

Mongolia
Social Inclusion
Sectoral and OR+ (*Thematic*) Report

2018



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Abbreviations and Acronyms

CMP	Child Money Programme
CFC	Child Friendly Community
CRBP	Child Rights and Business Principles
CRC	Convention on the Rights of the Children
C-IMCI	Community based Integrated Management of Childhood Illnesses
GFA	Geographic Focus Area
IMF	International Monetary Fund
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goals
HSES	Household Socio-Economic Survey
MNCH	Maternal and Child Health
PMT	Proxy Means Test

Executive Summary

This report presents an overview of results achieved by UNICEF Mongolia within its social inclusion and policy outcome during the reporting period of January to December 2018 using the global social inclusion thematic funding. It also outlines the interventions planned for 2019 and beyond.

In UNICEF Mongolia’s 2017–2021 country programme document, the outcome on ‘Equitable social policies and protective systems’ focuses on facilitating increased investment of national resources in high-return child-related areas through advocacy, high-level technical assistance to develop policy, legal reform and strengthening systems.

Strengthening equitable social policies and systems is an important part of UNICEF’s work in Mongolia. It supports the Government in addressing inequality gaps where child disparities are most prevalent and investing in new generations as the foundation for the country’s human capital and sustainable development. This outcome thus focuses on securing more investments in children through advocacy, and high-level technical assistance for developing policy, legal reform and strengthening systems.

The thematic fund has contributed significantly to the progress made by UNICEF Mongolia in 2018 in terms of strengthen national policies, budgets and systems to address inequity gaps; creating a healthier and safer environment for children; and raising awareness of Mongolians about the irreversible negative impacts of air pollution on health. The key results include:

- 1. Evidence generation for child poverty and child-sensitive social protection to inform policy decisions and actions:** Quality evidence generation was prioritized in the reporting year to support policy advocacy for decision making. Child poverty profile was analysed using the 2016 Household Socio-Economic Survey (HSES) data, confirming that children are significantly overrepresented in income poverty. A Real Time Monitoring of the impact of changes in social protection measures on children and their communities was conducted throughout the year to create solid evidences of changes in social protection measures, particularly the impact on poor households of shifting from universal to targeted child money programme benefits. The study finds and recommends that the welfare benefits and cash transfers are useful for children and their families when it is predictable and delivered timely and confirmed that the cash transfers are important source of nutritious food supply for families with children.
- 2. Strengthening local governance and child participation to build Child Friendly Communities (CFC):** At the sub-national levels, UNICEF's critical role is strengthening child-friendly local governance and planning, and integrated service delivery at the sub-national level. Building on the good practices from the previous engagements at the sub-national levels, support is being provided to local governments to develop evidence-based, equity-focused sub-national strategies that translate critical child issues into policy and budgetary priorities and decisions. In addition, participatory mechanisms for citizen feedback, Children's Councils and children's advisory committees are being replicated to new areas to increase community awareness, for example on the use of local development fund for children. Child Friendly Strategies have been implemented in four geographic focus areas (GFA) of UNICEF Mongolia in 2018 and the government has decided¹ to replicate successful practices of the Child Friendly Communities strategies in 6 additional provinces. The local governments have strengthened the operation of Coordination committee and the Children's Council and intensified the implementation of the province wide "Child Friendly province sub-programme" resulting in increased number of child friendly decisions, budgets and improved partnership for children at the provincial level. Recognizing the role of private sector as a key duty-bearer and development partner, UNICEF Mongolia promotes corporates' responsibility to respect and support children's rights and proactively seeks to connect with and influence the business sector to leverage its potential to achieve results for children, in line with the Government's overarching duty to protect and safeguard children's rights in coordination with all stakeholders. Using the thematic funding, trainings for private sector on child rights and business principles (CRBP) have been extended to local areas as part of their efforts to become child friendly provinces.
- 3. Creating safer and healthier environment for children:** a "Climate landscape analysis for children" was conducted examining the baseline situation of climate, energy and environment-related issues affecting children and how they relate to UNICEF's priorities. The report provides recommendations on how UNICEF Mongolia could further incorporate and strengthen work on climate, energy and environment-related issues in its country programme. One of the critical issues is the severe air pollution during the cold season and its negative health impacts on children and pregnant women. UNICEF Mongolia has significantly progressed in this area in 2018 by generating quality evidence to inform government decisions and policies building partnerships, innovating solutions, strengthening health care provision, raising awareness, changing attitudes and raising funds. A major highlight for 2018 was that the Swiss Agency for Development and Cooperation agreed to contribute USD\$ 4.8 million to UNICEF's work on air pollution and maternal and child health.

The 2019 social inclusion and policy work of UNICEF Mongolia will build on the results achieved in 2018, focusing on evidence informed policy advocacy and dialogue with the government to address child poverty and deprivations, sustain and strengthen child and mother friendly universal social protection measures, strengthen child friendly communities and provide a safer and healthier environment for children.

¹ Decree # A/166 of the Chairperson of Authority for Family, Children and Youth, dated 22 August, 2018

Strategic Context of 2018

Recovering from an economic crisis, Mongolia is under the International Monetary Fund (IMF) Programme since 2017 and continues to make satisfactory progress according to a recent IMF review. Mongolia Human Development Index reported as 0.741 ranking 92 out of 189 in 2017². In 2018, Mongolia's economy as measured by the GDP grew with 7.2%³. As of September 2018, external debt stands at USD\$ 27,9 billion and government revenues account USD\$ 3 billion⁴. Mongolia's economy remains vulnerable as it depends mostly on extractive sector and has a high public and external debt. In 2018, the political situation has been unstable which contributed to uncertainties and delays in e.g. approval of the state budget. It is also worth noting that to sustain economic growth and sustainable development objectives, Mongolia will need to address a number of serious environmental challenges such as air pollution, water scarcity, degradation of grassland and climate change.

The 2019 budget sustained its allocations for the social sectors: health (USD\$ 302 million - 7% of total state budget), education (USD\$ 670 million -16%) and social protection (USD\$ 606 million-14%). More needs to be done to improve the efficiency of budget allocations, translating them into positive results for children and communities as well as strengthening the equity focus.

Monetary poverty is one of the main obstacles for children to reach their potentials and benefit from development. Children are significantly over-represented in income poverty. While the national poverty rate is at 28.9% according to the HSES 2016, this rate is considerably higher among children at 38.5%. Key to the reduction of income poverty and deprivations among children, social protection system is comparatively well developed in Mongolia. However, due to persistent economic volatility, limited diversification, internal migration, and rapid urbanization, the country currently faces rising inequality, expanding informal sector employment, and increasing vulnerability. This requires continuous focus on further improving the country's social protection and welfare system in order to mitigate the adverse impacts of economic crises, ensure fiscal sustainability, develop welfare systems, and improve social protection services and service delivery. Especially, issues of sustainability of social protection measures for children and mothers, efficiency of social protection spending, quality of social services for children and mothers, efficiency of current government targeting mechanism are primary concern of UNICEF.

Mongolia's flagship social protection programme for children-the Child Money Programme (CMP) went through several design changes in 2018 due to economic situation of the country. Due to loan conditions of the IMF's programme, the government has decided to target the CMP at 60% of children using the household database created through PMT. The coverage of the programme changed once again in April, 2018 due to positive economic changes and the sustained poverty rate between 2016 and 2017 the targeting has been lifted up to 80% with the agreement of IMF and ADB. Frequent changes in the CMP design and coverage, and potential related tension in communities, as well as possible exclusion of the most vulnerable children out of the programme due to its methodology applied for targeting creates a concern for UNICEF.

Extremely high levels of air pollution during cold seasons pose major health risks, especially to pregnant women and preschool children because they are most sensitive to air pollution (SDG 3 Health, SDG 7 Energy). The only long-term solution is clean energy solutions for urban Mongolia to reach acceptable ambient air quality during the cold season. However, based on Mongolia's National Programme on Air and Environmental Pollution, this will most likely still take at least 5 to 10 years to reach acceptable level of air pollution during winter months. Meanwhile, maternal and child health risks are at extremely high risk and therefore, UNICEF Mongolia prioritizes protecting their health through various health interventions in addition to its work on air pollution. In Ulaanbaatar, a 3.5-fold increase in foetal deaths has been documented between winter and summer. Initial analysis showed that in the last 10 years, the incidence of respiratory diseases in the country has increased alarmingly, including a 2.7-fold increase in flu, flu-like symptoms and asthma⁵. Pneumonia is now the second leading cause of under-five child mortality. Children living in a highly-polluted

² http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/MNG.pdf

³ MOF

⁴ <https://tradingeconomics.com/mongolia/external-debt>

⁵ UNICEF Mongolia (2018) Unpublished data

district of central Ulaanbaatar were found to have 40%⁶ lower lung function than children living in a rural area. These harmful effects are likely to manifest throughout children's lives - limiting their ability to learn and later to earn a living and fulfil their potential as adults - in turn fuelling intergenerational cycles of disadvantages.

Although Mongolia is sustaining its progress in reduction of child mortality rate, respiratory diseases remain the leading cause of morbidity among all age children. Trend analysis indicate these are on the rise and are associated with severe air pollution. In 2018, public concerns about the impacts on maternal and child health rapidly rose, especially with increasing evidence that air pollution can affect cognitive development already during pregnancy, with life-long implications.

Results Achieved in the Sector

The global social inclusion thematic fund has contributed to the outcome 3 of the current Country Programme of UNICEF Mongolia, 2017-2021, which aims at child related national policies, budgets and systems, including the child protection system, that are inclusive and equity-focused.

As stipulated in UN Convention of the Rights of the Child (CRC), 24.2, children have the right to health, healthcare services, parental & community support and should be protected from dangers and risks of environmental pollution. To assist Government of Mongolia in its efforts to protect, promote and to realize above rights, UNICEF Mongolia has provided much needed technical guidance in roll-out of C-IMCI (community based integrated management of childhood illness) and supported policy recommendations and awareness raising on air pollution impact on maternal and child health. As direct results of which, the following was achieved:

- C-IMCI Data Dashboard system to improve access to quality child healthcare by real time monitoring of qualification and in-service status of health workers (vacancies filled in), and their supervision and essential supply in UNICEF Mongolia GFAs.
- The service providers were provided with life-saving MNCH commodities for C-IMCI demonstration during the period of peak disease burden. Documentation is ongoing, and results of which will be used for further policy advocacy and nationwide scale-ups.
- Children in GFAs benefitted from frequent quality home visits, enhanced parental skills as results of C-IMCI roll out, on-job coaching for service-providers, field programme monitoring visits by the supervisors. Due recommendations were made for local authorities, service providers.

Technical, interdisciplinary discussions at different forums, at various levels have been supported to conceptualize, communicate and to build consensus over UNICEF Mongolia's approach in mitigation of air pollution impact on maternal and child health. As a result, UNICEF Mongolia is now recognized as a credible technical partner to the Government, which helped smooth initiation and implementation of the UNICEF programme "Reducing impact of the air pollution on maternal and child health".

Furthermore, UNICEF Mongolia aimed at improved capacity and increased awareness of national and sub-national authorities in charge of social protection policies and implementation by organizing trainings, supporting dialogues, creating evidences and providing recommendations to ensure that the social protection systems are child sensitive, inclusive and equity-focused.

A Real Time Monitoring of the impact of changes in social protection measures on children and their communities was undertaken. The study was conducted by a national research institute, where data collection was conducted for a duration of one full year among selected families and local authorities. The report is planned for a launch with broad participation of Government and development partners and findings and recommendations will be used for policy

⁶ Dashdendev B, Fukushima LK, Woo MS, Ganbaatar E, Warburton D. Carbon monoxide pollution and lung function in urban compared with rural Mongolian children. *Respirology*. 2011; 16:653-8

advocacy and dialogue. The study finds that the welfare benefits and cash transfers are useful for children and their families when it is predictable. It recommends a timely delivery to the beneficiaries and as planned. In addition, the monthly cash transfers are important source of nutritious food supply for families with children.

Using the 2016 HSES data, child poverty profile was analysed, confirming that children are significantly overrepresented in income poverty. While the national poverty rate is at 28.9%, this rate is considerably high among children at 38.5%. One of the alarming finding is that an increase of the national poverty line by 20% only will result that more than half of the children in Mongolia will be living in poor households.

Acknowledging that the social protection measures and their funding at appropriate level are key to addressing the income poverty among children and their deprivations, UNICEF Mongolia prioritizes child friendly budget planning and spending. In this regard, UNICEF Mongolia is collaborating with the MOF in introduction of an expenditure reform by supporting development of budget allocation methodologies in social sectors that provide services for children, which will be jointly piloted in selected soums of the UNICEF Mongolia focus provinces. A budget training was organized to build relevant capacities of local government.

Another significant achievement of 2018 is the generation of a quality evidence to inform government decisions and policies on the impact of air pollution on children's health. UNICEF Mongolia jointly with the National Centre for Public Health completed the Public expenditure and institutional review and cost of inaction analysis of air pollution and related child health issues. The study was undertaken by Oxford Policy Management and resulted in a report titled "[Mongolia's Air Pollution Crisis: A call to action to protect children's health](#)", which was launched in February 2018 with broad participation of government stakeholders and development partners. The report contributed compelling analytical evidence about the costs of air pollution in relation to child health. Government and development partners have started to implement various of the report's recommendations, such as investing in improving indoor air quality and strengthening health services has started.

A CFC strategy – where the rights of children are an integral part of public policies, programmes and decisions – was piloted in Khuvsgul province and Nalaikh district as part of UNICEF Mongolia's 2012–2016 Country programme. Since 2017, these good practices are replicated in three provinces and one district in Ulaanbaatar, the four new GFAs of UNICEF Mongolia's 2017–2021 Country programme. UNICEF Mongolia provided technical support to the four local governments, and as a result, they formally adopted CFC strategies in 2018. This included setting up children's councils, integrating child-friendly plans in local development plans, allocating a budget for children, and putting in place mechanisms to ensure children can take part in decision-making. The success of this venture is evidenced by the growing number of decisions and increased budget for children, as well as the approval of a sub-programme called the Child Friendly province by three local governments.

Also as a result of UNICEF Mongolia's ongoing advocacy, the Authority for Family, Children and Youth Development (AFCYD) initiated the replication of CFC strategies in six other provinces beyond the UNICEF's GFAs. UNICEF Mongolia provided technical support to local authorities in Omnogobi province (one of the six provinces selected to replicate the CFC strategy) in providing a comprehensive guidance to the local government and key stakeholders on adopting the CFC strategy.

Major industries, government agencies and local administrations gained a systematic understanding of CRBP, thus increasing their attention to and collaboration for children's well-being. Built awareness of businesses and stakeholders in the programme areas on child friendly businesses.

Capacity building is a core implementation strategy and helped to prompt new ways of doing. Through CRBP training in geographic target areas including Bayankhongor, Zavkhan and Govi-Altai, in over 100 participants, from both the private sector and the local government, gained a better understanding of how the private sector could support children's well-being through their day-to-day business operations in areas where they interface with children – the marketplace, the workplace and in the community. The training provided basic understanding on how business could be child friendly through introduction of CRBP and its implementation in business entity. It also discussed how local business could partner with local administration for developing Public Private Partnership for CFC in each of the

respective aimags. The participants of the training discussed and listed potential ideas for the cooperation in area of improved business practice, services and CSR towards supporting and respecting children's rights.

UNICEF Mongolia conducted a Climate Landscape Analysis for Children (CLAC), examining the baseline situation of climate, energy and environment-related issues affecting children and how they relate to UNICEF's priorities. The report looks at stakeholders, government policies and relevant programmes in Mongolia. The findings of the CLAC indicates that the majority of the national programs and policies on climate, energy and environment do not incorporate and address children's issues, except a few. It provides recommendations on how UNICEF Mongolia could further incorporate and strengthen work on climate, energy and environment-related issues in its country programme as follows:

1. Integrate climate, energy and environment issues further into existing programming and support evidence-generation and data collection.
2. Strengthen child-centered vulnerability and impact analysis.
3. Strengthen partnerships on climate, energy and environment.

Further, as a result of UNICEF's efforts, partnerships and public advocacy work of the past few years on air pollution with a focus on its impact on the health of children and pregnant women, a multi-year programme "Reducing the impact of air pollution on maternal and child health" was launched with co-funding from the Swiss Agency for Development and Cooperation (SDC). The Municipality of Ulaanbaatar affirmed their commitment to contributing to the programme by financing replication of the programme activities in an additional districts of Ulaanbaatar and have allocated USD\$ 240,000 in the 2019 budget towards the intervention. This showcased a good example of mobilizing government resources for UNICEF priorities. A number of international development partners have also continued to increase their commitments to address air pollution and UNICEF Mongolia is forging strategic partnerships with these organizations to ensure coordination, joint efforts and joint messages.

Significant efforts were made in communication and public advocacy aimed at increasing the knowledge and awareness of Mongolians about the irreversible negative impacts of air pollution on health. For public advocacy work on air pollution and child health, the CO conducted communication events and youth engagement initiatives, produced child focused audiovisual content and increased international and local media coverage which helped the UNICEF to further raise awareness and call for action. A powerful article and a video by "Time" magazine has gone viral in winter of 2018 on social and traditional media and generated increased visibility of the issue, particularly among public and decisionmakers. Engagement with young people on the issue through youth mappers initiative has helped to further raise awareness and call for action. The young people have learned about air pollution and its sources and shared their knowledge with their peers through blogs and social media.

On World Children's Day, UNICEF launched two compelling 3D videos ["What does air pollution PM2.5 do inside children's body and brain and pregnant women?"](#) informing about individual protective measures and calling key stakeholders for immediate action. By 31 December 2018, the videos received over 600 000 views and reached over 1.5 million people both locally and internationally.

Overall, the thematic fund has been valuable in terms of contributing to address some of the emerging issues and their impact on children, such as air pollution and was used to leverage a more resources thanks to its flexibility.

There were no major climate related shocks in 2018 that threatened the implementation of planned interventions to achieve the results. However, due to economic situation of the country, some of the UNICEF's promoted governments' priorities were affected, such as the frequent changes in the coverage of the Child Money Programme in 2018, which required UNICEF to strengthen its evidence-based policy advocacy and capacity building. Moreover, due to overall complicated political situation and frequent turnover of key government partners in various sectors, some of the UNICEF's work with the national and municipal governments, have been delayed and negatively affected.

Results Assessment Framework

The table below shows the status of social inclusion outcome indicators.

Outcome 300: Equitable social policies and protective systems			
By 2021, child-related national policies, budgets and systems, including the child protection system, are inclusive and equity-focused.			
OUTCOME INDICATORS	BASELINE (% or #)	TARGET 2021 (% or #)	PROGRESS 2018 (% or #)
Public social protection expenditures for children as percentage of GDP	2.47% (2016)	4.47% (2021)	2.58% (2017) 2.33% (2018)
Number of companies that incorporate elements of children's rights and business principles	0 (2015)	10 (2021)	6 (2018)
Output 301: Equity and child focused social protection			
The Government's capacity to legislate, plan, budget, and to provide child protection services has increased to protect children from violence, abuse and exploitation at the central level and in targeted areas.			
Output INDICATORS	BASELINE (% or #)	TARGET (% or #)	PROGRESS (% or #)
Policies and programmes are influenced by analysis and advocacy to reduce child poverty	No (2016)	Yes (2021)	National consensus is reached to measure and track child poverty in all its dimensions. The MICS 6 is ongoing, which has a module on child deprivations.
Evidence of use of budget and impact analyses for improved programme design/targeting	No (2016)	Yes (2021)	The real time monitoring is ongoing and will be finalized in the first quarter of 2019. Policy advocacy, evidence generation and capacity building were undertaken to promote equity and child focused social protection.

Output 303: Local governance

Local authorities in target areas have adopted child-friendly strategies, improved knowledge of the situation of children and enhanced capacity to design and deliver integrated and equitable supply of services.

Output INDICATORS	BASELINE (% or #)	TARGET (% or #)	PROGRESS (% or #)
# of meetings/consultations/experience sharing events conducted to develop/launch the CFC strategy at least 2 in one province and one district	0 (2016)	4 (2021)	4 (2018)
# GFAs where the CFC strategy is launched	0 (2016)	4 (2021)	4 (2018)

Output 304: Implementation of CRBP

The private sector (and in particular extractive industries) has increased capacity and commitment to its responsibility to respect child rights, including implementation of CRBP.

Output INDICATORS	BASELINE (% or #)	TARGET (% or #)	PROGRESS (% or #)
Number of business platforms/associations that become public advocates and champions of children	2 (2016)	2 (2017)	2 (2018)

Output 305: Air pollution and energy efficiency

National and local authorities in BZD, BKH, GA and ZA have strengthened capacity to deliver services to the children and mothers affected by climate change and air pollution.

Output INDICATORS	BASELINE (% or #)	TARGET (% or #)	PROGRESS (% or #)
Number of low cost energy efficiency and renewable energy solutions that are designed, tested and recommended for deployment	0	4	

Number of policy decisions in support of climate change and air pollution associated maternal and child health risk reduction measures	4 (2017)	8	
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Financial Analysis

Table 1 Planned Budget for Social Inclusion for Mongolia (RR and ORR)

Outcome Area 300 - Equitable Social Policies and Systems Mongolia

Planned and funded for the Country Programme 2018 (in US Dollars)

Intermediate results	Funding type ²	Planned budget ³
24-04 Children in Urban Settings / Local Governance	RR	60,000
	ORR	60,000
24-05 Environmental Sustainability	RR	
	ORR	
25-01 Child Poverty / Public finance for children	RR	50,000
	ORR	
25-02 Social Protection	RR	120,000
	ORR	100,000
30-03 Child rights and businesses/ Private sector engagement	RR	30,000
	ORR	15,000
Total Budget		435,000

¹ Table 1 is prepared based on Multi Year Work Plan 2017–2018 estimates.

² RR: regular resources; ORR: other resources – regular (*add ORE: other resources – emergency, if applicable*)

³ Planned budget for ORR (*and ORE, if applicable*) does not include estimated recovery costs. ORR-funded amount excludes cost recovery (only programmable amounts).

Table 2: Country-level thematic contributions

Outcome Area: 300 Equitable Social Policies and systems, and 100 Child Survival and Development

Thematic contributions received by UNICEF Mongolia for Social Inclusion, Outcome Area 300 and 100 in 2018
(in US Dollars)

Donors	Grant Number	Contribution amount	Programmable amount
Thematic Regional Funds EAPRO UNICEF Malaysia	SC1499070026	167,025	158,673
Total		167,025	158,673

Table 3: Expenditures in the Thematic Sector – Social Inclusion

Outcome Area: 300 Equitable Social Policies and Systems
Mongolia

Expenditures by Key-Results Areas in 2018 (in US Dollars)

Organizational targets	Expenditure Amount			
	Other resources – emergency	Other resources – regular	Regular resources	All programme accounts
24-04 Children in Urban Settings / Local Governance		10,867.57	161,783.99	172,651.56
24-05 Environmental Sustainability		47,587.87	33,614.69	81,202.56
25-01 Child Poverty / Public finance for children		52,975.45	261,742.43	314,717.88
25-02 Social Protection		49,610.19	42,807.92	92,418.11
30-03 Child rights and businesses/ Private sector engagement				
Total		161,041.08	499,949.04	660,990.12

Table 4: Thematic expenses by Results Area

Row labels	Expense
Other resources – regular	
21-03 Child Health	70,000.00
24-04 Children in Urban Settings / Local Governance	10,070.85
24-05 Environmental Sustainability	31,195.92
25-01 Child Poverty / Public finance for children	10,339.68
25-02 Social Protection	49,105.60
Grand Total	170,994.89

Table 5: Expenses by Specific Intervention Codes

**Outcome Area: 300 Equitable Social Policies and Systems, and 100 Child Survival and Development
Mongolia**

Major interventions using thematic funds based on Specific Intervention Codes in 2018

21-03-01 IMNCI / Integrated Community Case Management (iCCM) - Community	55,279.18
21-03-03 Child health policy advocacy, evidence generation, national/ subnational capacity development	14,720.82
24-04-02 Urban/local policy, planning and budgeting	4,341.41
24-04-04 Policy dialogue and advocacy on decentralization coordination and implementation	47,555.18
24-04-99 Technical assistance - Children in urban settings	52,619.64
24-05-01 Air pollution monitoring and interventions	43,488.82
24-05-04 Environmental screening/impact assessments	14,199.93
25-01-05 PF4C - improving Budget allocation	54,747.40
25-01-06 PF4C: Improving public expenditure effectiveness / efficiency	510.13
25-01-99 Technical assistance - Child poverty	139,136.75
25-02-01 Cash Transfers: Technical support to government cash transfer system development and expansion (design, targeting, beneficiary selection, grievance mechanism, cash delivery mechanisms like banking, mobiles, community distribution)	1,128.94
25-02-04 National social protection strategies: Policies, strategies, legislation and coordination (inter-ministerial, donor)	65,064.44
30-03-01 Child rights and businesses	36,061.40
Grand Total	528,854.04

*Total utilized figures exclude recovery costs and are indicative figures obtained from UNICEF Performance Management System.

Table 6: Planned budget for 2019

**Outcome Area 300: Equitable Social Policies and Systems
Mongolia**

Planned budget and Available resources for 2019

Intermediate result	Funding type	Planned budget	Funded budget	Shortfall
24-04 Children in Urban Settings / Local Governance	RR	100,000	53,627	46,373
	ORR	139,500	41,900	97,600
25-01 Child Poverty / Public finance for children	RR			
	ORR			
25-02 Social Protection	RR	112,500	52,000	60,500
	ORR	221,000	72,604	148,396
30-03 Child rights and businesses/ Private sector engagement	RR	50,000	35,368	14,632
	ORR	93,000	0	93,000

Sub-total regular resources		262,500	140,995	121,505
Sub-total other resources – regular		453,500	114,504	338,996
Total for 2019		716,000	255,499	460,501

¹ Planned and funded budget for ORR (*and ORE, if applicable*) excludes recovery costs. RR plan is based on total RR approved for the duration of the Country Programme.

² Other resources shortfall represents OR-R funding required to achieve results in 2019

Future Work Plan

UNICEF Mongolia will continue generating evidences, showcasing solutions and introducing innovative approaches to tackle the issues that children of Mongolia face today in terms of realizing their rights to survive, develop and live in a safe and healthy environment. This outcome and the relevant outputs aim to strengthen the systems and policies that are inclusive and equitable, leaving no-one behind. More specifically, building upon existing achievements and lessons learned, the priority actions in 2019-2021 would be the following:

- **Child poverty measurement and tracking:** Achieving the SDG#1 on poverty eradication in all its forms remains one of the greatest challenges facing the Government, as the poverty headcount ratio jumped in 2016 from 21.6% in 2014 to 29.6%. Children are particularly affected by income poverty as the headcount ratio for children is even higher at 38.5% with significant disparities. Nearly half (48%) of children in countryside and more than half (54.9%) of children from Eastern region live in poor households. When the national poverty line increased by just 20%, the poverty rate increases significantly (reaches 42.2% at the national level and 52.3% for children), illustrating considerable vulnerabilities to minor economic shock. Further, income poverty rates do not capture the full extent of deprivations. In order to achieve the SDG#1, it is inevitable to measure and track the poverty among men, women and children in all its forms. Although the Government prioritizes poverty reduction, the current measures and strategies focus more on employment promotion and income generation, with less emphasis on deprivations, especially that faced by children, whose poverty is different than adults, as they do not earn incomes. Therefore, UNICEF will continue supporting the government measuring and tracking, as well as addressing child poverty issues. The MICS 6 now has a new module on child deprivations and this enables the government to track child deprivations periodically.
- **Child-sensitive and climate resilient social protection:** Social protection measures are key to poverty reduction and reducing vulnerabilities. Mongolia is implementing the Extended Fund Facility programme of IMF and it includes important safeguards to protect the vulnerable groups and gives priority to health and education. On the other hand, IMF in coordination with WB and ADB, is pushing poverty targeting of social protection programmes. UNICEF and UN agencies promote universal social protection measures and has a position that poverty targeting using PMT has extensive exclusion errors and evidences show that poverty targeted programmes do not reduce poverty. Therefore, UNICEF will continue its work on child-sensitive social protection, by creating solid evidences and advocating for inclusive and equitable social protection system. The findings and recommendations of the ongoing Real Time Monitoring will be used for policy dialogue with the government and the development partners. In addition, UNICEF is engaging in climate resilient / humanitarian cash transfer programmes to strengthen climate resilience of families with children and help the families to gain access to goods and services in a dignified manner prior and when needed during the winter and in humanitarian situations. Options of cash transfer programme will be designed and piloted in selected areas for good practice and policy advocacy to institutionalize the cash transfer. Longer-term priority would be to help develop a child-centred risk management strategy with a mix of different risk management approaches across risk assessment, risk reduction, risk transfer and risk retention.

- The multi-year SDC co-funded programme on air pollution and child health will be implemented in the coming 4 years focusing on data and research, monitoring, policy advocacy, public awareness, mitigation of exposure, pilot of energy efficiency solutions and capacity building. There is a concern that there is no solid approach in place to provide especially pregnant women, young children and children with disabilities including chronic respiratory health problems additional support to mitigate the impacts of the air pollution on their health. Therefore, under the programme high impact policy measures to reduce maternal and child health risks from air pollution will be identified and advocated for. This will be done through a combination of generating evidence, cost benefit analysis, developing plans for implementation and if needed capacity development, and mobilizing political and public support. UNICEF also plans to continue to collaborate with ADB and other public and private sector partners on air pollution.
- At the sub-national levels, the 3 provinces and Bayanzurkh district will be supported further to become CFC and the good practices and approached will inform policy and budget decisions at the national level for further scale up to other districts and provinces.

Expression of Thanks

UNICEF Mongolia would like to express its appreciation to its donors for their generous support, via thematic funding, that has enabled our work to strengthen inclusive and equity-focused systems in Mongolia both at national and sub-national levels, ensuring that children live and grow up in protected and safe environment, benefiting from equal access to quality basic social services and government social protection benefits and measures.

We could not have achieved the desired results for children without this support. Particularly, flexible support in the form of thematic funds provides unique opportunities to support this much-needed work, such as evidence based policy advocacy for legal reforms and state budgets, capacity building of the governments, emerging developments of the country that have impact on children, such as air pollution, engagement with private sector as an important stakeholder in child rights, as well as promotion of CFC to ensure children live in a safe and healthy environment having access to integrated services in their communities.

We sincerely thank the Government of Mongolia for their commitment to the children, to the Sustainable Development Goals and to successful implementation of the Country Programme of Cooperation with UNICEF.

UNICEF looks forward to advancing the work carried out to fulfil its mandate, contributing to the further alignment of global, regional and national priorities in relation to social inclusion and policy, including the 2030 Agenda.

NO CHILD BENEFIT, NO SCHOOL SUPPLIES

“One litre of vegetable oil... 500 grams of flour... and some potatoes.” The owner of the grocery store in Gurvanbulag, a small soum (village) in south-western Mongolia, is going through her notebook. Every page is for one local family – a family who cannot afford to buy basic groceries and has to get them on credit.

“Almost everybody in the village borrows from us because they have very little money. They usually pay us back once a month but not always – the herders often pay only once a year, after they sell cashmere wool,” the shopkeeper explains.

Life is not easy in Gurvanbulag, the remotest soum of Bayankhongor Province. The closest town is about ten hours away on a bumpy road, and weather conditions are so harsh that it is impossible to dig a well and install water pipes because of permafrost. The biggest problem, though, is the lack of jobs. Of the 2,200 people who live in this soum, only a few have a regular income – they are usually public servants or teachers. Everyone else depends on short-term seasonal work and various types of welfare benefits.

However, the most common benefit – child benefit, payable monthly to families with children under 18 – has been significantly reduced in the last few years. In 2016, the once-universal Child Money Programme became poverty targeted. Nowadays, the benefit, which is 20,000 tugriks (less than 8 USD) per child, is available for only 80 per cent of children. For many families, this is their only source of income.

“We don’t have any animals and there are no jobs, so child benefit is all we get. We’re now raising five children plus



Mrs. Saruul’s family lives with less than 40 USD per month. They used to spend the child benefit on school supplies. ©UNICEFMongolia/2018/Sabina Netrvalova

our granddaughter. Every month we receive 100,000 tugriks [less than 40 USD], which we use to buy flour, rice and meat,” says Mrs. Saruul Galsandorj. She and her husband only completed eight grades at school and Saruul has never worked. Her husband used to work in construction but cannot find a permanent job.

Until last year, the family received food stamps, which they used to buy basic groceries, and spent the child benefit on school supplies. But that changed – after filling in the government PMT survey, the family does not get any food stamps anymore. “Living only on child benefit is hard – we can’t even afford to buy coal for heating,” says Saruul.

Children left behind

A PMT (proxy means test) is a way of measuring levels of poverty in a family, using household assets, or ‘proxies’ to estimate welfare. Last year, a government survey asked families about their income, possessions, and any large recent purchases, and then sent the data to the central registry in Ulaanbaatar. Every household was then given a score depending on their answers.

“However, the process isn’t clear and even we don’t understand how they come up with the final scores and decide who is eligible for what. There’s a lack of information and people blame us for not getting benefits,” says Mrs. Tseye Baramsai, a social worker in Gurvanbulag. “The child benefit is creating a lot of problems in the soum – families with similar standards of living find it unfair that only some of them get it. There’s a lot of tension,” she adds.

For many families, benefits are the only way they can save money for their children's education or even afford more nutritious food and pay for healthcare. That is why UNICEF believes that the child benefit should be universal, so no child is left behind.

"Using a PMT for targeting Child Money is problematic. The last PMT covered less than 70 per cent of households. It is well known for its exclusion errors which are built into its design, and further errors are added during implementation. UNICEF supports the universality of the programme and offers other options, such as age-based or geographic targeting, if the Government cannot afford the fully universal Child Money Programme," explains Mrs. Enkhnasan Nasan-Ulzii, Head of Social Policy, UNICEF Mongolia.

Child benefit for better education opportunities



Mrs. Khaltar's family is one of the poorest in Erdenetsogt. Her children find only short-term seasonal jobs. ©UNICEFMongolia/2018/Sabina Netrvalova

In Erdenetsogt, another soum in Bayankhongor Province, the situation is similar. Although only 35 kilometres from the provincial capital, many locals struggle to find a long-term job.

Mrs. Khaltar Urchger has 11 children who still live with her – together with her four grandchildren. "We used to have many animals until my husband died 15 years ago. We wouldn't survive without benefits because there is no work. My children only find short-term jobs like sea buckthorn picking," she says. The family is one of the poorest in the soum, and as such, is also eligible for food stamps. "But in the first six months of the year, there were some administrative issues and we didn't receive any. I had to take a pension loan, which means I won't be getting any pension until

2020. We didn't manage to save anything from the child benefit," says Mrs. Khaltar.

Frequent delays and changes have also been a problem for Mrs. Byambasuren Manikhuu, mother of four. "We were excluded from the Child Money Programme when it became poverty targeted. Fortunately, now our children are eligible again. Two of them study at university and we use all the child benefit to pay for their tuition fees. I was very upset when we got cut off," she says. The family owns more than 200 animals, which means it has some income from selling dairy products. However, they are dependent on child benefit in the winter.

UNICEF believes that the Child Money Programme is a way to reduce child poverty in Mongolia. More than a third of children (38.5 per cent) live in poverty, compared to 29.6 per cent of the population as a whole. A UNICEF-commissioned study shows that the programme has already contributed to a 5 per cent reduction in child poverty.



In winter, Mrs. Byambasuren's family is dependent on child benefit. ©UNICEFMongolia/2018/Sabina Netrvalova

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Links to 3D videos on air pollution:

“What does PM2.5 do inside children's body and their brain?”

English version on YouTube: youtu.be/QcS3ovdsgNI (1920x1080p)

Mongolian version on YouTube: youtu.be/0wR3B9AaYGA (1920x1080p)

“What does PM2.5 does to a fetus?”

Mongolian version on YouTube: <https://bit.ly/2FiBHYI> (1920x1080p)

[Annex: Donor feedback](#)

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[French version](#)