

2013 FISCAL YEAR ANNUAL REPORT

Prepared by: Strengthening the Government Capacity for Development Policy and Planning Project, UNDP

Time: 2013

Co-implementing partner: Ministry of Economic Development, National Statistics Office

I. PROJECT RATIONALE

The Government of Mongolia and the UNDP signed the agreement on “Strengthening the Government Capacity for Development Policy and Planning Project” on March 1, 2013 and the project implementation commenced.

The project plan for 2013 was made and approved on June 28, 2013 and newly approved again in November and December 2013.

The purpose of this project is to assist the Government of Mongolia and strengthen the government capacity in making economic policies, strategic planning and monitoring and evaluation at national and local levels and preparing various types of policy documents to make national long and medium term planning coherent and coordinated.

The project implementation is expected to have the following outcomes:

- To have strengthened the capacity of government organizations in making development policy and planning
- To have made recommendations and policy analysis required for evidence-based policy

The project has the following two components:

- Component 1. Support to Planning, Implementing, Monitoring and Reporting for inclusive and equitable growth
- Component 2. Support to policy analysis and advocacy for evidence-based policy making, advancing human development, achieving the MDGs, and promoting inclusive and equitable growth

II. ACTION PLANS IMPLEMENTED IN 2013

In the scope of the project, the following actions are taken in 2013:

Component 1. Support to Planning, Implementing, Monitoring and Reporting for inclusive and equitable growth

One. Improve the legal environment for development policy and planning law

Under the order of the State secretariat of the Ministry of Economic Development, a working group composed of 17 delegates was formed to revise the Development policy and planning law for 7 days. The working group consisted of delegates from ministries of various sectors, government organizations and representatives of provinces and revised the law and submitted

the initial draft to the project unit. Moreover, the law was presented to participants of Ulaanbaatar city, 21 provinces and 330 soums who participated in regional seminars and open discussion on the law was held to draw the participants' opinions and recommendations. In the meantime, national consultants were hired to revise the Development policy and planning law.

Two. Strengthening the capacity to implement policy planning:

Regional seminar "Improving planning, investment, evaluation and monitoring environment" was organized in Darkhan-Uul, Orkhon, Khovd, Umnugovi and Sukhbaatar provinces from November 25, 2013 to December 2, 2013 and in Ulaanbaatar on December 17-18, 2013. Over 650 delegates took part in the seminars. 150 delegates from ministries, agencies, districts and government agencies participated in the Ulaanbaatar regional seminar, and around 500 delegates from provincial governments, citizens' representative councils, administrative units and civil society of 21 provinces and 330 soums participated in the provincial seminars. Development policy and planning draft law, Investment law, draft Procurement law, current monitoring and evaluation status, current investment status, soum development module, basic social service sector, business construction, common public construction model, soum industrialization, technology park development and the Fifth progress report on the implementation of the Millennium Development Goals were presented at the regional seminars. Each presentation was followed by open discussions.

T-21 macroeconomic module is crucial part of supporting the Mongolian development policy planning capacity. In order to make the effective use of the T-21 module, staff capacity building trainings were held for 40 participants. The training was organized for the officers of the Ministry Of Economic Development on November 15-16, 2013 and for the officers of other line ministries on December 16-17, 2013. Currently, we are in the process of translating and printing the T-21 module manual. Procurement advertisement was announced openly to select suppliers of equipment and materials necessary to support the development of T-21 module and equipments worth MNT 23 million were purchased and delivered to the Ministry of Economic Development.

Three. Implement the National Investment Program in accordance with the outcomes of the programs financed and implemented by international loans and grants

In the scope of improving the national investment program database, Soum project was successfully implemented for one month since March, 2013. 28 working groups in provinces and 9 working groups in Ulaanbaatar city, composed of officers from Ministry of Economic Development, Ministry of Construction and Urban Development, Ministry of Industry and Agriculture, Ministry of Labor, city and provincial governments participated in the Soum project. In the working groups 222 officers worked in 21 provinces, 330 soums, 17 vilages and 19 permanent border points, 9 districts and 145 khoros and conducted survey on building and facilities and created an integrated database.

As a result of this project, "Soum development model and common sample development design" was approved by the Government's Resolution # 226 on June 22, 2013.

Component 2. Support to policy analysis and advocacy for evidence-based policy making, advancing human development, achieving the MDGs, and promoting inclusive and equitable growth

One. Millennium Development Goals achievement:

A Steering committee and a working group composed of line ministries, governmental and non-governmental organizations prepared The Fifth national progress report on the implementation of Millennium Development Goals. The draft report was discussed in the State Great Khural session on August 16, 2013 and around 90 delegates including members of the Parliament and the Government, ministries, government and non-governmental organizations and researchers participated in the discussion.

The Fifth national progress report was discussed twice and approved by the State Great Khural Subcommittee for Poverty Reduction and Millennium Development Goals. The summary and main reports are published in Mongolian and English languages.

The Fifth national report launch on achieving the Millennium Development Goals was organized on December 3, 2013 at the Concession Hall of Ministry of Foreign Affairs. Around 150 delegates from the State Great Khural, the Government, ministries, government and non-governmental organizations, foreign embassies and international organizations attended the launch. At the launch, “The implementation of Millennium Development Goals,” “Post- 2015 National consultations” were presented by the Ministry of Economic Development and the United Nations Development Program, respectively. Delegates actively participated in the discussions that followed each presentation and raised questions concerning the implementation of MDGs and national consultations.

The distribution of the fifth national report to the State Great Khural, the Government, ministries, international organizations, universities and colleges, the capital city, 21 provinces and 330 soums is currently in progress.

Two. Development dialogue

National development dialogue was organized in Ulaanbaatar in cooperation with UN Development Program on May 7, 2013. The purpose of the event was to introduce the major implications of previous dialogues and Mongolia’s Post – 2015 development goals to policy makers, youth, local government organizations, civil society organizations, private sector and the media. The conclusions and implications drawn from the event were submitted to UN Secretary High Level Panel and Sustainable development goals working group on May 15, 2013.

Development dialogue called “ Inclusive and equitable growth “ was organized on October 22, 2013 at the Government House in order to support evidence-based policy making, share international experiences on development issues, exchange research outcomes on development.

Moreover, policy dialogue on “City development and planning’ was organized in Darkhan-Uul and Orkhon provinces on November 26-28, 2013.

Three. Policy research:

In the scope of “Strengthening the statistical capacity of provinces” initiative, national consultant on statistics was hired. The consultant in cooperation with the National Statistics Office started a research to identify the current resources to provide provinces with statistical information; evaluate the challenges faced and find out the demand for statistical information.

A questionnaire survey to extend the operations of provincial statistical units and strengthen staff capacity was conducted across 21 provinces and 330 soums and officers, economists for development policy and planning divisions and directors of statistical divisions at provincial, capital city, soum and district levels were surveyed.

Indicators calculated by provincial statistical divisions and used to estimate indicators at national levels, indicators calculated by officers of development policy and planning divisions and indicators that are not feasible to be calculated were identified and listed to draw analysis of the survey.

Moreover, as a result of the survey, the capacity of indicators estimated by officially collected statistical data and statistical data produced on demand by provincial policy makers and planning officers were cross-checked and analyzed. The spread of statistical data that is not feasible to be estimated by official data or administrative data and the data spread that is most demanded by provincial planning officers were determined.

At the regional seminar “Improving development policy making and planning, investment, monitoring and evaluation,” the National Statistical Office delivered a presentation on “Identifying the current opportunities to provide statistical information, evaluating the weaknesses and determining the statistical data needs at provincial levels.” Open discussion was held among participants to raise questions about the current utilization of statistical data, the availability and accessibility of data and data needs of development planning officers. Directive on the content, questionnaire and manual on preparing survey about extending the operations of provincial statistical divisions and capacity building was submitted to the statistical divisions.

III. RESOURCES

The initial annual budget for the Fiscal year 2013 was US\$ 662,641.00. Of the approved budget, total of US\$ 526,334.28 was spent for operational costs of the project as of December 31, 2013. Please see the information on budget expenditure in section VI./The budget for the fiscal year 2013 was amended twice./

IV. OUTCOME

As of end of 2013 fiscal year, actions plans are successfully implemented. The first time at national level in Mongolia, a working group composed of 4 line ministries implemented the “Soum” project and created the first integrated database on buildings and facilities. In the database, information on 11429 state-owned and provincial government-owned buildings and facilities are recorded. 50 indicators are used on one building for the evaluation and the survey. This is one of the remarkable progresses the project made.

Regional seminars on “Improving planning, investment, evaluation and monitoring environment” were organized in Ulaanbaatar city, Darkhan – Uul, Orkhon, Khovd, Umnugovi and Sukhbaatar provinces.

Integrated socio-economic and environmental indicators are produced by T21 dynamic simulation tool and used to create development models. Staff capacity building trainings about the utilization of T21 were organized for the Ministry of Economic Development and among line ministries and T-21 model manual is translated into Mongolian and published.

A working group composed of 17 people was formed to revise the Development policy and planning law. The working group revised the law for seven days and the draft law for development policy and planning is submitted to the project unit.

Mongolia assessed the implementation of Millennium Development Goals and organized the fifth national progress report launch. The fifth national progress report on achieving the MDGs is published in Mongolian and English languages and distributed to government agencies and organizations in provinces and the capital city and international organizations.

Training on dynamic and stochastic general equilibrium model was organized for the staff of Ministry of Economic Development.

V. ACTION PLANS FOR 2014 FISCAL YEAR

The project unit has the following plans to implement in 2014:

- Form a technical working group to revise the Development policy and planning law; provide assistance to make amendments and implement the law,
- Organize discussions on the revised draft law at all levels, draw conclusions of the discussions, present the draft law to line ministries, universities and the general public, organize national development dialogues involving civil society organizations,
- Evaluate the capacity to implement the law, conduct research on central and local government development policy and planning staff capacity, conduct research on challenges faced today and current situation,
- Prepare and publish manuals and toolkits to implement the law,
- Organize staff capacity trainings on planning, evaluation and monitoring,
- Hire an environmental economist to transform the current structure to Green economic model; organize staff capacity building training; coordinate mining contracts with planning structure; make green development strategy in line with medium term development priorities in cooperation with National development committee,
- Adopt the T21 module at national level and build staff capacity to effectively use T21 analysis module; publish training materials and manual,
- Create integrated investment database and data network in order to make public investment plan; conduct research on investment planning and reporting software; organize national forum; prepare and publish manuals for planning officers and investment planning officers to use investment software
- Conduct research on current data and data needs to make planning and budgeting at local level, assess the current data availability and accessibility and finalize the research report,
- Create reliable and quality statistical database to use in policy and planning
- Based on the data availability assessment, prepare training materials and manuals for local planning officers and statisticians
- Hire national and international consultants to assess the current evaluation and monitoring structure at every stage of planning, prepare manuals and toolkits and build staff capacity for evaluation and monitoring officers
- Assess the implementation of Millennium Development Goals, prepare the national progress report, organize the national development dialogues and discussion, publish

the assessment and evaluation report, present and promote the assessment report to the general public,

- Organize a series of national development dialogue on various topics
- In the scope of supporting policy decision-making, conduct research on Mongolia's case transforming from lower-middle income country into middle income country, research on middle-income countries

VI. BUDGET EXPENDITURE

As of December 31, 2013, MNT 794,158,915.69 is spent to implement project action plans. Please see the breakdown of the expenditure below:

	Activity name	Budget	Expenditure	In Percentage
1	Improve the legal environment for development policy and planning	51,123,600	27,063,725	52,94%
2	Strengthening planning capacity	93,402,000	156,328,938	167,37%
3	Strengthening capacity to effectively use T21 analysis module and methodology	67,037,418	36,974,686	55,16%
4	Make public investment plan in accordance with programs financed by foreign loans and official development aid	336,955,937	348,640,630	103,47%
5	National Statistical Office of Mongolia	60,060,000	54,067,160	90,02%
6	Assistance to improve monitoring, evaluation in each planning stage	5,163,701	496,103	9,61%
7	Assistance to prepare national progress report on the implementation of Millennium Development Goals	104,415,200	102,779,570	98,43%
8	Organize development dialogue on inclusive and equitable growth and development	39,468,000	10,159,815	25,74%
9	Conduct policy research on inclusive and equitable growth and development	14,465,880	0	0,00%
10	Project Implementation Unit	32,029,321	57,836,169	180,57%
11	Total	803,933,177	794,158,915.69	98,78%