



SLP-3

PROJECT PROGRESS REPORT

January 1st 2017 – June 30th 2017

Prepared by the Project Implementation Unit

August 16, 2017

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PROJECT OVERVIEW

Project name, ID:	Sustainable Livelihoods Project – 3, P125232
Address of the PIU, Phone:	Room #701, Level 7, Max Tower Juulchin street, 4th khoroo, Chingeltei district, Ulaanbaatar, Mongolia Phone number: 70009828
Task Team Leader:	Ingo Wiederhofer
Co – Task Team Leader	Badamchimeg Dondog
Acting Project Director:	Ulziisaikhan Dash, a Head of General Budget Policy and Planning Division of the Fiscal Policy and Planning Department at the Ministry of Finance.
Total Project Cost:	USD36.2 million
Financing Source:	USD24.8 million – International Development Association (IDA) (credit) USD11.4 million – SWITZERLAND Swiss Agency for Dev. & Coop. (SDC) /grant/
Project Approval Date:	2015.04.30
Project Implementation Start and Closing Date:	2015.07.30 - 2018.12.31
Progress report period:	2017.01.01 - 2017.06.30
Report date:	2017.08.16

PROJECT OBJECTIVE AND COMPONENTS

SLP-3 objective is to improve governance and community participation for the planning and delivery of priority investment in rural areas of Mongolia.

There are three interrelated components that work together to achieve overall objective of SLP-3:

A. Component 1: Capacity Building for Local Governance and Livelihoods.

The objective of Component 1 is to “build capacity at local and national level for the implementation and further development of the Government’s programs and mechanisms for supporting rural development”. This will in particular strengthen local governments’ capacity for effective, efficient and timely implementation and management of the LDF. Based on need, SLP-3 will provide local authorities and communities training and technical assistance related to planning, budgeting and implementation of the LDF.

B. Component 2: Good Governance Performance-Based Support Program.

The objective of Component 2 is to “enhance good governance in the entire budgeting process starting with financial and policy planning, including budget preparation and adoption, budget execution, accounting, reporting, internal and external control and public scrutiny.” More specifically, this component will provide an incentive for good performance in the entire Soum Public Financial Management annual cycle for LDF and other public resources by providing an annual performance based top-up fund to selected soums based on the outcomes of soum annual performance assessment (APA).

C. Component 3: Project Management and Monitoring and Evaluation.

Activities under Component 3 will support the functioning of the PIU, the monitoring and evaluation (M&E) of the efficiency and effectiveness of SLP-3, as well as providing support to the MoF in strengthening its M&E system for monitoring LDF implementation and results.
Project Management and Organization

Project Steering Committee (PSC)

The former Project Steering Committee that provided oversight of project implementation ensuring sectorial coordination and technical guidance to the PIU was established by the Order #274 dated in Oct 2nd, 2015 of the Ministry of Finance. Due to new government establishment after a Parliamentary election, and structural changes within the Ministry of Finance, the Project Steering Committee was re-established with the following members under the Order #15 of the Minister of Finance dated in Jan 17th, 2017.

Head of the Steering Committee:

B.Dorjsemed, Director, Development Financing Department, Ministry of Finance

Members:

S.Narantsogt, Director, Treasury Department, Ministry of Finance
N.Narangerel, Director, Budgetary Control, Risk Management Department, Ministry of Finance
P. Bilguun, Director, Legal and Procurement Department, Ministry of Finance
M.Enkh-Amar, Director, Policy and Planning Department, Ministry of Food, Agriculture and Light Industry
D.Ulziisaikhan, Head, General Budget Division, Fiscal Policy and Planning Department, Ministry of Finance
B.Sukh-Ochir, Head, Debt Management Division, Financial Policy Department, Ministry of Finance
P.Zorigbaatar, Senior Referent, Local Administration and Coordination Department, Cabinet Secretary
G.Ulzijagal, Senior Consultant, Development Financing Department, Ministry of Finance

Secretary:

Coordinator, Sustainable Livelihood Project-3, /non-voting/

Observers:

Representative, World Bank Mongolia Office /consensus/
Representative, The Swiss Agency for Development and Cooperation (SDC) in Mongolia /consensus/

Project Implementation Unit (PIU)

The PIU has now seven regular PIU staff and three technical backstopping consultants. All PIU staff is listed in the table below. The contracts with the Project Coordinator and the Communication Officer have ended and their contract extension has been delayed at the moment of this report. Currently, Mr. Ulziisaikhan Dash, a Head of General Budget Division of the Fiscal Policy and Planning Department at the Ministry of Finance, is working as an acting project director and managing daily works of the PIU.

Current Personnel of the Project

Position	Staff	Date joined the team
Acting Project Director	Ulziisaikhan Dash	June 2017
Senior Technical Coordinator	Ganchimeg Perenlei	September 2015
Procurement Specialist	Jigjid Banzragch	September 2015
Monitoring and Evaluation Officer	Orgilbold Tumurbaatar	June 2016
Capacity Building Specialist	Munkhbayar Alгаа	November 2016
Financial Management Specialist	Densmaa Jagdal	April 2017
Administrative Assistant	Munkhdelger Tsog	September 2015
Technical Backstopping Consultant on Financial Management and Budget Preparation	Khosbat Batsukh	August 2016
Technical Backstopping Consultant on Procurement and Budget Execution	Khorolmaa Bold	November 2016
Technical Backstopping Consultant on Community Participation	Munkhzul Dashnyam	December 2015

Local Project Officers

Based on Aide Memoire generated after the midterm review conducted in October 2016 during the mission carried out by the World Bank and Swiss Development Cooperation, it was recommended to change the structure of the project in aimag level and to have only one officer who is responsible for facilitating project activities in aimags. The PIU and the MoF have organized recruitment of these staff called a Local Project Officer according to the procurement guidelines of the World Bank. Contacts with selected LPOs were signed on April 7th 2017 for all aimags except Arkhangai. The one who selected as a LPO for Arkhangai aimag refused to work on this position and next round of recruitment for this aimag is expected soon. Names of LPOs are given in the table below.

№	Aimags	Name
1	Bayan-Ulgii	Kh.Bolashakh
2	Bayankhongor	D.Boldbaatar
3	Bulgan	Ts.Enkhjargal
4	Gobi-Altai	Ts.Achitmaa
5	Gobi-Sumber	L.Uranchimeg
6	Darkhan-Uul	S.Batkhisig
7	Dornogovi	B.Unurbayan
8	Dornod	G.Tsolmon
9	Dund-Gobi	B.Enkhtuvshin
10	Zavkhan	S.Byambatseren
11	Orkhon	G.Alimaa
12	Uvur-Khangai	T.Narangerav
13	Umnugobi	B.Byambadorj
14	Sukhbaatar	D.Ariunjargal
15	Selenge	D.Tsend-Ayush
16	Tuv	U.Bumanbuyan
17	Uvs	D.Badamnyambuu
18	Khuvsgul	Ch.Batdorj
19	Khentii	J.Davaasuren
20	Khovd	J.Batsaikhan

PROJECT ACTIVITIES

Major accomplishments, completed works and their deliverables are listed below by the project components. Please note that some of the works was not included in the annual work plan, but they were compulsory.

Component 1: Capacity Building for Local Governance and Livelihoods

№	Task-Deliverables	Details	Outcome	Relevant item of the annual workplan
1-1	Developing TOR for Local Project Officers (LPOs) and selection of LPOs in 21 aimags	Based on the restructuring made during the midterm review held in October 2016, only one staff in each aimag will work representing the project. The PIU has developed Terms of Reference for this staff and WB and MoF reviewed and approved the TOR. Selection of the 21 LPOs has been done by the MoF, and their contracts were signed upon recommendation letters by aimag governors.	All LPOs except for Arkhangai aimag have started working from April 7th 2017. For Arkhangai aimag, a selected LPO refused to sign the contract and selection needs to be done once again for this aimag. Through recommendation letters, LPOs' cooperation with aimag authorities are secured.	1.3
1-2	Orientation training, project implementation manual and work guidances for LPOs	A Half day orientation training was provided for LPOs by PIU Staff and Technical Consultants. The training was mainly focused on the project implementation manual (PIM). At the end of the training, shortened version of the PIM was distributed for their reference. Since their contracts are signed, the PIU has been working with LPOs by providing constant guidances and by assigned certain tasks. Several video conferences have been done among LPOs and the	Newly recruited LPOs equipped with the clear understanding about the project and overall LDF activities. Now their work plans are getting defined specifically.	1.1

		PIU depending on the urgency and needs of communication.		
1-3	Detailed Plan of National Level Capacity Building activities for 2017 (roadmap)	The draft plan was developed based needs identified from the APA 2016 results, recommendations gathered during training held yearly 2017 and other smaller studies conducted in 2016. Detailed budget plan was developed according the Capacity building plan as well.	It has been ready to launch Capacity Building activities of 2017.	1.2 1.4 1.5
1-4	Workshop on Capacity Building in local budgeting and management	<p>From all 21 aimags, 83 participants including an Aimag’s Deputy Governor, a Head of the Finance, Treasury division, a Head of the Investment budget, Development policy and planning division, a Head of the Local equity department participated in the training. Participants were divided into three batches to make the training effective.</p> <p>Presentation topics by MoF included: ”2016-2017 Fiscal revenue status of Mongolia and reform in related legislations”, “2016-2017 Budget expenditure status of Mongolia and reform in related legislations”, “Local budget and LDF”, “Local social welfare service delivery”, “Reform in Budget law and LDF regulations”, “Investment budget planning, execution, financing regulations”, “Procurement policy and coordination”, “Treasury payment and settlement regulations”, “Budget transparency, Glass Account law implementation”, and “Financial control and risk management policy, implementation”.</p> <p>Presentations by the PIU included: “APA’, ‘Key issues in the LDF planning, implementation and Procurement”, “Local capacity building activities of</p>	<p>Aimags officials got updates on state budget and planning, and their knowledge on budget law and other related regulations has been improved.</p> <p>Aimags official got detailed introduction for SLP-3 and APA on LDF.</p> <p>Findings from the discussion feeds Capacity Building plan of the project.</p>	1.9 1.10

		<p>SLP3”, and “Project Monitoring and Evaluation, Reporting and Communication”</p> <p>At the end of the training, there was discussion among participants on selecting and sorting LDF proposed projects, implementing and monitoring projects, and community participation in these processes. As a result of the discussion, problems and issues around above processes have been identified and potential ways, especially by the project, to solve them were proposed.</p>		
1-5	Collection of manuals, books, guidelines and training materials related to LDF.	A small library with collection of manuals and guidelines developed by MoF and other projects has been established. The topics of the library includes: budget planning, execution, procurement and community participation.	The library will be used as a reference for capacity building activities.	
1-6	Brochures and handouts of Capacity Building activities	Contents of the Brochures and handouts included Community Participation in LDF operation, Brief introduction about APA and APA 2016 results and Project Introduction	They will be used to promote and introduce project activities.	
1-7	Establishing Aimag Level Support Teams (ALSTs)	During the midterm review held in October 2016, it was decided to establish Aimag Level Support Teams that consist of governor’s office staff representing relevant departments and units to provide and facilitate capacity building in their aimags. Another reason was to increase local authorities’ participation and roles in the capacity building. With this purpose, the PIU and MoF sent official letters to aimag governors requesting to establish ALSTs in their aimags. As of now, 19 aimags out of 21 have established ALSTs. The ALST has 5-9 members	Now it is possible to launch capacity building activities in the aimag level with the support and involvement from Aimag Governors’ offices.	

		<p>including a head of deputy of the governor's office, representatives from Citizens' Representative Khurals, and staff from relevant departments and units at the governors' offices.</p> <p>Two aimags with no ALSTs are Arkhangai and Khovd aimag and Arkhangai aimag doesn't have a LPO, and Khovd aimag's LPO has been recruited just recently.</p>		
1-8	Aimag Level Support Team capacity building training	<p>The purpose of the training was to introduce SLP-3, provide orientation on how ALSTs will work with the project on capacity building, and to update them with relevant topics.</p> <p>Aimags are divided into two batches and the training for the first one with 9 aimags was conducted in June in UB. (the training for remaining 12 aimags is planned in July)</p> <p>Following topics were covered by the MoF during the training: budget and public finance, Budget law, investment planning and execution, LDF planning, execution, monitoring, Procurement, Internal audit, M&E, Community participation, and Training program, plan development methods. The PIU staff introduced the project and its implementation procedures, APA and APA 2016 results.</p> <p>At the end of the training, there was a discussion session among participants. Discussion focused on capacity building needs in each aimag and potential methods and approaches to implement it.</p>	ALST members have been acknowledged with the project and figured out their roles and responsibilities as a ALST member. In addition, they have streamlined their plans to implement capacity building activities in their aimags.	

1-9	Support MoF in upgrading LDF related regulations	<p>With the purpose of revising unfair distribution of LDF funds and formalizing grants and additional funds by the Project to the LDF, Government resolution #30 about Procedure of transfers from GLD and LDF needs to be revised and the PIU has been working in its revision draft and submitted it to the MoF.</p> <p>In addition, revision drafts of the regulations for Local budget Planning and LDF guidelines have been developed by the PIU and sent to the MoF.</p>	<p>After the revisions, LDF regulations will be streamlined and project grants and contributions to the local budget will be formalized.</p>	
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Component 2: Good Governance Performance-Based Support Program

№	Task- Deliverables	Details	Outcome	Relevant item of the annual workplan
2-1	Transferring Performance Based Grants	<p>Based on APA 2016 results, qualified 154 soums have received PBGs in 2017 through budget amendment. PBG was calculated as a 25% top-up of soums' regular LDF allocation in 2017.</p> <p>Prior to transferring PBGs, soum LDF expenditure reports were prepared by those 154 soums with assistance of the PIU and MoF, and submitted to the WB as requested by the WB.</p>	154 soums out of 330 soums got PBGs worth of 7,152 billion tugrugs.	2.1
2-2	Spreading out APA 2016 results to aimags and soums.	<p>Special reports with APA 2016 results were prepared for each aimag and sent to aimag Governors through official letters from the Minister of Finance dated 10th May 2017.</p> <p>The report contains performances by each criteria and group, as well as specific observations of each soum.</p>	Aimags and soums have been informed with their performances, and are expected to work on to improve it.	
2-3	Revising PBG allocation plan by the project	Due to exchange rate fluctuation, it has been anticipated that significant amount of fund will be unspent when the project ends according to current PBG allocation plan. Thus, the project needs to change the plan to spend all available fund. New proposal was prepared by the PIU along with international consultants and submitted to MoF and the WB.	The project budget will be spent effectively and efficiently.	
2-4	Refining APA methodology for APA 2017	Based on lessons learned and findings from APA 2016, APA criteria and methodology has been upgraded slightly. APA 2017 timing was also considered for criteria and their assessment	APA methodology has been approved by the PSC on 8 th June, and now it is available for APA 2017.	2.2

		<p>methodology. Revised methodology was also tested in few soums.</p> <p>Another addition to the APA methodology is that consulting companies' responsibility has been increased.</p> <p>After revising APA methodology, it has been introduced and shared to MoF and other Stakeholders.</p>		
2-5	Procurement of consulting services on APA	Selection of consulting companies has been undertaken by MoF according to the WB's Procurement Guidelines. Overall scope of APA was divided into 3 lots, and IRIM LLC, ERI NGO and MMCG LLC have been recruited for lot 1, 2 and 3 respectively.	Consulting firms have been selected and already started working.	2.3
2-6	APA methodology training for selected contractors	The PIU provided training for assessors of all three consulting firms on APA criteria and assessment methodology. The training was delivered to each lot separately in order to increase effectiveness of the training. Each lot training lasted for 1 day and after 3 days training, there was wrap-up session held on 4th day for all field team leaders and lot supervisors.	APA Assessors have been trained properly and assessment will be conducted with the same standards for each soum.	2.3
2-7	Annual Performance Assessment 2017	Field work of the assessment has been commenced on 19 th June, and will last for one month. During the assessment, spot checks will be conducted by the PIU, MoF and the WB, and assessment results will be reviewed at the PIU to be finalized as before.	APA will be conducted with proper quality and on time.	2.4

Component 3: Project Management and Monitoring & Evaluation

№	Task- Deliverables	Details	Outcome	Relevant item of the annual workplan
3-1	Revising the Project Result framework	<p>It has been while since the initial plan of the project was developed, and project environment has been altered slightly. Due to this change, the project result framework needs to be reviewed and updated to be consistent with today's project implementation circumstances.</p> <p>Revision discussion started in November 2016 and has been finalized in May 2017 after WB's mission.</p>	The indicators have become more realistic and more consistent with the current project implementation.	3.5
3-2	The Baseline Survey	Inter-Consulting Group LLC has been selected as a consult on this work, and consultancy service contact has been signed 29 th June. Selection of the company has been made by MoF according to the Procurement Guidelines of the WB.	The survey has been started with its preparation.	3.1
3-3	Converting project controlling and planning into a project management software	Project plans and subproject plans (CB, APA and Baseline survey) have been converted into MS Project format as requested by the project coordinator.	Planning and controlling project activities, and generating reports for them have been more straightforward and quicker for the project coordinator.	3.9
3-4	Promotion activities of the project	The PIU was part of Open Day of the MoF organized in the Central square. During the event, the PIU introduced the project to the public and distributed brochures and handouts, and details have been delivered to individuals who sought more.	The Public awareness has been increased with general information of the project and what is going to be done for LDF and Public Financial Management through the project.	

		<p>A Representative of the PIU joined training by the UNICEF in Khuvsgul province and introduced the project and APA to the participants who included officials from Aimag governors' office and Citizens' Representative Khural of Khuvsgul aimag.</p> <p>A Brown bag meeting has been organized among representatives from the PIU, MoF, SDC, WB and other SDC projects to share SLP-3 implementation progress, APA results and Capacity building plans.</p>	<p>Officials of Khuvsgul aimag received detailed introduction of the Project and APA 2016.</p> <p>Stakeholders of the SLP-3 has been informed with the project progresses and potential cooperation with other projects has been identified.</p>	
3-5	An Implementation support missions	<p>A small technical mission by international consultants was carried out to support APA 2016 analysis and Capacity building planning</p> <p>An implementation support mission was carried out from April 17 to May 5, 2017 by the World Bank and SDC, in collaboration with the SLPIII Project Implementation Unit (PIU) and the Ministry of Finance (MoF). The objectives of the mission were to review and finalize the project restructuring that is needed to adjust to new circumstances, to review project human resource needs and agree on the implementation arrangements, to finalize the capacity building work plan for 2017 and the Annual Performance Assessment methodology revisions, to review the M&E aspects of the project, including the MIS system, agree on special studies needed, and update the Project Results Framework; and to review project communications plan and activities. The mission included a field trip to Selenge and Darkhan-uul aimags.</p>	<p>As a result of the mission, the project result framework has been revised, and several decisions related to project structure, and project progress have been made.</p>	

3-6	Proposal of upgrading LDF Management Information System	The proposal was prepared by PIU staff and international consultants based on findings from APA 2016 and other observations and studies to improve the MIS in terms of data content, quality, timely manner, as well as its usage in different levels.	Based on this proposal further measurements, e.g. hiring technical consultants etc. will start.	3.8
3-8	Financial audit on project activities	Financial audit has been conducted all activities of the project of 2015 and 2016, and PIU supported it with necessary documents and reference materials.	Audit has been conducted and reports are expected to be shared soon.	3.7
3-7	Other administrative tasks	PIU staffs participated the training of World Bank Procurement System, and entered the SLP-3 2017 procurement plan and all procurement records with its supporting documents into the system according to the guidance.	All transactions and records have been entered into the WB's system.	

ANNEX – 1. PROGRESS OF THE ANNUAL WORK PLAN OF 2017

APPROVED BY:

DORJSEMBED.B /HEAD OF SLP-3 PROJECT STEERING
COMMITTEE AND
DIRECTOR OF DEVELOPMENT FINANCING DEPARTMENT
MINISTRY OF FINANCE/

Annex №1 of the resolution
number from the Steering
Committee Meeting, Third
Sustainable Livelihoods Project,
February 9th, 2017

ANNUAL WORK PLAN OF 2017, THIRD SUSTAINABLE LIVELIHOODS PROJECT

Duration: January 1st, 2017 - December 31, 2017

№	Activities	Completion date (quarters)				Task owner	Outcome	Notes	Progress	%
		I	II	III	IV					
Component1.Capacity Building for Local Governance and livelihoods										
1.1	Orientation training for local project officers in all 21 aimags					PIU	Local project officers will be familiar with project objectives and activities		Training was held on April 7 th , 2017 in UB	100%
1.2	Priority CB activities for each aimag based on APA result and defining CB Strategy					PIU, ALST,LPOs	CB strategy will be defined		CB strategy and Plan has been defined	100%
1.3	Selection of LPOs in 21 aimags					PIU, MOF	LPO's will be selected.		20 out of 21 LPOs have been recruited	95%
1.4	<i>Develop aimag level CB activity plan</i>					PIU, MoF, International consultants	CB activity plan will be made for each aimag	There shall be a specific plan for each aimag	Initial Drafts have been developed by LPOs and reviewing and refining the drafts are being conducted.	50%

1.5	Develop national level CB activity plan					PIU, MoF, International consultants	CB activity plan will be made for national level	National level CB plan	The National Level CB Plan has been made	100%
1.6	Develop manuals on relevant rules and laws based on CB needs assessment					PIU, ALST, LPOs	Manuals for LDF implementation will be available		Expected to be developed after LDF regulations' update.	0%
1.7	Organize local trainings and workshops					PIU, MoF, Training contractors		According CB activity plan	Planned to start in August, 2017	0%
1.8	National Level Trainings on Community Participation, Budget planning and Procurement					PIU, MoF, Training contractors	Capacity of local administration staff will be built.		The training was conducted in January through February	100%
1.9	Aimag level specific trainings					MoF, PIU, ALST, LPOs	Capacity of local administration staff will be built.	Training topics will be identified based on needs assessment of an aimag	The first batch of the training has been held in June 15-16	50%
1.10	Capacity building trainings for treasury staff at the Ministry of Finance and aimag administration offices					PIU, MoF, Training contractors	Relevant officers and staff will be trained	Will be based on CB needs assessment	The training has been conducted in June	100%
1.11	Experience sharing activities					PIU, ALST, LPOs		According CB activity plan	Planned to start in August, 2017	0%
1.12	Good LDF experience sharing activities among aimags					PIU, ALST, LPOs	Good practices will be adopted.	Good LDF experience will be shared with other aimags	Planned to start in August, 2017	0%
1.13	Good LDF experience sharing activities among soums					PIU, ALST, LPOs	Good practices will be adopted.	Good LDF experience will be shared with other soums	Planned to start in August, 2017	0%
1.14	Mid year review of CB					PIU, International Consultants	Implementation of CB will be reviewed		Planned to be conducted at the end of year.	0%

Component 2. Good Governance Performance-Based Support Program										
2.1	Approval of PBG allocation for 2016 by PSC and include it in budget amendment					PIU, MOF	PBGs will be approved by the PSC and qualified soums be ready to get PBGs		PBGs were approved by the PSC on Feb 9 th , and 7.1 billion tugrugs were transferred to the treasury as PBG	100%
2.2	Proposal on adjusting or revising APA methodology, and getting approval from the PSC on it.					PIU, PSC	APA criteria and methodology for 2017 will be approved by the PSC		Approved by the PCS on 7 th June	100%
2.3	Procurement of consulting services on APA, and APA methodology training for selected contractors					PIU, MoF	Consulting firms for APA will be recruited	a NOL shall be obtained from the World Bank	APA 2017 Consulting companies have been selected	100%
2.4	Implementation of APA processes					PIU, APA Contractors	APA on soums will be completed		APA 2017 started on 19 th June and will continue through 19 th July.	50%
2.4.1	<i>Verification of all 330 soum APA results and generating final reports of APA</i>					PIU, MoF	APA results of all 330 soums will be verified and PBG allocations are determined.		in progress	70%
2.4.2	<i>PBG allocation reports to be send to the MoF</i>					PIU, MoF	a list of soums to be awarded for PBG will be available		Will be done accordingly	0%
2.4.3	<i>Verification on PBG allocations on LDF by the MoF</i>					MoF	PBG allocations will be verified by relevant units of MoF		Will be done accordingly	0%
2.4.4	<i>Approval on PDG allocation on LDF by the PSC and reflect to 2018 state budget proposal</i>					MoF	PBG allocation on LDF will be approved by the PSC by each soums and aimags		Will be done accordingly	0%
2.5	Workshop for evaluating APA performance and further improvements					PIU, APA Contractors	Findings and Lessons learned will be discussed for next year's APA		Will be done accordingly	0%

Component 3. Project management and M&E										
3.1	Implementation of the Project Baseline Survey					PIU, Consulting firm	Baseline indicators and initial conditions of the project area will be defined	a NOL shall be obtained from the World Bank	The Baseline Survey consulting company has been selected and working on survey preparation	20%
3.2	Procurement of office furniture, equipment and vehicle for local project officers					PIU, MoF	Local project officers will be able to work normally	a NOL shall be obtained from the World Bank	Contacts with suppliers have been signed	80%
3.3	Capacity building training for project staff					PIU	Capacity of project staff will be improved			
3.4	Experience sharing trip to abroad					PIU, MoF, members from PSC	Good international practices will be adapted			
3.5	Revise result framework					PIU, WB	Result framework will be revised	a NOL shall be obtained from the World Bank	RFW has been revised	100%
3.6	Implementation of public relation activities of the project					PIU	Information of Project activities and LDF will be disseminated to the public			
3.7	Financial audit on project activities					PIU, MoF	Project activities will be audited and verified.		Done by "Od Audit" LLC	100%
3.8	Procurement of consulting service on LDF Management Information system					PIU, MoF	LDF Management Information System will be improved and upgraded		TOR for MIS Upgrading Consulting Service is being developed	10%
3.9	Upgrading project controlling and reporting system through a project management software					PIU	Upgraded and effective project controlling system		Sub project plans (APA and CB etc) have been converted into MS Project as the Project Coordinator requested	100%

ANNEX – 2. RESULTS FRAMEWORK, THIRD SUSTAINABLE LIVELIHOODS PROJECT

Project Development Objectives

PDO Statement

Project Development Objective is to improve governance and community participation for the planning and delivery of priority investments in rural areas of Mongolia.

These results are at

Project Level

Project Development Objective Indicators

Indicator Name	Baseline	Cumulative Target Values				
		2016	2017	2018	2019	2020
<p><i>Indicator 1: Average Soms' Annual Performance Assessment score</i></p> <p>This indicator replaces the previous PDO indicator 2. Indicator will be collected from the APA annually. <i>Description of indicator: Average APA score of somus (calculated based on 10 core criteria)</i></p>	<p>31.4%</p> <p>2016 APA; based on the average score of the 10 criteria</p>			40%	50%	60%
<p><i>Indicator 2: Percentage of Soms' citizens surveyed reporting that LDF financed investments reflect their priority needs, disaggregated by gender</i></p> <p>- Total - Female</p>	<p>TBD by Household Survey</p>					<p>- TBD - TBD</p>

<i>Indicator 3: Participation: Percentage of bagh households participating in public Bagh meetings</i>	TBD by Household Survey					
Number of subprojects completed	0			TBD	TBD	TBD
Direct project beneficiaries (Core WB indicator) (Number) - (Core)	0	--		1,637,197	1,637,197	1,637,197
Female beneficiaries (Percentage - Sub-Type: Supplemental) - (Core)	Not Applicable	--		50%	50%	50%

Intermediate Results Indicators

Indicator Name	Baseline	Cumulative Target Values				
		2016	2017	2018	2019	2020
Component 1 Objective: The objective is to build the capacity at local and national levels for the implementation and further development of the Government's programs and mechanisms for supporting rural development						
Percentage of trained Aimag Local Support Team and national government staff applying learned skills through the project (quality ToT in planning, procurement, financial management, community participation and M&E)	Not Applicable			TBD	TBD	TBD
Percentage of Soums' government staff trained by Aimag local support team with improved capacity (applying learned skills in planning, procurement, financial management, community participation and M&E)	Not Applicable			TBD	TBD	TBD
Number of Aimag Local Support Team, national government staff, and Soums' government staff trained	0			TBD	TBD	TBD

Component 2 Objective: The objective of the PBF would be to enhance good governance in the entire budgeting process starting with financial and policy planning, including budget preparation and adoption, budget execution, accounting, reporting, internal and external control and public scrutiny

<p>Percentage of Bagh citizens who know the approximate current annual LDF allocation for their Soum</p> <ul style="list-style-type: none"> - Total - Female <p>This indicator refines previous Intermediate indicator one “Awareness”</p>	<p>TBD by Household Survey</p>					<p>TBD</p>
<p>Guidelines necessary to improve governance and community participation for the planning and delivery of LDF developed</p>	<p>Yes/No</p>		<p>Yes</p>			
<p>Number of LDF related or other MoF regulations, which have been submitted for MoF review, with SLP 3 support.</p>	<p>0</p>		<p>1</p>	<p>1</p>	<p>1</p>	<p>3</p>