

## Preliminary Stakeholder Engagement Plan (SEP)

May 20,2020

### MONGOLIA EMERGENCY RELIEF AND EMPLOYMENT SUPPORT PROJECT (MERESP)

#### 1. County context

**Mongolia, along with many countries, is facing negative growth and employment consequences in light of COVID-19.** An outbreak of the coronavirus disease (COVID-19) has been spreading rapidly across the world since December 2019, following the diagnosis of the initial cases in Wuhan, Hubei Province, China.

Mongolia was one of the first countries to face the economic impacts of COVID-19 due to its close linkage with the Chinese economy, particularly in trade, tourism and foreign investments. Necessary stringent measures taken by the Government of Mongolia (GoM) since late January 2020 have brought the local economy to a standstill. The global nature of the crisis has led to a reduction in capital flows; commodity prices have fallen; and global demand for Mongolian exports and tourism have fallen and will continue to do so as the crisis deepens. The National Statistics Office of Mongolia reports that state revenue fell by 8 percent in the first quarter of 2020, with revenues from mineral resources falling by 33.8 percent. Bank of Mongolia estimates the economy to shrink in the first half of 2020, and growth to be limited to 1.8 percent in the second half. As the global crisis deepens, the economic prospects for Mongolia will further worsen.

**The worsening economic outlook due to COVID-19 has already translated to worsening employment prospects.** As the COVID-19 started to hit, mining and transportation sectors, which accounted for 12 percent of employment in 2018, have already seen a decline in output. Industrial production, which accounted for 23 percent of employment in 2018, has already contracted in the first quarter. Current and future containment measures are going to put further pressure on local firms depressing output in the service sector, which accounted for 53 percent of employment in 2018. The worsening economic outlook will continue to translate into increased layoffs, fewer jobs, and lower wages for the Mongolian workforce.

**Impacts in the economy, while widespread, are likely to hit some groups particularly hard.** While impacts are felt across the board, continuing operations is likely to be particularly challenging for micro-entrepreneurs that have few effective instruments at their disposal to manage shocks. For similar reasons, the self-employed and wage workers in temporary contracts or in the informal sector, are also likely to be disproportionately affected. Even when the health crisis ebbs and measures that restrict work and mobility ease, affected workers and entrepreneurs may face a longer route to recovery than others. The urgency to help these workers and entrepreneurs is paramount. Only effective and timely support can prevent the long and painful recovery from the crisis.

**The Mongolian Government has introduced a series of fiscal and monetary policy measures to offset the negative impacts of the COVID-19 crisis and turbulence in the global economy.** Recognizing the need to immediately support its workforce, GoM has announced a relief package of USD 1.8 billion (13 percent of GDP) that was approved by parliament on April 9, 2020. The economic relief package provides exemptions on social insurance contributions and personal income tax (excluding budget institutions and SOEs), corporate income tax (only for SMEs), social transfers (to children and workers at risk of getting laid off), and soft loans to cashmere companies and SMEs to support herders. However, the GoM still has a financing gap of around USD 450 – USD 500 million for the relief package and have requested the World Bank to provide immediate support.

**The Social Insurance (SI) system of Mongolia can be a powerful policy tool to provide relief and strengthen recovery from the COVID-19 crisis.** The coverage of social insurance scheme is quite high in Mongolia with 81.3 percent of the labor force making a contribution in 2018<sup>1</sup>. Social insurance contributions, excluding health insurance, are 13.5 percent and 22 percent of reported incomes under the voluntary and mandatory SI scheme respectively. Insured individuals receive benefits contingencies of retirement, disability, sickness and unemployment. Contributions and benefits are managed through the Social Insurance Fund (SIF) by the Social Insurance General Office (SIGO) under MLSP. Social insurance contributions, excluding health insurance, are 13.5 percent and 22 percent of reported incomes under the voluntary and mandatory SI schemes, respectively. During times of crisis like the present one, maintaining contributions will present an undue financial burden for employees and employers. For employers, SI contributions are 13 percent of their pre-tax wage-bill. Maintaining contributions during the current period of social distancing and economic downturn could translate to firms laying off workers or, worse, shutting down. Even temporary shutdowns are costly as the recovery often requires having to find and train workers to bring them up to the normal levels of production. Providing contribution relief would assist both firms and workers in weathering the crisis so that they can recover quickly once the economic restrictions are lifted.

**Recognizing this, temporary SI contribution exemption features prominently in the GoM relief package, but the GoM faces financial challenges.** The Parliament of Mongolia approved the “Law on Exemptions for SI contribution and Assistance from Unemployment Insurance Fund” on April 9, 2020 which provides a contribution relief from April 1, 2020 to September 30, 2020, for all workers enrolled under the voluntary contribution scheme and eligible firms and workers enrolled in the mandatory scheme. Under the mandatory scheme, the relief applies to firms that were adversely affected by the crisis and workers working in those firms. This measure excludes those workers in the public sectors or publicly funded entities. It is expected that the relief applies to about 120,000 workers enrolled in the voluntary scheme and about 540,000 workers enrolled in mandatory schemes. The total cost of this measure is estimated to be about USD 228 million (1.6 percent of GDP), and the government is facing financing gaps to fully implement the relief measures.

### Project description

**Project Development Objective** is to provide jobseekers and micro-entrepreneurs in Mongolia with improved access to labor market opportunities and to provide temporary relief to eligible workers in response to the COVID-19 crisis.

The MERESP comprises the following components:

#### **Component 1: Supporting client-centric public employment services:**

This component will address job-search constraints related to incomplete information and poor labor market transparency by supporting client-centric public employment services. Information frictions become particularly salient at times of crises when many job seekers may be looking for a limited number of jobs or when employers cannot invest as much in screening candidates. The unifying and guiding principle for the component will be to empower job counselors to focus on clients - job seekers and employers - and their core functions of finding the best possible jobs or employment opportunities for jobseekers and finding qualified pool of workers for employers.

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<sup>1</sup> Social insurance in Mongolia consist of pension insurance, benefits insurance, health insurance, insurance against employment injury and occupational diseases, and unemployment insurance. Insured individuals receive benefits contingencies of retirement, disability, sickness and unemployment. The relief exemptions do not apply to health insurance contributions.

The ongoing Mongolia Employment Support Project (MESP) has undertaken significant steps towards development of a client-centric public employment services. MESP has already conducted, or is planning to conduct, many complementary systemic measures such as (a) a functional review of public employment service modality and service standards, work processes, and performance measurement; (b) systemic capacity strengthening through the participation of key sector officials in relevant international forums and a study tour of best practices; and (c) development of LMIS to increase the efficiency of PES system so as to allow job counselors to concentrate on hard-to-place job seekers. In addition, Korean ODA is expected to develop and implement an ICT-based job-matching platform to foster online and mobile use of job-matching functions. MESP has already completed the physical modernization of 8 local labor and social welfare offices out of 14 to cater to more effective and efficient services.

The component will complement the above initiatives by operating on two levels. First, it will continue supporting the comprehensive upgrading of the selected labor and social welfare offices. It will include the following activities: (a) development and implementation of the streamlined work organization based on the recommendations from the functional reviews; (b) a coordinated piloting and deployment of the LMIS (developed under MESP) and of ICT-based job matching tool (developed under the Korean ODA) for the better synergy; (c) physical upgrading of the General Office for Labor and Social Welfare Services (GOLSW) office to house improved LMIS and facilitate streamlined work organizations and training facilities; and (d) capacity strengthening of public employment services through technical assistance and staff training. Second, complementary systemic measures will improve the efficiency and coverage of the public employment services in partnership with private employment services through (a) a functional review of private employment services' service standards, work processes, and performance measurement; (b) improved linkages between public and private employment services through an expansion of shared job vacancy listings and other activities; and (c) a communication/outreach campaign to advertise upgraded services.

To achieve these objectives, the component will finance consultants to support the functional review of private employment services; the deployment and implementation of streamlined work organization and service standards; the physical modernization of the GOLWS in the form of provision of furniture, promotional material and ICT equipment, and small-scale interior remodeling; a communication/outreach campaign; and training and capacity-building measures. All activities are based on international best practice that has demonstrated that integrated investments in human resources, physical sites, and technology in partnership with private providers is central to supporting client-centric public employment services, particularly in developing economies with incomplete information and poor labor market transparency.

## **Component 2. Strengthening select active labor market programs:**

The aim of this component is to strengthen the design, relevance, and demand orientation of select active labor market programs. Based on international best practice examples and learnings from the implementation of the MESP, it will finance interventions to address the widespread lack of technical and socio-behavioral skills and of labor demand, made worse by COVID-19 crisis. It will have two subcomponents.

### *Subcomponent 2.1 Support for micro-entrepreneurs*

Subcomponent 2.1 will support new opportunities for starting and growing a sustainable microenterprise through the provision of comprehensive financial and nonfinancial support.<sup>2</sup> It

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<sup>2</sup> According to the Employment Promotion Law, microenterprises can have invested capital and annual sales of up to MNT 50 million (US\$18,000 at current exchange rates). Most beneficiaries are expected to run much smaller microenterprises.

addresses two important constraints in the Mongolian labor market. First, it provides support to existing micro-entrepreneurs who are particularly vulnerable to the economic impacts of COVID-19 crisis (compared to SME and large businesses) as well as to new micro-entrepreneurs who face increasingly uncertain and grim prospect in the broader labor market. Second, it addresses the chronic labor market constraint related to a lack of labor demand and specifically to the development of a growing and productive microenterprise sector. This will also be a key differentiator compared to the type of support available in Mongolia. The subcomponent will finance (a) a range of nonfinancial support services, including business skills and development training, specialist training modules, mentoring, peer-to-peer and alumni networks, and market linkages to be delivered on a flexible basis to meet beneficiary needs; and (b) financial support in the form of microloans for new and existing microenterprises supplemented by interest rate relief during the COVID-19 related crisis time.<sup>3</sup> This subcomponent will leverage the auxiliary technical assistance activities such as capacity building for MLSP staff and training providers and support for outreach, screening, selection, and curriculum development conducted under the MESP. As in the case of MESP, the microloans will be administered by participating financial institutions (PFIs) in accordance with the World Bank's policies on financial intermediary financing.

#### *Subcomponent 2.2: Skills Innovation program*

Subcomponent 2.2 will provide the MLSP an opportunity to flexibly pilot an innovative active labor market program designed to impart skills valued by the labor market. Such a program has to be agreed upon with the World Bank and will need to (a) have rigorous evidence (international) demonstrating its impact on key employment outcomes; (b) not be a replica of an existing program; (c) be feasible to implement in the local context; (d) be evaluated using a rigorous impact evaluation design such as a randomized controlled trial; and (e) be a program that MLSP intends to scale-up as one of the key active labor market programs even after the project ends. This subcomponent will be managed directly by the PIU and will serve as a 'proof-of-concept' for the effectiveness of the intervention.

### **Component 3. Facilitating labor market monitoring and analysis and project management:**

Component 3 will enhance the scope, quality, and availability of labor market information for institutional and individual users, to allow them to make informed decisions. In addition, it will provide support for M&E and project management. It will consist of two subcomponents.

#### *Subcomponent 3.1: Labor market monitoring and analysis*

More complete and widely available labor market information will address job-search constraints related to incomplete information, by guiding job-search and skills-preparation processes of job seekers and students making career choices and directing policy makers in the evidence-based reform of education and labor programs. Subcomponent 3.1 will continue and complement the activities conducted under MESP to improve the scope, quality, and availability of labor market information. In conjunction with MESP, this subcomponent will conduct the following labor market monitoring and analysis: (a) impact evaluation of an active labor market program conducted under subcomponent 2.2; and (b) complete the study on unemployment initiated by MESP.<sup>4</sup> The subcomponent will finance consultant support for the impact evaluation and study on unemployment, dissemination activities,

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<sup>3</sup> Interest rate will be subsidized to borrowers via a temporarily subsidized wholesale rate during the period of crisis. Injecting low-cost liquidity into the financial system has been a common policy response across the world to combat economic fallout of the COVID-19 crisis.

<sup>4</sup> Under MESP, the GoM chose to study unemployment dynamics in Mongolia, a topic which has increased in importance with the COVID-19 crisis. The study has added a module to the ongoing year-long Labor Force Survey. While MESP has financed a consultant to design the study and the data collection, this project will finance a consultant for data analysis and production of the study report.

and fieldwork required for the impact evaluation.

*Subcomponent 3.2: Project management and monitoring* and will provide day-to-day implementation and operational support to the MLSP and the Project Implementation Unit (PIU) to be established therein to efficiently implement the project. This will include the support of M&E activities and the financing of the PIU's coordination and management activities.

#### **Component 4. Providing temporary relief to eligible workers in response to COVID-19:**

This component will provide temporary relief to eligible workers in response to COVID-19. The liability of paying monthly SI contribution presents an undue financial burden for employers and workers at the times of crisis could indirectly contribute to higher job-loss and business shutdowns. The Parliament of Mongolia has enacted a law that provides a legal framework for social insurance contribution exemption for eligible workers under the mandatory and voluntary SI contribution schemes. The exemption, effectively a contribution subsidy to eligible employers and employees, exerts a fiscal pressure on the Social Insurance Fund (SIF) that has to pay out the recurrent set of benefits on a regular basis. The component therefore transfers funds to the SIF to partially compensate it for the subsidy and support ability to timely pay short-term benefits such as unemployment benefits during the crisis and to contribute to ensuring its financial sustainability in the longer-term. This component provides social insurance contribution relief for eligible employers and their workers under the mandatory SI scheme. The same exemption for workers under the voluntary scheme is being supported under the MESP.

The eligibility criteria for employers are determined by the "Law on Exemptions for SI contribution and Assistance from Unemployment Insurance Fund,"<sup>5</sup> and the implementation arrangements are established by a respective government procedure.<sup>6</sup> Workers in the public sector, as well as those working in publicly funded entities, are ineligible. Eligible employers are those who are adversely affected by the COVID-19 crisis as determined by SIGO and its local branches in accordance with the law and related procedures. Since a full coverage of the expected number of beneficiaries for six months is beyond the resource envelope of the project, the project will support as many beneficiaries as possible for a limited duration of one month. Project beneficiaries for this component will be from select aimags and districts based on the most recent estimate of poverty rate, level of contribution, expected number of potential beneficiaries, and budget.

The MERESP is being prepared under the World Bank's Environment and Social Framework (ESF). As per the Environmental and Social Standard ESS 10 Stakeholders Engagement and Information Disclosure, the implementing agencies should provide stakeholders with timely, relevant, understandable and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.

## **2. Stakeholder Engagement Plan (SEP)**

The overall objective of this SEP is to define a program for stakeholder engagement, including public information disclosure and consultation, throughout the entire project cycle. The SEP outlines the ways in which the project team will communicate with stakeholders and includes a mechanism by which people can raise concerns, provide feedback, or make complaints about project and any activities related to the project. The involvement of the local population is essential to the success of the project in order to ensure smooth collaboration between project staff and local communities and to minimize and mitigate environmental and social risks related to the proposed project activities. In

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<sup>5</sup> <https://www.legalinfo.mn/law/details/15244?lawid=15244>

<sup>6</sup> <https://www.legalinfo.mn/law/details/15274>

the context of infectious diseases, broad, culturally appropriate, and adapted awareness raising activities are particularly important to properly sensitize the communities to the risks related to infectious diseases.

### 2.1. Stakeholder identification and analysis

Project stakeholders are defined as individuals, groups or other entities who:

- (i) are impacted or likely to be impacted directly or indirectly, positively or adversely, by the Project (also known as 'affected parties'); and
- (ii) may have an interest in the Project ('interested parties'). They include individuals or groups whose interests may be affected by the Project and who have the potential to influence the Project outcomes in any way.

Cooperation and negotiation with the stakeholders throughout the Project development often also require the identification of persons within the groups who act as legitimate representatives of their respective stakeholder group, i.e. the individuals who have been entrusted by their fellow group members with advocating the groups' interests in the process of engagement with the Project. Community representatives may provide helpful insight into the local settings and act as main conduits for dissemination of the Project-related information and as a primary communication/liaison link between the Project and targeted communities and their established networks. Verification of stakeholder representatives (i.e. the process of confirming that they are legitimate and genuine advocates of the community they represent) remains an important task in establishing contact with the community stakeholders. Legitimacy of the community representatives can be verified by talking informally to a random sample of community members and heeding their views on who can be representing their interests in the most effective way. With community gatherings limited or forbidden under COVID-19, it may mean that the stakeholder identification will be on a much more individual basis, requiring different media to reach affected individuals.

#### 2.1.1. Methodology

In order to meet best practice approaches, the project will apply the following principles for stakeholder engagement:

- *Openness and life-cycle approach*: public consultations for the project(s) will be arranged during the whole life-cycle, carried out in an open manner, free of external manipulation, interference, coercion or intimidation;
- *Informed participation and feedback*: information will be provided to and widely distributed among all stakeholders in an appropriate format; opportunities are provided for communicating stakeholders' feedback, for analyzing and addressing comments and concerns;
- *Inclusiveness and sensitivity*: stakeholder identification is undertaken to support better communications and build effective relationships. The participation process for the projects is inclusive. All stakeholders at all times are encouraged to be involved in the consultation process. Equal access to information is provided to all stakeholders. Sensitivity to stakeholders' needs is the key principle underlying the selection of engagement methods. Special attention is given to vulnerable groups, in particular women, youth, citizens having difficulty finding employment, college or university graduates, elderly and the cultural sensitivities of diverse ethnic groups.
- *Flexibility*: if social distancing inhibits traditional forms of engagement, the methodology should adapt to other forms of engagement, including various forms of internet communication. (See Section 3.2 below).

For the purposes of effective and tailored engagement, stakeholders of the proposed project(s) can be divided into the following core categories:

- **Affected Parties** – persons, groups and other entities within the Project Area of Influence (PAI) that are directly influenced (actually or potentially) by the project and/or have been identified as most susceptible to change associated with the project, and who need to be closely engaged in identifying impacts and their significance, as well as in decision-making on mitigation and management measures;
- **Other Interested Parties** – individuals/groups/entities that may not experience direct impacts from the Project but who consider or perceive their interests as being affected by the project and/or who could affect the project and the process of its implementation in some way; and
- **Vulnerable Groups** – persons who may be disproportionately impacted or further disadvantaged by the project(s) as compared with any other groups due to their vulnerable status<sup>7</sup> and that may require special engagement efforts to ensure their equal representation in the consultation and decision-making process associated with the project.

### 2.1.2. Affected parties

Affected Parties include local communities, community members and other parties that may be subject to direct impacts from the Project. Specifically, the following individuals and groups fall within this category:

1. Ministry of Labor and Social Welfare
2. General office for labor and welfare services (GOLWS)
3. All these who are either job seekers or micro-entrepreneurs
4. Citizens having difficulty finding employment
5. Young people age 18-34
6. TVET and college or university graduates
7. Poor household (as for instance measured by PMT scores)
8. Women
9. Members of rural cooperatives and partnership
10. Members of self-organized groups
11. Citizens who are enrolled under the mandatory social insurance scheme
12. Labor and social welfare offices
13. Vocational training trainers
14. Members of the Selection Panels
15. Project Steering Committee
16. Project participating Institutions staff (PFI)

### 2.1.3. Other interested parties

The projects' stakeholders also include parties other than the directly affected communities, including:

1. Immediate family members of the successful applicants
2. Other vendors or service providers who potentially sale needed materials
3. Policy makers including Member of Parliament
4. Research institutes, international and national consultants
5. Other national and international organizations
6. National and local media companies
7. Public at large

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<sup>7</sup> Vulnerable status may stem from an individual's or group's race, national, ethnic or social origin, color, gender, language, religion, political or other opinion, property, age, culture, literacy, sickness, physical or mental disability, poverty or economic disadvantage, and dependence on unique natural resources.

#### 2.1.4. Disadvantaged / vulnerable individuals or groups

It is particularly important to understand whether project impacts may disproportionately fall on disadvantaged or vulnerable individuals or groups, who often do not have a voice to express their concerns or understand the impacts of a project and to ensure that awareness raising and stakeholder engagement with disadvantaged or vulnerable individuals or groups on infectious diseases and medical treatments in particular, be adapted to take into account such groups or individuals particular sensitivities, concerns and cultural sensitivities and to ensure a full understanding of project activities and benefits. The vulnerability may stem from person's origin, gender, age, health condition, economic deficiency and financial insecurity, disadvantaged status in the community (e.g. minorities or fringe groups), dependence on other individuals or natural resources, etc. Engagement with the vulnerable groups and individuals often requires the application of specific measures and assistance aimed at the facilitation of their participation in the project-related decision making so that their awareness of and input to the overall process are commensurate to those of the other stakeholders.

Within the Project, the vulnerable or disadvantaged groups may include and are not limited to the following:

1. All these who are either job seekers or micro-entrepreneurs
2. Citizens having difficulty finding employment
3. Young people age 18-34
4. TVET and college or university graduates
5. Poor status (as for instance measured by PMT scores)
6. Women
7. Members of rural cooperatives and partnership including herders who reside in rural towns
8. Ethnic minorities who are reside in provincial centers
9. Persons with disabilities (PwD)

Vulnerable groups within the communities affected by the project will be further confirmed and consulted through dedicated means, as appropriate. Description of the methods of engagement that will be undertaken by the project is provided in the following sections.

#### **ESS7**

Mongolia is a largely homogenous sparsely populated country with some 85 percent of the population of Mongol background divided into a number of groups with distinct dialects and cultures. Other distinct indigenous groups include Tuvian-speaking Tsaatan (also known as Dukha) reindeer herders who subsist in the Sayan Mountains in northern Mongolia. This group and other pastoralist communities who subsist in remote areas are outside of the scope of the project which focusses on support for small enterprise and workers in urban and town settings. A substantial Kazakh-speaking Muslim minority inhabit towns of the western part of Mongolia (Bayan-Olgii). Kazakh-speaking populations would be likely project beneficiaries for microloans and worker social security support. Rest ethnic minority groups use Mongolian as primary language.

The SEP will be prepared in a manner consistent with the ESS7 to enable targeted meaningful consultation held and measures are implemented to ensure effective participation of Kazakh ethnic minority community and microenterprises in the project activities. These measures will include production of key project documentation and information in Mongolian and Kazakh languages and dissemination and feedback opportunities made available using local channels tailored to Covid-19 emergency contexts. The culturally appropriate engagement processes will be also considered.



### 3. Stakeholder Engagement Program

#### 3.1. Summary of stakeholder engagement done during project preparation

The speed and urgency with which this project has been developed to meet the growing threat of COVID-19 in the country, combined with decision of National Emergency Commission dated 28 April, 2020 to extend the country's state of partial heightened preparedness and associated measures till May 31 and this has limited the project's ability to develop a complete SEP before this project is approved by the World Bank. This initial SEP was developed and disclosed prior to project appraisal, as the starting point of an iterative process to develop a more comprehensive stakeholder engagement strategy and plan. It will be updated periodically as necessary, with more detail provided in the first update planned after project approval.

MERESP is the extension and upscaling of an ongoing project where there has been prior and continued stakeholder engagement in parent project which is still ongoing that needs to be updated given the new project's scaling for COVID-19. This preliminary SEP (and ESCP) has been consulted with relevant officials of the MLSP, GOLWS and PIU. Phone based consultations were carried out by the PIU with several local labor and welfare offices. Comments and feedback from the MLSP and PIU were incorporated into this preliminary SEP which has been disclosed on the MLSP website as of May 21, 2020 for public information and feedback ( <http://www.mlsp.gov.mn/nnews/736> ). This preliminary SEP will be updated during early implementation and then periodically as necessary by the MLSP and PIU. The local offices will conduct further consultations with the public and project affected stakeholders including PFIs etc. If needed, consultants will be contracted to organize a training for LSWO in districts and provinces.

An action plan for further consultations is currently being prepared and relevant budget is earmarked.

#### 3.2. Summary of project stakeholder needs and methods, tools and techniques for stakeholder engagement

A precautionary approach will be taken to the consultation process to prevent infection and/or contagion, given the highly infectious nature of COVID-19. The following are some considerations for selecting channels of communication, in light of the current COVID-19 situation:

- Avoid public gatherings (taking into account national restrictions or advisories), including public hearings, workshops and community meetings;
- If smaller meetings are permitted/advised, conduct consultations in small-group sessions, such as focus group meetings. If not permitted or advised, make all reasonable efforts to conduct meetings through online channels;
- Diversify means of communication and rely more on social media and online channels. Where possible and appropriate, create dedicated online platforms and chatgroups appropriate for the purpose, based on the type and category of stakeholders;
- Employ traditional channels of communications (TV, newspaper, radio, dedicated phone-lines, and mail) when stakeholders do not have access to online channels or do not use them frequently. Traditional channels can also be highly effective in conveying relevant information to stakeholders, and allow them to provide their feedback and suggestions;
- Where direct engagement with project affected people or beneficiaries is necessary, identify channels for direct communication with each affected household via a context specific

combination of email messages, mail, online platforms, dedicated phone lines with knowledgeable operators;

- Each of the proposed channels of engagement should clearly specify how feedback and suggestions can be provided by stakeholders.

In line with the above precautionary approach, different engagement methods are proposed and cover different needs of the stakeholders as below:

### 3.3. Proposed strategy for information disclosure

Project stage	Target stakeholders	List of information to be disclosed	Methods and timing proposed
<i>Implementation</i>	<p>The Government including: State Emergency Commission, MoF, MLSP, GOLWS, local labor and welfare services office (UB, Aimag level), Selection Committee members;</p> <p>General public including: All these who are either job seekers or micro-entrepreneurs; Citizens having difficulty finding employment; Young people age 18-34; TVET and college or university graduates; poor status (as for instance measured by PMT scores); women; members of rural cooperatives and partnership; herders who reside in provincial towns; Members of self-organized groups; citizens who are enrolled under the mandatory social insurance scheme Rural population including herders and herder households in provincial centers; ethnic minorities; PwD,</p> <p>International Organizations such as UNDP, ILO, ADB, EBRD, GIZ est.</p>	<ul style="list-style-type: none"> <li>• Stakeholder Engagement Plan</li> <li>• GRM and its operational procedure</li> <li>• Regular project update/information</li> </ul>	<p>project website and FB.</p> <p>Website of the MLSP and GOLWS. Once in every quarter</p> <p>TV/Radio programs (throughout the project lifespan)</p> <p>Poster, leaflets and other printed materials Once in every quarter</p>

### 3.4. Stakeholder engagement plan

In terms of methodology, it will be important that the different activities are inclusive and culturally sensitive, thereby ensuring that the vulnerable groups outlined above will have the chance to participate in the Project benefits. Given to guidance issued by State Emergency Commission not to hold any public gathering till May 30, 2020, the priority communication channel will be access to information via the Ministry and World Bank website, national TV and radio broadcasting, aimag level TV stations and FM radio. Second is published materials to be displayed in main locations such as shop, bank or health centers. The local Labor and Social Welfare offices will also inform project affected people directly or via its website or information board. The PIU will ensure to produce information and communication materials in Mongolian as well as Kazakh languages as appropriate with cooperation of the Bayan-Ulgi aimag LWSO.

Project stage	Topic of consultation / message	Method used	Target stakeholders	Responsibilities
Preparation	<i>Purpose and method of preparing ESRS, ESCP and SEP</i>	Virtual consultation Providing background information	MLSP	MLSP/ PIU
	Draft SEP and identify needed human and financial resources	Virtual consultation Exchange of communication and sharing of documents.	MLPS/ PIU	
Implementation	Updated ESMF/SEP and its implementation  Regular project update on status of project implementation  Regular update on status of GRM including number & nature of compliance, number of cases and their status of resolve or upscale.  ESMF	Virtual consultation if face-to-face event is prohibited  Sharing draft documents via website and other social media channel of the MLSP/ PIU  Poster/ or leaflet about GRM and it operations and detailed information on how to access	<b>The Government including:</b> State Emergency Commission, MoF, MLSP, GOLWS, Local Social welfare and labor offices (UB, Aimag level), Selection Committee members; <b>General public including:</b> All these who are either job seekers or micro-entrepreneurs; Citizens having difficulty finding employment; Young people age 18-34; TVET and college or university graduates; poor status (as for instance measured by PMT scores); women; members of rural cooperatives and partnership; herders who reside in provincial towns; Members of self-organized groups; citizens who are enrolled under the mandatory social insurance scheme; citizens who are enrolled under Voluntary social insurance scheme est. Rural population including herders and herder households in provincial centers; ethnic minorities; PwD <b>International Organizations</b> such as UNDP, ILO, ADB, EBRD, GIZ est.	MLSP/ PIU

### 3.5. Proposed strategy to incorporate the view of vulnerable groups

The project will carry out targeted stakeholder engagement with vulnerable groups to understand concerns/needs in terms of accessing information and services and other challenges they face at home, at work places and in their communities. The details of strategies that will be adopted to effectively engage and communicate to vulnerable group will be considered during project implementation<sup>8</sup>.

### 3.6. Reporting back to stakeholders

Stakeholders will be kept informed as the project develops, including reporting on project environmental and social performance and implementation of the stakeholder engagement plan and grievance mechanism.

## 4. Resources and Responsibilities for implementing stakeholder engagement activities

### 4.1. Resources

The Ministry of Labor and Social Protection through the PIU will be in charge of stakeholder engagement activities. The SEP updating, and implementation will be funded from the Project Management budget under Component III.

### 4.2. Management functions and responsibilities

The project implementation arrangements are as follows: The MLSP will be responsible for the implementation of the project, including overall coordination, results monitoring, and communicating with the World Bank on all fiduciary and safeguard aspects. It will be supported by the PIU, which will carry out the day-to-day implementation of the project. The PIU staff should be appropriately trained to effectively supervise the implementation of the SEP and ESMF, including through a selective monitoring of the screening and selection of microenterprises by labor and social welfare offices, if appropriate, with support from the GOLWS. The stakeholder engagement activities will be documented through bi-annual progress reports, to be shared with the Association.

## 5. Grievance Mechanism

The main objective of a Grievance Mechanism (GM) is to assist to resolve complaints and grievances in a timely, effective and efficient manner that satisfies all parties involved. Specifically, it provides a transparent and credible process for fair, effective and lasting outcomes. It also builds trust and cooperation as an integral component of broader community consultation that facilitates corrective actions. Specifically, the GM:

- Provides affected people with avenues for making a complaint or resolving any dispute that may arise during the course of the implementation of projects;

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<sup>8</sup> Examples may include (i) women: ensure that community engagement teams are gender-balanced and promote women's leadership within these, design online and in-person surveys and other engagement activities so that women in unpaid care work can participate; consider provisions for childcare, transport, and safety for any in-person community engagement activities; (ii) Pregnant women: develop education materials for pregnant women on basic hygiene practices, infection precautions, and how and where to seek care based on their questions and concerns; (iii) Elderly and people with existing medical conditions: develop information on specific needs and explain why they are at more risk & what measures to take to care for them; tailor messages and make them actionable for particular living conditions (including assisted living facilities), and health status; target family members, health care providers and caregivers; (iii) People with disabilities: provide information in accessible formats, like braille, large print; offer multiple forms of communication, such as text captioning or signed videos, text captioning for hearing impaired, online materials for people who use assistive technology; and (iv) Children: design information and communication materials in a child-friendly manner & provide parents with skills to handle their own anxieties and help manage those in their children.

- Ensures that appropriate and mutually acceptable redress actions are identified and implemented to the satisfaction of complainants; and
- Avoids the need to resort to judicial proceedings.

### 5.1. Description of GM

Grievances will be managed at 2 levels: At national level, the MLSP through the PIU; at provincial level the LWSO will register grievance.

The GM will include the following steps and indicative timelines:

**Step 1:** Submission of grievances either orally or in writing to MLSP, LWSO and PIU:

**Step 2:** Recording of grievance and providing the initial response within 48 hours

**Step 3:** Investigating the grievance and communication of the Response within 7 working days

**Step 4:** Complainant Response: either grievance closure or taking further steps if the grievance remains open. If grievance remains open, complainant will be given opportunity to appeal one of below organizations, directly:

<b>Ministry of Labor and Social Protection</b>	<b>MERESP Project Implementation Unit</b>	<b>Labor and Social Welfare Offices</b>
Secretariat/or Communication officer Email: <a href="mailto:info@mlsp.gov.mn">info@mlsp.gov.mn</a> Webpage: <a href="http://www.mlsp.gov.mn">http://www.mlsp.gov.mn</a> Call: +976-51-261553 or +976-51-267635 Address: Chingeltei District, Khoroo 4, UN street, Ulaanbaatar -15160, Mongolia	Contact person: M&E officer Email: <a href="mailto:info@mesp.mn">info@mesp.mn</a> Call: +976-76000073 Address: Room # 801, Modun tower, Sukhbaatar Disrict, Ulaanbaatar, Mongolia	Provincial and District LWSO can be found at General Office for Labor and Welfare Service Webpage: <a href="http://hudulmur-halamj.gov.mn/">http://hudulmur-halamj.gov.mn/</a>

Once all possible redress has been proposed and if the complainant is still not satisfied then they should be advised of their right to legal recourse including process stated in the Law on Resolving Citizens' Complaint/Petition Addressed to Public Organization or Servant (1995). According to law, the public organization who has accepted grievance expected to respond within 30 days with possible extension another 30 days.

MERES PIU will have a project specific website for information sharing with project affected stakeholders. The webpage will have specific tab designed to register feedback/grievance from project beneficiaries. The M&E officer under direct supervision of the project coordinator will be responsible to manage GRM. The PIU will prepare and submit a report on the operation of GRM to the World Bank.

### 5.2 Venues to register Grievances - Uptake Channels

A complaint can be registered directly through any of the following modes and, if necessary, anonymously or through third parties.

- By telephone at MLSP (+976-51-261553), PIU (+976-76000073) or LWSOs. The list of the provincial level labor and social welfare offices details are available at GOLWS website.
- By e-mail to MLSP to [info@mlsp.gov.mn](mailto:info@mlsp.gov.mn), PIU to [info@mesp.mn](mailto:info@mesp.mn) or LWSO (information can be found at GOLWS website)

- By letter directly to MLSP, PIU or LWSO.
- By complaint form to be lodged at any of the address listed above. Such form will be made available in the relevant LWSO to be used by the complainants and can be filled.
- Walk-ins and registering a complaint on grievance logbook at MLSP, PIU LWSO or suggestion box at PIU office.

Once a complaint has been received, by any and all channels, it should be recorded in the complaints logbook or grievance excel-sheet/grievance database to be developed by the PIU.

[The project will have other measures in place to handle sensitive and confidential complaints, including those related to Sexual Exploitation and Abuse/Harassment (SEA/SH) in line with the WB ESF Good Practice Note on SEA/SH.]<sup>9</sup>

## 6. Monitoring and Reporting

### 6.1. Involvement of stakeholders in monitoring activities

The responsibility for implementation of the SEP will be remain within PIU. The Aimag level LWSO will also play an important to role to ensure the local implementation of the SEP and will be asked by MLSP/PIU to prepare a monitoring report bi-annual base on number of cases on use of project level GRM and respective actions.

### 6.2. Reporting back to stakeholder groups

The SEP will be periodically revised and updated as necessary in the course of project implementation in order to ensure that the information presented herein is consistent and is the most recent, and that the identified methods of engagement remain appropriate and effective in relation to the project context and specific phases of the development. Any major changes to the project related activities and to its schedule will be duly reflected in the SEP. Bi-annual summaries and internal reports on public grievances, enquiries and related incidents, together with the status of implementation of associated corrective/preventative actions will be collated by responsible staff and referred to the senior management of the project. The [monthly] summaries will provide a mechanism for assessing both the number and the nature of complaints and requests for information, along with the Project's ability to address those in a timely and effective manner. Information on public engagement activities undertaken by the Project during the year may be conveyed to the stakeholders in two possible ways:

- Publication of a project activity annual report on the project interaction with the stakeholders.
- Key Performance Indicators (KPIs) will also be monitored by the project on a regular basis, including the following parameters:

#	INDICATOR	RESPONSIBILITY
1	Number of published awareness raising materials about project level GRM for project affected people	MLSP, LWSO, PIU
2	Number of channels and frequency of ads used for subcomponent 2.1	MLSP, LWSO, PIU
3	Number of public grievances received within reporting period at MLSP, PIU as well as LWSO levels.	MLSP, LWSO, PIU

<sup>9</sup> Add where SEA/SH risks are relevant to the project.

4	Number of training sessions on GRM for LWSO as part of training organized by PIU	PIU
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