



Completion Report

PUBLIC

Project Number: 54214-001
Loan Number: 3937
December 2022

Mongolia: Shock-Responsive Social Protection Project

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency unit – togrog (MNT)

		At Approval (19 June 2020)	At Project Completion (31 October 2020)
MNT1.00	=	\$0.00035	\$0.00035
\$1.00	=	MNT2,816.51	MNT2,841.47

ABBREVIATIONS

ADB	–	Asian Development Bank
CMP	–	child money program
COVID-19	–	coronavirus disease
DMF	–	design and monitoring framework
EAL	–	emergency assistance loan
FSP	–	food stamp program
GAP	–	gender action plan
IHD	–	Integrated Household Database
IRIM	–	Independent Research Institute of Mongolia
MLSP	–	Ministry of Labour and Social Protection
PIU	–	project implementation unit
TA	–	technical assistance
UNICEF	–	United Nations Children's Fund

NOTE

In this report, "\$" refers to United States dollars.

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BASIC DATA

A. Project Identification

1.	Project number and project title	54214-001: Shock-Responsive Social Protection Project
2.	Mode of financial assistance	Emergency assistance loan
3.	Country	Mongolia
4.	Borrower	Mongolia
5.	Executing agency	Ministry of Finance
6.	Product	Loan 3937

Item	Approval Number	Financing Amount (\$ million)	Financing Source	Product Modality
Loan	3937	26.40	Ordinary capital resources (concessional)	Emergency assistance loan
Government		239.39		
Project Total		265.79		

B. Milestone Dates by Product

Item	Loan 3937-MON
Approval of clearance to initiate processing and to allocate resources for an emergency assistance loan	
– Date started	1 May 2020
– Date completed	14 May 2020
Fact-finding mission	
– Date started	11 May 2020
– Date completed	12 May 2020
Loan negotiations	
– Date started	21 May 2020
– Date completed	21 May 2020
Date of Board approval	19 June 2020
Date of loan agreement	2 July 2020
Date of loan effectiveness	
– In loan agreement	30 September 2020
– Actual	13 August 2020
– Number of extensions	0
Project completion date	
– At approval	31 October 2020
– Actual	31 October 2020
Loan closing date	
– In loan agreement at approval	30 April 2021
– Latest revised	Not applicable
– Number of extensions	0
Financial closing date	3 August 2021

C. Project Cost and Financing

1. Project cost (\$ million)

Cost	Estimate at Approval	Actual
Foreign exchange cost	0.00	0.00
Local currency cost	265.79	322.05
Total	265.79	322.05

2. Cost breakdown by project component (\$ million)

Component	Estimate at Approval	Actual
Emergency cash assistance	265.53	321.99
Project management support and administration	0.00	0.02
Financial charges during implementation	0.26	0.04
Total	265.79	322.05

3. Financing plan and actual (\$ million)

Cost	Estimate at Approval	Actual
Implementation cost		
Borrower-financed	239.39	295.68
Asian Development Bank-financed	26.14	26.33
Total implementation cost	265.53	322.01
Financial charges during implementation		
Borrower-financed	0.00	0.00
Asian Development Bank-financed	0.26	0.04
Total interest during construction cost	0.26	0.04

4. Disbursements

a. Disbursement dates by product

Item	First Disbursement	First Disbursement, Excluding Capitalization	Final Disbursement
Loan 3937-MON	2 September 2020	2 September 2020	22 March 2021

b. Loan disbursed amount (\$ million)

Category	Original Allocation (1)	Increased/ (Decreased) during Implementation (2)	Last Revised Allocation (3=1+2)	Amount Disbursed (4)	Undisbursed Balance (5=3-4)
Emergency cash assistance	26.14	0.20	26.34	26.31	0.02
Project management support and administration	0.00	0.02	0.02	0.02	0.00
Financial charges during implementation	0.26	(0.22)	0.04	0.04	0.00
Total	26.40	0.00	26.40	26.37	0.02

() = negative.

Note: Numbers may not sum precisely because of rounding.

5. Terms of loan by product

- Interest rate 1% per year
- Maturity (number of years) 30 years
- Grace period (number of years) 10 years

D. Project Implementation

1. Project schedule

Item	Estimate at Approval	Actual
Date of contract with consultant(s)		
Completion of engineering designs		
Civil works contract		
Date of award		
Completion of work		
Equipment and supplies		
Dates		
First procurement		
Last procurement		
Completion of equipment installation		
Start of operations		
Completion of tests and commissioning		
Beginning of start-up		
Other milestones		

Note: The project financed emergency cash grants and did not entail consultant recruitment or procurement.

2. Project implementation indicators

Project Indicator	Description
Project readiness	None
Concept approval to first disbursement (days)	111
Signing to first disbursement (days)	62
Loan closing to financial closing (days)	95

3. Project Performance Ratings

Year		Overall	Contract Awards	Disbursement	Financial Management	Output	Safeguards
2020	Q3	On track	100.00%	100.00%	On track	On track	On track
	Q4	On track	99.91%	99.06%	On track	On track	On track
2021	Q1	On track	99.93%	99.91%	On track	On track	On track
	Q2	On track	100.00%	99.91%	On track	On track	On track
	Q3	On track	100.00%	100.00%	On track	On track	On track

4. Asian Development Bank missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members ^c	Virtual Mission (Yes/No)
Loan review ^a	26 November 2020	3	1	a, b, c	Yes
Loan review ^b	12 October 2021	3	1	a, b, c	Yes
Project completion review	11 April 2022	4	0.5	a, b, c, d	Yes

^a Held during the loan fact-finding mission of the Second Shock-Responsive Social Protection Project (24–27 November 2020).

^b Held during the inception mission of the Second Shock-Responsive Social Protection Project (30 September–13 October 2021 (intermittent)).

^c a = project team leader, b = deputy project team leader, c = analyst, d = senior financial management officer.

I. PROJECT DESIGN AND IMPLEMENTATION

A. Rationale

1. The Shock-Responsive Social Protection Project was an emergency assistance loan (EAL) requested by the Government of Mongolia to finance social protection measures to mitigate the socioeconomic impacts of the coronavirus disease (COVID-19) pandemic on poor and vulnerable groups. The project applied shock-responsive social protection principles to temporarily expand food support and cash transfers, using the targeting and delivery systems of two established national social assistance programs.

2. The project was highly relevant in terms of consistency with ADB's country partnership strategy for Mongolia, 2017–2020,¹ which emphasized social protection, and the Strategy 2030 operational priority for addressing remaining poverty and reducing inequalities. Supporting poor and vulnerable people was also consistent with Mongolia's broader development objectives, as well as those outlined in the government's countercyclical development expenditure program of March 2020, which introduced COVID-19 response measures costing MNT5.1 trillion in three areas of support: (i) social protection measures to support citizens, (ii) support to vulnerable businesses and fiscal stimulus measures, and (iii) public health protection. The project design was simple and sound in topping up two existing social assistance programs, and the formulation process was both swift and comprehensive, as required by the EAL modality, which was appropriate in the case of a rapidly deteriorating poverty situation in the face of strict virus containment measures. There were no changes in the project design during implementation. The project remained highly relevant at completion, with worsening impacts of the pandemic leading the government to extend social protection measures. Findings from an evaluation of the government's social protection measures to address COVID-19, supported by Asian Development Bank (ADB) knowledge and support technical assistance (TA), helped inform the government's decision to continue child money program (CMP) top-ups as an effective and pro-poor response that was able to rapidly reach a large share of the population.

B. Project Impact, Outcome, and Outputs

3. The project was aligned with the impact of reducing adverse socioeconomic impacts of the COVID-19 pandemic. The outcome was to support the basic needs of the poor and vulnerable, especially women and children. The project had two outputs: (i) poverty-targeted food support increased, and (ii) child-targeted income support increased. There were no changes to the project scope or the design and monitoring framework (DMF) during implementation (Appendix 1).

4. **Output 1: Poverty-targeted food support increased.** Output 1 financed a temporary increase in the monthly benefit level for all food stamp program (FSP) beneficiaries for 5 months. The cash-like benefits were delivered either as electronic payments to e-cards (for 70% of the recipients, mostly in urban areas) or as physical vouchers (for 30% of the recipients, mostly rural). Food stamps can be used to purchase 10 staple food items, including milk and vegetables.² At the outset, it was possible to redeem food stamps from more than 750 participating vendors nationwide, and this later expanded to include all shops that issue value-added tax receipts. The FSP helped smooth consumption and protect food intake for more than 242,000 people, among them more than 118,000 children. Women and girls comprised about 53% of all FSP recipients

¹ ADB. 2017. *Country Partnership Strategy: Mongolia, 2017–2020*. Manila.

² The 10 staple food items are domestic meat products, domestic dairy products, flour, butter, sugar, fruit, vegetables, rice, vegetable oil, and eggs.

as of March 2020, and the ratio was maintained until the time of project completion in October 2020. The program reached 44,325 families in March 2020 and 44,508 at the time of project completion in October 2020. Prior to the project, each family received food stamps worth MNT16,000 per adult and MNT8,000 per child per month. A poor family of five thus received MNT56,000 per month, equivalent to just over \$20 (about 7% of the monthly poverty line for a family of five). With the top-ups, these benefits doubled to MNT32,000 per adult and MNT16,000 per child per month.

5. **Output 2: Child-targeted income support increased.** Output 2 financed a share of the temporary increase in the monthly benefit level to all CMP beneficiaries for 6 months. The CMP provides monthly cash grants to all children aged 0–17 years. Payments are made to accounts set up in the children's names, on the condition that children are registered in the Integrated Household Database (IHD). As of March 2020, 1,107,130 children (about 93% of the total) received CMP grants worth MNT20,000 per child per month. A mother of three children under 18 received an equivalent of about \$21.50 (about 7.2% of the monthly poverty line for a family of five) to support her children's needs. With the top-ups, these benefits increased fivefold to MNT100,000 per child per month. At the time of project completion in October 2020, 1,177,009 children, an increase of 6.3%, were registered and received benefits.

C. Project Costs and Financing

6. Project costs were as anticipated at design. There were no major cost changes, overruns, or cancellations during implementation.

7. The project cost at appraisal was estimated at \$265.79 million. The cost at completion was \$322.05 million, a substantial increase of \$56.26 million financed by the Government of Mongolia as a result of the growth in the number of beneficiaries during project implementation. Detailed cost tables are in Appendixes 2 and 3.

D. Disbursements

8. The original disbursement projections at the time of project effectiveness were realistic (Appendix 4).³ There was no gap between the projection and the actual disbursements, and there were no delays or corrective actions taken by the borrower, executing agency, or ADB. The unutilized loan balance canceled at loan closure was just \$24,183.75 (0.092% of the total loan amount). There were no material issues or findings from review missions or audit reports related to disbursements during implementation.

E. Project Schedule

9. The project was implemented according to schedule. The expected project completion date of 31 October 2020 was the actual completion date. No extension of project completion was required, and financial closing on 3 August 2021 was on schedule.

F. Implementation Arrangements

10. The project was designed to use the social protection system's existing targeting and delivery infrastructure. As the executing agency, the Ministry of Finance ensured timely monthly

³ The annual and cumulative disbursements and contract awards of ADB loan proceeds are presented in Appendixes 4 and 5.

food stamp and child grant transfers based on the beneficiary roster provided by the implementing agency, the Ministry of Labour and Social Protection (MLSP). The implementing agency's General Office of Labour and Welfare Services ensured accurate beneficiary rosters based on the IHD. The existing project implementation unit (PIU) for the Additional Financing of the Food and Nutrition Social Welfare Project also supported this project.⁴ When the additional financing closed, funds were allocated to a new category to allow payment of two PIU staff members' salaries for 4 months to oversee loan closing. These highly efficient implementation arrangements allowed rapid project start-up and delivery of social welfare benefits to those in need, and were fully adequate to deliver project outputs and achieve the outcome.

G. Procurement

11. The project financed emergency cash grants and did not entail consultant recruitment or procurement (Appendix 5).

H. Poverty, Social, and Gender Equality

12. The project directly targeted food stamps and cash transfers to the poor and vulnerable, especially women and children. The project supported two existing national social assistance programs—one targeted using a proxy means test to the poorest 5% of households, and one targeted to all households with children (a universal child grant). Poverty analysis during loan preparation confirmed that the pre-pandemic poverty rate was 28.4% in the population of 3.24 million. This national average masked significant differences by gender, location, and age. The poverty rate was significantly higher among urban households headed by women (32.4%) and households living in the country's eastern region (37.4%), and highest among very young children aged 0–4 (38.0%).⁵ Child poverty was widespread: in 2018, children under the age of 15 comprised 42% of the country's nearly 905,000 poor people, while 52% of all poor people lived in households with more than three children. The program design also considered that a universal crisis calls for a universal response; all Mongolian households were affected by the strict virus containment measures that the government implemented, and all households with children were affected by prolonged school closures, resulting in an increase in the unpaid care burden, especially for women.

13. The ADB TA supported a microsimulation analysis, which found that both inequality and poverty would have increased significantly without the government's social protection measures, including the project-supported food stamps and child grants.⁶ The government measures not only counteracted the negative effects but may also have reduced poverty compared to the pre-pandemic baseline. Because of the high rate of child poverty and the larger number of children in poor households, the child grants alone reduced both poverty and inequality (para. 19), reaching 64% of the country's households or 80% of the population. The microsimulation report estimated that the pandemic-induced economic recession could have increased poverty to 36.7%, but social protection measures reduced poverty to 17.6%. The two measures with the largest budgets were the child grant top-ups and the waivers of social insurance contributions and income tax. Comparing their effects, if the only policy response were the waivers, the share of people falling below the poverty line would be 30.5%. This is lower than the poverty rate under the pandemic effect, but higher than the pre-pandemic scenario. However, the effect of only the child grant top-

⁴ ADB. [Mongolia: Food and Nutrition Social Welfare Project \(Additional Financing\)](#) (Loan 3086-MON).

⁵ National Statistics Office of Mongolia and World Bank. 2020. [Mongolia Poverty Update 2018](#). Ulaanbaatar.

⁶ 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).

ups is a drop in poverty to 24.9%. In other words, the child grant top-ups alone could compensate for the poverty effect of the pandemic. Because they disproportionately reach poorer households, child grants also reduce inequality (unlike the waivers, which disproportionately benefit better-off households). With the child grant top-up alone, the Gini coefficient is estimated to decrease to 0.307, reducing inequality, while the waivers alone would increase the Gini coefficient to 0.342 (against a pre-pandemic baseline of 0.327).

14. The project was classified *effective gender mainstreaming*. A rapid gender analysis as part of due diligence found that households reduce food consumption as one of the first strategies during economic crises, and that the poorest women tend to reduce both the quantity and quality of the food they consume to ensure their children's food quality and quantity are maintained. The FSP helped limit this negative coping strategy during past crises. A gender action plan (GAP) was prepared to prevent food insecurity among women and girls, to ensure public awareness of the shock-responsive measures and ensure all children across the country could access benefits, and to conduct a gender impact assessment of the direct and indirect benefits of the expanded benefits (Appendix 6). All six GAP activities were fully implemented and completed, and all nine targets from seven indicators were achieved. During the pandemic, the FSP helped sustain food consumption of 243,012 beneficiaries from poor and vulnerable households, of which more than 53% were women and girls,⁷ and the CMP supported more than 1.18 million children, ensuring their needs were met. More families learned about and were able to access the CMP through the nationwide communication campaign and proactive communications through various multimedia services including television, radio, and social media. ADB collaborated with the United Nations Children's Fund (UNICEF), Independent Research Institute of Mongolia (IRIM), and MLSP on the design of a survey that assessed the impact of the child grant and food stamp top-ups, introducing a gender focus and ensuring sex-disaggregated data collection. In a key finding, mothers were the custodians of children's grant accounts in 86% of households and at the outset were the primary decision-makers for spending the child grants in 83% of households (making joint decisions with their husbands in a further 8% of households).⁸ Women's decision-making power over the use of the grants increased after the top-ups were introduced.

I. Safeguards

15. All safeguards were classified *category C*. The project activities did not include civil works, and there were no adverse environmental impacts or land acquisition and involuntary resettlement impacts. The project was socially inclusive without partiality to any ethnic groups. The project's benefits were national in scope. There were no safeguard action plans or frameworks, and no safeguard-related issues were raised during implementation.

J. Monitoring and Reporting

16. All loan covenants were complied with (Appendix 7). No covenant was modified, suspended, or waived. Audited project financial statements and the project special audit report were submitted to ADB as required. The audited project financial statements only cover the project financing from the ADB loan. Actual disbursements from government counterpart funding were provided in the project completion report that the government prepared. This was corrected in the Second Shock-Responsive Social Protection Project,⁹ under which the executing agency

⁷ The food stamp beneficiaries are those who met the threshold score of 292.5 points in the capital and/or 310.0 points in rural areas according to the household livelihood assessment survey (since 2017).

⁸ UNICEF and IRIM. 2021. [Assessment of the Government of Mongolia's Shock-Responsive Vertical Expansion of Social Assistance in Response to COVID-19](#). Ulaanbaatar.

⁹ ADB. [Mongolia: Second Shock-Responsive Social Protection Project](#).

prepared and submitted the corresponding audited project financial statements accounting for all project funding sources.

17. The MLSP implemented the financial management action plan to mitigate the identified pre-mitigation financial management risks, which were assessed *moderate*. Two PIU staff were hired for 4 months from December 2020 to March 2021. A team of local and international experts hired under the ADB TA Building Capacity for an Effective Social Welfare System also supported the project.¹⁰ The Mongolian National Audit Office conducted the project's audited financial statements and the special audit. The audited financial statements were submitted on 12 August 2021, accepted by ADB on 8 September 2021, and uploaded on ADB's website for public disclosure on 20 September 2021. The project's special audit report—a requirement of the EAL modality—was completed after the agreed deadline and submitted to ADB on 30 December 2021. The delay was related to continued pandemic-related lockdowns and replacement of the audit team members resulting from internal restructuring at the Mongolian National Audit Office. These circumstances limited the physical in-person meetings needed to obtain proper explanations from the project executing and implementing agencies, the PIU, and other government officials, which led to unclarified performance audit findings and conclusions. As of November 2022, the executing and implementing agencies are addressing the audit findings.

II. EVALUATION OF PERFORMANCE

A. Relevance

18. The project design was highly relevant at appraisal and remained so at completion. The outcome of supporting the basic needs of the poor and vulnerable, especially women and children, was aligned with (i) the country's urgent development priorities in responding to the pandemic as articulated in the March 2020 countercyclical development expenditure program, (ii) ADB's country partnership strategy emphasizing social protection, and (iii) the Strategy 2030 operational priority of addressing remaining poverty and reducing inequality, including through social protection (Appendix 8).¹¹ The EAL modality was highly appropriate, allowing a rapid social protection response to the major socioeconomic impacts caused by Mongolia's strict measures to contain the global pandemic. There was no change in scope, and the DMF was appropriate. The DMF indicators and targets were logical, clear, and measurable. There were no cost overruns or completion delays.

19. The project was innovative in applying shock-responsive principles, building on existing social protection targeting and delivery systems for rapid response. This was the first time the Government of Mongolia implemented such a vertical expansion of social assistance benefits. The project had a transformational effect for beneficiaries, reducing poverty and ensuring food security in the face of virus containment measures that caused severe economic contraction and a loss of jobs and income coupled with rising food prices. The poverty reduction predicted in ADB's microsimulation study (footnote 6) was confirmed in early 2022, when Mongolia's 2020 poverty rate was estimated to have fallen by 0.6 percentage points to 27.8%, compared to 28.4% in 2018. The World Bank and National Statistics Office credit the top-ups to social assistance programs with playing a crucial role in preventing an increase in poverty during the pandemic.¹²

20. For the reasons described in paras. 18–19, the project is rated *highly relevant*.

¹⁰ ADB. [Mongolia: Building Capacity for an Effective Social Welfare System](#) (TA 9893-MON).

¹¹ The project's achievements related to Strategy 2030 operational priorities are detailed in Appendix 8.

¹² M. Unurzul. 2022. [Mongolia's 2020 Poverty Rate Estimated at 27.8 Percent](#). Montsame, 14 January 2022.

B. Effectiveness

21. The outcome of supporting the basic needs of the poor and vulnerable, especially women and children, was achieved. This was measured using two outcome indicator targets: (i) food insecurity prevented during the COVID-19 outbreak for at least 240,500 poor people, including 53% women and girls; and (ii) at least 1.12 million children (50% girls) registered in the IHD receive timely CMP benefits. Both targets were exceeded. By October 2020, food insecurity was prevented for 241,937 food stamp recipients, of whom 53% were women and girls. The child grants reached 1,177,009 children, of whom 49% were girls (this is equivalent to the share of girls in the population aged 0–17 as measured by the census).

22. The project's three output targets were also achieved. Output target 1a was an increase in the FSP monthly benefit to MNT32,000 per adult and MNT16,000 per child for 5 months. This was achieved as planned. Output target 1b was delivery of higher-value food vouchers or e-cards expands access to 10 staple food items for at least 44,000 of the poorest households, of which 20.5% are headed by women, and with women and girls comprising 53% of beneficiaries. The target number of households was exceeded with food stamps reaching 44,508 households. Among them, by the end of the project, 18% were households headed by women. This indicates that households headed by women were ultimately better-off (households are removed from the FSP roster when their status changes for the better). The share of women and girls among FSP beneficiaries was achieved at 53%. Under output 2, the target was an increase of the CMP monthly benefit to MNT100,000 per child for 6 months. This was achieved as planned, and later extended (after project completion) based on evidence of the poverty reduction impact of the CMP top-ups.

23. The PIU adequately implemented and monitored the GAP, with updates included in quarterly reports. GAP implementation was effective: all targets were achieved. In addition to the targets described in paras. 21–22, effective communication campaigns on the temporary social welfare measures included 13 news items (8 were broadcast on television and 5 on news websites). As a result, households registered nearly 70,000 additional children (an increase of about 6%) to receive benefits during the project implementation period. A gender impact assessment of the food stamp and child money top-ups confirmed that women had control over resources and decision-making power over how to spend the benefits (see findings in para. 14). The pandemic-induced physical school closures had clear implications on the distribution and intensity of unpaid care work, which already disproportionately fell on women and girls. As confirmed by UNICEF technical guidance on gender-responsive social protection, child grants are an effective measure to help address the unpaid care crisis.¹³ The project was thus inherently gender-responsive.

24. The project is rated *highly effective*. The outcome and all output targets were achieved or exceeded. The project met the EAL goal of providing immediate short-term transitional assistance (per Operations Manual D7 para. 19). There were no safeguard issues, and no issues related to the design or implementation of the GAP. The national poverty rate decreased during the pandemic, largely because of the social assistance measures the project supported.¹⁴

¹³ UNICEF. 2020. [Gender-Responsive Social Protection during COVID-19: Technical Note](#).

¹⁴ ADB. 2022. [Building Capacity for an Effective Social Welfare System: Food Stamps and Employment Services](#). Consultant's report. Manila (TA 9893-MON).

C. Efficiency

25. The project supported the government's expanded social assistance measures by supporting temporary child grant and food stamp benefit top-ups. Economic viability was not assessed because this would have required establishing the economic costs. A cash transfer is an economic transfer within society and thus has no direct economic costs. Only the administrative costs of transfer payments are considered an economic cost. In this case, the project used the existing benefit delivery infrastructure and mechanisms, thus realizing benefits at a much lower cost. A standard cost-benefit analysis would have required putting value to economic benefits. For this project, the most important benefits are not directly quantifiable in economic terms, but the unconditional transfers supported consumption smoothing for the recipients. Since poor households have a higher propensity for consumption than the general population, this redistributive measure helped cushion the decline in consumption and gross domestic product growth. Based on the government's commitment to providing the temporary shock-responsive top-ups through December 2021 and the relatively immaterial impact on the government's budget, the project was considered financially sustainable. The Government Action Plan, 2020–2024, and the update to Social Welfare Law (for approval by Parliament in 2022) both confirm that social protection remains a priority, and there is strong government commitment to improving poverty targeting in the future, including through support from the ADB-financed follow-on project.

26. The project is rated *efficient*. There were no delays or cost overruns, and the intended outcome was achieved within the planned costs and implementation period.

D. Sustainability

27. The sustainability assessment focused on the financial and institutional sustainability of the FSP and CMP since the project financed a share of the benefits under the government's ongoing social welfare programs. The project had no revenue-earning component; hence, the financial costs and benefits were not assessed. Social welfare is a cornerstone of the Mongolian social protection system (which also includes social insurance and labor market programs). The CMP was introduced in 2005, and the Social Welfare Law of 2012 provides its legal foundations. The FSP was introduced in 2008 and also institutionalized in the Social Welfare Law. The government is further strengthening its long-term commitment to social protection in its update to the Social Welfare Law planned for approval in 2022. The government's long-term strategy, Vision 2050, clearly states the goal of ensuring that social welfare and assistance services are provided to the poor and vulnerable and that social welfare services fully cover all vulnerable groups.¹⁵

28. The project is rated *most likely sustainable*. Food stamps and child grants are well established institutionalized programs, sustainably financed by the national budget, as enshrined in the Social Welfare Law. The Social Welfare Law amendment for approval by Parliament in 2022 confirms that social protection remains a high priority, and there is strong government commitment to improving poverty targeting in the future. To ensure that social protection support is continuously allocated with a budget, the project legal agreements for both this project and the follow-on project included assurances.

¹⁵ State Great Khural. 2020. [“Vision-2050” Long-Term Development Policy of Mongolia](#). Ulaanbaatar.

E. Development Impact

29. The project generated significant poverty and social impacts. Through direct cash transfers to a large share of the population, the project contributed to avoiding the worst poverty impacts of the pandemic-related lockdowns and economic downturn, and the poverty rate fell. The poorest families received food stamps to help smooth consumption and avoid negative coping strategies. An ADB-supported assessment confirmed empirically that the food stamps were well targeted (the vast majority of households [83%] receiving food stamp benefits are poor or extremely poor) and that FSP households tend to be large with many children and include a disproportionate incidence of people with disabilities (footnote 14). The study debunked the myth of a work disincentive by showing that the share of people in work increased significantly after they started to receive food stamps. Contrary to the widespread perception of welfare dependency, evidence showed that people do not stay in the FSP indefinitely or even for very long. Fewer than one-third of people receiving food stamps in April 2013 were still receiving them in September 2021.

30. The project's development impact is rated *highly satisfactory*. With falling poverty rates attributed to shock-responsive social protection measures supported by the project (footnote 12), there is clear evidence that the project has had positive development impacts beyond the expectations indicated in the report and recommendation of the President, and there are no negative impacts.

F. Performance of the Borrower and the Executing Agency

31. The executing and implementing agencies demonstrated strong ownership of the shock-responsive social protection interventions, which were extended after the project ended. The performance of the borrower (the executing agency) was satisfactory in ensuring the quality of project preparation, meeting loan effectiveness requirements, implementing project activities, providing support to the project, ensuring adequacy and timeliness of counterpart funding, preparing the financial management arrangements, and ensuring project sustainability. Compliance with loan covenants, safeguard requirements, and other fiduciary requirements was ensured throughout. A special proactive integrity review by ADB's Office of Anticorruption and Integrity examined the project's audited project financial statements, implementation progress and quality of outputs, and the handling of cash transfers, concluding there were no heightened integrity risk indicators or improvement areas.

32. Performance of the borrower and executing agency is rated *satisfactory*.

G. Performance of the Cofinancier

33. The World Bank provided \$5 million in parallel cofinancing to support the CMP top-ups. The assistance was adequate and timely. The close working relationship between ADB and the World Bank in Mongolia—which includes regular dialogue, joint staff retreats, and participation in various development partner coordination mechanisms—facilitated achievement of the project objectives. Performance of the cofinancier is rated *satisfactory*.

H. Performance of the Asian Development Bank

34. ADB's performance from project preparation to completion was both efficient and effective. The project team rapidly responded to the government's request for emergency assistance, with 7 weeks elapsing from receipt of the request letter on 1 May 2020 to loan approval on 19 June

2020. The project was prepared by a highly effective One ADB team working almost entirely virtually because of the pandemic, with minimal consultant support. Supervision during implementation took place through virtual missions and continuous dialogue and consultation through video calls, email, and text messaging. The project team established a strong collaborative relationship with the executing and implementing agencies and development partners. As described in the report and recommendation of the President, ADB mobilized technical assistance through the TA for Building Capacity for an Effective Social Welfare System to support several analytical studies on the project's impact, generating key knowledge products to assess the poverty reduction impact, the gender impact, and the employment effect of social assistance measures. ADB performance is rated *highly satisfactory*.

I. Overall Assessment

35. The project is rated *highly relevant, highly effective, efficient, and most likely sustainable*. Achievements in terms of poverty reduction exceeded expectations, and there is a high probability that the outcome and impact will be sustained; the project remains relevant; and no significant unintended negative effects have occurred or are likely to occur. The overall project rating is *highly successful*.

Overall Ratings	
Criteria	Rating
Relevance	Highly relevant
Effectiveness	Highly effective
Efficiency	Efficient
Sustainability	Most likely sustainable
Overall Assessment	Highly successful
Development impact	Highly satisfactory
Borrower and executing agency	Satisfactory
Performance of the Asian Development Bank	Highly satisfactory

Source: Asian Development Bank.

III. ISSUES, LESSONS, AND RECOMMENDATIONS

A. Issues and Lessons

36. This project was able to demonstrate the effectiveness of adopting shock-responsive social protection mechanisms to respond to the severe socioeconomic impact of the global pandemic. Topping up existing benefits (known as vertical expansion) and using existing benefit delivery mechanisms allowed the government to respond quickly, ultimately reaching 80% of the population with cash support. This approach has also been adopted for pandemic response in other ADB developing member countries.¹⁶

37. A key lesson is that strengthening social protection systems in advance (benefit payment systems, poverty targeting systems, program registration systems, etc.) is critical for being able to respond to shocks quickly when they happen. For example, Mongolia's 100% electronic payment system for the universal child grants made it easy to transfer increased grants to recipients. For the poverty-targeted FSP, a more updated poverty targeting and streamlined digital registration system could have also extended program benefits to new beneficiaries such as vulnerable households who may have become poor and needed food support—not just the existing beneficiaries. Beyond vertical expansion for existing beneficiaries, so-called horizontal

¹⁶ ADB. [Philippines: Social Protection Support Project](#).

expansion to new beneficiaries has been a useful tool in other countries' shock-responsive social protection toolbox. Revamping the poverty targeting system or digitalizing social assistance programs was beyond the scope of this EAL to provide rapid, immediate assistance, but follow-on support in these areas is being provided through the Second Shock-Responsive Social Protection Project (para. 39).

38. A second key lesson is that while cash support is vital for immediate relief and consumption smoothing during a crisis, which in turn reduces the adoption of risky coping strategies—such as reducing food intake, selling assets, or borrowing—it is important during the post-crisis or recovery period to introduce programs that increase poor and vulnerable households' resilience to future shocks. The graduation approach is an innovation in social protection that builds on social assistance and provides a productive asset, technical training, business development support, and coaching and mentoring to help diversify household sources of income. This type of program is also being supported by the follow-on project.

B. Recommendations

39. Recommendations deriving from the two key lessons above have been adopted in the design of the Second Shock-Responsive Social Protection Project (footnote 9, approved in March 2021). The follow-on project continued temporary support for benefit top-ups but goes beyond this to help strengthen the country's social protection system so that it can better address future shocks. This includes financing activities in three key areas: (i) updating the poverty targeting system and Mongolia's IHD with updated data, through support for the next round of the proxy means test survey based on a new methodology; (ii) supporting the digitalization of social welfare programs into the "e-welfare" system to streamline benefit registration and service delivery and make the programs more efficient and transparent; and (iii) piloting and evaluating the graduation approach as an innovative 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,¹⁷ the Mongolia Graduation Pilot targets 1,500 poor households in Ulaanbaatar (all food stamp and CMP recipients) and includes rigorous impact evaluation to strengthen the evidence base on what works for lasting poverty reduction and helping households move from welfare to work in Mongolia.¹⁸

40. In the specific case of emergencies and economic crisis, timely rapid research to assess the situation and progress becomes instrumental to understanding achievements and evolving challenges. More joint studies with development partners, such as the one under this project with UNICEF, and studies leveraging ongoing TA support, such as under Building Capacity for an Effective Social Welfare System, are recommended for replication in future lending operations.

41. **Further action or follow-up.** No specific further action or follow-up is required, since the follow-on project (footnote 9) is providing continued support for social protection system strengthening.

42. **Timing of the project performance evaluation report.** No deferment is proposed; the project performance evaluation report may be prepared at any time.

¹⁷ A. Bannerjee, E. Duflo, and G. Sharma. 2020. [Long-Term Effects of the Targeting the Ultra-Poor Program](#). National Bureau of Economic Research Working Paper No. 28074. Cambridge: NBER.

¹⁸ This has been a long-term objective of the MLSP, across administrations, in their efforts to rationalize and strengthen the approach to social protection.

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	Project Achievements
Outcome Basic needs of the poor and vulnerable, especially women and children, supported	By 2021 a. Food insecurity prevented during the COVID-19 outbreak for at least 240,500 poor people, including 53% women and girls (2020 baseline: 0) (RFI A/OP 1.1) b. At least 1.12 million children (50% girls) registered in the Integrated Household Database receive timely CMP benefits (March 2020 baseline, regular CMP: 1,107,130 children [566,291 boys, 540,839 girls]) (RFI A/OP 1.1)	a. Exceeded. A total of 243,403 poor people received food stamps in August 2020, including 53% women and girls, according to FSP data in the MLSP Integrated Household Database. b. Exceeded. A total of 1,177,009 children received timely CMP benefits, of whom 49% were girls (equivalent to the actual share of girls in the population), according to CMP data in the MLSP Integrated Household Database
Outputs 1. Poverty-targeted food support increased	By 2021 1a. FSP monthly benefit level increased to MNT32,000 per adult and MNT16,000 per child for 5 months (March 2020 baseline: regular FSP benefit of MNT16,000 per month for adults, MNT8,000 per month for children) (RFI B/OP 1.1.3) 1b. Delivery of higher value food vouchers or e-cards expands access to 10 staple food items for at least 44,000 of the poorest households, of which 20.5% are headed by women, and within which 53% of beneficiaries are women and girls (March 2020 baseline: 0)	1a. Achieved. Verified by approved MLSP regulation increasing the monthly FSP benefit amount to MNT32,000 per adult and MNT16,000 per child for 5 months. 1b. Exceeded. Food vouchers or e-cards providing access to 10 staple food items delivered to 44,508 households as of September 2020, according to the Integrated Household Database. Of these, 18% were headed by women. Among all beneficiaries, 53% were women and girls.
2. Child-targeted income support increased	2a. CMP monthly benefit level increased to MNT100,000 per child for 6 months (March 2020 baseline: regular CMP benefit of MNT20,000 per month) (RFI B/OP 1.1.3)	2a. Achieved. Verified by approved MLSP regulation increasing the monthly CMP benefit amount to MNT100,000 per child for 6 months

ADB = Asian Development Bank, CMP = child money program, COVID-19 = coronavirus disease, FSP = food stamp program, RFI = results framework indicator.

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

Source: ADB.

PROJECT COST AT APPROVAL AND ACTUAL
(\$ million)

Item	Estimate at Approval			Actual		
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost
A. Investment Costs						
1. Emergency cash assistance	0.00	265.53	265.53	0.00	321.99	321.99
2. Project management support and administration	0.00	0.00	0.00	0.00	0.02	0.02
Subtotal (A)	0.00	265.53	265.53	0.00	322.01	322.01
B. Financial Charges During Implementation	0.00	0.26	0.26	0.00	0.04	0.04
Total (A+B)	0.00	265.79	265.79	0.00	322.05	322.05

Source: Asian Development Bank.

PROJECT COST BY FINANCIER

Table A3.1: Project Cost at Approval by Financier

Item	Asian Development Bank		Government		Total Cost	
	Amount (\$ million)	% of Total Cost	Amount (\$ million)	% of Total Cost	Amount (\$ million)	Taxes and Duties
A. Investment Costs						
Emergency cash assistance	26.14	9.8	239.39	90.2	265.53	0.00
B. Financial Charges During Implementation	0.26	100.0	0.00	0.0	0.26	0.00
Total Project Cost	26.40	9.9	239.39	90.1	265.79	0.00
% Total Project Cost		9.9		90.1		100.00

Source: Asian Development Bank.

Table A3.2: Project Cost at Completion by Financier

Item	Asian Development Bank		Government		Total Cost	
	Amount (\$ million)	% of Total Cost	Amount (\$ million)	% of Total Cost	Amount (\$ million)	Taxes and Duties
A. Investment Costs						
1. Emergency cash assistance	26.31	8.2	295.68	91.8	321.99	0.00
2. Project management support and administration	0.02	100.0	0.00	0.00	0.02	0.00
Subtotal (A)	26.33	8.2	295.68	91.8	322.01	0.00
B. Financial Charges During Implementation	0.04	100.0	0.00	0.00	0.04	0.00
Total Project Cost (A+B)	26.37	8.2	295.68	91.8	322.05	0.00
% Total Project Cost		8.2		91.8		100.00

Source: Asian Development Bank.

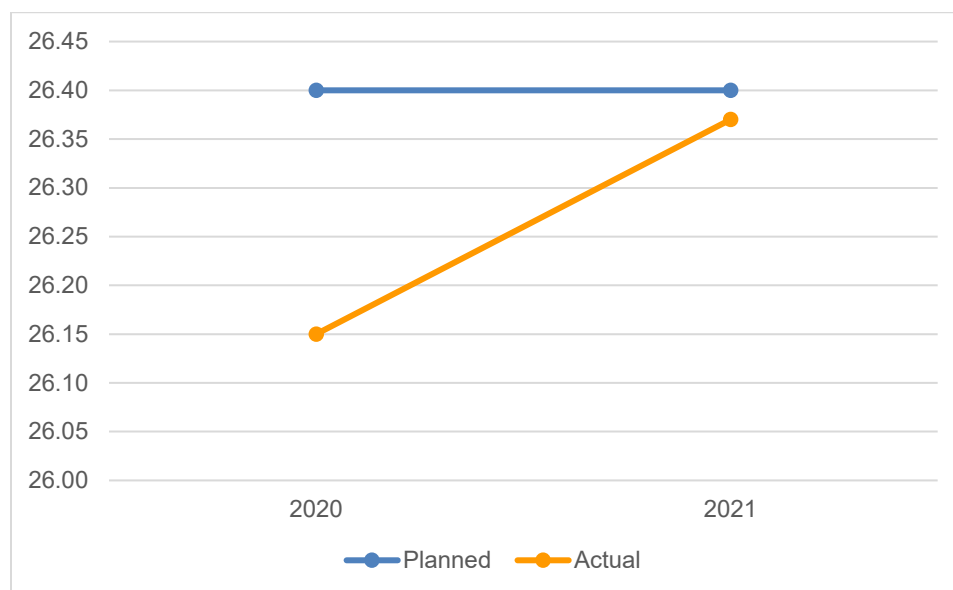
DISBURSEMENT OF ADB LOAN PROCEEDS

Table A4: Annual and Cumulative Disbursement of ADB Loan Proceeds

Year	Annual Disbursement		Cumulative Disbursement	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2020	26.15	99.2	26.15	99.2
2021	0.22	0.8	26.37	100.0
Total	26.37	100.0		

ADB = Asian Development Bank.
Source: ADB.

Figure A4: Projected and Actual Cumulative Disbursement of ADB Loan Proceeds (\$ million)



ADB = Asian Development Bank.
Source: ADB.

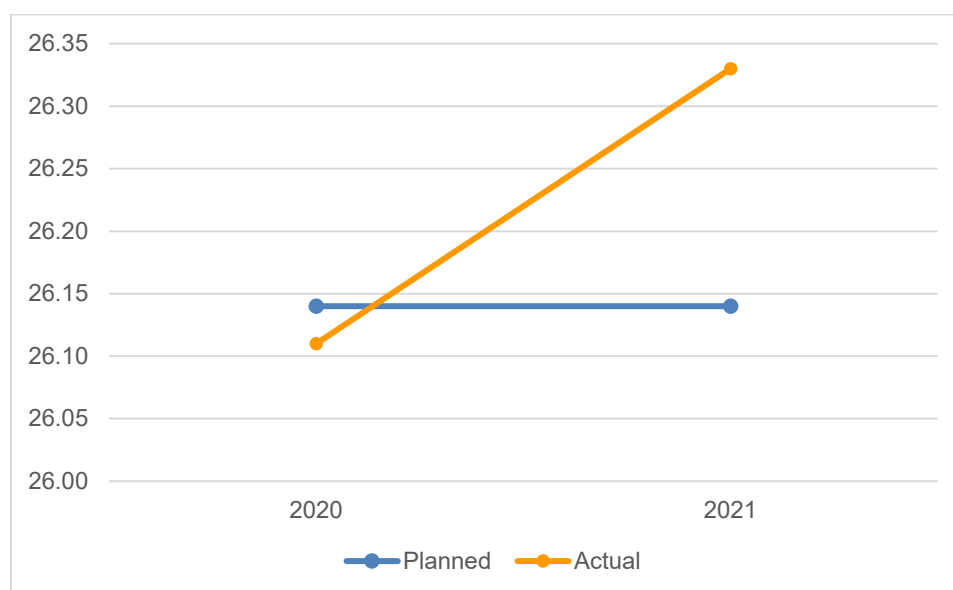
CONTRACT AWARDS OF ADB LOAN PROCEEDS

Table A5: Annual and Cumulative Contract Awards of ADB Loan Proceeds

Year	Annual Contract Awards		Cumulative Contract Awards	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2020	26.11	99.2	26.11	99.2
2021	0.22	0.8	26.33	100.0
Total	26.33	100.0		

ADB = Asian Development Bank.
Source: ADB.

Figure A5: Projected and Actual Cumulative Contract Awards of ADB Loan Proceeds
(\$ million)



ADB = Asian Development Bank.
Source: ADB.

GENDER ACTION PLAN IMPLEMENTATION AND ACHIEVEMENTS

A. Introduction

1. The project assisted the Government of Mongolia to continue the food stamp program (FSP) and child money program (CMP) top-ups to mitigate and minimize the negative effects of the coronavirus disease (COVID-19) pandemic. To achieve the outcome of basic needs of the poor and vulnerable, especially women and children, supported, the project had two outputs: (i) poverty-targeted food support increased, and (ii) child-targeted income support increased. Targeting poor and vulnerable households with the focus on children and women were the access criteria for assistance to achieve the overall project results described in paras. 5–6.

B. Gender Issues

2. Physical distancing and quarantine measures including frequent or prolonged school closures intensified unpaid care work that is primarily done by women and girls as expected based on social gender norms. Because the cross-border logistics slowed and came to a halt, access to food and necessities became more challenging during the pandemic and especially harder for the poor and women. Overall food insecurity increased particularly for the poor, and a rapid survey carried out by the Food and Agriculture Administration of the United Nations (FAO) in 2021 estimated that about 72% of the households in Ulaanbaatar compromised on food consumption, 47% have expressed concerns not being able to have enough food to meet the daily needs, and 34% have reported reduced food intake. The Asian Development Bank (ADB) impact evaluation of the FSP conducted after the 2008 global financial crisis found that adults and especially women reduced the quantity of food consumed as a coping mechanism.¹

3. Before the pandemic, social norms in Mongolia saw women taking on the role of primary childcare providers. During the pandemic, school closures as early as January 2020 increased the cost and efforts for childcare provided by women. International research shows time spent caregiving has increased by on average 47% during the pandemic and the level of stress and burden could have been much higher in Mongolia.² This was confirmed in Mongolia as female-owned businesses closed or reduced operations, and many working mothers quit their jobs.³

C. Project Gender Features

4. The gender action plan (GAP) comprised 6 action areas and 7 indicators including 9 targets of which 4 from the design and monitoring framework are consolidated in Table A6. The actions and targets are aligned with FSP and CMP actions and targets.

D. Gender Action Plan Achievements

5. The GAP was adequately implemented and monitored by the project implementation unit with GAP updates included in quarterly reports. All six activities were fully implemented and completed, and all nine targets were achieved. Effective communication campaigns on the temporary social welfare measures included 13 news items (8 were broadcast on television and

¹ ADB. 2014. [Food Stamps and Medicaid: Impact Evaluation Report](#). Consultant's report. Manila. (Grant 0137-MON)

² The estimate is based on context in the US where social protection network is much tighter and elaborate than in the situation of Mongolia. Therefore, the actual level of stress and burden is expected to be much higher in Mongolia. Data source: <https://www.americanprogress.org/article/true-cost-providing-safe-child-care-coronavirus-pandemic/>

³ The Asia Foundation. 2021. [The Impact of the COVID-19 Pandemic on Inequality in Asian Cities: Focus on Working Mothers in Ulaanbaatar, Mongolia](#). Ulaanbaatar.

5 on news websites). As a result, households registered nearly 70,000 additional children (an increase of about 6%) to receive benefits during the project implementation period. A gender impact assessment of the food stamp and child money top-ups confirmed women's control over resources and decision-making power over how the benefits are spent. The pandemic-induced physical school closures had clear implications on the distribution and intensity of unpaid care work, which was already disproportionately done by women and girls. As confirmed by the United Nations Children's Fund (UNICEF) technical guidance on gender-responsive social protection, child grants are an effective measure to help address the unpaid care crisis.⁴ The project was thus inherently gender-responsive.

6. The project was classified *effective gender mainstreaming*. Rapid gender analysis during due diligence found that reducing food consumption is one of the first strategies undertaken by households during economic crises, and that the poorest women tend to reduce both the quantity and quality of the food they consume to ensure their children's food quality and quantity are maintained. The FSP helped limit this negative coping strategy during past crises. The GAP with seven indicators and nine targets were prepared to prevent food insecurity among women and girls, to ensure public awareness of the shock-responsive measures and ensure all children across the country could access benefits, and to conduct a gender impact assessment of the direct and indirect benefits of the expanded benefits.⁵ The actions were all undertaken and targets were achieved. During the pandemic, 243,0 target beneficiaries from the poor and vulnerable households of which more than 53% were women and girls,⁶ were able to sustain their nutritional intake with the help of the FSP, and the CMP ensured that more than 1.18 million children's needs were met (in about 80% of the country's households). The number of CMP beneficiaries increased through the nationwide communication campaign and proactive communications through various multimedia services including television, radio, and social media (para. 5). ADB collaborated with UNICEF, IRIM, and the Ministry of Labour and Social Protection on the design of a survey that assessed the impact of the child grant and food stamp top-ups, introducing a gender focus and ensuring sex-disaggregated data. In a key finding, mothers were the custodians of children's grant accounts in 86% of households and at the outset were the primary decision-makers for spending the child grants in 83% of households (making joint decisions with their husbands in a further 8% of households).⁷ Women's decision-making power over use of the grants increased after the top-ups were introduced.

E. Lessons and Recommendations

7. Food and cash assistance during the crisis helped significantly to improve poor women's and other vulnerable people's access to necessities, and to assure maintenance of basic livelihoods. Timely rapid research to assess the situation and progress becomes instrumental to understanding achievements and evolving challenges. Especially in the case of emergency assistance lending, more joint studies with development partners, like the one with UNICEF, and studies leveraging ongoing technical assistance support,⁸ are recommended for replication in other projects.

⁴ UNICEF. 2020. [Gender-Responsive Social Protection During COVID-19: Technical Note](#).

⁵ The GAP includes 7 indicators with 9 targets. Indicators 1.1, 1.2, and 3.1 have single numeric target and indicator 2.1 includes three numeric targets. Indicators 4.1, 5.1, and 6.1 do not show explicit numeric target but successful completion is counted as achieving one target. Therefore, the count of target sums up to 6 if counting explicit numeric targets and 9 if counting all targets designed in the GAP.

⁶ The FSP beneficiaries are those who met the threshold score of 292.5 points in capital city or 310 points in rural areas according to the household livelihood assessment survey (the country's proxy means test) (since 2017).

⁷ UNICEF and Independent Research Institute of Mongolia. 2021. [Assessment of the Government of Mongolia's Shock-Responsive Vertical Expansion of Social Assistance in Response to COVID-19](#). Ulaanbaatar.

⁸ ADB. [Mongolia: Building Capacity for an Effective Social Welfare System](#) (TA 9893-MON).

8. The pandemic and subsequent economic crises have exposed the vulnerability of poor women and other vulnerable groups including people with disability and older people living under poverty line, and pushed more poor men and boys into risky behaviors.⁹ More research and advocacy are recommended to program gender-responsive and inclusive social protection projects to benefit Mongolian women and men.

Table A6: Gender Action Plan Achievement Matrix

Gender Activities and Targets ^a	Achievement at Project Completion	Status at Project Completion
Outcome: Basic needs of the poor and vulnerable, especially women and children, supported		
1. Basic needs of the poor and vulnerable, especially women and children, supported		
1.1. Food insecurity prevented during the COVID-19 outbreak for at least 240,500 poor people, including 53% women and girls (2020 baseline: 0) (DMF outcome indicator a)	1.1. The increased monthly food stamp benefits were delivered to 243,043 poor people, of whom 127,979 (53%) were women and girls, in August 2020.	Action 1 completed 2 targets achieved: Target of 240,500 (indicator 1.1) and 1.12 million (indicator 1.2) achieved.
1.2. At least 1.12 million children (50% girls) registered in the Integrated Household Database receive timely CMP benefits (March 2020 baseline, regular CMP: 1,107,130 children, 566,291 boys, 540,839 girls) (DMF outcome indicator b)	1.2. The project provided timely support to a total number of 1.18 million children including 576,730 girls and the share is about 50% of the total of CMP beneficiaries.	
Output 1: Poverty-targeted food support increased		
2. FSP beneficiaries receive temporary benefit top-ups to promote food security during the COVID-19 pandemic		
2.1 Delivery of higher value food vouchers or e-cards expands access to 10 allowed food items for at least 44,000 of the poorest households, of which 20.5% are headed by women, and within which 53% of beneficiaries are women and girls (March 2020 baseline: 0) (DMF output indicator 1b)	2.1. In August 2020, the number of FSP beneficiaries reached 243,043 in 44,508 poor households registered in the Integrated Household Database, exceeding the target of 44,000. By the end of the project, the share of households headed by women was 18%. For the period May–September 2020, on average, the share of women and girls among all beneficiaries was about 53%. By 2022, after the project ended, the number of FSP recipient households decreased to 32,833 as a result of a Ministerial order amending the FSP regulation No.A/103 of 2021. This revised the FSP eligibility criteria and removed 3,744 households from the roster. The share of households headed by women fell to 14% (4,638 households). The FSP benefits were initially delivered as electronic payments to e-cards (about 70%) and as physical vouchers (about 30%, mainly in rural areas) but program delivery moved to	Action 2 completed 3 targets achieved: <ul style="list-style-type: none"> Target of reaching 44,000 poor household achieved and exceeded. Target of reaching at least 53% of beneficiaries as women and girls reached. Target of maintaining 20.5% of households headed by women among FSP beneficiaries was at 18% by the end of the project. This is considered achieved at 87.8% of the target.

⁹ Female adolescents exhibit a higher level of suicide attempts whereas male adolescents have a higher success rate. J. Badarch, B. Chuluunbaatar, S. Batbaatar, and E. Paulik. 2022. [Suicide Attempts among School-Attending Adolescents in Mongolia: Associated Factors and Gender Differences](#). *International Journal of Environmental Research and Public Health*, 19(5), 2991.

Gender Activities and Targets ^a	Achievement at Project Completion	Status at Project Completion
	100% electronic delivery. The food stamps can be used to purchase 10 basic food categories, including meat, dairy products, flour, sugar, cooking oil, and vegetables.	
Output 2: Child-targeted income support increased		
<p>3. CMP beneficiaries receive temporary benefit top-ups to help families meet basic needs</p> <p>3.1 CMP monthly benefit level increased to MNT100,000 per child for 6 months (March 2020 baseline: (regular CMP benefit of MNT20,000 per month)</p> <p>(DMF output indicator 2a)</p>	<p>3.1. Government Resolution No.167 approved the increase of child money from MNT20,000 to MNT100,000 from 1 April to 1 October 2020, followed by Resolution No.126 dated 30 September 2020 to extend the period up to 1 January 2021. The CMP is granted to all children, and was expanded to Mongolian children living abroad.</p>	<p>Action 3 completed</p> <p>1 target achieved: target of increasing to MNT100,000 achieved.</p>
For outputs 1 and 2		
<p>4. Communication campaign on temporary social welfare measures</p> <p>4.1 Type and number of gender-sensitive communication activities conducted</p>	<p>4.1. Public communication activities on social welfare measures (including FSP and CMP top-ups) were undertaken between July and October 2020 through contracts with MNB (Mongolia's main TV and radio program provider) via television, radio, and social media platforms. A total of 13 news broadcasts through the MNB channel (central television) and website, 2 radio broadcasts, a series of documentary videos on social welfare benefits and services called "Colors of Life" were produced. The most effective platform that reached a wide audience was a 23-minute video dedicated to the impact and spending of child money produced in October 2020 under ADB Loan 3086-MON: Additional Financing of Food and Nutrition Social Welfare Project.^a</p>	<p>Action 4 completed</p> <p>1 target achieved: gender-sensitive communication activities conducted.</p> <p>– 13 news broadcasts, 2 radio items, and a documentary video series "Colors of Life."</p>
<p>5. Monitor implementation of shock-responsive FSP and CMP measures</p> <p>5.1 Improve sex-disaggregated data collection and analysis (2020 baseline: minimal sex-disaggregated data analysis)</p>	<p>5.1. Monitoring of shock-responsive FSP and CMP was done together with RILSP of MLSP, UNICEF, and IRIM. The result is published online: Assessment of the Government of Mongolia's Shock-Responsive Vertical Expansion of Social Assistance in Response to COVID-19. In addition, ADB TA 9893-MON: Building Capacity for an Effective Social Welfare System,^b included activities to improve research capacity such as data analysis, sampling methodology, and quantitative and qualitative research methodologies. Such capacity building activities and the joint study experience contributed to improving capacity for collecting and using sex-disaggregated data and assessing the effects of employment services on FSP beneficiaries.</p>	<p>Action 5 completed.</p> <p>1 target achieved: sex-disaggregated data collection and analysis improved.</p>
<p>6. Conduct gender impact assessment of the shock-responsive social assistance measures, assessing any differentiated impact of transfers on men and women, girls, and boys^c</p> <p>6.1 Gender impact assessment of FSP and CMP top-ups completed (2020 baseline: no gender impact assessment)</p>	<p>6.1. Gender impact assessment of the shock-responsive social assistance measures was part of the Assessment of the Government of Mongolia's Shock-Responsive Vertical Expansion of Social Assistance in Response to</p>	<p>Action 6 completed</p> <p>1 target achieved: gender impact assessment completed.</p>

Gender Activities and Targets ^a	Achievement at Project Completion	Status at Project Completion
	<p>COVID-19 done together with RILSP, IRIM, and UNICEF. The key findings include that the CMP top-up benefits the most disadvantaged more than any other policy interventions that the government has undertaken to stimulate the economy, including interventions with comparable costs to CMP. The study provides sex-disaggregated data in assessing CMP and FSP top-ups. The FSP households were more likely to be single-headed and female-headed households compared to the CMP beneficiary households. The study makes recommendations on social protection, labor and employment policies and programs, and future research topics.</p>	

ADB = Asian Development Bank, CMP = child money program, COVID-19 = coronavirus disease, DMF = design and monitoring framework, FSP = food stamp program, IRIM = Independent Research Institute of Mongolia, MLSP = Ministry of Labour and Social Protection, RILSP = Research Institute of Labour and Social Protection, UNICEF = United Nations Children's Fund.

^a ADB. [Mongolia: Food and Nutrition Social Welfare Project \(Additional Financing\)](#).

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

^c ADB. [Mongolia: Social Welfare Support Program Phase 2](#) supported MLSP to update the Integrated Household Database, including sex-disaggregated data. The knowledge and support technical assistance—ADB. [Mongolia: Building Capacity for an Effective Social Welfare System](#)—built on this work and strengthen quality aspects, particularly analysis of sex-disaggregated data.

Source: ADB.

STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of Compliance
The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.	Article III, Section 3.01	Complied with.
The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.	Article III, Section 3.02	Complied with. A minor change to add a new cost category with reallocation of loan proceeds was approved by ADB on 22 January 2021.
Except as ADB may otherwise agree, the Borrower shall cause the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement.	Article III, Section 3.03	Complied with.
The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 April 2021 or such other date as may from time to time be agreed between the Borrower and ADB.	Article III, Section 3.04	Complied with. The loan closed as scheduled.
In the carrying out of the Project, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.	Article IV, Section 4.01	Complied with.
(a) The Borrower shall (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.	Article IV, Section 4.02	Complied with. The audited project financial statement which only includes the accounting of ADB loan was submitted to ADB on 22 July 2021.
(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.	Article IV, Section 4.02	Complied with. The audited project financial statement was disclosed on 20 September 2021.
(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.	Article IV, Section 4.02	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
The Borrower shall enable ADB's representatives to inspect the Project, and any relevant records and documents.	Article IV, Section 4.03	Complied with.
The Borrower shall carry out a special audit focusing on governance, transparency and accountability within 6 months after the completion of the Project.	Article IV, Section 4.04	Complied with. The special audit report was submitted in December 2021. As of October 2022, the audit findings and conclusions are still being addressed by the executing and implementing agencies.
Except as ADB may otherwise agree, the proceeds of the Loan shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.	Schedule 3, para. 2	Complied with.
The amount allocated to Category "Interest Charge" is for financing the interest charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.	Schedule 3, para. 3	Complied with.
Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.	Schedule 3, para. 4	Complied with. A minor change to add a new cost category with reallocation of loan proceeds was approved by ADB on 22 January 2021.
Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.	Schedule 3, para. 5	Complied with.
Withdrawals from the Loan Account may be made for reimbursement of eligible expenditures incurred under the Project before the Effective Date in connection with the emergency cash assistance as described in paragraph 2 of Schedule 1 of this Loan Agreement, subject to a maximum amount equivalent to 30% of the Loan amount; provided that the expenditures have been incurred after the emergency has occurred (i.e., 27 March 2020) but not earlier than 12 months before the date of this Loan Agreement.	Schedule 3, para. 6	Complied with. Disbursement for retroactive financing of expenses incurred before loan effectiveness was limited to 30% of the loan amount.
The Borrower and the Project Executing Agency shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the	Schedule 4, para. 1	Complied with.

Covenant	Reference in Loan Agreement	Status of Compliance
Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.		
The Borrower shall ensure that the Project does not have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of the SPS. In the event that the Project does have any such impact, the Borrower shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.	Schedule 4, para. 2	Complied with. The project activities did not include civil works. It had no adverse environmental impacts and did not trigger land acquisition or involuntary resettlement impact. The project was socially inclusive without partiality to any ethnic groups.
The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.	Schedule 4, para. 3	Complied with.
The Borrower shall ensure that (a) the GAP is implemented in accordance with its terms; (b) adequate resources are allocated for implementation of the GAP; and (c) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, is regularly monitored and reported to ADB.	Schedule 4, para. 4	Complied with.
The Borrower shall ensure that counterpart financing necessary for the Project is provided in time.	Schedule 4, para. 5	Complied with.
The Borrower shall ensure its undertakings under the FSP and the CMP in accordance with the Borrower's social welfare law and any amendments thereto until 12 months after the Project completion.	Schedule 4, para. 6	Complied with.
In addition to the foregoing, the Borrower shall ensure that MOF and MLSP have sufficient funds to satisfy its liabilities arising under the Project.	Schedule 4, para. 7	Complied with.
The Borrower, MOF and MLSP shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.	Schedule 4, para. 8	Complied with.

ADB = Asian Development Bank, CMP = child money program, FSP = food stamp program, GAP = gender action plan, MLSP = Ministry of Labour and Social Protection, MOF = Ministry of Finance, PAM = project administration manual, SPS = Safeguard Policy Statement.

Source: ADB.

CONTRIBUTION TO STRATEGY 2030 OPERATIONAL PRIORITIES

OP No.	Corporate Results Framework Indicators (Outputs and Outcomes)	Expected Value	Achieved Value	Expected and Implemented Method	Assessment
1.1	People benefiting from improved health services, education services, or social protection (number)	1.14 million (50% girls)	1.17 million (49% girls)		Achieved. Confirmed by CMP payment data from the Integrated Household Database, MLSP.
1.1.3	Social protection schemes established or improved (number)	2	2	Social assistance programs (CMP and FSP)	Achieved. Confirmed by CMP and FSP payment data from the Integrated Household Database, MLSP.

CMP = child money program, FSP = food stamp program, MLSP = Ministry of Labour and Social Protection, OP = operational priority.

Source: Asian Development Bank.