

Joint SDG Fund

Template for the Joint Programme Annual Progress Report

SDG FINANCING PORTFOLIO – COMPONENT 1

Cover page

Reporting period: June 30 – December 31, 2020

Country: Mongolia

Joint Programme (JP) title: Rolling Out an Integrated Approach to the SDG financing in Mongolia

Short title: INFF for Agenda 2030, Mongolia

Start date (month/year): 07/2020

End date (month/year): 07/2022

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Budget (Joint SDG Fund contribution): USD836,954

Overall budget (with co-funding): USD916,954

Annual Financial Delivery Rate: 8.4%

Rate of Committed Funding : 23.3%

	Expenditures January 2020 - December 2020	Committed resources January 2020- December 2020	Transferred Funds January 2020- December 2020	Annual Financial Delivery Rate (%)	Committed Funding Rate(%)
UNDP	35133	27603	315008	8.4%	23.3%
UNICEF	0	70000	103469		
PUNO 3					
PUNO 4					
PUNO 5					

Short description of the Joint Programme (max 1 paragraph):

Mongolia was one of the first countries to adopt a national development strategy aligned with the SDGs. It adopted its own Sustainable Development Vision for 2030 (SDV) in 2016, which has been superseded in 2020 with a longer-term development policy document 'Vision-2050'. Though Mongolia has set out a longer term development trajectory, this document has not fully considered the SDGs attainment in the first phase of the document which covers 2020-2030. Due to this, Mongolia faces specific challenges in effective delivery of SDGs overall. Due to the weak link between policy planning and financing which exists in Mongolia, there is a need to not only better align development policy with the SDGs but also to solidify the financing of this development, which is the aim of this Joint Programme and the establishment of the Integrated National Financing Framework (INFF) in Mongolia. The Joint Programme expects to produce the following outcomes: 1) INFF governance structure, monitoring and review for financing of 'Vision-2050'/SDGs function effectively;

and 2) INFF produced financing strategy leverages resources for Vision2050/SDGs from public and private sources. Rather than focusing on a specific financing policy, the JP aims to apply a broader approach to financing national development (including coordination and oversight institutional arrangements, monitoring and review, both integrated and sectoral financial strategies, private and financial resources), with the intent to enable the realignment of existing resources and unlock new sources of financing for sustainable development in Mongolia. The emphasis on the INFF and the financing of SDGs and development policy has become quite critical in light of the COVID-19 pandemic and the need to utilize sizable state resources for fiscal measures to support the people and economy of Mongolia which were not envisaged or planned for.

Executive summary

The first 6 months of the implementation of the two-year SDG Joint Programme in Mongolia has been successful in establishing strong partnerships with key stakeholders and agreeing on the scope of cooperation for the implementation of JP. The INFF technical work group has been established at the Ministry of Finance, including UN agencies, IFIs, the EU, the National Audit Office, the Development Bank of Mongolia, the private sector, and CSOs. This technical working group will facilitate the INFF development and implementation of JP activities.

Based on the common understanding and cooperation developed with the stakeholders, the initial assessment and diagnostics are being conducted for the outputs under the JP, such as the scoping work on the introduction of INFF, review of the piloting of results-based budgeting in social sectors, and review of the alignment of the National Development Bank operations with the SDGs.

Parliamentary elections were held in Mongolia in late June 2020, just prior to the beginning of the JP which led, together with COVID-19 prevention measures, to a slight delay in the start of the JP. In mid-November, Mongolia had the first cases of community transmission of the COVID-19, which continue currently. Due to the community transmission and different clusters being reported, the government introduced stricter measures in particular in the capital city which is still ongoing. Beyond this, much of the government, including the Ministry of Finance, have been occupied with handling the COVID-19 emergency situation in the country, including health and humanitarian, thus less time has been dedicated to other, yet strategic, priorities, such as the INFF development.

A. Annual Progress (MAXIMUM 7 PAGES)

A.1 The overview of progress and challenges

A.1.1. Overall self-assessment

Provide a self-assessment on the overall JP progress in the last year.

- Above expectations (expected annual results fully achieved and additional progress made)
- On track (expected annual results achieved)
- Satisfactory (majority of expected annual results achieved)**
- Not-satisfactory (majority of expected annual results not yet achieved)

Activities related to the implementation of the major outputs listed below have started implementation and progress is being made in each of those areas.

Discussions have taken place between the UN Resident Coordinator (RC) and the Prime Minister of Mongolia (PM) on the development of a Multi-Stakeholder Platform for Sustainable Development (MPSD) and the PM has sent a letter to the Resident Coordinator (No. 3Г-1/149 dated 21 December 2020) confirming his support to the establishment of a MPSD and engagement with the UN for its establishment.

Ministry of Finance is currently providing leadership and oversight for the development of the INFF as assigned by the Implementation Plan of the Government 4-year action plan, point 3.1.14.

The most appropriate governance mechanism to facilitate dialogue and participation around development financing from planning, to allocation, execution to monitoring and oversight is under consideration by the Ministry of Finance and is expected to be discussed within the Technical Working Group led by the Ministry of Finance.

INFF technical working group was established including over 20 different stakeholders, creating a solid foundation for the INFF. The INFF initial assessment and diagnostics are conducted to determine the INFF priorities and focus. The SDGs prioritization and costing exercises are drafted to determine the development priorities and estimate the financing needs.

Expenditure review is conducted at the Ministry of Education and Science as part of another UNDP project. Building on this work, the draft manual for special purpose transfer budgeting is being developed under the JP. Terms of Reference for a more comprehensive social sector expenditure review with a focus on children was approved and the bidding for an international institutional service provider started.

The JP conducted an initial assessment on the extent of the integration of sustainability principles in the DBM operations. Based on the JP consultations and initial recommendations, the DBM has included a goal on introducing sustainable financing principles in their revised 3 year strategic plan (which is due to be approved by the DBM's Board of Directors in January 2021). The JP will build capacity and help implement sustainable financing principles into the DBM operations.

A.1.2. Overall progress and key developments to date

1) Governance and coordination

Discussions between the UN Resident Coordinator (RC) and the Prime Minister of Mongolia (PM) on the development of a Multi-Stakeholder Platform for Sustainable Development (MPSD) have progressed and the PM has sent a letter (No. 3Г-1/149 dated 21 December 2020) confirming his support to establishment of a MPSD.

In addition, the National Committee for Sustainable Development (NCSD) was reformed by the *Government Resolution No. 10* dated 13 January 2021. With the new composition the body is now to be Chaired by the Prime Minister, and the Deputy Chair is the Chief of the Cabinet Secretariat and NDA serves as the Secretariat. The UN Resident Coordinator has now been included as a member of the reformed NCSD, which was initially formed in 2017.

The Ministry of Finance is currently providing leadership and oversight at the development of the INFF as assigned by the Implementation Plan of the Government 4-year action plan, point 3.1.14. The MoF has issued a government decision in December 2020 on the formation of the Technical Working Group, to be co-chaired by the Vice Minister of Finance and the UNDP Deputy Resident Representative, which will hold discussions to provide recommendations on the establishment of the INFF strategy, roadmap, and governance mechanism. Thus, the TWG is fulfilling the coordination function, ensuring that dialogue happens among various stakeholders in aligning the financial resources, exploring new opportunities and developing the financing strategy.

2) **Research, assessments and feasibility studies**

Initial assessment exercises have been conducted. The INFF inception report and the first draft of the scoping report is conducted by the local consultant firm. Assessment on the current situation of Development Bank of Mongolia's contribution to SDG financing is conducted by a local individual consultant. Preparation for a child-focused social sector expenditure review aimed at generating evidence-based information that will promote greater visibility of issues of children into the government budgeting processes and contribute to strengthening the effectiveness of public expenditure on children is ongoing. Building on the work already conducted as part of another UNDP project, results-based budgeting continues to be strengthened with the drafting of the results-based budgeting guideline for special purpose transfer in the education sector.

3) **Financial policy development and financial advocacy activities**

Financial policies will be developed on the basis of initial assessment and diagnostics reports, that have been completed in 2020 under the JP.

4) **Capacity building for key stakeholders on SDG financing**

No capacity building has been conducted during this reporting period.

5) **JP programme management**

The JP steering committee was established and convened its first meeting on 07 October 2020, approving the JP annual workplan and the Terms of Reference for the Steering Committee and the technical working group. The JP manager is appointed and key consultants are hired, in particular local and international consultants for INFF, local consultant for capacity building at the Development Bank of Mongolia and local consultant for results-based budgeting.

6) **Mobilization of financial resources**

As part of the Budget Support programme signed by the EU and Government of Mongolia in 2020, a new project, "SDG-aligned Budgeting to Transform Employment in Mongolia," is launched to support employment and promotion of decent work and improved public finance management systems through results-oriented budget initiatives as direct contribution to the attainment of the Sustainable Development Goals. The project will be implemented by UNDP in partnership with UN Food and Agriculture Organization and the International Labour Organization for a duration of 3.5 years with EUR 7.4 million budget. This project will directly complement the JP activities and enhance its outcomes and results.

A.1.3. Changes

Was the JP document modified in the past year?

Yes

No

There have been various contextual changes such as the Parliamentary elections that took place in June 2020, changes in Government and leadership of partner organisations, approval of new national policy documents such as the Vision-2050 long term policy document replacing the previous Sustainable Development Vision 2030 document, onset of COVID-19 and the significant impact it has on the economy

resulting in over 7% decline in GDP and various socio-economic challenges that is shifting the Government’s priorities. Due to these contextual changes, the JP document has been updated for internal purposes reflecting these contextual changes and a slight delay in the start of the implementation of activities, however the key contents including the approach, strategy, ToC, expected results, and budget have not been modified.

A.1.4. Challenges

Did the JP face any major challenges in the past year?

- Yes
- No

Parliamentary elections held in Mongolia in late June, just prior to the beginning of the JP and the changes in the leadership of the Government and partner institutions following the elections led to a slight delay in the start of the JP. In mid-November, Mongolia had the first cases of community transmission of the COVID-19, which continue currently. Due to the community transmission and different clusters being reported, the government introduced stricter measures in particular in the capital city which are still ongoing. This has shifted the priorities of the government, including the Ministry of Finance, to handling the COVID-19 situation in the country, severely impacting the available time and resources to development priorities such as the INFF development.

A.1.5. COVID-19 and other strategic alignment

The UN Mongolia Socio Economic Response Plan (SERP), prepared in July 2020, emphasizes the importance of aligning financing to development policy and planning and integrating potential financial sources, which has already been an ongoing challenge and has been further exacerbated by the pandemic. Pillar 4 - Macroeconomic response and multilateral collaboration of SERP included the development of the INFF and the implementation of related JP activities as a solution to SDG financing and progressing on the country’s sustainable development. The specific outputs of the INFF are referenced in the SERP as 1) strengthening the governance structure and monitoring & reviewing systems of financing of SDGs 2) formulating an integrated national financial strategy and 3) building capacity of key stakeholders to implement SDG financing strategies, incorporating international best practices and innovative solutions. Therefore, the SERP and JP have full alignment and complementarity within the overall framework of building back better.

A.2 Update on priority issues

A.2.1. Progress on Integrated National Financing Framework/SDG financing building blocks

Implementation stages	Planned (0%)	Emerging (1-49% progress)	Advancing (50-99% progress)	Complete (100% progress)	Previously completed	Not applicable	Comments/ Notes
1. Inception phase	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Assessment & diagnostics	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Financing strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
4. Monitoring & review	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
5. Governance & coordination	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Individual meetings were organized with the key stakeholders in the INFF development, including the Ministry of Finance, National Development Agency, Development Bank of Mongolia, National Audit Office, the Central Bank of Mongolia, Financial Regulatory Commission, Mongolian Sustainable Finance Association and Mongolian Bankers Association, which helped tremendously to build buy-in at the stakeholders level. It is a significant achievement to bring the key stakeholders on board and establishing their interest in cooperating in the development of INFF

The INFF technical workgroup has been established by the Ministry of Finance in December 2020, co-chaired by the Deputy Finance Minister and UNDP DRR, consisting of the key stakeholders such as the National Development Agency, line ministries, international organisations, development bank, audit office, central bank, financial regulator, private sector and NGOs representatives. This working group will ensure the dialogue happens between various stakeholders in aligning the financial resources, exploring new financing opportunities, and developing the financing strategy.. The first meeting of the technical working group is expected to take place during in January 2021.

The key consultants (local and international) are hired for the different components under the JP and started conducting the groundwork to introduce the necessary policies and strategies to leverage resources from public and private sources. INFF inception report and the first draft of the scoping report are prepared by the local consultant firm. The initial assessment report on the alignment of Development Bank of Mongolia’s operations with SDGs is also prepared. Terms of Reference for a more comprehensive child-focused social sector expenditure review was approved and the bidding for an international institutional service provider started. Building on the work already conducted as part of another UNDP project, the results-based budgeting continues to be strengthened with the drafting of the results-based budgeting guideline for special purpose transfer in the education sector.

A.2.2. Thematic focus

- | | | | |
|--|--|---------------------------------------|-------------------------------------|
| <input checked="" type="checkbox"/> Cross-cutting | <input checked="" type="checkbox"/> Social protection | <input type="checkbox"/> Agriculture | <input type="checkbox"/> Other..... |
| <input checked="" type="checkbox"/> Gender | <input checked="" type="checkbox"/> Health & nutrition | <input type="checkbox"/> Biodiversity | <input type="checkbox"/> Other..... |
| <input checked="" type="checkbox"/> Children & youth | <input type="checkbox"/> Climate change & nature | <input type="checkbox"/> Blue economy | <input type="checkbox"/> Other..... |

A.2.3. Gender marker

Did your Joint Programme feature Gender Results in the past year at the outcome or output level?

- Yes
 No

Briefly explain: The JP activities are at the inception phase, and therefore the Gender Results are not demonstratable yet.

Gender Marker total average scoring from 0 to 3 (as defined in the JP document): 2

The National Committee on Gender is serving as the member of the INFF technical working group established by the Ministry of Finance, and they will help mainstream gender in the development of INFF and broadly, the JP implementation. The gender composition for the INFF working group is 55% women and 45% men, co-chaired by two women leaders.

The JP is in constant communication with the Ministry of Finance and their consultants working as part of the World Bank funded project “Introducing Gender-Responsive Budgeting in Mongolia” and aligning the JP activities on introducing gender-responsive and results-based budgeting with the activities that are already conducted as part of other donor projects.

A.2.4. Vulnerable groups

Will the JP directly impact marginalized and/or vulnerable groups through a dedicated outcome or output?

- Yes
 No

List of marginalized and vulnerable groups	Dedicated Outcome	Dedicated Output	Status (planned/in progress/complete)
Women and girls	Outcome 1 Outcome 2	Output 1.2 Output 2.1, 2.2, 2.3, 2.4	planned

Children	Outcome 1 Outcome 2	Output 1.2 Output 2.2	planned
Youth	Outcome 1	Output 1.2	planned
Persons with disabilities			
Older persons			
Minorities (incl. ethnic, religious, linguistic...)			
Indigenous peoples			
Persons of African Descent (when understood as separate from minorities)			
Migrants			
Refugees & asylum seekers			
Internally displaced persons			
Stateless persons			
Persons deprived of their liberty			
Peasants and rural workers			
Human rights defenders (incl. NGOs, journalists, union leaders, whistleblowers...)			
LGBTI persons (sexual orientation and gender identity)			
Persons affected by (HIV/AIDS, leprosy...)			
Persons with albinism			
Victims or relatives of victims of enforced disappearances			
Victims of (slavery, torture, trafficking, sexual exploitation and abuse...)			

A.2.5. Learning and sharing UNDP Regional Hub is supporting the implementation of the JP, through organising expert consultation sessions with the regional experts as well as providing necessary resources for activities ranging from the development of the TORs for consultancies to advising on the suitable methodology for costing and prioritization exercises. UNICEF Regional Office has also supported and provided guidance on the TOR for child-focused expenditure review, which is an exercise not previously done in Mongolia.

IMF shared their SDG costing methodology and organized a series of knowledge sharing seminars for the PUNO technical team.

Joint SDG fund webinars and resources provided insights on particular financing strategies (e.g. using financial leverage for SDGs financing) for inclusion in the financing strategy. The recently launched INFF portal is expected to be an important platform for countries to exchange their experiences and lessons learnt on the journey of INFF development and operationalisation, which is particularly important because of the limited previous experience.

A.3 Update on events and partnerships

A.3.1. Events

Type of event	Yes	No	Comments
JP launch event	<input checked="" type="checkbox"/>	<input type="checkbox"/>	JP soft launch was organized together with the first meeting of the JP Steering Committee. Press releases were made about the commencement of JP.
Annual donors' event*	<input type="checkbox"/>	<input checked="" type="checkbox"/>	A donor's event is planned in 2021.
Partners' event **	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Partners' event is planned in 2021.

A.3.2. Partnerships

Did your Joint Programme facilitate engagement with diverse stakeholders (e.g. parliamentarians, civil society, IFIs, bilateral/multilateral actor, private sector)?

- Yes
 No

- Ministry of Finance. The Ministry is co-chairing the Steering Committee, and is co-leading the INFF technical working group. Strong partnership with the Ministry of Finance facilitates bringing together all the relevant stakeholders and builds buy-in. The partnership is enhancing the implementation of other UN projects such as the UNDP SDG-budgeting project that is implemented with the MOF.
- National Development Agency. The partnership is focused on aligning the development policies with the budgeting and financing. The JP is conducting SDGs prioritization and costing exercise based on the request of the National Development Agency, that will help channel the funds to the most important development priorities and estimate the financial needs for reaching the priority goals. These exercises will serve as methodological guidance for further updating the development priorities and estimating financing needs as the situation evolves in the country over the years.
- Development Bank of Mongolia (DBM). It is the first partnership for the UN with the national Development Bank. The JP conducted an initial assessment on the extent of the integration of sustainability principles in the DBM operations. Based on the JP consultations and initial recommendations, the DBM has included a goal on introducing sustainable financing principles in their revised 3 year strategic plan (which is due to be approved by the DBM's Board of Directors in January 2021). The JP will build capacity and help implement sustainable financing principles into the DBM operations, which has important benefits for improving the financing flow as well as serving as an example for other financial institutions.
- National Audit Office. The JP is partnering with them in enhancing their capacity for conducting performance audit on the alignment of the use of funds with the policy/development priorities, i.e. conducting an SDG audit. The partnership is critical in monitoring effectively and improving the INFF to enable the National Audit Office to realise its legal authority in monitoring the implementation of the SDGs, which is not practically implemented due to the audit being mainly limited to financial figures.
- Central Bank and Financial Regulatory Commission. The financial regulators have an important role in creating the investment environment for sustainable projects and therefore channeling private sector resources to sustainable development. The JP activities related to private sector mobilization were discussed with the financial regulators and mutual understanding is developed in coordinating and aligning the JP activities with other initiatives and projects that they are implementing on thematic areas such as ESG reporting and green bond market development. Therefore, strong partnership with them is creating the foundation for introducing the regulatory measures that support the desired mobilization of private sector resources.
- Industry associations. They help connect and advocate the JP and the INFF to a much wider audience, in particular the private sector. For example, the partnership with the Mongolian Sustainable Finance Association helped align the JP activities with the efforts and activities implemented by the private sector by their own initiatives such as the approval of the establishment of Mongolian Sustainable Finance Corporation under the GEF sponsorship, for enhanced results and outcomes for the overall financing framework.

Overall, the partnerships developed with these key institutions is one of the notable highlights of the JP implementation, for expanding the engagement of the UN with the private sector on a much larger scale and building many new partnerships (working with partners such as the Development Bank, Central Bank, and Financial Regulatory Commission), creating a solid foundation for the INFF to work effectively over the many years after the 2 years of JP implementation. It should be emphasized that these key partner institutions were highly supportive and interested in cooperating in the JP implementation as well as nominated a high-level expert from their organization to the INFF technical working group.

[A.3.3. Additional financing](#)

- Yes
 No

Although it is not specifically a co-financing arrangement, a new project, “SDG-aligned Budgeting to Transform Employment in Mongolia,” is launched as part of the Budget Support programme signed by the EU and Government of Mongolia in May 2020. It aims to support employment and promotion of decent work and improved public finance management systems through results-oriented budget initiatives as direct contribution to the attainment of the Sustainable Development Goals. The project will be implemented by UNDP in partnership with UN Food and Agriculture Organization and the International Labour Organization for a duration of 3.5 years with EUR 7.4 million budget. This project will directly complement the JP activities and enhance its outcomes and results.

Source of funding	Yes	No	Co-funding or Co-financing?	Name of organization	Amount (USD)	Comments
Government	<input type="checkbox"/>	<input type="checkbox"/>				
Donors/IFIs	<input type="checkbox"/>	<input type="checkbox"/>				
Private sector	<input type="checkbox"/>	<input type="checkbox"/>				
PUNOs	<input type="checkbox"/>	<input type="checkbox"/>				
Other partners	<input type="checkbox"/>	<input type="checkbox"/>				

A.4 Strategic communications

Did the JP develop a strategic communications plan?

- Yes
 No

The communications plan will be developed in Q1 2021, in accordance with the annual JP workplan.

B. Annual Results (MAXIMUM 3 PAGES)

B.1. SDG acceleration

SDG:17 (Partnerships for SDGs)

Partnerships are developed with the key stakeholders involved in the development planning and financing framework, including the Government, IFIs, development partners, private sector, financial regulators and CSOs. Mutual understanding and agreement is established with these partners in aligning the JP activities with what is already being implemented by these actors and further combining efforts for enhanced outcomes and results. These partners expressed commitment to developing the INFF together and nominated representatives from their organisations to the INFF technical working group. Engaging this wide range of stakeholders will facilitate coordination of the resources that these actors have and the additional financial resources will accelerate progress towards achieving the SDGs.

B.2. Contribution to Fund's global results

Targets are not set for 2020 related to the Fund's global Outcome and Output, but for 2021. The targets for 2021 are included in the Annex 1-1 and 1-2.

B.3. JP Outputs and outcomes

- Achievement of outputs

Output 1.1 The high-level multi-stakeholder platform for Sustainable Development is established to oversee and coordinate the SDGs implementation and financing.

There is a political will expressed by the Prime Minister in his letter No. 3Г-1/149 dated 21 December 2020 to establish a Multi-stakeholder Platform for Sustainable Development (MPSD) that was conceptualized by the UN RCO and aims at serving as an overarching mechanism to ensure high-level political support and broad-based government ownership on SDG planning, financing and monitoring/reporting. Working level discussions are being held to develop a detailed Terms of Reference for MPSD. The MPSD will build on the National Committee on Sustainable Development which has been reformed by government resolution on 13 January 2021.

The Ministry of Finance is currently providing leadership and oversight at the development phase of the INFF. The most appropriate governance mechanism to facilitate dialogue and participation around development financing from planning, to allocation, execution to monitoring and oversight is under consideration and is expected to be discussed within the Technical Working Group which is led by the Ministry of Finance.

Output 1.2 National institutions (Parliament, audit, CSOs) have guidelines for INFF monitoring and review, and applied it in social sectors.

The JP is partnering with the National Audit Office and agreed on the scope of work and terms of reference for building their capacity in relation to conducting an SDG audit, which is a globally new practice. It is the first milestone in creating a monitoring guideline for the National Audit Office of the implementation of the SDGs, which is legally mandated from the National Audit Office but not practically implemented due to the capacity issues.

Output 2.1 The Gender Responsive INFF financing strategy is formulated based on previously conducted Development Finance Assessment.

INFF technical working group is established including over 20 different stakeholders, creating a solid foundation for the INFF to work effectively over the many years after the 2 years of JP implementation. The

INFF initial assessment and diagnostics are conducted to determine the INFF priorities and focus. The SDGs prioritization and costing exercises are drafted and would serve as methodological guidance for further update of the development priorities and estimation of financing needs as the situation evolves.

The JP activities related to private sector mobilization were discussed with the financial regulators and mutual understanding is developed in coordinating and aligning the JP activities with other initiatives and projects that they are implementing on thematic areas such as ESG reporting and green bond market development. These activities mark a halfway milestone to the development of the INFF financing strategy.

Output 2.2 Medium-term and result-based budgeting in social sectors is strengthened

Preparation for a child-focused social sector expenditure review aimed at generating evidence-based information that will promote greater visibility of issues of the children into the government budgeting processes and contribute to strengthening the effectiveness of public expenditure on children is ongoing. Expenditure review is conducted at the Ministry of Education and Science as part of another UNDP project. Building on this work, the draft manual for special purpose transfer budgeting is being developed under the JP. These activities serve as the foundation for piloting the medium-term, results-based budgeting at the Ministry of Education and Science and the Ministry of Labour and Social Protection for the preparation of 2022 budget proposal.

Output 2.3 Sustainable development considerations are integrated into the strategic/business plans of the Development Bank of Mongolia

The JP conducted an initial assessment on the extent of the integration of sustainability principles in the DBM operations. Based on the JP consultations and initial recommendations, the DBM has included a goal on introducing sustainable financing principles in their revised 3 year strategic plan (which is due to be approved by the DBM's Board of Directors in January 2021). The JP will build capacity and help implement sustainable financing principles into the DBM operations, which has important benefits to improving the financing flow as well as serving as an example for other financial institutions.

B.4. Strategic Documents

Did the JP produce strategic documents in the last year (policy, strategies, analyses/assessments, methodological documents, and other relevant documents)?

- Yes
 No

The following documents are in progress and will be finalized in Q1 2021.

- INFF assessment and diagnostics report
- SDG Prioritisation Report
- SDG Costing Report

C. Plan for the Next Year of implementation (MAXIMUM 2 PAGES)

C.1 Upcoming activities

- Development of INFF roadmap and financing strategy
- Development of gender-responsive, results-based budgeting guidelines, capacity building and piloting in the social sector
- Child-focused expenditure review
- Promotion of youth participation in budgeting
- Capacity building and alignment of operations of the Development Bank of Mongolia with SDGs
- Development of classification and measurement system for thematic investment and policy recommendations
- Development of monitoring mechanism for the implementation of the INFF and capacity building of national institutions for monitoring

At the outcome level:

Outcome 1. INFF governance structure and monitoring and review for financing of Vision2050/ SDGs effectively.

The governance and monitoring structure for the INFF will be discussed and determined. National institutions will have developed the capacity for monitoring financing of the SDGs. These monitoring frameworks will lay the foundation for effective implementation and improvement of the INFF and overall attainment of the SDGs and Vision 2050.

Outcome 2. INFF produced financing strategy leverages resources for Vision2050/ SDGs from public and private sources.

The financing strategy will combine the financial resources of the Government, development bank and private sector and mobilise more resources for SDGs implementation.

At the output level:

Output 1.1: Governance mechanism for INFF will be established to oversee and coordinate the SDGs implementation and financing.

Output 1.2: The national institutions will have guidelines for INFF monitoring and review and will have piloted at the Education sector.

Output 2.1: The Gender Responsive INFF financing strategy will be formulated and adopted combining all sources of financing.

Output 2.2: Child-focused social sector expenditure review will be completed providing recommendations for strengthened effectiveness of public expenditure on children. Medium-term and result-based budgeting in social sectors will be strengthened through the development of the results-based budgeting guidelines and piloting of the guidelines at the Ministry of Education and Science and the Ministry of Labor and Social Protection.

Output 2.3: Sustainable development considerations will be implemented at the Development Bank of Mongolia through the preparation and adoption of the policies, tools and guidelines of sustainable financing.

Output 2.4: Private sector is mobilized to contribute to Vision2050/ SDGs/SDG financing, with the development and introduction of the sustainable taxonomy and the impact measurement system.

- C.2. Expected changes

Discussion on the nature and formation of the governance body are occurring under the Ministry of Finance's leadership on the INFF and the decision should be taken by the government on which body should be the INFF oversight body, as the government ownership of the governance (oversight) body is an important criteria for successful INFF implementation in the country. Depending on the government decision, this may imply respective changes in the JP document in 2021 but would not impact the overall achievement and impact of Outcome 1.

C.3. Risks and mitigation measures

Are there any changes made/expected to be made to the Risk Matrix?

Yes

No

Contextual risk levels and mitigation measures will remain the same. However, the context is constantly evolving. Most recently, the Government newly formed after the Parliamentary Elections in June 2020, proposed to resign due to public protest against the measures being taken by the State Emergency Committee in handling of the COVID-19 situation and demand for certain members of the Government to resign. The final decision will be taken by the Parliament. There is an upcoming Presidential Election in June 2021, which poses various uncertainties in the political and socio-economic situation of the country. The community transmission of COVID-19 had also been increasing, putting strain on the Government, businesses and people's lives. Therefore, the contextual risks related to the changes in leadership in Government and the development of COVID-19 are still highly relevant.

Annex 1: Consolidated Annual Results

1. JP contribution to global programmatic results (annual)

Joint SDG Fund Global Outcome 2: Additional financing leveraged to accelerate SDG achievement (Update table below)

Indicators	Target 2020	Result 2020	Target 2021
2.1: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scope (for other/ additional sector/s or through new sources/means)	These calculations were postponed to a later stage, thus no target is set for 2020	n/a	These calculations were postponed to a later stage and thus no target is set for 2021
2.2: Ratio of financing for integrated multi-sectoral solutions leveraged in terms of scale (for the same multi-sectoral solution)	No target is set for 2020	n/a	3.6

Joint SDG Fund Global Output 4: Integrated financing strategies for accelerating SDG progress implemented (Update table below and provide details as requested)

Indicators	Target 2020	Result 2020	Target 2021	List of strategies/ frameworks developed
4.1: #of integrated financing strategies that were tested (disaggregated by % successful / unsuccessful)	0	n/a	1	
4.2: #of integrated financing strategies that have been implemented with partners in lead disaggregated by (1) government/public partners (2) civil society partners and (3) private sector partners	0	n/a	3 (1) 1 (2) 1 (3) 1	
4.3: # of functioning partnership frameworks for integrated financing strategies to accelerate progress on SDGs made operational	1	1	1	INFF technical working group

2. Selected global performance indicators (annual)

2.1. Did your Joint Programme contribute to the improvement of the overall UNCT coherence in 2020?

- Yes, considerably contributed
- Yes, contributed
- No

Explain briefly: As JP requires strong partnership between UNCT and the stakeholders, it also had positive impact on coordinating different projects that UN agencies are implementing, hence contributing to the overall UNCT coherence.

2.2. Did your Joint Programme contribute to reduced transaction costs for the participating UN agencies in interaction with national/regional and local authorities and/or public entities compared to other Joint Programmes?

- Yes,
- No
- N/A (if there are no other joint programmes in the country)

Explain briefly: Previously approved Joint Programme provided examples for partnerships with the Government and stakeholders and organization of JP activities.

2.3. Was your Joint Programme aligned with the UNCT Results Groups in 2020?

- Yes
- No

Explain briefly: The Joint Programme was launched in the second half of 2020 and alignment with results groups is expected to be done in 2021.

3. Results as per JP Results Framework (annual)

Result / Indicators	Baseline	Expected 2020 Target	2020 Result	Reasons for variance from planned target (if any)	Expected 2021 target	Expected final target (if different from 2021)
Outcome 1: INFF governance structure and monitoring and review for financing of Vision-2050/SDGs function effectively.						
Outcome 1, indicator: Core institutional arrangements for oversight, coordination and scrutiny over the INFF established?	The NCSD was established, but no function for the INFF oversight; Parliamentary budget oversight is mainly compliance-based, gender issues are raised on an ad-hoc basis.	Institutional arrangements for oversight and coordination over the INFF are setup.	INFF technical working group is established at the Ministry of Finance. TWG will work toward establishment of oversight body.		Institutional arrangements for oversight and coordination over the INFF are established.	
Output 1.1. The high-level multi-stakeholder platform for Sustainable Development (MPSD) is established to oversee and coordinate the SDGs implementation and financing						

Output 1.1 indicator 1: Mandate of the MPSD defined; Number of stakeholders in MPSD; Number of meetings held;	The current NCSD includes mainly government agencies; No regular meetings;	n/a	Letter from PM to RC agreeing to formation of a MPSD. NCSD has been reformed with inclusion of UN RC as member. MoF given mandate by the government to lead on INFF. MoF establishes technical working group.	n/a	The MPSD composition includes UN agencies, IFIs, CSOs, private sector and development banks; its mandate broadened.	Meetings of TWG engages multiple stakeholders; Discussions on and establishment of INFF governance body
Output 1.1 indicator 2: The MPSD has working procedures and action plan. (Rating 4-score scale: 4. Fully; 3. Partially; 2. Inadequately; 1. Not/Poorly implemented)	Score 2: There is no formal procedure for supporting the current NCSD;	n/a	n/a		Score 3: Governance body functions and responsibilities are defined	
Output 1.2 National institutions (Parliament, audit, CSOs) have guidelines for INFF monitoring and review, and applied it in social sectors						
Output 1.2 indicator 1: Number of Parliamentary public hearings on budget;	0	0	0		1	1
Output 1.2 indicator 2: Number of performance audits conducted, using	NAO conducts performance audits, but does not explicitly	n/a	Reached agreement with the NAO		Performance audit guideline is updated	One performance audit is conducted for one of the SDG

updated guidelines incorporating gender	assess the linkage of budgets with results achieved over the years		on the areas of capacity building.			priority programmes (e.g. social sector)
Output 1.2 indicator 3: Budget session of Mongolian Youth Forum strengthened	n/a	n/a	n/a		Youth participate in budgeting process through Budget session of Mongolian Youth forum	
Output 1.2 indicator 4: Child focused expenditure findings inform the budget preparation and monitoring guidelines for social sectors	n/a	n/a	Recruitment for international consultant to conduct the child focused expenditure review is in progress.		Child focused expenditure review is conducted.	Findings and recommendations incorporated in budget preparation and monitoring guidelines (1-3 sectors)
Outcome 2: INFF produced financing strategy leverages resources for Vision-2050/SDGs from public and private sources.						
Outcome 2 indicator 1: Amount/percentage of financing re-structured and mobilized for Vision-2050/SDGs.	Data from Development Finance Assessment	n/a	The groundwork is being conducted to introduce the necessary policies and strategies to leverage resources from public and private sources.		n/a	Increased shares of private finance compared to data in the DFA; More efficient public resource allocation (in particular, for social sectors)
Output 2.1: The Gender Responsive INFF financing strategy is formulated based on previously conducted Development Finance Assessment.						
Output 2.1 indicator 1: The Gender responsive integrated financing strategy is adopted,	n/a	n/a	Assessment and diagnostics report is drafted.		INFF working group is created; Gender responsive	The integrated national financial strategy is adopted, includes domestic and international finance.

through multi-stakeholder engagement					strategy is drafted.	
Output 2.2: Medium-term and result-based budgeting in social sectors is strengthened						
Output 2.2 indicator 1: Guidelines for RBB developed, in collaboration with MoF and line ministries	n/a	n/a	Bidding for child-focused social sector expenditure review is ongoing. Expenditure review is conducted at the Ministry of Education and Science as part of another UNDP project. Building on this work, the draft manual for special purpose transfer budgeting is being developed under the JP.		Manual, handbook and templates for RBB/GRB on social sector developed.	Guidelines and tools for evidence-based policy and decision making are available; Child-focused, RBB manual, handbooks are available; RBB/GRB guidelines is used in at least 2 sub-sectors of social sector line ministries.
Output 2.2 indicator 2: Trainings on result-based, multi-year budgeting and gender responsive budgeting	n/a	n/a	n/a		1 training on result-based, multi-year budgeting; 1 training on GRB	Training on integrated and results-based planning approach; 1 training on RBB/GRB; At least 3 RBB/GRB workshops, with all departments of social sector line ministries, agencies and local governances.
Output 2.3: Sustainable development considerations are integrated into the strategic/business plans of the Development Bank of Mongolia						
Output 2.3 indicator 1: Integration of sustainable development aspects in	n/a	n/a	Consultancy is being provided to the		n/a	DB's business plan aligned with Vision-2050/SDGs is developed

the updated strategic/ business plans of the Development Bank.			Development Bank of Mongolia to determine the extent to which their operations align with the SDGs.			
Output 2.4: Private sector is mobilized to contribute to Vision-2050/SDGs financing						
Output 2.4 indicator 1: National thematic investments, criteria and classifications are determined.	An overall classification framework "Green Taxonomy" was approved by the Mongolian Financial Stability Committee in 2019	n/a	n/a		Key private sector actors engaged in drafting and determination of thematic investments	The national thematic investments, their definitions, criteria and classifications are defined.
Output 2.4 indicator 2: The policy dialogues with policy makers and private sector to leverage the private capital to these thematic investments.	Sustainable Finance Forum for only green projects	n/a	n/a		n/a	Workshop for supporting thematic investments

Annex 2: List of strategic documents

1. Strategic documents that were produced by the JP

NTR

2. Strategic documents for which JP provided contribution: NTR

Title of the document	Date (month; year) when finalized	Brief description of the document and the role of the JP in finalizing it

Annex 3: List of strategic communication documents

1. Have you created a strategic communication plan for the Joint Programme?

- Yes
 No

Explain briefly: The plan will developed in Q1 2021 in accordance with the annual JP workplan.

2. What percentage of the annual budget towards communications was utilized from the total budget? (Note that the entire JP comms budget must be min 5% of the total JP budget)

Explain briefly: UNRCO and UNDP Country Office communications officer supported the communication efforts of JP, which was covered within the Direct Project Cost.

3. Have visibility outcomes increased due to the provided funding for JP strategic communications?

- Yes
 No

Explain briefly: JP is in the process of hiring a dedicated JP communications and advocacy person, hence it is expected to increase the visibility outcomes significantly as progress is made on the JP activities.

4. Does the Country Profile Page on the Joint SDG Fund website contribute to your JP outreach?

- Yes
 No

Explain briefly: It contributed to highlight that the INFF is a global endeavor currently being pursued by many countries and stress the importance of the INFF.

5. How many articles (interviews, human interest stories, press releases, expert insights, etc) about your JP were published by an external media outlet (Non-UN published)?

Total number: 1

Explain briefly: An article is published on a popular local news website about the commencement of JP.

6. How many articles (interviews, human interest stories, press releases, expert insights, etc) about the Joint Programme were published by the UNCT and JP PUNOs?

Total number:2

Explain briefly: An article was published on UNRCO and UNDP websites regarding the commencement of JP.

7. Have you received an increase of social media followers?

- Yes
 No

Total number: (Not mandatory)

Explain briefly: The number of social media followers has been increasing associated with the launch and implementation of new projects including the JP.

Multi-Media Faucets .

Title of the document	Date when finalized (MM/YY)	Brief description and hyperlink (if it exists)
n/a		

Social Media Campaigns

Title of the document	Type (FB/Twitter/LinkedIn/Etc.)	Brief description and hyperlink (if it exists)
n/a		

Annex 4: Updated JP Risk Management Matrix

n/a