Factsheet

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION IN MONGOLIA

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Implemented by:

GOVERNMENT OF MONGOLIA

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THIRD SUSTAINABLE LIVELIHOODS PROJECT

FACTS

Duration:
01.09.2012 till 31.12.2021.

Budget:
SDC: USD 5.6 million
World Bank: USD 36.8 million

Target area:
Nationwide

Target group
- Rural citizens throughout Mongolia, including large numbers of poor households
- Soum local governments, the communities they represent, and central authorities

Key partners:
- The Ministry of Finance
- Provincial Governor's offices
- Provincial Finance ,Treasury and Development Policy Divisions, and Procurement Departments
- Municipal Citizens assemblies and Municipal Governance Office
- The Cabinet Secretariat of the Government of Mongolia
- Academy of Management

BACKGROUND

SLP-3 is the third and last phase of the Sustainable Livelihoods Program launched in 2002 as a twelve-year program to introduce and demonstrate new and innovative approaches to rural development in risk and vulnerability reduction, increased community participation and decentralization, and to stimulate rural financial markets and products. The first and second phases of the programme were carried out during 2002-2007 and 2007-2013 respectively. With the enactment of the Budget Law in 2012, the country is moving away from a highly centralized budgetary system and attempting to reduce the distance between citizens and policy makers, as a result of the two previous phases. The law specifies that local governments must use the Local Development Fund's (LDF) allocations in accordance with citizen's priorities,identified through a robust process of community participation in budget preparation and execution, a major step forward in the empowerment of citizens and a major reform of citizen-government relationship.

The geographically focused pilots under the 1st phase have been gradually refined and scaled up nationwide under the 2nd phase, and ultimately institutionalized for sustainability under the 3rd phase (SLP-3—this project). Same as for the previous phases of the programme, the principal beneficiaries of SLP-3 are rural citizens throughout Mongolia, who should benefit from improved local governance, more effective and transparent public financial management and implementation of the LDF and co-funding of LDF from the development partners.

GOAL

To improve governance and community participation for the planning and delivery of priority investments in rural areas of Mongolia.

PROJECT COMPONENTS

Component 1: Capacity Building for Local Governance and Livelihoods.

Under the component 1, the project aims to build capacity at local and national levels for the planning and budgeting of the Local Development Fund (LDF) with community participation, as well as procurement, reporting, monitoring & evaluation of the LDF implementation in accordance with relevant laws and regulations. Based on needs, SLP-3 provides local authorities and communities with training and technical assistance

Component 2: Good Governance Performance-Based Support Program.

This component provides an incentive for good performance in the entire municipal Public Financial Management annual cycle (including financial and policy planning, budget preparation and adoption, budget execution, accounting, reporting, internal and external contro)l and public scrutiny on the LDF and other public resources, by providing an annual performance based top-up fund to selected municipalities based on the outcomes of municipal Annual Performance Assessment (APA).

Component 3: Project Management and Monitoring and Evaluation.

Activities under component 3 support the functioning of the Programme Implementation Unit (PIU), the monitoring and evaluation (M&E) of the efficiency and effectiveness of SLP-3, and support to the MoF in strengthening its M&E system for monitoring LDF implementation and results.

MAJOR ACCOMPLISHMENT OF THE PROJECT

Component 1: Capacity Building for Local Governance and Livelihoods.

- Within the framework of the project, the LDF Regulation was developed and approved by the Minister of Finance. Modules have been developed in 5 area:
  1) citizen participation,
  2) planning,
  3) execution and implementation,
  4) monitoring and evaluation (M&E) and
  5) ownership for local government officers and sub-municipal governors.

  All developed training modules are now included in the training curriculum of the National Academy of Governance. During the project implementation, 2 regulations related to procurement have been amended and approved by the Minister of Finance, 1 is under the development.
- The project has trained 15,823 civil servants related to the LDF implementation at three main levels, MoF, provinces and municipalities. As a result of trainings, the capacity of stakeholders who implement LDF procedures is improving.
- Since 2015, around 400,000 copies of printed materials have been published and distributed to local citizens and 50 video contents prepared and disseminated by TV channels, LDF website (http://tusuv-oronnutag.mof.gov.mn/) and social media.
- In order to increase citizens' participation in the LDF, 271 sub-projects on LDF planning and M&E were implemented in municipalities in 2018 and 2019. Their citizens' participation has improved by 2-4 times. Each municipality introduced good practices to increase citizens' engagement in the LDF for their specific condition.
- Within the framework of the project, the Procurement self-learning system, www.surgalt.tender.gov.mn, was developed and launched. Around 1000 participants registered in online lesson so far. In addition, the project organized A3 certificate training with MOF for 3'000 citizens' and local officials.60% passed and got the certificate. The municipal procurement procedures have correspondingly been improving.

Component 2: Good Governance Performance-Based Support Programme.

- From 2016, the project conducted APA in all 330 country's municipalities, with anaverage performance increasing and reaching 60.14% in 2020 (59.5% in 2019, 50% in 2018, 37% in 2017, and 32% in 2016). 248 municipalities were awarded MNT 6.5 billion in 2020, and 225 will be awarded MNT 6.5 billion in 2021 as a result of 2020 APA (154 municipalities were awarded a total of MNT 7.2 billion in 2017, 165 with a total of MNT 0.9 billion in 2018, 222 with MNT 4.6 billion in 2019),.

Component 3: Project Management and Monitoring and Evaluation.

- The LDF Management Information System (MIS) has been redeveloped and improved. With the launch of MIS, LDF data such as budget allocation, citizens' proposals, prioritization of the proposals, approved list, execution, and procurement information of LDF projects are integrated and all these information is now disclosed to public and authorities.
- The project and LDF official website, www.tusuv-oronnutag.mof.gov.mn, was developed and launched. The website provides all LDF related information as well as project activities.

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