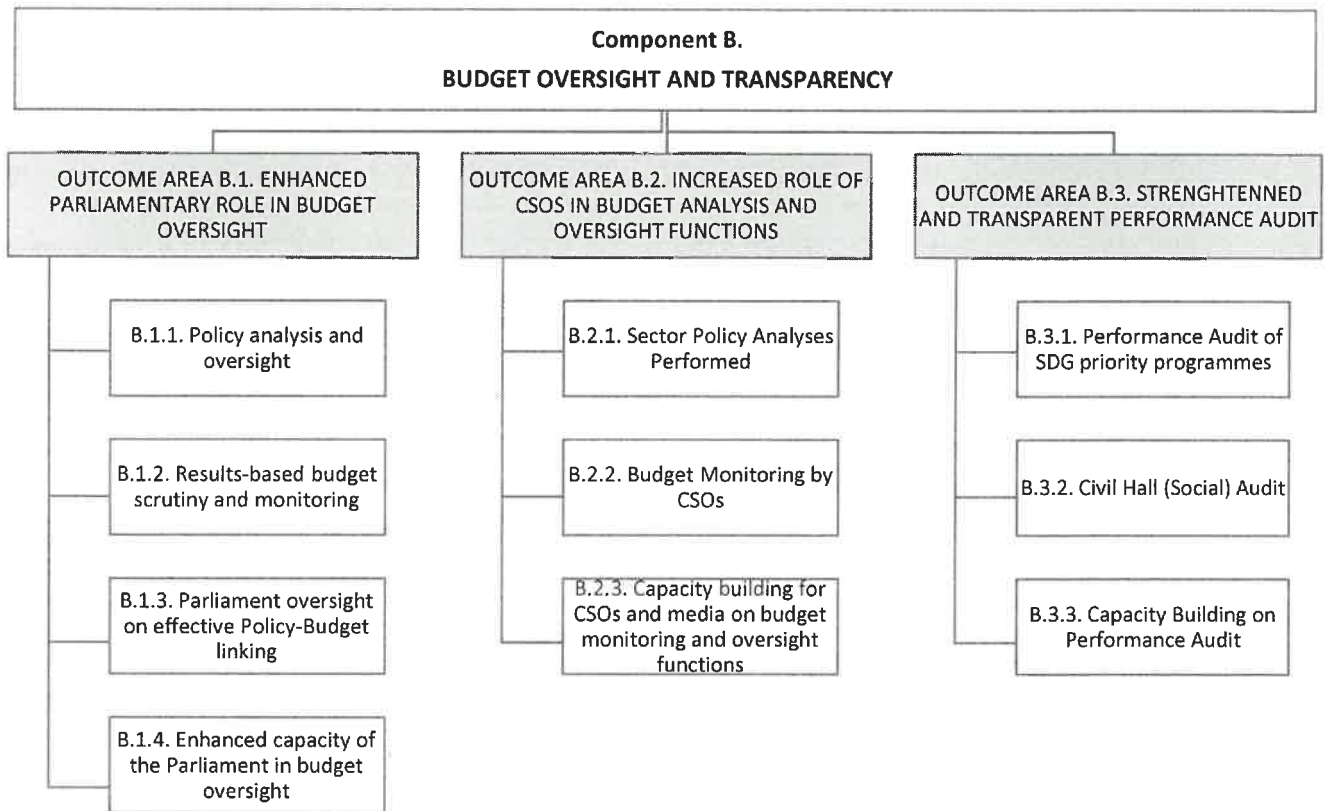


Component B: BUDGET OVERSIGHT AND TRANSPARENCY

This component combines delivery of outputs that aim at:

- Enhancing the role of the Parliament in budget scrutiny by support in budget analysis of employment (and other) sector policies, national programmes, budgets addressing the national programmes, analysis of effectiveness and efficiency of budget programmes using results-based budgeting toolkit, etc.
- Engaging CSOs, media and research institutions in budget monitoring exercises on a regular basis.
- Assisting the National Audit Office in enhancing the coverage of audit functions by conducting performance audit for employment sector budget programmes and enhancing the role of the Audit Office in SDG audit functions, as well as introducing more citizen-oriented budget oversight.

The Project will address the budget transparency and accountability improvements via enhanced budget oversight functions by various actors (outputs B.1.2, B.1.3, B.2.1., B.2.2., B.3.1 and B.3.2.). All these improvements in the budget oversight functions of various institutions contribute to the primary outcome – the Improved Budget Oversight and Transparency.



Component C: EMPLOYMENT PROMOTION

This component combines efforts towards four outcome areas for boosting employability: existing national programmes for employment, Mongolia's ecosystem for enterprising/innovation, the range of skills and capacity development services, and scalable pilots that can yield insights for policy directions which, in turn, inform the first three. It responds to the dynamic demands of the labour market, recognizing the SDGs including the risks of responding to unanticipated shocks, and includes support to the MLSP and MOFALI, linking with Component A, for dialogue with the MOF based on results, to scale-up successful initiatives under regular budgets.

More specifically, the project will work with the relevant Ministries, employers and business associations, NGOs and training centres, as well as others, to boost employability through:

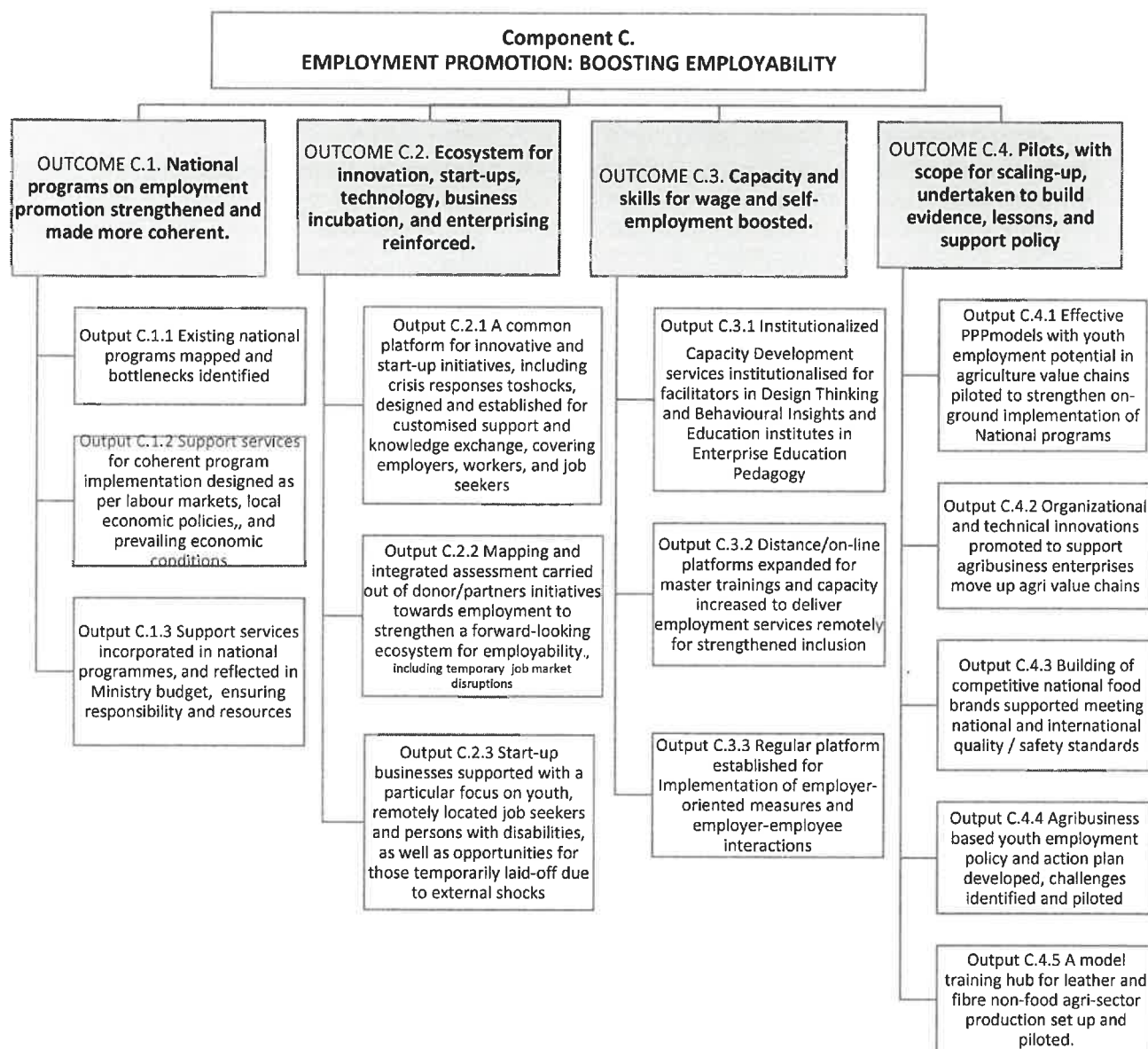
- Strengthening national programs on employment promotion, better aligning them with labour markets and local economic diversification, incorporating results-orientation, capacity to respond to unanticipated shocks, and making them more coherent. This will follow a sound mapping, assessment, and bottlenecks identification (gaps, duplications, overlaps, and contradiction).
- Working with the fledgling ecosystem for innovation, start-ups, technology, business incubation, and enterprising, including donor/partner-supported efforts, to reinforce forward-looking employability avenues. This will include drawing implications for national programs and incorporate responses to crises.
- Boosting capacity and skills development services for wage and self-employment, making them more responsive to the labour market, incorporating new capacities, including a greater focus on soft skills, attitudinal suitability, social responsibility among employers with better knowledge of the SDGs, within a framework of cooperation with employers, employees and job-seekers. Starting early, before attitudes get more fixed, trialling an initiative at the secondary school level for enterprise education training.

- Undertaking selected pilots with scope for scaling-up, with large-scale potential for youth employment and training, especially in rural areas. The experience of pilots will contribute to effective public-private partnership models, building evidence, establishing lessons, and policy development, better informing national programs, apart from expanding opportunities and worker productivity. Scaling up will be linked with Component A.

Outputs and Activities under all four outcome areas will focus on the priority target population groups, like youth, persons with disabilities, and those located away from the capital city. Additionally, due to the unanticipated Covid-19 pandemic, restrictions in human mobility, disrupted exports, imports and value chains, and the consequent global economic downturn, those facing temporary job-losses and new entrants who find truncated employment opportunities will also receive specific attention in designing the activities, particularly in years 1 and 2. Distance/on-line platforms for career advisory services and trainings will also expand access in a country well-connected digitally. Selection of participants will ensure that both men and women access opportunities for decent employment and capacity development, as well as contribute to updating policy and programs. Employer and employee interactions are expected to improve mutual expectations and understanding through regular meetings, job and technology fairs, and recognition events.

Some of the labour market challenges and insights, while recognized under individual programs, have not been pulled together under a shared platform. For example, mid-term results-oriented monitoring under SECiM have provided useful directions, including the need to strengthen public-private partnerships, more attention to creating capacity service providers at Aimag level. The project will support consensus building to more systematically inform and contribute to updating existing and new employment services.

The Outputs will support the Government of Mongolia in making employment policies and services more responsive to the dynamic demands of the labour market, forward-looking, inclusive, more accountable, and results oriented. Thus, employability will be strengthened, with a focus on better inclusion of youth, persons with disabilities, and sensitivity to gender.



Component D: LABOUR REGULATIONS

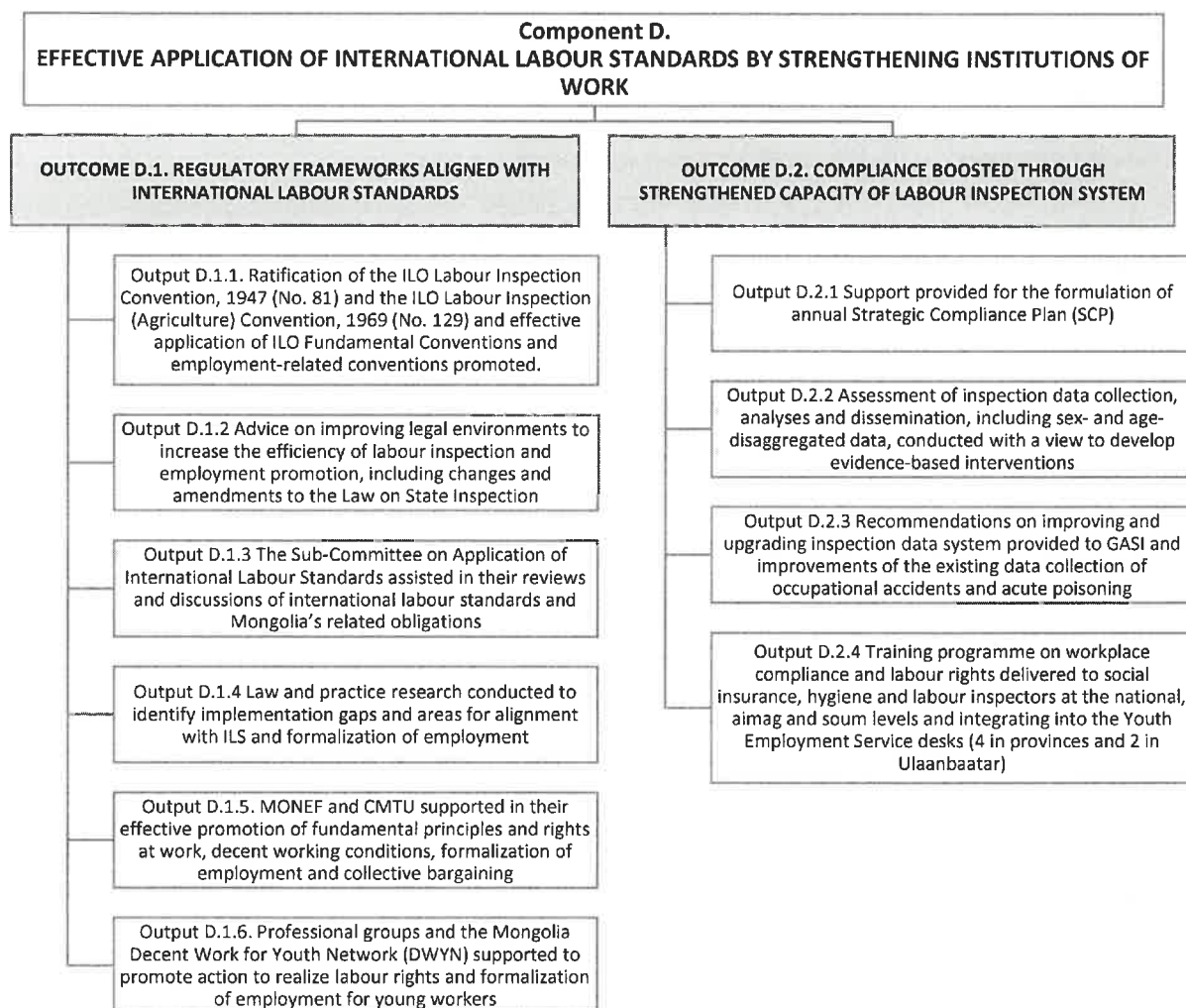
Mongolia's aspirations of achieving sustainable development and becoming high middle-income country hinge upon having strengthened labour market institutions that can respond to the dynamic demands of the labour market, ensure occupational safety and health, while providing a level playing field for workers and employers to freely negotiate and agree on their interests. Labour market institutions also need to build-in responsiveness to unanticipated crises, like the current COVID-19 precautionary measures and the resulting economic challenges. National laws and practices remain to date influenced by the practices from the centrally planned economy, lagging behind the way in which work is organized today and in the future.

Through the project, the ILO will provide technical assistance in aligning national legislation and practices with international labour standards and good practices and improving the efficiency and effectiveness of labour inspection. The project will use the comments of the ILO Committee of Experts on the Application of Conventions and Recommendations on Mongolia's reports on the application of Fundamental Conventions, employment conventions and occupational safety and health conventions to guide action and measure progress in terms of legislative alignment, policy and programme measures, and impacts of government policies and programmes on specific categories of workers, including young workers, workers with family responsibilities, workers with disabilities, and rural and migrant workers who are vulnerable to decent work deficits. The ILO will

work closely with the MLSP, General Agency for Specialised Inspection (GASI), NSO, NHRC, MONEF and CMTU to deepen their respective abilities to implement the ILO Fundamental and Governance Conventions and selected technical conventions in law and practice so as to reduce employment informality, increase decent work, develop evidence to guide interventions and demonstrate progress. In particular, the project will contribute to:

- Better aligning of Mongolia's regulatory framework with international labour standards, which includes: ratifying ILO Labour Inspection Convention, 1947 (No. 81), the ILO Labour Inspection (Agriculture) Convention, 1969 (No. 129), and effective application of ILO occupational safety and health and employment-related conventions; improving legal environments to increase the efficiency of labour inspection and employment promotion, including changes and amendments to the Law on State Inspection; assisting the Sub-Committee on Application of International Labour Standards in their reviews and discussions of international labour standards and Mongolia's related obligations; conducting law and practice research to identify implementation gaps and areas for alignment with ILS and formalization of employment; responding to challenges and opportunities arising from COVID-19 precautionary measures and the resulting economic crisis including adapting of work arrangements and back to the workplace; supporting MONEF and CMTU in effective promotion of fundamental principles and rights at work, decent working conditions, formalization of employment and collective bargaining; and supporting professional groups and the Mongolia Decent Work for Youth Network (DWYN) to promote action to realize labour rights and formalization of employment for young workers.
- Boosting compliance through strengthened capacity of labour inspection system which includes: providing support for the formulation of annual Strategic Compliance Plan; assessing inspection data collection, analyses and dissemination, including sex- and age-disaggregated data, to develop evidence-based interventions; Recommending improvements for inspection data system to GASI and for the existing data collection of occupational accidents and acute poisoning, occupational safety and health, violence and harassment, gender-based norms and attitudes and COVID-19 return-to-work measures; and delivering training on workplace compliance and labour rights to social insurance, hygiene and labour inspectors at the national, aimag and soum levels and integrating into the Youth Employment Service desks in selected areas.

Taken together this component will result in more effective application of international labour standards through strengthened institutions of work for Improved Labour Regulations.



2.4. Key Result Areas (Outcomes)

Expected key results of the Project are grouped by components:

- Component A: Bridging Policies with Budgets [Lead support by UNDP]
- Component B: Budget Oversight and Transparency [Lead support by UNDP]
- Component C: Employment Promotion: Boosting Employability [Lead support by UNDP, FAO]
- Component D: Effective Application of International Labour Standards by Strengthening Institutions of Work [Lead support by ILO]

Component A: BRIDGING POLICIES WITH BUDGETS

KEY RESULT AREA A.1. RESULTS-INFORMED STRATEGIC BUDGETING (MTEF)

Output A.1.1. Reforms Plan to upgrade the MTEF

The Team will develop a reforms plan for specific elements of Results-Based Budgeting in Mongolia in the context of SDGs. As part of this process, the team will propose a functional mapping of existing institutional arrangements across various departments of the Finance Ministry to align roles and responsibilities with results-based budgeting principles. Although no significant re-arrangement is envisaged at this stage, however, some adjustments will still be required to ensure clear responsibility of budget formulation and review of various units and experts by results-based areas. The latter is important in the context of RBB to clearly map accountability by budget programmes. By doing so, there will be more clarity on SDG related accountability within the various functions of the MOF.

Output A.1.2. Results-informed MTEF process established

This output is one of the most resource-intensive output areas of the Project and addresses PFM functions that aim at improving Strategic Budget Allocative function, primarily via improved MTEF system. Mongolia is running a Medium-Term Fiscal Framework system which has a limited impact over strategic allocations by programmes and results-areas. Alignment of this enhancement of the MTEF process with ongoing Budgeting for SDGs initiative led by UNDP, will ensure that a comprehensive framework of results is integrated into the MTEF process. One of the key objectives that this output will address is institutionalization of results-based strategic budget negotiations phase during the MTEF phase to ensure top-down and bottom-up information flows are adequately presented and discussed at the level of budget decision-makers within the Executive and then effectively communicated to the State Great Khural.

KEY RESULT AREA A.2. RESULTS-BASED BUDGET PRESENTATION

Output A.2.1. Budget programmes aligned with policies and results

This output is an important milestone in ensuring the bridging of national policies, strategic plans with the way budgets are formulated, negotiated, approved, executed and reported against. Alignment of relevant budget classification with SDGs and other national policy framework is the technical solution in ensuring policy dialogue is effective in the context of budget decisions. This output will also roll-out the current process of integrating SDV-2030 (SDG) targets in the budget documentation submitted to the Parliament. Our initial discussions with the Ministry of Finance have indicated the latter is open to making necessary adjustments to the budget programme structure to better align those with sector policies and programmes.

Output A.2.2. Results-based Budget Monitoring and Reporting

The team will provide technical recommendations for enhancing the budget reporting system with the results-based framework, i.e. presentation of the progress on performance of programmes in line with the financial performance information (budget execution reports).

Output A.2.3. Citizen's SDG Budget

Presentation of information on expected results in line with the proposed budget allocations by sectors and ministries in a simple format for a wide range of stakeholders for them to absorb and utilize, is one of the key aspects of ensuring fiscal transparency of national budgets. The UNDP team has already established close relationship with partner organization under the Global Initiative for Fiscal Transparency (GIFT) to ensure the results-based information is also integrated into their current initiative to enhance the quality of the Citizen's Budget.

KEY RESULT AREA A.3. EVIDENCE-BASED BUDGET FORMULATION

Output A.3.1. Sector Public Expenditure and Institutional Reviews for informed budget decision-making

A comprehensive stocktaking of policy, institutional and expenditure outlook in relation to a specific societal goal (e.g. specific SDG area) is an effective vehicle to provide findings and recommendations to key stakeholders, such as the finance and line ministries as an input to their MTEF and budget formulation exercise. UNDP has extensive experience in conducting such expenditure reviews and coordination of those efforts with national private and non-governmental stakeholders⁹. The project proposes to supplement the regular PEIR exercise with a more research-based and comprehensive analysis of the effectiveness and efficiency of public expenditures (e.g. via Cost-Effectiveness and Benefit Incidence Analyses). In doing so, it is critical to ensure full-

⁹ UNDP's www.cfade.org platform on SDG 13 related experience and CPEIRs in 20+ countries

fledged engagement of primary beneficiaries (e.g. MOF and line ministries) in both setting the terms of reference for the research and utilizing the results.

Output A.3.2. Improved prioritization of sectors programmes

This output aims at improving the cross-sector and intra-sector prioritization and project selection processes. The role of the National Development Agency in delivering this output is vital as NDA is the prime agency coordinating the overall SDG policy prioritization process. The Project will ensure that the SDG priorities are adequately translated into the MTEF and budget processes so most priority proposals get higher attention during the budget decision making; and then those priorities are reflected in MTEF and budget documents, budget ceilings and the General Guidelines for Social Economic Development.

Output A.3.3. Improved costing of policies

The Project will assist the national counterparts (starting with the MLSP and MOFALI) in delivering the costing information on relevant national programmes. The programme costing, both at its high-level estimates and bottom-up detailed calculations, is key in driving the budgeting process in a smooth and effective manner. Improved costing in combination with the improved prioritization process (see output A.3.2) will supply necessary information for high-level budget decisions. Such a process is currently being piloted by the Ministry of Health with support from the ADB and UNDP.

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

Output A.4.1. Strategic Advisory Services

The Team will engage experienced experts for Strategic Advisory Board meetings with the national stakeholders to define high-level strategic path for the reforms using international best practices and experience from countries where RBB and MTEF processes are set (e.g. Slovakia under the Public Finance for Development joint initiative with UNDP has already projected its knowledge and expertise to four Eastern European countries).

Output A.4.2. Regional Peer Learning and Study Tours

Capacity Building is one of the core functions of this Project. Under this output, the Project will organize study visits and participation to regional peer learning conventions on MTEF and RBB practices for Project's primary counterparts (MOF, MOFALI, MLSP, NDA). UNDP will support peer review platforms and opportunities for Asian and other countries to directly cooperate and support each other in capacity building and PFM reforms implementation.

Output A.4.3. Training On-the-job Capacity Building

Another key component of the Project is the extensive set of trainings, both via formal training sessions and on-the-job. The primary beneficiaries of MTEF and RBB training processes are the Ministry of Finance and line ministries staff. For the latter, the training will extend its coverage to experts from policy and planning units to ensure that proper skills and knowledge is transferred to units that must increase their role during MTEF and budget processes under the RBB environment. This issue was evidenced by UNDP during its ongoing engagement under the Budgeting for SDGs initiative in pilot ministries.

Component B: BUDGET OVERSIGHT AND TRANSPARENCY

KEY RESULT AREA B.1. ENHANCED PARLIAMENTARY ROLE IN BUDGET OVERSIGHT

Output B.1.1. Results-based policy analysis and oversight

One of the parliamentary oversight functions is policy oversight. Therefore, the Project will work with the Parliament Committees on reviewing the implementation status of various sector policies (starting with the EU BS priority sectors). This output will enable Parliament Committees and



members to validate the policy-budget linkage via better understanding of the progress status of relevant policies.

Output B.1.2. Results-based budget scrutiny and monitoring

Standing at the core of the Parliament related engagement of the Project, this output aims to deliver an improved know-how on the Parliament's budget oversight function. The main vehicles to deliver those outputs are the cost effectiveness analysis of the budgets, sector and programme expenditure reviews by the committees, budget hearings on expenditure effectiveness using RBB principles and regular briefs/notes to MPs on findings of expenditure trend analyses.

Output B.1.3. Parliament oversight on effective Policy-Budget linking

The Project will support Parliament committees in better analysis of policy-budget linking via two main activities – i) studies on coherence of the MTEF with long-term development programmes approved by the Parliament and the Government, ii) regular reviews of budget execution variance using financial and programme performance information.

Output B.1.4. Enhanced capacity of the Parliament in budget oversight

The Project commencement will somewhat overlap with the next political cycle and so we will ensure enough capacity building activities are delivered to the newly elected members of Parliament and committees, including via trainings, manuals and experience sharing with parliaments with effective budget oversight functions in place.

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

Output B.2.1. Sector Policy Analyses Performed

Like the Parliament related oversight functions, the Project aims at improving the scope and quality of budget oversight by the civil society organizations, i.e. via improved research and policy advisory functions. The prime counterparts for this output are the CSOs, however, the Project will ensure the collaborative nature of this engagement between the CSOs and government and Parliament stakeholders. The ultimate goal of this activity is to ensure quality policy advice is considered by those stakeholders, so that collaborative engagement is ensured from the early stages of this process.

Output B.2.2. Budget Monitoring by CSOs

Parliaments and ministries of finance are interested in receiving third-party and independent opinion over the budget programmes implementation, especially those that are in the SDG priorities and have related outcome targets in the Budget Annex 1 (as a commitment by the Executive to the Parliament to adhere to those goals). The Project will support CSOs in playing that critical role by monitoring of budget programmes using both the financial and non-financial performance monitoring aspects (RBB principles).

Output B.2.3. Capacity building for CSOs and media on budget monitoring and oversight functions

The Project will cooperate with CSOs on capacity development activities, including to other stakeholders such as the media on RBB, budget analytical toolkit, bridging research with policies and budgets, and other aspects of budget oversight and transparency.

KEY RESULT AREA B.3. STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT

Output B.3.1. Performance Audit of SDG priority programmes

Supreme Audit Institutions (SAIs) play an important role in the implementation of the SDGs. Recent development in many countries indicate that SAIs play an increasingly important role on SDGs by

reviewing governments preparedness on delivering the SDGs and monitoring the implementation of SDG-related programmes. Countries such as Argentina, Austria, Brazil, Burkina Faso, Canada, Costa Rica, Czech Republic, Ecuador, Germany, India, Jamaica, Kuwait, Palestine, Poland, Peru, Tanzania, the Netherlands, Sudan have already performed SDG-related performance audits. An important aspect of this Project is therefore the SDG aligned performance audit function of the National Audit Office (NAO).

The Project will provide on-the-job support in mapping national programmes (planning documents) with line-item nature of the budget. This will assist the NAO to effectively analyse and audit budget programmes linking their actual performance with declared objectives and targets as per the SDV-2030 and other national development plans.

Output B.3.2. Civil Hall (Social) Audit

The 2018-2020 PFM Reforms Strategy adopted by the Minister of Finance in 2018 envisages more active citizen engagement and accountability in budget oversight by establishing "civil hall" audit and operationalizing its activities. UNDP will support the national stakeholders in learning the best practices in this regard and combining those with effective social audit functions, including via public expenditure tracking surveys (PETS) and other tools for civic engagement in auditing budget compliance and performance.

Output B.3.3. Capacity Building on Performance Audit

UNDP will organize capacity building activities for NAO staff (study visits, development of guidelines and trainings) on effective performance audit and lining those with the overall SDG framework. As indicated above, there are many countries including EU members where SAIs have already produced audit reports in the context of SDGs and the progress made by governments in achieving the Agenda-2030 goals.

Component C: EMPLOYMENT PROMOTION: BOOSTING EMPLOYABILITY

KEY RESULT AREA C.1: NATIONAL PROGRAMS ON EMPLOYMENT PROMOTION STRENGTHENED AND MADE MORE COHERENT

Output C.1.1 Mapping and assessment of existing programs to identify bottlenecks (gaps, duplications, and contradictions).

This output is a starting point in supporting nation-wide efforts to strengthen national employment policies, programs, and their implementation, including improved coherence for better employability covering wage and self-employment.

A team of experts will analyse and assess existing national programs on employment promotion, as identified by the MLSP, to ascertain and document gaps, challenges, contradictions and duplications within programs to increase employability, respond better to labour market needs and opportunities, identify projects and sectors where job prospects are greater, and better aligned with local economic specifics and diversification. In the first year scoping will particularly focus on options for those facing 2020 job layoffs or loss of income as a priority, as well as new entrants into the work force, who may be unable to get their first jobs. They may benefit from strengthening and diversifying their medium-to-long-term capacities. Consensus among all stakeholders will be established. The team will work closely with Government institutions, business and employer associations and industry representatives for this output. [Lead support by UNDP]

Output C.1.2 Support services for coherent program implementation designed, taking into account the labour market and local economic policies, as well as prevailing economic conditions, covering financial and non-financial support

In order to strengthen coherent on-ground national program implementation, the team will identify and strengthen the design and content of support mechanisms providing advisory services for job-seekers, SMEs, start-ups, and employers. The services will be designed in consultation with key stakeholders, including employers who have had to temporarily lay-off or reduce hours of workers

due to Covid-19 restrictions. They will cover financial and non-financial guidance and will be streamlined with the national programs, identifying employment-rich projects. The services will be designed to respond to the needs of higher-employment potential sectors, especially for youth, be sensitive to gender and people with disabilities, as well as those out of work due to crisis situations or newly seeking work. Small businesses will be better able to integrate into the broader markets, link up with larger producers, manufacturers, and entrepreneurs with access to market and production-supply chains. Support services will be better aligned with local economic opportunities and labour markets. New and existing job-seekers, those currently running local business activities, emerging forward-looking entrepreneurs, others as identified, will be covered by advisory services. [Lead support by UNDP]

Output C.1.3 Support services incorporated in the national programmes, and reflected in Ministry budget, ensuring responsibility and resources

Institutionalization of strengthened employment support services into the national programs plays a crucial role in boosting and sustaining employability nation-wide. Institutionalization also addresses the inclusion of disadvantaged groups who have untapped potential in the labour force, for example, targeted interventions focusing more on youth and persons with disabilities, and those laid off for the time being. This output will ensure the advisory and support services are effectively and smoothly integrated into the implementation process of the national programs. [Lead support by UNDP]

KEY RESULT AREA C.2: ECOSYSTEM FOR INNOVATION, START-UPS, TECHNOLOGY, BUSINESS INCUBATION, AND ENTERPRISING REINFORCED

Output C.2.1 A common platform for innovative and start-up initiatives, including for crisis responses, designed and established for customized support and knowledge exchange, covering employers, workers, and job seekers [on-line and off-line]

This output is about designing and establishing customized support and information exchange on forward-looking and start-up initiatives, including for crisis responses, to strengthen their sustainability, while also coherent with goals and objectives of national programs for employment promotion to reduce poverty and unemployment. Led by the MLSP, with the support and involvement of other line ministries, employers' associations, labour and training institutions, the team will design and develop a platform for meaningful and on-going interactions across businesses, employers, employees, job-seekers for regular flow of information and experience sharing. Central and local labour exchange bureaus and employment departments under the MLSP, line ministries (MOFALI) employers and business associations would provide input into the establishing database for the common platform, actively engaged in sustaining an interaction among all interested stakeholders, workers, employers, job seekers, including those temporarily out of work. Based on needs assessment and mapping of existing initiatives, the team will consider designing a Business Development Center, and support the MLSP engage with the MoF for regular budget support for the establishment and operation of the center in future. [Lead support by UNDP]

Output C.2.2 Mapping and integrated assessment carried out of donor/partners-supported initiatives towards employment (mainly or significantly), to strengthen the forward-looking ecosystem for employability, including bridging periods of temporary job-market disruptions.

There are numerous projects and programs with overlapping and specific objectives and beneficiaries being simultaneously implemented and/or supported by international development agencies, donors and partners (FAO, UNDP, ADB, WB, SDC) in the labour and employment sector targeting increasing employability, labour absorption potential of non-mining sector and reduction of unemployment/poverty. A comprehensive stocktaking and mapping and assessment exercise will come up with better coordination and synergies, exchange of lessons/ideas among those projects, which would strengthen eco-system for employability, bridge any periods of temporary job-market disruptions, provide a better inclusion of different target beneficiaries into the labour market. In sequencing, initial focus will include initiatives for the current job market disruptions. This will be done by an expert's team in close cooperation of those donor/partners. Lessons and experiences

drawn will be reflected in the national programs to strengthen institutional capacity in providing employment services. [Lead support by UNDP in close collaboration with FAO and ILO]

Output C.2.3 Start-up businesses supported with a particular focus on youth, remotely located job seekers and persons with disabilities, as well as short- and medium-term opportunities for those temporarily laid-off due to external shocks.

A compendium of innovative/start-up business ideas, including rural-linked opportunities in food and non-food sectors, which are "finance-ready", with a particular focus on youth, remotely located job seekers and persons with disabilities, and short-term opportunities for those temporarily laid-off or suffering from loss of income, will be identified through a dialogue with existing start-ups and innovators. In view of the prevailing Covid-19 restrictions and global economic contraction operating from early 2020, priority will be given to support laid-off workers and benefit more fully through work-from-home arrangements. This is likely to be easier for start-ups as compared with traditional businesses, especially since Mongolian youth are significant users of communications technologies. The projects will be linked to an institutionalized system of financial and non-financial support to implement the more sustainable, innovative and start-up business ideas. MLSP and MOFALI, as well as business associations will take key roles for this output. [Lead support by UNDP in close collaboration with FAO]

KEY RESULT AREA C.3: CAPACITY AND SKILLS FOR WAGE AND SELF-EMPLOYMENT BOOSTED

Recognizing that capacity and skills are the foundation for employability and enterprise, including recovering from unexpected shocks, strengthening the capacity development system, guidance and training structure will be key for success in the labour market, and even more for the disadvantaged groups. Many of the challenges and bottlenecks in the current education, skills and training system are recognized, but have not fully responded to addressing them. Outputs for re-invigorating the training, education, skills development, and career guidance mechanism, introducing new methodologies and a greater focus on soft-skills plus employer-employee collaboration, are expected to strengthen the employable capacity and skills of workforce, including future employees and job seekers.

Output C.3.1 Institutionalized capacity development services for facilitators in Design Thinking and Behavioural Insights and Education institutes in Enterprise Education Pedagogy

In close cooperation with MLSP and MOES, central and local labour bureaus, training institutions and employers' associations, this output covers training needs assessment (TNA) among target beneficiaries, including youth, rural and disadvantaged groups, to identify skills needs and capacity deficits, including attitudinal gaps. This will be followed by training of national level Trainers and Facilitators in Design Thinking and Behavioural Insights as new aspects recently found successful in Mongolia. They will be trained in methodologies to design, develop and deliver training and skills development trainings, counselling services. The output will ensure the whole cycle of capacity development services starting from TNA, designing, pilot testing and revising the training modules on enterprising skills, soft skills and technology to strengthen the capacity of training institutions and counselling services. The medium and long-term skills on enterprise education will be pilot tested at selected secondary schools targeting future job seekers. Future job-seekers are expected to face a truncated labour market and mobility restrictions in 2020 which will be incorporated in developing the modules. Some donor partners such as ADB, EU, GIZ, UNDP, have already introduced a package of new methodologies in this regard. Building upon the experiences gained through these initiatives, TVET institutions and the already established cooperation with employers could play a significant role to achieve this output. [Lead support by UNDP in close collaboration with FAO].

Output C.3.2. Expanded distance/on-line platforms for career advisory master trainings and increased capacity to deliver employment services remotely for strengthened inclusion

This output will support institutionalization of trainings on skills needed for target beneficiaries, including remotely located youth, persons with disabilities, and job seekers, using technology-based



supplementary modules. Mongolia benefits from people, especially the youth, being high users of mobile and communications technologies, due to which technology-based platforms could expand access. The identification of disadvantaged target groups will be aligned with the labour market studies. A team of experts, trained master trainers will review and update training modules upon successful pilots and ongoing feedback. These trainings will gradually be streamlined into the regular budget, and support increased employability services through regular ministry budgets. [Lead support by UNDP]

Output C.3.3 Regular platform for Implementation of employer-oriented measures and employer-employee interactions

This output is about establishing focused and regular activities that support an increased understanding, knowledge and capacity of employers on the SDGs, especially on inclusion, no-one-left-behind principle, and prioritizing disadvantaged groups and locations, social and environmental implications of economic activities, temporary job-market disruptions, and the durable development benefits of social responsibility. Younger employers/SMEs and employees have shown an interest in social responsibility and the SDGs but there are almost no opportunities to mainstream this knowledge. Knowledge on design thinking and enterprising is also limited. Hence regular periodic meetings, competitions, SDG recognition events, and other measures and will be very helpful and contribute to better workplaces, while strengthening labour norms and standards as well. Options for on-line contribution and participation will be established in as many activities as possible. Training centers, TVET, and institutions (including component partners) can contribute in designing and delivering trainings on work-place-relevant practical knowledge. This output will also enable closer interactions and mutual understanding among employers, employees, and training institutions for building fit for job workforce through exchange information, new ideas, techniques and technologies by supporting and organizing job-relevant trainings using design thinking methodologies. [Lead support by UNDP]

KEY RESULT AREA C.4 PILOTS FOR EMPLOYMENT PROMOTION UNDERTAKEN WITH SCOPE FOR SCALING-UP TO BUILD EVIDENCE, LESSONS, AND SUPPORT POLICY

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

Against a background of limited government resources and expertise, innovative partnerships that bring together business, government and civil society actors are increasingly being recognized as effective mechanism to deliver multiple benefits, particularly job creation, in agriculture and food sectors. Partnerships have also been introduced in the ongoing EU action on support to employment creation in Mongolia: Component 2 (SECiM 2) and has shown promise. This was noted in the mid-term results oriented monitoring of SECiM 2. The mission also recommended to strengthen such partnerships while giving more attention to creating capacity service providers at Aimag level. Accordingly, this project will invest in promoting innovative public-private partnerships in two Aimags which are free of trade limiting diseases and are relatively better placed to support market access. Tentatively, Zavkhan and Bayankhongor Aimags are proposed as potential candidates but these will be reviewed during the inception phase. [Lead support by FAO]

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

Mongolian agribusinesses (specially the meat industry) aspire to enter into international markets through processing and preservation. However, poor standards and certification and limited exposure to value addition technologies continue to limit entry of Mongolian agribusinesses into high value markets. This project will promote and pilot technical and organizational innovations to support Mongolian agribusinesses create more and better-quality jobs by encouraging innovation, skills and business development. [Lead support by FAO]

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

Under this output, the project will attempt to establish a uniquely Mongolian food brand capitalizing on evolving consumer preference for natural products and natural methods of farming. Such consumer attitudes have opened a premium-priced opportunity. The Mongolian herder economy is uniquely placed to satisfy this demand.

Under this output, the project will create a food brand deriving from Mongolia's unique legacy of traditional production based on feasibility studies and lessons learned of previous initiatives and projects (e.g TRAM project). This will help innovative entrepreneurs in the future to create new trusted brands and consequently more employment, for unique rural products. Agricultural produce that meets high standards will be branded. [Lead support by FAO]

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

At the national level, job creation requires an enabling policy framework that encourages innovation, skills and business development. Based on the experiences and lessons in Outputs 4.1-4.3, an agribusiness-based youth employment policy will be developed with the objective of local job creation and agribusiness enterprise development. [Lead support by FAO]

Output C.4.5 A model training hub for leather and fibre non-food agri-sector production set up and piloted

Access to training and training facilities need to go hand-in-hand with industry access to result in jobs. The current requirements of social distancing due to Covid-19 for the required period, especially year 1, will be incorporated in formulating and implementing trainings, including distance and on-line options. Although institutional education and training is well developed in Mongolia for some topics, it is weak in areas such as leather and fibres (sheep/yak wool and hides and skins). Companies themselves can provide hands-on practical and theoretical training and go hand-in-hand with apprenticeships. To make it systematic and scalable, a model training hub is proposed, in collaboration with Associations and industry, to support decent job creation at aimag level. Working with industry associations will strengthen fair and equitable access to knowledge, skills and practices, inclusion of people with disabilities and youth, especially in aimags, where youth unemployment is high. Persons with disabilities have many possibilities in leather and textiles. Deafness in noisy factories and wheelchair bound in sewing, design and computer aided design can turn 'disability' to 'advantage'. The training will be piloted in one aimag, updated based on labour market needs and consultations with industry association. Scaling-up is proposed under MOFALI budget. [Lead support by UNDP]

Component D: EFFECTIVE APPLICATION OF INTERNATIONAL LABOUR STANDARDS BY STRENGTHENING INSTITUTIONS OF WORK

KEY RESULT AREA D.1. REGULATORY FRAMEWORKS ALIGNED WITH INTERNATIONAL LABOUR STANDARDS

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 occupational safety and health and employment-related conventions promoted

The project will draw on ILO's technical expertise and international good practices to assist MLSP, GASI, MONEF and CMTU in their collaborative effort to promote ratification of the ILO Conventions No. 81 and No. 129, effective application of ratified conventions concerning employment and occupational safety and health, and responsive action to the relevant comments of the ILO Committee of Experts on Application of Conventions and Recommendations as published at NORMLEX. [Lead support by ILO]

Output D.1.2 Advice on improving legal environments to increase the efficiency of labour inspection and employment promotion, including changes and amendments to the Law on State Inspection

Alignment of national laws with international labour standards other than the fundamental conventions may entail changes in administrative procedures and lower-level regulatory frameworks. Through seminars and written responses and at the request of the government, the ILO will review draft laws and regulations, advise on improvements, and assist in legal drafting, as required, ensuring equal opportunities for those who are usually left behind – the disabled, youth and women ILO support to the government on the reporting and monitoring of the application of the fundamental conventions will be provided under the GSP+ project framework (Trade for Decent Work). [Lead support by ILO]

Output D.1.3 The Sub-Committee on Application of International Labour Standards assisted in their reviews and discussions of international labour standards and Mongolia's related obligations

Sound industrial relations and effective social dialogue are a means to promote better wages and working conditions, including equal pay of work of equal value, work-life balance, maternity protection and harassment- and abuse-free at workplace policies. As instruments of good governance, they foster cooperation and economic performance, helping to create an enabling environment for the realization of the objective of Decent Work at the national level. The MLSP has established the Sub-Committee on ILS, consisting of representatives of government agencies, MONEF and CMTU. It provides recommendations to the MLSP on issues related to international labour standards. The project will assist the MLSP in strengthening the functioning of the sub-committee and its technical capacity and facilitating effective deliberations of labour and employment laws and policies as related to ILS on labour inspection, employment and occupational safety and health and Mongolia's reports on ratified conventions other than the fundamental conventions. ILO support to the government on the reporting and monitoring of the application of the fundamental conventions will be provided under the GSP+ project framework (Trade for Decent Work). [Lead support by ILO]

Output D.1.4 Law and practice research conducted to identify implementation gaps and areas for alignment with ILS and formalization of employment

In 2017, the National Human Rights Commission of Mongolia (NHRC) published its research report on the status of labour rights in Mongolia's private sector, especially in small and medium-sized enterprises in export-oriented sectors. The NHRCM called on the government to improved labour protection in small and medium-sized enterprises with specific attention on youth and/or women workers.

In 2019, the National Statistics Office of Mongolia (NSO) and the ILO jointly published the full report and factsheet of ***Accelerating the 2030 Sustainable Development Goals through decent work: SDG monitoring and country profile for Mongolia***. The report compiles in one document all available data on decent work and SDG-related statistical and legal indicators, and, where possible, it provides an analysis of existing gaps and trends while reflecting on the Mongolian situation, inclusive of among economic sectors, genders and geographic locations.

Through this output, the ILO will provide technical assistance to the NHRC in assessing decent work situations in the private sector in support of its recommendations for action by the government. The ILO will also assist the NSO in assessing the SDG trends in Mongolia, including challenges and opportunities arising from COVID-19 precautionary measures and the resulting economic crisis, and conducting a national child labour research. [Lead support by ILO]

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

MONEF and CMTU are membership-based organizations. They represent their members in social dialogue process. At the same time, they develop service programmes to meet the specific needs

and interests of their members. These services include legal advice and information services, training and assistance in organizing and collective bargaining.

As of September 2019, MONEF is developing a strategic plan to strengthen more and better responsive services to its current and potential members, including small and medium-sized enterprises (SMEs). It has already developed technical tool kits to aid SMEs improve compliance with the fundamental principles and rights at work.

The President's Council of CMTU adopted a Plan of Action on Informal Economy in January 2019. The plan aims at strengthening of the existing trade unions representing workers in the informal economy (mostly women), promoting freedom of association among workers in the informal economy through improved legal and regulatory frameworks, addressing their challenges through social dialogue and improving CMTU services including better access to information, advice and training.

The COVID-19 health and economic crisis has wrought out tremendous challenges in protecting workers during and after COVID-19 at country level, particularly those in non-standard employment and in the informal economy. The project will enhance the capacity of MONEF and CMTU to participate in social dialogue and policy process to ensure optimum occupational safety and health, effective adapting of work arrangements, preventing of discrimination and exclusion and access to health care and paid leave.

The project will also extend its assistance to MONEF and CMTU to effect more and better services to its members, promote tripartite and bipartite cooperation in back-to-the-workplace and building post-COVID-19 workplace resilience and formalization of employment. The ILO will, jointly with MLSP, MONEF and CMTU, select key decent work issues to focus their action, develop practical tools and approaches to enhance tripartite cooperation on back-to-the-workplace during the pandemic and guide workplace cooperation on safe work and rights protection, update existing materials on collective bargaining, and organize training for their respective members in 2022 and 2023, while considering the gender-specific nature of the sector and workplace. [Lead support by ILO]

Output D.1.6. Professional groups and the Mongolia Decent Work for Youth Network (DWYN) supported to promote action to realize labour rights and formalization of employment for young workers

In 2018, eight government and non-government organizations established the Mongolia Decent Work for Youth Network to promote rights of youth at workplace. The Network has been active in advocating for better understanding about youth labour rights at work. It organized workplace visits, providing labour rights information to 500 workers (47% women and 53% men) in 2018, and organized training and campaigns for young leaders in regional centers in 2019.

The project aims to strengthen the technical capacity of the network while using it to organize information campaigns to promote better understanding about decent work and formalization of employment among young workers and professional groups such as school teachers, TVET teachers, journalists and legal professionals. [Lead support by ILO]

KEY RESULT AREA D.2. COMPLIANCE BOOSTED THROUGH STRENGTHENED CAPACITY OF LABOUR INSPECTION SYSTEM

Output D.2.1 Support provided for the formulation of annual Strategic Compliance Plan (SCP)

In May 2017, the labour inspection rate in Mongolia was 0.8, which translates as eight labour inspectors per 100,000 employed persons. This indicates considerable staff shortage and an elevated probability that working conditions of employed persons are rarely inspected, preventive measures are hardly taken and complaints may remain unattended by the public administration. Legal changes that permit unannounced labour inspection visits will not be enough to foster decent working conditions, labour protection and labour law compliance.

This output is part of the ILO's on-going technical assistance to the Generalized Agency on State Inspection (GASI), introducing strategic compliance planning for labour inspectorates. This is a

model six-step process to help formulate, sequence and operationalize broader thinking and action, that will help labour inspectorates use their limited resources to address high priority non-compliance and towards attaining the goal of sustained compliance. The flexible and dynamic nature of this exercise allows labour inspectorates to develop inspection strategies on targeted workplaces, workers or compliance issues, and to design a proactive compliance strategy.

Through this output, GASI will receive technical assistance in improving its annual planning process, that explores and identifies key and emerging compliance issues, environment of compliance, influencers of compliance, key stakeholders, interventions. The assistance will be provided every year, each year's Strategic Compliance Planning will review the operationalization of previous year's plan and build on it for further planning. [Lead support by ILO]

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

This output is to provide technical assistance to GASI in appraising required improvements in labour inspection case management and data collection so as to respond to GASI's own data needs and improve the monitoring of its inspection actions in order to implement its strategic compliance plans towards meeting its SDG requirements. This would include improvements to GASI's reporting system of occupational accidents and acute poisoning to include near misses. The project will provide an international expert to perform the assessment and formulate recommendations. [Lead support by ILO]

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

This output is to inform GASI of options in upgrading its labour inspection data system, including technical specifications on system design, and extending its reporting system of occupational accident and acute poisoning to include near misses, by profession, age and gender.. [Lead support by ILO]

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 Ulaanbaatar)

This output aims to identify the capacity gaps of labour inspectors and to develop materials to help inspectors better integrate concerns of decent work, compliance, and formalization of employment in inspection actions. The ILO will develop and organize a training of trainers for labour inspectors and staffs of the Youth Employment Service Desks, assist GASI, AFCYD, MLSP in training their staff, and provide post-training support to trained inspectors and YES desk staff to include labour rights, occupational safety and health and COVID-19 return-to-work measures, workplace compliance, and employment contracts in work contexts. [Lead support by ILO]

2.4. SUSTAINABILITY

Sustainability is embedded into the core structure of this Project as the very first component of it aims at enabling the governance and budgeting systems and processes to effectively formulate and report against the public funds used. Hence, the outputs of the Component C will further be processes by domestic budgeting systems both at the executive and the legislature. Moreover, the UNDP TA Project is a complementary measure of the EU Budget Support Action which means the government will also be interested to roll-out the practices and outputs from Components A, B and C (and D at lesser degree) to effectively absorb the 43 million EUR worth additional fiscal space provided by the EU.

Another critical element of the Project is the cross-cutting nature of capacity building initiatives across various stakeholders both at the demand (e.g. the Parliament) and supply (e.g. the line

ministries, MOF) sides, including the judiciary and law enforcement agencies, designed for in-country and South-South partnerships. Enhanced capacities for evidence-based and results-oriented budget formulation and reporting will enable quality budget negotiations for most effective and efficient budget interventions aimed at employment and decent work objectives across regions of Mongolia.

The Employment component C is interlinked with the Labour component D, which promotes sustainability. For example, supporting employer's federation promote decent work conditions and formalization of employment under D also contributes to regulation and policy. Moreover, some of the outputs under the project, especially under the Employment component C, which are of a pilot nature, innovative, or founded on designing and trialling, have been explicitly linked with consensus building and scaling-up under regular ministry budgets. The organic interlinks across components, and the complementary budget support project will ensure adequacy of resources, accountability, and sustainability.

Extensive use of systems thinking approach at all stages of the project implementation will contribute to building shared vision among stakeholders from different sectors towards improved employability, the greater development cause, and enhance mutual responsibility and ownership for institutionalization and for sustaining the results delivered after the project is completed.

Capacity Development and Knowledge Sharing

Given the scope of the TA, the Project will invest significant resources into the capacity development of various actors and stakeholders, namely the Parliament, the Ministries of Finance, Labour and Social Protection, Food, Agriculture and Light Industry, the National Audit Office, the judiciary, law enforcement agencies, CSOs and media.

Capacity building activities are embedded in all four dimensions of the Project and main beneficiaries of the capacity building are the central and local government bodies, the legislature and audit institutions, as well as civil society organizations. In doing so, UNDP and partners will closely collaborate with national and international actors to ensure specific and relevant knowledge is built in those institutions.

This UNDP Project will closely collaborate with the UNDP Financing for SDGs initiative which is leading globally the activities and knowledge sharing on various aspects of implementation of SDGs, including the Budgeting for SDGs (see www.sdgifin.org). The knowledge gained in this Project will contribute to the wider knowledge sharing amongst many countries where UNDP is actively promoting governance, PFM, employment support and labour standards activities.

UNDP is already cooperating with the GIFT initiative on knowledge sharing by participation in webinars and blog discussion (e.g. webinar on fiscal transparency¹⁰) and is also actively publishing articles and blogs on its experience¹¹.

UNDP will also collaborate with its partners within this project in knowledge sharing (FAO, ILO). The above country experiences are of relevance.

Gender

The project builds upon UNDP Gender Strategy (2018-2021) recognizing that gender equality is a precondition and accelerator for achieving the Sustainable Development Goals and incorporates inclusion in several ways (youth, people with disabilities, those living in remote areas), and includes gender as a cross-cutting theme. It recognizes Mongolia's particular gender circumstances, where women tend to be well-educated vis-a-vis with men, but at the same time are under-represented in some employment sectors, businesses, as employers, in decision-making, earn less than men on average, and shoulder much of the burden of unpaid work, which comes in the way of paid work opportunities. Gender disaggregated data will be used for monitoring wherever relevant (e.g.,

¹⁰ http://www.fiscaltransparency.net/blog_open_public.php?IdToOpen=7177

¹¹ <http://www.asia-pacific.undp.org/content/rbap/en/home/blog.html>

training, capacity development, support for start-ups, pilots). In facilitating stakeholder dialogue, the perspectives of women and men will be sought in updating and informing policy and programmes.

Partnerships

Development Partners

Under the Employment Promotion Component C, the project incorporates a strong partnership with the **FAO**, drawing upon their specific comparative advantage in identifying and strengthening rural labour market opportunities for better inclusion, benefiting from value-chains, and supporting innovations (technical and organizational) in agribusiness, with potential for policy development and sustainable scaling-up under regular budgets. Under the Labour standards Component D, the project leverages the comparative advantage of **ILO** on decent work, to better align labour regulations with international standards, and boost compliance through strengthened capacity of inspections.

The project will also tap into the established, on-going, and new initiatives of partners, for lessons, collaboration, and complementarity, especially for TVET, employment-related capacity development, and other employment-promoting initiatives. As this project envisages piloting enterprising capabilities at high school level, **ADB's** proposed Education Sector Master Plan (2019-2030) to support the Ministry of Education, Culture, Science, and Sports, will be relevant.

The project will build upon the experiences gained from the **WB Employment Support Project** to provide jobseekers and micro-entrepreneurs with improved access to labour market opportunities. **ADB's** Skills for Employment project supports the Government of Mongolia to advance TVET as a measure for employment promotion by introducing industry-driven TVET system. The experience and expertise from other potentially interested partners will also be tapped, especially those with a track record of institution building, institutional oversight capacities, and scope for twinning arrangements.

Strengthening Governance in Mongolia Project

A Joint **EU - World Bank Trust Fund** in Mongolia is actively engaged and supports the Ministry of Finance in Public Financial Management reforms within the framework of the Strengthening Fiscal and Financial Stability Project. The UNDP Project will build up on the cooperation with the EU-WB Trust Fund (UNDP has already contributed to the update of the PFM Reforms Strategy offering reforms on Budgeting for SDGs); the UNDP Project will also complement the improved budget transparency on budget execution by supporting integration of performance information to the budget execution process, assist with adapting the programme structure of the budget with SDG structure, continue the current cooperation with the **GIFT Initiative** (Global Initiative for Fiscal Transparency) in promoting more transparent budget formulation, execution, monitoring and reporting processes. In Mongolia, the partnership will specifically continue in incorporation of SDG related policy priorities and targets into the Citizen Budget. The UNDP Project will also promote more participatory budget formulation and monitoring by engaging with the CSOs for research, policy-budget advisory, expenditure reviews and expenditure monitoring activities.

Public Finance for Development Programme

UNDP has an ongoing partnership with the Slovakian Ministry of Finance (**UNDP-MFSR cooperation platform**). Such modality allows a direct engagement of high-skilled experts in daily support activities to the recipient-country finance ministry officials both in the form of advisory services and capacity building activities. Slovakia or other similar countries with recent experience in transitioning of their governance and economic models are very beneficial for recipient-countries such as Mongolia. The Public Finance for Development Programme has already supported various Eastern European countries in similar PFM reforms.

UNDP Mongolia will partner with the UNDP **Istanbul Regional Hub** in identifying the best modality and approach for relevant expertise be deployed in Mongolia for supporting the Component A (and partially the Component B) of this Project. UNDP Mongolia will also closely liaise with the UNDP's Bangkok Regional Hub, in particular, the **Regional Innovation Centre**, which supports UNDP country offices for innovative private sector initiatives, SMEs, and responsible business practices.

South-South Cooperation

The Project has distinct components to promote and facilitate South-South Cooperation by engaging government officials in peer knowledge exchange activities and peer reviews. UNDP has experience in supporting such South-South peer learning activities, including in the Asia-Pacific region. Peer learning and peer review activities have shown high effectiveness and efficiency in various reforms activities as it provided an additional motivation and trust to government officials to learn from their peers. For instance, various PFM, Climate Finance and other reforms peer learning platforms across the world are operational for decades now and they have proven their quality and sustainability over the period. UNDP Mongolia will pursue this route and will support Mongolian finance and other ministries staff to regularly coordinate their reforms with their peers from the Asian region.

At the same time, Development Finance and Budgeting for SDGs activities are evolving in the Central Asian region and UNDP is actively supporting these initiatives. This is a great opportunity for the Mongolian officials to closely engage in Budgeting for SDGs and employment support peer learning exchanges.

UNDP's Bangkok Regional Hub can support UNDP Mongolia in identifying relevant examples from other programme countries for employment promotion and labour standards. It can also help share lessons on making distance-learning and experience sharing platforms more effective.

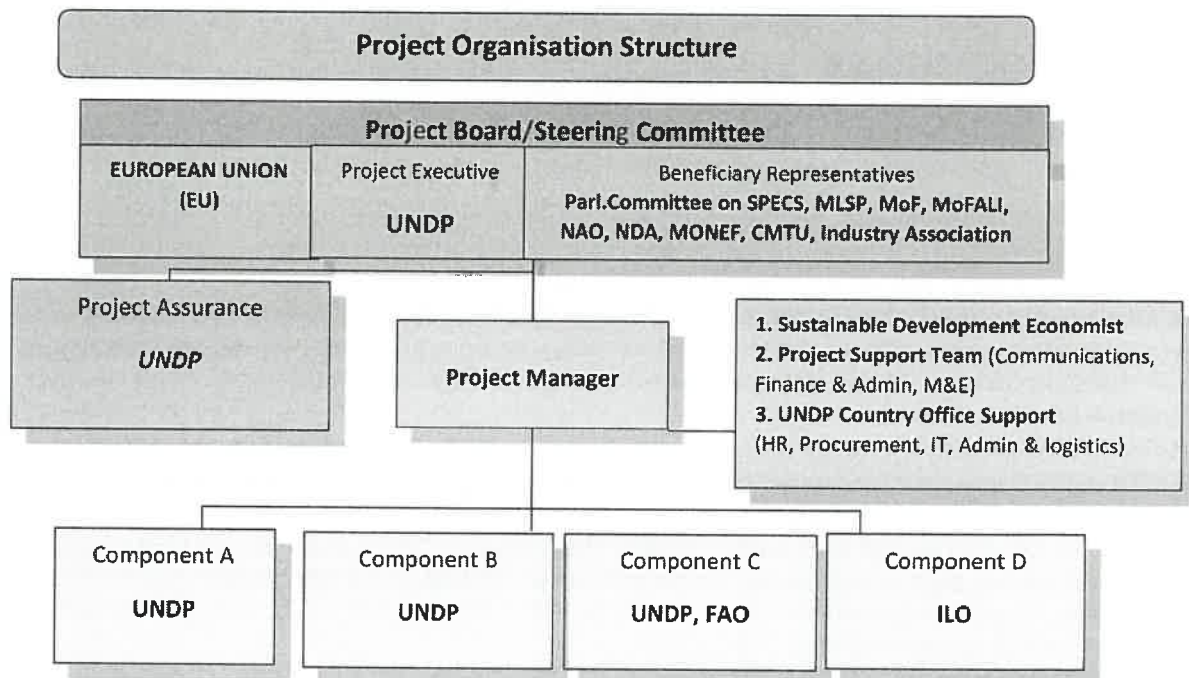


SECTION 3. IMPLEMENTATION ARRANGEMENTS

3.1. COORDINATION AND MANAGEMENT

In order to avoid any duplications, the Project will primarily use the governance and management arrangements as per EU Budget Support Action existing formats. For instance, as per European Union Delegation agreements with the Government of Mongolia, the overall Budget Support oversight function will use a Coordination Committee (CC), which will be co-chaired by the Ministry of Labour and Employment, Ministry of Finance, and the EU Delegation.

A Project Board/Steering Committee (PSC) will be convened for the Delegated Cooperation component.



“A Project Steering Committee (PSC) will oversee the implementation of the Delegated Cooperation component. The beneficiaries and the Contracting Authority will agree on its exact composition during the inception phase of the component. It will be aligned with the Budget Support Annual Reviews.”

The Project office (PIU) will be located at the UNDP premises with the core project management staff, who will work full-time (100% of their time) to the EU TA Project:

- Project Manager’s responsibility is to ensure that the Project produces the results specified in the Project document, to the required standard of quality and within the specified constraints of time and cost. He/she is responsible for the day to day management of the Project;
- Admin and Finance Officer is responsible for administrative, logistical, and financial management support to the implementation of the Project;
- Monitoring and Evaluation Officer’s responsibility is to monitor the progress against the project the monitoring plan, and to collect baseline and progress data and reporting;
- Communication Specialist will implement the Project’s communication plan;

The Project office also includes UNDP staff necessary for the implementation of the Project activities, charged for the time directly attributable to the implementation of the Action:

- Operations Manager (17% of time) will oversee all operational services and support to the project. Will take Level II manager role in ERP. Provide guidance and support on operational matters.
- Programme assistant (18% of time) will support the project from project financing and portfolio management angle. Will take due action on ERP related with project management and its financial management.
- Human resource officer (15% of time) will support personnel recruitment, separation, benefits administration, learning, and personnel management;
- Procurement associate (25% of time) will provide support in identification of procurement modalities, facilitating quality, effective, transparent and fast procurement processes, advising on procurement evaluation procedures, supporting in negotiations with potential bidders, and monitoring of contracts; will support vendor and travel management;
- Finance associate (20% of time) will support financial transactions, spot checks, transaction reporting, reconciliation, banking services, financial management support and reporting;
- ICT officer (5% of time) will support the staff by providing several ICT services as specified here below.

In addition, the project office costs required for the implementation of the Action will include the office space (maintenance, cleaning, utilities and security), office equipment (laptops and stationary) and ICT services (email address, internet, firewall, server usage, ICT equipment usage, ICT support, systems backup, access to cloud).

A full-time **Sustainable Development Economist** will act as Chief Technical Advisor, substantively coordinating project outputs and the various actors in delivering the Theory of Change. The SD Economist will devote 100% of his/her time to this Project. The position level will be equivalent of SC11 with UNDP staff proforma cost at annually USD 30,000. More specifically, the SD Economist will contribute to Component A (A.1.2.3; A.2.2.2; A.3.1.2; and A.3.2.2), Component B (B.1.2.2; B.3.1.2), and Component C (C.1.2.1; C.2.2.3).

Translation Expenses: Translation costs are estimated at USD25,000 per annum. The main Project components where the translation services will be allocated across all the outputs are the Components A, B and C (UNDP related outputs).

UN Organizations (FAO, ILO) staff and consultants will support the delivery of specific outputs within the Components C and D of the Project as follows:

FAO:

- Operations officer 1 (40% of time) will oversee the management of the project budget and processes, revisions, updating data/documentation in the field programme management information system (FPMIS);
- Operations officer 2 (30% of time) will provide supports in the preparation of and be responsible for the monitoring of the Letters of Agreement (LoA) and ensure the timely preparation and submission of project progress and terminal report updating the data/documentation in the FPMIS;
- Operations officer 3 (30% of time) will undertake procurements as per the work plan and procurement plan, to ensure timely delivery of the goods and services;
- Technical support services will be provided by the FAO senior management (Representative and Assistance Representative) to the project implementation;

ILO:

- Project coordinator (NOB, 100%) will oversee the overall management of the Component 4, ensuring the delivery of planned results, coordination, monitoring and reporting;
- Project assistant (GS5, 100%) will undertake administrative and finance support to the implementation of the Component 4;
- Operational costs include the project office running costs, including maintenance, ICT support, and stationary costs;
- Monitoring travel costs include in-country field trip costs;

The ILO will ensure the avoidance of duplications between this TA and the Trade for Decent Work project (DG TRADE GSP+).

3.2. FINANCIAL MANAGEMENT

Within the existing framework of various actors and wide range and functions of the stakeholders (ministries, the Parliament, CSOs), the Project will utilize the Direct Implementation Modality (DIM) which will provide greater flexibility in working with various actors. DIM modality will allow addressing possible challenges in handling sensitive nature of some outputs (e.g. working both with the Executive and Legislative branches on aspects for the latter to perform oversight functions of the former). This modality will also provide more flexibility to work with various line ministries, aimags and CSOs.

The Project design linking results-based budgeting with employment policies, pilots and labour regulations through coherent Theory of Change provides an overall cost effectiveness and efficiency. Partnership with FAO and ILO is one of the key leverages for cost effective delivery of the Theory of Change, drawing on their know-how and lessons learned from previous and existing initiatives. By tapping into latest initiatives, such as the Budgeting for SDGs, SDG performance audit, and UNDP knowledge exchange platforms, the Project will significantly reduce time and use of resources on identification of the optimal interventions mix for the Project. At the project management level, cost efficiency will be achieved via the following modalities:

- Adherence to UNDP Programme and Operations Policies and Procedures (POPP) and regular review of activities through UNDP Country Office governance mechanisms.
- Applying online tools and digital technologies in all aspects of the project management, including communications, knowledge sharing, monitoring data collection, and reporting.
- Mobilizing in-kind support from business associations, local governments, employers and other partners in delivering particular activities
- Strategically using international experts for capacity building of national experts
- Joint operation with EU during project evaluation. UNDP will provide inputs to EU Evaluation Plan.

3.3. IMPLEMENTATION PERIOD, INCEPTION PHASE AND GEOGRAPHICAL SCOPE

The implementation period will be 42 months as specified in the Special Conditions

During the first six months UNDP and partners will combine the activities of the inception phase with actual delivery of the Project outputs. Such a combined approach is feasible given the existing capacities and ongoing activities of UNDP and other UN partner agencies in the field implementing various reforms and supporting activities in Mongolia. At the same time, the length of the inception phase is rationalised by the political cycle and the general elections held in June 2020— hence the actual endorsement of the Project work plans by the national counterparts is most effective after the elections. UNDP and partner agencies will incorporate responses to the Covid-19 restrictions and the global economic downturn for the first six months, extending to whole of year 1. In view of the evolving situation, this will be carried forward during the subsequent years as needed. There is in-built flexibility in the design and phasing of activities, both, in the inception phase, and for the full duration of the project.

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As part of the inception phase activities, the Team will update baseline assessments and will follow-up with detailed consultations with relevant stakeholders. The Team will closely coordinate the activities with EU Delegation in updating the annual workplans, including the inception report towards the end of the initial six-month period.

At the same time, the Team will start implementation of selected activities and delivery of the outputs in parallel to the Inception Phase. Given the political cycle and recent 2020 parliament elections, the Project will focus on systems changes on activities that are relatively neutral to the outcomes of the political cycle. During the first year the Project will be implementing the following activities and delivering outputs. A more comprehensive logframe is presented in Section 6.

Inception Phase Activities	Months					
	1	2	3	4	5	6
Coordination and Management						
Establishment of the PIU						
Finalization of the recruitment of technical experts						
Establishment of the Project Board and Management Structures						
Initial Coordination Meetings with partners and stakeholders						
Development of Annual Workplans						
Development of draft workplans by UNDP, FAO, ILO						
Development of the Project Monitoring and Reporting Plan						
Development of the Project Communication Plan						
Inceptions Phase Finalization						
Finalization of baseline assessments and monitoring framework approval						
Consultative workshop on baseline assessments and draft workplans						
Project Board Meeting for Annual Workplan Adoption						

3.4. MONITORING AND EVALUATION PLAN

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans. The staff costs of monitoring activities are already embedded in the relevant budget, so no additional costs are envisaged in this table.

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Quarterly, or in the frequency required for each indicator.	Slower than expected progress will be addressed by project management.	UNDP, ILO, FAO,
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP's Social and Environmental Standards. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk. HACT micro-assessments and spot-checks as per the UNDG guidance (where applicable).	Quarterly (risk monitoring) Audit HACT assurance (as per UNDG guidance)	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	UNDP, ILO, FAO,
Learn	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.	UNDP, FAO
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed and used to inform decisions to improve project performance.	UNDP

Review and Make Course Corrections	Internal review of data and evidence from all monitoring actions to inform decision making.	At least annually	Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections.	UNDP, ILO, FAO,
Project Report	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)		UNDP, ILO, FAO,
Project Review (Project Board)	The project's governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Annually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	UNDP, ILO, FAO,

Throughout all stages of the project, progress being made towards achieving the specific indicators of the EU Direct Budget Support will also be monitored, in sync with the relevant components of the TA project. This includes i) reflecting the DBS indicators in relevant data collection, baseline studies, and target setting; ii) incorporating an analysis on the linkage of the TA to DBS objectives in project reports; iii) inclusion of the DBS relevant questions and indicators in the design of impact studies, and iv) communicating the results data to the project Board. Such review process intends to maximize the contribution of the TA project towards meeting the DBS variable tranche indicators. Where necessary, monitoring may engage independent international experts.

Brief monthly updates will be produced as a tool for both communications and monitoring of project activities. Semi-annual Project Board meetings can be held, where necessary, and interim semi-annual briefings/updates will be produced.

Evaluation Plan

The Project will provide inputs to the Results-Oriented Monitoring (Evaluation) process to be conducted by the Delegation of the European Union to Mongolia. As per the request of the EU Evaluation Team, UNDP Project PIU will coordinate with the participating UN agencies for their respective inputs for project evaluation and thereafter supply relevant information as per the following criteria:

- **Relevance:** on the TA interventions as per the country needs and priorities (e.g., SDV-2030, Mongolia's Voluntary National Review 2019), as well as those of EU and UNDP, and the participating UN agencies (e.g. CPD).
- **Efficiency:** efficiency of the TA output costs per resources spent.
- **Effectiveness:** the extent to which the TA objectives are achieved.
- **Sustainability:** how sustainable are the results.

The Project PIU will closely cooperate with the EU Evaluation Team and provide all the necessary information for the evaluation purposes and incorporate the recommendations into the follow-up work planning of the Project interventions. UNDP will provide support and inputs to the evaluation as part of the PIU activities, including designated monitoring and reporting activities.

All monitoring and evaluations will be carried out in line with article 10 of the General Conditions.

SECTION 4. ASSUMPTIONS, RISKS AND RISK MANAGEMENT

4.1. RISKS AND MITIGATION MEASURES

Risk	Risk Level	Mitigation Measures
Significant changes in leadership and amongst the direct counterparts in partner ministries after the 2020 general elections.	High	To mitigate this risk the Project will initiate specific capacity development activities, including training and methodology manuals for newly elected MPs.
External economic shocks that will lower the fiscal stability and reduce the level of participation of the Ministry of Finance in the proposed systemic reforms. A global economic downturn combined with restrictions on movement of people and disruption of international value chains is already underway in early 2020, from Covid-19 pandemic which could persist during the project period.	Medium to high	The TA component is supported by a significant Budget Support by the EU. The BS official transfers to the budget system (as a revenue) will support the Ministry of Finance during the reduced fiscal space periods and so the Project will keep close coordination with the EU BS team in consultations with the MOF. The Covid-19 is being firmly managed by the GoM. There are negligible health implications due to very few cases in Mongolia (41 cases as of May 7th, all successfully quarantined, with no outbreak outside the containment area). Its economic implications, including fiscal and job-market effects, are being monitored closely. Since the Covid-19 shock occurred at the threshold of the project's inception, it will be possible to tailor and sequence activities appropriately. There is full flexibility to do so within the theory of change and the structure of Outcomes and Outputs.
Limited access to data, research and surveying in the targeted areas	High	The Project has taken into consideration this risk and allocated resources for primary data collection for research components.
Low capacity of research institutions to conduct PFM/expenditure analysis	Medium to High	Mongolian research institutions have limited experience in engaging with the government agencies on budget formulation and monitoring. However, UNDP has significant experience in such activities so UNDP Mongolia will have a direct access to the regional knowledge and practices as part of the UNDP Bangkok Regional Hub.
Slow progress in reforms and delivery of outputs due to capacity issues within the government	Low to Medium	The Project allocates significant resources for capacity development activities, so this risk mitigation will be ensured by active formal training sessions, peer learning and on-the-job training activities, as well as study tours to countries most relevant to the Mongolian challenges.
Late start of the Project that can cause delays in delivery of outputs	Low to Medium	The later than planned actual kick-off of the Project due to elections will contain little risks in relation to engagement with counterparts. UNDP Country Office existing staff will support the project preparation activities even before the official launch, hence quick deployment of resources is still possible in the case of later than planned launch of the Project.
The Project has planned piloting of employment support platforms in aimags. There is a risk that the planned financial resources for piloting may not suffice to carry out full-scale piloting and achieve results in the Project's timeframe.	Low	The Project will carry put piloting of employment support platforms using the existing Mongolia-based experience of FAO, and other partners. Hence the costing assumptions are based on realistic estimates. The TA Project is supporting the 43 million EUR Budget Support and contains a component to improve budget decision-making, so there will be opportunity to support additional budget response by the government to rolling-out the pilots on employment support.

SECTION 5. COMMUNICATION AND VISIBILITY

The Project will implement the Communications and Visibility Plan to raise awareness of the activities of the project and the European Union's vital support of the programme in improving

employment in Mongolia. The communications plan will help share key evidence and experiences gathered, informing interested parties, people of Mongolia, and the EU citizenry of the European Union's positive contribution to the project. In particular, the communications and visibility actions will focus on outputs and the impact of Project actions. Details of the Plan are provided in Annex VI.

The project office will hire a Communications Officer on a full-time basis: \$90,255 (4 years). Dedicated communications budgets are included under Components A, B, C, totaling \$60,000 (Annex III). In addition, visibility actions are embedded in project activities, including workshops, trainings, study visits, report launches, consultation meetings and online platforms.



SECTION 6. LOGICAL FRAMEWORK

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
A.1. RESULTS-INFORMED STRATEGIC BUDGETING (MTEF)								
Output A.1.1. Reforms Plan to upgrade the MTEF	A.1.1.1. MTEF and RBB Reforms Roadmap and Annual Workplan developed	MOF	No Reforms Plan on MTEF and RBB (2019)	1	n/a	n/a	n/a	MOF agreed RBB Reforms Plan in the context of Budgeting for SDGs.
	A.1.1.2. Annual review of the workplan progress	Project Monitoring	n/a	n/a	1	1	1	Project M&E
Output A.1.2. Results-based MTEF process established	A.1.2.1. Templates and procedures developed and adopted by MOF to host results- based negotiations	MOF	Templates for marginal budgeting exist for pilot (2019)	1	n/a	n/a	n/a	Review of Budget Instructions
	A.1.2.4. Results-based MTEF and budget proposals developed by selected ministries	Line Ministries	1 pilot ministry (MOET, 2019)	1	At least 2	At least 4	At least 4	review of MTEF submissions
	A.1.2.5. Results-based MTEF negotiations on selected sector/s	MOF	1 pilot ministry, (MOET, 2019)	1	2	4	4	UNDP Project collecting MOF and Line ministries reflection on negotiations
A.2. RESULTS-INFORMED BUDGET PRESENTATION								
A.2.1. Budget programmes aligned with policies and results	A.2.1.1. Mapping of policies vs. budget programme structure (redesign of national programmes to host structured information applicable in RBB context)	MLSP, MOFALI	n/a	2 sectors' programmes reviewed (employment and labour)	2 sectors (structure of programmes for labour and employment sectors redesigned for RBB purposes).	4 sectors	4 sectors	Review of programmes structures
	A.2.1.2. budget classification on programmes reviewed for SDG alignment	MOF	n/a	0 (recommendatio ns developed)	2 sectors	4 sectors	4 sectors	Review of budget classification on programmes
	A.2.1.3. SDG targets integrated into the national Budget Annex 1	Budget Annex 1	drafts for environment and health sectors (2019)	2 sectors	4 sectors	4 sectors	2 sectors	Review of the Budget Annex 1
A.2.2. Expenditure Performance	A.2.2.1. Performance reporting templates and formats developed	MOF	No performance reporting in	Recommendatio n, new templates and procedures adopted	n/a	n/a	n/a	Project M&E

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	TARGETS				DATA COLLECTION METHODS & RISKS	
				Value (year)	Year 1	Year 2	Year 3		Year 4
Monitoring and Reporting			budget system						
	A.2.2.2. Results-informed budget reports	Line ministries, MOF	n/a	0		2 Budget performance reports (labour and employment sectors)	4 Budget performance reports	4 Budget performance reports	UNDP project reviews performance reports
A.2.3. Citizen's SDG Budget	A.2.3.1. Integration of policy priorities and results in the Citizen's Budget	MOF	Citizen Budget does not have sector targets (2018)	2 drafts prepared		2 sector information integrated	All SDG priority sectors information integrated	All SDG priority sectors information integrated	Citizen's budget
A.3. EVIDENCE-BASED BUDGET FORMULATION									
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	MLSP, MOFALI	n/a	1		1	1	1	Project M&E
	A.3.1.2. PEIR development for evidence-based budget formulation	MLSP, MOFALI	n/a	1 PEIR on Employment sector completed		1 PEIR on SDG priority sector	1 PEIR on SDG priority sector	1 PEIR on SDG priority sector	Project M&E
A.3.2. Improved prioritization of sectors programmes	A.3.2.1. Recommendations on cross-sector and intra-sector prioritization improvement based on SDG targets and bridging with GGSED and MTEF processes	NDA, MOF	n/a	1		n/a	n/a	n/a	Project M&E
	A.3.2.2. On-the-job support in priority setting and bridging with MTEF and GGSED	MTEF process	Pilot process for MOET (2019)	1 sector supported		1 sector supported	1 sector supported	1 sector supported	Project M&E
	A.3.2.3. Improved project evaluation and selection methodology linked with PFM Strategy	MOF	n/a	Draft methodology		Methodology piloted for employment sector projects	Methodology applied for SDG priority sectors	Methodology applied for SDG priority sectors	
A.3.3. Improved costing of policies	A.3.2.1. Review of national programmes' costing	MLSP, MOFALI	3 healthcare programmes costing exercise completed by ADB (2019)	Costing of one national programme on SDG targets completed		Costing of all labour and employment programmes completed	Costing of national programmes in at least four sectors completed	Costing for SDG priority sectors' national programmes completed	MLSP, MOFALI showcase improved costing by SDGs
A.4. ENHANCED CAPACITY OF MOF AND LINE MINISTRIES IN RBB AND BUDGETING FOR SDGs									

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
A.4.1. Strategic Advisory Services	A.4.1.1. Strategic Advisory Board Meetings and Recommendations	SAB meeting notes	n/a	Strategic recommendations and Reforms Plan developed	1 SAB meeting	1 SAB meeting	1 SAB meeting	Project M&E
A.4.2. Regional Peer Learning and Study Tours	A.4.2.1. Capacity building and knowledge exchange on MTEF practices	MOF	n/a	1 study tour	1 study tour	1 study tour	0	Project M&E
A.4.3. Training On-the-job Capacity Building	A.4.2.2. Peer review and knowledge exchange events	MOF, line ministries	n/a	1 peer review and knowledge exchange event	1 peer review and knowledge exchange event	1 peer review and knowledge exchange event	1 peer review and knowledge exchange event	Project M&E
	A.4.3.1. Training on MTEF and RBB for MOF and line ministries	MOF, line ministries	n/a	4	4	4	4	Project M&E
	A.4.3.2. On-the-job capacity building by resident PFM advisor	MOF, line ministries	n/a	4	4	4	4	Project M&E
B.1. ENHANCED PARLIAMENTARY ROLE IN BUDGET OVERSIGHT	A.4.3.3. On-demand capacity building for RBB Budgeting	MOF, line ministries	n/a	on-demand support	on-demand support	on-demand support	on-demand support	Project M&E
B.1.1. Policy analysis and oversight	B.1.1.1. Policy implementation analysis	SCSPECS, BSC	n/a	1 sector policy analysis (empl.t)	2 sector policy analyses	4 sector policy analyses	4 sector policy analyses	Parliament committees review
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	BSC, SCSPECS, FSC, GOM, MOF	n/a	1 consultative meeting	n/a	n/a	n/a	Meeting notes
B.1.3. Parliament oversight on effective Policy-Budget linking	B.1.2.2. Evaluation of the cost effectiveness of the spending (Annex 2 of the national annual budget)	SBSC, BAU	n/a	1 project review	1 project review	1 project review	1 project review	SBSC, BAU meeting and review
	B.1.2.3. Sector and programme expenditure reviews by committees	SCSPECS, BSC	n/a	1 expenditure review	2 expenditure reviews	2 expenditure reviews	2 expenditure reviews	Expenditure reviews
	B.1.2.4. Budget Hearings on Expenditure Effectiveness	BSC, SCSPECS	n/a	1 policy area (employment)	2 policy areas	4 policy areas	4+ policy areas	Meeting notes from budget hearings
B.1.3. Parliament oversight on effective Policy-Budget linking	B.1.2.5. Regular briefs/notes to MPs on findings of expenditure trend analyses	SCSPECS, BSC	n/a	1 sector expenditure trend analysis (empl.t)	1 sector expenditure trend analysis	1 sector expenditure trend analysis	1 sector expenditure trend analysis	Expenditure trend analysis
	B.1.3.1. Study on ensuring the coherence of the medium-term budget planning with long-term	SBSC	n/a	0	1	1	1	Review of the study

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
B.1.4. Enhanced capacity of the Parliament in budget oversight	development program documents approved by the Parliament and GoM							
	B.1.3.2. Manual on Ensuring the coherence of the medium-term budget planning with long-term development program documents approved by the Parliament and the GoM	SBSC	n/a	0	1 manual	0	0	Manual developed
	B.1.3.3. Review of budget execution variance using financial and programme performance information	SBSC, BAU	n/a	0	1 report of budget execution using RBB (employment sector)	2 reports on budget execution using RBB	at least 4 reports on budget execution using RBB	
	B.1.4.1. Handbook on annual budget proposal review (methodological guidance for newly elected parliamentarians)	SBSC, BAU	n/a	Handbook published and workshop delivered for newly elected MPs	n/a	n/a	n/a	Review of the handbook
	B.1.4.2. Peer exchange on improving budget control and increasing expenditure effectiveness	BAU, FSC, SBSC, SCSPECS	n/a	1 study tour	1 study tour	1 study tour	0	Project M&E
B.2. INCREASED ROLE OF CSOS IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS	B.1.4.3. Training on policy oversight function by the parliament linked with RBB	SCSPECS, BSC	n/a	1 training session	0	0	0	Project M&E
	B.1.4.4. Capacity building on providing quality analysis and information to MPs	BAU, SBSC	n/a	n/a	1 training	on-the-job support	on-the-job support	Project M&E
	B.1.4.5. On-demand capacity building for Parliamentary Budget Oversight	TBD	n/a	n/a	n/a	n/a	n/a	Project M&E
	B.2.1.1. Collaborative research on policy effectiveness	CSO	n/a	1 policy paper and 1 policy brief (employment)	1 policy paper and 1 policy brief	1 policy paper and 1 policy brief	1 policy paper and 1 policy brief	Policy paper review
	B.2.1.2. Policy advice development and communication to relevant line ministry and/or Parliament committee							
B.2.2. Budget Monitoring by CSOs	B.2.2.1. Approach Paper on MOF-CSO collaboration	MOF	n/a	1 Approach Paper	0	0	0	Review of the Approach Paper

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
B.2.3. Capacity building for CSOs and media on budget monitoring and oversight functions	B.2.2.2. Regular monitoring of budget implementation using RBB principles	CSO	n/a	0	1 Budget monitoring report (employment)	1 Budget monitoring report	1 Budget monitoring report	Review of the monitoring report
	B.2.2.3. Communication and public outreach on budget monitoring findings using RBB principles	CSO	n/a	0	1 communication activity	1 communication activity	1 communication activity	Review of the communication/outreach effectiveness
	B.2.4.1. Training for CSOs on RBB, budget analytical toolkit, bridging research with policies and budgets, etc	CSO	n/a	training module for CSOs developed and delivered	1 training	1 training	1 training	Project M&E
	B.2.4.2. Trainings and workshops for Parliament journalists on media monitoring and coverage for budget process, RBB and Budgeting for SDGs	Parliament	n/a	0	1 training	0	0	Project M&E
B.3. STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT	B.2.4.3. Training of media and som officials on RBB, budget communication skills and promotion of labour rights	Aimag/sou m authorities	n/a	0	training journalists and officials from 10 soums	training journalists and officials from 10 soums	training journalists and officials from 10 soums	Project M&E
	B.2.4.4. On-demand capacity building for Budget Oversight by CSOs	CSO	n/a	n/a	n/a	n/a	n/a	Project M&E
	B.3.1.1. On-the-job support in mapping/bridging programme-based planning vs. line-item budget execution data for effective performance audit	NAO	n/a	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	Project M&E
	B.3.1.2. Review of SDG-priority related sections of the NAO annual report within the SDV-2030 context	NAO	n/a	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	SDG priority sectors budget data are bridged	Project M&E
B.3.2. Civil Hall (Social) Audit	B.3.3.1. RBB based presentation of budget and audit reports	NAO, BSC, SBSC, CSOs	n/a	Civil Hall (Social) Audit on employment sector	Civil Hall (Social) Audit on 2 sectors	Civil Hall (Social) Audit on 4 sectors	Civil Hall (Social) Audit on 4+ sectors	UNDP Project monitoring on Social Audit events
	B.3.3.2. Verification of the findings from benefits perspective (e.g. via PETS or other budget monitoring tools)	CSOs						

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
B.3.3. Capacity Building on Performance Audit	B.3.3.3. Dissemination of the findings to citizens (e.g. via designated web platforms linked with NAO)	NAO, BSC, SBSC, CSOs						
	B.3.3.4. Support NAO on organizing Civil Hall or Citizen's (Social) Audit on SDG priority budget programmes	NAO						
	B.3.4.1. Study Tour on Performance Audit	NAO, BSC	n/a	0	1 study tour	0	0	Project M&E
	B.3.4.2. Training on development programme audits	SBSC	n/a	0	1 training	0	0	Project M&E
C.1. NATIONAL PROGRAMMES ON EMPLOYMENT PROMOTION STRENGTHENED AND MADE MORE COHERENT: Implementation of measures for employment promotion strengthened through addressing bottlenecks, and coherence reflected in existing national programmes in delivering public services for employment.	B.3.4.3. On-demand capacity building for Performance Audit	NAO	n/a	n/a	n/a	n/a	n/a	Project M&E
	C.1.1. Existing national programmes mapped and bottlenecks identified (including gaps, duplications and contradictions)	MLSP and NDA Project M&E	No assessment on the new National Plan, not integrated other employment-supporting national initiatives	1 [study report]	n/a	n/a	n/a	MLSP and NDA Annual Reports Project M&E reports
	C.1.1.2 National programmes aligned with local economic diversification and domestic opportunities	MLSP and NDA	Lack of a results-orientation in most employment-supporting programmes	1 [report proposing alignment areas with local economy and labour market; inclusion]	n/a	n/a	n/a	MLSP and NDA Annual Reports Project M&E reports
	C.1.1.3 Dissemination and consensus building	MLSP NDA Stakeholders	n/a	1 workshop	n/a	n/a	n/a	The workshop report
	C.1.1.4 National programmes revision and update	MLSP and NDA Annual reports	n/a	1 revision / update	n/a	n/a	n/a	MLSP and NDA Annual Reports Project M&E reports

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
C.1.2 Support services for coherent program implementation designed as per labour markets and local economic policies, as well as prevailing economic conditions, covering financial and non-financial support	C.1.2.1 Identification of sectors/projects for wage and self-employment	NSO MLSP MOFALI	Value (year) Not available	1 [Study]	1 project implementation plan	4 employment rich projects	4 reviews	Baseline survey reports Project M&E reports NSO data
	C.1.2.2 Identification of financial and non-financial support services	NSO MLSP MOFALI	Assessment of type of support services needed is lacking.	1 [Study]	n/a	n/a	n/a	Baseline survey reports Project M&E reports NSO data
	C.1.2.3 Linkage of advisory support services with local cooperatives, partnerships, and businesses with markets	MLSP MOFALI Industry Employer and business association	Advisory support services are lacking	n/a	1 [linkage service provided]	1	1	Project M&E reports Annual reports of MLSP, MOFALI Reports by the industry Reports by employers and business association
C.1.3 Support services incorporated in the national programs and reflected in the Ministry budget (ensuring responsibility and resources for sustainability)	C.1.3.1 Review/update of organizational management and coordination support services	MLSP, MOF NDA	- Industrial database not up-to-date - 0 meetings of the National Council	- 1 update with provision for maintenance - 1 meeting of the National Council ¹²	-1 update and maintenance 1 meeting of the National Council	-1 update and maintenance -1 meeting of the National Council	Scaling up under regular budget	MLSP, MOF, and NDA annual reports Project M&E reports
	C.1.3.2 Reflection of the support services in the national programs and budgets of MLSP, MOFALI, and agencies.	MLSP, MOF NDA	Support services not reflected in the line ministries regular budget	n/a	n/a	n/a	1 [Incorporation in budget]	MLSP, MOF and NDA annual reports Project M&E reports
C2. ECOSYSTEM FOR INNOVATION, START-UPS, TECHNOLOGY, BUSINESS INCUBATION AND ENTERPRISING REINFORCED Coherence and capacity streamlined and strengthened across existing and new forward-looking initiatives, institutions and centres, with a focus on youth, disadvantaged people, and areas.								
C.2.1. A common platform for innovative and start-up initiatives, including for crisis responses, designed and established for	C.2.1.1 Designing and implementation of a common platform	MLSP	No common platform exists.	1 [platform designed]	1 [platform operationalized, reviewed, updated]	1 [updated and implemented]	1 [implemented]	Project M&E reports MLSP Annual reports
	C.2.1.2 Needs assessment and if justified a feasibility study	MLSP	No institution exists for technology-transfer,	1 [study]: Needs assessment and feasibility study	n/a	n/a	n/a	Project M&E reports MLSP Annual reports

¹² C.1.3 will support maintaining and updating an industrial database as well as the meeting of the National Council on reducing poverty and unemployment supported

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
customized support and knowledge exchange, (on-line and off-line).			Value (year) start-up business support	with the budget estimates				
	C.2.1.3 A Designing and developing the centre	MLSP	No institution exists for technology-transfer and start-up business support.	n/a	1 [Feasibility study discussed and centre designed under the project (to be developed under regular budget)]	1 [Establishment and operation of the center supported under regular budget]	1 [Regular operation of the center supported under regular budget]	Project M&E reports MLSP Annual reports
	C.2.2. Mapping and integrated assessment carried out of donor/ partners supported initiatives towards employability, including bridging periods of temporary job-market disruptions (mainly or significantly), to strengthen the forward-looking ecosystem for employability	Donor institutions	n/a	1 [mapping and integrated assessment document]	1 update	1 update	1 update	Project M&E reports Annual reports by donor institutions
C.2.3. Start-up businesses supported with a particular focus on youth, remotely located job seekers and persons with disabilities	C.2.2.1. Mapping of the integrated assessment	Donor institutions	n/a	n/a	1 donor-GoM stakeholders consultative meeting	1 donor-GoM stakeholders consultative meetings		Project M&E reports Annual reports by donor institutions
	C.2.2.2 Mutual support platform established between government and donors /partners	Donor institutions	n/a		1 donor-GoM stakeholders consultative meeting			Project M&E reports Annual reports by donor institutions
	C.2.2.3 Inclusion in employability strengthened	Donor institutions Project M&E	n/a	-Assess inclusion [whether at least 70% youth, remotely located job seekers, and persons with disabilities participate]	-Assess inclusion [whether at least 70% youth, remotely located job seekers, and persons with disabilities participate; M-F break-up]	-Assess inclusion [whether at least 70% youth, remotely located job seekers, and persons with disabilities participate; M-F break-up]	-Assess inclusion [whether at least 70% youth, remotely located job seekers, and persons with disabilities participate; M-F break-up]	Project M&E reports Annual reports by donor institutions
	C.2.3.1 A Identification of a spectrum of innovative/ start-up business ideas	Employers / Industry Associations	n/a	n/a	-At least 10 business ideas developed. -At least 4 start-up businesses supported	4 reviews	4 reviews	Baseline survey Impact assessment Employers / Industry Associations reports
	C.2.3.2 Assessment and update of mutual support platform	Employers / Industry Associations	n/a	n/a	-20 new wage/self-employment opportunities -At least 75 % of youth & persons with disabilities, with gender ratio 45: 55 (either way – M/F or F/M)	n/a	n/a	Baseline survey Impact assessment Employers / Industry Associations reports

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
C.3. CAPACITY AND SKILLS FOR WAGE AND SELF-EMPLOYMENT BOOSTED								
An improved and forward-looking national system for skills and employability, responsive to skills in demand in the labour market, instituted within a framework of cooperation with employers, employees, and job seekers, for wage and self-employment, covering career guidance and capacity development, including attitudinal suitability, counselling, soft skills, TVET, information services, and social responsibility.								
C.3.1. Capacity Development services institutionalised for facilitators in Design Thinking and Behavioural Insights and Education institutes in Enterprise Education Pedagogy	C.3.1.1 Capacity needs assessment implemented	MLSP MECSS TVET schools	n/a	1 capacity needs assessment	n/a	n/a	n/a	Baseline survey Impact assessment report MLSP and MOES Annual reports
	C.3.1.2 Designing, pilot testing and revision of counselling services	MLSP MOES TVET schools	n/a	1 design document	Pilot in 10 TVET schools ¹³ and revised	Approval	n/a	Baseline survey Impact assessment report MLSP, MOES Annual reports
	C.3.1.3 Training modules on enterprising skills, soft skills and technology	MLSP MOES TVET schools	n/a	2 training modules	Pilot in 10 TVET schools	Revision	Approval	Baseline survey assessment report MLSP, MOES Annual reports
	C.3.1.4 Pilot of all specialized and skills test modules	MLSP MOES TVET schools	n/a	10 TVET schools piloted	Pilot and revision in 10 TVET schools	Pilot and revision in 10 TVET schools	Revision/ updating	Baseline survey Impact assessment report MLSP, MOES Annual reports
	C.3.1.5. Enterprise education training modules for future job seekers	MLSP MOES TVET schools Pilot secondary schools	n/a	n/a	Pilot in: - 10 TVET schools - 1 secondary school, UB -1 secondary school, rural	-1 Workshop [for consensus on next steps actions under regular budget]	-1 Scaling up under regular budget supported	Baseline survey Impact assessment report MLSP and MOES Annual reports
	C.3.1.6 All relevant training services scaled-up	MLSP MOES TVET schools	n/a	n/a	n/a	At least 40% TVET schools	Post evaluation	Baseline survey Impact assessment report MLSP, MOES Annual reports
	C.3.1.7 Skills training, and counselling established	MLSP MOES TVET schools Pilot secondary schools	n/a	-3 training modules certified	-Training established	-Training established	-Training scaled up under regular budget	Baseline survey Impact assessment report MLSP and MOES Annual reports

¹³ There are 83 TVET schools, out of which 10 will be involved in piloting. Selection will be done in consultation with MLSP

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
C.3.2. Distance/on-line platforms expanded for career advisory master trainings and capacity increased to deliver employment services remotely for strengthened inclusion	C.3.2.1 Identification of disadvantaged groups	MLSP MOES	n/a	1 [Study]	Update of supplementary modules	Update of supplementary modules	Update of supplementary modules	Baseline survey MLSP and MOES Annual reports, Project M&E reports Impact assessment report.
	C.3.2.2 Development of on-line distance learning modules	MLSP MOES	n/a	1 [Set of modules]	1	n/a	n/a	MLSP and MOES Annual Reports, Project M&E reports
	C.3.2.3 Piloted and revised	MLSP MOES	n/a	n/a	-150 persons covered - At least 75% youth and persons with disabilities reached, with gender ratio 45:55 (either way – M/F or F/M)	-150 persons covered - At least 75% youth and persons with disabilities reached, with gender ratio 45:55 (either way – M/F or F/M)	Revision	MLSP and MOES Annual Reports Project M&E reports
	C.3.2.4 Wider access for job seekers and employers opened up	MLSP MOES	n/a	n/a	Wider access enabled -Numbers monitored	Wider access enabled [10% Increase over previous year]	Wider access enabled [20% Increase over previous year]	Annual users statistics Project M&E reports
C.3.3 Regular platform established for implementation of employer-oriented measures and employer-employee interactions	C.3.2.5 On-going feedback and update	MLSP MOES Employers and business association	n/a	n/a	On-going feedback and updates	On-going feedback and updates	On-going feedback and update	MLSP and MOES Annual Reports Project M&E reports Reports by employers and business association
	C.3.2.6 Mainstream under regular budget	MLSP MOES	n/a	n/a	n/a	n/a	Mainstreamed under regular budget	
	C.3.3.1 A regular platform for employer-oriented measures and employee-employer interactions operationalized	MLSP MOFALI Employer and business association	No regular platform exists	1 meeting	1 meeting	1 meeting	A regular platform interactions operationalized.	Baseline survey Project M&E reports Reports by the employers association Impact assessment report
	C3.3.2 Exchange experience, new ideas, techniques, technologies for employer and employees		n/a	1 technology fair	1 job fair 1 SDG recognition event	1 job fair	1 job fair	

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
C.4 PILOTS WITH SCOPE FOR SCALING UP, UNDERTAKEN FOR BUILDING EVIDENCE, ESTABLISHING LESSONS, AND POLICY DEVELOPMENT <i>Enhanced decent employment and income opportunities for Mongolian youth and other disadvantaged groups through enabling entrepreneurship and sustainable investments in rural / agri systems with employment potential.</i>	C.3.3.3 Designing and organizing job relevant trainings		n/a	1	50 seasonal employees trained At least 75% youth, persons with disabilities out of which 60 % Female	40 permanent employees trained At least 75% youth, persons with disabilities out of which 60 % Female	Review meeting	Baseline survey Project M&E reports Reports by the employers association Impact assessment report Training report
	C.4.1.1 Number of successful PPPs (increased number of end customers)	NSO	0	2 PPPs	2 PPPs piloted	2 improved products	25% increase of end customers of selected PPPs Approx. 500 decent jobs created, 70% youth	Employment survey NSO
	C.4.1.2 Designing skill needs and training	Universities, TVETs support	n/a	Needs assessment Training modules developed; pilot testing of new modules training for 40	Training 50 Required technologies transferred	Training for 50 - production quality and quantity improved	150 youth trained 60% Female	Baseline survey and impact assessment report Training reports
	C.4.1.3 Promotion of network platform	Business associations, MOFALI, MLSP	n/a	Platform established	4 meetings	4 meetings	4 meetings	MLSP, MOFALI Annual Reports Reports by business associations
	C.4.1.4 Support to selected agriculture value chains	Technology professionals	n/a	Needs assessment	Required technology transfer	Production quality and quantity improved	Production quality and quantity improved	Project M&E reports
	C.4.1.5 Scaled up under regular budget	MOFALI	n/a	n/a	n/a	n/a	Scaled up under regular budget	MOFALI Annual Reports

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	TARGETS				BASELIN E Value (year)	DATA COLLECTION METHODS & RISKS
			Year 1	Year 2	Year 3	Year 4		
C.4.2 Organizational and technical innovations promoted to support Mongolian agribusiness enterprises move up the agri value chains [FAO]	C.4.2.1 Identification, nurture and commercialization of least 2 new agri-based products	MOFALI Industry Employer and business association	at least 2 new agri-based products identified	Organizational model	at least 2 new products developed	at least 2 new products commercialized	Monitoring reports MOFALI Annual Reports	
	C.4.2.2 Scaled up under ministry regular budget	business association	n/a	At least 1 product included in MOFALI work plan	At least 1 product included in MOFALI work plan	n/a	Monitoring reports MOFALI Annual Reports	
C.4.3 Building of competitive national Mongolian food brands supported in national and international markets meeting national and international quality/safety standards	C.4.3.1 Potential products identified	MOFALI Industry Employer and business association	2 market feasibility studies	2 new products	2 new products	Export of 2 products	Market study reports Monitoring reports MOFALI Annual Reports	
	C.4.3.2 Independent consumer market research					500 new jobs created		
	C.4.3.3 Business plans developed among 150 trained					youth [45:55 gender ratio]		
	C.4.3.4 Selected food brands piloted							
	C.4.3.5 Scaled up under regular ministry budget							
C.4.4 Agribusiness based youth employment policy and action plan for Mongolia developed challenges identified, and piloted [FAO]	C.4.4.1 Analytical review of 4.1-4.3	MLSP MOFALI Industry Employer and business associations	Employment policy/Gov't action plan includes aspect of youth employment in agriculture	Analytical review	1 workshop 3 provincial workshops	Draft on agribusiness based youth employment policy submitted to the Government	Revised employment policy document or Government Action Plan	
	C.4.4.2 National level workshop							
	C.4.4.3 High level workshop							
C.4.5 A model training hub for non-food sector (leather and fibre) production set-up and piloted	C.4.5.1 At least one pilot training with corresponding curriculum established with participation of Associations and industry (Location: Darkhan tbc)		Survey of industry training and skills needs and demand for HR development, entry level and continuing education; 60% women; 10% people with disabilities 90% from rural households	Design of a model training hub	Pilot of a model training hub	Scaling up support under regular budget	Baseline report Project M&E reports Impact assessment report Industry Association report.	
D.1. REGULATORY FRAMEWORK ALIGNED WITH INTERNATIONAL LABOUR STANDARDS								

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
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	Progress report	0 (2019)	1	1	1	1	Copies of the briefs will be included in the project report. For those of public nature, they will be posted at the project page. Should the labour law be adopted, the support required in this area may be more intense than what is foreseen.
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	Project report	0 (2019)	1	1	1	1	The government, workers or employers may be seeking advice separately for the same issues, as they may have different interests. Should the labour law be adopted, the support required may be more intense and the focus of this output will be on elaborating practical steps on certain new provisions.
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 convention translated into Mongolian reviewed and edited D.1.3.2. Number of recommendations by the sub-committee on Application of International Labour Standards	Project report Project report	0 (2019) 0 (2019)	1 1	1 1	1 1	1 1	MLSP and MOFA coordinate their effort in the translation, review and editing of ILO Conventions. The recommendations would be on draft laws and application of ILS, which may include development of tripartite guidelines or code of conduct of specific issues such as inclusive workplace and elimination of violence and harassment at work.
D.1.4 Law and practice research conducted to identify implementation gaps	D.1.4.1. Number of knowledge products on SDG trends and fundamental labour rights and labour law	Project page	0 (2019)			1 published report by the NHRM (2022)	2 published by the NSO on child labour and SDG trends (2023)	Published reports by NHRM and NSO (Assumption: the budget allocated to the ILO will




EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E Value (year)	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
and areas for alignment with ILS, in particular those concerning fundamental principles and rights at work, occupational safety and health, employment and labour inspection								cover the cost of technical assistance to NHRCM and NSO in its conduct of the research and preparation of the report. The cost of the research by NHRCM and NSO is from other funding sources.)
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	Project report	0 (2019)			1 by MONEF 1 by CMTU	1 by MONEF 1 by CMTU	MONEF and CMTU remain interested and committed to developing new services or improving new ones, and their services are responsive to the needs and interests of their constituents.
D.1.6 Professional groups and the Mongolia Decent Work for Youth Network (DWYN) 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	Project report	0 (2019)	1	1	1	1	The DWYN remains in operation throughout the project period. They continue to receive the support of various institutions of work in Mongolia.
D.2. COMPLIANCE BOOSTED THROUGH INCREASED CAPACITY OF LABOUR INSPECTION SYSTEM								
D.2.1 Support provided for the formulation of annual Strategic Compliance Plan (SCP)	D.2.1.1. Number of annual SCPs implemented	Project report		1	1	1	1	

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELIN E	TARGETS				DATA COLLECTION METHODS & RISKS
				Year 1	Year 2	Year 3	Year 4	
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)	Project report	0	1				
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)	Project report	0	1				Data collection shall be linked to DBS VT Indicator 1. Number of workplaces having their working conditions assessed by a public certified organisation
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			1	1		1	The officials of GASl and YES desks who have been trained remain in their job so that they could apply new skills and meaningfully participate in the assessment.



RESULTS MATRIX

EXPECTED OUTCOMES/ OUTPUTS	INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS (cumulative)				Relevant EU DBS criteria or indicator
				Y 1	Y 2	Y 3	Y 4	
A. BRIDGING POLICIES WITH BUDGETS								
1. Budget programmes aligned with policies and results	Number (and %) of ministries/sectors which developed results based MTEF and annual budget proposals with sectoral and SDG targets and negotiated with MOF (gender and LNOB dimension to be added starting from Y2)	National Budget Annex 1	drafts for env. and health sector (2019)	2 (13%)	4 (26%)	6 (40%)	8 (50%)	
	Number (and %) of sectors which submitted results-informed budget performance reports (including gender and LNOB dimension)	Line ministries MOF	n/a	0	2 (13%)	4 (26%)	6 (40%)	
B. BUDGET OVERSIGHT AND TRANSPARENCY								
2. Parliament oversight on RBB scrutiny and Policy-Budget linking	Number of Budget Hearings on RBB and expenditure effectiveness, based on budget proposals or sector/ programme expenditure reviews (by sector/ministry)	BSC SCSPEC S	n/a	1	2	4	4+	DBS IO 2.2. 2.2.1) Number of budget oversight reports 2.2.2) State of public awareness on policy process and budget oversight 2.2.3) Number of Policy Actions taken following reports findings 2.2.4) Number of joint activities with CSO on Social Audit 2.2.5) Number of hearings on use of public funds requested by Budget commission
	Number (and %) of sectors/ministries monitored by CSOs on their budget implementation, using RBB and LNOB principles, and communicated to public	CSOs	n/a	0	2 (13%)	4 (26%)	6 (40%)	
4. Performance Audit of SDG priority programmes	Number of performance audits of SDG priority sectors and programmes	NAO	n/a	0	1	2	3	
C. EMPLOYMENT PROMOTION: BOOSTING EMPLOYABILITY								
5. Employability improved, and inclusion strengthened	Change (%) in youth (aged 15-25) unemployment rate	NSO	20.4% (2018)	20.0%	19.6%	19.2%	18.4%	
	Change (%) in unemployment rate among people with disabilities	NSO	4.6% (2018)	4.1%	3.6%	3.1%	2.6%	

EXPECTED OUTCOMES/ OUTPUTS	INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS (cumulative)				Relevant EU DBS criteria or indicator
				Y 1	Y 2	Y 3	Y 4	
6. Ecosystem for innovation, start-ups, technology, business incubation, and enterprising reinforced	Number of small and medium enterprises (with more than 5 employees)	Annual report of SME fund	56,189 (2016)	57,239	58,289	59,339	60,389	DBS Policy impact indicator 5) Rate of unemployment according to the NEP DBS VT Indicator 3 Percentage of VET graduates that are employed or are in gainful self-employment, within a year of graduation
	% of TVET schools which piloted and introduced innovative training modules on enterprising skills, soft skills, and technology	MLSP MOES TVET schools	n/a	0	10%	30%	60%	DBS VT Indicator 4. Sector wide quality assessment of TVET trainees and institutions
	Increase (%) in average income of SME employees (small: with fewer than 50 employees; medium: with fewer than 100 employees) (disaggregated by gender)	NSO	Small (1-9 employees): 730,600₹; Small (10-49): 872,900₹; Medium (50-99): 977,200₹; (2019)	2%	5%	7%	10%	
7. Capacity and skills for wage and self-employment boosted	Percentage point change of personal income tax in the national tax revenue	NSO/MOF	9.48% (2019)	1%	2%	3%	4%	
D. LABOUR STANDARDS								
8. Regulatory frameworks aligned with international labour standards	Number of unannounced labour inspections	Parliament/GoM	None (not allowed)	-	-	At least 10	At least 50	DBS IO 1.2. Indicator 1.2.4) Status of ILO conventions Target by 2022: ILO conventions 81 and 129 signed. DBS IO 1.2. 1.2.1) Number of employers compliant with social security obligations

EXPECTED OUTCOMES/ OUTPUTS	INDICATORS	DATA SOURCE	BASELINE Value (year)	TARGETS (cumulative)				Relevant EU DBS criteria or indicator
				Y 1	Y 2	Y 3	Y 4	
								1.2.3) Number of employees covered by tax and social insurance

SECTION 7. WORKPLAN FOR YEAR 1 OF THE PROJECT

OUTPUT	ACTIVITY	RP	Partners	TARGET Y1	Expected % of completion
A.1.1. Reforms Plan to upgrade the MTEF	A.1.1.1. Development of the MTEF and RBB Reforms Plan	UND P	MOF	MTEF and RBB Reforms Roadmap and Annual Workplan developed	60%
	A.1.1.2. Mapping MOF budget experts' functions with RBB requirements				60%
A.1.2. Results-based MTEF process established	A.1.2.1. New MTEF formats and templates developed	UND P	MOF	Templates and procedures developed and adopted by MOF to host results-and priority-based negotiations	60%
	A.1.2.2. MTEF/Budget calendar adjusted to host policy and priority negotiations with line ministries	UND P	MOF		60%
	A.1.2.3. Development of sector financing frameworks as inputs to MTEF and GSED preparation	UND P	MOFALI MLSP other agencies		25%
	A.1.2.4. Results-based MTEF and budget proposals developed by selected ministries	UND P	MOFALI MLSP		25%
	A.1.2.5. Results-based MTEF negotiations on selected sector/s	UND P	MOF		25%
A.2.1. Budget programmes aligned with policies and results	A.2.1.1. Mapping of policies vs. budget programme structure (redesign of national programmes to host structured information applicable in RBB context)	UND P	MOF MOFALI MLSP	Review of relevant sector policies, national programmes and budget programmes for labour and employment sectors, including inclusion of costing information on SDG targets.	25%
	A.2.1.2. Review of budget classification on programmes	UND P	MOF	Recommendation s developed for budget programme structure alignment based on the review of relevant sector policies, national programmes and budget programmes (coverage, sequence of steps, technical solutions)	25%
	A.2.1.3. Integration of SDG targets into Budget Annex 1	UND P	MOF Ministries	2021 Budget Annex 1 targets presented to the Parliament are aligned with SDG targets for at least labour and employment sectors	25%
A.2.2. Expenditure Performance Monitoring and Reporting	A.2.2.1. Development of performance reporting templates and formats	UND P	MOF MOFALI MLSP	Recommendation, new templates and procedures adopted to host performance information in budget reporting	20%
	A.2.2.2. Development of results-informed budget reports				10%

A.2.3. Citizen's SDG Budget	A.2.3.1. Integration of policy priorities and results in the Citizen's Budget	UND P	MOF MOFALI MLSP	At least two ministries develop and submit information on sector priorities and targets for inclusion into the 2021 Citizen's Budget	25%
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	UND P	University or CSO under guidance from MOFALI/ MLSP	1 research (primary data collection)	25%
	A.3.1.2. PEIR development for evidence-based budget formulation	UND P	MOF MOFALI MLSP	PEIR on Employment sector completed and recommendations submitted to MOF, MOFALI, MLSP	25%
A.3.2. Improved prioritization of sectors programmes	A.3.2.1. Development of recommendations on cross-sector and intra-sector prioritization improvement based on SDG targets and bridging with GGSED and MTEF processes	UND P	MOF NDA	Recommendation, procedures and templates developed and submitted to NDA and MOF	60%
	A.3.2.2. On-the-job support in priority setting and bridging SDGs with MTEF and GGSED			Annual report on SDG priorities as inputs to MTEF and budget processes	25%
	A.3.2.3. Improved project evaluation and selection methodology linked with PFM Strategy	UND P	MOF	Draft methodology on project evaluation and selection	40%
A.3.3. Improved costing of policies	A.3.3.1. Review of national programmes' costing	UND P	MOFALI MLSP other agencies	Costing of at least one national programme on SDG targets completed	20%
A.4.1. Strategic Advisory Services	A.4.1.1. Strategic Advisory Board Meetings and Recommendations	UND P	MOF	High-level strategic recommendations and Reforms Plan developed	30%
A.4.2. Regional Peer Learning and Study Tours	A.4.2.1. Capacity building and knowledge exchange on MTEF practices	UND P	MOF, MOFALI, MLSP NDA	Study tour on MTEF and RBB practices (10 participants)	20%
	A.4.2.2. Peer review and knowledge exchange events under UNDP peer learning platforms	UND P	MOF MOFALI MLSP	1 peer review and knowledge exchange event	25%
A.4.3. Training On-the-job Capacity Building	A.4.3.1. Training on MTEF and RBB for MOF and line ministries	UND P	MOF MOFALI MLSP	4 training sessions for up to 20 participants	25%
	A.4.3.2. On-the-job capacity building by resident PFM advisor			4 training modules delivered and on-the-job capacity building	25%
	A.4.3.3. On-demand capacity building for RBB Budgeting	UND P	MOF MOFALI MLSP others	on-demand support	25%
B.1.1. Policy analysis and oversight	B.1.1.1. Policy implementation analysis	UND P	SCSPECS, BSC	at least one sector policy analysis and relevance to SDGs completed	20%

				(employment sector)	
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	UND P	BSC SCSPECS, FSC GOM MOF	1 consultative meeting	30%
	B.1.2.2. Evaluation of the cost effectiveness of the spending (Annex 2 of the annual budget)	UND P	SBSC BAU	1 project review	25%
	B.1.2.3. Sector and programme expenditure reviews by committees	UND P	SCSPECS BSC	1 expenditure review developed	20%
	B.1.2.4. Budget Hearings on Expenditure Effectiveness			budget hearings on RBB and effectiveness for at least one policy area (employment)	10%
	B.1.2.5. Regular briefs/notes to MPs on findings of expenditure trend analyses			1 sector expenditure trend analysis developed and submitted to parliament committees (employment)	25%
B.1.3. Enhanced capacity of the Parliament in budget oversight	B.1.3.1. Development of a Handbook on annual budget proposal review (methodological guidance for newly elected parliamentarians)	UND P	SBSC BAU	Handbook published and workshop delivered for newly elected MPs	10%
	B.1.3.2. Peer exchange on improving budget control and increasing expenditure effectiveness	UND P	BAU FSC SBSC SCSPECS	Study tour to a country with similar political system on MTEF, RBB and budget oversight practices (10 participants)	10%
	B.1.3.3. Training on policy oversight function by the parliament linked with RBB	UND P	SCSPECS BSC	1 training session to parliament committees on policy implementation oversight delivered	10%
B.2.1. Sector Policy Analyses Performed	B.2.1.1. Collaborative research on policy effectiveness	UND P	CSO, MOF, line ministries, Parliament	Evidence-based policy paper and policy brief on employment sector policy effectiveness	25%
	B.2.1.2. Policy advice development and communication to relevant line ministry and/or Parliament committee				25%
B.2.2. Budget Monitoring by CSOs	B.2.2.1. Development of an Approach Paper on MOF-CSO collaboration	UND P	MOF CSOs	Approach Paper developed and discussed with the MOF and CSOs	50%
B.2.3. Capacity building for CSOs and media on budget monitoring and oversight functions	B.2.3.1. Training for CSOs on RBB, budget analytical toolkit, bridging research with policies and budgets, etc	UND P		training module for CSOs developed and delivered	30%
B.3.1. Performance Audit of SDG	B.3.1.1. On-the-job support in mapping/bridging programme-based planning vs. line-item budget execution data for effective performance audit	UND P	NAO	SDG priority sectors budget data are bridged	25%

priority programmes	B.3.1.2. Review of SDG-priority related sections of the NAO annual report within the SDV-2030 context				25%
B.3.2. Civil Hall (Social) Audit	B.3.3.1. RBB based presentation of budget and audit reports	UND P	NAO BSC SBSC CSOs	Civil Hall (Social) Audit on employment sector	10%
	B.3.3.2. Verification of the findings from benefits perspective (e.g. via PETS or other budget monitoring tools)	UND P	CSOs		10%
	B.3.3.3. Dissemination of the findings to citizens (e.g. via designated web platforms linked with NAO)	UND P	NAO BSC SBSC CSOs		10%
	B.3.3.4. Support NAO on organizing Civil Hall or Citizen's (Social) Audit on SDG priority budget programmes	UND P	NAO		10%

C.1.1 Existing national programs mapped and bottlenecks identified	C.1.1.1 Map, assess, and identify relevant bottlenecks (gaps, duplications, overlaps, contradictions), potential outputs and activities of the National Program on Reducing Unemployment and Poverty and other existing employment-related programs for strengthening coherence, results-orientation, and quality in implementation at the national and local level	UND P	MLSP MOF MOFALI FAO NGO/ Training centers	Gaps, (bottleneck, duplication, contradiction) potential outputs and activities identified	50%
	C.1.1.2 Ascertain the extent to which National program outcomes, outputs and activities are in line with local economic diversification, including export-oriented and domestic opportunities at, both, Aimag levels and UB			high labour absorbing subsectors/ projects identified	50%
	C.1.1.3 Share the findings of the assessments with the main stakeholders for feedback and consensus building	UND P	MLSP MOF NGO/ Training centers	findings disseminated and consensus built-up	50%
	C.1.1.4 Provide inputs for the revision and updating of national programmes, as appropriate	UND P	MLSP MOF NDA MOFALI FAO	National program revised and updated	50%
C.1.2 Support services for coherent program implementation designed, as per labour markets and local economic policies, as well as prevailing economic conditions, covering financial and non-financial support	C.1.2.1 Identify priority sectors and projects with scope to create jobs, better labour demand-supply match, for both self- and wage-employment, to compile a compendium of local employment-rich projects including start-ups	UND P	MLSP MOFALI FAO NGO/ Training centers, business associations	reviewed the list of finance-ready projects including start-ups with developing 20 business	10%
	C.1.2.2 Identify and update financial and non-financial support services to strengthen coherent on-ground National program implementation	UND P	MLSP MOFALI NGO/ Training centers, business associations	The financial and non-financial support services identified	25%
	C.1.2.3 Strengthen advisory support services for linking local cooperatives, partnerships, and businesses with markets, and linking producers with the network of manufacturers, sellers/distributors and suppliers, addressing labour market gaps			Advisory support services initiated	10%
C.1.3 Support services incorporated in national programmes, and reflected in Ministry budget	C.1.3.1 Review and update organizational management and coordination support services for National program implementation through information exchange flow with industrial database (industry.nda.gov.mn) at National Development Agency (NDA) and the National Council for Reduction of Unemployment and Poverty	UND P	MLSP NGO/ Training centers	Information exchange flow maintained, meetings of the national council	20%
C.2.1 A common platform for innovative and start-up	C.2.1.1 Design and develop a model for common mutual support platform covering employers, workers, and job seekers for learning management and information exchange system; it will strengthen regular interactions among	UND P	MLSP MOFALI FAO employers'	Design a model for a common platform	20%

initiatives, including for crisis responses, designed and established for customised support and knowledge exchange [on-line and off-line]	young entrepreneurs, innovators, start-ups, and potential entrants, including support for resources sharing, dialogue, knowledge sharing, exchange of ideas and experiences		and business associations		
	C.2.1.2 Conduct a needs assessment and, if justified, a feasibility study for a new technology-transfer and start-up business support centre by building on the foundation of the Business incubation centre, with budget estimates			Needs assessment Feasibility study with budget estimate	25%
C.2.2 Mapping and integrated assessment carried out of donor/partners- supported initiatives towards employability, including bridging periods of temporary job-market disruptions	C.2.2.1 Map the spectrum of individual donor funded projects, (mainly or significantly promoting employment), to strengthen the forward-looking ecosystem for employability. Including their locations, main target beneficiaries, summary of outcomes/results, lessons, to identify potential for synergies, exchange of lessons and new ideas [E.g., FAO, UNDP, ADB, WB, SDC]	UND P	MLSP, MOFALI, donor inst'ns	Mapping of the projects implemented	50%
	C.2.2.2 Build on the mapping and identify highlights for contributing to the mutual support platform.			Consultative meetings	50%
	C.2.2.3 Draw implications for national programmes, strengthening inclusion in employability, while also boosting opportunities for rural youth, especially in food- and non-food sectors, also bridging periods of temporary job-market disruptions.	UND P	MLSP MOFALI	Inclusion strengthened	25%
C.3.1 Capacity Development services institutionalized for facilitators in Design Thinking and Behavioral Insights and Education institutes in Enterprise Education Pedagogy	C.3.1.1 Pinpoint skill needs including capacity deficits and attitudinal bottlenecks, to develop the training modules and plan trainings, incorporating a truncated labour market in year 1 for developing the modules	UND P	MLSP MOFALI FAO employers' and business associations	capacity needs assessment	50%
	C.3.1.2 Use Design Thinking methodologies to design, pilot test, and revise counselling services, with training of counsellors, and strengthen the understanding of counselling using insights gained from Behavioral Insights	UND P	MLSP, MOFALI, employers' and business associations	counselling services designed and revised	25%
	C.3.1.3 Develop training modules on enterprising skills, soft skills and technology, pre-test and revise, with a provision for ongoing feedback and updating for job seekers, in cooperation with employers, also responding to a period of economic downturn	UND P	MLSP, MOFALI, FAO, employers' and business associations	Training modules developed	25%
	C.3.1.4 Pilot test modules for all specialized and skills trainings, enterprising skills, soft skills training, and evaluate using the Design Thinking and Behavioral Insight methodologies	UND P	MOFALI MLSP employers' and business associations	Test modules piloted and revised	25%
	C3.1.5 Deliver enterprise education training modules for future job seekers (10-17 years old) at the selected secondary schools	UND P	MoESCSS	all services and trainings delivered	10%
	C3.1.6 Scale-up all relevant services and trainings post-evaluation, after relevant updating using the Behavioral Insights methodology	UND P	MLSP, MOFALI, FAO, employers' and business associations	trainings and services delivered	-
	C.3.1.7 Establish regular specialized/certified services, skills trainings, and counselling within a framework of cooperation with employers	UND P	MOES,	Training certified	-

C.3.2. Distance/on-line platforms expanded for career advisory master trainings and capacity increased to deliver employment services remotely for strengthened inclusion	C.3.2.1 Identify disadvantaged groups like youth, remotely located job-seekers, persons with disabilities, those temporarily laid off or having income loss due to the 2020 global economic downturn, for customized supplementary modules and examples using Design Thinking and Behavioral Insights methodologies, as appropriate	UND P	MLSP MOFALI FAO employers' and business associations	Assessment on disadvantaged groups administered, customized supplementary modules developed	20%
	C.3.2.2 Develop on-line distance learning techniques, leveraging globally established and emerging communications technologies			online distance learning technique developed	30%
	C.3.2.3 Pilot and revise by incorporating feedback -pilots and revisions should be done using the methodologies behind Behavioral Insights and Design Thinking			pilots	10%
	C.3.2.4 Open up to wider access for job seekers and employers	UND P	MLSP, MOFALI, employers' and business associations	annual user stats	-
C.3.3 Regular platform established for Implementation of employer-oriented measures and employer-employee interactions	C.3.3.1 Design and create a regular platform with core staff to organize periodic meetings, competitions, interesting recognition events, and other measures to increase the understanding, knowledge and capacity of employers on the SDGs, especially on inclusion, no one left behind, and prioritizing disadvantaged groups and locations, social and environmental implications of economic activities, and the durable development benefits of social responsibility	UND P	MLSP, MOFALI, FAO, employers' and business associations	Regular platform established	25%
	C.3.3.2 Create shared opportunities for exchanging experiences, new ideas, techniques, and technologies for employers and employees, including job-seekers	UND P	MLSP, MOFALI, employers' and business associations	1 technology fair organized	25%
	C.3.3.3 Using Design Thinking and Behavioral Insights methodologies cooperate with employers in designing and organizing job-relevant trainings to enhance and improve work-place skills, including downturn and recovery periods.			Training program designed	10%
C.4.1. Effective public-private partnership models with large scale youth employment potential in agriculture value chains identified, designed and piloted to strengthen coherent on-ground implementation of the national programs	C.4.1.1 Identify and promote at least two public-private pilots to demonstrate employment potential	FAO	MOFALI, business associations	PPPs identified	20%
	C.4.1.2 Identify corresponding skill needs, design and deliver medium to long term skill training programs for at least 200 youth identified through a rigorous selection process	FAO	Universities; TVETs	skill needs assessment conducted training modules developed pilot testing of new modules training for 40	25%
	C.4.1.3 Promote a network / platform to support innovation-driven entrepreneurship in agribusinesses in Mongolia. [The network will work towards incubating and accelerating new (small) businesses (including mobilizing finance) based on the selected innovative/start-up business ideas in food and non-food sectors and developing a thriving ecosystem for agri-entrepreneurship]	FAO	business associations, MOFALI, MLSP	Platform established	25%
	C.4.1.4 Provide necessary technical assistance for improving productivity and product quality for primary production and processing in selected agriculture value chains	FAO	technology professionals	needs assessments conducted	25%
	C.4.1.5 Scale-up under regular MOFALI budget	FAO	MOFALI	N/A	0%

C.4.2 Organizational and technical innovations promoted to support Mongolian agribusiness enterprises move up the agri value chains	C.4.2.1 Identify, nurture and commercialize at least two new agri-based products with high market and employment potential in partnership with relevant industry associations	FAO	employers' and business associations	at least 2 new agri-based products identified	25%
	C.4.2.2 Promote at least one organizational model for market access, improved income and employment creation specifically targeting women employment in selected Aimag and soum centres	FAO	employers' and business associations		25%
	C. 4.2.3 Scaling up under regular ministry budget	FAO	MOFALI		0%
C.4.3 Support building of competitive national Mongolian food brands in national and international markets that meet national and international quality / safety standards	C.4.3.1 Identify potential products built on market data and consumer preferences based on market feasibility studies that take into account restrictions from Covid-19 [LINK TO C.2.3.1]	FAO	MOFALI, employers' and business associations	2 market studies conducted	25%
	C.4.3.2 Independent consumer market research/testing and trade/retailer research to refine products and branding	FAO	market research organizations		
	C.4.3.3 Development of business plans among 150 trained youth to attract financial and technical support	FAO	business associations		
	C.4.3.4 Pilot selected food brands in target markets	FAO			
C.4.4 Agribusiness based youth employment policy and action plan for Mongolia developed	C.4.4.1 Analytical review of the results of output 4.1 to 4.3, to develop policy options (including revisiting/revising policies and strengthening institutional arrangements for policy implementation) and develop a draft policy document and implementation plan	FAO	MOFALI, MLSP	N/A	0%
	C.4.4.2 National level workshops to raise awareness, review experiences, develop a strategy, plan of action and time frame for employment policy	FAO	MOFALI, MLSP	N/A	0%
	C.4.4.3 High level workshops for policy endorsement	FAO	MOFALI, MLSP	N/A	0%
C.4.5 A model training hub for non-food agri-sector production (leather and fibre) set up and piloted	C4.5.1. Survey of leather and fibre industry skills needs and demand for human resource development (entry level and continuing education)	UNDP	MOFALI, MLSP, Association and industry	Survey of industry [leather and fibre] on training and skills needs and demand for human resource development, entry level and continuing education]	10%

D.1.1. Ratification of the ILO Labour Inspection Convention, 1947 (No. 81) and the ILO Labour Inspection (Agriculture)	D.1.1.1 Provide legal advice and assistance to MLSP and GASI in their preparation for the ratification	ILO	MLSP, GASI	1 Policy or technical brief	25%
	D.1.1.2 Develop policy and technical briefs on selected topics especially in support of the Direct Requests of the ILO Committee of Experts on the Application of Conventions and Recommendations concerning occupational safety and health, employment promotion and employment policy in Mongolia	ILO	MLSP		25%

Convention, 1969 (No. 129) and effective application of ILO occupational safety and health and employment-related conventions promoted					
D.1.2 Advice on improving legal environments to increase the efficiency of labour inspection and employment promotion, including changes and amendments to the Law on State Inspection	D.1.1.3 Provide technical assistance to the tripartite working groups on labour law and international labour standards at the MLSP in reviewing and discussing draft laws and ILS-related issues	ILO	MLSP, MONEF, CMTU	1 annual recommendations in support of development of regulations or decree in support of the application of the newly approved laws or addressing comments of the ILO Committee of Experts on Application of Conventions and Recommendation s	25%
D.1.3 The Sub-Committee on Application of International Labour Standards assisted in their reviews and discussions of international labour standards and Mongolia's related obligations	D.1.3.1 Assist the MLSP in developing standard operating procedures for the sub-committee on application of international labour standards, review and recommend improvement in the functioning of the subcommittee	ILO	MLSP	1 ILO convention translated into Mongolian reviewed and edited & 1 set of recommendations by the Sub-committee	30%
	D.1.3.2 Support review and editing of the Mongolian translation of selected ILO conventions and recommendations and develop information materials with reference to relevant international labour standards and international good practices, in particular the ILO Promotion of Occupational Safety and Health Convention, 2018 (No. 187), including in the contexts of Returning-to-Work from COVID-19	ILO	MLSP, NCGE		30%
	D.1.3.3 Organize annual seminars and capacity building workshop on relevant international labour standards, including gender equality and non-discrimination standards, ILS reporting and CEACR comments	ILO	MLSP		30%
	D.1.3.4 Support development of tripartite guidelines for workplace action on selected topics	ILO	MLSP, NCGE MONEF, CMTU		30%
D.1.6 Professional groups and the Mongolia Decent Work for Youth Network (DWYN) supported to promote awareness and action on labour rights of Mongolian youth especially with a view to promote	D.1.6.1 Design and launch annual campaigns to promote action to improve employment conditions and rights at work for various groups of young workers	ILO	DWYN	1 campaign implemented	25%

formalization of employment					
D.2.1 Support provided for the formulation of annual Strategic Compliance Plan (SCP)	D.2.1.1 Assess the capacity of stakeholders and identify interventions and related options for compliance-oriented inspection	ILO	GASI	1 annual SCP implemented	25%
	D.2.1.2 Formulate the SCP and implementation plan (complete with goals, indicators, and required budget)	ILO	GASI		25%
	D.2.1.3 Establish and operationalize task teams to implement annual SCPs	ILO	GASI		25%
	D.2.1.4 Monitor the implementation of annual SCPs.	ILO	GASI		25%
D.2.2 Assessment of case management system, inspection data collection, analyses and dissemination	D.2.2.1 Support GASI in identifying capacity gaps in data collection, analysis and dissemination	ILO	GASI	1 knowledge product (an assessment report)	30%
	D.2.2.2 Support GASI and NSO to improve the existing labour and safety data collection system	ILO	GASI		30%
	D.2.2.3 Support regular production and dissemination of a six-monthly labour and safety inspection bulletin	ILO	GASI		30%

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Article 1: Definitions

- Action:** the cooperation programme or project partly or wholly financed by the EU, which is carried out by the Organisation as described in Annex I. Where reference is made to the Action or part of the Action financed by the EU Contribution, this refers both (i) to activities exclusively financed by the EU Contribution and (ii) to activities jointly co-financed by the EU.
- Contractor:** a natural or legal person with whom a Procurement Contract has been signed.
- Days:** calendar days.
- Early Detection and Exclusion System:** a system set up by Regulation (EU, Euratom) No 2015/1929 of 28 October 2015 on the financial rules applicable to the general budget of the Union (OJ L 286/1, 30.10.2015), which includes information on the early detection of risks threatening the EU financial interests, on the cases of exclusion from EU funding of legal and natural persons and on the cases of imposition of financial penalties.
- End Date:** the date by which the Agreement ends, i.e. the moment of the payment of the balance by the Contracting Authority in accordance with Article 19 or when the Organisation repays any amounts paid in excess of the final amount due pursuant to Article 20. If any of the Parties invokes a dispute settlement procedure in accordance with Article 14, the End Date shall be postponed until the completion of such procedure.
- Final Administrative Decision:** a decision of an administrative authority having final and binding effect in accordance with the applicable law.
- Final Beneficiary:** a natural or legal person ultimately benefitting from the Action.
- Force Majeure:** any unforeseeable and exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under the Agreement, which may not be attributed to error or negligence on either part (or on the part of the Grant Beneficiaries, Partners, Contractors, agents or staff), and which could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available cannot be invoked as force majeure, unless they stem directly from a relevant case of force majeure. Labour disputes, strikes or financial problems of the Organisation cannot be invoked as force majeure by the defaulting Party.
- Grant:** a direct financial contribution by way of donation given by the Organisation or a Partner to finance third parties activities.
- Grant Beneficiary:** a natural or legal person to whom a Grant has been awarded. Grant Beneficiaries can sub-grant and procure for the implementation of their activities.

Grave Professional
Misconduct:

any of:

a violation of applicable laws or regulations, in particular the Organisation's Regulations and Rules, or ethical standards of the profession to which a person or entity belongs, including any conduct leading to sexual or other exploitation or abuse, or
any wrongful conduct of a person or entity which has an impact on its professional credibility where such conduct denotes wrongful intent or gross negligence.

Indicator:

the quantitative and/or qualitative factor or variable that provides a simple and reliable means to measure the achievement of the Results of an Action.

Internal
Control System:

a process applicable at all levels of management designed to provide reasonable assurance of achieving the following objectives:

- a) effectiveness, efficiency and economy of operations;
- b) reliability of reporting;
- c) safeguarding of assets and information;
- d) prevention, detection, correction and follow-up of fraud and irregularities;
- e) adequate management of the risks relating to the legality and regularity of the financial operations, taking into account the multiannual character of programmes as well as the nature of the payments concerned.

International
Organisation:

an international public-sector organisation set up by international agreement (including specialised agencies set up by such organisations), or an organisation assimilated to international organisations in accordance with the EU Financial Regulation.

Member State
Organisation:

an entity established in a Member State of the European Union as a public law body or as a body governed by private law entrusted with a public service mission and provided with adequate financial guarantees from the Member State.

Multi-Donor Action:

an Action co-financed by the EU Contribution (whether or not earmarked) and other donor(s).

Outcome:

the likely or achieved short-term and medium-term effects of an Action's Outputs.

Output:

the products, capital goods and services which result from an Action's activities.

Partner:

an entity implementing part of the Action and being a party to the relevant Contribution Agreement together with the Organisation.

Procurement Contract:

a contract signed between the Contractor and either the Organisation or a Partner under which the Contractor provides services, supplies or works.

Regulations and Rules:

regulations, rules, organisational directives, instructions and other parts of the regulatory framework of the Organisation.

Result:

the Output or Outcome of an Action.

a principle overarching the implementation of this Agreement, namely economy, effectiveness and efficiency (including all aspects of internal control). The principle of economy requires that resources used in the pursuit of the implementation of the Action shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of effectiveness concerns the attainment of the specific objectives and the achievement of the intended results. The principle of efficiency concerns the best relationship between resources employed and results achieved.

Article 2: General obligations

Implementation of the Action

- 2.1 The Organisation is responsible for the implementation of the Action described in Annex I, regardless of whether the activities are performed by the Organisation itself, a Contractor or a Grant Beneficiary. Both Parties will endeavour to strengthen their mutual contacts with a view to foster the exchange of information throughout the implementation of the Action. To this end, the Organisation and the Contracting Authority shall participate in coordination meetings and other jointly organised common activities, and the Organisation shall invite the European Commission to join any donor committee which may be set up in relation to the Action.

Responsibility

- 2.2 The Organisation shall be responsible for the performance of the obligations under this Agreement with a due degree of professional care and diligence, which means that it shall apply the same level of duty and care which it applies in managing its own funds. The Organisation shall respect the principles of Sound Financial Management, transparency, non-discrimination and visibility of the European Union in the implementation of the Action.
- 2.3 The Organisation shall have full financial responsibility towards the Contracting Authority for all funds, including those unduly paid to or incorrectly used by Contractors or Grant Beneficiaries. The Organisation shall take measures to prevent, detect and correct irregularities and fraud when implementing the Action. To this end, the Organisation shall carry out, in accordance with the principle of proportionality and its positively assessed Regulations and Rules, ex-ante and/or ex-post controls including, where appropriate, on-the-spot checks on representative and/or risk-based samples of transactions, to ensure that the Action financed by the EU Contribution is effectively carried out and implemented correctly. The Organisation shall inform the European Commission and the Contracting Authority of irregularities and fraud detected in the management of the EU Contribution and the measures taken. Where funds have been unduly paid to or incorrectly used by Contractors or Grant Beneficiaries, the Organisation shall take all applicable measures in accordance with its own Regulations and Rules to recover those funds, including, where appropriate, by bringing legal proceedings and by endeavouring to assign claims against its Contractors or Grant Beneficiaries to the Contracting Authority or the European Commission. Where the Organisation has exhausted such measures and the non-recovery is not the result of error or negligence on the part of the Organisation, the Contracting Authority will consider the amounts that could not be recovered from Contractors and/or Grant Beneficiaries as eligible costs.

Other obligations

- 2.4 The Organisation undertakes to ensure that the obligations stated in this Agreement under Articles 2.6, 5-Conflict of interests, 7-Data protection, 8-Communication and Visibility, 16-Accounts and archiving and Article 17-Access and financial checks apply, where applicable, to all Contractors and Grant Beneficiaries.



- 2.5 The Organisation shall notify the Contracting Authority and the European Commission without delay of any substantial change in the rules, procedures and systems applied in the implementation of the Action. This obligation concerns in particular (i) substantial changes affecting the pillar assessment undergone by the Organisation or (ii) those that may affect the conditions for eligibility provided for in the applicable legal instruments of the EU. The Parties shall use their best efforts to resolve amicably any issues resulting from such changes. The Contracting Authority reserves the right to adopt or require additional measures in response to such changes. In the event an agreement on such measures or other solutions cannot be reached between the Parties, either Party may terminate the Agreement in accordance with Article 13.3.
- 2.6 The Organisation shall promote the respect of human rights and respect applicable environmental legislation including multilateral environmental agreements, as well as internationally agreed core labour standards. The Organisation shall not support activities that contribute to money laundering, terrorism financing, tax avoidance, tax fraud or tax evasion.
- 2.7 Where the European Commission is not the Contracting Authority, it shall not be a party to this Agreement, with the consequence that rights and obligations are conferred upon it only where explicitly stated. This is without prejudice to the European Commission's role in promoting a consistent interpretation of the terms of this Agreement.

Article 3: Obligations regarding information and reporting

General issues

- 3.1 The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall include in Annex I a work plan at least for the first year of the Implementation Period (or the whole Implementation Period where it is less than one year). The Organisation shall submit to the Contracting Authority progress report(s) and a final report in accordance with the provisions below. These reports shall consist of a narrative part and a financial part.
- 3.2 Every report, whether progress or final, shall provide a complete account of all relevant aspects of the implementation of the Action for the period covered. The report shall describe the implementation of the Action according to the activities envisaged in Annex I as well as the degree of achievement of its Results (Outcomes or Outputs) as measured by corresponding Indicators. The report shall be drafted in such a way as to allow monitoring of the objective(s), the means envisaged and employed. The level of detail in any report shall match that of Annexes I and III.
- 3.3 Where the overall action of the Organisation lasts longer than the Implementation Period of this Agreement, the Contracting Authority may request – in addition to the final reports to be submitted pursuant to Article 3.8 - the final reports of the overall action, once available.
- 3.4 Any alternative or additional reporting requirement shall be set out in the Special Conditions.
- 3.5 The Contracting Authority may request additional information at any time, providing the reasons for that request. Subject to the Organisation's Regulations and Rules, such information shall be supplied within thirty (30) days of receipt of the request. The Organisation may submit a duly motivated request to extend the 30-day deadline.
- 3.6 The Organisation shall notify the Contracting Authority without delay of any circumstances likely to adversely affect the implementation and management of the Action, or to delay or jeopardise the performance of the activities.

Content of the reports

- 3.7 The progress report(s) shall relate directly to this Agreement and shall at least include:
- a) summary and context of the Action;
 - b) actual Results: an updated table based on a logical framework matrix including reporting of Results achieved by the Action (Outcomes or Outputs) as measured by their corresponding Indicators, agreed baselines and targets, and relevant data sources;
 - c) information on the activities directly related to the Action as described in Annex I and carried out during the reporting period;
 - d) information on the difficulties encountered and measures taken to overcome problems and eventual changes introduced;
 - e) information on the implementation of the Visibility and Communication Plan (Annex VI) and any additional measures taken to identify the EU as source of financing;
 - f) a breakdown of the total costs, following the structure set out in Annex III, incurred from the beginning of the Action as well as the legal commitments entered into by the Organisation during the reporting period;
 - g) a summary of controls carried out and available final audit reports in line with the Organisation's policy on disclosure of such controls and audit reports. Where errors and weaknesses in systems were identified, an analysis of their nature and extent, as well as information on corrective measures taken or planned, shall also be provided;
 - h) where applicable, a request for payment;
 - i) work plan and budget forecast for the next reporting period.
- 3.8 The final report shall cover the entire Implementation Period and include:
- a) all the information requested in Article 3.7 a) to h);
 - b) a summary of the Action's receipts, payments received and of the eligible costs incurred;
 - c) where applicable, an overview of any funds unduly paid or incorrectly used which the Organisation could or could not recover itself;
 - d) the exact link to the webpage where, according to Article 22.1, information on Grant Beneficiaries and Contractors is available;
 - e) if relevant, details of transfers of equipment, vehicles and remaining major supplies mentioned in Article 9;
 - f) where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, a confirmation from the Organisation that an amount corresponding to that paid by the Contracting Authority has been used in accordance with the obligations laid down in this Agreement and that costs that were not eligible for the EU Contribution have been covered by other donors' contributions;
 - g) where applicable, a request for payment.
- 3.9 The Organisation shall submit a report for every reporting period as specified in the Special Conditions starting from the commencement of the Implementation Period, unless otherwise specified in the Special Conditions¹. Reporting, narrative as well as financial, shall cover the whole Action, regardless of whether this Action is entirely or partly financed by the EU Contribution. Progress reports shall be submitted within sixty (60) days after the period covered by such report. The final report shall be submitted, at the latest, six (6) months after the end of the Implementation Period.

Management declaration

- 3.10 Every progress and final report shall be accompanied by a management declaration in accordance with the template included in Annex VII, unless Article 1.5 of the Special

¹ By default, the reporting period is every 12 months as from the commencement of the Implementation Period.

Audit or control opinion for organisations other than International Organisations/Member State Organisations

- 3.11 In case the Organisation is neither an International Organisation, nor a Member State Organisation, the Organisation shall provide an audit or control opinion in accordance with internationally accepted audit standards, establishing whether the accounts give a true and fair view, whether the control systems in place function properly, and whether the underlying transactions are managed in accordance with the provisions of this Agreement. The opinion shall also state whether the audit work puts in doubt the assertions made in the management declaration mentioned above.
- 3.12 Such audit or control opinion shall be provided up to one (1) month following the management declaration sent with every progress or final report, unless Article 1.5 of the Special Conditions states that the management declaration and the audit or control opinion shall be sent annually to the European Commission headquarters separately from the reports provided under this Agreement.

Currency for reporting

- 3.13 The reports shall be submitted in the Currency of the Agreement as specified in Article 3 of the Special Conditions.
- 3.14 The Organisation shall convert legal commitments, the Action's receipts and costs incurred in currencies other than the accounting currency of the Organisation according to its usual accounting practices.

Failure to comply with reporting obligations

- 3.15 If the Organisation is unable to present a progress or final report, together with the accompanying documents, by the deadline set out in Article 3.9, the Organisation shall inform the Contracting Authority in writing of the reasons. The Organisation shall also provide a summary of the state of progress of the Action and, where applicable, a provisional work plan for the next period. If the Organisation fails to comply with this obligation for two (2) months, following the deadline set out in Article 3.9, the Contracting Authority may terminate the Agreement in accordance with Article 13, refuse to pay any outstanding amount and recover any amount unduly paid.

Article 4: Liability towards third parties

- 4.1 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out, or as a consequence of the Action. The European Commission shall not therefore accept any claim for compensation or increase in payment in connection with such damage or injury.
- 4.2 The European Commission shall not, under any circumstances or for any reason whatsoever, be held liable towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the implementation of the Action.
- 4.3 The Organisation shall discharge the European Commission of all liability associated with any claim or action brought as a result of an infringement of the Organisation's Regulations and Rules committed by the Organisation or Organisation's employees or individuals for whom those employees are responsible, or as a result of a violation of a third party's rights in the context of the implementation of the Action.

Article 5: Conflict of interests

- 5.1 The Organisation shall refrain, in accordance with its Regulations and Rules, from any action which may give rise to a conflict of interests.
- 5.2 A conflict of interest shall be deemed to arise where the impartial and objective exercise of the functions of any person implementing the Agreement is compromised.

Article 6: Confidentiality

- 6.1 The Contracting Authority and the Organisation shall both preserve the confidentiality of any document, information or other material directly related to the implementation of the Action that is communicated as confidential. The confidential nature of a document shall not prevent it from being communicated to a third party on a confidential basis when the rules binding the Parties, or the European Commission when it is not the Contracting Authority, so require. In no case can disclosure put in jeopardy the Parties' privileges and immunities or the safety and security of the Parties' staff, Contractors, Grant Beneficiaries or the Final Beneficiaries of the Action.
- 6.2 The Parties shall obtain each other's prior written consent before publicly disclosing such confidential information unless:
- a) the communicating Party agrees in writing to release the other Party from the earlier confidentiality obligations; or
 - b) the confidential information becomes public through other means than in breach of the confidentiality obligation by the Party bound by that obligation; or
 - c) the disclosure of confidential information is required by law or by Regulations and Rules established in accordance with the basic constitutive document of any of the Parties.
- 6.3 The Parties shall remain bound by confidentiality for five (5) years after the End Date of the Agreement, or longer as specified by the communicating Party at the time of communication.
- 6.4 Where the European Commission is not the Contracting Authority, it shall nonetheless have access to all documents communicated to the Contracting Authority, and shall maintain the same level of confidentiality.

Article 7: Data Protection

The Organisation shall ensure an appropriate protection of personal data in accordance with its applicable Rules and Procedures. Personal data shall be:

- processed lawfully, fairly and in a transparent manner in relation to the data subject;
- collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes;
- adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed;
- accurate and, where necessary, kept up to date;
- kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; and
- processed in a manner that ensures appropriate security of the personal data.

Article 8: Communication and visibility

- 8.1 The Organisation shall implement the Communication and Visibility Plan detailed in Annex VI.
- 8.2 Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that the Action has received funding from the EU. Information given to the press and to the Final Beneficiaries, as well as all related

publicity material, official notices, reports and publications shall acknowledge that the Action was carried out "with funding by the European Union" and shall display the EU logo (twelve yellow stars on a blue background) in an appropriate way. Publications by the Organisation pertaining to the Action, in whatever form and whatever medium, including the internet, shall carry the following disclaimer: "This document was produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union." Such measures shall be carried out in accordance with the Communication and Visibility Requirements for EU External Action² published by the European Commission, or with any other guidelines agreed between the European Commission and the Organisation.

- 8.3 If, during the implementation of the Action, equipment, vehicles or major supplies are purchased using the EU Contribution, the Organisation shall display appropriate acknowledgement on such vehicles, equipment or major supplies, including the display of the EU logo (twelve yellow stars on a blue background). Where such display could jeopardise the Organisation's privileges and immunities or the safety of the Organisation's staff or of the Final Beneficiaries, the Organisation shall propose appropriate alternative arrangements. The acknowledgement and the EU logo shall be of such a size and prominence as to be clearly visible in a manner that shall not create any confusion regarding the identification of the Action as an activity of the Organisation, nor the ownership of the equipment, vehicles or major supplies by the Organisation.
- 8.4 If, pursuant to Article 9.5, the equipment, vehicles or remaining major supplies purchased with the EU Contribution have not been transferred to the local authorities, local Grant Beneficiaries or Final Beneficiaries when submitting the final report, the visibility requirements as regards this equipment, vehicles or major supplies (in particular display of the EU logo) shall continue to apply between submission of the final report and the end of the overall action, if the latter is longer. Where the Organisation retains ownership in accordance with Article 9.6, the visibility requirements shall continue to apply as long as the relevant equipment, vehicles or remaining major supplies are used by the Organisation.
- 8.5 Unless otherwise provided in the Special Conditions, if disclosure risks threatening the Organisation's safety or harming its interests, the European Commission and the Contracting Authority (if other than the European Commission) may publish in any form and medium, including on its internet sites, the name and address of the Organisation, the purpose and amount of the EU Contribution.
- 8.6 The Organisation shall ensure that reports, publications, press releases and updates relevant to the Action are communicated to the addresses stated in the Special Conditions upon their issuance.
- 8.7 The Parties will consult immediately and endeavour to remedy any detected shortcomings in implementing the visibility requirements set out in this Article. This is without prejudice to measures the Contracting Authority may take in case of substantial breach of an obligation.

Article 9: Right to use results and transfer of equipment

Right to use

- 9.1 Ownership of the results of the Action shall not vest in the Contracting Authority. Subject to Article 6, the Organisation shall grant, and shall act to ensure that any third party concerned grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge the results of the Action, including the reports and other documents relating to it, which are subject to industrial or intellectual property rights.

² Communication and Visibility in EU-financed external actions – Requirements for implementing partners (Projects), available at: https://ec.europa.eu/europeaid/sites/devco/files/communication-visibility-requirements-2018_en.pdf

- 9.2 Where the results mentioned in Article 9.1 include pre-existing rights and the Organisation cannot warrant the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use such results, the Organisation shall inform in writing the Contracting Authority (and the European Commission, where it is not the Contracting Authority) accordingly.

Transfer

- 9.3 The equipment, vehicles and remaining major supplies purchased with the EU Contribution shall be transferred to or remain with local authorities, local Grant Beneficiaries or Final Beneficiaries, at the latest when submitting the final report.
- 9.4 The documentary proof of those transfers shall not be presented with the final reports, but shall be kept for verification for the duration and along with the documents mentioned in Article 16.2.
- 9.5 By way of derogation from Article 9.3, the equipment, vehicles and remaining major supplies purchased with the EU Contribution in the framework of actions which continue after the end of the Implementation Period may be transferred at the end of the overall action. The Organisation shall use the equipment, vehicles and remaining major supplies for the benefit of the Final Beneficiaries. The Organisation shall inform the Contracting Authority on the end use of the equipment, vehicles and remaining major supplies in the final report.
- 9.6 In the event that there are no local authorities, local Grant Beneficiaries or Final Beneficiaries to whom the equipment, vehicles and remaining major supplies could be transferred, the Organisation may transfer them to another action funded by the EU or - exceptionally - retain ownership of the equipment, vehicles and remaining major supplies at the end of the Action or the overall action. In such cases, it shall submit a justified written request with an inventory listing of the items concerned and a proposal concerning their use in due course and - at the latest - together with the submission of the final report. In no event may the end use jeopardize the sustainability of the Action.

Article 10: Monitoring and evaluation of the Action

- 10.1 Keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement, the Organisation shall invite representatives of the European Commission and the Contracting Authority (if other than the European Commission) to participate at their own costs to the main monitoring missions and evaluation exercises related to the performance of the Action. Participation in evaluation exercises should be ensured by requesting comments from the European Commission and the Contracting Authority on the terms of reference before the exercise takes place, and on the different deliverables related to an evaluation exercise prior to their final approval (as a minimum, on the final report). The Organisation shall send all monitoring and evaluation reports relating to the Action to the European Commission and the Contracting Authority once issued, subject to confidentiality.
- 10.2 Article 10.1 is without prejudice to any monitoring mission or evaluation exercise, which the European Commission as a donor, or the Contracting Authority, at their own costs, may wish to perform. Monitoring and evaluation missions by representatives of the European Commission or the Contracting Authority shall be planned ahead and completed in a collaborative manner between the staff of the Organisation and the European Commission's (or Contracting Authority's) representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of the Agreement. The European Commission (or the Contracting Authority) and the Organisation shall agree on procedural matters in advance. The European Commission (or the Contracting Authority) shall make available to the Organisation the terms of reference of the evaluation exercise before it takes place, as well as the different deliverables (as a minimum, the draft final report) for comments prior to final issuance. The European Commission (or the Contracting Authority) shall send the final monitoring and evaluation report to the Organisation once issued.

- 10.3 In line with the spirit of partnership, the Organisation and the European Commission (and the Contracting Authority, if applicable), may also carry out joint monitoring and/or evaluation. Such arrangements will be discussed and agreed in due time, planned ahead and completed in a collaborative manner.
- 10.4 Representatives of the relevant partner country may, whenever possible, be invited to participate at their own costs in the main monitoring missions and evaluation exercises, unless such participation would be detrimental to the objectives of the Action or threaten the safety or harm the interests of Partners, Grant Beneficiaries or Final Beneficiaries.

Article 11: Amendment to the Agreement

- 11.1 Without prejudice to Articles 11.3 to 11.7, any amendment to this Agreement, including its annexes, shall be set out in writing in an addendum signed by both Parties. This Agreement can only be amended before the End Date.
- 11.2 The requesting Party shall request in writing any amendment thirty (30) days before the amendment is intended to enter into force and no later than thirty (30) days before the End Date, unless there are special circumstances, duly demonstrated by it, and accepted by the other Party. The other Party shall notify its decision regarding the amendment proposed in due time and in any case no later than thirty (30) days after the date when the amendment request was received.
- 11.3 By way of derogation from Articles 11.1 and 11.2, where an amendment to Annex I and/or Annex III does not affect the main purpose of the Action, such as its objectives, strategy and priority areas, and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 25 % or less of the amount originally entered (or as amended by a written addendum) in relation to each concerned heading, the Organisation may unilaterally amend Annex I and/or Annex III and shall inform the Contracting Authority accordingly in writing, at the latest in the next report.
- 11.4 The method described in Article 11.3 shall be used neither to amend the contingency reserve, the rate for remuneration, nor the agreed methodology or fixed amounts/rates of simplified cost options.
- 11.5 The Organisation may, in agreement with the Contracting Authority, change Outputs, the Indicators and their related targets, baselines and sources of verification described in Annex I and in the logical framework if the change does not affect the main purpose of the Action, without the need for a formal addendum to the Agreement.
- 11.6 The Organisation may, in agreement with the European Commission, amend Annex VI without the need for a formal addendum to the Agreement.
- 11.7 Changes of address and of bank account shall be notified in writing to the Contracting Authority. Where applicable, changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

Article 12: Suspension

Suspension of the time limit for payment

- 12.1 The Contracting Authority may suspend the time limit for payment following a single payment request by notifying the Organisation that either:
- a) the amount is not due; or
 - b) the appropriate supporting documents have not been provided and therefore the Contracting Authority needs to request clarifications, modifications or additional information to the narrative or financial reports. Such clarifications or additional information may notably be requested by the Contracting Authority if it has doubts about

compliance by the Organisation with its obligations in the implementation of the Action;
or

- c) credible information has come to the notice of the Contracting Authority that puts in doubt the eligibility of the reported expenditure; or
- d) credible information has come to the notice of the Contracting Authority that indicates a significant deficiency in the functioning of the Internal Control System of the Organisation or that the expenditure reported by the Organisation is linked to a serious irregularity and has not been corrected. In this case, the Contracting Authority may suspend the payment deadline if it is necessary to prevent significant damage to the EU's financial interests.

12.2 In the situations listed in Article 12.1, the Contracting Authority shall notify the Organisation as soon as possible, and in any case within thirty (30) days from the date on which the payment request was received, of the reasons for the suspension, specifying - where applicable - the additional information required. Suspension shall take effect on the date when the Contracting Authority sends the notification stating the reasons for the suspension. The remaining payment period shall start to run again from the date on which the requested information or revised documents are received or the necessary further checks are carried out. If the requested information or documents are not provided within the deadline fixed in the notification or are incomplete, payment may be made on the basis of the partial information available.

Suspension of the Agreement by the Contracting Authority

12.3 The Contracting Authority may suspend the implementation of the Agreement, fully or partly, if:

- a) the Contracting Authority has proof that irregularities, fraud or breach of substantial obligations have been committed by the Organisation in the procedure of its selection, in its pillar assessment or in the implementation of the Action;
- b) the Contracting Authority has proof that irregularities, fraud or breach of obligations have occurred which call into question the reliability or effectiveness of the Organisation's Internal Control System or the legality and regularity of the underlying transactions;
- c) the Contracting Authority has proof that the Organisation has committed irregularities, fraud or breaches of obligations under other agreements funded by EU funds provided that those irregularities, fraud or breaches of obligations have a material impact on this Agreement.

12.4 Before suspension, the Contracting Authority shall formally notify the Organisation of its intention to suspend, inviting the Organisation to make observations within ten (10) days from the receipt of the notification. If the Organisation does not submit observations, or if - after examination of the observations submitted by the Organisation - the Contracting Authority decides to pursue the suspension, the Contracting Authority may suspend all or part of the implementation of this Agreement serving seven (7) days' prior notice. In case of suspension of part of the implementation of the Agreement, upon request of the Organisation, the Parties shall enter into discussions in order to find the arrangements necessary to continue the part of the implementation that is not suspended. Any expenditures or costs incurred by the Organisation during the suspension and related to the part of the Agreement suspended shall not be reimbursed, nor be covered by the Contracting Authority. Following suspension of the implementation of the Agreement, the Contracting Authority may terminate the Agreement in accordance with Article 13.2, recover amounts unduly paid and/or, in agreement with the Organisation, resume implementation of the Agreement. In the latter case, the Parties will amend the Agreement where necessary.

Suspension for exceptional circumstances

- 12.5 The Organisation may decide to suspend the implementation of all or part of the Action if exceptional or unforeseen circumstances beyond the control of the Organisation make such implementation impossible or excessively difficult, such as in cases of Force Majeure. The Organisation shall inform the Contracting Authority immediately and provide all the necessary details, including the measures taken to minimise any possible damage, and the foreseeable effect and date of resumption.
- 12.6 The Contracting Authority may also notify the Organisation of the suspension of the implementation of the Agreement if exceptional circumstances so require, in particular:
- a) when a relevant EU Decision identifying a violation of human rights has been adopted; or
 - b) in cases such as crisis entailing a change of EU policy.
- 12.7 Neither of the Parties shall be held liable for breach of its obligations under the Agreement if Force Majeure or exceptional circumstances as set forth under Articles 12.5 and 12.6 prevent it from fulfilling said obligations, and provided it takes any measures to minimise any possible damage.
- 12.8 In the situations listed in Articles 12.5 and 12.6, the Parties shall minimise the duration of the suspension and shall resume implementation once the conditions allow. During the suspension period, the Organisation shall be entitled to the reimbursement of the minimum costs, including new legal commitments, necessary for a possible resumption of the implementation of the Agreement or of the Action. The Parties shall agree on such costs, including the reimbursement of legal commitments entered into for implementing the Action before the notification of the suspension was received which the Organisation cannot reasonably suspend, reallocate or terminate on legal grounds. This is without prejudice to any amendments to the Agreement that may be necessary to adapt the Action to the new implementing conditions, including, if possible, the extension of the Implementation Period or to the termination of the Agreement in accordance with Article 13.3. In case of suspension due to Force Majeure or if the Action is a Multi-Donor Action, the Implementation Period is automatically extended by an amount of time equivalent to the duration of the suspension.

Article 13: Termination

- 13.1 Without prejudice to any other provision of these General Conditions or penalties foreseen in the EU Financial Regulation, where applicable, and with due regard to the principle of proportionality, the Contracting Authority may terminate the Agreement if the Organisation:
- a) fails to fulfil a substantial obligation incumbent on it under the terms of the Agreement;
 - b) is guilty of misrepresentation or submits false or incomplete statements to obtain the EU Contribution or provides reports that do not reflect reality to obtain or keep the EU Contribution without cause;
 - c) is bankrupt or being wound up, or is subject to any other similar proceedings;
 - d) is guilty of Grave Professional Misconduct proven by any justified means;
 - e) has committed fraud, corruption or any other illegal activity to the detriment of the EU's financial interests on the basis of proof in the possession of the Contracting Authority;
 - f) fails to comply with the reporting obligations in accordance with Article 3.15;
 - g) has committed any of the failings described in Article 12.3 on the basis of proof in the possession of the Contracting Authority.
- 13.2 Before terminating the Agreement in accordance with Article 13.1, the Contracting Authority shall formally notify the Organisation of its intention to terminate, inviting the Organisation to make observations (including proposals for remedial measures) within thirty (30) days from the receipt of the notification. During this period, and until the termination takes effect,

the Contracting Authority may suspend the time limit for any payment in accordance with Article 12.2 as a precautionary measure informing the Organisation immediately in writing. If the Organisation does not submit observations, or if, after examination of the observations submitted by the Organisation, the Contracting Authority decides to pursue the termination, the Contracting Authority may terminate the Agreement serving seven (7) days' prior notice. During that period, the Organisation may refer the matter to the responsible director in the European Commission. Where the Contracting Authority is the European Commission, the termination will take effect if and when confirmed by the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not suspend the effects of the decision of the Contracting Authority. In case of termination, the Contracting Authority may demand full repayment of any amounts paid in excess of the final amount determined in accordance with Article 20 after allowing the Organisation to submit its observations. Neither Party shall be entitled to claim indemnity by the other Party on account of the termination of this Agreement.

- 13.3 If, at any time, either Party believes that the purpose of the Agreement can no longer be effectively or appropriately performed, it shall consult the other Party. Failing agreement on a solution, either Party may terminate the Agreement by serving sixty (60) days written notice. In this case, the final amount shall cover:
- a) payment only for the part of the Action carried out up to the date of termination;
 - b) in the situations described in Articles 12.5 and 12.6, the unavoidable residual expenditures incurred during the notice period; and,
 - c) in the situations described in Articles 12.5 and 12.6, reimbursement of legal commitments the Organisation entered into for implementing the Action before the written notice on termination was received by it and which the Organisation cannot reasonably terminate on legal grounds.

The Contracting Authority shall recover the remaining part in accordance with Article 15.

- 13.4 In the event of termination, a final report and a request for payment of the balance shall be submitted in accordance with Articles 3 and 19. The Contracting Authority shall not reimburse or cover any expenditure or costs which are not included or justified in a report approved by it.

Article 14: Applicable law and settlement of disputes

- 14.1 The Parties shall endeavour to settle amicably any disputes or complaints relating to the interpretation, application or validity of the Agreement, including its existence or termination.
- 14.2 Where the Organisation is not an International Organisation, and the European Commission is the Contracting Authority, this Agreement is governed by EU law, complemented - if necessary - by the relevant provisions of Belgian law. In the absence of an amicable settlement in accordance with Article 14.1 above, the General Court, or on appeal the Court of Justice of the European Union, has sole jurisdiction. Such actions must be brought under Article 272 of the Treaty on the Functioning of the EU (TFEU). Notwithstanding the foregoing sentence, where the Organisation is not established or incorporated in the EU, any of the Parties may bring before the Brussels courts any dispute between them concerning the interpretation, application or validity of the Agreement, if such dispute cannot be settled amicably. Where one party has brought proceedings before the Brussels courts, the other party may not bring a claim arising from the interpretation, application or validity of the Agreement in any other court than the Brussels courts before which the proceedings have already been brought.
- 14.3 Where the Organisation is not an International Organisation and the European Commission is not the Contracting Authority, the Agreement shall be governed by the law of the country of the Contracting Authority and the courts of the country of the Contracting Authority shall have exclusive jurisdiction, unless otherwise agreed by the Parties. The dispute may, by common agreement of the Parties, be submitted for conciliation to the European

Commission. If no settlement is reached within one hundred and twenty (120) days of the opening of the conciliation procedure, each Party may notify the other that it considers the procedure to have failed and may submit the dispute to the courts of the country of the Contracting Authority.

14.4 Where the Organisation is an International Organisation:

- a) nothing in the Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party by its constituent documents, privileges and immunities agreements or international law;
- b) in the absence of an amicable settlement pursuant to Article 14.1 above, any dispute shall be settled by final and binding arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organizations and States, as in effect on the date of entry into force of this Agreement. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration. The arbitration proceedings must take place in the Hague and the language used in the arbitral proceedings will be English. The arbitrator's decision shall be binding on all Parties and there shall be no appeal.

Article 15: Recovery

- 15.1 Where an amount is to be recovered under the terms of the Agreement, the Organisation shall repay the amount due to the Contracting Authority.
- 15.2 Before recovery, the Contracting Authority shall formally notify the Organisation of its intention to recover any undue amount, specifying the amount and the reasons for recovery and inviting the Organisation to make any observations within 30 days from the date of receipt of the notification. If, after examination of the observations submitted by the Organisation or if the Organisation does not submit any observations, the Contracting Authority decides to pursue the recovery procedure, it may confirm recovery by formally notifying the Organisation. If there is a disagreement between the Organisation and the Contracting Authority on the amount to be repaid, the Organisation may refer the matter to the responsible director in the European Commission within thirty (30) days. Where the Contracting Authority is the European Commission, a debit note specifying the terms and the date for payment may be issued after the deadline for the referral to the director. Where the Contracting Authority is not the European Commission, the referral to the responsible director in the European Commission will not prevent the Contracting Authority from issuing the debit note.
- 15.3 If the Organisation does not make the payment by the date specified in the debit note, the Contracting Authority shall recover the amount due:
 - a) by offsetting it against any amounts owed to the Organisation by the EU;
 - b) by taking legal action pursuant to Article 14;
 - c) in exceptional circumstances justified by the necessity to safeguard the financial interests of the EU, the Contracting Authority may, when it has justified grounds to believe that the amount due would be lost, recover by offsetting before the deadline specified in the debit note without the Organisation's prior consent.
- 15.4 If the Organisation fails to repay by the due date, the amount due shall be increased by late payment interest calculated at the rate indicated in Article 19.6(a). The interest shall be payable for the period elapsing from the day after the expiration of the time limit for payment up to and including the date when the Contracting Authority actually receives payment in full of the outstanding amount. Any partial payment shall first cover the interest.
- 15.5 Where the European Commission is not the Contracting Authority, it may, if necessary, proceed itself to the recovery.

- 15.6 The European Commission may waive the recovery in accordance with the principle of Sound Financial Management and proportionality or it shall cancel the amount in the event of a mistake.

Article 16: Accounts and archiving

Accounting

- 16.1 The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. The accounting Regulations and Rules of the Organisation shall apply to the extent that they ensure accurate, complete, reliable and timely information. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Regulations and Rules of the Organisation.

Archiving

- 16.2 For a period of five (5) years from the End Date and in any case until any on-going audit, verification, appeal, litigation or pursuit of claim or investigation by the European Anti-Fraud Office (OLAF), if notified to the Organisation, has been disposed of, the Organisation shall keep and make available according to Article 17 all relevant financial information (originals or copies) related to the Agreement and to any Procurement Contracts and Grant agreements financed by the EU Contribution.

Article 17: Access and financial checks

- 17.1 The Organisation shall allow the European Commission, or any authorised representatives, to conduct desk reviews and on-the-spot checks on the use made of the EU Contribution on the basis of supporting accounting documents and any other document related to the financing of the Action.
- 17.2 The Organisation agrees that OLAF may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions laid down by EU law for the protection of the financial interests of the EU against fraud, corruption and any other illegal activity.
- 17.3 The Organisation agrees that the execution of this Agreement may be subject to scrutiny by the Court of Auditors when the Court of Auditors audits the European Commission's implementation of EU expenditure. In such case the Organisation shall provide to the Court of Auditors access to the information that is required for the Court to perform its duties.
- 17.4 To that end, the Organisation undertakes to provide officials of the European Commission, OLAF and the European Court of Auditors and their authorised agents, upon request, information and access to any documents and computerised data concerning the technical and financial management of operations financed under the Agreement, as well as grant them access to sites and premises at which such operations are carried out. The Organisation shall take all necessary measures to facilitate these checks in accordance with its Regulations and Rules. The documents and computerised data may include information that the Organisation considers confidential in accordance with its own established Regulations and Rules or as governed by contractual agreement. Such information once provided to the European Commission, OLAF, the European Court of Auditors, or any other authorised representatives, shall be treated in accordance with EU confidentiality rules and legislation and Article 6. Documents must be accessible and filed in a manner permitting checks, the Organisation being bound to inform the European Commission, OLAF or the European Court of Auditors of the exact location at which they are kept. Where appropriate, the Parties may agree to send copies of such documents for a desk review.
- 17.5 Where applicable, the desk reviews, investigations, on-the-spot checks and inspections referred to in Article 17.1 to 17.4 shall refer to a verification that shall be performed in accordance with the verification clauses agreed between the Organisation and the European

Commission. This is without prejudice to any cooperation arrangement between OLAF and the Organisation's anti-fraud bodies.

- 17.6 The European Commission shall inform the Organisation of the planned on-the-spot missions by agents appointed by the European Commission in due time in order to ensure adequate procedural matters are agreed upon in advance.
- 17.7 Failure to comply with the obligations set forth in Article 17 constitutes a case of breach of a substantial obligation under this Agreement.

Article 18: Eligibility of costs

- 18.1 Direct costs are eligible for EU financing if they meet all the following criteria:
- a) they are necessary for carrying out the Action, directly attributable to it, arising as a direct consequence of its implementation and charged in proportion to the actual use;
 - b) they are incurred in accordance with the provisions of this Agreement;
 - c) they are actually incurred by the Organisation, i.e. they represent real expenditure definitely and genuinely borne by the Organisation, without prejudice to Article 18.5;
 - d) they are reasonable, justified, comply with the principle of Sound Financial Management and are in line with the usual practices of the Organisation regardless of their source of funding;
 - e) they are incurred during the Implementation Period with the exception of costs related to final report, final evaluation, audit and other costs linked to the closure of the Action which may be incurred after the Implementation Period;
 - f) they are identifiable and backed by supporting documents, in particular determined and recorded in accordance with the accounting practices of the Organisation;
 - g) they are covered by one of the sub-headings indicated in the estimated budget in Annex III and by the activities described in Annex I; and
 - h) they comply with the applicable tax and social legislation taking into account the Organisation's privileges and immunities.
- 18.2 The following costs may not be considered eligible direct costs, but may be charged as part of the remuneration: all eligible costs that, while necessary and arising as a consequence of implementation, are supporting the implementation of the Action and not considered part of the activities that the European Union finances as described in Annex I, including corporate management costs or other costs linked to the normal functioning of the Organisation, such as horizontal and support staff, office or equipment costs (except when duly justified and described in Annex I, such as a project office).
- 18.3 The remuneration shall be declared on the basis of a flat-rate which shall not exceed 7% of the total eligible direct costs to be reimbursed by the Contracting Authority. The remuneration does not need to be supported by accounting documents. For Multi-Donor and comparable actions, the remuneration shall not be higher than that charged by the Organisation to comparable contributions.
- 18.4 The following costs are ineligible for EU financing:
- a) bonuses, provisions, reserves or non-remuneration related costs. Employers' contributions to pension or other insurance funds run by the Organisation may only be eligible to the extent they do not exceed the actual payments made by these schemes and that the amount provisioned does not exceed the contribution that could have been made to an external fund;
 - b) full-purchase cost of equipment and assets unless the asset or equipment is specifically purchased for the Action and ownership is transferred in accordance with Article 9;



- c) duties, taxes and charges, including VAT, that are recoverable/deductible by the Organisation;
- d) return of capital;
- e) debts and debt service charges;
- f) provision for losses, debts or potential future liabilities;
- g) banking charges for the transfers from and to the Contracting Authority;
- h) costs incurred during the suspension of the implementation of the Agreement except the minimum costs agreed on in accordance with Article 12.8;
- i) costs declared by the Organisation under another agreement financed by the European Union budget (including through the European Development Fund);
- j) contributions in kind. The cost of staff assigned to the Action and actually incurred by the Organisation is not a contribution in kind and may be declared as a direct eligible cost if it complies with the conditions set out in Article 18.1; and
- k) costs of purchase of land or buildings, unless otherwise provided in the Special Conditions.

Simplified cost options

- 18.5 Direct eligible costs may also be declared by using any or a combination of unit costs, lump sums and flat-rate financing.
- 18.6 The methods used by the Organisation to determine unit costs, lump sums or flat-rates shall comply with the principles provided in Articles 18.1, 18.2 and 18.4, be clearly described and substantiated in Annex III, shall avoid double funding of costs and shall respect the principle of Sound Financial Management. These methods shall be based on the Organisation's historical or actual accounting data, its usual accounting practices, an expert judgment or on statistical or other objective information where available and appropriate.
- 18.7 Costs declared under simplified cost options do not need to be backed by accounting or supporting documents except if they are necessary to demonstrate that the costs have been declared according to the declared method or cost accounting practices and that the qualitative and quantitative conditions defined in Annex I and III have been respected.
- 18.8 Simplified cost options not linked to the achievement of concrete Results shall only be eligible if they have been ex ante-assessed by the European Commission.
- 18.9 If a verification reveals that the methods used by the Organisation to determine unit costs, lump sums or flat-rates are not compliant with the conditions established in this Agreement, the Contracting Authority shall be entitled to recover proportionately up to the amount of the unit costs, lump sums or flat-rate financing.

Article 19: Payments

- 19.1 Payment procedures shall be as follows:
 - a) the Contracting Authority shall provide a first pre-financing instalment as set out in Article 4.1 of the Special Conditions within thirty (30) days of receiving the Agreement signed by both Parties;
 - b) the Organisation may submit a request for further pre-financing instalment for the following reporting period in accordance with Article 4 of the Special Conditions; the following provisions apply:
 - i) the reporting period is intended as a twelve-month period, unless otherwise provided for in the Special Conditions. When the remaining period to the end of the Action is up to eighteen (18) months, the reporting period shall cover it entirely;




- ii) if at the end of the reporting period less than 70% of the last payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party, the further pre-financing payment shall be reduced by the amount corresponding to the difference between the 70 % of the immediately pre-financing payment (and 100% of previous payments, if any) and the part of the previous pre-financing payments which has been paid by the Organisation to its staff or has been subject to a legal commitment with a third party;
 - iii) the Organisation may submit a request for further pre-financing payment before the end of the reporting period, once more than 70 % of the immediately preceding payment (and 100% of previous payments, if any) has been paid by the Organisation to its staff or otherwise subject to a legal commitment with a third party. In this case, the following reporting period starts anew from the end date of the period covered by this payment request;
 - c) at the end of the Implementation Period, the Organisation shall submit a payment request for the balance, where applicable, together with the final report. The amount of the balance shall be determined according to Article 20 and following approval of the request for payment of the balance and of the final report; and
 - d) the Contracting Authority shall pay the further pre-financing instalments and the balance within ninety (90) days of receiving a payment request accompanied by a progress or final report, unless the time limit for payment was suspended according to Article 12 or 13.
- 19.2 Payment requests shall be accompanied by narrative and financial reports presented in accordance with Article 3. The requests for pre-financing payments and the request for the balance shall be drafted in the Currency of the Agreement as specified in the Special Conditions. Except for the first pre-financing instalment, the payments shall be made upon approval of the payment request accompanied by a progress or final report. The final amount shall be established in line with Article 20. If the balance is negative, the payment of the balance takes the form of recovery.
- 19.3 Approval of the requests for payment and of the accompanying reports shall not imply recognition of the regularity or of the authenticity, completeness and correctness of the declarations and information contained therein.
- 19.4 The Contracting Authority shall make payments in the Currency of the Agreement as specified in the Special Conditions to the bank account referred to in the financial identification form in Annex IV.
- 19.5 Payment arrangements for performance-based financing in accordance with Article 21 shall be set out in Article 4 of the Special Conditions and Annex I.

Late payment interest

- 19.6 In case of late payment of the amounts stated in Article 4 of the Special Conditions the following conditions apply:
- a) upon expiry of the time limits for payments specified in Article 19.1, if the Organisation is not a Member State Organisation, it shall receive interest on late payment based on the rate applied by the European Central Bank for its main refinancing operations in Euros (Reference Rate), increased by three and a half percentage points. The Reference Rate shall be the rate in force on the first day of the month in which the time limit for payment expires, as published in the C series of the Official Journal of the EU;
 - b) the suspension of the time limit for payment by the Contracting Authority in accordance with Article 12 or 13 shall not be considered as late payment;
 - c) interest on late payment shall cover the period running from the day following the due date for payment, up to and including the date of actual payment as established in Article 19.1. Any partial payment shall first cover the interest;




- d) by way of exception to point (c), when the interest calculated in accordance with this provision is lower than or equal to EUR 200, the Contracting Authority shall pay such interest to the Organisation only upon request from the Organisation submitted within two months of it receiving late payment;
- e) by way of exception to point (c), when the Contracting Authority is not the European Commission, and the European Commission does not make the payments, the Organisation shall be entitled to late payment interest upon its request submitted within two months of it receiving late payment.

Article 20: Final amount of the EU Contribution

- 20.1 The Contracting Authority shall determine the final amount of the EU Contribution when approving the Organisation's final report. The Contracting Authority shall then determine the balance:
 - a) to be paid to the Organisation in accordance with Article 19 where the final amount of the EU Contribution is higher than the total amount already paid to the Organisation; or
 - b) to be recovered from the Organisation in accordance with Article 15 where the final amount of the EU Contribution is lower than the total amount already paid to the Organisation.
- 20.2 The final amount shall be the lower of the following amounts:
 - a) the maximum EU Contribution referred to in Article 3.1 of the Special Conditions in terms of absolute value;
 - b) the amount obtained after reduction of the EU Contribution in accordance with Article 20.3.
- 20.3 Where the Action (i) is not implemented, (ii) is not implemented in line with the Agreement or (iii) is implemented partially or late, the Contracting Authority may, after allowing the Organisation to submit its observations, reduce the EU Contribution in proportion to the seriousness of the above mentioned situations. If there is a disagreement between the Organisation and the Contracting Authority on the reduction, the Organisation may refer the matter to the responsible director in the European Commission.

Article 21: Performance-based financing

- 21.1 The payment of the EU Contribution may be partly or entirely linked to the achievement of Results measured by reference to previously set milestones or through performance Indicators. Such performance-based financing is not subject to Article 18. The relevant Results and the means to measure their achievement shall be clearly described in Annex I.
- 21.2 The amount to be paid per achieved Result shall be set out in Annex III. The method to determine the amount to be paid per achieved Result shall be clearly described in Annex I and take into account the principle of Sound Financial Management.
- 21.3 The Organisation shall not be obliged to report on costs linked to the achievement of Results. However, the Organisation shall submit any necessary supporting documents, including where relevant accounting documents, to prove that the Results triggering the payment as defined in Annex I and III have been achieved.
- 21.4 Articles 3.7 f), 3.8 b) and 3.8 f) do not apply to the part of the Action supported by way of performance-based financing.

Article 22: Ex-post publication of information on Contractors and Grant Beneficiaries

- 22.1 The Organisation shall publish, on an annual basis, on its internet site, the following information on Procurement Contracts exceeding EUR 15.000 and all Grants financed by the EU Contribution: title of the contract/agreement/project, nature and purpose of the

contract/agreement/project, name and locality of the Contractor or Grant Beneficiary and amount of the contract/agreement/project. The term "locality" shall mean the address for legal persons and the Region on NUTS³ 2 level, or equivalent, for natural persons. This information shall not be published in relation to education support paid to natural persons and other direct support paid to natural persons in most need. This information shall be published with due observance to the requirements of confidentiality security and in particular the protection of personal data. The publication shall be waived, if such disclosure risks threatening rights and freedoms as protected by the Charter of Fundamental Rights of the European Union or harm the commercial interests of the Contractors or Grant Beneficiaries.

- 22.2 The Organisation shall provide to the European Commission the address of the internet site where this information can be found and shall authorise the publication of such address on the European Commission's internet site.
- 22.3 Where the Action is a Multi-Donor Action and the EU Contribution is not earmarked, the publication of information on Contractors and Grant Beneficiaries shall follow the rules of the Organisation.

Article 23: Contracting and Early Detection and Exclusion System

Contracting

- 23.1 Unless otherwise provided for in the Special Conditions, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. However, and in any event, goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Union shall be eligible. Without prejudice to the foregoing or to the Organisation's assessed Regulations and Rules, the Organisation shall promote the use of local contractors when implementing the Action.
- 23.2 The Organisation shall adopt reasonable measures, in accordance with its own Regulations and Rules, to ensure that potential candidates or tenderers and applicants shall be excluded from the participation in a procurement or grant award procedure and from the award of a Procurement Contract or Grant financed by the EU Contribution, if the Organisation becomes aware that these entities:
- a) or persons having powers of representation, decision making or control over them, have been the subject of a final judgement or of a Final Administrative Decision for fraud, corruption, involvement in a criminal organisation, money laundering, terrorist-related offences, child labour or trafficking in human beings;
 - b) or persons having powers of representation, decision making or control over them have been the subject of a final judgement or of a Final Administrative Decision for an irregularity affecting the EU's financial interest;
 - c) are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or if they fail to supply this information;
 - d) have been the subject of a final judgment or of a Final Administrative Decision establishing that the entities have created an entity under a different jurisdiction with the intention to circumvent fiscal, social or any other legal obligations of mandatory application in the jurisdiction of its registered office, central administration or principal place of business;
 - e) have been created with the intention described in point d) above as established by a final judgment or a Final Administrative Decision.

Early Detection and Exclusion System

³ Nomenclature of Territorial Units for Statistics, available at: <http://ec.europa.eu/eurostat/ramon>.

- 23.3 The Organisation shall inform the European Commission if, in relation to the implementation of the Action, it has detected a situation of exclusion pursuant to Article 23.2 or its own positively assessed Regulations and Rules, as applicable, or if it has detected a fraud and/or an irregularity pursuant to Article 2.3. This information may be used by the European Commission for the purpose of the Early Detection and Exclusion System. The Organisation shall inform the European Commission when it becomes aware that transmitted information needs to be rectified updated or removed. The Organisation shall ensure that the entity concerned is informed that its data was transmitted to the European Commission and may be included in the Early Detection and Exclusion System and be published on the website of the European Commission. These requirements cease at the end of the Implementation Period.
- 23.4 Without prejudice to the power of the European Commission to exclude a person or an entity from future procurement contracts and grants financed by the EU and/or to impose financial penalties according to the EU Financial Regulation, the Organisation may impose sanctions on third parties according to its own Regulations and Rules ensuring, where applicable, the right of defence of the third party.
- 23.5 The Organisation may take into account, as appropriate and on its own responsibility, the information contained in the Early Detection and Exclusion System, when implementing the EU Contribution. Access to the information can be provided through the authorised persons or via consultation with the European Commission as referred in Article 5.6 of the Special Conditions⁴.

⁴ The Organisation shall be allowed to have direct access to the Early Detection and Exclusion System through an authorised person when the Organisation certifies to the Contracting Authority service responsible that it applies adequate data protection measures as provided in Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 or its successor, as applicable.

ANNEX III. BUDGET FOR THE ACTION

OUTCOME AREA	OUTPUT	Unit	Total # of Units	Unit cost (USD)	BUDGET (USD)	YEAR 1	YEAR 2	YEAR 3	YEAR 4
COMPONENT A: BRIDGING POLICIES WITH BUDGETS									
A.1. RESULTS-INFORMED STRATEGIC BUDGETING (MTEF)	A.1.1. Reforms Plan to upgrade the MTEF				70,405	40,905	13,000	12,500	4,000
	A.1.2. Results-based MTEF process established				528,000	107,000	141,000	141,000	139,000
	OUTCOME A.1. SUBTOTAL				598,405	147,905	154,000	153,500	143,000
A.2. RESULTS-INFORMED BUDGET PRESENTATION	A.2.1. Budget programmes aligned with policies and results				165,250	44,000	41,250	39,250	40,750
	A.2.2. Expenditure Performance Monitoring and Reporting				84,800	11,500	25,100	25,100	23,100
	A.2.3. Citizen's SDG Budget				16,000	4,000	4,000	4,000	4,000
	OUTCOME A.2. SUBTOTAL				266,050	59,500	70,350	68,350	67,850
A.3. EVIDENCE-BASED BUDGET FORMULATION	A.3.1. Sector PEIRs for informed budget decision-making				280,000	35,000	105,000	70,000	70,000
	A.3.2. Improved prioritization of sectors programmes				76,750	23,500	18,750	18,000	16,500
	A.3.3. Improved costing of policies				100,000	16,000	32,000	32,000	20,000
	OUTCOME A.3. SUBTOTAL				456,750	74,500	155,750	120,000	106,500
A.4. ENHANCED CAPACITY OF MOF AND LINE MINISTRIES IN RBB AND BUDGETING FOR SDGs	A.4.1. Strategic Advisory Services				133,250	16,000	69,500	29,500	18,250
	A.4.2. Regional Peer Learning and Study Tours				227,500	10,000	87,500	87,500	42,500
	A.4.3. Training On-the-job Capacity Building				544,000	115,000	143,000	143,000	143,000
	OUTCOME A.4. SUBTOTAL				904,750	141,000	300,000	260,000	203,750
Interpretation Services across Component A outputs					20,000	5,000	5,000	5,000	5,000
Communication Services across Component A outputs					20,000	5,000	5,000	5,000	5,000
Chief Technical Advisor (Economist) services across Component A outputs					40,000	10,000	10,000	10,000	10,000
Contingency									
COMPONENT A TOTAL					2,305,955	442,905	700,100	621,850	541,100
COMPONENT B: BUDGET OVERSIGHT AND TRANSPARENCY									
B.1. ENHANCED PARLIAMENTARY ROLE IN BUDGET OVERSIGHT	B.1.1. Policy analysis and oversight				104,500	9,500	19,000	38,000	38,000
	B.1.2. Results-based budget scrutiny and monitoring				286,200	48,000	83,000	83,000	72,200
	B.1.3. Parliament oversight on effective Policy-Budget linking				41,250	0	11,750	11,500	18,000
	B.1.4. Enhanced capacity of the Parliament in budget oversight				267,000	40,000	93,000	79,000	55,000
	OUTCOME B.1. SUBTOTAL				698,950	97,500	206,750	211,500	183,200
B.2. INCREASED ROLE OF CSOs IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS	B.2.1. Sector Policy Analyses Performed				80,000	20,000	20,000	20,000	20,000
	B.2.2. Budget Monitoring by CSOs				85,000	0	25,000	30,000	30,000
	B.2.3. Capacity building for CSOs and media on budget monitoring and oversight functions				155,000	5,000	60,000	45,000	45,000
	OUTCOME B.2. SUBTOTAL				320,000	25,000	105,000	95,000	95,000
B.3. STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT	B.3.1. Performance Audit of SDG priority programmes				78,000	4,500	28,500	28,500	16,500
	B.3.2. Civil Hall (Social) Audit				124,500	17,500	31,000	38,000	38,000
	B.3.3. Capacity Building on Performance Audit				125,000	15,000	80,000	15,000	15,000
	OUTCOME B.3. SUBTOTAL				327,500	37,000	139,500	81,500	69,500
Interpretation Services across Component B outputs					40,000	10,000	10,000	10,000	10,000
Communication Services across Component B outputs					20,000	5,000	5,000	5,000	5,000
Chief Technical Advisor (Economist) services across Component B outputs					40,000	10,000	10,000	10,000	10,000
Contingency									
COMPONENT B TOTAL					1,446,450	184,500	476,250	413,000	372,700

COMPONENT C: EMPLOYMENT PROMOTION									
C.1. NATIONAL PROGRAMMES ON EMPLOYMENT PROMOTION STRENGTHENED AND MADE MORE COHERENT.	C.1.1 Existing national programs mapped and bottlenecks identified								
	C.1.2 Support services for coherent program implementation designed, as per labour markets and local economic policies	52,000	36,000	16,000		0			0
	C.1.3 Support services incorporated in national programmes, and reflected in Ministry budget	169,500	26,000	71,500		46,000			26,000
	OUTCOME C.1. SUBTOTAL	43,000	10,000	16,000		17,000			0
	C.2.1 A common platform for innovative and start-up initiatives designed and established for customised support and knowledge exchange [on-line and off-line]	264,500	72,000	103,500		63,000			26,000
	C.2.2 Mapping and integrated assessment carried out of donor/partners-supported initiatives towards employment	150,000	55,000	40,000		40,000			15,000
	C.2.3 Start-up businesses supported with a particular focus on youth, remotely located job seekers and persons with disabilities	65,700	15,900	24,900		24,900			0
	OUTCOME C.2. SUBTOTAL	89,000	0	24,000		65,000			0
	C.3.1 Capacity Development services institutionalized for facilitators in Design Thinking and Behavioural Insights and Education institutes in Enterprise Education Pedagogy	304,700	70,900	88,900		129,900			15,000
	C.3.2 Distance/on-line platforms expanded for career advisory master trainings and capacity increased to deliver employment services remotely for strengthened inclusion	284,500	19,500	130,000		102,500			32,500
C.3. INSTITUTIONALIZATION OF CAREER GUIDANCE AND COUNSELING SYSTEM	C.3.3 Regular platform established for implementation of employer-oriented measures and employer-employee interactions	92,000	8,000	44,000		24,000			16,000
	OUTCOME C.3. SUBTOTAL	80,000	15,000	27,000		19,000			19,000
	C.4.1. Effective public-private partnership models with large scale youth employment potential in agriculture value chains identified, designed and piloted to strengthen coherent on-ground implementation of the national programs	456,500	42,500	201,000		145,500			67,500
	C.4.2 Organizational and technical innovations promoted to support Mongolian agribusiness enterprises move up the agri value chains	682,395.78	150,127.05	184,246.79		211,542.98			136,478.96
C.4 PILOTS, WITH SCOPE FOR SCALING-UP, UNDERTAKEN FOR BUILDING EVIDENCE, ESTABLISHING LESSONS, AND POLICY DEVELOPMENT. ENHANCED DECENT EMPLOYMENT AND INCOME OPPORTUNITIES FOR MONGOLIAN YOUTH AND OTHER DISADVANTAGED GROUPS THROUGH ENABLING ENTREPRENEURSHIP AND SUSTAINABLE INVESTMENTS	C.4.3 Support building of competitive national Mongolian food brands in national and international markets that meet national and international quality / safety standards	225,641.03	49,640.68	60,922.93		69,949.43			45,127.99
	C.4.4 Agribusiness based youth employment policy and action plan for Mongolia developed	354,447.45	77,978.82	95,700.64		109,878.70			70,889.29
	C.4.5 A model training hub for non-food agri-sector production (leather and fibre) set up and piloted	155,318.64	34,169.72	41,936.20		48,148.79			31,063.93
	OUTCOME C.4. SUBTOTAL	396,694.23	127,421.20	145,425.73		119,827.73			4,019.57
	Interpretation Services across Component C outputs	1,814,497.13	439,327.48	572,232.30		559,347.63			287,579.73
	Communication Services across Component C outputs	40,000.00	10,000.00	10,000.00		10,000.00			10,000.00
	Chief Technical Advisor (Economist) services across Component C outputs	20,000.00	5,000.00	5,000.00		5,000.00			5,000.00
	Contingency	40,000.00	10,000.00	10,000.00		10,000.00			10,000.00
				91,476.00					
	COMPONENT C TOTAL	2,940,197.13	649,737.48	946,632.30		922,747.63			421,079.73

COMPONENT D: LABOUR REGULATIONS									
D.1. REGULATORY FRAMEWORK ALIGNED WITH INTERNATIONAL LABOUR STANDARDS	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				8,000.00	2,000.00	2,000.00	2,000.00	2,000.00
	D.1.2 Advice on improving legal environments to increase the efficiency of labour inspection and employment promotion provided				28,000.00	7,000.00	7,000.00	7,000.00	7,000.00
	D.1.3 The Sub-Committee on Application of International Labour Standards assisted in their reviews and discussions of international labour standards and Mongolia's related obligations				21,800.00	5,450.00	5,450.00	5,450.00	5,450.00
	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				24,000.00	0.00	8,000.00	8,000.00	8,000.00
	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				45,000.00	0.00	15,000.00	15,000.00	15,000.00
	D.1.6 Professional groups and the Mongolia Decent Work for Youth Network (DWYN) supported to promote awareness and action on labour rights of Mongolian youth especially with a view to promote formalization of employment				28,400.00	6,100.00	7,500.00	7,500.00	7,500.00
	OUTCOME D.1. SUBTOTAL				155,200.00	20,550.00	44,950.00	44,950.00	44,750.00
	D.2.1 Support provided for the formulation of annual Strategic Compliance Plan (SCP)				71,200.00	17,800.00	17,800.00	17,800.00	17,800.00
	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				22,500.00	22,500.00	0.00	0.00	0.00
	D.2.3 Recommendations on improving and upgrading inspection data system provided to GASJ and improvements of the existing data collection of occupational accidents and acute poisoning				10,500.00	10,500.00	0.00	0.00	0.00
D.2. COMPLIANCE BOOSTED THROUGH INCREASED CAPACITY OF LABOUR INSPECTION SYSTEM	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)				41,000.00	21,000.00	10,000.00	0.00	10,000.00
	OUTCOME D.2. SUBTOTAL				145,200.00	71,800.00	27,800.00	17,800.00	27,800.00
Contingency									
COMPONENT D TOTAL					300,400.00	92,350.00	72,750.00	62,750.00	72,550.00






**** Note that NO SCOs from FAO (Simplified Cost Options such as unit costs, lump sums or flat-rates) of any type are included under Component C (nor any other component) nor under the FAO Project Office Costs

**** Contingency amounts are not counted towards component totals or in the calculation of remuneration.

**** See footnote 2 of Special Conditions for USD/EUR exchange rate

performance measures are not connected towards component totals or in the calculation of remediation.

**** See footnote 2 of Special Conditions for USD/EUR exchange rate



FINANCIAL IDENTIFICATION

PRIVACY STATEMENT

http://ec.europa.eu/budget/contracts_grants/info_contracts/financial_id/financial_id_en.cfm#en

Please use CAPITAL LETTERS and LATIN CHARACTERS when filling in the form.

BANKING DETAILS ①

ACCOUNT NAME ②	UNDP CONTRIBUTIONS ACCOUNT		
IBAN/ACCOUNT NUMBER ③	36349562		
CURRENCY	US DOLLAR		
BIC/SWIFT CODE	CITIUS33	BRANCH CODE ④	NY - 940
BANK NAME	CITIBANK		

ADDRESS OF BANK BRANCH

STREET & NUMBER	399 PARK AVENUE		
TOWN/CITY	NEW YORK, NEW YORK	POSTCODE	10022-4617
COUNTRY	UNITED STATES OF AMERICA		

ACCOUNT HOLDER'S DATA

AS DECLARED TO THE BANK

ACCOUNT HOLDER	UNITED NATIONS DEVELOPMENT PROGRAMME		
STREET & NUMBER	ONE UNITED NATIONS PLAZA		
TOWN/CITY	NEW YORK, NEW YORK	POSTCODE	10017
COUNTRY	UNITED STATES OF AMERICA		

REMARK

BANK STAMP + SIGNATURE OF BANK REPRESENTATIVE ⑤

Shannon Lavechila, AVP
TTS Client Operations
One Penn Plaza
New York, NY 10119
302-324-6518

DATE (Obligatory)

17 OCTOBER 2016

SIGNATURE OF ACCOUNT HOLDER (Obligatory)

Julie Anne Mejia

JULIE ANNE MEJIA

Treasurer
UNDP Treasury Division

- ① Enter the final bank data and not the data of the intermediary bank.
- ② This does not refer to the type of account. The account name is usually the one of the account holder. However, the account holder may have chosen to give a different name to its bank account.
- ③ Fill in the IBAN Code (International Bank Account Number) if it exists in the country where your bank is established
- ④ Only applicable for US (ABA code), for AU/NZ (BSB code) and for CA (Transit code). Does not apply for other countries.
- ⑤ It is preferable to attach a copy of RECENT bank statement. Please note that the bank statement has to confirm all the information listed above under 'ACCOUNT NAME', 'ACCOUNT NUMBER/IBAN' and 'BANK NAME'. With an attached statement, the stamp of the bank and the signature of the bank's representative are not required. The signature of the account-holder and the date are ALWAYS mandatory.

MAC

ANNEX V

Request for payment for Contribution Agreement

Date of the request for payment <.....>

For the attention of
<Address of the Contracting Authority>
<Financial unit indicated in the Contribution Agreement>¹

Reference number of the Contribution Agreement: ...

Title of the Contribution Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of pre-financing/interim payment/balance² under the Contribution Agreement mentioned above.

The amount requested is [in accordance with Article 4 of the Special Conditions of the Contribution Agreement/the following: ...]³

Please find attached the following supporting documents:

- narrative and financial progress report (for pre-financing / interim payments)
- final narrative and financial report (for payment of the balance)⁴

The payment should be made to the following bank account: .⁵

Please when making the payment indicate the following communication: ...

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully, <signature>

¹ If applicable, please do not forget to address a copy of this letter to the European Union Delegation mentioned in Article 5 of the Special Conditions of the Contribution Agreement.

² Delete the options which do not apply.

³ Delete the option which does not apply.

⁴ Delete the items which do not apply.

⁵ Indicate the account number shown on the financial identification form annexed to the Contribution Agreement. In the event of change of bank account, please complete and attach a new financial identification form as per model.

N.B.: Instalments of pre-financing, interim payments and final payments shall be made upon approval of the payment request accompanied by a progress or final report (see Articles 19 of the General Conditions of Contribution Agreement).

ANNEX VI

COMMUNICATIONS & VISIBILITY PLAN

Introduction

UNDP and the European Union have developed a strong partnership in the pursuit of shared humanitarian and development goals. These have been outlined in a number of strategic policy and programme frameworks. Both UNDP and the EU are committed to increasing the effectiveness of aid, managing joint actions in around 140 countries. The European Union set clear rules on communication and visibility. A budgeted communication and visibility plan must be included in any EU-funded or co-funded action, aiming at highlighting the external communication activities that need to take place at each key project stages. The level of detail should be proportionate to the nature, extent and cost of the communication activities envisaged, which clearly depends on the dimension of the action. Any implementing organization should care of identifying and focussing first and foremost on the key audiences in the host/beneficiary country, as well as at EU and International level. This communication plan is designated for the Technical Assistance Component of the "EU Budget Support for Employment reforms in Mongolia" to be implemented by UNDP.

Objectives

The overall objective of this plan is to raise awareness of the activities of the project and the European Union's vital support of the programme in improving employment in Mongolia. The communications plan will help share key evidence and experiences gathered during the timeline of the fund's activities whilst informing interested parties and the EU citizenry of the European Union's contribution to the project. Sub-objectives include, but are not limited to:

- i. To communicate the objectives, intentions and results of the project operations in improving public services in the Labour and Employment sector in Mongolia
- ii. Promote the modernisation of Mongolia's PFM systems and strengthen institutional capacity through the launch and other publicity generating events.
- iii. To build capacity among partner donors, key stakeholders and project beneficiaries to enable them to become important voices on the subject
- iv. To provide visibility for key donors such as the EU in Mongolia and within the EU itself.

All communication and visibility activities will be implemented in accordance with Article 11 of the Financial and Administrative Framework Agreement concluded between the EU and the UN, Article 8 of the Annex II to the EU-UNDP Contribution Agreement (General Conditions) and the Joint Visibility Guidelines for EC-UN Actions in the field¹.

Target Groups

- a. Within Mongolia: Government institutions, Partner Donors, UN, NGOs, academia and think tanks, private sector and the media.

¹http://www.undp.org/content/dam/brussels/docs/Strategic%20Framework/UNDP%20Bxl%20joint_visibility_guidelines.pdf



b. Within the EU: Tax Payers, Donor Agencies and sector experts

Specific objectives for each target group

a. Within Mongolia:

- Partner Donors: Keep them informed of activities being carried out and the results of the project.
- Government institutions, Partner Donors, UN, NGOs, academia and think tanks, private sector and the media:
 - To communicate clearly the objectives and intentions of the project and share key experiences amongst participants in each of the areas where the project is being implemented.
 - Raise awareness of the need and importance of the creation of an evidence base as well as the activities on the ground
 - To inform the key interested parties of the contribution of the EU to the employment sector in Mongolia

b. Within the EU:

- Raise awareness of the contribution of the EU to Mongolia and share key evidence and experiences gathered during the timeline of the project activities
- To enhance the visibility of the EU's contribution to employment sector in Mongolia

General messages:

- Improve employment in Mongolia: The economic growth must be able to transform into more sustainable jobs. Decent work is one of the key goals of the Agenda-2030 that Mongolia has adopted as part of the Sustainable Development Vision-2030 in 2016 and the EU Budget Support for Employment reforms in Mongolia is playing a crucial role in that regard.
- Budget reform: The Budget Support will provide resources to the Mongolian budget system to fund budget interventions that can support employment sector. At the same time, the EU programme has a Technical Assistance component that will aim at supporting both the Public Financial Management system to integrate some elements of the results-oriented budgeting in the context of the SDGs, and the Employment sector.
- Employability of the Youth and people with disability: Youth remains as a vulnerable group in the job market and the proportion of unemployment amongst the youth is disproportionately higher than the average unemployment. Project funded by the EU, implemented by UNDP is working to introduce employment-oriented interventions to address professional and vocational education systems to build more demand-driven education systems for the existing and new markets.
- Improved labor regulations: By upgrading national policies on employment and labour regulations and by bridging those with budget formulation and oversight, the project will enable better and effective budgeting processes for more effective and targeted employment support activities throughout the country.

Activity details

Types of activities include:	Target groups	Communications channels and tools include:	Timeframe	Responsible	Resources
○ Launch event ○ Press conferences	General public Partner donors GOM UN agencies	TV Social media Daily newspapers	During the project implementation period	PIU with support from UNDP CO	Year 1: 15,000 Year 2: 15,000 Year 3: 15,000 Year 4: 15,000

○ Publication launches ○ Conferences, workshops, consultative meetings	Think tanks Private sector media				
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Monitoring and Evaluation

The activities will be monitored and evaluated in three different levels: process, outcome and impact. The monitoring and evaluation will be done on a continuous basis.

- Quantitative (Process) – what messages were communicated to how many people, where and how often?
- Qualitative (Outcome and Impact) – what was the change in the audience/s awareness, attitudes or behaviour and what impact had the activities on the overall objective?

Resources

The project office will hire a Communications Specialist on a full-time basis: \$90,255 (4 years). Dedicated communications budgets are included under Components A, B, C, totaling \$60,000 (Annex III). In addition, visibility actions are embedded in project activities, including workshops, trainings, study visits, report launches, consultation meetings and online platforms.



Annex VII

Management Declaration

I, the undersigned, <insert forename and surname>, in my capacity as <insert function in the entrusted entity or person>, confirm that in relation to the Contribution Agreement <insert reference of the concrete Agreement>, (the "Agreement"), based on my own judgement and on the information at my disposal, including, inter alia, the results of the audits and controls carried out, that:

1. The information submitted under Article 3 General Conditions of the Agreement for the financial period dd/mm/yyyy to dd/mm/yyyy is properly presented, complete and accurate;
2. The expenditure was used for its intended purpose as defined in Annex I of the Agreement;
3. The control systems put in place give the necessary assurances that the underlying transactions were managed in accordance with the provision of this Agreement.
4. The Organisation performed the activities in compliance with the obligations laid down in the Agreement and applying the accounting, internal control, audit systems, and procedures for grants and procurement, including a review procedure,¹ referred to in Article 1.3 of the Special Conditions and which have been positively assessed in the ex-ante pillars assessment.

Furthermore, I confirm that I am not aware of any undisclosed matter which could harm the interests of the European Union.

*[However, the following reservations should be noted:]*².

<insert place and date>

.....

(signature)

<Insert forename and surname>

¹ Adapt if grants and/or procurement procedures is/are not the one(s) assessed by the Commission

² Option to be used in case of reservations.



