**MONGOLIA THIRD SUSTAINABLE LIVELIHOODS PROJECT**

1. **Name of Project/Program:**Third Sustainable Livelihoods Project/Sustainable Livelihoods Program,
2. **Total Project/Program $ Value (of which World Bank or other Development Partner funding):**
   * **SLP-1:** US$25.3 million, IDA credit US$21.9 million and the Mongolian government financed US$3.4 million
   * **SLP-2:**US$52 million, IDA credit of US$20 million and an IDA grant of US$13.5 million, European Union grant of US$13 million, and Japanese Government Grant of US$ 3.905 million
   * **SLP-3:**US$42.8 million, IDA credit of US$25.1 million and an IDA additional credit of US$12 million, Swiss Agency for Development and Cooperation grant of US$5.7 million
3. **Duration of Project/Program (since inception to current closing date):**
   * **SLP-1:** 2002-2008
   * **SLP-2:**2008-2012
   * **SLP-3:**2015-2023
4. **Coverage (by geographic/administrative areas and population):**
   * **SLP-1:** Whole country-- Ulaanbaatar city and 9 urban districts, 21 aimags (province) and 330 soums
   * **SLP-2:**Whole country-- Ulaanbaatar city and 9 districts, 21 aimags and 330 soums
   * **SLP-3:**Rural areas of country-- 330 soums of 21 aimags (50% or 1.7 million of the total population of Mongolia)
5. **Project components (briefly described) and estimated $ value:**
   * Component 1. US$6 million. Objective is to “build the capacity at local and national government levels for the implementation and further development of the Government’s programs and mechanisms for supporting rural development”.  This will in particular strengthen local governments’ capacity for effective, efficient and timely implementation and management of the Local Development Fund (LDF). Based on need, SLP-3 will provide local authorities and communities training and technical assistance related to planning, budgeting and implementation of the LDF.
   * Component 2 US$33.8 million. The objective of component 2 is to “enhance good governance in the entire budgeting process starting with financial and policy planning, including budget preparation and adoption, budget execution, accounting, reporting, internal and external control and public scrutiny.” This component provides an incentive for good performance in the entire Public Financial Management annual cycle for LDF and other public resources managed by rural (soum) governments by providing an annual performance based top-up fund to selected soums based on the outcomes of soum annual performance assessment (APA).
   * Component 3. US$3 million. Component 3 will support the functioning of the PIU, the monitoring and evaluation (M&E) of the efficiency and effectiveness of SLP-3, as well as providing support to the MoF in strengthening its M&E system for monitoring LDF implementation and results.
6. **Main implementing agency/agencies:**The Ministry of Finance of Mongolia
7. **Other key features:**
   * The project trains civil servants related to LDF implementation at three main levels, MoF, aimags and soums. As a result of trainings, the capacity of stakeholders who implement procedures of LDF is improving.
   * Project has conducted Annual Performance Assessment from 2016 in all 330 soums and the average of the soum performance of the APA increased and reached to 67% in 2022. As a result of the assessment, a total of MNT 32.7 billion (estimated US$9.5 million) performance based grant were allocated to well perform soums.
   * From 2017 overall LDF was decreased dramatically and World Bank and MOF agreed to support additional “top-up” funds in additional to performance based grants. Therefore, in 2018-2021, a total of MNT 33.3 billion (estimated US$10.3 million) was provided to 330 soums as Top-Up financing to soum LDFs.
   * In terms of project activities, redeveloped and improved LDF Management Information System (using mobile applications) to provide integrated information to the government and public. With the launch of MIS, LDF data such as budget allocation, citizens’ proposals, prioritization of the proposals, approved list, execution, and procurement information of LDF projects are integrated and all these information is now disclosed to public and authorities.