



Ministry of Foreign Affairs of Mongolia



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United Nations Development Programme

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| Is part of | UNDP Mongolia CP and CPAP 2012-2016, UNDAF 2012-2016 |
| Conforms to | |
| Related documents | UNDG AWP guidelines, UNDP User Guide, UNDP National Implementation manual, UNDG Harmonized Approach to Cash Transfer guidelines |
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Project Title Project to Establish the International Think Tank for Landlocked Developing Countries in Ulaanbaatar, Mongolia

UNDAF Outcome(s): Economic development is inclusive and equitable, contributing towards poverty alleviation

Expected CP Outcome(s):
(Those linked to the project and extracted from the CP) Economic development is inclusive and equitable, contributing towards poverty alleviation

Expected Output(s):
(Those that will result from the project) Pro-poor and trade policies supported, through promoting global and South-South Cooperation

Implementing Agency: Ministry of Foreign Affairs

Brief Description

The project is a part of the Government of Mongolia and UNDP agreement in the Country Programme Action Plan (CPAP) to cooperate in the operationalization of the International Think Tank (ITT) for Landlocked Developing Countries (ITT-LLDC) in Ulaanbaatar. The ITT is aimed at providing support for strategic interventions to enhance the development prospects of all LLDCs including Mongolia. Lack of territorial access to the sea and remoteness from major growth poles and markets is often translated into high transport and transit costs for LLDCs. These additional costs impose severe constraints on socio-economic development, including on country competitiveness and human development outcomes. In Mongolia's case, the economy continues to be heavily influenced by its neighbors and therefore extremely vulnerable to their economic performance. As a landlocked country, Mongolia and other LLDCs need to look beyond their immediate neighbors and diversify their sources and destinations of imports and exports. Greater engagement in regional and global trade, better management of transport and transit arrangements and sharing knowledge and experiences will be critical. The ITT will provide a platform for such knowledge sharing, support for intra-LLDC collaboration and other South-South engagement as well as for global cooperation.

| | |
|----------------------------------|------------|
| Programme Period: | 2014-2016 |
| Key Result Area (Strategic Plan) | _____ |
| Atlas Award ID: | _____ |
| Start date: | Jan 2014 |
| End Date: | Dec 2016 |
| PAC Meeting Date | Jan 2014 |
| Management Arrangements | <u>NIM</u> |

| | |
|--|------------------|
| Total resources required | 1,274,300 |
| Total allocated resources: | 350,000 |
| • Regular | 50,000 |
| ○ Other: | _____ |
| ○ Donor | _____ |
| ○ GOM | 300,000 |
| ○ GOM in kind contribution: office space | _____ |

Agreed by (Implementing Partner):



Bold Luvsanvandan, Minister for Foreign Affairs of Mongolia

Agreed by (UNDP):



Sezin Sinanoglu, UNDP Resident Representative

15 January 2014

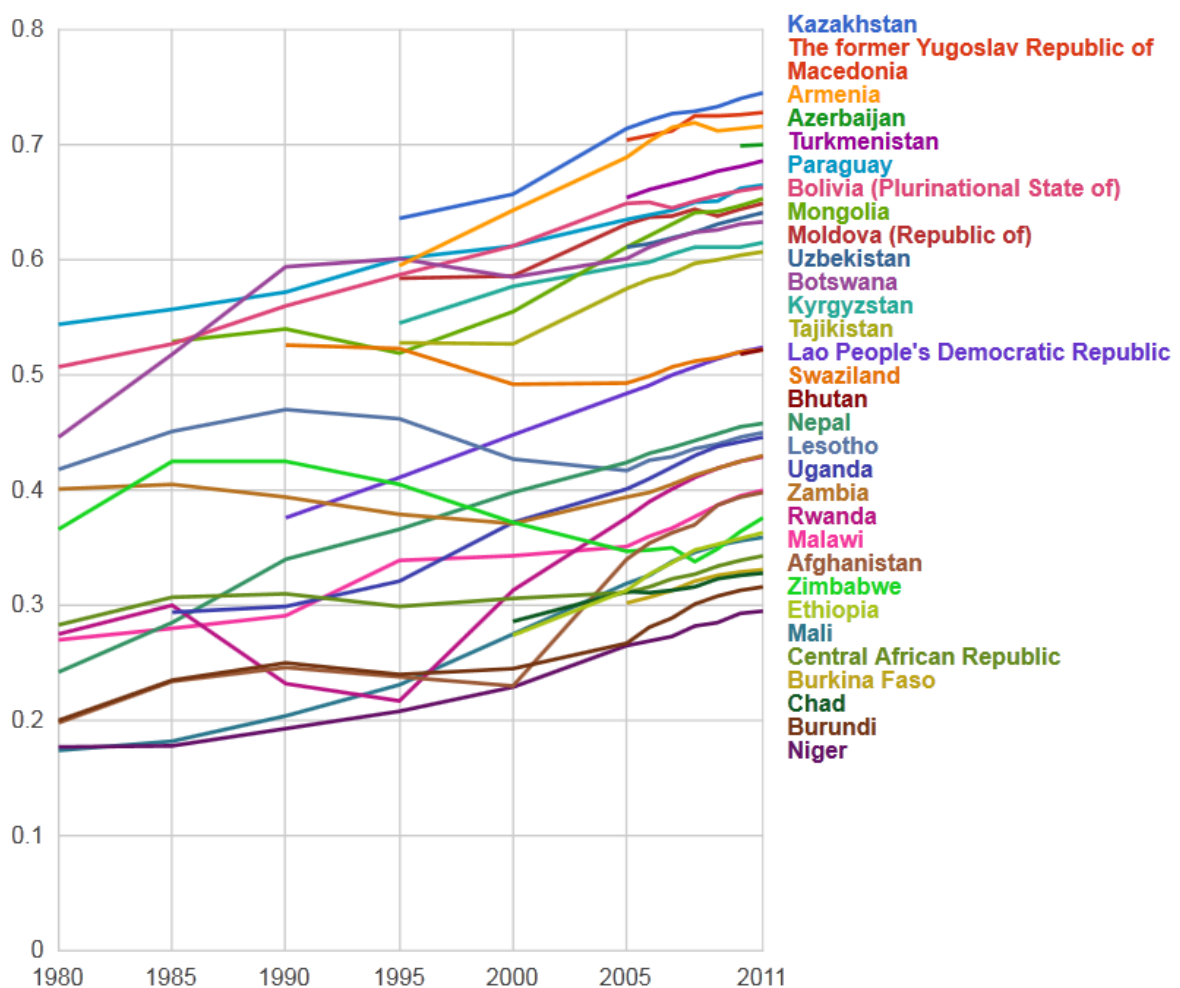
I. SITUATION ANALYSIS

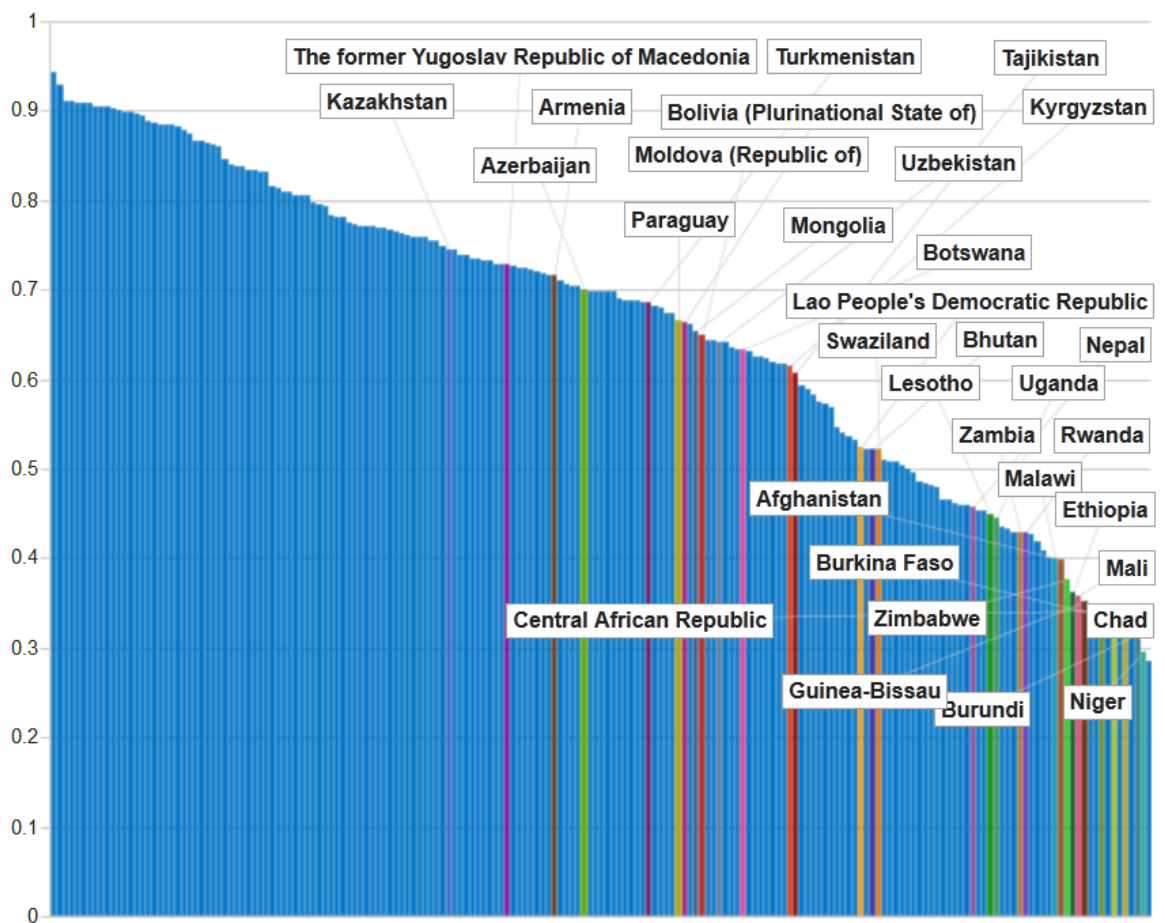
Background

The establishment of an International Think Tank for Landlocked Developing Countries (ITT-LLDC) in Ulaanbaatar is a major foreign policy objective of the Government of Mongolia. The Government's current (2012) Action Plan designates a fully operational ITT as a priority. The ITT is aimed at providing support for strategic interventions to enhance the development prospects of all LLDCs including Mongolia.

Lack of territorial access to the sea and remoteness from major growth poles and markets is often translated into high transport and transit costs for LLDCs. These additional costs impose severe constraints on socio-economic development, including on country competitiveness and human development outcomes. Figure 1 provides HDI rankings for the 31 LLDCs. Landlocked developing countries are among the poorest countries in the world. Around half the number of LLDCs (16 out of 31) is classified as least developed. Many LLDCs including Mongolia are also relatively small markets that require deeper integration to sustain growth and ensure the availability of essential imports, such as food and fuel.

Human Development Index: LLDCs (Source: UNDP, 2012)





In Mongolia's case, the economy continues to be heavily influenced by its neighbors and therefore extremely vulnerable to their economic performance. Mongolia sources 95 percent of its petroleum products and a substantial amount of electric power from Russia. Trade with China represents more than half of Mongolia's total external trade - China receives more than three-fourths of Mongolia's exports. As a landlocked country, Mongolia and other LLDCs need to look beyond their immediate neighbors and diversify their sources and destinations of imports and exports. Greater engagement in regional and global trade, better management of transport and transit arrangements and sharing knowledge and experiences will be critical. The ITT will provide a platform for such knowledge sharing, support for intra-LLDC collaboration and other South-South engagement as well as for global cooperation.

The WTO has been an important reference point for LLDCs to defend their interests in trade negotiations at regional and bilateral levels. Twenty-two LLDCs (including Mongolia) out of the 31 LLDCs are members of the WTO, while the rest are negotiating accession or at the early stages of opening accession discussions. Concerted group actions can be demonstrated to be the foundation of successful negotiation strategies at the multilateral level. Special and differential treatment for LLDCs in several areas covered by multilateral, regional and bilateral negotiations is crucial. This is recognized in the Asuncion Platform which provides a common frame of reference for LLDCs in trade and transit negotiations.¹The Aid for Trade Initiative launched at the 2005 WTO Ministerial Meeting in Hong Kong, provides an opportunity for accessing, coordinating and monitoring international assistance for trade-related support in line with MDG 8 commitments.

It is against this background that the UNDP/Government of Mongolia Country Action Programme (CPAP) 2012-2016 identified the need for better coordination among LLDCs in finding practical solutions to the common challenges they face through the establishment of the ITT. Mongolia is already an active participant in regional and international development cooperation initiatives aimed at building and supporting trade and transit capacities. These initiatives include Central Asia

¹LLDC Group, Asunción Platform for the Doha Development Round, adopted on 10 August 2005 at Asunción, Paraguay.

Regional Economic Cooperation (CAREC), the Greater Tumen Initiative (GTI) and the WTO. According to the CPAP:

Within the Aid for Trade and South-South cooperation framework, UNDP will work with the LLDC Think Tank to develop its capacity to increase the country's potential for trade, especially pro-poor trade. Mongolia's regional cooperation efforts including GTI and CAREC will be supported by UNDP.

These interventions will all lead to capacity strengthening of the government to address disparities, vulnerabilities and persistent poverty through evidence-based policy making, planning and monitoring.²

Justification

1.1. Feasibility Assessment

A 2009 feasibility assessment clarified that there is scope for the establishment of the ITT as an Ulaanbaatar-based international organization focused on finding practical solutions to LLDCs' development challenges.³ This is particularly with respect to enhancing the participation of LLDCs in international trade and overcoming transport and transit bottlenecks. To this end, the fundamental objective of the ITT is to support the development strategies of LLDCs with a view towards achieving inclusive and sustainable growth and the MDGs.

In carrying out its mandate, the ITT will operate within the parameters of the Almaty Programme of Action (APoA) addressing the Special Needs of Landlocked Developing Countries within a new Global Framework for Transit Transport Cooperation for Landlocked and Transit Developing Countries (2003-14) **and its successor programme**. The APoA is based on a five-point agenda as follows:

1. Fundamental transit policy
2. Infrastructure development and maintenance
3. International trade and trade facilitation
4. International support measures
5. Implementation

This agenda will provide the main frame of reference for the ITT's work. At the same time, the ITT will take a forward-looking and strategic approach to new and emerging issues in a rapidly changing global economic landscape. The expanding scope for South-South cooperation and opportunities for North-South-South 'triangular' collaboration will be leveraged through the ITT's work. Innovative approaches in response to the policy challenges faced by the LLDCs will be a critical to the ITT's success.

1.2. International Support

The ITT was formally launched in July 2009 as a concept during a visit to Ulaanbaatar by the UN Secretary-General. While there is understandable caution in starting-up a new international initiative in today's climate of global financial austerity, there is nonetheless strong international support for the establishment of the ITT.

International consensus behind this support finds expression in paragraph 19 of UN General Assembly Resolution 64/214 of 23 March 2010 which welcomed

² UNDP/Government of Mongolia, 'Country Programme Action Plan 2012-2016,' paragraph 4.8.

³ Daniel Gay and Haliun Dalantai, "Proposal to launch a Think Tank on Trade and Landlocked developing Countries (LLDCs) in Ulaanbaatar", UNDP Mongolia, June 2009.

‘the establishment of the international think tank for the landlocked developing countries in Ulaanbaatar to enhance analytical capability within landlocked developing countries and to promote the exchange of experiences and best practices needed to maximize their coordinated efforts for the full and effective implementation of the Almaty Programme of Action and the Millennium Development Goals’

and invited

*‘the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, other relevant international organizations of the United Nations System, Member States, as well as relevant international and regional organizations, to assist the landlocked developing countries in implementing the activities of the international think tank’.*⁴

Following the adoption of the UN General Assembly Resolution, support for the ITT has been expressed at several international gatherings. For example, in June 2010, the Declaration of the Third Summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA) that was held in Istanbul welcomed the establishment of the ITT. The ESCAP High Level Policy Dialogue that was held in Ulaanbaatar in April 2011 also called for the full implementation of Resolution 64/214. The UNDP Mongolia Office provided a road map for the Operationalization of the Think Tank.⁵

1.3. Operating Principles

The UNDP road map identified five major operating principles behind the international consensus on the ITT-LLDC.

- The ITT as a new enterprise should find a distinctive niche and fulfill its potential to generate ideas with innovative and practical policy applications. This could include the provision of technical assistance to LLDCs as well as brokering public-private partnerships on common trade-related and transit-transport issues including investment.
- The ITT should be forward looking in its approach to the constraints faced by LLDCs in an increasingly complex and competitive global economy by focusing on emerging issues that help to level the playing field for landlocked countries but more broadly by taking into account the comprehensive 2003 Almaty Programme of Action.
- The Think Tank should not duplicate work that is being carried out elsewhere.
- The Think Tank should maintain a lean organizational structure leveraging partnerships and virtual networks to carry out its activities.
- The Think Tank should be cost effective in its operations.

1.4. Current State of Affairs

Following the General Assembly Resolution, a Multilateral Agreement for the Establishment of an International Think Tank for Landlocked Developing Countries was opened for the signature of the 31 LLDCs⁶ from 1 November 2010 at United Nations Headquarters in New York. The UN Secretary-

⁴ UN General Assembly Resolution 64/214, 23 March 2010, p.4.

⁵ UNDP, “Report of the advisory mission on the establishment of the International Think Tank for Landlocked Developing Countries in Ulaanbaatar, Mongolia”, November 2010.

⁶The 31 countries recognized by the UN as LLDCs are Botswana, Burkina Faso, Burundi, Central African Republic, Chad, Ethiopia, Lesotho, Malawi, Mali, Niger, Rwanda, Swaziland, Uganda, Zambia and Zimbabwe in Africa; Afghanistan, Armenia, Azerbaijan, Bhutan, Kazakhstan, Kyrgyzstan, Lao, Mongolia, Nepal, Tajikistan, Turkmenistan and Uzbekistan in Asia/Central Asia; Macedonia and Moldova in Europe; and Bolivia, and Paraguay in Latin America.

General is acting as depositary. The Agreement will enter into force two months after 10 LLDCs have ratified it. As of June 2013, 7 LLDCs signed on the Agreement out of which 4 have already ratified. Just recently Republic of Burundi officially informed the host country of the ITT /Mongolia/ that the Government of Burundi will sign the Agreement in the framework of the 68th session of the UNGA in September 2013. Furthermore the Mongolian Government has held talks with Kazakhstan, Kyrgyzstan, Bhutan, Nepal and Zambia during the VII Ministerial Conference of the Community of Democracies, which was organized /hosted by Mongolia between 27-29 April, 2013 in Ulaanbaatar. These countries have supported the initiative and have expressed their readiness to take necessary steps towards the accession to the Agreement in the near future.

The Agreement (see Annex) confirms the headquarters of the ITT as Ulaanbaatar. It lays out its objectives and functions. It opens membership of the ITT to any UN member state, UN agencies, inter-governmental and non-governmental organizations in addition to the LLDC parties to the Agreement.⁷ It provides for a Board of Governors with oversight responsibility composed of a representative from each LLDC that is a party to the Agreement.⁸ An executive director will be responsible for carrying out the activities decided by the Board, and for preparing an annual work programme and budget. There is also a provision for the Board to establish an Advisory Council made up of international scholars and policy practitioners with expertise in LLDC affairs. Funding and other technical resources are to be mobilized through voluntary contributions from the parties, other UN member states, development partners, international organizations and private entities. Financial contributions are to be deposited in a Trust Fund. The arrangements for the management of the Trust Fund are to be agreed by the Board after the latter has been constituted.

A full-time interim director nominated by the Mongolian Ministry of Foreign Affairs is responsible for coordinating arrangements for the establishment of the ITT in close collaboration with the UN Resident Coordinator. The website of the ITT is created (www.land-locked.org). Three papers proposed by the LLDC Group in New York are under preparation. These are (1) Bilateral Transit Transport Agreements of the LLDCs: Comparative Study of Benefits and Bottlenecks; (2) WTO Doha Round's Trade Facilitation Negotiations: Best Outcome Scenarios for the LLDCs; and (3) Handbook for LLDC Trade Negotiators. These papers can also provide the basis for some technical assistance interventions. However, no substantive activities have begun.

The ITT is now housed (since May 2013) in the new UN complex and it is Mongolian Government in kind contribution to the ITT for LLDCs.

It is envisaged that the ITT's core professional staff will be made up of visiting senior fellows (well established scholars and analysts with proven expertise on LLDC issues) short-term post-doctoral fellows (a younger cadre at the cutting edge of research) and interns (an even younger cadre who can contribute fresh idealism as well as undertake research and institutional chores). Relying on visiting scholars and short-term expertise will not only ensure a regular turn-over of expertise at the ITT but will also contribute to a lean organization and cost effectiveness.

UNDP has also already provided significant support to the LLDC ITT through expert missions as well as providing some installation and operational costs for its establishment in the UN House. The Government of Mongolia has also provided significant support through the funding of the interim director of the ITT as well as in setting up the office of the ITT.

⁷ There is a provision for private entities to become observers at the Think Tank.

⁸ Members of the Think Tank and observers are not necessarily represented on the Board which is made up of the parties to the Agreement.

II. STRATEGY

2.1. Outcome and Outputs

The intended outcome of this project is to ensure that “*Economic development is inclusive and equitable, contributing towards poverty alleviation*” (CPAP Outcome 1).

The outcome of the project is aligned with the UNDP’s corporate Strategic Plan and contributed to the SP outcome 7 (output 7.5 and 7.7).

This project will contribute to this outcome through the operationalization of the ITT which will play a role in the sharing of experiences, information exchange, consultation, brokering and common positioning on pro-poor trade policies, transport and transit-related development strategies for LLDCs.

Under the interim director nominated by the Mongolian Ministry of Foreign Affairs and with UNDP support, it is envisaged that the project will be implemented in parallel with ongoing processes of signing the Multilateral Agreement by the LLDC parties at the UN in New York and ratification in the respective LLDC capitals.

During an interim period of three years (2014-2016), the intended output of the project is:
Pro-poor and trade policies supported, through promoting global and South-South cooperation

Progress is monitored through the following indicator (Outcome 1, Indicator Output 3):

*Indicator: Capacities of LLDC Think Tank; number of studies commissioned on LLDC issues.
Baseline: LLDC Think Tank lacks institutional capacity to fully deliver its mandate as a global knowledge base for LLDCs.
Target: LLDC Think Tank has adequate human and financial resources and at least five studies are commissioned and used for policy debate.*

The project features following two sub-outputs of activities, through the implementation of which progress is monitored:

OUTPUT 1: Establishment of a fully operational and well-resourced ITT within a secure legal framework

*Indicator: Capacities of LLDC Think Tank
Target: LLDC Think Tank has adequate human and financial resources*

Output targets are:

1. Interim management arrangements including interim project account management arrangements in place
2. Donor round table held to mobilize resources for ITT operations during the three-year interim period
3. ITT’s charter including its modus operandi prepared
4. Partnerships and collaboration established with UN regional economic commissions, UNCTAD, research organizations and other stakeholders ; MOUs signed as necessary
5. Legal framework secured with the required number of signatures by LLDC governments for the Multilateral Agreement to enter into force; followed by an increasing number of country ratifications
6. Upon accomplishment of country ratifications, inaugural meetings of the Board of Governors and Advisory Council organized
7. Upon accomplishment of country ratifications, Executive Director and other key staff appointed

OUTPUT 2: The ITT's substantive work plan and budget for the three-year interim period prepared and implemented

Indicator: number of studies commissioned on LLDC issues.

Target: at least five studies are commissioned and used for policy debate.

Output targets are:

1. Preparation of five high quality research papers for knowledge sharing
2. State of the art ITT's web site and interactive web based platform are accessible world wide
3. Technical assistance and capacity building interventions outreach and support to the Mongolian Government and to other LLDC governments and stakeholders.
4. Organization of at least 3 special events.

OUTPUT 3: Substantive outputs delivered from ITT and used for policy debate and design in Government of Mongolia

Target: Number of papers translated into Mongolian; numbers Mongolia specific of substantive papers developed.

Output targets are:

1. Technical assistance and capacity building interventions, outreach and support to the Mongolian government
2. Organize events and workshops
3. Translation of research papers and reports into Mongolian

2.1 Project Activities

Project activities are described below:

Output 1: Establishment of a fully operational and well-resourced ITT within a secure legal framework

- **A.1. Development of interim management arrangements, including interim Project account management arrangements**

The Mongolian government has appointed an interim ITT director. It is expected that with the project support, the interim director will establish the ITT's office in the new UN complex and undertake other functions related to resourcing, preparation and implementation of a substantive work plan. UNDP will undertake the necessary actions to establish project account on an interim basis

- **A.2. Organization of a donor round table to mobilize resources for the three-year interim period**

The project will provide support to organize a donor round table to mobilize resources for the implementation of the interim work plan. In this regard, the Mongolian Government has pledged to provide \$1 million over three years.

- **A.3. Drafting of ITT's charter that features its modus operandi**

The project will provide support for the preparation of the ITT's charter and modus operandi. This will include the ITT's operating principles and rules of procedure of the Board of Governors and Advisory Council. The following are among the proposed operating principles:

- ✓ The ITT as a new enterprise should find a distinctive niche and fulfill its potential to generate ideas with innovative and practical policy applications. This could include the provision of technical assistance to LLDCs as well as brokering public-private partnerships on common trade-related and transit-transport issues including investment.
 - ✓ The ITT should be forward looking in its approach to the constraints faced by LLDCs in an increasingly complex and competitive global economy by focusing on emerging issues that help to level the playing field for landlocked countries but more broadly by taking into account the comprehensive 2003 Almaty Programme of Action.
 - ✓ The Think Tank should not duplicate work that is being carried out elsewhere.
 - ✓ The Think Tank should maintain a lean organizational structure leveraging partnerships and virtual networks to carry out its activities.
 - ✓ The Think Tank should be cost effective in its operations.
- **A.4. Development of partnerships with the, UN regional economic commissions, UNCTAD, WTO, research organizations and other stakeholders**

The project will provide support to establish strategic partnerships and facilitate the signing of a Memorandum of Understanding with partners as necessary.

- **A.5. Establishment of a secure legal framework with the required number of signatories by LLDC governments for the Multilateral Agreement to enter into force; followed by an increasing number of country ratifications**

The project will support the Mongolian Ministry of Foreign Affairs to secure the remaining signatures by LLDC governments that are required for the Multilateral Agreement to come into force and to advocate for ratifications at country level

- **A.6.**
- **Inaugural meetings of the Board of Governors and Advisory Council organized**

The project will provide support for the organization of the inaugural meetings of the Board of Governors and the Advisory Council upon accomplishment of 10 country ratifications.

- **A.7. Appointment of Executive Director and other key staff**

Once 10 country ratifications made, the project will provide support for the search and appointment of an Executive Director through an international competitive process. Secondment and visiting fellowships will be among the modalities utilized for the appointment of other professional staff. Support staff will be locally recruited.

- **A.8 Office set up and furnishing**

Office will be furnished by necessary furniture and equipment which will be used by project staff and visiting researchers for operating their work.

Output 2: The ITT's substantive work plan and budget for the three-year interim period prepared and implemented

- **B.1. Preparation of research papers for knowledge sharing**

The project will start by providing support for the preparation, dissemination, technical assistance and capacity development activities related to the three papers that have been prioritized by the LLDC Group in New York. The three papers are as follows: (1) Bilateral Transit and Transport Agreements of the LLDCs: Comparative Study of Benefits and Bottlenecks (2) WTO Doha Round's Trade Facilitation Negotiations: Best Outcome Scenario for the LLDCs and (3) Handbook for LLDCs' Trade Negotiators. Other papers will be prepared as determined through the ITT's work plan. Two other papers will be produced in the course of project implementation.

- **B.2. Further development of the ITT's website and interactive web-based platform**

There is scope for the development of the ITT's website under the project. One option that could be pursued is the provision of dedicated space with external access on UNDP's Teamworks web 2.0 platforms, as the basis of the ITT's knowledge management activities and to facilitate electronic networking.

- **B.3. Technical assistance and capacity building interventions, outreach and support to other LLDC governments and stakeholders**

The project will support the ITT in the provision of technical assistance to LLDCs and the establishment of public-private partnerships on common trade-related and transit issues support including on investment.

- **B.4. Organization of special events**

The project will support the ITT in the organization of special events as needed.

Output 3: Substantive outputs delivered from ITT and used for policy debate and design in Mongolia

- **C.1. Technical assistance and capacity building interventions, outreach and support to the Mongolian government**

It is expected that the ITT will provision technical assistance to the Mongolian Government as a host country and trade and transit related capacity building support will be provided.

- **C.2. Organize events and workshops**

Workshop and events will be organized by the project to support the ITT to promote and advocate substantive debates and discussions

- **C.3. Translation of research papers and reports into Mongolian**

Substantive papers and documents will be translated into Mongolian and enable Mongolian stakeholders to access it for their further use.

III. RESULTS AND RESOURCES FRAMEWORK

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| <p>Intended Outcome as stated in the Country Programme Action Plan Results and Resource Framework: Economic development is inclusive and equitable, contributing towards poverty alleviation</p> |
| <p>Outcome indicators as stated in the Country/ Regional/ Global Programme Results and Resources Framework, including baseline and targets:</p> <p>Intended output: Pro-poor and trade policies supported, through promoting global and South-South Cooperation</p> <p>Indicator: Capacities of LLDC Think Tank; number of studies commissioned on LLDC issues. Baseline: LLDC Think Tank lacks institutional capacity to fully deliver its mandate as a global knowledge base for LLDCs. Target: LLDC Think Tank has adequate human and financial resources and at least five studies are commissioned and used for policy debate.</p> |
| <p>Applicable MYFF Service Line: MDGs achievement, promotion of HD and poverty reduction; south-south cooperation</p> |
| <p>Partnership Strategy: Partnerships to be forged with the Ministry of Foreign Affairs; Ministry of Economic development, MoF, Ministry of Road and Transportation, Academia, SDC, Embassy of Turkey. Embassy of Kazakhstan, Embassy of Czech Republic.</p> |
| <p>Project title and ID (ATLAS Award ID):</p> |

| OUTPUT | OUTPUT INDICATORS AND TARGETS | INDICATIVE ACTIVITIES | RESPONSIBLE PARTIES | INPUTS |
|---|---|--|---|---|
| Establishment of a fully operational and well-resourced ITT within a secure legal framework | <p>1. Capacities of LLDC Think Tank;</p> <p><u>Baseline:</u> LLDC Think Tank lacks institutional capacity to fully deliver its mandate as a global knowledge base for LLDCs.</p> <p><u>Target:</u> LLDC Think Tank has adequate human and financial resources, i.e.</p> | <p>1.1 Development of interim management arrangements, including office set up</p> <p>1.2. Mobilize resources for the three-year interim period including organization of a donor round table</p> <p>1.3. Drafting of ITT’s charter that features its modus operandi</p> | <p><u>MFA; UNDP</u></p> <p>UNDP</p> <p>MFA</p> <p>MFA</p> | <p>Staff time</p> <p>International / national consultants</p> <p>Travel and venues</p> <p>Advisory support from UN agencies</p> <p>Budget: 605,000</p> |

| | | | | |
|--|--|--|---|---|
| | | <p>1.4. Development of partnerships with the UN regional economic commissions, UNCTAD, WTO, research organizations and other stakeholders</p> <p>1.5. Establishment of a secure legal framework with the required number of signatories by LLDC governments for the Multilateral Agreement to enter into force; followed by an increasing number of country ratifications</p> <p>1.6 Organization of an inauguration of meetings of the Board of Governors and Advisory Council organized (depending on the accomplishment of country ratifications)</p> <p>1.7 Appointment of Executive Director and other key staff (depending on the accomplishment of country ratifications)</p> | <p>MFA</p> <p>MFA</p> <p>UNDP</p> <p>MFA</p> | USD |
| <p>The ITT's substantive work plan and budget for the three-year interim period prepared and implemented</p> | <p>2. Number of studies commissioned on LLDC issues by ITT.</p> <p><u>Baseline:</u> 0</p> <p><u>Target:</u> at least five high quality studies (experts' review) are commissioned and used for policy debate, i.e.</p> | <p>2.1 Preparation of research papers for knowledge sharing</p> <p>2.2 Further development of the ITT's website and interactive</p> | <p><u>MFA; UNDP</u></p> <p>2.1.1 UNDP for International recruitments</p> <p>2.1.2 MFA for local recruitments</p> <p>MFA</p> | <p>Staff time</p> <p>International / national consultants</p> <p>Travel and venues</p> <p>Advisory support from UN agencies</p> <p>Budget: 440,000 USD</p> |

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| | | <p>web-based platform</p> <p>2.3. Technical assistance and capacity building interventions, outreach and support to the LLDC governments and stakeholders</p> <p>2.4. Organization of special events</p> | <p>MFA</p> <p>MFA</p> | |
| <p>Substantive outputs delivered from ITT and used for policy debate and design in Government of Mongolia</p> | <p><u>Baseline:</u> 0</p> <p><u>Target:</u> Number of papers translated into Mongolian; numbers Mongolia specific of substantive papers developed.</p> | <p>3.1 Technical assistance and capacity building interventions, outreach and support to the Mongolian government</p> <p>3.2 Organize events and workshops</p> <p>3.3 Translation of research papers and reports into Mongolian</p> | <p><u>MFA; UNDP</u></p> <p>MFA</p> <p>MFA</p> <p>MFA</p> | <p>Staff time</p> <p>International / national consultants</p> <p>Travel and venues</p> <p>Advisory support from UN agencies</p> <p>Budget: 220.000 USD</p> |

IV. ASSUMPTIONS AND RISKS

Potential risks and countermeasures are described in the table below. A Risk Log will be regularly updated by reviewing the external and internal environment that may affect project implementation. The risk log is an integral part of UNDP's Enterprise Resource Planning Software, ATLAS (see also Section 5 on Management Arrangements and Section 6 on Monitoring and Evaluation).

| Description | Type | Consequences (C) & Likelihood (L)* | Countermeasures / management response |
|--|--------------------------|---|--|
| Lack of commitments from development partners to cover TTI costs | Financial | C=3 L=2 Limited number of activities implemented by ITT | <ul style="list-style-type: none"> • Early involvement of key partners • Resource mobilization from within and outside the region • Preparation of projects that are substantive and technically sound • Good communication / consensus building |
| Insufficient political commitment from LLDCs countries | Political | C= 3 L= 2 Multilateral Agreement for the Establishment of an International Think Tank | <ul style="list-style-type: none"> • Early engagement of key LLDCs countries • Consensus building activities • Bottom up / participatory approach |
| Availability of competent national consultants | Operational | C= 2 L= 2 Additional expenditures due to the need to hire international consultants. | <ul style="list-style-type: none"> • Utilization of the networks and knowledge assets of UN agencies • Provision of capacity building / training / mentoring to national consultants |
| Duplication with other initiatives | Operational Strategic | C= 1 L= 1 | <ul style="list-style-type: none"> • Care will be taken to provide support and cooperation with domestic and international initiatives |

*Note on the estimation of risks:

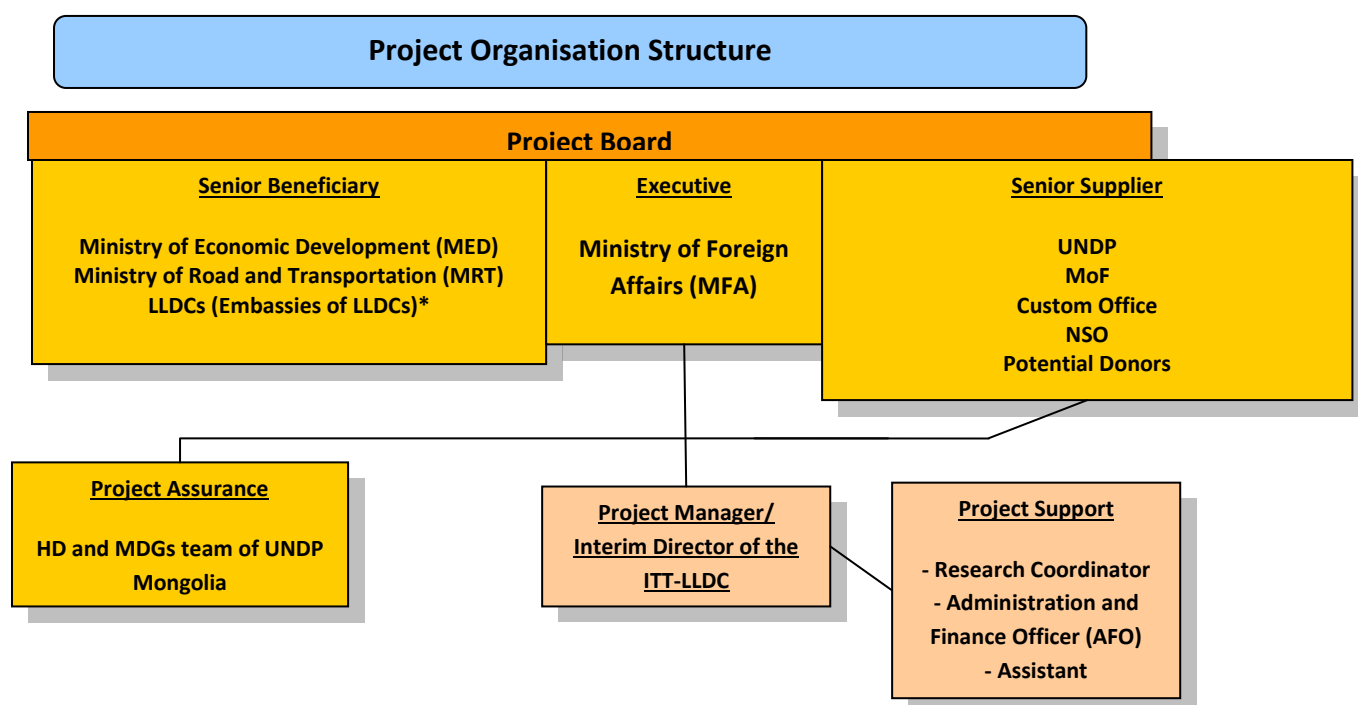
Consequences: 1 (minor); 2 (moderate); 3 (major); 4 (severe)

Likelihood: 1 (unlikely); 2 (possible); 3 (likely); 4 (almost certain)

V. MANAGEMENT ARRANGEMENTS

The Implementing Agency of this project is the Ministry of Foreign Affairs of Mongolia (MFA). *The National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures* (issued in July 2011) and *Framework for Cash Transfers to Implementing Partners* (issued in 2005) will be used as overall guiding documents of project implementation. The Implementing Agency will be accountable to UNDP for the disbursement of funds and the achievement of the project objective and outcomes, according to the approved work plan. In particular, the Implementing Agency will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outcomes; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to UNDP on project delivery and impact.

The overall programme management structure of the project is shown below:



*Note: * Currently Kazakhstan and Laos are the two LLDC with representation in Mongolia and they will be invited to the Project Board. This does not exclude other LLDC representatives from joining the Project Board at a later stage upon request or upon invitation.*

The Project Board. The Project Board (PB) has the responsibility to supervise and monitor the project delivery according to the annual work plan and project document. The PB has three roles: Executive: Chair of the Board (State Secretary of MFA) representing the national organization and ensuring national ownership, Senior Supplier (UNDP DRR) who provide guidance regarding the technical and overall support to the project, and Senior Beneficiaries who ensure that the project benefits reach the intended beneficiaries. The PB will meet at least bi-annually and it will be convened and supported logistically by the Project Manager/ Interim Director (ID). The PB is responsible for making executive management decisions, including approval of work plans, budget plans and project

revisions. The PB will also provide guidance regarding the technical feasibility of the project, and ensure the realization of project benefits to the project beneficiaries. Specifically the PB will be responsible for: (i) achieving co-ordination among the various government agencies; (ii) guiding the program implementation process to ensure alignment with national and local statutory planning processes and sustainable resource use and conservation policies, plans and conservation strategies; (iii) ensuring that activities are fully integrated between the other developmental initiatives in the region; (iv) overseeing the work being carried out by the implementation units, monitoring progress and approving reports; (v) overseeing the financial management and production of financial reports; and (vi) monitor the effectiveness of project implementation.

MFA will keep UNOHRLLS and other LLDCs updated about the progress of the project through its Permanent Mission to UN.

The project administration and coordination within MFA and with other relevant organizations will be carried out by Project Manager/ID under the overall guidance of the Project Board. The **Project Manager/ID** is appointed from the MFA, and an Assistant, who will also be from within the MFA or in case, such person is not available they will be recruited.

More specifically, the role of the Project Manager/ID and Assistant will be to: (i) ensure the overall project management and monitoring according to NIM guidelines; (ii) facilitate communication and networking among key stakeholders; (iii) organize the meetings of the PB; and (iv) support the stakeholders. The **Project Manager/ID** has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board and is responsible for day-to-day management and decision making for the project. The **Project Manager/ID's** prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Responsibilities include the preparation of progress reports which are to be submitted to the members of the Project Board. The **Project Manager/ID** will also coordinate directly with UNDP. A monthly meeting between UNDP and the project management team will be held to regularly monitor the planned activities and their corresponding budgets in the project's Annual Work Plan (AWP). Where necessary, a Project Coordinator/Officer may be recruited by MFA or UNDP to assist the Project Manager in running day-to-day activities.

The Project Assurance. The Project Assurance function will be performed by UNDP through the Human Development and MDGs team. The function supports the Project Board by carrying out objective and independent project oversight and monitoring functions. The role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Project Manager/ID; therefore the Project Board cannot delegate any of its assurance responsibilities to the Project Manager/ID.

In line with the United Nations reform principles, especially simplification and harmonization, the Annual Work Plan (AWP) will be operated with the harmonized common country programming instruments and tools, i.e. the UNDAF results matrix and monitoring and evaluation tools. At the day-to-day operational level, ATLAS will be used for keeping track of timely and efficient delivery of the activities and for effective financial monitoring under the AWP.

Within the framework of the *National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures*, specific project implementation procedures may be agreed by UNDP and the Implementing Agency and annexed to the Project Document.

VI. MONITORING ARRANGEMENTS

Within the annual cycle

- On a quarterly basis, a quality assessment shall record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.
- An Issue Log shall be activated in Atlas and updated by the Project Manager/ID to facilitate tracking and resolution of potential problems or requests for change.
- Based on the initial risk analysis submitted (see annex 1), a risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the project implementation.
- Based on the above information recorded in Atlas, a Project Progress Reports (PPR) shall be submitted by the Project Manager/ID to the Project Board through Project Assurance, using the standard report format.
- a project Lesson-learned log shall be activated and regularly updated to ensure on-going learning and adaptation within the organization, and to facilitate the preparation of the Lessons-learned Report at the end of the project
- a Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events

Annually

- **Annual Review Report.** An Annual Review Report shall be prepared by the Project Manager/ID and shared with the Project Board and the Outcome Board. As minimum requirement, the Annual Review Report shall consist of the Atlas standard format for the QPR covering the whole year with updated information for each above element of the QPR as well as a summary of results achieved against pre-defined annual targets at the output level.
- **Annual Project Review.** Based on the above report, an annual project review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. In the last year, this review will be a final assessment. This review is driven by the Project Board and may involve other stakeholders as required. It shall focus on the extent to which progress is being made towards outputs, and that these remain aligned to appropriate outcomes.

End of project

- **Terminal report.** In the last quarter of the project implementation, Project Terminal Report will be prepared by the Project Manager/ID and submitted to the Project Board.
- **Project evaluation.** In the last quarter of the project implementation, independent project evaluation will be conducted.

Audit. The project will be audited as per guidance from Office of Audit and Investigation (OAI).

VII. LEGAL CONTEXT

This document together with the CPAP signed by the Government and UNDP and incorporated by reference, constitute a Project Document as referred to in the Standard Basic Assistance Agreement (SBAA) concluded by the Government of Mongolia and UNDP on 28 September, 1976. All CPAP provisions apply to this document.

This project will be implemented by the MFA(Implementing Agency) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of the Implementing Agency does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, principles of UNDP shall apply.

The responsibility for the safety and security of the Implementing Agency and its personnel and property, and of UNDP's property in the Implementing Agency's custody, rests with the Implementing Agency. The Implementing Agency shall: (a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried; (b) assume all risks and liabilities related to the implementing agency's security, and the full implementation of the security plan. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The Implementing Agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

VIII. TIME FRAME AND BUDGET

| Output | TIMEFRAME | | | | | | | | BUDGET (USD) |
|--|----------------|------|------|------|------|------|------|------|------------------|
| Pro-poor and trade policies supported, through promoting global and South-South Cooperation | (per semester) | | | | | | | | |
| | 2013 | 2013 | 2014 | 2014 | 2015 | 2015 | 2016 | 2016 | |
| | S1 | S2 | S1 | S2 | S1 | S2 | S1 | S2 | |
| (A) Establishment of a fully operational and well-resourced ITT within a secure legal framework | | | | | | | | | 605,000 USD |
| (B) The ITT's substantive work plan and budget for the three-year interim period prepared and implemented | | | | | | | | | 440,000 USD |
| (C) Substantive outputs delivered from ITT and used for policy debate and design in Government of Mongolia | | | | | | | | | 220,000 USD |
| TOTAL | | | | | | | | | 1,265,000 |

IX. SUMMARY BUDGET

| ITEM | | BUDGET (USD) | SOURCE OF FUNDS | | |
|---|--|-----------------|-------------------------|-------|----------|
| | | | Govt of Mongolia | UNDP* | Others** |
| Office | | | in kind contribution | | |
| Salaries for 3 years | | | | | |
| - Interim Director | 1,500 per month | 54,000 | 54,000 | | |
| - Research Coordinator | 1,380 per month | 50,000 | 50,000 | | |
| - AFO | 1,380 per month | 50,000 | 50,000 | | |
| - Assistant | 1,000 per month | 36,000 | 36,000 | | |
| - Research Fellows (1/2) | | | | | xxxx |
| Output 1: Establishment of a fully operational and well-resourced ITT within a secure legal framework | 1.1 Development of interim management arrangements, including interim project account set up arrangements | 33,000 | | | 33,000 |
| | 1.2. Mobilize resources for the three-year interim period including organization of a donor round table | 30,000 | | | 30,000 |
| | 1.3. Drafting of ITT's charter that features its modus operandi | 15,000 | | | 15,000 |
| | 1.4. Development of partnerships with the UN regional economic commissions, UNCTAD, WTO, research organizations and other stakeholders | 17,000 | | | 17,000 |
| | 1.5. Establishment of a secure legal framework with the required number of signatories by LLDC governments for the Multilateral Agreement to enter into force; followed by an increasing number of country ratifications | 20,000 | | | 20,000 |
| | 1.6 Organization of an inauguration of meetings of the Board of Governors and Advisory Council organized (depending on the accomplishment of country ratifications) | 300,000 | | | 300,000 |
| | 1.7 Appointment of Executive Director and other key staff (depending on the accomplishment of country ratifications) | | | | |
| Output 2: | 2.1 Preparation of research papers for | 250,000 | 100,700 | | 149,300 |

| | | | | | |
|--|--|------------------|---------|--------|---------|
| The ITT's substantive work plan and budget for the three-year interim period prepared and implemented | knowledge sharing | | | | |
| | 2.2 Further development of the ITT's website and interactive web-based platform | 40.000 | | | 40.000 |
| | 2.3. Technical assistance and capacity building interventions, outreach and support to the LLDC governments and stakeholders | 50.000 | | | 50.000 |
| | 2.4. Organization of special events | 100.000 | | | 100,000 |
| Output 3: Substantive outputs delivered from ITT and used for policy debate and design in Government of Mongolia | 3.1 Technical assistance and capacity building interventions, outreach and support to the Mongolian government | 100.000 | | 20,000 | 80.000 |
| | 3.2 Organize events and workshops | 70.000 | | 25,000 | 45.000 |
| | 3.3 Translation of research papers and reports into Mongolian | 50.000 | | 5,000 | 45.000 |
| Total | | 1,265,000 | 290,700 | 50,000 | 914,300 |
| General Management Service Fee (3%) *** | | 9,300 | 9,300 | | |
| GRAND TOTAL | | 1,274,300 | 300,000 | 50,000 | 924,300 |

Notes:

* In addition to the UNDP's contribution shown in the table, during 2012-2013, UNDP also contributed some (\$6,320) for preparatory mission for ITT as well as operational costs for the ITT.

** Others include UN agencies such as OHRLLS, UNESCAP, UNDP RBAP; multilaterals such as the World Bank and ADB; and bilaterals such as Turkey, India, Other LLDCs etc. These contributions can be in cash or in-kind.

*** General Management Fee is to UNDP to manage the project.

The Multilateral Agreement for the Establishment of an International Think Tank for Landlocked Developing can be accessed on the homepage of the United Nations Treaty Collection at the following address: <http://treaties.un.org>

**International Think Tank for Landlocked Developing Countries
(ITT for LLDCs)
Past Time Line-Related Documents**

- President of Mongolia at the First Summit of the LLDCs in Habana in 2006,
- Ulaanbaatar Declaration adopted at the Meeting of Trade Ministers of LLDCs, Ulaanbaatar, 28-29 August 2007,
- Communiqué of the 7th Annual Ministerial Meeting of Landlocked Developing Countries (LLDCs), New York, 28 September 2007,
- LLDCs Ministerial Communiqué, Accra, 22 April 2008 (on the sideline of UNCTAD XII),
- Communiqué of the 8th Annual Foreign Ministers' Meeting of LLDCs, New York, 25 September 2009,
- Ezulwini Declaration by the 3rd Meeting of Trade Ministers of LLDCs, Ezulwini, Kingdom of Swaziland, 21-22 October 2009,
- 2009 – Official Launching of the ITT in Ulaanbaatar by the UNSG Ban Ki-moon and Mongolian Foreign Minister, Ulaanbaatar, 27 September 2009,
- Communiqué of the 9th Annual Foreign Ministers' Meeting of LLDCs, New York, 24 September 2010,
- UNGA Resolution A/RES/64/214 of 23 March 2010
- UNGA Resolution A/RES/65/172 of 17 March 2011
- "Ulaanbaatar Declaration" adopted by ESCAP High-level Policy Dialogue on the Implementation of APA and other Development Gaps faced by the LLDCs, held in Ulaanbaatar from 12-14 April 2011,
- ESCAP Resolution E/ESCAP/67/4 of 22 May 2011 on "Ulaanbaatar Declaration",
- The 16th Ministerial Conference of the NAM, Bali, 25-27 May 2011,
- The 10th ASEM Foreign Ministers Meeting Chair's Statement, 7 June 2011,
- Communiqué of the 10th Annual Foreign Ministers' Meeting of LLDCs, New York, 23 September 2011,
- UNGA Resolution 66/214 of 22 December 2011,
- The Declaration of the XVI Summit of Heads of State or Government of the Non-Aligned Movement Issued on 30-31 August 2012