



## FINAL PROJECT REVIEW REPORT

2022

### United Nations Development Programme

**Project title: Rapid Analysis and Response to the Impact of Russia-Ukraine Conflict and the Covid-19 pandemic, on Mongolia's Economy and Vulnerable Population**

<b>Award ID:</b>	<b>00132224</b>
<b>Project ID:</b>	<b>00144505</b>
<b>Project Duration:</b>	<b>2022.07 – 2022.12</b>
<b>Extension(s):</b>	
<b>Implementing Partner:</b>	<b>UNDP</b>
<b>Total Budget:</b>	<b>\$89,900</b>
<b>CO Focal Points:</b>	<b>Yasin Janjua, Barkhas Losolsuren, Delgernaran Tumurtogoo</b>
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<b>Date of Report:</b>	<b>28 December 2022</b>

#### *Brief project description:*

The analysis shows the socio-economic impact of Ukraine-Russia crisis on Mongolia, combined with COVID-19 pandemic reverberations may trigger deep economic, social, political, and environmental crises. Mongolia is impacted due to its dependence on Russian food, medicine, agricultural inputs, energy imports, and linkages of financial and banking channels that are squeezed by SWIFT sanctions.

Under the leadership and coordination by UNRC, UNDP, with UNV, UNESCAP and PUNOs: FAO, UNICEF, and UNFPA analyzed the extent of the socio-economic impact on vulnerable persons in terms of consumption and production, availability of food and nutrition, alternative energy technology inputs and energy imports by analyzing Big-Data on households and businesses, and by conducting rapid Focus Group Discussions and field surveys for developing a policy response.

The Joint Programme-Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance funded by Joint SDG Fund intends to identify blind spots in the existing data and analysis conducted by the government and other stakeholders.

The Government and IFI's have been closely monitoring the macroeconomic situation and analysing implications of the conflict on Mongolia. The rapid analysis compliments their analysis by providing

exhaustive information on SMEs, households, livelihoods of vulnerable population. The findings and recommendations are feeding into the policy interventions by the Government for developing an integrated strategic response, especially, for those who are in risks of being left behind.

### **Section 1:**

Intended JP outcomes UNDP contributed to:

**Outcome 1.** By 2022, poor and vulnerable people are more resilient to shocks, and benefit from inclusive growth and a healthy ecosystem. Hence, Mongolia's Resilient communities are able to mitigate disaster risks.

**Outcome 3.** By 2022, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realization of the rights of all, especially the poor and marginalized.

### **Actual Outcomes:**

Understanding of the impact of crisis on Mongolians that is critical for developing a policy response that mitigates the adverse impact has been enhanced through (1) the Big-Data analysis of Impact of Crisis on Consumption and Production conducted with NSO, (2) Rapid Assessment of the Impact of Russia-Ukraine War on Mongolia's Households and Businesses, in the context of LNOB and vulnerable groups, and (3) two stakeholder workshops with national government, CSOs, academia, private sector, and development partners. These assessment focuses on analyzing the socio-economic impact of Russia-Ukraine conflict on Mongolia's economy, particularly on the most vulnerable persons, including women, herders, agricultural workers, children, youth, elderly, and PWDs.

Based on the assessment, UN Policy Brief Note on Impact of Russia's War in Ukraine is prepared to inform government's policy interventions and response to this crisis. The policy brief integrated assessments conducted by the PUNOs: FAO, UNICEF, and UNFPA to provide guidance for mitigating impact in terms of consumption and production, availability of food and nutrition, and security of the energy sector, including the prospects for low-carbon transition in energy.

While there have been several programmatic challenges, the project outcomes were met. The main contributing factors that permitted the timely delivery of results were flexibility in program implementation and frequent communication with stakeholders. As a lead PUNO, UNDP kept constant feedback loop and touch-bases with other PUNOs and implementing partners to ensure timely delivery and provide programmatic support.

### **Stakeholder and Beneficiary Contribution**

Two stakeholder meetings, with a total of 140 representatives from ministries, government agencies, CSOs, academia, private sector, and international development partners, were held to introduce assessment results and collect feedbacks. Stakeholder questions, comments, feedbacks, and recommendations were collected during and after the meetings and was taken into account to develop the final assessments results.

### **Integration of crosscutting areas (Gender, ICT4D, HIV/AIDS)**

To provide more coherent, cross-sectoral analysis, the JP catalyzed comparative advantages of PUNOs and ensured their input in the designing, implementing, and evaluating stages. For example, the survey questions for the rapid analysis of the Impact of Russia-Ukraine War on

Mongolia's Households and Businesses were developed including inputs from all the PUNOs and gender and human rights perspectives. The assessments generated information on impact of global crisis on various vulnerable social group that will allow beneficiaries and stakeholders to consider cross-cutting issues for further actions.

## **Section 2: Project Implementation**

### **Updated Project Risks**

The contextual, programmatic, institutional and fiduciary risks were predicted, and necessary mitigating actions were taken from the start of the project. During the implementation, the project team identified potential risks and developed fitting mitigations measures in collaboration with implementing partners. For instance, the Big-Data analysis of Impact of Crisis on Consumption and Production conducted in collaboration with NSO was delayed because the NSO spent more time than expected duration in data collection from the government VAT database. Furthermore, the public organization procurement and payment policies caused some unexpected delays. To mitigate such delays and deliver results in time, UNDP conducted bi-weekly progress meetings with NSO and provided suggestions and support on managing delays. UNDP accommodated some of NSOs deliverables such as organizing validation meetings and providing editorial and layout designs for the finished report to avoid further delays.

## **Section 3: Project Performance (per output)**

**Output 1.1:** Enhanced Understanding of the impact of crisis on Mongolians to develop a policy response to mitigate the adverse impact.

### **Activity 1.1** Big-Data analysis of Impact of crisis on consumption and production (UNDP)

- Big-Data analysis of Impact of crisis on consumption and production and how it affects poverty, food consumption, inequality was conducted with National Statistical Office (NSO). The big data consists of 8,925 households' data from Household Socio Economic Survey-2021, 128 thousand food stamps receiving households' administrative data, firms' data from Enterprise Census-2021 and their recorded purchases and sales in the VAT system from January 2018 until June 2022. On the other hand, to investigate the economy's supply side, 59,650 firms' sales data from an Enterprise Census-2021, whose sample is 801 thousand firms with their recorded sales in the VAT system from January 2018 until June 2022 were analyzed.

**Activity 1.5:** Undertake political economic assessment to support public and private energy compacts on net zero transition from coal and oil to renewable and sustainable energy solutions to achieve agenda 2030.

- The survey-based study conducted by Economic Research Institute (ERI) defined the nature and extent of the systemic impacts of the ongoing global crisis on Mongolia's households' livelihood and business environment between March and September 2022. It also identifies the vulnerable groups whose livelihoods have been affected by the crisis and the value chains that have been severely disrupted. However, recent changes in households and businesses' socio-economic situations may reflect the indirect impact of the Russia-Ukraine war and recent shocks such as Covid-19 pandemic, China's Zero-Covid policy, and other domestic shocks. In the assessment, 602 vulnerable group households, 80 local businesses, and 20 local authorities in Ulaanbaatar, Bayan-Ölgii, Hovd, Selenge, Arkhangai, Umnugovi, and Dornod were interviewed. Moreover, to assess the potential impact of recent price increases on the livelihoods of all households, a simulation analysis was conducted on the primary data of 11,199 households from the nationally representative Household

Socio-Economic Survey-2021 by the NSO. The most suffered population groups from the price increases are single parents with three or more children and households with disabled members or members who need special care. Those households are primarily low-income households and tend to spend more of their income on food. Disaggregate by household type, households with a single parent with three or more children, households on food stamps, and households with disabled members who cannot even afford their daily needs.

**Activity 1.5:** Undertake political economic assessment to formulate a policy brief for supporting public and private energy compacts on net zero transition from coal and oil to renewable and sustainable energy solutions to achieve agenda 2030 (UNDP)

Policy briefs for supporting public and private energy compact on net zero transition from coal and oil to renewable and sustainable energy solutions to achieve agenda 2030 has been developed. The policy brief urged policy makers to re-allocate subsidies meant for fossil fuel consumption and production to more productive economic activities, such as value-added product development for economic diversification, renewable energy development, and net zero in other sectors of the economy or research and development. Furthermore, policies to “internalize” externalities (i.e. put a cost on pollution) would mobilize finances for investments in cleaner sources of energy (or other economically productive activities) and make it so that cleaner sources of energy and energy efficiency are even more cost-competitive (though in many cases they already are). By taking a strategic decision to move towards sustainable energy, the principle of “*Efficiency first*” should be incorporated, in addition to a focus on renewable energy development.

**Activity 1.6:** Based on assessments conducted, policy options for Government of Mongolia prepared, presented, and discussed, including identification of policy options and financing solutions in partnership with IFIs and government that will be derived from experiential learning and experience from UNSDPs ongoing work on G Impact financing framework, and Debt Swaps (UNDP and PUNOs)

Two stakeholder meetings were conducted to introduce and validate assessment findings from the government, academia, CSOs, private sector and development partners. The presentations generated great interest and engagement from the participants. The inputs and feedbacks from the stakeholders were gathered and delivered to PUNOs and partners to finalize the assessments and develop policy recommendations.

- During the first stakeholder meeting “Socioeconomic impact of Global crisis in Mongolia” was held on 21 November 2022 with 90 representatives from ministries, government agencies, CSOs, academia, private sector, and international development partners. The Participating United Nations Organizations (PUNOs) - FAO, UNDP, UNICEF and UNFPA – presented their preliminary findings on the analysis regarding the extent of the socio-economic impact of global crises on vulnerable persons in terms of consumption and production, availability of food and nutrition, and security of the energy sector, including the prospects for low-carbon transition in energy to validate their findings. More than 90 percent of the participants reported that the workshop enhanced their understanding on socioeconomic impact of the crisis on Mongolia.
- Second stakeholder meeting “Big-data analysis on impact of crisis on consumption and production” focused on big data analysis and its importance for policy development. The hybrid workshop involved 50 participants not only from implementing partners, government agencies and ministries but also from regional UN Offices.

**Output 3:** Offer Response to the Crisis

**Activity 3.1:** Support development of guidance for mitigating impacts felt by vulnerable groups/persons by developing integrated strategic response and offer of support to the Government of Mongolia (UNDP and PUNOs

- UNDP developed a policy brief to provide integrated strategic response that can feed into government policy interventions on the mitigating the (1) socioeconomic impact on businesses and vulnerable groups, (2) impact on food and nutrition security, and (3) impact on energy sector.

#### **Section 4: Lessons Learned**

To support institutional capacity building, UNDP collaborated with the NSO to conduct Big-Data analysis. While the main analysis was conducted by sub-contracted consultants, the consultants developed a handbook for bigdata analysis. Furthermore, “Big-data analysis on impact of crisis on consumption and production” validation meeting provided introduction to big data and shared international best practices. These will allow NSO staff to conduct big data analysis and provide timely information for policy interventions in this rapidly changing economy.

Assessment findings were disseminated on major news websites and news channels. However, UNDP was not credited in some of the articles. The project team should better coordinate with the agencies to ensure better visibility for future programs.

#### **Section 5: FINANCIAL STATUS AND UTILISATION**

The funding received from the UNDP Funding window for Governance, Conflict prevention and resilience, sub-window on Crisis-Response (Atlas fund code 30000; donor code 12994) and general management support (GMS) rate of 7%.

#### **Financial Overview**

**(US \$) in 2022**

<b>Donor</b>	<b>Committed</b>	<b>Received</b>	<b>Advance</b>	<b>Commitment</b>	<b>GMS to be calculated</b>	<b>Expenditure</b>	<b>Total (advance, commitment, and expenditure)</b>	<b>Remaining Funds</b>
12994 Joint SDG	74,900	74,900	29,553	4,401	2,326	38,620	<b>74,900</b>	-
00012 UNDP	-	15,000	-	7,597	-	6,087	<b>13,684</b>	1,316
<b>Total</b>	<b>74,900</b>	<b>89,900</b>	<b>29,553</b>	<b>11,998</b>	<b>2,326</b>	<b>44,707</b>	<b>88,584</b>	<b>1,316</b>

\*This is a provisional report as of 28/12/2022

## United Nations Development Programme



## Financial report by account

(US \$) in 2022

Donor	Description	Advance	Commitment	GMS to be calculated	Expenditure	Total
<b>12994 Joint SDG Fund</b>	Local Consultants	29,552.88	985.26	-	4,121.93	34,660.07
	Contractual Services-Companies	-	-	-	29,731.66	29,731.66
	Supplies	-	-	-	29.49	29.49
	Audio Visual&Print Prod Costs	-	3,416.15	-	270.00	3,686.15
	Facilities & Administration	-	-	2,326.47	2,425.31	4,751.78
	Training, Workshops and Confer	-	-	-	494.10	494.10
	Foreign Exchange Currency Loss	-	-	-	1,546.75	1,546.75
<b>00012 UNDP</b>	Staff Mgmt Costs - IP Staff	-	-	-	1,700.33	1,700.33
	Supplies	-	-	-	9.83	9.83
	Foreign Exchange Currency Loss	-	2,612.70	-	-	2,612.70
	Audio Visual&Print Prod Costs	-	4,984.11	-	3,360.86	8,344.97
	Miscellaneous Expenses	-	-	-	728.71	728.71
	Training, Workshops and Confer	-	-	-	287.28	287.28
<b>Total</b>		<b>29,552.88</b>	<b>11,998.22</b>	<b>2,326.47</b>	<b>44,706.25</b>	<b>88,583.82</b>

\*This is a provisional report as of 28/12/2022

**United Nations Development Programme**





## PROJECT LESSONS-LEARNED REPORT

<b>Project Title:</b>	Rapid Analysis and Response to the Impact of Russia-Ukraine Conflict and the Covid-19 pandemic, on Mongolia's Economy and Vulnerable Population
<b>Country:</b>	Mongolia
<b>Related CPAP Outcome</b>	<a href="#"><u>UNDP OUTCOME 2 (UNSDCF OUTCOME 3): By 2027, communities and ecosystems in Mongolia are more resilient to climate change, with improved capacity for evidence-informed and gender-responsive sustainable natural resource and environmental management and disaster risk reduction</u></a>
<b>Project Description and Key Lessons-Learned</b>	
<b>Brief description of context</b>	The analysis shows the socio-economic impact of Ukraine-Russia crisis on Mongolia, combined with COVID-19 pandemic reverberations may trigger deep economic, social, political, and environmental crises. Mongolia is impacted due to its dependence on Russian food, medicine, agricultural inputs, energy imports, and linkages of financial and banking channels that are squeezed by SWIFT sanctions.
<b>Brief description of project</b>	<p>Under the leadership and coordination by UNRC, UNDP, with UNV, UNESCAP and PUNOs: FAO, UNICEF, and UNFPA analyzed the extent of the socio-economic impact on vulnerable persons in terms of consumption and production, availability of food and nutrition, alternative energy technology inputs and energy imports by analyzing Big-Data on households and businesses, and by conducting rapid Focus Group Discussions and field surveys for developing a policy response.</p> <p>The Joint Programme-Development Emergency Modality – Response to the Global Crisis on Food, Energy, Finance funded by Joint SDG Fund intends to identify blind spots in the existing data and analysis conducted by the government and other stakeholders.</p> <p>The Government and IFI's have been closely monitoring the macroeconomic situation and analysing implications of the conflict on Mongolia. The proposed analysis compliments their analysis by providing exhaustive information on SMEs, households, livelihoods of vulnerable population. The findings and recommendations are feeding into the policy interventions by the Government for developing an integrated strategic response, especially, for those who are in risks of left behind.</p> <p>The rapid analysis compliments work of the government and IFIs on monitoring macroeconomic situation and implications of the conflict on Mongolia by providing exhaustive information on SMEs, households, livelihoods of vulnerable population. UNDP compiled the findings and recommendations into a policy brief that can feed into policy interventions by the Government for developing an integrated strategic response, especially, for those who are in risks of getting left behind.</p>



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<b>Key project successes</b>	<ul style="list-style-type: none"> <li>- The assessment findings informed various stakeholders, not only from national governments, CSOs, academia, private sector and development partners, but also from regional UN Offices and raised awareness of the impact on the most vulnerable groups.</li> <li>- While there have been several programmatic challenges, the project outcomes were met. The main contributing factors that permitted the timely delivery of results were flexibility in program implementation and frequent communication with stakeholders. As a lead PUNO, UNDP kept constant feedback loop and touch-bases with other PUNOs and implementing partners to ensure timely delivery and provide programmatic support.</li> </ul>
<b>Project shortcomings and solutions</b>	<ul style="list-style-type: none"> <li>- The main challenge is the short period of project implementation. The fund received in July 2022 must be utilized by the end of 2022. Within this short period time, the implementation took many efforts. Therefore, to overcome this challenge, the project team tracked and monitored the performance and deliverables by having met the contractors and national responsible partner (NSO) bi-weekly and gave guidance to them.</li> <li>- The Big-Data analysis of Impact of Crisis on Consumption and Production conducted in collaboration with NSO was delayed because the NSO spent more time than expected duration in data collection from the government VAT database. Furthermore, the public organization procurement and payment policies caused some unexpected delays. To mitigate such delays and deliver results in time, UNDP conducted bi-weekly progress meetings with NSO and provided suggestions and support on managing delays. UNDP accommodated some of NSOs deliverables such as organizing validation meetings and providing editorial and layout designs for the finished report to avoid further delays. Concurring events impacted the registration of VAT receipts. It was difficult to say which of these events impacted the sudden drop in the registration.</li> <li>- Given that the National Statistical Office could not have delivered their final activities (printing and publishing final reports), UNDP CO amended the Letter of Agreement signed with National Statistical Office and implemented the pending activities without transferring its final payment. As a result of this decision, the project utilized the remaining funds.</li> </ul>
<b>Lessons learned</b>	<ul style="list-style-type: none"> <li>- To support institutional capacity building, UNDP collaborating the NSO to conduct Big-Data analysis. While the main analysis was conducted by sub-contracted consultants, the consultants developed a handbook for bigdata analysis. Furthermore, “Big-data analysis on impact of crisis on consumption and production” validation meeting provided introduction to big data and shared international best practices. These will allow NSO staff to conduct big data analysis and provide timely information for policy interventions in this rapidly changing economy.</li> <li>- Assessment findings were disseminated on major news websites and news channels. However, UNDP was not credited in some of the articles. The project team should better coordinate with the agencies to ensure better visibility for future programs.</li> </ul>
<b>Follow-up Actions</b>	<ul style="list-style-type: none"> <li>- UNDP, to continue to provide support to the government in developing policy response to the current crisis based on the policy offers proposed in the project.</li> <li>- UNDP, to continue to provide support to the National Statistical Office on variety of applications of big data for the socio-economic impact assessments and estimating the SDG-related indicators.</li> </ul>

### Project Information

## United Nations Development Programme



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<b>Partners:</b>	UNRC, FAO, UNICEF, UNFPA, National Statistical Office
<b>Project resources:</b>	<a href="https://www.undp.org/mongolia/projects">https://www.undp.org/mongolia/projects</a>
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