



Food and Agriculture Organization  
of the United Nations



© FAO Mongolia

## MAINSTREAMING SUSTAINABLE FOOD AND AGRICULTURE SYSTEMS INTO MEDIUM TERM POLICIES OF MONGOLIA FOR THE ACHIEVEMENT OF SDG 2

July 2024

SDGs:



Country:

Mongolia

Project Code:

TCP/MON/3807

FAO Contribution:

USD 257 000

Duration:

1 October 2021–31 December 2023

Contact Info:

FAO Representation in Mongolia  
FAO-MN@fao.org

### Implementing Partner

National Development Agency of Mongolia (NDA).

### Beneficiaries

Public officials and stakeholders of the agricultural value chain.

### Country Programming Framework (CPF) Outputs

#### CPF 2023–2027

Outcome 1 (Enhancing access to adequate, affordable, nutritious and healthy food for everyone, SDG 2.1, 2.2); Outcome 3 (Strengthening of agricultural value chains including development of export-oriented livestock production, SDG 8.3, 17.10, 17.11) and Outcome 4 (Equitable and sustainable natural resource management, SDG 12.2, 15.1).



### BACKGROUND

Over the past several years, Mongolia reformed its development planning. Celebrating the 95th anniversary of its first Constitution, Mongolia ratified a constitutional amendment and approved the Law on Development Policy, Planning and Management in May 2020. This led to the adoption of Vision-2050, a 30-year development policy focusing on food security and a sustainable, competitive agriculture sector.

However, and despite contributing to 12 percent of Mongolia's Gross Domestic Product and employing 24 percent of the labour force (2020 data), agriculture in the country remained unsustainable and unproductive due to outdated technology and inadequate physical and institutional infrastructure. High transportation and logistics costs, poor connectivity between farmers and consumers and market manipulation by traders exacerbated these issues, resulting in higher consumer prices and lower farmer profits.

To address these challenges, the government aimed to improve the agriculture system and food supply chain through integrated policies under Vision-2050 and a new ten-year development programme launched in June 2022, which sought to ensure sustainable and inclusive food systems towards achieving the SDGs.

The NDA was initially tasked to coordinate SDG implementation, ensuring policy coherence and integrated development planning. During the project implementation, the NDA was dismantled and upgraded as the Ministry of Economy and Development.

Against this background, the government requested technical assistance from the Food and Agriculture Organization of the United Nations (FAO) to enhance sustainable agriculture and food security, leveraging the agency's expertise in sustainable, climate-resilient agriculture, natural resource management and digital agriculture. This collaboration aimed to support Mongolia's long-term strategy and medium-term policy priorities, directly contributing to SDG 2.

### IMPACT

The project supported the enhancement of productivity in the food and agriculture sector, contributing to the reduction of Mongolia's heavy reliance on mineral exports, fostering a more diversified and resilient economy. By implementing a sustainable agriculture and food security policy framework, the sector will become more adaptive to climate change and responsive to the growing demand for food security and better nutrition. This framework supports robust food and agriculture value chains, which are critical to accelerating the implementation of SDG 2, ultimately promoting sustainable and inclusive growth within the country.

### ACHIEVEMENT OF RESULTS

The project contributed to the development of the Mongolian Medium-Term Strategy for 2023-2028, aimed at implementing the government's policy for a greener, more competitive and export-oriented food and agriculture sector. The strategy was developed in a complementary manner with the United Nations Sustainable Development Cooperation Framework (UNSDCF) 2023-2027 and the FAO CPF 2023-2027. This achievement was made possible through the active participation of all key stakeholders, who contributed to analyzing previous policy achievements, developing the strategy and action plan and allocating the necessary budget.

The development of Mongolia's seven medium-term Targeted Development Programs, initiated by the Government of Mongolia in August 2021, marked a significant step towards enhancing the nation's competitiveness across economic, social and environmental dimensions.

Spearheaded by the Ministry of Economy and Development, the Targeted National Competitiveness Program stood out for its comprehensive approach, drawing on analyses of Mongolia's current socioeconomic landscape, global best practices and potential risks. In particular, the project provided crucial support to the food and agricultural sector, conducting thorough situational analyses and integrating technical inputs into the policy development process led by the NDA. This collaborative effort culminated in the creation of a regional macroeconomic model by the NDA, addressing key challenges such as carbon taxes and greenhouse gas reduction while ensuring the sustainability of livestock and pasture management.

Recognizing the pivotal role of the agricultural sector in Mongolia's economic development, the project facilitated the integration of food security, value chains, logistics and taxation considerations into policy options. By identifying both traditional and non-traditional factors influencing the sector, including market distortions, financing challenges and cultural constraints, the project laid the groundwork for informed decision-making and sustainable growth. The resulting policy recommendations, presented to a diverse working group comprising academics and business leaders, received high praise from the government for their contribution to fine-tuning long-term strategies for a sustainable food and agriculture sector.

In parallel, the project collaborated closely with the National Statistical Organization (NSO) to refine the measurement of SDG 2 indicators and develop policy options to address identified barriers. Notably, the project facilitated the early draft of an Export Promotion Strategy, which garnered interest from other agencies such as the International Trade Centre (ITC). With its involvement, the final export strategy was developed, incorporating recommendations derived from the project's work.

Moreover, recognizing the importance of accurate statistics in measuring progress towards SDG 2, the project organized training sessions with the NSO on the Food Insecurity Experience Scale (FIES) and Food Balance Sheets. These efforts resulted in improved measurement accuracy and a better understanding of food insecurity statistics, contributing to enhanced monitoring and evaluation of national food security efforts.

Overall, the project's multifaceted approach and collaborative efforts with key stakeholders yielded tangible results, laying the groundwork for sustainable economic growth, enhanced competitiveness and improved food security in Mongolia.

## IMPLEMENTATION OF WORK PLAN AND BUDGET

A no-cost extension of seven months (May 2023 to December 2023) was requested and granted, to overcome some delays attributed to changes in government legislation regarding the development of the sectoral strategy. One activity could not be completed to due institutional changes (dismantling of the NDA).

The budget was also increased during the implementation. This allowed for the successful completion of most activities within the designated timeframe and allocated budget, ensuring efficient resource utilization throughout the implementation process.

## FOLLOW-UP FOR GOVERNMENT ATTENTION

The Ministry of Food, Agriculture and Light Industry (MoFALI) approved the Medium-Term Strategy as the main policy document of the sector in the period of 2023-2030.

## SUSTAINABILITY

### 1. Capacity development

The strategy and all supporting documents were meticulously developed in alignment with the government's long-term plan, Vision 2050, and its corresponding Medium-Term Strategy. Throughout the formulation process, senior analysts from the ministry assumed leadership roles, thereby enhancing their capacity and expertise. Additionally, the project played a pivotal role in establishing a clearer division of responsibilities between the MoFALI and its implementing agencies. This delineation of responsibilities was further reinforced through the identification of specific agencies responsible for the various actions outlined in the Action Plan, ensuring accountability and effective coordination in the implementation process.



## 2. Gender equality

Equitable gender representation was achieved throughout implementation. Men and women were active participants in all consultation meetings.

## 3. Environmental sustainability

The strategy was formulated to encompass environmental concerns within the food and agriculture sectors, addressing the challenges currently faced and proposing potential solutions.



## DOCUMENTS AND OUTREACH PRODUCTS

- ❑ **FAO, EU CIRAD. 2022. FOOD SYSTEMS PROFILE – MONGOLIA: Catalysing the sustainable and inclusive transformation of food systems.**
- ❑ **FAO. 2022. Food revolution magazine: 2nd edition.** <https://hunsniihuvisgal.mn/post/magazine/80305>.

## ACHIEVEMENT OF RESULTS - LOGICAL FRAMEWORK

<b>Expected Impact</b>	<b>Food and agriculture sector productivity is increased lessening the country's heavy reliance on mineral exports while it becomes more adaptive to climate change and responsive to demand for food security and better nutrition</b>		
<b>Outcome</b>	Sustainable agriculture and food security policy framework is enhanced to support food and agriculture value chains conducive to accelerating the implementation of the Sustainable Development Goal 2		
	<b>Indicator</b>	Sustainable agriculture and food security national policy framework conducive to accelerating implementation of the SDG 2 is enhanced	
	<b>Baseline</b>	Sustainable agriculture and food security policy interventions are poorly reflected in the current 5-year policy document	
	<b>End Target</b>	Sustainable agriculture and food security policy interventions are reflected in the government's new ten-year policy document to be implemented in two phases	
<b>Comments and follow-up action to be taken</b>	<p>The expected outcome was fully achieved. The Medium-Term Strategy for 2023–2030 aimed at implementing the government's policy for a greener, more competitive and export-oriented food and agriculture sector was successfully developed and handed over to the MoFALI. This achievement was made possible through the active participation of all key stakeholders, who contributed to analyzing previous policy achievements, developing the strategy and action plan and allocating the necessary budget.</p> <p>Challenges in achieving SDG 2 indicators analysed and solutions identified were integrated into the government policies and programmes. Food and agriculture systems reporting and monitoring mechanisms for tracking the progress of SDG 2 targets were reflected in the policy framework.</p>		
<b>Output 1</b>	Climate-resilient and sustainable food and agriculture interventions are mainstreamed into 10-year-long Targeted Development Programs.		
	<b>Indicators</b>	<b>Target</b>	<b>Achieved</b>
	Number of policy objectives on food security and sustainable agriculture reflected in the medium-term national development policy	4	Yes
<b>Baseline</b>	0		
<b>Comments</b>	<p>In August 2021, the Government of Mongolia, in accordance with Article 6.5 of the Law on Development Policy, Planning and Management, began developing Mongolia's seven medium-term Targeted Development Programs. The Ministry of Economy and Development was tasked with developing a Targeted National Competitiveness Program. The Target Development Program aimed at increasing national competitiveness is unique due to its broad scope, encompassing economic, social and environmental aspects, and its varying theoretical and practical definitions. The project collaborated closely with the government's technical team to analyse the country's current social and economic situation, good practices from other countries, and potential risks in policy and programme development. Comprehensive situational analyses were conducted for several key sectors, including the food and agricultural sector, where the project provided significant support. It also supported modelling and policy exercises to estimate the potential consequences and risks of the policy interventions under the Targeted National Competitiveness Program. Technical inputs were integrated into the ongoing internal analysis led by the then NDA.</p> <p>To ensure the integration of natural and social sustainability in macroeconomic policy planning, the NDA developed a regional macroeconomic model comparable to those used in the Asia-Pacific regional countries. This model is unique as it addresses macroeconomic shocks such as carbon taxes and livestock growth while considering greenhouse gas reduction and pasture rehabilitation.</p> <p>Given the critical role of the agricultural sector in Mongolia's economic development and its dependence on nature and climate, the project supported the integration of food security, value chains, logistics, taxes and solutions to challenges in food and agriculture sector policy options. Both traditional and non-traditional factors, such as market distortions, tax and subsidy distortions, financing, risk, simple infrastructure, cultural and political constraints, and knowledge leadership, were identified, and policy options were developed accordingly. These findings were incorporated into the overall situational analysis of the policy document and presented to the NDA Policy Working Group members, consisting of academics and business entrepreneurs, for feedback on two occasions.</p> <p>Overall, this contribution was highly valued by the government for fine-tuning policy options and providing inputs into the long-term vision of a sustainable food and agriculture sector in Mongolia.</p>		

Activity 1.1	Analyze existing food and agriculture systems identifying binding constraints to growth taking into consideration the impact from the COVID-19 pandemic	
	Achieved	Yes
	Comments	Considering that Government of Mongolia has prioritized food and agriculture to become a leading economic sector that is highly productive, adaptable to climate change and responsive to social development trends and needs, a national consultant was recruited to analyse the interlinkages between food security, value chains, logistics, taxes, market distortions, tax and subsidy distortions, financing, risk, simple infrastructure, cultural and political constraints, and knowledge leadership. The results were integrated into the overall situation analysis of the policy document and presented to the NDA Policy Working Group. The policy analysis also identified the deployment of green technology and digitization to enhance the efficiency of production, value chain enhancement, and to reduce greenhouse gas emissions.
Activity 1.2	Identify global and domestic good practices, develop growth opportunities for Mongolia and formulate inclusive and coherent growth strategy based on 2-3 scenarios	
	Achieved	Yes
	Comments	The scenarios were developed through a series of engagements with national stakeholders and were included in the Medium-Term Strategy for the Food, Agriculture, and Light Industry Sector for 2023–2030.
Activity 1.3	Formulate policy objectives with results framework while ensuring their interlinkages across other sectors	
	Achieved	Yes
	Comments	Acknowledging the pivotal role that agriculture plays in sustainable economic growth, particularly its susceptibility to environmental and climatic nuances, the project supported the formulation of policy options to bolster food security, optimize value chains, enhance logistical efficiency and navigate taxation intricacies. The analysis covered market dynamics, tax structures, financial strategies, risk mitigation, socio-cultural norms and political constraints. Through a consultative process, these policy options were crafted and seamlessly integrated into the ten-year Targeted Development Programs of the Government of Mongolia. A key policy recommendation included the promotion of regional economic development, which the government was pursuing at the time of writing.
Activity 1.4	Meetings organized to discuss the framing and findings from Activity 1.1-1.3	
	Achieved	Yes
	Comments	A series of stakeholder meetings were organized including with academia, civil society, private sector and government counterparts.
Activity 1.5	Consultations organized to discuss draft Targeted Development Programs	
	Achieved	Yes
	Comments	This meeting could not be organized due to institutional changes during the project cycle. The NDA was dismantled and upgraded as the Ministry of Economy and Development. Some of the members of the working group were transferred to other parts of the government. However, findings were shared in several meetings and platforms including the Mongolian Economic Forum, the Climate Ambition Dialogue and the National Food Security Forum.

<b>Output 2</b>	Barriers in achieving SDG2 indicators analyzed, solutions identified and a mechanism established for uptake of policy lessons into government policies and programs		
	Indicators	Target	Achieved
	Solutions and mechanisms established into government policies and programmes	1	Yes
<b>Baseline</b>	0		
<b>Comments</b>	For the purpose of this output, in addition to the NDA and the MoFALI, the project worked closely with the NSO to fine-tune the measurement of SDG 2 indicators, identify barriers and develop policy options. An important outcome was an early draft of the Export Promotion Strategy, which was subsequently taken up by other agencies, including the ITC. The ITC developed the final export strategy, incorporating recommendations from FAO's work.		
<b>Activity 2.1</b>	Deskwork to identify the key long-term structural issues surrounding barriers to sustainable food systems development, especially around SDG2 indicators		
	Achieved	Yes	
	Comments	A significant portion of the analytical work was conducted in partnership with the NSO as they are the custodians of most of the data and have direct linkages with the parliament for policy advice. The analysis included changing food consumption patterns and preferences, income growth, the progress of urbanization, structural changes in population demographics, health and environmental concerns, participation of women in the workforce and retail market transformation. This detailed information on the dynamics of food consumption by different population groups supported policymakers in identifying opportunities to reform the food supply system, addressing upcoming challenges related to changing consumer preferences, and achieving SDG 2 indicators.	
<b>Activity 2.2</b>	Organize national and regional consultations to Identify key solutions and strategies to promote sustainable food systems in Mongolia and analyze national and international good practices		
	Achieved	Yes	
	Comments	A total of six consultations were organized, five at the provincial and regional level and one at the national level.	
<b>Activity 2.3</b>	Establish an institutional coordination platform on sustainable food systems to be chaired by relevant Ministry / Government officials and comprising all national and international development partners in the sector		
	Achieved	Yes	
	Comments	In partnership with the MoFALI and the Ministry of Environment and Tourism, a Food and Agriculture Development Partners Group (FADPG) was established. The overall purpose of this group is to support effective development dialogue, increase the level and frequency of communication, promote a common understanding of key policy priorities, agree on how to monitor, review and evaluate various projects, promote replications while avoiding duplications, promote knowledge exchange, and facilitate further transparency and coordination and harmonization between development partners and the government on investment and assistance related to the food and agriculture sector. The group also serves as a platform for the government to present its plans to the development community and identify development partners as appropriate.	
<b>Activity 2.4</b>	Link the institutional coordination platform with UNSDCF Results and other thematic groups to synergize government and UN agency inputs on SDG2		
	Achieved	Yes	
	Comments	Although a formal linkage between the FADPG and the UNSDCF results and other thematic groups could not be established, an informal linkage exists. Many members of the Results Group and other thematic groups are also members of the FADPG. This informal connection helps synergize the efforts and inputs of the government, development partners, and United Nations agencies on achieving SDG 2.	
<b>Activity 2.5</b>	Awareness activities (publications, policy briefs, general public campaign on SDG2 indicators) developed based on solutions identified		
	Achieved	Yes	
	Comments	The following documents were produced, also listed in the documents section of this report: Potential food security statistics estimated based on analysis of at least the last four rounds of Household Socio-Economic Survey data using the ADePT module; Mongolian Agriculture: Prospects and Priorities for Sustainable Growth; Towards Sustainable Food Systems in Mongolia; Food Systems Profile–Mongolia: Catalysing the Sustainable and Inclusive Transformation of Food Systems; Climate Change, Food Security, and Nutrition in Mongolia: An Exploratory Assessment. Additionally, the following document was translated into English: Action Plan for Implementation of Parliament Resolution on "Some Measures to Strengthen National Food Security".	

Activity 2.6	High level Policy meeting organized to present results and formalize the institutional mechanisms for policy uptake		
	Achieved	Yes	
	Comments	One high-level meeting was organized in Ulaanbaatar, involving decision-makers from central and local government organizations. The key discussion point was accelerating the implementation of the Food supply and safety programme.	
Output 3	Indicators	Target	Achieved
	Framework for reporting and monitoring mechanisms on SDG 2 is developed.	1	Yes
Baseline	0		
Comments	For the purpose of this output, the project worked closely with the NSO and organized training on FIES and Food Balance Sheets. These trainings resulted in more accurate measures of statistics under SDG 2.		
Activity 3.1	Develop a framework on updating national SDG targets and indicators		
	Achieved	Yes	
	Comments	A series of meetings were held with the NSO to develop a conceptual framework for estimating and reporting the indicators under SDG 2, specifically Indicators 2.1 and 2.2. As a result, it was agreed to carry out focused capacity development activities for NSO colleagues to refine the measurement and reporting of these indicators. Additionally, it was decided to conduct a pilot study for the FIES questions with a 12-month reference period.	
Activity 3.2	Build capacity of policy planners and evaluation officers in the government on national SDG targets and indicators, which will allow for SDG targets monitoring and reporting mechanisms		
	Achieved	Yes	
	Comments	Following the proposed workplan between FAO and the NSO of Mongolia for the revision of the Prevalence of Undernourishment estimates, the FAO Crops, Livestock and Food Statistics team of the Statistics Division conducted two webinar training sessions to assist the NSO in compiling Food Balances. These meetings consisted of numerous short online sessions, each lasting around one to three hours.	
Activity 3.3	Identify, assess, and analyze the key data sources and methodologies required for food and agriculture related SDGs and develop recommended actions		
	Achieved	Yes	
	Comments	The Food Security and Nutrition Statistics Team of FAO analysed all the datasets to estimate the prevalence of moderate or severe food insecurity using the international methodology developed by FAO. Overall, the data quality of all the scales was found to be good, confirming their reliability for producing statistics in the country. Furthermore, it was confirmed that for the estimation of prevalence rates that are comparable internationally, at least six out of eight questions from all the scales collected in different surveys in Mongolia were well aligned with the FIES global standard. This suggests that the severity of the national scales is in line with the severity of the global scale. Consequently, the FIES in Mongolia can generate measures of food insecurity severity that can be expressed on the global FIES reference scale.	
Activity 3.4	Consultations organized to discuss the framing and findings from Activity 3.1-3.3		
	Achieved	Yes	
	Comments	A series of meetings were arranged with the NSO, the Food Security and Nutrition Statistics Team, and the Crops, Livestock and Food Statistics Team of FAO to discuss the conceptual framework for estimating and reporting the indicators under SDG 2, specifically Indicators 2.1 and 2.2. As a result, it was agreed to conduct focused capacity development activities for NSO colleagues to refine the measurement and reporting of these indicators.	
Activity 3.5	Trainings organized for policy planners, evaluation officers in the government on national SDG targets and indicators		
	Achieved	National and regional level trainings were organized in cooperation with the MoFALI and local governments.	
	Comments	As mentioned under Activity 3.2, two webinars trainings were organized for the NSO on the compilation of Food Balances.	



**Partnerships and Outreach**

For more information, please contact: [Reporting@fao.org](mailto:Reporting@fao.org)

**Food and Agriculture Organization of the United Nations**

Viale delle Terme di Caracalla

00153 Rome, Italy