

Evaluation of the Livelihood Support Projects of UNDP Mongolia



28 December 2012

*Roy Thompson¹
Bumkhorol Tsedendorj
Solongo Alгаа
Arvinbayar Baatar*

¹ see Annex XXIII on page 140 for the profiles of team members

Table of Contents

| | |
|---|----|
| Executive Summary..... | 7 |
| 1. Introduction..... | 11 |
| 1.1 Objective and Scope..... | 12 |
| 1.2 Level of Effort..... | 12 |
| 1.3 Principle Survey Questions to be Answered..... | 13 |
| 1.4 Evaluator Questions from the Outcomes Models..... | 13 |
| 1.5 Ethical Considerations..... | 14 |
| 1.6 Structure of the Evaluation Report..... | 14 |
| 2. Evaluation Methodology..... | 15 |
| 2.1 Overview..... | 15 |
| 2.2 Conceptual Framework and Evaluation Approach..... | 16 |
| 2.3 Stakeholders involvement..... | 16 |
| 2.4 Evaluation Design..... | 17 |
| 2.5 Sample Selection..... | 17 |
| 2.6 Data collection methods and instruments..... | 17 |
| 2.7 Methods of data analysis..... | 18 |
| 2.8 Limitations..... | 18 |
| 3. Findings and Conclusions..... | 20 |
| 3.1 Introduction..... | 20 |
| 3.2 Response to evaluator questions from the intervention models..... | 24 |
| 3.3 Response to ERG Questions by OECD DAC Criteria..... | 29 |
| 3.4 Relevance..... | 29 |
| 3.5 Effectiveness..... | 31 |
| 3.6 Efficiency..... | 32 |
| 3.7 Impact..... | 38 |
| 3.8 Sustainability..... | 40 |
| 4. Recommendations..... | 43 |
| Annex I: Terms of Reference..... | 45 |
| Annex II: Evaluation Solicitation..... | 53 |
| Annex III: List of participants in the evaluation..... | 57 |
| Annex IV: List of documents reviewed..... | 60 |
| Annex V: Primary data collection instrument utilisation..... | 61 |
| Annex VI: Case studies and Key Informant Interviews..... | 62 |

| | |
|--|-----|
| Annex VII: Getting to answers matrix..... | 78 |
| Annex VIII: Findings conclusions recommendations (FCR) matrix | 83 |
| Annex IX: Selection of Aimags and Soums Visited | 99 |
| Annex X: Evaluation Timetable | 100 |
| Annex XI: Gantt Chart | 101 |
| Annex XII: Intervention Logic Models | 102 |
| Annex XIII: UNEG Evaluation Standards for Evaluation Reports..... | 104 |
| Annex XIV: Self-Check for Content of the Evaluation Report..... | 110 |
| Annex XV: Relevance Effectiveness Efficiency Impact Sustainability | 111 |
| Annex XVI: Populations and Geography of Aimags and Soums and those visited | 113 |
| Annex XVII: Evaluation team work schedule October 1-25 | 121 |
| Annex XVIII: Consultant Ratings by ERG Evaluation Question | 125 |
| Annex XIX: Consultant Ratings by Evaluator Question | 128 |
| Annex XX: Synergies and Partnerships | 129 |
| Annex XXI: EMP-1 and -2 Key Performance Indicators (KPIs)..... | 141 |
| Annex XXII: Loan Agreement with Khan Bank | 142 |
| Annex XXIII: Profiles of Evaluation Team Members..... | 150 |
| Annex XXIV: Endnotes..... | 151 |

List of Tables

| | |
|--|----|
| Table 1: Evaluators' Summary Rating OECD DAC Criteria..... | 8 |
| Table 2: OVOPI Participating HHs under EMP-2 by Product and Aimag..... | 12 |
| Table 3: LCDI Participating HHs under EMP-2 by Product and Aimag | 12 |
| Table 4: Contrasts and Complementarities between ALP and EMP-2 | 12 |
| Table 5: ALP Enterprises Supported by Soum (groups) | 12 |
| Table 6: Range of Enterprises Supported by Soum - EMP-2 (members) | 12 |
| Table 7: EMP-2 and ALP Geographical Coverage..... | 12 |
| Table 8: Level of Effort by Evaluation Team Members | 13 |
| Table 9: Number of Evaluation Questions by Criteria and Level..... | 16 |
| Table 10: Criteria for Selection of Aimags and Soums to Visit..... | 17 |
| Table 11: Team Rating for Relevance by Project | 29 |
| Table 12: EMP-2 Risks and Assumptions and Actuality | 30 |
| Table 13: Team Rating for Effectiveness by Project | 31 |
| Table 14: Team Rating for Efficiency by Project..... | 33 |
| Table 15: EMP-2 Actual as a % of Budget by Year..... | 36 |
| Table 16: Team Rating for Impact by Project..... | 38 |
| Table 17: Enterprise and Average Age for EMP-2 | 39 |
| Table 18: EMP-2 Average Monthly Income of Beneficiaries ('000 MNT) | 39 |

| | |
|--|-----|
| Table 19: Enterprise and Average Income for EMP-2 ('000 MNT p.m.)..... | 39 |
| Table 20: Team Rating for Sustainability by Project..... | 40 |
| Table 21: EMP Key Performance Information..... | 141 |

List of Photographs

| | |
|---|-------------------------------------|
| Photo 1: Mr Valia and Mrs Budee, Bulgan Soum, Omnogovi Aimag..... | 1 |
| Photo 2: Quality of shoes pre- and post-technical training | 18 |
| Photo 3: OVOPI Sea Buckthorn in Uvs Aimag | Error! Bookmark not defined. |

List of Figures

| | |
|--|-----|
| Figure 1: Effects of EMP-2 and ALP on Livelihood Strategies | 8 |
| Figure 2: Herd Numbers and Losses 1945-2010..... | 11 |
| Figure 3: Percentage of Females by OVOPI and LCDI | 28 |
| Figure 4: EMP-2 Overheads as a % of Project Costs | 36 |
| Figure 5: EMP-2 M&E as a % of Project Costs..... | 37 |
| Figure 6: Changes in Shoe-making HH Enterprise Mix | 62 |
| Figure 7: Changes in Camel Milk HH Enterprise Mix | 66 |
| Figure 8: Changes in Vegetable HH Enterprise Mix..... | 67 |
| Figure 9: Changes in Sea Buckthorn HH Enterprise Mix | 68 |
| Figure 10: Changes in Bread Making HH Enterprise Mix | 69 |
| Figure 11: Changes in Herbal Tea in the HH Enterprise Mix..... | 70 |
| Figure 12: Changes in Vegetables in the HH Enterprise Mix | 71 |
| Figure 13: Changes in Dairy in the HH Enterprise Mix | 72 |
| Figure 14: Changes in Felt Shoemaking in the HH Enterprise Mix..... | 73 |
| Figure 15: ALP & EMP-2 synergies with other projects and development partners..... | 129 |

Acronyms

| | |
|-----------|---|
| AFO | Administrative and Finance Officer |
| ALP | Alternative Livelihoods Project |
| CCSIHSDPM | Comprehensive Community Services to Improve Human Security for the Disadvantaged Population in Mongolia |
| CNDS | Comprehensive National Development Strategy |
| CPD | County Programme Document |
| DAC | Development Assistance Committee |
| DEX | Direct execution |
| DRM | Disaster Risk Management |
| EMC | Enterprise Mongolia Center |
| EMP | Enterprise Mongolia Project |
| EMP-1 | Enterprise Mongolia Project Phase I |
| EMP-2 | Enterprise Mongolia Project Phase II |
| EoP | End-of-project |
| ERG | Evaluation Reference Group |
| GoM | Government of Mongolia |
| HD | Human Development |
| IC | International Consultant |
| KPI | Key Performance Indicator |
| LCDI | Local Cluster Development Initiative |
| LCE | Local coordinating entity |
| LGF | Loan Guarantee Fund |
| LoE | Level of Effort |
| M&E | Monitoring and Evaluation |
| MDG | Millennium Development Goal |
| MEO | Monitoring and Evaluation Officer |
| MFS | Microfinance Specialist |
| MIS | Management Information System |
| MNCCI | Mongolian National Chamber of Commerce and Industry |
| MNT | Mongolian Togrog |
| MoFALI | Ministry of Food, Agriculture and Light Industry |
| MONEF | Mongolian Employers' Federation |
| NEX | National execution |
| NGO | Non-Government Organization |
| NPC | National Project Coordinator |
| NPD | National Project Director |
| NPM | National Project Manager |
| OECD | Organisation for Economic Co-operation and Development |
| OVOP | One Village One Product |
| OVOPI | One-Village One-Product Initiative |
| PIU | Project Implementation Unit |
| PPP | Public Private Partnership |
| RHLDP | Rural Household Livelihoods Diversification ⁱ |
| ROCE | Return on Capital Employed |
| SLMP | Sustainable Land Management Project |
| SME | Small and Medium Enterprise |
| SMEA | Small and Medium Enterprise Agency |
| UNDAF | UN Development Assistance Framework |
| UNDAP | UN Development Assistance Plan |
| UNDP | United Nations Development Programme |
| UNEG | United Nations Evaluation Group |
| UNTFHS | UN Trust Fund For Human Security |

Glossary of Terms

| | |
|------------------------|--|
| Aimag | Province |
| Bagh | Village |
| Disadvantaged | A person or geographical area In unfavorable circumstances, especially with regard to financial or social opportunities |
| Dzud | Specific winter conditions that lead to much heavier losses, mainly in percentage of national herd |
| Effectiveness | The extent to which the development intervention’s objectives were achieved, or are expected to be achieved, taking into account their relative importance |
| Efficiency | A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted to results |
| Impact | Positive and negative, primary and secondary long-term effects produced by a development intervention, directly or indirectly, intended or unintended |
| Independent evaluation | An evaluation carried out by entities and persons free of the control of those responsible for the design and implementation of the development intervention |
| Indicator | Quantitative or qualitative factor or variable that provides a simple and reliable means to measure achievement, to reflect the changes connected to an intervention, or to help assess the performance of a development actor |
| Left censoring | Ignoring an outcome or an event of interest that has happened before the observation period starts |
| Livelihood assets | People’s strengths (assets or capital endowments) and how they endeavour to convert these into positive livelihood outcomes |
| Natural Capital | Natural resource stocks from which resource flows and services useful for livelihoods are derived |
| Relevance | The extent to which the objectives of a development intervention are consistent with beneficiaries’ requirements, country needs, global priorities and partners’ and donors’ policies |
| Social Capital | The social resources upon which people draw in pursuit of their livelihood objectives |
| Soum | District |
| Sustainability | The continuation of benefits from a development intervention after major development assistance has been completed. The probability of continued long-term benefits. The resilience to risk of the net benefit flows over time |
| Vulnerability | The inability to withstand the effects of a hostile environment |

Executive Summary

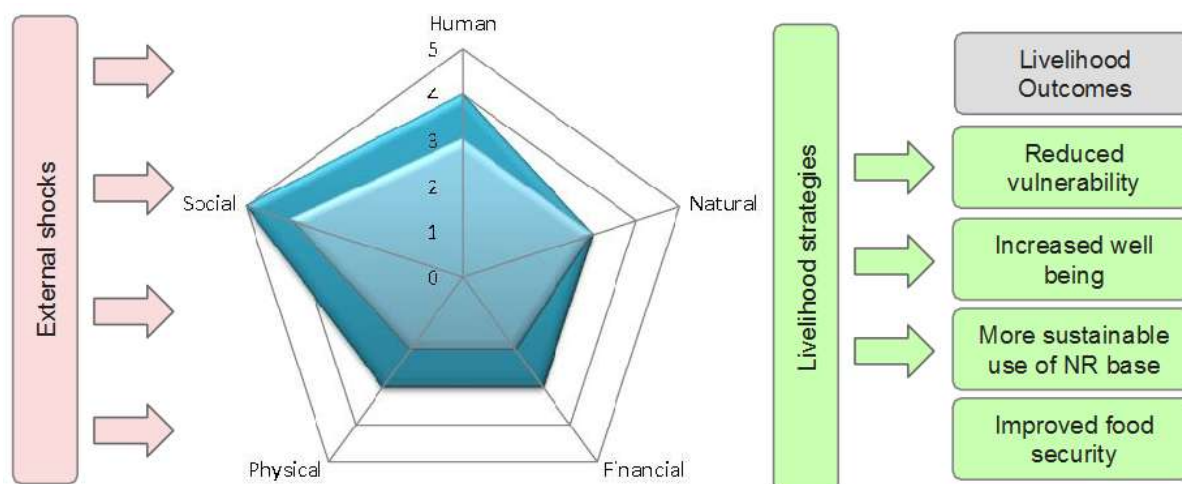
The objective of the evaluation was to assess two projects, the Alternative Livelihood Project (ALP) and the Enterprise Mongolia Project Phase II (EMP-2)ⁱⁱ. The Terms of Reference (ToR) directed the evaluation team to “*focus on future outcomes and strategic direction rather than what has already been done*” (Annex I). The team were directed to make evidence-based policy recommendations for a plan of action in order that future policy making and interventions are more responsive and effective to the needs of rural populations.

The evaluation has given some consideration to the other contemporary UNDP projects, the on-going Sustainable Land Management Project (SLMP) and the recently completed “Comprehensive Community Services to Improve Human Security for the Disadvantaged Population in Mongolia” (CCSIHSDPM). The evaluators have investigated the linkages between ALP and EMP and the UNDP Country Programme Document (CPD), the United Nations Development Assistance Framework (UNDAF), and the MDG based Government of Mongolia Comprehensive National Development Strategy (CNDS). The Evaluation Reference Group (ERG) posed twenty six questions for the evaluators to answer and the evaluators recreated the intervention logic models as per UN Evaluation Group (UNEG) Evaluation Standard 4.3 (Annex XIII) for the two projects which resulted in another fourteen questions being posed and answered (Annex XII).

The evaluation covered all of the Development Assistance Committee (DAC) Organization for Economic and Co-operation Development (OECD) guided evaluation areas, relevance, effectiveness, efficiency, impact, and sustainability, and also encompassed all project stages from design to implementation to results. The methodology employed has involved a careful selection of aimags and soums for the team field visits, based upon criteria outlined in Table 5 on page 17. The team utilised an array of qualitative and quantitative instruments. Where subjective assessments were required, the team made ratings individually, and then shared and discussed them to arrive at a final consensus rating (Annex XVIII and Annex XIX). Conceptually, the team employed the livelihood assets framework of human, natural, financial, physical and social capital in their assessment of the changes that have been brought about by both project initiatives.

The final intended results of the projects (Annex XII) were “*herders’ livelihood resilience to dzud improved*” (ALP) and “*capacity of government and disadvantaged groups enhanced to mitigate economic and social vulnerabilities*” (EMP). The ALP established people-level impact as its final result in contrast to the EMP which followed many UN project initiatives in establishing an intermediate-level result of capacity-building. Despite these variants, the projects were assessed generically in terms of design, process and results achieved in reducing vulnerability to external shocks, whether natural (as in the case of dzuds, see Figure 2) or those affecting any of the livelihood assets in the pentagon (see Figure 1).

Figure 1: Effects of EMP-2 and ALP on Livelihood Strategies



Both projects were rated by the team in respect to perceived performance in each of these categories. There were no negative findings (ratings of 1 or 2 in Table 1).

Table 1: Evaluators' Summary Rating OECD DAC Criteria

| Criterion | 1 | 2 | 3 | 4 | 5 |
|----------------|---|---|---|-----|---|
| Relevance | | | | A,E | |
| Effectiveness | | | | A,E | |
| Efficiency | | | E | A | |
| Impact | | | | A,E | |
| Sustainability | | | | E | A |

A=ALP; E=EMP

Relevance: Both projects were found to be relevant in their contribution to the results articulated in the Country Programme Document (CPD), UN Development Assistance Framework (UNDAF) and the MDG based Government of Mongolia Comprehensive National Development Strategy (CNDS). The project designs for ALP and EMP-2 strongly addressed not only the Government's, but also UN's priority policies, such as reduction of poverty by supporting the unemployed, poor and extremely poor, including nomadic herders and women.

Effectiveness: Both projects are working with vulnerable populations, although not always disadvantaged populations, in pursuit of enterprise development, across a broad range of enterprises. The team believe that the project initiatives have improved the livelihood assets of households across the spectrum of human, financial, physical and social assets.

Efficiency: Both projects were relatively efficient in their utilisation of funds. While EMP has a UB professional staff of three plus one support staff, ALP has three professionals and has no project vehicle of its own. Both projects have a field presence of local coordinators; with EMP having four LCs and ALP six. There were some concerns about the efficiency of the EMP and to some extent the ALP in their geographic spread, which in both cases is considered to be overly-ambitious.

Impact: There has undoubtedly been positive people-level impact resulting from the two project initiatives, as evidenced by the validated M&E results available from the project management information systems. People have become aware of other income-generating enterprise activities, and this is particularly true for herders in the ALP. EMP-2 tended to work with entrepreneurs on existing businesses, and then extending markets and improving the quality of products through specific vocational technical trainings. These have been highly effective as evidenced by 'before' and 'after' comparisons of product quality. One example in Photo 2 on page 18 illustrates this.

Sustainability: Both projects were explicitly focused on sustainability, but in practice some of the EMP OVOPI support initiatives observed have created a high level of dependency which is regrettable. The ALP was a response to the external shock of the Dzud, but also sought to improve herders' long-term resilience to Dzuds which are a recurrent event. Figure 2 indicates that there have been twelve such events from 1944 to 2010. As such it could also be characterized as a long-term development initiative. The ALP has piloted innovative approaches to diversifying livelihoods which have the promise of being sustained in the future. However, further support is required to build up herders' capacity to withstand this periodic threat to their livelihoods.

The conclusions and recommendations that follow are:

Strategic

- i. Both the EMP and ALP initiatives have provided valuable lessons for support to livelihoods diversity, and support should be continued in a more unified strategic plan under an umbrella rural households livelihoods diversification project.
- ii. The common thread running through both project initiatives is improving household resilience to external shocks by diversifying livelihoods and thereby reducing vulnerability. The key issue is rural-urban migration and the pull of the urban centres as 'livelihoods of last resort' for those who are affected by external shocks such as the periodic dzud events.
- iii. There is a dearth of active coordination between livelihood diversification support initiatives, (see Figure 15) and a need for greater coherence and synergy between existing UNDP programmes; among UN programmes; and between donors and implementing partners. This is not a new conclusion but already recognised by the UNDP management team as an issue that needs to be addressed.
- iv. Within UNDP, livelihood support initiatives need to be rationalised, and one proposal is that they be built around the existing Sustainable Land Management Project (SLMP) within an over-arching rural household livelihoods diversification programme (RHLDP). SLMP is working on all livelihood assets comprehensively in targeted geographical areas. All programmes should be linked together with shared personnel for logistical support and monitoring and evaluation to improve efficiency of operation and ensure coordination.
- v. Donor initiatives should not only seek to coordinate but be operationally harmonised so that they programme together. In the case of livelihood diversification projects within the UN family, there is need for a component which is close to what would form part of a UN Development Assistance Plan (UNDAP)ⁱⁱⁱ.

- vi. For the international community in general the GoM needs to play a more assertive role in managing donors and their implementing partners to work within a coordinated programme so that real synergies are achieved. The Office of the UN Resident Coordinator as the UN coordinating body in Mongolia should play a key role in supporting the GoM to fulfil this mission.
- vii. One Village One Product (OVOP) initiatives are evidently working well in providing support to enhancing social cohesion. They should be further encouraged as a means to contribute to enhancing levels of social capital within rural communities.

Project-specific

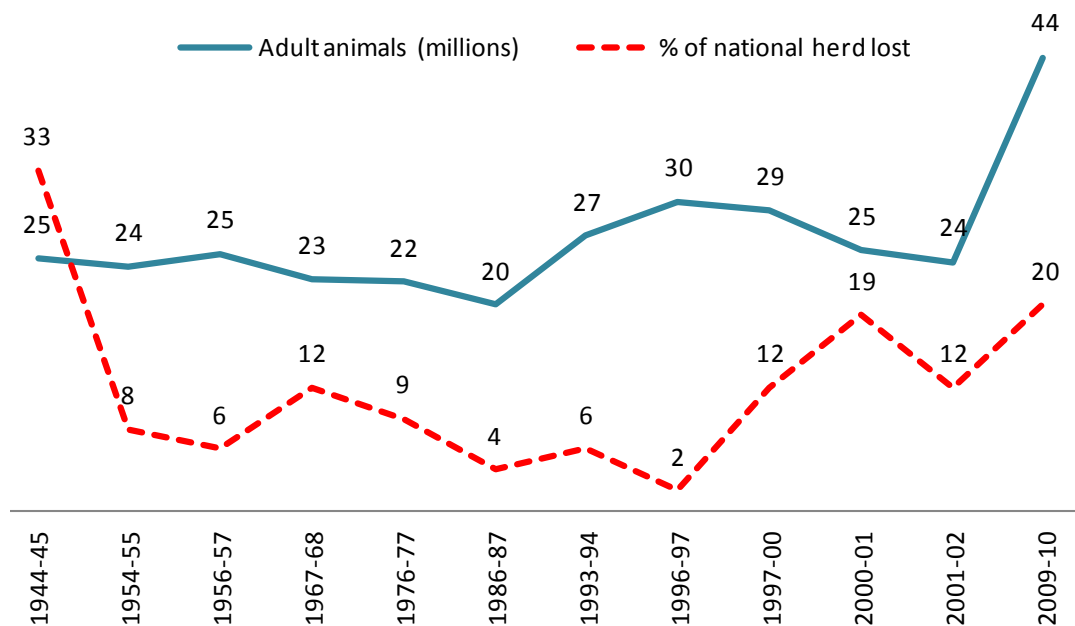
- i. Both EMP-2 and ALP are geographically over-extended, creating logistical challenges and diffusing effort. If either is to continue there should be a rationalising of selection of aimags allowing staff to focus and concentrate effort.
- ii. For both ALP and EMP types of project initiative there is need to work with the whole range of enterprises in the household economy and not to focus on one commodity within the household, since all are integrated (Annex VI).
- iii. For a future ALP type of project there should be elements within the project design that assist households to contribute to improvement of natural assets, such as herd composition, fodder production and pasture management, along with human, financial, physical and social assets.
- iv. Creating donor-dependence is an issue particularly with the EMP. There were signs of that among some of the OVOPI groups visited, with pleas for continued support *ad infinitum*. Enterprise support projects need to be very careful not to directly intervene in the business activities of participating entrepreneurs but instead to facilitate and support the provision of business development services from local service providers and to build the capacity of groups to become self-reliant so that they can move forward independently. A clear and disciplined exit strategy needs to be built into the project design and participants made aware that support is for a season only, and that they will be encouraged to '*graduate*' and become self-reliant as early as possible.
- v. The financial product developed in the loan guarantee fund to Khan Bank has been successful in promoting investment in livelihood improvement initiatives for those with sufficient collateral to obtain access. UNDP should promote leasing finance products, utilizing the equipment purchased as the sole collateral for the loan. These products are already offered by the banks but not necessarily preferred by the inherently conservative banking community. Leasing finance or perhaps a combination of loan guarantee and leasing would provide a way of reaching those who would not normally be considered by the financial institutions as being '*credit worthy*', and would fulfil the mandate of reaching and supporting the more vulnerable and disadvantaged in the community.
- vi. ALP is more than a disaster recovery initiative but involves fundamental changes for herders in transitioning from nomadic (or rotational) herders to a more diversified set of enterprises linking traditional enterprise practices with new enterprises centred on soum and aimag centres. The ALP experience should be leveraged into a development project that replicates efforts in the ALP soums to those covered by the SLMP and other future UNDP livelihood support initiatives.

1. Introduction

Reducing vulnerability and disparity is a key developmental challenge in Mongolia. This is particularly true in rural areas where there is limited diversification in the economy, income generating opportunities are few and far between and pastoral herding is the main source of income. Almost 70 percent of all herders are considered poor and except for few government officers in the soums most people lack job opportunities to provide for a stable income.

The effects of climate change are already starting to negatively impact on these communities and the situation is likely to worsen in the future. During the last Dzud in 2009-2010 20% of the national herd was lost and around one third of herders lost at least half their livestock which meant that they were deprived of their major source of income. There have been twelve dzuds since 1944 (Figure 2). In the past dzuds have resulted in some herders abandoning nomadic (or rotational) pastoralism completely and many have migrated to urban areas in search of alternative livelihood opportunities. The result is often that they exchange one problem for another joining the slum dwellers of Ulaanbaatar, thereby exacerbating both their own personal problems as well as adding to the growing problem of the 'Ger District' of UB^{iv} with limited access to electricity and no running water, sewage or central heating.

Figure 2: Herd Numbers and Losses 1945-2010



Source: Dzud 2010 ER Project Document Document UNDP 03 p11

Supporting rural livelihood and income diversification is one of the ways to reverse this situation by reducing livelihoods vulnerability and keeping people on the land. In an effort to help disadvantaged communities the UNDP has been implementing the Alternative Livelihood Project (ALP)^v which started in 2010 and will be finalized in 2013. The project is focused on downstream^{vi} interventions implemented directly

with selected local beneficiary business groups and local aimag and soum administrators.

In spite of rapid economic growth, large segments of Mongolia's population remain vulnerable with insecure livelihoods. In light of the increasing importance of small and medium enterprises (SMEs) ability to reduce poverty, particularly in rural and remote areas, the Government of Mongolia has been implementing the Enterprise Mongolia Project in partnership with UNDP in two phases (EMP-1, 2).

1.1 Objective and Scope

The overall objective of the evaluation was to assess the relevance and impact of two projects, the Alternative Livelihood Project (ALP) and the Enterprise Mongolia Project Phase II (EMP-2). The ALP started in May, 2010 and is due to be completed in 2013. The EMP-2 began in October, 2008 with completion of the second phase of the project running to 2013. Within the framework of this overall objective, the evaluation will cover all aspects of DAC OECD guided evaluation areas, namely: relevance, effectiveness, efficiency, policy-level impact, and sustainability.

Despite the evaluation timing being towards the end of both projects this was nevertheless considered to be a 'formative' evaluation. While identifying best practices from the two projects there was a focus on providing recommendations for future strategic direction of the overall effort to promote livelihoods and enhance access to alternative income generating opportunities for the Mongolian people. The evaluation covered all levels from design to process to results.

1.2 Level of Effort

The level of effort (LoE) involved in the evaluation was estimated to be 96 person-days. This comprised a total of 36 working days for the team leader (excluding four days of travel time to and from UB) , and an estimated level of effort of approximately 27 days for each of the two team members. While the team leader worked independently on the inception report with occasional dialogue and consultation with the team members (2 working days for inception report support from each of the team members) the 3-person team was engaged full-time in-country for 21 days. Towards the end of this phase the team was joined by a fourth team member Arvinbayar Baatar to provide supporting on SME policy and the GoM support issues investigated in the evaluation. The team leader drew upon the team members for contributions to the evaluation report in the third phase of the evaluation, utilising up to four working days of each team member's overall LoE. The breakdown of LoE according to team composition is presented in Table 1.

Table 3: Level of Effort by Evaluation Team Members

| Individual | Preparation | Travel | Team Planning | Ulaanbataar Field Days | Field Days | Data Analysis & Reporting | Finalizing the report | Total |
|----------------------|-------------|----------|---------------|------------------------|------------|---------------------------|-----------------------|-----------|
| Roy Thompson (TL) | 5 | 4 | 1 | 5 | 14 | 10 | 3 | 42 |
| Bumkhorol Tsendorj | 2 | | 1 | 5 | 14 | 4 | 1 | 27 |
| Solongo Alгаа | 2 | | 1 | 5 | 14 | 4 | 1 | 27 |
| Overall team* | 9 | 4 | 3 | 15 | 42 | 18 | 5 | 96 |

* Arvinbayar Baatar joined the team in the middle of the evaluation

1.3 Principle Survey Questions to be Answered

The evaluation terms of reference posed 26 questions to the evaluators, and these are detailed in Annex VII. Since there are two projects being evaluated this makes for 52 questions to be addressed. This excludes the fourteen questions posed by the evaluators themselves, which were based on the outcomes models developed according to the guidance provided by the OECD DAC (Annex XIII).

This compendium of ERG and evaluator questions makes for a total of 68 questions to be answered by the team, which is ambitious in relation to the time available to respond to each exhaustively. A more detailed account of the questions posed by the ERG is presented in section 2.2 on page 16.

1.4 Evaluator Questions from the Outcomes Models

The team developed its own questions from a construction of the intervention logic (outcomes model) for each project (see Annex XII). This procedure follows the evaluation guidelines detailed in Annex XIV.

ALP Questions

- a. Were herder groups and cooperatives established?
- b. Were herders trained in vocational and start-up skills?
- c. Were vegetables produced for home consumption?
- d. Were alternative livelihood options created?
- e. Were sources of livelihood expanded?
- f. Was additional income earned from alternative IGAs?
- g. Has the livelihood of participating herder families improved?

EMP Questions

- a. Is the capacity of SMEs and entrepreneurs in target regions being enhanced?
- b. Is there evidence of enhanced operational capacity of the EMCs?
- c. Are the EMCs supporting more beneficiaries than previously (without EMP support)?

- d. Is the enhanced capacity sustainable?
- e. Is the OVOPI component of the project being fully integrated with the National OVOP programme?
- f. Is the capacity of Government being enhanced?
- g. Is the capacity of disadvantaged groups being enhanced?

1.5 Ethical Considerations

The team adopted the following procedures to secure informed consent, confidentiality and privacy during and after discussion of sensitive issues with beneficiaries and other members of the public:

- ❖ Everyone participating in the evaluation did so willingly
- ❖ Each person was presented with the option of not participating without penalty
- ❖ Each individual was informed that they can withdraw from the interview at any time, even if they had previously given consent.

1.6 Structure of the Evaluation Report

The report contains a description of the evaluation methodology, including the involvement of stakeholders and the elements of the evaluation design. This is followed by a description of the sample selection and the data collection methods and instruments applied. The methods of data analysis are described together with the limitations that were imposed on the evaluation. Findings and conclusions are presented in Chapter three, responding to questions posed by both the ERG and the evaluators. The responses are grouped into clusters in relation to the OECD DAC criteria of relevance, effectiveness, efficiency, impact and sustainability. Chapter four presents recommendations that follow from the findings and conclusions.

2. Evaluation Methodology

2.1 Overview

The proposed methodology was both pragmatic and eclectic. Specific methodologies and information gathering instruments were dependent upon the questions set out in the terms of reference. Annex VII provides a “Getting to Answers” Matrix where for each question the sampling strategy, source of data, data gathering instrument and type of analysis was explored. This approach ensured that the needs of UNDP and of the key stakeholders were met, in that the team responded to all questions posed and sought to provide answers which were evidence-based.

The evaluation drew upon the entire range of information sources and information gathering techniques, including desk review of all documents and primary data gathering utilising a mix of quantitative and qualitative research methodologies including participatory tools. The extent of formal quantitative primary data gathering over a 21-day in-country level of effort was a central question. Critical trade-offs between data gathering techniques and time and resources available (principally time) suggested that a quantitative questionnaire with statistically randomised sampling strategy was inappropriate. The primary instruments utilised were key informant interviews (KIIs) and focus group discussions (FGDs). Project and GoM documents provided secondary data for analysis, and other background country information was utilised where appropriate to further the analysis.

Sample selection for field visits was purposive, principally based upon making efforts to find common locations to visit for the two projects as in the selection of Ovorkhangai aimag. A second criterion was relative ease of access given the time constraints imposed on field travel, but this did not prevent the team from selecting Uvs aimag which is a distant location (although easily accessible by air) or Omnogovi aimag which is distant, requiring two long days of overland travel to and from UB. A third criterion was one of providing a contrast between regions and this resulted in the selection of Selenge aimag which is more developed and industrialised.

Limitations of the evaluation included time available for field work in visiting four Aimags over a period of three weeks in addition to the interviews necessarily conducted in Ulaanbataar. There was debate over the scope of the field work during the inception report but the decision was made to proceed to visit four Aimags.

Quality control for all the deliverables was assured by the team continuously applying self-checks to ensure that evaluation standards were being adhered to. Additionally, each of three consultants independently took notes during interview and at that time or shortly after independently completed the checklist in Annex IV. Finally, the consultants reviewed the checklists and discussed their individual assessments, to arrive at a joint assessment by consensus. If there were differences remaining these were documented and all minority views documented in the report. Similarly, consultants prepared findings, conclusions and recommendations (FCRs) independently at first, and then these individual assessments were internally validated for consistency to arrive at a consensus set of FCRs. The evaluation report was continuously checked against the UNDP evaluation quality standards to ensure

that it not only complied with but exceeded the minimum acceptable quality standards (refer Annex XIV).

The evaluation team ensured that a representative cross section of individuals and organizations, including both participants and non-participants, were provided with the opportunity to contribute to the evaluation process and outcomes.

2.2 Conceptual Framework and Evaluation Approach

Responding to questions posed by the Evaluation Reference Group (ERG) (refer Annex I). There were 26 evaluation questions encompassing design, process and outcomes as well as the five OECD DAC criteria of relevance, efficiency, effectiveness, sustainability and impact (reference here to OECD DAC). The number of questions by combination of categories and project levels is shown in Table 4. For example, there were four questions that dealt with sustainability issues within project design. While the questions are balanced in terms of level they are heavily weighted towards sustainability and to a lesser extent efficiency.

Table 4: Number of Evaluation Questions by Criteria and Level

| Criteria | Design | Process | Outcome | All |
|----------------|--------|---------|---------|-----|
| Sustainability | 4 | 3 | 5 | 12 |
| Efficiency | 2 | 4 | | 6 |
| Relevance | 3 | 1 | | 4 |
| Effectiveness | | | 3 | 3 |
| Impact | | | 1 | 1 |
| All | 9 | 8 | 9 | 26 |

Source: Evaluation ToR

Each consultant independently evaluated and scored each project using a consultant rating response to evaluator questions (refer Annex XVIII). Following the individual and independent evaluation, the consultants reconvened to discuss their findings and most importantly, to arrive at a consensus rating. The consensus rating sheets are shown in Annex XVIII.

2.3 Stakeholders involvement

A wide range of stakeholders were consulted (Annex III). In total, 79 individuals or organizational entities were consulted such as SME Agency, Mongolian University of Sciences and Technology (MUST), UNDP office in Mongolia, Project implementation offices, SME Development Department of Ministry of Labour, aimag and soum governors' office, NGOs, small and medium enterprises and companies, Khan bank. Cooperatives and clusters in the local areas were involved in interviews and discussions.

2.4 Evaluation Design

Evaluation was designed within the wider objective of the SME development and livelihood support. Evaluation design included the following key elements:

- ❖ Relevance of the project objectives (EMP2 and ALP) and its' implementation
- ❖ Attainment of development results
- ❖ Sustainable capacity building of local institutions
- ❖ Substantive lessons learned and good practices
- ❖ Contribution to achieving the objectives of the Comprehensive National Development Strategy (CNDS)

2.5 Sample Selection

The team employed the following criteria for selection of aimags for their field visits:

Table 5: Criteria for Selection of Aimags and Souns to Visit

| Criterion | EMP/ALP | Result |
|--|---------|--|
| Where livestock and mining activity are operating in parallel | ALP | Omnogovi |
| Nomadic herds adding arable farming to their enterprise-mix | ALP | Omnogovi |
| Desire not to only select the most convenient locations for access | Both | Uvs and Omnogovi |
| Overlapping of two projects in one aimag allowing multiple visits | EMP | Ovorkhangai |
| EMC present in the Aimag | EMP | Ovorkhangai and Selenge Uvs LC travelled from Khovd |
| An Aimag close to final markets for produce | EMP | Selenge |
| Well developed infrastructure | EMP | Selenge |
| Poorly developed infrastructure | EMP | Uvs |
| Location far from the market | EMP | Uvs |

Source: Evaluation team construct

2.6 Data collection methods and instruments

Both quantitative and qualitative research methods were applied in this evaluation. Information was collected using a combination of the following methods:

- ❖ Documentation review and secondary data: Existing project and GoM documents and its' implementation reports, annual and mid-term progress reports of the projects, financial documents of the projects, other related reports and research studies were used (List of the reviewed documents were attached in Annex IV). Background country information was collected through the official statistics.

- ❖ Key informant interviews: An interview guide was employed in face-to-face interviews with key informants (Annex V). Key informant interviews were conducted with 46 individuals.
- ❖ In-depth interviews: An in-depth interview guide was used for the beneficiaries (Annex V). It was used with 33 beneficiaries.
- ❖ A proportional piling participatory instrument was in cooperation with household members to identify household income sources and assess the extent of diversification and the relative mix of incomes sources within the 'household economy'. Changes in income sources and enterprise mixes historically and future plans to change the enterprise mix were documented using this instrument (refer to Annex VI).
- ❖ Case studies: Case studies were compiled during the in-depth interview in order to better articulate lessons learned and illustrate good practices among entrepreneurs (refer to Annex VI).
- ❖ Observation: Team members observed enterprises and viewed equipment, products and awards presented in the business premises. In one instance the team was able to take "before" and "after" products referring to products that were produced before technical training was provided and in comparison those produced after training (see Photo 2 insert).

Photo 2: Quality of shoes pre- and post-technical training



2.7 Methods of data analysis

Data analysis took different forms depending upon the nature of the information being analysed. Case studies were written up and themes developed from these interviews and triangulated with information provided by key informants and from focus group discussions. The M&E and MIS information from the projects was analysed and presented to support the information collected during the field visits. Comparative analysis of information from the EMP and ALP projects provided insights into UNDP support to livelihoods generically.

2.8 Limitations

The limited time available for field work meant that the team had to make some difficult choices in selecting aimags and soums for field visits. For the team leader, translation through interpreters presented challenges, in that some of the points that would emerge in a natural conversation and many of the nuances concerning issues discussed with key informants and focus groups was lost in the process. To counter

this, the team leader requested detailed de-briefings from the team members so that he might seek to understand the complexities of each situation.

The evaluation scope of work included assessment of two projects and this sometimes meant that the team was stretched and pulled between two competing focuses of attention. Against this, evaluating two separate and discrete projects which both focused on alternative livelihoods provided the team with an opportunity to draw comparisons between the two, which enhanced the analysis.

The EMP-2 had an established MIS and M&E system with key performance indicators (KPIs). In contrast, the ALP was light on M&E with limited effort to capture baseline information at the start of the initiative and M&E activities assigned to the six local coordinators, but with no dedicated M&E system in place. This placed limitations on the extent of evaluative material for the team to work with, in the evaluation exercise.

The issue of '*left censoring*' presented a potential limitation to the analysis if individuals and groups have not survived and were therefore excluded at the time of the evaluation, thus biasing the sample of respondents. The team made some attempt to contact and interview those who had left the project for whatever reason. In practice, only 17 individuals left the EMP-2 project, representing 4% of households, and the major reason for departure was when individuals relocated, which made it difficult to follow-up with these former participants and interview them.

3. Findings and Conclusions

3.1 Introduction

The findings and conclusions are developed in response to the questions that were posed by the Evaluation Reference Group (ERG) and the evaluators themselves in their consideration of the logic models and expected results chains (Annex XIII - UNEG evaluation standard 4.1).

EMP-2 consists of two main components, the Local Cluster Development Initiative (LCDI) and the One Village One Product Initiative (OVOPI). The OVOPI component targets those small businesses which already have the potential to succeed and with support from the project can bring larger impacts to local economies. At the start of EMP-1 twelve products had been initially identified, but by EMP-2 this had narrowed to seven. provides the breakdown of participating households by branded product and by Aimag:

Table 6: OVOPI Participating HHs under EMP-2 by Product and Aimag

| OVOPI Branded Product | Bulgan | Dornogobi | Selenge | Uvs | Uvur-khangai | Zavkhan | All |
|-----------------------|----------|-----------|----------|-----------|--------------|-----------|------------|
| CB tourism | | 8 | | | | | 8 |
| Honey | | | 2 | | | | 2 |
| Millet | 6 | | | | | | 6 |
| Red-skin garlic | | | | | | 17 | 17 |
| Rock salt | | | | 10 | | | 10 |
| Sea buckthorn | | | | 75 | | | 75 |
| Yak hair product | | | | | 11 | | 11 |
| All | 6 | 8 | 2 | 85 | 11 | 17 | 129 |

Source: EMP-2 MIS

In contrast, the LCDI component aims to improve the livelihood of local small and micro producers and targets a wider range of micro producers by organizing producers' groups (business clusters). The concept of a 'cluster' is a project construction and equivalent to an informal grouping of individuals, rather than the more formal legal entities which are stipulated in the Law on Small and Medium Enterprises [11]

Table 7: LCDI Participating HHs under EMP-2 by Product and Aimag

| Enterprise(s) | Khentii | Khovd | Selenge | Uvur-khangai | All |
|-------------------------|-----------|-----------|-----------|--------------|------------|
| Art craft | 13 | | | | 13 |
| Boot-making | 9 | | | 1 | 10 |
| Carpentry | 4 | 6 | | | 10 |
| Carving & Leather craft | | | | 18 | 18 |
| Dairy | | | 20 | | 20 |
| Embroidery | | 30 | | | 30 |
| Felt craft | | 22 | 14 | | 36 |
| Felt craft & Tailoring | | | | 27 | 27 |
| Herb tea | | | 4 | | 4 |
| Hops bread | | | 11 | | 11 |
| Sewing & Felt craft | | 16 | | | 16 |
| Smoked fish | | | 9 | | 9 |
| Tailoring | 23 | | | | 23 |
| Vegetable | 48 | 13 | 11 | | 72 |
| All | 97 | 87 | 69 | 46 | 299 |

Source: EMP-2 MIS

A number of complementarities as well as contrasts between the ALP and EMP-2 are illustrated in . There was very little geographic overlap between the two projects, only Uvorkhangai aimag and then EMP-2 activities were focused in the aimag centre while ALP focused in Sant soum.

Table 8: Contrasts and Complementarities between ALP and EMP-2

| Item | Complementarities | Contrast |
|----------------------|--|--|
| Aimags and soums | Ovorkhangai (but different soums) | EMP-2 more dispersed |
| Target participants | Vulnerable or marginalized (ALP and LCDI possibly) | ALP = herders mostly EMP-2 OVOPI = better-off |
| Execution modality | Field-based downstream | DEX (ALP) and NEX (EMP) |
| Range of enterprises | Dairy, Felt, Baking, Sewing, Tourism | EMP = greater diversity of enterprises |

Source: Evaluation team construct

While ALP certainly targeted the vulnerable in general, and specifically those who had lost all or the majority of their animals in the last Dzud, they did not do so exclusively. Equally, while there is evidence that the LCDI component of EMP-2 has targeted vulnerable populations this is not always the case and the OVOPI component has generally targeted individuals and enterprises according to enterprise potential rather than vulnerability of individuals to economic shocks. Despite this, even those participants in OVOP initiatives have experienced difficulties with their enterprises in the past resulting in them seeking to diversify their enterprise-mix through participation in the EMP.

One of the EMP-2 objectives is to enhance the operational capabilities of the four EMCs to ensure sustainability of SME support after completion of the project. The four local business service providers (NGOs and a local university) identified as the Enterprise Mongolia Centres (EMCs) in four aimags (Selenge, Khentii, Khovd and

Uvurkhangai) during the EMP-1 have continued delivering the EMP's support to the beneficiaries in the target aimags and soums.

These are the projects being considered in this evaluation, but it is instructive to also take note of the recently completed UNDP project "Comprehensive Community Services to Improve Human Security for the Disadvantaged Population in Mongolia" (CCSIHSDPM) which was implemented by the Cabinet Secretariat of the Government of Mongolia. The project had five components which included an income generation component funded by UNDP and implemented by the Mongolian National Chamber of Commerce and Industry (MNCCI). This project was focused mainly on multi-ethnic populations including the Kazakh, who live in Bayan-Olgii and Khovd aimags, the Buriat, who live in Dornod and Khentii aimags, and the Tsaatan, who live in Khuvsgol aimag and Uvs.

Comparing and contrasting the two projects, the ALP is a disaster response initiative operated under a DEX modality, while the EMP-2 is the second phase of a longer-term development project executed by national implementing partners under the NEX modality. Both projects are working with vulnerable populations, although not always disadvantaged populations, in pursuit of enterprise development across a broad spectrum of enterprises as , and illustrate.

Table 9: ALP Enterprises Supported by Soum (groups)

| Enterprise(s) | Soums | | | | | All |
|-------------------|-----------|----------|----------|------------|-------------|-----------|
| | Bayangovi | Bulgan* | Sant* | Shinejinst | Tsogt Ovoo* | |
| Veg. | 2 | 5 | 1 | 2 | 1 | 11 |
| Veg. & Felt | | | 2 | | 1 | 3 |
| Veg. & Fodder | | | | 1 | 1 | 2 |
| Veg. & Camel Milk | | 1 | | | | 1 |
| Camel Milk | | 2 | | | 1 | 3 |
| Veg. & Bakery | | | | | 1 | 1 |
| Veg. & Tourism | | 1 | | | | 1 |
| Felt | 1 | | 1 | 1 | | 3 |
| Fodder | 1 | | | | | 1 |
| Sewing | | | 1 | | | 1 |
| Risk Management | | | 1 | | | 1 |
| Not Stated | | | 1 | | | 1 |
| All | 4 | 9 | 7 | 4 | 5 | 29 |

Source: ALP project database

* visited during the course of the evaluation

The direct execution modality (DEX) approved for ALP meant that a Project Implementation Unit (PIU) was established within UNDP to work directly with the aimag and soum governments in its activities with beneficiaries of the project. While the 2009-10 *Dzud* was one of the worst in terms of percentage of animal losses it was not the worst on record as Figure 2 illustrates. The *Dzud* of 1944-45 wiped out 33% of animals in the country compared to 20% in 2009-10 and 19% in 2000-01. Given the periodicity of *Dzuds* and irrespective of the predictions of increasing extremes in weather patterns resulting from Global Warming, one thing which is certain is that there will be more *Dzuds* and in all likelihood, based upon past

weather patterns over the last 60-70 years, at least one if not two *Dzuds* in the next ten years.

Table 10: Range of Enterprises Supported by Soum - EMP-2 (members)

| Component | Enterprise(s) | Altanbulag | Arvaikheer | Jargalant | Kherlen | Sainshand | Selenge | Shaamar | Sukhbaatar | Ulaangom | Uliastai | All |
|-----------------|-------------------------|-------------------------|------------|-----------|-----------|-----------|----------|-----------|------------|-----------|-----------|------------|
| LCDI | Art craft | | | | 13 | | | | | | | 13 |
| | Boot-making | | 1 | | 9 | | | | | | | 10 |
| | Carpentry | | | 6 | 4 | | | | | | | 10 |
| | Carving & Leather craft | | 18 | | | | | | | | | 18 |
| | Dairy | 20 | | | | | | | | | | 20 |
| | Embroidery | | | 30 | | | | | | | | 30 |
| | Felt craft | | | 22 | | | | | 14 | | | 36 |
| | Felt craft & Tailoring | | 27 | | | | | | | | | 27 |
| | Herb tea | | | | | | | | 4 | | | 4 |
| | Hops bread | | | | | | | | 11 | | | 11 |
| | Sewing & Felt craft | | | 16 | | | | | | | | 16 |
| | Smoked fish | | | | | | | | 9 | | | 9 |
| | Tailoring | | | | 23 | | | | | | | 23 |
| | Vegetable | | | 13 | 48 | | | 11 | | | | 72 |
| | OVOPI | Community-based tourism | | | | | 8 | | | | | |
| Honey | | | | | | | | 2 | | | | 2 |
| Millet | | | | | | | 6 | | | | | 6 |
| Red-skin garlic | | | | | | | | | | | 17 | 17 |
| Rock salt | | | | | | | | | | 10 | | 10 |
| Sea buckthorn | | | | | | | | | | 75 | | 75 |
| | Yak hair product | | 11 | | | | | | | | | 11 |
| | All | 20 | 57 | 87 | 97 | 8 | 6 | 13 | 38 | 85 | 17 | 428 |

Source: EMP-2 MIS

Table 10 provides the complete range of enterprises and enterprise combinations supported by EMP-2 across the ten soums targeted and the table provides a visual indication of the spread of the project in terms of range of enterprises covered as well as geographic coverage. Table 2 compares the geographic coverage of EMP-2 with ALP and demonstrates that there is very little overlap. The only aimag common to both initiatives is Ovorkhangai and then the projects are working in different soums.

Table 11: EMP-2 and ALP Geographical Coverage

| Aimag | Soum | EMP-2 | ALP |
|--------------|------------|-------|-----|
| Bulgan | Selenge | ✓ | |
| Dornogovi | Sainshand | ✓ | |
| Khentii | Kherlen | ✓ | |
| Khovd | Jargalant | ✓ | |
| Selenge | Altanbulag | ✓ | |
| | Shaamar | ✓ | |
| | Sukhbaatar | ✓ | |
| Uvs | Ulaangom | ✓ | |
| Zavkhan | Uliastai | ✓ | |
| Ovorkhangai | Arvaikheer | ✓ | |
| | Sant | | ✓ |
| Omnogovi | Bulgan | | ✓ |
| | Tsogt Ovoo | | ✓ |
| Govi Altai | Togrog | | ✓ |
| Bayankhongor | Bayangovi | | ✓ |
| | Shinejinst | | ✓ |

Source: EMP-2 and ALP project information

3.2 Response to evaluator questions from the intervention models

ALP Questions

a. Were herder groups and cooperatives established?

The project design was such that it built the foundation of its interventions on group formation, whether informal, partnership, cooperative or 'NGO'. One obvious question that emerged from this was "*were the groups formed because this made sense to the beneficiaries or simply because group formation was a conditionality for receiving project assistance?*" Project participants interviewed clearly expressed their views concerning the benefits of group formation which included:

- ❖ By pooling their labour and then dividing responsibilities among themselves between the various activities they were able to manage a number of enterprises concurrently, something that they would have been difficult if not impossible operating alone. One illustration was division among herder groups into those who took care of the collective group of members' animals, leaving others to focus on other business activities such as growing vegetables.
- ❖ Their realisation that group formation is important to allow for sharing of their labour to deal with labour intensive activities like hay making, preparation of wool and cashmere during the spring time and winter preparation such as construction and maintenance of winter shelters for animals.

In some groups participants contribute a certain percentage of their income from sales of produce, and this represents an informal 'savings club' although the groups have not developed this system to a more formal stage akin to a savings and credit cooperative organization as found elsewhere. The groups were not incorporated to the extent that any became an entity that would borrow as one. Typically one member of the group, who was in a position to borrow from the bank, would take a loan to purchase equipment or build a storeroom and then the other members of the group would use this facility through an informal agreement between group members. There was some mention of the disabling environment for formation of anything more than an informal group, in terms of taxation and possibly '*rent seeking*'^{vii} by government officials.

b. Were herders trained in vocational and start-up skills?

Trainings have been conducted by the ALP in both business and vocational skills. Vocational training has included vegetable growing, felt making, processing and selling camel milk products. Participants were satisfied with the quality of training provided and were able to demonstrate impact anecdotally. People have noticeably changed their perception after going through the experience of the recent dzud, and being provided with the opportunity to diversify into other enterprises. One example of this is Khandmaa, herder woman from Tsogt-Ovoo soum, Omnogovi aimag (see Annex VI on page 62).

c. Were vegetables produced for home consumption?

Dzud affected herders diversified their activities, into enterprises such as vegetable growing, sewing, hay and fodder planting, felt making, dairy processing and dairy

product marketing. The majority are involved in vegetable growing (), which is good for enhancing food security through production for household consumption with any surplus for marketing and income generation.

d. Were alternative livelihood options created?

Project activities changed peoples' perceptions as Khandmaa, herder woman from Tsogt-Ovoo soum, Omnogovi aimag demonstrated. Khandmaa moved near Tsogt-Tsetsii soum during the summer time and she sold dairy products and owned 2.5 mln togrogs with 1.5 months. Lutjav's wife from Sant soum, Ovorkhangai aimag explained that she was now able to sell dairy products and earn some money from the enterprise.

e. Were sources of livelihood expanded?

Herders who grow vegetables occasionally earn income from the enterprise, although most have not reached this stage and vegetable have augmented their home consumption. Herders had started to grow fodder, but there were no examples of anyone selling this product, and herders use hay and fodder for their own use. Herders who lost their animals and moved to soum centre, earn income from different activities, such as sewing. In some cases herders such as Chantsaldulam (a FHH) had abandoned the rural life and moved to the soum centre and changed from herding to sewing to support her children, but this was substitution and not expansion. As most of the case studies in Annex VI on page 62 demonstrate, households in both ALP and EMP were previously engaged in the enterprises supported by the projects, such as Mr and Mrs Batchuluum, and support from the project (including in this case the provision of a greenhouse for the group) improved the enterprise.

f. Was additional income earned from alternative IGAs?

This question cannot be readily answered with the data at hand. For ALP there is only anecdotal information regarding changes in income status as a result of enterprise support, and perhaps when the end-of-project beneficiary survey is completed there may be sufficiently robust data to make a proper assessment of the before- and after-project status.

g. Has the livelihood of participating herder families improved?

In the view of the evaluation team the ALP not only worked to improve the livelihood of project participants but also to change the mindset of herders, and open up the possibility of complimentary income earning opportunities for them. Herders are now coming to the realisation that there are many other enterprise activities they could be engaged in, and concurrently with their main herding enterprise.

EMP Questions

1. Is the capacity of SMEs and entrepreneurs in target regions being enhanced?

The capacity of entrepreneurs in target regions has been enhanced. Examples from Ovorkhangai and Uvs aimags show that they have increased their range and type of products, and broadened their sales channel.

2. Is there evidence of enhanced operational capacity of EMCs? Are the EMCs supporting more beneficiaries than previously (without EMC support)? Is the enhanced capacity sustainable?

This is difficult to answer conclusively. The result of the discussion with local coordinators shows that they worked effectively on training, advice, information and marketing issues with beneficiaries. If the local coordinator could be responsible for one aimag only then this would be greatly preferred. No EMCs have provided their services in return for payment. Local coordinators of the EMCs actively connect beneficiaries with trade fair participation and this activity has played an important role in improving the quality of products and broadening sales market. Since this activity was fully financed by the project it is difficult to say that this activity will continue on sustainable manner. Local coordinators from three aimags, Uvs and Khovd aimag and Selenge, are representatives of the Mongolian Employers' Federation (MONEF) and the local university, and it is possible that they could continue their project activities using the existing NGO and local university position, even with a service fee, thereby becoming self-sustaining. No provision for this arrangement has been made in the project.

3. Is the OVOPI component of the project being fully integrated with National OVOP programme?

The project's OVOPI component does support the National OVOP programme in that it operates under the same ethos with group formation focusing on one product. One notable examples of this is the Sea buckthorn OVOPI in Uvs aimag. The focus on one product is being expanded to other soums in the aimag by providing 12 trees to each household within the aimag. GoM is implementing the Seabuckthorn national programme since 2010.

The project has had a close working relationship with the Regional Development Committee (RDC) which was in charge of National OVOP programme implementation. The EMP-2 has conducted a number of activities to promote the OVOP programme that was focused on the programme. There activities include:

- a. National conference on OVOP programme implementation in collaboration with the RDC in UB, in November, 2011
- b. Participation in OVOP study-tour in Oita, Japan in March, 2011 (NPD and Head of RDC)
- c. Participation in 7th International OVOP seminar in Hanoi, Vietnam in December, 2010 (NDP)
- d. National Sea Buckthorn Forum in UB, in December 2012
- e. Support in improving packaging and labeling of OVOPI selected products; yak hair products, sea buckthorn, millet, red-skin garlic, rock salt and bee honey
- f. Support in participation in domestic and international trade fairs
- g. Launch of the Loan Guarantee Fund (LGF) to improve access to microfinance

- h. Series of articles to promote OVOPI selected products on National Daily newspapers

Photo 3: OVOPI Sea Buckthorn in Uvs Aimag



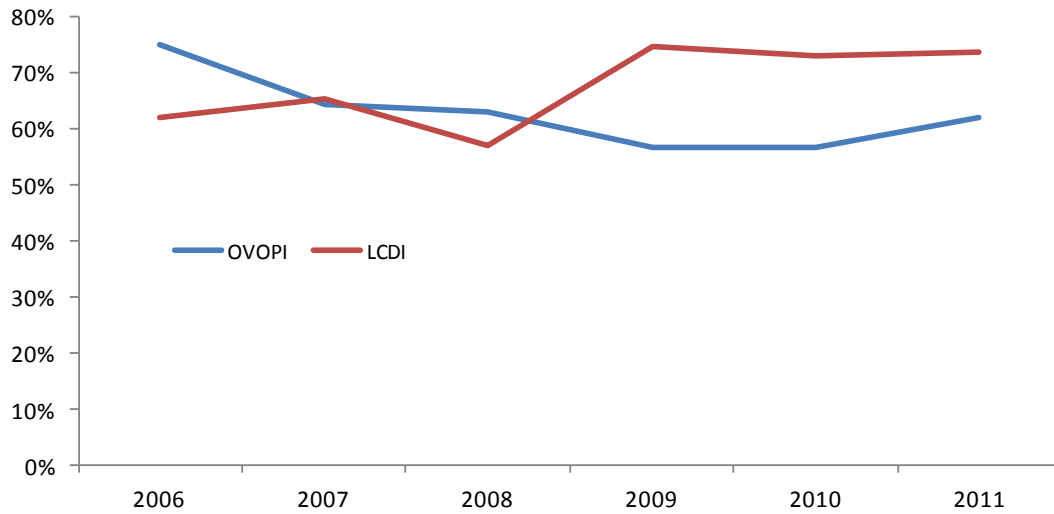
OVOPI and LCDI need funds to function, and that funding may be difficult to secure in the longer term by donors. The government may be ready to allocate budget to these initiatives, but is likely to ask for more control in return, which may raise the suspicion of the initiatives. Then it may lead to mistrust, misunderstanding and weak cooperation of stakeholders, especially within cluster members. Leadership of local government in building ownership is still insignificant. Many public servants have a bureaucratic mindset and take a confrontational approach to private sector and cluster initiatives.

4. Is the capacity of disadvantaged groups being enhanced?

The Project's training activities have enhanced the capacity of disadvantaged groups. Examples are Uvurkhangai aimag's '*Ongi Uran Goyol*' group and Selenge aimag's Bread making cluster. The support to these groups has broadened their range of products. Ongi Uran Goyol produces felt products and they have started to produce sleeping bags using yak wool fillings. Female participation in both OVOPI and LCDI components has been high with between two-thirds and three-quarters of participants being females (

Figure 3). Information on the extent of participation of female-headed households (FHHs) in the project is not available from the MIS. In discussions with key informants the issue was not seen to be the overriding one. The principal issue was whether people were disadvantaged in their income earning opportunities, irrespective of gender.

Figure 3: Percentage of Females by OVOPI and LCDI



Source: EMP-2 MIS

5. Is the capacity of Government being enhanced? Is there any project activity to strengthen government capacity?

With support of the project the following human capacity building activities were organized: study tour to Vietnam on OVOPI and SME, participation in an international workshop, training seminars and trade fairs in China for approximately 30 members including board members, beneficiaries and local coordinators. At the local level there were organized trainings, including work place training, regional workshops and trade fairs and experience sharing visits. According to some key informants, there remains a need to strengthen local government officials' capacity to support enterprise development, suggesting the need for focused training for government officials in entrepreneurship and the provision of enterprise support.

3.3 Response to ERG Questions by OECD DAC Criteria




While all twenty six questions have been answered in Annex VIII, here in the main report the team has consolidated responses to the questions under the OECD DAC five criteria of relevance, effectiveness, efficiency, impact and sustainability.²

3.4 Relevance

Definition: the extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor. In evaluating the relevance of a programme or a project, it is useful to consider the following questions:

- ❖ To what extent are the objectives of the programme still valid?
- ❖ Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives?
- ❖ Are the activities and outputs of the programme consistent with the intended impacts and effects?

Table 12: Team Rating for Relevance by Project

| Project | 1  | 2 | 3  | 4 | 5  |
|---------|--|---|--|---|--|
| EMP-2 | | | | ✓ | |
| ALP | | | | ✓ | |

How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD?

The project designs for UNDP ALP and EMP-2 strongly addressed not only the Government's, but also UN's priority policies, such as reduction of poverty by supporting the unemployed, poor and extremely poor, including nomadic herders and women. The ALP is particularly focused on poor herders, who lost their animals during the Dzud and including poor women and female-headed households (FHHs). To support them the projects' activities have focused on provision of professional and vocational training. These trainings have enhanced vulnerable people's capacity and diversified their households' source of income.

To what extent were the projects' components the best options to respond to development challenges stated in the PRODOCs?

The components of both projects responded well to development challenges faced by beneficiaries, despite the limitations of the resources available to each. The trainings provided by both projects did improve the human capacity of the beneficiaries' in improving both their technical and business skills. Herders understood that they are now able to do some other activities except herding.

² Refer to Annex VIII on page 83 for the detailed response to each question

Which where the main factors that contributed to the realization or non-realization of the projects' outcomes, and to what extent where they anticipated in the risks and assumptions?

Risks and assumptions are detailed in the EMP-2 project document are detailed in Table 13. One of the most pertinent relates to staff turnover and understaffing being a potential threat to efficient project management and performance (SN 9).

Table 13: EMP-2 Risks and Assumptions and Actuality

| SN | Risk or Assumption | Actuality |
|----|--|---|
| 1 | Unfavourable external economic conditions: national economic instability, high interest rates, exchange rate fluctuation, inflation | Inflation is running at around 15% currently and this favours borrowing at interest rates of around 22% |
| 2 | Decreased capacities and commitment of national implementation in the overall coordination for project implementation | Capacities and commitment of national implementation has remained constant |
| 3 | Changes in the GOM's policy and support for SME and micro enterprise development | GoM has continued to provide support to SME development |
| 4 | Instability of the project management structures due to the restructuring of the ministries (merger or separation of the Ministries) | There has been a series of restructuring of Ministries affecting stability of the SMEA/D |
| 5 | Key project stakeholders respond negatively & lower support | This has not occurred |
| 6 | Decreased support & declined confidence of financial sector partners (financial institutions) | Financial institutions have performed well and continued to support |
| 7 | Project financial insufficiency for the work to be undertaken (potential project expansion/extension, overspending) | Project geographical scope is over ambitious resulting in diffusion of effort |
| 8 | Weakened SME performance and slow expansion of dynamic clusters | Clusters have not expanded but SME performance has not weakened |
| 9 | Inefficient project management and performance (unsound operational performance, staff turnover, understaffing) | There has been considerable staff turnover in the life of the EMP (both phases 1 and 2) |

Source: EMP-2 Project Document

Whether and to what extent are the activities of the project contributing to helping achieve the project objectives?

The intervention logic of both projects is modelled in Annex XII The final objective of the ALP is *"Herders' livelihood resilience to dzud improved"* and the activities that contribute to achieving this are the formation of herder groups, herders trained in vocational and start-up skills, with creation of alternative livelihood options for dzud affected herders. All of these activities have been implemented and diversification of livelihoods (and not alternative options which was a misnomer) has been achieved.




The final objective of the EMP was contribution to enhancing the capacity of GoM and disadvantaged groups in order to *"mitigate economic and social vulnerabilities"*. EMP has enhanced the capacity of selected SMEs and micro and small entrepreneurs, and has promoted the one village one product concept (OVOP) in Mongolia through its efforts with the OVOP component of the project.

3.5 Effectiveness

Definition: a measure of the extent to which an aid activity attains its objectives. In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions:

- ❖ To what extent were the objectives achieved / are likely to be achieved?
- ❖ What were the major factors influencing the achievement or non-achievement of the objectives?

Table 14: Team Rating for Effectiveness by Project

| Project | 1  | 2 | 3  | 4 | 5  |
|---------|---|---|---|---|---|
| EMP-2 | | | | ✓ | |
| ALP | | | | ✓ | |

Were the planned geographic area and target group successfully reached?

ALP covered six soums from four aimags. When mapped against those soums which were heavily affected in the last Dzud, the six soums were ranked as follows:

- ❖ Sant soum from Ovokhangai aimag was ranked first in terms of severity,
- ❖ Togrog soum from Govi-Altai aimag was ranked at 5,
- ❖ Tsogt-Ovoo and Bulgan soums from Omnogovi aimag were ranked at 8
- ❖ Bayangobi, Shinejinst soums from Bayankhongor aimag were ranked at 11

EMP-2's projects are located in four aimags. The retail sector and registered business entities are the biggest in all selected aimags such as Selenge (828), Khovd (690), Zavkhan (521), Dornogobi (446), Bulgan (405), Khentii (331), Uvs (311) and Ovorkhangai (211).

Both projects are working with vulnerable populations, although not always disadvantaged populations^{viii} in pursuit of enterprise development across a broad spectrum of enterprises. Since poor herders usually depend on the more wealthy ones, the groups were organized in a mixed way, with wealthier herders together with the poorer ones within each group. SME groups chose members with previous experience in small business.

To what extent were the project's outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached?

The EMP-2 and ALP initiatives have been operating in relative isolation from each other, although recently there have been some cooperative initiatives, such as sharing vehicles and equipment. In practice, they share a great deal in common in their desire to improve the capacity of rural households to "*mitigate economic and social vulnerabilities*". The results achieved have been elaborated in section 3.2 on page 24. The EMP-2 and ALP organized some activities jointly, such as joint trainings and meetings for beneficiaries, local coordinators and NPMs, experience and knowledge sharing, sharing travel costs to field trip of both projects and joint ger display in Hustai Nuruu, sharing information and publications, joint participation to

international and national trade fair, improved contact between two projects's local coordinators /visit EMC coordinator to Sant soum

To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC?

The project documents articulated outputs and outcomes as set out in the intervention models developed and presented in Annex XII. The final people-level result to be achieved under the ALP was "*herders' livelihood resilience to dzud improved*". To some extent this was achieved through the assistance to herders to move from their dependence upon livestock under rotational (not nomadic) pastoralism to diversify their household enterprise-mix to include vegetable production during the summer months. While at face-value this would seem to be a '*stretch*' for pastoralists with no tradition of arable farming, in practice herders typically send their children to schools in the soum centres; their wives are spending time there and summer pastures are close to the soums in the rotational grazing systems now in operation.

The initiatives are encouraging herder families to work together in informal groups and support each other in managing the increased range of economic activities. Moving to a closer interaction with the soum centre and working collectively is helping herders to adapt to changing external conditions while remaining on the land. As such these and other programmes play a crucial role in providing incentives for people to remain within the rural areas thereby preventing further undesirable wholesale migration to the large urban centres.

3.6 Efficiency

Definition: efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.




Both projects were relatively efficient in terms of their utilisation of funds in relation to apportionment by overhead and direct beneficiary categories. For example, EMP-2 expended 35% of its overall budget in overhead costs (Figure 4). The actual percentage might be considered to be relatively high but this is a reflection of the size of the projects and their minimum operational staffing requirement^{ix}. While EMP has a UB professional staff of three plus one support staff, ALP has three and has no project vehicle of its own. Both projects have a field presence of local coordinators; with EMP have four LCs and ALP six. The staffing could therefore be characterized as 'lean' and in no way excessive in relation to the management and implementation demands of each.

These types of calculations do however suggest the need for more thinking about rationalisation of projects utilising a core management group rather than fragmentation of projects, thereby increasing the management burden and overhead costs. One alternative to a project would be direct cash transfers to participants and for the 428 household participants or some 1,700 individuals this would mean \$150

per person per year. The team does not consider that direct cash transfer would have benefited participants more than the project initiatives. The calculations suggest that the projects were relatively efficient in terms of the level of investment in relation to the number of beneficiaries.

There are some concerns about the efficiency of the Enterprise Mongolia project and to some extent the Alternative Livelihoods project in their geographic spread. EMP works in eight aimags and ten soums and 93% of its participants are located in five of these aimags, with 7% of participants in Zavkhan, Dornogobi, and Bulgan aimags. A resource envelope of around \$2 million over a three year period with a one-third overhead expenditure, and an outreach of ten (of 329 soums in total) results in there being around \$45K per year of investment per soum. In the case of EMP-2 and ALP their combined outreach is sixteen soums effectively over the period 2010-13. Resources were spread thinly across a wide area and in some cases with very limited numbers of participants in distant and relatively inaccessible locations.

Table 15: Team Rating for Efficiency by Project

| Project | 1  | 2 | 3  | 4 | 5  |
|---------|---|---|---|---|---|
| EMP-2 | | | ✓ | | |
| ALP | | | | ✓ | |

To what extent and in what ways has ownership or the lack of it, impacted the efficiency of the project?

The EMP-2 has Mongolian Government ownership. First of the Project Board, which comprises of many representatives from government, non government and donor organizations³, makes all project related decision and policies like project’s annual workplan, financing issues and etc. The National and Alternative Project Directors of the EMP-2 are appointed by the respective Minister’s order. The project manager and AFO appointed by GoM and UNDP, while the project’s other staff, like Monitoring Evaluation Officer and support staff and driver are selected and appointed by the GoM. UNDP finances project activities according to annual plan in advance and NPD is responsible for delivering and financing the project activities, but UNDP is responsible overall supervision of project implementation including consistency of project activities with project objectives.

Local government administration was responsible for selecting the EMCs by announcing publicly about the position. Financing of the project activities at the local level goes according to the work plan.

³ Project Board chaired by Vice Minister, Ministry of Labour, members-Deputy RR, UNDP; Counsellor (Deputy Chief of Mission), Embassy of Japan; CEO, MONEF; Deputy Director of Light Industry Policy Regulation Department, Ministry of Industry & Agriculture, Head of SME & National Industrialization promotion Division, MNCCI

What type of (administrative, financial and managerial) obstacles did the projects face and to what extent has this affected efficiency?

In the case of EMP2 project management has changed four times over a 3-4 years which is a high level of turnover. Although this has had some effect on the project implementation, it does not have a significant effect at project implementation level as the project has been directly targeting the beneficiaries at the soum level.

If the project extended its scope through activities such as loan, loan guarantee, leasing, it would have had made a significant contribution to the economy. There should have been many aspects to be included such as training marketing and management etc. EMP-1 project was elaborated with a limited scope from the outset. EMP-2 is the next phase of this previous project. Although the project scope needs to be extended, it has limitations due to financing and targets only a relatively small number of beneficiaries. If it was possible to influence the project via policy, the situation would have been different.

Project ownership has been shifted to the Ministry of Labour. Now, the project scope needs to be harmonized with the Government Action plan and functions of Ministry of Labour. It should focus on SMEs in general, not only a few producers. In terms of financing, there is in kind contribution from the Government such as providing Project Implementing Unit office space (which was amounting 17.4 million MNT during last 51 months), Meeting venues, Time and salary of NPD, Alternate NPD and respective government and other organizations' staff for the Project Board.

To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project?

The GoM has been implementing the EMP-2 in partnership with UNDP while UNDP has been implementing the ALP in partnership with local government. Both projects improved the household livelihood and income of many beneficiaries. Both projects involved many stakeholders such as NGOs, individuals and business entities and contributed to the building capacity of above mentioned stakeholders significantly. The project activities were implemented based on beneficiaries' needs, which is the most important result.

On the other hand local (aimag and soum) governments have provided considerable support to both EMP and ALP activities. In Sant soum, for example, the local government provided direct support to clusters through provision of buildings and heating. In the ALP project the local government provided support to establishment of the two hectare irrigated plot for vegetable production, and established clear rules and regulations for water use in the summer period to avoid conflict between water use for cattle and for irrigating crops. Local government has supported the sales of produce through subsidies to project participants at the trade fairs. Further detail regarding the extent of government support to the projects is provided in Annex VI on page 74 and Annex XX on page 129.

How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes?

There are a number of similar projects conducting overlapping activities under the name of poverty reduction, local development and its promotion and support. Figure

15 on page 129 depicts these relationships pictorially. While there is certainly a working relationship between the GoM and the implementing agencies there are weaker relationships among the majority of the implementing agencies and somewhat surprisingly between projects and their implementers within the UNDP. This may be the result of projects being developed to satisfy specific needs such as the ALP and its disaster recovery impetus, which perhaps meant that there was a perception that there was insufficient overlap in mandate to warrant any more than what has been characterised as a 'coffee relationship' or information exchange, meaning a sharing of information rather than active joint planning and coordination of activities^x.

To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs?

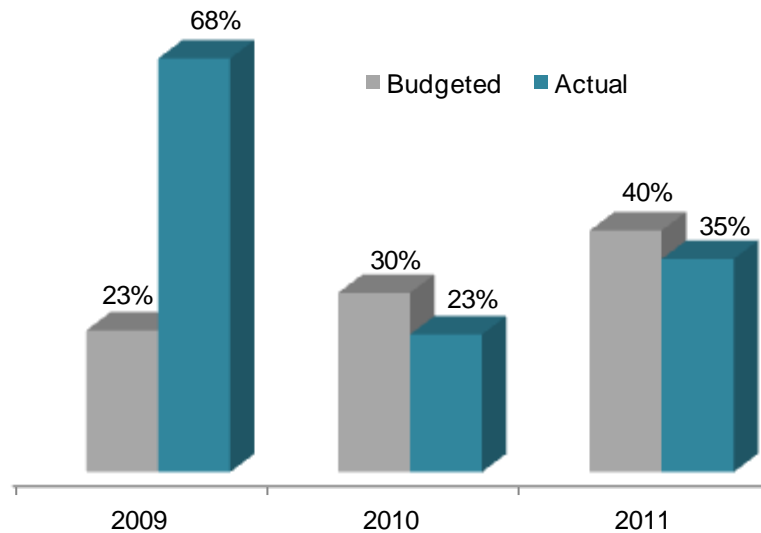
The ALP was a direct execution modality, meaning that the UNDP have been directly implementing the project with the Deputy Resident Representative taking on the role of national project director. While in theory it would be assumed that this modality would be the most streamlined and efficient, there was mention both in the annual progress reports and in key informant interviews that this modality was not without its operational difficulties. Competing work demands of the UNDP country office and its personnel have sometimes resulted in delays in approving activities and particularly procurement of equipment.

Overhead costs provide one proxy indicator of project efficiency. Those projects where higher percentages of project expenditures reach intended beneficiaries could be considered to be more efficient, although this statistic alone does not provide *prima facie* evidence to conclude that a project is operating relatively efficiently. Overhead costs are by definition fixed costs and in the phases of start-up and exit with relatively low levels of operational expenditure on delivery of products and services to beneficiaries, they may be high relative to expenditures directed towards beneficiaries. In 2009 while overhead costs were budgeted to be 23% of total project costs in actuality they rose to 68%. This was as a consequence of only between 8 to 9% of budgeted expenses being expended in 2009. There was a hiatus in operations in 2009 to the extent that beneficiaries expressed the view that they were uncertain that there would be an operational second phase of the EMP at this time. The project became operational in 2010 after recruitment of project personnel and there was considerable effort made to make up for the lacklustre performance of the EMP-2 in 2009 by redoubling effort from 2010 onwards.

Table 16: EMP-2 Actual as a % of Budget by Year

| Act. No. | Activity | 2009 | 2010 | 2011 |
|----------|---|------|------|------|
| 1 | Capacity development of SMEs in business | 9% | 97% | 102% |
| 2 | Capacity development of EMCs administration and management | 8% | 148% | 134% |
| 3 | Integration of the OVOPI into national OVOP | | | |
| 4 | Monitoring and evaluation including field based monitoring and evaluation | 5% | 521% | 112% |
| 5 | Project management and administration | 58% | 74% | 84% |
| | All | 20% | 97% | 95% |

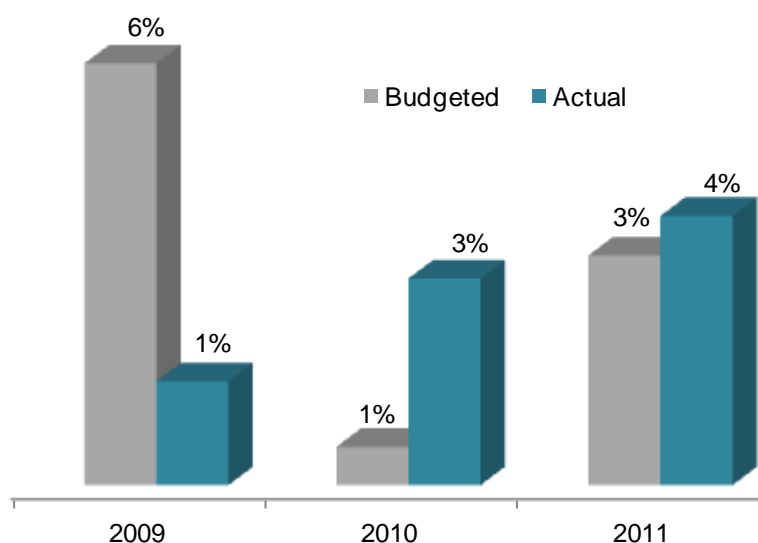
Figure 4: EMP-2 Overheads as a % of Project Costs



The project operationally started from end of 3rd quarter with some activities initiated in 2009 and expenses made in 2010. A reasonable guideline figure for the percentage of project costs that should be devoted to monitoring and evaluation is from 3 – 5%. For EMP-2 the M&E budget was six percent 2009 but in actuality only one percent of funds were expended. By 2010 and 2011 actual expenditures in monitoring and evaluation were within the range of 3 – 5% as

Figure 5 illustrates.

Figure 5: EMP-2 M&E as a % of Project Costs



The EMP monitoring and evaluation system is well organised and robust. With the arrival of the current M&E Officer in 2011 a new computerized management information system was installed which provides comprehensive information on the status of beneficiaries and groups (both LCDI and OVOPI). The system includes details on trade fairs attended, trainings received and on those who are delivering the training. There is information regarding date of formation of groups since EMP-1 and also on date of departure of group members from the groups and project. The bespoke system allows for a standard set of reports to be printed and exported to be used in proprietary software such as MSEXcel or MSWord.

The financial product developed for the EMP-2 was a loan guarantee fund, the details of which are provided in the loan agreement which is reproduced in Annex XXII. The contract between UNDP and Khan Bank commenced in August 2010, and although it was due to expire in March 2012 it was extended for one year. The design of the product was similar to those of other donor and implementing agencies working with Khan Bank, namely a loan guarantee up to 50% of each loan issued, over a period of up to two years and at a subsidised interest rate of around 15% per annum^{xi}.

Given that inflation is running at around this rate then this represents 'free' money or money at zero real interest rate. While the Bank is encouraged to be less risk averse in making the loans to would-be borrowers, in practice they still maintain their traditional highly conservative position. Repayment rates, with only one case of default out of some 76 loans provided is close to 99% and some seven loan applications were turned down. When interviewed the Khan Bank loan officer expressed a strong desire to maintain the LGF product and stated that this was greatly preferred to a leasing finance product, although when questioned acknowledged that the Bank does offer this to its customers among its list of products.

The intent of the LGF was to provide an incentive for the Khan Bank to lend to those who were needy and vulnerable, but in practice all Banks will continue to exhibit strong preferences to lend to clients who are considered 'less risky' by virtue of their

ability to offer collateral to cover the loan. This may very well preclude the offering to the more needy and vulnerable. How then are these people to escape the vicious cycle of a poverty trap if they are unable to borrow in order to accumulate capital because they do not currently possess sufficient capital to borrow? The lessons of Grameen Bank and the Micro-finance banking sector have taught us that ability or inability to provide collateral does not in of itself provide a good indicator of either ability or willingness to repay. Those with zero collateral are often the most faithful in repaying. Ways to break down the barrier of this collateral requirement are needed in order for Banks to truly assist those who in need.

To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC?




For the ALP the local project coordinator was employed as a staff providing support to the soum Governor's office rather than a UNDP project worker. Local coordinators presented their activities every month and received feedback on and evaluation of each training from the participants. The coordinator listened to the feedback from the general public, and openly reported on the project financing, supported local initiatives, and in that way was able to create mutual understanding and trust between the general public, local administration and the project team.

3.7 Impact

Definition: the positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators. The examination should be concerned with both intended and unintended results and must also include the positive and negative impact of external factors, such as changes in terms of trade and financial conditions. When evaluating the impact of a programme or a project, it is useful to consider the following questions:

- ❖ What has happened as a result of the programme or project?
- ❖ What real difference has the activity made to the beneficiaries?
- ❖ How many people have been affected?

Table 17: Team Rating for Impact by Project

| Project | 1  | 2 | 3  | 4 | 5  |
|---------|---|---|---|---|---|
| EMP-2 | | | | ✓ | |
| ALP | | | | ✓ | |

What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact?

There is evidence of substantial impact of both projects on the household economies of participants. Households have diversified their income sources. The loan guarantee fund has promoted improved access to enterprise credit for individuals. Both projects have been successful in impacting upon the livelihoods of households and in promoting greater social cohesion between enterprise cluster and OVOPI participants. The loan guarantee fund has enjoyed some success.

There are some gender disparities between female and male beneficiaries in monthly income earning, but this may reflect the nature of the enterprises being operated by female beneficiaries, rather than impediments in income generation within enterprises. Average monthly income of beneficiaries for both LCDI and OVOPI components, when broken down into female and male participants reveals a disparity in income earning between females and males in favour of males.

Table 18: EMP-2 Average Monthly Income of Beneficiaries ('000 MNT)

| Gender | LCDI | OVOPI | All |
|---------|------|-------|-----|
| Female | 207 | 316 | 233 |
| Male | 223 | 360 | 280 |
| Both | 211 | 336 | 249 |
| % F / M | 93% | 88% | 83% |

Income by type of enterprise: There are noticeable disparities in income earning by both gender and type of enterprise as illustrated in income earning between females and males in favour of males. In some cases average income earned for females is higher than for males but overall males average income earning is one third higher than for females. The highest income earners by enterprise type are those involved in Sea buckthorn in Uvs aimag, with monthly earnings of around 500,000 MNT (US\$360) per month.

Table 19: Enterprise and Average Income for EMP-2 ('000 MNT p.m.)




| Enterprise | Female | Male | Both |
|-------------------------|--------|------|------|
| Sea buckthorn | 485 | 526 | 505 |
| Carpentry | 433 | 528 | 497 |
| Rock salt | 300 | 500 | 400 |
| Art craft | 306 | 525 | 379 |
| Boot-making | 304 | 515 | 357 |
| Herb tea | 325 | 325 | 325 |
| Tailoring | 296 | 325 | 299 |
| Sewing & Felt craft | 285 | 300 | 288 |
| Hops bread | 264 | 300 | 268 |
| Vegetable | 258 | 194 | 233 |
| Dairy | 193 | 192 | 192 |
| Felt craft | 198 | 150 | 190 |
| Community-based tourism | 200 | 153 | 176 |
| Embroidery | 136 | 625 | 171 |
| Red-skin garlic | 130 | 134 | 131 |
| Carving & Leather craft | 123 | 138 | 128 |
| Felt craft & Tailoring | 114 | 110 | 114 |
| All | 253 | 339 | 280 |

3.8 Sustainability

Definition: sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable. When evaluating the sustainability of a programme or a project, it is useful to consider the following questions:

- ❖ To what extent did the benefits of a programme or project continue after donor funding ceased?
- ❖ What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?

Table 20: Team Rating for Sustainability by Project

| Project | 1  | 2 | 3  | 4 | 5  |
|---------|---|---|---|---|---|
| EMP-2 | | | | ✓ | |
| ALP | | | | ✓ | |

What inputs and to what extent are the projects being produced to streamline policy and programming which are evidence-based, inclusive and operational?

The target groups which were selected in projects were correctly identified according to the projects' intentions. These are mostly marginalized persons and women and female-headed HH's. In contrast the selection criteria for aimags, soums and clusters and are not so clear. In actuality, this did not influence the result and relevance of the project since most of the beneficiaries of the project are women and especially female-headed HHs.

The composition of cluster members is mostly adult men and women. Employment of over 40-year-olds person is still a challenge in Mongolia. At this point the project provided a good contribution to local social development. Young peoples' involvement is still very low. This may mean that clusters and cooperative membership is not as attractive for younger people. This may influence the continuation of LCDIs and OVOPs in future. Most of the cluster members are family members or in kin-relations. This suggests that participants prefer family relationships and that cooperation between members who are not related may still be weak.

Against this, the team did experience a change of attitude and practices among group members, and signs of people working collaboratively. Most of the people involved in the project have a commitment to group work with shared responsibility, and understand the advantages that are to be gained through close cooperation.

What good practices or successful experiences or transferable examples have been identified?

The introduction of arable farming to traditional pastoralists has proven to be viable, provided that herders work together in groups to assist each other with division of labour. Provision of a combination of business and vocational technical training combined with providing exposure to markets through subsidised participation in regional, capital city and international trade fairs has proven to be highly effective for participants. There was observable evidence of change in quality of products offered as well as anecdotal information provided by those interviewed.

In what way has the project developed innovative measures for problem-solving?

Livelihood diversification is one of important and possible way for herders to be resilient to natural disaster. There is opportunity to replicate the support to herders to become herder-growers, although the extent of this depends upon location and principally availability of water. In Tsogt Ovoo soum in Omnogobi aimag considerable effort was required to develop the two hectare plot with fencing and borehole irrigation, and replicating this maybe challenging. Where there are natural springs such as in Bulgan soum, in contrast, then the task becomes considerably easier. Changing herder's mindset is important and the experience of establishing of herder-grower needs to share with all soums and aimags' people. Herder-other business activity, which is suitable for particular area, needs to develop all over Mongolia. SME should be developed based on cluster principle and local resources and EMP-2 experience.

To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale?

For ALP there is opportunity to replicate the support to herders to become herder-growers, although the extent of this depends upon location and principally availability of water. In Tsogt Ovoo soum in Omnogobi soum considerable effort was required to develop the two hectare plot with fencing and borehole irrigation, and replicating this maybe challenging. Where there are natural springs such as in Bulgan soum, in contrast, then the task becomes considerably easier. Any downstream intervention such as the ALP and to some extent the EMP face difficulties in scaling up without considerable increases in funding, since they are by their very nature resource intensive. Geographical targeting of investments is certainly indicated, and coordination with other UNDP, UN and partner donor initiatives would improve efficiency and maximise impact. livelihood diversification support initiatives need to be rationalised, and one suggestion proposal is that they be built around the existing Sustainable Land Management Project (SLMP) within an over-arching rural household livelihoods diversification programme (RHLDP). SLMP is working on all livelihood assets comprehensively in targeted geographical areas. All programmes should be linked together with shared personnel for logistical support and monitoring and evaluation to improve efficiency of operation and ensure coordination. .

Have operating capacities been created and reinforced in national and local partners?

The results of the discussions with representatives of projects participants show that projects' participants' capacity has been strengthened. Projects' participants are improving the quality of their products (see Photo 2 on page 18 for one example), and finding new markets through networking at trade fairs. The projects' local coordinators also strengthened their capacity in terms of information dissemination, organizing different types of activities among projects' participants, and compiling projects' participants' information.

There is insufficient evidence to confirm that National partners' capacity has been strengthened. Unfortunately many officials who were working with the EMP at the national level have been changed because of new government formulation as result

of election. This indicates the need for further effort to strengthen partners capacity, despite the previous efforts.

Was the project supported by national and/or local institutions?

The project was both directly and indirectly supported by national and local institutions. The ALP is a disaster response initiative operated under a direct execution modality, while the EMP-2 is a longer-term development project executed by national implementing partners under the national execution modality. Both projects are working with vulnerable populations, although not always disadvantaged populations, in pursuit of enterprise development across a broad spectrum of enterprises as Project Implementation Unit (PIU) of ALP was established within UNDP to work directly with the Aimag and Soum governments in its activities with beneficiaries of the project.

The local project coordinator was employed as a staff providing support to the soum Governor's office rather than a UNDP project worker. The local coordinator presented its activities every month and received feedback on and evaluation of each training from the participants. The coordinator listened to the feedback from general public, openly reported on the project financing, supported local initiatives, and in that way was able to create mutual understanding and trust between the general public, local administration and the project team. Since the population from the vulnerable groups had little capacity to start operating SME, the project first aimed to study good and bad practices and experience of engaging in production at the given soum.

Needs-based training on capacity building and technologies was organized. There was an attempt to resolve a question of equipment. Of total project expenditure 70% were spent on basic project activities (training, provision of equipment, development of training manuals, their printing), management expenditure accounted for around 30%. Greenhouses and equipment were not given to the groups, but were registered as local assets on the basis of an agreement with the governor.

Was building ownership included in the design of the project?

Local ownership, in particular the existence of strong local government support, has usually proven to be the key determinant of success of these projects. The absence of cooperation of stakeholders and local government support is generally a sign that a cluster will fail to progress regardless of outside assistance. One of the most valuable benefits it can bring is an improved atmosphere of cooperation and trust between stakeholders and this is both long-term and hard to quantify. Cooperation and dialogue between stakeholders can provide a wide range of inputs to national-level policy development and also we can see a national policy that has met different local needs.

Local level public-private dialogue and cooperation was very important to build sustainable ownership and to coordinate national level policy. Also strengthening dialogue between central and local officials is as important as strengthening dialogue between the public and the private sectors. During the evaluation process it was noted that dialogue between central and local officials seems to be limited or weak.

4. Recommendations

Future Outcomes and Strategic Direction

The common thread running through both project initiatives is improving household resilience to external shocks by diversifying livelihoods and thereby reducing vulnerability. The key issue is rural-urban migration and the pull of the urban centres as *'livelihoods of last resort'* for those who are affected by external shocks such as the periodic dzud events. There is a belief among some herders that those who are *'traditional'* herders and who have always been on the land will withstand dzud events albeit with significant losses. In contrast, those who have returned to herding after the collapse of the Soviet Union are less equipped and more likely to have their enterprises obliterated by dzud. The suggestion is that there is some sort of natural selection whereby only those with the depth of knowledge will remain as herders. Both the EMP and ALP initiatives have provided valuable lessons for support to livelihoods diversity, and support should be continued in a more unified strategic plan under an umbrella rural households livelihoods diversification project.

Human Capital:

Continue with the initiatives to increase human capital through specific training in improving technical skills and in business training including accessing markets. Continue exposing participants to Aimag, UB and overseas trade fairs, with emphasis on UB trade fairs to expand domestic networks between inputs suppliers and entrepreneurs as well as buyers and entrepreneurs.

Natural Capital:

Livestock husbandry enterprises and associated enterprises, including fodder production, should be included in future programmes in an integrated approach that addresses the entire range of enterprises in the household and group economies. This should include further support to on-going efforts of SLMP and other parallel initiatives to promote greater intensification of livestock production, with higher productivity of dairy animals, and the correct mix of the five animal groups. This entails reduced reliance upon goats and cashmere products in areas which are already severely overstocked and pastures degraded. The integration of the herding enterprises into future initiatives can either be achieved through an integrated programme or by synchronizing programmes such as SLMP with follow-on EMP initiatives, so that both work with the same target beneficiaries in the same target areas.

The justification for harmonizing future ALP and EMP initiatives with those of SLMP lies in both the complementarities of all three projects as well as their commonalities. SLMP works to improve the livestock herding and ancillary enterprises through better herd composition and management and improved pasture management. This works to improve the natural capital of the household beneficiaries, which is an essential part of a holistic strategy to assist rural households and particularly diversification of enterprises for nomadic herders. Each project has its own geographical focus with very little overlap, and given the limited resources available to UNDP through its existing donors geographical focus is indicated to enable concentration of effort.

Financial Capital:

Discontinue subsidised credit and contract with a minimum of two banks such as Khan Bank and Khas Bank, to provide leasing products at commercial rates to participants over periods of up to three years, on plant and equipment, including vegetable storage. If necessary, develop a combination of a loan guarantee and leasing product to provide incentives for the Banks to take greater risks in lending to marginalized and vulnerable households who might otherwise not be considered to be a 'credit worthy' proposition.

Physical Capital:

Calculate the Return on Capital Employed (RoCE) for greenhouses and provided that the financial and economic appraisal is favourable (as expected), promote the increased uptake by groups, to extend the growing season for vegetables and possibly fodder as a cash crop. Promote the construction of effective winter animal shelters in conjunction with programmes that provide incentives for herders to reduce the quantity and increase the quality of their animals, while maintaining an optimum mix of animals.

Social Capital:

Continue to promote group formation and the OVOP initiatives, and provided that there is an enabling environment, promote the transition from informal to more formal groups, including cooperatives and Savings and Credit Cooperative Organizations (SACCOs). The contracts with Banks should be developed to promote loans to groups as an entity using leasing products, further encouraging incentives for cooperation and incorporation of groups.

Efficiency of operations:

- ❖ Within UNDP Integrate the M&E support activities across projects to promote improved coordination between projects and greater rationalization of programmes
- ❖ Remove aimags with few beneficiaries and focus on fewer aimags where other donor agencies are seen to be scarce. This requires a spatial mapping of donors which in of itself will be a worthwhile activity and contribution to the GoM and the donor community.
- ❖ Integrate the activities of the current SLMP with those of the EMP by focusing on the soums of SLMP as a first priority.
- ❖ Consider creating an umbrella project, rural households livelihood diversification programme (RHLDP) that integrates existing projects into a more coherent strategic programme including urban and rural households. Under this programme all existing and planned projects would be implemented.
- ❖ Promote not only donor coordination but integrated and joint programming of donors, the first stage being UN agencies, UNDP, FAO, ILO, UNIDO and the second stage with other donors working in sustainable land management and enterprise development.
- ❖ Consider focusing on a programmes targeted at those recent immigrants from the rural areas to UB. Focusing on target beneficiaries in UB would certainly be more efficient given the likely resources available for a new initiative^{xii}

Annex I: Terms of Reference

Service required: Evaluation of Livelihood Support Projects (ALP and EMP 2) of UNDP

Duration: 6 weeks

Commencement Date: 20 September, 2012

Place: Mongolia

1. Background

Reducing vulnerability and disparity is a key developmental challenge in Mongolia. This is particularly relevant in rural areas where there is little diversification in the economy, income generating opportunities are few and far between and pastoral herding is the main source of income. This is one of the reasons for stubbornly high rate of poverty in rural areas. Almost 70 percent of all herders are considered poor and except for few government officers in the soums most people lack job opportunities to provide stable income. The effects of climate change are already starting to impact on these communities and the situation could worsen in the future. During the last *dzud* in 2009-2010, about one third of herders lost at least half their livestock were deprived of their major income sources. As a result these herders have been moving to urban areas in search of other livelihood opportunities.

Supporting livelihood and income diversification is one of the working ways to reverse the aforementioned situation and reduce economic vulnerability in rural areas. In an effort to help disadvantaged communities the UNDP has been implementing the *Alternative Livelihood Project (ALP)* starting in 2010 and due to be finalized in 2013. The project is focused on downstream intervention by implementing directly with selected local beneficiary business groups and local administration in charge of income generation and livelihood issues.

In spite of rapid economic growth, large segments of Mongolia's population remain vulnerable with insecure livelihoods. A number of policy measures to accelerate private sector lead growth to achieve MDGs and reduce poverty have been taken by the government of Mongolia. In light of the increasing importance of small and medium enterprises ability to reduce poverty, particularly in rural and remote areas, the Government of Mongolia has been implementing two phases of the *Enterprise Mongolia Project (EMP-1, 2)* in partnership with UNDP. The first phase of the Project (EMP-1) succeeded in making tangible contribution to business and entrepreneurship development and job creation and helping to reduce poverty particularly in rural Mongolia. The second phase is well in progress at the moment.

The EMP-2 consists of two main components - Local Cluster Development Initiative (LCDI) and One Village One Product Initiative (OVOPI). The LCDI component aims to improve the livelihood of local small and micro producers and targets a wider range of micro producers by organizing producers' groups (business clusters). The 4 local business service providers (NGOs and a local university) identified as the Enterprise Mongolia Centres (EMCs) in 4 aimags (Selenge, Khentii, Khovd and Uvurkhangai) during the EMP-1 have continued delivering the EMP's support to the beneficiaries in the target sites. The OVOPI component targets those small businesses which already have the potential to succeed and with support from the project can bring larger impacts to local economies. Under the EMP-2 the seven products have been supported as OVOP branded products. The EMP-2 intends to create synergic partnerships with other locally available business support services, such as microfinance, by enhancing the technical and operational capacities of the existing 4 EMCs which were identified during the EMP-1. This will ensure sustainability of SME support on the ground after the completion of the project.

As advised in the UNDP project management guidelines and as planned in the project documents, it is proposed that the mid-term evaluation of above livelihood development projects is undertaken by engaging a team of one international consultant and two national consultants.

Table 1: Summary of livelihood support projects to be evaluated

| Project | Period (Status) | Objective(s) | Target group | Geog. Area | Project size (US\$) | Whether evaluated |
|---------|--------------------------------|--|---|--|---------------------|-------------------|
| ALP | 2010-13 May (On-going) | Create alternative income generating opportunities by delivering a range of activities: vocational skills, access to equipment and market and promotion of shared work and labour costs (business groups and partnerships). | 1,000 Dzud affected herders with 250 or less animals who are urgently in need of alternative or additional means of income generation | Dzud affected 6 soums of 4 aimags Govi-Altai, Umnugovi, Bayankhongor and Uvurkhangai | 0,8 million | No |
| EMP 2 | 2008-13 March (On-going) | The EMP-2 project supports technical capacity building of micro and small entrepreneurs in the project target regions, strengthens operational capacity and financial independence of the four local Enterprise Mongolia Centers (EMCs) to support an increased number of the project beneficiaries and to ensure sustainability of quality SME support mechanism on the ground, and aims at the full Integration of the One-Village One-Product (OVOP) component of the project into the National OVOP Program to ensure synergic collaboration between the government and the project. | <u>LCD</u> - micro producers by organizing producer groups (business clusters) <u>OVOPI</u> - small businesses with potential to bring larger impacts to local economies Four EMCs in target aimags | 12 soums, 8 aimags (Selenge, Bulgan, Zavkhan, Khovd, Uvs, Khentii, Dornogovi, and Uvurkhangai) | 1,2 million | No |

As evident from Table 1, the projects have specific components and sub-components and are implemented by different agencies – the consultants are advised to plan and design their evaluation work in close consultation with respective staff members of the projects and UNDP Mongolia Office.

2. Overall goal and specific objectives of the evaluation

The overall goal of the Evaluation is to assess the relevance and impact of UNDP’s livelihood support projects (ALP and EMP-2) and what contribution they are making to reducing rural poverty and vulnerability. In the framework of the overall goal, the evaluation shall capture the following areas: a) the relevance of the project outcome and outputs in poverty and vulnerability reduction and the extent of project outcome and output attainment; b) efficiency of project activities (driving demand, ownership and implementation modality); c) policy level impact/influence and d) sustainability of the outcome and activities. The evaluation will also assess substantive evidence-based knowledge evolving from identified best practices and lessons gained by the projects in terms of streamlining the existing policies on poverty reduction, income generation and economic security in rural areas. The evaluation will focus on future outcomes and strategic direction rather than what has already been done.

The evaluation findings, conclusions and recommendations will be presented at internal and external levels. The internal level refers to the UNDP’s cluster teams which have livelihood related components wherein the findings and recommendations will be discussed at UNDP level for comment sharing and taking. At the external level the revised findings and recommendations will be discussed and solidified at National Workshop which has preliminarily been scheduled for November 2012 in order to make evidence-based policy recommendations and a plan of actions that will help future policy making and interventions more responsive and effective to the needs of rural populations.

Under the overall goal stated above, the evaluation will have the **following specific objectives:**

- a) To assess the **relevance** of the projects (outcome, outputs and activities) and assess the degree of implementation, efficiency and quality delivered against the outcome, outputs and activities;
- b) To measure the extent to which the UNDP's alternative livelihood projects have **attained development results** for the targeted population, beneficiaries and participants including individuals, communities and institutions and how much the projects have contributed to increased local ownership and empowerment;
- c) To assess the **impact** of the projects in building the capacity of local institutions which will be dealing with livelihood and income generation diversification in the future
- d) To assess the **relevance and usefulness** of the substantive lessons learned and good practices gained which can be retained as useful sources of knowledge in the local areas;
- e) To assess the project's **contribution to achieving the objectives of the Comprehensive National Development Strategy**
- f) To make **specific recommendations** for what future programmes in the area of SME development, livelihood support, etc, should focus on given the circumstances in Mongolia.

3. Scope, levels of analysis and evaluation criteria

The evaluation should cover the three levels (design, process and results) and for each level assess the elements - relevance, efficiency, effectiveness, impact and sustainability.

DESIGN LEVEL

Relevance: *The extent to which the objectives of the projects are consistent with the objectives of the CNDS.*

- a) How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD? To what extent were the projects' components the best options to respond to development challenges stated in the PRODOC?
- b) Which were the main factors that contributed to the realization or non-realization of the projects' outcomes, and to what extent were they anticipated in the risks and assumptions?

Efficiency: *The extent to which resources/inputs (funds, time, human resources, etc) have been turned into results.*

- c) How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes?
- d) To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs?

Sustainability: *Probability of the benefits of the intervention continuing in the long term.*

- e) Was the project supported by national and/or local institutions?
- f) Was building ownership included in the design of the project?
- g) Are the national/local institutions showing technical capacity and leadership commitment to keep working with the project and to repeat it?
- h) Did the project design process take into account strategies to ensure sustainability? Were these strategies used from the beginning of project implementation? Was there an adequate strategy for capacity building?

PROCESS LEVEL

Relevance: *The extent to which the project activities are consistent with the objectives of the project.*

- i) Whether and to what extent are the activities of the project contributing to helping achieve the project objectives?

Efficiency: *The extent to which resources/inputs (funds, time, human resources, etc) have been turned into results.*

- a) To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC?
- b) To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project?
- c) What type of (administrative, financial and managerial) obstacles did the projects face and to what extent has this affected efficiency?
- d) To what extent and in what ways has ownership or the lack of it, impacted the efficiency of the project?
- e) To what extent did the implementing partners participating in the projects add value to solve the development challenges in the PRODOC?

Sustainability: *Probability of the benefits of the intervention continuing in the long term.*

- a) How sustainable are the activities undertaken as part of the project – in terms of demands on local capacities, costs and organisation?
- b) To what extent have the project's decision making bodies and implementing partners undertaken the necessary decisions and actions to ensure the sustainability of the project outcomes?
- c) Are stakeholders ready to continue supporting or carrying out specific project activities?

OUTCOME LEVEL

Effectiveness: *The extent which the objectives of the development intervention have been achieved*

- a) To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC?
- b) To what extent were the project's outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached?
- c) Were the planned geographic area and target group successfully reached?

Impact: *The extent to which the project has had the desired impact*

- a) What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact?

Sustainability: *Probability of the benefits of the intervention continuing in the long term.*

- b) Have operating capacities been created and reinforced in national and local partners?
- c) To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale?
- d) In what way has the project developed innovative measures for problem-solving?
- e) What good practices or successful experiences or transferable examples have been identified?
- f) What inputs and to what extent are the projects being produced to streamline policy and programming which are evidence-based, inclusive and operational?

4. Methodology

The evaluation will use methodologies and techniques as determined by the specific needs for information, the questions set out in the TOR, the availability of resources and the priorities of stakeholders. In all cases consultants are expected to analyze all relevant information sources, such as annual reports, project documents, project files, mission reports, strategic country development documents and any other documents that may provide evidence on which to form judgements. Consultants are also expected to use interviews, surveys or any other relevant quantitative and qualitative tools as means to collect data for the evaluation. The evaluation team will make sure that the voices, opinions, and information of targeted citizens and participants of the projects are taken into account.

The methodology and techniques to be used in the evaluation should be agreed upon with UNDP and other stakeholders and clearly outlined and described in detail in the evaluation report and should contain at a minimum information on the instruments used for data collection and analysis, whether these be documents, interviews, field visits, questionnaires or participatory techniques.

5. Expected Outputs/Deliverables

The international consultant in collaboration with national consultants is expected to deliver the following deliverables in both English and Mongolian language to UNDP CO:

Inception Report (to be submitted prior to the evaluation mission to Mongolia). The inception report should be based on the documentation review and analysis, as well as necessary discussion in relation to the evaluation with relevant staff of UNDP. It will describe the conceptual framework which the evaluation team will use in undertaking the evaluation, and set out in some detail the evaluation methodology. The methodology and techniques to be used in the evaluation should be agreed upon with UNDP, who will share the draft inception report with the government counterparts. The report should also contain a work plan and a proposed table of contents of the final report.

Draft Evaluation Report (to be submitted within 1 week after the completion of the field visits). The draft final report will contain the same sections as the final report with an executive summary that includes a brief description of the projects including context and current situation, the purpose of the evaluation, its methodology and its major findings, conclusions and recommendations. The draft report will be shared with the UNDP and local and national partners to seek their comments and suggestions.

Final Evaluation Report (to be submitted within 1 week after reception of the draft final report with comments). The final report will be 40-50 pages in length and will take into account the outcomes of the discussions from the National Workshop and comments made by UNDP and national partners. It will also contain an executive summary that includes a brief description of the projects including context and current situation, the purpose of the evaluation, its methodology and its major findings, conclusions and recommendations. The final report will be sent to the UNDP and national partners. The initial findings of the evaluation will be shared at the National Workshop to take place in November 2012.

6. Key roles and responsibilities of the evaluation process

There will be following main actors involved in the implementation of the evaluation:

1) **UNDP** as the commissioner of the evaluation will have the following functions:

- Lead the evaluation process throughout the evaluation (design, implementation and dissemination)
- Convene the evaluation reference group

- Lead the finalization of the evaluation ToR
- Coordinate the selection and recruitment of the evaluation team members and make contractual arrangements to hire the evaluation team
- Ensure the evaluation products meet quality standards
- Provide clear and specific advice and support to the evaluation team throughout the whole evaluation process
- Take responsibility for dissemination
- Ensure that adequate funding and human resources are allocated for the evaluation within the project budgets

2) The **national project managers** will have the following functions:

- Contribute to the finalization of the evaluation TOR
- Provide executive and coordination support to the reference group
- Provide the evaluators with administrative and logistical support, including for the field missions and gathering required data
- Connect the evaluation team with key evaluation stakeholders and ensure a full inclusive and transparent approach to the evaluation
- Review the draft evaluation reports

3) The **project implementing partners** (NPDs) will serve as the evaluation reference group. The reference group will have the following functions :

- Review the draft evaluation report(s) and ensure final draft meets all agreed objectives and requirements
- Provide input and participate in finalizing the evaluation Terms of Reference
- Facilitate the evaluation team's access to all information and documentation relevant to the intervention, as well as to key stakeholders and informants who should participate in interviews, focus groups or other information-gathering methods
- Contribute to disseminate the results of the evaluation

4) The **evaluation consultants' team** will conduct the evaluation study by:

Fulfilling the contractual arrangements in line with the TOR. This includes reviewing the relevant documents, preparing an inception report, interviewing the stakeholders, drafting reports and briefing the commissioner and stakeholders on the progress, key findings and recommendations.

The team of consultants (one international consultant and two national consultants) will be expected to work intermittently between September and November 2012, which includes approximately three weeks spent on mission (Ulaanbaatar and field visits in Mongolia) and three weeks desk work.

The international consultant will lead the work of the consultants' team and will be the main author of the evaluation report. The national consultants will assist in collecting the relevant documents and with the support of the national project manager translate the documents from Mongolian to English, and vice-versa serve as an interpreter as needed when interviewing the national stakeholders, assist the international consultant in finalizing the draft report.

It is expected that the consultants' team will conduct field visits to the selected 5-6 project aimags and 5-6 beneficiaries groups in each aimag. The project managers will accompany the field visit to facilitate the meetings and visits. Remuneration of the consultants will be determined based on qualifications and experience using UNDP tariff for consultancy services.

7. Organizational Setting:

The main government counterpart for the EMP 2 is the SMEA as the Implementing Partner. The project implementation unit (PIU) based at SMEA and has four core staff members: National Project Manager (NPM), Administrative and Finance Officer (AFO), Monitoring & Evaluation Officer (MEO) and Microfinance Specialist (MFS).

The ALP project being directly implemented by the UNDP. The project has 8 core staff: Project Coordinator (NPC), Administrative and Finance Office (AFO) and six local coordinators in the soums. In addition the governor's office division in charge of livelihood and income generation issues is partnering with ALP to facilitate and coach the implementation of project in the soums.

The consultants will meet PIU staff members and the main government counterparts of the other livelihood support projects, namely, "Sustainable Land Management" project implemented by the Ministry of Food, Agriculture and Light Industry (MoFALI) and "Comprehensive community services to improve human security for the rural disadvantaged populations in Mongolia" project implemented by the Mongolian National Chamber of Commerce and Industry.

The International Consultant (IC) will report to the HD and MDGs Team, UNDP Mongolia and National Project Directors (NPD) of above livelihood support projects appointed from the Government of Mongolia. Desk review of relevant documents is expected to be completed at the IC's home base. Detailed workplan will be discussed and agreed upon arrival of the IC to Mongolia. During his/her mission, the International consultant will be provided with an office space at the UNDP or PIU of projects and receive necessary support from national consultants and project officers. The present ToRs may be subject to modification, without changing the overall objective and the scope of work, on the basis of consultations.

The International and local consultants will be contracted by UNDP in consultation with NPDs of above livelihood projects.

The evaluation experts will report and be accountable to the UNDP designated official as her/his Employer. First line supervision will be provided by UNDP Programme Officers of respective projects.

8. Duration of assignment

Duration of assignment is 6 weeks. Proposed time allocation are: 5 days – home based desk work; estimated 21 days – in UB and in country field work; estimated 10 days – home based desk work.

9. Payment Modality and Schedule:

The UNDP standard method of payment is output-based lump-sum scheme and the payment will be made in three installments upon satisfactory completion of the following deliverables:

| | |
|-------------------------------------|---|
| <i>1st installment</i> – | 30% upon the approval/clearance of the inception report |
| <i>2nd installment</i> – | 30% upon the completion of the draft report and presentation on initial findings at national workshop |
| <i>3rd installment</i> – | 40% upon completion of the final report |

10. Evaluation criteria and weight:

Experts will be evaluated against combination of technical and financial criteria. Maximum obtainable score is 100, out of which the total score for technical criteria equals to 70 and for financial criteria to 30.

As for the technical evaluation, the following aspects will be considered:

Total 70 points = 100%

Background and education: 15 points

Practical previous experience relevant to the announced TOR: 20 points

Substantial knowledge in monitoring and evaluation required competencies: 20 points
Required knowledge and other technical skills: 15 points

11. Application Procedure:

Qualified and interested candidates are requested to apply on-line. Detailed ToRs for this assignment are available at www.undp.mn/eannouncement.html and project documents are also available at www.undp.mn/pprojects.html. The application should contain:

- Brief cover letter addressing the requirements stated
- Achievements based detailed CV underlying the relevant experience
- Proposed work approach and plan
- Financial offer – the financial proposal should have a breakdown of consultancy fee and all travel-related costs that are expected to be incurred (except travel expenses to the countryside). While preparing your proposal, kindly note that the standard for all travel authorized by UNDP for individual subscribers is economy class.

12. Qualifications and Experiences:

- Post-graduate degree (preferably Ph.D. or D.Phil.) in economics, social science or related fields.
- At least 10 years of working experience in areas of formulation and implementation of rural poverty reduction strategies and policies;
- Extensive experience in monitoring and evaluation of development plans and programmes, particularly downstream projects with feedback to upstream.
- In-depth knowledge of poverty reduction in developing countries; knowledge of the experiences of transitional economies and Mongolia. Understanding of a nomadic context will be an asset;
- Extensive experience in working at a senior level with Governments and familiarity with project management operations and procedures of various donor agencies/multi-lateral institutions and UNDP project management operations and procedures.

13. Competencies:

- Strong analytical and writing skills with proven skills in M&E, advocacy, policy recommendations and problem identification and solving;
- Ability to accommodate additional demands on short notice
- Ability to work independently and provide advocacy services
- Skill in facilitating meetings effectively and efficiently and to resolve conflicts as they arise.
- Good team, player

Language

- Fluent English language skills, particularly in the preparation of written documents;

For further questions and clarifications, please contact UNDP Mongolia at registry.mn@undp.org.
The end.

Annex II: Evaluation Solicitation

Location : Ulaanbaatar, MONGOLIA Application Deadline : 30-Jul-12
Type of Contract : Individual Contract
Post Level : International Consultant
Languages Required : English
Starting Date : (date when the selected candidate is expected to start) 20-Sep-2012
Expected Duration of Assignment : 6 weeks

Background

In spite of rapid economic growth, large segments of Mongolia's population remain vulnerable with insecure livelihoods.

UNDP Mongolia is implementing a number of projects to promote livelihoods and enhance access to alternative income generation opportunities especially in the rural areas. For example, in an effort to help disadvantaged communities UNDP has been implementing the Alternative Livelihood Project (ALP) starting in 2010 and due to be finalized in 2013. The project is focused on downstream intervention by implementing directly with selected local beneficiary business groups and local administration in charge of income generation and livelihood issues. In light of the increasing importance of small and medium enterprises ability to reduce poverty, particularly in rural and remote areas, the Government of Mongolia has been implementing two phases of the Enterprise Mongolia Project (EMP-1, 2) in partnership with UNDP. The first phase of the Project (EMP-1) succeeded in making a tangible contribution to business and entrepreneurship development and job creation and helping to reduce poverty particularly in rural Mongolia. The second phase is well in progress at the moment.

As planned in the project documents, it is proposed that the mid-term evaluation of above livelihood development projects be undertaken by engaging a team of one international consultant and two national consultants.

Duties and Responsibilities

Objective and Scope of Work:

The overall goal of the Evaluation is to assess the relevance and impact of UNDP's livelihood support projects (ALP and EMP-2) and what contribution they are making to reducing rural poverty and vulnerability. In the framework of the overall goal, the evaluation shall capture the following areas: a) the relevance of the project outcome and outputs in poverty and vulnerability reduction and the extent of project outcome and output attainment; b) efficiency of project activities (driving demand, ownership and implementation modality); c) policy level impact/influence and d) sustainability of the outcome and activities. The evaluation will also assess substantive evidence-based knowledge evolving from identified best practices and lessons gained by the projects in terms of streamlining the existing policies on poverty reduction, income generation and economic security in rural areas. The evaluation will focus on future outcomes and strategic direction rather than what has already been done.

Under the overall goal stated above, the evaluation will have the following specific objectives:

1. To assess the relevance of the projects (outcome, outputs and activities) and assess the degree of implementation, efficiency and quality delivered against the outcome, outputs and activities;
2. To measure the extent to which the UNDP's alternative livelihood projects have attained development results for the targeted population, beneficiaries

- and participants including individuals, communities and institutions and how much the projects have contributed to increased local ownership and empowerment;
3. To assess the impact of the projects in building the capacity of local institutions which will be dealing with livelihood and income generation diversification in the future;
 4. To assess the relevance and usefulness of the substantive lessons learned and good practices gained which can be retained as useful sources of knowledge in the local areas;
 5. To assess the project's contribution to achieving the objectives of the Comprehensive National Development Strategy;
 6. To make specific recommendations for what future programmes in the area of SME development, livelihood support, etc, should focus on given the circumstances in Mongolia.

The evaluation should cover the three levels (design, process and results) and for each level assess the elements - relevance, efficiency, effectiveness, impact and sustainability.

Expected Outputs/ Deliverables:

The international consultant is expected to deliver the following deliverables in English language to the UNDP Country Office (CO):

- *Inception Report* - to be submitted prior to the evaluation mission to Mongolia. It will describe the conceptual framework which the evaluation team will use in undertaking the evaluation, and set out in some detail the evaluation methodology. The report should also contain a work plan and a proposed table of contents of the final report;
- *Draft Evaluation Report* - to be submitted within one week after the completion of the field visits. The draft final report will contain the same sections as the final report with an executive summary that includes a brief description of the projects including context and current situation, the purpose of the evaluation, its methodology and its major findings, conclusions and recommendations;
- *Final Evaluation Report* - to be submitted within one week after reception of the draft final report with comments. The initial findings of the evaluation will be shared at the National Workshop to take place in November 2012.

Institutional Arrangements:

The International Consultant (IC) will report to the HD and MDGs Team, UNDP Mongolia and National Project Directors (NPD) of livelihood support projects appointed by the Government of Mongolia. Desk review of relevant documents is expected to be completed at the IC's home base. Detailed workplan will be discussed and agreed upon the arrival of the IC to Mongolia. During his/her mission, the International consultant will be provided with an office space at the UNDP or PIU of projects and receive necessary support from national consultants and project officers. The present ToRs may be subject to modification, without changing the overall objective and the scope of work, on the basis of consultations.

The International and local experts will be contracted by UNDP in consultation with NPDs of livelihood support projects.

The IC will report and be accountable to the UNDP designated official as her/his employer. First line supervision will be provided by UNDP Programme Officers of respective projects.

Duration of assignment:

The duration of assignment is 6 weeks. Proposed time allocation: 5 days – home based desk work; estimated 21 days – in UB and in country field work; estimated 10 days – home based desk work.

Payment Modality and Schedule:

The UNDP standard method of payment is an output-based lump-sum scheme and the payment will be made in three installments upon satisfactory completion of the following deliverables:

- *1st installment* – 30% upon the approval/clearance of the inception report;
- *2nd installment* – 30% upon the completion of the draft report and presentation on initial findings at national workshop;
- *3rd installment* – 40% upon completion of the final report.

Evaluation criteria and weight:

Consultants will be evaluated against combination of technical and financial criteria. Maximum obtainable score is 100, out of which the total score for technical criteria equals to 70 and for financial criteria to 30.

As for the technical evaluation, the following aspects will be considered:

Total 70 points = 100%

- Background and education: 15 points
- Practical previous experience relevant to the announced TOR: 20 points
- Substantial knowledge in monitoring and evaluation required competencies: 20 points
- Required knowledge and other technical skills: 15 points

Application Procedure:

Qualified and interested candidates are requested to apply on-line. Detailed ToRs for this assignment are available at www.undp.mn/eannouncement.html and project documents are also available at www.undp.mn/pprojects.html.

The application should contain:

- Brief cover letter addressing the requirements stated;
- Achievements based detailed CV underlying the relevant experience;
- Proposed work approach and plan.

Financial offer – the financial proposal should have a breakdown of consultancy fee and all travel-related costs that are expected to be incurred (except travel expenses to the countryside). While preparing your proposal, kindly note that the standard for all travel authorized by UNDP for individual subscribers is economy class.

For further questions and clarifications, please contact via bids.mn@undp.org

Competencies

- Strong analytical and writing skills with proven skills in M&E, advocacy, policy recommendations and problem identification and solving;
- Ability to accommodate additional demands on short notice;
- Ability to work independently and provide advocacy services;
- Skill in facilitating meetings effectively and efficiently and to resolve conflicts as they arise;
- Good team, player;
- Fluent English language skills, particularly in the preparation of written documents.

Required Skills and Experience

Education:

- Post-graduate degree (preferably Ph.D. or D.Phil.) in economics, social science or related fields.

Experience:

- At least 10 years of working experience in areas of formulation and implementation of rural poverty reduction strategies and policies;
- Extensive experience in monitoring and evaluation of development plans and programmes, particularly downstream projects with feedback to upstream;
- In-depth knowledge of poverty reduction in developing countries; knowledge of the experiences of transitional economies and Mongolia. Understanding of a nomadic context will be an asset;
- Extensive experience in working at a senior level with Governments and familiarity with project management operations and procedures of various donor agencies/multi-lateral institutions and UNDP project management operations and procedures.

UNDP is committed to achieving workforce diversity in terms of gender, nationality and culture. Individuals from minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with the strictest confidence.

Annex III: List of participants in the evaluation

| SN | Name of individual | Position |
|----|--------------------|--|
| 1 | S.Sinanoglu | Resident Representative, UNDP Mongolia |
| 2 | Thomas Eriksson | Deputy Resident Representative, UNDP Mongolia |
| 3 | P.Tsetsgee | Program Officer, UNDP Mongolia |
| 4 | Barkhas | Governance Officer, UNDP Mongolia |
| 5 | B. Munkhjargal | National Project Manager, ALP, UNDP Mongolia |
| 6 | Narantuya | Procurement Officer, ALP, UNDP Mongolia |
| 7 | Tsetsegsuren | National Project Manager, EMP-2, UNDP Mongolia |
| 8 | Saran | Monitoring Evaluation officer, EMP-2, UNDP Mongolia |
| 9 | Tsetsegbal | AFO, EMP-2, UNDP Mongolia |
| 10 | Saurabh Sinha | Economic Advisor, Human Development and MDG team, UNDP Mongolia |
| 11 | Mongoljin | Research Assistant to Senior Economist, UNDP Mongolia |
| 12 | Chimeg | Programme Officer, Environment Team, UNDP Mongolia |
| 13 | Jargalsaikhan | ARR, UNDP Mongolia |
| 14 | Otgonbayar | National Project Manager, Water Sanitation Project, UNDP Mongolia |
| 15 | Munkhbayar | National Project Manager, Building Energy Efficiency Project (BEEP), UNDP Mongolia |
| 16 | Buyandelger | Monitoring and Evaluation Analyst, UNDP Mongolia |
| 17 | Batkhuyag | National Project Director EMP-2, Deputy Minister, Ministry of Labour |
| 18 | Bat-Amgalan | Alternate NPD EMP-2, Director of SME Development Department, Ministry of Labour |
| 19 | Munguntsetseg | Head of Loan and Project Division, SME Development Fund, Ministry of Labour |
| 20 | Tugsmaa | Foreign Loan and Project Officer, SME Development Fund, Ministry of labour |
| 21 | Galtsog | Officer, SME Development Department, Ministry of Labour |
| 22 | Altangerel | Former head of Administration Department, Ministry of Food, Agriculture and Light Industry /former name of the Ministry/ |
| 23 | O. Batjargal | Vice Governor, Ovorkhangai aimag |
| 24 | T.Doljinsuren | Local Coordinator, EMP2, Arvaikheer soum, Ovorkhangai aimag |
| 25 | Auysh | Head of “Unench khiidel” cluster, Arvaikheer soum, Ovorkhangai aimag |
| 26 | Buyant | Member of “Uninch khiidel” cluster, Arvaikheer soum, Ovorkhangai aimag |
| 27 | Dorjdulam | Member of “Uninch khiidel” cluster, Arvaikheer soum, Ovorkhangai aimag |
| 28 | B.Sainjargal | Director, Mongolian University of Sciences and Technology, Technology School in Ovorkhangai |
| 29 | Tsetsegbadam | Governor, Sant soum, Ovorkhangai aimag |
| 30 | Pagmajav | Former local coordinator, Sant soum, Ovorkhangai aimag |
| 31 | Chantsaldulam | Member of “Sonor” sewing cluster, Sant soum, Ovorkhangai aimag |
| 32 | Tsolmonkhuu | Member of “Tsolmon” cluster, Arvaikheer soum, Ovorkhangai aimag |
| 33 | Batgerel | member of “Tsolmon” cluster, Arvaikheer soum, Ovorkhangai aimag |
| 34 | Navchaa | Officer in charge of training and business meeting, Branch of MNCCI, Arvaikheer soum, Ovorkhangai aimag |

| SN | Name of individual | Position |
|----|--------------------|---|
| 35 | Tsevelmaa | Head of “Ongi Uran Goyolol” Cooperative, Arvaikheer soum, Ovorkhangai aimag |
| 36 | Choiijilsuren | Governor, Tsogt-Ovoo soum, Omnogovi aimag |
| 37 | Bayartsetseg | Local coordinator, ALP project, Tsogt-Ovoo soum, Omnogovi aimag |
| 38 | Punsaltsogvoo | Head of Veterinarian Service, Tsogt-Ovoo soum Omnogovi aimag |
| 39 | Khandmaa | Herdsman, Member of “” cluster, Tsogt-Ovoo soum, Umnugovi aimag |
| 40 | Narandelger | Head of “Bayanbulag” cluster, Tsogt-Ovoo soum, Omnogovi aimag |
| 41 | Gerelt-Od | Governor, Bulgan soum, Omnogovi aimag |
| 42 | Bazarchuluun | Head of Veterinarian Service, Bulgan soum, Omnogovi aimag |
| 43 | Buuvei | Local coordinator, ALP, Bulgan soum, Omnogovi aimag |
| 44 | Baliya | Herdsman and vegetable grower, Bulgan soum, Omnogovi aimag |
| 45 | Budee | Herdsman and vegetable grower, Bulgan soum, Omnogovi aimag |
| 46 | Batchuluun | Vegetable grower, Bulgan soum, Omnogovi aimag |
| 47 | Batchuluun’s wife | Vegetable grower, Bulgan soum, Omnogovi aimag |
| 48 | Oyunchimeg | Vice Chairperson, MNCCI |
| 49 | Bat-Ochir | Vice Governor, Uvs aimag |
| 50 | Ganbold | Head of Development Policy Division, Uvs aimag |
| 51 | Togoo | Chairman and Chief Veterinarian of Aimag, Agency for Food, Agriculture and Small and Medium Size Enterprises, Uvs aimag |
| 52 | Nyamkhuu | Local Coordinator, EMP-2, Khovd aimag |
| 53 | Doojav | Head of “Ulaan chatsargana” cluster, Chair of Association of Seabuckthorn Producers, Ulaangom soum, Uvs aimag |
| 54 | Bat-Ochir | Member of “Ulaan chatsargana” cluster, Ulaangom soum, Uvs aimag |
| 55 | Chuluunbaatar | Member of “Ulaan chatsargana” cluster, Ulaangom soum, Uvs aimag |
| 56 | Oyun | Head of “Us-Erdene” LLC, Ulaangom soum, Uvs aimag |
| 57 | Gan-Ochir | Executive Director, “Us-Erdene” LLC, Ulaangom soum, Uvs aimag |
| 58 | Tsevelmaa | Member of “Jamts Davs” Cluster, Ulaangom soum, Uvs aimag |
| 59 | Dolgormaa | Head of “Da buyan” LLC, Ulaangom soum, Uvs aimag |
| 60 | Khukhuu | Head of “Khet tsakh” Cluster, Ulaangom soum, Uvs aimag |
| 61 | Nyam-Osor | Former National Project Director, EMP-2&Chairman, SME Agency |
| 62 | Murray Maclean | Chief Technical Advisor, FAO Integrated Livestock –based Livelihoods Support Programme Global Agriculture&Food Security Project (GAFSP) |
| 63 | Enebish | Local Coordinator, EMP-2, Sukhbaatar soum, Selenge aimag |
| 64 | Norov | Leader of “Shilmel Esgii” Cluster, Sukhbaatar soum, Selenge aimag |
| 65 | Ganbaatar | Manager, “Shilmel Esgii” LLC, Sukhbaatar soum, Selenge aimag |
| 66 | Baatar | Leader of “Hops bread” cluster, Sukhbaatar soum, Selenge aimag |
| 67 | Batmunkh | Member of “Munkh Sureg” Cluster, Altanbulag soum, Selenge aimag |

| SN | Name of individual | Position |
|----|--------------------|--|
| 68 | Ouyn | Daughter of Head of “Suun tsatsal” Cooperative, Altanbulag soum, Selenge aimag |
| 69 | Chuluunshur | Member of “Suun tsatsal” Cooperative, Altanbulag soum, Selenge aimag |
| 70 | Otgonchimeg | Member of “Ujeed” LLC, Sukhbaatar soum, Selenge aimag |
| 71 | Munkhtuya | Leader of “Buteelch” cluster, Shaamar soum, Selenge aimag |
| 72 | Mongolkhuu | Member of “Buteelch” cluster, Shaamar soum, Selenge aimag |
| 73 | Otgonjargal | Member of “Gunjiin bulan” cluster, Sukhbaatar soum, Selenge aimag |
| 74 | Bathuyag | Member of “Gunjiin bulan” cluster, Sukhbaatar soum, Selenge aimag |
| 75 | Batjargal | National Project Coordinator, Sustainable Land Management Project, UNDP Mongolia |
| 76 | Sansartuya | Head of Credit and Risk Policy Regulation Division, Khaan bank, Ulaanbaatar |
| 77 | Khaliunaa | Officer in charge of Project loan, Khaan bank, Ulaanbaatar |
| 78 | Erdenechimeg | Officer in charge of Project loan, Khaan bank, Ulaanbaatar |

Annex IV: List of documents reviewed

| SN | Title | Date |
|----|---|------------------------|
| 1 | Alternative Livelihood Programme Survey by DS 10 | Oct-2010 |
| 2 | Dzud 2010 Early Recovery Project Document UNDP 03 | Jun-2010 |
| 3 | UDP-AS-09-079-UNTFHS Annual Progress Report | Apr-2012 |
| 4 | EMP Phase 2 Project Document | |
| 5 | ALP Survey BINDERIYA and Narangerel3 (Link with 1.) | |
| 6 | UNTFHS Full Project Document (without signature) | |
| 7 | EMP-2 LGF Agreement with Khan Bank signed | |
| 8 | EMP-2 Project Document (revision) | June 2009 |
| 9 | ALP BINDERIYA and Narangerel final report [date] | |
| 10 | Mid-term Progress Report | |
| 11 | SME Law (english version) | |
| 12 | EMP-2 Annual Progress Report | 2009 |
| 13 | EMP-2 Annual Progress Report | 2010 |
| 14 | EMP-2 Annual Progress Report | 2011 |
| 15 | EMP-2 Annual Work Plan (15b revision August) | 2009 |
| 16 | EMP-2 Annual Work Plan revision (16b revision August) | August 2009 |
| 17 | EMP-2 Annual Work Plan | 2011 |
| 18 | EMP-2 Annual Work Plan (18b revision) | 2012 |
| 19 | Back-to-Office Report Selenge-Bulga | June 2012 |
| 20 | Back-to-Office Report Khenti-Dornogobi | Mar 24-28, 2011 |
| 21 | Back-to-Office Report Khenti | Apr 2012 |
| 22 | Back-to-Office Report Khovd | Mar 2010 |
| 23 | Back-to-Office Report Khovd | Apr 2012 |
| 24 | Back-to-Office Report Selenge-Bulgan, | Apr-30 to May-03, 2011 |
| 25 | Dzud 2010 ER Project Document 03-Jun-2010 (25b Dzud report LV & BB 20-Sep-?? received Nov 16) | 2010 |
| 26 | EMP-2 Project Document signed | |
| 27 | UNTFHS Full Project Document (final without signature) | |
| 28 | Market Survey Final Report | |
| 29 | Tehnoz Final Report | |
| 30 | ADR-MON Final Draft version 3 | 02-Nov-2011 |
| 31 | Comprehensive National Development Strategy (CNDS) from http://www.carecprogram.org/uploads/docs/MON-National-Development-Strategy-en.pdf | |
| 32 | Best Practice Guidelines for Evaluation OECD DAC http://www.oecd.org/governance/budgetingandpublicexpenditures/1902965.pdf | |
| 33 | UNDAF Mongolia http://www.wpro.who.int/countries/mng/UNDAF_ENGLISH_17March2011.pdf | 2012-2016 |
| 34 | Mongolia Human Development Report 2011 From Vulnerability to Sustainability http://www.undp.mn/nhdr2011/NHDR%20Summary_Eng_Printed%20version.pdf | 2011 |
| 35 | Assessment of Development Results Mongolia | 2011 |
| 36 | http://www.oecd.org/dac/evaluationofdevelopmentprogrammes/2754804.pdf | |
| 37 | http://en.wikipedia.org/wiki/Aimags_of_Mongolia | |

Annex V: Primary data collection instrument utilisation

a. **Guide for interviews with Key informant**

An interview guide was employed in face-to-face interviews with key informants. The evaluators sought knowledge from the KII's regarding the EMP2 and ALP project and their implementation.

b. **Guide for the in-depth interview with beneficiaries**

An in-depth interview guide was used with the beneficiaries. A list of questions were constructed prior to the interview with the beneficiaries to be used at the discretion of the evaluators, and these were modified as required during the initial stages of the process.

c. **Consultants Individual Ratings Template**

The consensus rating sheets were developed. Each consultant independently evaluated and scored each project using a consultant rating response to evaluator questions. Following the individual and independent evaluation, the consultants reconvened to discuss their findings and most importantly, to arrive at a consensus rating.

d. **Proportional Piling Participatory Instrument**

A proportional piling participatory instrument was utilised in cooperation with household members to identify household income sources and assess the extent of diversification and the relative mix of incomes sources within the 'household economy'. Changes in income sources and enterprise mix were recorded historically through beneficiary recall and future plans to change the enterprise mix (in 2007, 2012 and 2017) were also documented using this instrument (see Annex VI).

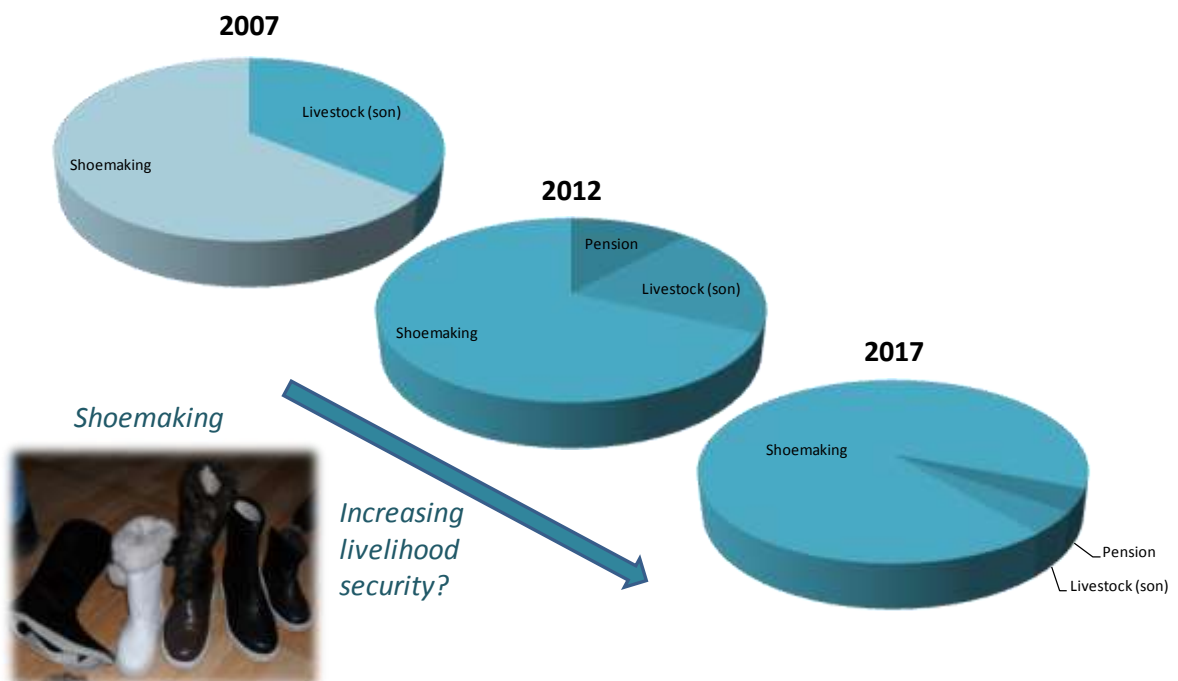
Annex VI: Case studies and Key Informant Interviews

a) Mr. Auysh, Head of Buyant shoe-making cluster, Arvaikheer soum, Ovorkhangai aimag

Cluster based on two households /husband and wife /Auysh and Buyant/, and their daughter /Dorjdulam/, but she married and lives with her family separately/ and plus two members from outside. During the socialist period family members were in charge of shoe making services in state communal services. They receive the order from regular customers and supply them products. Through project this cluster participated to fair trade activities and expanded the number of customers. They are improving the design of shoe and making modern style shoes. They train people to make shoes, but it takes time and it needs some skills. Therefore after training people moves a way. The main source of household income comes from show making service. They receive in-kind support from their son, who lives and has herding animals in rural areas.



Figure 6: Changes in Shoe-making HH Enterprise Mix



b) Mrs. Chantsaldulam, member of sewing unit, Uvurkhangai, Sant soum, Ovorkhangai aimag

Chantsaldulam has four children and she lives with two children at the soum centre. The other two children are in Ulaanbaatar. She lost her husband in 2007. She used to live in rural areas herding animals, but lost all of her 250 animals during the 2009-2010 dzud, became destitute and moved to the soum center. She had been sewing previously in the household and joined the sewing cluster and is one of eleven members. The main source of family income now comes from the sewing enterprise. The cluster is making a variety of products and has no shortage of demand, and did not tender for the manufacture of school uniforms this year for fear that they would not have sufficient spare capacity to fulfill the order. They will tender next year.



c) Man started potato growing in combination with herding and taxi business

He sold potatoes to the value of 150,000 MTN and kept an equal volume for home consumption. His wife is out herding (possibly with relatives), his children are in the Soum centre (Sant) and he also operates a minibus taxi service to UB as one of his enterprises in addition to herding. He has around 250 animals. He previously had 400 animals and lost more than half. He intends to expand the potato enterprise next year, provided he has sufficient land and considered that potato growing was complimentary to herding as potatoes are planted in May and harvested around August, when animals are brought closer to the two in the summer pastures.

d) Mr. Tsolmon, Fine wood carving, Arvaikheer soum, Ovorkhangai aimag

Tsolmon is a young man and the son of the head of the cluster, which supplies those who are purchasing Gers with items including furniture, decorative Ger poles and stoves. There are twelve members in the cluster, out of which two are carpenters, with two assistants, three are fine wood carvers, one member is in charge of painting, and the rest are in charge of making iron products such as the Ger stove. There is a tradition of fine wood carving in the family and he has two brothers learning who will eventually join. The cluster members have complimentary skills.



e) Mr. Lutjav- Headsman and member of “ Risk Management” cluster, Sant soum, Ovorkhangai aimag

Had 1,000 animals before the Dzud and lost 600; the family moved 200 kms in an effort to find a more temperate location to save the animals but moved into worse conditions (early warning systems?). Now back to 500 animals. He visited his family when his family lives in his autumn camping. As a member of the ‘risk management’ cluster he has grown improved grasses and made hay from this land.



Would not consider any other life, but has two sons and one daughter and feared that his may be the last generation to continue nomadic pastoralism. He hoped and would try to convince one of his sons to continue in the family tradition of herdspeople, his father and grandfather were herdsmen and going back generations. He considered that the Dzud took the weaker animals and left the stronger healthier animals and that this was a form of natural selection and certainly the better animals remained. This was also true of the herdspeople. Those with long experience and tradition of herding suffered less than those who had returned to herding after the collapse of the soviet empire and the loss of paid employment opportunities.

He together with cluster members had made 2 m. tons of hay for winter feeding and he considered this would be sufficient, together with purchased fodder to maintain his herd over a ‘normal’ winter period. The signs were that this season would be favourable as the summer rains had been good and animals were fattened. Mitigating risk of future losses was principally by ensuring sufficient fodder, not keeping too many animals, and upgrading the quality of animals so that, for example, 500 animals would have the productivity of the 1,000 he had before. He had taken steps to upgrade the quality of his sheep by bringing in improved sires, and intended to continue to upgrade his animals. He did not see the veterinary services playing a significant role in this as the entire GoM veterinary and extension system was in total disarray. Through the project activities his wife had for the first time visited UlaanBaatar to participate to fair trade and sold dairy products to customers.

f) Mrs. Tselvelmaa, Head of “Ongi Uran Goyolol” Cooperative, Arvaikheer soum, Ovorkhangai aimag

Tselvelmaa, who is 65 years old is the founder and head of ‘Ongi Uran Goyolol’ cluster which started to participate in the EMP Project in 2006. The cluster started with four members, including female headed households and people with disability. The enterprise involves processing sheep wool by hand and the main goal of the cluster is to renew traditional methods of sheep wool processing. Members of the cluster clean the sheep wool and produce socks, sleepers and various souvenirs. The cluster has recently expanded their range of products in producing sleeping bags using yak and sheep wool as fillers. The cluster uses raw materials from sheep, goat, yak and camel wool.



Tselvelmaa organizes the training on how to make felt products for headers who interested in producing felt products using local raw materials. One member of the cluster received a commercial bank loan for working capital to purchase raw materials and to buy wool processing equipment.

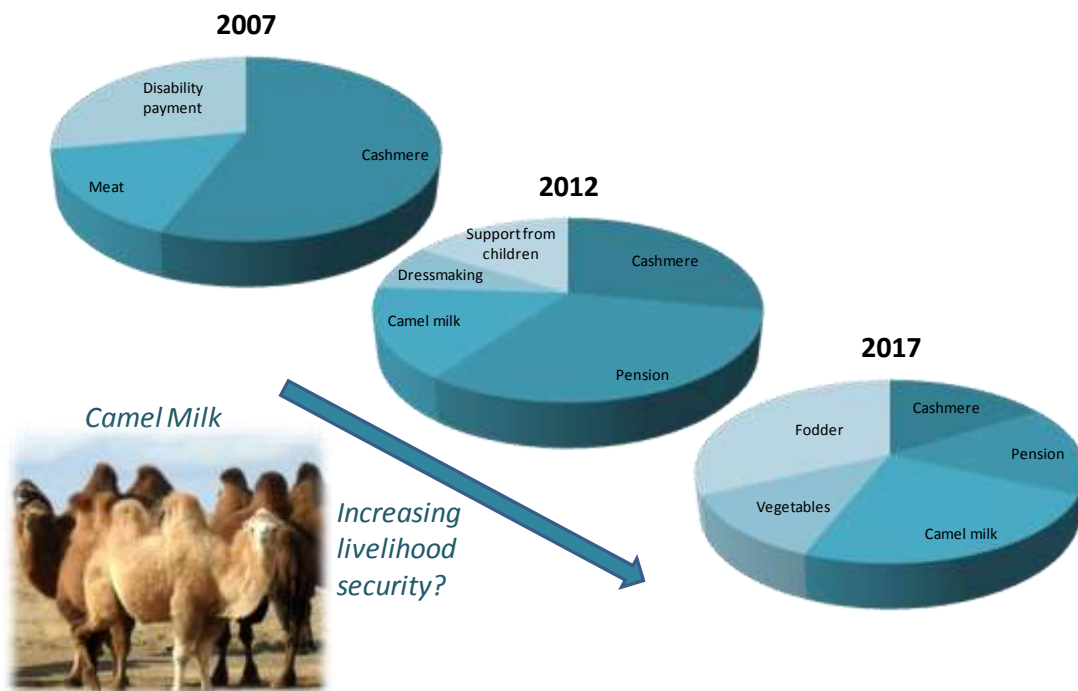
g) Mrs. Khandmaa . member of “Undran Arvijakh” cluster, Tsogt-Ovoo soum, Omnogovi aimag

Khandmaa’s household has 4 members, she lives with her son and daughter-in-law and grand child. She has 4 children, out of which three of them live in urban areas. She receives elderly pension equal to 183,000 togrogs. She entered to “Undran Arvijakh” partnership in 2010. Her family has 200 animals and she prefers to have 500 animals and she wants to grow her animals. After dzud her family had 150 animals. She learned to sell dairy products because of this project training and she benefits from this activity. She spends summer time near Tsogttsetsii soum, which is 71 km away from Tsogt-Ovoo soum. She owns 2.5 mln togrogs by selling dairy products with 1.5 months. She informed us that her children are making savings from this income. People interested in to mechanize their activities. Herders need to incorporate their labour, therefore partnership gives them possibility to inporporate their labour.



She noted that National and local governments need to take a measure on promotion of youth herders. She has an ability to make shoes and national dresses and she trains young people to make shoes. She does not like to sit nothing doing. She wants to grow fodder and vegetables. Growing fodder she wants to protect pasture from risk.

Figure 7: Changes in Camel Milk HH Enterprise Mix



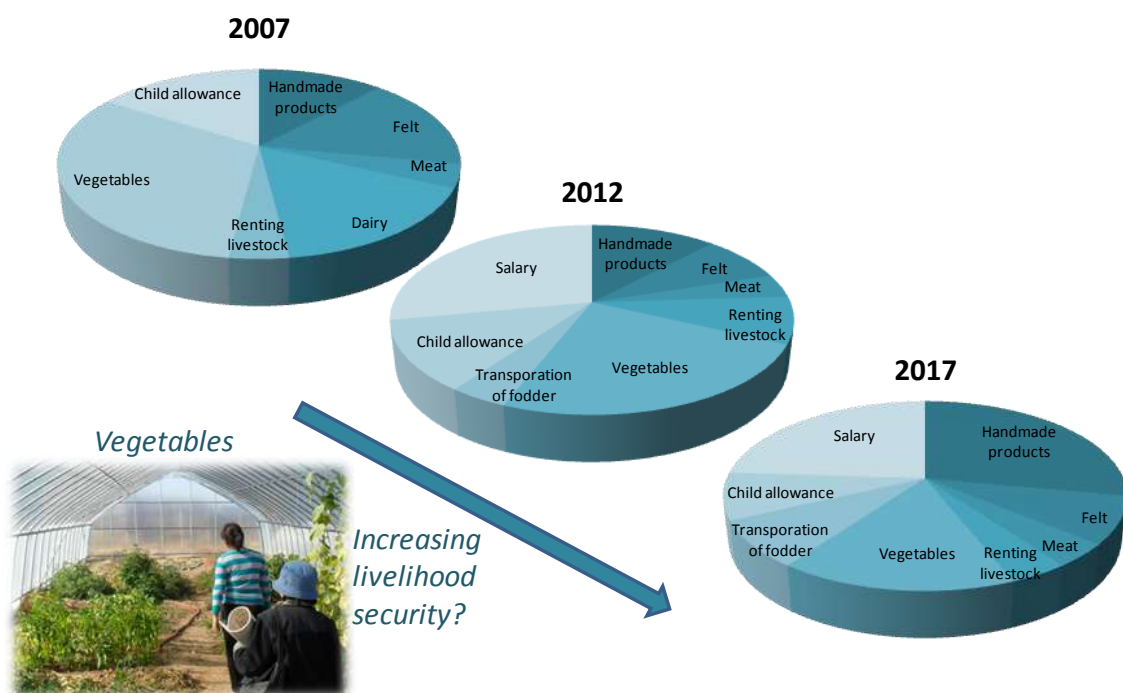
h) Mr and Mrs Batchuluum, Vegetable growers, Bulgan soum, Omnogovi aimag

Our partnership – Baruun Saihan Uul “Zolboo” gorup, was established in 2001 with 23-24 members (38 including all family members) in the field of natural environment protection. Citizens themselves initiated this partnership in order to improve pasture management and winter camps as the plant yield at pastures declined. Cooperation with our partnership, established in the frame of the German project, has strengthened greatly. At present the group consists of 10 households. In order to creating income source for the partnership, in 2006-2007 we acquired a common land plot of 0.1 hectare. Households have plots of 0.5 acres. One household has an average 400 livestock, my family has 130 livestock and 2 households do not have any cattle.



Some families with few livestock herd them together, so some family members are engaged in vegetable farming only. All of them work hard. As for our family, we rented our livestock to another family with an agreement to receive 50% of livestock produce. We are in charge of the group greenhouse. All members of our group set up a common fund, each donating one goat. Income from the fund is used for organization of festivities, meetings and other activities. While the average income was 1 million MNT, this year it grew to 3 million MNT. In the greenhouse received from the project we started planting seedlings from April and harvested vegetables 3 times, thus increasing our profit threefold. Of profit received from sale of greenhouse vegetables 600 thousand MNT was transferred to the common fund as we plan to travel to the Khovsgol lake next year. We plant seedlings in our individual plots and plant extra in the common area.

Figure 8: Changes in Vegetable HH Enterprise Mix

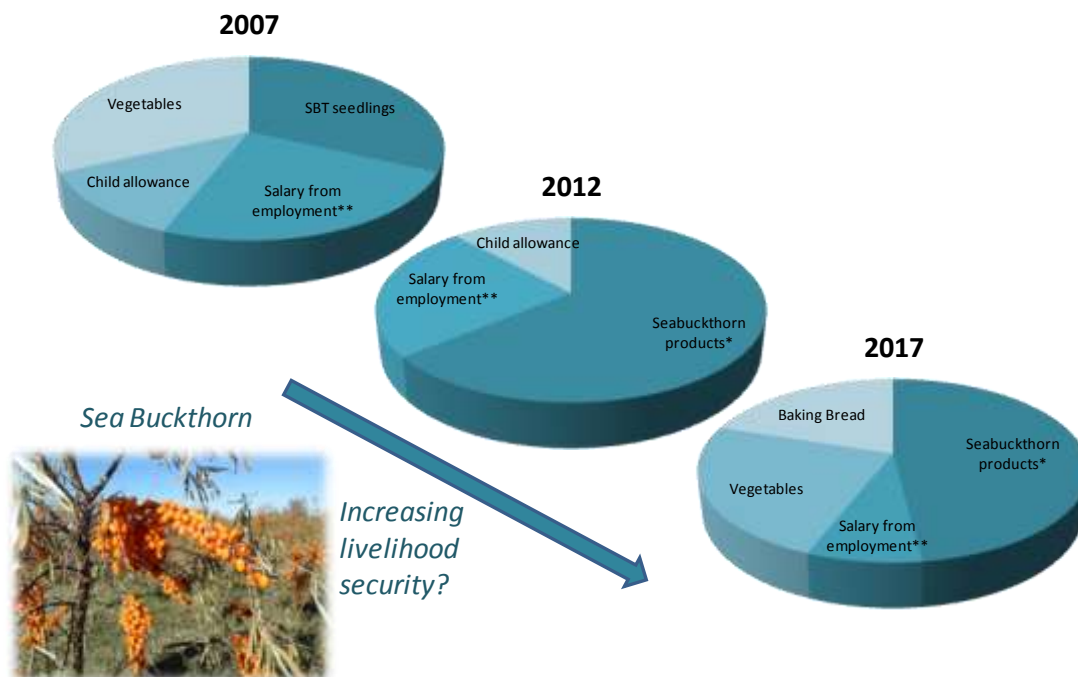


i) Mrs Dolgormaa, Head of “Da buyan” LLC, Ulaangom soum, Uvs aimag

I have 5 children and my husband works as a driver. I previously worked for the Uvs-Erdene company that engaged in vegetable farming and sea-buckthorn processing. In 2009 I set up my own company – Da buyan. At present it has 2 permanent staff. We employ 7-8 people on a contract for seasonal works. We produce pure and concentrated sea-buckthorn juice, sea-buckthorn oil, and black currants juice and jam. The production is manual. We collect berries from our own plots and buy them from our relatives and members of the Sea-buckthorn Association. In 2010, in the frame of the Oyu Tolgoi project, I attended a one-year training on Fruit and berry processing in the Ulaangom college. In 2011 I received a 3-year loan from the Khas bank. The Khaan bank loan criteria are too strict. At present I have not received a loan from the UNDP project, but I have participated in training and exhibitions, organized in the frame of the project. We ordered labels for our production in the city for 2.3 million MNT. We buy plastic bottles for juice at 250 MNT, the juice is sold at 3500-4000 MNT. The average monthly salary of staff is 140-300 thousand MNT. Customers, who bought our produce at exhibitions, now order it from us. In the aimag we have one outlet, which sells produce worth 500-700 thousand MNT a month.



Figure 9: Changes in Sea Buckthorn HH Enterprise Mix



* Sea Buckthorn products include oil, juice and jam

** In 2007 her and husband working, 2012 husband and daughter, and 2007 only husband

j) Mrs. Narandelger, Head of “Naranbilgeh” cluster, Tsogt-Ovoo soum, Omnogovi aimag

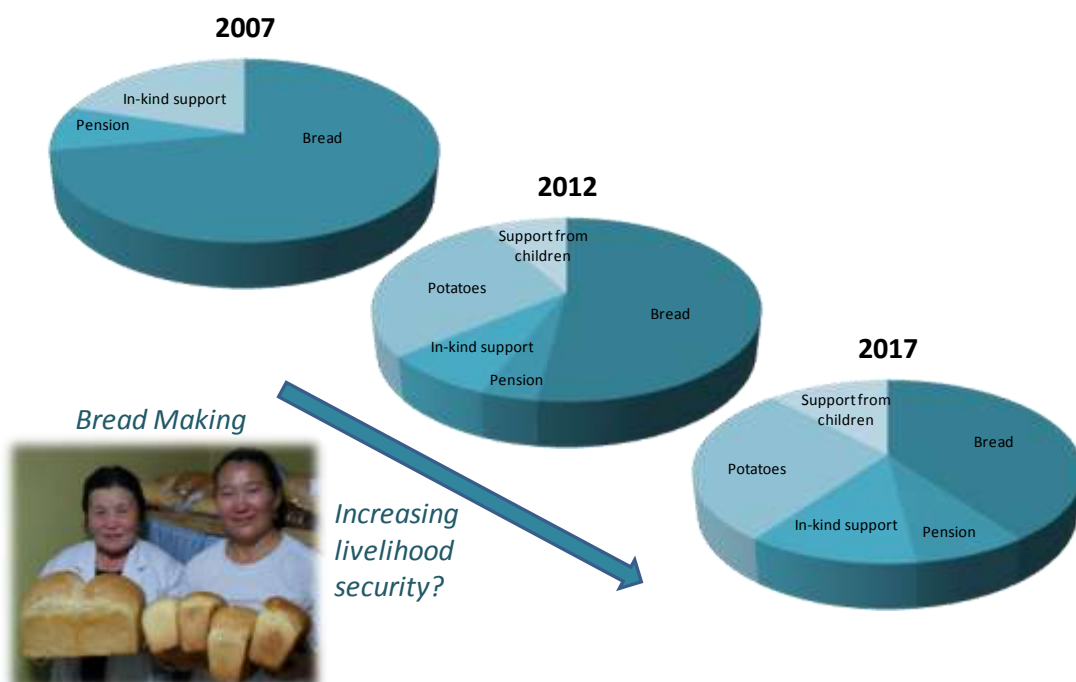
The cluster conducts three different activities, like herding, vegetable growing and bakery. The Project provided greenhouse and soum owns this greenhouse. But Narandelger is responsible for this greenhouse and this cluster hired six people who do not have any income sources. She attended to the training how to bake bread and she opened bread making unit. The cluster produces dairy products and expanded types of the dairy products.

k) Mrs. Baatar, Leader of “Buyankhishig” cluster, Sukhbaatar soum, Selenge aimag

Female headed household Mrs. Baatar started her activity in 2000. This cluster began with the EMP in 2005. She employs 13 people in her bakery unit. She received two loans, the first in 2006 and the second in 2008. Her cluster produces five different types of products, namely bread of 0.9 kg and 1.8 kg in weight and numbering 700-800 per day, and noodles in 0.5 kg bags numbering 200 bags per day. Sales are buoyant. All the ovens are wood-fired. The cluster has received many awards from different agencies and their hops bread is the OVOP for this aimag. She participates in many trade fairs and this gives her the opportunity o expand her customer base. She is happy to be member of this project and she stated that the project had improved not only her but also her son’s living condition.



Figure 10: Changes in Bread Making HH Enterprise Mix

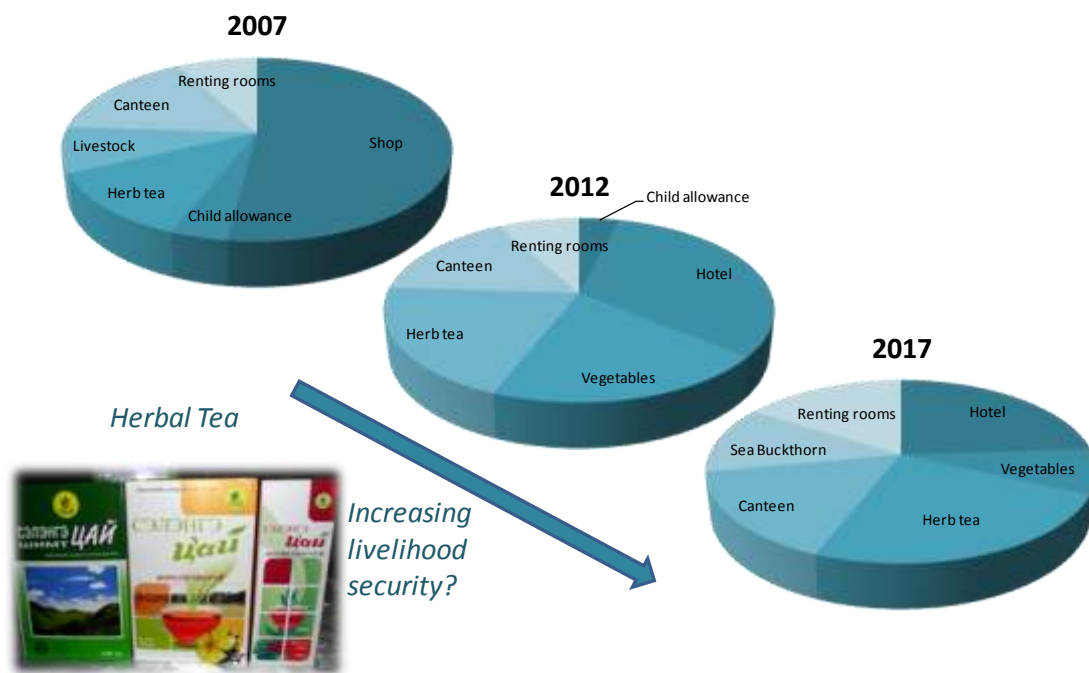


I) Mrs. Otgonchimeg, Member of ‘Ujeed’ LLC, Sukhbaatar soum, Selenge aimag

“Ujeed” LLC started the business in 2003. Cluster becomes as a LLC in 2010. Company hires 15 people during the tea herb collection and cutting. The collection and cutting of tea herb are mostly by hand. The project helped to improve packaging of the tea, namely to design package and its printing. Participating to the trade fair gives them to advocate their products. LLC plants tea herb in 5 hectares and collects around 1 tonnes of tea herbs and it finishes in January. LLC receives herb tea from individuals. Tea business is heritaged from father-in law. Tea sells is very good and LLC sells their products not only in Selenge aimag, but also some other places like Zamiin-Uud and Umnugovi aimag. In addition to this LLC has hotel, canteen, and rents some rooms for other people.



Figure 11: Changes in Herbal Tea in the HH Enterprise Mix

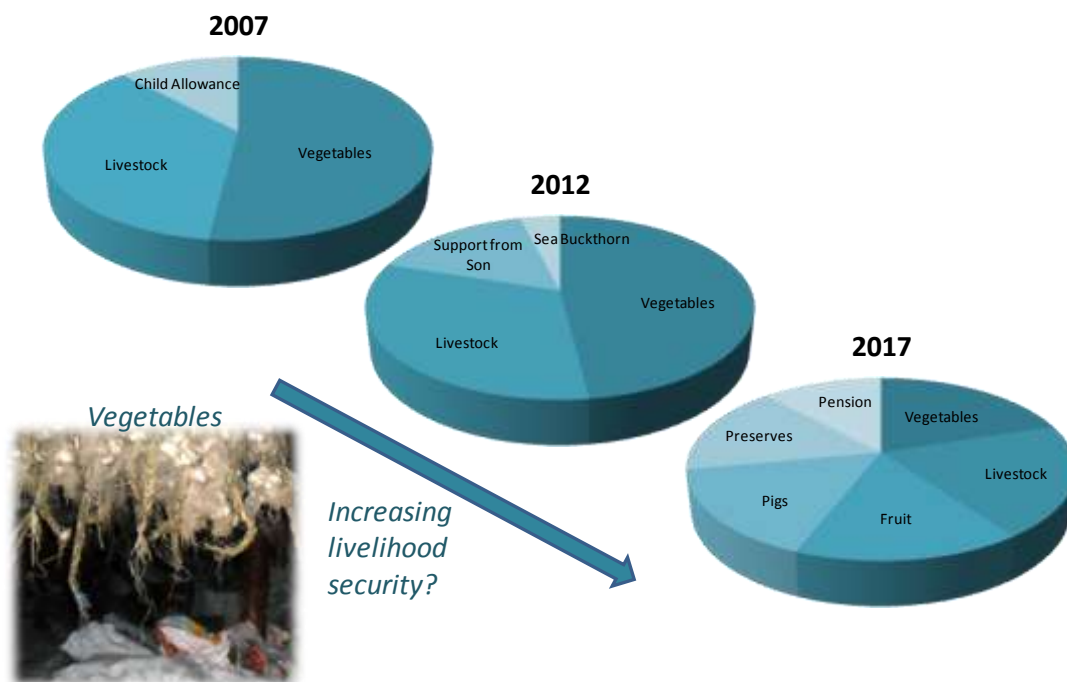


m) Mrs. Munkhtuya, Leader of “Buteelch” cooperative, Shaamar soum, Selenge aimag

There are six members /one member from each household/ in the cooperative. The cluster plants vegetables in 10 hectares and fruits in 0,5 hectares. This year they collected 200 kg fruits, like seabuckthorn. They have also animals, mainly cattle and one household has sheep and goat. 4 households have storage and the rest of the cluster members share this storage. The importance of creating cluster is incorporation of labour during the spring plantation, hay making and selling products. This cluster sells their products in Selenge aimag and Ulaanbaatar. The cluster received 6 mln togrog loan from the project and 15 mln togrog loan from SME fund in order to expand their production and to conduct greenhouse activity. The cluster become as a cooperative in 2012.



Figure 12: Changes in Vegetables in the HH Enterprise Mix

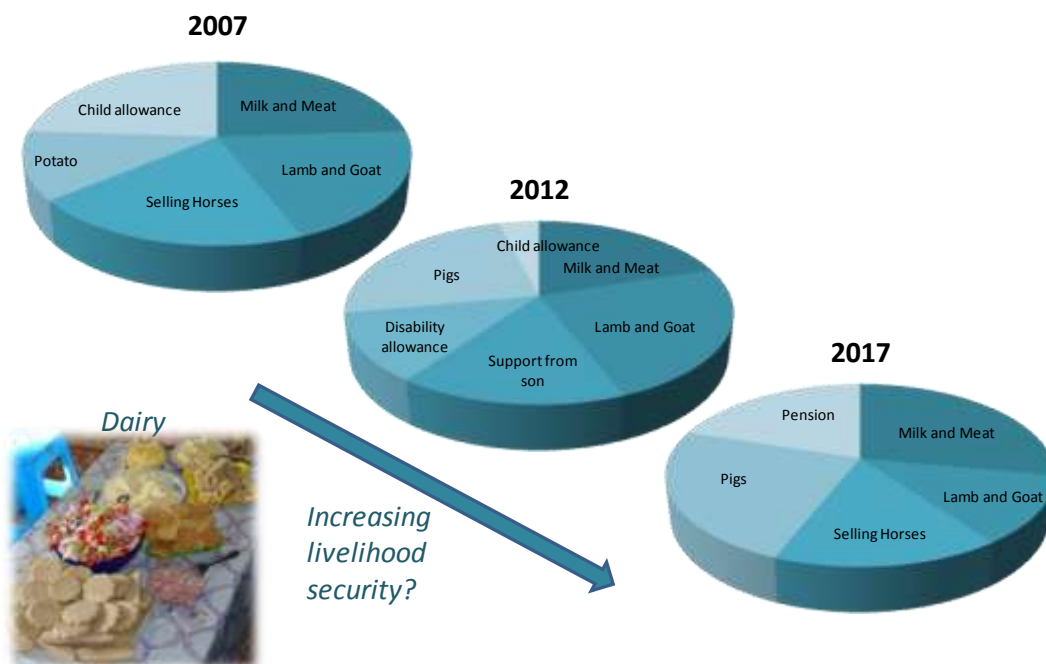


n) Mrs. Batmunkh, Member of “Suun Tusgal” dairy cooperative, Altanbulag soum, Selenge aimag

“Suun tusgal” cooperative established in March 2011. Previously it was a cluster as “Munkh sureg” until March 2011. There are 22 members in this cooperative. With advice of the project 18 project households connected with electricity /Financing came from member of Parliament /14 mln togrog/ and MNCCI /7 mln togrog//. Members of the cooperative sell their milk to soum and aimag centers by rotation. The main goal of the cooperative is to establish dairy processing unit and produce final products. Cooperative has his own house and necessary equipments. Individual members of the cooperative receive loans through the project to buy cows, hay making equipments. Members of the cooperative participate to trade fairs and receive awards 8 times from different activities / mainly trade fair.



Figure 13: Changes in Dairy in the HH Enterprise Mix



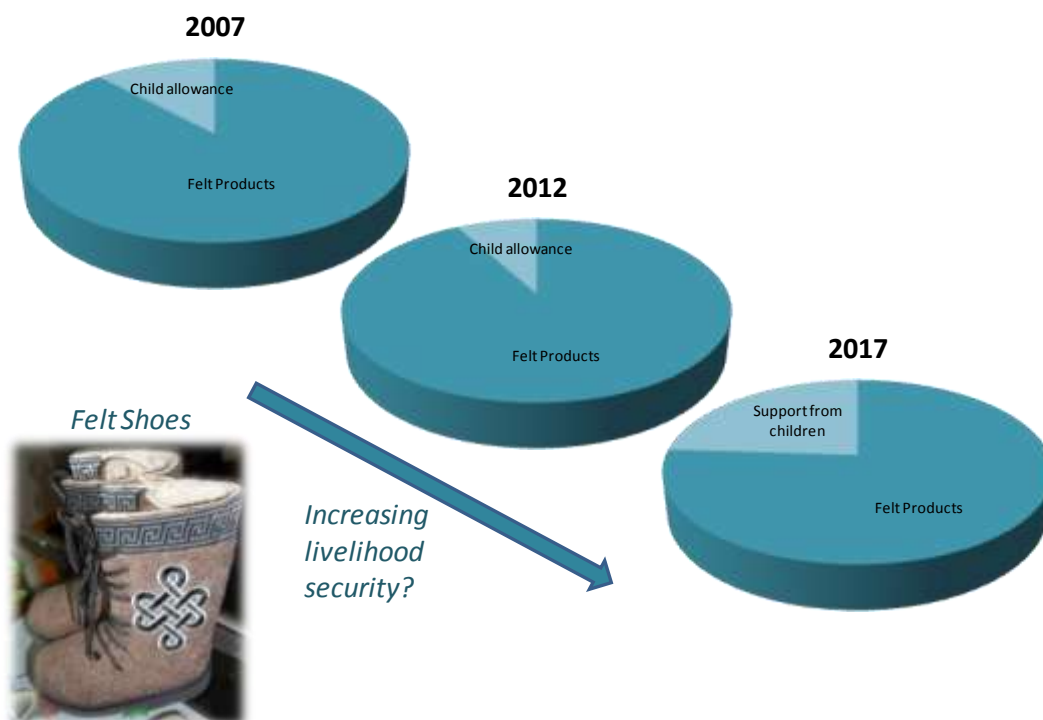
11. Mr. and Mrs. Ganbaatar, Felt-shoes enterprise, Shilmel esgii cluster, Sukhbaatar soum Selenge aimag

The main production: felt products, like slippers and well designed felt boots. The cluster was exporting their products to Norway, but this activity stopped now due to open up unit for making similar products. The newly established unit opened because members of the “Shilmel esgii” cluster gave them training on how to produce felt products. This case study gives very strong learning for other SME people on protecting their business secrets. There is a need to conduct training for SME people on protecting their patent. They face a problem on working capital to buy raw materials. It is related with the existing loan on building, because this cluster has its own job place. But they have loan from commercial bank. Local people know very well about these products and they receive order from clients.



The cluster started to work with the project since April 2006. According to the information received from Local coordinator the cluster employed 8 people due to stopping of Norway order. Previously the cluster was employed 15 people. They were not received any loan through project. Norov’s husband is very talented and he produces and installs all equipments himself. Recently he produced and installed the equipments for washing and paintings /making colourful. The cluster member participated trainings and discussions three times, organized by the project. The cluster received best products awards 13 times since 2006. The cluster becomes LLC in 2009.

Figure 14: Changes in Felt Shoemaking in the HH Enterprise Mix



Soum governor Gerelt-Od, Bulgan soum, Omnogovi aimag

During the 2009 zud 54% of total livestock perished and livelihoods of herders declined. The Aimag is implementing successfully a restocking project and a UNDP project on improving herders' livelihood. The UNDP project is directed towards support of herders' livelihoods and generation of other income resources. The project was implemented in 96 households with 380 members, in total in 10 partnerships. Although a number of different projects has been implemented at the soum, the present project differs from others as it is based on the initiatives of households, participating in the project and, in my opinion, its sustainability and effectiveness are higher. Another advantage of the project is that it is directly implemented in the local area without any stages at other levels, which makes it more effective. The project showed that in the future projects should be based on grass-root initiatives and have fewer stages. We have developed a description of a new specialty "a herder-vegetable farmer". Although we had a tradition of growing vegetables in our area, we still lack knowledge and skills in that area. In total 6 trainings were conducted with financing from different sources and necessary equipment and greenhouses were provided. We participated in exhibitions 3 times and built 3 greenhouses. We organized Best Practice training jointly with the Tsogt-Ovoo soum, and exchanged the experience with them. We grow organic tomatoes without use of chemical fertilizers. We promote ourselves with different promotional activities. Our soum has grown vegetables since 1957 and we have better water supply and wells compared to other soums. At present all households at soum grow vegetables. We need to expand the number and floor space of greenhouses and increase the product range. We were not idling in hopes of the project implementation at the soum. We determined very carefully the target population to be covered by the project. We also organized work on learning experience of successful partnerships, we paid attention to providing support rather than distributing cash and engaged in facilitating activities.

Mr. Nyam-Osor, Former National Project Director, EMP-2 (since December 2011 to September 2012), & Chairman, SME Agency

A: How are you connected with other projects?

R: A number of similar projects conduct overlapping activities under the name of poverty reduction, local development and its promotion and support. It is necessary to classify and differentiate the target groups within the projects.

We differ by providing support in development of existing local advantages, local heritage and culture. The project name “Made in Mongolia” has become a brand name of “Made in Mongolia”.

Following issues need to be paid attention to further:

- In order to connect the SME with research activities, to support projects that combine research with SME
- To support SME based on national heritage, to support training of the next generation through projects, to set up a “National heritage fund”
- To have a local monitoring of the project finance and activities
- To give authority to the local: to organize training in order to raise business knowledge of the local administration (including persons in charge of production development policy)
- To relate training such as practice-based basic training, advanced training based on theory /finance, marketing, management etc/ for entrepreneurs engaged in business, advanced training on capacity building of business groups with technology and workplace

Mr. Altangerel, Former head of Administration Department, SME Agency, Ministry of Food, Agriculture and Light Industry

Ulaanbaatar

Q: To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project?

A: Financial resources are covered by the UNDP only and there has been some limited contribution from the Government in terms of financing. As an implementing agency, the project activities, scope are rather modest (at local level target covers only few beneficiaries within the local small and medium enterprises) and carries out activities, which will lead to efficient implementation of the project at local level rather than at national level.

- Project beneficiaries are provided with professional and methodological assistance and participate in the trainings.
- Many events, organized at capital, regions and aimags are linked to the local events
- Provide information and news.
- In order to ensure product quality and increase the sales at the market, provide support to activities aimed at improving the packaging of products. For example, Honey, fish, buriat bread and red garlic from Selenge etc.
- Support sales of products through advertising, provide financial support for transportation costs to participate at trade fairs aimed at linking with the market, find the sales window at the trade fairs and rebate the rental of sales windows. Support and assist in participating at not only trade fairs, but also Exhibitions organized by the Chamber of Trade and Commerce, other non-government organizations and companies as well as local events and conduct advertising and promotion activities

Q: What type of (administrative, financial and managerial) obstacles did the projects face and to what extent has this affected efficiency?

A: Within 3-4 years, project management has been changes 4 times. Although this has had some effect on the project implementation, it does not have significant effect at project implementation level as it is directly targeting the beneficiaries.

- In terms of financing, it is solely financed and supported by the UNDP and there is no obstacle whatsoever.
- In terms of structure and organization, although it addresses the SME, the scope of the project is rather limited under the name "Made in Mongolia". If the project included the SME as whole and extended its scope through activities such as loan, loan guarantee, leasing, it would have had significant contribution to the economy. There should have been many aspects to be included such as training marketing and management etc. EMP-1 project has been elaborated within a limited scope from the onset and we did not have possibility to change it. EMP-2 is the next phase of this previous project. Although the project scope needs to be extended, it has limitations due to financing and targets only the beneficiaries. If it was possible to influence the project via policy, the situation would have been different

- Project ownership has been shifted to Ministry from the agency. Now, the project scope needs to be harmonized with the Government Action plan and functions of Ministry of Labor. It should focus SME, not only a few producers.
- In terms of financing, there is no contribution from the Government and UNDP coordinates everything. It is important to look for other donors

Q: To what extent and in what ways has ownership or the lack of it, impacted the efficiency of the project?

A: It is difficult to say that it has Mongolian Government ownership. In fact, there is a tendency to regard this project as UNDP project. Because appointment of Project unit is done by the UNDP criteria and standards.

- Although the Project plan is discussed by the Project Steering Committee, final decision and policy is made by the UNDP.
- Because all the financing is coming from the UNDP, all the activities are subject to UNDP. The subjective approach is also noticeable. Due to UNDP project staff, there was a period, when the project implementation became stagnant. There have also been times of misunderstanding and distrust, which resulted in impossibility of close cooperation.
- From the beginning, UNDP developed the policy, strategy, programs and projects by itself in addition to that, because it has been shifted to many different ministries and agencies the results are not being reflected in the Mongolian soil.

Annex VII: Getting to answers matrix

| Id. | Question | Level | OECD | Performance measure or standard | Sampling Strategy | Source of data | Instrument(s) | Type of analysis |
|-----|---|-------|------|--|--|--|--|--|
| 1 | How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD? | D | R | Degree of congruence between projects and CNDS, UNDAF, CPD | Mapping of CNDS, UNDAF, CPD with ALP and EMP-2 | Documents | Mapping | Degree of correlation between country strategies and ALP and EMP-2. Matrix format with narrative |
| 1b | To what extent were the projects' components the best options to respond to development challenges stated in the PRODOCs? | D | R | Options selected in relation to all options and challenges in PRODOCs | Mapping of the projects' components with the development challenges in the PRODOCS | PRODOCS and ALP and EMP-2 AWP, progress and back to office reports | Discussion | |
| 2 | Which were the main factors that contributed to the realization or non-realization of the projects' outcomes, and to what extent were they anticipated in the risks and assumptions? | D | R | Reality compared with theory of change. Actual vs. anticipated risks and assumptions | | PRODOCS risks and assumptions and ALP and EMP-2 progress reports | Guided focus group discussions Key informant interviews using semi-structured interview guide | |
| 3 | How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes? | D | E | Degree of synergy of project components with interventions of dev. partners | Representative selection of development partners and GoM officials | Development partners and GoM officials | Key informant interviews using semi-structured interview guide | Mixed quantitative and qualitative (contextual) analysis |

| Id. | Question | Level | OECD | Performance measure or standard | Sampling Strategy | Source of data | Instrument(s) | Type of analysis |
|-----|---|-------|------|--|---|------------------------------------|---|--|
| 4 | To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs? | D | E | | | | Interviews with national and local government and NGO representatives and beneficiaries | Mixed quantitative and qualitative (contextual) analysis – presentation of detailed FGD issues annexed |
| 5 | Was the project supported by national and/or local institutions? | D | S | Level of support to projects by national and local institutions | National and local institutions participating or with an interest in the projects | Project documents + KII interviews | Document review Interviews with national and local govt. and NGO reps. and beneficiaries | |
| 6 | Was building ownership included in the design of the project? | D | S | Explicit design for ownership | ALP and EMP-2 designs | Project Documents | Document review | |
| 7 | Are the national/local institutions showing technical capacity and leadership commitment to keep working with the project and to repeat it? | D | S | Technical capacity of national/local institutions to continue project initiatives at EoP for ALP and EMP-2 | National and local institutions participating in the projects | Project documents + KII interviews | Document review Interviews with national and local government and NGO representatives | |
| 8 | Did the project design process take into account strategies to ensure sustainability? Were these strategies used from the beginning of project implementation? Was there an adequate strategy for capacity building? | D | S | Explicit design of strategies for sustainability after end of projects | Project documents + AWP + annual progress reports | | | |

| Id. | Question | Level | OECD | Performance measure or standard | Sampling Strategy | Source of data | Instrument(s) | Type of analysis |
|-----|--|-------|------|---|--|--|---|------------------|
| 9 | Whether and to what extent are the activities of the project contributing to helping achieve the project objectives? | P | R | Chain of activities to outputs, effects and impacts | Projects | Project design, AWP, annual progress reports | Results chain schematics (using doview) | Visual |
| 10 | To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC? | P | E | 'Value addition' of implementing partners to address challenges | Implementing partners participating | | | |
| 11 | To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project? | P | E | | Project governance representatives | | | |
| 12 | What type of (administrative, financial and managerial) obstacles did the projects face and to what extent has this affected efficiency? | P | E | | Project implementers and partners | | | |
| 13 | To what extent and in what ways has ownership or the lack of it, impacted the efficiency of the project? | P | E | Scale of ownership | GoM officials and project implementers | | Likert scale with independent assessors | |
| 14 | To what extent did the implementing partners participating in the projects add value to solve the development challenges in the PRODOC? | P | E | | Project implementers | | | |
| 15 | How sustainable are the activities undertaken as part of the project – in terms of demands on local capacities, costs and organisation? | P | S | | GoM representatives, EMCs (EMP-2) | | | |

| Id. | Question | Level | OECD | Performance measure or standard | Sampling Strategy | Source of data | Instrument(s) | Type of analysis |
|-----|---|-------|------|--|--|---|--|---------------------------------|
| 16 | To what extent have the project's decision making bodies and implementing partners undertaken the necessary decisions and actions to ensure the sustainability of the project outcomes? | P | S | | Project's decision making entities and implementing partners | | | |
| 17 | Are stakeholders ready to continue supporting or carrying out specific project activities? | P | S | | Stakeholders | | | |
| 18 | To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC? | O | F | | Project Implementation Units, GoM officials | Annual Progress reports | | |
| 19 | To what extent were the project's outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached? | O | F | | Project Implementation Units, GoM officials | Annual Progress reports | | |
| 20 | Were the planned geographic area and target group successfully reached? | O | F | | Aimags and Soums in the field visit plan | | | |
| 21 | What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact? | O | I | Changes in individual and HH welfare | Individuals and HHs purposively sampled | KIIs and FGDs | Key informant interviews; household interviews | Qualitative analysis (thematic) |
| 22 | Have operating capacities been created and reinforced in national and local partners? | O | S | Change in national and local implementation capacity | National and local partners | Interviews with national and local government and NGO representatives | | |

| Id. | Question | Level | OECD | Performance measure or standard | Sampling Strategy | Source of data | Instrument(s) | Type of analysis |
|------|---|-------|------|---|-------------------|------------------|---|------------------|
| 23 | To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale? | O | S | Capacity to replicate. Probability of replication. | | | | |
| 24 | In what way has the project developed innovative measures for problem-solving? | O | S | Existence of innovative measures for problem solving | | | Interviews with national and local government and NGO representatives and beneficiaries | |
| 25 | What good practices or successful experiences or transferable examples have been identified? | O | S | | | | Discussion Field visit | |
| 26 | What inputs and to what extent are the projects being produced to streamline policy and programming which are evidence-based, inclusive and operational? | O | S | | | | Interviews with national and local government and NGO representatives and beneficiaries | |
| Key: | | | | | Level | OECD | | |
| | | | | | D=Design | R=Relevance | | |
| | | | | | P=Process | E=Efficiency | | |
| | | | | | | S=Sustainability | | |
| | | | | | | F=Effectiveness | | |
| | | | | | | I=Impact | | |

Annex VIII: Findings conclusions recommendations (FCR) matrix

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|---|--|-------------------|-------|
| 1* | How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD? | The project designs for UNDP ALP and EMP-2 strongly addressed not only the Government's, but also UN's priority policies, such as reduction of poverty by supporting the unemployed, poor and extremely poor, including nomadic herders and women. Trainings have enhanced vulnerable people's capacity and diversified their households' source of income. | The two projects are particularly focused on poor herders, who lost their animals during the Dzud and including poor women and female-headed households (FHHs). To support them the projects' activities have focused on provision of professional and vocational training. There is therefore a strong and direct linkage between project design and the CPD, UNDAF and the CNDS. | No recommendation | N/A |
| 1b* | To what extent were the projects' components the best options to respond to development challenges stated in the PRODOCs? | The development challenges stated in the project documents included peoples' vulnerability and insecurity, and an imbalance between the demand and supply of labour, a lack of business skills and food shortages for herders and a lack of alternative income opportunities | The components of both projects responded well to development challenges faced by beneficiaries, despite the limitations of the resources available to each. The trainings provided by both projects did improve the human capacity of the beneficiaries' in improving both their technical and business skills. Herders understood that they are now able to do some other activities except herding. | No recommendation | N/A |
| 2* | Which were the main factors that contributed to the realization or non-realization of the projects' outcomes, and to what extent were they anticipated in the risks and assumptions? | Risks and assumptions are detailed in the EMP-2 project document are detailed in Table 13. One of the most pertinent relates to staff turnover and understaffing being a potential threat to efficient project management and performance (SN 9). | Staff turnover did affect the EMP-2 project. In contrast the ALP has been more consistent in implementation owing to continuity in staffing. | No recommendation | N/A |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|--|--|--|---|-------|
| 3 | How efficient have the projects been in terms of creating and utilizing the <u>synergies</u> or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes? | A number of similar projects conduct overlapping activities under the name of poverty reduction, local development and its promotion and support. It is necessary to classify and differentiate the target groups within the projects. | There is a need to create an umbrella programme and under which could impelement other projects. | Create national umbrella programme on Household livelihood diversification. | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|---|---|---|--|-------|
| 4 | To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs? | <p>The ALP was a direct execution modality, meaning that the UNDP have been directly implementing the project with the Deputy Resident Representative taking on the role of national project director. While in theory it would be assumed that this modality would be the most streamlined and efficient, there was mention both in the annual progress reports and in key informant interviews that this modality was not without its operational difficulties. Competing work demands of the UNDP country office and its personnel have sometimes resulted in delays in approving activities and particularly procurement of equipment.</p> <p>Overhead costs provide one proxy indicator of project efficiency. Those projects where higher percentages of project expenditures reach intended beneficiaries could be considered to be more efficient, although this statistic alone does not provide prima facie evidence to conclude that a project is operating relatively efficiently. Overhead costs are by definition fixed costs and in the phases of start-up and exit with relatively low levels of operational expenditure on delivery of products and services to beneficiaries, they may be high relative to expenditures directed towards beneficiaries.</p> | Although a number of different projects has been implemented at the soum level, the ALP project differs from others as it is based on the initiatives of groups, therefore, its sustainability and effectiveness are higher. Another advantage of the project is that it is directly implemented in the local area without any stages at other levels, which makes it more effective. | <p>Support projects that combine research with SME</p> <p>Support SMEs which build on national heritage and cultural traditions</p> <p>Support training of the next generation through projects, to set up a "National Heritage Fund" (so that skills of one generation are not lost to the next generation)</p> <p>To have monitoring of the project finance and activities at the local level through participatory monitoring and evaluation of activities</p> <p>To give authority to the local level: to organize training for Aimag and Soum policy makers in order to raise their business knowledge</p> <p>To relate training such as practice-based basic training, advanced training based on theory/finance, marketing, management etc. for entrepreneurs engaged in business, advanced training on capacity building of business groups with technology and workplace – workplace training (vocational training and more business strategy training)</p> | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|--|--|--|-------------------|-------|
| 5* | Was the project supported by national and/or local institutions? | The project was both directly and indirectly supported by national and local institutions. The ALP is a disaster response initiative operated under a direct execution modality, while the EMP-2 is a longer-term development project executed by national implementing partners under the national execution modality. Both projects are working with vulnerable populations, although not always disadvantaged populations, in pursuit of enterprise development across a broad spectrum of enterprises as Project Implementation Unit (PIU) of ALP was established within UNDP to work directly with the Aimag and Soum governments in its activities with beneficiaries of the project. The local project coordinator was employed as a staff providing support to the soum Governor's office rather than a UNDP project worker. | Needs-based training on capacity building and technologies was organized. There was an attempt to resolve a question of equipment. Of total project expenditure 70% were spent on basic project activities (training, provision of equipment, development of training manuals, their printing), management expenditure accounted for around 30%. Greenhouses and equipment were not given to the groups, but were registered as local assets on the basis of an agreement with the governor. | No recommendation | Y/N |
| 6* | Was building ownership included in the design of the project? | Local ownership, in particular the existence of strong local government support, has usually proven to be the key determinant of success of these projects. The absence of cooperation of stakeholders and local government support is generally a sign that a cluster will fail to progress regardless of outside assistance. One of the most valuable benefits it can bring is an improved atmosphere of cooperation and trust between stakeholders and this is both long-term and hard to quantify. Cooperation and dialogue between stakeholders can provide a wide range of inputs to national-level policy development and also we can see a national policy that has met different local needs. | Local level public-private dialogue and cooperation was very important to build sustainable ownership and to coordinate national level policy. Also strengthening dialogue between central and local officials is as important as strengthening dialogue between the public and the private sectors. During the evaluation process it was noted that dialogue between central and local officials seems to be limited or weak. | No recommendation | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|--|--|---|--|--|
| 7 | Are the national/local institutions showing technical capacity and leadership commitment to keep working with the project and to repeat it? | Ovorkhangai aimag established Business Development Center in 19 soums and local government pays heating cost. Sant soum established Public Utility Service and provided job space for Sewing Unit and pays heating cost for 2 years. Greenhouses provided by Project is property of Tsogt-Ovoo and Bulgan soums. According to Government Action Plan for 2012-2016 newly established Government is planning to decrease interest rate and keep in one digit, to support small business through credit grantee fund and etc. EMCs give training, advocacy and information services to the beneficiaries | In relation to interview with aimag and soum officials and newly established Government Action Plan for 2012-2016 it is possible to make conclusion that there is commitment to continue the activities which started with support of the projects. | To strengthen the capacity of national and local government institutions by organizing business trainings for them. To improve business data information at the local level to identify who, what challenging policies are facing during business activities To strengthen SME specialist's capacity at the local level and improve her/his role for helping/solving problems facing business people | Y/N |
| 8 | Did the project design process take into account strategies to ensure sustainability? Were these strategies used from the beginning of project implementation? Was there an adequate strategy for capacity building? | The following sustainability issues stated in the PRODOC: OVOP beneficiaries will produce and market their products independently, generate employment opportunities and increase income. OVOP brand products will be promoted from LCDI EMCs will support SME on sustainable manner by introducing fee-based service provision OVOPI component will integrate with National OVOP strategy and clear identification of national strategy on OVOP ALP will contribute to rural poverty reduction in the long term. Herders groups should be sustainable. | The Project design taken into account the sustainability strategy. Projects' beneficiaries learnt how to deal with their business activities until certain stage, because beneficiaries need some future improvements, but they will continue their activities on sustainable manner. | Give recommendations to the local/national governments to support these business activities which started during the projects GOM needs to identify clear policy what issues needed support from international organizations, what issues can solve from national/local governments. To formulate local governments' SME policy to deal with the existing business activities UNDP could support national/local governments in formulation of SME development at the local level | Send recommendations to national governments to support these business activities which started during the projects GOM needs to identify clear policy what issues needed support from international organizations, what issues can solve from national/local governments. |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|--|--|--|--|-------|
| 9* | Whether and to what extent are the activities of the project contributing to helping achieve the project objectives? | The intervention logic of both projects is modelled in Annex XII The final objective of the ALP is “ <i>Herders’ livelihood resilience to dzud improved</i> ” and the activities that contribute to achieving this are the formation of herder groups, herders trained in vocational and start-up skills, with creation of alternative livelihood options for dzud affected herders. All of these activities have been implemented and diversification of livelihoods (and not alternative options which was a misnomer) has been achieved. | The final objective of the EMP was contribution to enhancing the capacity of GoM and disadvantaged groups in order to “mitigate economic and social vulnerabilities”. EMP has enhanced the capacity of selected SMEs and micro and small entrepreneurs, and has promoted the one village one product concept (OVOP) in Mongolia through its efforts with the OVOPI component of the project. | No recommendation | Y/N |
| 10 | To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC? | Uvurkhangai aimag established Business Development Center in 19 soums and local government pays heating cost. Sant soum established Public Utility Service and provided job space for Sewing Unit and pays heating cost for 2 years. Greenhouses provided by Project is property of Tsogt-Ovoo and Bulgan soums. According to Government Action Plan for 2012-2016 newly established Government is planning to decrease interest rate and keep in one digit, to support small business through credit grantee fund and etc. EMCs give training, advocacy and information services to the beneficiaries EMP-2 project has had credit guarantee fund which helps beneficiaries to get subsidized loan from commercial bank. | The implementing partners are creating good working conditions for beneficiaries to deal with their business activities. | To improve SME legal environment, particularly business entities legal environm ent. To support the existing SME initiatives in order to improve their current activities in terms of business management, taxation, marketing, and advocacy | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|---|--|---|--|-------|
| 11 | To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project? | <p>Financial resources are covered by the UNDP with limited contribution from the Government in terms of financing. The project activities, scope are rather modest (at local level target covers only few beneficiaries within the local small and medium enterprises) and carries out activities, which will lead to efficient implementation of the project at local level rather than at national level. For instance: Project beneficiaries are provided with professional and methodological assistance and participate in the trainings. (Practice-based basic training, and advanced training based on technology for entrepreneurs engaged in business);</p> <p>Many events, organized at capital city, regions and aimags are linked to the local events; Provide information and news;</p> <p>Support sales of products through advertising, provide financial support for transportation costs to participate at trade fairs aimed at linking with the market, find the sales window at the trade fairs and rebate the rental of sales windows. Support and assist in participating at not only trade fairs, but also Exhibitions organized by the Chamber of Trade and Commerce, other NGOs and companies as well as local events and conduct advertising of products and promotion activities; In order to ensure product quality and increase the sales at the market, provide support to activities aimed at improving the packaging of products.</p> <p>ALP: At local level, they were not idling in hopes of the project implementation at the soum. For instance, they determined very carefully the target population to be covered by the project. Also organized work on learning experience of successful partnerships, paid attention to providing support rather than distributing cash and engaged in facilitating activities.</p> | In general the project activities were primarily directed towards capacity building of the target population. In order to strengthen the capacity, directions for necessary training were determined and opportunities were provided for participation and training, participation in fairs and promotion of produce, comparison of their own produce with similar products, mutual learning. | The effectiveness of a project depends in great measure in capacity building of the target population along with resolving a problem of providing the opportunities. Therefore, it is necessary to pay attention to creation of a basic guarantee for sustainable income generation in the long term by providing population with land plots, long-term loans and equipment purchased on leasing agreements. | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|---|--|---|-------|
| 12* | What type of (administrative, financial and managerial) obstacles did the projects face and to what extent has this affected efficiency? | <p>In the case of EMP2 project management has changed four times over a 3-4 years which is a high level of turnover. Although this has had some effect on the project implementation, it does not have a significant effect at project implementation level as the project has been directly targeting the beneficiaries at the soum level. If the project extended its scope through activities such as loan, loan guarantee, leasing, it would have had made a significant contribution to the economy. There should have been many aspects to be included such as training marketing and management etc. EMP-1 project was elaborated with a limited scope from the outset. EMP-2 is the next phase of this previous project. Although the project scope needs to be extended, it has limitations due to financing and targets only a relatively small number of beneficiaries. If it was possible to influence the project via policy, the situation would have been different.</p> <p>Project ownership has been shifted to the Ministry of Labour. Now, the project scope needs to be harmonized with the Government Action plan and functions of Ministry of Labour. It should focus on SMEs in general, not only a few producers. In terms of financing, there is in kind contribution from the Government such as providing Project Implementing Unit office space (which was amounting 17,4 million MNT during last 51 months), Meeting venues, Time and salary of NPD, Alternate NPD and respective government and other organizations' staff for the Project Board.</p> | <p>If the project extended its scope through activities such as loan, loan guarantee, leasing, it would have had made a significant contribution to the economy. There should have been many aspects to be included such as training marketing and management etc. EMP-1 project was elaborated with a limited scope from the outset. EMP-2 is the next phase of this previous project. Although the project scope needs to be extended, it has limitations due to financing and targets only a relatively small number of beneficiaries. If it was possible to influence the project via policy, the situation would have been different.</p> | <p>Project ownership has been shifted to the Ministry of Labour. Now, the project scope needs to be harmonized with the Government Action plan and functions of Ministry of Labour. It should focus on SMEs in general, not only a few producers.</p> | Yes |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|---|--|---|-------|
| 13* | To what extent and in what ways has ownership or the lack of it, impacted the efficiency of the project? | The EMP-2 has Mongolian Government ownership. First of the Project Board, which comprises of many representatives from government, non government and donor organizations ⁴ , makes all project related decision and policies like project's annual workplan, financing issues and etc. The National and Alternative Project Directors of the EMP-2 appointed by the respective Minister's order. The project manager and AFO appointed by GoM and UNDP, while the project's other staff, like Monitoring Evaluation Officer and support staff and driver are selected and appointed by the GoM. UNDP finances project activities according to annual plan in advance and NPD is responsible for delivering and financing the project activities, but UNDP is responsible overall supervision of project implementation including consistency of project activities with project objectives. Local government administration was responsible for selecting the EMCs by announcing publicly about the position. Financing of the project activities at the local level goes according to the work plan. | Due to insignificant involvement of the government in determining the project needs, the project development, monitoring of its implementation and decision-making, the project is owned by the UNDP rather than being a national one. Opportunities for greater results were lost because of the poor participation of the government, its weak responsibilities. | In order to own any activities or programs directed towards sustainable improvements of livelihoods of the population, to make them national or local, participation of the government, the local administration and the general public should be increased at all stages of the project from the beginning to the end, namely, when determining the project needs, project development, fund raising, project implementation, allocation and expenditure of resources, assessment of project efficiency. | |

⁴ Project Board chaired by Vice Minister, Ministry of Labour, members-Deputy RR, UNDP; Counsellor (Deputy Chief of Mission), Embassy of Japan; CEO, MONEF; Deputy Director of Light Industry Policy Regulation Department, Ministry of Industry & Agriculture, Head of SME & National Industrialization promotion Division, MNCCI

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|---|---|---|---|-------|
| 15 | How sustainable are the activities undertaken as part of the project – in terms of demands on local capacities, costs and organisation? | From the observation it is recognized that the activities, which project beneficiaries are fulfilling, make first of all the main source of household livelihood, secondly these products have certain market demand, some clusters have their own sales organizational structure, like three people work in UB to sell their products in UB from Bulgan soum, Omnogovi aimag . | Projects made significant progress in beneficiaries business activities, which created during the project, will continue in the future, because these business activities are the main source of their HH's income. There are certain customers for their products also. Products, which the beneficiaries are producing, based on local raw materials. Products, beneficiaries are producing, are the real organic, mainly hand made products. | To expand National Government's support policy depending on business activities For example for seabuckthorn: To organize advocacy campaign to the public on growing this tree and its importance. To formulate policy on utilization of seabuckthorn products regionally and nation wide. To strengthen SME specialists' capacity to cooperate with local business people and give professional advice and to connect with related organizations. To organize nation wide forum on best business products on annual basis /focus on micro business activities, like activities which started within projects/. To develop Government's sustainable HH livelihood programme, including HH diversification policy. | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|----|---|--|--|--|---|
| 16 | To what extent have the project's decision making bodies and implementing partners undertaken the necessary decisions and actions to ensure the sustainability of the project outcomes? | Creation of Business Development center. Preparation of local coordinators, connection of the business activities with local development policies, Business activities are based on local raw materials. Beneficiaries have knowledge to access to information. Government pays an attention to the SME development and creation of job places. Local governments are reporting the activities, which are implementing within projects, to the high level organizations. | Local governments know that projects are implementing and people are involved in these activities and people are working successfully. These activities are the main source of HH livelihood, therefore activities could continue. | To continue motivation of newly established business clusters from Local governments. To strengthen continue the activities to attract them to different business activities. | Send recommendation to local government |
| 17 | Are stakeholders ready to continue supporting or carrying out specific project activities? | Local coordinators are representatives from MONEF /two of them/. So may be it is good idea to continue their business contacts with project beneficiaries. | There were no any fee service initiatives from EMCs, but local coordinators could continue their activities by using their existing positions. | To motivate local coordinators to continue their activities by inviting projects' beneficiaries to different activities, even these activities are with service fee | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|---|--|--|--|-------|
| 18* | To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC? | The project documents articulated outputs and outcomes as set out in the intervention models developed and presented in Annex XII. The final people-level result to be achieved under the ALP was “herders’ livelihood resilience to dzud improved”. To some extent this was achieved through the assistance to herders to move from their dependence upon livestock under rotational (not nomadic) pastoralism to diversify their household enterprise-mix to include vegetable production during the summer months. While at face-value this would seem to be a ‘stretch’ for pastoralists with no tradition of arable farming, in practice herders typically send their children to schools in the soum centres; their wives are spending time there and summer pastures are close to the soums in the rotational grazing systems now in operation. | The initiatives are encouraging herder families to work together in informal groups and support each other in managing the increased range of economic activities. Moving to a closer interaction with the soum centre and working collectively is helping herders to adapt to changing external conditions while remaining on the land. As such these and other programmes play a crucial role in providing incentives for people to remain within the rural areas thereby preventing further undesirable wholesale migration to the large urban centres. | Replicate this initiative in other suitable agro-ecological areas which correspond to the geographical focus of the Sustainable Land Management Project (SLMP) | Y |
| 19* | To what extent were the project’s outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached? | The EMP-2 and ALP organized some activities jointly, such as joint trainings and meetings for beneficiaries, local coordinators and NPMs, experience and knowledge sharing, sharing travel costs to field trip of both projects and joint ger display in Hustai Nuruu, sharing information and publications, joint participation to international and national trade fair, improved contact between two projects’ local coordinators /visit EMC coordinator to Sant soum. | The EMP-2 and ALP initiatives have been operating in relative isolation from each other, but in practice they share a great deal in common in their desire to improve the capacity of rural households to “mitigate economic and social vulnerabilities”. The results achieved have been elaborated in section 3.2 on page 24. | No recommendation | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|---|--|--------------------|-------|
| 20* | Were the planned geographic area and target group successfully reached? | ALP covered six soums from four aimags. When mapped against those soums which were heavily affected in the last Dzud, the six soums were ranked as follows: Sant soum from Ovokhangai aimag was ranked first in terms of severity, Togrog soum from Govi-Altai aimag was ranked at 5, Thogt-Ovoo and Bulgan soums from Omnogovi aimag were ranked at 8 and Bayangobi, Shinejinst soums from Bayankhongor aimag were ranked at 11 out of 12 aimags. EMP-2's projects are located in four aimags. The retail sector and registered business entities are the biggest in all selected aimags such as Selenge (828), Khovd (690), Zavkhan (521), Dornogobi (446), Bulgan (405), Khentii (331), Uvs (311) and Ovorkhangai (211). | Both projects are working with vulnerable populations, although not always disadvantaged populations in pursuit of enterprise development across a broad spectrum of enterprises. Since poor herders usually depend on the more wealthy ones, the groups were organized in a mixed way, with wealthier herders together with the poorer ones within each group. SME groups chose members with previous experience in small business. Although the criteria for selection of target aimags were clear, the choice of groups chosen to participate in project was not very clear. | No recommendations | Y/N |
| 21* | What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact? | There is evidence of substantial impact of both projects on the household economies of participants. Households have diversified their income sources. The loan guarantee fund has promoted improved access to enterprise credit for individuals. | Both projects have been successful in impacting upon the livelihoods of households and in promoting greater social cohesion between enterprise cluster and OVOPI participants. The loan guarantee fund has enjoyed some success. | No recommendations | Y/N |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|---|---|--|---|-------|
| 22* | Have operating capacities been created and reinforced in national and local partners? | The results of the discussions with representatives of projects participants show that projects' participants' capacity has been strengthened. Projects' participants are improving the quality of their products (see Photo 2 on page 22 for one example), and finding new markets through networking at trade fairs. The projects' local coordinators also strengthened their capacity in terms of information dissemination, organizing different types of activities among projects' participants, and compiling projects' participants' information. | There is insufficient evidence to confirm that National partners' capacity has been strengthened. Unfortunately many officials who were working with the EMP at the national level have been changed because of new government formulation as result of election. This indicatrs the need for further effort to strengthen partners capacity, despite the previous efforts. | There is need to strengthen local capacity. | Y/N |
| 23* | To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale? | Livelihood diversification is one of important and possible way for herders to be resilient to natural disaster. There is opportunity to replicate the support to herders to become herder-growers, although the extent of this depends upon location and principally availability of water. In Tsogt Ovoo soum in Omnogobi aimag considerable effort was required to develop the two hectare plot with fencing and borehole irrigation, and replicating this maybe challenging. Where there are natural springs such as in Bulgan soum, in contrast, then the task becomes considerably easier. Changing herder's mindset is important and the experience of establishing of herder-grower needs to share with all soums and aimags' people. Herder-other business activity, which is suitable for particular area, needs to develop all over Mongolia. SME should be developed based on cluster principle and local resources and EMP-2 experience. | There is opportunity to replicate the support to herders to become herder-growers, although the extent of this depends upon location and principally availability of water. In Tsogt Ovoo soum in Omnogobi soum considerable effort was required to develop the two hectare plot with fencing and borehole irrigation, and replicating this maybe challenging. Where there are natural springs such as in Bulgan soum, in contrast, then the task becomes considerably easier. | There is a need to consider on resource accumulation for future investment. The most of the project activities were no money to continue or expand their activities and heavily dependent on project financing. All projects' activities were deep set in the local circumstances and needs and initiated by the local beneficiaries. This activity should be continued in the future. In terms of disaster mitigation it is better to continue direct execution model with local people's supervision. | |

| SN | Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|---|---|--|-------|
| 24* | In what way has the project developed innovative measures for problem-solving? | The ALP project has had a noticeable effect on the attitudes and practices of Herders who are participating. The creation of a new specialisation of herder-grower has been innovative, in some areas while it has built upon the former successes in others (such as Bulgan soum). EMP has greatly assisted with improvement in product design as well as expansion of product type. It has also encouraged a collective work style, involving specialisation of labour and planning of joint enterprise activities. | All projects' activities were deep set in the local circumstances and needs and initiated by the local beneficiaries. | This activity should be continued in the future. | |
| 25* | What good practices or successful experiences or transferable examples have been identified? | The introduction of arable farming to traditional pastoralists has proven to be viable, provided that herders work together in groups to assist each other with division of labour. There was observable evidence of change in quality of products offered as well as anecdotal information provided by those interviewed. | Provision of a combination of business and vocational technical training combined with providing exposure to markets through subsidised participation in regional, capital city and international trade fairs has proven to be highly effective for participants. | In terms of disaster mitigation it is better to continue direct execution model with local people's supervision. It could be good to identify herder-business diversification activity like herder-grower suitable at local area. Herder-grower, herder- camel milk processing, herder-yak wool product making, herder-felt product making, herder-animal husbandry products such as bridle, hobble and etc. | |

| SN | Evaluation Question | Findings (incl. evidence) | Conclusions | Recommendations | Act?* |
|-----|--|--|---|---|-------|
| 26* | What inputs and to what extent are the projects being produced to streamline policy and programming which are evidence-based, inclusive and operational? | <p>The target groups which were selected in projects were correctly identified according to the projects' intentions. These are mostly marginalized persons and women and female-headed HH's. In contrast, the selection criteria for aimags, soums and clusters and are not so clear. In actuality, this did not influence the result and relevance of the project since most of the beneficiaries of the project are women and especially female headed HHs.</p> <p>The composition of cluster members is mostly adult men and women. Employment of over 40-year-olds person is still a challenge in Mongolia. Most of the cluster members are family members or in kin-relations. This suggests that participants prefer family relationships and that cooperation between members who are not related may still be weak.</p> | <p>At this point the project provided a good contribution to local social development. Young peoples' involvement is still very low. This may mean that clusters and cooperative membership is not as attractive for younger people. This may influence the continuation of LCDIs and OVOPs in future.</p> <p>The team did experience a change of attitude and practices amongs group members, and signs of people working collaboratively. Most of the people involved in the project have a commitment to group work with shared responsibility, and understand the advantages that are to be gained through close cooperation.</p> | The National Umbrella Programme on Household Livelihood Diversification is needed. The programme should cover all population group needs, including young generation. | |

* *an actionable recommendation*

Annex IX: Selection of Aimags and Soms Visited

The evaluation team visited the following Aimags and Soms:

Table 2: Aimags and Soms to be Visited by the Evaluation Team

| Dates | Aimag | Soum |
|----------------------|-------------|--------------------|
| 3 rd Oct. | Ovorkhangai | Arvaiheer |
| 4 th .. | | Sant |
| 5 th .. | | Arvaiheer |
| 7 th .. | Omnogovi | Tsogtovoo |
| 8 th .. | | Tsogtovoo & Bulgan |
| 9 th .. | | Bulgan |
| 11 th .. | Uvs | ULN – Ulaangoom |
| 12 th .. | | Ulaangoom |
| 13 th .. | | Ulaangoom |
| 14 th .. | | Ulaangoom - ULN |
| 19 th .. | Selenge | Sukhbaatar |
| 20 th .. | | Altanbulag |
| 21 st .. | | Sukhbaatar |

Map 1: Aimags Visited



Annex X: Evaluation Timetable

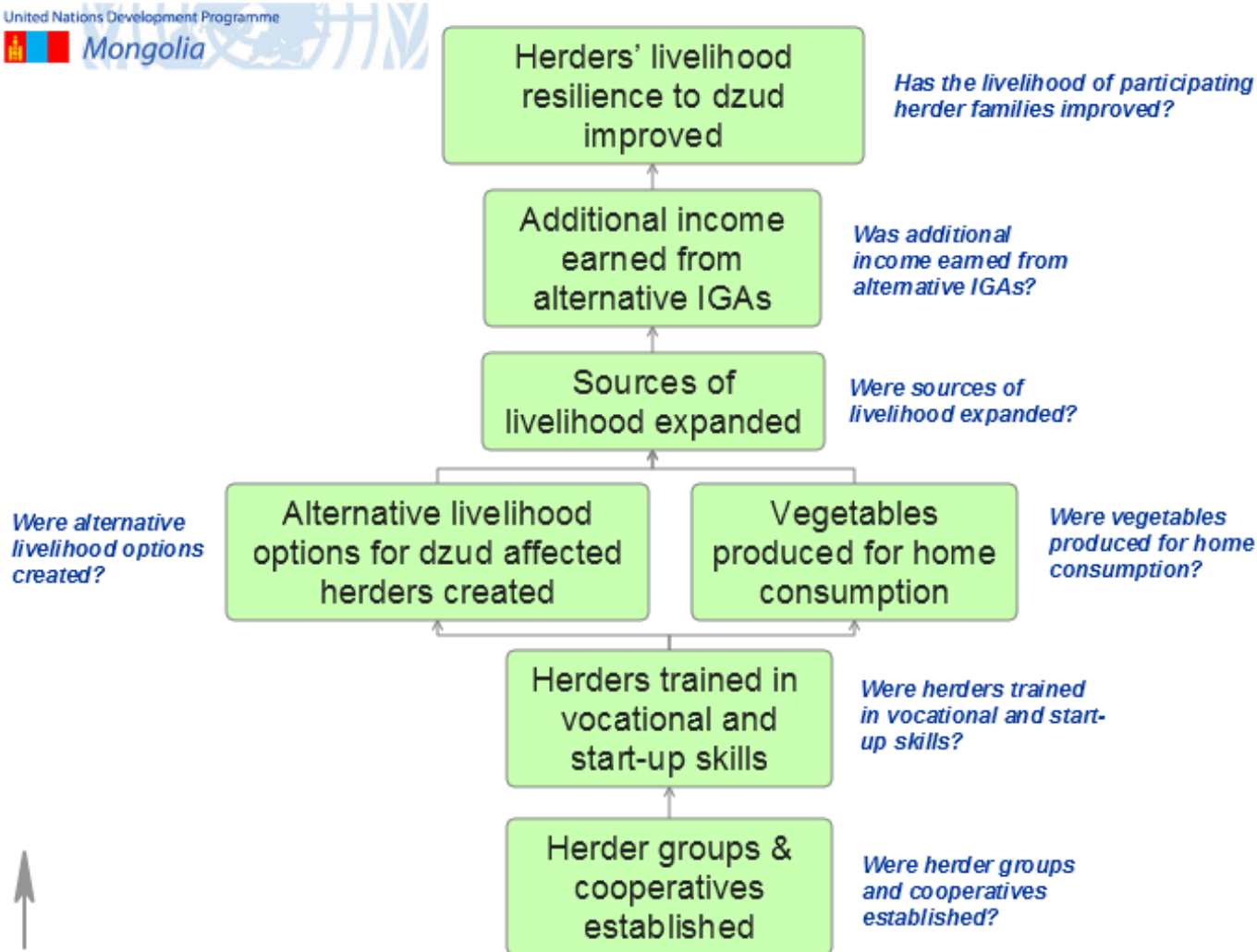
The evaluation commenced on Monday 24th September. It is envisaged that the evaluation will be completed with the submission of the final report on Wednesday 14th November, 2012. The evaluation calendar is presented in Table 3.

Table 3: Evaluation Timetable

| Sun | Mon | Tue | Wed | Thu | Fri | Sat |
|------------------|---------------------------|--------------------------|----------------------|----------------------|---------------------------|------------------|
| | 24-Sep-12 | 25-Sep-12 | 26-Sep-12 | 27-Sep-12 | 28-Sep-12 | 29-Sep-12 |
| | Inception phase | Inception phase | Inception phase | Inception phase | Inception phase | T/L travel to UB |
| 30-Sep-12 | 01-Oct-12 | 02-Oct-12 | 03-Oct-12 | 04-Oct-12 | 05-Oct-12 | 06-Oct-12 |
| T/L travel to UB | Team Planning meeting | ULN | Ovorkhangai | Ovorkhangai | Ovorkhangai | ULN |
| 07-Oct-12 | 08-Oct-12 | 09-Oct-12 | 10-Oct-12 | 11-Oct-12 | 12-Oct-12 | 13-Oct-12 |
| Omnogovi | Omnogovi | Omnogovi | ULN | Uvs | Uvs | Uvs |
| 14-Oct-12 | 15-Oct-12 | 16-Oct-12 | 17-Oct-12 | 18-Oct-12 | 19-Oct-12 | 20-Oct-12 |
| Uvs | ULN | ULN | ULN | ULN | Selenge | Selenge |
| 21-Oct-12 | 22-Oct-12 | 23-Oct-12 | 24-Oct-12 | 25-Oct-12 | 26-Oct-12 | 27-Oct-12 |
| Selenge | ULN | Present prelim. findings | Team writing | T/L Departs UB | T/L arrives home | Rest day |
| 28-Oct-12 | 29-Oct-12 | 30-Oct-12 | 31-Oct-12 | 01-Nov-12 | 02-Nov-12 | 03-Nov-12 |
| Rest day | Team writing | Team writing | Draft report writing | Draft report writing | Draft report writing | Rest day |
| 04-Nov-12 | 05-Nov-12 | 06-Nov-12 | 07-Nov-12 | 08-Nov-12 | 09-Nov-12 | 10-Nov-12 |
| Rest day | Submit work in progress | Draft report writing | Draft report writing | Draft report writing | Submit final draft report | Rest day |
| 11-Nov-12 | 12-Nov-12 | 13-Nov-12 | 14-Nov-12 | 15-Nov-12 | 16-Nov-12 | 17-Nov-12 |
| Rest day | Submit final draft report | Refine draft report | Refine draft report | Refine draft report | Refine draft report | Rest day |
| 18-Nov-12 | 19-Nov-12 | | | | | |
| Rest day | Final report submitted | | | | | |

Annex XII: Intervention Logic Models

Alternative Livelihoods Programme



**UNDAF
Outcome**

Pro-poor socio-economic services available to vulnerable population in disadvantaged region and areas

**CP
Outcome**

Capacity of Government and Disadvantaged Groups enhanced to mitigate economic and social vulnerabilities

Is the capacity of dsadvantaged groups being enhanced?

Is the capacity of Government being enhanced?

Enhanced capacity of SMEs and micro and small entrepreneurs in the project target regions to be engaged in sustainable business activities and to produce high value-added products

Is the capacity of SMEs and entrepreneurs in target regions being enhanced?

Enhanced operational capacity and financial independence of the four EMCs to support an increased number of the project beneficiaries and to ensure sustainability of quality SME support mechanism on the ground

*Is there evidence of enhanced operational capacity of the EMCs?
Are the EMCs supporting more beneficiaries than previously (without EMP support)?*

Full integration of the OVOPI component under the project into the National OVOP Programme to ensure synergic collaboration between the government's initiative and the project

Is the OVOPI component of the project being fully integrated with the Natonal OVOP programme?



Annex XIII: UNEG Evaluation Standards for Evaluation Reports

Standard 4.1: The title page and opening pages should provide key basic information.

1. The following information should be easily accessible in the first few pages of the report:
 - name of the subject (i.e. activity, programme, policy etc.) being evaluated;
 - date;
 - table of contents, including annexes;
 - name and organization(s) of the evaluators;
 - name and address of the organization(s) that commissioned the evaluation.

Standard 4.2: The evaluation report should contain an Executive Summary.

2. An Executive Summary should provide a synopsis of the substantive elements of the evaluation report. To facilitate higher readership, the Executive Summary should be short, two to three pages, and should “stand alone”. The level of information should provide the uninitiated reader with a clear understanding of what was found and recommended and what has been learned from the evaluation.
3. The Executive Summary should include:
 - a brief description of the subject being evaluated;
 - the context, present situation, and description of the subject vis-à-vis other related matters;
 - the purpose of the evaluation;
 - the objectives of the evaluation;
 - the intended audience of the report;
 - a short description of methodology, including rationale for choice of methodology, data sources used, data collection and analysis methods used, and major limitations;
 - the most important findings and conclusions;
 - main recommendations.

Standard 4.3: The subject being evaluated should be clearly described, including the logic model and/or the expected results chain and intended impact, its implementation strategy and key assumptions.

4. The evaluation report should clearly describe what the purpose of the subject being evaluated is and how the designers thought it would address the identified problem. Additional important elements include: the importance, scope and scale of the subject being evaluated; a description of the recipients / intended beneficiaries and stakeholders; and budget figures.
5. The description of the subject being evaluated should be as short as possible while ensuring that all pertinent information is provided. If additional details are

deemed necessary, a description including the logic model can be provided in an annex.

Standard 4.4: The role and contributions of the UN organizations and other stakeholders to the subject being evaluated should be clearly described.

6. The report should describe who is involved, their roles and their contributions to the subject being evaluated, including financial resources, in-kind contributions, technical assistance, participation, staff time, training, leadership, advocacy, lobbying, and any contributions from primary stakeholders, such as communities. An attempt should be made to clarify what partners contributed to which outcome.
7. Users will want to compare this with who was involved in the evaluation to assess how different points of view were included.

Standard 4.5: The purpose and context of the evaluation should be described.

8. The purpose should discuss why the evaluation is being done, how it will be used and what decisions will be taken after the evaluation is complete. The context should be described in order to provide an understanding of the setting in which the evaluation took place.

Standard 4.6: The evaluation report should provide an explanation of the evaluation criteria that were used by the evaluators.

9. Not all criteria are applicable to every evaluation. The rationale for not using a particular criterion should be explained in the report, as should any limitations in applying the evaluation criteria. Performance standards or benchmarks used in the evaluation should also be described.
10. It is important to make the basis of value judgments transparent.

Standard 4.7: The evaluation report should provide a clear explanation of the evaluation objectives as well as the scope of the evaluation.

11. The original objectives of the evaluation should be described, as well as any changes made to the evaluation design.
12. The scope of the evaluation should be described, making the coverage of the evaluation explicit. The limits of the evaluation should also be acknowledged.
13. The original evaluation questions should be explained, as well as those that were added during the evaluation. These are critical references against which the content of the report ought to be compared to.
14. The objectives and scope of the evaluation are also critical references to judge whether the methodology selected and resources allocated were adequate.

Standard 4.8: The evaluation report should indicate the extent to which gender issues and relevant human rights considerations were incorporated where applicable.

15. The evaluation report should include a description of, inter alia:

- how gender issues were implemented as a cross-cutting theme in programming, and if the subject being evaluated gave sufficient attention to promote gender equality and gender-sensitivity;
- whether the subject being evaluated paid attention to effects on marginalized, vulnerable and hard-to-reach groups;
- whether the subject being evaluated was informed by human rights treaties and instruments; to what extent the subject being evaluated identified the relevant human rights claims and obligations;
- how gaps were identified in the capacity of rights-holders to claim their rights, and of duty-bearers to fulfil their obligations, including an analysis of gender and marginalized and vulnerable groups, and how the design and implementation of the subject being evaluated addressed these gaps;
- how the subject being evaluated monitored and viewed results within this rights framework.

Standard 4.9: The applied evaluation methodology should be described in a transparent way, including any limitations to the methodology.

16. A comprehensive, but not excessive, description of the critical aspects of methodology should be contained in the evaluation report to allow the user(s) of the evaluation to come to their own conclusions about the quality of the data. Any description of the methodology should include: data sources; description of data collection methods and analysis (including level of precision required for quantitative methods, value scales or coding used for qualitative analysis); description of sampling (area and population to be represented, rationale for selection, mechanics of selection, numbers selected out of potential subjects, limitations to sample); reference indicators and benchmarks, where relevant (previous indicators, national statistics, etc.); evaluation team, including the involvement of individual team members; the evaluation plan; key limitations.

The annexes should include the following: more detail on any of the above; data collection instruments (surveys, checklists, etc.); system for ensuring data quality through monitoring of data collection and oversight; a more detailed discussion of limitations as needed.

Standard 4.10: The evaluation should give a complete description of stakeholders' participation.

17. The level of participation of stakeholders in the evaluation should be described, including the rationale for selecting that particular level. While not all evaluations can be participatory to the same degree, it is important that consideration is given to participation of stakeholders, as such participation is increasingly recognized as a critical factor in the use of conclusions, recommendations and lessons. A human rights-based approach to programming adds emphasis to the participation

of primary stakeholders. In many cases, this clearly points to the involvement of people and communities. Also, including certain groups of stakeholders may be necessary for a complete and fair assessment.

Standard 4.11: The evaluation report should include a discussion of the extent to which the evaluation design included ethical safeguards where appropriate.

18. The report should have a good description of ethical considerations, including the rationale behind the evaluation design and the mechanisms to protect participants where appropriate. This includes protection of the confidentiality, dignity, rights and welfare of human subjects, including children, and respect for the values of the beneficiary communities.

Standard 4.12: In presenting the findings, inputs, outputs, and outcomes / impacts should be measured to the extent possible (or an appropriate rationale given as to why not).

19. Findings regarding inputs for the completion of activities or process achievements should be distinguished clearly from outputs, outcomes and impact.

20. Outcomes and impacts should include any unintended effects, whether beneficial or harmful. Additionally, any multiplier or downstream effects of the subject being evaluated should be included. To the extent possible, each of these should be measured either quantitatively or qualitatively. In using such measurements, benchmarks should be referred to.

21. The report should make a logical distinction in the findings, showing the progression from implementation to results with an appropriate measurement and analysis of the results chain, or a rationale as to why an analysis of results was not provided.

22. Data does not need to be presented in full; only data that supports a finding needs to be given, and full data can be put in an annex. Additionally, reports should not segregate findings by data source.

23. Findings should cover all of the evaluation objectives and use the data collected.

Standard 4.13: Analysis should include appropriate discussion of the relative contributions of stakeholders to results.

24. Results attributed to the subject being evaluated should be related back to the contributions of different stakeholders. There should be a sense of proportionality between the relative contributions of each, and the results observed. This is an integral element of accountability to partners, donors and primary stakeholders.

25. If such an analysis is not included in the report, the reason why it was not done should be clearly indicated. For instance, if an evaluation is done early in the management cycle, results or any link to a stakeholder's contribution may not be found.

Standard 4.14: Reasons for accomplishments and difficulties of the subject being evaluated, especially constraining and enabling factors, should be identified to the extent possible.

26. An evaluation report should go beyond a mere description of implementation and outcomes and include an analysis, based on the findings, of the underlying causes, constraints, strengths on which to build on, and opportunities. External factors contributing to the accomplishments and difficulties should be identified and analysed to the extent possible, including the social, political or environmental situation.

27. An explanation of context contributes to the utility and accuracy of the evaluation. An understanding of which external factors contributed to the success or failure of a subject being evaluated helps determine how such factors will affect the future of the subject being evaluated, or whether it could be replicated elsewhere.

Standard 4.15: Conclusions need to be substantiated by findings consistent with data collected and methodology, and represent insights into identification and/or solutions of important problems or issues

28. Conclusions should add value to the findings. The logic behind conclusions and the correlation to actual findings should be clear.

29. Conclusions must focus on issues of significance to the subject being evaluated, determined by the evaluation objectives and the key evaluation questions. Simple conclusions that are already well known and obvious are not useful, and should be avoided.

30. Conclusions regarding attribution of results, which are most often tentative, require clear detailing of what is known and what can plausibly be assumed in order to make the logic from findings to conclusions more transparent, and thereby increase the credibility of the conclusions.

Standard 4.16: Recommendations should be firmly based on evidence and analysis, be relevant and realistic, with priorities for action made clear.

31. For accuracy and credibility, recommendations should be the logical implications of the findings and conclusions. Recommendations should also be relevant to the subject being evaluated, the Terms of Reference and the objectives of the evaluation, and should be formulated in a clear and concise manner. Additionally, recommendations should be prioritized to the extent possible.

32. Recommendations should state responsibilities and the time frame for their implementation, to the extent possible.

Standard 4.17: Lessons, when presented, should be generalized beyond the immediate subject being evaluated to indicate what wider relevance they might have.

33. Not all evaluations generate lessons. Lessons should only be drawn if they represent contributions to general knowledge. They should be well supported by the findings and conclusions of the evaluation. They may refine or add to commonly accepted lessons, but should not be merely a repetition of common knowledge.

34. A good evaluation report has correctly identified lessons that stem logically from the findings, presents an analysis of how they can be applied to different contexts and/or different sectors, and takes into account evidential limitations such as generalizing from single point observations.

Standard 4.18: Annexes should be complete and relevant.

35. Additional supplementary information to the evaluation that should be included in annexes includes:

- list of persons interviewed (if confidentiality allows) and sites visited;
- data collection instruments (copies of questionnaires, surveys, etc.);
- the original Terms of Reference for the evaluation;
- list of abbreviations.

36. The annexes increase the usability and the credibility of the report.

Annex XIV: Self-Check for Content of the Evaluation Report

| SN | Required | Yes | ? | No | Ref |
|------|--|-----|---|----|-----|
| 4.1 | The title page and opening pages should provide key basic information | ✓ | | | |
| 4.2 | The evaluation report should contain an Executive Summary | ✓ | | | |
| 4.3 | The subject being evaluated should be clearly described, including the logic model and/or the expected results chain and intended impact, its implementation strategy and key assumptions | ✓ | | | |
| 4.4 | The role and contributions of the UN organizations and other stakeholders to the subject being evaluated should be clearly described | ✓ | | | |
| 4.5 | The purpose and context of the evaluation should be described | ✓ | | | |
| 4.6 | The evaluation report should provide an explanation of the evaluation criteria that were used by the evaluators | ✓ | | | |
| 4.7 | The evaluation report should provide a clear explanation of the evaluation objectives as well as the scope of the evaluation. | ✓ | | | |
| 4.8 | The evaluation report should indicate the extent to which gender issues and relevant human rights considerations were incorporated where applicable | ✓ | | | |
| 4.9 | The applied evaluation methodology should be described in a transparent way, including any limitations to the methodology | ✓ | | | |
| 4.10 | The evaluation should give a complete description of stakeholders' participation | ✓ | | | |
| 4.11 | The evaluation report should include a discussion of the extent to which the evaluation design included ethical safeguards where appropriate | ✓ | | | |
| 4.12 | In presenting the findings, inputs, outputs, and outcomes / impacts should be measured to the extent possible (or an appropriate rationale given as to why not) | ✓ | | | |
| 4.13 | Analysis should include appropriate discussion of the relative contributions of stakeholders to results | | ✓ | | |
| 4.14 | Reasons for accomplishments and difficulties of the subject being evaluated, especially constraining and enabling factors, should be identified to the extent possible | | ✓ | | |
| 4.15 | Conclusions need to be substantiated by findings consistent with data collected and methodology, and represent insights into identification and/or solutions of important problems or issues | | ✓ | | |
| 4.16 | Recommendations should be firmly based on evidence and analysis, be relevant and realistic, with priorities for action made clear | | ✓ | | |
| 4.17 | Lessons, when presented, should be generalized beyond the immediate subject being evaluated to indicate what wider relevance they might have | | ✓ | | |
| 4.18 | Annexes should be complete and relevant | ✓ | | | |

Relevance

The extent to which the aid activity is suited to the priorities and policies of the target group, recipient and donor: In evaluating the relevance of a programme or a project, it is useful to consider the following questions:

- ☒ To what extent are the objectives of the programme still valid?
- ☒ Are the activities and outputs of the programme consistent with the overall goal and the attainment of its objectives?
- ☒ Are the activities and outputs of the programme consistent with the intended impacts and effects?

Effectiveness

A measure of the extent to which an aid activity attains its objectives: In evaluating the effectiveness of a programme or a project, it is useful to consider the following questions:

- ☒ To what extent were the objectives achieved / are likely to be achieved?
- ☒ What were the major factors influencing the achievement or non-achievement of the objectives?

Efficiency

Efficiency measures the outputs -- qualitative and quantitative -- in relation to the inputs. It is an economic term which signifies that the aid uses the least costly resources possible in order to achieve the desired results. This generally requires comparing alternative approaches to achieving the same outputs, to see whether the most efficient process has been adopted.

When evaluating the efficiency of a programme or a project, it is useful to consider the following questions:

- ☒ Were activities cost-efficient?
- ☒ Were objectives achieved on time?
- ☒ Was the programme or project implemented in the most efficient way compared to alternatives?

Impact

The positive and negative changes produced by a development intervention, directly or indirectly, intended or unintended. This involves the main impacts and effects resulting from the activity on the local social, economic, environmental and other development indicators. The examination should be concerned with both intended and unintended results and must also include the positive and negative impact of external factors, such as changes in terms of trade and financial conditions.

When evaluating the impact of a programme or a project, it is useful to consider the following questions:

- ☒ What has happened as a result of the programme or project?
- ☒ What real difference has the activity made to the beneficiaries?
- ☒ How many people have been affected?

Sustainability

Sustainability is concerned with measuring whether the benefits of an activity are likely to continue after donor funding has been withdrawn. Projects need to be environmentally as well as financially sustainable.

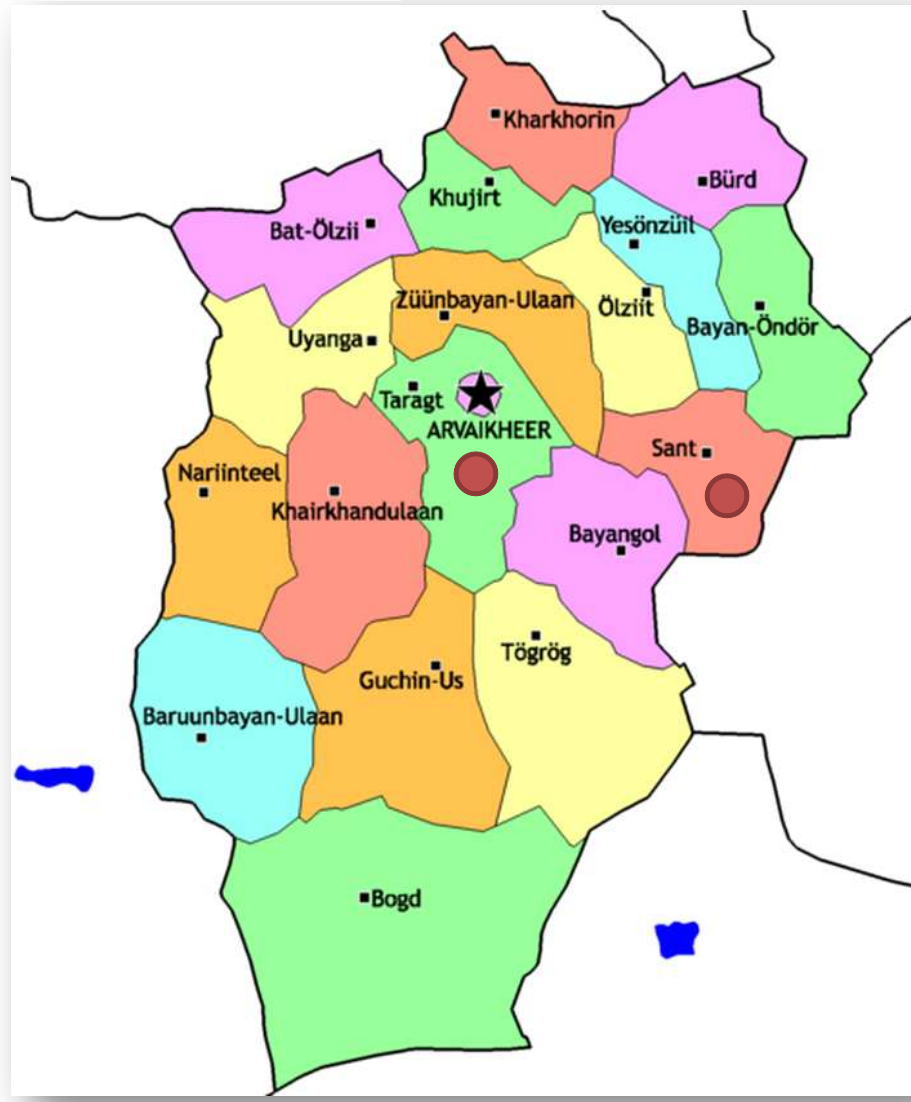
When evaluating the sustainability of a programme or a project, it is useful to consider the following questions:

- ☒ To what extent did the benefits of a programme or project continue after donor funding ceased?
- ☒ What were the major factors which influenced the achievement or non-achievement of sustainability of the programme or project?

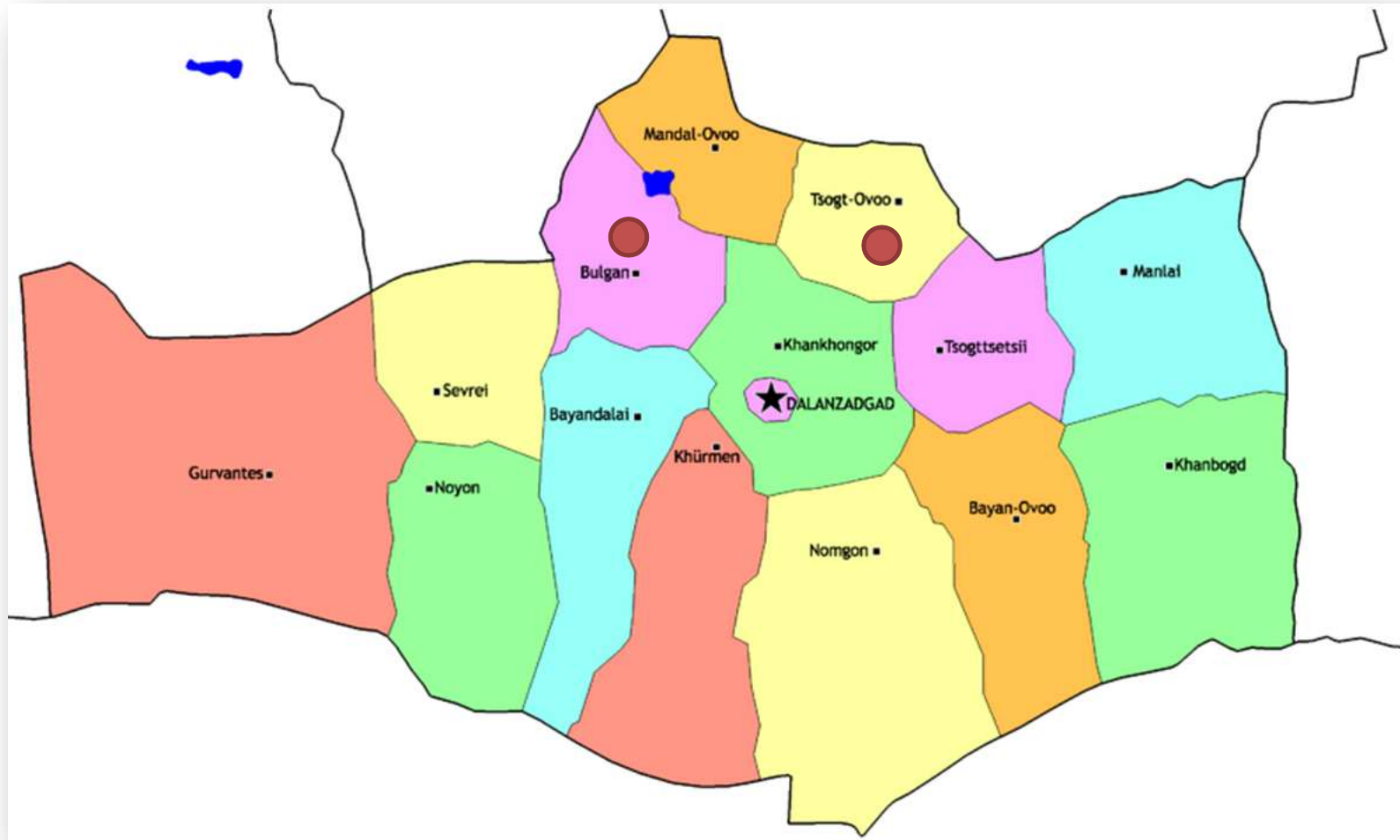
Sources:

The *DAC Principles for the Evaluation of Development Assistance*, OECD (1991), *Glossary of Terms Used in Evaluation*, in 'Methods and Procedures in Aid Evaluation', OECD (1986), and the *Glossary of Evaluation and Results Based Management (RBM) Terms*, OECD (2000).

The Soms of Övörkhongai Aimag Visited



The Sums of Ömnögovi Aimag Visited



The Sums of Uvs Aimag Visited



The Sums of Selenge Aimag Visited



Population profile of the visited aimag, Ovorkhangai, Mongolia, 2006-2011

| Soum | Population | | | | | | Annual growth rate | | | | | Sex ratio | | | | | Soum center/Remote rural population ratio | | | | | | |
|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|--------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|---|-----------|-----------|-----------|-----------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Bayan-Undur | 4077 | 4242 | 4261 | 4335 | 4262 | 4141 | 4.0 | 0.4 | 1.7 | -1.7 | -2.8 | 99 | 98 | 98 | 98 | 99 | 98 | 19 | 18 | 16 | 13 | 77 | 33 |
| Burd | 3258 | 3231 | 3135 | 3118 | 3041 | 3033 | -0.8 | -3.0 | -0.5 | -2.5 | -0.3 | 103 | 103 | 102 | 104 | 106 | 107 | 20 | 20 | 21 | 31 | 22 | 21 |
| Bat-Ulzii | 5878 | 6077 | 6189 | 6318 | 6381 | 6794 | 3.4 | 1.8 | 2.1 | 1.0 | 6.5 | 100 | 101 | 100 | 102 | 101 | 99 | 55 | 58 | 57 | 99 | 179 | 212 |
| B-Bayan-Ulaan | 2502 | 2596 | 2556 | 2560 | 2638 | 2728 | 3.8 | -1.5 | 0.2 | 3.0 | 3.4 | 99 | 95 | 99 | 100 | 102 | 101 | 44 | 39 | 39 | 34 | 29 | 92 |
| Bayangol | 3933 | 4235 | 4572 | 4617 | 4423 | 4101 | 7.7 | 8.0 | 1.0 | -4.2 | -7.3 | 101 | 110 | 97 | 97 | 99 | 100 | 28 | 26 | 22 | 22 | 22 | 23 |
| Guchin-Us | 2279 | 2210 | 2260 | 2326 | 2238 | 2236 | -3.0 | 2.3 | 2.9 | -3.8 | -0.1 | 102 | 98 | 99 | 97 | 97 | 97 | 31 | 30 | 30 | 30 | 46 | 30 |
| Zuil | 3415 | 3480 | 3422 | 3442 | 3242 | 3262 | 1.9 | -1.7 | 0.6 | -5.8 | 0.6 | 103 | 105 | 104 | 106 | 104 | 101 | 33 | 33 | 34 | 32 | 36 | 36 |
| Ulziit | 2678 | 2717 | 2741 | 2748 | 2739 | 2608 | 1.5 | 0.9 | 0.3 | -0.3 | -4.8 | 99 | 99 | 99 | 100 | 100 | 99 | 28 | 46 | 45 | 43 | 26 | 26 |
| Z-Bayan-Ulaan | 4343 | 4377 | 4436 | 4205 | 4166 | 4141 | 0.8 | 1.3 | -5.2 | -0.9 | -0.6 | 99 | 97 | 98 | 102 | 101 | 100 | 19 | 15 | 59 | 19 | 23 | 25 |
| Bogd | 5395 | 5193 | 5342 | 5413 | 5363 | 5346 | -3.7 | 2.9 | 1.3 | -0.9 | -0.3 | 98 | 100 | 98 | 100 | 100 | 104 | 18 | 17 | 22 | 18 | 14 | 23 |
| Nariinteel | 3792 | 3732 | 3736 | 3764 | 3719 | 3698 | -1.6 | 0.1 | 0.7 | -1.2 | -0.6 | 98 | 97 | 99 | 100 | 97 | 99 | 75 | 50 | 35 | 22 | 27 | 32 |
| Sant | 3540 | 3549 | 3525 | 3640 | 3434 | 3143 | 0.3 | -0.7 | 3.3 | -5.7 | -8.5 | 99 | 98 | 101 | 97 | 95 | 94 | 20 | 20 | 20 | 23 | 24 | 26 |
| Taragt | 3424 | 3418 | 3313 | 3214 | 3272 | 3208 | -0.2 | -3.1 | -3.0 | 1.8 | -2.0 | 105 | 104 | 102 | 105 | 103 | 102 | 31 | 21 | 22 | 26 | 43 | 30 |
| Tugrug | 2691 | 2691 | 2689 | 2740 | 2766 | 2611 | 0.0 | -0.1 | 1.9 | 0.9 | -5.6 | 99 | 99 | 99 | 98 | 100 | 99 | 45 | 44 | 42 | 35 | 45 | 42 |
| Uyanga | 10510 | 10083 | 9581 | 9498 | 9659 | 9593 | -4.1 | -5.0 | -0.9 | 1.7 | -0.7 | 101 | 99 | 99 | 98 | 101 | 101 | 53 | 47 | 58 | 61 | 43 | 96 |
| Khairkhandulaan | 3462 | 3517 | 3510 | 3519 | 3473 | 3396 | 1.6 | -0.2 | 0.3 | -1.3 | -2.2 | 101 | 99 | 101 | 101 | 103 | 103 | 28 | 28 | 27 | 28 | 27 | 23 |
| Khujirt | 6749 | 6496 | 6649 | 6716 | 6811 | 6734 | -3.7 | 2.4 | 1.0 | 1.4 | -1.1 | 100 | 98 | 95 | 98 | 100 | 99 | 72 | 92 | 87 | 67 | 73 | 75 |
| Kharkhorin | 13270 | 12533 | 12901 | 12882 | 12933 | 12613 | -5.6 | 2.9 | -0.1 | 0.4 | -2.5 | 97 | 98 | 98 | 99 | 101 | 101 | 234 | 240 | 249 | 220 | 244 | 236 |
| Arvaiheer | 24954 | 25115 | 25622 | 26922 | 27560 | 28838 | 0.6 | 2.0 | 5.1 | 2.4 | 4.6 | 90 | 88 | 92 | 93 | 93 | 93 | 1503 | 1784 | 1343 | 1290 | 1446 | 1332 |
| Total | 110150 | 109492 | 110440 | 111977 | 112120 | 112224 | -0.6 | 0.9 | 1.4 | 0.1 | 0.1 | 97 | 97 | 97 | 98 | 98 | 98 | 90 | 89 | 93 | 91 | 100 | 111 |

Population profile of the visited aimag, Omnogovi, Mongolia, 2006-2011

| Soum | Population | | | | | | Annual growth rate | | | | | Sex ratio | | | | | Soum center/Remote rural population ratio | | | | | | |
|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|---|-----------|------------|------------|------------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Bayandalai | 2296 | 2313 | 2295 | 2316 | 2293 | 2229 | 0.7 | -0.8 | 0.9 | -1.0 | -2.8 | 99 | 98 | 98 | 98 | 99 | 98 | 25 | 28 | 34 | 39 | 31 | 29 |
| Bayan-Ovoo | 1520 | 1539 | 1502 | 1574 | 1600 | 1658 | 1.3 | -2.4 | 4.8 | 1.7 | 3.6 | 97 | 96 | 96 | 97 | 99 | 99 | 40 | 34 | 45 | 53 | 67 | 83 |
| Bulgan | 2321 | 2322 | 2347 | 2395 | 2325 | 2281 | 0.0 | 1.1 | 2.0 | -2.9 | -1.9 | 98 | 95 | 99 | 100 | 100 | 99 | 51 | 56 | 58 | 63 | 59 | 58 |
| Gurvantes | 3655 | 3807 | 3889 | 4034 | 4243 | 4408 | 4.2 | 2.2 | 3.7 | 5.2 | 3.9 | 99 | 101 | 98 | 99 | 99 | 102 | 69 | 39 | 72 | 84 | 143 | 119 |
| Mandal-Ovoo | 2007 | 2001 | 1899 | 1954 | 1891 | 1784 | -0.3 | -5.1 | 2.9 | -3.2 | -5.7 | 100 | 98 | 96 | 97 | 98 | 100 | 51 | 29 | 44 | 45 | 76 | 51 |
| Manlai | 2471 | 2510 | 2478 | 2450 | 2441 | 2460 | 1.6 | -1.3 | -1.1 | -0.4 | 0.8 | 99 | 98 | 98 | 97 | 98 | 100 | 30 | 26 | 27 | 33 | 40 | 42 |
| Nomgon | 2807 | 3075 | 2853 | 2869 | 2797 | 2736 | 9.5 | -7.2 | 0.6 | -2.5 | -2.2 | 100 | 101 | 101 | 100 | 102 | 104 | 21 | 43 | 34 | 38 | 30 | 29 |
| Noyon | 1353 | 1298 | 1287 | 1318 | 1315 | 1321 | -4.1 | -0.8 | 2.4 | -0.2 | 0.5 | 98 | 101 | 104 | 107 | 106 | 109 | 18 | 38 | 38 | 44 | 41 | 47 |
| Sevrei | 2256 | 2237 | 2187 | 2191 | 2126 | 2088 | -0.8 | -2.2 | 0.2 | -3.0 | -1.8 | 99 | 102 | 103 | 102 | 103 | 102 | 31 | 43 | 44 | 48 | 35 | 34 |
| Khanbogd | 2901 | 2974 | 3022 | 3154 | 3522 | 3948 | 2.5 | 1.6 | 4.4 | 11.7 | 12.1 | 96 | 94 | 95 | 98 | 99 | 101 | 65 | 67 | 67 | 76 | 70 | 136 |
| Khankhongor | 2499 | 2507 | 2407 | 2376 | 2251 | 2236 | 0.3 | -4.0 | -1.3 | -5.3 | -0.7 | 104 | 103 | 100 | 103 | 102 | 103 | 27 | 24 | 30 | 35 | 22 | 214 |
| Khurmen | 1737 | 1731 | 1743 | 1796 | 1757 | 1665 | -0.3 | 0.7 | 3.0 | -2.2 | -5.2 | 102 | 96 | 95 | 96 | 98 | 97 | 34 | 44 | 37 | 38 | 41 | 41 |
| Tsogt-Ovoo | 1677 | 1662 | 1662 | 1666 | 1633 | 1634 | -0.9 | 0.0 | 0.2 | -2.0 | 0.1 | 95 | 97 | 98 | 100 | 99 | 100 | 58 | 58 | 52 | 59 | 57 | 52 |
| Tsogttsetsii | 2121 | 2147 | 2245 | 2642 | 3366 | 4042 | 1.2 | 4.6 | 17.7 | 27.4 | 20.1 | 99 | 98 | 104 | 106 | 108 | 107 | 65 | 63 | 68 | 105 | 83 | 286 |
| Dalanzadgad | 14721 | 15176 | 15968 | 17946 | 18746 | 19397 | 3.1 | 5.2 | 12.4 | 4.5 | 3.5 | 90 | 92 | 91 | 93 | 93 | 93 | 1610 | 3157 | 1593 | 1546 | 2134 | - |
| Total | 46342 | 47299 | 47784 | 50681 | 52306 | 53887 | 2.1 | 1.0 | 6.1 | 3.2 | 3.0 | 96 | 96 | 96 | 97 | 98 | 99 | 99 | 104 | 111 | 127 | 135 | 180 |

Population profile of the visited aimag, Selenge, Mongolia, 2006-2011

| Soum | Population | | | | | | Annual growth rate | | | | | Sex ratio | | | | | Soum center/Remote rural population ratio | | | | | | |
|--------------|--------------|--------------|--------------|---------------|---------------|---------------|--------------------|------------|------------|------------|------------|-----------|-----------|-----------|-----------|-----------|---|------------|------------|------------|------------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Altanbulag | 4255 | 4410 | 4545 | 5015 | 5051 | 5117 | 3.6 | 3.1 | 10.3 | 0.7 | 1.3 | 100 | 97 | 100 | 100 | 99 | 97 | 410 | 390 | 380 | 400 | 413 | 465 |
| Yeruu | 5630 | 5306 | 5792 | 6156 | 6374 | 6400 | -5.8 | 9.2 | 6.3 | 3.5 | 0.4 | 104 | 103 | 104 | 104 | 103 | 105 | 527 | 620 | 491 | 420 | 589 | 396 |
| Zuunburen | 2201 | 2287 | 2468 | 2643 | 2665 | 2708 | 3.9 | 7.9 | 7.1 | 0.8 | 1.6 | 90 | 90 | 92 | 96 | 97 | 95 | 561 | 253 | 255 | 236 | 222 | 351 |
| Mandal | 22975 | 23154 | 23646 | 24443 | 25009 | 25329 | 0.8 | 2.1 | 3.4 | 2.3 | 1.3 | 94 | 94 | 95 | 97 | 94 | 100 | 0 | 0 | 0 | 1236 | 1423 | 1365 |
| Orkhon | 2006 | 2025 | 2165 | 2249 | 2298 | 2283 | 0.9 | 6.9 | 3.9 | 2.2 | -0.7 | 98 | 101 | 100 | 105 | 107 | 104 | 111 | 98 | 96 | 69 | 79 | 0 |
| Sant | 2054 | 2035 | 2056 | 2223 | 2225 | 2260 | -0.9 | 1.0 | 8.1 | 0.1 | 1.6 | 98 | 106 | 101 | 108 | 112 | 114 | 194 | 375 | 197 | 182 | 242 | 149 |
| Tsagaannuur | 4005 | 4106 | 4257 | 4449 | 4065 | 4344 | 2.5 | 3.7 | 4.5 | -8.6 | 6.9 | 110 | 103 | 103 | 102 | 100 | 101 | 226 | 206 | 214 | 360 | 186 | 175 |
| Bayangol | 4512 | 4641 | 5028 | 5257 | 5497 | 5629 | 2.9 | 8.3 | 4.6 | 4.6 | 2.4 | 102 | 102 | 105 | 103 | 103 | 104 | 245 | 224 | 202 | 189 | 170 | 220 |
| Saikhan | 8100 | 8079 | 8285 | 8484 | 8809 | 8648 | -0.3 | 2.5 | 2.4 | 3.8 | -1.8 | 99 | 99 | 97 | 98 | 97 | 98 | 292 | 0 | 887 | 866 | 327 | 322 |
| Orkhontuul | 3248 | 2791 | 2952 | 3177 | 3617 | 3684 | 14.1 | 5.8 | 7.6 | 13.8 | 1.9 | 116 | 107 | 107 | 108 | 113 | 110 | 720 | 54 | 47 | 63 | 57 | 56 |
| Baruunburen | 2227 | 2397 | 2702 | 2900 | 2850 | 2874 | 7.6 | 12.7 | 7.3 | -1.7 | 0.8 | 104 | 104 | 101 | 105 | 104 | 104 | 118 | 99 | 95 | 90 | 82 | 88 |
| Shaamar | 3944 | 3895 | 4158 | 4304 | 3968 | 3750 | -1.2 | 6.8 | 3.5 | -7.8 | -5.5 | 98 | 95 | 96 | 103 | 102 | 99 | 683 | 636 | 1309 | 511 | 2714 | 750 |
| Khuder | 1936 | 1921 | 2078 | 2152 | 2119 | 2229 | -0.8 | 8.2 | 3.6 | -1.5 | 5.2 | 100 | 105 | 106 | 109 | 106 | 106 | 409 | 806 | 469 | 466 | 0 | 494 |
| Sukhbaatar | 19916 | 19112 | 19626 | 21460 | 22065 | 22958 | -4.0 | 2.7 | 9.3 | 2.8 | 4.0 | 89 | 82 | 91 | 94 | 95 | 94 | 9959 | 5605 | 9290 | - | 17839 | 14249 |
| Javkhlan | 1704 | 1602 | 1827 | 2153 | 1910 | 2029 | -6.0 | 14.0 | 17.8 | 11.3 | 6.2 | 103 | 98 | 95 | 107 | 105 | 108 | 108 | 109 | 81 | 78 | 89 | 89 |
| Tushig | 1552 | 1566 | 1420 | 1426 | 1476 | 1647 | 0.9 | -9.3 | 0.4 | 3.5 | 11.6 | 95 | 96 | 99 | 101 | 103 | 103 | 283 | 315 | 273 | 268 | 229 | 324 |
| Khushaat | 1654 | 1445 | 1585 | 1711 | 1754 | 1809 | 12.6 | 9.7 | 7.9 | 2.5 | 3.1 | 106 | 102 | 102 | 105 | 109 | 104 | 219 | 199 | 142 | 125 | 130 | 133 |
| Total | 91919 | 90772 | 94590 | 100202 | 101752 | 103698 | -1.2 | 4.2 | 5.9 | 1.5 | 1.9 | 97 | 95 | 97 | 99 | 99 | 100 | 632 | 642 | 549 | 473 | 459 | 413 |

Population profile of the visited aimag, Uvs, Mongolia, 2006-2011

| Soum | Population | | | | | | Annual growth rate | | | | | Sex ratio | | | | | Soum center/Remote rural population ratio | | | | | | |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|-------------|------------|-------------|-------------|-----------|-----------|------------|------------|------------|---|-----------|-----------|-----------|------------|------------|------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
| Baruunturuun | 3014 | 3074 | 2809 | 2885 | 2744 | 2716 | 2.0 | -8.6 | 2.7 | -4.9 | -1.0 | 119 | 126 | 124 | 127 | 128 | 128 | 188 | 189 | 189 | 180 | 178 | 190 |
| Bukhmurun | 2191 | 2150 | 2187 | 2209 | 2149 | 2188 | -1.9 | 1.7 | 1.0 | -2.7 | 1.8 | 106 | 110 | 112 | 103 | 103 | 103 | 47 | 57 | 32 | 57 | 60 | 99 |
| Davst | 1784 | 1820 | 1783 | 1670 | 1734 | 1770 | 2.0 | -2.0 | -6.3 | 3.8 | 2.1 | 105 | 110 | 110 | 103 | 104 | 102 | 41 | 42 | 42 | 51 | 57 | 46 |
| Zavkhan | 1946 | 2042 | 1935 | 1934 | 1753 | 1677 | 4.9 | -5.2 | -0.1 | -9.4 | -4.3 | 97 | 96 | 98 | 97 | 95 | 95 | 31 | 47 | 56 | 44 | 53 | 65 |
| Zuungovi | 2626 | 2620 | 2577 | 2596 | 2568 | 2498 | -0.2 | -1.6 | 0.7 | -1.1 | -2.7 | 105 | 106 | 102 | 103 | 103 | 101 | 32 | 33 | 35 | 39 | 40 | 40 |
| Zuunkhangai | 2746 | 2599 | 2585 | 2540 | 2300 | 2297 | -5.4 | -0.5 | -1.7 | -9.4 | -0.1 | 102 | 110 | 108 | 107 | 105 | 108 | 117 | 31 | 54 | 52 | 26 | 28 |
| Malchin | 2918 | 2872 | 2502 | 2563 | 2351 | 2311 | -1.6 | 12.9 | 2.4 | -8.3 | -1.7 | 104 | 102 | 105 | 110 | 109 | 104 | 31 | 33 | 33 | 37 | 37 | 37 |
| Naranbulag | 4844 | 4893 | 4660 | 4533 | 4459 | 4433 | 1.0 | -4.8 | -2.7 | -1.6 | -0.6 | 103 | 104 | 103 | 103 | 102 | 103 | 20 | 27 | 28 | 43 | 34 | 36 |
| Ulgii | 2644 | 2620 | 2445 | 2249 | 2085 | 2088 | -0.9 | -6.7 | -8.0 | -7.3 | 0.1 | 98 | 94 | 97 | 101 | 101 | 101 | 23 | 22 | 24 | 24 | 24 | 24 |
| Umnugovi | 4469 | 4503 | 4336 | 4222 | 4177 | 4170 | 0.8 | -3.7 | -2.6 | -1.1 | -0.2 | 96 | 98 | 98 | 96 | 97 | 98 | 33 | 30 | 30 | 30 | 20 | 20 |
| Undurkhangai | 3707 | 3768 | 3779 | 3528 | 3255 | 3144 | 1.6 | 0.3 | -6.6 | -7.7 | -3.4 | 93 | 96 | 97 | 99 | 101 | 102 | 25 | 33 | 45 | 44 | 45 | 50 |
| Sagil | 2334 | 2336 | 2343 | 2338 | 2294 | 2239 | 0.1 | 0.3 | -0.2 | -1.9 | -2.4 | 99 | 102 | 98 | 103 | 104 | 104 | 30 | 77 | 34 | 31 | 35 | 50 |
| Tarialan | 4906 | 4499 | 4005 | 3941 | 3783 | 3773 | -8.3 | 11.0 | -1.6 | -4.0 | -0.3 | 99 | 102 | 101 | 99 | 98 | 98 | 61 | 58 | 64 | 65 | 68 | 71 |
| Turgen | 1912 | 1933 | 1961 | 2104 | 2021 | 2026 | 1.1 | 1.4 | 7.3 | -3.9 | 0.2 | 100 | 100 | 100 | 101 | 99 | 99 | 46 | 45 | 44 | 48 | 47 | 69 |
| Tes | 6112 | 6053 | 5622 | 5462 | 5207 | 5263 | -1.0 | -7.1 | -2.8 | -4.7 | 1.1 | 104 | 102 | 109 | 102 | 103 | 102 | 12 | 12 | 14 | 18 | 16 | 16 |
| Khovd | 2453 | 2458 | 2474 | 2284 | 2132 | 2194 | 0.2 | 0.7 | -7.7 | -6.7 | 2.9 | 94 | 94 | 93 | 96 | 96 | 96 | 26 | 26 | 20 | 54 | 55 | 54 |
| Khyargas | 2615 | 2663 | 2510 | 2521 | 2530 | 2545 | 1.8 | -5.7 | 0.4 | 0.4 | 0.6 | 107 | 104 | 106 | 108 | 108 | 106 | 39 | 40 | 40 | 45 | 44 | 45 |
| Tsagaankhairkhan | 2490 | 2499 | 2502 | 2427 | 1978 | 2101 | 0.4 | 0.1 | -3.0 | 18.5 | 6.2 | 96 | 99 | 99 | 109 | 105 | 105 | 33 | 33 | 28 | 52 | 49 | 79 |
| Ulaangom | 25501 | 24071 | 24169 | 25402 | 25213 | 25015 | -5.6 | 0.4 | 5.1 | -0.7 | -0.8 | 92 | 93 | 93 | 95 | 95 | 92 | 873 | 803 | 1044 | 918 | 940 | 947 |
| Total | 81212 | 79473 | 77184 | 77408 | 74733 | 74448 | -2.1 | -2.9 | 0.3 | -3.5 | -0.4 | 98 | 99 | 100 | 101 | 100 | 99 | 88 | 86 | 90 | 101 | 100 | 105 |

Annex XVII: Evaluation team work schedule October 1-25

As of Oct 15, 2012

| Date | Time | Activity | Name & position | Location |
|---------------|-------------|----------|--|---|
| Oct 1, Mon | 14:00-14:30 | Meeting | <u>Mrs. Sezin Sinanoglu, UNDP Resident Representative</u> | UN House, UB |
| | 14:30-15:00 | Meeting | UNDSS | UN House, UB |
| | 15:00-16:30 | Meeting | Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant | UN House, UB |
| | 16:30-17:30 | Meeting | Mrs. Tsetsegsuren, NPM, EMP-2 | UN House, UB |
| | 9:00-11:30 | Meeting | <u>Mr. Altangerel D., former Alternate NPD, Mr. Galtsog N., Officer, SME Development Division, Ministry of Labor</u> | Ministry of Labor, UB |
| Oct 3, Wed | 8:30-16:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Mrs. Munkhjargal B., NPC, ALP Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | from UB to Arvaikheer |
| | 16:30-19:30 | Meeting | <u>Mr. Batjargal, Deputy Ovurkhangai aimag Governor, Unench Hiidel, shoe making cluster</u> | Arvaikheer soum |
| | 19:30-21:00 | Meeting | <u>Mrs. Doljinsuren, Local Coordinator</u> | Arvaikheer soum |
| Oct 4, Thu | 8:00-11:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Munkhjargal B., NPC, ALP Mrs. Doljinsuren, Local Coordinator Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | from Arvaikheer to Sant soum, Ovurkhangai |
| | 11:00-16:00 | Meeting | <u>Local Coordinator & project beneficiaries, ALP</u> | Sant soum |
| | 16:00-19:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Munkhjargal B., NPC, ALP Mrs. Doljinsuren, Local Coordinator Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | From Sant to Arvaikheer |
| Oct 5, Fri | 8:30-9:30 | Meeting | <u>Mrs. Sainjargal, Director, Technological School, MNUST</u> | Technological school, Arvaikheer |
| | 9:45-11:00 | Meeting | <u>Business Development Center</u> | BDC, Arvaikheer |
| | 11:00-12:00 | Meeting | <u>Ongi Uran Goyolol, felt craft & tailoring cluster members</u> | Arvaikheer |
| | 12:00-13:00 | Meeting | <u>Tsolmon, carving & leather craft cluster members</u> | Arvaikheer |
| | 13:30-20:30 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Mrs. Munkhjargal B., NPC, ALP Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | from Arvaikheer to UB |

| Date | Time | Activity | Name & position | Location |
|----------------|-----------------|----------|---|--|
| Oct 7, Sun | 8:00-19:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mrs. Munkhjargal B., NPC, ALP Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | from UB to Tsogt-Ovoo soum, Umnugobi |
| | 8:00-13:00 | Meeting | <u>Local Government Officials, ALP Local Coordinator & project beneficiaries</u> | Tsogt-ovoo soum, Umnugobi |
| Oct 8, Mon | 14:00- 18:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mrs. Munkhjargal B., NPC, ALP Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | From Tsogt- Ovoo to Bulgan soum, Umnugobi |
| Oct 9, Tue | 8:00-15:00 | Meeting | <u>Local Government Officials, ALP Local Coordinator & project beneficiaries</u> | Bulgan soum, Umnugobi |
| Oct 10, Wed | 8:00-19:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mrs. Munkhjargal B., NPC, ALP Mr. Orlomjav B., Driver, EMP-2 Mr. ALP Driver | From Bulgan soum to UB |
| | 9:30-11:00 | Meeting | <u>Mrs. Oyunchimeg M., Vice Chairman, Mongolian National Chamber of Commerce and Industry</u> | 401, MNCCI building, UB |
| Oct 11, Thu | 12:00- 17:00 | Flight | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 | From UB to Ulaangom, Uvs |
| | 9:00-12:00 | Meeting | <u>Mr. Bat-Ochir, Deputy Uvs aimag Governor Mr. Togoo, Head of SME Department of Uvs aimag Government Office</u> | Ulaangom |
| Oct 12, Fri | 13:00- 18:00 | Meeting | <u>Mr. Ganbold, Head of Policy Development Division</u> <u>Ulaan chatsargana cluster members</u> <u>Khet tsah cluster members</u> <u>Emegteichuud cluster members</u> | Ulaangom |
| Oct 13, Sat | 9:00-18:00 | Meeting | <u>Rock salt cluster members</u> <u>Us-Erdene cluster members</u> <u>Visiting sea buckthorn field</u> | Ulaangom |
| Oct 14, Sun | 11:00- 15:50 | Flight | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 | From Ulaangom to Uvs |
| | 10:00- 11:00 | Meeting | <u>Ms. Barkhas L., Governance Specialist, UNDP CO</u> | UN House, UB |
| | 11:00- 12:00 | Meeting | <u>Mr. Thomas Eriksson, Deputy RR, UNDP</u> | UN House, UB |
| Oct 15, Mon | 12:00- 13:00 | Meeting | <u>Mr. Nyam-Osor Ts., Former NPD, EMP-2 & Chairman, SME Agency</u> | Ministry of Labor/UN House, UB |
| | 14:00- 15:00 | Meeting | <u>Mr. Murray Maclean, Chief Technical Advisor, FAO Integrated Livestock-based Livelihoods Support Programme Global Agriculture & Food Security Project (GAFSP)</u> | Government Building 11, UB |

| Date | Time | Activity | Name & position | Location |
|----------------|----------------------------|---------------------------|---|---|
| Oct 16, Tue | 10:00-11:00 | Interview | <u>Mrs. Nyamkhuu, Khovd EMC local Coordinator</u> | Government Building 11, UB, EMP-2 Office |
| | 11:00-13:00 | Interview | <u>Ms. Saran, METO, EMP-2</u> | |
| Oct 19, Fri | 8:00-13:00 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mr. Arvinbayar, National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Ms. Saran S., METO, EMP-2 Mr. Orlomjav B., Driver, EMP-2 | From UB to Sukhbaatar soum, Selenge |
| | | | <u>Mr. Davaakhuu, Head of Industry & Agriculture Department, Aimag Governor's office</u> | Sukhbaatar |
| | 14:30-16:00 | Meeting | <u>Buyankhishig-Hops bread, Ujeed-Herb tea clusters members</u> | Sukhbaatar |
| | 16:00-18:00 18:00-19:00 | Meeting Interview | <u>Mr. Enebish, Selenge EMC Local Coordinator</u> | Sukhbaatar |
| Oct 20, Sat | 9:00-11:00 | Visit | <u>Buyankhishig-Hops bread, Ujeed-Herb tea clusters members</u> | Sukhbaatar |
| | 11:00-13:00 | Visit | <u>Shilmel esgii-felt craft, Gunjin Bulan-Smoked Fish cluster members</u> | Sukhbaatar |
| | 14:00-14:15 | Travel to Altanbulag soum | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mr. Arvinbayar, National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Ms. Saran S., METO, EMP-2 Mr. Enebish, Local Coordinator, EMP-2 Mr. Orlomjav B., Driver, EMP-2 | From Sukhbaatar to Altanbulag soum |
| | | | <u>Altanbulag soum Governor</u> | Altanbulag soum |
| | 14:00-15:00 15:30-17:00 | Meeting Visit | <u>Suun tusgal-Dairy cluster members</u> | Altanbulag soum |
| | 17:15-17:30 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo A., National Consultant Mr. Arvinbayar, National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Ms. Saran S., METO, EMP-2 Mr. Enebish, Local Coordinator, EMP-2 Mr. Orlomjav B., Driver, EMP-2 | From Altanbulag to Sukhbaatar soum, Selenge |

| Date | Time | Activity | Name & position | Location |
|-----------------|-------------|----------|---|--|
| Oct 21, Sun | 9:00-9:30 | Travel | Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant Mrs. Solongo, National Consultant Mr. Arvinbayar, National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Ms. Saran S., METO, EMP-2 Mr. Enebish N., Local Coordinator, EMP-2 Mr. Orlomjav B., Driver, EMP-2 | From Sukhbaatar to Shaamar soum, Selenge |
| | 9:30-12:30 | Visit | <u>Ar gangat-Bee honey</u> <u>Buteelch-Vegetable cluster members</u> Mr. Roy H. Thompson, International Consultant Mrs. Bumkhorol Ts., National Consultant | Shaamar soum |
| | 14:00-19:00 | Travel | Mrs. Solongo A., National Consultant Mr. Arvinbayar, National Consultant Mrs. Tsetsegsuren J., NPM, EMP-2 Ms. Saran S., METO, EMP-2 Mr. Orlomjav B., Driver, EMP-2 | From Shaamar to UB |
| Oct 22, Mon | 10:00-11:30 | Meeting | Mr. Batjargal, NPC, Sustainable Land Management project, UNDP | Government building 11, UB |
| | 12:00-14:00 | Meeting | Mr. Batkhuyag J., Vice Minister of Labor, National Project Director, EMP-2 Mr. Bat-Amgalan, Head of SME Division of the Ministry of Labor, Alternate NPD, EMP-2 | Ministry of Labor, UB |
| Oct 23, Tue | 10:00-13:00 | Present. | Presentation of preliminary findings | UN House, UB |
| | 14:30-16:00 | Meeting | Mrs. Sansartuya, Head of Credit risk, Policy and Regulation division, Khan bank | Khan bank Head office |
| Oct 24, Wed | | Meeting | Team members | UB |
| Oct 25, Thur | | Flight | | From UB to UK |

Annex XVIII: Consultant Ratings by ERG Evaluation Question

ALP

| Id. | Criterion | Rating | | | | |
|-----|----------------|--------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Relevance | | | | ✓ | |
| 2 | Effectiveness | | | | ✓ | |
| 3 | Efficiency | | | ✓ | ✓ | |
| 4 | Impact | | | | ✓ | |
| 5 | Sustainability | | | | ✓ | |

ALP

| Id. | Question | Rating | | | | |
|-----|---|--------|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD? | | | | ✓ | |
| 1b | To what extent were the projects' components the best options to respond to development challenges stated in the PRODOCs? | | | ✓ | | |
| 3 | How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes? | | | ✓ | | |
| 4 | To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs? | | | | ✓ | |
| 5 | Was the project supported by national and/or local institutions? | | | | ✓ | |
| 6 | Was building ownership included in the design of the project? | | | ✓ | | |
| 7 | Are the national/local institutions showing technical capacity and leadership commitment to keep working with the project and to repeat it? | | | | ✓ | |
| 8 | Did the project design process take into account strategies to ensure sustainability? Were these strategies used from the beginning of project implementation? Was there an adequate strategy for capacity building? | | | ✓ | | |
| 9 | Whether and to what extent are the activities of the project contributing to helping achieve the project objectives? | | | | ✓ | |
| 10 | To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC? | | | | ✓ | |
| 11 | To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project? | | | ✓ | | |
| 14 | Deleted (repetition of Qu.10) | | | | | |

| Id. | Question | | | | | |
|-----|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 15 | How sustainable are the activities undertaken as part of the project – in terms of demands on local capacities, costs and organisation? | | ✓ | | | |
| 16 | To what extent have the project's decision making bodies and implementing partners undertaken the necessary decisions and actions to ensure the sustainability of the project outcomes? | | | ✓ | | |
| 17 | Are stakeholders ready to continue supporting or carrying out specific project activities? | | | | ✓ | |
| 18 | To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC? | | | | ✓ | |
| 19 | To what extent were the project's outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached? | | | | ✓ | |
| 20 | Were the planned geographic area and target group successfully reached? | | | | | ✓ |
| '21 | What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact? | | | | ✓ | |
| 22 | Have operating capacities been created and reinforced in national and local partners? | | | ✓ | | |
| 23 | To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale? | | | | ✓ | |

EMP-2

| Id. | Criterion | | | | | |
|-----|----------------|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Relevance | | | | ✓ | |
| 2 | Effectiveness | | | | ✓ | |
| 3 | Efficiency | | | ✓ | | |
| 4 | Impact | | | | ✓ | |
| 5 | Sustainability | | | ✓ | ✓ | |


EMP-2

| Id. | Question | | | | | |
|-----|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | How much and in what ways did the design of the projects address the priorities and problems identified in the CNDS, UNDAF and CPD? | | | | ✓ | |
| 1b | To what extent were the projects' components the best options to respond to development challenges stated in the PRODOCs? | | | ✓ | | |
| 3 | How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development | | | ✓ | | |


| Id. | Question | | | | | |
|-----|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| | partners, particularly in supporting national development programmes? | | | | | |
| 4 | To what extent were the projects' management models (i.e. instruments; economic, human and technical resources; organizational structure; information flows; decision making in management) efficient in terms of delivering the outputs? | | | | ✓ | |
| 5 | Was the project supported by national and/or local institutions? | | | | ✓ | |
| 6 | Was building ownership included in the design of the project? | | | ✓ | | |
| 7 | Are the national/local institutions showing technical capacity and leadership commitment to keep working with the project and to repeat it? | | | | ✓ | |
| 8 | Did the project design process take into account strategies to ensure sustainability? Were these strategies used from the beginning of project implementation? Was there an adequate strategy for capacity building? | | | ✓ | | |
| 9 | Whether and to what extent are the activities of the project contributing to helping achieve the project objectives? | | | | ✓ | |
| 10 | To what extent did the implementing partners participating in the projects add value to addressing the development challenges in the PRODOC? | | | | ✓ | |
| 11 | To what extent did the governance of the projects at the national and local levels contribute to efficiency of the project? | | | ✓ | | |
| 14 | Deleted (repetition of Qu.10) | | | | | |
| 15 | How sustainable are the activities undertaken as part of the project – in terms of demands on local capacities, costs and organisation? | | ✓ | | | |
| 16 | To what extent have the project's decision making bodies and implementing partners undertaken the necessary decisions and actions to ensure the sustainability of the project outcomes? | | | ✓ | | |
| 17 | Are stakeholders ready to continue supporting or carrying out specific project activities? | | | | ✓ | |
| 18 | To what extent did the project contribute to the attainment of outputs and outcomes initially expected in the PRODOC? | | | | ✓ | |
| 19 | To what extent were the project's outputs and outcomes synergetic and coherent to produce the required development results? What kinds of results were reached? | | | | ✓ | |
| 20 | Were the planned geographic area and target group successfully reached? | | | | | ✓ |
| 21 | What has been the impact of the project on the lives of the target groups? Was there any undesirable or unexpected impact? | | | | ✓ | |
| 22 | Have operating capacities been created and reinforced in national and local partners? | | | ✓ | | |
| 23 | To what extent will the project be replicated or scaled up at national or local levels? What are the specific experiences that can be replicated at national scale? | | | | ✓ | |

Annex XIX: Consultant Ratings by Evaluator Question

ALP

| Id. | Question |  | | | | |
|-----|---|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Were herder groups and cooperatives established? | | | | ✓ | |
| 2 | Were herders trained in vocational and start-up skills? | | | | ✓ | |
| 3 | Were vegetables produced for home consumption? | | | | | ✓ |
| 4 | Were alternative livelihood options created? | | | | ✓ | |
| 5 | Were sources of livelihood expanded? | | | | ✓ | |
| 6 | Was additional income earned from alternative IGAs? | | | | ✓ | |
| 7 | Has the livelihood of participating herder families improved? | | | | ✓ | |

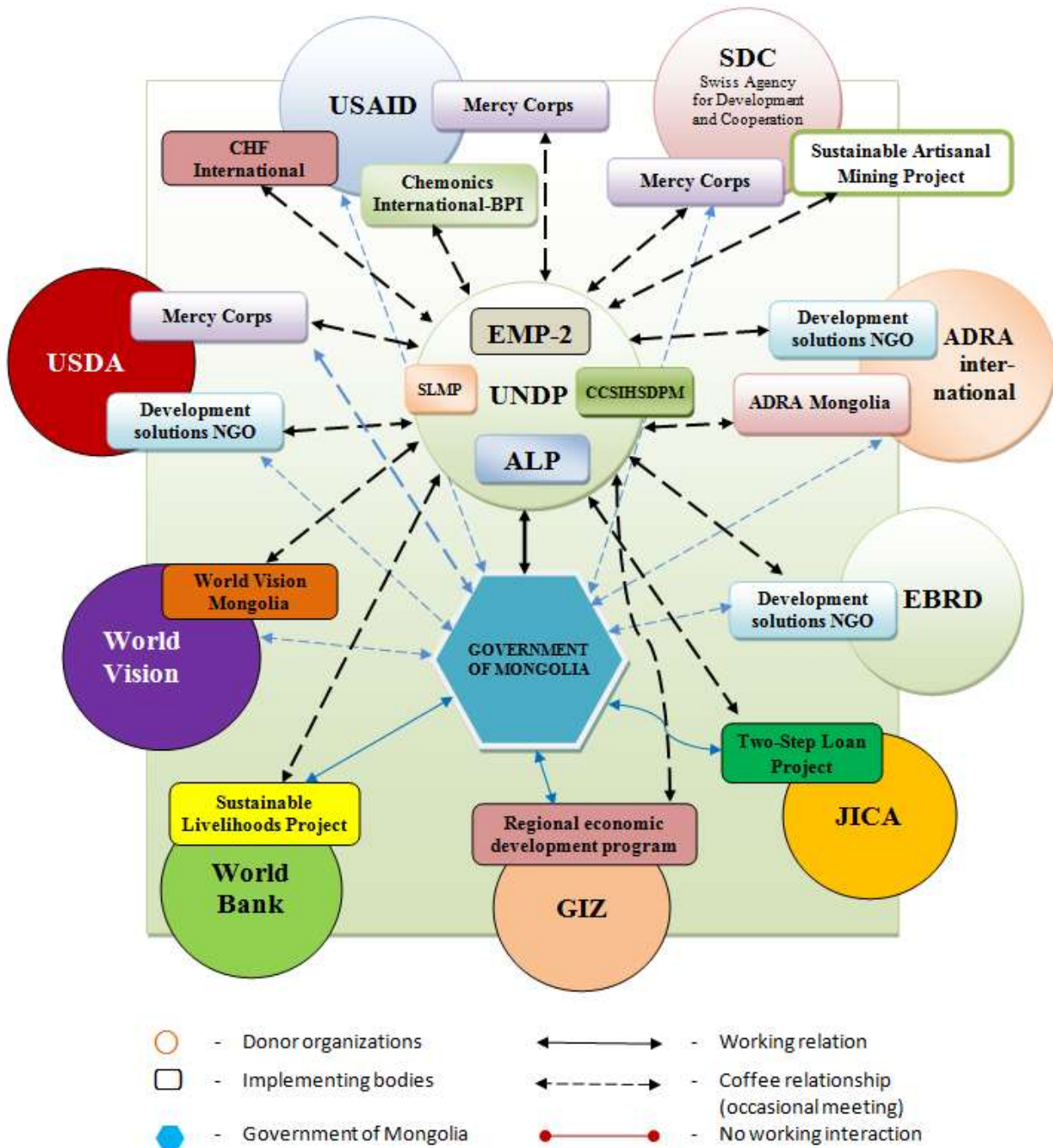
EMP-2

| Id. | Question |  | | | | |
|-----|--|---|---|---|---|---|
| | | 1 | 2 | 3 | 4 | 5 |
| 1 | Is the capacity of SMEs and entrepreneurs in target regions being enhanced? | | | | ✓ | |
| 2 | Is there evidence of enhanced operational capacity of the EMCs? | | | ✓ | | |
| 3 | Are the EMCs supporting more beneficiaries than previously (without EMP support)? | | | ✓ | | |
| 4 | Is the enhanced capacity sustainable? | | | ✓ | | |
| 5 | Is the OVOPI component of the project being fully integrated with the National OVOP programme? | | | ✓ | | |
| 6 | Is the capacity of Government being enhanced? | | | ✓ | | |

Annex XX: Synergies and Partnerships

Q3. How efficient have the projects been in terms of creating and utilizing the synergies or partnerships between the projects' interventions and that of other development partners, particularly in supporting national development programmes?

Figure 15: ALP & EMP-2 synergies with other projects and development partners



Q5. Was the project supported by national and/or local institutions? (Level of support to projects by national and local institutions)

The project was direct and indirect way supported by national and local institutions.

Support from national and local institutions to the projects

| | Local NGO | Local government | National level NGO | The Government of Mongolia |
|---|--|---|---|--|
| Identified institutions (entity) | <ul style="list-style-type: none"> - Affiliates of MNCCI and MONEF at aimags; - Local business incubators and business training centers; - Civil societies; - Local universities and research organizations; - Affiliates of donor and international projects and programs; | <p>Local government</p> <ul style="list-style-type: none"> - Governor's Office; - Department of Development Policy; - Department of Social Policy; - Department of SME and Agriculture; - Taxation office; - Custom office; - Authority of Special Inspection; - Registration office; | <ul style="list-style-type: none"> - Mongolian National Chamber of Commerce and Industry; - Mongolian Employers Federation; | <ul style="list-style-type: none"> - MOIA (MOFALI); - SME Agency; - MED (NDIC); - MOL (MSWL); - National Committee on Regional Development; - General Department of Taxation; - Customs General Administration; - General Authority of State Registration; |
| Legal and policy support | <ul style="list-style-type: none"> - Participation in aimags and regional level policy paper formulation; - Policy advocacy at aimags (province) level; - Arbitration and lobbying; - Participation in Business and Corruption index of Aimags; - Monitoring of SME related activities; | <ul style="list-style-type: none"> - Aimags and regional economic and social development master plans which include SME development policies; - Formulation of SME related statistics and reports; | <ul style="list-style-type: none"> - National Tripartite Negotiation; - Policy advocacy in national level law and policy paper formulation; - Participation in industry standards setting; - Monitoring and evaluation of public policy; - Development of Business and Corruption index of Aimags; | <p>Parliament of Mongolia has been approved the following important laws during 2008-2012, which are related to SMEs.</p> <ul style="list-style-type: none"> - New Company law -2011 November; - Law on Loan Guarantee Fund -2012 February; - Securities Law 2011 November; - Law on Credit Information - 2011 November; - Law on Electronic Signature - 2011 December; - Amendments to Law on Special Licenses for Entities - 2011 January; - New Notary Law -2011 February; - Law on Licensing; <p>To build business enabling environment- policy measures from 2008 to 2012:</p> <ul style="list-style-type: none"> - To ease starting a business and public service for businesses (<i>to reducing steps,</i> |

| | Local NGO | Local government | National level NGO | The Government of Mongolia |
|--------------------------|---|---|---|--|
| | | | | <p><i>procedures and time of registration);</i></p> <ul style="list-style-type: none"> – Amendments to the new Company Law (which forced from 2012 1st of July) to removed provisions specifying minimum capital (amount of assets) of the company to be registered; – Amendments to new Notary law were approved that provide the founder notarizes on a voluntary basis on registration; – Within the scope of the Year of Business Environment Reform-2010, total of 337 licenses and permits were reviewed, 101 permits in total were annulled which include 65 annulled with the Government Resolution, 36 annulled with amendments in relevant 21 laws, and the Cabinet developed and submitted draft amendments to the 21 laws to the Parliament of Mongolia where they were approved; – By the Government Resolution No.237 of 2010 34 types of fees and charges of immovable property registration reduced to 22; – Requirement to notarize references of the first time registration land and property, and obtaining reference for pledge and agreements was invalidated with amendments to the Law on Notary; – National program on Private sector development of Government 2011 February; |
| Financial support | <ul style="list-style-type: none"> – Financial programs and projects of donor organizations; – Loan guarantees; – Leasing; | <ul style="list-style-type: none"> – Local MPs soft loan (without interest rate- 0%) and grants for SMEs; – Aimags (province) development fund; | <ul style="list-style-type: none"> – Green Credit Guarantee Co-fund for SMEs (MNCCI and Netherlands gov.); – “Organic Mongolia” co- | <ul style="list-style-type: none"> – Law on Exemption from VAT (Value added tax) and Customs duty for SME used equipments 2009 July (valid until 2012 31 December); – SME fund for small and medium businesses (soft loan for 3-5 years, yearly interest |

| | Local NGO | Local government | National level NGO | The Government of Mongolia |
|---|---|---|---|---|
| | | | fund for agro-business entrepreneurs (funded by national champion companies and Commercial banks); – “Discover Innovation” grants for innovation start-ups (funded by Science Technology Fund and MNCCI); | rate is 7%, 20-100 million tugrik); – Employment Promotion Fund for small and micro businesses; – By the resolution #30 of 2011 of Parliament of Mongolia provided financial support for wool and cashmere producers in value chain, totally in the amount of 300 billion tugrik. <ul style="list-style-type: none"> • 100 billion tugrik for cashmere producers in form of soft loan; • 150 billion tugrik for SMEs; • 30 billion tugrik for wool product end-producers; • 20 billion tugrik in form of cash money incentive for herders, who deliver raw wool products to domestic producers; – “Sum development” fund – development loan for SMEs (every sum and village received 50 million tugrik, totally 24 billion tugrik in 2011). |
| Technical or operational support | – Public private dialogues at aimags level: <ul style="list-style-type: none"> • Regional forum and conference; • Consultative committee of PPD; – Participation in selection process of targeted SMEs; – Co-organization of yearly and seasonal fair trade with local government: <ul style="list-style-type: none"> • Labor; • Agricultural; • Manufacturing; • Economic sector (wool, leather or food product); – basic information | – Supporting Local SMEs by procurement policy; – Introduced <u>one stop shops of public services</u> at every aimags; – Co-organization of yearly and seasonal fair trade with NGOs: <ul style="list-style-type: none"> • Labor; • Agricultural; • Manufacturing; • Economic sector (wool, leather or food product); – Business desk (one stop information) services; | – Public private partnership: <ul style="list-style-type: none"> • Stakeholders Consultation; • National, regional and aimags level forum and discussions; • Dialogues between stakeholders; – Traditional national and regional level fair trades: <ul style="list-style-type: none"> • “Ulaanbaatar partnership”; • “SME development” fair trades; • “Enterprise Mongolia” fair | – Forms of documentations required for registration and taxation were transferred to electronic online forms. (www.registrationmongolia.com , www.e-tax.mta.mn); – Introduction of e-procurement procedures www.e-procurement.mn ; – Taxation offices of 21 aimags and 2 remote districts of Ulaanbaatar city (Baganuur and Nalaikh) have been connected to high-speed wide-range fiberglass cable network which created the opportunity for aimags centers and major settlements to submit their reports of each type of tax in electronic form from internet access taxpayers. – During 2010-2011, with the |

| | Local NGO | Local government | National level NGO | The Government of Mongolia |
|--|--|--|--|---|
| | services: <ul style="list-style-type: none"> • Business linkage and networking activities; • Web based linkage; • Guidelines and guidebooks; – Business consulting: <ul style="list-style-type: none"> • Technology transfer; • Business incubator; • Formulation of Business planning; • Business arbitrary, legal advisory; | | trades; <ul style="list-style-type: none"> • “Labor market” fair trades; – coordination of member associations; – International cooperation: <ul style="list-style-type: none"> • Business travel; • International fair trades; • Business training and workshop; • Regional Business Forums; | purpose to ease risk management system, customs’ control and compilation of documents an automated CAIS system was fully introduced in all customs’ departments and committees which reduced time to compile import and export documentation and their control by 23%. <ul style="list-style-type: none"> – Registration and certification of SMEs; – National and regional level SME forums and conferences; |
| Human capacity building support | – Vocational and business trainings and workshops: <ul style="list-style-type: none"> • business start-up training for entrepreneurs • to promote networking and experience exchange among businesses; • marketing and business skills; • business development and management skills; • vocational technical training; – Field visit and study; – Distribution of vocational training and business guidebook materials; | – Organizing field visit and training; – Training for governmental SME officers; – Distribution of SME related materials and guidebooks; | – Trainings on: <ul style="list-style-type: none"> • business management; • consultancy on production management; • Developing business and marketing plan, accounting, business strategy, labor safety; – Business travel; | – SME Agency’s training program (in 2011 9958 trainees); – National program on vocational education and training; – Grants for vocational education trainees (45000 tugrik per month during 2 years); |

Q6. Was building ownership included in the design of the project? (Explicit design for ownership)

A management’s quality of cluster, local government leadership and support, involvements of stakeholders and its cooperation are key factors in the successful projects ownership.

Local ownership, in particular the existence of strong local government support, has usually proved to be the key determinant of success of these projects. The absence of cooperation of stakeholders and local government support is generally a sign that a cluster will fail to progress regardless of outside assistance. One of the most valuable benefits it can bring – an improved atmosphere of cooperation and trust between stakeholders – is long-term and hard to quantify. Cooperation and dialogue between stakeholders can provide a wide range of inputs to national-level policy development and also we can see a national policy meet different local needs.

Local level public private dialogues and cooperation was very important to build sustainable ownership and to coordinate national level policy. Also strengthening dialogue between central and local officials is as important as strengthening dialogue between the public and the private sectors. During the evaluation process, in Mongolia cooperation and dialogue between central and local officials is seemed to be limited or weak.

Ownership status depends on stakeholders’ profile

| Stakeholders | Strengths (promote strong ownership) | Weaknesses (induce weak ownership) |
|--|---|--|
| Central Government (Ministries, agencies and departments) | The local and central government are in a leading position to facilitate effective project coordination at national, <i>aimags</i> and <i>soum</i> levels. The local and central government of Mongolia together with the UN-agencies initiated a broad consultative process and ensured participation of civil society organizations as well as representatives of the private sector and SMEs. | Broad and inclusive public-private dialogues can effectively represent and promote ownership. But we have experienced a public organizations’ attitude to develop ownership is still very insufficient. |
| Local government (aimags agencies) | | OVOPI and LCDI need funds to function, and that funding may be difficult to secure in the longer term by donors. The government may be ready to allocate budget to these initiatives, but is likely to ask for more control in return, which may raise the suspicion of the initiatives. Then it may lead to mistrust, misunderstanding and weak cooperation of stakeholders, especially within cluster members. Leadership of local government in building ownership is still insignificant. Many public servants have bureaucratic mindset and take a confrontational approach to private sector and cluster initiatives. |
| Donor organization (UNDP, Japan and Brazilian government) | The project initiatives got benefits from the input and support of donors (development partners) when their role is determined by the local context, demand driven, partnership and coordination. Donors are committed to respect | As for donors, their involvement may be secured for a few years, but ensuring their permanent funding over the long term is limited. Development partners and donors should consider social, economic and political context, exit strategies and |

| Stakeholders | Strengths (promote strong ownership) | Weaknesses (induce weak ownership) |
|---|---|--|
| | <p>partner country leadership and help strengthen their capacity to exercise it.</p> <p>Development partners have been encouraged conditions for dialogue, and initiated, promoted, supported, funded, and facilitated dialogues between stakeholders.</p> <p>Donor inputs which were especially valuable in sector specific dialogue which included benchmarking, and specialized technical training and assistance.</p> | <p>sustainability issues.</p> |
| <p>Local NGOs (Chamber of Commerce or business organizations and civil societies, universities)</p> | <p>Participation and involvement of private sector organizations and civil societies are increased. This is essential to guarantee that ownership become strong.</p> <p>In particular, chamber of commerce or business organizations carry out similar participatory and interactive actions within their member organizations. It creates more development possibilities for cluster members and SMEs.</p> | <p>Social service and networking is still very weak.</p> |
| <p>Project managements and cluster coordination</p> | <p>Cluster managers and local coordinators made a valuable contribution to enforce trust of members, and to build proper human capacity and right cooperation of stakeholders.</p> <p>Knowledge and experiences of cluster coordinator are improved.</p> | <p>The project managements were unstable and we can suppose that it might be influenced continuity of whole project and its stability.</p> <p>The activities and outputs of the cluster managers and local coordinators are limited.</p> <p>Sustainable participation and contribution of project coordinators and managers is crucial for OVOPI and LCDI development. During the project time these coordinators and managers activities funded by donors. In future cost of management will depend on OVOPI and LCDI membership fees and it seems to be not clear or impossible to fund because management cost is still high comparing to the current members income.</p> |
| <p>OVOPI or LCDI members</p> | <p>Trust and believe of cluster member is very important. It is depend on tradition, local culture, attitude, practice of people.</p> <p>During the field visit we experienced with growth of positive attitude and practices of trust of people. Most of people who involved in the project begin have an increased commitment of common responsibility, and understand advantage of cooperation.</p> | <p>Cluster perception of cluster members still is very poor.</p> <p>Cooperation within cooperative and cluster members were seasonal and occasional. Also if we see composition of cluster most of cluster members do same activity. It means diversification of cluster and cooperative's members is still challenge for them.</p> <p>Most of cluster members are family members or in relationship. It means that they prefer relations cooperation</p> |

| Stakeholders | Strengths (promote strong ownership) | Weaknesses (induce weak ownership) |
|--------------|---|--|
| | Technical skill, knowledge, attitude and practices (KAP) of OVOPI and LCDI members are increased significantly. | and trust, and independent member's cooperation and trust still very low. The OVOPI and LCDI entrepreneurs still prefer loans by the projects and funds of donors because it is easy to get and favorable condition. Commercial banks trust into the development organizations and projects is higher than SMEs. |

When evaluation team identified a development status of LCDIs and OVOPIs which clusters and initiatives have the most potential, look for ones that:

- offer clear promise for growth and extra opportunities for financing;
- have an existing critical mass of skills and resources and innovation ideas;
- are capable of generating substantial and sustainable employment opportunities;
- have members or actors who demonstrate strong interest in collaborating on common issues and challenges.

Characteristics of successful clusters

Among the characteristics of successful cluster-based initiatives identified by the Global Cluster Initiative Survey is:

- They are part of a broader, concerted government effort to improve competitiveness.
- They have broad membership, rarely excluding foreign-owned or small companies.
- Financing changes over time – initially government (donors) often plays a leading role, with membership fees becoming more important in later stages.

Adapted from the **Cluster Initiative Greenboko, Orjan Solvell, Goran Lindqvist, Kristian Ketels, www.cluster-research.org, 2003**

Q26. What inputs and to what extent are the projects being produced to streamline policy and programming which are evidence-based, inclusive and operational? (Evidence of EBP and inclusive implementation)




EMP-2 KPIs

| Item | 2009 | 2010 | 2011 | Findings |
|--|------|------|------|--|
| Number business clusters supported by EMP-2 | 30 | 26 | 29 | Target groups which selected in project were correct according to the project initially to intended or targeted. These are mostly marginalized persons and women and female-headed HH's. But selection criteria of clusters and target aimaks and soum are not so clear. But it did not influence the result and relevance of the project. |
| ...of which LCDI | 23 | 19 | 22 | |
| ...of which OVOP | 7 | 7 | 7 | |
| Number of individual beneficiaries supported | 389 | 428 | 411 | Most of the beneficiaries of the project are women especially female headed HH. If we see composition of cluster members are mostly adult men and women. Employment of over 40 year's old person is still problem and challenge in Mongolia. At this point the project provided very good contribution to local social development. |
| ...of which women | 261 | 286 | 287 | |
| % females | 67% | 67% | 70% | |
| Number of individual beneficiaries under LCDI | 222 | 261 | 268 | Young people involvement in cluster is still very low. It means clusters and cooperatives not so well attract young people. It may influence succession of LCDI and OVOP in future. |
| ...of which women | 166 | 191 | 198 | |
| % females | 75% | 73% | 74% | |
| Number of individual beneficiaries under OVOPI | 167 | 167 | 143 | Also if we see composition of cluster most of cluster members do same activity. It means diversification of cluster and cooperative's members is still challenge for them. Also most of cluster members are family members or in relationship. They prefer relations cooperation and trust, and cooperation and trust between independent members is still weak. But we experienced with growth of positive attitude and practices of trust of people. Most of people who involved in the project begin have a commitment of common responsibility, and understand advantage of cooperation. |
| ...of which women | 95 | 95 | 89 | |
| % females | 57% | 57% | 62% | |
| Average monthly cash income of individual beneficiaries (in thousand MNT) | 108 | 150 | 288 | It was difficult to estimate income growth of beneficiaries and the project contribution. But it is true that project do some contributions to income growth of HH's which were involved in project. For example many cluster members and beneficiaries get loans from different other sources like Mercy-Corps, ADRA, World Vision, governmental SME funds, local and MP funds. It makes difficulty to estimate the direct EM project benefits and efficiency. |
| % increase | - | 39% | 92% | |

| Item | 2009 | 2010 | 2011 | Findings |
|---|------|------|------|---|
| Employment generated by client businesses | - | 129 | 70 | Comparing to the financial support (total amount of loan or loan guarantee) job creation is at the sufficient level. If we see number in 2010 was more efficient than in 2011. |
| of which permanent jobs | - | 49 | 56 | |
| Total amount of loans facilitated through EMP-2 LGF (in million MNT) | - | 116 | 117 | <p>Main financial source for SME's was soft loans. But it was not enough. There are needs of diversification of funding source. For examples need to bring different funding support like as a leasing, a loan guarantee, insurance, a tax holiday (relax), an interest rate reduction, because SME's and small businesses need different financial requirements and demands.</p> <p>It seems to be needed to regulate or coordinate different financial funds and projects. Also it decreases sustainable development of SME's and cluster. Then it creates not favorable and unexpected environment and condition, which has negative impacts on SME's development. It means SME's are mostly depending on different funding supports, grants and non-market favorable loans. Other hand monthly interest rate of loans which provided by commercial banks is still very high (commercial bank 1.8-2.2% against donor's 0.5-1.3% monthly) and condition of loan is hard to get and high for SME's (high interest rate, high guarantee rate, loan time). Many businesses said that they can easy to get loans by the projects and funds of donors.</p> |
| ... Number of loans | - | 23 | 26 | |
| ... Average amount of loan (million MNT) | - | 5.0 | 4.5 | |

Performance of EMP-2 as reflected in PRODOC (Arvinbayar)

| # | Activities | Performance Rating | | | | | Findings |
|---|--|--------------------|---|---|---|---|--|
| | | 1 | 2 | 3 | 4 | 5 | |
| 1 | Status analyses, market surveys to identify and prioritize the project Interventions | | | | ✓ | | <ul style="list-style-type: none"> • OVOPI and LCDI designing and status analysis were executed proper way. • The weakest point of this activity was that this did not include detailed actions related sustainability and business linkage actions with local business champions or other supply chain producers. |
| 2 | Entrepreneurship and Cluster Management Training | | | | ✓ | | <ul style="list-style-type: none"> • It is good point that numbers of business training were conducted in frame work of project. • A curriculum of training program is very key issue. In the countryside at the beginning stage they needed more practical training. • Also exchange program of experience and good practices of clusters is very important for all cluster members and cluster managers but which were not implemented at sufficient level. |
| 3 | Technical Assistance, Skill Training on Business Development /Business Management | | | | ✓ | | |
| 4 | Technical Assistance on Product Development | | | | ✓ | | <ul style="list-style-type: none"> • Couples of kind technical assistance were implemented. Many of beneficiaries emphasized that technical assistance was most efficient action. |
| 5 | Market Facilitation and Sales Promotion including legal advices | | | ✓ | | | <ul style="list-style-type: none"> • The Government organized with NGOs trade fairs and exhibitions at regional, national and international level. • Market facilitation was weakest point of whole project. Except some wool product no products was exported. • The project provided technical assistance and advisory services including legal advice. • Facilitation and partnership building with existing local and national business service providers and matching the project beneficiaries to the potential buyers were executed at insufficient level.. |

| # | Activities |    | | | | | Findings |
|---|---|---|---|---|---|---|--|
| | | 1 | 2 | 3 | 4 | 5 | |
| 6 | Microfinance Facilitation through 'EMP Loan Guarantee Fund' and referral services | | | | | ✓ | <ul style="list-style-type: none"> • "EMP Loan Guarantee Fund" was good alternative financing tool for SMEs. • Through the loan guarantee SMEs got 3-4 times more loan amount. • Loan guarantee created new favorable business environment and business trust in countryside. |
| 7 | Information collection, advocacy and provision of referral services | | | ✓ | | | <ul style="list-style-type: none"> • The EMP- 2 disseminated and provided many business related and technical information, guidelines and books for SMEs. • Business linkage and information changing actions with local business champions or other supply chain producers was weak point.. |
| 8 | Technical assistance and advisory services for sustainable EMC management and operation | | | ✓ | | | <ul style="list-style-type: none"> • As interviewed capacity building and skill of management of EMC staff was improved. • EMC management is key factor of success of OVOPI and LCDI. But its coordinator's skill seems to be not satisfied need of project. • Some coordinators responsible for two aimags and they could not work well due to time limit, long distance travel and shortage of financing. |
| 9 | Coordination at the policy level to enhance the National OVOP Programme | | | | ✓ | | <ul style="list-style-type: none"> • OVOPI were implemented as a component of National OVOP Programme. • Cooperation between Management of EMP2 and government were executed at sufficient level. • There is a need to develop dialogue and coordination between donor organization and development projects. Because many donor organizations do same activity and there is a lot of synergy. |

Annex XXI: EMP-1 and -2 Key Performance Indicators (KPIs)

Table 21: EMP Key Performance Information

| OVOPI | EMP-1 | | | | EMP-2 | | |
|---|-------|-------|-------|------|-------|-------|-------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012* |
| Number of clusters supported | 8 | 10 | 11 | 7 | 7 | 7 | 7 |
| Number of HHS supported | 178 | 278 | 288 | | | | |
| Number of direct beneficiaries | 328 | 742 | 762 | 167 | 167 | 143 | 143 |
|of which women | 246 | 477 | 481 | 95 | 95 | 89 | 89 |
| % females | 75% | 64% | 63% | 57% | 57% | 62% | 62% |
| Number of TA participants | 100 | 622 | 362 | - | | | |
| % Increase in HH cash income yr on yr | - | 28% | 33% | - | | | |
| Jobs generated (cumulative) | 49 | 141 | 156 | - | | | |
| Value of loans through the LGF (MNT million) | 0 | 96 | 178 | | 30 | 65 | 65 |
| LCDI | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012* |
| Number of clusters supported | 17 | 27 | 27 | 23 | 19 | 22 | 22 |
| Number of direct beneficiaries | 294 | 575 | 602 | 222 | 261 | 268 | 268 |
|of which women | 183 | 376 | 343 | 166 | 191 | 198 | 198 |
| % females | 62% | 65% | 57% | 75% | 73% | 74% | 74% |
| Number of TA provided (cumulative) | 53 | 99 | 116 | - | | | |
| Number of TA participants | 995 | 1,697 | 1,927 | - | | | |
| % Increase in HH cash income yr on yr | n/a | 47% | n/a | - | | | |
| Jobs generated (cumulative) | 100 | 277 | n/a | - | | | |
| Value of loans through the LGF (MNT million) | 12 | 56 | 78 | - | 86 | 311 | 387 |
| OVOPI and LCDI combined | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012* |
| Number of clusters supported | | | | 30 | 26 | 29 | 29 |
| Number of direct beneficiaries | 622 | 1,317 | 1,364 | 389 | 428 | 411 | 411 |
|of which women | 429 | 833 | 824 | 261 | 286 | 287 | 287 |
| % females | 69% | 63% | 60% | 67% | 67% | 70% | 70% |
| Number of TA provided (cumulative) | 10 | 81 | 109 | 3 | 13 | 74 | |
| ...business training | | | | 0 | 2 | 28 | |
| ...vocational training | | | | 0 | 3 | 18 | |
| ...market promotion | | | | 3 | 8 | 28 | |
| Number of TA provided (cumulative) | 63 | 180 | 225 | 3 | 15 | 89 | 141 |
| Number of TA participants (cumulative) | 1,095 | 2,319 | 2,289 | - | 267 | 905 | 1281 |
| Jobs generated (cumulative) | 149 | 418 | n/a | - | 129 | 199 | 328 |
| Permanent jobs (cumulative) | | | | | 49 | 105 | |
| Value of loans through the LGF (MNT million) | 12 | 153 | 256 | - | 116 | 376 | 452 |
| Number of loans (cumulative by phase) | 5 | 77 | 96 | - | 23 | 51 | 75 |
| % of loans / number of individual beneficiaries | 1% | 6% | 7% | - | 5% | 12% | 18% |
| Average loan per beneficiary (million MNT) | 2.48 | 2 | 3 | - | 5.0 | 5.2 | 6.0 |
| Average loan size (USD) | | | 2,281 | - | 3,639 | 3,749 | 4,395 |
| Average monthly cash income (1000 MNT) | | | | 108 | 150 | 288 | |

GRANT AGREEMENT

Between

**THE UNITED NATIONS DEVELOPMENT
PROGRAMME**

And

Khan Bank LLC

S. Anwar

M. Khan

A. GRANT AGREEMENT

GRANT AGREEMENT BETWEEN UNDP and Khan Bank LLC FOR THE PROVISION OF GRANT FUNDS

Grant Agreement (hereinafter referred to as the "Agreement") made between **the United Nations Development Programme** (hereinafter referred to as "UNDP" or "Grantor"), and **Khan Bank LLC** (hereinafter referred to as the "Recipient Institution").

WHEREAS the **Grantor** desires to provide funding to the **Recipient Institution** in the context of a Programme and on the terms and conditions hereinafter set forth,

WHEREAS the **Recipient Institution** is ready and willing to accept such funds from the **Grantor** for the above mentioned activities on the said terms and conditions.

NOW, therefore, the parties hereto agree as follows:

I. Responsibilities of the Recipient Institution

1.1 The **Recipient Institution** agrees to: complete the key results/milestones specified in the Section III below, including providing reports and statements to the grantor in accordance with the Monitoring Schedule. The **Recipient Institution** shall be responsible for verifying the accuracy of all reports. Funds provided pursuant to this Agreement shall be used to achieve the results listed in Section III, Section 3.2.

1.2 The **Recipient Institution** agrees to reach the performance targets contained in Section III within the specified timeframe. If the **Recipient Institution** fails to meet the minimum annual performance targets in Section III, Section 3.2 within forty-five (45) days of the timeframe specified, the **Grantor** may suspend or terminate this agreement at its discretion. The **Grantor** can ask for a written explanation as to the reasons the target was missed, and consider this in making its decision. The suspension will remain in effect until the **Recipient Institution** has met the targets or until the **Grantor** has agreed in writing to modify the performance targets.

1.3 The **Recipient Institution** agrees to inform the **Grantor** in a timely fashion about any problems it may face or any anticipated failure to complete the activities or achieve the expected results. The **Recipient Institution** also agrees to immediately report any incidence of fraud, theft, or significant operational loss that negatively impact its ability to fulfil the terms of this Agreement or threaten or have a relevant impact on its ability to continue as a going concern.

1.4 The **Recipient Institution** agrees to notify the Grantor of any grant funds, investment or loan funds for the purpose of completing the EMP-2 Loan Guarantee Fund and accompany loans that it may receive prior to signature of those funding agreements. The Grantor reserves the right to adjust the amount of funding in this Agreement if it determines that its funds are no longer necessary as the result of other funding agreements.

II. Duration

2.1 This Agreement will come into effect on **August 23, 2010** and shall expire on **31 March 2012** covering the anticipated term of the project. It can be extended, if necessary by exchange of letters, noting the new expiration date.

III. Key Results/Milestone and Payments

3.1 The Grantor shall provide funds to the Recipient Institution of an amount of One Hundred Sixty Eight Million, Three Hundred Thirty Six Thousand and Seven Hundred Twenty Mongolian Togrogs (MNT 168,336,720.00) which is equivalent to US\$ 123,777 with the UN Operational Exchange Rate for August 2010 (1,360.00/USD) according the schedule set out below.

Upon signature of this Agreement:

| Payment/Date | Amount | Results/Milestone to Be Achieved | Disbursement Conditions |
|--|-------------------------------|---|--|
| UPON SIGNATURE OF THIS AGREEMENT UPON SIGNATURE OF THIS AGREEMENT | MNT 168,336,720.00 | Detailed Terms and Conditions, and Procedures for EMP-2 SME Loans and Loan Write-Offs with Guarantee Fund finalised and approved by both signatories. Draft Terms and Conditions, and Procedures is provided in Annex 1. | Approval of the Project Board Project Board's endorsement of Khan Bank as the Recipient. Establishment of a Local currency (MNT) Current Account at Khan Bank specific for the purposes of the Loan Guarantee Fund with a pre-approved rate of interest. Demonstrated ability of Portfolio and Outreach reports to disaggregate EMP-2 Activities from other operations Agreed detailed Terms and Conditions and Procedures |
| Total | MNT 168,336,720.00 | | |

3.2 Detailed Results (outreach and performance) targets are as follows:

| Recipient Institution | End of Year 2010 | | End of Year 2011 | | March 2012 | |
|--|------------------|----------------|------------------|----------------|-----------------|----------------|
| | Proposed Target | Minimum Target | Proposed Target | Minimum Target | Proposed Target | Minimum Target |
| Number of New EMP-2 Loans Disbursed | 25 | 15 | 100 | 45 | N/A | N/A |
| Project Aimags Covered (Selenge, Khentii, Uvurkhangai, Khovd, Zavkhan, Uvs, Dornogobi, Bulgan) | 100% | 100% | 100% | 100% | 100% | 100% |
| Meeting Minimum Bank of Mongolia Prudential Ratios | Yes | Yes | Yes | Yes | Yes | Yes |

| | | | | | | |
|---|---------------------------------------|----------------|----------------|----------------|----------------|----------------|
| Leverage Rate (defined by ratio of Loan Guarantee Fund amount to Cumulative Disbursement as of target date) | 1:3. To be achieved by March 31, 2012 | | | | | |
| Risk Coverage of "Unpaid Exposure" (defined by sum of unpaid principal, interest and penalty interest due) in respect of all loans disbursed under the project. | Up to 50% | | | | | |
| LGF Deposit Rate | 0% | 0% | 0% | 0% | 0% | 0% |
| Term of Loan | 3-24 months | | | | | |
| Grace Period | up to 6 months | up to 6 months | up to 6 months | up to 6 months | up to 6 months | up to 6 months |

| Recipient Institution | End of Year 2010 | | End of Year 2011 | | March 2012 | |
|-----------------------------------|---|----------------|------------------|----------------|-----------------|----------------|
| | Proposed Target | Maximum Target | Proposed Target | Maximum Target | Proposed Target | Maximum Target |
| Portfolio at Risk of >30 Days | 3% | 5% | 3% | 6% | 3% | 7% |
| Annual Interest Rate | 14.4%-15.6% | | | | | |
| Maximum Loan Disbursal Size (MNT) | 20 million | 20 million | 20 million | 20 million | 20 million | 20 million |
| Collateral Valuation | The Bank shall determine Forced Sale Value of collateral in accordance with its internal standard procedure. Forced Sale Value of collateral shall be minimum 50% of loan amount. | | | | | |

3.3 Disbursement conditions shall include meeting reporting requirements:

| Mechanism | Timing/Due Date | Scope | Responsibility |
|-------------------|---------------------------------------|--|-----------------------|
| Quarterly Reports | 30 days within end of fiscal quarter | Financial Reports as required by the Bank of Mongolia for public dissemination, EMP-2 Portfolio and Outreach Report for the past quarter following the guideline of Table 3.2 Above. | Recipient Institution |
| Annual Report | As per BoM Policy for Audited Reports | Annual Audited Financial Statements as per BoM Requirements. Annual Activity Report of EMP-2 Activities (Narrative and Performance Table 3.2) | Recipient Institution |
| Mid-term and | | | UNDP (primary) |

| | | | |
|--|--|--|--|
| Final evaluation | | | Recipient Institutions to be available to evaluators |
| Mix Market | As per standard Mix/Khan time lines | | Recipient Institution |
| Final Report (based on UNDP final report guidelines) | 45 days within end date | Contingent upon acceptance by the UNDP of the results contained in the final report, UNDP will proceed to transfer the funds to the ownership of the Recipient Institution as per Article 5.6 below. | Recipient Institution, UNDP as regarding review of report and transfer of funds. |
| On Site Review Reports | 15 days within the end of each Quarter | On Site Review of activities including technical recommendations for possible project improvements. | TSP and/or EMP-2 Project Staff. |

3.4 The **Recipient Institution** shall request disbursements with the supporting information to show that disbursement conditions indicated in Section III Paragraph 3.1 have been met. All payments shall be deposited into the **Recipient Institution's** bank account of which the details are as follows:

Name of the Bank: **Khan bank**
Beneficiary Account Name: **Khan bank Монголд үйлдвэрлэл хөгж-2 (EMP-2) account**
Beneficiary Account Number: **50000023100000161**
Address of Bank: **Seoul Street-25, PO.BOX-192, Ulaanbaatar-44, Mongolia**

3.5 The amount of payment of such funds is not subject to any adjustment or revision because of price or currency fluctuations or the actual costs incurred by the **Recipient Institution** in the performance of the activities under this Agreement.

IV. Records, Information and Reports

- 4.1 The **Recipient Institution** shall maintain clear, accurate and complete records in respect of the funds received under this Agreement.
- 4.2 The **Recipient Institution** shall furnish, compile and make available at all times to the Grantor, any records or information, oral or written which they may reasonably request in respect of the funds received by the Recipient Institution. The **Recipient Institution** shall provide reports and fulfil its obligations in accordance with the Monitoring and Evaluation schedule (section III, Paragraph 3.3). It agrees to make its personnel available to participate in joint on-site monitoring visits with the Grantor and the Government.
- 4.3 Within forty five (45) days after completion of project activities, the **Recipient Institution** shall provide the **Grantor** with a final financial report indicating the progress made toward the results to be achieved and describing how the expenditures were utilized, using the reporting format provided in Annex 2.
- 4.4 The **Recipient Institution** agrees to submit required Performance Reports specified in Section III Paragraph 3.3 to the **Grantor** within 30 days of the close of each quarter using the excel files provided by UNDP reporting on programme progress. The **Recipient Institution** also agrees to post this information directly on the MIX Market Exchange, a web-enabled database capturing microfinance industry reporting. The **Recipient Institution** agrees that this data may be utilized by the MIX Market Exchange for publication in the MicroBanking Bulletin.

All further correspondence regarding the implementation of this Agreement should be addressed to:

For **UNDP**:

Contact: Shoko Noda, Deputy Resident Representative,
UNDP Mongolia Office

For the **Recipient Institution**:

Senior contact: Batsaikhan Daimaa, Deputy CEO, Khan bank

Contact: Bolortuya Bazar, head of Leasing and Project Loan
Department,
Khan bank

V. General Provisions

5.1 This Agreement and the Annexes attached hereto shall form the entire Agreement between the **Recipient Institution**, and the **Grantor**, superseding the contents of all previous negotiations and/or agreements, whether oral or in writing, pertaining to the subject of this Agreement.

5.2 The **Recipient Institution** shall carry out all activities described in paragraph 1.1 with due diligence and efficiency and shall have exclusive control over the administration and implementation of those activities. The **Grantor** shall not interfere in the exercise of such control. If in the **Grantor's** determination the **Recipient Institution** is not carrying out the activities described in paragraph 1.1, the **Grantor** may declare this Agreement terminated by written notice to the **Recipient Institution** as described in paragraph 5.7 below; and /or seek any other remedy as may be necessary. The **Grantor's** determination shall be final and shall be binding and conclusive upon the **Recipient Institution** insofar as payments are concerned.

5.3 The **Grantor** undertake no responsibilities in respect of life, health, accident, travel or any other insurance coverage for any person which may be necessary or desirable for the purpose of this Agreement or for any personnel undertaking activities under this Agreement. Such responsibilities shall be borne by the **Recipient Institution**.

5.4 The rights and obligations of the **Recipient Institution** are limited to the terms and conditions of this Agreement. Accordingly, the **Recipient Institution** and personnel performing services on its behalf shall not be entitled to any benefit, payment, compensation or entitlement except as expressly provided in this Agreement.

5.5 The **Recipient Institution** shall be solely liable for claims by third parties arising from the **Recipient Institution's** acts or omissions in the course of performing this Agreement and under no circumstances shall the **Grantor** be held liable for such claims by third parties.

5.6 Grant funds disbursed to the **Recipient Institution** shall be considered to be the property of the **Grantor** and shall not become the property of the **Recipient Institution** until one or more of the following conditions have been met: (i) the **Recipient Institution** has reported its compliance with all conditions in this grant agreement and the **Grantor** has verified it in writing; (ii) the **Grantor** advises the **Recipient Institution** in writing that it has fulfilled the conditions to the **Grantors'** satisfaction; (iii) the **Grantor**



otherwise notifies the **Recipient Institution** in writing that it releases the **Recipient Institution** from any obligation to repay funds. In cases where the above conditions have not been met, the **Grantor** may at its discretion require the **Recipient Institution** to return of some or all of the funds, and the **Recipient Institution** has thirty (30) days to comply with this request. After hand over of the assets, the **Recipient Institution** shall utilize the fund for a similar purpose.

5.7 This Agreement may be terminated by either party before completion of the Agreement by giving thirty-day (30) written notice to the other party. In the case of termination by the **Grantor**, the disposition of funds shall be governed by paragraph 5.6. In case of termination by the **Recipient Institution**, the **Grantor** may at its discretion require the **Recipient Institution** to return of some or all of the funds and the **Recipient Institution** has thirty (30) days to comply with this request.

5.8 The **Recipient Institution** acknowledges that the **Grantor** has made no actual or implied promise of funding except for the amounts specified by this Agreement. If any of the funds are returned to the **Grantor** or if this Agreement is rescinded, the **Recipient Institution** acknowledges that the Donors will have no further obligation to the **Recipient Institution** as a result of such return or rescission.

5.9 No modification of or change to this Agreement, waiver of any of its provisions or additional contractual provisions shall be valid or enforceable unless previously approved in writing by the parties to this Agreement or their duly authorized representatives in the form of an amendment to this Agreement duly signed by the parties hereto.

5.10 Any controversy or claim arising out of, or in accordance with this Agreement or any breach thereof, shall unless it is settled by direct negotiation, be settled in accordance with the UNCITRAL Arbitration Rules as at present in force. Where, in the course of such direct negotiation referred to above, the parties wish to seek an amicable settlement of such dispute, controversy or claim by conciliation, the conciliation shall take place in accordance with the UNCITRAL Conciliation Rules as at present in force.

The parties shall be bound by any arbitration award rendered as a result of such arbitration as the final adjudication of any such controversy or claim.

5.11 Nothing in or relating to this Agreement shall be deemed a waiver of any privileges and immunities of the United Nations.

IN WITNESS WHEREOF, the undersigned, duly appointed representatives of the **Grantor**, and the **Recipient Institution**, respectively, have on behalf of the **Grantor** and the **Recipient Institution** signed the present Memorandum of Agreement on the dates indicated below their respective signatures.

On behalf of UNDP:

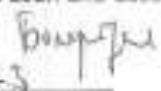

Name: Sezin Syhanoglu
Title: UNDP Resident Representative
Date: 28/08/2010


On behalf of the Recipient Institution:

Name: Batsaikhan Daimaa
Title: Deputy CEO
Date: 2010-08-23


Name: Bolortuya Bazar

Title: Head of Project Loan and Leasing
Department

Date: 2010.08.23


Annex XXIII: Profiles of Evaluation Team Members

Roy Thompson has worked on long and short-term assignments in more than 30 countries in Africa, Asia, the Middle East, the Pacific and the Caribbean, specializing in results-based programme and project management, monitoring and evaluation, enterprise development and agricultural development. He has practical experience of initiating and managing thirteen SMEs across a wide range of sectors from service to manufacturing. He was the first Regional M&E Advisor for USAID/East Africa consistently earning the top performance rating of *'outstanding'* during his tenure. He has been a Chief of Party for two USAID M&E service projects and has worked on long-term M&E assignments for both UNDP and UNFPA. He has just completed his doctoral thesis which explored the determinants of female entrepreneurial performance using a case study of smallholder dairy farmers in Malawi.



Bumkhorol Tsedendorj is an engineer-economist. She holds a Master of Arts degree in Social Development from the University of East Anglia, UK. She has worked on many studies in Mongolia including a recent evaluation of the UN Comprehensive Community Services to Improve Human Security for the Disadvantaged Population in Mongolia. She has not only an experience in using quantitative and qualitative research methods in studies but also in the formulation of policy. She has experience working with a number of UN agencies as well as with public and private companies in the country.

Solongo Alгаа holds a Ph.D in economics. She has worked on short-term assignments in all of the aimags of Mongolia. She is proficient in both quantitative and qualitative research and has over 15 years of experience in social research. She is a demographer and statistician with expertise in survey supervision, and has coordinated all aspects of survey work including on project evaluations. She has managed and a number of baseline surveys and in-depth studies. She has experience with UNDP, UNFPA, Global Foundation and other donor funded projects in Mongolia.



Arvinbayar Baatar is a bio-technologist with experience in public policy to create an enabling environment in business and development of the private sector and SME's. He has expertise in the development of public, private partnerships (PPPs) and in SME policy development and cluster development. He has worked on measures of private sector productivity and corporate social responsibility and corporate governance of Mongolia. He has experience with work on MDGs, with the Open Society Forum, GIZ and with other donor funded projects in Mongolia.

Annex XXIV: Endnotes

-
- ⁱ Evaluation team construct
- ⁱⁱ The ALP started in May, 2010 and is due to be completed in 2013. The EMP-2 began in October, 2008 with completion of the second phase of the project now extended and also running to 2013. The EMP was scheduled to be completed earlier but owing to slow implementation in 2009 it was extended by a further year.
- ⁱⁱⁱ the team is referring specifically to a harmonized action plan rather than a framework (and UNDAF as a further stage beyond an UNDAF)
- ^{iv} <http://www.guardian.co.uk/world/2011/may/15/shantytown-home-quarter-of-mongolians>
- ^v 'alternative' presenting something of a misnomer, a more illustrative title for the project would have been 'Livelihoods Diversification Project' (LDP)
- ^{vi} the term 'downstream' in business refers to the operations of a firm that are near or at the final stage of consumption. The development world has borrowed this expression to refer to project activities that are targeted at direct delivery of products and services to project participants in contrast to 'upstream' activities such as policy reform or creation of an enabling environment which does not work with the participants directly but indirectly impacts them.
- ^{vii} Rent-Seeking as defined by the Financial Times Lexicon www.lexicon.ft.com is a culture in which the principal route to wealth is not creating wealth, but taking possession of or benefiting from wealth created by others.
- ^{viii} ALP undertook a baseline survey in Hujirt and Sant soums Uvrkhangai Aimag from Dec. 2010 to Jan. 2011 using its local coordinators (LCs) and found that its target beneficiaries "typically owned less than 200 animals with most having less than 100 animals because of the 2009-2010 dzud which killed many of their animals." In one interview with a herder in one of the clusters, he recounted that prior to the last Dzud he had 1,000 animals, had lost 600, and now had increased that number to 500 animals, but this was in Umnagovi Aimag.
- ^{ix} Overhead costs are by definition fixed costs with a minimum overhead cost requirement in terms of for example office accommodation, equipment, and core staffing. An increased project budget would not necessarily translate into a higher absolute overhead cost increase, and so comparisons of overhead costs project by project need to be made with caution.
- ^x A metaphor for exchanging experiences over a cup of coffee, meaning meaning a sharing of information rather than active joint planning and coordination of activities
- ^{xi} Interest rates are generally quoted on a monthly basis and the range of interest rate on offer was between 1.0 and 1.5% per month annualized by simply multiplying by 12.
- ^{xii} The evaluation team did a rough calculation and comparative analysis of funds available per year per soum contrasting WB (330 soums? USD 51m 5 yrs), SLMP (13 soums, USD4.1m, ? years) EMP (8 soums, USD1.2m, 3 years), ALP (6 soums, USD0.8m?, 2.5 yrs?) and using a 33% overhead figure for all. The rough calculation showed an investment of between \$40K-\$60K per soum per year for these projects.