

“Youth Employment Promotion Project” Mongolia

The YEP project

External Review

Final Report



Pilot Youth Service Desk



Training for you offered by the Youth Service desk



Successful youth start-ups: Aquilla Beauty products

Prepared by:

Marc Bloch, International Consultant, mmbloch@gmail.com

Norjinlkham Mongolmaa, National Consultant, nmongolmaa@gmail.com

Nairobi and Ulaanbaatar, June 2018

Index

Acknowledgements	4
Executive Summary	5
1 Context	8
2 Methodology used for the YEPP review	9
2.1 Theoretical frameworks used	9
2.2 Outline of the evaluation process	9
2.3 Limitations	10
3 Review of the YEP project: Key achievements and challenges	11
3.1 General appreciation of the project	11
3.2 Relevance and effectiveness of project intervention	13
3.3 Project management in terms of efficiency	14
3.4 Sustainability of project interventions	15
3.5 Project beneficiaries	15
3.6 Gender and inclusion	15
4 Lessons learnt	16
5 Key priorities and recommendations for the project exit phase	18
5.1 Key priorities of the exit phase	18
5.2 Recommendations	18

Annexes

Annex 1: Terms of Reference for the Final Review

Annex 2: Time Schedule YEPP Review

Annex 3: Assessment Grid for SDC evaluation

Annex 4: Training matrix and list of documents produced

Annex 5: Project Implementation using a Facilitation Approach, PIFA

Annex 6: Presentation made during the validation workshop

List of Abbreviations & Acronyms

BDSP	Business Development Service Provider
DEPIC	Department of Employment Policy Coordination & Implementation
DLWS	Department/Division for Labor and Welfare Services
EPF	Employment Promotion Fund
GOLWS	General Office for Labor and Welfare Services
LEC	Local Employment Council
LLMDS	Local Labour Market Demand Survey
MLSP	Ministry of Labor and Social Protection
NEC	National Employment Council
PIU	Project Implementation Unit
TVET C	TVET Council
UB	Ulaanbaatar (Capital city of Mongolia)
VET	Vocational Education and Training
YDC	Youth Development Centre
YEPP	Youth Employment Promotion Project
YES Desk	Youth Employment Service (Pilot) Desk
YSSS	Youth Start-up Support Scheme

Acknowledgements

This External Review of the Youth Employment Promotion Project (YEPP) in Mongolia has taken place during the period May/June 2018 and has been commissioned by the Swiss Agency for Development and Cooperation, SDC, based in Ulaanbaatar (UB), Mongolia.

Support from SDC and GFA during the review process has been excellent, and there has been a high level of identification with the work done from the side of the two partners. Dugeree Zayasaikhan from SDC and the GFA/PIU staff have been present and available throughout our mission and where ready to answer all questions raised.

Particular thanks go to Enkhtuya Tumur-Ochir, Galsansar Galsansar and the PIU for their inputs and to Otgongerel Khalzanbandi that has done an excellent job as translator during our meetings. The production of this report would not have been possible without the tireless assistance and support of all PIU staff.

We would like to thank the PIU administration that has helped to prepare and organize this mission and the validation workshop. The organisation has been perfect, and the evaluation mission programme was implemented as planned. All meetings went on as planned and information has been readily available. We held meetings with various all relevant project partners, stakeholders, and beneficiaries (see detailed review schedule annex 2) and would like to thank them for their availability and the valuable information provided.

Norjinkham Mongolmaa and Marc Bloch
Nairobi & Ulaanbataar, 28th June 2018

Executive Summary

The “Youth Employment Promotion Project in Mongolia started in 2016 to support the Government of Mongolia to ***“improve (self-)employment opportunities for young people aged 15 – 34.***

The Project aims **to contribute to the equitable and sustainable social and economic development of the country through the promotion of youth employment** and has been designed assuming that ***“conducive policies, effective employment support and innovative start-ups operated by young people will lead to higher levels of youth (self-) employment”***. It identified the following 3 outcomes for the achievement of the overall goal:

- I. National policies and programmes are conducive for youth employment;
- II. Effective employment support services are provided to young people
- III. Young people operate innovative start-ups with growth potential.

This external review serves the purpose of assessing the main results of the project and its relevance, effectiveness, efficiency and sustainability. It provides lessons learned as well as recommendations and possible guidelines for the elaboration of a two-years exit phase, keeping in mind the need for consolidation of the activities and hand-over of the ownership to the national partners.

Overall, it can be confirmed that **the project has been implemented very well and that most results will be achieved as defined in the log frame**. The YEPP has been considered as being unique, focusing only on youth and concentrating on 3 tangible and specific areas. It has conducted interesting assessments and studies, produced useful guidelines and tools and has trained numerous people. Main tangible results include contributions that resulted:

- in the integration of youth employment and start up support interventions in the Government laws and programs,
- in the development and setting up of 6 pilot “Youth Employment Support (YES) Desks,
- in the development and implementation of an innovative Youth Start-up Support Scheme (YSSS).

The project is fully in line with Government and employers priorities/policies and with the Cooperation Strategy Mongolia 2018/21 of the donor agency, and it responds to youth/job seekers needs.

The Project Implementation Unit (PIU) has a strong focus on implementation and is not using a facilitating approach that would enhance more empowerment of national partners. Using an implementation approach ensures high quality of technical aspects of the project but it compromises on national ownership. Such an approach is also costly because as it requires quite a large PIU.

At this stage is not possible to make any objective statement on the impact of the project on youth unemployment as the project implementation period has been too short. However, it could be observed that the project has a positive impact on activation and motivation of unemployed youth, especially through YES Desks and the YSSS.

The following are some of the lessons learned during the last 2 years. These lessons will guide the design of the exit phase.

- Youth employment needs to be at the heart of the Government employment policy.
- Entrepreneurship (start-up) spirit is a relatively new concept for Mongolia and needs special attention.
- Aspects of VET and employment promotion cannot be looked at in isolation.
- Effective employment services are not only beneficial for job seekers but also for employers in need for skilled workforce.
- Collaboration between companies, education institutions and public employment services brings better results for youth employment.
- Finding a job without work experience is a challenge for youth.
- Digitalization of support is imperative in the Mongolian context with an extremely low population density.
- Professional national public and private institutions offering services to promote employment for youth are the backbone of the Mongolian Labor market enhancement system.

Taking into consideration that, after a 2-year exit phase, project implementation will end in December 2020, it is important to emphasize during the exit phase on the sustainability of achievements, the consolidation and quality improvement of existing activities and outputs. Special emphasis on knowledge management and learning will help stakeholders and partners to benefit from the experiences made by the project. The following is recommended for the exit phase:

➤ **Consolidation and quality improvement of ongoing activities**

Outcome 1: National policies and programs are conducive for youth employment

The project should continue to provide support for the review and improvement of Government laws, policies, strategies and programs.

It is also proposed that the project supports the MLSP in building up sound analysis of youth employment challenges in a comprehensive way, consequently, increasing their capacity for devising effective strategies to address youth employability and youth employment promotion strategies.

Outcome 2: Effective employment support services are provided to young people

It is recommended to scale up YES desks, However, such a decision needs to be based on a Government led and PIU facilitated detailed analysis of the 2016/17 pilots. *The MLSP can then take a formal decision on effective strategies for scaling up. For the scaling up the following is important:*

- New YES Desk locations need to be selected based on set criteria;
- Scaling up will take less time than piloting and it should be possible to almost reach national coverage during the exit phase;
- The MLSP needs to be responsible for the scaling up and for providing long-term support to the desks. The PIU should have a coaching and supporting role;
- Make use of Master trainers trained during the ongoing phase;
- The 6 pilot desks constitute an ideal group of mentors for the scaling up of YES desks;
- Ensure coordination with and creation of synergies with existing youth employment services available at colleges and TVET schools;
- Diversify the approach taking into consideration that the situation in urban and rural areas is very different and also varies from Aimag to Aimag.

Outcome 3: Young people operate innovative start-ups with growth potential

The scheme now needs to be fully integrated in Government programs and should not be run in parallel by the project using its own approach (e.g. to give grants while the Government gives loans).

The scaling up of the YSSS requires increased public/private partnerships and needs to be fully integrated in Government programs. It should not be run in parallel by the project using its own approach. Training of additional facilitators is needed, mentoring services should be expanded, and the selection of trainers and mentors should use competitive selection criteria to ensure competence, commitment and sustainability of services.

Taking into consideration the long term effect and the educational value of the YSSS the approach needs to be adjusted to offer accelerator training to all solid proposals and not only a selected few.

➤ **Coordination**

The project can possibly be actively involved in improving coordination and collaboration between Government, national and international partners and public and private service providers as well as between VET and employment services on youth employment.

➤ **Diversification of approaches**

The YES desks and youth start-up support pilots have both used a specific approach. It is important to reflect on the diversification of these approaches before activities will be scaled up. As for the **YES desks** it is important to take aspects such as population density or availability of big industries and companies into account. As for the **start up support scheme** it is important to find

an approach that will benefit all solid start-up and not only the best. In both cases, digitalisation might be an interesting option to enhance effectiveness and efficiency.

- **Digitalized start-up and employment support services**, if well introduced, will open up wealth of new opportunities and increase the scale of interventions significantly. More beneficiaries can be reached, the quality of services can be improved and training costs will reduce.
- **Knowledge generation and knowledge management**
It is recommended to capitalise on experiences made by the YEPP to conduct additional research and to share knowledge with other partners and stakeholders.
- **Target regions for the exit phase**
Phase 2 of the YEP project has been implemented in 6 Aimags and 4 Districts. In view of handing over all activities to MLSW related institutions it is important to support the ministry and target regions selected by the ministry and not to stick to the target regions of phase 2.
- **Project implementation using a facilitation approach**
The final and probably most important recommendation is that the PIU changes its role from being an implementer to becoming a neutral facilitator and coach that can navigate interests of partners and stakeholders (public and private). This will not only enhance local ownership and increase sustainability but also reduce management costs because the size of the PIU can be significantly reduced. The role of the PIU is to bring partners and stakeholders together and delegate implementation of various project components to national structures, service providers and consultants and to take up a coaching and mentoring role.

1 Context

As the most sparsely populated country of the world, land-locked Mongolia is a lower middle-income economy with a population of 3 million, a surface of 1.566 million km² and a GNI per capita of US\$ 3,832 in 2015. Mining is the principal industrial activity, making up 30% of all Mongolian industry. This also entails risks as a declining international demand has slowed growth from 11.6% in 2013 to 0.8% in 2016. Another important industry is the production of cashmere and during summer time, tourism is becoming more important. Mongolia's economy has grown rapidly over the past decade, particularly in the resource sector. This has led to profound changes in the demand for skills as well as the structure of employment. The labour market is both characterised by a shortage of skilled labour and high unemployment. The challenges on the labour market are felt most strongly by young people aged 15 to 24 who struggle to complete the transition from school to first employment.

Against this background, the Government of Mongolia (GoM) has highlighted employment as one of five goals in creating a sustainable and competitive economy. It has recognised that extra action is needed to provide jobs to young people. Such action include, for instance, making available budgetary means to spur employment creation, introducing appropriate policies and implementing employment promotion measures. Upon request of the Mongolian Government the Swiss Agency for Development and Cooperation (SDC), in collaboration with GFA, is providing support to systemically address youth unemployment.

The "Youth Employment Promotion Project in Mongolia started in 2016 to support the Government of Mongolia **to "improve (self-)employment opportunities for young people aged 15 – 34 in Mongolia"**. While doing so, it aims at addressing the following key development challenges:

- Lack of youth-responsive employment policies and inadequate design of youth employment measures on the side of the government;
- Ineffective employment services that are not offering effective support to young job-seekers and that are not collaborating enough with the private sector;
- Limited entrepreneurial thinking of youth and lack of opportunities for them to become self-employed.

The Project's development objective is **to contribute to the equitable and sustainable social and economic development of the country through the promotion of youth employment**. The project has been designed assuming that **"conducive policies, effective employment support and innovative start-ups operated by young people will lead to higher levels of youth (self-) employment"**. Thus, it identified the following 3 outcomes for the achievement of the overall goal:

1. National policies and programmes are conducive for youth employment;
2. Effective employment support services are provided to young people
3. Young people operate innovative start-ups with growth potential.

The program has been launched in in January 2016 for a period of three years. It intervenes at macro- (national), meso- (Aimag / District) and micro (individual beneficiaries) levels combining policy and programme reforms with practical implementation. It builds up on experience of a first phase that focused on the supply side of the labour market by improving the capacity of VET colleges, by strengthening the capacities of the TVET Regional Methodological Centres and by improving public perception of VET through awareness campaigns.

Particular emphasis is put on collaboration with and involving of the private sector. Inclusiveness, poverty reduction and gender are transversal themes.

This external review serves the purpose of assessing the main results of the project and its relevance, effectiveness, efficiency and sustainability. It also provides lessons learned as well as recommendations and possible guidelines for the elaboration of a two-years exit phase, keeping in mind the need for consolidation of the activities and hand-over of the ownership to the national partners.

2 Methodology used for the YEPP review

A team of two consultants has been selected to conduct the review. To have an international consultant, specialised in VET and employment with prior SDC work experience, and a national consultant specialised in employment and skills development and is familiar with the local context has been an ideal mix for the work to be done. The two consultants complemented one another in an excellent way. After getting familiar with the context by reading various documents and holding preliminary Skype discussions with SDC and GFA, the consultants have spent a total of 11 days in Ulaanbaatar including a visit to Umnugovi Aimag.

2.1 Theoretical frameworks used

The 3 theoretical frameworks **SWOT**, **Capacity Development butterfly**¹ and **Outcome Mapping**² have been used during the fieldwork of this evaluation. **Capacity Development has been defined for this review** as a long-term process, a consequent strengthening of individuals and partners that goes beyond the removal of a deficit through technical instruction or advanced training. The Capacity development and outcome mapping frameworks helped to measure change at partner's level and to analyse the projects direct influence on different partners and on how their roles, responsibilities and performance have changed during the course of the project. The SWOT analysis has been useful to structure the interviews with key partners and beneficiaries.

The main focus of this review has been on doing a qualitative assessment and not a quantitative analysis.

2.2 Outline of the evaluation process

The two consultants proceeded in 4 steps:

Step 1: Preparation of the assignment (before the field mission)

- ➔ Study of relevant documents related to the context, the project, projects from partner organisations, and Government policies/strategies.
- ➔ Various discussions and exchanges with SDC and GFA.
- ➔ Finalisation of an approach paper with time schedule.

Step 2: Gathering of critical data and information in the field

- ➔ Briefings with SDC and GFA representatives at the beginning and during the field mission.
- ➔ Semi-structured interviews and focus group discussions with partners, stakeholders and beneficiaries in UB and the project region. Special emphasis has been placed on semi-structured interviews that offer flexibility to probe for details, allowing new questions to be brought up during the interview as a result of what the interviewee said.
- ➔ Field visits to Bayangol District of UB and Umnugovi Aimag.
- ➔ In-depth discussions with the Project Implementation Unit (PIU).
- ➔ Observation recording by the consultants.
- ➔ Continuation of document research.

Step 3: Analysis, interpretation and validation of findings

- ➔ Analysis and documentation of the findings. Both descriptive and analytical statistics have been used to interpret the information gathered during the interviews and field visit.
- ➔ Presentation of findings at a validation workshop with key stakeholders, and collecting their inputs on key issues of sustainability.
- ➔ Debriefing with officials from SDC to further discuss findings and the process of finalizing the report.

¹ https://www.eda.admin.ch/dam/deza/en/documents/die-deza/strategie/202114-capacity-development-sdc_EN.pdf

² <https://www.outcomemapping.ca/resource/start-here>

Step 4: Finalization of the evaluation report

- ➔ Incorporation of findings and comments from the validation workshop and production of a final draft of the review report.
- ➔ Incorporation of SDC feedbacks and finalisation of report.

2.3 Limitations

The time allocated for the external review has been quite a short. It has only been possible to hold a limited number of interviews and to visit 1 Aimag (out of 6) and 2 Districts (out of 4) during the field visit. While the overall tenure of the findings certainly gives an accurate picture of the project progress, details mentioned in this report have to be read with caution. It is likely that certain details have not been captured exactly the way they are and hence the external review might not be 100% accurate. It is important that SDC and GFA adopt the review as a whole but carefully read it and take what is useful for them for the continuation of the ongoing phase and the planning of the project exit phase.

During the field visit, we realized that it would have been interesting to also hold discussions with unemployed young people that did not benefit from the project about their personal situation and the reasons why they did not make use of the Pilot Youth Employment Support Desks set up by the project. The same can be said about potential start-ups that have not been selected by the project for support.

The evaluation team visited only 1 of the 6 target Aimags and 2 of the 4 target districts. Especially, the Umnugovi Aimag is not representative for the economic situation of the whole of Mongolia as it benefits from 2 strong economic sectors, tourism and mining. The labor market in Umnugovi is not comparable with the rest of Mongolia. Locations to be visited and interview partners have been jointly identified by SDC and GFA.

The timing of the review has been quite challenging. On one side the review has been scheduled rather late because the development of the exit phase proposal has already started. On the other side it has been difficult to observe significant change after only 2 years of project implementation. Pilot YES desks have only been set up during the last 2 – 6 months and have just started first activities. The data collected from two YES Desks (Bayangol District of UB and Umnugobi aimag) has been incomplete and covers a too short period of time. Therefore, it is insufficient to draw conclusive remarks. It would have been interesting to collect and analyze administrative data pertaining to YES desks operation over at least one year in order to capture the key characteristics of and service outcomes to beneficiaries. Unfortunately, this has not been possible to the fullest extent. Measurable impact of policy development and the start up support scheme will also take time.

3 Review of the YEP project: Key achievements and challenges

3.1 General appreciation of the project

Overall, it can be confirmed that the project has done a good job. Project implementation is going on as planned and it is foreseeable that most results will be achieved as defined in the log frame. Honest and positive feedback has been received from all interviewed national and international stakeholders, and the YEP project has been considered as being unique, focusing only on youth and concentrating on 3 tangible and specific areas. A number of tangible and encouraging results have been achieved despite its limited budget compared to other projects.

The project has conducted interesting assessments and studies, has produced useful guidelines and tools and has trained numerous people. The tables in annex 4 summarize the work done in this area during the last 2.5 years.

However, it also needs to be mentioned that the PIU has a strong focus on implementation and is not using a facilitating approach that would enhance more empowerment of national partners. Using an implementation approach ensures high quality of technical aspects of the project but it compromises on national ownership. Such an approach is also quite expensive because as it requires quite a large PIU.

Finally, it is important to point out that project progress reports and YEPP newsletters mainly focus on quantitative project aspects related to outputs while there are few analytical and qualitative reflections, lessons learnt and challenges in relation to outcomes. Reports also do not include aspects that did not go well, difficulties or challenges encountered by the PIU and weaknesses observed in the project approach.

At this stage it is not possible to make any objective statement on the impact of the project on youth unemployment as the project implementation period has been too short. It could be observed that the project has a positive impact on activation and motivation of unemployed youth, especially through YES Desks and “Youth start up support schemes”. In addition, various other non-project activities and events also influence the unemployment rate positively or negatively, and it is impossible to allocate any changes to a specific event or initiative or a project.

The main achievements and challenges per outcome can be summarized as follows:

Outcome 1: Youth policy and program development

Under the leadership of the Mongolian Government, the project contributed **to integrate youth employment and start up support interventions into the following laws and programs:**

- Youth Development Law (approved in April 2017) and (draft) Youth National Development Program;
- Youth Employment and Start-up Support programme of the Ministry of Labour and Social Protection (2017-2018)³; Local youth employment support programs have now been developed and are implemented in 5 of the target aimags.

The project has also developed and submitted proposals for amending relevant laws that have an effect on promoting youth employment to respective Ministries. These include the SMEs Development law, the Labour law and the Employment Promotion Law. The proposed amendments have not yet been adopted. The review of policies and various pilots have informed the content of these inputs. Inputs by the project have been appreciated by relevant agencies.

The project also worked **to reactivate the National Employment Council (NEC) and Local Employment Councils (LEC)**. This work is seen as an important element for enhancing local ownership and the steering of the policies and actions to enhance youth employment. However, during an exchange with the LEC in Umnugovi aimag the evaluation team could observe that the LEC is not working strategically and that the need for strengthening linkages between the LEC and the Local TVET-Council remains strong.

³ The project contributed to expanding the eligibility to the youth employment and start-up support program to all youth aged 15-34.

Outcome 2: Effective youth employment support services

The main achievement under outcome 2 and the highlight of the project so far has been **the development, setting up and piloting of 6 Youth Employment Service (YES) Desks**. This included the procurement and handing over of various equipment's, extensive training of labour division and YES Desk staff/career counsellors and Master Trainers in new approaches to employment services as well as post-training support. The pilot desks offer profiling, individual employment pathway planning, a modular training program for youth, and open space for self-service (Youth Job Clubs). Tools & handbooks have been developed and are in use at the YES Desks. The 2 desks visited have been busy and the staff working for the desks showed professionalism and commitment. There is ownership of the local DLWS of the two visited locations as the desks run smoothly and some of the running costs have already been taken over by the DLWS (salary payment to staff, cost sharing for LLMDS). These costs have not yet been integrated in the Aimag budget as a long-term commitment. It is, therefore, uncertain how long these costs will be covered.

Other challenges observed include that YES desk staff, in some instances, are currently employed on short-term contracts and have no job security. This bears the risk that trained staff will leave if they find a better opportunity. Furthermore, YES desk staff in other instances are the current/regular staff / career counsellors of the local DLSWs, and as such they had to take on the additional responsibilities. Given the understaffing of local DLSWs, this bears the risk of reducing the services for other job seekers.

The **Local Labour Market Demand & Supply (LLMDS) Survey methodology** has been disseminated to 3 Aimags which have already been supported in conducting LLMDS surveys. Costs for the surveys have been shared between Aimags and the project. While it is advisable to conduct LLMDS at Aimag level, it will not add value, in our view, to do the same at district level. Labour Market Demand Survey need to be conducted for UB as a whole.

Outcome 3: Start up support for young entrepreneurs

With support from the project a very attractive **Youth Start-up Support Scheme (YSSS) has been developed and is successfully piloted by Start-up Mongolia**. Start-up Mongolia is a start-up by itself, run by very competent young people that offer their services at a very reasonable cost. The attractiveness of the scheme can be explained by its content that promotes critical thinking and by its interactive and empowering approach. The training scheme equips youth with sound knowledge and practices about entrepreneurship in a short period of time. Various handbooks have also been produced. The pilot scheme is very innovative and has a big motivational effect on youth but it targets only a relatively small group of beneficiaries. In addition, the project mainly selects already existing micro – businesses. As per May 2018, the grants and the accelerator training of the YSSS benefited 98 individuals representing 24 start-up teams while 675 individuals for 173 start-ups participated during the start-up weekends. Reasons for the limited number of beneficiaries are on one side, due to the limited budget available, and on the other side, due to the intensity of the approach. The number of beneficiaries is in line with the set targets in the log frame.

Successful youth start-ups are selected during a competitive process and then receive a **4'000 USD start-up support grant**. The grant is a recognition for their efforts and the quality of their start-up idea but it is not sufficient to significantly invest in the business. Hence, access to finance, especially for young people, remains the biggest bottleneck for youth start-ups, together with access to markets.

Local mentors have been selected according to developed criteria and these mentors have then been trained. It is critical to select competent mentors that are experienced not only in business management but also in mentoring young people.

Currently, there is **no tracking system in place** to monitor progress of the various start-ups that participated. This has also not been foreseen in the current design of the project.

One issue identified during the evaluation was that youth receiving a start-up grant (award) under the Youth Employment and Start-up Support Programme of the MLSP (2017-2018) are treated differently in terms of the nature of the award⁴. In areas where the Project is operational, the award to the first place winner is a “grant” offered by the Project. The winners of the subsequent places receive no-interest loans from the Employment Promotion Fund of the government. In addition, youth residing in areas where YEPP is operational and those residing in the rest of the country are not treated the same as it comes to the content of the youth start-up support scheme and the processes of selecting the business proposals submitted by youth.

The youth start-up support scheme promotes an innovative and more business oriented mind set among youth. Such a change of mind-set is important for youth that would like to become more enterprising and seeks self-employment. Changing of mind-set and equipping youth with skills will have mid-term or long-term effects on enhancing youth employment. The current scheme has a limited short-term effect on reducing youth unemployment because it mainly targets already existing micro-businesses of the youth.

3.2 Relevance and effectiveness of project intervention

The review team can confirm that **the project is fully in line with Government and employers priorities/policies and it also responds to youth/job seekers needs**. Document analysis and various one to one and focal group discussions with stakeholders and beneficiaries have confirmed this. In particular, it has been appreciated that the project design is very clear and simple and leads towards tangible outputs and change. The stakeholders confirmed the effectiveness of the YES Desk due to:

- Observed increase in effectiveness of employment counselling and job matching for the youth;
- Improved interest of large employers in collaborating with public employment services;
- Youth beneficiaries themselves have confirmed improved job search skills and understanding about business.

As for the youth start-up support scheme it is perceived by stakeholders as being very attractive and motivating to the youth. The scheme applies a transparent selection process of start-ups to be supported and has a strong value as an entrepreneurship education programme.

It is still very early to observe systemic change attributable to the project. Nevertheless, the following could be observed:

- Various situational analysis which have been conducted at the beginning of the project have been useful for reviewing policies, conceptualizing/strategizing the setting up of YES desks and youth start-up supports.
- Introduction of new tools and training modules for employment services (profiling, individual employment planning, youth club) and numerous training for operating YES Desk has opened up the potential for improved customer orientation and effective operation of employment services. It also had a positive impact on staff employed by the YES desks.
- Job matching services offered by the YES Desks seem to have an encouraging and positive impact on reducing youth unemployment. For instance,;
 - From Nov 2017 to April 2018, 32% of 104 youth that benefited from services such as profiling or individual pathway planning got a job⁵.
 - In Bayangol district, 15 youth completed the modular training and 8 have found a job thereafter.
 - In Umnugovi, 645 youth aged 15 – 34 have been registered as job seekers and 418 (251 males, 167 females) have been assisted to get permanent or temporary employment.

⁴ The YEPP contributes to the implementation of this programme which explicitly refers to piloting of the youth start-up support under the SDC's YEPP and replication of the programme based on YEPP experiences. It is one of the MLSP's six employment promotion programmes and is now implemented nationwide.

⁵ According to data provided by the project's international specialist.

- An indirect effect that could be observed is that dedicated services with greater customer orientation are leading towards enhancing the image of Local Employment offices and to increased interest of larger employers (e.g. OT and Tavan Bogd) to collaborate.
- An affirmative and informed decision by the Government to sustain the operations of YES Desks has not yet come because the pilot is not complete. However, local authorities already started to take over running costs of the desks and affirmed that they will continue to run it.
- The Project's awareness raising and practical interventions through the collaboration with capable NGOs has generated interest and a proactive approach towards start-up support for youth within the MLSP and in aimags/districts. The Project's youth employment ecosystem support at the local level has yielded positive results contributing to such outcome. This needs to transform into adaption of laws and acceleration of Government support towards youth support.

The project is also **in line with the SDC Cooperation Strategy Mongolia 2018 -2021** that aims at contributing to systemic changes in education and labour markets for increased employment of women and men with a special emphasis towards young people.

3.3 Project management in terms of efficiency

To do a detailed cost analysis of all expenditure (e.g. calculation of costs per training day) would go beyond the scope of this review, therefore, only a high level cost analysis has been conducted by analyzing the project budget and the overall expenditures.

Table 1 below shows that expenditures have been very much in line with the budget. The ratio Management costs - other costs (budget lines 2 - 4) - direct costs (towards achievement of outcomes) is 42:18:40. Taking into consideration that the emphasis of the project has been the introduction of new concepts and approaches, the development of handbooks and tools, the piloting of YES desks and startup schemes, and the training of master trainers and representatives from Government and private partners, this ratio is justified.

Table 1: Cost analysis		Budget phase 2 01.2016 - 12.2018		Exp. phase 2 as per 31.12.2017		Budget Exit phase 2019/20	
		in CHF	in %	in CHF	in %	in CHF	in %
1	Management & Administration	941'190	42%	640'950	43%	494'000	26%
1.1	Support GFA HO	61'440	3%	44'830	3%	57'000	3%
1.2	Long term experts	616'650	27%	425'805	29%	285'000	15%
1.3	PIU running costs	263'100	12%	170'315	11%	152'000	8%
2	Translation, M & E*	180'000	8%	106'575	7%	76'000	4%
3	Short term experts	170'200	8%	120'304	8%	95'000	5%
4	PR, Launch, etc.*	57'150	3%	35'000	2%	19'000	1%
5	Direct Support	905'400	40%	579'959	39%	1'216'000	64%
5.1.	OC1: Policy review support	101'000	4%	70'686	5%	57'000	3%
5.2.	OC 2: Employment support	457'400	20%	293'367	20%	779'000	41%
5.3.	OC3: Start up support	347'000	15%	215'906	15%	380'000	20%
Total costs		2'253'940	100%	1'482'788	100%	1'900'000	100%

* Distribution of expenditures (column 4) between budget lines 2 and 4 is an estimation

Suggesting that the exit phase will emphasis on the scaling up of YES desks, on consolidation and on transferring responsibilities from the PIU to national structures it is expected that this ratio will change so that more funds are available for direct implementation of outcomes. Table 1 also includes a suggestion on how that ratio could look during the exit phase. That suggestion takes into account the assumption that the PIU will apply more of a facilitating and coaching approach and, therefore, will be able to reduce in size.

Annex 4 is giving an overview on the types of trainings conducted and the number of people trained, and includes a list of all handbooks, tools, assessments and studies produced.

3.4 Sustainability of project interventions

Any project intervention is sustainable when:

- The initiative is embedded within a national public or private structure;
- The initiative is fully in line with national strategies.
- Technical know-how among national institutions and resource people exists to continue with the initiative and to ensure maintenance (in case of hardware) without the project being involved;
- Costs for the initiative are fully covered by the Government, the private sector or beneficiaries;

As for the YEP project, efforts go in the right direction but full sustainability has not yet been achieved. In particular, transfer of tasks & responsibilities from the PIU to national structures has not yet started and this is a requirement to ensure sustainability beyond the project phase.

On the positive side the project has developed various manuals, handbooks training modules and guidelines and various people have been trained in the use of these tools. These tools don't have to be reviewed and updated on a regular basis and are here to stay. The same applies to the trained people. However, most trainings have been conducted by the PIU or external consultants and responsibility for training of additional people has not yet been handed over to national structures. Handing over responsibilities for trainings are defined in the table in annex 5.

A high level of commitment and ownership could be observed at District/Aimag level for the pilot YES desks, and the districts/Aimags have started to cover costs for desk activities and staff. At the same time, national ownership of YES desks is not yet confirmed and it is doubtful that the Government is able to set up additional YES desks if the project would come to an end now.

It is too early to comment on the viability of start-ups that have been supported by the project.

3.5 Project beneficiaries

The data collected by the review team during the review shows that, in Bayangol District, beneficiaries have been mostly females and youth with at least a bachelor degree while in Umnugobi aimag the beneficiaries have been mostly males with a secondary school graduation or even less.

Based on focus group discussions with beneficiaries and feedbacks from YES desk staff it can be assumed that currently, university and TVET graduates in transition from education to work constitute the majority of beneficiaries due to their better networking skills and exposure to local media and social media. Attention to reaching out to unskilled and long-term unemployed and to other categories of jobless youth seems to be weak.

It is important to note that the YES Desks targets different groups of youth aged between 15 and 34. This is a wide spectrum of young people such as youth in transition from school/TVET/college to work, long-term unemployed youth, unskilled youth, youth with disabilities, etc.

3.6 Gender and inclusion

Young men and women and disabled people may have their own needs and reasons to make use or not of the YES desk but all sub groups aim at the same thing: Finding (self-)employment. It could be observed that the approaches used by the project and introduced at the YES desks do not favor one sex or the other. Young women and man equally benefit from the services offered. YES desks are frequently visited by young women and they are also included in the YSSS.

The data collected by consultants directly from two YES Desks (Bayangol District of UB and Umnugobi aimag) show that, so far, YES desks have serviced predominantly females and those with high education in UB as compared to servicing largely males and those with vocational education and below in Umnugobi aimag. These figures do not show the seasonal and local labor market realities on the ground and are not representative for all YES desks established under the project. There is a need for the project to look at the characteristics and seasonal variations of service and to pay attention on further enhancing inclusiveness.

The Project has made steps to accommodate needs of the disabled youth by supporting the development of handbooks for employment services staff, including printing of employment service related

materials for visually handicapped persons⁶. The practical application of those tools at the YES Desks has not been clearly presented. The project needs to analyze the usage and effectiveness of these tools and the use of YES Desk services by the disabled youth.

4 Lessons learnt

Based on the above and after reflections with the PIU, with project partners and between the consultants, the lessons learnt can be summarized as follows:

- **Youth employment needs to be at the heart of the Government employment policy.** Youth employment has been identified as a key issue in Mongolia, with a young population and large numbers of new entrants seeking employment opportunities each year. Data on youth employment suggest that the Sustainable Development Goal target of reducing youth unemployment rate is particularly relevant in the Mongolian context. Mongolian youth faces numerous challenges in successfully transitioning to work. Rural youth, are less educated and are concentrated in insecure, unskilled jobs and often in the informal economy offering low pay and little or no social security or benefits. Urban youth suffer high rates of unemployment, and unemployment spells are long in duration for many.⁷ Special and wide-reaching approaches are needed to address youth problems in the long term.
- **Entrepreneurship (start-up) spirit is a relatively new concept for Mongolia.** This is not only a lesson learnt by this project but has also been confirmed by the UNDP Youth Enterprising project that concludes that: *“Concepts of entrepreneur, entrepreneurship and enterprising are relatively new in Mongolia and do not translate into Mongolian language, understanding is limited and definitions are narrow”*. Entrepreneurial and enterprise thinking needs to be promoted by all ministries and needs to be integrated into the formal training programs for youth at secondary schools and colleges.
- **Aspects of VET and employment promotion cannot be looked at in isolation.** To reduce youth unemployment is only possible with interventions that target VET and employment promotion at macro, meso and micro level. Isolated interventions on VET or employment promotion only will have a limited impact. While it is not necessary that individual projects intervene in both, it is important that interventions are coordinated.
- **Effective employment services are not only beneficial for job seekers but also for employers in need for skilled workforce.** It is important to create win-win situations that will bring added value for both sides in the job market, job seekers and employers.
- **Collaboration between companies, education institutions and public employment services** brings better results for youth employment. This collaboration needs to be nurtured and the role of the employment **services** as a facilitator in this process is important.
- **Finding a job without work experience is a challenge for youth.** At the same time, it is impossible for youth to get a real time work experience without a job. Special measures to gain practical experiences are needed (e.g. internships, work attachments). Local partnerships for employment creation have to include this challenge that cannot be solved by simply using a top down approaches.

In addition to the above lessons learnt that have been identified by the PIU and stakeholders the following lessons learnt are added by the consultants:

- **Digitalization of support** is imperative in the Mongolian context with an extremely low population density. If well introduced, it can open up a wealth of new opportunities and increase the scale of intervention significantly while reducing costs of intervention. However, digitalization

⁶ Which were drawn mainly on ILO resources

⁷ ILO, Youth employment challenges in Mongolia, March 2013

also has its down sides as job seekers in isolation not only need access to a web platform or a digitalized service but also to personalized coaching and support.

- **Professional national public and private institutions offering services to promote employment for youth are the backbone of the Mongolian Labor market enhancement system:** It is important to recognize that the best technical solutions will have no impact in the long run if they are not institutionalized and embedded within national public or private institutions. Institutionalization is a slow process and cannot happen from one day to another. Public and private institutions and in particular the DLWS and the newly created YES desks will only be able to offer high quality services if they are empowered, mentored and coached (handing over of tasks and responsibilities from the PIU), if technical know-how of staff is upgraded and if proper management and performance systems are in place to increase accountability and continuity and to ensure efficient use of resources and delivery of services. The same applies for institutions involved in provided start-up support. It is critical to remove administrative hurdles and bureaucratic obstacles and to develop a more supportive approach for these service providers to grow and develop individually.
- **Coordination** among stakeholders (authorities, donors, service providers, etc.) at national, district and aimag level has been mentioned again and again as a critical factor for strengthening VET and employment. Coordination does not only include sharing of information among stakeholders. It is equally important to ensure (and enforce) that everyone is working towards the same shared goal. This is only possible if stakeholders are guided and directed by a strong MLSW, LEC and DLWS. It is important that these institutions ensure that all international and national partners work within given strategic frameworks and with officially recognized national partners in VET and employment promotion, and take corrective actions in case the strategic framework is not followed.
- **Flexibility in project implementation:** The Labor market support sector in Mongolia is young, dynamic and has fast changing needs. Laws are being revised, programs are being developed and implemented and new services are offered. National programs sometimes use different approaches than programs offered by international partners (e.g. the YEPP offers grants while the National Program offers loans). This makes long term planning difficult. A more flexible project approach would allow to better respond to emerging needs and a changing context.

5 Key priorities and recommendations for the project exit phase

5.1 Key priorities of the exit phase

The project has initiated processes, activities and structures and it is critical to ensure during the exit phase that change will be enhanced and will remain after the end of the project in 2020. The scaling up and institutionalization of YES desks will take longer than the exit phase and to train, re-train, mentor and support people and structures is an ongoing operation for the years to come. The following needs to be decided during the planning and the design of the exit phase:

- Who will take over and ensure responsibility for activities initiated by the project?
- Who will cover costs for activities initiated by the project that are currently covered by the project (e.g. costs for training)?

Taking into consideration that, all project activities will end in December 2020, it is important to emphasis during the exit phase on the following key priorities:

1. **Sustainability of achievements:** The real benefits of the YEP project will only be seen once the project has ended. SDC and GFA needs to systematically analyse and decide on what needs to be done during the next 2 years to ensure that activities and changes initiated by the project will continue beyond the end of the project.
2. **Consolidation of existing activities:** There is not enough time to initiate completely new activities during the exit phase (e.g. access to finance for start-ups). Emphasis needs to be put on consolidating and scaling up of activities that have already started.
3. **Improving quality of existing outputs:** The quality of activities conducted and services initiated during the last 2.5 year is high. There is enough time to further improve the quality of services offered by the YES desks, to add additional services and to expand the start-up support scheme to target more youth.
4. **Knowledge management and learning:** The YEP project will come to an end but promotion of youth employment will continue. It is important to capitalise on and learn from experiences made during the YEP project period. There is also time to conduct additional studies and research to generate knowledge related to youth employment and start-up support that will be useful for other stakeholders involved in the sector.

The recommendations thereafter take into consideration these key priorities.

5.2 Recommendations

➤ Continuation of log frame implementation during the exit phase

The project log frame for phase 2 has been well developed and can also be valid for the exit phase. The phase objective, outcomes and outputs can be taken over in general, but require adequate adjustments while activities and indicators need to be redefined in line with the above priorities and the recommendations below.

Outcome 1: National policies and programs are conducive for youth employment

It is important that the project continues to provide support for the review and improvement of Government laws, policies, strategies and programs. Active participation in working groups is required and the PIU should comment in writing on strategic documents, programs and revised laws. This support will be phased out at the end of the project.

National and local Employment and VET councils play an important role in providing strategic guidance to local authorities and employment divisions, and in enhancing local (youth) employment in Aimags and Districts. Supporting local Councils in effectively addressing employment issues in general and youth employment issues in particular is very important and will strengthen governance and steering of (youth) employment. It is important to assist the different councils in redefining their ToRs and in training council members on their roles and responsibilities. It may also be useful to participate in council meetings from time to time as external advisor and facilitator. Moreover, it is important to advocate for improved coordination between the Employment and VET councils at Aimag level or even for the merging of the two. Work started here by the project is not yet complete.

It is also proposed that the project will assist the MLSP in strengthening its capacity to better analyse youth employment challenges in a comprehensive way in view of devising effective strategies to address these challenges.

Outcome 2: Effective employment support services are provided to young people

The setting up and piloting of YES desks has been one of the highlights of the YEPP and it is recommended to scale up YES desks. The following steps are important in the scaling up process:

- **Analysis of pilot YES desks:** It is important to conduct a Government led and PIU facilitated detailed analysis of the 2016/17 pilots as a basis for taking a formal decision on whether to scale up or not. The scaling up of YES Desks shall also take into consideration government strategies pursued under other technical assistance or loan projects being implemented in the country. The Project needs to support local DLSWs in collecting and analysing data coming from the LMIS and the operation of YES Desks so that this information can help the MLSP to establish the effect and define the YES Desk scaling up strategy.
- **Formal MLSW decision on scaling up:** The MLSW then needs to take a formal decision on whether to scale up YES desks or not. In case this decision is positive the following is recommended:
 - o **Selection of YES Desk locations:** Based on set criteria (unemployment rate, population density, availability of other service providers, commitment & cost sharing of local authorities, etc.) the MLSW needs to decide on where and when additional YES desks will be set up. Locations should not depend on SDC priority regions only.
 - o **National coverage of YES desks:** Scaling up will take less time than piloting and, assuming funds will be available, it should be possible to set up 20 additional desks during the exit phase.
 - o **Roles and responsibilities:** It is important that the GOLWS, under the leadership of the MLSP, takes up the role of the national entity to be responsible for scaling up the YES Desk and for providing long-term support to the desks. The PIU should not set up new desks but provide coaching and support to the GOLWS.
 - o **Master trainers** that have been trained need to be used for the scaling up process. This will reduce costs (compared to the training being provided by international experts) and enhance local ownership. It is also important to give practical exposure to master trainers before they forget what they have learnt. In addition, the capacity of the GOLWS in training of employment staff in new employment services needs to be enhanced to strengthen its role in taking up ownership of the YES desks.
 - o **Mentoring program:** The 6 pilot desks constitute an ideal group of mentors for the scaling up process. Peer to peer mentoring is a very successful tool for ensuring sustainability and is beneficial for the mentor and the mentee. Staff of existing desks confirmed their interest and capability to take up a mentoring role. In 2019, the 6 pilot desks could mentor 6 new desks, and in 2020, the 12 desks could mentor another 12. This way, national coverage could almost be reached during the exit phase.
 - o **Capitalising on existing youth employment services available at colleges and TVET schools:** The scaling up of YES Desk services needs to take into consideration services offered by Student Employment Exchange Offices of colleges and universities and career counsellors working at TVET colleges. Some of the services provided by the YES Desks (e.g. training modules on job search skills) can easily be integrated into existing institutions. This way public employment services can focus more on long-term unemployed youth and youth experiencing serious employability constraints.
 - o **Diversification of approach:** Taking into consideration that the situation in urban and rural areas is very different and also varies from Aimag to Aimag, it is important to diversify the channels for delivering employment services to rural job seekers. Especially possibilities of digitalisation of training modules for instance, could be considered in certain contexts.

- **Funding of new desks:** The setting up of a new desk should not cost more than CHF 30'000, inclusive of purchasing equipment, training of staff and providing external coaching (by the PIU). Assuming that the Government commits to cover running costs of existing and new desks during and beyond the exit phase, the costs for setting up should be covered by the project by earmarking CHF 600'000 for this budget line.
- **Further enhancing YES Desk inclusiveness:** The services currently offered by YES Desks can be improved to address the employability challenges of the long-term unemployed youth and youth without work experience: Improvements can include:
 - Developing training modules that aim at reducing employability gaps of the long-term unemployed youth or those having serious constraints for labour market integration, and training of employment service staff and counsellors;
 - Developing and piloting an internship programme to support youth without work experience to access labour market (subject to consultation with the MLSP and in view of the planned revision of the Employment Promotion Law)
 - Analyzing the usage and effectiveness of the tools developed for employment staff in servicing people with disabilities as well as the usage of YES Desk services by the disabled youth; and adjust project strategies accordingly to enhance the access of the disabled youth to youth employment support services;
 - Planning of YES Desk facilities needs to ensure wheel chair access.
- **Local Labour Market Demand Survey:** The current practice of planning and conducting surveys under the YES Desk function seems not to be necessary. Instead, it can be promoted under the mandate of the local DLWS. Furthermore, to conduct LLMDS in a single district of the UB does not add value. The Project needs to consider supporting the Municipal Employment Department in conducting the LLMDS for the whole of UB. The use of the survey findings by YES Desk services, career and employment counsellors, by the LEC and the local TVET-Councils and others needs to be promoted.

The setting up and support of YES desks includes the following tasks:

- **One off tasks:** Context analysis of new location; negotiation and agreement with Aimag authorities; selection and procurement of equipment; training of future YES desk staff; introduction of manuals, handbooks, forms, etc.; setting up of an information management system; setting up of partnerships between the Labour Division and private companies (PPP);
- **Continuous tasks:** Coaching and mentoring of staff; monitoring & evaluation (this includes support in data collection and focus group discussions with young beneficiaries); exchange and knowledge management & networking; coaching and support for the setting up operationalisation of PPPs; training of new and re-training of existing staff; innovation and development of new services & programs offered by the desks.

Services currently offered by YES Desks can be improved and need to be expanded to better address the employability challenges of long-term unemployed youth and youth without work experience. The following is possible:

- Development and introduction of training modules that aim to support reducing employability gaps of long-term unemployed youth or those having serious constraints for labour market integration;
- Development of internship programmes to be managed by employment services to support youth without work experience to access labour market.

Finally, the new Youth Development Law proposes the establishment of youth development centres (YDC) in all aimags and districts as a one-stop information, training and reference centre. The mandate of these centres includes the delivery of labour market information and employment services and job matching for the youth. This leads to the question on how the YES desks will liaise and collaborate with the planned YDC and what partnerships can be set up? This needs to be clarified by the MLSW in the YES desk scaling up strategy.

In order to increase the effectiveness of the LLMDS the current practice of attaching the planning and implementation of the survey to the function of the YES Desk seems not to be necessary.

Instead, it can be promoted under the mandate of the DLWS. As for UB, the project should consider supporting the Municipal Employment Department in conducting the LLMDS in UB as a whole rather than supporting district-based surveys. The use of the survey findings for YES Desk services, career and employment counselling as well as for LEC and local TVET-Councils discussions shall be promoted.

Outcome 3: Young people operate innovative start-ups with growth potential

The youth start-up support scheme has been successfully piloted. The scheme, including of implementation guidelines, now needs to be fully integrated in Government programs and should not be run in parallel by the project using its own approach (e.g. to give grants while the Government gives loans). The MLSP can partner with Start-up Mongolia, Development Solutions Mongolia or with other business support services in disseminating the scheme to all aimags and districts of Mongolia and the project can provide technical support. The following needs to be taken into consideration:

- Training of Facilitators (business advisors) is needed. The MLSP does not have the capacity to deliver/assure the quality of the scheme if facilitators are chosen from employment divisions (also considering high staff turnover). It is more sustainable to identify facilitators that are based in aimags and integrated in the private sector as managers or business consultants and to attach them to one of the existing youth start-up service providers. The project can facilitate the design and delivery of ToF for this group.
- To expand mentoring services, the project can support Development Solutions to build capacity of and to partner with existing business development/incubator services. Developing a constructive partnership with the Mongolian Business Incubators Association might be one of the options and mentors could be attached here.
- The selection of trainers and mentors should use competitive selection criteria to ensure competence, commitment and sustainability of services.

Taking into consideration the long term effect and the educational value of the YSSS the approach needs to be adjusted to offer accelerator training to all solid proposals and not only a selected few. Digital services need to be further developed for instance by transforming the existing information web site into a real interactive start-up platform that offers business support and mentoring services to start-ups. It is important to note that maintenance and running of such a platform is costly and needs a funding scheme. Cost-sharing is recommended. Services offered by the platform can be paid for by the users but it is also recommended that these services are subsidised by the Government, the private sector or an international partner.

It is too late for the project to engage in finding solutions to enhance access to finance and markets but the project could conduct a study to collect international best practices on access to finance and markets for young entrepreneurs. This can then inform others with a longer term perspective to get engaged here.

Finally, in view of the YSSS's attractiveness for the youth and the persistent need for improving entrepreneurship skills of the youth in the country, the project should seek collaboration and sharing of experiences with other partners that have an interest in developing entrepreneurship education curricula for secondary schools and TVET schools (e.g. GIZ, UNDP). The project can collaborate or facilitate in assessing the entrepreneurship education delivery and its potential effect in TVET and secondary schools and suggest policy recommendations. It can also explore the integration of entrepreneurship education into the curriculum at Teachers' Colleges and support relevant stakeholders in doing so.

➤ Coordination

The project can take up an active role in improving coordination and collaboration between Government, national and international partners and public and private VET and employment service providers and private companies.

Improved coordination should also emphasize on eliminating the duplications of services offered by different stakeholders. YES desks and other service providers need to agree on what services will be offered and by which institution. In UB, there are, for instance, also student Job Centres

established at universities that offer similar services for students. In Aimags certain services (career counselling) are also offered by VET colleges. Especially in a country like Mongolia with a very low population density duplication of services is very costly.

➤ **Diversification of approaches**

The YES desks and youth start-up support pilots have both used a specific approaches. It is important to reflect on the diversification of these approaches before activities will be scaled up. As for the **YES desks** it is important to take aspects such as population density, isolation of target groups, unemployment rate and availability of big industries and companies into account. As for the **start up support scheme** it is important to design approaches that will benefit all solid start-ups and not only the best. It may even be possible to integrate some services for youth start-ups within the YES desks.

In both cases, digitalisation might be an interesting option to enhance effectiveness and efficiency.

➤ **Digitalized start-up and employment support services**, if well introduced, will open up a wealth of new opportunities and increase the scale of interventions significantly. More beneficiaries can be reached, the quality of services can be improved and training costs will reduce. However, digital services also have their down sides as beneficiaries may remain isolated (e.g. in Soums) and services become more theoretical compared to visits of a YES desk for instance. There is time during the exit phase to further explore and share best practices and also to initiate some pilots.

➤ **Knowledge generation, knowledge management and target group tracking**

It is recommended to capitalise on experiences made by the YEPP and to generate additional knowledge. The following is a list of interesting topics and questions that have been collected during the review mission. The project can by conduct additional studies and research on these and other topics:

- Collaboration between large companies and regional governments: Best practices and case studies;
- Best international practices on access to finance and access to markets for youth start-ups;
- Digitalization of labor market services;
- Analysis of direct and indirect impacts of the Youth Startup Support Scheme on youth employment.
- Outreach analysis: What groups benefit most from employment services? Why do certain groups make less use of the services than others? What are expectation and aspirations of youth? Etc.
- Gap analysis between aspirations of youth in the Mongolian reality;
- Etc.

It would also be interesting to know more about the motivation of various sub-groups in making use (or not) of the employment services offered. Such an analysis might then lead towards refining and adjusting the approaches used and services offered.

Finally it is recommended to put in place a start-up tracking system to monitor progress of the all start-ups that participated in in the start-up support scheme. This will allow to know more about the start-ups that have not been selected for the accelerator training and to compare their progress with the ones that benefited from the accelerator training. A start-up tracking system is also useful for improving the services provided. In addition, it will help to reflect on what can be offered to youth that have a solid and promising start up idea but do not qualify for a grant/loan or an accelerator training. Tracking of YES desk beneficiaries would provide interesting information about the effectiveness of services offered and the long term employability of beneficiaries.

A very interesting partner to conduct further analysis is the UNDP Activated2030 project. The Activated2030 project conducts high quality research about aspirations and behaviors of young people and potential entrepreneurs using a mixture of local and international researchers. It is recommended to establish a formal collaboration with UNDP agreeing that UNDP will use YEPP target groups and beneficiaries for their research. Research objectives can be jointly designed.

To enhance national knowledge management the project can train and support the local DLSWs in collecting data and in analysing the data coming from the LMIS and the YES Desks. This would help the local employment offices to take informed strategic decisions, to ensure they benefit different groups of youth and to define concrete outcomes of services offered. This would also help the MLSP to know more about the impact of YES Desks and to define their YES Desk scaling up strategy.

➤ **Target regions for the exit phase**

The YEPP has been implemented in 6 Aimags and 4 Districts. In view of handing over all activities to MLSP related institutions it is important to support the ministry and target regions selected by the ministry and not to stick to the current target regions.

➤ **Project implementation using a facilitation approach**

The final and probably most important recommendation is that the PIU changes its role from being an implementer to becoming a neutral facilitator and coach that can navigate interests of all national partners and stakeholders (public and private). This will not only empower national partners, enhance local ownership and increase sustainability it will also reduce management costs because the size of the PIU can be reduced. There is always a concern that national partners will not be able to deliver the same technical quality as external specialists. This is a justified concern. However, with good mentoring and coaching it will be possible to maintain the technical quality even if activities are implemented by local partners⁸. The PIU needs to bring together partners and stakeholders and to delegate implementation of various project components to national structures, service providers and consultants. The PIU will then mentor and coach national implementing partners. Among others, key elements of such an approach include:

- *Coordination*: The PIU will actively contribute to a coordinated approach among all involved actors.
- *Knowledge management*: The PIU will facilitate sharing knowledge among stakeholders. Various knowledge management events will be organized. In addition the PIU will commission studies and collection and sharing of best practices.
- *Networking*: The team will connect relevant partners, stakeholders and information sources and facilitate the sharing of information;
- *Advocacy & neutrality*: The team will advocate for the interests of the various stakeholders while being neutral and impartial.
- *Decision making*: The team will leave the decision making and implementation to national partners at national and Aimag level.
- *Capacity Development and coaching*: The team will contribute to the capacity development of all partners and take up a coaching role.
- *Innovation*: The team will facilitate a continuous innovation process.

It is expected that this approach will empower and enhance ownership among national and aimag partners.

The guiding principles for Project Implementation using a Facilitation Approach (PIFA) that are included in annex 5 have been developed for a different project but give an good overview on how a facilitation approach can be applied during project implementation. These guiding principles could be an interesting guidance for the PIU during the exit phase of the project. The PIU can also further refine and develop the approach.

⁸ During the evaluation mission it could also be observed that Mongolian employment support specialists exist with a very good level of knowledge and experience.