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**Swiss Agency for Development
and Cooperation SDC**

Swiss Cooperation Programme
Phasing out Programme
Mongolia
2022-2024

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Foreword

Since the adoption of its democratic Constitution in 1992, Mongolia has made considerable political, social, and economic progress and has built a sound foundation for ensuring future sustainable development. Switzerland started its support to Mongolia in 2001, providing humanitarian assistance following a harsh winter with huge livestock losses and severe hardship for herders. Subsequently, the Swiss Agency for Development and Cooperation opened an office in Ulaanbaatar in 2004 and focused its support on the sustainable use of natural resources, agricultural development, and food security. In response to Mongolia's evolving priorities the cooperation expanded over the years to include governance, vocational education and training, climate change, environmental sustainability as well as urban development.

The Swiss-Mongolian collaboration has led to remarkable results, as demonstrated by the two following projects. The longstanding "Green Gold and Animal Health Project for sustainable rangeland management" has improved the livelihoods of over 90 thousand herder households and rehabilitated more than 20 million hectares of pastures across the country. In addition, some products it promoted, like yak leather and wool, are successfully entering the market. The "Potato Project" contributed to Mongolia's becoming self-sufficient in producing potatoes, thanks to the transfer of Swiss knowledge applied to grow new high-yield, early-maturing varieties and to develop a local seed multiplication system.

Switzerland's International Cooperation Strategy 2021-2024 focuses on fewer priority countries, with greater emphasis on fragile contexts. Consequently, Switzerland will phase out its bilateral development cooperation in several countries, including Mongolia, by the end of 2024. Switzerland will however always stand ready to provide humanitarian assistance to Mongolia in times of disaster and crisis beyond 2024.

The Swiss Cooperation Programme Mongolia 2022-2024 concentrates on the phasing out of Switzerland's bilateral cooperation. With a total of CHF 8.2 million over three years, Switzerland will support the finalization of projects in complementary areas: 1) democracy, respect for human rights and the promotion of gender equality; 2) climate change adaptation/mitigation and environmental sustainability; and 3) inclusive economic development for sustainable livelihood of women and men in the low-income population. Selectively, Switzerland will as well provide support to alleviate the consequences of the COVID-19 pandemic. The programme builds on the continuity of past and current experiences, with an emphasis on Mongolian ownership of products, processes, methodologies, the sustainability of results, and the use of country systems.

In the coming three years, Switzerland will contribute to Mongolia's path towards achieving its "Sustainable Development Vision 2030". I trust that working in partnership with the Mongolian government and other partner organizations, this programme will ensure a responsible phasing out of Switzerland's bilateral development cooperation.

Patricia Danzi
Director General
Swiss Agency for Development and Cooperation (SDC)

1   Context Analysis

In the almost 30 years since the adoption of Mongolia's democratic Constitution (1992), the country has made notable progress in political, social, and economic reforms, including the establishment of democratic institutions and processes, as well as the promotion of human rights and economic freedom. Situated between Russia and China, Mongolia is often described as an "oasis of democracy". Today, Mongolia is a lower middle-income country. Mongolia counts 3.29 million habitants of which half live in the capital city. Mongolia is one of the least densely populated countries in the world.

Governance

Politically, the Mongolian People's Party (MPP)'s decisive victory in parliamentary and local elections in 2020 and the presidential elections in 2021 consolidated its position in the country's political scene, thus paving the ground for policy continuity. The internal divisions of the opposition Democratic Party (DP) have challenged its long-standing role as of the main countervailing political force to the MPP. The National Labour Party may emerge as a new "third party" to propel democratic reforms. In 2019, long-discussed constitutional amendments were adopted, resulting in legal reform expected to cover over 100 laws. This reform aims to strengthen checks and balances among Parliament, Cabinet (headed by the Prime Minister), and the Office of the President, and contributes to more effective and stable policy implementation, the empowerment of local governments, and improved judicial independence and accountability. Parliament's adoption of the Vision 2050 long-term policy document, based on the United Nations 2030 Sustainable Development Goals (SDGs), has laid out the country's development goals to be implemented regardless of political power changes. Recognizing the importance of decentralisation for advancing the country's development, Mongolia has taken important steps to promote greater decentralisation and stronger local governance. Civil society organisations and citizens raise their voices sporadically on important priorities for the country but are not necessarily heard.

Relations with neighbouring countries Russia and China are a priority for Mongolia. Mongolia remains a strategic buffer between the two countries, as both have geopolitical interests in the country. To balance their influence, Mongolia has pursued a "**third neighbour policy**" aimed at strengthening relations with other countries, especially with the USA and developed democratic countries in Asia and Europe. Mongolia represents the most attractive route for delivering natural resources to China and vice versa. Mongolia is seen as a strategic player in ensuring the security of Northeast Asia and Korean unification.

A **digital transition** expedited by the COVID-19 pandemic holds further promise for the improved efficiency of public service delivery. The need for increased use of information and communication technology (ICT) in public service delivery, including the creation of an integrated state database, was strongly advocated for by the SDC-funded One-Stop-Shop (OSS) project in 2007-2015, albeit without consolidated/decisive actions taken by the government back then. One of the major objectives of the current government, however, is to become "a digital nation", which includes full digitalization of public services by 2030. The new digital service delivery will include the creation of the required legal environment, introduction of e-signatures, and integration of systems used by different government organisations.

On a less bright note, **corruption** remains a serious problem, with a Transparency International Corruption Perceptions Index score of 35[1] , which ranked the country 111 of 179 countries (2020). Other challenges include

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[1]   Assessment scale: 0 (highly corrupt), 100 (very clean).

the need for continued fostering of democratic institutions and processes; of competent, politically neutral civil service and active citizenry; as well as strengthened protection of human rights. In addition to accentuating problems in the government's approach to human rights, the COVID-19 outbreak has raised serious concerns regarding the state's competence and accountability. It again brought into focus issues related to the rule of law, nepotism, and overall commitment to democratic principles.

Economy

Overall, the economy remains poorly diversified with overreliance on the mining sector, which leaves Mongolia highly vulnerable to external factors. As a reflection of the **global economic downturn** caused by the COVID-19 pandemic and related measures, the economic progress achieved in recent years has seriously regressed, with a recession of 6% in 2020, compared to positive growth of 5.2% the year before.[2] The pandemic is estimated to have driven up the poverty rate assessed at 28.4% in 2018 to about 33.6 % in 2020, thus reversing years of development. Unemployment among young people (45% of the population is 15-34 years old) is particularly high. Mongolia has the highest debt-to-GDP ratio in the region, as its external debt increased ten times to reach USD 29.9 billion, making up 220% of GDP. In the next five years, USD 14-15 billion in debt is scheduled to be repaid. Before the pandemic, economic difficulties had already started to have a negative impact in areas such as fiscal decentralisation, with reduced transfers to local governments resulting in an overall slowdown of decentralisation reform.

Social

On the **Human Development Index**, Mongolia remains in the high human development category, positioned 92 out of 189 countries (2019). The socio-economic impact of the COVID-19 pandemic, however, is likely to pull the country's ranking down. It has considerable effects on the low and lower middle-income population. The weak health and education sectors are expected to deteriorate further, resulting from additional burdens placed on the healthcare system and the closure of educational institutions for almost two years. Inequality is rising with one example being the widening education gap between children from well-off and poor families, as the latter do not have the means to benefit from online and televised classes provided during the lockdowns. Furthermore, domestic violence–especially against women and children–increased by 50% in 2020 compared to 2019, with an 87% increase in women visiting domestic violence centres and 32% of them being children.[3]

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[2] https://data.worldbank.org/indicator/NY.GDP.MKTP.KD.ZG?locations=MN

[3] At the beginning of 2020, incidents of domestic violence reported to Mongolia's National Police Agency increased by nearly 50% compared to the same period in 2019. Even more striking, the average number of clients served by one-stop service centres – which are led by the Ministry of Justice and Home Affairs and the Ministry of Labour and Social Protection, with support from UNFPA and SDC–has increased by almost 90%, compared to the same period in 2019. https://www.unfpa.org/news/mongolian-women-get-help-escape-violence-even-amid-pandemic

Photo by SDC

Environment and natural hazards

Climate change and environmental degradation are some of the reasons for fast-paced urbanization. Almost 60% of Mongolia's pastures are degraded, including 13% that have passed the threshold for regeneration and turned into desert. These environmental changes have a huge impact on traditional nomadic lifestyles, with an increased number of herders and farmers losing their livelihoods. While the introduction of briquettes used to substitute raw coal for heating is seen as progress, questions around air pollution in Ulaanbaatar and its impact on public health remain unresolved. Waste disposal is another outstanding problem that contributes to environmental degradation and needs a comprehensive solution. Furthermore, Mongolia is vulnerable–to varying degrees–to a large number of natural disasters such as earthquakes and floods, as well as incidents impacted by extremely harsh winters. In particular, Ulaanbaatar's expanding urban environments, where around 50% of the country's total population lives, is especially prone to earthquakes of moderate to very high intensity.

2 Swiss Foreign Policy Objectives for the country

Switzerland and Mongolia enjoy friendly diplomatic relations that date back to 1964. Both countries share common democratic values, and political exchanges take place at a high level. On the multilateral level, Mongolia is a like-minded state and a partner for cooperation on selective topics. Switzerland's economic relations with Mongolia are modest, and few Swiss companies are active in Mongolia.[4]

SDC has been active in Mongolia since 2001 and strengthened its presence by opening an office in Ulaanbaatar in 2004. Initially, the focus of support was on the sustainable use of natural resources, agricultural development, and food security. Over the years, the programme was expanded to include vocational education and training, as well as governance. Since 2018, projects have taken into consideration an urban approach, including some new projects dedicated to urban development based on the country's specific challenges. New programs allowed Switzerland to bring in expertise in climate change adaptation/mitigation and environmental sustainability.

Switzerland's International Cooperation Strategy 2021-2024 will place greater emphasis on countries in fragile contexts and focus on fewer priority countries. As a result, Switzerland has decided to phase out its bilateral development cooperation in several countries by the end of 2024, including Mongolia. In the remaining three years, SDC will continue to actively engage in areas where it provides long-term expertise, experience, and added value. Thus, in 2022-2024, the Swiss development assistance to Mongolia will amount to CHF 8.2 million in support of programmes related to governance, climate change and the environment, and inclusive economic development.

Working with the Mongolian government and other partners, including donors, Switzerland will ensure a responsible phasing out and invest in sustaining jointly obtained results. Different forms of collaboration, other than bilateral cooperation, such as humanitarian assistance in emergency situations, remain possible beyond 2024. Switzerland can build on its excellent reputation in Mongolia. Through its embassy in China, Switzerland will continue to maintain good and close relations with Mongolia at the diplomatic level, and pursue economic, scientific, and cultural exchanges. In the case of emergencies with major humanitarian impact, Mongolia can continuously count on the support and expertise of Swiss Humanitarian Aid, whether it is a priority country or not.

Switzerland is actively coordinating its activities with other bilateral and multilateral donors present in Mongolia through established donor platforms and sectoral dialogues. Asian Development Bank, Asian Infrastructure Investment Bank, and the World Bank Group, as well as most UN agencies, are present in Mongolia. Among the most important bilateral donors remain, with increasing budgets, the European Union, Japan and South Korea.[5] Throughout the phasing out process, Switzerland will proactively share with the donor community the results and lessons learned from its various development programmes.

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4   According to the Mongolian National Statistics Office, Switzerland invested USD 35.1 million in Mongolia in 2019. Moreover, based on data from the Bank of Mongolia, Swiss FDI in Mongolia amounted to USD 135.9 million at the end of 2019, mainly invested in the energy sector (coal and oil), mining, and precious metals (gold), which ranks Switzerland as Mongolia's 16th largest investor. The Swiss National Bank does not provide any public figures on Swiss FDI in Mongolia.

5   MZ (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung), one of the main donors in the past, is phasing out its programme by the end of 2021.

3 Swiss results in Mongolia to date

SDC is recognized as a key development partner due to its many successful projects, its strong field presence, and its innovative and long-term engagement in sectors of high relevance. During the period of the 2018-2021 Cooperation Strategy, Switzerland's strategic goal was to contribute to the empowerment of Mongolian citizens and institutions to move toward an equitable, green, and prosperous society, leaving no one behind. Swiss support focused on three domains: agriculture and food security; basic education and vocational training; and governance. In addition, since 2018, attention was given to climate change adaptation and environmental sustainability. As transversal themes, gender and governance were mainstreamed throughout the three domains. The total budget amounted to CHF 46.4 million. Many results, especially those at the systemic level–including contributions to policy and legislative changes, are the fruits of long-standing support and partnerships with the government, local and international organisations, and donors.

Agriculture and Food Security

SDC contributed to a greener development and better livelihoods for vulnerable small-scale herders and farmers in rural and peri-urban areas. At the policy level, SDC contributed to the approval of new laws, including laws on livestock taxes, animal health, and plant varieties. Also, 1,250 nationally recognized rangeland use agreements were concluded between herder groups and local governments, representing 34.3% of all rangelands. Over 1,500 pasture user groups were established thanks to capacity building support provided to the National Federation of Herders. Digital traceability tools were developed and handed over to the government that facilitate bringing sustainable agriculture products (including cashmere, yak wool, and dairy products) to the domestic and international markets. By 2020, over 20,220 herders and farmers (16% female) had increased their income, and supported

cooperatives have increased their sales to over CHF 3.2 million (+160%) since 2018. Moreover, the domestic seed production of staple root vegetables is now at 100%. Twelve new varieties of vegetables were approved by the State Variety Testing Commission. Despite these remarkable results, further efforts are needed in the area of diversification of crops and vegetable production, rangeland management, and the governance and financial capacity development of farmer organisations. In total, 22% of SDC's budget has been spent in the domain of agriculture and food security.

Basic education and vocational training

SDC contributed to strengthening institutional frameworks in education, vocational skills development, and employment. The Education for Sustainable Development principles have been mainstreamed into secondary education core curricula, reaching over 500,000 students and 26,000 teachers countrywide. SDC supported over 1,158 talented students (61% female) from vulnerable families in pursuing higher education; 63% of them found employment within three months of graduation, compared to the national average of 36%. The infrastructure and capacities of 11 technical and vocational educational training (TVET) schools and six vocational capacity development centres have been enhanced to meet labor market demand. As a result, the employment rates of graduates in supported professions increased, and technician-level graduates earn 34% more than other graduates of TVETs. By using a methodology for youth employment support and entrepreneurship developed with SDC assistance, the government trained 8,852 young people (51% female) and supported youth start-ups, which created over 1,597 new jobs. In total, 18% of SDC's financial resources were spent on basic education and vocational training.

Photo by SDC

Governance

SDC contributed to decentralisation and democratisation reforms, which are essential to ensure efficient and inclusive development. The amended local governance law increases the financial power of local governments, e.g., by transferring 40% of corporate income tax revenue to local budgets. In addition, citizens are enabled to initiate agendas and decisions/normative acts to be discussed by local councils. SDC supported social accountability mainstreaming that resulted in citizen participation in local affairs becoming a more regular practice in Mongolia, with increased and more meaningful inclusion of marginalised groups.

Through technical collaboration between the Mongolian and Swiss Parliamentary Services, the accountability and public service delivery of members of Mongolian Parliament have been strengthened. SDC's capacity building programmes supported local governments, including newly elected local council members, municipal civil servants, and citizens in areas such as leadership, public finance management, social accountability, and combating domestic violence. Local parliaments have been revitalised and their internal functions and accountability to the public have improved as a result of capacitated local councillors (about 8,000) fulfilling their core roles. Over 4,200 administrative civil servants of the Municipality of Ulaanbaatar are receiving regular needs-based trainings thanks to the establishment of a capacity strengthening system for municipal civil servants.

SDC contributed to strengthening evidence-based decision-making and public awareness on gender-based violence (GBV), as well as national multidisciplinary prevention and response. As a result, specialised centres and shelters for victims of GBV have served over 12,493 clients. Protection services have become more important given the 50% increase of reported GBV cases in 2020, compared to 2019, due to the COVID-19 pandemic and related measures.

Climate change adaption and environmental sustainability

In this area, SDC focused on air pollution, energy efficiency, and waste management. With SDC funding, Mongolia-specific research on the impact of air pollution on maternal and child health was carried out. Along with other research on air pollution, it was made available publicly, providing evidence for policy advocacy. The government approved products for subsidised green loans schemes to enable households to reduce indoor air pollution and improve energy efficiency. SDC supported co-financing through local authorities for the thermo-retrofitting of 36 public buildings (schools and kindergartens) as a model for replication. Besides the reduction of CO_2 emissions from 40% less energy consumption, the project achieved impressive positive impact-level results on the health of students and teachers, including a significant reduction in teachers' absenteeism (due to colds). In addition, SDC supported the development of effective regulations and standards for the implementation of a law on waste collection and transportation, leading to the improved service quality, effectiveness, and financial sustainability of waste management in the municipality of Ulaanbaatar. A GPS system is in place for real-time monitoring of service provision. Moreover, sensors have been installed at the landfill for weight and time registration for the better management of assets.

During 2018-2021, SDC successfully made the intended transition to increase its focus on urban challenges. In total, 52% of SDC's financial resources were spent on governance, including climate change.

Cooperation in the field of humanitarian aid

In 2017, Mongolia adopted amendments to the Law on Disaster Protection, which contains provisions on strengthening the country's emergency response, particularly in the area of urban search and rescue (USAR). Upon the request of Mongolia's National Emergency Management Agency (NEMA) a bilateral capacity building project between Mongolia and Switzerland started in July 2017, aiming to improve NEMA's national emergency response capacities in USAR. Additionally, in 2019 a memorandum of understanding was signed between Switzerland and China to jointly support Mongolia's USAR capacities through trilateral cooperation.

Photo by SDC

4   Implications

Switzerland will phase out its bilateral development cooperation in Mongolia by 2024. To ensure a responsible and sustainable phasing out, close collaboration with diverse actors will continue; for example, with governmental organisations, civil society organisations, private companies, and cultural centres. To reach maximum ownership and sustainability, accompanying the new steps being taken by Mongolia on decentralisation and public participation, SDC is moving from a general *governance* approach towards democracy, respect for human rights, and the promotion of gender equality. The majority of these interventions strive to ensure equal access to quality decentralised public services, based on an improved regulatory framework and monitored on one side by public participation; and on the other side, by legislative powers at the local and national level. Governance principles such as political participation, oversight practices, and accountability remain paramount guidelines for action. They contribute to reducing the endemic corruption in the country, affecting the public sector. Switzerland will respond to the negative trends caused by the COVID-19 pandemic, such as providing support to victims of gender-based violence. It will support partner organisations in strengthening the prevention of sexual exploitation, abuse, and harassment.

The contextual developments and maturity of Switzerland's results so far call for the transformation of the previous domain of agriculture and food security to a full focus on climate change adaptation/mitigation and environmental sustainability. Switzerland supports the further improvement of regulatory frameworks for the delivery of quality and affordable public services in the sectors of waste management and air quality in urban and peri-urban areas, as well as rangelands in rural areas. By doing so, it invests in new technology, innovative tools, and knowledge, while focussing on the inclusiveness of the vulnerable population: internal migrants, herders and farmers, and women and children. It also invests in awareness and a change of attitude toward climate and the environment through educational activities.

Over the last 17 years of SDC's presence in Mongolia, significant results regarding skills development have been achieved. Several of them have been taken over by the Mongolian government and development partners. With the present phase-out, Switzerland will move from a particular *basic education and vocational training* priority focus to a broader inclusive economic development one. Within the economic domain, Switzerland intends to consolidate its past interventions and bring them to maximum sustainability. To do so, it focuses on a more market-driven approach, where the priority of intervention will lay on farmers, herders, and their organisations, through policy dialogue and with dedicated capacity building in business development. This puts an emphasis on improved production quality and facilitates access to domestic and international markets. Switzerland will continue to monitor results in this domain, including past results, and handing over tools and methodologies.

To respond to the increased poverty rate, Switzerland has strengthened its poverty focus across the portfolio. It specifically targets some of the population groups most affected by the pandemic and more frequently affected by natural disasters due to climate change: women and children, internal migrants, low-income workers, herders, and farmers. Public participation and oversight of the concrete implementation of regulations should promote inclusion and accountability. Gender issues are not only addressed through direct interventions in gender-based violence, but are also followed up by specific gender-disaggregated indicators across the programme. The progress of digitalisation successfully introduced with the previous Swiss country programme is

being expanded to the three outcomes of the present phase-out programme. The support of specific cultural activities will continue to strengthen social cohesion. A knowledge management and communication strategy will accompany the phase-out. It includes reviews, evaluations, and capitalisation that identify the results and experiences of Swiss-funded projects. They will serve as the basis for the handovers and takeovers of projects, and for communication with the Mongolian authorities and development stakeholders, as well as the general public in Mongolia and in Switzerland.

5 Priorities, objectives and theories of change

The overall goal of the phasing out of the 2022-2024 Cooperation Programme is *to contribute to an equitable, inclusive, environmentally friendly, and prosperous society through the accountability of state institutions at all levels and the empowerment of Mongolian citizens.* SDC will contribute to this goal through interventions in three complementary portfolio outcomes: 1) democracy, respect for human rights, and promotion of gender equality; 2) climate change adaptation and mitigation, and environmental sustainability; 3) inclusive economic development for the sustainable livelihood of women and men of the low-income population.

The phase-out programme builds on the continuity and capitalisation of past and current experiences, with emphasis on the Mongolian ownership of products, processes, methodologies, sustainability of results, and use of country systems. The portfolio outcomes respond to the priorities of Mongolian state institutions and people *(Mongolian Strategic Vision 2050 and Government Action Plan 2020-2024).* They are in line with the dispatch on Switzerland's International Cooperation 2021-2024, the SDC Regional Guidelines for Asia 2021-2024, and the global Sustainable Development Goals 2030.

The three portfolio outcomes target results at the policy and regulatory level, as well as at the level of service delivery for poor and vulnerable people. Knowledge management will be ensured by the dissemination of results and experiences, mainly through capitalisations, evaluations, and specific public communication means, as well as by takeovers by the state institutions and/or other stakeholders of the development community.

Theory of change for Portfolio Outcome 1: Democracy, respect for human rights, and promotion of gender equality:

Good governance and human rights remain the country's biggest challenges in ensuring that all citizens benefit from the country's resources and public services in an equitable and sustainable manner. Therefore, *if* government institutions are capacitated to fulfil their functions, pursue decentralisation, and are more accountable to citizens, whereas citizens are empowered to express their needs, *then* equal access to and the quality of public services will improve and citizens will exercise their rights and duties, leading to a more democratic and inclusive society with due respect for human rights. *Because* the portfolio outcome focuses on the supply side of strengthening equal access to decentralized services by state institutions that use participatory mechanisms and, on the demand side, supports civil society to preserve cultural heritage, as well as promoting cultural diversity and intercultural dialogue.

Theory of change for Portfolio Outcome 2: Climate change adaptation/ mitigation and environmental sustainability:

Besides governance challenges, the adaptation and mitigation to climate change, as well as preservation and the smart management of Mongolian natural resources and the environment, will affect the sustainable development of the country and the viability of the 2nd pillar (agriculture) of the national economy. Therefore, *if* (i) awareness and knowledge of sustainable environmental management and climate change, especially among the young generation is raised and acted upon; (ii) air quality monitoring technologies, waste collection/segregation, and rangeland monitoring services are provided by capacitated public and/or private service bodies; (iii) access to such services is equitable and affordable for

all citizens and implemented under a regulatory framework (transversal governance), *then* Mongolian citizens will be more likely to apply environmentally friendly behaviour in their daily lives, thus promoting a safe environment contributing to improved living conditions and health, especially of women and children. *Because* the portfolio outcome focuses on the key aspects of rangelands and farming linked with water resources, waste management, and air quality, which are of strategic importance for Mongolia, as well as on education for sustainable development. The portfolio aims to support **the authorities** in improving the regulatory framework for environmental integrity and climate change; **service providers** in delivering quality and affordable public environmental services using new technologies; and **citizens**, especially children and youth (in urban and peri-urban areas), in having improved awareness and attitudes toward climate and the environment via the mainstreaming of sustainable development in primary and secondary schools.

Theory of change for Portfolio Outcome 3: Inclusive Economic Development for sustainable livelihood of female and male herders and farmers:

The consequences of the COVID-19 pandemic have hit Mongolia hard, both economically and socially, leading to increased poverty. *If* economically vulnerable women and men (farmers, herders) (i) benefit from an economically conducive and environmentally friendly policy framework to produce products in a sustainable way, and (ii) can access the markets and jobs, *then* they will sustain their businesses and improve their livelihoods. *Because* the results achieved by SDC's past country programmes in the areas of livestock, farming, employment, higher education, and vocational training strengthen and further develop their economic aspects. The portfolio aims to create more opportunities for the low-income population by strengthening state institutions; farmers/herders to develop capacities in business development, product development, and market access; and linking the two previously mentioned outcomes by improving access to labour markets and jobs for young women and men.

By the end of the phase-out period, all projects will have been handed over:

1) To state authorities, built on co-funding with them and using the country systems;

2) To commercial businesses that adhere to the principles of sustainability, inclusion, and environmental protection;

3) To civil society, national and international development stakeholders, and others active in these fields, mainly through knowledge sharing of lessons learned, evaluations, and digital platforms, in view of a useful takeover and the continuation of the efforts deployed.

Transversal themes: Gender and governance: The portfolio outcomes work in synergy. They have dedicated outcomes and/or indicators for regulatory frameworks, capacity building, and service delivery (transversal governance). Aside from a specific outcome related to gender-based violence, all portfolio outcomes comprise gender-related indicators and all results are tracked with gender-disaggregated numbers whenever relevant and possible. Besides the two main transversal themes (gender and governance), digitalisation has also been mainstreamed throughout the portfolio, with the aim to support the government's objective to become a digital nation but also to address the digital divide within society.

Humanitarian aid: The capacity building project with Mongolia's National Emergency Management Agency (NEMA) was initially planned to be finalized by the end of 2021. Due to the COVID-19 pandemic, the project's implementation was slowed down. The conclusion of cooperation will, therefore, take place under this cooperation programme period.

6   Programme management and implementation

SDC will ensure a responsible phasing out while ending all its bilateral cooperation projects and closing its office in Mongolia by 2024. It will build on experiences from closing SDC offices in other countries, taking into account SDC principles for a responsible phasing out; covering programmatic, knowledge management, communication, human resource, and financial dimensions. Therefore, the phase out process will be followed through *management performance results* that monitor the following steering aspects: the operational closure of all projects; knowledge management and communication concerning results and experiences; the financial and administrative closure of all projects and of the Swiss representation; responsible support for all of SDC's local staff toward their future career steps; the continuation of Swiss consular services in Mongolia: and the strategic and transitional aspects of innovative partnerships, which could later on be supported by Switzerland through other modalities than bilateral development cooperation.

A detailed phasing-out plan will be developed and adapted annually, if necessary, based on the yearly report. It will highlight, among others, specific communication aspects of the planning year, human resources adaptations, and most importantly, the sustainability of Swiss interventions. Flexible and adaptive management will allow for reacting to a changing context (e.g., the COVID-19 pandemic) while ensuring the timely phasing out by 2024.

Approaches, modalities and partnerships

Following the internationally recognised principles of ownership and alignment, SDC will mainly work within existing systems. It continues to actively engage in national policy and political dialogue as well as in donor coordination, such as the UN and EU's development groups and their respective sub-groups; for example, agriculture, education, and culture. Additionally, other already existing cooperation modalities and instruments will be maintained, such as strengthening of the capacities of local partners from government and civil society, and exploring further engagement with the private sector. To ensure greater sustainability and ownership, a special focus will be placed on leveraging SDC's investment in the programmes, particularly at the national, sub-national, and local level, and strengthening private sector engagement with potential local, international, and Swiss private sector actors. The program will continue to work with competent Mongolian, Swiss, and international implementing partners. This includes governmental organisations at national and sub-national levels, multilateral organisations, local and international NGOs, civil society organisations, and private sector entities.

SDC will continue to address cross-cutting issues and, therefore, mainstream the leave no one behind (LNOB) approach, gender equality, social inclusion, governance, and digitalization in all its operations. Additionally, mechanisms for the prevention of sexual exploitation, abuse and harassment (PSEAH) will be introduced to SDC staff and partner organisations, including at the donor coordination level.

Programme

SDC will respect the commitments made for ongoing projects and will continue to engage in policy and technical dialogue. When gradually closing projects by 2024 at the latest, much emphasis will be put on reviews, capitalisation, and evaluation to secure and share the results

achieved. 44% of the programme budget will be used for democratic governance, respect for human rights, and promotion of gender equality to create equal access to quality decentralized public services (Swiss Portfolio Outcome 1). 35% of the programme budget is reserved for climate change adaptation and environmental sustainability (Swiss Portfolio Outcome 2). 12% of the programme budget is for inclusive economic development (Swiss Portfolio Outcome 3). 9% of the programme budget is dedicated to small actions, with around one-third designated for cultural endeavours in Mongolia.

Knowledge management and communication

In order to fully leverage SDC's 20-year-long experience in Mongolia, sustainability, institutionalisation, and capitalisation of achieved results, best practices, and lessons learned are essential elements of the phase-out process. Additionally, projects will be handed over to the government and other partners, and several closing events for projects will take place. To this end, a detailed plan for knowledge sharing and communication has been developed. The plan has several objectives: 1) to report on 20 years of Swiss investment and achievements in Mongolia to people in Mongolia and Switzerland; 2) to ensure knowledge transfer and sharing with governmental organisations in Mongolia and other institutions (bilateral and multilateral), and with SDC headquarters and other SDC offices worldwide; 3) to support the model of an innovative, modern, responsible, and reliable Swiss partner for possible partnership beyond 2024 and, therefore, contribute to the promotion of Switzerland as a centre of excellence; and 4) to contribute to the promotion of the 2030 Sustainable Development Goals.

Human resources

According to SDC's experience in other countries, the phasing out process is human resource intensive. Whereas a decrease of staff from 2022 on is planned, a certain presence of Swiss and national programme, administrative, and supporting staff is necessary until the end of phasing out to ensure a smooth process and closure of the programme. The particularly human resource intensive self-implemented projects will all be phased out by the end of 2022.

As this will be the last programme of SDC's bilateral development cooperation in Mongolia, adequate support for local employees will be a focus. Accompanying measures will be taken, such as supporting staff in finding new employment and fostering employment opportunities through specific job retraining measures.

Finance

The funding allocation for the 2022-2024 Cooperation Programme is expected to be CHF 8.2 million for the entire period, financed solely by SDC. With the gradual closing of projects, the annual programme budget will reduce from CHF 6 million in 2022, to CHF 1.7 million in 2023, and to CHF 0.5 million in 2024.

In order to ensure the full closure of the entire programme by the end of 2024, all operational activities will end by the end of 2023, at the latest, in order to allow at least six months of administrative closing. This also means that the extension of projects beyond 2023 will not be granted. Furthermore, no financial resources for projects, including final instalments, will provided after mid-2024. This will make it possible for operational reporting, including end of project reports, reviews, evaluations, and capitalisations, to be available by mid-2024.

7   Strategic steering

The implementation of the phase-out programme is subject to regular monitoring to guarantee strategic, effective, and efficient programme steering. It will also allow for accountability on results as well as continuous learning. Special emphasis will be given to reviews, capitalisations, and evaluation, so as to learn and widely share the results and lessons learned. This is ensured by the implementation of a comprehensive monitoring and evaluation system.

The overall country context will be monitored regularly and documented once a year by the annual MERV (Monitoring System for Development Relevant Changes), which tracks political, economic, social, environmental, cultural, and security changes in the country and discusses implications for the programme. Health-related changes due to the COVID-19 pandemic have been monitored since February 2020 on a weekly basis, in addition to the MERV. The active participation of the Swiss Cooperation Office (SCO) in different donor groups, and regular information and analyses from UN organisations, ADB, IMF, World Bank, and Mongolian civil society complete the background information for SCO's own analysis. Frequent context monitoring and programme adaption are prerequisites for strategic risk assessment and management to respond to eventual context changes. The SCO developed and implemented an adaptive management scenario, which will continue during this phase-out programme.

For accountability purposes, the **Swiss portfolio outcome** and **country portfolio outcomes** are monitored mainly based on end-of-project reports and annual reports using the thematic and aggregated reference indicators of the Results Framework (see Annex 2) in order to measure and report results. Furthermore, indicators include project indicators and context-specific national-level indicators from the country's development plans. They are oriented toward the 17 SDGs. Indicators were selected based on the criteria of relevance, reliability, practicability, and representation, and allow for the measurement of and communication about the achievements of SDC interventions. The Annual Report, covering the entire programme, is also used for steering at the strategic level. Results are reported on a yearly basis and cumulatively for the whole phasing out period.

Beside regular steering committees for all projects, and yearly external project audits, project visits are an additional part of the Swiss monitoring. Since mid-2020, due to the ongoing COVID-19 pandemic, physical steering committee meetings and direct field monitoring have been difficult. New tools have successfully been developed and implemented such as remote monitoring and virtual field visits.

For the phasing out, no mid-term review of the whole programme is planned. However, an external final review, evaluation, or capitalisation of experiences is scheduled either for individual projects or for several projects from the same thematic area. The modality for reviews and evaluations may have to be adapted, taking into account potential restrictions due to the COVID-19 pandemic. Otherwise, if not possible, some could be done virtually or transformed into an ex-post impact evaluation.

The management of the portfolio by the SCO is monitored using an external yearly audit on the SCO itself and the Internal Control System (ICS) Compliance Report, which is internally submitted for approval every year. This instrument allows for the assessment of SCO's efficiency and compliance, key aspects relating to operational and financial processes, as well as risk, human resources, and knowledge management.

Specific indicators related to the phase-out programme and closing of the office are at the end of the Results Framework. Thereby, particular attention will be paid to the responsible management of human resources.

Annex 1: Scenarios

Presently, **the status quo** scenario reflects the most probable course of events with regard to most of the points raised. However, moderate improvements in some contexts are expected. Despite the MPP's concentration of political power and subsequent negative implications for democracy, the MPP is likely to implement moderate governance, including in the areas of decentralisation, digitalization, accountability, etc., to sustain its legitimacy and maintain power. For example, the MPP will continue following up on the constitutional amendments passed under its leadership in 2019, but the pace and quality of these subsequent reforms might be insufficient for bringing about tangible change in the foreseeable future. The lack of a strong opposition and weak civil society is also likely to contribute to the status quo scenario playing out for the most part, but a certain degree of oversight/actions on their part are expected to keep the country's democracy–or semblance of democracy–alive.

The implications of the mostly status quo scenario playing out with some elements of context improvements:

Switzerland will have to closely follow the political context to see to which extent the MPP remains committed to democratic reforms and principles. If the government manifests tendencies to progressively shift toward autocratic-like practices, Switzerland should increase its policy dialogue and support more human rights-based organisations, as well as reinforce accountability as a cross-cutting issue, mainly through its governance portfolio/ projects. Particular attention should be paid to consolidating achievements (avoiding reversal) reached thus far in terms of enhancing democratic values, freedom of media, access to information and citizen participation, with a special focus on youth participation. It should be also noted that autocratic tendencies are likely to be reinforced by the COVID-19 pandemic, with the state using it as an explanation to limit human rights; in particular, freedom of expression and participatory processes.

On the other hand, the predicted scenario is expected to ensure more policy coherence and continuity and stability. This will benefit all SDC-funded projects, which could continue without major adjustments and be concluded with considerable state support in terms of ownership, handover, capitalisation, and sustainability. The MPP's control of all government branches has enhanced chances for the MPP to realize its Government Action Plan and legal reform initiated by the constitutional amendments, including the decentralisation reform strongly supported by SDC over the past few years. However, as previously mentioned, SDC will need to monitor progress and engage in policy dialogue as needed to advance the achievement of expected goals. However, it should be noted that budget difficulties have started to affect national and local government budgets, which might slow down fiscal decentralisation, reduce government co-funding, and delay the implementation of joint projects.

Photo by SDC

Context improves	Context unchanged	Context deteriorates/worst case scenario
• The government continues its efforts made so far for decentralisation and digitalisation. • The administration is more transparent; accountability increases and corruption decreases. • Following the parliamentary, local, and presidential elections of 2020 and 2021, the political system dominated by the MPP opens itself to a fundamental dialogue with the MPP on one side, and with the DP and other opposition parties on the other. The DP has resolved its internal restructuring. This dialogue opens up swifter and more peaceful collaboration positively affecting the three governing powers. • Civil society and citizens play an increasing role in decision making and holding the diverse levels of duty bearers accountable for effective governance. • Donor/partner coordination improves, moving from just information sharing to joint steering and advocacy. The government takes a leading role in coordination. • The parliamentary and local elections of 2024 are carried out peacefully without major irregularities. • The increase in staff at the National Human Rights Commission, approved in 2021, leads the NHRC to be better heard and respected.	• Decentralisation stays at its level reached in 2021.Some digital tools have technical/ data protection issues and are not used in a significant way. • The administration is working, but several processes remain unclear. Often, reports of corruption/scandals hit the news. • The ruling party steers the country alone. The opposition parties unify against it and attempt to block major processes. All three powers remain in the hand of the ruling party, raising questions about their independence. Electoral laws continue to be changed just before elections to favour the ruling party. • Civil society and citizens raise their voices sporadically on important priorities for the country but are mostly unheard, or are framed by security forces. Civil society remains mainly an implementer of development projects only. • Donor/partner coordination stays at the information sharing level, with most sectoral coordination inefficient. The government steers only its own projects. • The parliamentary and local elections of 2024 are carried out peacefully, despite reported irregularities and/ or perception of bias and sporadic troubles. • The NHRC continues its work without much increased effectiveness and faces sporadic critics against its independence.	• The ruling party imposes itself everywhere and controls not only the three powers but also all state-related organisations, which become heavily politicised. A recentralization of power takes place. Digital tools are controlled or even manipulated/censored. This fuels a growing social and political crisis, which develops into riots and violence. • The administration is perceived as non-transparent and lacking accountability. Corruption increases. • A unified opposition blocks any decision made by the ruling party, either in Parliament or de facto in implementation. There are the political blocks that don't speak to each other and paralyse the country. • The attempts by civil society to raise its voice and counter-balance the adverse effects of decisions are responded to with force, strong restrictions on freedom of speech and association, and/or arbitrary detentions/trials. • Donors/partners do not have unified advocacy or response. • The parliamentary and local elections of 2024 are carried out in a violent environment. Elections results are rejected. • The NHRC is perceived as being at the service of the government and loses its credibility/legitimacy.

Political level

Security level		
• The COVID-19 pandemic is under control1; the population is voluntarily vaccinated and the remaining positive cases are handled professionally. Hospitals/health centres can also handle all other health risks in parallel. The country's borders are open without restrictions. • Political, social, and economic requests are expressed by the population through democratic means. The state replies to them through dialogue and consensus. • The impact of major emergencies such as earthquakes or dzud is handled through rapid and efficient response from the concerned authorities. • Air pollution measures in place since 2019 are producing beneficial effects for air quality and health. • Roads and traffic are improved.	• The COVID-19 pandemic continues to challenge the country: vaccination slowly stops the spread of new variants of the virus. Hence, hospitals/health centres still work on a tense flux. They are in regular need of increased capacities and materials, and are still dependent on foreign aid. They are able to respond to other health risks in a limited way. Continuously changing restrictions are regularly ordered, including those related to country's borders. • Political, social, and economic requests are expressed by the population in different ways. The state responds to them through restrictions and arrests. • Annual dzuds in the countryside as well as occasional locally limited earthquakes threaten people's lives and cause some damage to properties	• The COVID-19 pandemic is hardly managed or is now out of control; even vaccinated people are largely contaminated by variants of the virus. Hospitals/health centres are overwhelmed and unable to respond to any other health risks. A permanent state of emergency is declared. In country, lockdowns become the standard. • Due to political tensions and/or the social and economic impacts of COVID-19-related restrictions, the population moves into violent demonstrations and civil disobedience movements. These are responded to with force, arrests, or killings. The army reinforces the police. • Heavy dzuds hit a large number of herders hard and they lose everything. Alternatively, a major earthquake hits the capital city, causing a major number of casualties, injuries, and/or massive destructions.
• The government's regional security cooperation efforts are pursued with several concrete steps/agreements taken/signed.	• Air pollution measures do not progress further, keeping air quality in winter way above the accepted international standards and causing disease/deaths. • Roads are not maintained and traffic in the capital city continues to increase, accidents as well. • Regional security cooperation remains limited to sporadic visits, and promises and agreements are hardly implemented.	• Roads are destroyed by the earthquake. Access to hospitals, water, and basic services are very difficult in the capital city. • Regional/international security cooperation suddenly increases, but is limited only to the immediate rapid response to earthquakes.

1   Details on specific COVID-19 scenarios are available on request.

• The country's economic growth progressively recovers from the COVID-19 pandemic. The government increases its sectoral budget allocations.	• Economic growth has difficulty recovering from the COVID-19 pandemic. The little progress shown hardly benefits the poorer population.	• Economic growth does not recover from the COVID-19 pandemic or from a major earthquake. Large parts of the population fall back into poverty. The state budget is dedicated to respond to the emergency only.
• The country's debt level is managed without putting too much pressure on the population. Donors adapt their strategies accordingly.	• The increased level of poverty due to the pandemic is not absorbed, setting back 15 years of development progress. It is questionable if the country will manage to remain on the middle-income countries list.	• The country's debt level is too high to be absorbed. This triggers an economic crisis. The unemployment rate explodes. Several basic services in the capital city become too costly to be afforded by the majority of the population. Corruption becomes the norm to survive.
• Alternative sources of income, rather than just gold and energy coal, are introduced.	• Development aid is led by multilateral organisations in all sectors. Accountability and reporting have space for improvement.	
• Solid agricultural and livestock economic chains are developed. Traceability of the related products becomes the norm. Products are, therefore, reaching international markets thanks to recognised quality standards. This starts to significantly decrease Mongolia's dependence on its neighbours. The private sector develops.	• The country's debt level puts a great deal of pressure on the population. Foreign support continues to have modalities predominantly based on loans.	• Several international development donors/ partners leave the country/ are evacuated and leave the space to humanitarian actors. Multilateral organisations stay in the lead.
	• The country stays dependent on mining.	• Mine operations stop functioning, hit by a major earthquake. The economic crisis and/or the earthquake does not enable the development of alternative economic chains. Mongolia becomes heavily dependent on its neighbours and on international humanitarian aid.
• The country's borders are opened without restrictions, bringing back regional/ international trade and tourism.	• Agriculture and livestock economic chains do not reach international markets. Dependency on China and Russia remains high. The private sector does not develop to reach further markets.	
• Regional trade and investment increases in Mongolia.	• Due to the continuous COVID-19 restrictions on business and the country's borders, regional/international trade, and tourism in particular, are limited.	• Regional/international security cooperation is stopped.
	• The regional Belt & Road initiative has no major action in Mongolia.	

Social level	• Impoverished people get back to an economic and social life. State and donor-related support continues to be provided to the neediest until full recovery. • Domestic and gender-based violence decreases drastically; there is increased prevention of sexual exploitation, abuse, and harassment (PSEAH). • The state gives more space and support to youth (education and jobs). The youth and internal migrants are integrated into society and play an increasing role as active citizens. The state creates the conditions for democratic dialogue. • Cultural actors act as agents of change/development.	• Only the upper-middle class of society manages to recover from impoverishment due to economic, political, and/or pandemic conditions and/or natural disasters. The lower-middle class stays trapped in poverty. State and donor support provides long-term assistance, including humanitarian work on social safety nets. • Domestic and gender-based violence remain at a high level. There is hardly further advancement in PSEAH. • Youth employment remains difficult, education is provided without much improvement in quality. Youth and internal migrants face many constrains to integrate into society. Therefore, they are focussing on their survival rather than on becoming active citizens. The country's challenges are dealt with by the political elites. • Culture gets limited support from the state and the donor community, who shift their aid to other sectors. Cultural actors are in survival mode and are not significant players in the country's development.	• Due to economic, political and/or pandemic reasons and/or natural disasters, large parts of the population fall back into poverty. State and donor support engage in long-term assistance, combining development and humanitarian aid. • Demonstrations and uprisings paralyse public and social services. • Domestic and gender-based violence is a widespread phenomenon. PSEAH is neither promoted nor translated into the procedures of stakeholders. • Mongolia significantly deteriorates in the Human Development Index. The majority of youth and internal migrants are left without prospects/jobs and public services. The country's challenges are dealt with by the political elites and major/multilateral organisations only. Culture is the last priority, politicised for the needs of the ruling party only. The few independent artists are either fully dependent on donor funding or have exiled themselves.
Environmental level	• Natural resources are better managed. The Livestock Tax Law contributes to the responsible decentralisation and management of rangelands, including animal destocking. The Rangeland Law is approved. This restrains the adverse consequences of climate change. • The state is better able to manage climatic crises. The state-owned prevention and response mechanisms are supported by donors.	• Natural resources and the effects of climate change remain major challenges. Related interventions remain uncoordinated and partially redundant. The Livestock Tax Law contributes to responsible decentralisation, management of rangelands, and animal destocking only in a limited number of provinces, with scandals hitting others, hence reducing its credibility and legitimacy. • The state manages climatic crises as they arise and according to its available budget, with limited donor support.	• Natural resources and the adverse effects of climate change become a major threat to the country's future. The Livestock Tax Law fails to fulfil its objectives; herders refuse to pay it anymore. The Rangeland Law is rejected/repealed, leaving the sector unguided. Livestock are too high in number. • The state is overwhelmed with a series of regular serious climatic disasters (dzuds, floods, and droughts, etc.) that trigger humanitarian crises and migration fluxes. Humanitarian aid becomes a standard feature.

Implications and role of Switzerland		
• SDC still promotes a maximum of integration measures (leave no one behind). • SDC is able to close all of its projects in a responsible manner, with handovers ensuring ownership and sustainability. Quality evaluations and capitalisations are done and shared; some lessons are taken over by the state and/or other development stakeholders. • Some pursed initiatives to promote other Swiss modalities or Swiss expertise take ground in Mongolia. • Switzerland ends its bilateral development cooperation and its presence in Mongolia with the recognition of being a reliable partner who has significantly contributed to important development results.	• SDC continues to regularly adapt, operationally and financially, its remaining projects to promote maximum integration measures (leave no one behind). This triggers several cost extensions (no-cost) still within the phase-out timeframe. • SDC closes its projects in a responsible manner, however, some handovers/ closing events cannot take place due to restrictions. Due to the inability of the state and/or other donors to assume the agreed shares of contributions and/or takeovers because of budget restraints, shifts to health, ownership, and sustainability are reached in a limited number of projects only. Some evaluations and capitalisations are cancelled. • Pursued initiatives to promote other Swiss modalities or Swiss expertise are limited to few additional supports that do further increase/sustain SDC's economic/social project interventions, however, without the perspectives of stronger development or ties with Swiss actors/enterprises. • Switzerland ends its bilateral development cooperation and its presence in Mongolia with official recognition.	• All SDC's remaining projects are adapted to the maximum extent possible with conflict-sensitive programme management (CSPM) aspects. • The monitoring becomes complicated. The fiduciary risk increases; more audits are conducted. Direct contributions to the state are stopped; sanctions/ reimbursement claims might be requested. • SDC closes in a responsible manner only the projects which end before the activation of this scenario. For the others, they are closed either without proper handovers and/or without evaluation or capitalisation. Ownership and sustainability cannot be reached at a minimum acceptable level. Several results are lost and/or forgotten. • The SCO security level is raised to the appropriate level, ultimately with the evacuation of SDC expatriate staff. SDC humanitarian aid is activated to provide direct and immediate response.

Annex 2: Results Framework

Swiss Portfolio Outcome 1: Democracy, Respect for Human Rights, and Promotion of Gender Equality - Equal access to quality decentralized public services.

Contributing to sub-objectives (SOs) of the International Cooperation (IC) Strategy 2021-2024:
- Sub-objective 7: Strengthening equitable access to quality basic services (SDGs 1, 2, 3, 4, 6, and 10)
- Sub-objective 9: Strengthening and promoting human rights and gender equality (SDGs 4, 5, 10, and 16)
- Sub-objective 10: Promoting good governance, rule of law and strengthening civil society (SDG 16)

Theory of change:
- ➢ *If* national and sub-national governments have adequate resources and capacities to fulfil their functions (service delivery);
- ➢ *If* they are equipped with and use **digital**/ICTs and other tools to fulfil their functions more efficiently;
- ➢ *If* they are accountable to citizens;
- ➢ *If* all citizens, including through civil society organisations, are empowered to express their diverse socio-cultural and political voices and needs, and are able to bring about mutual accountability;

Then equal access to and the use of quality of public services will be improved, inequalities in access to services reduced, and citizens will exercise their civic rights and duties.

(1) Swiss portfolio outcomes (SPO)	(2) Contributions of the Swiss Programme	(3) Country development outcomes (CDO)
Swiss Outcome Statement 1: State institutions have improved the legal and regulatory framework for local authorities, which are more efficient, effective, and inclusive. Swiss indicators (SI): 1.1 Number of laws revised/ adapted to the Constitutional amendments (2019), including the *Law on Administrative and Territorial Units and their Governance* (LATUG) (2020) *(Source: SRBM; GDP)* Baseline (2020): 0 Target (2023): ≥ 50 1.2 Proportion of supported sub-national governments that are satisfied with the dialogue and responsiveness of other government units (vertical and horizontal interactions) **(GOV_TRI_1)** *(Source: SRBM)* Baseline (2021): Average to be determined. Target (2023): +20%	The Swiss Programme contributes to: ➢ Systematically advocating for an **LNOB** approach when revising regulatory frameworks. ➢ Directly reducing the access gap through citizen participation and the further development of **digital** and other tools, giving a greater voice to marginalised people. ➢ Directly working–through legal frameworks and tools–on the functional reallocation and support for the development of digital tools being rolled out nationwide by the government. Positive factors/assumptions: ➢ Continuous, supportive political will toward decentralisation. ➢ Functional allocation (FA) methodology applied in all government sectors and local governments. ➢ Legal revisions following LATUG and the Livestock Tax Law (as key laws on decentralisation) are progressing.	**Country Outcome Statement 1:** The distribution of mandates and powers of public administrative bodies is refined through a rational identification of institutions and arrangements. Effective e-governance that promotes human development is fostered. *(Source: MDV 2050, Objectives 5.2. and 5.3.)* Country indicators (CI): 1.1 A development policy and function analysis is available *(Source: CabSec)* Baseline (2020): 0 Target (2023):1 1.2 Number of public administrative bodies with refined mandates and powers *(Source: CabSec)* Baseline (2020): 0

1.3. Number of digital and other tools introduced to improve the government's effectiveness *(Source: SRBM, IOM, GDP, SLP3, MASAM)* <u>Baseline (2020):</u> 10 (7 digital + 3 others) <u>Target (2023):</u> 15	<u>Negative factors/risks:</u> ➤ Legal reforms following LATUG requires amendments/revision of over 300 laws. ➤ Capacities of local authorities need continuous strengthening beyond SDC's engagement (few other donors involved). ➤ Although online platforms for public services are widely used, those in isolated regions and the elderly still face problems.	
Swiss Outcome Statement 2: Local authorities have improved service delivery with investments responsive to the needs of disadvantaged groups (residents of suburbs and internal migrants). <u>Swiss indicators (SI):</u> 2.1. Number of persons (female/ male) from groups left behind are benefitting from projects to reduce exclusion, discrimination, and inequality **(POV_ARI_1)** *(Source: GDP, IOM)* <u>Baseline (2020):</u> 4,200 (50% female) <u>Target (2023):</u> +10% 2.2. Number of administrative services available through decentralized service points and digital platforms *(Source: GDP)* <u>Baseline (2020):</u> 123 <u>Target (2023):</u> 180	The Swiss Programme contributes to: ➤ Promote decentralisation, systematically advocate for an LNOB approach when working on service delivery interventions by bringing services as close as possible to the people (digitally and physically), corresponding to their needs. ➤ Reduce the access gap through public participation, improved capacities of civil servants, and further development of digital and other tools. This should enable giving a greater voice to marginalised people (demand side), while having authorities able to respond to them efficiently (supply side). <u>Positive factors/assumptions:</u> ➤ Besides developing digital tools, the government continues to invest in other measures enabling access to services for citizens who don't have Internet access. ➤ Public participation is promoted at all levels. ➤ The local authorities are effectively given the capacities, tools, and budget to perform their duties. <u>Negative factors/risks:</u> ➤ Budget reduction because of the COVID-19 pandemic and reallocations to the health sector	**Country Outcome Statement 2:** Effective e-governance that promotes human development is fostered. *(Source: MDV 2050, Objective 5.3.)* <u>Country indicators (CI):</u> 2.1. E-Government Development Index *(Source: UN and CabSec)* <u>Baseline (2020):</u> 0.5824 2.2. Government Effectiveness Index *(Source: CabSec)* <u>Baseline (2020):</u> 45.7 2.3. Number of supported local authorities that have benefited from increased budget resources (GOV_ ARI_2) *(Source: NSO, MoF)* <u>Baseline (2020):</u> 0

	➢ E-Mongolia, the main public service platform, already offers over 510 public services online, easily accessible for smartphone users. It remains a challenge to add new digital tools and have they all understood by the population. ➢ Technical aspects, the transparency of IT tools and/or security aspects, are not sufficient to gain the trust of citizens, leading to the tools available not being used. ➢ Digital tools are diverted for politically motivated reasons/immediate gains.	
Swiss Outcome Statement 3: The government, based on favourable policy and legislative reforms, has increasingly provided quality services for victims of gender-based violence. Swiss indicators (SI): 3.1. Number of gender transformative policy and legislative reforms in place **(GEN_TRI_1)** *(Source: GBV and SRBM 2)* Baseline (2020): 2 Target (2023): 3 (only CGBV concerned)	The Swiss Programme contributes to: ➢ Reducing the prevalence of gender-based violence (GBV) in the country by further strengthening national capacities for GBV prevention and response, and by large-scale awareness raising programmes (prevention). ➢ Working on the perpetrators' side (mainly men) with awareness activities (prevention) and psychosocial support (response).	**Country Outcome Statement 3:** The national system of human rights and gender education for all is developed and pursues the policy of ensuring gender equality. *(Source: GAP 2020-2024, Objective 4.2.7.)* Country indicators (CI): 3.1. Gender Development Index *(Source: NSO)* Baseline (2020): 1.041
3.2. Proportion of clients satisfied with the services of GBV One-stop Service Centres (OSSCs) Baseline (2019): 52.7% Target (2022): 63.24% (= +20%) 3.3. Number of victims of gender-based violence having received required medical, psychosocial, and/or legal support. **(GEN_ARI_1)** *(Source: GBV)* Baseline (2019): 2,054 Target (2023): 3,007 (10% increase per annum).	Positive factors/assumptions: ➢ Sustained political commitment and no change in priorities ➢ Stable economic situation and no COVID-19-related lockdown ➢ Adequate funding from the government ➢ Increased commitment of stakeholders (donor agencies and development organisations) and increased funding for GBV/DV issues Negative factors/risks: ➢ Different approaches of major donor-funded projects reduce planned results, with interventions contradicting or overlapping ➢ Budget reduction because of the COVID-19 pandemic and reallocations to the health sector ➢ The sustainability of the national GBV survey is not ensured (not standardised)	3.2. Gender Inequality Index *(Source: NSO)* Baseline (2020): 0.274 3.3. Number of counselling centres to provide information and advice to victims of gender-based violence *(Source: MoLSP)* Baseline (2020): 16

Swiss Outcome Statement 4:	The Swiss Programme contributes to:	Country Outcome Statement 4:
Mongolian civil society has strengthened social cohesion by preserving its cultural heritage, and by promoting cultural diversity and intercultural dialogue. <u>Swiss indicators (SI):</u> 4.1. Number of small action culture projects that contributed to preserving Mongolian cultural heritage <u>Baseline (2021):</u> 1 <u>Target (2023):</u> 5	- A peaceful inclusion of all actors, including marginalised groups, as well as accountability through: - Educating citizens about their past and present cultural practices (preservation of cultural heritage); - Promoting tolerance and building a future for all, based on diverse opinions, equality, and social inclusion (cultural diversity and dialogue); - Building citizenship and accountability of duty bearers (intercultural dialogue).	Develop responsible citizens by enhancing citizens' legal and political knowledge and culture. *(Source: MDV 2050, Objective 5.2, Sub-objective 5.2.16.)* <u>Country indicators (CI):</u> An efficient and sustainable mechanism is created for the preservation of cultural heritage based on the participation of citizens, the private sector, and civil society *(Source: GAP, 2.6.3.6.)* <u>Baseline (2021):</u> 0
4.2. Number of cultural debates/ dialogues/initiatives with civil society and/or governmental institutions in favour of cultural heritage preservation, inclusion of marginalised groups, or peaceful dispute settlements <u>Baseline (2021):</u> 0 <u>Target (2023):</u> 2 4.3. Mongolian movies and other cultural heritage events held in Switzerland (with support from SDC), fostering stronger ties/contacts between the two countries <u>Baseline (2021):</u> 0 <u>Target (2023):</u> 2	<u>Positive factors/assumptions:</u> - New Ministry of Culture established in 2021, to be fully functional by December 2021 - After the COVID-19 restrictions of 2020-2021, high demand for culture-related actions - Government fulfils its commitment written in the MDV and GAP, including sufficient budget allocation - Cultural exchanges can restart within the country and at the regional and international levels - At least one culture-related MoU/agreement is signed between Swiss and Mongolian institutions <u>Negative factors/risks:</u> - Shrinking space for freedom of expression - Culture politicized for the needs of the ruling party only - COVID-19-related restrictions / closure impacting the culture sector / actors - Government/donors shift their support to other sectors affected by COVID-19	Local culture and art agencies are capacitated to increase access to cultural services *(Source: GAP, 2.6.1.8.)* <u>Baseline (2021):</u> 0 Economic and social benefits or arts and culture are increased by accelerating enlightenment activities, developing a creative culture industry with ingrained innovation in domestic content and the creation of Mongolian brands *(Source: GAP, 2.6.3.)* <u>Baseline (2021):</u> 0

(4) Lines of intervention (Swiss Programme)

Outcome 1 (Legal and regulatory framework)

- Technical assistance to Parliament and Cabinet in the operationalization of new and/revised laws following the constitutional amendments
- Introduce and scale-up effective approaches to carry out parliamentary oversight at the national and local levels
- Continue the technical cooperation between SPS and MPS on the legislative, oversight, and public engagement functions of Parliament

Outcome 2 (Service delivery)

- Technical assistance to the government in applying digital and other tools to ensure the improved quality of and access to public services
- Support and strengthen the capacity of local and national authorities (**transversal governance**)
- Strengthen citizen engagement for improved government responsiveness to the needs and preferences of citizens to ensure LNOB

Outcome 3 (Gender-based violence)

- Support the institutionalisation of the GBV survey, data collection, analysis, and dissemination mechanisms
- Strengthen the GBV survivor protection and rehabilitation mechanisms
- Support the implementation of a voluntary perpetrator rehabilitation model
- Pilot a comprehensive GBV communication, education and behaviour change model at the community level

Outcome 4 (Social cohesion through culture)

- Call for small action and culture proposals that promote the preservation of cultural heritage, as well as those that promote cultural diversity and intercultural dialogue
- Initiate cultural debates/dialogues with civil society
- Support cultural exchanges between Switzerland and Mongolia

(5) Resources, partnerships (Swiss Programme)

- **Resources:** CHF 4.9 million over three years (2022-2024)

- **Partnerships:** Direct partners: State bodies (Mongolian Parliamentary Secretariat, Cabinet Secretariat, Ministry of Justice and Internal Affairs, Ministry of Culture, Swiss Parliamentary Services, Museum Rietberg [Zürich], Locarno Film Festival [Locarno]), multilateral organisations (World Bank, UNFPA, IOM), and an international NGO (The Asia Foundation) / Indirect partners: State bodies (Ministry of Finance, Ministry of Health, Ministry of Labour and Social Protection, Municipality of Ulaanbaatar, and subnational governments/governors), National NGO (National Federation of Pasture User Groups)

- **Modalities:** Contributions, semi-direct implementation (Governance and Decentralisation Programme)

- **Coordination with:** ADB (**gender**-based violence), UNDP (**women's** political empowerment), World Bank (public financing mechanism & gender budgeting), sectoral development partners' group (**gender** equality)

Swiss Portfolio Outcome 2: Climate Change Adaptation/Mitigation and Environmental Sustainability
Contributing to sub-objectives (SO) of the International Cooperation (IC) Strategy 2021-2024:
  • IC SO3: Addressing climate change and its effects (SDGs 7 and 13)
  • IC SO4: Ensuring the sustainable management of natural resources (SDGs 2, 6 and 15)
  • IC SO7: Strengthening equitable access to quality basic services (SDGs 1, 2, 3, 4, 10)

Theory of change:

➢ *If* awareness for the environment and degradation (mainly due to overgrazing), especially among the young generation, is raised and knowledge on the sustainable management of the environment and the adverse impacts of climate change–including population movement–partly due to climate change (**migration**) is generated, available, and acted upon;

➢ *If* air quality monitoring technologies, waste collection/segregation, and rangeland monitoring services are developed and provided by capacitated public and/or private service bodies;

➢ *If* access to such services is equitable and affordable for all citizens including internal **migrants**;

➢ *If* these elements are implemented under a regulatory framework (including incentives and sanctions) down to the municipal level (**transversal governance**);

Then Mongolian citizens are more likely to apply climate and environment friendly behaviour by integrating informed, climate-sensitive activities and technologies in their daily lives, defending and promoting a clean and safe environment, which will contribute to improved living conditions and health, especially for women and children.

(1) Swiss portfolio outcomes (SPO)	(2) Contributions of the Swiss Programme	(3) Country development outcomes (CDO)
Swiss Outcome Statement 1: State authorities have improved the regulatory framework (rangelands, waste management, air quality) for environmental integrity and climate change at the national and municipal level (**transversal governance**). Swiss indicators (SI): 1.1 Number of existing or newly introduced national policies and legal frameworks that have integrated climate change/environment measures **(CCE_TRI_1)** *(Source: National Law Registry, WCTM, APP, IoM, VEGI)* Baseline (2020): 1 Target (2023): 3 1.2 Percentage of livestock tax revenue used for pasture related activities/projects *(Source: SRBM)* Baseline (2021): 0 Target: 50% (2022), 70% (2023)	The Swiss Programme contributes to: ➢ Advocating for and monitoring the implementation of laws through evidence and data collection, research in climate change, environment and migration; especially on pasture management, waste management, air quality, rangeland protection, and migration ➢ Improve professional skills in waste management; effective and efficient planning and management Positive factors/assumptions: ➢ Waste Law approved in 2017: Government and UB Municipality's strategy documents reflect commitment to improving the waste sector ➢ Animal Tax Law approved in December 2020 with mechanisms to manage rangelands	**Country Outcome Statement 1:** Pasture deterioration and desertification are reduced through the creation of the legal environment for grassland usage, protection, and improvement. Environmentally friendly and efficient consumption and production are promoted, and recycling plants for solid waste, energy generation, and the recycling of hazardous waste are established. *(Source: GAP 2020-2024, Output 3.3.5 and 5.1.9.)* Country indicators (CI): 1.1 Percentage of degraded rangelands *(Source: NSO)* Baseline (2019): 7,030,200 ha Target: (2023): 7,000,000 ha

1.3 Percentage of households in Ulaanbaatar that are billed based on the new regulation on the per capita tariff for waste collection *(Source: WCTM)* Baseline (2020): 0% (flat rate per household) Target (2023): 90%	➢ Rangeland regulations approved in eight provinces and rangeland degradation / overstocking addressed by local and central governments, based on widely available rangeland capacity assessments and reports provided by relevant professional agencies and research institutes, supported by SDC over 15 years Negative factors/risks: ➢ Absence of national rangeland law ➢ Political appointments of state-owned waste service providers lead to inefficient and ineffective budget allocation ➢ Suburb areas continue to expand without regulation, causing pollution ➢ COVID-19 impact causes further dependence on and prioritisation of the mining sector	1.2 Percentage of tax income from the Livestock Tax Law used for the implementation of sustainable rangeland management measures *(Source: MoF, LDF)* Baseline (2020): 0 Target (2023): 75% 1.3 UB Municipality's cost coverage of waste collection service (measured as revenue from waste collection fees in relation to the total cost of service provision) *(Source: MUB)* Baseline (2019): 52.5% Target (2023): 80%
Swiss Outcome Statement 2: Service providers have delivered improved quality and affordable public services in the sectors of waste and air quality using new technologies, innovative tools, and knowledge. Swiss indicators (SI): 2.1. Increased satisfaction rate of residents with waste services *(Source: WCTM)* Baseline (2019): Average of 29% in the target districts rated service as "good", and 50% as moderate Target (2023): +20% increase in "good" and "moderate" assessments 2.2 Number of studies, assessments, and databases created on waste management and air pollution, including gender and migration, which recommendations are implemented in operations *(Source: WCTM, APP, IoM)* Baseline (2020): 5, out of which 3 are implemented Target: (2023): 18, out of which 12 are implemented	The Swiss Programme contributes to: ➢ Improving living conditions and the general wellbeing of the population in suburb areas through the introduction of technology (ventilation systems, indoor air quality measurement tools), standards (insulation, building construction codes, waste disposal sites), and knowledge adaptable to daily behaviour and surroundings ➢ Generating knowledge and evidence for informed decision making ➢ Better and equal access to public waste and air quality services for citizens Positive factors/assumptions: ➢ Commitment of the government and municipality to create a clean living environment for citizens included in strategic documents ➢ Public-private partnerships in air pollution mitigation, waste management/recycling is on the rise ➢ Capacity to recycle waste is expanding to numerous varieties of materials ➢ The E-Mongolia initiative is expanding to public service provision	**Country Outcome Statement 2:** A safe and healthy environment for citizens is created, and Ulaanbaatar has developed into a favourable living environment, preserving the ecological balance and utilizing green technologies with minimum emissions. *(Source: MDV 2050, Objective 9.2)* Country indicators (CI): 2.1. Amount of waste that is regularly collected and disposed of by urban waste service providers (see MDV 2050, Table 6.4., Indicator 26) *(Source: MUB)* Baseline (2018): 25.6% Target (2030): 64% 2.2. Increased number of air quality monitoring stations (measuring at least five pollutants) in province centres (Source: MoET Sector Strategy 2020-2024) Baseline (2020): 0 Target (2024): 9 2.3. Pneumonia prevalence per 10,000 children under five years old in Ulaanbaatar *(Source: MoH Statistical Data, APP)* Baseline (2019): 1'939

	Negative factors/risks:
	➢ Migration to province centres and Ulaanbaatar increases, putting pressure on the provision of public services
	➢ COVID-19's impacts on:
	  - pneumonia cases, no longer linked to air pollution
	  - reallocation of state funds to priorities other than waste and air pollution (more economy, less ecology)	

Swiss Outcome Statement 3: Citizens have improved their awareness and attitude toward climate change and environment, particularly those living in urban and peri-urban areas. Swiss indicators: (SI) 3.1. Number of people (female/ male) participating in formal, non-formal/informal educational activities on sustainable development (e.g., health, climate change/ DRR, environment, gender, inclusion) (EDU_TRI_5) *(Source: ESD)* Baseline (2020): 27,708 (81% female) Target (2022): 30,500 (80% female) 3.2 Number of incentive systems introduced for recycling, waste segregation, transportation, export *(Source: WCTM)* Baseline (2020): 0 Target (2023): 5	The Swiss Programme contributes to: ➢ Improving citizens' responsibility and accountability for environmental protection, sustainable resource management, and cleaner living conditions ➢ Create systems to measure accountability, compliance, and the provision of incentives in waste management when appropriate (transversal governance) Positive factors/assumptions: ➢ Government is committed to green development ➢ ESD is mainstreamed in primary and secondary education ➢ Digital tools and technologies used for disseminating information are broad and common, even in rural areas ➢ Incentives for recycling and bill payments are reflected in relevant regulations Negative factors/risks: ➢ Government incentive schemes do not prioritise long-term behavioural change with environmental issues usually left out completely ➢ With the shift to online teaching due to COVID-19 restrictions, the quality of education and access to practical training (e.g., access to laboratories) are reduced ➢ Economic interests from mining are prioritized over aspects of ecological/ environmental protection	**Country Outcome Statement 3:** Environmental value is assessed and protected; the balance of primary ecosystems is maintained. Contributions to international climate mitigation change efforts are made by developing a low-carbon producing and inclusive green economy. (Source: MDV 2050, Objective 6.1 and 6.4.) Country indicators (CI): 3.1. Size of state-protected areas *(Source: MDV 2050, 6.1.)* Baseline (2020): 20.1% Target (2030): 30% 3.2. Percentage of recycled waste *(Source: MDV 2050, 6.4.)* Baseline (2020): 7.6% Target (2025): 27%

(4) Lines of intervention (Swiss Programme)

Outcome 1 (Regulatory framework)
- Technical assistance and advocacy on regulations
- Monitor the efficiency and effectiveness of the implementation of the related laws/regulations
- Incorporate migration indicators into regular national surveys for use in policy making and response

Outcome 2 (Public services)
- Provide mobility (internal migrants) monitoring data to government stakeholders to enable them to plan resources and services, including environmental ones
- Introduce air quality standards, methodologies, and applied technologies (including a digital platform) for kindergartens and maternity wards
- Improve the capacities of professionals in the city's solid waste management sector

Outcome 3 (Awareness and attitudes)
- Awareness raising for sustainable and green development through education
- Capacity development in ESD for governmental agencies working in education and the environment, state inspection agencies, schools, teachers, students, ESD trainers, school management, local authority staff for sustainable development
- Operationalizing ESD through community/school grant projects carried out with local authorities
- Provide practical digital and printed tools for ESD application
- Gender assessment of education materials in secondary education
- Awareness raising for the population on waste collection tariffs, new regulations, recycling, incentives introduced, importance of paying for solid waste management services, and monitoring of waste services provided
- Develop and disseminate information on air pollution's effects on maternal and child health
- Develop a range of communication material to improve internal migrants' knowledge, attitudes, and practices that inform their decisions to migrate

(5) Resources, partnerships (Swiss Programme)

- Resources: CHF 2.4 million over three years (2022-2024)
- Partnerships: Direct partners: multilateral organisations (UNICEF, IOM, FAO), private sector (COWI), national NGOs (Mongolian Farmers' Association for Rural Development [MFARD] and Information and Training Centre for Nature and Environment [ITCNE]) / Indirect partners: state bodies (Ministry of Food, Agriculture and Light Industry, Ministry of Environment and Tourism, Ministry of Finance, Ministry of Health, Ministry of Education and Science, Municipality of Ulaanbaatar, and subnational governments/governors), national NGOs (National Federation of Pasture User Groups)
- Modalities: Contributions, mandates
- Coordination with: ADB (rangelands and value chains), UNDP (rangelands and cashmere platform), World Bank (value chains), European Union (waste management), Caritas Czech (waste management), sectoral development partners' groups (agriculture and food security group, air pollution, waste management)

Swiss Portfolio Outcome 3: Inclusive economic development for the sustainable livelihood of female and male herders and farmers

Contributing to sub-objectives (SO) of the International Cooperation (IC) Strategy 2021-2024:
- IC SO1: Strengthening framework conditions for market access and creating economic opportunities (SDGs 4 and 8)
- IC SO2: Promoting innovative private sector initiatives to facilitate the creation of decent jobs (SDGs 1, 2, 4, 5, 8 and 10)

Theory of change:

If farmers, herders and youth:
- Have economically conducive and environmentally friendly policy frameworks;
- Produce traceable, quality products based on market demand;
- Are able to access markets and jobs;

Then it will allow them to increase income, sustain their businesses, and improve their livelihoods.

(1) Swiss portfolio outcomes (SPO)	(2) Contributions of the Swiss Programme	(3) Country development outcomes (CDO)
Swiss Outcome Statement 1: State institutions have improved policy frameworks (transversal governance) that create more opportunities for farmers/ herders and their organisations to benefit from demand-driven production and better access to markets. Swiss indicators (SI): 1.1. Number of new/revised national policies and legal frameworks favourable for smallholder farmers and herders *(Source: National Law Registry)* Baseline (2020): 12 (crop production) + 2 (animal health and livestock taxation laws) Target (2023): 14 (2 under VEGI) + 1 (rangeland/land law) 1.2. Number of rangeland user agreements (RUA)1 approved by local authorities and registered with the Agency for Land, Geodesy and Cartography (ALAGAC) database *(Source: ALAGAC)* Baseline (2020): 1,254 Target (2023): 1,300	The Swiss Programme contributes to: ➢ Improving the legal environment in agriculture through advocacy and policy dialogue on food safety (including plant protection, new seeds and varieties) and sustainable agriculture practices and production (including rangeland law and regulations) ➢ Providing evidence on successful models for sustainable rangeland management practices Positive factors/assumptions: ➢ Livestock Tax Law approved in December 2020 ➢ Increased awareness regarding rangeland degradation among decision makers and herders ➢ Willingness of herders to engage in the sustainable use of pastureland ➢ PUG/RUA approach is being increasingly recognised by local administrations Negative factors/risks: ➢ Non-approval of the rangeland/land law ➢ Existing gaps in leadership and a lack of coordination/ redundancy from the government and the donor community	**Country Outcome Statement 1:** The state policy (transversal governance) creating favourable conditions for the production and export of environmentally friendly products least affected by international market prices is implemented. *(Source: MDV 2050, Objective 4.2.15.)* Country indicators (CI): 1.1 Number of laws (new and amended) on animal husbandry and crop/ vegetable production submitted to Parliament *(Source: MoFALI Strategic Plan 2021-24)* Baseline (2020): 13 Target (2024): +5 (= 18) 1.2 New reserve pastures for local special needs, secured borders, and improved use and protection of pastures *(Source: MoFALI Strategic Plan 2021-24).* Baseline (2020): 3 million ha Target (2024): 4.2 million ha

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1 A rangeland user agreement (RUA) is an agreement between a pasture user group (PUG) of herders and a local government that defines a pasture's use and management.

	➢ Conflicts of interest between land user rights for herders, the mining industry, and crop production ➢ Political interests prevail over the sustainable development of the sector ➢ Less funding available for the sector due to partial diversion to COVID-19 long-term response	35
Swiss Outcome Statement 2: Farmers/herders and their organisations have better capacities in business development, quality production and access to markets. Swiss indicators (SI): 2.1. Increase in sales (number and %) of supported cooperatives *(Source: VEGI Project, post-GGAHP)[2]* Baseline (2020): MNT 8.8 billion (NFPUGs) Target (2023): + MNT 3.2 billion (= 12 billion) (NFPUGs) 2.2. Number of smallholder farmers and herders (female/male) with increased income from agricultural/livestock production **(AFS_ARI_1)** *(Source: VEGI Project, post-GGAHP)[2]* Baseline (2020): 20,226 (16% female) Target (2023): 25,000 (20% female) 2.3. Number of processors using the digital Responsible Nomads traceability system[3] *(Source: post-GGAHP)* Baseline (2020): 8 processors + 20 cooperatives Target (2023): 20 processors + 70 cooperatives	The Swiss Programme contributes to: ➢ Improving the capacities of the farmer/herder organisations for their internal governance (transversal governance) and financial management ➢ Increase the marketing and export of selected agriculture products using traceability systems Positive factors/assumptions: ➢ Commitment of the government to economic diversification, import substitution, and export intensification remains high ➢ Strategic partnerships concluded with several countries to enable tax-free import for Mongolian products (e.g., wool and cashmere products) ➢ Local demand for locally grown agri-products is increasing ➢ International demand for high-quality and certified products is still on the risew Negative factors/risks: ➢ Increasing impact of climate change (more frequent dzuds, less precipitation, and temperature changes) ➢ Limited competitiveness with China for vegetable and fruit products ➢ Being a landlocked country, Mongolia stays highly dependent on the logistics/ trade restrictions imposed by the COVID-19 pandemic ➢ Outbreak of contagious animal diseases	**Country Outcome Statement 2:** A network of production and sales for agricultural products is established to ensure that the local demand for key food products is fully met by domestic production, and to promote import substitution and the export-oriented production of goods. *(Source: GAP 3.3)* Country indicators (CI): 2.1. Volume of cooperatives' capital in the agriculture sector *(Source: NSO)* Baseline (2020): MNT 9,801.8 million 2.2. Market share of domestic vegetable production in Mongolia *(Source: MoFALI Strategic Plan 2021-24)* Baseline (2020): 56% Target (2023): +16% (= 72%) 2.3 Export of meat and meat products *(Source: MoFALI Strategic Plan 2021-24)* Baseline (2020): 70,000 tons Target (2023): 120,000 tons

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2   As part of the phase-out process and ensuring the sustainability of SDC-funded projects (the principle of a responsible phase-out), data will continue to be collected by the National Federation of Pasture User Groups (NFPUGs) beyond the GGAHP's closure (2021), as it continues to produce results.

3   The Responsible Nomads traceability system is an electronic tracking system for the origin of livestock raw materials used to determine if they come from responsible herder households and farmers maintaining healthy rangelands, healthy animals, and sustainable production practices.

Swiss Outcome Statement 3: Young women and men have improved access to labour markets/jobs	The Swiss Programme contributes to:	**Country Outcome Statement 3:** Employment is promoted, entrepreneurial skills are developed, and the competitiveness of small and medium-sized businesses (SMEs) is improved
Swiss indicators:	➢ Facilitating informed decisions for professional pathways (labour market-oriented career guidance, services, and internships) taken by youth, including 15-year-old students at secondary schools and beyond	*(Source: MDV 2050, Objective 3.3.)*
3.1. Number of female/male young persons (15-34 years old) who have received and used better information about labour markets and employment services **(IED_ARI_2)**	➢ Enhancing the employment prospects of graduates in higher education through contributions to tuition fees, human development, and job acquisition skills	Country indicators (CI):
(Source: Scholarship and post-VET/YEPP)[4]	➢ Improving entrepreneurial skills and promoting start-up eco-systems through trainings, grants/loans, and mentoring services by state labour authorities, working in partnership with the private sector	3.1. Labour force participation rate (15-34 years old, female/male)[6] *(Source: NSO)*
Baseline (2020): 8,852, including 51% female (YEPP) + 180, including 60% female (scholarships)		Baseline:
Target (2023): +30% increase (YEPP) + 300 (scholarships), including no less than 50% female for both	Positive factors/assumptions:	15-19 years old: 11.5%, 7% female
3.2. Number of sustained Youth Employment Desks providing at least one youth employment service	➢ Employment promotion remains a priority for the government, included in all strategic policy documents	20-24 years old: 42.7%, 32.3% female
(Source: post-VET/YEPP)[4,5]	➢ EU strategy for Mongolia supports SMEs, employment and skills development through increased budget support	25-29 years old: 70.4%; 58% female
Baseline (2021): 30 public desks	Negative factors/risks:	30-34: years old: 77.6%, 63.5% female
Target (2023): All 30 public desks retained	Non-targeted subsidies and increased social welfare schemes demotivate the younger generation	3.2. Ratio of young people (15-24 years old, female/male) not employed and/or not involved in further education or training (NEET)
	COVID-19 impacts on:	*(Source: NSO)*
	- Decreased revenues in the service, retail and wholesale sectors	Baseline: 19.7% (21% female)
	- Increase in youth unemployment	
	- Decrease in quality and access to education, learning gaps cause diminution of the future income and earnings level of young people (predicted to fall by 2.8%)	
	- Increase of informal employment	

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4 As part of the phase-out process and ensuring the sustainability of SDC-funded projects (the principle of a responsible exit), data will continue to be collected by the General Office of Labour and Social Welfare (GOLSW) beyond the VET/YEPP project's closure (2021), as it continues to produce results.

5 The Ministry of Labour and Social Protection reports this indicator for the EU's budget support within the EU performance indicators of variable tranches.

6 According to the Labour Law of Mongolia, youth 15-18 years old can participate in internships and professional job orientation activities under special regulations and an agreement with parents/legal guardians.

(4) Lines of intervention (Swiss Programme)

Outcome 1 (Policy frameworks)
- Policy advocacy/dialogue with Parliament and Cabinet on a positive conclusion for key laws (rangeland and livestock taxation laws)
- Advocacy and technical assistance to the government in applying quality standards for vegetables and contributing to a higher quality of vegetables produced in Mongolia

Outcome 2 (Capacities in business development, quality production, and access to markets)
- Through coaching, strengthen farmer cooperatives and their professional associations capacities in business and organisational development (transversal governance)
- Promote vegetable production in urban and peri-urban areas, including by vulnerable and resource-poor households (especially women-headed)
- Support the private sector and NFPUGs in expanding the livestock health traceability system (developed by SDC's former GGAHP and now owned by MoFALI and NFPUGs) to meat and dairy product supply chains
- Introduce and scale up innovations capable of increasing productivity (new seeds, varieties, and new technologies for vegetable production)
- Promote the farmer cooperatives' supply chains for vegetables from farmers' gates to markets
- Support some private sector's business in marketing the products and methodologies developed by SDC's former and current projects

Outcome 3 (Access to labour markets/jobs)
- Provide merit-based partial scholarships and employment training to vulnerable students (with no less than 40% being male) in higher education
- Policy dialogue and advocacy for client-based, gender sensitive, inclusive, transparent, and youth-oriented services to improve employment (transversal governance and gender)
- Conduct capitalisation of experiences of SDC Mongolia in TVET and employment sectors in 2022

(5) Resources, partnerships (Swiss Programme)

- Resources: CHF 0.9 million over three years (2022-2024)
- Partnerships: Direct partners: state bodies (Ministry of Labour and Social Protection), private sector (Zorig Foundation[ZF]), national NGOs (MFARD and NFPUGs), multilateral organisations (FAO) / Indirect partners: state bodies (GOLSW, ALAGAC, subnational governments/governors), Swiss governmental entities (Swiss Business Hub Beijing [SBH], SIFEM, SECO)
- Modalities: Contributions, mandates
- Coordination: European Union (budget support for TVET/employment), World Bank (employment), sectoral development partners' group (education)

MPR 1 (Operational): All project operations are gradually closed after having reached the maximum possible sustainability in the given evolving context (flexibility).

1.1. For each project above CHF 1 million, results are documented and archived (EPROR, AR, capitalisations, mid-term reviews, and final evaluations, some including the issue of PSEAH). Projects below CHF 1 million are documented through final partner project reports.

Baseline (2021): EPROR: 0 / AR: 1 / Capitalisations: 2 / Mid-term reviews: 3 / Final evaluations:4

Target (2024): EPROR: 13 / AR: + 2 (= 3) / Capitalisations: + 4 (=6) / Mid-term reviews: + 0 (= 3) / Final evaluations (80% with PSEAH): + 5 (= 9)

1.2. Interventions supported by SDC are taken over and pursued by the Mongolian national, province, and/or municipal budgets under the respective Mongolian country development strategies (sectoral and/or national) and/or multilateral organisation for at least 50% of SDC's projects in each domain.

Baseline (2021):   4

Target (2024):   + 5 (= 9)

1.3. Financial and policy commitments contractually signed by partners are respected, including a systematically carried-out evidence-based policy dialogue.

Baseline (2021):   0

Target (2024):   3 (1/domain)

MPR 2 (Knowledge management & communication - see respective annex): Switzerland is positioned in Mongolia as a reliable partner and an innovative country.

2.1. Number of SDC-funded projects (excluding small actions and culture) with capitalisations and/ or results shared with development stakeholders in Mongolia (events, handover workshops, knowledge platforms, print and social media, partner organisation development groups) and within SDC (network products, events, brown bag lunches, inclusion in SDC general AR, etc.).

Baseline (2021):   2

Target (2024):   +9 (= 11)

2.2. Evidence that SDC-supported interventions in Mongolia have been taken over or have inspired the design/implementation of the programmes of Mongolian authorities and/or other development actors.

Baseline (2021):   4

Target (2024):   + 3 (1/domain = 7)

2.3. The joint achievements of bilateral development cooperation between Mongolia and Switzerland are celebrated and solemnly terminated.

Baseline (2021):   0

Target (2024):   1

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1   The baselines indicate that the phasing out process has concretely started in 2021 for operational programmes (though one was already closed at the end of 2019) and in 2020 for staff.

Photo by SDC

MPR 3 (Human resources): Staff have left SDC with support and recognition.

3.1.   Staff (Swiss, local, and directly implemented programme staff) are informed well ahead about the staffing needs up to 2024 and have left SDC at the end of their contract duration.
Baseline (2020):   2/272
Target (2024):   27/27

3.2.   Local office staff (not directly implemented programme staff) have received the social benefits authorized by FDFA and local legislation.
Baseline (2021):   0/13
Target (2024):   13/13

3.3.   Local office staff (not directly implemented programme staff) have been sensitized to PSEAH.
Baselines (2021):   0/13
Target (2024):   13/13

3.4.   Local office staff (not directly implemented programme staff) have benefitted f accompanying measures to prepare them for the time beyond employment with SDC (e.g., training, work certificates, letter/call of recommendation, forward of job offers, early retirement scheme).
Baseline (2021):   0/13
Target (2024):   13/13

MPR 4 (Financial and administrative): Swiss representation in Mongolia is closed down.

4.1.   By the end of 2023, all project operations are closed. By the end of 2024, all projects are financially and administratively closed, in accordance with the laws and directives of Switzerland and Mongolia.
Baseline (2021):   0
Target (2024):   15

4.2.   Archives for the period of 2017-2024 are completed and sent to Switzerland.
Baseline (2021):   Not sent
Target (2024):   Sent

4.3.   All office items and goods are sold or donated. Office premises are handed over to the landlord.
Baseline (2021):   Closure of the floor dedicated to directly implemented projects (GGAHP and GDP).
Target (2024):   Full closure of the Swiss Cooperation Office.

4.4.   An honorary consul post-2024 is identified and recruited with the Political Division in Bern, in coordination with the Swiss Embassy in China.
Baseline (2021):   0
Target (2024):   1

MPR 5 (Strategic/transition): In view of possible Swiss engagement beyond 2024 (non-SDC bilateral support), selective innovative partnership ideas with the potential for scaling up are identified and financially supported through the small action line.

5.1.   Start-up businesses linked with SDC projects in phase-out are developed through the small action budget line.
Baseline (2021):   1
Target (2023):   +2 (= 3)

5.2.   Potential public-private development partnerships between the Swiss Business Hub in China (if SBH gets a mandate to engage in Mongolia) and the Mongolian authorities and/or a Swiss enterprise active in Mongolia have been explored and initiated where possible.
Baseline (2021):   0
Target (2024):   TBC

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2   As part of the phase-out, two SDC colleagues already left without replacement: the Swiss Head of Finance, Personnel and Administration and a local National Programme Officer.

Annex 3: Monitoring System

Dimension	Monitoring area	Instrument	Frequency
Country context	Overall country context relevant for the country programme phase-out	Bullet Points	Bimestrial
		MERV	Annually: September
		Specific internal notes (e.g., elections)	Whenever needed
Project portfolios	• Swiss portfolio outcomes • Country development outcomes • Transversal themes	Project operational and financial reports	Annually (with some projects also being semi-annual), except if agreed otherwise under contract
		Project external audits	Annually for all projects of minimum CHF 100,000
		Project external mid-term reviews/final evaluations	Once per project above CHF 1 million
		Project capitalisations	Last year of the project, for each project where it is relevant and feasible (COVID-19)
		End-of-project reports (EPROR)	Latest six months after the project's operational end
		SCO Annual Report	Annually: October
		Project ex-post external evaluation	Whenever deemed relevant/ needed, after a project has operationally ended
Management	SCO efficiency and compliance	ICS compliance report	Annually: September
		External audit	Annually: February-April
		FDFA internal audit	2024, if necessary (last one: September 2021)

Photo by SDC

Annex 4: Planned Disbursements (in million CHF, rounded figures)

Swiss Portfolio	2022	2023	2024	Total	%
Democratic governance, respect for human rights and promotion of gender equality – equal access to quality decentralized public services *(note: titles have to be adapted to the final version of the results framework)*	2.7	0.7	0.2	3.6	44%
Climate change adaption/mitigation and environmental sustainability	2.3	0.6		2.9	35%
Inclusive economic development for sustainable livelihood of female and male herders and farmers	0.8	0.2		1.0	12%

Other projects:
    - *Small actions: 64% (CHF 480'000) = **6.4%***
    - *Culture: 36% (CHF 270'000) = **2.6%***
	0.2	0.2	0.3	0.7	9%

Total per year	**6.0**	**1.7**	**0.5**	**8.2**	**100%**

Photo by SDC
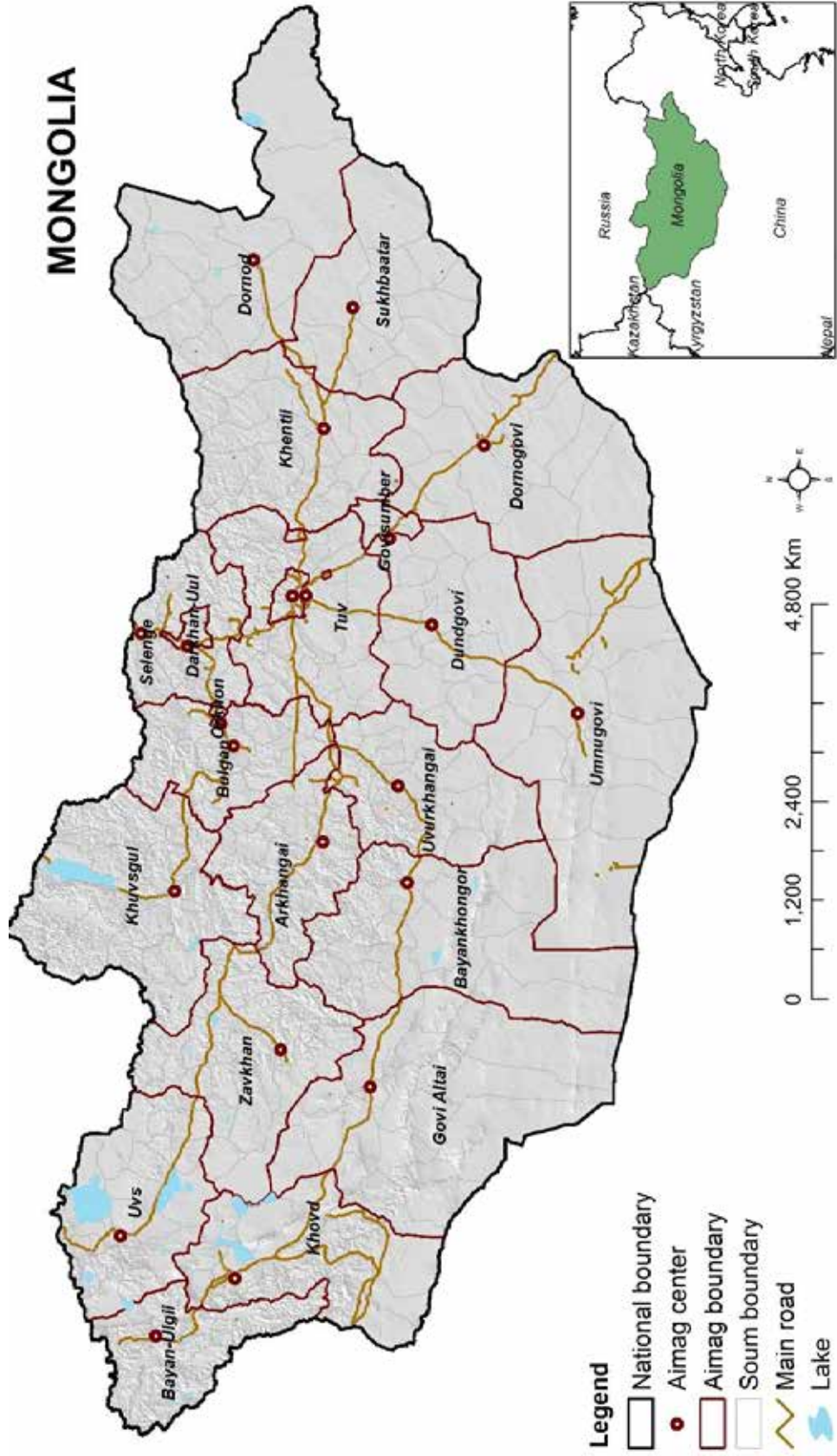
Annex 5:   List of Abbreviations

1. ADB - Asian Development Bank
2. AFS - Agriculture and Food Security
3. ALAMAG - Agency for Land, Geodesy and Cartography
4. AR - Annual report
5. APP - Reducing Impact of Air Pollution on Maternal and Child Health
6. CabSec - Cabinet Secretariat of Mongolia
7. CEP-Civic Engagement Project
8. CDO - Country Development Outcomes
9. CHF - Swiss franc
10. CI - Country Indicator
11. CSO - Civil Society Organisation
12. CSPM - Conflict-Sensitive Programme Management
13. DV - Domestic violence
14. DP-Democratic Party
15. EPROR - End-of project report
16. ESD - Education for Sustainable Development
17. EU - European Union
18. FA - Functional allocation
19. FAO - Food and Agriculture Organization of the United Nations
20. FDFA - Federal Department of Foreign Affairs
21. GAP - Good agriculture practice
22. GBV - Gender-based Violence
23. GDP - Governance Development Programme
24. GGAHP - Green Gold Animal Health Project
25. GIZ - German International Cooperation
26. GOLSW - General Office of Labour and Social Welfare
27. ICRS - Internal Control Review System
28. ICT - Information And Communication Technology
29. IMF - International Monetary Fund
30. IOM - Internal Organization for Migration
31. ITCNE - Information Training Centre on Nature and Environment
32. LATUG - Law on Administrative and Territorial Units and Their Governance
33. LDF - Local Development Fund
34. LNOB - Leave No One Behind
35. MASAM - Mainstreaming Social Accountability in Mongolia Project
36. MDV - Mongolian Development Vision 2050
37. MERV - Monitoring System for Development-related Changes
38. MET - Ministry of Environment and Tourism
39. MFARD - Mongolian Farmer's Association for Rural Development
40. MNT - Mongolian tugruk
41. MoES - Ministry of Education and Science
42. MoF - Ministry of Finance
43. MoFALI - Ministry of Food, Agriculture and Light Industry
44. MoH - Ministry of Health
45. MoJIA - Ministry of Justice and Internal Affairs
46. MoSLP - Ministry of Labour and Social Protection
47. MoU-Memorandum of Understanding
48. MPP - Mongolian People's Party
49. MPR - Management Performance Results
50. MTR - Mid-Term Review
51. MUB - Municipality of Ulaanbaatar

52. NAMEM - National Agency for Meteorology and Environment Monitoring of Mongolia
53. NEMA - National Emergency Management Agency
54. NGO - Non-Governmental Organisation
55. NHRC - National Human Rights Commission
56. NSO - National Statistical Office
57. OSSC - One-Stop Service Centre
58. PSEAH - Prevention Of Sexual Exploitation, Abuse And Harassment
59. PUG - Pasture User Group
60. SBH - Swiss Business Hub
61. SCO - Swiss Cooperation Office
62. SDC - Swiss Agency for Development and Cooperation
63. SDG - Sustainable Development Goals
64. SECO - Swiss State Secretariat for Economic Affairs
65. SI - Swiss indicators
66. SIFEM - Swiss Investment Fund for Emerging Markets
67. SLP3 - Third Sustainable Livelihood Project
68. SO - Sub-Objectives
69. SRBM - Strengthening Representative Bodies in Mongolia
70. TVET - Technical Vocational Education and Training
71. UN - United Nations
72. UNDP - United Nation Development Programme
73. UNFPA - United Nation Population Fund
74. UNICEF - United Nations Children's Fund
75. USAR - Urban Search and Rescue
76. VEGI - Inclusive and Sustainable Vegetable and Marketing Project
77. VET - Vocational Education and Training
78. WB - World Bank
79. WCTM - Waste Collection and Transportation Management Project
80. YEPP - Youth Employment Promotion Project
81. ZF - Zorig Foundation

Photo by SDC

Annex 6: Map

MONGOLIA

Legend
National boundary
Aimag center
Aimag boundary
Soum boundary
Main road
Lake

0   1,200   2,400   4,800 Km