



Food and Agriculture
Organization of the
United Nations



Олон Улсын
Хөдөлмөрийн
Байгууллага



Final Evaluation of the
SDG-Aligned Budgeting to Transform Employment in Mongolia (SDGBE) Project
[Project Number/Project ID: 00114119; Award ID: 00117248]

EVALUATION REPORT

Timeframe of the Evaluation: August 2024 to October 2024

Country of the Evaluation Intervention: Mongolia

Name of the Organization Commissioning the Evaluation: UNDP

Evaluation Report Date: October 2024

Name of Evaluator:

Dr Jeff Fang
International Consultant – Team Leader

Dr Khaliunaa Erdenekhuu
National Consultant

TABLE OF CONTENTS

LIST OF FIGURES	III
LIST OF TABLES	III
ACKNOWLEDGEMENTS.....	III
ACRONYMS AND ABBREVIATIONS.....	IV
PROJECT INFORMATION TABLE.....	VI
EXECUTIVE SUMMARY.....	1
1. INTRODUCTION.....	6
1.1 PURPOSE AND OBJECTIVE OF THE FINAL EVALUATION	6
1.2 SCOPE	6
1.3 EVALUATION APPROACH AND METHODOLOGY	7
1.3.1 Evaluation Methodological Approach	7
1.3.2 Evaluation Data Sampling and Data Sources/Collection Method	8
1.3.3 Evaluation Data Analytical Method	9
1.3.3 Evaluation Step-By-Step Phase Approach	10
1.3.4 Incorporating Cross-Cutting Aspects	10
1.4 LIMITATIONS OF THE FINAL EVALUATION	11
1.5 ETHICS	11
1.6 STRUCTURE OF THE FINAL EVALUATION REPORT	12
2. PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT.....	12
2.1 PROJECT START AND DURATION	12
2.2 DEVELOPMENT CONTEXT: ENVIRONMENTAL, SOCIO-ECONOMIC, INSTITUTIONAL, AND POLICY FACTORS RELEVANT TO THE PROJECT OBJECTIVE AND SCOPE	12
2.3 PROBLEMS THAT THE PROJECT SOUGHT TO ADDRESS	13
2.4 IMMEDIATE AND DEVELOPMENT OBJECTIVES OF THE PROJECT	13
2.5 BASELINE AND EXPECTED RESULT TARGETS ESTABLISHED	14
2.6 MAIN STAKEHOLDERS.....	14
2.7 THEORY OF CHANGE AT EVALUATION	15
3. FINDINGS	17
3.1 PROJECT DESIGN	17
3.1.1 Project Document (PRODOC) Formulation.....	17
3.1.2 Analysis of Results and Resources Framework (Project Logic/Strategy and Indicators).....	17
3.1.3 Risks and Assumptions	21
3.1.4 Lessons from Other Relevant Projects Incorporated into Project Design	22
3.1.5 Planned Stakeholder Participation	22
3.1.6 Replication Approach	22
3.1.7 Management Arrangements	22
3.1.8 Linkages between Project and Other Interventions within the Sector	23
3.2 PROJECT IMPLEMENTATION.....	24
3.2.1 Adaptive Management	24
3.2.2 Actual Stakeholder Participation and Partnership Arrangements.....	24

3.2.3 Project Finance	24
3.2.4 Monitoring and Evaluation (M&E) Design at Entry, Implementation, and Overall Assessment of M&E	26
3.2.5 UNDP Implementation/Oversight and Implementing Partner Execution, Overall Project Implementation/Execution, Coordination, and Operational Issues	28
3.2.6 Risk Management, including Social and Environmental Standards (Safeguards)	28
3.3 ACHIEVEMENT OF PROJECT RESULTS	29
3.3.1 Relevance	29
3.3.2 Coherence	31
3.3.3 Overall Results/Progress towards Objective and Expected Outcomes/Outputs	32
3.3.4 Effectiveness	34
3.3.5 Efficiency	38
3.3.6 Cross Cutting Issue – Disability Inclusion and Rights-Based Approach /LNOB	40
3.3.7 Cross Cutting Issue - Gender Equality and Women’s Empowerment	41
3.3.8 Sustainability	42
4. KEY SUCCESS STORIES.....	45
4.1 DELIVERING LOCALIZED EMPLOYMENT SUPPORT SERVICES THAT BETTER MEET THE CITIZENS’ NEEDS THROUGH RESULTS-BASED BUDGETING/PLANNING	45
4.2 INCREASED ACCESSIBILITY OF VOCATIONAL EDUCATION TRAINING OPPORTUNITIES FOR REMOTELY LOCATED PEOPLE WITH DISABILITIES (PWDs) – A DISABILITY/SOCIAL INCLUSION VOCATIONAL EDUCATION TRAINING PROGRAMME MODEL.....	46
5. KEY FINDINGS, CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS	48
5.1 KEY FINDINGS	48
5.2 CONCLUSIONS AND LESSONS LEARNED	49
Conclusion #1: Institutionalizing Results-Based Budgeting and Results-Based Planning into an Integrated Results-Based Management System to Sustain the Entire Process across Whole of Government at National and Sub-National (Aimag) Levels.....	49
Conclusion #2: The Need for Improved Budget Transparency through Open Access Public Finance/Planning Quality Data with Strengthened Oversight and Accountability Mechanisms	50
Conclusion #3: The Need for Improved Financial/Performance Reporting Standards across Whole of Government that would incorporate Environmental, Social and Governance (ESG) Aspects	51
Conclusion #4: Building on the Client-Based Service Delivery through Case Management to Establish a One-Stop-Service Model for Employment to Strengthen Localized Employment Programs and Vocational Training with a Focus on Inclusivity and Digital Access	52
5.3 RECOMMENDATIONS	53
ANNEXES	57
A.1 TERMS OF REFERENCE	57
A.2 FIELD MISSION VISIT SCHEDULE	57
A.3 LIST OF PERSONS INTERVIEWED	57
A.4 LIST OF DOCUMENTS REVIEWED.....	57
A.5 LIST OF QUESTIONS USED DURING THE EVALUATION.....	57
A.6 SDG BE PROJECT BASELINE, EXPECTED AND FINAL RESULT TARGETS ESTABLISHED ...	57
A.7 EVALUATION CONSULTANT CODE OF CONDUCT AGREEMENT FORM.....	57
A.8 UNITED NATIONS EVALUATION GROUP (UNEG) CODE OF CONDUCT AGREEMENT FORM	57
A.9 AUDIT TRAIL.....	57
A.10 EVALUATION MATRIX	57
A.11 QUALITY ASSESSMENT OF PROJECT OUTCOME/OUTPUT INDICATORS	57

LIST OF FIGURES

FIGURE 1. EVALUATION METHODOLOGICAL APPROACH.....	8
FIGURE 2. EVALUATION STEP-BY-STEP PHASE APPROACH.....	10
FIGURE 3. THE GENDER RESULTS EFFECTIVENESS SCALE	11
FIGURE 4. SDGBE PROJECT THEORY OF CHANGE MODEL (RECONSTRUCTED)	16
FIGURE 5. SDGBE PROJECT ORGANIZATIONAL STRUCTURE	22

LIST OF TABLES

TABLE 1: MAIN STAKEHOLDERS OF THE SDGBE PROJECT.....	14
TABLE 2: PROJECT RISK REGISTER IN THE SDGBE PRODOC.....	21
TABLE 3: SDGBE PROJECT STAKEHOLDER PARTICIPATION AND PARTNERSHIP ARRANGEMENTS	24
TABLE 4: SUMMARY OF BUDGET AND ACTUAL EXPENDITURE (SDGBE PROJECT)	25
TABLE 5: SDGBE PROJECT M&E ACTIVITY STATUS	26
TABLE 6: OVERALL RESULTS OF RESULTS MATRIX – SDGBE PROJECT.....	32
TABLE 7: OVERALL RESULTS OF LOGICAL FRAMEWORK – SDGBE PROJECT.....	33
TABLE 8: DISABILITY INCLUSION AND RIGHTS-BASED APPROACH /LNOB ASSESSMENT FOR THE SDGBE PROJECT	40
TABLE 9: GENDER RESULTS EFFECTIVENESS SCALE (GRES) ASSESSMENT FOR THE SDGBE PROJECT	41
TABLE 10: EVALUATION ASSESSMENT/REMARKS ON DIMENSIONS OF SUSTAINABILITY	43
TABLE 11: THE IMPACT OF THE SDGBE PROJECT ON LOCALIZED EMPLOYMENT SUPPORT SERVICES	45
TABLE 12: SUMMARY OF KEY EVALUATION FINDINGS AND CORRESPONDING RATINGS	48

ACKNOWLEDGEMENTS

The evaluation team would like to acknowledge people and organizations that helped and supported directly and indirectly in this final evaluation.

We are very thankful to UNDP Mongolia SDGBE Project Team for coordinating/organizing all the stakeholder and beneficiary meetings and providing the comprehensive list of documentation.

We are very grateful to the National Counterparts of the Government of Mongolia (Parliament of Mongolia, MED, MFLSP, MNAO, MOES, MOF, MOFALI) and also to the Governor Offices and local government staff of the aimag provinces for their support, time and openness during the evaluation.

We also thank the UNDP Mongolia SDGBE Project Team, UNDP Mongolia Country Office staff, FAO project team and ILO project team for their close cooperation and support.

Many other stakeholder and beneficiary interviewees were very helpful in meeting and sharing their views, ideas and perspectives. All of them added great value to this evaluation.

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
ADP	Annual Development Plan
AFCYD	Agency of Family, Child and Youth Development
BS	Budget support
CMTU	Confederation of Mongolian Trade Unions
CPD	Country Programme Document
CO	Country Office
COVID-19	SARS-COV-2 (Severe Acute Respiratory Syndrome Coronavirus 2)
CSO	Civil Society Organizations
DBS/BS	Direct Budget Support/Budget Support
DIM	Direct Implementation Modality
DWYN	Decent Work for Youth Network
EU	European Union
EUR	European Dollars
FAO	Food and Agriculture Organization
FE	Final Evaluation
GASI	Generalized Agency on State Inspection
GEDSI	Gender Equality, Disability and Social Inclusion
GDP	Gross Domestic Product
GIFT	Global Initiative for Fiscal Transparency
GRES	Gender Results Effectiveness Scale
GSP	Generalised Scheme of Preferences
HACT	Harmonized Approach to Cash Transfers
HQ	Headquarters
IEO	Independent Evaluation Office
ILO	International Labor Organization
ILS	International Labor Standards
IMF	International Monetary Fund
KII	Key Informant Interview
LNOB	Leaving no one behind
MAPS	Mainstreaming, Acceleration and Policy Support
MED	Ministry of Economy and Development
MFLSP	Ministry of Family, Labor and Social Protection
MNAO	Mongolian National Audit Office
MOC	Ministry of Culture
MOES	Ministry of Education and Science
MOF	Ministry of Finance
MOFALI	Ministry of Food, Agriculture and Light Industry
MONEF	Mongolian Employers' Federation
MTBF	Medium-Term Budget Framework
MTEF	Medium-Term Expenditure Framework
M&E	Monitoring and Evaluation
NDA	National Development Agency
NGO	Non-Governmental Organization
NHRC	National Human Rights Commission
NSO	National Statistics Office
NTP	National Targeted Programme
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
PRODOC	Project Document
PSC	Project Steering Committee

RBB	Results-Based Budgeting
SCP	Strategic Compliance Plan
SCPCS	State Committee on Physical Culture and Sports
SDG	Sustainable Development Goals
SDV	2030 Sustainable Development Vision for 2030
SECiM	“Support to Employment Creation in Mongolia” project
S.M.A.R.T.	Specific, Measurable, Assignable, Relevant and Time-bound
SME	Small and Medium-Sized Enterprises
SSC	South-South Cooperation
TA	Technical Assistance
TNA	Training Needs Assessment
TOR	Terms of Reference
TVET	Technical and Vocational Education and Training
UN	United Nations
UNDAF	UN Development Assistance Framework
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNEG	United Nations Evaluation Group
UNSDCF	United Nations Sustainable Development Cooperation Framework
VNR	Voluntary National Review
WB	World Bank
YES	Youth Employment Service

PROJECT INFORMATION TABLE

Project Information		
Project Title	SDG-Aligned Budgeting to Transform Employment in Mongolia (SDGBE) Project	
Project ID	Project Number/Project ID: 00114119; Award ID: 00117248	
Corporate outcome and output	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> ○ 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 <ul style="list-style-type: none"> ○ 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. 	
Country	Mongolia	
Region	Asia and Pacific Region	
Date project document signed	30 September 2020	
Project dates	Start	Planned end
	1 October 2020	31 December 2024
Total committed budget	EUR7,400,000	
Project expenditure at the time of evaluation	USD7,273,318 (EUR6,720,546) as of 31 July 2024. Project expenditure expected to be close to EUR7,400,000 on 31 December 2024	
Funding source	European Union	
Implementing party¹	UNDP	
Implementing partner	FAO, ILO	
Evaluation information		
Evaluation type (project/ outcome/ thematic/country programme, etc.)	Project Evaluation	
Final/midterm review/ other	Final Evaluation	
Period under evaluation	Start	End
	22 July 2024	31 October 2024
Evaluators	Dr Jeff Fang – International Consultant/Team Leader Dr Khaliunaa Erdenekhuu – National Consultant	
Evaluator email address	fangj2018@gmail.com khaliunaa@naog.gov.mn	
Evaluation dates	Start	Completion
	22 July 2024	31 October 2024

¹ This is the entity that has overall responsibility for implementation of the project (award), effective use of resources and delivery of outputs in the signed project document and workplan.

EXECUTIVE SUMMARY

1. Project Description in Brief

The ‘SDG-Aligned Budgeting to Transform Employment in Mongolia’ (SDGBE) project aims to increase employment and promote decent work in Mongolia. Under this primary goal, the project aims to achieve two outcomes: **Outcome 1** - to support efficient, accountable, and responsive delivery of public services in the Labor and Employment sector; **Outcome 2** - to support the modernization of Mongolia’s public finance management (PFM) systems and strengthening institutional capacities. The project aims to achieve these objectives by conjoining two main streams of activities through direct interventions and policy improvements in employment sector and improving PFM systems to absorb results-oriented, effective, and evidence-based policies and budget initiatives in employment and labor sectors. The project is funded by the European Union (EU) and is managed by UNDP in partnership with FAO and ILO. The SDGBE Project’s total budget is EUR 7,400,000 with the following four components and 13 key results areas as follows:

Component A: Bridging Policies with Budget

- A.1. Results-Informed Strategic Budgeting (MTEF)
- A.2. Results-Informed Budget Presentation
- A.3. Evidence-Based Budget Formulation
- A.4. Enhanced Capacity of MOF and Line Ministries in RBB And Budgeting for SDGs

Component B: Budget Oversight and Transparency

- B.1. Enhanced Parliamentary Role in Budget Oversight
- B.2. Increased Role of CSOs In Budget Analysis and Oversight Functions
- B.3. Strengthened and Transparent Performance Audit

Component C: Employment Promotion

- C.1. National Programmes on Employment Promotion Strengthened and Made More Coherent
- C.2. Ecosystem for Innovation, Start-Ups, Technology, Business Incubation and Enterprising Reinforced
- C.3. Capacity and Skills for Wage and Self-Employment Boosted
- C.4 Pilots with Scope for Scaling Up, Undertaken for Building Evidence, Establishing Lessons, and Policy Development

Component D. Labor Standards and Regulations

- D.1. Regulatory Framework Aligned with International Labor Standards
- D.2. Compliance Boosted through Increased Capacity of Labor Inspection System

2. Brief Overview of the Evaluation Purpose and Objective

After approximately 46 months of project implementation in 2024, the SDGBE Project would be required to undergo a Final Evaluation (FE) with its main purpose in providing an independent assessment on the project’s progress and results, key lessons learned, and recommendations for potential future initiatives. The main objectives of the FE are to:

- assess the relevance and strategic positioning of the project to respond to the needs and challenges faced by Mongolia.
- review and assess how effectively SDGBE has achieved its stated development objectives and the extend of its contribution to the results-based planning and budgeting process, as well as development of the employment sector in Mongolia.
- evaluate whether the project was cost-effective compared to similar programs/projects implemented in the sector.
- analyze whether the project design was the best among other alternatives to address the development needs.
- provide insight whether government has the capacity and the intent to continue the project activities on its own.
- assess the extent to which the application of the rights-based approach and gender mainstreaming are integrated within planning and implementation of the SDGBE Project.
- identify and document substantive lessons learned, good practices and also opportunities for scaling up SDGBE Project in Mongolia.
- assess whether and how the project enhanced the application of a right-based approach, gender equality and women’s empowerment, and participation of other groups such as youth, persons with disabilities, and private sector etc.
- assess the design, implementation, and management of SDGBE Project and provide recommendations on any changes in approach that may be considered in the future of project design and/or should be factored in the project exit strategy.

3. Summary of the Evaluation Scope and Main Areas of Inquiry

The scope of the FE covered all activities undertaken in the framework of the SDGBE Project which included (1) reviewing the duration of project implementation (1 October 2020 to present), focusing on project results and experiences as well as key challenges met, lessons learnt, and areas for improvement, (2) reviewing the Results and Resources Framework indicators against progress made towards the project outputs targets, (3) comparing planned outputs of the project to actual outputs and assessed the actual results to determine their contribution to the attainment of the project’s objectives, and (4) drawing lessons learnt and providing clear recommendations for similar/future initiatives.

The Participatory Evaluation methodology was selected as the evaluation methodological approach with data sources from review of project documents, field mission visits and key informant interviews with project stakeholders/partners/beneficiaries. Based on the TOR requirements and UNDP evaluation guidelines, the main areas of inquiry were applied in following three broad categories namely (1) Project Design/Formulation, (3) Project Implementation, and (3) Project Results using the evaluation criteria of Relevance, Coherence, Effectiveness, Efficiency, Sustainability, and the cross-cutting issues of Rights-Based Approach/LNOB, Gender Equality and Women’s Empowerment, and Disability.

4. Evaluation Rating Table

Monitoring & Evaluation (M&E)	Rating
M&E design at entry	5 – Satisfactory (S)
M&E Plan Implementation	5 – Satisfactory (S)
Overall Quality of M&E	5 – Satisfactory (S)
Implementation & Execution	Rating
Quality of UNDP Implementation/Oversight	6 – Highly Satisfactory (HS)
Quality of Implementing Partner Execution	6 – Highly Satisfactory (HS)
Overall quality of Implementation/Execution	6 – Highly Satisfactory (HS)
Assessment of Outcomes	Rating
Relevance	5 – Satisfactory (S)
Coherence	5 – Satisfactory (S)
Effectiveness	5 – Satisfactory (S)
Efficiency	5 – Satisfactory (S)
Rights-Based Approach/LNOB	4 – Mostly Satisfactory (MS)
Gender Equality and Women’s Empowerment	4 – Mostly Satisfactory (MS)
Disability	4 – Mostly Satisfactory (MS)
Overall Project Outcome Rating	5 – Satisfactory (S)
Sustainability	Rating
Financial resource	3/4 (Moderately Likely (ML) - Moderate Risks)
Socio-political/economic	3/4 (Moderately Likely (ML) - Moderate Risks)
Institutional framework and governance	3/4 (Moderately Likely (ML) - Moderate Risks)
Environmental	3/4 (Moderately Likely (ML) - Moderate Risks)
Overall Likelihood of Sustainability	3/4 (Moderately Likely (ML) - Moderate Risks)

5. Summary of Key Evaluation Findings and Corresponding Ratings

Category	Summary Assessment	Rating
Relevance	<p>Key Finding #1: The SDGBE Project was strategically aligned with global, national, and organizational priorities, contributing to various SDGs, such as poverty reduction, gender equality, education, and employment.</p> <p>Key Finding #2: The SDGBE Project closely aligned with Mongolia's development strategies, including Vision-2050 and the medium-term "5-Year Development Main Directions."</p> <p>Key Finding #3: The SDGBE Project was tailored to support the country’s public finance and employment policies through technical assistance for the EU Budget Support (BS) program. Although the initial project design did not explicitly address marginalized groups, gender equality, or a rights-based approach, these were incorporated during implementation. Additionally, the SDGBE Project integrated lessons from previous UNDP projects, focusing on results-based planning and budgeting.</p>	5/6 (Satisfactory)
Coherence	<p>Key Finding #4: The SDGBE Project exhibited strong internal and external coherence by aligning its four components to support national policies, budget transparency, and labor standards.</p> <p>Key Finding #5: Internally, it drew on lessons from previous projects, leveraging UNDP, FAO, and ILO’s expertise in planning, budgeting, employment, and labor standards.</p> <p>Key Finding #6: Externally, the project coordinated with other development initiatives, such as JICA and the World Bank’s projects, ensuring complementarity in promoting employment and public finance reforms. This coherence across multiple sectors and partners ensured that policies, budgets, and labor standards were aligned and reinforced each other for sustainable development outcomes.</p>	5/6 (Satisfactory)

Category	Summary Assessment	Rating
Effectiveness	<p>Key Finding #7: The SDGBE Project was effective in delivering its outputs across various components. It improved results-based planning and budgeting (RBB/RBP) capabilities through training but needed improvements in systems settings/applications and further integration between budget and planning classifications.</p> <p>Key Finding #8: Parliamentary oversight saw modest improvements, though further development of institutional governance mechanisms was required.</p> <p>Key Finding #9: Employment promotion programs were revised successfully, but varying levels of effectiveness in implementation indicated a need for ongoing refinement, especially in scrutiny in public expenditure transparency.</p> <p>Key Finding #10: Labor inspection systems were strengthened, aligning legal frameworks with international standards. While significant progress was made, the practical application of these reforms still requires continuous capacity building to ensure full realization of the project's objectives.</p>	<p>5/6 (Satisfactory)</p>
Efficiency	<p>Key Finding #11: Despite delays caused by the COVID-19 pandemic, the SDGBE Project demonstrated efficiency through adaptive management and accelerated implementation in its later stages. By hiring technical experts and securing a no-cost extension, the project was able to meet its objectives within the revised timeline.</p> <p>Key Finding #12: The project's financial management was commendable, ensuring that resources were allocated efficiently and transparently. However, the political environment posed risks to sustaining the project's achievements, especially with upcoming elections potentially disrupting continuity. Moreover, the lack of an integrated information system for results-based budgeting and planning could limit the efficiency and sustainability of reforms.</p>	<p>5/6 (Satisfactory)</p>
Cross-Cutting Issue: Disability Inclusion and Rights-Based Approach/LNOB	<p>Key Finding #13: The SDGBE Project's design stage initially did not include explicit output indicators for people with disabilities (PWD) or LNOB elements, but these gaps were addressed during implementation.</p> <p>Key Finding #14: For example, Component A included optional provisions for PWD and LNOB in budget proposal guidelines. Similarly, Component C actively promoted disability inclusion through TVET polytechnic programs, introducing PWD-friendly environments and tailored training for three new occupations. However, Components B and D had less visible disability-related efforts, though labor inspection guidelines did incorporate considerations for vulnerable groups.</p> <p>Key Finding #15: The SDGBE Project made efforts to integrate disability inclusion and social inclusion but could benefit from simplifying the relevant employment services and further strengthening in these areas to ensure systematic application across all project components.</p>	<p>4/6 (Mostly Satisfactory)</p>
Cross-Cutting Issue: Gender Equality and Women's Empowerment	<p>Key Finding #16: The SDGBE Project's design stage initially lacked explicit gender-related output indicators, but these gaps were addressed during implementation. Overall, the project contributed significantly to women's economic empowerment but had potential for further integration of gender considerations across all components.</p> <p>Key Finding #17: Component C was the most gender-responsive, with women comprising 67% of participants in employment activities, such as cooperatives and TVET polytechnics. Component A and B integrated gender-targeted actions by ensuring gender balance in training.</p> <p>Key Finding #18: While utilizing the budget proposal template, it was not mandatory to include gender-related elements, but there were options to incorporate them based on the long-term and medium-term RBP policy results.</p> <p>Key Finding #19: Component D improved gender balance in labor inspections and addressed the specific employment needs of women.</p>	<p>4/6 (Mostly Satisfactory)</p>

Category	Summary Assessment	Rating
Sustainability	<p>Key Finding #20: The likelihood of sustaining the SDGBE project's outcomes is rated as moderately likely with moderate risks identified. Financial sustainability remains moderately likely as the full implementation and integration of Results-Based Budgeting (RBB), Results-Based Planning (RBP), and the Results-Based Financial/Performance Reporting (RBFPR) system would require further financial resources and government commitment. While the government expressed intentions to continue these reforms and extend them across all 21 local aimag governments, sufficient financial commitment and continuous capacity building would be required.</p> <p>Key Finding #21: Socio-political sustainability were gained from public awareness and support among key stakeholders, including parliamentarians and incoming political officeholders. However, potential political shifts, particularly following national and local elections, could pose a risk to the continuity of reforms.</p> <p>Key Finding #22: Institutionally, the project updated critical budgetary and employment-related legislation, but the high turnover in government staff could lead to a loss of institutional knowledge and slowing down reform efforts.</p> <p>Key Finding #23: Environmental factors were less of a concern for most components, although weather conditions might disrupt efforts.</p> <p>Key Finding #24: Nevertheless, the Government of Mongolia displayed shown a willingness to continue RBB and RBP implementation, although future progress would depend on political officeholder support/endorsement and continued capacity building across all levels of government.</p>	<p style="color: red; font-weight: bold;">3/4</p> <p>(Moderately Likely (ML) - Moderate Risks)</p>

6. Summary of Concluding Statements

CONCLUDING STATEMENT	LESSONS LEARNED
<p>Conclusion #1: Institutionalizing Results-Based Budgeting and Results-Based Planning into an Integrated Results-Based Management System to Sustain the Entire Process across Whole of Government at National and Sub-National (Aimag) Levels</p> <p>(Based on Key Finding #7, Key Finding #8, Key Finding #10, Key Finding #12, Key Finding #15, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24)</p>	<ul style="list-style-type: none"> • Need for strategic alignment between planning and budgeting processes • Capacity building strengthens institutionalization • Political commitment is key to long-term success • Long-term sustainability requires ongoing monitoring • Institutional framework and support need to incentivize adherence to RBB and RBP principles
<p>Conclusion #2: The Need for Improved Budget Transparency through Open Access Public Finance/Planning Data with Strengthened Oversight and Accountability Mechanisms</p> <p>(Based on Key Finding #8, Key Finding #12 Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24)</p>	<ul style="list-style-type: none"> • Public trust increases with transparency • Capacity-building for data analysis and interpretation of public finance/planning data • Independent oversight is necessary for budget and performance accountability • Cultural shift needed for open data
<p>Conclusion #3: The Need for Improved Financial/Performance Reporting Standards across Whole of Government that would incorporate Environmental, Social and Governance (ESG) Aspects</p> <p>(Based on Key Finding #7, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24)</p>	<ul style="list-style-type: none"> • Phased integration of financial reporting standards is necessary • Building financial reporting literacy is crucial • Data infrastructure needs enhancement
<p>Conclusion #4: Building on the Client-Based Service Delivery through Case Management to Establish a One-Stop-Service Model for Employment to Strengthen Localized Employment Programs and Vocational Training with a Focus on Inclusivity and Digital Access</p> <p>(Based on Key Finding #9, Key Finding #12, Key Finding #14, Key Finding #15, Key Finding #17, Key Finding #21, Key Finding #22, Key Finding #24, Success Story #4.1, and Success Story #4.2)</p>	<ul style="list-style-type: none"> • Customization is key to local success • Inclusive access requires both digital and physical channels • Streamlined services improve efficiency • Data integration enhances personalization • Collaborative partnership strengthens impact • Scaling successful pilots requires institutional support and sustainable partnership

7. Recommendations Summary Table

To support the modernization of Mongolia's public finance management (PFM) systems and strengthening institutional capacities

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
Corrective actions:				
R1.	Resolve the differences in budget and planning classifications so as to improve the alignment between the two classification systems Based on Conclusion #1, Key Finding #7, Key Finding #12, Key Finding #20	UNDP SDGBE Project Team, MOF, MED	By 31 December 2024	High
R2.	Make corrective actions to the Results-Based Budgeting system to make it mandatory to set performance targets Based on Conclusion #1, Key Finding #7, Key Finding #12, Key Finding #20	UNDP SDGBE Project Team, MOF	By 31 December 2024	High
Actions to follow up or reinforce initial benefits from the project:				
R3.	Advocate to the Government of Mongolia to consider incorporating cross-cutting related (gender equality and women's empowerment, disability inclusion, social inclusion for disadvantaged/vulnerable groups) outputs/activities with performance targets Based on Conclusion #1, Key Finding #15, Key Finding #18	UNDP SDGBE Project Team, MOF, MED	By 31 December 2024	High
Proposals for future directions underlining main objectives of improved budget transparency with strengthened oversight and accountability mechanisms:				
R4.	Conceptualize/implement a strategic initiative to continue to refine the public sector financial reporting standards Based on Conclusion #3, Key Finding #7, Key Finding #8, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24	UNDP CO, MOF	By 31 December 2025	Medium
R5.	Conceptualize/implement a project initiative on improving open data for the public Based on Conclusion #2, Conclusion #3, Key Finding #8, Key Finding #12, Key Finding #20	UNDP CO, MOF	By 31 December 2025	Medium
R6.	Conceptualize/implement a project initiative to strengthen budget performance oversight bodies for the entire budget cycle Based on Conclusion #2, Conclusion #3, Key Finding #8, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24	UNDP CO, Parliament of Mongolia	By 31 December 2025	Medium

To support efficient, accountable, and responsive delivery of public services in the Labor and Employment sector

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
Actions to follow up or reinforce initial benefits from the project:				
R7.	Institutionalize capacity building of labor inspections Based on Conclusion #1, Key Finding #10	UNDP SDGBE Project Team, ILO, MFLSP	By 31 December 2024	High
Proposals for future directions underlining main objectives of an integrated employment support services:				
R8.	Conceptualize/implement a project initiative for a One-Stop-Service Model for employment Based on Conclusion #4, Key Finding #9, Key Finding #12, Key Finding #14, Key Finding #15, Key Finding #17, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24 Success Story #4.1, Success Story #4.2	UNDP CO, FAO, MFLSP, MOES	By 31 December 2025	Medium

1. INTRODUCTION

This evaluation report covers the Final Evaluation (FE) of the SDG-Aligned Budgeting to Transform Employment in Mongolia (SDGBE) Project. The FE was conducted in accordance with the principles outlined in the UNEG ‘Ethical Guidelines for Evaluation’ and UNDP IEO ‘UNDP Evaluation Guidelines’.

As stated in the PRODOC, the SDGBE Project had an approximate duration of 51 months (1 October 2020 to 31 December 2024) at an estimated project budget of EUR7,400,000 (totally funded by the EU). After approximately 46 months of project implementation in 2024, the SDGBE Project was required to undergo a Final Evaluation (FE).

1.1 Purpose and Objective of the Final Evaluation

As outlined in the PRODOC, a final evaluation (FE) was conducted by an independent party, in consultation with the SDGBE Project stakeholders/beneficiaries. As stated in the TOR, the main objectives of the FE are to:

- assess the relevance and strategic positioning of the project to respond to the needs and challenges faced by Mongolia.
- review and assess how effectively SDGBE has achieved its stated development objectives and the extent of its contribution to the results-based planning and budgeting process, as well as development of the employment sector in Mongolia.
- evaluate whether the project was cost-effective compared to similar programs/projects implemented in the sector.
- analyze whether the project design was the best among other alternatives to address the development needs.
- provide insight whether government has the capacity and the intent to continue the project activities on its own.
- assess the extent to which the application of the rights-based approach and gender mainstreaming are integrated within planning and implementation of the SDGBE Project.
- identify and document substantive lessons learned, good practices and also opportunities for scaling up SDGBE Project in Mongolia.
- assess whether and how the project enhanced the application of a right-based approach, gender equality and women’s empowerment, and participation of other groups such as youth, persons with disabilities, and private sector etc.
- assess the design, implementation, and management of SDGBE Project and provide recommendations on any changes in approach that may be considered in the future of project design and/or should be factored in the project exit strategy. The following elements under each project’s output will be considered:
 - identify lessons learned (including unsuccessful practices) in relation to the design, implementation, monitoring and management of the project and any best practices which should be or have shown significant potential for replication.
 - document potential areas for future interventions building on the achievement/lesson from the project.

The FE was independent, impartial, transparent, ethical, and credible based on data and evidence to the following key evaluation questions:

- To what extent has progress been made towards strengthening employment support programme design, outreach, effectiveness, and budget efficiency? What has been the UNDP contribution in addressing the needs of different target groups, as well as progress in national policies and legislation?
- What were both negative and positive factors that have facilitated or hampered progress in achieving the project outcomes, including external factors/environment, design, management, and resource allocation?
- To what extent have the project outputs resulted from economic use of resources?
- To what extent the Government has the capacity and the intent to continue the project activities on its own?
- What are the unfinished issues that should be taken account in further projects/programs and policies?

1.2 Scope

The scope of the FE covered all activities undertaken in the framework of the SDGBE Project which included (1) reviewing the duration of project implementation (1 October 2020 to present), focusing on project results and experiences as well as key challenges met, lessons learnt, and areas for improvement, (2) reviewing the Results and Resources Framework indicators against progress made towards the project outputs targets, (3) comparing planned outputs of the project to actual outputs and assessed the actual results to determine their contribution to the attainment of the project’s objectives, and (4) drawing lessons learnt and providing clear recommendations for similar/future initiatives.

The evaluation further assessed the SDGBE Project in the following three broad categories of (1) Project Design/Formulation, (2) Project Implementation and Adaptive Management (3) Project Results with the achievement of results in the project rated as follows:

Monitoring & Evaluation (M&E)	Rating
M&E design at entry	
M&E Plan Implementation	
Overall Quality of M&E	

Implementation & Execution	Rating
Quality of UNDP Implementation/Oversight	
Quality of Implementing Partner Execution	
Overall quality of Implementation/Execution	
Assessment of Outcomes	Rating
Relevance	
Coherence	
Effectiveness	
Efficiency	
Rights-Based Approach/LNOB	
Gender Equality and Women's Empowerment	
Disability	
Overall Project Outcome Rating	
Sustainability	Rating
Financial resource	
Socio-political/economic	
Institutional framework and governance	
Environmental	
Overall Likelihood of Sustainability	
<p>Ratings for Relevance, Coherence, Effectiveness, Efficiency, Rights-Based Approach/LNOB, Gender Equality and Women's Empowerment, Disability</p> <p>(1) Highly Unsatisfactory (HU): None of the parameters were met and there were severe shortcomings (2) Unsatisfactory (U): Most parameters were not met and there were major shortcomings (3) Mostly Unsatisfactory (MU): More than one parameter was unmet with significant shortcomings (4) Mostly Satisfactory (MS): The parameters were partially met with some shortcomings (5) Satisfactory (S): All parameters fully met with minor shortcomings (6) Highly Satisfactory (HS): All parameters fully met, no shortcomings</p> <p>Ratings for Sustainability will be as follows:</p> <p>(4) Likely (L): negligible risks to sustainability (3) Moderately Likely (ML): moderate risks (2) Moderately Unlikely (MU): significant risks (1) Unlikely (U): severe risks</p> <p><i>Additional ratings where relevant:</i> Not Applicable (N/A) Unable to Assess (U/A)</p>	

The FE also assessed whether the risks identified in the PRODOC, Annual Project Annual Progress/ Monitoring Reports and the ATLAS Risk Management Module (if applicable) were mitigated and whether the risk ratings applied were appropriate.

1.3 Evaluation Approach and Methodology

The evaluability of the SDGBE Project was guided by the UNDP IEO's "UNDP Evaluation Guidelines" on conducting evaluations using the principle of "do no harm". The evaluation was conducted with the safety and mental well-being of UNDP staff, consultants, stakeholders and communities as paramount. Other than a short field mission visit to Mongolia, the evaluation was conducted remotely with support from one national consultant. This could lead to potential challenges and limitations in data availability and data collection. Specifically, there could be limited observation and contact with beneficiaries with virtual KIIs.

To mitigate the above challenges and limitations, the evaluation was guided by the UNDP IEO's evaluation guidelines on conducting desk review and data collection. This would possibly include:² (1) exploring a wider range of documentation for extended desk reviews, including internal operational data, national reports and data, evaluation reports by UN agencies and donors; (2) consultation with other external evaluators and reviewing other evaluation reports who are conducting similar evaluations; (3) preparing key informants by providing key questions/talking prior to commencing any remote interviews; and (4) evaluation analysis focusing on whether what is being done is the "right" thing to do rather than measuring the results.

1.3.1 Evaluation Methodological Approach

The FE TOR emphasized the need for the evaluation to be participatory, inclusive, and gender responsive in collaboration and participation among the project stakeholders/partners/beneficiaries. While reflecting on past performance is important, the evaluation was primarily focused on deriving detailed insights and lessons for the future, offering recommendations aimed at sustaining project outcomes.

² UNDP Independent Evaluation Office (IEO), 2020, Evaluation Guidelines – Evaluations During Covid-19: Data Collection, Remote Interviews and Use of National Consultants (June 2020)

Based on the stated FE TOR requirements, the Participatory Evaluation methodology was selected as the evaluation methodological approach as per UNDP IEO’s guidelines on Methodological Fundamentals for Evaluations ³. The Participatory Evaluation methodological approach involved the SDGBE Project key stakeholders to define what would be evaluated, with what objectives, when it would take place, what data collection and analysis methods would be used, how the results would be communicated, how the evaluation recommendations would be implemented. The Participatory Evaluation methodology was also able to adapt to specific contexts such as focusing on the beneficiaries’ needs, being consistent with rights-based approaches and enabling advances to be made in the areas of gender equality, disability and social inclusion (GEDSI).

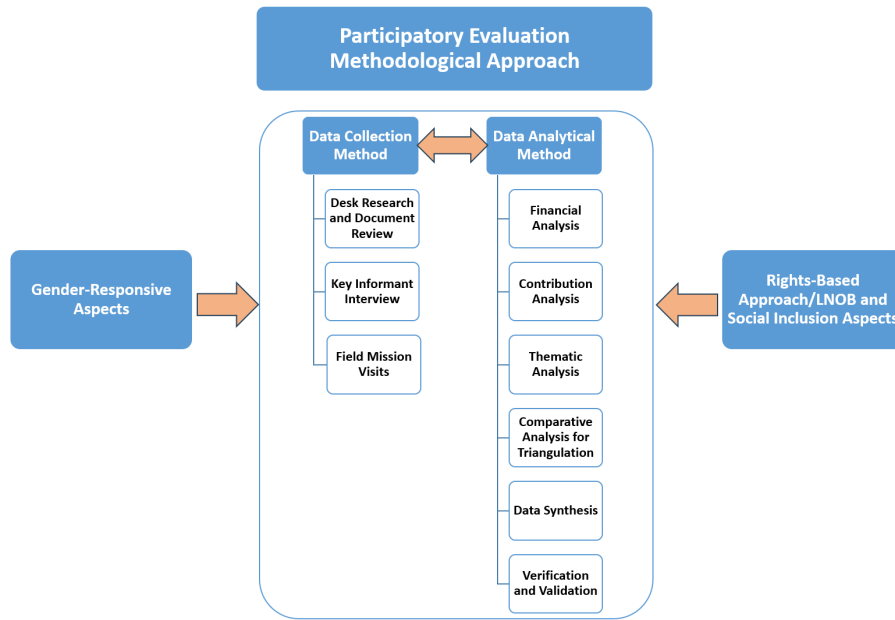


Figure 1. Evaluation Methodological Approach

Based on the TOR requirements and UNDP evaluation guidelines, this FE applied the evaluation criteria of (1) Relevance, (2) Coherence, (3) Effectiveness, (4) Efficiency, (5) Sustainability, and the cross-cutting issues of (6) Rights-Based Approach/LNOB, (7) Gender Equality and Women’s Empowerment, and (8) Disability. Additionally, the FE developed an evaluation matrix comprising evaluation questions and data sources based on the 8 evaluation criteria as found in **Annex A10 Evaluation Matrix**.

1.3.2 Evaluation Data Sampling and Data Sources/Collection Method

Data Sampling

The evaluation used purposive sampling technique to select participants from where the project activities were undertaken, to ensure their inclusion and participation in the evaluation and data collection processes. Purposive sampling was also used to ensure adequate gender/group representation in the KIIs which included a diverse range of stakeholders, including government officials, local provincial (aimag) authorities, CSOs, and direct beneficiaries. Purposive sampling also ensured a balanced representation of gender, regions, and vulnerable groups to provide a holistic view of the project’s impact and effectiveness. By doing so, adequate representation of participants were actively engaged and provide the needed information during the KIIs. In implementing purposive sampling, the evaluation worked closely with the SDGBE Project Team to develop a stakeholder contact list.

Data Sources/Collection Method

To collect as much primary/secondary and quantitative/qualitative data from various data sources as possible, the evaluation utilized the following different data collection methods and instruments:

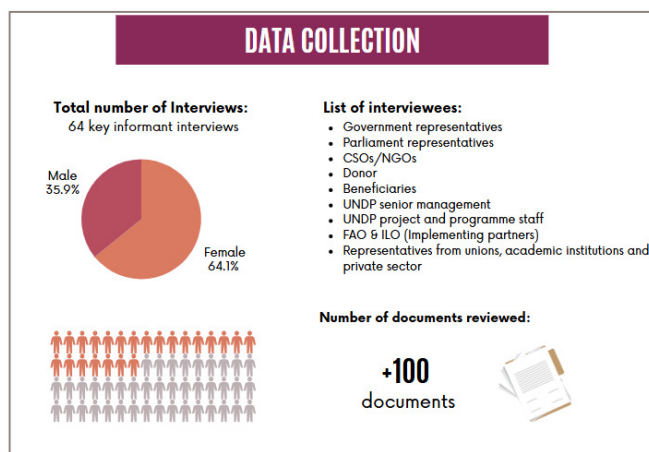
- a) Desk Research and Document Review of Secondary Data Sources - Desk research and document review of secondary data sources in a project evaluation leverages existing data, saving both time and resources compared to primary data collection. This also offers a broad overview of existing knowledge, setting a contextual foundation for the evaluation. During the inception phase, the evaluation team conducted a detailed desk research and document review of all project documents provided by the SDGBE Project Team. This included extraction of all GEDSI related data from the documents that were shared as well as from the online research. The desk research and document review process remained on-going throughout the FE to obtain additional

³UNDP Independent Evaluation Office, Methodological Fundamentals for Evaluations - Participatory Evaluation, <https://erc.undp.org/methods-center/methods/methodological-fundamentals-for-evaluations/participatory-evaluation>;
Better Evaluation, Evaluation Approaches - Participatory Evaluation, <https://www.betterevaluation.org/methods-approaches/approaches/participatory-evaluation>

information, to validate and verify preliminary findings, and to fact-check and cross-reference data and information. The desk review and document research were triangulated with other data collection methods used in this FE to answer the evaluation questions as specified in the TOR and evaluation matrix. The evaluation conducted a detailed desk research and document review of over 100 documents.

- b) **Key Informant Interviews for Primary Data Sources** - Key informant interviews are crucial in project evaluations to provide in-depth insights from individuals with significant knowledge and experience related to the project. A balance gender of men and women were consulted as much as possible during the key informant interviews (KIIs). In particular, the evaluation team consulted both men and women with a total of 64 KIIs conducted, including 41 women (64.1%) and 23 men (35.9%). A total of 64 KIIs would be an adequate sample size and robust qualitative data depending on several factors, including (i) diversity of the stakeholder groups such as project team members, government counterparts, local communities, and beneficiaries, which provided a broad representation of perspectives; (ii) a balance of gender and geography; (iii) achieved thematic saturation, which covered the main themes and consistently reflected stakeholder experiences. All KIIs were conducted both virtually and onsite during a field mission visit. The level of involvement of both men and women in the evaluation process contributed to the evaluation findings. The qualitative KIIs were conducted using KII questions developed based on the evaluation questions/evaluation matrix. The KIIs were semi-structured, with questions included from the interview guide but also with enough flexibility to expand the topics of conversation based on the respondents' knowledge of the project's activities/interventions. The evaluation ensured the confidentiality of all information provided by respondents, such that comments were reported in such a way that they could not be traced back to a particular individual. This allowed a frank and honest discussion to encourage respondents to provide an accurate assessment of the project.
- c) **Field Mission Visit for Primary Data Sources** - Selected field mission trips (actual locations were determined in consultation with the SDGBE Project team) were conducted with 25 key informants (comprising UNDP staff, national/sub-national counterparts and local beneficiaries) to better understand the on-the-ground environment, experience, views and culture of the project beneficiaries. This enabled the evaluation to be immersed into the world of the project beneficiaries and provided the context on different work place settings. Observation data collected complemented with other primary and secondary data collected to give a more wholistic and accurate context around the role and contributions of the SDGBE Project. The field mission trips were to validate key tangible outputs and interventions from the SDGBE Project. Detailed information of the field mission trips would be found in **Annex A2 Field Mission Visit Schedule** and **Annex A3 List of Persons Interviewed**.

A summary of the primary data source collection is provided below.



1.3.3 Evaluation Data Analytical Method

To analyze the collected primary and secondary data, the evaluation utilized the following analytical techniques:

- a) **Financial Analysis** - Using the project's financial reports/data and related documentation, financial analysis was conducted to assess appropriate funding allocations and any variances between planned and actual expenditures utilized in the project key outputs for each financial year to determine the level of project implementation/delivery efficiency.
- b) **Contribution Analysis** - Contribution analysis provided a systematic way of understanding the SDGBE Project's contributions, according to the key evaluation criteria, to observed results. This involved assessing whether existing and additional evidence was consistent with the project Theory of Change model, revising the Theory of Change to better incorporate other contributory factors, and identifying and ruling out alternative explanations to understand the SDGBE Project's actual contribution. The project's contributions to the CPD, UNSDCF and UNDP Strategic Plan and SDGs was also analyzed.

This was done by analyzing the project’s Theory of Change model and Results Framework, documenting the project’s successes and value-added, applying the “before and after” effects (ie. what exists now that did not exist before and what has changed since the start of the project).

- c) **Thematic Analysis** - Most of the primary data sources (Key Informant Interviews) collected qualitative data. The qualitative data from the primary data sources was cross-referenced with other document sources and the field mission visit observation notes. This method provided systematic breaking down and organizing rich insights from the collected data to facilitate the discovery of significant themes, according to the 3 broad categories (Project Design/Formulation, Project Implementation, and Project Results using and key evaluation criteria Relevance, Coherence, Effectiveness, Efficiency, Sustainability, Rights-Based Approach/LNOB, Gender Equality and Women’s Empowerment, and Disability) that emerged across multiple times across the data sources.
- d) **Comparative Analysis for Triangulation** - This method conducted the triangulation of results such as comparing information from different sources like documentation and interviews, or interviews on the same subject with different stakeholders, were used to corroborate or verify the evidence collected. Wherever possible all data gathered, both qualitatively and quantitatively, was triangulated through cross verification from two or more sources, including the field mission visit observation notes. For the documentation review, this was done through crosschecking data and information from multiple sources to increase the material credibility and validity.
- e) **Data Synthesis** - This would be the process of bringing all the evidence together to synthesize the data and formulate findings, conclusions and recommendations. This was a systematic review process where extracted data was analyzed to turn information data into meaningful and useful evaluation knowledge.
- f) **Verification and Validation** - The above steps incorporated verification and validation of evidence during the data collection and data analysis processes. In addition, the evaluation presented the initial findings at a de-brief held with the UNDP SDGBE Project stakeholders. By doing so, this provided an opportunity to share key findings, offer mutual challenges, and discuss the feasibility of and receptiveness to draft insights and provisional recommendations. This also enabled an important opportunity to foster stakeholder buy-in to the FE process, particularly for the key project stakeholders who would be responsible for implementing recommendations.

1.3.3 Evaluation Step-By-Step Phase Approach

Based on the objectives and scope of the evaluation assignment as outlined in the FE TOR, the evaluation approach was conducted in three phases namely: Phase 1 – Desk Review of Documentation, Phase 2 – Data Collection and Data Analysis, Phase 3 Draft and Finalization of Evaluation Report.

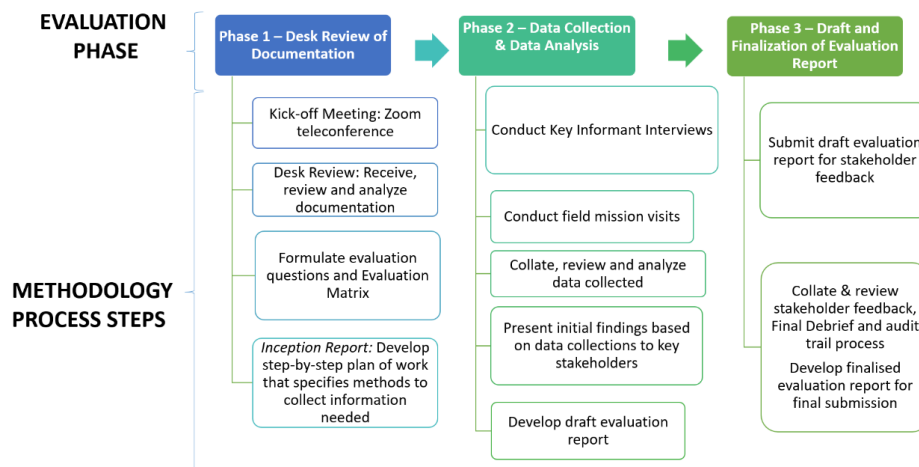


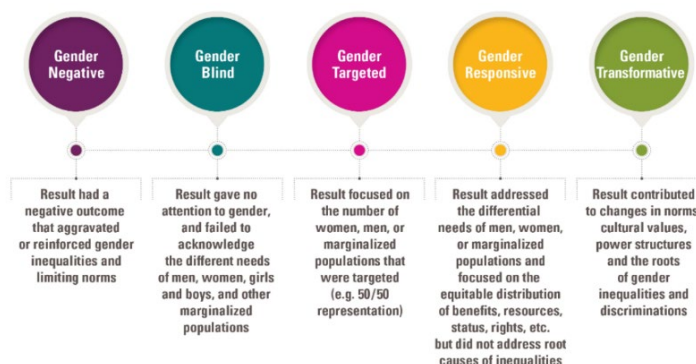
Figure 2. Evaluation Step-by-Step Phase Approach

The evaluation was of a view that the data collected should also capture, where possible, case study examples of how the SDGBE Project activities and interventions contribute towards addressing common challenges such as SDG-related mitigations, social and economic sustainability, and scaling up solutions to transform employment in Mongolia.

1.3.4 Incorporating Cross-Cutting Aspects

Rights-Based Approach/LNOB and Social Inclusion Aspects - To incorporate rights-based approach/LNOB and social inclusion aspects in the Participatory Evaluation methodology, the evaluation collected data on evidence for intervention inclusion and impact for rights-based, disabilities, ethnic/indigenous and vulnerable groups. Evaluation questions and evaluation matrix relating to rights-based approach/LNOB, and social inclusion were incorporated. To the extent possible, the evaluation used an intersectionality lens to look at gender, age, disability status, ethnicity and other intersectional elements that may be relevant. By doing so, the evaluation assessed how the project contributes towards diversity and inclusion due to affected gender, power and social relations/structures.

Gender-Responsive Aspects - To incorporate gender-responsive aspects in the Participatory Evaluation methodology, the evaluation applied the UNDP Independent Evaluation Office’s Gender Results Effectiveness Scale (GRES). The GRES aims to utilize the gender lens by providing operational definitions and marking distinctions between different types of results. The GRES is provided below.



Source: Adapted from the Evaluation of UNDP Contribution to Gender Equality and Women’s Empowerment, IEO, UNDP, 2015

Figure 3. The Gender Results Effectiveness Scale

The GRES enabled the evaluation to communicate in more granularity about the project output/outcome results such as (1) Is the project output/outcome result primarily focused on counting the number of men or women (Gender Targeted), (2) Does the project output/outcome result translate to truly moving to shifting norms, values, power and social structures in communities or institutions (Gender Transformative).

1.4 Limitations of the Final Evaluation

The evaluation faced several limitations and implemented mitigation strategies to minimize these challenges, allowing it to proceed in a more organized, efficient, and inclusive manner, as described below:

- **Delay in evaluation commencement:** Originally scheduled to start in July 2024, the evaluation was delayed until late August 2024 due to political elections and delays in recruiting the national consultant. To mitigate this, the project team and Team Leader adopted proactive planning to ensure the evaluation could proceed smoothly. By setting up preparatory processes and ensuring readiness when the evaluation began, they minimized the impact of these delays on the evaluation’s depth and coverage. This strategy effectively reduced time loss once the evaluation commenced, establishing a foundation for the compressed timeline and facilitating timely delivery of the evaluation report.
- **Compressed timeline for data collection:** The delayed start and possibility of an unchanged deadline created a compressed timeline for data collection during the field mission. To address this, the evaluation team prioritized data collection and conducted virtual KIIs with key stakeholders before the field mission. This approach expedited the process by collecting initial data virtually, allowing for more in-depth, in-person interviews during the field mission. The dual approach covered a broader range of information and ensured that essential perspectives from various stakeholders were gathered, despite the time limitations.
- **Engagement of a wide range of stakeholders:** The SDGBE Project’s comprehensive scope involved a broad array of stakeholders, including ministries, agencies, local governments, communities, private sector actors, and international organizations. Engaging all relevant stakeholders within the limited evaluation period presented management challenges. However, the project team’s dedicated support in coordinating meetings and identifying critical stakeholders helped the evaluation team focus on key interviews and streamline the engagement process. This assistance effectively prevented management challenges from overwhelming the evaluation and ensured that the necessary breadth of input and comprehensive qualitative data was gathered within the limited timeframe.
- **Scope and Timeline Constraints:** Focus Group Discussions (FGDs) were not conducted due to time constraints. To mitigate this, a focused approach using KIIs with a large sample of 64 participants was adopted. This strategy provided an effective alternative to FGDs by capturing in-depth data within limited timeframes and ensuring a broad representation of perspectives.

1.5 Ethics

The evaluation team members read and signed the Evaluation Consultant Code Of Conduct Agreement Form (Annex 7) and United Nations Evaluation Group (UNEG) Code Of Conduct Agreement Form (Annex 8). The evaluation team endeavored to uphold these standards and expected to be accountable to them throughout the evaluation. Efforts to protect informants' rights and confidentiality included ensuring that interview recordings and summary notes created as part of this evaluation were not shared, except among the evaluation team itself. While an interview list was included as an annex to this report, there was no direct attribution of any remarks in it or the use of any descriptors that could lead to the identification of the informant. No interviews were refused on the ground of reasonable fear for their safety or other security issues.

1.6 Structure of the Final Evaluation Report

The report is divided into five major sections:

- **Section 1** summarizes the project together with the purpose of the FE, scoping and methodology
- **Section 2** outlines the development context and discusses the problems that the project sets out to address, the strategy adopted, operationalization arrangements and key milestones and stakeholders impacted by the SDGBE Project
- **Section 3** reports the key findings from the SDGBE Project and presents under the perspectives of project design/formulation, project implementation and project results
- **Section 4** features 2 key success stories from the SDGBE Project
- **Section 5** reveals the summary of the key findings and ratings, conclusions, lessons learned and recommendations

2. PROJECT DESCRIPTION AND DEVELOPMENT CONTEXT

2.1 Project Start and Duration

Project Implementation Start:	1 October 2020
Closing Date (Original):	31 March 2024
Closing Date (Actual):	31 December 2024

The SDGBE Project officially commenced in 1 October 2020. The project document (PRODOC) was signed on 30 September 2020. The SDGBE Project had an approximate duration of 42 months (1 October 2020 to 31 March 2024) but subsequently had a no-cost extension, approved by the Project Board, for final reporting and project closure on 31 December 2024, with a reported view that the extension would not affect the project outcome, outputs, deliverables, and strategy. Hence as stated in the 2nd revised PRODOC (approved in February 2024), the SDGBE Project would have an approximate duration of 51 months (1 October 2020 to 31 December 2024) at an estimated project budget of EUR7,400,000 (totally funded by the EU).

2.2 Development context: environmental, socio-economic, institutional, and policy factors relevant to the project objective and scope

Mongolian economy is highly exposed to external shocks which include commodity price cycle, change in demand of main trade partners, and climate change. During the mining boom between 2010 and 2012, Mongolia was the fastest growing economy in the world in 2011 with 17% annual GDP growth at its peak and impressive per capita growth rates in the subsequent years. According to the World Bank, Mongolia became an upper middle-income country status in 2015 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, Mongolia 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 became 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 Mongolia accumulated some reserves and buffers for possible external shocks. This is helpful in supporting the achievement of SDGs, including responding effectively to Covid-19.

A joint UN-ADB MAPS mission in November 2017 revealed key challenges and provided recommendations on improvement of governance processes in Mongolia, such as (1) coherent policy-making and strong institutional coordination across sectors and administrative layers anchored at the highest level of decision making, (2) making sure annual budgets support the SDGs and SDV priorities, and (3) setting up monitoring and evaluation systems to assess and report on progress. Furthermore, a 2019 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*” 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. The Government of Mongolia 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 become even more important in progressing towards the SDGs while facing the COVID-19 challenge.

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.

2.3 Problems that the Project Sought to Address

In this context, Mongolia’s development challenges 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. 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.

2.4 Immediate and Development Objectives of the Project

In 2020, the EU Budget Support (BS) programme aims to (1) address some of the above challenges, and (2) support the Government of Mongolia to implement the national reform agenda and assist the implementation of the PFM and Employment policies. The EU BS programme and its Technical Assistance project (formally called the ‘SDG-Aligned Budgeting to Transform Employment in Mongolia’ (SDGBE) 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. The ‘SDG-Aligned Budgeting to Transform Employment in Mongolia’ (SDGBE) project aims to increase employment and promote decent work in Mongolia. Under this primary goal, the project aims to achieve two outcomes:

- **Outcome 1** - to support efficient, accountable, and responsive delivery of public services in the Labor and Employment sector.
- **Outcome 2** - to support the modernization of Mongolia’s public finance management (PFM) systems and strengthening institutional capacities.

The SDGBE Project aims to achieve these objectives by conjoining two main streams of activities through direct interventions and policy improvements in employment sector and improving PFM systems to absorb results-oriented, effective, and evidence-based policies and budget initiatives in employment and labor sectors. The SDGBE Project is funded by the European Union (EU) and is managed by UNDP in partnership with FAO and ILO, leveraging their knowledge and lessons learned from previous and existing initiatives. The total budget is EUR 7,400,000. The project has the following four components, led by respective agencies:

Project Goal: ‘SDG-Aligned Budgeting to Transform Employment in Mongolia’ (SDGBE) project aims to increase employment and promote decent work in Mongolia through two outcomes:	
<ul style="list-style-type: none"> • Outcome 1 - to support efficient, accountable, and responsive delivery of public services in the Labor and Employment sector. • Outcome 2 – to support the modernization of Mongolia’s public finance management (PFM) systems and strengthening institutional capacities. 	
Component	Output
Component A: Bridging Policies with Budget (by UNDP)	A.1 Results-informed strategic budgeting (MTEF) A.2 Results-informed budget presentation A.3 Evidence-based budget formulation A.4 Enhanced capacity of MOF, and line ministries in RBB and budgeting for SDGs

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

Component B: Budget Oversight and Transparency (by UNDP)	B.1 Enhanced parliamentary role in budget oversight B.2 Increased role of CSOs in budget analysis functions B.3 Strengthened and transparent performance audit
Component C: Employment Promotion (by UNDP- C.1-C.3 and by FAO C.4)	C.1 National programs on employment promotion strengthened and made more coherent. C.2 Ecosystem for innovation, start-ups, business incubation, and enterprising reinforced. C.3 Capacity and skills for wage and self-employment boosted. C.4 Pilots, with scope for scaling-up, undertaken for building lessons, and policy development
Component D: Labor Standards and Regulations (by ILO)	D.1 Regulatory frameworks aligned with ILSs D.2 Compliance boosted through the capacity of labor inspection system (LIS)

The project works with diverse partners from central and local government institutions, including the Ministry of Finance (MOF), Ministry of Economy and Development (MED), the Ministry of Food, Agriculture and Light Industry (MOFALI), the Ministry of Family, Labor and Social Protection (MFLSP), Ministry of Education and Science (MOES), Ministry of Culture, Sport, Tourism and Youth (MCSTY), the Parliament of Mongolia, local aimag authorities, the Mongolian National Audit office (MNAO), 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 labor conditions.

2.5 Baseline and Expected Result Targets Established

The baseline and expected result targets of the SDGBE Project in the form of a logical framework were comprehensively set for 4 years. Additionally as stated in the PRODOC, baseline and expected result targets of the SDGBE Project were linked to an outcome results matrix (similarly with baseline and expected result targets comprehensive set for 4 years) that explicitly set out the project goal and its two outcomes along with corresponding intermediate outcomes. Details of both SDGBE Project logical framework and outcome results matrix can be found in **Annex A.6 SDGBE Project Baseline, Expected and Final Result Targets Established**.

2.6 Main Stakeholders

Key stakeholders in the project comprising their roles and involvement are shown in Table 1:

Table 1: Main Stakeholders of the SDGBE Project

Stakeholder Category	Key Stakeholder	Role and Involvement
Government ministries and agencies	MOF, MED, MFLSP, MOFALI, MOES, MOC, SCPCS, State Productivity Commission, Authority of Government Supervision, MNAO, Budgetary Standing Committee of the Parliament of Mongolia	The MOF, MED, MLSP, MOFALI, MOES, MOC, SCPCS, State Productivity Commission, Authority of Government Supervision were mainly involved in results-based planning and budgetary reform (including results-based budgeting). MFLSP was mainly involved in labor inspections, employment reforms, Labor Law compliance. MNAO and Budgetary Standing Committee of the Parliament of Mongolia were mainly involved budget oversight processes.
Local governments (aimags)	Finance and Investment Departments and Governor's Offices of 21 aimags and Ulaanbaatar Municipality (results-based planning and budgeting), Dornogovi aimag, Khanbogd soum of Umnugovi aimag (PPP pilot), Food and Agriculture Departments of Khentii and Umnugovi provinces, and Veterinary Department of Umnugovi province.	Finance and Investment Departments and Governor's Offices of 21 aimags and Ulaanbaatar Municipality were mainly involved in results-based planning and results-based budgeting Dornogovi aimag was involved in aimag and soum level piloting of results-based budgeting Umnugovi aimag, Food and Agriculture Departments of Khentii and Umnugovi provinces, and Veterinary Department of Umnugovi province were involved in piloting PPPs in the agricultural sector
Cooperatives	Three cooperatives in Bayanchandmani district (soum) and two cooperatives in Umnugovi aimag	Three cooperatives in Bayanchandmani soum and two cooperatives in Umnugovi aimag (one cooperative was formed within the scope of the SDGBE Project) were mainly involved in food value chains and pilot PPP in the agricultural sector.

Stakeholder Category	Key Stakeholder	Role and Involvement
Private sector and industry associations	Mongolian Meat Association, Mongolian Veterinary Medical Association as well as private companies such as Educated Enterprise LLC, SMS - Startup Marketing Space LLC, TESO Group, Solid Partners Group (SPG) LLC, Tech Partners LLC, True Vision LLC, Doloon Boldog LLC, Magic Bee LLC, Airee Felt LLC, Speck Materials LLC.	These private sector and industry associations were mainly involved in activities for Component C whereby ecosystems for innovation, start-ups, business incubation, and enterprising would be reinforced, and capacity and skills for wage and self-employment would be boosted
Academia and CSOs	School of Animal Science and Biotechnology and School of Economics and Business of MULS, School of Industrial Technology of MUST, National University of Mongolia, Development Solutions NGO, Research and Development Institute of Light Industry, UFE, Dairy Asia, DW4YN	The academia would mainly be involved in providing research innovation/expertise to help reinforce the ecosystems for innovation, start-ups, business incubation, and enterprising The CSOs were mainly involved in developing Budget Monitoring reports and/or collaborating with the MNAO on social audits.

National government counterparts, such as ministry officials, were actively involved in policy alignment and strategic planning sessions, supporting the integration of SDG-aligned budgeting practices.

Local government representatives engaged in capacity-building workshops and were instrumental in implementing project strategies at the community level.

Private sector actors contributed through partnerships that supported employment transformation initiatives, while international organizations provided technical expertise and funding coordination.

Beneficiaries, including local community members and TVET students, participated in skills training and employment-related interventions.

This variety of stakeholder activities highlighted the project's extensive reach and allowed the evaluation to capture a broad spectrum of experiences across different project components.

2.7 Theory of Change at Evaluation

The evaluation of the Theory of Change (ToC) model in the SDGBE PRODOC would be based on key elements such as issues/causes, inputs, outputs, outcomes, and intended impacts. The evaluation reconstructed the ToC based on the project's results matrix, logical framework, and accompanying narrative description elaborated in the SDGBE PRODOC as shown in Figure 4.

The SDGBE ToC set its long-term **Impact** as implementation of public finance management (PFM) and employment policies to increase employment and promote decent work in Mongolia. The impact outcomes were characterized by (1) with modernized PFM systems with strengthened institution capacities and (2) an effective and efficient public service delivery in the Labor and Employment sector.

To achieve this long-term impact, the SDGBE Project sought to deliver 4 **Outcomes** related to (1) improved budget formulation aligned with results-based policies and programmes; (2) improved budget oversight and transparency through strengthened oversight bodies; (3) strengthened employability with a reinforced ecosystem for innovation, start-ups, technology, business innovation, and enterprising; and (4) improved labor regulations aligned with international labor standards.

The causal pathways to obtain these 4 outcomes are differentiated in 4 different colors (BLUE, GREEN, BROWN and YELLOW) underpinned by 13 key project corresponding colored **Outputs**. These 13 outputs came as a result of 4 unique corresponding colored project component inputs (underpinned by project activities) comprising Component A. Bridging Policies with Budgets; Component B. Budget Oversight and Transparency; Component C. Employment Promotion: Boosting Employability; and Component D. Labor Standards.

The 4 project component inputs with underpinned project activities are designed to address 15 identified **Issues and Causes** that are grouped in 4 corresponding colored categories (in line with the ToC Inputs, Outputs and Outcomes) in the areas of (1) Inefficiencies and challenges in Systemic Budget Planning and Transparency, (2) Deficiencies in Budget Accountability and Oversight, (3) Disconnect between Skills Development and Labor Market Needs, and (4) Barriers to Equitable Labor Compliance.

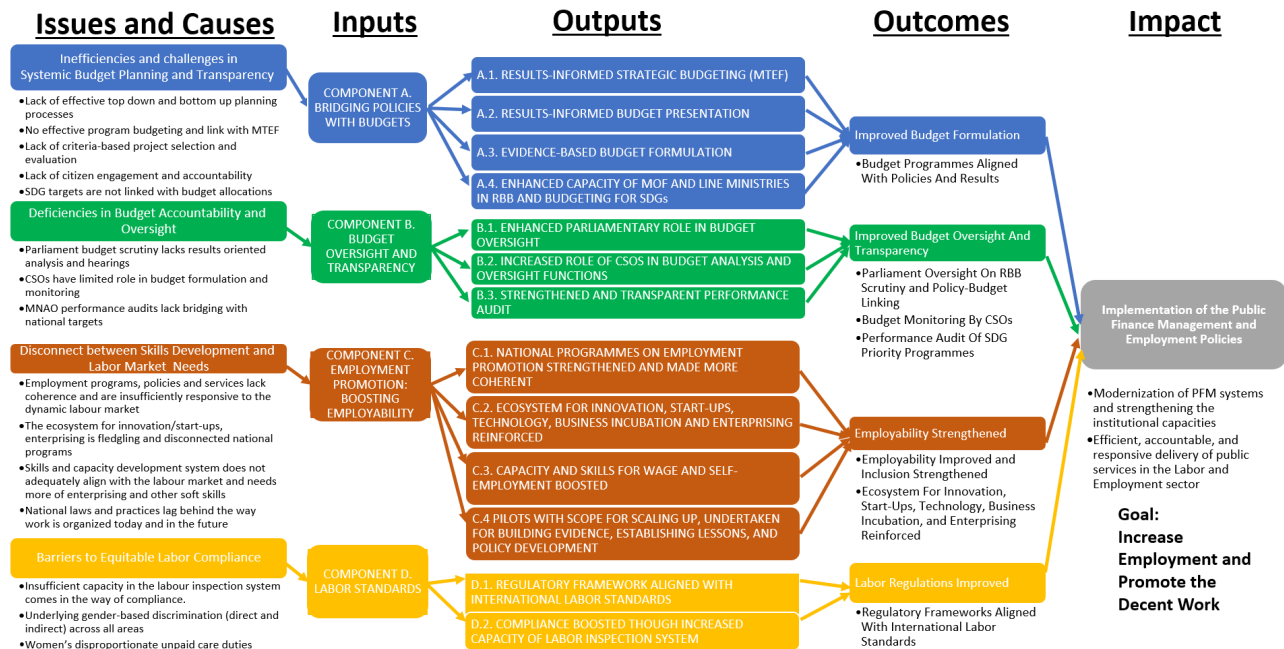


Figure 4. SDGBE Project Theory of Change Model (Reconstructed)

Additionally, the evaluation provided the following examination of the SDGBE Project ToC model as follows:

1. Definition of the Problem and Root Causes

- **Identification of Problems:** The ToC and SDGBE PRODOC outlined several systemic challenges, such as lack of effective planning processes, insufficient employment programs, misaligned skills development systems, and outdated labor regulations. These clearly defined problems indicated an understanding of systemic and institutional weaknesses.
- **Root Causes:** The issues were well-explained with causes like gender-based discrimination, weak governance structures, and limited engagement of citizens and CSOs. However, while the problems and some underlying were identified, the ToC could provide more depth into why these root causes persist over time and how they interrelated.

2. Desired Outcomes and Impact

- **Outcome Areas:** The desired outcomes were robust and focused on various aspects of governance and social development. The ToC posited to improve results-based budgeting, enhance budget oversight, promote employment programs, and align labor regulations with international standards
- **Impact:** The outcomes seemed to align with achieving Mongolia’s aspirations of sustainable development, particularly enhancing employment services and improving labor market institutions. The outcomes were not just about immediate goals but having a longer-term orientation (e.g., institutional changes in budgeting and labor markets) to increase employment and promote decent work in Mongolia.

3. Analysis of Barriers and Enablers

- **Barriers:** The ToC and SDGBE PRODOC outlined several barriers, such as limited capacity in labor inspection, weak linkages between budgets and SDG targets, and insufficient skills development. It also mentioned systemic obstacles like governance inefficiencies and lack of transparency.
- **Enablers:** On the enabler side, the ToC and SDGBE PRODOC noted that reforms like results-based budgeting and labor regulations, combined with better public-private partnerships, could significantly contribute to achieving desired outcomes. However, the discussion on enablers could be expanded to include more factors that might accelerate progress, such as political commitment or civil society engagement. There could be also more explicit explanation of any assumptions being made on the ToC to take into account factors that could change/alter the project environment.

4. Consideration of How to Address Barriers

- The project outlined how it intended to address these barriers, particularly through institutional reforms (e.g., performance-based budgeting and improved audit functions) and capacity building (e.g., enhancing employment services and labor inspection systems). The use of scalable pilots was a key strategy for testing solutions before broader implementation.

- Specific interventions such as boosting skills development services and creating systems for evidence-based decision-making reflected a clear approach to addressing the root causes of institutional inefficiencies. These strategies suggested a well-structured plan to overcome barriers.

5. Plan for Phased Withdrawal

- The ToC and SDGBE PRODOC mentioned that the project would focus on institutionalizing certain reforms, such as performance-based budgeting and improved labor market systems. However, there was limited explicit discussion within the ToC on the project’s phased withdrawal or how the government and other stakeholders would take over after the project concluded.
- The emphasis on national capacity-building and embedding reforms within the national frameworks suggested that sustainability was considered. Nevertheless, a clearer outline for a phased withdrawal and transition to local ownership would strengthen the sustainability plan.

6. Responses and Focus for the SDGBE Project

- The responses were well-aligned with the issues identified and suggest a targeted approach focusing on enhancing institutional capacities
- The ToC effectively identified key responses to the challenges, such as:
 - Empowering line ministries to engage in budgeting processes
 - Strengthening employment programs to be more responsive to the labor market
 - Improving labor regulations through compliance with international standards

3. FINDINGS

3.1 Project Design

3.1.1 Project Document (PRODOC) Formulation

The SDGBE PRODOC indicated that the earliest commencement of the SDGBE Project formulation would be in 2020. The SDGBE Project built on the strong experience of the UNDP project “Supporting the Implementation of the 2030 Agenda in Mongolia (SDGM)”, which aimed to support national mechanisms for coordinating the implementation of the SDGs and aligning national planning, budgeting, financing, and monitoring frameworks with the 2030 Agenda. Additionally, the SDGBE Project built on experiences gained from World Bank Employment Support Project (2017-2021), ADB Skills for Employment Project (2015-2022), a joint EU - World Bank Trust Fund in Mongolia.

The SDGBE Project was initially designed for a duration of 42 months (01 October 2020 to 01 April 2024), with an estimated project budget of EUR 7,400,000, fully funded by the EU. The EU signed an agreement with UNDP in September 2020. However, the implementation duration was later extended to 51 months, and the project would be concluded in December 2024.

3.1.2 Analysis of Results and Resources Framework (Project Logic/Strategy and Indicators)

Assessment of Project Logic/Strategy

The SDGBE Project’s results and resources framework are in two distinct parts. The first part is a results matrix comprising the project’s overall goal with 2 objective outcomes, interlinked with 7 intermediate outcomes and 13 outcome indicators across 4 components as follows:

Results Matrix

<p>PROJECT GOAL: Increase employment and promote the decent work (3 outcome indicators)</p> <ul style="list-style-type: none"> • Outcome 1: Modernization of PFM systems and strengthening the institutional capacities (2 outcome indicators) • Outcome 2: Efficient, accountable, and responsive delivery of public services in the Labor and Employment sector (2 outcome indicators) <p>Total number of outcome indicators: 7</p> <p>COMPONENT A. BRIDGING POLICIES WITH BUDGETS</p> <ul style="list-style-type: none"> • Intermediate outcome 1. Budget programmes aligned with policies and results (2 outcome indicators) <p>Total number of outcome indicators: 2</p> <p>COMPONENT B. BUDGET OVERSIGHT AND TRANSPARENCY</p> <ul style="list-style-type: none"> • Intermediate outcome 2. Parliament oversight on RBB scrutiny and Policy-Budget linking (1 outcome indicator) • Intermediate outcome 3. Budget Monitoring by CSOs (1 outcome indicator) • Intermediate outcome 4. Performance Audit of SDG priority programmes (1 outcome indicator) <p>Total number of outcome indicators: 3</p>
--

COMPONENT C. EMPLOYMENT PROMOTION: BOOSTING EMPLOYABILITY

- Intermediate outcome 5. Employability improved, and inclusion strengthened (3 outcome indicators)
- Intermediate outcome 6. Ecosystem for innovation, start-ups, technology, business incubation, and enterprising reinforced (4 outcome indicators)

Total number of outcome indicators: 7

COMPONENT D. LABOR STANDARDS

- Intermediate outcome 7. Regulatory frameworks aligned with international labor standards (1 outcome indicator)

Total number of outcome indicators: 1

The second part is the project logical framework comprising 13 key result areas with 45 outputs and 106 output indicators across 4 components as follows:

Project Logical Framework

COMPONENT A. BRIDGING POLICIES WITH BUDGETS (4 OUTPUTS)

- A.1. RESULTS-INFORMED STRATEGIC BUDGETING (MTEF)
 - Output A.1.1. Reforms Plan to upgrade the MTEF (2 output indicators)
 - Output A.1.2. Results-based MTEF process established (3 output indicators)Total number of output indicators: 5

- A.2. RESULTS-INFORMED BUDGET PRESENTATION
 - A.2.1. Budget programmes aligned with policies and results (3 output indicators)
 - A.2.2. Expenditure Performance Monitoring and Reporting (2 output indicators)
 - A.2.3. Citizen’s SDG Budget (1 output indicator)Total number of output indicators: 6

- A.3. EVIDENCE-BASED BUDGET FORMULATION
 - A.3.1. Sector Public Expenditure and Institutional Reviews for informed budget decision-making (2 output indicators)
 - A.3.2. Improved prioritization of sectors programmes (3 output indicators)
 - A.3.3. Improved costing of policies (1 output indicator)Total number of output indicators: 6

- A.4. ENHANCED CAPACITY OF MOF AND LINE MINISTRIES IN RBB AND BUDGETING FOR SDGs
 - A.4.1. Strategic Advisory Services (1 output indicator)
 - A.4.2. Regional Peer Learning and Study Tours (2 output indicators)
 - A.4.3. Training On-the-job Capacity Building (3 output indicators)Total number of output indicators: 6

COMPONENT B. BUDGET OVERSIGHT AND TRANSPARENCY (3 OUTPUTS)

- B.1. ENHANCED PARLIAMENTARY ROLE IN BUDGET OVERSIGHT
 - B.1.1. Policy analysis and oversight (1 output indicator)
 - B.1.2. Results-based budget scrutiny and monitoring (5 output indicators)
 - B.1.3. Parliament oversight on effective Policy-Budget linking (3 output indicators)
 - B.1.4. Enhanced capacity of the Parliament in budget oversight (5 output indicators)Total number of output indicators: 14

- B.2. INCREASED ROLE OF CSOS IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS
 - B.2.1. Sector Policy Analyses Performed (2 output indicators)
 - B.2.2. Budget Monitoring by CSOs (3 output indicators)
 - B.2.3. Capacity building for CSOs and media on budget monitoring and oversight functions (4 output indicators)Total number of output indicators: 9

- B.3. STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT
 - B.3.1. Performance Audit of SDG priority programmes (2 output indicators)
 - B.3.2. Civil Hall (Social) Audit (4 output indicators)
 - B.3.3. Capacity Building on Performance Audit (3 output indicators)Total number of output indicators: 9

COMPONENT C. EMPLOYMENT PROMOTION: BOOSTING EMPLOYABILITY (4 OUTPUTS)

- C.1. NATIONAL PROGRAMMES ON EMPLOYMENT PROMOTION STRENGTHENED AND MADE MORE COHERENT
 - C.1.1. Existing national programs mapped and bottlenecks identified (including gaps, duplications and contradictions) (4 output indicators)
 - C.1.2 Support services for coherent program implementation designed as per labor markets and local economic policies, as well as prevailing economic conditions, covering financial and non-financial support (3 output indicators)
 - C.1.3 Support services incorporated in the national programs and reflected in the Ministry budget (ensuring responsibility and resources for sustainability) (2 output indicators)Total number of output indicators: 9

- C.2. ECOSYSTEM FOR INNOVATION, START-UPS, TECHNOLOGY, BUSINESS INCUBATION AND ENTERPRISING REINFORCED
 - 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, (on-line and off-line) (2 output indicators)
 - 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 (3 output indicators)
 - C.2.3. Start-up businesses supported with a particular focus on youth, remotely located job seekers and persons with disabilities (2 output indicators)Total number of output indicators: 7

- C.3. CAPACITY AND SKILLS FOR WAGE AND SELF-EMPLOYMENT BOOSTED
 - C.3.1. Capacity Development services institutionalized for facilitators in Design Thinking and Behavioral Insights and Education institutes in Enterprise Education Pedagogy (7 output indicators)
 - C.3.2. Distance/on-line platforms expanded for career advisory master trainings and capacity increased to deliver employment services remotely for strengthened inclusion (6 output indicators)
 - C.3.3 Regular platform established for Implementation of employer-oriented measures and employer-employee interactions (3 output indicators)Total number of output indicators: 16

- C.4 PILOTS WITH SCOPE FOR SCALING UP, UNDERTAKEN FOR BUILDING EVIDENCE, ESTABLISHING LESSONS, AND POLICY DEVELOPMENT
 - C.4.1 Effective public-private partnership models with large scale youth employment potential in agriculture value chains identified, designed and piloted (to strengthen on-ground implementation of national programs) [FAO] (4 output indicators)
 - C.4.2 Organizational and technical innovations promoted to support Mongolian agribusiness enterprises move up the agri value chains [FAO] (2 output indicators)
 - C.4.3 Building of competitive national Mongolian food brands supported in national and international markets meeting national and international quality/safety standards [FAO] (2 output indicators)
 - C.4.4 Agribusiness based youth employment policy and action plan for Mongolia developed challenges identified, and piloted [FAO] (1 output indicator)
 - C.4.5 A model training hub for non-food sector (leather and fibre) production set-up and piloted [FAO] (1 output indicator)Total number of output indicators: 10

COMPONENT D. LABOR STANDARDS (2 OUTPUTS)

- D.1. REGULATORY FRAMEWORK ALIGNED WITH INTERNATIONAL LABOR STANDARDS
 - D.1.1. Ratification of the ILO Labor Inspection Convention, 1947 (No. 81) and the ILO Labor Inspection (Agriculture) Convention, 1969 (No. 129) and effective application of ILO Fundamental Conventions and employment-related conventions promoted (1 output indicator)
 - Output D.1.2 Advice on improving legal environments to increase the efficiency of labor inspection and employment promotion provided (1 output indicator)
 - D.1.3 The Sub-Committee on Application of ILS assisted in their reviews and discussions of international labor standards and Mongolia's related obligations (1 output indicator)
 - 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 labor inspection (1 output indicator)
 - 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 (1 output indicator)
 - D.1.6 Professional groups and the Mongolia Decent Work for Youth Network (DWYN) supported to promote awareness and action on labor rights of Mongolian youth especially with a view to promote formalization of employment (1 output indicator)Total number of output indicators: 5

- D.2. COMPLIANCE BOOSTED THROUGH INCREASED CAPACITY OF LABOR INSPECTION SYSTEM
 - D.2.1 Support provided for the formulation of annual Strategic Compliance Plan (SCP) (1 output indicator)
 - 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 (1 output indicator)
 - 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 (1 output indicator)
 - D.2.4 Labor inspectors at national, aimag/capital city and district levels are trained on workplace compliance and labor rights (1 output indicator)
- Total number of output indicators: 4

The evaluation assessed that:

- separately on their own merits, the results matrix and logical framework were prepared with in-depth thinking, accurately described the end of project targets, listed the sources of verification, and appropriately identified the risks and the assumptions
- the linkage between the results matrix and logical framework were supposedly through the 4 components. However, this linkage was not straightforward at first sight and there were possible overlaps with few of the results matrix intermediate outcomes and logical framework outputs.
- the results matrix combined with logical framework totaled 13 outcome indicators and 106 output indicators to track which could be viewed as proportionately large for a project which would increase the logic complexities of monitoring over the project implementation.
- there would be a possibility of streamlining the 13 outcome indicators and 106 output indicators to facilitate a more efficient monitoring of the project implementation and progress reporting. This was also noted in the EU Results-Oriented Monitoring Report
- with the above limitations noted, the defined indicators enabled quality monitoring in terms of activity implementation and project implementation progress. Both project results matrix and project logical framework provided comprehensive monitoring to support tracking of progress towards the achievement of expected results. The evaluation further noted that the project interventions would not directly influence the performance of the results matrix outcome indicators (these would be beyond the control of the project interventions) although it could be viewed more as project interventions contributing/attribution towards the performance of the results matrix outcome indicator.

Assessment of SDGBE Project Results Matrix Outcome Indicators and Logical Framework Output Indicators

The evaluation noted that the outcome indicators of the project results matrix were not directly driven by the SDGBE project interventions. Furthermore, other external factors beyond the control of the SDGBE Project would affect the project results matrix while the SDGBE Project could also contribute to the performance of the results matrix. Nevertheless, the evaluation assessed that the results matrix outcome indicators partially met the S.M.A.R.T. criteria. While they are specific, measurable, and relevant, the lack of clear time-bound components prevented them from fully meeting the criteria. Addressing the time-bound element in each case would improve their alignment with the S.M.A.R.T. framework.

The evaluation assessed the SDGBE Project's logical framework with expected outputs, output indicators and corresponding baseline and targets over the 4-year implementation period. In assessing the quality of the output indicators according to the S.M.A.R.T. criteria (Specific, Measurable, Attributable, Relevant, Time-bound), the indicators across all outputs in the logical framework were formulated as activity/ process indicators and generally aligned well with the SMART criteria but there were varying levels of specificity, measurability, and clarity in the timeframes across different outputs. A brief overview of the overall assessment are as follows:

- **Specificity:** Most outputs and their associated indicators were specific. They clearly outlined what needed to be achieved, such as the development of reforms, budgets, reports, or policies. However, some outputs, especially those related to research and high-level initiatives like the establishment of platforms, could benefit from more detailed descriptions of expected deliverables.
- **Measurability:** Measurability was generally strong, particularly for outputs that focused on concrete deliverables like the number of sectors covered, reports produced, or meetings held. However, some outputs lacked clear intermediate progress metrics. For instance, some research or negotiation-related indicators were difficult to measure in terms of success without further clarity on what constitutes progress beyond completion.
- **Attributability:** The indicators were attributable to the outcomes being pursued and were closely linked to the achievement of the intended reforms, policy shifts, or capacity building efforts. Most indicators were well-aligned with the outputs they supported.

- **Relevance:** All the outputs and indicators were relevant to the broader goals of public financial management reforms, SDG integration, and strengthening capacity in budgeting and oversight processes. The indicators were closely tied to tangible improvements in processes such as budgeting, monitoring, policy formulation, and performance auditing.
- **Time-bound:** Timeframes were clearly defined for most outputs, with specific targets set for 2021, 2022, 2023, and 2024. This ensures that there is a clear deadline for completion. However, a few indicators lack well-defined intermediate milestones, making it harder to track progress throughout the period.

A more detailed assessment on the quality of each outcome indicator of the project results matrix and each output indicator of the project logical framework can be found in **Annex A.11 Quality Assessment of Project Outcome/Output Indicators**.

3.1.3 Risks and Assumptions

The SDGBE PRODOC had appropriate risk assessments with impact and probability ratings, and prepared corresponding counter-measures/management responses which were appropriate at that point of time and for the project duration. During the project design phase in the original PRODOC, a total of 7 risks were identified alongside their respective mitigation measures and recorded in the risk register system as shown below in Table 2.

Table 2: Project Risk Register in the SDGBE PRODOC

#	Risk Description	Risk Level	Mitigation Measures
1	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.
2	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.
3	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.
4	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.
5	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.
6	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.
7	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.

During the project implementation, the SDGBE Project Team proactively monitored and identified a total of 64 risks comprising strategic, operational, environmental, political, financial and organizational risks. Each of these risks were duly captured in the UNDP risk register system and the SDGBE Project Team would actively monitor and act on mitigating the risks by appropriately determining suitable activities that could still achieve the planned outputs. The evaluation therefore assessed that the project risks were well identified and the proposed mitigation measures were appropriate if followed through.

3.1.4 Lessons from Other Relevant Projects Incorporated into Project Design

The SDGBE Project was also built from the experience, lessons learned and more importantly the network relationships from the following projects: WB Employment Support Project, ADB Education Sector Master Plan (2019-2030), UNDP Gender Strategy (2018-2021), and the EU - World Bank Trust Fund in Mongolia

3.1.5 Planned Stakeholder Participation

The SDGBE PRODOC was not clearly outlined whether the perspectives of those affected by project decisions, those influencing outcomes, or those contributing information and resources during the project design process. However, the evaluation revealed evidence of the direct involvement of the above-mentioned key stakeholders in the inception phase of the project. While involvement may have been limited, this was largely due to movement restrictions caused by the COVID-19 pandemic, which impacted broader engagement efforts. The SDGBE Project sought to engage a broad range of stakeholders, including government agencies, civil society organizations, local communities, donors, and implementing partners. The planned interactions included regular meetings and consultations with stakeholders at different project stages and board meetings with donor representatives, national counterparts, and partners to track progress and make strategic decisions.

3.1.6 Replication Approach

Replication and up-scaling are key to the SDGBE Project’s catalytic role, offering a chance to build on best practices and lessons learned while expanding the project’s impact. However, these strategies are not clearly emphasized in the SDGBE PRODOC. Although not explicitly labeled as replication and up-scaling strategies, as indicated in the SDGBE PRODOC, strong partnerships with development partners and projects/programmes provide a solid foundation for such efforts. These partnerships support institutional learning, where the project leverages lessons from collaborations to scale up successful interventions. Additionally, policy integration efforts by organizations like FAO, ILO, EU, and ADB, along with Istanbul Regional Hub, Regional Innovation Centre, UNDP-MFSR cooperation platform, and South-South Cooperation’s peer learning and knowledge exchange, suggest the potential for expanding the reach of institutional tools and knowledge across regions.

3.1.7 Management Arrangements

In order to avoid any duplications, the SDGBE Project primarily used the governance and management arrangements as per EU Budget Support Action existing formats. The SDGBE Project organizational structure is as follows:

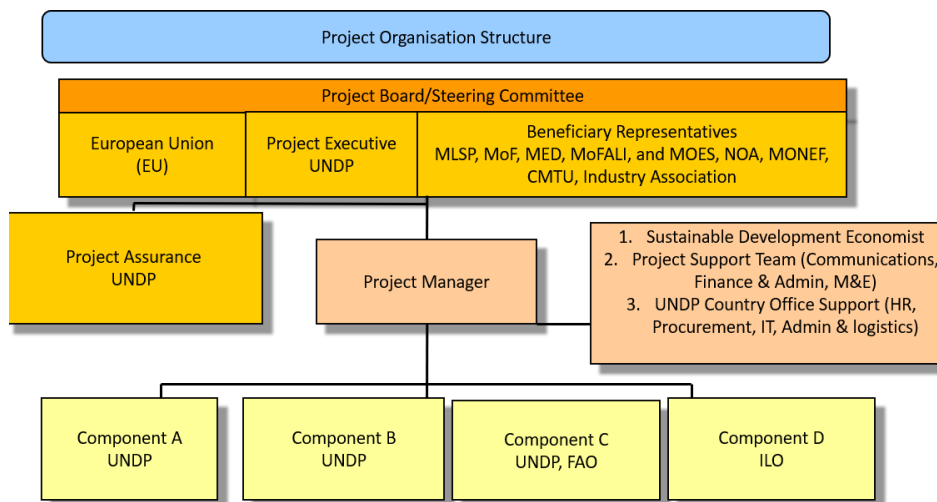


Figure 5. SDGBE Project Organizational Structure

Execution Modality: In accordance with the PRODOC, the SDGBE Project modality was Direct Implementation Modality (DIM) which meant the project execution and implementation would be undertaken directly by UNDP Mongolia in accordance with UNDP Programme and Operations Policies and Procedures (POPP). The overall decision, including financial accountability would rest with UNDP Mongolia and the SDGBE Project was to be executed in coordination with relevant partners with a view to ensuring that effective assistance and support flowed directly to targeted beneficiaries. As the DIM agency, UNDP offered substantive support services to the SDGBE Project, which included project management/administration, financial reporting, procurement support, and technical advisory services. The SDGBE Project updates to the PB meetings were comprehensive and timely produced. The SDGBE Project Annual Reports covered many details and provided insights into project implementation, overall management, the many challenges faced in project implementation and mitigations/counter-measures to overcome the barriers.

Project Steering committee (PSC): The PSC was established to provide high-level oversight and to steer the SDGBE Project. The PSC is responsible for high-level management decisions and policy guidance required for implementation of the project, including recommendations and approval of project plans, budget and revision. The PSC membership comprised the following key main stakeholders:

Chair: UNDP Co-Chairs: EU, MLSP

Members:

- MOF - Vice minister
- MOFALI - Director of Department (Strategic Policy/SME Development Policy)
- MNAO - Director (Integrated Policy Planning)
- MED - State secretary
- MOES - State Secretary
- MONEF, CMTU, Industry Association Representative
- FAO
- ILO

The PSC was first convened in 31 March 2021. The meeting minutes showed that the PSC effectively provided important directions and oversight. The evaluation noted that according to the PRODOC the PSC was scheduled to meet semi-annually. Based on the meeting minutes, the PSC met regularly twice a year. PSC members were present or represented in these scheduled meetings.

3.1.8 Linkages between Project and Other Interventions within the Sector

Under Component C, the SDGBE Project incorporated a strong partnership with the FAO, drawing upon their specific comparative advantage in identifying and strengthening rural labor 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 Component D, the SDGBE Project leveraged the comparative advantage of ILO on decent work, to better align labor regulations with international standards, and boost compliance through strengthened capacity of inspections.

The SDGBE Project would 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. The SDGBE Project would 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, and continue the current cooperation with the GIFT Initiative (Global Initiative for Fiscal Transparency) in promoting more transparent budget formulation, execution, monitoring and reporting processes.

As 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. UNDP Mongolia would also 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 Component B) of the SDGBE Project. UNDP Mongolia would also closely liaise with the UNDP HQ Sustainable finance hub on Medium-Term Budget Framework (MTBF) (one MBTF mission conducted in August 2024), 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.

3.2 Project Implementation

3.2.1 Adaptive Management

The evaluation reviewed that the SDGBE Project Team displayed good project management abilities and effectively utilized appropriate project management tools to implement the project to the best of their abilities. The evaluation observed the inconsistent availability of the key SDGBE Project Manager in the first year of the project implementation (there were three Project Managers in the first year of project implementation), however this did not have any significant issue that could have affected the effectiveness and efficiency of the overall project implementation.

The evaluation also noted that during the first 2 years of the project was during the COVID-19 pandemic in which the SDGBE Project had to cancel or postpone many face-to-face activities and capacity-building. Instead, the SDGBE Project adapted its communications processes and mechanisms to have communications, engagement and capacity building done online. The SDGBE Project would also actively organized information campaigns to bring awareness on Results-Based Budgeting and Results-Based Management among the public through local televisions and social media platforms. The SDGBE Project also established an online information source (<https://sdgbeproject.mn>) which was also to be a knowledge repository that would communicate the progress, information, training, webinars and stories of how the SDGBE Project interventions impacted local communities.

3.2.2 Actual Stakeholder Participation and Partnership Arrangements

The SDGBE Project's partnership arrangements were carefully identified and structured to ensure clarity in roles and responsibilities. As outlined in the PRODOC, within Employment Promotion Component C, the project formed a strong partnership with the FAO, leveraging their expertise in enhancing rural labor market opportunities, benefiting from value chains, and fostering innovations in agribusiness (both technical and organizational), with potential for policy development and sustainable expansion through regular budgets. For Labor Standards Component D, the project capitalized on the ILO's expertise in decent work to better align labor regulations with international standards and improve compliance by strengthening inspection capacity. Furthermore, the project steering committee meetings' minutes reflect the smooth coordination between partners and national counterparts, suggesting that roles and responsibilities were well-defined from the beginning.

Table 3: SDGBE Project Stakeholder Participation and Partnership Arrangements

Component	Output	Stakeholder Participation and Partnership Arrangements
Component A: Bridging Policies with Budget	A.1 Results-informed strategic budgeting (MTEF) A.2 Results-informed budget presentation A.3 Evidence-based budget formulation A.4 Enhanced capacity of MOF, and line ministries in RBB and budgeting for SDGs	UNDP
Component B: Budget Oversight and Transparency	B.1 Enhanced parliamentary role in budget oversight B.2 Increased role of CSOs in budget analysis functions B.3 Strengthened and transparent performance audit	UNDP
Component C: Employment Promotion	C.1 National programs on employment promotion strengthened and made more coherent. C.2 Ecosystem for innovation, start-ups, business incubation, and enterprising reinforced. C.3 Capacity and skills for wage and self-employment boosted. C.4 Pilots, with scope for scaling-up, undertaken for building lessons, and policy development	C1 to C3: UNDP C4: FAO
Component D: Labor Standards and Regulations	D.1 Regulatory frameworks aligned with ILSs D.2 Compliance boosted through the capacity of labor inspection system (LIS)	ILO

3.2.3 Project Finance

The SDGBE Project had an approximate duration of 42 months (1 October 2020 to 31 March 2024) but subsequently had a no-cost extension (approved by the Project Board) for an approximate duration of 51 months to 31 December 2024 with an approved funding of EUR7,400,000. The budget and actual expenditure of the SDGBE Project are provided below in Table 4 as follow:

Table 4: Summary of Budget and Actual Expenditure (SDGBE Project)

Project Output	Total Budget (PRODOC)	Total Actual Expenditure	2021		2022		2023		2024	
	(2021-2024)		(US\$)		(US\$)		(US\$)		(US\$)	
	(US\$)	(US\$)	Budget (AWP)	Actual (1 Oct 2020 to 30 Dec 2021)	Budget (AWP)	Actual (1 Jan 2022 to 20 Nov 2022)	Budget (AWP)	Actual (21 Nov 2022 to 20 Nov 2023)	Budget (AWP)	Actual (Up to 31 July 2024)
Component A: Bridging Policies with Budget	2,305,955	2,198,360	452,508	252,069	711,548	771,346	984,624	779,108	585,196	395,837
Component A Utilisation Rate (Actual/Budget)		95.3%	55.7%		108.4%		79.1%		67.6%	
Component B: Budget Oversight and Transparency	1,446,450	953,132	170,665	64,189	448,081	278,827	610,514	370,257	406,264	239,859
Component B Utilisation Rate (Actual/Budget)		65.9%	37.6%		62.2%		60.6%		59.0%	
Component C: Employment Promotion	2,940,197	2,653,473	668,469	283,013	1,258,936	833,674	1,524,609	1,142,225	783,947	394,561
Component C Utilisation Rate (Actual/Budget)		90.2%	42.3%		66.2%		74.9%		50.3%	
Component D: Labor Standards and Regulations	300,400	276,173	98,815	26,417	148,391	53,977	164,780	63,408	196,352	132,371
Component D Utilisation Rate (Actual/Budget)		91.9%	26.7%		36.4%		38.5%		67.4%	
Project Office Costs (UNDP, FAO, ILO)	884,499	1,192,180	323,117	196,944	402,908	275,598	286,815	454,640	459,021	264,998
Project Office Costs Utilisation Rate (Actual/Budget)		134.8%	61.0%		68.4%		158.5%		57.7%	
Total	7,877,501	7,273,318	1,713,574	822,632	2,969,864	2,213,422	3,571,342	2,809,638	2,430,780	1,427,626
Utilisation Rate (Total Actual/Budget)		92.3%	48.0%		74.5%		78.7%		58.7%	

Source: SDGBE Project PRODOC, annual financial reports (2021, 2022, 2023), annual work plan (2021, 2022, 2023, 2024), internal project finance data, presentation to Project Board

The evaluation assessed that:

- the SDGBE Project significantly under-spent its allocated total project funds in 2021 with an annual utilization rate of 48%. This was due to the COVID-19 pandemic and restrictions in Mongolia which resulted in reduced travel costs, reduced onsite activities and reduction in local training/workshop venues costs.
- The SDGBE Project had a total utilization rate of 74.5% in 2022. The evaluation noted that the SDGBE Project had just come out of the COVID-19 period and only begun to increase Component A activities (noting that Component A slightly over-spent by 8.4%) while undergoing more conceptualizing and planning activities for Component B and C.
- The SDGBE Project had a total utilization rate of 78.7% in 2023. The evaluation further observed that Project Office costs were overspent by 58.5% which would be due to hiring of additional project staff to improve project communications and provide technical leads for Components A, B and C.
- Component C had the highest total expenditure due to the extensive costs involved to implement the component activities. These costs involved reviewing and strengthening national programs on employment promotion to be more coherent at national and local levels, improving ecosystems and organizing competitions/campaign programmes for innovation, start-ups, business incubation, and small enterprises/cooperatives, setting up systems and processes to boost employability capacities and skills for local citizens at local province aimag level, and supporting PPP pilots with scope for scaling-up, undertaken for building lessons, and policy development
- Component D had the lowest total expenditure and lowest average annual utilization rate. Despite this, the evaluation observed that Component D's implementation activities were not cost-intensive and hence would not be severely impacted. It was also possible that Component D budget was over-estimated while designing the component activities to achieve the end results.
- due to a high carry-over of funds due to under-spending by the SDGBE Project in 2021, 2022 and 2023, subsequent years for the SDGBE Project would have a healthy opening balance and hence the SDGBE Project would always have a positive cash/in-kind flow
- project office costs total expenditure had an overspent due to the high expenditure in 2023 (due to increased project staff to accommodate increased project activities/implementation post COVID-19 period) and Component B's total utilization rate was low. However the evaluation assessed that this once-off overspent did not significantly affect the overall project results and total utilization rate was still about 92% which was within the range of efficient delivery.
- the stated total actual expenditure figures are for up to 31 December 2024. The final actual expenditure figures up to 31 July 2024 are reported to be full utilization of the project budget (subjected to final reconciliation and completion of all planned activities).

3.2.4 Monitoring and Evaluation (M&E) Design at Entry, Implementation, and Overall Assessment of M&E

M&E Design at Entry

The evaluation assessed that the M&E plan was designed according to UNDP’s programming policies and procedures as described in Section 3.4 of the SDGBE PRODOC. It comprised standard M&E items for UNDP projects such as the project board meetings, annual project reports, audits, Mid-Term Review (MTR), an end-of-project review in the form of a Final Evaluation, and the final report.

The SDGBE PRODOC further indicated that throughout all stages of the SDGBE Project, progress being made towards achieving the specific indicators of the EU Direct Budget Support (DBS) Programme would also be monitored, in sync with the relevant components of the SDGBE Project. This included (i) reflecting the DBS indicators in relevant data collection, baseline studies, and target setting; (ii) incorporating an analysis on the linkage of the SDGBE Project 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.

The evaluation assessed that the M&E design included a comprehensive project results framework that included baselines, yearly S.M.A.R.T. performance target indicators, data sources and data collection methods to ensure proper tracking and assessment of results. The evaluation’s analysis of the project results framework is found in Sections 3.1.2 and 3.3.3 of this report.

The SDGBE PRODOC did not explicitly have an M&E budget but the evaluation noted that the SDGBE PRODOC indicated a full-time M&E Officer with responsibility to monitor the progress against the project the monitoring plan, and to collect baseline and progress data and reporting. The M&E plan did not mention any development of an exit strategy even though it was not a standard UNDP requirement. Due to the nature of this project, the evaluation opined that it would be worthwhile for the M&E Design to include an exit strategy to demonstrate continuity between project ending and the post project period, especially to formally confirm post project arrangements to continue delivering on the implementation of PFM reforms with the Government of Mongolia and policy reforms to improve conditions in the employment sector.

Nevertheless, the overall design of M&E framework met the standard M&E template for projects of this size and complexity. Overall, the evaluation found the M&E design was well-conceived, practical and sufficient for monitoring the project results and tracking the progress toward achieving the objectives.

Based on the above, the evaluation assessed the project’s M&E Design at Entry to be Satisfactory.

M&E Implementation

The M&E framework consisted of local monitoring and reporting as well as international independent evaluations. The SDGBE Project, with assistance support from UNDP Mongolia CO, was responsible for the preparation and implementation of the M&E activities. Table 5 below summarizes the achievement of monitoring actions as required by the SDGBE PRODOC.

Table 5: SDGBE Project M&E Activity Status

M&E Activity	Frequency/ Timing	Status	Evaluation Comments
Track results progress	Quarterly, or in the frequency required for each indicator, with a minimum of annual data points.	Quarterly, or in the frequency required for each indicator.	Results tracked through the integrated M&E system
Monitor and Manage Risk	Quarterly	Quarterly (risk monitoring), Audit, HACT assurance (as per UNDG guidance)	Reporting conducted in written monthly monitoring reports, field monitoring reports and verbally through electronic communications
Learn	At least annually	At least annually	Reporting done through the SDGBE Project website, webinars and various written publications. The SDGBE project team had consistently updated the SDGBE website with latest information to demonstrate the work being done on the ground and also provide cases for learning.
Annual Project Quality Assurance	Annually	Annually	Completed by the SDGBE Project Team. The SDGBE project team had written comprehensive annual project progress reports and also comprehensive progress reports for Project Board meetings.

M&E Activity	Frequency/ Timing	Status	Evaluation Comments
Review and Make Course Corrections	At least annually	At least annually	Completed by the SDGBE Project Team. Observations from internal project documents, project progress reports and interviews with project stakeholders showed the SDGBE Project continuously reviewing and making course corrections to the project implementation/ activities
Project Report	Annually, and at the end of the project (final report)	Annually, and at the end of the project (final report)	Final terminal report to be completed by the SDGBE Project Team in December 2024
Project Review (Project Board)	Specify frequency (i.e., at least once annually)	Annually	PB meeting conducted twice a year. Final PB meeting due in December 2024. Each PB meeting had full attendance and comprehensive discussion based on the presentation materials and the meeting minutes
Mid-Term Evaluation (Results-Oriented Monitoring conducted by the EU)	To be conducted in 2022	Completed	A Results-Oriented Monitoring report was submitted and the SDGBE Project followed up on the recommendations.
Final Evaluation	To be conducted in 2024	Ongoing	Expected to complete in October 2024

In addition to the above M&E activities, the evaluation reviewed that the monitoring, evaluation and reporting systems at SDGBE Project level was adequate, well-utilized and adaptable. The evaluation reviewed that the M&E process for the SDGBE Project Team showed sufficient competency in:

- conducting needs-based project field monitoring visits in 2024 to assess the progress of project outputs at aimag (province) and soum (district) level, and would discuss the field monitoring report findings with the SDGBE Project Team and the project consultants on what needed to improve going forward
- producing monthly monitoring reports based on project consultants' monitoring reports and submitting them to EU as part of the PRODOC M&E requirements
- producing quarterly monitoring reports since 2023 in Mongolian language to the SDGBE Project national counterparts
- contributing the UNDP internal Results-Oriented Annual Reporting system
- presenting progress reports at all PB meetings to discuss identified key issues faced, and providing key recommendations and corrective actions/ measures to address these key issues

Based on the above, the evaluation assessed the project's M&E Implementation to be Satisfactory.

Overall Assessment of M&E

The M&E process could be further strengthened with (1) increased regular field monitoring visits to verify and validate on-the-ground activities and that the RBM and RBP materials were being utilized at line ministry level and at aimag level, (2) active monitoring to verify project results on the ground and to ensure project interventions (including the development of RBB and RBM methodologies, guidelines/manuals and templates) incorporated cross-cutting elements (gender equality and women's empowerment, disability inclusion, social inclusion, especially in the starting stages of implementation), (3) more data collected in relation to the "spill-effects" impact of the SDGBE Project on local community issues and resident/community well-being. The evaluation noted that some of these data had already been collected and published in the project annual reports, presentation to the Project Steering committee, and on the SDGBE website publicly.

Nevertheless, the SDGBE Project continued to perform consistent tracking of results progress and make any adjustments/corrections to project activities if needed to.

Monitoring & Evaluation (M&E)	Rating
M&E design at entry	5 – Satisfactory (S)
M&E Plan Implementation	5 – Satisfactory (S)
Overall Quality of M&E	5 – Satisfactory (S)

3.2.5 UNDP Implementation/Oversight and Implementing Partner Execution, Overall Project Implementation/Execution, Coordination, and Operational Issues

The project has been implemented following UNDP’s DIM execution modality. UNDP is the key Implementing Agency for the SDGBE Project and as such remained the ultimate responsible party towards the Project Board with regard to the use of financial and technical resources and of any cash co-financing passing through UNDP accounts.

UNDP Mongolia CO was responsible for the overall supervision and monitoring of the SDGBE Project and providing overall project assurance through active participation of UNDP Mongolia senior management in the Project Board. UNDP Mongolia provided direct project services on relevant procurement and recruitments services, and also coordinated the MTR and FE.

UNDP Mongolia CO also supported the SDGBE Project with monitoring the financial transactions by the project in terms of delivery, meeting targets and expenditure and ensuring no over-expenditure on the project.

During the project design stage, UNDP Mongolia had effectively and comprehensively delivered on activities relating to project identification, concept preparation, appraisal, preparation of detailed project proposal, and approval which ultimately led to project commencement.

There was also a UNDP Project Team for the SDGBE Project, led by a UNDP Project Manager, that effectively managed and administered the project’s day-to-day activities. The evaluation assessed that UNDP as the key Implementing Agency had:

- a strong and appropriate focus on results and timeliness
- appropriately used all available funds, procurement and contracting of goods and services
- high-quality risk management processes
- provided candor and realism in annual reporting
- adequately managed environmental and social risks as identified through the UNDP SESP and implementation of associated safeguards requirements

Based on this, quality of UNDP implementation/oversight is rated **Highly Satisfactory (HS)**.

The Implementing Partners for the SDGBE Project are the FAO and ILO. The project design linking results-based budgeting with employment policies, pilots and labor regulations required an overall cost effectiveness and efficiency. The evaluation assessed that the implementation partnership with FAO and ILO was one of the key levers for the cost effective delivery of the project interventions, drawing on the FAO’s and ILO’s know-how and lessons learned from previous and existing initiatives.

Under the Component C, the SDGBE Project incorporated a strong partnership with the FAO, drawing upon their specific comparative advantage in identifying and strengthening rural labor 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 Component D, the SDGBE Project leveraged the comparative advantage of ILO on decent work to better align labor regulations with international standards and boost compliance through strengthened capacity of inspections.

By doing so, the SDGBE Project significantly reduced time and use of resources on identification of the optimal interventions mix for the project activities.

Based on the above the quality of Implementing Partner Execution is rated **Highly Satisfactory (S)**.

A combined rating of overall project implementation/execution is rated **Highly Satisfactory (HS)**.

Implementation & Execution	Rating
Quality of UNDP Implementation/Oversight	6 – Highly Satisfactory (HS)
Quality of Implementing Partner Execution	6 – Highly Satisfactory (HS)
Overall Quality of Implementation/Execution	6 – Highly Satisfactory (HS)

3.2.6 Risk Management, including Social and Environmental Standards (Safeguards)

In regards to environmental and social risks, an environmental and social risks screening was conducted during the project design stage to identify potential risks. The screening was conducted using the UNDP Social and Environmental Screening Report, comprising checklist questions in 2 parts:

- Part A. Integrating Programming Principles to Strengthen Social and Environmental Sustainability. The tool comprises of three principles: Human Rights (Principle 1); Gender Equality and Women’s empowerment (Principle 2) and Environmental Sustainability (Principle 3).

- Part B. Identifying and Managing Social and Environmental Risks. Screening questions for the environmental sustainability principles were structured under 3 categories and 7 standards:
 - Overarching Principle: Leave No One Behind Human Rights
 - Gender Equality and Women’s Empowerment
 - Accountability
 - Standard 1: Biodiversity Conservation and Sustainable Natural Resource Management;
 - Standard 2: Climate Change Mitigation and Adaptation;
 - Standard 3: Community Health, Safety and Working Conditions;
 - Standard 4: Cultural Heritage;
 - Standard 5: Displacement and Resettlement;
 - Standard 6: Indigenous Peoples; and
 - Standard 7: Pollution Prevention and Resource Efficiency

As per the results of the screening, there were 4 social and environmental risks identified in Part B namely (1) Limited capacity of government officers, (2) Limited inter-communication between employer and job-seekers, (3) COVID-19 pandemic which could lead to risk of increasing demand of the labor market as well as the long-term sustainability of the project, and (4) Low capacity of research institutions to conduct PFM/expenditure analysis. Mitigation measures for each identified risks were developed and the overall project risk categorization was listed as “Moderate Risk”. Based on the identified risks, the principle/standard of “Overarching Principle: Leave No One Behind Human Rights” was triggered.

During the post COVID-19 period, the SDGBE Project conducted a 2nd Social and Environmental Screening in April 2023 and identified 3 new social and environmental risks namely:

- Risk 1: Some population groups, especially rural women and youth, might have limited knowledge of labor/worker’s rights and/or lack access to adequate information, resulting in their continued lack of access to the various opportunities made available and unable to exercise their rights.
- Risk 2: The project-supported policy and programmatic solutions might have an indirect unequal, discriminatory impact on some population groups due to the assessments and reviews, other technical outputs to support decision-making, and designing of solutions failing to consider the needs and perspectives of all groups and/or not being conducted as per methodological and quality standards.
- Risk 3: The project interventions that directly engaged beneficiaries through resources and opportunities, i.e. support to start-up businesses, etc., might lead to submissions of grievances and complaints if the selection processes for these opportunities were not properly designed and implemented.

The evaluation noted that the timing of the above identified risks came after the November 2022 Project Board meeting where there were concrete discussions on the need to implement 2023 project activities with dedicated focus on youth, women and people with disabilities. The evaluation further observed that mitigation measures were only developed for Risk 2. Despite the above risks, the overall project risk categorization was listed as “Low Risk”. Based on the identified risks, the principle/standard of “Overarching Principle: Leave No One Behind Human Rights” and “Accountability” were triggered.

3.3 Achievement of Project Results

3.3.1 Relevance

Achievement Rating: **5/6** (Satisfactory)

Key Finding #1: The SDGBE Project was strategically aligned with global, national, and organizational priorities, contributing to various SDGs, such as poverty reduction, gender equality, education, and employment.

To substantiate the project’s relevance and alignment with these goals, triangulation was employed by cross-referencing data from various sources, including feedback KIIs with project stakeholders, including UNDP representatives, project team and government officials, was compared with the analysis of project documentation. This comprehensive approach ensured that the findings were corroborated across diverse perspectives, confirming the project’s strategic fit within the broader development framework.

The SDGBE Project PRODOC was strategically designed to align with global, national, and organizational priorities, particularly toward achieving the 2030 Agenda and SDG goals. Its relevance was emphasized through its direct contribution to several SDGs, including those related to poverty reduction, gender equality, education, employment, and good governance. The alignment with multiple SDGs, such as SDG 1: No Poverty, SDG 4: Quality Education, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, and SDG 16: Peace, Justice, and Strong Institutions, demonstrated the broad scope and strategic intent of the project to address multifaceted development challenges.

The SDGBE Project also integrated within UNDP's strategic framework, aligning with the UN Development Assistance Framework (UNDAF) (2017-2021), the Country Programme Document (CPD) (2017-2021) as follows:

- 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
 - 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.

The SDGBE Project also contributed to the updated:

- UNSDCF Mongolia (2023-2027) Outcome 2/Output 2.1: There are improved institutional capacities to deliver skilling and reskilling opportunities, and entrepreneurship training to women and youth to enhance their productive capacity for decent employment and employability, improve women, youth and marginalized people labor force participation including by better managing internal and international migration; and Outcome 4/ Output 4.3: National and sub-national stakeholders' capacities improved, including through digital transformation, to deliver services in a transparent, people-centred, efficient and effective manner; make coherent evidence-informed policy-making, monitoring, and reporting; and enable citizen participation in decision-making and empower them to hold authorities accountable
- UNDP CPD Mongolia (2023-2027) Programme priority 1: Diversified, inclusive and green economic transition on strengthening capacities for sustainable livelihoods and employment; and Programme priority 3: Women's empowerment, inclusive and accountable governance, and progress towards achievement of the Goals on strengthening institutional capacities for transparency, accountability and accessibility

Key Finding #2: The SDGBE Project closely aligned with Mongolia's development strategies, including Vision-2050 and the medium-term "5-Year Development Main Directions."

To assess the project's relevance with Mongolia's development policies and strategies, findings were verified through a triangulation process involving multiple data sources. Feedback from KIIs with national counterparts and project team members was cross-referenced with a review of relevance-focused project documentation, including policy alignment analyses and strategy papers. Additionally, insights from document reviews were corroborated with national planning documents and government policies. This multi-source validation provided a comprehensive assessment, ensuring that conclusions about the project's alignment with national priorities were consistently supported across stakeholder interviews, policy documents, and planning frameworks. At the national level, the SDGBE Project was assessed to be well-positioned within Mongolia's development priorities, including the long-term development policy 'Vision-2050', the medium-term planning documents such as '5-Year Development Main Directions' and '4-Year Government Action Plan' as well as Annual Development Plan, which aligns with the Government's policies on economic and social development, particularly in employment, employability, and effective use of public budget resources.

Key Finding #3: The SDGBE Project was tailored to support the country's public finance and employment policies through technical assistance for the EU Budget Support (BS) program. Although the initial project design did not explicitly address marginalized groups, gender equality, or a rights-based approach, these were incorporated during implementation. Additionally, the SDGBE Project integrated lessons from previous UNDP projects, focusing on results-based planning and budgeting.

To validate the project's alignment with national priorities, triangulation was employed by analyzing feedback from KIIs with government officials, project team members, and local stakeholders. This was cross-referenced with project documentation, including legislative texts and strategic frameworks. The convergence of these findings reinforced the project's relevance within the national context, demonstrating its capacity to adapt to existing policy frameworks while addressing implementation challenges. The evaluation assessed that the national relevance was underscored by its alignment with the:

- EU's strategic priorities, which supported Mongolia's public finance and employment policies. The SDGBE Project was designed to function as a Technical Assistance project supporting the Budget Support (BS) programme (EUR 43 million), which seek to support country's employment policy implementation, strengthen the effectiveness and governance of public expenditure through support for reforms of the PFM system and improve resilience to unanticipated crises. This strengthened the project's role in not only addressing current national challenges but also supporting long-term sustainable growth.
- country's long-term vision as the project framework was harmonized with the Law on Development Policy and Planning documents and the Budget Law. While the Law on Development Policy, Planning, and Coordination, introduced in 2020, promoted results-oriented planning concepts, and the 2012 revision of the Budget Law incorporated program-based and results-oriented budgeting elements, implementation challenges persisted at the grassroots level. The SDGBE project addressed these

gaps by introducing context-specific and practical approaches to operationalize these concepts across multiple levels, including the local level. In doing so, the project ensured its practices were aligned with national legislation and contributed to improving the effective application of foresighted policies in real-world contexts.

While the project was designed with a focus on employment and agricultural sectors, its original design did not explicitly include output indicators that directly addressed vulnerable groups, gender equality, or a rights-based approach. However, these elements were incorporated into the project through the Social and Environmental Screening Procedure (SESP) and addressed in the implementation phase. This reflected a gap in the project's initial design in terms of addressing the needs of marginalized groups but showed flexibility in adapting to these concerns during implementation. Moreover, the evaluation showed that lessons learned from the previous project 'Support to Implementation of the 2030 Agenda in Mongolia' were significantly considered in the design of the SDGBE project. The key lesson incorporated was the need to shift from activity-based to result-based planning and budgeting, ensuring that planning is informed by relevant SDG indicators. Additionally, the inclusion of public financial management (PFM) reforms in the SDGBE project design addressed the fiscal challenges identified in the previous project, such as budget deficits and the need for better resource allocation to achieve SDG targets.

3.3.2 Coherence

Achievement Rating: **5/6** (Satisfactory)

Key Finding #4: The SDGBE Project exhibited strong internal and external coherence by aligning its four components to support national policies, budget transparency, and labor standards.

The evaluation data analysis showed that the SDGBE Project was designed and implemented during the COVID-19 pandemic, which allowed sufficient scope and flexibility to incorporate unforeseen challenges. It supported the Government of Mongolia by complementing the effects of amended public finance/budget-related laws and policies implemented in the employment sector. The results of KIIs with national counterparts and the project team indicated that the SDGBE Project demonstrated strong coherence among its four components, aiming to ensure that result-oriented development policies would be well-funded, budget-transparent, and aligned with international standards, particularly in employment promotion and labor protection. Together these components created a system where policy-making, budgeting, transparency, employability, and labor standards reinforce each other to support sustainable economic and social development. In particular:

- Component A focused on aligning national policies with budget allocations to ensure that government resources would be effectively directed toward achieving country's strategic priorities and policies.
- Component B strengthened Component A by ensuring greater parliamentary responsibility, leading to more robust and results-based budget scrutiny, transparency, and improved budget oversight.
- Component C would essentially be the application of Component A to ensure budget allocations for employment promotion.
- Component D supported Component C by focusing on the application of international labor standards by strengthening Mongolia's labor institutions.

Key Finding #5: Internally, it drew on lessons from previous projects, leveraging UNDP, FAO, and ILO's expertise in planning, budgeting, employment, and labor standards.

Moreover, review of project documents, KIIs with UNDP, FAO and ILO, and qualitative data analysis showed the collaboration between UNDP, FAO, and ILO was characterized by strong internal coherence. Specifically, drawing on lessons learned from the previous UNDP project 'Support to Implementation of the 2030 Agenda in Mongolia'. UNDP led Components A and B, focusing on results-based planning, results-based budgeting, and improving oversight and sustainability. Meanwhile, in the Employment Promotion Component C, the Project fostered a robust partnership with FAO, leveraging its specific comparative advantage in identifying and strengthening rural labor market opportunities for better inclusion. This collaboration benefitted from value chains and supports both technical and organizational innovations in agribusiness, with potential for policy development and sustainable scaling-up under regular budgets. Additionally, under the Labor Standards Component D, the project utilized the ILO's comparative advantage in promoting decent work to better align labor regulations with international standards and enhance compliance through strengthened inspection capacities.

Key Finding #6: Externally, the project coordinated with other development initiatives, such as JICA and the World Bank's projects, ensuring complementarity in promoting employment and public finance reforms. This coherence across multiple sectors and partners ensured that policies, budgets, and labor standards were aligned and reinforced each other for sustainable development outcomes.

Regarding external coherence, review of project documents and qualitative data analysis showed the project collaborated with other development initiatives such as the "Project to Strengthen Self-Reliance Support System Focusing on Creation of Job Opportunities for People in Need" (JICA), aimed at improving employment-readiness support services for households and individuals in need in Mongolia; the "Strengthening Fiscal and Financial Stability Project" (World Bank), aimed at strengthening fiscal and financial stability and improving the quality of expenditure management; and the "Mongolia: Enhancing Resource Management through Institutional Transformation (MERIT) Project" (Government of Canada), aimed at stimulating sustainable economic growth in Mongolia, and also included a Gender-Responsive Budgeting pilot project.

3.3.3 Overall Results/Progress towards Objective and Expected Outcomes/Outputs

The evaluation rated the SDGBE Project’s overall results with reference to its project goal and 7 corresponding outcomes as per the results matrix stated in the SDGBE PRODOC. The overall reported results are presented below in Table 6.

Table 6: Overall Results of Results Matrix – SDGBE Project

Fully Achieved /Achievement exceeded	Mostly Achieved	Moderately Achieved	Partially Achieved	Not Achieved	Unable to Assess
OUTCOMES		INDICATOR			EVALUATION RATING
Project goal: Increase employment and promote the decent work	Change (%) in youth (aged 15-24) unemployment rate				Fully Achieved
	Change (%) in unemployment rate among people with disabilities				Not Achieved
	Change (%) in unemployment rate among women				Fully Achieved
Key Outcome 1: Modernization of PFM systems and strengthening the institutional capacities	# of policy, regulatory and institutional framework developed and adopted by public actors to align public finance management with SDGs				Fully Achieved
Key Outcome 2: Efficient, accountable, and responsive delivery of public services in the Labor and Employment sector	% of jobseekers who remain employed after a specified period (e.g., three months or six months)				Partially Achieved
	% of new businesses that survive beyond a certain period (e.g., six months or one year).				Fully Achieved
Component A. Bridging Policies with Budgets					
Outcome 1: Budget programs 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)				Fully Achieved
	Number (and %) of sectors which submitted results-informed budget performance reports (including gender and LNOB dimension)				Fully Achieved
Component B. Budget Oversight and Transparency					
Outcome 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)				Moderately Achieved
Outcome 3. Budget monitoring by CSOs	Number (and %) of sectors/ministries monitored by CSOs on their budget implementation, using RBB and LNOB principles, and communicated to public				Partially Achieved
Outcome 4. Performance Audit of SDG priority programmes	Number of performance audits of SDG priority sectors and programmes				Fully Achieved
Component C. Employment Promotion: Boosting Employability					
Outcome 5. Employability improved, and inclusion strengthened	# of job seekers who completed the vocational training and obtained the competence certificates (disaggregated by youth, PWD, age groups, sex, and locations)				Mostly Achieved
	# of jobseekers who receive clientbased services (out of all people who received the PES) (disaggregated by sex, age group, PWD)				Fully Achieved
Outcome 6. Ecosystem for innovation, startups, technology, business incubation, and enterprising reinforced	# of new businesses started as a result of entrepreneurship promotion measures/small loans (disaggregated by sex, youth, PWD)				Partially Achieved
	Number of small and medium enterprises (with more than 5 employees)				Fully Achieved
	% of TVETs schools (69) which piloted and introduced innovative training modules on enterprising skills, soft skills and technology				Partially Achieved
	Increase (%) in average income of SME employees (small: with fewer than 50 employees; medium: with fewer than 100 employees) (disaggregated by gender)				Fully Achieved
Component D. Labor Standards					
Outcome 7. Regulatory frameworks aligned with international labor standards	Number of unannounced labor inspections				Fully Achieved

Source: SDGBE Annual Reports; Mongolia National Statistics Office; Interviews with SDGBE Project Team and National/Sub-National Counterparts; internal SDGBE Project documents/data and monitoring data

Additionally, the evaluation rated the SDGBE Project’s overall results with reference to its 4 components and corresponding 13 project key result areas as per the logical framework stated in the SDGBE PRODOC. The overall reported results are presented below in Table 7.

Table 7: Overall Results of Logical Framework – SDGBE Project

Fully Achieved /Achievement exceeded	Mostly Achieved	Moderately Achieved	Partially Achieved	Not Achieved	Unable to Assess
COMPONENT	KEY RESULT AREA				EVALUATION RATING
COMPONENT A. BRIDGING POLICIES WITH BUDGETS Achievement Rating: Mostly Achieved	A.1. RESULTS-INFORMED STRATEGIC BUDGETING (MTEF)				Mostly Achieved
	A.2. RESULTS-INFORMED BUDGET PRESENTATION				Mostly Achieved
	A.3. EVIDENCE-BASED BUDGET FORMULATION				Mostly Achieved
	A.4. ENHANCED CAPACITY OF MOF AND LINE MINISTRIES IN RBB AND BUDGETING FOR SDGs				Fully Achieved
COMPONENT B. BUDGET OVERSIGHT AND TRANSPARENCY Achievement Rating: Mostly Achieved	B.1. ENHANCED PARLIAMENTARY ROLE IN BUDGET OVERSIGHT				Moderately Achieved
	B.2. INCREASED ROLE OF CSOS IN BUDGET ANALYSIS AND OVERSIGHT FUNCTIONS				Mostly Achieved
	B.3. STRENGTHENED AND TRANSPARENT PERFORMANCE AUDIT				Mostly Achieved
COMPONENT C. EMPLOYMENT PROMOTION: BOOSTING EMPLOYABILITY Achievement Rating: Mostly Achieved	C.1. NATIONAL PROGRAMMES ON EMPLOYMENT PROMOTION STRENGTHENED AND MADE MORE COHERENT				Mostly Achieved
	C2. ECOSYSTEM FOR INNOVATION, START-UPS, TECHNOLOGY, BUSINESS INCUBATION AND ENTERPRISING REINFORCED				Mostly Achieved
	C.3. CAPACITY AND SKILLS FOR WAGE AND SELF-EMPLOYMENT BOOSTED				Moderately Achieved
	C.4 PILOTS WITH SCOPE FOR SCALING UP, UNDERTAKEN FOR BUILDING EVIDENCE, ESTABLISHING LESSONS, AND POLICY DEVELOPMENT				Mostly Achieved
COMPONENT D. LABOR STANDARDS Achievement Rating: Mostly Achieved	D.1. REGULATORY FRAMEWORK ALIGNED WITH INTERNATIONAL LABOR STANDARDS				Mostly Achieved
	D.2. COMPLIANCE BOOSTED THROUGH INCREASED CAPACITY OF LABOR INSPECTION SYSTEM				Fully Achieved

Source: SDGBE Annual Reports; Interviews with SDGBE Project Team and National/Sub-National Counterparts; internal SDGBE Project documents/data and monitoring data

The evaluation assessed that:

- 9 of the key result areas involving improved processes/procedures and changes to legislations/regulations were mostly achieved
- 2 of the key result areas involving the national and sub-national institutions’ capacities being enhanced were fully achieved
- 2 of the key result areas involving the strengthening of parliamentary role in budget oversight and improving the national system for skills and employability were moderately achieved

Additionally, the evaluation assessed and analyzed the output indicators of the SDGBE Project logical framework with final reported achievements noted. These assessment details are found in **Annex A.6 SDGBE Project Baseline, Expected and Final Result Targets Established.**

The above-mentioned overall reported results are further discussed in depth in the subsequent sections 3.3.4 Effectiveness and 3.3.5 Efficiency.

3.3.4 Effectiveness

Achievement Rating: **5/6** (Satisfactory)

Component A: Bridging Policies with Budget

Key Finding #7: The SDGBE Project was effective in delivering its outputs across various components. It improved results-based planning and budgeting (RBB/RBP) capabilities through training but needed improvements in systems settings/applications and further integration between budget and planning classifications.

Component A's key project activities undertaken are listed below:

Year	Summary of Key Project Activities Undertaken
2021	Concept Development (COVID-19 period): <ul style="list-style-type: none"> • Consultation with national/sub-national counterparts • Results-Based Planning (RBP) and Results-Based Budgeting (RBB) concepts developed
2022	Capacity Building and Legal Environment: <ul style="list-style-type: none"> • Methodology for National Annual Development Plan (ADP) approved • Pilot capacity building with 21 provinces (aimags) and capital city planning, budgeting, M&E and employment and agriculture specialists • Public Expenditure Reviews (PERs) for 2 key sectors (Employment, Agriculture) and 3 aimag provinces (Zavkhan, Khuvsgul, Dornogovi) conducted • RBB planning conducted for national institutions (MFLSP, MOFALI)
2023	Application/Roll-out <ul style="list-style-type: none"> • Capacity building with 21 provinces (aimags) and capital city planning, budgeting, M&E and employment and agriculture specialists • 6 pilot national institutions (MFLSP, MOFALI, MOES, MOC, SCPCS and MNAO) formulated the ADP applying RBP methodology and templates • Methodology for Aimag and capital city ADP and National Target Program formulation approved • PERs for 2 key sectors (Culture, Physical Education) conducted • RBB planning conducted for 6 national institutions (MOES, MLSP, MOFALI, MOC, SCPCS, MNAO) and 1 sub-national counterpart (Dornogovi provincial governments) • Guidelines for RBB planning developed • Assessment of current systems developed (RBB, RBP and RBFPR) for design/ implementation of integrated MIS
2024	Fine-Tuning/Functional Coherence <ul style="list-style-type: none"> • Guidelines re-formulated in line with RBB concepts for 5-year development priorities, 4-year action plan and ADP guideline • Capacity building for national counterparts (MLSP, MOFALI, MOES, MOC, SCPCS and MNAO) and sub-national counterparts (Zavkhan and Dornogovi provincial governments) • Manuals for RBP and Results-Based M&E in development • PERs for 2 key sectors (Energy and Environment) conducted • Updating of RB program definitions/classification in consultation with MLSP, MOFALI, MOES, MOC, SCPCS and MNAO • Capacity building in RBB with sub-national counterparts (Zavkhan and Dornogovi provincial governments) • Guidelines for Medium-Term Expenditure Framework (MTEF) and Medium-Term Budget Framework (MTBF) developed

The Results-Based Management (RBM) and Results-Based Planning (RBP) training and capacity-building activities were effective in enhancing participants' understanding of the RBB/RBP concepts. These initiatives helped stakeholders develop the essential building blocks of Results-Based Budgeting (RBB) and Results-Based Planning, which was a crucial first step in improving planning and budgeting processes. However, while the training sessions laid a solid foundation, interviews with national/sub-national counterparts indicated that further capacity-building efforts would be required to fully embed the RBB/RBP concepts at both national and sub-national (aimag) levels. National/sub-national counterparts further mentioned that continued application and practice would be necessary to ensure these approaches were consistently adopted in day-to-day operations. Additionally, key highlights of changes/transformation from Component A included:

Policy and Legislative Changes	<ul style="list-style-type: none"> • Development policy and planning documents now reflect Results-Based Budgeting (RBB) principles, with the project providing methodologies and capacity building in collaboration with the Ministry of Economy and Development (MED).
Implementation of Results-Based Frameworks	<ul style="list-style-type: none"> • 2022-2024 Guidelines: Established foundational RBB frameworks across pilot ministries, introducing clear result frameworks, M&E systems, KPIs, and structured templates. • 2024 Budget Law: Annex 1 updated with KPIs tied to baselines and targets, improving performance tracking. • 2025 Budget Guidelines: Refined with five enhanced templates for budget proposals, including revised definitions for programs, outcomes, outputs, and KPIs across key ministries (e.g., MLSP, MOFALI, MOES, and local government).
System Integration and Impact	<ul style="list-style-type: none"> • Pilot ministries have entered updated outcomes and KPIs into a system-based budget platform. Annex 1 of budget proposals is now archived digitally, supporting improved tracking and future reference.

Gaps emerged when it came to practical implementation, particularly with the integration of budget and planning classifications. The evaluation observed that the Results-Based Budgeting system could approve the proposed budget even though performance targets were not being set. The evaluation also observed in the field mission visits that budget classifications (under the MOF’s responsibility) differed from planning classifications (under the MED’s responsibility), underscoring the need for both MOF and MED to cooperate to improve the alignment between the two classification systems. This was also highlighted during interviews with national counterparts. Additionally, the evaluation observed that RBB and RBP systems were currently 2 different separate systems and required further integration to function cohesively.

The evaluation received feedback from the MOF that the government’s plan to implement RBB/RBP in progressive stages—beginning with a full roll-out at the provincial or aimag level—was an important strategic decision. While this staged implementation allowed for gradual adoption, it required ongoing monitoring and adjustment to ensure the systems were functioning as intended.

The pilots for Results-Based Financial/Performance Reporting (RBFPR) were considered by MOF to be successful, but interviews with national counterparts revealed the broader RBFPR system remained a work in progress. The evaluation observed during the field mission visits that there was still a need for further development and integration with the existing RBB/RBP frameworks and systems to ensure that financial reporting systems supported the overall objectives of results-based planning and budgeting.

Component B: Parliamentary and MNAO Oversight and CSO Engagement

Key Finding #8: Parliamentary oversight saw modest improvements, though further development of institutional governance mechanisms was required.

Component B’s key project activities undertaken are listed below:

Year	Summary of Key Project Activities Undertaken
2021	<p>Inception Phase</p> <ul style="list-style-type: none"> • Consultations with Budget Standing Committee (BSC) and Office of the Parliament • Guidelines and templates for SDG-aligned performance audit and SDG audit model developed • Technical assistance to MNAO on 4 performance audits • Budget oversight (RBB) manual for CSOs developed
2022	<p>Preparatory Phase</p> <ul style="list-style-type: none"> • Discussion of budgetary reforms with BSC • Development of tools for Parliamentary budget oversight • Provided technical assistance to the Social Policy Standing Committee of the Parliament • Concept paper on linking results based planning with RBB developed • Technical guidance/assistance for MNAO’s (1) Performance audit on policy and budget programs, (2) SDG-aligned performance audit on Investment plan, (3) Performance audit on the 2023 national budget proposals, (4) Pilot performance audit on Employment and health sector • Quality Control of Performance Audit guideline developed • 10 CSOs’ reports on budget oversight (RBB) on Health, Education and Employment sectors developed
2023	<p>Application Phase</p> <ul style="list-style-type: none"> • RBB Briefs on 2024 budget proposal developed which include MNAO report, RBB execution report, PERs, and RB budget proposals • Budget Law amendment to promote fiscal stability, discipline, transparency, accountability • Parliamentary Resolution 2023 to accelerate RBB principles and practices on government’s planning, budgeting and reporting activities • Comparative study on organizing budget hearing and discussion among citizens conducted • Budget oversight capacity building for Citizen’s Representative Committees of Dornogovi province, journalists and media • Update of Performance Audit Implementation Handbook in line with international standards • Technical assistance/development of 4 performance audit reports • Technical guidance on (1) Audit of the Development and use of Key National Indicators and (2) Evaluation of Public Policy • Joint pilot NAO/CSO budget oversight on 2024 National Budget Proposal
2024	<p>Fine-Tuning/Functional Coherence</p> <ul style="list-style-type: none"> • Technical assistance to the Parliament on (1) Technical recommendations for parliament on reviewing the development policy documents, (2) Policy analysis on formulating MTBF/MTEF, (3) Policy costing methodology on Agricultural sector programs • Technical support for 2 performance audits of MNAO • SDG-aligned Performance Audit guideline and Performance Audit books delivered to universities • Capacity building for national and sub-national MNAO auditors • Youth Ideathon 2024 among youth on budget oversight and monitoring to promote youth participation in budget oversight • Media workshop among economic journalists to promote their role in budget scrutiny and oversight

The effectiveness of parliamentary budget oversight saw modest improvements, primarily due to the extension of the budget discussion period, which allowed for more in-depth scrutiny of budget proposals. However, the level of oversight remained dependent on the institutional products and mechanisms available. While progress had been made, these mechanisms were not yet fully developed. The responsibility for improving oversight rested heavily with the parliamentary body of Members of Parliament (MPs), particularly the Budget Standing Committee (BSC). This would be done by the BSC initiating public hearings to involve a broader range of stakeholders in the budget review process. The evaluation also noted from interviews with the parliamentary stakeholders that further strengthening in budgetary analysis for the parliamentary committee support staff and the Budget Scrutiny and Analysis Division of the Parliamentary Secretariat would be required to align with RBB/RBP concepts and to formulate relevant budget analysis briefs for the BSC to engage more effectively with the government in budget review and scrutiny.

Additionally based on review of the parliamentary documents and with verification from interviews with parliamentary stakeholders, the evaluation opined that there would be a need for updating relevant budget legislations and parliamentary committee regulations standing orders to conduct mandatory public hearings with individual government ministries to scrutinize all budget performance/expenditure output and outcome reporting in the end of the budget cycle. This would require enhancing the technical skills of parliamentary committee support staff, particularly the Budget Scrutiny and Analysis Division of the Parliamentary Secretariat with skills and knowledge on, budget performance/expenditure outputs and outcomes reporting and financial reporting standards. These skills and knowledge would align with RBB/RBP concepts to be able to (i) formulate budget performance/expenditure output and outcome briefs to engage more effectively with the government in budget review and scrutiny, and (ii) produce detailed and meaningful parliamentary reports on budget proposal transparency, public expenditure transparency and public finance management.

Civil Society Organizations (CSOs) feedbacked to the evaluation that they received training in Results-Based Budgeting (RBB), but noting that more time was needed for them to fully apply and integrate this knowledge into their advocacy and monitoring roles. The CSOs feedbacked that training had been valuable, but the evaluation viewed the practical application of RBB concepts still in its early stages for CSOs.

Interviews with the Mongolian National Audit Office (MNAO), review of the performance audit reports and technical guidance indicated that the MNAO had successfully strengthened its performance audit capabilities. The enhanced capacities positioned the MNAO to continue applying Results-Based Budgeting and Planning principles in their audit processes, contributing to greater accountability and effectiveness in budget oversight.

Component C: Employment Promotion

Key Finding #9: Employment promotion programs were revised successfully, but varying levels of effectiveness in implementation indicated a need for ongoing refinement, especially in scrutiny in public expenditure transparency.

Project Activities Undertaken by UNDP

Component C’s key project activities undertaken by UNDP are listed below:

Year	Summary of Key Project Activities Undertaken by UNDP
2021	<p><u>Labor market policy measures</u> Study analysis conducted on labor market policy measures which included:</p> <ul style="list-style-type: none"> • Client-based employment service • Employment support pilot measures • Concept note of Law on Employment Promotion <p><u>Labor force preparation</u></p> <ul style="list-style-type: none"> • Training curricula needs assessment conducted for MFLSP
2022	<p><u>Labor market policy measures</u></p> <ul style="list-style-type: none"> • Profiling methodology and data of 9000 citizens developed • Capacity to conduct profiling conducted nationwide for all government employment offices in the capital city and 21 local provinces (aimags) • Review of the Law on Employment Promotion • Revised design of Employment Promotion Programs • Situation analysis and discussion on career counselling service to implement Client-Based Service Delivery through Case Management model <p><u>Labor force preparation</u></p> <ul style="list-style-type: none"> • Curricula for People with Disabilities (PWDs): Development and enrolment in the National Rehabilitation Center for 3 occupations • Entrepreneurship curricula: Entrepreneurship curricula – Teacher and Students handbook developed

2023	<p><u>Labor market policy measures</u></p> <ul style="list-style-type: none"> • Development of job descriptions of employment service specialist • Replanned Employment Promotion Programme with funding aligned with RBB and KPIs incorporated <p><u>Labor force preparation</u></p> <ul style="list-style-type: none"> • Review of National Qualification Framework and Implementation Regulation • Curricula for People with Disabilities (PWDs): Development and enrolment in the Bayanchandmani Polytechnic for 3 occupations • Entrepreneurship training curricula: Piloting in 5 Polytechnic colleges
2024	<p><u>Labor market policy measures</u></p> <ul style="list-style-type: none"> • Re-design and improved modality of Vocational Training and Financial support with proposed amendments in existing regulations • Updates to the draft Law on Employment Promotion in line with approved concept note and technical feedbacks from key stakeholders • Profiling data analysis and further data-driven decision-making’ workshop for 9 districts and 21 local provinces (aimags), MFLSP and General Office of Labor and Welfare Services (GOLWS) representatives • Re-design of career counseling services in local provinces (aimags) <p><u>Labor force preparation</u></p> <ul style="list-style-type: none"> • Curricula for People with Disabilities (PWDs): Piloting in Bayanchandmani PC by opening new class for e-service workers; 3 classes in National Rehabilitation Center • TVET Index approved by MOES • National Qualification Framework: 2 versions developed with the draft regulation prepared and under consultation

In collaboration with the SDGBE Project and MFLSP who played a key role in Component C activities, national programs, such as the Employment Promotion Fund and the Employment Promotion Programme, were revised and updated as part of the RBB/RBP framework. These revisions aligned the programs more closely with the MFLSP and government's strategic objectives, improving their overall relevance and effectiveness. The inclusion of support services like profiling and apprenticeship in the MFLSP's budget was an important step toward ensuring that these services were sustainably funded and implemented as part of the RBB/RBP approach.

With strong support from the MFLSP, the implementation of support services, incorporating client-based and case management approaches, had achieved a coherent program delivery but yielded mixed results. Services such as profiling, apprenticeships, cooperatives, vocational training, and entrepreneurship programs had varied levels of effectiveness. Some programs demonstrated success, while others required further refinement to achieve their intended impact while noting that the successful roll out of the programmes would also depend on the needs of the local citizens which could be different in different districts and provinces (aimags).

The evaluation particularly noted the development of the Occupational Index and the National Qualification Framework was still ongoing, which limited the full realization of a comprehensive system for aligning labor market needs with training and qualification standards.

Two examples of outcomes from Component C are being highlighted in **Section 4. Key Success Stories** under “**4.1 Delivering Localized Employment Support Services that Better Meet the Citizens’ Needs through Results-Based Budgeting/Planning**” and “**4.2 Increased Accessibility of Vocational Education Training Opportunities for Remotely Located People With Disabilities (PWDs) – A Disability/Social inclusion Vocational Education Training Programme Model**”.

Project Activities Undertaken by FAO

Pilot projects for public-private partnership models in agricultural value chains were largely successful. These models demonstrated the potential for enhancing agricultural productivity and value addition, but their long-term sustainability depended on market demand.

Camel Milk Value Chain	<p>With the SDGBE Project support for the camel milk supply chain, a camel milk cooperative in partnership with rural camel nomads was established in 2022 and continued to operate successfully (run by a private sector company) to supply milk supply and export the camel milk products commercially to overseas markets in Saudi Arabia and China</p> <p>A Semi-Intensive Camel Dairy Farm has been set up and currently underway in partnership collaboration with a private sector company. Essential equipment to enhance productivity and product quality included a</p>
------------------------	---

	<p>milk cooling tank, a milk analyzer and a camel milking parlor to be utilized by rural camel nomads. In addition, veterinary services were provided to the Semi-Intensive Camel Milk Farm, to ensure the safety and quality of the milk at its source. The veterinary services included clinical examinations, treatments, preventative and emergency services, vaccinations, disinfections, and trainings on hygiene and food safety for milk-based products. To date, 6,573 camels from 20 members of the “Galbiin Goviin Bayalag Erdene” cooperative, and 980 camels from 7 herder households were examined for the purposes of ensuring the health of camels.</p> <p>Interventions through the 2 PPP models would support the development of camel milk-based products produced by respective companies, and further promote market competition and penetration and enhance the value chain further creating various employment opportunities in rural areas.</p>
Offal Meat Value Chain	<p>A research study on optimal technologies for producing nutrient-rich offal-based products is being conducted by the SDGBE Project partners which aim to commercialize the products. Three product prototypes and technologies for the test products were being developed. The SDGBE Project also created cooperation between the public and private sectors by identifying and partnering with a small rural enterprise to initiate and implement the production of offal meat products. The SDGBE Project also collaborated with the Mongolian Meat Association to conduct a comprehensive offal market study to assess meat and by-product output, consumption trends, factors influencing demand, and explore export opportunities while promoting these findings to consumers and producers. The outcomes of this market study would be used to inform strategic marketing endeavors designed to enhance the value of offal meat for both consumers and producers.</p>

The evaluation assessed that stronger linkages to the application of RBB/RBP principles could have further strengthened these pilot initiatives. This could be done through advocating more local governments to proposing similar and related agricultural value chains through PPP models in their annual development plans and annual budget proposals, ensuring that they contributed more effectively to the overall national development goals.

Component D: Labor Regulations

Key Finding #10: Labor inspection systems were strengthened, aligning legal frameworks with international standards. While significant progress was made, the practical application of these reforms still requires continuous capacity building to ensure full realization of the project’s objectives.

Component D project activities comprised (1) Aligning regulatory frameworks with international labor standards, and (2) Boosting compliance through the strengthened capacity of the labour inspection system. The evaluation found that the partnership collaboration between MFLSP and ILO was strong. MFLSP led the significant progress in establishing legal frameworks for labor inspections. These frameworks were designed to align with international standards and were soon to be ratified. This development was a positive step toward ensuring compliance with labor regulations and improving working conditions in Mongolia. In addition to legal reforms, the MFLSP with ILO assistance ensured that the capacity of the labor inspection system was strengthened. Inspectors received training, and compliance activities were enhanced, leading to more effective enforcement of labor laws. While these developments were promising, further efforts were needed to integrate RBB/RBP principles into the labor inspection system. Strengthening the linkages between labor inspection activities and results-based budgeting and planning would help ensure that the system would be better aligned with broader national objectives and that resources would be allocated effectively to meet labor compliance goals.

3.3.5 Efficiency

Achievement Rating: 5/6 (Satisfactory)

Key Finding #11: Despite delays caused by the COVID-19 pandemic, the SDGBE Project demonstrated efficiency through adaptive management and accelerated implementation in its later stages. By hiring technical experts and securing a no-cost extension, the project was able to meet its objectives within the revised timeline.

The SDGBE Project largely succeeded in achieving its intended final output targets, demonstrating resilience and adaptability in the face of significant challenges. In the first two years, the project encountered delays primarily due to the unforeseen circumstances of the COVID-19 pandemic. The pandemic's global impact resulted in restrictions that affected both operational capacity and the pace of project activities. These challenges were not unique to the SDGBE Project, as many development projects globally faced similar setbacks due to disruptions in supply chains, limited mobility, and the reallocation of government priorities to crisis response. The reduced delivery rate during this period (as reported in Section 3.2.3 of this report) reflected these broader challenges.

Recognizing the need to recover lost ground, the SDGBE Project accelerated activities during the subsequent final two years of project implementation. The evaluation observed an intensification of efforts, with the project activities making up for the delays experienced earlier. A key factor in this acceleration was the strategic procurement of external expertise through the hiring of 25

long-term consultants and 60-70 short-term contractors. These technical experts brought specialized knowledge and skills that were critical in the effective implementation of the planned project interventions, ensuring that the project could meet its objectives within the revised timeline. This flexible approach to staffing not only enhanced the project's capacity but also allowed it to address specific challenges with targeted expertise. The ability to mobilize resources efficiently demonstrated the SDGBE Project's adaptability and commitment to delivering high-quality results despite initial setbacks.

Key Finding #12: The project's financial management was commendable, ensuring that resources were allocated efficiently and transparently. However, the political environment posed risks to sustaining the project's achievements, especially with upcoming elections potentially disrupting continuity. Moreover, the lack of an integrated information system for results-based budgeting and planning could limit the efficiency and sustainability of reforms.

Additionally, the project benefitted from a no-cost extension which allowed for the continuation of activities without requiring additional funding. The extension provided the necessary time to ensure that the SDGBE Project could achieve its desired outputs/outcome and address any remaining gaps and needs in project implementation. Importantly, the extension did not negatively impact the project's overall results. The evaluation noted that the additional time was a key enabler in allowing the SDGBE Project team to focus on consolidating the gains made and ensuring that key interventions could be fully realized. The SDGBE Project's ability to secure this extension without compromising its budgetary constraints reflected commendable financial management and effective communication with key project stakeholders.

The project management structure played a crucial role in driving its efficiency. A well-organized and structured approach to project management ensured that resources were allocated effectively and that activities were aligned with the project's goals. While initially being mindful of the ambitious nature of the project, the SDGBE Project Team demonstrated a clear understanding of the project's strategic direction, which was essential for keeping project activities on track. Additionally, the project's financial management was commendable with the project team establishing appropriate financial controls and practices. This included regular and transparent financial reporting, which allowed the Project Board to remain well-informed about the project's financial status and to make data-driven decisions. This ensured that the project budget was managed efficiently and that resources were deployed where they were most needed. The SDGBE Project also displayed good financial governance which contributed to the overall accountability and success of the project, helping to prevent waste and ensuring that funds were used to maximize impact.

Despite these successes, the SDGBE Project was not without its challenges, particularly in relation to the broader political environment. The recent 2024 national elections, followed by the upcoming October 2024 local government (aimag) elections, presented ongoing risks to the sustainability of the project's results. Elections, particularly in developing contexts, could lead to significant shifts in government structures, legal frameworks, and administrative personnel. There could also be a risk of staff turnover in key government positions which could undermine the continuity of the system-level reforms introduced by the SDGBE Project. The SDGBE project had only begun to embed sustainable changes within the government systems, and any disruption in political or administrative continuity could jeopardize these efforts. This highlighted the importance of continued engagement with key stakeholders and the need for robust mechanisms to ensure that reforms could be institutionalized, rather than being dependent on individual leadership or temporary structures.

Another critical area for future efficiency would be the lack of an integrated information system that links development policy planning, results-based budgeting, monitoring and evaluation (M&E), and results-based budget reporting. An integrated system would be essential for improving the government's ability to implement results-based budgeting (RBB) and results-based planning (RBP). The lack of an integrated results-based management system meant that there would be a risk that the gains made by the SDGBE Project in promoting more efficient and accountable governance practices could be lost. Furthermore, the absence of a unified system platform for data collection, analysis, and reporting could lead to future inefficiencies in policy implementation and resource allocation, limiting the government's ability to make informed, data-driven decisions. In the long term, this could hinder the adoption of best practices in public financial management and weaken the overall effectiveness of government programs.

While this was not the main focus of the current SDGBE Project, future initiatives to develop an integrated information system would not only enhance the efficiency of government operations but would also sustain the reforms introduced by the SDGBE Project. Additionally, such a system would streamline processes across various departments, reduce duplication of effort, and improve the overall coordination of development initiatives. It would also facilitate better tracking of progress toward development goals, enabling more accurate and timely reporting on key indicators. This would, in turn, support more effective monitoring and evaluation, allowing for course corrections and adjustments as needed. Ultimately, an integrated system would be a key enabler for the government to continue implementing results-based approaches to budgeting and planning, ensuring that the reforms initiated by the SDGBE Project have a lasting impact.

3.3.6 Cross Cutting Issue – Disability Inclusion and Rights-Based Approach /LNOB

Key Finding #13: The SDGBE Project’s design stage initially did not include explicit output indicators for people with disabilities (PWD) or LNOB elements, but these gaps were addressed during implementation.

Key Finding #14: For example, Component A included optional provisions for PWD and LNOB in budget proposal guidelines. Similarly, Component C actively promoted disability inclusion through TVET polytechnic programs, introducing PWD-friendly environments and tailored training for three new occupations. However, Components B and D had less visible disability-related efforts, though labor inspection guidelines did incorporate considerations for vulnerable groups.

Key Finding #15: The SDGBE Project made efforts to integrate disability inclusion and social inclusion but could benefit from simplifying the relevant employment services and further strengthening in these areas to ensure systematic application across all project components.

Table 8 below assessed how each component of the project contributed to promoting social inclusion in the areas of disability inclusion and rights-based approach /LNOB.

Table 8: Disability Inclusion and Rights-Based Approach /LNOB Assessment for the SDGBE Project

SDGBE Project Component	Disability Inclusion	Rights-Based Approach/LNOB
Component A. Bridging Policies with Budgets	4 - Mostly Satisfactory (MS)	4 - Mostly Satisfactory (MS)
Component B. Budget Oversight and Transparency	3 - Mostly Unsatisfactory (MU)	4 - Mostly Satisfactory (MS)
Component C. Employment Promotion	5 - Satisfactory (S)	5 - Satisfactory (S)
Component D. Labor Regulations	3 - Mostly Unsatisfactory (MU)	4 - Mostly Satisfactory (MS)
Overall Rating	4 - Mostly Satisfactory (MS)	4 - Mostly Satisfactory (MS)

Component A: Bridging Policies with Budgets

The evaluation showed that in the design stage, the outcome of this component incorporated PWD and LNOB elements at some level; however, there was an absence of output indicators explicitly related to those elements. The project took steps to fill these gaps during the implementation phase. As mentioned in Section 3.3.7, while integrating SDG targets, under this section aspects of PWD and LNOB were covered through Draft National Targeted Programs. Budget proposal guidelines included optional provisions for elements. Moreover, the Citizen's Budget, viewed as a ‘right to know’ incorporated some human rights elements, though there remains room for improvement, particularly in addressing the accessibility needs of PWD. Strengthening the institutionalization of the RBB/RBP system would significantly improve the inclusion of PWD, human rights, and social inclusion alongside other national priorities.

Component B: Budget Oversight and Transparency

Training, capacity-building, and advocacy activities targeted CSOs and youth, including those from rural areas. However, the handbooks, manuals, guides, and methodologies could be further strengthened by placing a greater emphasis on PWD and LNOB principles where applicable.

Component C: Employment Promotion

Under this component, disability-related indicators were not prominently visible in the project's initial design. However, the component took proactive measures to push for the inclusion of disability elements in its activities. This approach demonstrates a growing awareness and effort to broaden the inclusiveness of the project, particularly by ensuring that people with disabilities are also considered in the project's reach and outcomes. Under this component, inclusive TVET Polytechnics created a PWD-friendly learning environment in its TVET polytechnic, introduced three occupations for people with disability (PWD), including include i) Archivists and Office Assistants; ii) E-service Staff; and iii) Support Service Workers. Moreover, the student handbooks containing a total of 22 competencies were developed with visual demonstration of sign language. Moreover, the project ensured youth participation and youth support in employment promotion (e.g. through the “Participation” project, 1,240 unemployed youth aged 15-34 with multi-sectoral integrated support) in its skill development and advocacy activities and profiling assessments (including youth living in remote areas). Further emphasis on disability and youth inclusion would enhance the project's overall impact on LNOB.

Component D: Labor Regulations

Although output indicators related to PWD and LNOB principles were initially absent, the execution phase demonstrated a commitment to addressing these issues. Improving labor regulations and standards aimed to strengthen the labor inspection system. The guidelines for labor inspection included considerations for women, children, youth, and staff with special needs (PWD), incorporating some elements of PWD and LNOB. However, the focus on disability elements remained limited. Given the component's objective of enhancing labor safety standards, there is significant potential to integrate LNOB and PWD aspects. In this regard for the long term, this focus could still yield considerable positive outcomes for social inclusion.

3.3.7 Cross Cutting Issue - Gender Equality and Women’s Empowerment

Achievement Rating: **4/6** (Mostly Satisfactory)

Key Finding #16: The SDGBE Project’s design stage initially lacked explicit gender-related output indicators, but these gaps were addressed during implementation. Overall, the project contributed significantly to women’s economic empowerment but had potential for further integration of gender considerations across all components.

In conducting the evaluation, the UNDP Independent Evaluation Office’s Gender Results Effectiveness Scale (GRES) was applied. As indicated in SDGBE PRODOC, the Project built upon UNDP Gender Strategy (2018-2021) by recognizing the importance of gender equality and women empowerment vis-a-vis with men. However, the SDGBE Project was initially designed with limited explicit output indicators that directly addressed gender equality and women empowerment elements. As the project progressed into its implementation phase, various activities and initiatives were undertaken that effectively incorporated gender equality elements, which were shown during the evaluation activities and gender disaggregated data of monitoring (e.g. training, capacity development, support for start-ups, pilots). Table 9 below assessed how each component of the project contributed to promoting gender equality and women’s empowerment based on the GRES scale assessment.

Table 9: Gender Results Effectiveness Scale (GRES) Assessment for the SDGBE Project

SDGBE Project Component	GRES Scale Assessment
Component A. Bridging Policies with Budgets	Level 3: Gender Targeted
Component B. Budget Oversight and Transparency	Level 3: Gender Targeted
Component C. Employment Promotion	Level 4: Gender Responsive
Component D. Labor Regulations	Level 3: Gender Targeted

Key Finding #17: Component C was the most gender-responsive, with women comprising 67% of participants in employment activities, such as cooperatives and TVET polytechnics. Component A and B integrated gender-targeted actions by ensuring gender balance in training.

Key Finding #18: While utilizing the budget proposal template, it was not mandatory to include gender-related elements, but there were options to incorporate them based on the long-term and medium-term RBP policy results.

Key Finding #19: Component D improved gender balance in labor inspections and addressed the specific employment needs of women

Component A: Bridging Policies with Budgets (Level 3: Gender Targeted)

Under this component, the project aimed to institutionalize a systematic approach towards results-based planning and budgeting, strengthening the linkages between planning and budgeting processes while integrating SDG targets. This represented a significant effort to enhance the entire policy cycle by aligning it with SDG results. Typically, governance projects did not place a strong emphasis on gender and cross-cutting issues unless they were specifically designed to do so. However the SDGBE Project sought to address these gaps as part of its broader approach to policy integration.

In the design stage, the outcome of this component incorporated some gender equality elements; however, there was an absence of output indicators explicitly related to gender equality elements. The project addressed these gaps during its implementation phase.

The evaluation showed that the Results-Based Budgeting (RBB) and Results-Based Planning (RBP) training sessions prioritized gender balance among participants, ensuring equal representation of both men and women (2021 – 481 males/592 females for 7 events, 2022 - 914 males/1439 females, 2023 – 733 males/1162 females, 2024 as of 31 July – 673 males/1555 females for 17 events). These sessions were organized not only in Ulaanbaatar but also in local areas, promoting an inclusive environment conducive to knowledge sharing and capacity building.

The project developed results-based Medium-Term Expenditure Frameworks (MTEF), Medium-Term Budget Frameworks (MTBF), and budget proposal guidelines and templates with sectoral and SDG targets, gradually integrating cross-cutting elements, including gender equality elements. For example, when developing a budget proposal using the template, it was not mandatory to include gender-related elements, but there were options to incorporate them based on the long-term and medium-term RBP policy results.

Under this component, the Draft National Targeted Programs (medium-term development policy documents) were developed, integrating results-based management concepts and SDG indicators, which included gender equality elements. Additionally, selected line ministries and aimags with a focus on gender equality were encouraged to incorporate these elements into their RBB/RBP frameworks. However, there remains potential for further incorporation of gender elements to better guide government ministries and aimags in developing RBB/RBP frameworks that fully consider gender equality and women empowerment.

Component B: Budget Oversight and Transparency (Level 3: Gender Targeted):

Under this component, the project aimed to strengthen budget oversight, transparency, and accountability through enhanced parliamentary oversight, increased involvement of CSOs, and strengthened performance audits. While the design phase did not adequately incorporate gender elements into outcomes and outputs, the implementation phase addressed these gaps. Training and capacity-building, advocacy activities ensured gender balance by including both men and women. Various Component B training/capacity building sessions also prioritized gender balance among participants, ensuring equal representation of both men and women (2021 – 30 males/20 females for 1 event, 2022 – 228 males/368 females for 9 events, 2023 – 261 males/428 females for 14 events, 2024 as of 31 July – 193 males/235 females for 11 events).

Component C: Employment Promotion (Level 4: Gender Responsive):

Under this component, the project aimed to strengthen national employment promotion programs, create an ecosystem for entrepreneurs, improve capacity-building skills for wage and self-employment, and enhance PPP and cooperative models. While the design phase incorporated gender equality elements into the outcomes, the output indicators did not adequately reflect these elements. However, the evaluation revealed that these gaps were addressed during the implementation phase, with women making up a dominant proportion of participants in all activities (33% men to 67% women). Various Component C training/capacity building sessions also prioritized gender balance among participants, ensuring equal representation of both men and women (2021 – 7 males/19 females for 1 event, 2022 - 463 males/942 females for 12 events, 2023 – 411 males/994 females for 28 events, 2024 as of 31 July – 321 males/454 females for 12 events). The project incorporated gender equality elements into various initiatives, including Cooperatives, TVET Polytechnics, pilot Public-Private Partnerships (PPPs), and Employment Profiling services. In particular:

- **Employment Profiling Service:** Profiling assessments aimed to improve targeting of resources to those in need, with a focus on LNOB assessments. Gender-disaggregated data showed a dominant participation of women (60% women, 40% men).
- **Pilot PPPs - Cooperatives:** Through project efforts, a camel milk producers' cooperative with 20 members (18 female, 2 male) was established, alongside several other cooperatives aimed at engaging unemployed individuals in rural value chains. The Soum Development Fund was reorganized into a Cooperative Promotion Fund to support these initiatives, with financial backing pending from the Bayanchandmani soum Governor's Office.
- **TVET Polytechnics:** Bayanchandmani soum created PWD women-empowering/learning environment in its TVET polytechnic.

It should be noted that the project activities involved young and women entrepreneurs in these initiatives from local and remote areas, ensuring that these groups were well represented and supported.

Component D: Labor Regulations (Level 3: Gender Targeted):

Under this component, the project aimed to improve regulatory frameworks aligned with International Labor Standards and enhance compliance through the strengthened capacity of the labor inspection system. Although this component did not initially incorporate gender aspects in the project design or output indicators, the execution phase revealed a commitment to these considerations. Training and capacity-building activities were implemented that specifically addressed gender balance, ensuring that both men and women were represented and engaged in the learning processes (2023 – 265 males/437 females for 25 events). Additionally, labor inspection guidelines addressed the specific employment needs of women.

3.3.8 Sustainability

Overall Likelihood of Sustainability: **3/4 (Moderately Likely (ML) - Moderate Risks)**

Key Finding #20: The likelihood of sustaining the SDGBE project's outcomes is rated as moderately likely with moderate risks identified. Financial sustainability remains moderately likely as the full implementation and integration of Results-Based Budgeting (RBB), Results-Based Planning (RBP), and the Results-Based Financial/Performance Reporting (RBFPR) system would require further financial resources and government commitment. While the government expressed intentions to continue these reforms and extend them across all 21 local aimag governments, sufficient financial commitment and continuous capacity building would be required.

Key Finding #21: Socio-political sustainability were gained from public awareness and support among key stakeholders, including parliamentarians and incoming political officeholders. However, potential political shifts, particularly following national and local elections, could pose a risk to the continuity of reforms.

Key Finding #22: Institutionally, the project updated critical budgetary and employment-related legislation, but the high turnover in government staff could lead to a loss of institutional knowledge and slowing down reform efforts.

Key Finding #23: Environmental factors were less of a concern for most components, although weather conditions might disrupt efforts.

Key Finding #24: Nevertheless, the Government of Mongolia displayed shown a willingness to continue RBB and RBP implementation, although future progress would depend on political officeholder support/endorsement and continued capacity building across all levels of government.

In this evaluation, sustainability would be defined as the continuation or likely continuation of positive effects from the SDGBE Project after it has come to an end, and its potential for scale-up and/or replication. The evaluation noted that UNDP-supported projects are intended to be environmentally as well as institutionally, financially, politically, culturally and socially sustainable. Table 10 below showed the assessment on the 4 dimensions of sustainability.

Table 10: Evaluation Assessment/Remarks on Dimensions of Sustainability

<u>Dimensions of Sustainability</u>	<u>Evaluation Assessment/Remarks</u>
Financial sustainability	<p>The evaluation noted that the SDGBE Project had provided significant financial resources to develop the foundations of Results-Based Budgeting (RBB) and Results-Based Planning (RBP). This included the extensive capacity building activities at national and local government levels, as well as developing the RBB/RBP methodologies, guides/manuals and templates to be used by government staff when executing RBB and RBP. Furthermore the Government of Mongolia indicated adequate financial resources and commitment to sustain project results as indicated by its plan to incorporate RBB and RBP principles in subsequent National Budgets and in the mid-term Planning (Mongolia 5-year and 10-year plans) and long-term planning (Vision 2050). The Government of Mongolia further mentioned that RBB and RBP would continue to be fully roll out in all 21 local governments (aimags). The evaluation further noted that the RBB and RBP systems upgrade would require additional financial resources and commitment in order to fully implement and integrate both the RBB and RBP systems to be more efficient and effective. Furthermore, the evaluation noted that the Results-Based Financial/Performance Reporting (RBFPR) system of the Ministry of Finance was still in development and expected to be fully operational in January 2025. However this RBFPR system lacked financial resources/commitment to expand and be integrated with the RBB and RBP systems.</p> <p>The evaluation could not yet fully determine if the systems upgrade/integration of the RBB, RBP and RBFPR systems would happen although it was observed that the Government of Mongolia remained committed to wanting to implement this as the incoming political officeholders expressed a goal of better budget transparency. As for developing the ecosystem for innovation, start-ups, business incubation, and enterprising pilot models, financial sustainability to continue efforts would depend on support/endorsement from the incoming political officeholders. The evaluation could not yet fully determine the level of support/endorsement although it would remain possible if the Government of Mongolia would fully commit to implementing the 2024-2028 Action Program of the newly formed Joint Government comprising social, economic, governance and regional development policies. The Government of Mongolia remained highly satisfied with the SDGBE Project and would be open to further financial/technical support from external sources and potential donors even though the SDGBE Project would expect to end its support in December 2024. Due to the critical importance of sustaining the foundational work, UNDP would also be keen for the SDGBE Project to enter another phase to support the continuation of project benefits. The likelihood of this happening would remain highly likely but with a possible different implementation modality depending on who the implementing partner/agency would be.</p> <p>The financial sustainability can be rated as: 3/4 (Moderately Likely (ML) - Moderate Risks)</p>
Socio-political sustainability	<p>The evaluation viewed that there would currently be little social or political risks to undermine the longevity of the SDGBE Project outcomes. This was due to the extensive communication and visibility of the SDGBE Project’s objectives over the project implementation period. Sufficient public and stakeholder awareness in support of project objectives were being generated through the mainstream media, social media and promotional campaign events. Key stakeholders such as the incoming political officeholders and the Mongolia Members of Parliament (MPs) were also obtaining better awareness and understanding on the importance of RBB and RBP for increased budget transparency and better performance results. The SDGBE Project also developed an online information resource (https://sdgbeproject.mn/) that provided extensive information and awareness to allow for the project outcomes/benefits to be sustained.</p>  <p>Through the extensive efforts of the SDGBE Project, institutional knowledge and products were also being duly transferred to relevant stakeholders at national and local government levels for replication and scaling-up opportunities. National and local counterparts expressed willingness to continue but possibly at a different pace from the SDGBE Project. The evaluation noted that the SDGBE Project’s extensive use of technical consultants/experts provided a “catalytic” boost to efficiently implement RBB and RBP methodologies across the pilot government ministries and all local governments</p>

<u>Dimensions of Sustainability</u>	<u>Evaluation Assessment/Remarks</u>
	<p>(aimags), and developing the ecosystem for innovation, start-ups, business incubation, and enterprising pilot models. As these resources would not be available after the SDGBE Project ended, sustainability efforts through further capacity building and applying into practice might take a longer time to bear fruit. In particular for long-term sustainability of employment and social protection programs, the MFLSP would continue to collaborate with local governments, CSOs, and private sector partners as part of MFLSP's commitment to scaling up employment programs and ensuring inclusive labor market access, particularly in rural and underserved areas.</p> <p>The socio-political sustainability can be rated as: 3/4 (Moderately Likely (ML) - Moderate Risks)</p>
Institutional framework and governance sustainability	<p>The relevant budget-related and employment-related legislations and regulations were updated with support from the SDGBE Project to further sustain the continuation of project benefits at national and local levels. Knowledge and process transfers were also comprehensive through the development of methodologies, technical manuals/guidelines and templates for government staff usage. The SDGBE Project also supported in updating budget oversight related legislations to strengthen parliamentary budget oversight mechanisms for accountability and transparency. The evaluation observed this as a foundational start but this momentum could only be sustained through continuous capacity building of all government staff and consistent application by government staff when the SDGBE Project ended.</p> <p>Recent Mongolian 2024 national elections resulted in significant changes of political officeholders and major government structure changes. This would lead to high government staff turnover would be expected and this would lead to potential risks in retaining SDGBE Project's institutional knowledge and products/tools and as well as continuing to develop the ecosystem for innovation, start-ups, business incubation, and enterprising pilot models within the government. The upcoming local government elections in October 2024 could also lead to further changes in political officeholders and government structures and government staff turnover, which might affect continuation of project benefits. The SDGBE Project did not identify a specific stakeholder that would champion the promotion of project benefits. However the Government of Mongolia indicated its willingness and support to continue implementing RBB and RBP at all 21 local governments (aimags) and also progressively implementing RBB and RBP at national levels (although at a different pace).</p> <p>Furthermore, the Government of Mongolia expressed commitment to continue to develop the required information systems for budgeting, planning and reporting that would further systematically embed the RBB and RBP. However this commitment would also be dependent on strong support/endorsement from the incoming political officeholders and newly appointed government ministers which is beyond the control of the SDGBE Project. The developed RBB/RBP methodologies could be further strengthened if there were institutional changes to incorporate RBB/RBP options to develop cross-cutting related outputs/activities (gender equality and women's empowerment, disability inclusion, social inclusion for disadvantaged/vulnerable groups) with performance targets.</p> <p>The institutional framework and governance sustainability can be rated as: 3/4 (Moderately Likely (ML) - Moderate Risks)</p>
Environmental sustainability	<p>Mongolia's climate and weather environment would not severely affect or undermine the future flow of project Component A and B benefits for the implementation and oversight accountability of Results-Based Budgeting (RBB) and Results-Based Planning (RBP) within the government at national and local levels. The evaluation noted that extreme weather conditions, especially during the harsh winter period, might disrupt existing working environments as RBB and RBP procedures would be technology-based. The accessibility and reliability of staff computer/IT equipment would play a key role in sustaining RBB and RBP efforts. The evaluation assumed that there would be business-as-usual contingency procedures within the government to mitigate this.</p> <p>Mongolia's civil service working environment at national and local levels are known for its high government staff turnover and constant government structure changes. This in turn would impact the retention of institutional knowledge products/tools gained during the SDGBE Project. In this aspect, the evaluation observed that this work environmental phenomenon could possibly affect sustainability of project benefits</p> <p>Mongolia's climate and weather environment could affect the market economy conditions which in turn could affect the project Component C's started in the SDGBE Project. This would be beyond the control of the SDGBE Project and the Government of Mongolia would in future need to review its relevant policies and programs for the employment sector to adapt to climate change conditions. As for the SDGBE Project's Component D on labor inspections systems, the evaluation opined that this would still continue regardless of Mongolia's climate and weather environment.</p> <p>The environmental sustainability can be rated as: 3/4 (Moderately Likely (ML) - Moderate Risks)</p>
Overall Likelihood of Sustainability	3/4 (Moderately Likely (ML) - Moderate Risks)

4. KEY SUCCESS STORIES

4.1 Delivering Localized Employment Support Services that Better Meet the Citizens’ Needs through Results-Based Budgeting/Planning

Background and context:

In 2021 under the revised Mongolia Law on Employment Promotion, the Government of Mongolia’s Employment Promotion Programme shifted from a social welfare service/system model to an employment promotion service/system model. Under the 2021 Order No. A/96 of the Minister of Labor and Social Welfare, it was required that the cost per unit of employment services and measures must be re-estimated. This provided an opportunity for the Government of Mongolia, through the MFLSP with support from the SDGBE Project, to redesign the Employment Promotion Programs and make changes in the design and modality of the employment support services provided. This included:

- the rollout of the nationwide profiling tool exercise and introduction of client-based employment service and case management approach
- the institutional arrangements and functions of aimag and district employment department being mapped out to align job roles and responsibilities with client-centered/case-based employment support services
- an online module for profiling tool being integrated into the employment sector portal

Results and Potential Impact:

With support from the SDGBE Project, the RBB/RBP principles and methodologies helped the MFLSP to:

1. improve budget planning of employment support services based on the needs and requirements of the aimag province as part of the national-wide employment promotion programme.
2. develop result-oriented performance indicators that served as an impetus and lever for the aimag provinces to work more effectively and follow up on whether individual clients have been employed.
3. allocate the budget to enable the functions of the aimag provincial employment departments to be more client-centered/case-based

The SDGBE Project, with MFLSP’s commitment and support, implemented activities/interventions to facilitate the effective pilot integration of the employment advisory and support services into the implementation process of the Employment Promotion Programmes and Employment Promotion Measures as required by the Mongolia Law on Employment Promotion.

Table 11: The Impact of the SDGBE Project on Localized Employment Support Services

Before UNDP SDGBE Project Interventions	After UNDP SDGBE Project Interventions
Services were provided according to the quotas received from the General Agency for Labor Welfare Service (GALWS)	Based on the job vacancy orders in the aimag and the needs of the unemployed and those individuals who received welfare, the necessary quantity of products (outputs) is calculated. Subsequently the budget based on that is submitted to the GALWS
A local citizen could receive career guidance, participated in training, and received information about job vacancies, but the Employment Department did not pay attention to whether he/she secured employment, and no registration or records were created	A local citizen could undergo follow-up to determine why he/she was unable to secure employment after receiving counseling and participating in trainings, or why he/she left his/her job shortly after. This may involve contacting him/her to find out why he/she cannot maintain stable employment. Support will be provided until he/she achieves stable employment
When a local citizen comes to the Employment Department to receive services, there was no one responsible for financial support. Although the budget to support youth employment has been approved, the decision on the allocation of the financial support budget for young people will be pending at various levels, so he/she leaves without receiving services	A local citizen can receive all types of services from any employment department staff member. Additionally, since the budget for employment services has been allocated based on outputs for youth, seniors, and all individuals regardless of their status. Any citizen from the targeted groups can receive services once the budget for financial support services and training is approved

An example from the Employment Department of Orkhon aimag demonstrated how the more client-centered/case-based management approach using the online profiling tool (integrated with the employment sector portal) helped to improve the delivery of employment support services to local citizens in a more personalized manner and benefited these local citizens in providing a higher opportunity of being employed.

The evaluation also received feedback from 2 beneficiaries of the Orkhon aimag’s localized employment support services:

- Ms “A” was previously unemployed for 2 years (2021-2022) and was registered as unemployed in the government employment sector portal. In September 2023, Ms “A” found out about the Orkhon aimag’s localized employment support services and decided to use the services. Through the localized employment support service, she undertook a profiling to assess her current profile status and undertake personal development to increase her chances of getting employed. The localized employment support service process took one month and Ms “A” eventually found employment in the pharmaceutical sector in Orkhon aimag
- Ms “B” was previous unemployed for about 6 years and was introduced by the Employment Department on the localized employment support services. After going through the profiling, Ms “B” was encouraged to attend formal professional training and received a professional certificate which increased her chances of getting employed. Ms “B” was subsequently employed as a book-keeping officer in her local district.

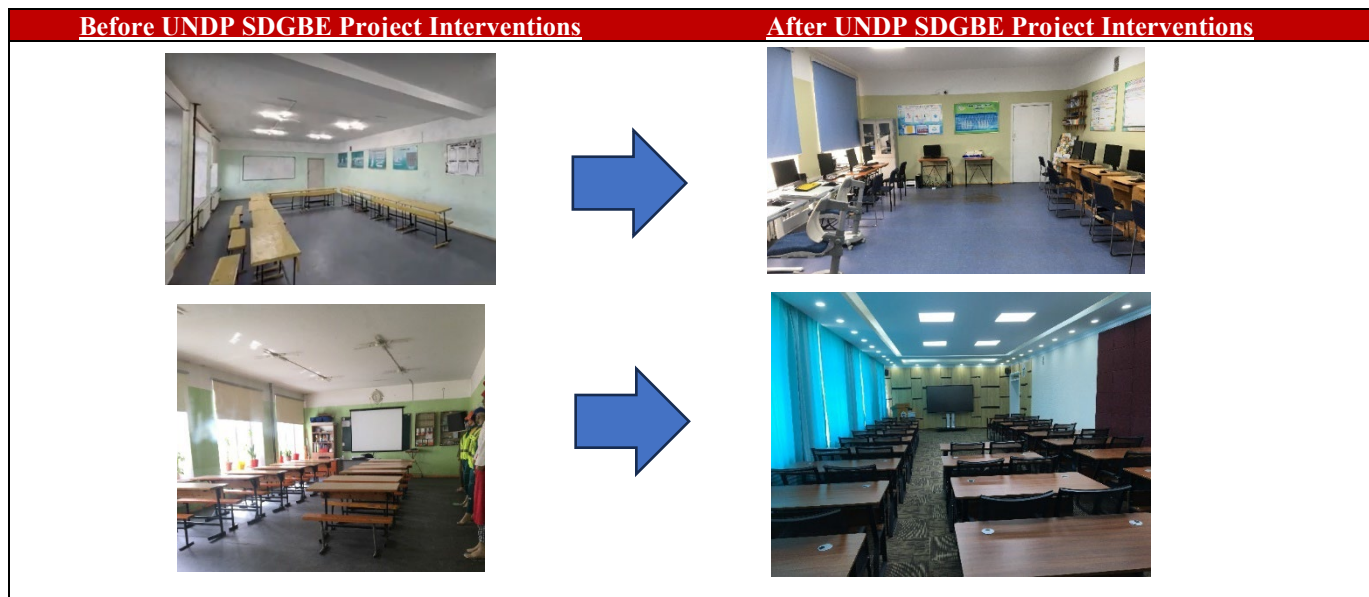
4.2 Increased Accessibility of Vocational Education Training Opportunities for Remotely Located People With Disabilities (PWDs) – A Disability/Social inclusion Vocational Education Training Programme Model

Background and context:

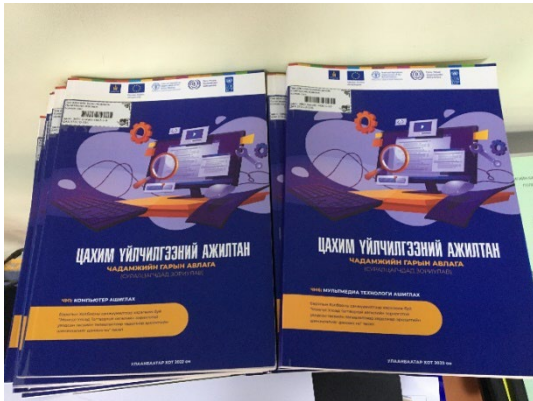
One of the most challenging barriers to employment for remotely located people with disabilities (PWDs) is the lack of vocational education training due to the curriculum and learning environments not being inclusive. With support from the SDGBE Project, inclusive training curriculum were developed for 3 occupations namely Archivists and Office Assistants, E-Service Staff and Support Service Workers. In 2023, 28 PWD students were successfully enrolled in the pilot curriculum training at the Vocational Skills School of the National Rehabilitation and Vocational Training Center (NRVTC) in Ulaanbaatar. However, travelling to the NRVTC in Ulaanbaatar still proved challenging for many remotely located PWDs who lived far away in aimag provinces and districts. This would also in turn further discourage these disadvantaged groups and lack the motivation to even travel out from their homes to attend vocational education training. Furthermore the NRVTC only have limited space and capacities, and would be unable to cater to enrolling more PWDs in its Vocational Skills School.

Results and Potential Impact:

As a result of SDGBE Project intervention and support, the Bayanchandmani Polytechnic College in Tuv aimag (about 72 kilometers from Ulaanbaatar, the capital city of Mongolia) was chosen as a pilot site to started offering E-Service Staff vocational training course for young PWDs. The Bayanchandmani Polytechnic College was one of the 4 vocational education institutions in Tuv aimag. For the first time in its 54-year history, the Bayanchandmani Polytechnic College opened a class for PWDs. With support from the SDGBE Project, renovation works were conducted and supplementary learning and computing networking equipment were procured to improve accessibility of the training facility classrooms in preparation for admission of students with disability.



Additionally due to the SDGBE Project interventions, the Bayanchandmani Polytechnic College received the Teacher's Handbooks for occupations on Archivists, Office Assistants, and E-Service Staff, and the Student Handbook for E-Service. PDF softcopy versions of these handbooks were placed online in preparation for e-learning.



Through the SDGBE Project, the NRVTC also provided capacity building to equip Bayanchandmani Polytechnic College teachers with specialist disability inclusion skills in teaching and managing students with PWDs.

The disability/social inclusion vocational education training programme model at Bayanchandmani Polytechnic College proved successful that other PWDs from other aimag districts expressed interest in wanting to enrol. The evaluation also received feedback from 2 students with disabilities who were beneficiaries of the first pilot batch of disability/social inclusion vocational education training programme model in the Bayanchandmani Polytechnic College:

- Student “A” with disabilities found the studying experience enriching in which she could even start socializing with other students which she never had that opportunity. Student “A” expressed hope for her future that she could find a job and even get married to have her own family.
- Student “B”, due to her disabilities, lacked the motivation to come out of her home. Even the thought of having to travel far to Ulaanbataar without proper accommodation discouraged her to enrol in any education training. When learning about the offerings by the Bayanchandmani Polytechnic College which was nearer to her home, Student “B” gained the encouragement and motivation to attend and complete vocational education training

The Bayanchandmani Polytechnic College's experience of offering classes for students with disability received national attention when the disability/social inclusion vocational education training programme model was shared at the National Conference on TVET sector management in August 2023.

The success story of Bayanchandmani Polytechnic College's disability/social inclusion vocational education training programme model can serve as a stepping foundation stone to develop similar models in other aimag provinces when the MFLSP develops future programmes using Results-Based Budgeting and Results-Based Planning principles and methodologies.

5. KEY FINDINGS, CONCLUSIONS, LESSONS LEARNED AND RECOMMENDATIONS

5.1 Key Findings

The summary of the key evaluation findings and their corresponding ratings are shown below in Table 12.

Table 12: Summary of Key Evaluation Findings and Corresponding Ratings

Category	Summary Assessment	Rating
Relevance	<p>Key Finding #1: The SDGBE Project was strategically aligned with global, national, and organizational priorities, contributing to various SDGs, such as poverty reduction, gender equality, education, and employment.</p> <p>Key Finding #2: The SDGBE Project closely aligned with Mongolia's development strategies, including Vision-2050 and the medium-term "5-Year Development Main Directions."</p> <p>Key Finding #3: The SDGBE Project was tailored to support the country's public finance and employment policies through technical assistance for the EU Budget Support (BS) program. Although the initial project design did not explicitly address marginalized groups, gender equality, or a rights-based approach, these were incorporated during implementation. Additionally, the SDGBE Project integrated lessons from previous UNDP projects, focusing on results-based planning and budgeting.</p>	<p>5/6 (Satisfactory)</p>
Coherence	<p>Key Finding #4: The SDGBE Project exhibited strong internal and external coherence by aligning its four components to support national policies, budget transparency, and labor standards.</p> <p>Key Finding #5: Internally, it drew on lessons from previous projects, leveraging UNDP, FAO, and ILO's expertise in planning, budgeting, employment, and labor standards.</p> <p>Key Finding #6: Externally, the project coordinated with other development initiatives, such as JICA and the World Bank's projects, ensuring complementarity in promoting employment and public finance reforms. This coherence across multiple sectors and partners ensured that policies, budgets, and labor standards were aligned and reinforced each other for sustainable development outcomes.</p>	<p>5/6 (Satisfactory)</p>
Effectiveness	<p>Key Finding #7: The SDGBE Project was effective in delivering its outputs across various components. It improved results-based planning and budgeting (RBB/RBP) capabilities through training but needed improvements in systems settings/applications and further integration between budget and planning classifications.</p> <p>Key Finding #8: Parliamentary oversight saw modest improvements, though further development of institutional governance mechanisms was required.</p> <p>Key Finding #9: Employment promotion programs were revised successfully, but varying levels of effectiveness in implementation indicated a need for ongoing refinement, especially in scrutiny in public expenditure transparency.</p> <p>Key Finding #10: Labor inspection systems were strengthened, aligning legal frameworks with international standards. While significant progress was made, the practical application of these reforms still requires continuous capacity building to ensure full realization of the project's objectives.</p>	<p>5/6 (Satisfactory)</p>
Efficiency	<p>Key Finding #11: Despite delays caused by the COVID-19 pandemic, the SDGBE Project demonstrated efficiency through adaptive management and accelerated implementation in its later stages. By hiring technical experts and securing a no-cost extension, the project was able to meet its objectives within the revised timeline.</p> <p>Key Finding #12: The project's financial management was commendable, ensuring that resources were allocated efficiently and transparently. However, the political environment posed risks to sustaining the project's achievements, especially with upcoming elections potentially disrupting continuity. Moreover, the lack of an integrated information system for results-based budgeting and planning could limit the efficiency and sustainability of reforms.</p>	<p>5/6 (Satisfactory)</p>
Cross-Cutting Issue: Disability Inclusion and Rights-Based Approach/LNOB	<p>Key Finding #13: The SDGBE Project's design stage initially did not include explicit output indicators for people with disabilities (PWD) or LNOB elements, but these gaps were addressed during implementation.</p> <p>Key Finding #14: For example, Component A included optional provisions for PWD and LNOB in budget proposal guidelines. Similarly, Component C actively promoted disability inclusion through TVET polytechnic programs, introducing PWD-friendly environments and tailored training for three new occupations. However, Components B and D had less visible disability-related efforts, though labor inspection guidelines did incorporate considerations for vulnerable groups.</p> <p>Key Finding #15: The SDGBE Project made efforts to integrate disability inclusion and social inclusion but could benefit from simplifying the relevant employment services and further strengthening in these areas to ensure systematic application across all project components.</p>	<p>4/6 (Mostly Satisfactory)</p>

Category	Summary Assessment	Rating
Cross-Cutting Issue: Gender Equality and Women's Empowerment	<p>Key Finding #16: The SDGBE Project's design stage initially lacked explicit gender-related output indicators, but these gaps were addressed during implementation. Overall, the project contributed significantly to women's economic empowerment but had potential for further integration of gender considerations across all components.</p> <p>Key Finding #17: Component C was the most gender-responsive, with women comprising 67% of participants in employment activities, such as cooperatives and TVET polytechnics. Component A and B integrated gender-targeted actions by ensuring gender balance in training.</p> <p>Key Finding #18: While utilizing the budget proposal template, it was not mandatory to include gender-related elements, but there were options to incorporate them based on the long-term and medium-term RBP policy results.</p> <p>Key Finding #19: Component D improved gender balance in labor inspections and addressed the specific employment needs of women.</p>	4/6 (Mostly Satisfactory)
Sustainability	<p>Key Finding #20: The likelihood of sustaining the SDGBE project's outcomes is rated as moderately likely with moderate risks identified. Financial sustainability remains moderately likely as the full implementation and integration of Results-Based Budgeting (RBB), Results-Based Planning (RBP), and the Results-Based Financial/Performance Reporting (RBFPR) system would require further financial resources and government commitment. While the government expressed intentions to continue these reforms and extend them across all 21 local aimag governments, sufficient financial commitment and continuous capacity building would be required.</p> <p>Key Finding #21: Socio-political sustainability were gained from public awareness and support among key stakeholders, including parliamentarians and incoming political officeholders. However, potential political shifts, particularly following national and local elections, could pose a risk to the continuity of reforms.</p> <p>Key Finding #22: Institutionally, the project updated critical budgetary and employment-related legislation, but the high turnover in government staff could lead to a loss of institutional knowledge and slowing down reform efforts.</p> <p>Key Finding #23: Environmental factors were less of a concern for most components, although weather conditions might disrupt efforts.</p> <p>Key Finding #24: Nevertheless, the Government of Mongolia displayed shown a willingness to continue RBB and RBP implementation, although future progress would depend on political officeholder support/endorsement and continued capacity building across all levels of government.</p>	3/4 (Moderately Likely (ML) - Moderate Risks)

5.2 Conclusions and Lessons Learned

Conclusion #1: Institutionalizing Results-Based Budgeting and Results-Based Planning into an Integrated Results-Based Management System to Sustain the Entire Process across Whole of Government at National and Sub-National (Aimag) Levels

The SDGBE Project has made critical changes in Results-Based Budgeting (RBB) within Mongolia's public finance management system. This includes (1) aligning development planning with budgeting through a results-based approach, and (2) strengthening the budget strategic allocation for priority areas at national level and particularly at the sub-national (aimag) level.

The SDGBE project has made significant strides in promoting Results-Based Budgeting (RBB) and Results-Based Planning (RBP) within Mongolia's public financial management systems. The integration of these approaches, aimed at aligning budget allocations with strategic objectives, has begun to take root at national level and particularly at the sub-national (aimag) level. Challenges remain in fully institutionalizing RBB/RBP across all levels of government. There is a need for more capacity building and resources to implement these reforms effectively. There are also opportunities for the Government of Mongolia to consider incorporating options for national and sub-national government institutions to develop cross-cutting related (gender equality and women's empowerment, disability inclusion, social inclusion for disadvantaged/vulnerable groups) outputs/activities with performance targets in existing RBB/RBP methodologies, guidelines/manuals, templates and existing/future RBB/RBP systems.

Furthermore, ongoing political support and policy consistency are crucial to solidify these processes and ensure that they are not reversed or weakened over time. This is especially the case for development of national-level targets, which were included in the 2023 Draft National Targeted Programs as medium-term development policy documents (submitted to the Government of Mongolia Cabinet but yet to be approved in the Parliament of Mongolia). These policy documents provided the basis for determining sectoral/sub-national, and short-term development targets to achieve the SDGs. Therefore it is important to institutionalize RBB and RBP across the entire government by integrating them within a unified Results-Based Management (RBM) system. This will ensure sustainable, long-term application of these methodologies not only at the national level but also in local governments, particularly at the *aimags* (provinces).

Sustainable institutionalization requires embedding RBB and RBP into the government's core processes to create consistency in planning, budgeting, and evaluation practices. This integration ensures that every level of government operates under a coherent, result-focused model. Government bodies will have a clearer linkage between resource allocation and desired outcomes. Decision-making will be informed by performance data, increasing the efficiency and effectiveness of public services.

Continuous capacity building remains a critical component to ensure that government officials and institutions at both national and sub-national (aimag) levels are adequately trained in RBB, and RBP methodologies. This will allow them to fully utilize these systems and scale them effectively. An integrated RBM system will facilitate smooth integration of planning and budgeting classifications to improve transparency, consistency, and accountability in government spending.

The findings revealed a need for better integration between budget and planning frameworks to increase efficiency and transparency. This conclusion aligns with Recommendation R1, which suggests resolving the differences in budget and planning classifications to strengthen results-based budgeting (RBB) and results-based planning (RBP) systems. Recommendations R2, R3 and R7 provides a practical application of improving and institutionalizing the RBB/RBP systems for enhanced government service delivery.

Lesson Learned:

- **Need for strategic alignment between planning and budgeting processes:** A significant challenge has been the lack of integration between planning and budgeting frameworks, leading to inefficiencies and disconnected outcomes. Systems change must focus on synchronizing these aspects for better results through stronger coordination and alignment between key government agencies. Without a unified classification framework for codification purposes, the practical application of results-based systems will remain fragmented and hindered by misalignment.
- **Capacity building strengthens institutionalization:** Successful institutionalization requires substantial capacity-building efforts. Both national and local government officials need extensive training in RBB and RBP to ensure that these approaches can be consistently applied. Ongoing professional development/training (particularly formal ones with certification), mentorship, and peer-learning opportunities will help ensure that these practices are applied consistently across whole of government.
- **Political commitment is key to long-term success:** The successful institutionalization of RBB and RBP is highly dependent on sustained political will and policy continuity. Frequent changes in government priorities or political instability can disrupt the implementation of results-based reforms, and thus, ensuring broad-based political support for these initiatives is essential.
- **Long-term sustainability requires ongoing monitoring:** Continuous monitoring and evaluation are crucial to ensure that the integrated system remains effective and that any emerging challenges can be promptly addressed.
- **Institutional framework and support need to incentivize adherence to RBB and RBP principles:** The integration of results-based approaches into the regular operations of ministries and sub-national governments will require robust institutional frameworks that incentivize adherence to RBB and RBP principles. This includes clear performance metrics, rewards for compliance, and mechanisms for accountability.

Conclusion #1 is based on Key Finding #7, Key Finding #8, Key Finding #10, Key Finding #12, Key Finding #15, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24.

Conclusion #2: The Need for Improved Budget Transparency through Open Access Public Finance/Planning Quality Data with Strengthened Oversight and Accountability Mechanisms

The SDGBE Project has successfully provided the foundations in contributing towards enhancing budget transparency through improved Results-Based Budgeting (RBB) and Results-Based Planning (RBP). This enabled better public oversight and participation from the Parliament of Mongolia, CSOs, media, and the general public to engage more actively in budgetary discussions. However, despite these advances, challenges remain in strengthening the capacities of the parliamentary secretariat support staff for the Budget Standing Committee and Budget Scrutiny and Analysis Division of the Parliamentary Secretariat. While public access to budget information has progressively improved, there is still a need to deepen the technical skills to effectively scrutinize and analyze budget proposals and expenditure reports.

There is still an opportunity for increased budget transparency in Mongolia's public financial management by making budgetary and planning data easily accessible to the public. To improve budget transparency, RBB and RBP datasets must be available and accessible to the public. Hence there is an opportunity to further develop the government's integrated RBM/RBP system that can provide open and relevant RBB/RBP datasets. By providing open access to financial data, citizens, researchers, and oversight bodies can hold the government accountable for its expenditures and project outcomes. A transparent system strengthens public trust and encourages participatory governance.

This transparency can be enhanced through stronger oversight and accountability mechanisms, primarily involving key actors like the Parliament of Mongolia and the MNAO. Parliamentary bodies, such as the Budget Standing Committee, can be empowered to conduct mandatory public hearings to scrutinize budget proposals and also budget performance, and eventually to be able to competently produce detailed and meaningful parliamentary reports on budget transparency and public finance management. This means possible legislative changes to mandate oversight and accountability of public finances through the appropriate parliamentary bodies that have oversight functions on both budget proposals and budget expenditure and performance. However key stakeholders must also have the required technical capability to analyze and report on public financial management. Improved access to data will enable oversight bodies like the MNAO to strengthen its performance audit capacities, making audits more thorough and effective. This would also enhance accountability within the system by providing clearer performance benchmarks.

The findings highlighted the importance of enhanced public finance transparency and independent oversight for improved accountability. Therefore, Recommendations R4, R5 and R6 focus on refining public sector financial reporting standards and strengthening budget performance oversight mechanisms.

Lesson Learned:

- **Public trust increases with transparency:** Open access to financial and performance data enhances public trust in government institutions. Stakeholders are more likely to engage when they have access to relevant, clear and understandable data.
- **Capacity-building for data analysis and interpretation of public finance/planning data:** While providing open access to data is important, there must also be capacity-building for the public, civil society, and oversight bodies to analyze and interpret the financial and performance data effectively.
- **Independent oversight is necessary for budget and performance accountability:** Strengthening oversight institutions like the parliamentary legislature and supreme audit institutions has proven essential for maintaining rigorous oversight. Independent auditing and parliamentary scrutiny help prevent corruption and misuse of funds.
- **Cultural shift needed for open data:** Implementing open data policies often requires a shift in the culture of public administration. Government institutions may resist transparency, so fostering a culture of openness is key to long-term success.

Conclusion #2 is based on Key Finding #8, Key Finding #12 Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24.

Conclusion #3: The Need for Improved Financial/Performance Reporting Standards across Whole of Government that would incorporate Environmental, Social and Governance (ESG) Aspects

The SDGBE project has successfully initiated the integration of some Environmental, Social, and Governance (ESG) factors into the Government of Mongolia's Results-Based Budgeting and Results-Based Planning. The next step is to integrate the government's financial reporting systems, aligning with international standards and supporting the country's Sustainable Development Goals (SDGs). While ESG considerations are increasingly recognized globally in public finance management, their full integration into financial reporting practices remains at an early stage. Many government institutions lack the capacity and technical knowledge required to fully adopt ESG standards. In addition, the private sector and civil society have not yet been fully engaged in the development and monitoring of ESG-related policies.

Mongolia remains at the forefront with an opportunity to elevate financial and performance reporting standards to include ESG criteria. This would involve integrating these aspects into all levels of government reporting to ensure that development is sustainable and aligned with global governance and social responsibility standards. The ESG criteria align well with Mongolia's commitment to achieving the Sustainable Development Goals (SDGs), particularly those focused on environmental protection, reducing inequality, and promoting peace, justice, and strong institutions. Incorporating ESG factors help the government to align its actions with these broader goals.

Transparent and thorough ESG reporting ensures that public projects are evaluated not only for their financial outcomes but also for their broader impact on society (especially for women, youth, disability groups and vulnerable/marginalized groups) and the environment. It would require public officials and ministries to account for the social and environmental costs or benefits of their projects, thereby improving governance and accountability. To ensure the successful inclusion of ESG in financial and performance reporting, the Government of Mongolia will need to build capacities within at national and sub-national (aimag) levels, providing training and tools for government officials to assess and report on these criteria.

It was found that current financial reporting standards lacked integration of environmental, social, and governance (ESG) aspects. This underscores the importance of Recommendation R4, which emphasizes developing comprehensive public sector financial reporting standards aligned with international norms.

Lesson Learned:

- **Phased integration of financial reporting standards is necessary:** The integration of existing financial reporting standards and ESG factors into public financial reporting requires a phased approach. Many institutions are not yet fully equipped to handle the complexities of ESG data collection and reporting. Gradually scaling up integration, starting with pilot programs and incremental changes, will be more effective than attempting comprehensive reform at once.
- **Building financial reporting literacy is crucial:** Government officials and finance managers need comprehensive training on ESG principles and financial reporting requirements. This includes having an understanding on the latest financial reporting standards, understanding how to quantify social and environmental impacts, and how these factors should influence budgeting decisions.
- **Data infrastructure needs enhancement:** an effective financial reporting requires significant data collection and management systems upgrades. Comprehensive finance and planning along with disaggregated data on environmental, social and governance impacts are essential for generating credible financial and performance reports. Investment in data system infrastructure will be critical for long-term sustainability and accuracy of reporting

Conclusion #3 is based on Key Finding #7, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24.

Conclusion #4: Building on the Client-Based Service Delivery through Case Management to Establish a One-Stop-Service Model for Employment to Strengthen Localized Employment Programs and Vocational Training with a Focus on Inclusivity and Digital Access

The SDGBE project has demonstrated strong potential for replication and scaling across Mongolia, particularly in its approach to employment promotion and labor standards. The project’s focus was about creating a client-based service delivery through case management - unemployed individuals receive continuous guidance, targeted interventions, and access to relevant programs and services. This model fostered a collaborative relationship between service providers and clients, enhancing engagement, monitoring progress, and facilitating sustainable employment pathways.

This model, which integrates vocational training, entrepreneurship support, and job-matching services, has proven effective in pilot areas. However, the success of this model hinges on expanding digital access and ensuring inclusivity, particularly for vulnerable populations such as youth, women, persons with disabilities, and rural communities. The project has highlighted the need for localized solutions that are tailored to the specific economic and social conditions of each region at aimag province, district and sub-district levels.

The project’s employment service model, based on the client-based service delivery through case management approach, which combines vocational training, entrepreneurship support, and job-matching services, shows potential for replication across Mongolia. However, regional disparities in economic conditions and digital infrastructure pose significant challenges to scaling this model. Rural district/sub-district communities in different aimag provinces face barriers to accessing these services due to limited internet connectivity and a lack of locally relevant programs. Vulnerable groups such as women, youth, and persons with disabilities remain underserved by the current model.

To address the gaps in aligning national employment programs with local economic needs and improving vocational training access, a one-stop-service model for employment should be developed. This one-stop-service model will centralize employment services, vocational training, and entrepreneurial support under one platform—both physical and digital—tailored to the unique demands of Mongolia’s diverse regions. By integrating profiling systems, training opportunities, and job placement services, this model will provide a more responsive and efficient service delivery mechanism. It will also ensure inclusivity for vulnerable groups such as people with disabilities (PWD) and improve access to digital platforms for skills development, addressing regional disparities in employment services.

For effective scaling, the one-stop-service model must be adapted to reflect the local economic and social realities of Mongolia’s diverse regions. Investment in digital infrastructure is critical to ensure that remote areas are not excluded from accessing employment services. Moreover, tailored interventions that address the specific needs of vulnerable groups must be prioritized, ensuring that the one-stop-service model delivers equitable outcomes for all. Collaboration with regional authorities and the private sector will be key to designing locally relevant, scalable solutions that foster inclusive economic growth.

The findings demonstrated the effectiveness of the client-based service delivery model in improving accessibility and efficiency. Building on this, Recommendation R8 focuses on developing a comprehensive one-stop-service model for employment to centralize services and enhance inclusivity.

Lesson Learned:

- **Customization is key to local success:** Diverse geographic and socioeconomic conditions require employment programs to be tailored to local needs. Replication of the project should focus on adapting services to regional contexts, ensuring that local economic drivers and labor market conditions are considered. Employment programs must be adapted to regional economic realities to be effective, highlighting the importance of tailoring services to specific local industries to ensure relevance and fostering sustainable employment opportunities.
- **Inclusive access requires both digital and physical channels:** Offering both physical employment centers and digital platform ensures that services are accessible to all, including vulnerable populations like people with disabilities (PWDs) and socially-excluded/disadvantaged communities in remote areas.
- **Streamlined services improve efficiency:** A one-stop-service model can greatly reduce the fragmentation and inefficiencies of employment service delivery. By integrating vocational training, job matching, and entrepreneurial support, governments can ensure that job seekers access a wide array of services through a single entry point. The one-stop-service model must prioritize inclusivity, ensuring that services are accessible to marginalized groups such as women, persons with disabilities, and rural populations.
- **Data integration enhances personalization:** Combining profiling data, training history, and job placement records into one system allows for more tailored services. Personalized employment pathways increase the chances of successful job placement and skills development, as demonstrated by the profiling system pilots.
- **Collaborative partnership strengthens impact:** The success of the employment service model depends on strong partnerships between government, the private sector, and civil society. Public-private partnerships (PPPs) are particularly important for creating sustainable job opportunities and supporting entrepreneurship in sectors such as agriculture and technology. Engaging local stakeholders, including businesses, local governments, and civil society organizations, is essential for ensuring the one-stop-service model meets regional needs. Local collaboration also helps to generate buy-in, which is crucial for scaling up successful pilot initiatives.
- **Scaling successful pilots requires institutional support and sustainable partnership:** While pilot programs (like disability/social inclusion vocational training programme models) have shown potential, their success depends on institutional resources and support for expansion. Sustained investment in capacity-building, infrastructure, and stakeholder engagement is key to scaling pilot initiatives into broader national programs.

Conclusion #4 is based on Key Finding #9, Key Finding #12, Key Finding #14, Key Finding #15, Key Finding #17, Key Finding #21, Key Finding #22, Key Finding #24, Success Story #4.1, and Success Story #4.2.

5.3 Recommendations

The evaluation proposes 8 recommendations for consideration and implementation whereby:

- 2 recommendations relate to corrective actions for UNDP to implement before the SDGBE Project ends
- 2 recommendations relate to follow-up actions or reinforced initial benefits from the SDGBE Project to implement before the SDGBE Project ends
- 4 recommendations relate to proposed future directions that build upon the SDGBE Project in the areas of (1) improved budget transparency with strengthened oversight and accountability mechanisms, and (2) an integrated employment support service

It is to be noted that the implementation of these recommendations would be dependent on the funding and technical resource availability for UNDP, and the willingness and support of the Government of Mongolia.

To support the modernization of Mongolia’s public finance management (PFM) systems and strengthening institutional capacities

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
Corrective actions:				
R1.	<p><u>Resolve the differences in budget and planning classifications so as to improve the alignment between the two classification systems</u> UNDP should work with MOF and MED to resolve the differences in budget and planning classifications so as to improve the alignment between the two classification systems for a more efficient and effective Results-Based Budgeting (RBB) and Results-Based Planning (RBP) systems</p> <p>(Based on Conclusion #1, Key Finding #7, Key Finding #12, Key Finding #20)</p>	UNDP SDGBE Project Team, MOF, MED	By 31 December 2024	High

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
R2.	<p><u>Make corrective actions to the Results-Based Budgeting system to make it mandatory to set performance targets</u> UNDP should work with MOF to make corrective actions to the Results-Based Budgeting system to make it mandatory to set performance targets in order for budget approval to be confirmed. This could be done by setting the system for users to only be able to submit the budget proposal to MOF for approval by filling up all the required performance targets</p> <p>(Based on Conclusion #1, Key Finding #7, Key Finding #12, Key Finding #20)</p>	UNDP SDGBE Project Team, MOF	By 31 December 2024	High
Actions to follow up or reinforce initial benefits from the project:				
R3.	<p><u>Advocate to the Government of Mongolia to consider incorporating cross-cutting related (gender equality and women’s empowerment, disability inclusion, social inclusion for disadvantaged/vulnerable groups) outputs/activities with performance targets</u> UNDP should propose to the Government of Mongolia to:</p> <ol style="list-style-type: none"> a. review existing Results-Based Budgeting (RBB) and Results-Based Planning (RBP) methodologies, guidelines/manuals, templates and existing/future RBB/RBP systems; and b. consider incorporating options for national and sub-national government institutions to consider developing cross-cutting related (gender equality and women’s empowerment, disability inclusion, social inclusion for disadvantaged/vulnerable groups) outputs/activities with performance targets. <p>(Based on Conclusion #1, Key Finding #15, Key Finding #18)</p>	UNDP SDGBE Project Team, MOF, MED	By 31 December 2024	High
Proposals for future directions underlining main objectives of improved budget transparency with strengthened oversight and accountability mechanisms:				
R4.	<p><u>Conceptualize/implement a strategic initiative to continue to refine the public sector financial reporting standards</u> UNDP should work with the Government of Mongolia to conceptualize/implement a strategic initiative to continue to refine the public sector financial reporting standards to (i) be aligned with existing international accounting standards, and (ii) make these standards mandatory and consistent across all levels of government in Mongolia for annual reporting disclosure requirements. This initiative should also include implementing a financial reporting system that integrates with the government’s Results-Based Budgeting and Results-Based Planning systems. The next progressive steps would subsequently be to align with upcoming sustainability (ESG) reporting standards</p> <p>(Based on Conclusion #3, Key Finding #7, Key Finding #8, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24)</p>	UNDP CO, MOF	By 31 December 2025	Medium

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
R5.	<p><u>Conceptualize/implement a project initiative on improving open data for the public</u></p> <p>UNDP should work with the Government of Mongolia to conceptualize/ implement a project initiative on improving open data for the public. Action steps should commence (1) Reviewing and developing easy to read/accessible financial data that closely aligns with the state budget details, and (2) creating open platforms to provide open access to financial data so that citizens, researchers, and oversight bodies can use this open data for independent analysis. By doing so this would enhance budget transparency with increased public trust and participatory governance.</p> <p>(Based on Conclusion #2, Conclusion #3, Key Finding #8, Key Finding #12, Key Finding #20)</p>	UNDP CO, MOF	By 31 December 2025	Medium
R6.	<p><u>Conceptualize/implement a project initiative to strengthen budget performance oversight bodies for the entire budget cycle</u></p> <p>UNDP should work with the Parliament of Mongolia to conceptualize/implement a project initiative to strengthen budget performance oversight bodies for the entire budget cycle. Proposed activities/outputs of this new project initiative would include:</p> <ol style="list-style-type: none"> a. Updating relevant budget legislations and parliamentary committee regulations/standing orders to empower to conduct mandatory public hearings with individual government ministries to scrutinize (i) all budget proposals in the beginning of the budget cycle and (ii) all budget performance/expenditure output and outcome reporting in the end of the budget cycle b. Enhancing the technical skills of parliamentary committee support staff, particularly the secretariat staff supporting the Budget Standing Committee, and Budget Scrutiny and Analysis Division of the Parliamentary Secretariat with skills and knowledge on budget analysis, budget performance/expenditure outputs and outcomes reporting and financial reporting standards. These skills and knowledge would align with RBB/RBP concepts to be able to (i) formulate relevant budget analysis briefs for the Budget Standing Committee and budget performance/expenditure output and outcome briefs to engage more effectively with the government in budget review and scrutiny, and (ii) produce detailed and meaningful parliamentary reports on budget proposal transparency, public expenditure transparency and public finance management <p>(Based on Conclusion #2, Conclusion #3, Key Finding #8, Key Finding #12, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24)</p>	UNDP CO, Parliament of Mongolia	By 31 December 2025	Medium

To support efficient, accountable, and responsive delivery of public services in the labor and employment sector

No.	Recommendation	Responsible Entities	Timeframe	Priority (High/Medium/Low)
Actions to follow up or reinforce initial benefits from the project:				
R7.	<p><u>Institutionalize capacity building of labor inspections</u> To institutionalize capacity building of labor inspections and enhance the capabilities of labor inspectors in Mongolia, UNDP and ILO should work with the MFLSP to identify and establish a partnership agreement with a local academic institution with the key action steps to (1) subsequently develop on labor inspections in line with international best practices in labor inspections, and (2) systematically roll-out professional development/certification courses in labor inspections (in line with international best practices in labor inspections).</p> <p>(Based on Conclusion #1, Key Finding #10)</p>	UNDP SDGBE Project Team, ILO, MFLSP	By 31 December 2024	High
Proposals for future directions underlining main objectives of an integrated employment support services:				
R8.	<p><u>Conceptualize/implement a project initiative for a One-Stop-Service Model for employment</u> UNDP, together with FAO and ILO, should build from the SDGBE Project activities to partner with the Government of Mongolia to conceptualize/implement a project initiative for a One-Stop-Service Model for employment to further strengthen the current employment client-based service delivery through case management to make the employment support services more efficient and effective (especially for women, youth, disability groups and vulnerable/marginalized groups). Proposed activities/outputs of this new project initiative would include:</p> <ol style="list-style-type: none"> a. Centralized Employment Services: Create a one-stop platform (both physical and digital) where job seekers can access a range of services, including job matching, vocational training, career counselling, and entrepreneurial support. b. Integrated Service Delivery: Consolidate services from multiple government agencies (e.g., labor, social welfare, education) into a unified system for more efficient support. c. Seamless Access to Resources: Ensure the platform provides easy access to training programs, start-up support, financial assistance, and employer connections in one location. d. Digital and Physical Access: <ul style="list-style-type: none"> • Develop and implement a concept proposal to improve the online profiling form by incorporating auto-filling of personal details through scanning the barcode of the Mongolian national identification card • Develop and implement a user-friendly digital platform that can be accessed remotely (including people with disabilities), while also maintaining physical service centers in key regions to serve all people, including vulnerable and disadvantaged groups, without internet access. e. Data Integration: Utilize profiling data, employment history, and training records within the system to offer personalized job placement and skills development plans for each job seeker. <p>(Based on Conclusion #4, Key Finding #9, Key Finding #12, Key Finding #14, Key Finding #15, Key Finding #17, Key Finding #20, Key Finding #21, Key Finding #22, Key Finding #24, Success Story #4.1, Success Story #4.2)</p>	UNDP CO, FAO, MFLSP, MOES	By 31 December 2025	Medium

ANNEXES

A.1 TERMS OF REFERENCE

Annexed in a separate file

A.2 FIELD MISSION VISIT SCHEDULE

Annexed in a separate file

A.3 LIST OF PERSONS INTERVIEWED

Annexed in a separate file

A.4 LIST OF DOCUMENTS REVIEWED

Annexed in a separate file

A.5 LIST OF QUESTIONS USED DURING THE EVALUATION

Annexed in a separate file

A.6 SDGBE PROJECT BASELINE, EXPECTED AND FINAL RESULT TARGETS ESTABLISHED

Annexed in a separate file

A.7 EVALUATION CONSULTANT CODE OF CONDUCT AGREEMENT FORM

Annexed in a separate file

A.8 UNITED NATIONS EVALUATION GROUP (UNEG) CODE OF CONDUCT AGREEMENT FORM

Annexed in a separate file

A.9 AUDIT TRAIL

Annexed in a separate file

A.10 EVALUATION MATRIX

Annexed in a separate file

A.11 QUALITY ASSESSMENT OF PROJECT OUTCOME/OUTPUT INDICATORS

Annexed in a separate file