

Project Administration Manual

Project Number: 54214-002
Loan Number: {LXXXX}
March 2021

Mongolia: Second Shock-Responsive Social
Protection Project

ABBREVIATIONS

ADB	–	Asian Development Bank
CMP	–	child money program
COL	–	concessional ordinary capital resources
COVID-19	–	coronavirus disease
DMF	–	design and monitoring framework
FMA	–	financial management assessment
GOLWS	–	General Office of Labor and Welfare Services
IHD	–	Integrated Household Database
IT	–	information technology
MLSP	–	Ministry of Labor and Social Protection
MOF	–	Ministry of Finance
OCB	–	open competitive bidding
OCR	–	ordinary capital resources
PAM	–	project administration manual
PIU	–	project implementation unit
PMT	–	proxy means test
PPMS	–	project performance monitoring system
RFQ	–	request for quotations
SOE	–	statement of expenditure
SRSP1	–	Shock-Responsive Social Protection Project
TA	–	technical assistance
TSA	–	Treasury Single Account

CONTENTS

I.	PROJECT DESCRIPTION	1
II.	IMPLEMENTATION PLANS	6
	A. Project Readiness Activities	6
	B. Overall Project Implementation Plan	7
III.	PROJECT MANAGEMENT ARRANGEMENTS	8
	A. Project Implementation Organizations: Roles and Responsibilities	8
	B. Key Persons Involved in Implementation	10
	C. Project Organization Structure	11
IV.	COSTS AND FINANCING	12
	A. Cost Estimates Preparation and Revisions	13
	B. Key Assumptions	13
	C. Detailed Cost Estimates by Expenditure Category	14
	D. Allocation and Withdrawal of Loan Proceeds	15
	E. Detailed Cost Estimates by Financier	16
	F. Detailed Cost Estimates by Outputs	17
	G. Detailed Cost Estimates by Year	18
	H. Contract and Disbursement S-Curve	19
	I. Fund Flow Diagram	20
V.	FINANCIAL MANAGEMENT	21
	A. Financial Management Assessment	21
	B. Disbursement	23
	C. Accounting	25
	D. Auditing and Public Disclosure	25
VI.	PROCUREMENT AND CONSULTING SERVICES	26
	A. Advance Contracting and Retroactive Financing	26
	B. Procurement of Goods, Non-consulting, and Consulting Services	26
	C. Procurement Plan	27
	D. Consultants' Terms of Reference	31
VII.	SAFEGUARDS	35
VIII.	GENDER AND SOCIAL DIMENSIONS	36
IX.	PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION	39
	A. Project Design and Monitoring Framework	39
	B. Monitoring	42
	C. Evaluation	42
	D. Reporting	43
	E. Stakeholder Communication Strategy	43
X.	ANTICORRUPTION POLICY	43
XI.	ACCOUNTABILITY MECHANISM	43
XII.	RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL	44
APPENDIXES		
1.	Child Money Program: Special Statement of Expenditure Form	44
2.	Mongolia Graduation Pilot Program: Concept Note	45

Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through links to websites or directly incorporated in the PAM.

The Ministry of Labor and Social Protection (executing agency) and its General Office of Labor and Welfare Services (implementing agency) are wholly responsible for the implementation of the ADB-financed project, as agreed jointly between the borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by the executing and implementing agencies of their obligations and responsibilities for project implementation in accordance with ADB policies and procedures.

At loan negotiations, the borrower and ADB shall agree to the PAM and ensure consistency with the loan agreements. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreements, the provisions of the loan agreements shall prevail.

After ADB Board approval of the project's report and recommendation of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. With a worsening coronavirus disease (COVID-19) situation unfolding in the fourth quarter of 2020, the Government of Mongolia has requested urgent additional support for social protection measures to mitigate the socioeconomic impacts of the pandemic on poor and vulnerable groups.¹ The proposed project will (i) apply shock-responsive social protection principles to continue support for pro-poor child grant top-ups on a temporary basis through an established national social assistance program, and (ii) strengthen social welfare programs and systems for improved household resilience and government response to future crises.

A. Rationale

2. **Impact of the pandemic.** Mongolia took early and decisive action starting in January 2020 to prevent the outbreak of COVID-19. However, while the direct health impact was initially limited, economic data and several rapid assessments confirm that the socioeconomic consequences of the virus containment efforts—including border closures, trade disruptions, and school and business closures—have been substantial.² The economy contracted by 5.3% in 2020, indicating the worst economic recession since 1992.³ The contraction has been driven by a significant decline in mining, transport, trade, and construction. The resulting household-level shocks can be severe and long-lasting, particularly on the poor and vulnerable. As early as May 2020, (i) nearly three-quarters of all Mongolian households and 85% of poor households reported experiencing some sort of economic shock, (ii) nearly two-thirds (64%) of all households reported an increase in food prices, (iii) nearly three-quarters (73%) of self-employed workers experienced income loss, and (iv) 70% of farmers and herder households reported a decline in income compared with the previous year.⁴ The impact of the pandemic became more acute in Mongolia with the first community transmission recorded in November 2020, causing the government to issue strict lockdown orders from 12 November 2020 to 11 January 2021 and again from 11 to 23 February 2021.

3. **Pre-crisis poverty.** The pre-crisis poverty rate was already high at 28.4% in a population of 3.24 million, but this national average conceals important differences by location, sex, and age. The poverty rate is significantly higher among urban households headed by women (32.4%), households living in the country's eastern region (37.4%), and among very young children aged 0–4 (38.0%).⁵ Childhood poverty is widespread: children under the age of 15 comprise 42% of the country's nearly 905,000 poor people, while 52% live in households with more than three children. A large share of Mongolians who are technically nonpoor live precariously close to the poverty line. Increasing the poverty line by half (from MNT166,580 to MNT249,870 per capita per month) nearly doubles the poverty rate to 55.7% (footnote 5). Mongolia's experience of both past crises and the COVID-19 pandemic confirms the risk of negative coping strategies. These include selling productive assets, reducing consumption levels, or making harmful choices regarding

¹ The project is included in Asian Development Bank (ADB). 2020. [Country Operations Business Plan: Mongolia, 2021](#). Manila. It follows on from the first Shock-Responsive Social Protection Project, an emergency assistance loan approved in June 2020, which supported expanded food stamp and child grant benefits through September 2020. ADB. [Mongolia: Shock-Responsive Social Protection Project](#).

² ADB. 2020. [Building Capacity for an Effective Social Welfare System: Assessment of the Social Protection Response to COVID-19 in Mongolia](#). Consultant's report. Manila (TA 9893-MON).

³ ADB. 2020. [Asian Development Outlook \(ADO\) 2020 Supplement: Paths Diverge in Recovery from the Pandemic](#). Manila.

⁴ World Bank. 2020. [Results of Mongolia COVID-19 Household Response Phone Survey \(Round 1\)](#). Washington, DC.

⁵ National Statistics Office of Mongolia and World Bank. 2020. [Mongolia Poverty Update 2018: Main Report of "Household Socio-Economic Survey 2018."](#) Ulaanbaatar.

investment in education, health, and livelihoods, all of which can impact long-term well-being.⁶ In May 2020, 27% of households reported that their food consumption had declined, with households headed by women being much more likely to report decreased food consumption (41.0%) than those headed by men (22.5%).⁷

4. **Mongolia's effective social protection response.** To mitigate the impact of the pandemic, the government issued a robust package of measures worth about 1.5% of gross domestic product to stimulate the economy and extend social protection. The first set of measures implemented from April to September 2020 included five key interventions: (i) exempting all business entities from social insurance contributions for 6 months, which benefitted employers as well as paid employees and self-employed people who make voluntary contributions; (ii) exempting citizens from personal income tax on salaries for 6 months (excluding civil servants); (iii) exempting smaller companies (with income lower than MNT1.5 billion) from corporate income tax for 6 months; (iv) paying entities that kept employees on the payroll despite weakening operations a monthly allowance of MNT200,000 per employee from April to June 2020; and (v) increasing monthly child grants under the universal child money program (CMP) to MNT100,000 (from the basic benefit of MNT20,000). From May 2020, added measures included doubling the monthly food stamps targeted at the poorest households and increasing social welfare pensions by MNT100,000 for highly vulnerable groups (persons with disabilities, older persons without other pensions, orphans, and single parents with many children). A subsequent set of measures covering October–December 2020 continued some of these policies and measures and suspended others.⁸

5. A microsimulation analysis shows that both inequality and poverty would have increased significantly without these measures (footnote 2), which appear to have not only counteracted the negative effects but may also have reduced poverty from the pre-pandemic baseline level. Because of the high rate of child poverty and the large number of children in poor households, the child grants alone reduced both poverty and inequality, reaching 64% of the country's households, comprising 80% of the population. On the strength of this result, and with the crisis worsening as of November 2020 and prolonged socioeconomic impacts expected, the government approved the extension of the child grant top-ups from January to June 2021.

6. **Global social protection lessons.** Mongolia's emphasis on social assistance in its COVID-19 response is in keeping with global practice. As of September 2020, virtually all countries and territories (212) had planned, introduced, or adapted 1,179 social protection programs in response to COVID-19; the majority were social assistance transfers (724 measures, or 61.4% of the total).⁹ About 51% of these safety net measures (and 31% of global measures) were cash-based transfers in 158 countries, as in Mongolia. During a crisis, expanding support using existing programs and their infrastructure, such as targeting and delivery systems, is more efficient than creating new programs. Mongolia's Ministry of Labor and Social Protection (MLSP) used its food stamp program in this way during the financial crisis in 2017, as well as both food stamps and child grants in the initial response to the pandemic in 2020, supported by ADB under

⁶ ADB. 2018. [Strengthening Resilience Through Social Protection Programs: Guidance Note](#). Manila.

⁷ United Nations Development Programme. 2020. [Rapid Socio-Economic Impact Assessment of COVID-19 Prevention Measures on Vulnerable Groups and Value Chains in Mongolia](#). Ulaanbaatar.

⁸ The increased child grants, food stamps, and social welfare pensions were continued through the end of 2020. Social insurance contributions were no longer waived, but paid at a reduced rate of 5% by both employers and employees. Smaller companies continued to be exempted from corporate income tax until the end of 2020.

⁹ U. Gentilini et al. 2020. [Social Protection and Jobs Responses to COVID-19: A Real-Time Review of Country Measures](#). Living paper version 13 (18 September). Washington, DC: World Bank.

the first Shock-Responsive Social Protection Project (para. 12).¹⁰ International lessons include the importance of strengthening poverty targeting and social welfare delivery systems to be ready to respond when crises hit. Poverty is dynamic, but Mongolia's poverty targeting database is several years out of date. Timely data updating, operational capacity, and limited use across programs are challenges for the system's sustainability and effectiveness. COVID-19 has also underscored the need to develop shock-responsive systems and programs that help address multidimensional poverty, support the longer-term recovery process, and increase resilience to future shocks. Global impact evaluation evidence confirms that an innovative approach to social protection that combines cash support with a more holistic set of livelihood and coaching interventions can address multiple facets of deprivation and help poor people diversify their income sources sustainably, and ultimately become more resilient in the context of shocks.¹¹

7. **Strategic alignment.** The project is aligned with the April 2020 ADB policy paper, which emphasizes that the scope and scale of the ongoing crisis make it imperative for ADB to step up support to developing member countries to combat the effects of the pandemic.¹² Strengthening social protection systems and service delivery is a fundamental element of both ADB's COVID-19 response and ADB's Strategy 2030 operational priority 1 (addressing remaining poverty and reducing inequalities). The project also addresses operational priority 2 (accelerating progress in gender equality) and is aligned with several Sustainable Development Goals that include social protection targets.¹³

B. Project Description

8. The project is aligned with the following impact: adverse socioeconomic impacts of the COVID-19 pandemic reduced (footnote 12). The project will have the following outcome: social welfare support for the poor and vulnerable, especially women and children, enhanced.¹⁴

9. **Output 1: Pro-poor child grant top-ups delivered.** Output 1 will finance a share of the extended shock-responsive increase in the monthly child grant benefits for an additional 6 months (January–June 2021), following on from the earlier top-ups supported under the emergency assistance loan from April to September 2020. The CMP provides universal cash grants to all children aged 0–17 as long as the children are registered in the Integrated Household Database (IHD). Payments are made electronically, directly to accounts set up in children's names, with mothers as the account custodians in 85.6% of households. Before the top-ups, in March 2020, 1,107,130 children (about 93% of all children) received child grants of MNT20,000 per month. A mother of three children under 18 would have received about \$21.50 (about 7.2% of the monthly poverty line for a family of five) to support her children's needs. As of November 2020, 1,184,158 children (comprising 48.2% girls, and 97.6% of all children) received the topped-up child grants of MNT100,000.¹⁵ A family with three children now receives about \$106 per month to mitigate the impact of the pandemic, equivalent to about 36% of the monthly poverty line for a family of five.

¹⁰ An ADB emergency assistance loan of \$26.4 million supported the first round of Mongolia's food stamp and child grant top-ups from April to September 2020, with 99.05% disbursement as of December 2020. ADB. [Mongolia: Shock-Responsive Social Protection Project](#).

¹¹ A. Bannerjee et. al. 2015. [A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries](#). *Science*. 348 (6236), 772-788.

¹² ADB. 2020. [ADB's Comprehensive Response to the COVID-19 Pandemic](#). Manila.

¹³ Social protection targets are key to achieving Sustainable Development Goals 1 (no poverty), 2 (zero hunger), 5 (gender equality), 8 (decent work and economic growth), and 10 (reduced inequalities).

¹⁴ The design and monitoring framework is in [Section IX A](#).

¹⁵ This broadly matches the sex ratio of Mongolian children confirmed by the National Statistics Office of Mongolia data for 2019, showing children aged 0–19 as 51.1% boys and 48.9% girls. The imbalance is more pronounced among children aged 0–4, at 51.3% boys and 48.7% girls.

10. **Output 2: Social welfare programs and systems strengthened.** To improve household resilience and the government's response to future crises, output 2 will finance activities in three key areas: (i) updating the poverty targeting system and the IHD with more accurate data to be better able to reach people in need through support for the next round of the proxy means test survey based on a new methodology, (ii) supporting the digitization of social welfare programs into the "e-welfare" system to streamline benefit and service delivery, and (iii) pilot testing and evaluating the graduation approach as an innovative type of social protection program that builds on cash transfers with a holistic set of livelihood and coaching interventions. Also described as economic inclusion or "big push" programs,¹⁶ the pilot test covering at least 1,500 poor households (participants in the food stamp program and/or CMP) will include rigorous impact evaluation to strengthen the evidence base on what works for lasting poverty reduction in Mongolia.¹⁷ New impact evaluation evidence confirms that graduation programs have made households more resilient in the context of the COVID-19 shock.

C. Value Added by ADB

11. ADB will leverage sector experience, expertise, partner resources, and technical assistance (TA) to deliver shock-responsive social protection. ADB has been a leading partner in the development of Mongolia's social protection system since 1994, through a series of loans, grants, and TA projects.¹⁸ ADB supported the introduction of the poverty targeting system and the design and rollout of the food stamp program as part of the government's effective response to the 2009 food and fuel crisis. Based on this experience, ADB was able to respond swiftly with the emergency assistance loan to support the child grant and food stamp top-ups in June 2020. The proposed project will access the resources and experts from ongoing TA to strengthen the social welfare system.¹⁹ The TA outputs include (i) improving the capacity of social workers and social welfare policy and decision makers; and (ii) supporting social welfare research, policy dialogue, and advocacy. The TA team produced a well-received assessment of Mongolia's social protection response to COVID-19 (footnote 2) and has coordinated with the United Nations Children's Fund (UNICEF) on a forthcoming assessment of the vertical expansion of child grants and food stamps, including a gender impact assessment. A series of planned knowledge products will contribute to the dialogue on improving targeting, consolidating programs, building more permanent shock-responsive mechanisms, and strengthening social protection to promote resilience, thus contributing to the longer-term reform objectives that ADB has been supporting.

12. **Comprehensive pandemic response.** The project forms part of ADB's holistic and comprehensive package of support to mitigate the impact of COVID-19 in Mongolia.²⁰ This package includes rapid pandemic response measures in the health sector, such as procuring emergency health equipment and TA for emergency response systems, as well as short- and

¹⁶ A. Bannerjee, E. Duflo, and G. Sharma. 2020. [Long-Term Effects of the Targeting the Ultra Poor Program](#). *NBER Working Paper Series*. No. 28074. Cambridge, MA: National Bureau of Economic Research.

¹⁷ This has been a long-term objective of the MLSP, across administrations, in its efforts to rationalize and strengthen the approach to social protection.

¹⁸ The first ADB lending operation, preceded by TA, was ADB. [Mongolia: Social Security Sector Development Program](#).

¹⁹ ADB. [Mongolia: Building Capacity for an Effective Social Welfare System](#).

²⁰ ADB. [Mongolia: COVID-19 Emergency Response Project](#); reallocation (\$1.4 million) and additional financing (\$30 million) for ADB. [Mongolia: Fifth Health Sector Development Project](#); support for emergency response systems under ADB. [Mongolia: Support for Improving the Preparedness and Response to Novel Coronavirus Outbreak](#); reallocation of \$75,000 for purchasing screening equipment at border crossing points from ADB. [Mongolia: Regional Improvement of Border Services](#); reallocation of \$24 million for support to small and medium-sized enterprises under ADB. [Mongolia: Supporting the Credit Guarantee System for Economic Diversification and Employment Project](#); countercyclical support of \$100 million under ADB. [Mongolia: COVID-19 Rapid Response Program](#); and support for social welfare benefits under ADB. [Mongolia: Shock-Responsive Social Protection Project](#) (footnote 10).

medium-term responses such as (i) the first Shock-Responsive Social Protection Project (footnote 10), (ii) a \$30.0 million loan to support health security, (iii) a \$24.0 million reallocation to support small and medium-sized enterprises, and (iv) a \$100.0 million countercyclical support program to help the government manage the economic impact of COVID-19 and respond to public health and social protection needs.²¹ Achievements under the emergency assistance loan include increasing food security through food stamp benefit top-ups for 241,962 of the poorest Mongolians, and significantly mitigating the poverty effect of the pandemic-induced recession through timely child grant top-ups reaching 1.18 million children from April to September 2020.

²¹ The COVID-19 Rapid Response Program (footnote 20) includes the child grant expansion announced in the first round of measures (para. 4).

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Indicative Activities	2020		2021			Responsible Agency
	Dec	Jan	Feb	Mar	Apr	
Advance contracting actions						
Staff Review Meeting						ADB
Loan negotiations						ADB, MLSP, MOF
ADB Board approval						ADB
Loan signing						ADB, MOF
Government legal opinion provided						MOF
Loan effectiveness						ADB

ADB = Asian Development Bank, MLSP = Ministry of Labor and Social Protection, MOF = Ministry of Finance.
Source: ADB.

B. Overall Project Implementation Plan

Activity	2020	2021				2022				2023			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
A. Design and Monitoring Framework													
Output 1: Pro-poor child grant top-ups delivered													
1.1 Approve child grant top-ups for 6 additional months (January–June 2021)													
1.2 Transfer monthly child grants electronically to children's bank accounts in a timely manner													
1.3 Monitor implementation and assess the impact of the transfer on households (through TA 9893-MON)													
Output 2: Social welfare programs and systems strengthened													
2.1 Undertake household visits to recertify households using the new proxy means test methodology to be approved in Q1 2021													
2.2 Recruit consultants to support the digitization of social welfare systems													
2.3 Procure database management system for the Ministry of Labor and Social Protection and undertake training for staff													
2.4 Prepare detailed design and implementation plan for the graduation pilot program including TOR and training plan for social workers as coaches, beneficiary selection procedures, and TOR for service providers for market assessment, training delivery, and impact evaluation (through TA 9893-MON)													
2.5 Recruit service providers to support the graduation pilot program													
2.6 Implement, monitor, and evaluate the impact of the 20-month graduation pilot, with TA 9893-MON support													
B. Management Activities													
Gender action plan key activities													
Inception, midterm review, and annual review missions													
Project completion report													

TA = technical assistance, TOR = terms of reference.

Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

13. The MLSP, as the executing agency, will closely coordinate with other government agencies and ADB to resolve any issues, expedite procurement, ensure adequate budgetary and staff resources are allocated as needed, and complete the project within the target date. The executing and implementing agencies will each designate staff to work closely with the project implementation unit (PIU), the project steering committee, and bid evaluation committees and consultant selection committees to be established.

14. The executing agency will establish and supervise the PIU in consultation with the Ministry of Finance (MOF). The PIU will be under the MLSP, supervised by a project director. All project implementation arrangements, reporting and recruitment processes will be in line with the "Regulation on utilization of proceeds of foreign loans of the government; implementation, administration, financing, monitoring and evaluation of projects and programs funded by such proceeds" approved under Resolution No. 4 dated 11 January 2021 of the MOF, and relevant regulations that are approved and amended from time to time.

Project Implementation Organizations	Management Roles and Responsibilities
Oversight body Project Steering Committee (PSC)	<ul style="list-style-type: none"> • Comprises the Chair (State Secretary, MLSP), and members including (i) Director General, Development Financing Department, (ii) Director General, Policy and Planning Department, MLSP; (iii) Director, Social Protection Policy Implementation Coordination Department, MLSP; (iv) Director General, GOLWS, MLSP; and (v) PIU Project Coordinator • Reviews and assesses implementation progress and plans • Provides advice on policy matters • Meets at least once during implementation
Executing agency Ministry of Labor and Social Protection (MLSP)	<ul style="list-style-type: none"> • Assumes overall accountability and responsibility for project planning, management, and implementation • Ensures timely and effective execution of the loan agreements • Provides guidance and support to GOLWS (the implementing agency for output 1) • Approves withdrawal applications for submission to ADB, including the Child Money Program (CMP) special statement of expenditure forms and other relevant supporting documents • Facilitates audit of project accounts • Utilizes the Official Development Assistance Management Information System (ODA-MIS) for all project-related activities • Reviews quarterly and annual project progress reports submitted by the PIU
Implementing agency General Office of Labor and Welfare Services (GOLWS)	<ul style="list-style-type: none"> • Assumes direct accountability and responsibility for implementation of output 1 • Ensures accurate beneficiary rosters based on the Integrated Household Database, and provides beneficiary list to the Treasury for the CMP • Verifies and confirms withdrawal applications, including CMP special statement of expenditure forms and other relevant supporting documents • Utilizes the ODA-MIS for all project-related activities • Ensures that the financial audit is conducted on a timely basis

Project Implementation Organizations	Management Roles and Responsibilities
	<ul style="list-style-type: none"> • Ensures that the PIU develops quarterly and annual project progress reports and submits on timely basis; reviews the consultants reports and inputs • Ensures that the PIU provides necessary support to the executing and implementing agencies for daily coordination, planning, implementation, procurement, and financial management • Ensures that the overall project implementation progress is reviewed, and the annual implementation plan and contract awards and disbursement projections are approved by the Project Steering Committee
Project implementation unit (PIU)	<ul style="list-style-type: none"> • Supports the executing and implementing agencies for daily project coordination, planning, implementation, procurement, and financial management • Monitors progress against the design and monitoring framework, project administration manual, and gender action plan • Prepares withdrawal applications, including CMP special statement of expenditure forms and other relevant supporting documents • Ensures timely preparation and submission of the project financial statements and such statements are audited on annual basis and submitted to ADB on timely basis • Prepares and submits on a timely basis the quarterly and annual project progress reports in accordance with the requirements of the executing and implementing agencies, Ministry of Finance, and ADB • Assists the executing and implementing agencies in procurement activities including, but not limited to, conducting bidding processes and preparation of procurement documents such as procurement plans, bidding documents, and bid evaluation reports and seeking ADB's no-objection when required • Ensures monitoring and reporting is in line with the "Regulation on utilization of proceeds of foreign loans incurred by the Government; implementation, administration, financing, monitoring, and evaluation of projects and programs funded by such proceeds," approved under Resolution No. 4 of the Minister of Finance, and other relevant regulations that are approved and amended from time to time • Utilizes the ODA-MIS for all project-related activities
Asian Development Bank (ADB)	<ul style="list-style-type: none"> • Oversees project administration and timely execution of the loan agreements by the executing and implementing agencies • Disburses loan proceeds • Reviews and approves project progress reports and audit reports and follow up on audit recommendations • Reviews project compliance and targets against the design and monitoring framework, gender action plan, and project administration manual • Monitors project progress and conducts review missions • Discloses monitoring reports on ADB website • Informs on project progress and provides reports and materials • Informs and/or discusses potential changes in scope • Responds to inquiries and information requests

Source: Asian Development Bank.

B. Key Persons Involved in Implementation**Executing Agency**

Ministry of Labor and Social
Protection

Officer's Name: Khishigbayar Amarsaikhan
Position: Director General, Policy Planning Department
Telephone: +976 51262686
Email address: khishigbayar@mlsp.gov.mn
Office Address: Ulaanbaatar City, Mongolia

Implementing Agency

General Office of Labor and Welfare
Services

Officer's Name: Dashdemberel Lkhagvasuren
Position: Acting Director
Telephone: +976 70136991
Email address: dashdemberel@hudulmur-halamj.gov.mn
Office Address: Kha-Uul district, 2nd horoo, Chinggis Avenue,
Labor Palace, Ulaanbaatar City, Mongolia

Asian Development Bank

Name: Sangay Penjor
Position: Director, Urban and Social Sectors Division, East Asia
Department
Telephone: +63 2 8632 6584
E-mail: spenjor@adb.org

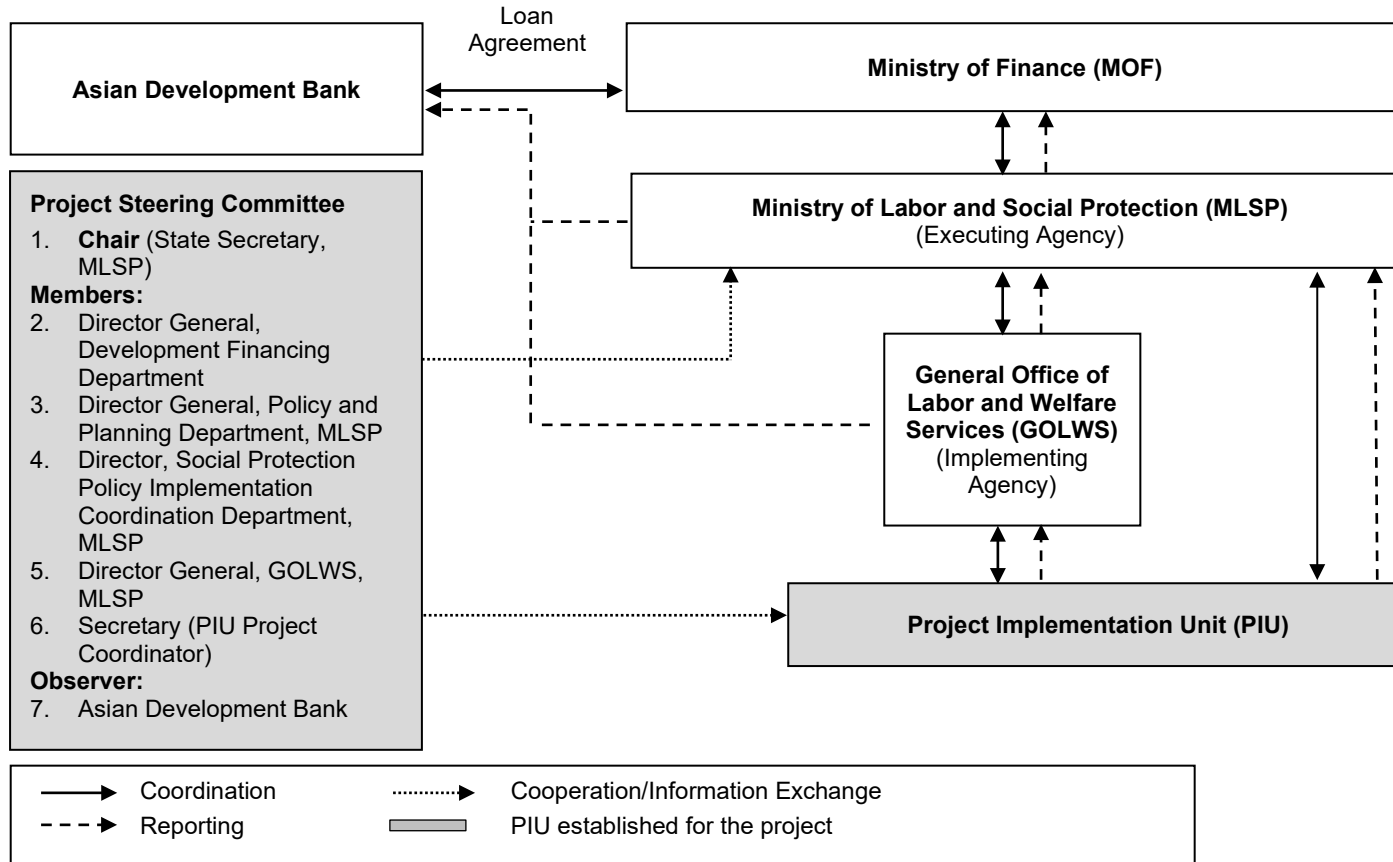
Name: Pavit Ramachandran
Position: Country Director, Mongolia Resident Mission,
East Asia Department
Telephone No.: +976 11 323507
E-mail: pramachandran@adb.org

Mission Leader

Name: Karin Schelzig
Position: Principal Social Sector Specialist, Urban and Social
Sectors Division, East Asia Department
Telephone No.: +86 10 85730888
E-mail: kschelzig@adb.org

C. Project Organization Structure

Figure 1: Project Organization Structure



IV. COSTS AND FINANCING

15. The project is estimated to cost \$259.64 million (Table 1). This includes the total cost of the current increased benefit amount of child grants at MNT100,000 per month for 6 months, for 1.2 million children, budgeted at \$254.45 million, for which the ADB-financed share is proposed to be \$68.13 million. Detailed cost estimates by expenditure category and by financier are shown in Tables 4 and 7.

Table 1: Summary Cost Estimates
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Output 1: Pro-poor child grant top-ups delivered	254.45
2. Output 2: Social welfare programs and systems strengthened	3.90
3. Effective project management	0.24
Subtotal (A)	258.59
B. Contingencies^c	0.30
C. Financial Charges During Implementation^d	0.75
Total (A+B+C)	259.64

^a The government will finance value-added tax and duties for goods totaling \$319,822 through exemption. The Asian Development Bank may finance taxes for consulting services and project management. Such amount does not represent an excessive share of the project cost.

^b As of 25 November 2020.

^c Physical and price contingencies, and a provision for exchange rate fluctuation are included.

^d Includes interest, commitment, and other charges on all sources of financing.

Source: Asian Development Bank estimates.

16. The government has requested a regular loan of \$46.4 million and a concessional loan of \$26.6 million from ADB's ordinary capital resources to help finance the project. The regular loan will have a 25-year term, including a grace period of 5 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year (the interest and other charges during implementation to be capitalized in the loan); and such other terms and conditions set forth in the draft loan agreement. Based on the straight-line method, the average maturity is 15.25 years, and the maturity premium payable to ADB is 0.10% per year. The concessional loan will have a 25-year term, including a grace period of 5 years; an interest rate of 2.0% per year during the grace period and thereafter; and such other terms and conditions set forth in the draft loan agreement.

17. The summary financing plan is in Table 2. ADB will finance the expenditures in relation to child grants, consulting services, and equipment. The government will finance the remaining child grants, and value-added tax and duties.

Table 2: Summary Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (regular loan)	46.40	17.87
Ordinary capital resources (concessional loan)	26.60	10.25
Government of Mongolia	186.64	71.88
Total	259.64	100.00

Source: Asian Development Bank estimates.

A. Cost Estimates Preparation and Revisions

18. The cost estimates were prepared by the ADB project team and may be updated prior to approval and during the project implementation.

B. Key Assumptions

19. The following key assumptions underpin the cost estimates and financing plan:
- (i) Exchange rate: \$1.00 = MNT2,832.25 (as of 25 November 2020).
 - (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 3: Escalation Rates for Price Contingency Calculation

Item	2020	2021	2022	2023	2024	Average
Foreign rate of price inflation	(0.5%)	1.6%	1.7%	1.7%	1.8%	1.3%
Domestic rate of price inflation	5.6%	8.2%	6.0%	6.0%	6.0%	6.4%

Source: Asian Development Bank.

C. Detailed Cost Estimates by Expenditure Category

Table 4: Detailed Cost Estimates by Expenditure Category

Item	(MNT million)			(\$ million)			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	
A. Investment Costs^a							
1. Child Money Program cash assistance	0	720,600	720,600	0.00	254.45	254.45	98.4
2. Goods and services	3,298	6,532	9,830	1.16	2.32	3.48	1.3
3. Consulting Services	0	1,205	1,205	0.00	0.42	0.42	0.2
4. Project Management ^b	0	673	673	0.00	0.24	0.24	0.1
Subtotal (A)	3,298	729,010	732,308	1.16	257.43	258.59	100.0
B. Contingencies							
1. Physical	150	297	447	0.05	0.10	0.15	0.1
2. Price	12	399	411	0.00	0.15	0.15	0.1
Subtotal (B)	162	696	858	0.05	0.25	0.30	0.1
C. Financial Charges During Implementation	2,131	0	2,131	0.75	0.00	0.75	0.3
Total Project Cost (A+B+C)	5,591	729,706	735,297	1.96	257.68	259.64	100.4

Note: Numbers may not sum precisely because of rounding.

^a The government will finance value-added tax and duties for goods amounting to \$319,822 through exemption. ADB may finance taxes for consulting services and project management. Such amount does not represent an excessive share of the project cost.

^b Includes project implementation unit (PIU) staff salaries, PIU operational costs; and annual audit costs. PIU staff will not be civil servants receiving salaries from the government.

Source: Asian Development Bank estimates.

D. Allocation and Withdrawal of Loan Proceeds

**Table 5: Allocation and Withdrawal of Loan Proceeds for
ADB Ordinary Capital Resources**

Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Loan Account
1	Child Money Program cash assistance	41,770,000	100% of total expenditure claimed
2	Goods and services	3,160,000	100% of total expenditure claimed*
3	Consulting services and project management support	660,000	100% of total expenditure claimed
4	Interest and commitment charges	510,000	100% of total amounts due
5	Unallocated	300,000	
	Total	46,400,000	

* Exclusive of value-added taxes and duties on goods imposed within the territory of the Borrower.

**Table 6: Allocation and Withdrawal of Loan Proceeds for
ADB Concessional Ordinary Capital Resources**

Number	Item	Total Amount Allocated for ADB Financing (\$)	Basis for Withdrawal from the Loan Account
1	Child Money Program cash assistance	26,360,000	100% of total expenditure claimed
2	Interest charge	240,000	100% of total amounts due
	Total	26,600,000	

E. Detailed Cost Estimates by Financier

Table 7: Detailed Cost Estimates by Financier
(\$ million)

Item	ADB OCR		ADB COL		Government		Total Cost	
	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category	Amount	Taxes and Duties
A. Investment Costs^a								
1. Child Money Program cash assistance	41.77	16.4	26.36	10.4	186.32	73.2	254.45	0.00
a. Child Money Program (OCR)	41.77	100.0	0.00	0.00	0.00	0.00	41.77	0.00
b. Child Money Program (COL)	0.00	0.00	26.36	100.00	0.00	0.00	26.36	0.00
c. Child Money Program (Government)	0.00	0.00	0.00	0.00	186.32	100.0	186.32	0.00
2. Goods and services	3.16	90.8	0.00	0.0	0.32	9.2	3.48	0.32
3. Consulting Services	0.42	100.0	0.00	0.0	0.00	0.0	0.42	0.00
4. Project Management ^b	0.24	100.0	0.00	0.0	0.00	0.0	0.24	0.00
Subtotal (A)	45.59	17.6	26.36	10.2	186.64	72.2	258.59	0.32
B. Contingencies								
1. Physical	0.15	100.0	0.00	0.0	0.00	0.0	0.15	0.00
2. Price	0.15	100.0	0.00	0.0	0.00	0.0	0.15	0.00
Subtotal (B)	0.30	100.0	0.00	0.0	0.00	0.0	0.30	0.00
C. Financial Charges During Implementation	0.51	68.0	0.24	32.0	0.00	0.0	0.75	0.00
Total Project Cost (A+B+C)	46.40	17.9	26.60	10.2	186.64	71.9	259.64	0.32

Note: Numbers may not sum precisely because of rounding.

ADB = Asian Development Bank, PIU = project implementation unit.

^a The government will finance value-added tax and duties for goods amounting to \$319,822 through exemption. ADB may finance taxes for consulting services and project management. Such amount does not represent an excessive share of the project cost.

^b Includes PIU staff salaries, PIU operational costs; and annual audit costs. PIU staff will not be civil servants receiving salaries from the government.

Source: ADB estimates.

F. Detailed Cost Estimates by Outputs

Table 8: Detailed Cost Estimates by Outputs
(\$ million)

Item	Total Cost	Output 1: Pro-poor child grant top-ups delivered		Output 2: Social welfare programs and systems strengthened		Effective Project Management	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs^a							
1. Child Money Program cash assistance	254.45	254.45	100.0	0.00	0.0	0.00	0.0
2. Goods and services	3.48	0.00	0.0	3.48	100.0	0.00	0.0
3. Consulting Services	0.42	0.00	0.0	0.42	100.0	0.00	0.0
4. Project Management ^a	0.24	0.00	0.0	0.00	0.0	0.24	100.0
Subtotal (A)	258.59	254.45	98.4	3.90	1.5	0.24	0.1
B. Contingencies							
1. Physical	0.15	0.00	0.0	0.15	100.0	0.00	0.0
2. Price	0.15	0.00	0.0	0.15	100.0	0.00	0.0
Subtotal (B)	0.30	0.00	0.0	0.30	100.0	0.00	0.0
C. Financial Charges During Implementation	0.75	0.00	0.0	0.00	0.0	0.75	100.0
Total Project Cost (A+B+C)	259.64	254.45	98.0	4.20	1.6	0.99	0.4

Note: Numbers may not sum precisely because of rounding.

^a The government will finance value-added tax and duties for goods amounting to \$319,822 through exemption. ADB may finance taxes for consulting services and project management. Such amount does not represent an excessive share of the project cost.

^b Includes project implementation unit (PIU) staff salaries, PIU operational costs; and annual audit costs. PIU staff will not be civil servants receiving salaries from the government.

Source: Asian Development Bank estimates.

G. Detailed Cost Estimates by Year

Table 9: Detailed Cost Estimates by Year
(\$ million)

Item	Total Cost	2021	2022	2023
A. Investment Costs^a				
1. Child Money Program cash assistance	254.45	254.45	0.00	0.00
2. Goods and services	3.48	2.32	1.16	0.00
3. Consulting Services	0.42	0.21	0.21	0.00
4. Project Management ^a	0.24	0.08	0.09	0.07
Subtotal (A)	258.59	257.06	1.46	0.07
B. Contingencies				
1. Physical	0.15	0.11	0.04	0.00
2. Price	0.15	0.06	0.09	0.00
Subtotal (B)	0.30	0.17	0.13	0.00
C. Financial Charges During Implementation	0.75	0.73	0.02	0.00
Total Project Cost (A+B+C)	259.64	257.96	1.61	0.07

Note: Numbers may not sum precisely because of rounding.

^a The government will finance value-added tax and duties for goods amounting to \$319,822 through exemption. ADB may finance taxes for consulting services and project management. Such amount does not represent an excessive share of the project cost.

^b Includes project implementation unit (PIU) staff salaries, PIU operational costs; and annual audit costs. PIU staff will not be civil servants receiving salaries from the government.

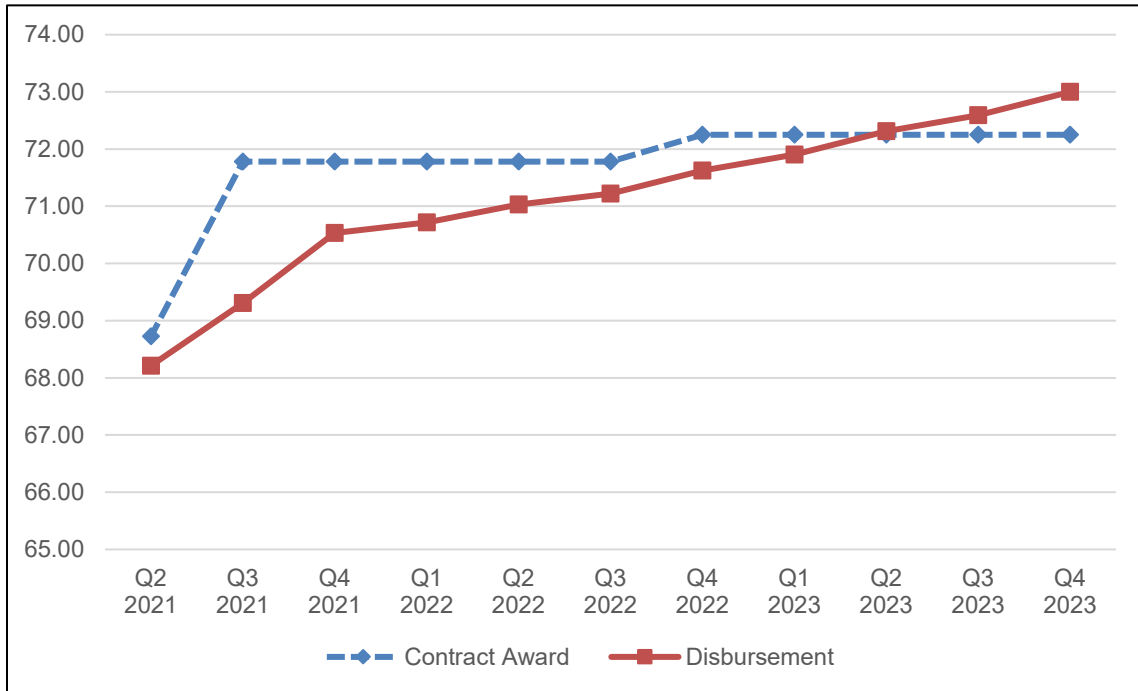
Source: Asian Development Bank estimates.

H. Contract and Disbursement S-Curve

Table 10: Contract Awards and Disbursement

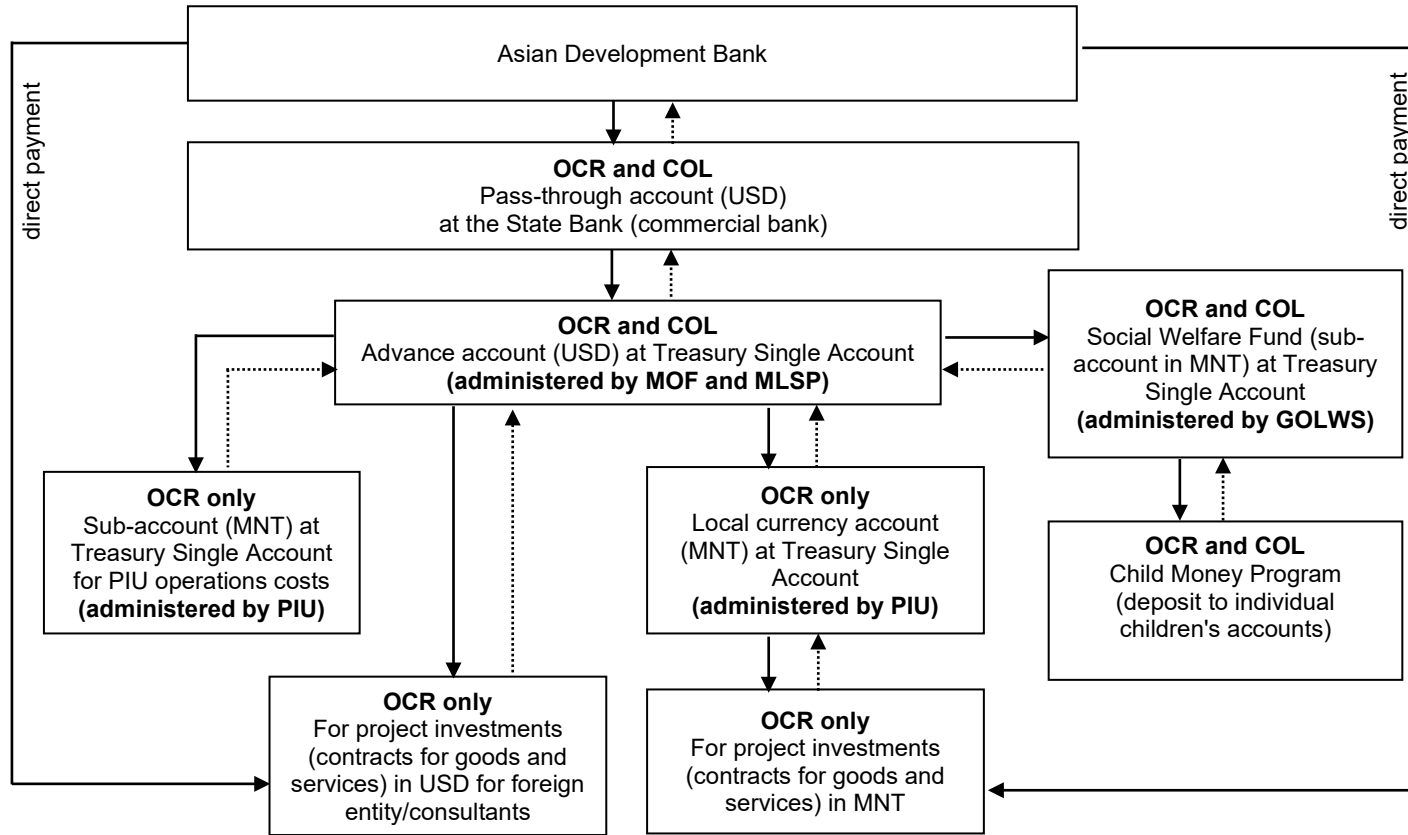
Year	Contract Awards (\$ million)					Disbursement (\$ million)				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
2021	0.00	68.73	3.05	0.00	71.78	0.00	68.21	1.10	1.22	70.53
2022	0.00	0.00	0.00	0.47	0.47	0.19	0.31	0.19	0.41	1.09
2023	0.00	0.00	0.00	0.00	0.00	0.28	0.41	0.28	0.41	1.38
Total					72.25					73.00

Figure 2: Contract Awards and Disbursement
(\$ million)



I. Fund Flow Diagram

Figure 3: Fund Flow Diagram



—————> flow of funds
> payment requests and withdrawal applications

Note: The document flow is detailed in para. 25 of this project administration manual.

CMP = child money program, COL = concessional ordinary capital resources, MLSP = Ministry of Labor and Social Protection, MOF = Ministry of Finance, OCR = ordinary capital resources.

Source: Asian Development Bank.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

20. A financial management assessment (FMA) was conducted in November 2020 in accordance with ADB Guidelines.²² It considered the capacity of MLSP (the executing agency), GOLWS (the implementing agency, which is a part of MLSP), and the existing PIU for the first project (Shock-Responsive Social Protection Project [SRSP1] Loan 3937-MON, footnote 10), who will also manage the implementation of this project. The assessment reviewed the existing financial management arrangements, which includes funds flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. The assessment was supplemented by information from the FMA conducted on MLSP in May 2020 for SRSP1. The FMA included (i) an interview of MLSP financial management staff and their director, and the PIU financial expert; and (ii) a review of documents related to the project.

21. The MLSP, which will operate and administer the advance accounts, has sufficient experience in administering projects financed by multilateral agencies, including ADB. The MLSP, through GOLWS and the existing PIU, will continue to use the existing financial management arrangements, including the funds flow and disbursement procedures, and will manage the project accounts and financial reporting. Based on this, MLSP has the capacity to administer the advance funds; and GOLWS and the PIU have the capacity to liquidate and replenish the local currency sub-accounts, and manage the statement of expenditure (SOE) procedure.

22. Based on the assessment, MLSP, GOLWS, and the PIU have financial management systems in place and have experience in implementing ADB project. The pre-mitigation financial management risk is assessed as *moderate* (Table 11).

Table 11: Financial Management Risk Assessment

Risk Type	Risk Description	Risk Assessment	Mitigation Measures/ Risk Management Plan
Inherent Risk			
Country-level risk	The government's PFM system is overall reasonably well-functioning, but there is very low budget credibility, generally poor policy-based budgeting, inadequate predictability in the availability of funds, and limited scrutiny of external audit reports by Parliament.	Substantial to Moderate	Continue to improve the PFM system and procedures based on the government's ongoing efforts as well as through donor-funded support.
Agency-specific risk	MLSP generally has well-functioning financial management systems based on the government's framework and following the procedural requirements.	Low	None needed.

²² ADB. 2005. [Financial Management and Analysis of Projects](#). Manila.; ADB. 2009. [Financial Due Diligence: A Methodology Note](#). Manila; and ADB. 2015. [Financial Management Technical Guidance Note: Financial Management Assessment](#). Manila.

Risk Type	Risk Description	Risk Assessment	Mitigation Measures/ Risk Management Plan
Overall Inherent Risk: Moderate			
Project Risk			
Staffing	PIU staff may not have adequate capacity.	Low	MLSP plans to engage the PIU staff from SRSP1 and previous ADB social protection projects for SRSP2 following a performance evaluation. If new staff have to be recruited, MLSP will ensure that they have ADB project experience.
Internal audit	MLSP does not perform acceptable internal audit on the project.	Moderate	MLSP's Monitoring and Evaluation and Internal Audit Division has three staff capable of doing internal audit work; these staff gained experience on SRSP1 project. MLSP will ensure that the annual work plan of the division will include internal audits on the project.
External audit	External audit may not be properly conducted because audit tasks will be outsourced by MNAO to a private audit firm.	Moderate	ADB will review and comment on the terms of reference for the private audit firm and MNAO will perform quality assurance on the firm's audit.
Reporting and monitoring	Regular financial reports may be produced that are not suitable for user needs.	Low	MLSP, with the assistance of the PIU, will ensure that project financial reports comply with ADB reporting requirements.
Information systems	MLSP undertakes full information technology backups of the accounting software programs and financial data on an irregular basis, which creates a potential risk of data loss.	Moderate	The PIU has been mitigating this by doing weekly backups and will continue to undertake information technology backup procedures of MLSP on a regular basis, with backups safely stored.
Overall Project Risk: Moderate			
Status Update of the Key Risks in SRSP1			
Financial Management Action Plan and Identified Risk			Status/Action
Staffing Internal restructuring in mid-2020 by MLSP may impact arrangement in the project.			Restructuring strengthens the internal control and processes.
Deploying existing PIU staff with ongoing ADB project experience			Completed.
Strengthening program internal controls and effective internal audit			Internal audit staff gained experience from existing and ongoing ADB projects, including SRSP1
Fiduciary risk monitoring, including compliance with audited project financial statement requirements			Ongoing.

ADB = Asian Development Bank, MLSP = Ministry of Labor and Social Protection, MNAO = Mongolian National Audit Office, PFM = public financial management, PIU = project implementation unit, SRSP = Shock-Responsive Social Protection Project.
Source: ADB.

23. MLSP and GOLWS have agreed to implement an action plan (Table 12) and this will be monitored during project implementation.

Table 12: Financial Management Action Plan

Action	Responsibility	Timing
Deploy existing PIU staff with ADB project experience	MLSP, PIU	By effectiveness

ADB = Asian Development Bank, MLSP = Ministry of Labor and Social Protection, PIU = project implementation unit.
Source: ADB.

B. Disbursement

1. Disbursement Arrangements for ADB Funds

24. The loan proceeds will be disbursed in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time),²³ and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.²⁴ Government officials of the executing and implementing agencies and project implementation unit (PIU) staff are encouraged to undertake this training to help ensure efficient disbursement and fiduciary control. The schematic fund flow is in Figure 3.

25. The MLSP will be responsible for (i) submitting a request to MOF to establish a pass-through account at the State Bank and advance accounts at the Treasury Single Account (TSA) for the regular ordinary capital resources (OCR) and concessional ordinary capital resources (COL) loans; and (ii) transferring money from the pass-through account to the advance accounts established at the TSA. The PIU will prepare the withdrawal applications, including the CMP special statement of expenditure (SOE) form²⁵ and relevant documents. GOLWS will verify and confirm that the withdrawal applications and supporting documents are in order for the submission to MLSP. MLSP will approve the withdrawal applications for submission to ADB.

26. **Advance fund procedure.** A pass-through account for the OCR and COL loans will be established in the State Bank and funds immediately transferred to the advance accounts at the TSA in US dollar. After loan effectiveness, MLSP will establish and maintain separate advance accounts for each fund source. The currency of the advance accounts will be the US dollar. The funds from the advance accounts will be administered by MLSP, with MOF as co-signatory. The CMP allocation from the advance funds from OCR and COL will be transferred directly to the existing Social Welfare Fund (sub-account "SWF") for transfer to the CMP recipients in local currency. GOLWS will administer the SWF sub-account and will create a separate ledger for ADB funds per funding source for proper monitoring. For the OCR funds, two additional local currency sub-accounts will be established under the advance accounts at the TSA, which will be administered by the PIU under MLSP: (i) project investment sub-account; and (ii) PIU operations sub-account. The advance accounts are to be used exclusively for ADB's share of eligible expenditures. MLSP, which administers the advance accounts with MOF as co-signatory, is accountable and responsible for proper use of advances to the advance accounts, including

²³ The handbook is available electronically from the ADB website: <https://www.adb.org/sites/default/files/adb-loan-disbursement-handbook-2017.pdf>.

²⁴ Disbursement eLearning: http://wpqr4.adb.org/disbursement_elearning.

²⁵ The special SOE form to be used is in Appendix 1.

advances to the sub-accounts. The MLSP, including the PIU and GOLWS, has internal control and segregation of duties in place to manage the abovementioned accounts.

27. The total outstanding advance to the advance accounts should not exceed the estimate of ADB's share of expenditures to be paid through the advance accounts for the forthcoming 6 months. MLSP may request initial and additional advances to the advance accounts based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the accounts for the forthcoming 6 months.²⁶ Supporting documents should be submitted to ADB or retained by the executing and implementing agencies in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance accounts.

28. **Child money program disbursement.** Based on monthly beneficiary list provided to Treasury by the GOLWS, the CMP funds will be disbursed to the children beneficiaries through direct deposit to the bank account of the child. The mother or father or designated guardian will be the custodian on the condition that the child is registered in the IHD. A monthly report will be prepared by MLSP-GOLWS and certified by Treasury to substantiate the transfers made to the children beneficiaries. Such report and the evidence of bank transfers should be maintained and made readily available for ADB review upon request.

29. **Statement of expenditure procedure.** The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance accounts. For CMP expenditures, MLSP-GOLWS, through the PIU, will prepare special SOE form (footnote 25), summarized by location based on registered beneficiary list, monthly report, and certification from Treasury that the transfers were made to the beneficiaries. GOLWS will certify the SOEs and submit them to MLSP. MLSP will approve the withdrawal application prepared by the PIU and transmit it together with the SOEs and relevant supporting documents to ADB. Supporting documents such as the copy of the fund transfer as well as the list of recipients, and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

30. Before the submission of the first withdrawal application, MLSP should submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per withdrawal application is stipulated in the ADB's *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid (i) by the executing agency and/or implementing agency and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD) system is encouraged for submission of withdrawal applications to ADB.²⁷

2. Disbursement Arrangements for Counterpart Fund

31. The project will finance a share of the CMP top-ups for existing beneficiaries. The

²⁶ Estimate of Expenditure sheet is available in Appendix 8A of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

²⁷ The CPD facilitates online submission of withdrawal application to ADB, resulting in faster disbursement. The forms to be completed by the executing agency are available online at: <https://www.adb.org/documents/client-portal-disbursements-guide>.

government-financed share will be disbursed following the existing disbursement procedure of MOF and MLSP-GOLWS to the CMP beneficiaries, with funds transferred from Treasury to the Social Welfare Fund and on to beneficiary accounts (Figure 3). The amounts disbursed to the beneficiaries will be recorded as part of government contribution. The beneficiary lists are derived from the IHD maintained by the MLSP-GOLWS. MOF grants exemption from customs and value-added tax for imports of goods and equipment for the purposes of project activities based on international treaty and relevant legislations.

C. Accounting

32. The MLSP will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standards for accrual-based accounting. The PIU under MLSP will prepare consolidated project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

D. Auditing and Public Disclosure

33. The MLSP through the PIU will cause the detailed consolidated project financial statements to be audited in accordance with International Standards on Auditing, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the MLSP.

34. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loans were used only for the purpose(s) of the project; and (iii) whether the borrower or executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

35. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

36. The government, and the executing and implementing agencies have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.²⁸ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner

²⁸ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

37. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Access to Information Policy.²⁹ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter and additional auditor's opinions will not be disclosed.³⁰

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

38. Advance contracting and retroactive financing will be undertaken in conformity with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations for bid and request for proposals under advance contracting will be subject to ADB approval. The borrower and the executing and implementing agencies have been advised that approval of retroactive financing does not commit ADB to finance the project.

39. **Advance contracting.** The government has requested for advance contracting of PIU staff and individual consultants. The government anticipates that existing PIU staff from the SRSP1 project will be extended to work on the SRSP2 project; in the event that new PIU staff are required, these will be recruited under advance contracting so that all steps for recruitment up to contract signing of are achieved prior to loan effectiveness.

40. **Retroactive financing.** The project will provide retroactive financing of 20% of the loan amount for child grants prior to loan effectiveness, but no earlier than January 2021.

B. Procurement of Goods, Non-consulting, and Consulting Services

41. The PIU, on behalf of the executing and implementing agencies, will be responsible for procurement under the project. An estimated amount of \$3.99 million will be spent on procurement of goods, non-consulting, and consulting services. Civil works are not envisaged. Procurement will be in accordance with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

42. Direct contracting, open competitive bidding (OCB) using national advertisement, and request for quotations (RFQ) procedure will be used to procure goods and non-consulting services. Direct contracting will be used for the purchase of database software and hardware to support the digitization of social welfare programs. A database system will be purchased directly from Oracle Corporation in the USA to ensure compatibility with the Oracle database systems used in the other government ministries, as mandated by the government's IT Center for Customs, Tax, and Finance. OCB with national advertisement will be used for procurement of small equipment for poor people to develop livelihoods under the graduation pilot program. RFQ

²⁹ Available at: <https://www.adb.org/sites/default/files/institutional-document/450636/access-information-policy.pdf>

³⁰ This type of information would generally fall under access to information policy exceptions to disclosure. [ADB. 2018. Access to Information Policy](#). Paragraph 17(iv)–(vi).

procedure will be used for the graduation pilot program to purchase (i) market research services, and (ii) media services.

43. The project will require the services of 1 international consultant (8 person-months) and 7 national consultants (80 person-months). The consultants will be engaged using the individual consultant selection method. The international consultant and 2 national consultants will be embedded in MLSP to work on poverty targeting (proxy means test survey and IHD). Five national consultants will work on the program to digitize social protection programs into the "e-welfare" system; 3 of the consultants will be embedded in the IT Center for Customs, Tax, and Finance while 2 will be embedded in MLSP. A national consulting firm will be recruited for survey and impact evaluation services for the graduation pilot program, following the consultants' qualification selection method. The terms of reference for all consulting services are detailed in section D.

44. An 18-month procurement plan indicating review procedures, and goods, non-consulting, and consulting service contract packages is in section C.

C. Procurement Plan

Basic Data

Project Name: Second Shock-Responsive Social Protection Project		
Project Number: 54214-002	Approval Number: xxx	
Country: Mongolia	Executing Agency: Ministry of Labor and Social Protection (MLSP)	
Project Procurement Classification: Category B	Implementing Agency: MLSP General Office of Labor and Welfare Services	
Project Procurement Risk: Medium		
Project Financing Amount: \$259,640,000 ADB Financing: \$73,000,000 Cofinancing (ADB-Administered): N/A Non-ADB Financing: \$186,640,000	Project Closing Date: 31 December 2023	
Date of First Procurement Plan: 27 November 2020	Date of this Procurement Plan: 27 November 2020 (Version 0)	
Procurement Plan Duration (in months): 18	Advance Contracting: Yes	e-GP: No

1. Methods, Review, and Procurement Plan

45. Except as ADB may otherwise agree, the following methods shall apply to procurement of goods and consulting services.

Procurement of Goods and Non-Consulting Services	
Method	Comments
Direct Contracting for Goods	Purchase of database software; prior review
Open Competitive Bidding for Goods	Nationally advertised; prior review
Request for Quotations for Goods	Post-review
Request for Quotations for Non-Consulting Services	First contract subject to prior review; thereafter post-review
Consulting Services	
Method	Comments
Consultants' Qualification Selection	Biodata technical proposal; prior review
Individual Consultant Selection	Prior review

2. List of Active Procurement Packages (Contracts)

46. The following table lists goods, non-consulting, and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods							
Package Number	General Description	Estimated Value (US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
G001	Oracle premier support for systems (purchase of database hardware and software; will also support digitization of payments from social welfare programs)	1,058,780	Direct Contracting	Prior	N/A	N/A	No. of Contracts: 1 Bidding Document: Goods COVID-19 Response? Yes Note: Purchase directly from Oracle
G002	Livelihood assets for beneficiaries (small productive assets for vulnerable households in the graduation program e.g., electronic equipment, kitchen utensils, sewing machines, welding equipment, shoe repair equipment, haircutting and beauty salon equipment, etc.)	760,000	OCB	Prior	1S1E	Q2 2021	National advertisement No. of Contract: 6 Bidding Document: Goods COVID-19 Response? Yes Note: Procurement method and packaging may be subject to changes during implementation depending on actual demand
G003	Survey-related supplies and printing for poverty targeting survey	91,840	RFQ	Post	N/A	Q2 2021	No. of Contract: 2 COVID-19 Response? Yes
G004	Transportation for poverty targeting survey	47,040	RFQ	Post	N/A	Q2 2021	No. of Contract: 1 COVID-19 Response? Yes
N-CS001	Market assessment firm	40,000	RFQ	Prior	N/A	Q2 2021	No. of Contract: 1

Goods							
Package Number	General Description	Estimated Value (US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
	(market research services for graduation pilot program)						COVID-19 Response? Yes Bidding Document: Non-Consulting Services
N-CS002	Media firm (media services for graduation pilot program)	30,000	RFQ	Post	N/A	Q3 2021	No. of Contract: 1 COVID-19 Response? Yes Bidding Document: Non-Consulting Services

COVID-19 = coronavirus disease, N/A = not applicable, OCB = open competitive bidding, RFQ = request for quotations.

Consulting Services							
Package Number	General Description	Estimated Value (US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
C001	Proxy means test process specialist (for improving poverty targeting)	210,840	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: International COVID-19 Response? Yes
C002	Proxy means test process specialist (for improving poverty targeting system)	12,020	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C003	IT specialist (for improving poverty targeting system)	16,027	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C004	IT systems analyst 1 (for digitization of social welfare programs)	8,778	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National

Consulting Services							
Package Number	General Description	Estimated Value (US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
							COVID-19 Response? Yes
C005	IT systems analyst 2 (for digitization of social welfare programs)	8,778	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C006	Policy specialist (for digitization of social welfare programs)	8,778	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C007	Systems engineer (for digitization of social welfare programs)	35,112	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C008	Database administrator (for digitization of social welfare programs)	35,112	ICS	Prior	N/A	Q1 2021	Type: Individual Assignment: National COVID-19 Response? Yes
C009	Impact evaluation firm (survey and impact evaluation services for graduation pilot program)	90,000	CQS	Prior	BTP	Q2 2021	Type: Firm Assignment: National COVID-19 Response? Yes

BTP = biodata technical proposal, COVID-19 = coronavirus disease, CQS = consultants' qualification selection, ICS = individual consultant selection, N/A = not applicable.

3. List of Indicative Packages (Contracts) Required Under the Project

47. The following table lists goods and consulting services contracts for which procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e., those expected beyond the current procurement plan period).

Goods							
Package Number	General Description	Estimated Value (US\$)	Procurement Method	Review	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (US\$)	Selection Method	Review	Type of Proposal	Advertisement Date (quarter/year)	Comments
None							

4. Non-ADB Financing

48. The following tables list goods and consulting services contracts over the life of the project, financed by non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments
None				

Consulting Services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Comments
None				

D. Consultants' Terms of Reference

49. The terms of reference for the 8 individual consultants (1 international and 7 national), and the consulting firm (national) are described below.

1. C001 Proxy Means Test Process Specialist (international, 8 person-months)

50. **Requirements.** The international proxy means test (PMT) process specialist will have a degree in economics, international development, social policy, or similar; a master's degree is preferred. The consultant should have 10 years of demonstrated work experience in social welfare program development and poverty targeting, with a preference for previous work on PMT surveys. Experience on projects funded by ADB or other international development organizations and fluency in English are required.

51. **Tasks.** The international consultant will work closely with national consultants to manage the data collection process and analyze the household characteristics and living standards, and conduct a quality assessment of the results to measure the effectiveness of PMT. The consultant will:

- (i) advise on the organization of PMT data collection activities among households in accordance with the updated methodology, in cooperation with national consultants, and provide detailed explanations and training materials on PMT formulas and calculations to staff;
- (ii) check that the living standard score and variables are calculated correctly, and that the scoring is also correct;
- (iii) assess household living standards;

- (iv) develop method for drawing thresholds for households to participate in welfare and other programs, and define thresholds for programs in the updated database;
- (v) investigate possible data exchange mechanisms between other databases and provide recommendations on how to use these databases to edit information recorded in the PMT; and
- (vi) analyze the characteristics of the surveyed households and evaluate the quality of the methodology.

2. C002 Proxy Means Test Process Specialist (national, 6 person-months)

52. **Requirements.** The national PMT process specialist will have a degree in economics, international development, social policy, or similar. The consultant should have 8 years of demonstrated work experience in social protection program development, with a preference for previous work on poverty targeting and PMT surveys. Work experience on projects funded by ADB or other international development organizations and fluency in English are required.

53. **Tasks.** The national consultant will organize a nationwide data collection process in collaboration with the international consultant in accordance with the updated methodology for data collection, update the IHD, and submit the results to the government. The consultant will:

- (i) develop and submit to MLSP a general plan and recommendations for organizing the collection of household living standards data in accordance with the updated methodology, working with the international consultant;
- (ii) develop the necessary documents for the data collection process; data collection guidelines, instructions, media promotion strategies, household listings, mapping techniques, training programs, modules, training manuals and materials;
- (iii) develop documents and materials for verification with other government databases;
- (iv) provide technical assistance to the GOLWS and *aimag*/district social welfare offices in the framework of collecting information on household living standards;
- (v) conduct step-by-step training for GOLWS and its branch offices and data collection team members and stakeholders on household living standards survey methodology, data collection process, its organization and other necessary capacity building;
- (vi) provide general coordination during data collection activities and provide professional and methodological support to *aimag*/district research specialists;
- (vii) work closely with IT consultants to assign database analysis; and
- (viii) ensure collaboration with consultants on day-to-day activities and results.

3. C003 Information Technology Specialist (national, 8 person-months)

54. The current methodology for compiling household databases needs to be updated as part of the goal of delivering social welfare services to target groups. As the methodology is updated, the software used to build the database will also need to be updated. The consultant will work to update the household database system (the IHD) in line with the updated methodology.

55. **Requirements.** The IT specialist will be an experienced database specialist and will have at least 5 years work experience in this field. This should include coding and documentation, knowledge of database backup procedures, and recovery systems. The consultant will hold a Bachelor in Science degree in computer science or computer engineering, will have at least mid-level written and spoken English skills, and excellent communication and problem-solving skills.

56. **Tasks.** The consultant will perform the following activities:
- (i) develop and approve a work plan;
 - (ii) develop modules in accordance with the newly developed methodology (questionnaires, validation, complaints, reports, etc);
 - (iii) develop modules for the household database system in connection with the new methodology;
 - (iv) develop a user manual for the modification of the development questionnaire and data validation module;
 - (v) support policy advisors in evaluating database data for 2017 and previous years;
 - (vi) provide IT support during the household database update survey;
 - (vii) support the comparison of household databases with other databases;
 - (viii) support customer training for IT specialists and welfare specialists of the GOLWS;
 - (ix) test newly developed and modified modules and keep notes of test results; and
 - (x) report on the work done.

57. Deliverables include the following:
- (i) work plan with inception report;
 - (ii) system documentation describing customer requirements;
 - (iii) household modules developed based on the new methodology (questionnaire module, data validation module, complaint module, reporting module, etc);
 - (iv) household database based on the new methodology;
 - (v) sustainable system operation;
 - (vi) user training and manuals; and
 - (vii) final report.

4. C004 and C005 Information Technology Systems Analysts (2 positions, national, 6 person-months each)

58. **Requirements.** The IT systems analyst will have at least 10 years of work experience as a system analyst for three or more major IT projects and shall hold a master's degree in IT or higher. High level of written and spoken English is preferred.

59. **Tasks.** The IT systems analyst responsibilities include:
- (i) develop an action plan for the transfer of social welfare services to electronic form;
 - (ii) identify the strengths and weaknesses of the current information system;
 - (iii) study and identify business processes that need to be upgraded to move from existing information systems to new information systems;
 - (iv) develop new business processes based on customer requirements;
 - (v) assist developers in developing systems according to new business processes;
 - (vi) develop an updated system design;
 - (vii) make changes to the system analysis documentation;
 - (viii) monitor and report to the client on the development of the system analysis documentation; and
 - (ix) other required activities.

5. C006 Policy Specialist (national, 6 person-months)

60. **Requirements.** The policy specialist will have at least 5 years of experience in IT or business analysis, with work experience on three or more major IT projects, and shall hold at least

a bachelor's degree in IT or computer science or higher. Advanced written and spoken English is preferred.

61. **Tasks.** The IT policy specialist's responsibilities include:
- (i) prepare policy recommendations on how to digitize each and every welfare service that is not digitized yet, considering the specifics of all services, including timing, sequencing, framework and stakeholders;
 - (ii) prepare design schemes of welfare services for clients who are required to fill-in on behalf of parent, guardian, expatriates, etc;
 - (iii) advise on determining the criteria for registration of services and entering the required materials from the system, and making a distinction based on household PMT scores;
 - (iv) advise on the eligibility criteria for each service;
 - (v) support the inclusion of termination criteria in the system;
 - (vi) identify financial modules and reporting systems; and
 - (vii) support the establishment of electronic monitoring and evaluation.

6. C007 Systems Engineer (national, 24 person-months)

62. **Requirements.** The systems engineer will have at least 5 years of experience in IT, specifically system engineering. The consultant must have solid experience in VMWare vSphere and VCenter, VeeamOne, Redhat and Windows Server, preferably with formal certificates of training; experience with business intelligence and tableau, preferably with formal certificates; and must hold a bachelor's degree in computer science or IT (masters degree preferred). The consultant should have at least mid-level fluency in written and spoken English.

63. **Tasks.** The systems engineer's responsibilities include:
- (i) develop and make connections for new connection information systems;
 - (ii) support the incorporation of changes in the database of updated information systems into the database of business intelligence systems;
 - (iii) work with the database administrator to determine the report templates that need to be derived from the business intelligence system based on user requirements;
 - (iv) make the necessary system settings;
 - (v) perform system backups by configuring backups;
 - (vi) conduct system security settings and monitoring;
 - (vii) conduct user training in collaboration with the database administrator; and
 - (viii) other activities related to the improvement of business intelligence systems;

7. C008 Database Administrator (national, 24 person-months)

64. **Requirements.** The database administrator will have at least 5 years of work experience as a database administrator and will be familiar with Oracle database design, coding, and documentation. The consultant will have knowledge of database backup procedures, recovery systems, SQL, programming languages and API; and ability to visualize algorithmic structures. Requirements include at least a bachelor's degree in computer science or computer engineering, mid-level written and spoken English skills, and excellent communication and problem-solving skills.

65. **Tasks.** The database administrator's responsibilities include:
- (i) installing and maintaining the Oracle database software;

- (ii) creating storage database structures with high-level security features;
- (iii) altering storage structures to meet the evolving needs of MLSP;
- (iv) setting up database of user accounts;
- (v) training users on how to access the information in the database;
- (vi) finding and debugging malfunctioning programs affecting the database integrity;
- (vii) creating autonomous database backups; and
- (viii) regularly updating the database security protocols.

8. C009 Consulting Firm for Survey and Impact Evaluation Services for the Graduation Pilot Program (national, 34 person-months, 3 surveys)

66. **Requirements.** The survey and impact evaluation firm will be an established and specialized national consulting firm or research institute with demonstrated experience designing and undertaking large scale socioeconomic survey research and preparing high-quality survey reports (in English and Mongolian) that present statistics in an accessible form to policy and decision makers. Experience working with international organizations is required; ADB experience is preferred. There will be one key expert, an impact evaluation team leader (national), who is expected to have at least a graduate degree and 10 years of experience in socioeconomic research, with excellent written and spoken English. The key expert should be engaged for at least 6 person-months, and take full responsibility for the quality and timely delivery of all required outputs. Following the performance (output) terms of reference, proposing entities will be free to determine the composition of their teams and the input required to undertake the tasks described below.

67. **Tasks.** The consulting firm will deliver the following outputs: (i) impact evaluation approach and methodology that includes graduation criteria (to be developed in conjunction with TA 9893-MON experts); (ii) a targeting verification survey to confirm the selection of 1,520 beneficiaries; (iii) a baseline survey of the selected households and a possible control group, before the commencement of graduation pilot program activities; and (iv) an endline survey that revisits the same households after the graduation pilot program activities have ended and assesses the outcome against the graduation criteria. Delivering these outputs will require a team with expertise in impact evaluation, poverty assessment, and socioeconomic survey research, including field surveyors and database experts.

VII. SAFEGUARDS

68. **Environment (category C).** The project has no or very minimal impact on the environment. No environmental assessment is required after reviewing the environmental implications. No further actions including preparation of environment management plans will be required.

69. **Involuntary resettlement (category C).** The project activities do not involve civil works and will not trigger land acquisition or involuntary resettlement impacts. No further action including preparation of resettlement plans will be required.

70. **Indigenous peoples (category C).** The project is socially inclusive without any partiality to any ethnic groups. Ethnic groups will benefit from the project if they meet the eligibility criteria of having children aged 0–17 and registering in the IHD. The project's benefits are national in scope.

71. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009),

ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

VIII. GENDER AND SOCIAL DIMENSIONS

72. The project will directly address poverty through support to an existing cash transfer program for children and strengthened social welfare programs and systems. The project design includes (i) increasing the CMP benefit level for at least 1.2 million children registered in the IHD; (ii) improving the accuracy of the poverty targeting system; (iii) piloting graduation program with 1,520 poor beneficiaries to promote economic inclusion, strengthen resilience, and reduce poverty (Appendix 2). About 80% of the population and 64% of Mongolia's households are the project beneficiaries who will immediately benefit from the project through the topped-up monthly cash grants. Before the top-ups, in March 2020, 1,107,130 children (about 93% of all children) received child grants of MNT20,000 per month. A mother of three children under 18 would have received about \$21.50 (about 7.2% of the monthly poverty line for a family of five) to support her children's needs. As of November 2020, 1,184,158 children (comprising 48.2% girls, and 97.6% of all children)³¹ received the topped-up child grants of MNT100,000. The family with three children now receives approximately \$106 per month to mitigate the impact of the pandemic, equivalent to about 36% of the monthly poverty line for a family of five.

73. Gender analysis during project preparation identified several key gender issues related to the impact of the pandemic. The United Nations Development Programme survey (footnote 7) revealed that the average monthly income per person in households headed by women was lower than in households headed by men, and declined significantly after the government declared a state of heightened alert and preparedness. Women have been more exposed to a loss of employment and a decrease in wages. The survey also found that due to the additional burden of taking care of children not in school, income loss, and worry about the risk of an outbreak, women were more likely to experience psychological stress related to COVID-19 compared to men. Physical distancing and quarantine measures have clear implications on the distribution and intensity of unpaid care work, which was already disproportionately done by women and girls. UNICEF technical guidance on gender-responsive social protection during COVID-19 confirms that child grants are an effective measure to help address this growing unpaid care crisis,³² which makes the project inherently gender-responsive. ADB collaborated with UNICEF on a November 2020 survey that found that mothers are the custodians of children's grant accounts in 85.6% of households and are the primary decision makers when it comes to spending the child grants in 76.6% of households, making joint decisions with their husbands in a further 7.7% of households.³³ Women's decision-making power over the grants has increased slightly since the top-ups were introduced.

74. The project is categorized as *effective gender mainstreaming*. The project will significantly benefit women and children by providing access to increased child grants which will prevent food insecurity and lower stress levels through greater confidence in being able to access food and basic needs during the COVID-19 outbreak. The project will also contribute to women's empowerment in the household through their increased decision-making power. A gender action plan has been prepared to ensure (i) at least 48.2% of children receiving CMP are girls; (ii) at

³¹ This broadly matches the sex ratio of Mongolian children confirmed by National Statistics Office data for 2019, showing children age 0-19 as 51.1% boys, 48.9% girls. The imbalance is more pronounced among children 0-4 at 51.3% boys, 48.7% girls.

³² UNICEF. 2020. [Gender-Responsive Social Protection During COVID-19: Technical Note](#). New York.

³³ UNICEF and Independent Research Institute of Mongolia. 2020. [Rapid Assessment of the COVID-Responsive Vertical Expansion of the Child Money Program and Food Stamp Program](#). Ulaanbaatar.

least 80% of graduation pilot program beneficiaries have improved livelihoods, of which 50% are women; (iii) at least 1,500 working-age adults in poor households, of which 50% are women, receive graduation program asset packages with coaching and training to promote diversified income sources; and (iv) improved data collection and analysis for gender monitoring through the updated PMT survey. Through ongoing knowledge and support TA (footnote 19), ADB is supporting MLSP to enhance sex-disaggregated data analysis and to conduct impact assessment, including a gender impact assessment, of the direct and indirect benefits of the social welfare benefit top-ups.

Table 13: Gender Action Plan

Objectives and Activities	Targets/Indicators	Responsible	Timeframe	Budget
Outcome: Social welfare support for the poor and vulnerable, especially women and children, enhanced				
1. Social welfare support for the poor and vulnerable, especially women and children, enhanced	1.1. By 2021, at least 1.2 million children (48.2% girls) registered in the Integrated Household Database, ^a receive topped-up child grant benefits (November 2020 baseline: 1,184,158 children [613,517 boys and 570,641 (48.2%) girls]) 1.2. By 2024, at least 80% of graduation pilot program beneficiaries (50% women) have improved livelihoods as measured by the graduation criteria established under the pilot program (2019 baseline: not applicable)	MLSP	2021–2023	Government budget, project budget
Output 2: Social welfare programs and systems strengthened				
2. Social welfare programs and systems strengthened	2.1. Proxy means test data for at least 150,000 households is recertified using new methodology through household visits, with data disaggregated by age, sex, and geographic area (2020 baseline: 0 households recertified using new methodology) 2.2. At least 1,500 working-age adults in poor households (50% women) receive graduation program asset packages with coaching and training to promote diversified income sources (2020 baseline: 0 households) ^b	MLSP	2021–2023	Government budget, project budget
3. Implementation monitored and the impact of the graduation approach pilot on households assessed	3.1. Graduation program impact evaluation design includes gender impact assessment and sex-disaggregated data	MLSP	Q3–Q4 2021	Project budget

MLSP = Ministry of Labor and Social Protection, Q = quarter.

^a National Statistics Office of Mongolia data for 2019 confirms the sex ratio of Mongolian children aged 0–19 as 51.1% boys and 48.9% girls. The ratio varies among age groups and is most imbalanced among children aged 0–4 at 51.3% boys and 48.7% girls. The gender target is set to at least maintain the current ratio among child grant beneficiaries.

^b A graduation program concept note, including implementation details, is in Appendix 2.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

Impact the Project is Aligned with			
Adverse socioeconomic impacts of the COVID-19 pandemic reduced (ADB's Comprehensive Response to the COVID-19 Pandemic) ^a			
Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
<p>Outcome Social welfare support for the poor and vulnerable, especially women and children, enhanced</p>	<p>a. By June 2021, at least 1.2 million children nationwide (at least 48.2% girls)^b registered in the IHD receive topped-up child grant benefits (November 2020 baseline: 1,184,158 children [613,517 boys and 570,641 (48.2%) girls]) (OP 1.1)</p> <p>b. By 2024, at least 80% of graduation pilot program beneficiaries (50% women) have improved livelihoods as measured by the graduation criteria established under the pilot program (2019 baseline: not applicable)</p>	<p>a. GOLWS reports generated from the IHD</p> <p>b. Impact evaluation end line survey report, 2023</p>	<p>R: The pandemic spreads and quarantine measures are extended, with more severe economic and social impacts than anticipated.</p>
<p>Outputs</p> <p>1. Pro-poor child grant top-ups delivered</p> <p>2. Social welfare programs and systems strengthened</p>	<p>By 2023</p> <p>1a. Child grant monthly benefit level topped up to MNT100,000 per child for 6 additional months, January–June 2021 (March 2020 pre–COVID-19 baseline: regular child grant benefit of MNT20,000 per month) (OP 1.1.3)</p> <p>2a. Proxy means test data for at least 150,000 households is recertified using new methodology through household visits, with data disaggregated by age, sex, and geographic area (2020 baseline:</p>	<p>1a. Approved 2021 government budget</p> <p>2a. GOLWS reports generated from the IHD</p>	<p>A: Beneficiary attrition from the graduation pilot program is not significant.</p>

Results Chain	Performance Indicators	Data Sources and Reporting Mechanisms	Risks and Critical Assumptions
	<p>0 households recertified using new methodology)</p> <p>2b. At least 14 additional social welfare programs are connected to the "e-welfare" system (2020 baseline: 5 programs) (OP 1.1.3)</p> <p>2c. At least 1,500 working-age adults in poor households (50% women) receive graduation program asset packages with coaching and training to promote diversified income sources (2020 baseline: 0 households) (OP 1.2, OP 2.5.4)</p>	<p>2b. "E-welfare" system reports</p> <p>2c. Project quarterly reports</p>	

Key Activities with Milestones

1. Pro-poor child grant top-ups delivered

- 1.1 Approve child grant top-ups for 6 additional months, January–June 2021 (Q4 2020)
- 1.2 Transfer monthly child grants electronically to children's bank accounts in a timely manner (Q1–Q2 2021)
- 1.3 Monitor implementation and assess the impact of the transfer on households (through ADB's TA for Building Capacity for an Effective Social Welfare System) (Q3–Q4 2021)^c

2. Social welfare programs and systems strengthened

- 2.1 Undertake household visits to recertify households using the new proxy means test methodology to be approved in Q1 2021 (Q2–Q4 2021)
- 2.2 Recruit consultants to support the digitization of social welfare systems (Q1–Q4 2021)
- 2.3 Procure database management system for the Ministry of Labor and Social Protection and undertake training for staff (Q2–Q4 2021)
- 2.4 Prepare detailed design and implementation plan for the graduation pilot program—including TOR and a training plan for social workers as coaches; beneficiary selection procedures; and TOR for service providers for market assessment, training delivery, and impact evaluation (through ADB's TA for Building Capacity for an Effective Social Welfare System) (Q1–Q2 2021)
- 2.5 Recruit service providers to support the graduation pilot program (Q2 2021)
- 2.6 Implement, monitor, and evaluate the impact of the 20-month graduation pilot program, with support from ADB's TA for Building Capacity for an Effective Social Welfare System (Q3 2021–Q2 2023)

Inputs

ADB: \$73 million (loan)

Ordinary capital resources: \$46.40 million

Concessional ordinary capital resources loan: \$26.60 million

Government: \$186.64 million

A = assumption, ADB = Asian Development Bank, COVID-19 = coronavirus disease, GOLWS = General Office of Labor and Welfare Services, IHD = Integrated Household Database, OP = operational priority, Q = quarter, R = risk, TA = technical assistance, TOR = terms of reference.

^a ADB. 2020. [ADB's Comprehensive Response to the COVID-19 Pandemic](#). Manila.

^b National Statistics Office data for 2019 confirm the sex ratio of Mongolian children aged 0–19 as 51.1% boy and 48.9% girls. This varies among age groups and is most imbalanced among children aged 0–4, at 51.3% boys and 48.7% girls. The gender target is set to at least maintain the current ratio among child grant beneficiaries.

° ADB. 2019. [Technical Assistance to Mongolia for Building Capacity for an Effective Social Welfare System](#). Manila (TA 9893-MON).

Contribution to Strategy 2030 Operational Priorities

Expected values and methodological details for all OP indicators to which this operation will contribute results are detailed in Contribution to Strategy 2030 Operational Priorities (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

Source: ADB.

B. Monitoring

75. **Project performance monitoring.** The design and monitoring framework (DMF) is the basis for monitoring the project progress. During project implementation, the project performance monitoring system (PPMS) will monitor the likelihood that key milestone dates for activities, outputs, and outcome will be achieved. The DMF will be reviewed during project implementation and if needed, adjusted to reflect changing circumstances so that the project outcome can be achieved. Following project completion, the project is subject to an assessment of the outcome along with recommendations for enhancing and sustaining the outcome.³⁴

76. The PIU will monitor project implementation and seek feedback from the executing and implementing agencies, project beneficiaries, and other stakeholders. ADB will monitor project performance in five aspects, i.e., technical, procurement, disbursement, financial management, and safeguards, through the executing agency's quarterly progress reports (prepared by the PIU and endorsed by the executing and implementing agencies), day-to-day communication with the PIU, and regular ADB review missions.

77. **Compliance monitoring.** The PIU, on behalf of the executing and implementing agencies, will monitor compliance with covenants stipulated in the loan agreements. ADB will monitor the compliance status through the executing agency's quarterly progress reports, day-to-day communication with the PIU, and ADB review missions; and take necessary remedial measures for any non-compliance.

78. **Safeguards monitoring.** The project is categorized C for environment, involuntary settlement, and indigenous peoples safeguards. The project activities will not result in adverse impacts related to the three safeguard categories. The project is socially inclusive without any partiality to any ethnic groups and the project's benefits are national in scope. The project will not require safeguards monitoring during implementation.

79. **Gender and social dimensions monitoring.** The indicators and targets in the gender action plan will be monitored by the MLSP and during ADB midterm review mission. The monitoring results will be reported through the quarterly progress reports. ADB will support MLSP to enhance sex-disaggregated data analysis in the PMT and to conduct impact assessment, including a gender impact assessment, of the direct and indirect benefits of the graduation pilot program under output 2. A gender impact assessment of the child grant top-ups is being undertaken in coordination with UNICEF and IRIM under SRSP1.

C. Evaluation

80. ADB and the government will jointly undertake inception, midterm, and annual review missions. The reviews will assess progress in each output, identify issues, and determine any remedial actions. The midterm review will (i) review the scope, design, and implementation arrangements and identify adjustments; (ii) assess implementation progress against performance indicators; and (iii) recommend changes in the design or implementation arrangements, if

³⁴ ADB's PPMS is a results-based approach to project planning, performance monitoring, and evaluation of results. The PPMS has five components: (i) DMF; (ii) project performance report; (iii) grant recipient's M&E (at the central, and executing and implementing agencies levels); (iv) project completion report; and (v) project performance evaluation report, and where appropriate, impact evaluation studies. The DMF is the basis of the PPMS. It establishes quantified, time-bound targets and measurable indicators, and identifies risks that are used to monitor and evaluate performance in the project performance report, project completion report, and project performance evaluation report.

necessary. Within 6 months of physical completion of the project, the MLSP will submit a project completion report to ADB.³⁵

D. Reporting

81. The MLSP will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system, (ii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iii) a project completion report within 6 months of physical completion of the project, to include the impact assessment of the graduation pilot program. To ensure that projects will continue to be sustainable, project accounts and the audited project financial statements together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

82. The MLSP will undertake extensive outreach on the implementation of the PMT survey update in 2021. The project will include broad stakeholder consultation on the graduation pilot program, including working with and through local civil society organizations to identify beneficiary households (a pilot concept note is in Appendix 2).

X. ANTICORRUPTION POLICY

83. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.³⁶ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³⁷

84. To support these efforts, relevant provisions are included in the loan agreements and the bidding documents for the project. Risks and mitigating measures were discussed and agreed between ADB and the borrower during loan processing per the Second Governance and Anticorruption Action Plan.³⁸

XI. ACCOUNTABILITY MECHANISM

85. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working

³⁵ Project completion reports available at: <https://www.adb.org/projects/documents/doctype/Completion%20Reports>.

³⁶ Anticorruption Policy: <https://www.adb.org/documents/anticorruption-policy>

³⁷ ADB's Integrity Office web site: <https://www.adb.org/site/integrity/main>

³⁸ Governance and Anticorruption Action Plan II Guidelines. <https://www.adb.org/sites/default/files/institutional-document/32022/gacap-ii-guidelines.pdf>. See also Sourcebook: Diagnostics to Assist Preparation of Governance Risk Assessments. <https://www.adb.org/sites/default/files/institutional-document/157127/diagnostics-assist-preparation-gras.pdf>.

with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.³⁹

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

86. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in this PAM.

³⁹ Accountability Mechanism. <https://www.adb.org/site/accountability-mechanism/main>

CHILD MONEY PROGRAM: SPECIAL STATEMENT OF EXPENDITURE FORM

Child Money Program Fund Expenditure Report

For the period of: _____ 2021

Aimag/District	No. of Children Beneficiaries	Amount Paid
Total	0	0.00

This is to certify that the payment of child money indicated in the schedule above is consistent with the provisions of the Guidelines on Provision Child Money Benefits, approved in 2017 by the Government Resolution No. 18.

Report consolidated by:

 /name and signature/
 Head of Finance and Planning Division, General
 Office of Labor and Welfare Services, MLSP

Approved as to payment by:

 /name and signature/
 Director of Treasury Department, Ministry of Finance

Verified by:

 /name and signature/
 Director General, General Office of Labor and Welfare
 Services, MLSP

Confirmed by:

 /name and signature/
 Director of Finance and Investment Department, MLSP

/Financial Stamp of GOLWS/

MONGOLIA GRADUATION PILOT PROGRAM: CONCEPT NOTE

A. Introduction

1. In response to a deteriorating economic situation, the Asian Development Bank (ADB) has responded to a request from the Government of Mongolia for support to mitigate the socioeconomic impacts of the coronavirus disease (COVID-19) pandemic, particularly on poor and vulnerable groups. The Second Shock-Responsive Social Protection Project (SRSP2) will (i) deliver pro-poor child grant top-ups through support to the child money program from January to June 2021, and (ii) strengthen social welfare programs and systems. Three key activities are planned under the second output:

- (a) updating the poverty targeting system to better identify poor and vulnerable households,
- (b) digitizing social welfare programs to make the application and benefit delivery processes more efficient and transparent, and
- (c) pilot testing an economic inclusion program based on the graduation approach with selected poor households to help diversify livelihoods and strengthen their resilience.

2. The executing agency is the Ministry of Labor and Social Protection (MLSP). The introduction of a graduation pilot program responds to both MLSP's calls for "smarter" social welfare, and the Government Action Plan 2020–2024. Specific actions in the labor and social welfare section 2.5 include (i) making social welfare services targeted, to promote employment and reduce poverty (action 2.5.7); and (ii) engaging adults in low-income households in vocational and skills training and providing support for employment (action 2.5.9). This concept note introduces the graduation approach and the broad features of the SRSP2 Mongolia Graduation Pilot Program. Details will be elaborated in a pilot design process proposed to be led by an expert resource person from BRAC and with the participation of the social protection consultant team engaged by ADB under the ongoing technical assistance project Building Capacity for an Effective Social Welfare System (TA 9893-MON), implemented by the MLSP.¹

3. The graduation approach works with poor households, building on a foundation of social welfare benefits with a holistic set of poverty reduction interventions that aim to address the multiple facets of deprivation. Also called economic inclusion, the approach starts from the premise that poverty has many dimensions, so no one single intervention alone (such as education, training, or cash support) will be able to tackle poverty completely. Instead, a multidimensional approach is needed that includes but goes beyond cash grants. Pioneered in 2002 by the international development organization BRAC, holistic graduation programs have since been adapted and rolled out in various forms in more than 75 countries,² accompanied by rigorous impact evaluation that confirms both immediate benefits and sustainable results long after the program interventions end.³

4. Graduation programs offer poor participants a carefully sequenced set of solutions. These are usually time-bound, implemented over a period of 18–36 months. This time-bound nature

¹ ADB. [Mongolia: Building Capacity for an Effective Social Welfare System](#).

² C. Andrews, A. de Montesquiou, I. Sánchez, et. al. 2020. [The Potential to Scale: Economic Inclusion for the Poorest \(The State of Economic Inclusion Report\)](#). Washington DC: World Bank.

³ A. Banerjee, E. Duflo, N. Goldberg, D. Karlan, R. Osei, W. Pariente, J. Shapiro, B. Thuysbaert, and C. Udry. 2015. [A Multifaceted Program Causes Lasting Progress for the Very Poor: Evidence from Six Countries](#). *Science*. 348 (6236). 14 May. 1260799.

tends to appeal to governments and implementing partners. Graduation supports household consumption in the short term (through cash or food support, depending on the context) while developing sustainable and resilient livelihoods in the long run. The interventions combine targeted social assistance with the transfer of a productive asset, support for financial inclusion, tailored skills training, livelihood development, social inclusion, and, very importantly, psychosocial support and life skills through a coach or mentor. The typical program components across different countries and contexts are:

- (i) social welfare transfers (cash or food) to help families meet their immediate consumption needs;
- (ii) an asset transfer selected by the participant from a list of options, based on a detailed local market and value chain analysis;
- (iii) focused technical and business skills training to develop the capacity to turn the asset into a productive enterprise;
- (iv) financial literacy training and financial inclusion; and
- (v) regular coaching and mentoring by a trained facilitator or social worker who provides support tailored to each participant through frequent home visits, often based on a family development plan.

B. Purpose and Timeline

5. The graduation pilot program will support 1,520 working-age adults in poor households with the goal of building on cash transfers to provide holistic support that leads to economic inclusion, diversified livelihoods, and poverty reduction.

6. **Building on lessons: the design phase.** The pilot design phase to start in the first quarter of 2020 will involve broad consultations with stakeholders and build on both international best practices and lessons learned from (i) an NGO-led graduation pilot program in Mongolia from 2017 to 2020,⁴ (ii) Mongolia's National Program on Targeted Household Development and Protection, implemented from 2016 to 2020,⁵ and (iii) ongoing ADB TA 9749-MON which aims to support households affected by land acquisition and resettlement under the Ulaanbaatar Urban Services and *Ger* Areas Development Investment Program.⁶ Under the TA, about 120 households have received livelihood support and training with the participation of local nongovernment organizations and service providers, including the Asia Foundation. The pilot design phase will set out a carefully sequenced series of interventions, design the terms of reference for all service providers, and will culminate with a design validation workshop with MLSP and other stakeholders at the end of Q1 2021.

7. **Preparation and implementation phase.** A 3-month preparation phase will involve training and preparing coaches, undertaking the market assessment, and the targeting process.

⁴ This was implemented by World Vision with 600 households in Ulaanbaatar. World Vision. 2017. [The Additional Social Benefit of Projects – A Case Study from Mongolia of the Social Return on Investment](#).

⁵ An assessment of Mongolia's National Program for Targeted Household Development and Protection is forthcoming under TA 9893-MON, expected by early 2021. The program's key tool is the Targeted Household Development Plan, which aims to develop and improve livelihoods based on households' situation, needs, resources, and capabilities. Through the plan, family members should be motivated to work, improve their livelihoods, improve family relationships, increase participation in society, and increase their position in society. Plans are developed and implemented by household members in collaboration with *soum* and *khoroо* social workers. The social worker is responsible for assessing the household's situation, defining development goals and objectives, ways to achieve them, and assisting in the implementation of planned activities. In addition, the social worker needs to meet with each household, provide social work services, liaise with other organizations, and provide information and cooperate with local government and sectoral organizations (Details from the TA 9893-MON inception report, unpublished).

⁶ ADB. [Mongolia: Capacity Building for Sustainable Livelihood Support in Ger Areas](#).

The implementation phase is envisioned to commence in August 2021, lasting 20 months until March 2023. The endline survey will take place between April and May 2023. The SRSP2 project completion date is 30 June 2023.

C. Targeting: Selection of Participants

8. The pilot will target up to 1,520 working-age adults in the poorest households in Ulaanbaatar. These will be food stamp and child money program recipients, where the food stamps and child grants are the consumption support element of the graduation approach. The survey firm (section G) will undertake a brief targeting verification survey to ensure that the poorest households are targeted, since the proxy means test survey data on which food stamp program participation is based is now several years out of date, and ensure that they are not receiving similar support from other programs.

D. Livelihoods: Market Assessment and Asset Transfer

9. The pilot will engage a research institute or similar service provider to undertake a detailed market assessment in the pilot area, identifying potential livelihoods, value chains, and training providers (section E), ultimately crafting a menu of viable options for participants. Assessing the experience of similar livelihood support programs will be particularly valuable.

E. Technical Training

10. Technical training will draw on locally available resources, including government, private sector, or nongovernment organization training programs. These will be identified during the market assessment in the preparation phase. The asset transfer itself will take place only after preparatory training activities with beneficiaries.

F. Coaching and Mentoring

11. The pilot program's 40 coaches will be selected from among the MLSP social workers based in the district and *khoroos* social welfare offices. Each coach will have an average case load of 38 participants. MLSP has agreed that the scope of work of the social workers selected for participation in the graduation pilot program under the project is appropriately adjusted for the social workers to participate in the pilot as coaches for program beneficiaries, requiring home visits, case management, and participation in a series of training activities to prepare them for the role. Coaches will receive a tablet and a transport and communications allowance under the program.

G. Monitoring and evaluation

12. Households' progress (and ultimately, graduation) will be measured against a set of graduation criteria to be established during the design phase. Monitoring of household progress will be primarily done by the coaches, using tablets and a simple platform using opensource monitoring software such as the KOBO platform, tailored to the program. MLSP will engage a research firm for impact evaluation. This will entail designing and implementing (i) a targeting verification survey, (ii) a baseline survey during the preparation phase before program interventions begin, and (iii) an endline survey. Detailed discussions on the impact evaluation methodology will take place during the detailed design phase (Q1 2021).

H. Implementation arrangements

13. The SRSP2 project implementation unit (PIU) project coordinator will be responsible for overall implementation of the pilot and the recruitment and supervision of service providers. The PIU procurement specialist will support the procurement of the productive assets while the financial management specialist will handle all aspects of accounting. The PIU administrative assistant will provide backstopping support. Technical expertise for design, implementation, and monitoring will be provided by TA 9893-MON consultants, including an international resource person assignment. Regular ADB supervision missions will review progress.

I. Indicative budget

14. The indicative graduation pilot program budget under SRSP2 is \$1,382,350 (Table). This budget does not include (i) the SRSP2 PIU staff, budgeted separately; (ii) the international resource person for the design and preparation phase proposed to be financed from TA 9893-MON; (iii) the team of social protection experts already contracted under TA 9893-MON; or (iv) the cost of food stamp and child money benefits or social worker salaries, both of which are covered by the government budget.

Mongolia Graduation Pilot Program (Indicative Budget)

Item	Quantity	Unit Cost (\$)	Total (\$)	Notes
Contract packages				
Livelihood assets for beneficiaries	1,520	500	760,000	Costing from ongoing livelihood program in Ulaanbaatar with assets at \$400–\$600
Impact evaluation firm	1	90,000	90,000	3 surveys at \$30,000 each: targeting verification, baseline, and endline surveys
Media firm	1	30,000	30,000	Advocacy materials, impact film
Market assessment firm	1	40,000	40,000	
Subtotal			920,000	
Expenses				
Training for beneficiaries	1,550	200	310,000	Costing from ongoing livelihood program in Ulaanbaatar
Training transport subsidy for beneficiaries	1,550	5	7,750	For participants to reach training venue
Phones, internet for beneficiaries	300	120	36,000	For households that do not have access to communications
Training materials	1,550	6	9,300	
Training, coaches	40	300	12,000	Training materials, transport for coaches
Transport and communications subsidy, coaches	40	400	16,000	20 months x \$20 x 40 coaches

Item	Quantity	Unit Cost (\$)	Total (\$)	Notes
Tablets and personal protective equipment, coaches	40	120	4,800	Tablets for real-time monitoring plus personal protective equipment (masks, face shields, hand sanitizers)
Miscellaneous support for livelihoods	1	66,500	66,500	Other services, procurement support
<i>Subtotal</i>			462,350	
Grand total			1,382,350	