



SEVILLIA AUDIT LLC

Special purpose and confidential report

AUDITOR'S REPORT

**“NATIONALLY APPROPRIATE MITIGATION
ACTIONS IN THE CONSTRUCTION SECTOR IN
MONGOLIA” PROJECT
(PROJECT NUMBER: 00086244, MON/16/302)**

**The Financial Statements for the period from
January 01, 2019 to December 31, 2019**

**ULAANBAATAR
March 2020**

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ABBREVIATIONS AND ACRONYMS

AWP	Annual Work Plan
CDR	Combined Delivery Report
HACT	Harmonized Approach to Cash Transfer
HSIP	Health and Social Insurance Premium
ISA	International Standards on Auditing
IP	Implementing Partner
GEF	Global Environment Facility
MET	Ministry of Environment and Tourism
MNT	Mongolian National Currency Togrogs (local currency)
NAMA	National Appropriate Mitigation Actions
NIM	National Implementation Modality
NPD	National Project Director
NPC	National Project Coordinator
PIT	Personal Income Tax
PIU	Project Implementing Unit
SIP	Social Insurance Premium
UN	United Nations
UNEP	United Nations Environment Programme
UNDP	United Nations Development Programme
UNDP CO	United Nations Development Programme Country Office
UNV	United Nations Volunteers
USD	United States Dollars
VAT	Value Added Tax
MUST	Mongolian University of Science and Technology
SPC	State Policy Coordination
CDC	Construction Development Center
MCUD	Ministry of Construction and Urban Development

UNITED NATIONS DEVELOPMENT PROGRAMME
“NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN
MONGOLIA” (NAMA) PROJECT

BRIEF INFORMATION

Project ID	00086244	MON/16/302
Project Title	“Nationally Appropriate Mitigation Actions in The Construction Sector in Mongolia”	
Commencement Date	June 2016	
Closing Date	April 2020	
Funding Agencies	United Nations Development Programme(UNDP) Global Environment Facility (GEF)	
Implementing Partner	Ministry of the Environment and Tourism Energy Regulatory Commission Construction Development Center	
National Project Director	O.Lkhagvatseden	
National Project Coordinator	B.Khishigjargal	
Project Address	Government Building 12, Room #405, Barilgachdyn square 3, Ulaanbaatar 15170, Mongolia Tel: +976-7555-2043	
Audit company	Sevillia Audit LLC 501, 5 th floor, Jiguur Grand Office Center, 2 nd khoroo, Teeverchdiin Street 18, Sukhbaatar District, Ulaanbaatar, Mongolia Telephone: 976-7014-8878 Fax: 976-7014-8899 Cell Phone: 976-9911-8886 E mail: davaa1973@yahoo.com	



INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF EXPENDITURES

To: **Ms. Elaine Conkievich, UNDP Resident Representative**
Mr. O.Lkhagvatseden, National Project Director

We have audited the accompanying Statement of Expenditures ("the statement") of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project (further referred as "Project") MON/16/302 for the period from January 01, 2019 to December 31, 2019.

Unmodified Opinion

In our opinion, the accompanying Statement of Expenditures presents fairly, in all material respects, the expense of **USD 399,173.69** incurred by "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project for the period from January 01, 2019 to December 31, 2019 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia were (i) in conformity with the approved project budgets; (ii) for the approved purposes of the project; (iii) in compliance with the relevant UNDP regulations and rules, policies and procedures of the Government and UNDP; and (iv) supported by properly approved vouchers and other supporting documents.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of expenses section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Based on the audit procedures performed under the Terms of Reference, we concluded that the Project complied within the required rules, policies, and procedures as well as relevant laws of Mongolia.

Management's responsibility

Management is responsible for the preparation and fair presentation of the statement of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" project in accordance with the project document and Mongolian accounting rules, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF EXPENDITURES
(CONTD.)**

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the statement of expenses is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of expenses, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter

In the reporting period total amount of **USD 399,173.69** were directly paid by UNDP. Out of this, expenditures amounting to **USD 70,446.56** were excluded from the scope of audit, as they were made by UNDP as part of supported activity. The detail is illustrated in Note 4 of this report.



SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

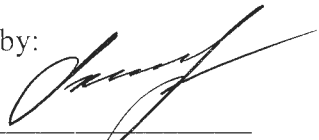
UNITED NATIONS DEVELOPMENT PROGRAMME
 "NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN
 MONGOLIA" (NAMA) PROJECT

STATEMENT OF EXPENDITURES
For the period from January 01, 2019 to December 31, 2019
 (In USD)

Activities	Notes	For FY 2019
Activity 1-Establishment of Baseline Energy Consumption and GHG Emission in the Construction Sector	5	16,212.48
Activity 2-Development and Implementation of NAMA in the Construction Sector	6	195,185.89
Activity 3-Measurement, Reporting and Verification (MRV) System for NAMA in the Construction Sector	7	171,265.97
Activity 4-Project Management	8	16,509.35
Total	4	399,173.69

The accompanying notes are integral part of this statement.

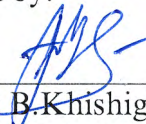
Signed by:



Name: O.Lkhagvatseden
 Title: National Project Director

Date:

Signed by:



Name: B. Khishigjargal
 Title: National Project Coordinator

Date: 27.03.2020

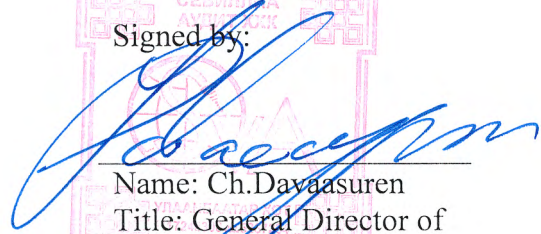
Signed by:



Name: Elaine Conkievich
 Title: UNDP Resident Representative
 Date: 31/3/2020



Signed by:



Name: Ch. Dayaasuren
 Title: General Director of Sevilla Audit LLC

Date: March 26, 2020





INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF ASSETS AND EQUIPMENT

To: **Ms. Elaine Conkievich, UNDP Resident Representative**
Mr. O.Lkhagvatseden, National Project Director

We have audited the accompanying Statement of Assets and Equipment ("the statement") of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" project (MON/16/302) as at December 31, 2019.

Unmodified Opinion

In our opinion, the accompanying Statement of Assets and Equipment presents fairly, in all material respects, the assets and equipment status of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project amounting to **USD 17,097.33** as at December 31, 2019 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of assets and equipment. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility

Management is responsible for the preparation of the statement of assets and equipment of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project, and for such internal control as management determines is necessary to enable the preparation of a statement of assets and equipment that is free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF ASSETS AND EQUIPMENT (CONTD.)

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the statement of assets and equipment is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of assets and equipment, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

UNITED NATIONS DEVELOPMENT PROGRAMME
 "NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN
 MONGOLIA" (NAMA) PROJECT

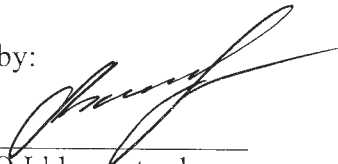
STATEMENT OF ASSETS AND EQUIPMENT
As at December 31, 2019
 (In USD)

Description	Notes	At Dec 31, 2018	At Dec 31, 2019
Assets and Equipment			
Furniture and Equipment	13	6,330.16	6,330.16
Computer and peripherals	13	10,767.17	10,767.17
Total Assets and Equipment		17,097.33	17,097.33

Note: The lists of the assets and equipment are attached to this report.

The accompanying notes are integral part of this statement.

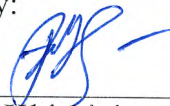
Signed by:



Name: O.Lkhagvatseden
 Title: National Project Director

Date:

Signed by:



Name: B. Khishigjargal
 Title: National Project
 Coordinator

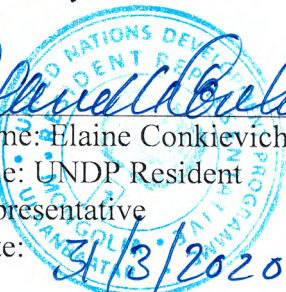
Date: 27.03.2020

Signed by:

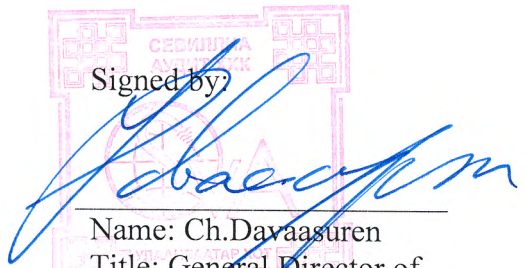


Name: Elaine Conkievich
 Title: UNDP Resident
 Representative

Date: 3/13/2020

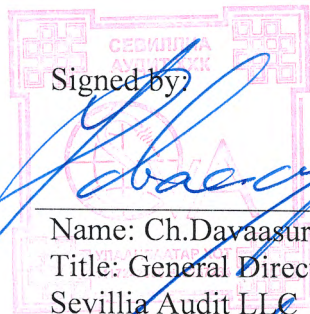


Signed by:



Name: Ch. Davaasuren
 Title: General Director of
 Sevilla Audit LLC

Date: March 26, 2020





INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION

To: **Ms. Elaine Conkievich, UNDP Resident Representative**
Mr. O.Lkhagvatseden, National Project Director

We have audited the accompanying Statement of Cash Position ("the statement") of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project (further referred as "Project") MON/16/302 for the period from January 01, 2019 to December 31, 2019.

Unmodified Opinion

In our opinion, the accompanying Statement of Cash Position presents fairly, in all material respects, the cash and bank balances of "Nationally Appropriate Mitigation Actions in the Construction Sector in Mongolia" Project amounting to **USD 0.00 (zero)** as at December 31, 2019 in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the auditor's responsibilities for the audit of the statement of cash position section of our report. We are independent of UNDP in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility

Management is responsible for the preparation of the statement of cash position of the project, and for such internal control as management determines is necessary to enable the preparation of a statement of cash position that is free from material misstatement, whether due to fraud or error.

**INDEPENDENT AUDITOR'S REPORT ON STATEMENT OF CASH POSITION
(CONTD.)**

Auditors' responsibility

Our objectives are to obtain reasonable assurance about whether the statement of cash position is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these documents.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement of cash position, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



SEVILLIA AUDIT LLC
Ulaanbaatar, Mongolia

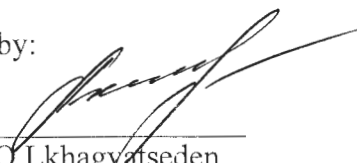
UNITED NATIONS DEVELOPMENT PROGRAMME
 "NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION
 SECTOR IN MONGOLIA" (NAMA) PROJECT

STATEMENT OF CASH POSITION
As at December 31, 2019

Description	For FY 2019	
	In MNT	In USD
A. Opening Fund Balance		
Petty cash	0.00	0.00
Cash in bank account	0.00	0.00
Total	0.00	0.00
B. Advance received from UNDP during the year	1,997,423.00	747.28
C. Total Funds Available (A+B) for the year	1,997,423.00	747.28
D. Payments/Expenditures for the year	1,997,423.00	747.28
E. Bank charges for the year		
F. Bank interest income		
G. Exchange Gain/Loss		
H. Closing Fund Balance (C-D-E+F+G)	0.00	0.00
I. Closing Fund Balance		
Petty cash	0.00	0.00
Cash in bank account	0.00	0.00
Total	0.00	0.00

The accompanying notes are integral part of this statement.

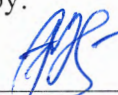
Signed by:



Name: O. Lkhagvatseden
 Title: National Project Director

Date:



Signed by:



Name: B. Khishigjargal
 Title: National Project
 Coordinator



Date: 27.03.2020

Signed by:

Name: Elaine Conkievich
 Title: UNDP Resident
 Representative
 Date: 31/3/2020

Signed by:

Name: Ch. Dayaasuren
 Title: General Director of
 Sevilla Audit LLC
 Date: March 26, 2020

UNITED NATIONS DEVELOPMENT PROGRAMME
 “NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN MONGOLIA” (NAMA) PROJECT

UPDATED ACTION PLANS FOR PRIOR YEAR AUDIT OBSERVATIONS AND RECOMMENDATIONS

Project No. 00086244			Output No.: 93540			Opinion Type					
No	Observation	Recommendation	Audit area	Risk	Mngt Comments	Action planned	Traget Impl. Date	Action unit	Person Respon sible for Action	Actual Impl. Date	Description of Status Update
1	<p>Personal income tax of the consultants</p> <p>The Project has 7 consultants and personal income taxes were withheld from the consulting fee of one consultant and it is assumed that other six consultants shall determine themselves the personal income taxes and pay them to the tax office. In addition, the project has reviewed the consultants' payment of taxes and received the copy of the Income and tax registration books of the consultants.</p> <p>Three consultants have reported their consulting fees received from the project as Operating income and other two consultants reported as Non-regular operating income, and one consultant has just received advance fee so the Income and tax book has not taken yet.</p> <p>The Project has not withheld taxes from the fees paid to the consultants, as well as has not prepared and filed the information about non-tax withheld income.</p>	<p>If the fees paid to the consultants are considered as their operating income, the taxpayer shall pay himself (or herself) the taxes as said in Article 27.2 of the Personal Income Tax Law, “27.2. If a taxpayer earns income specified in Articles 12 ... of this law, the income shall be taxed at the rate specified in subparagraph 23.2.2 of this law. The taxpayer shall make a note in the taxpayer's income and tax registration book on each occasion upon confirmation by the corresponding tax authority and make final settlement with the authority at the end of a year.”</p> <p>If the fees paid to the consultants are considered as their non-regular operating income, the project shall withhold the taxes as said in Article 26.1.1 of the Personal Income Tax Law, “... income specified in paragraphs 12.2, ... of this law at the rate specified in paragraph 23.2.4 of this law, ... and transfer it to the relevant budget”.</p> <p>Therefore, if it is stipulated in the consultant's contract that the consultant is responsible for his/her taxes, it should clarify types of income and report the taxes in accordance with the above mentioned articles of the law.</p>	Finance	Low	<p>Consulting service contract of NAMA project was concluded with consultants selected by the Evaluation Committee's decision, which was organized by the Decree of State Secretary, the Ministry of Construction and Urban Development.</p> <p>This contract was concluded by and between S.Magnaisuren, State Secretary, O.Lkhagvatseden, National Project Director and Chairman of Public Policy Implementation Department in behalf of the Ministry of Construction and Urban Development and consultant. The contract was reviewed by the Legal department of the Ministry.</p> <p>This contract was concluded in accordance with the</p>	1. Report non-deducted earnings from consulting services of local consultants to Tax agency by TT-12-2 quarterly.	Apr 01, 2019	PIU	Finance and Administration	Apr 01, 2019	Implemented



UNITED NATIONS DEVELOPMENT PROGRAMME

“NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN MONGOLIA” (NAMA) PROJECT

		<p>The project should report the tax withholdings as said in Article 28.2 of the Personal income tax law, “28.2. Income specified in article 15 and subparagraphs 8.1.6, 11.1.6, 12.1.1, 12.1.2, 12.2, 13.1.1, 13.1.5, 14.1.2 and 14.1.3 of this law shall be reported on an individual tax form and submitted to the tax authority by February 15 of the following year.”</p> <p>Rules for tax reporting was approved by Decree No. 509, Chairman of General Taxation Authority in the year 2013. The project should report the tax withheld from non-regular operating income as filed in Form approved by Annex 4, and income paid to individuals from which taxes have not been withheld as filed in Form approved by Annex 2 of the rule.</p>		<p>above mentioned law and there is no any provision of labor law and it has nature of independent professional service. Based on these grounds, the consultant’s fee is considered as operating income stipulated in Article 12 of Personal Income Tax Law.</p> <p>Therefore, it is stipulated in Special provision 1.8 of the contract that “the consultant shall be responsible for personal income tax and social insurance charges, which shall be paid in connection with the consulting service according to tax, health and social insurance laws”.</p> <p>As followed Article 27.2 of the Personal income tax law, “27.2. If a taxpayer earns income specified in Articles 12 and subparagraphs 11.1.6, 13.1.1, 14.1.2, and 14.1.3 of this law, the income shall be taxed at the rate specified in paragraph 23.1 of this law. If a taxpayer earns income specified in subparagraph 8.1.6, the income shall be</p>						
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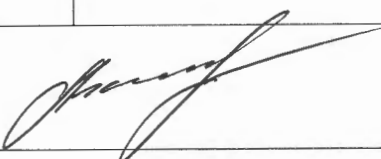
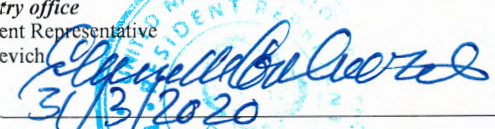
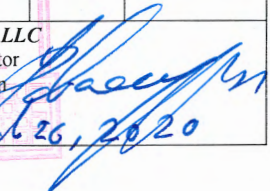


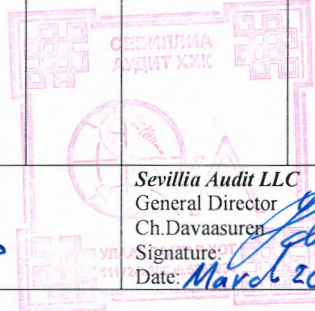
UNITED NATIONS DEVELOPMENT PROGRAMME
 “NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN MONGOLIA” (NAMA) PROJECT

				<p>taxed at the rate specified in subparagraph 23.2.2 of this law. The taxpayer shall make a note in the taxpayer’s income and tax registration form on each occasion upon confirmation by the corresponding tax authority and make final settlement with the authority at the end of a year” the project permanently reminded the consultants to file the tax to the related tax offices and we assumed that the contract execution has been fully satisfied.</p> <p>In addition, the consultants’ income was fully reflected in the financial statements and tax returns, which are prepared in accordance with Mongolian legislation.</p>						
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UNITED NATIONS DEVELOPMENT PROGRAMME
 "NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN MONGOLIA" (NAMA) PROJECT

2	<p>Social insurance charges to be withheld from the service fees paid to the consultants</p> <p>Social insurance charges have not been withheld from the service fees paid to the consultants in accordance with the related law.</p> <p>Provision of the consultant's contract, in which said that the consultant shall be responsible for social insurance charges is not consistent with the provisions of the Social insurance law.</p>	<p>As said in Article 4.2.1 of Social Insurance Law, contract fees stipulated in Article 343 and 359 of Civil Law are subject to compulsory social insurance charges same as labor and similar income. Therefore, the project shall withhold and report the social insurance charges from the consulting fees and other work and service fees paid to individuals according to the above mentioned article and at the rate stipulated in Article 15 of the Social Insurance Law.</p>	Finance	Low	<p>National consultants have permanent work position so it is stipulated in Article 1.8 of Special Provision, <<The consultant shall be responsible for social insurance charges>> in order to not conflict with the Social Insurance Law.</p> <p>In addition, there is no any regulation of labor law in this consulting service contract. Therefore, we conclude that the project is not possible for withholding and reporting the social insurance charges at certain rates as said in the auditing recommendation.</p> <p>If the auditors considered that this provision of the contract is not consistent with other legislation, we assume that they should propose recommendation to the Ministry in order to change the contract provision.</p>	<p>1. As per provisions of the contract, require the consultants to pay social insurances.</p> <p>2. Follow the recommendation for new consultancy contracts.</p>	Apr 01, 2019	PIU	Finance and Administration	Apr 01, 2019	Implemented
<p>Implementing partner National Project Director: O.Lkhagvatseden Signature: Date:</p> 		<p>UNDP Country office UNDP Resident Representative Elaine Conkievich Signature: Date:</p>  <p>31/3/2020</p>		<p>Sevillia Audit LLC General Director Ch.Davaasuren Signature: Date:</p>  <p>March 26, 2020</p>							



NOTE 1. PROJECT BRIEF

The objective of the project is to facilitate market transformation for energy efficiency in the construction sector through the development and implementation of Nationally Appropriate Mitigation Actions (NAMA) in Mongolia. This objective will be achieved by removing barriers to increased adoption of energy efficiency technology in construction sector through three components:

1. Establishment of baseline energy consumption & GHG emission in the construction sector;
2. Development & implementation of NAMA in the construction sector;
3. Measurement, Reporting and Verification (MRV) system for NAMA in the construction sector.

Project period: 2017-2020

Executing entity: Government of Mongolia, Ministry of Construction and Urban Development, and United Nations Development Programme.

Implementing partners: Ministry of the Environment and Tourism, Energy Regulatory Commission, and Construction Development Center.

Project funding:

Global Environment Facility (GEF)	USD 1,269,863
United Nations Development Programme	USD 50,000

Construction sector: All buildings in Ulaanbaatar, Darkhan and Erdenet cities that are connected to the central grid system.

Demonstration sites: Ulaanbaatar, Jargalan soum of Gobi-Altai province, and Erdenedalai soum of Dundgobi province.

Beneficiaries: The main beneficiaries of the project are the public-sector entities, including the Ministry of Construction and Urban Development (MCUD), Ministry of Environment, Nature and Tourism (MET), Energy Regulatory Commission (ERC), Construction Development Center (CDC); and private sector entities, including the construction companies, building developers, banks and private investors. In addition, 9,824 people will be benefitting from the five demonstration projects that are being financed and implemented by NAMA project, under its Output 2.4

GLOBAL BENEFITS:

Direct cumulative emission reduction by EOP: 10,709 tCO₂ eq. Direct emission reduction over project lifetime: 64,219 tCO₂ eq

NATIONAL BENEFITS:

Long term reduction of energy cost to households help lessen household expenditure and improve their financial conditions; Reduced energy usage contributes to lower demand from coal fired heat-only boilers and power plants, hence, significantly reducing air

pollution. This leads to improvements in health benefits for the entire population; Improved living comfort and quality of life of building occupants; Reduced GHG emissions thereby reducing the long term risk of climate change; Increased demand of EE construction materials/technologies which will support local manufacturers and businesses leading to better employment prospects and eventually improved local economy; Improved access to energy efficiency financing in the construction sector leading to EE investments; Enhanced capacities and skills of people, specifically women, employed in the construction sector.

Component 1. ACTIVITIES

Establishment of Baseline Energy Consumption and GHG Emission in the Construction Sector:

- Design and complete capacity building development programs for decision makers and agencies on data collection and sustainable operation of the GHG inventory systems;
- Establish and operationalize energy consumption and GHG inventory system for the construction sector with improved data availability and methodology;
- Define and establish reference baseline on energy consumption and GHG emission for the construction sector.

Component 2. ACTIVITIES

Development and Implementation of NAMA in the Construction Sector:

- Develop framework for evaluating appropriate climate change mitigation interventions and identify priority climate change mitigation actions;
- Complete operational structure for coordination among government agencies and key stakeholders for NAMA;
- Complete capacity development of private and public-sector actors on successful development and implementation of NAMAs; and in the supportive identification of financing options;
- Develop and implement construction sector pilot NAMA;
- Develop financial tools that support the implementation of NAMA in the construction sector.

Component 3. ACTIVITIES

Measurement, Reporting and Verification (MRV) system for NAMA:

- Define key indicators (GHG and non-GHG) to be monitored for the selected mitigation actions;
- Develop and implement accurate MRV system for the construction sector NAMA;
- Design and complete capacity development in the implementation and institutionalization of the MRV system.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting basis of presentation

The financial statements have been prepared on modified cash basis of accounting. Under cash basis of accounting, the receipts are recognized when received or direct payment to creditors are made rather than when earned and disbursements are recognized when paid rather than when incurred.

Under the accrual accounting of basis, revenues are recognized when they are earned, expenses are recognized when they are incurred.

2.2 Reporting currency

The United States Dollars (USD) is used as a reference and measurement currency as per requirements to report to the funding organization.

2.3 Accounting software

The Combined Delivery Report (CDR) is prepared using an in-house accounting software package called ATLAS. ATLAS, internet-based system contributes to timely, efficient delivery of activities and effective financial monitoring to manage projects and the UNDP programme. The Statement of Assets and Equipment are prepared using MS Excel.

2.4 Foreign currency conversion

The project accounting is maintained in local currency Mongolian Togrogs (“MNT”). The financial statements were prepared in US Dollars and transactions in currencies other than US Dollars during the reporting period have been translated into US Dollars at official rates monthly determined by the UN.

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The exchange rate of MNT to the USD used in the preparation of the financial statements for the fiscal year 2019 was as follows;

Months	Description	Rates in MNT
January 2019	UN Exchange rate: 1USD =	MNT 2,640.04
February 2019	UN Exchange rate: 1USD =	MNT 2,627.99
March 2019	UN Exchange rate: 1USD =	MNT 2,632.21
April 2019	UN Exchange rate: 1USD =	MNT 2,629.75
May 2019	UN Exchange rate: 1USD =	MNT 2,641.00
June 2019	UN Exchange rate: 1USD =	MNT 2,648.70
July 2019	UN Exchange rate: 1USD =	MNT 2,656.00
August 2019	UN Exchange rate: 1USD =	MNT 2,666.00
September 2019	UN Exchange rate: 1USD =	MNT 2,672.00
October 2019	UN Exchange rate: 1USD =	MNT 2,660.93
November 2019	UN Exchange rate: 1USD =	MNT 2,667.76
December 2019	UN Exchange rate: 1USD =	MNT 2,671.03

2.5 Recognition of income and expense

Income recognized when cash is deposited. Expense is recognized when fund is disbursed for intended activities.

2.6 Cash and cash equivalents

The Direct Payment modality procedure under the National Implementation Modality guidelines are used in the year 2019 and the project submits requests for direct payments to UNDP for processing and all payments are processed by UNDP at the request for the National project director in the year 2019.

2.7 Inventory and assets

As required by UNDP, the project classified its assets by their value as over and at/under USD 1,000.

Asset management

Asset management of the PIU was sufficient. All assets and equipment reviewed during the audit were in good condition.

2.8 Taxes

a. Indirect taxes and duties

The project issues VAT exempt-receipt in accordance with the Finance Minister's Decree #217 dated on August 6, 2015 and submits VAT report to the General Department of Taxation, Mongolia on a monthly basis.

b. Personal income tax withholding and social insurance premium

The Project withholds and pays personal income taxes and social insurance premiums from the payroll and similar employment fees paid to employees and individuals as stipulated in the rules approved by Decree No. 196, the Minister of Finance dated on July 10, 2015 and Order No. 176, Government of Mongolia dated on March 28, 2016.

NOTE 3. PROCUREMENT

Goods, works and services are procured in accordance with the Guidelines for Procurement under National Implementation Modality (NIM) Manual issued by the UNDP. The following general principles are given due consideration when exercising the procurement functions under UNDP supported project.

- Best value for money
- Impartiality, integrity and transparency
- Effective competition
- Acquisition ethics
- Environmental considerations

Goods, works and services are procured under contracts awarded on a basis of the following methods in accordance with the Procurement Guideline:

- Local shopping
- Request for Quotation
- Request for Proposal
- Invitation to Bid (ITB)

Project procurement

As the project engaged with the National Implementation Modality, all goods, works and services are procured in compliance with the appendix to Order No. 68 of the Government of Mongolia from 2013, “Threshold price that is followed when choosing the procedures to be followed in the procurement of goods, works and services” in accordance with the “Law of Mongolia on Procurement of Goods, Works and Services with State and Local Funds”.

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Table below shows information of the Project's procurement classified by methods and its budget versus performance for 2019:

			Direct purchase	Comparison method	Bidding	Total (In thous.tog)
Budget	Goods	Quantity Amount				
	Service	Quantity Amount	3 9,350	3 17,400		6 26,750
	Work	Quantity Amount			1 28,000	1 28,000
	Total	Quantity Amount	3 9,350	3 17,400	1 28,000	7 54,750
Performance	Goods	Quantity Amount				
	Service	Quantity Amount	3 8,129	3 13,861		6 21,990
	Work	Quantity Amount			1 28,960	1 28,960
	Total	Quantity Amount	3 8,129	3 13,861	1 28,960	7 50,949
Variance	TOTAL	Quantity	-	-	-	-
		Amount	1,221	3,539	-960	3,801

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NOTE 4. TOTAL EXPENDITURE PER EXPENSE ITEM

a) Expenditure detail by accounts

Account No.	Account name	For FY 2019	
		Gov exp.	UNDP exp. Total
64397	Services to projects -CO staff		7,945.24 7,945.24
71305	Local Consult-Short Term-Tech		18,583.92 18,583.92
71310	Local Consult-Short Term-Supp		25,144.08 25,144.08
71360	Local Consult-Security		120.98 120.98
72140	Svc Co-Information Technology		1,856.48 1,856.48
72435	E-mail-Subscription		201.78 201.78
74596	Services to projects -GOE		18,405.10 18,405.10
75705	Learning costs		8,961.85 8,961.85
76135	Realized Gain		(193.32) (193.32)
71405	Service Contracts-Individuals		67,162.53 67,162.53
71615	Daily Subsistence Allow-Intl		1,070.42 1,070.42
71620	Daily Subsistence Allow-Local		349.50 349.50
71635	Travel - Other		1,625.96 1,625.96
72105	Svc Co-Construction & Engineer		52,738.23 52,738.23
72115	Svc Co-Natural Resources & Env		142,762.56 142,762.56
72420	Land Telephone Charges		516.32 516.32
72440	Connectivity Charges		817.93 817.93
72445	Common Services-Communications		1,201.61 1,201.61
72505	Stationery & other Office Supp		(0.15) (0.15)
76125	Realized Loss		6.36 6.36
71410	MAIP Premium SC		18.40 18.40
71415	Contribution to Security SC		1,527.63 1,527.63
71605	Travel Tickets-International		4,297.52 4,297.52
72125	Svc Co-Studies & Research Serv		28,959.76 28,959.76
73310	Maint & Licensing of Software		146.01 146.01
74205	Audio Visual Productions		6,997.77 6,997.77
74210	Printing and Publications		1,574.35 1,574.35
74215	Promotional Materials and Dist		1,943.08 1,943.08
74225	Other Media Costs		1,083.83 1,083.83
74525	Sundry		1,838.61 1,838.61
72145	Svc Co-Training and Educ Serv		46.80 46.80
74110	Audit Fees		1,462.55 1,462.55
	Total		399,173.69 399,173.69

- (i) The UNDP expenditure column shows UNDP CO support service costs for the project implementation and expenditures disbursed from the UNDP's account to supplier/vendor's account directly upon request of the NPD.

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b) Expenses of UNDP Supported activity

Account No.	Account name	Amount
64397	Services to projects -CO staff	7,945.24
71305	Local Consult-Short Term-Tech	(2,364.48)
71310	Local Consult-Short Term-Supp	123.92
71360	Local Consult-Security	120.98
72435	E-mail-Subscription	167.27
74596	Services to projects -GOE	18,405.10
75705	Learning costs	110.00
76135	Realized Gain	(193.32)
71405	Service Contracts-Individuals	42,487.50
71615	Daily Subsistence Allow-Intl	1,070.42
71635	Travel - Other	200.00
72105	Svc Co-Construction & Engineer	(5,088.41)
72115	Svc Co-Natural Resources & Env	165.23
72420	Land Telephone Charges	(51.85)
72440	Connectivity Charges	(82.06)
72445	Common Services-Communications	(32.95)
72505	Stationery & other Office Supp	(41.30)
76125	Realized Loss	6.36
71410	MAIP Premium SC	18.40
71415	Contribution to Security SC	1,527.63
71605	Travel Tickets-International	4,297.52
73310	Maint & Licensing of Software	146.01
72145	Svc Co-Training and Educ Serv	46.80
74110	Audit Fees	1,462.55
Total		70,446.56

c) Total expenditure by donors

Donors	Amount
United Nations Development Programme	15,000.00
Global Environment Facility	384,173.69
Total	399,173.69

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**NOTE 5. ACTIVITY 1-Establishment of Baseline Energy Consumption and GHG
 Emission in the Construction Sector**

a) Expenditure detail by accounts

Account No.	Account name	Amount
64397	Services to projects -CO staff	7,945.24
71305	Local Consult-Short Term-Tech	-
71310	Local Consult-Short Term-Supp	842.63
71360	Local Consult-Security	98.13
72140	Svc Co-Information Technology	1,856.48
72435	E-mail-Subscription	167.27
74596	Services to projects -GOE	3,405.10
75705	Learning costs	1,900.68
76135	Realized Gain	(3.05)
Total		16,212.48

b) Total expenditure by donors

Donors	Amount
United Nations Development Programme	-
Global Environment Facility	16,212.48
Total	16,212.48

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**NOTE 6. ACTIVITY 2-Development and Implementation of NAMA in the
 Construction Sector**

a) Expenditure detail by accounts

Account No.	Account name	Amount
71305	Local Consult-Short Term-Tech	930.79
71310	Local Consult-Short Term-Supp	11,731.8
71360	Local Consult-Security	22.85
71405	Service Contracts-Individuals	10,424.44
71615	Daily Subsistence Allow-Intl	70.42
71620	Daily Subsistence Allow-Local	349.5
71635	Travel - Other	1,425.95
72105	Svc Co-Construction & Engineer	52,738.23
72115	Svc Co-Natural Resources & Env	108,145.56
72420	Land Telephone Charges	516.32
72435	E-mail-Subscription	34.51
72440	Connectivity Charges	817.93
72445	Common Services-Communications	1,201.61
72505	Stationery & other Office Supp	-0.06
75705	Learning costs	6,956.05
76125	Realized Loss	0.85
76135	Realized Gain	(180.86)
Total		195,185.89

b) Total expenditure by donors

Donors	Amount
United Nations Development Programme	-
Global Environment Facility	195,185.89
Total	195,185.89

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**NOTE 7. ACTIVITY 3-Measurement, Reporting and Verification (MRV) system for
 NAMA**

a) Expenditure detail by accounts

Account No.	Account name	Amount
71305	Local Consult-Short Term-Tech	17,653.12
71310	Local Consult-Short Term-Supp	12,569.65
71405	Service Contracts-Individuals	56,738.10
71410	MAIP Premium SC	18.40
71415	Contribution to Security SC	1,527.63
71605	Travel Tickets-International	4,297.52
71615	Daily Subsistence Allow-Intl	1,000.00
71635	Travel - Other	200.00
72115	Svc Co-Natural Resources & Env	34,617.00
72125	Svc Co-Studies & Research Serv	28,959.76
72505	Stationery & other Office Supp	(0.09)
73310	Maint & Licensing of Software	146.01
74205	Audio Visual Productions	6,997.76
74210	Printing and Publications	1,574.35
74215	Promotional Materials and Dist	1,943.08
74225	Other Media Costs	1,083.86
74525	Sundry	1,838.61
75705	Learning costs	105.11
76125	Realized Loss	5.51
76135	Realized Gain	(9.41)
Total		171,265.97

b) Total expenditure by donors

Donors	Amount
United Nations Development Programme	-
Global Environment Facility	171,265.97
Total	171,265.97

NOTE 8. ACTIVITY 4-Project Management

a) Expenditure detail by accounts

Account No.	Account name	Amount
72145	Svc Co-Training and Educ Serv	46.80
74110	Audit Fees	1,462.55
76135	Realized Gain	-
74596	Services to projects-GOE	15,000.00
Total		16,509.35

b) Total expenditure by donors

Donors	Amount
United Nations Development Programme	15,000.00
Global Environment Facility	1,509.35
Total	16,509.35

NOTE 9. SUBSEQUENT EVENTS

The Project management is not aware of any events that occurred after the end of the reporting period until the date the auditor's report was issued, which would have any material impact on these statements.

NOTE 10. BUDGET ANALYSIS

For the FY 2019:

Activity	Budget	Performance	Variance	%
Activity 1	23,400.00	16,212.48	7,187.52	30.72%
Activity 2	320,063.00	195,185.89	124,877.11	39.02%
Activity 3	197717	171265.97	26451.03	13.38%
Activity 4	50,000.00	16,509.35	33490.65	66.98%
Total	591,180.00	399,173.69	192,006.31	32.48%

Source: Annual Work Plan for the year 2019 and CDRs of the year 2019. Positive percentages represent budget saving, whereas negative percentages represent budget exceed.

Activity 1 The budget was saved by 30.7% or amounts of USD 7,187.52 and therefrom USD 3,004 is left in the expected performance of a contract and which is savings from contract payment of internal consultant. Activities mentioned under Activity 1.2.5 and 1.2.7 which is entering data into electronic systems and developing electronic systems are required much more time than expected.

Activity 2 The budget was saved by 39% or amounts of USD 124,877.11. That is related to implementation and performance of work which is Activity 2.4.4: "Deploy and use energy efficient technologies in design". For instance, scope of this work the issue of fixed asset for construction and construction works are delayed indefinitely because of location of construction changed, budgeted cost of construction increased and the required budget exceeds approved budget of SPC although NAMA project budgeted 199.6 million togrogs for implementation of efficient energy design project which is new building of School of Architecture and Civil Engineering of MUST. Therefore, The Project Steering Committee made a decision which was allocated fund from NAMA spend on two model project that meets the objectives of the project. Also projected budget was saved because activities 2.3.6 were integrated with activities 3.3.1-3.3.3. Saved fund was budgeted in the year 2020 work.

Activity 3 The budget was saved by 13.4% or amounts of USD 26,451.03. The main reason was the training of energy-saving construction managers that was budgeted in Activity 3.3.1-3.3.3 completed in a financial year but the payment has not yet been transferred to the contractor. Also, other consultant services budgets were saved.

Activity 4 Although, the budget was saved by 66.9% or amounts of USD 33,490, of which \$ 25,875 is a consulting service for closing project evaluation and \$ 3,700 is a financial audit consultant for the year 2019 are budgeted but the work contracts are concluded but not paid.

NOTE 11. INTERNAL CONTROL

Human resources

We conducted an audit of human resources procedures and the financial data at the Project office. The objective of the audit was to assess human resources legal and financial compliant in the areas: i) internal control; ii) compliance with relevant laws, procedures and rules of Mongolia and UNDP iii) staff (consultant) hiring processes; iv) performance evaluation and bonus policy and financial data.

We concluded based on the current procedures and legislations in place that the Project human resource management and control system have being adequately established as of December 31, 2019 in the following context:

- Project applied the principles of competitiveness, transparent and effectiveness in the recruitment and selection the project staff and consultants.
- Staff performance evaluation made in compliant with the applicable laws and procedures of Mongolia (Government of Mongolia, Resolution #176 of March 28, 2016) and policy and rules of UNDP.
- Financial control and management have being properly conducted in staff attendance control, calculation of salaries and entitlements, payroll preparation, payments and documentations.

Finance

We performed audit procedures in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia for the Project's financial management and control system including authorization processes, budget control and IT system. Based on the audit procedures performed on the authorization levels, procedures, receipts and disbursement of funds, documentations as well as the expenses schedules, Project has established an adequate financial management control, reporting and IT system according to the rules, procedures and laws of Mongolia and UNDP.

Procurement

Our audit covered contracting and procurement of the Project involving need of procurements were valid and certified by the authorization and evaluation and award procedures followed in line with the relevant criteria. Based on the audit procedures in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, we concluded the Project has designed proper controls for the procurement of goods and services where the procurement procedures conducted in compliance with the applicable laws and regulations (Law on Procurement of Goods, Works and Services with State and Local Fund of December 01, 2005) of Mongolia in the areas: i) Authorization process, procurement thresholds, call for bids and proposals, evaluation of bids and proposals and approvals of contracts and purchase orders; ii) Project's assets have maintained under responsible custody and managed proper financial control.

Asset Management

Based on the review conducted in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, assets maintained under adequate control and custody. Its financial reporting and documentations made in accordance with the required laws, procedures and rules.

Cash Management

Project's cash management, control and financial reporting have adequately set and sufficiently supported by the supporting documents.

General Administration

In addition to our financial procedures, compliance requirements of travel activities, vehicle management, shipping services and office management, communications and IT systems, as well as records maintenance have also been covered. We have reviewed in accordance with the agreed upon procedures under the requirements implemented by the applicable laws and regulations of Mongolia, whether these general administration procedures have followed the applicable laws and regulations.

NOTE 12. TRANSLATION

These financial reports and notes are prepared both in Mongolian and English languages.
In case of discrepancy between the two versions, the English version shall prevail.

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NOTE 13. LIST OF ASSETS AND EQUIPMENT

A. List of Assets with value of more than 1,000 USD per item

Asset number	Date	Asset name	Fund	Condition	Holder	Place	Price, USD	Serial
NAMA/2017/05	2017/04/24	Digital camera Canon	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,182.95	Canon
NAMA/2017/10	2017/04/24	Laptop DELL Vostro 3559	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,448.09	G2GH0G2;
NAMA/2017/11	2017/04/24	Monitor Dell P2417H	GEF	Good				CN-OC9G5D-74261-73M-C5GB-A00
NAMA/2017/12	2017/04/24	USB Docking	GEF	Good				CN-036M9K-25690-718-4085-A06
NAMA/2017/13	2017/04/24	Keyboad&mouse DELL	GEF	Good				Dell
NAMA/2017/14	2017/04/24	Copy&printing mashine Canon Image RUNNER 1435iF	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,631.65	(21)SAM00970
NAMA/2017/20	2017/04/24	Laptop DELL Vostro 3559	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,448.09	9RSF0G2;
NAMA/2017/21	2017/04/24	Monitor Dell P2417H	GEF	Good				CN-OC9G5D-74261-6BU-3C2B-A00
NAMA/2017/22	2017/04/24	USB Docking	GEF	Good				CN-036M9K-25960-718-402G-AO6
NAMA/2017/23	2017/04/24	Keyboad&mouse DELL	GEF	Good				Dell
NAMA/2017/25	2017/04/24	Projector Acer with screen	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,019.78	MRJP31100E642009955805
NAMA/2017/34	2017/04/24	Laptop DELL Vostro 3559	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,448.09	9YQG0G2;
NAMA/2017/35	2017/04/24	Monitor Dell P2417H	GEF	Good				CN-OC9G5D-74261-73M-AOPB-A00
NAMA/2017/36	2017/04/24	USB Docking	GEF	Good				CN-036M9K-25960-718-401K-A06
NAMA/2017/37	2017/04/24	Keyboad&mouse DELL	GEF	Good				Dell
NAMA/2017/40	2018/01/26	Lenovo Think pad T570, i7	GEF	Good	B.Khishigjargal	#405, Gov building 12	1,108.29	RS-OPE19G1711
Sub-total							9,286.96	



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B. List of Assets with value of less than 1,000 USD per item

Asset number	Date	Asset name	Fund	Condition	Holder	Place	Price, USD	Serial
NAMA/2017/01	2017/04/13	Table	GEF	Good	B.Khishigjargal	#316, Gov building 13	259.58	Brown color
NAMA/2017/33	2017/04/13	Help table	GEF	Good	B.Khishigjargal	#405, Gov building 12	133.50	Brown color
NAMA/2017/02	2017/04/13	Help table	GEF	Good	B.Khishigjargal	#316, Gov building 13	203.96	Brown color
NAMA/2017/09	2017/04/13	Bookshelf	GEF	Good	B.Khishigjargal	#405, Gov building 12	278.12	Brown color
NAMA/2017/28	2017/04/13	Bookshelf	GEF	Good	B.Khishigjargal	#405, Gov building 12	278.12	Brown color
NAMA/2017/19	2017/04/13	Wardrobe	GEF	Good	B.Khishigjargal	#405, Gov building 12	278.12	Brown color
NAMA/2017/03	2017/04/13	Drawer	GEF	Good	B.Khishigjargal	#316, Gov building 13	111.25	Brown color
NAMA/2017/07	2017/04/13	Drawer	GEF	Good	B.Khishigjargal	#405, Gov building 12	111.25	Brown color
NAMA/2017/16	2017/04/13	Drawer	GEF	Good	B.Khishigjargal	#405, Gov building 13	111.25	Brown color
NAMA/2017/29	2017/04/13	Drawer	GEF	Good	B.Khishigjargal	#405, Gov building 14	111.25	Brown color
NAMA/2017/15	2017/04/13	Table	GEF	Good	B.Khishigjargal	#405, Gov building 15	166.87	Brown color
NAMA/2017/27	2017/04/13	Table	GEF	Good	B.Khishigjargal	#405, Gov building 16	166.87	Brown color
NAMA/2017/06	2017/04/13	Table	GEF	Good	B.Khishigjargal	#405, Gov building 17	174.29	Brown color
NAMA/2017/17	2017/04/13	Drawer	GEF	Good	B.Khishigjargal	#405, Gov building 18	129.79	Brown color
NAMA/2017/26	2017/04/13	Safe	GEF	Good	B.Khishigjargal	#405, Gov building 19	241.04	White color
NAMA/2017/04	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#316, Gov building 13	156.68	Black, leather
NAMA/2017/08	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#405, Gov building 17	156.68	Black, leather
NAMA/2017/18	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#405, Gov building 18	70.46	Grey color
NAMA/2017/30	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#405, Gov building 19	70.46	Black color
NAMA/2017/31	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#407, Gov building 20	70.46	Black color
NAMA/2017/32	2017/04/13	Chair	GEF	Good	B.Khishigjargal	#407, Gov building 21	70.46	Grey color
NAMA/2017/24	2017/04/24	Printer HP LaserJet Pro MFP M227fdw	GEF	Good	B.Khishigjargal	#405, Gov building 18	509.89	G3075A
NAMA/2017/39	2017/04/24	Air purifier	GEF	Good	B.Khishigjargal	#405, Gov building 19	611.87	AC-M2-AA
NAMA/2017/41	2018/01/26	Think pad Ultra Dock-90w	GEF	Good	B.Khishigjargal	#407, Gov building 20	185.40	40A2M2A1AVK4C1
NAMA/2017/42	2018/01/26	Lenovo ThinkVision X22 Monitor	GEF	Good	B.Khishigjargal	#407, Gov building 20	173.04	1560G7KCS
NAMA/2017/43	2018/12/27	Hygrometer for outside air	GEF	Good	B.Khishigjargal	Gobi-Altai aimag Jargalan soum's school	205.22	UX100-023
NAMA/2017/44	2018/12/27	Hygrometer for outside air	GEF	Good	B.Khishigjargal	Dundgobi aimag Erdenedalai soum	205.22	UX100-023
NAMA/2017/45	2018/12/27	Hygrometer for outside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	205.22	UX100-023



UNITED NATIONS DEVELOPMENT PROGRAMME

“NATIONALLY APPROPRIATE MITIGATION ACTIONS IN THE CONSTRUCTION SECTOR IN MONGOLIA” (NAMA) PROJECT

NAMA/2017/46	2018/12/27	Hygrometer for outside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	205.22	UX100-023
NAMA/2017/47	2018/12/27	Hygrometer for outside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	205.22	UX100-023
NAMA/2017/48	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	Gobi-Altai aimag Jargalan soum's school	195.36	UX100-003
NAMA/2017/49	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	Gobi-Altai aimag Jargalan soum's school	195.36	UX100-003
NAMA/2017/50	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	Dundgobi aimag Erdenedalai soum	195.36	UX100-003
NAMA/2017/51	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	Dundgobi aimag Erdenedalai soum	195.36	UX100-003
NAMA/2017/52	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
NAMA/2017/53	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
NAMA/2017/54	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
NAMA/2017/55	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
NAMA/2017/56	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
NAMA/2017/57	2018/12/27	Hygrometer for inside air	GEF	Good	B.Khishigjargal	#405, Gov building 19	195.36	UX100-003
Sub-total							7,810.37	
Total							17,097.33	



C. Changes in the Assets and Equipment

Description	Beginning balances Jan 01, 2019	Increased during the FY 2019	Decreased during the FY 2019	Ending balances Dec 31, 2019
Assets and Equipment				
Furniture and Equipment	6,330.16	0.00	0.00	6,330.16
Computer and Accessories	10,767.17	0.00	0.00	10,767.17
Total Assets and Equipment	17,097.33	0.00	0.00	17,097.33

REPORT ON THE AUDIT OF THE UNDP CDR

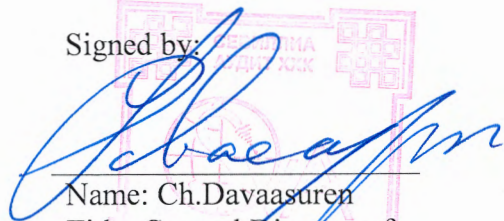
UNDP Combined Delivery Report (CDR)

For the period from January 01, 2019 to December 31, 2019

Project No.	Output No.	Amount audited and certified (in USD)	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)	Reason (s) for qualification of audit opinion and breakdown of NFI amount (in USD)	Observation (s) that had impact on qualification of audit opinion (list observation number (s) and page of audit report/management letter)
00086244	00093540	399,173.69	Unmodified	N/A	N/A	N/A

SEVILLIA AUDIT
PAGE 34
LTC

Signed by:



Name: Ch.Davaasuren
Title: General Director of
Sevillia Audit LLC

Date: March 26, 2020

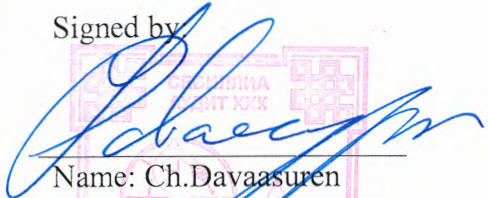
REPORT ON THE AUDIT OF THE STATEMENT OF ASSETS AND EQUIPMENT

Statement of Assets and Equipment
As at December 31, 2019

Project No.	Output No.	Value of Assets and Equipment in USD	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)
00086244	00093540	17,097.33	Unmodified	N/A

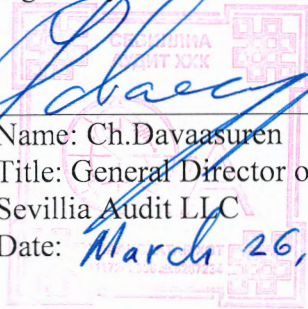
SEVILLIA AUDIT LLC
PAGE 35

Signed by



Name: Ch.Davaasuren
Title: General Director of
Sevillia Audit LLC

Date: *March 26, 2020*



REPORT ON THE AUDIT OF THE STATEMENT OF CASH POSITION

Statement of Cash Position
As at December 31, 2019

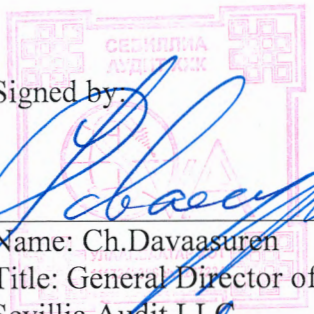
Project No.	Output No.	Value of Cash Position in USD	Audit opinion (Unmodified, qualified, adverse, disclaimer)	Total amount of qualification of audit opinion (if qualified, adverse or disclaimer opinion)
00086244	00093540	0.00	Unmodified	N/A



Signed by:

Name: Ch.Davaasuren
Title: General Director of
Sevillia Audit LLC

Date: *March 26, 2020*



CURRENT YEAR AUDIT OBSERVATION AND RECOMMENDATIONS

Project No. 00086244

Output No. MON/16/302

No	Audit observation	Recommendation	Audit area	Risk Severity	Project/CO Mngmt. Comments
	<i>No material issues have been revealed during the auditing.</i>				

SEVILLIA AUDIT
PAGE 37
LLC

Name and position of Auditor: **Ch.Davaasuren,
General Director**

Signature of Auditor:



Date:

March 26, 2020

Name and Stamp of Audit Firm: **Sevillia Audit LLC**

Combined Delivery Report by Activity



UN Development Programme
Report ID: ungleddb

Page 1 of 5
Run Time: 10-02-2020 06:02:03

Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2019)
Selected Project Id : 00086244
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093540

Project Id : 00086244 NAMA in Constuction Sector in	Period : Jan-Dec (2019)
Output # : 00093540 NAMA in Const.Sec.Mongolia - f	Impl. Partner : 02143 Min.of Construction & UrbanD
	Location : Mongolia

	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Activity : ACTIVITY1 (Effective policy making)				
Fund : 62000 (GEF Voluntary Contribution)				
64397 - Services to projects -CO staff	0.00	7,945.24	0.00	7,945.24
71305 - Local Consult.-Sht Term-Tech	0.00	0.00	0.00	0.00
71310 - Local Consult.-Short Term-Supp	0.00	842.63	0.00	842.63
71360 - Local Consult-Security	0.00	98.13	0.00	98.13
72140 - Svc Co-Information Technology	0.00	1,856.48	0.00	1,856.48
72435 - E-mail-Subscription	0.00	167.27	0.00	167.27
74596 - Services to projects -GOE	0.00	3,405.10	0.00	3,405.10
75705 - Learning costs	0.00	1,900.68	0.00	1,900.68
76135 - Realized Gain	0.00	- 3.05	0.00	- 3.05
Total for Fund 62000	0.00	16,212.48	0.00	16,212.48
Total for Activity ACTIVITY1	0.00	16,212.48	0.00	16,212.48

Activity : ACTIVITY2 (Prioritized NAMA in the constr)				
Fund : 62000 (GEF Voluntary Contribution)				
71305 - Local Consult.-Sht Term-Tech	0.00	930.79	0.00	930.79
71310 - Local Consult.-Short Term-Supp	0.00	11,731.80	0.00	11,731.80
71360 - Local Consult-Security	0.00	22.85	0.00	22.85
71405 - Service Contracts-Individuals	0.00	10,424.44	0.00	10,424.44
71615 - Daily Subsistence Allow-Intl	0.00	70.42	0.00	70.42
71620 - Daily Subsistence Allow-Local	0.00	349.50	0.00	349.50
71635 - Travel - Other	0.00	1,425.95	0.00	1,425.95
72105 - Svc Co-Construction & Engineer	0.00	52,738.23	0.00	52,738.23
72115 - Svc Co-Natural Resources & Env	0.00	108,145.56	0.00	108,145.56
72420 - Land Telephone Charges	0.00	516.32	0.00	516.32
72435 - E-mail-Subscription	0.00	34.51	0.00	34.51
72440 - Connectivity Charges	0.00	817.93	0.00	817.93
72445 - Common Services-Communications	0.00	1,201.61	0.00	1,201.61
72505 - Stationery & other Office Supp	0.00	- 0.06	0.00	- 0.06
75705 - Learning costs	0.00	6,956.05	0.00	6,956.05
76125 - Realized Loss	0.00	0.85	0.00	0.85
76135 - Realized Gain	0.00	- 180.86	0.00	- 180.86
Total for Fund 62000	0.00	195,185.89	0.00	195,185.89
Total for Activity ACTIVITY2	0.00	195,185.89	0.00	195,185.89



Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

Page 2 of 5
Run Time: 10-02-2020 06:02:03

Project Id : 00086244 NAMA in Constuction Sector in	Period : Jan-Dec (2019)
Output # : 00093540 NAMA in Const.Sec.Mongolia - f	Impl. Partner : 02143 Min.of Construction & UrbanD
	Location : Mongolia

Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
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Activity : ACTIVITY3 (Effective climate change mitig)

Fund : 62000 (GEF Voluntary Contribution)

71305 - Local Consult.-Sht Term-Tech	0.00	17,653.12	0.00	17,653.12
71310 - Local Consult.-Short Term-Supp	0.00	12,569.65	0.00	12,569.65
71405 - Service Contracts-Individuals	0.00	56,738.10	0.00	56,738.10
71410 - MAIP Premium SC	0.00	18.40	0.00	18.40
71415 - Contribution to Security SC	0.00	1,527.63	0.00	1,527.63
71605 - Travel Tickets-International	0.00	4,297.52	0.00	4,297.52
71615 - Daily Subsistence Allow-Intl	0.00	1,000.00	0.00	1,000.00
71635 - Travel - Other	0.00	200.00	0.00	200.00
72115 - Svc Co-Natural Resources & Env	0.00	34,617.00	0.00	34,617.00
72125 - Svc Co-Studies & Research Serv	0.00	28,959.76	0.00	28,959.76
72505 - Stationery & other Office Supp	0.00	- 0.09	0.00	- 0.09
73310 - Maint & Licencing of Software	0.00	146.01	0.00	146.01
74205 - Audio Visual Productions	0.00	6,997.76	0.00	6,997.76
74210 - Printing and Publications	0.00	1,574.35	0.00	1,574.35
74215 - Promotional Materials and Dist	0.00	1,943.08	0.00	1,943.08
74225 - Other Media Costs	0.00	1,083.86	0.00	1,083.86
74525 - Sundry	0.00	1,838.61	0.00	1,838.61
75705 - Learning costs	0.00	105.11	0.00	105.11
76125 - Realized Loss	0.00	5.51	0.00	5.51
76135 - Realized Gain	0.00	- 9.41	0.00	- 9.41

Total for Fund 62000 0.00 171,265.97 0.00 171,265.97

Total for Activity ACTIVITY3 0.00 171,265.97 0.00 171,265.97

Activity : ACTIVITY4 (Project management)

Fund : 04000 (Core Programme, UNU Centre)

74596 - Services to projects -GOE	0.00	15,000.00	0.00	15,000.00
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Total for Fund 04000 0.00 15,000.00 0.00 15,000.00

Fund : 62000 (GEF Voluntary Contribution)

72145 - Svc Co-Training and Educ Serv	0.00	46.80	0.00	46.80
74110 - Audit Fees	0.00	1,462.55	0.00	1,462.55
76135 - Realized Gain	0.00	0.00	0.00	0.00

Total for Fund 62000 0.00 1,509.35 0.00 1,509.35

Total for Activity ACTIVITY4 0.00 16,509.35 0.00 16,509.35

Total for Output : 00093540 0.00 399,173.69 0.00 399,173.69



Combined Delivery Report by Activity



UN Development Programme
Report ID: unglcdrb

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Run Time: 10-02-2020 06:02:03

Project id : 00086244 NAMA in Constuction Sector in	Period :	Jan-Dec (2019)		
Output # : 00093540 NAMA in Const.Sec.Mongolia - f	Impl. Partner :	02143 Min.of Construction & UrbanD		
	Location :	Mongolia		
	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Project Total :	0.00	399,173.69	0.00	399,173.69

Signed By :  Lkhagvatseden O NPD NAMA Date _____

Signed By :  Nashida Sattar DRR UNDP Date _____



Selection Criteria :

Business Unit : MNG10
Period : Jan-Dec (2019)
Selected Project Id : 00086244
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093540

Project Id : ALL	Period : Jan-Dec (2019)	Govt Exp	UNDP Exp	UN Agencies Exp	Total Exp
Output # : ALL	Impl. Partner : Location :				
41805 - Mongolia - Energy & Envirnmnt		0.00	399,173.69	0.00	399,173.69

Combined Delivery Report by Activity

Funds Utilization

Selection Criteria

Business Unit : MNG10
Period : Jan-Dec (2019)
Selected Project Id : 00086244
Selected Fund Code : ALL
Selected Dept. IDs : ALL
Selected Outputs : 00093540

Project/Award: 00086244 NAMA in Constuction Sector in

Period : As Of Dec31,2019

Output #	00093540	Impl. Partner :02143 Min.of Construction & UrbanD	UNDP AMOUNT
Outstanding NEX advances			0.00
Undepreciated Fixed Assets			0.00
Unamortized Intangible Assets			0.00
Inventory			0.00
Prepayments			0.00
Commitments			24,113.81

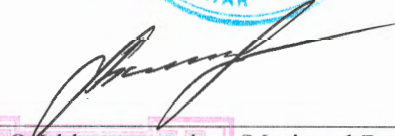
Signed by:


Elaine Conkrevich (UNDP Resident Representative)

Date:

25/3/2020

Signed by:


O.Lkhagvatseden (National Project Director)

Date:

Signed by:


Ch.Davaasuren (General Director of Sevilla Audit LLC)

Date:

March 26, 2020