



International
Labour
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Decent Work Country Programme

Mongolia



DECENT
WORK
COUNTRY
PROGRAMME

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MONGOLIA

2006-2010



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Background

Decent Work Country Programme (DWCP), Mongolia is grounded in the over-arching frameworks of:

ILO's Decent Work Agenda; and

The National Plan of Action for Decent Work (NPA-DW)- Mongolia 2005-2008.

The Decent Work Agenda of the ILO, adopted by member states, at the 87th session of International Labour Conference, in 1999 rests on the execution of four strategic objectives: fundamental principles and rights at work; employment; social protection & social dialogue. The ultimate aim being the promotion of opportunities for all women and men in securing decent and productive work in conditions of freedom, equity, security and human dignity.

Tripartite constituents in Mongolia adopted the National Plan of action for Decent Work (NPA-DW) 2005-2008, at the meeting of the National Tripartite Committee of Labour and Social Consensus, on 24 January 2005. A product of in-depth tripartite consultations, spanning over a period of one year, the NPA-DW is Mongolia's response to the decisions taken at the 13th Asian Regional Meeting (ARM) in August 2001, Bangkok. Delegates at 13th ARM had urged the member states in the region to define, through a tripartite process, a national plan of action for decent work. Mongolia was amongst the first countries to support the ensuing request for ILO to support and provide assistance to the tripartite constituents in the design of these national plans of action. The conclusion of the 14th ILO Asian Regional Meeting in September 2006 saw the beginning of *Asian Decent Work Decade*, with tripartite constituents of the Asian region committing to achieve specific decent work outcomes in accordance with their respective national circumstances and priorities.

ILO facilitated in kick-starting the national consultation process through a tripartite workshop in Ulaan Baatar on 6 May 2004 aimed at clarifying and information sharing on decent work concepts and practice. It resulted in an extensive tripartite consultation process culminating, a year later, in the formulation of the National Plan of Action for Decent Work in Mongolia. Tripartite consensus on issues of mutual concern and collective action are contained in the NPA-DW. The document links outputs, funding and indicators for achieving its objectives. The NPA-DW, places itself within the parameters of national policy and is aligned to the national macro frame works in Mongolia which include: The National Development Concept of Mongolia/ long-term policy framework; The Economic Growth Support and Poverty Reduction Strategy/ medium term development policy of Mongolia (EGSPRS); The Social Security

Sector Strategy Paper/ medium- term policy framework of the sector and Mongolian National Policy on population Development.

The Decent Work Country Programme (DWCP) framework supports and furthers the NPA-DW and outlines the strategic areas for which the ILO will provide the technical support and assistance to the tripartite partners, who will work in collaboration with one another, for promoting decent work. DWCP articulates the priorities resulting from in-depth consultations with the constituents. Furthermore, it builds on the work already accomplished in Mongolia through ILO assistance (see annex II). In doing so, DWCP is housed in the United Nations Development Assistance Framework (UNDAF) and the Common Country Assessment (CCA) June 28, 2005, and is in tune with the UN system response to help Mongolia achieve the MDGS. The DWCP provides the framework for ILO's contribution to the UNDAF and the basis for reporting on UNDAF results. (See annex I paragraph on UNDAF.)

Overview – Economic, Social and Labour

Mongolia ended its transition in 2004, and began its development as a market economy, striving to ensure equitable growth and people centered development. Stricter adherence to the economic reform process is resulting in relative over all macro-economic stability. After several years of efforts economic growth accelerated in 2004 (10.6%) and 2005 (6.2%) from 5.69% in 2003 due mainly to a recovery in the agriculture sector, expansion of transportation and telecommunication sectors and higher commodity prices in the world market, specially those of copper and gold. These favorable indicators put Mongolia in a position of being able to curtail its trade deficit, which fell according to World Bank from 9.4% in 2004 to 5% of GDP in 2005. Its international reserves stand at US\$298 million, a substantive jump from US\$164 million at the end of 2004. However, GDP per capita still remains below pre-transition level, and the economy is dependent on foreign aid and a narrow base of commodity exports. Livestock production forms by far the major component (79.5%) of agricultural production which comprises 20% of GDP. Mining and quarrying account for 9.5% of GDP, wholesale and retail trade and repairs 28.8%, and manufacturing 6%. Copper, fluorspar, gold, livestock, animal products, cashmere, wool, hides, form the major export commodities

With its population estimated at 2.5 million Mongolia has a low population density of 1.6 persons per square kilometer. Approximately one half of the population is concentrated in urban areas of which the majority live in the capital, Ulaanbaatar. GDP per capita is \$1,850 and life expectancy is 64 years. Adult literacy rates are high at 97.5% with no pronounced gender difference. Mongolia's Human Development Index is ranked 114th out of 177 countries cited in the Human Development Report of 2005.

While there are visible signs of macro economic upsurge, corresponding stability in addressing development challenges accompanying the transition continues to be a formidable task. Land locked and prone to harsh and extreme climatic conditions, Mongolia has suffered several times severe setbacks to its development process resulting from natural calamities, in addition to post socialist erosion of its institutions. Foremost amongst the natural disasters have been the dzuds, having an alarming impact on Mongolia's herds and livestock. Institutional wearing away resulted in the removal of subsidies and reduction in social safety nets has added to the already poor living conditions.

A combination of a host of factors has led to sharp drops in employment levels, GDP, national disposable income, and people's living standards. In the aftermath of transition and on its way to become a market economy, the dynamics of labour market and employment in Mongolia underwent a major upheaval. With

existing systems and institutions in a state of virtual collapse and its new systems and institutions not yet fully in place, Mongolia's exposure to the global market forces was not without repercussions. Sharp falls in production output and exports, elimination of subsidies from the former Soviet Union, which accounted for 30 percent of the GDP, and the state no longer a guarantor of employment, have all combined, to deepen the incidence of poverty. It is estimated that around 36 percent of the population live below the national poverty line of US\$17 a month. Of these, 18 percent are extremely poor with monthly incomes below US\$10. Mongolia's economic gains in the recent years have yet to make a visible impact on the lives and incomes of its people.

Labour and Employment: Statistics put Mongolia's labour force at 1.577 million people of whom 27% were unemployed. Of those who were employed, 53 percent were own-account and unpaid family workers, 14.1 percent workers in public sector, and the rest paid employees (40 percent) and employers (9 percent).

Informal Economy: The emergence of a rapidly increasing "informal economy" poses a new challenge to those designing and implementing policies. The termination of pre-transition subsidies and the ensuing loss of safety nets, privatization and structural reforms, downsizing of public enterprises, increase in unemployment and poverty, and increase in rural urban migration resulted in pushing people into finding livelihoods anywhere and wherever they could. The 2002-2003 Labour Force Survey officially estimated the total employment in the informal sector as 126,000 (14 percent of total employed). The informal sector is typically marred by low incomes, long hours, unsafe and poor conditions of work, and is left outside the scope of regulations and legislation. Nonetheless, it currently offers employment and incomes to a large number of people. High levels of migration to urban areas exist for mostly economic reasons. Ulaanbaatar grew by 5.5% in a single year and comprises 33% of the population (2002-2003). Migrants tend to concentrate in suburban areas in so-called "Ger" districts named after the traditional dwelling in which many migrants live.

Skills and Training: Pre-transition, Mongolia developed a labour force that was highly literate and well educated. Today education and training do not provide unemployed workers and new entrants with the skills needed for employment in the world economy. Prior to the economic transition, public training institutions were the main providers of skill development programmes in Mongolia. There is awareness, by Government, enterprises and workers, that public and private training institutions are encountering severe difficulties in providing the level of skills training needed for modern enterprises. The mismatch between the training provided by existing training institutions and the skill requirements of the workplace is widening. The effects of globalization, rapid changes in technology and the way in which work is now organized have contributed significantly to this widening skills gap. Public training institutions have particular difficulty securing resources to enable them to provide relevant skill training for today's workplace. Many previously state-owned enterprises have been partially or fully privatized and their equipment upgraded, requiring their employees to be knowledgeable workers.

Youth: Young people account for one-third of the labour force. Overall, the labour force participation rate for youth is estimated at 54 per cent compared to 66 per cent for adults, and youth unemployment rate at 23 per cent is higher than the adult unemployment rate 15 per cent. Unemployment rates are higher for young women than young men. High rates of unemployment are blamed on the inappropriate education and training at the secondary level and at the university level.

Gender: Government is providing a renewed push to gender issues through reactivating the National Committee on Gender Equality. Recent indicators on gender equality denote promising steps forward in Mongolia's efforts at promoting gender equality. Women, though under-represented, occupy fairly high percentage of positions in different professions such as in Judiciary (Supreme Court Judges and judges at the provincial levels). The basic education standard of women is high, with a 96 per cent literacy rate and

greater school attendance and fewer school dropouts when compared with men (girls constitute 70 per cent of those matriculating in higher education). Primary, secondary and tertiary education indicate half and half enrollment of boys and girls. Regardless these positive indicators, there is a general acceptance that despite affirmative action, several gender gaps need to be addressed. Poverty is most apparent in lives of female-headed households, number of which has been doubled from 1990-1997 and now have reached 54,530. Gender based violence is observed as being on the increase. Analysis on gender and employment is lacking. Measures are needed to address for example impact of the end of Multi Fiber Agreement (MFA), the adverse effects of the increased need for unpaid household production on women's economic opportunities, and the downward spiral of parliamentary representation (fall from 23% in 1990 to the current 4 %). Recently, measures have been applied to ensure each political party has increased representation of women in the higher echelons of the party.

Labour Inspection: By virtue of the fact that labour inspection is a pre-requisite for ensuring proper compliance with national labour laws to protect workers rights, the shock-wave changes in Mongolia's post transition employment structure challenges its labour inspection system. The current day situation bears heavily on the institutions that must service the application and compliance of national law. The State Professional Inspection Agency (SPIA) bears primary responsibility for labour inspection, which applies to all sectors of the economy. The current ratio of inspector to worker stands at 1:11,500.

Occupational Safety and Health (OSH): Under the socialist system, factory premises were well planned and constructed. Agricultural production was organized into two systems – state enterprises and cooperatives – which made it easier to introduce occupational safety and health standards in an organizational model. However, the emergence of a multi-sectoral economy and the collapse of the large enterprises that gave rise to the establishment of numerous small private businesses, home-based production and improvised workplaces such as gers and basements, which are unsuitable for production activities, demand new approaches for effective implementation of OSH standards. The Government of Mongolia conducted a national survey on OSH in 1997, which revealed that 18.7 percent of the workforce was working under inappropriate conditions and that about 5,700 people became disabled and lost working abilities. In 1998, Mongolia ratified ILO Convention No. 155 on OSH. In 1999, a new labour law was promulgated and this had an entire chapter devoted to OSH. These legal provisions were developed in line with ILO Convention 155. Unfortunately, many challenges remain. Industrial accidents are not decreasing and cases of occupational diseases have increased.

Child Labour: Mongolia has ratified all 8 ILO core Conventions, including ILO Conventions No. 138 (in 2002) and No. 182 (in 2001). In 1999 the Labour Code established a minimum age for employment at 16, and a list of hazardous work forbidden for minors was officially adopted. The National Child Labour Survey 2002-2003 estimates that the country has an economically active child population of 68,580 children aged 5-17 years old, which is 10.1% of the child population in this age group. The largest number of working children (46.7%) is in the age group of 15-17 years old, 31.1 % are 10-14 years old, while 22.3% are 5-9 years old. Mongolia has a major advantage of a well-developed education system and past experience with direct actions to address child labour issues. Since 2000, ILO IPEC project has been supporting constituents and other partners in addressing Worst Forms of Child Labour (WFCL).

Tripartism: A distinctive system of social dialogue emerged in Mongolia – initially in the form of bi-partite national agreements between the Government and the Confederation of Mongolian Trade Unions (CMTU), and later in the form of tripartite national agreements among the Government, CMTU and the newly born Mongolian Employers' Federation (MONEF). A series of national agreements – bi-partite and tripartite ones – were crafted in early 1990s, for their joint action. The first national agreement of 1990, for example, tried to address the issue of maintaining minimum living standards and pension benefits during

the initial stage of the transition. In 1992 when the first tripartite agreement emerged after the establishment of MONEF, tripartite partners addressed wide ranging social and economic policy issues such as control on utility prices, setting new minimum living standards, introduction of a series of social and labour legislation, and retraining of retrenched workers among other things. The National Tripartite Committee on Labour and Social Consensus (NTCLSC) is an apex tripartite body for regular consultation and which paves the way for tripartite agreements.

With high levels of political commitment and policy frameworks developed and in place, in Mongolia the challenge now is that of their effective implementation; of consolidating measures already adopted, through development of capacities and institutions to enable them respond to issues; of employment and employability; of application of and compliance to law; of addressing occupational hazards and conditions of work; of strengthening mechanisms of social dialogue, to enable them address, needs of those who need them most--- the vulnerable groups, such as the old and disabled, young girls and boys, child labour and workers in the informal sector.

Policy Environment

Mongolia has in place, a well-defined milieu of policy frameworks and programmes, in order to meet its developmental needs. It is noteworthy that a conscious effort has been made, not to have policies and programmes in isolation of each other, but to take into consideration provisions of each, while designing programmes. In practice, however, the challenge now is the implementation of the policies, in a manner that permits reforms to take root and that enables Mongolia to play its due role in the changing global environment, as well as to gain from it.

The primary tier of national frameworks provide for macro policies, chiefly through:

- Development Concept of Mongolia (1996)
- National Development Strategy 2020
- Economic Growth Support and Poverty Reduction Strategy (2003)
- Social Security Sector Strategy (2003)
- Concept of Regional Development of Mongolia (2002)

Parallel and complimentary to the national frameworks, Mongolia dovetails its international frameworks which include, inter alia:

- Mongolia Millennium Development Goals
- National Plan of Action for Decent Work (2005–2008)
- United Nations Development Assistance Framework (2006–2011)
- MDG-based National Development Strategy of Mongolia (currently a Draft and being presented to the Parliament for approval)

The second tier comprises of focused sectoral policies and laws, in support of the reform process, and these include:

- Labour Law (1999 amended in 2003)
- Employment Promotion Law (2001 amended in 2006)
- Law on Education (1995 amended in 1998 and 2006)

- Law on Vocational Education and Training (2002)
- Law on sending workers abroad and employing foreign workers (2001)
- Policy on Informal Employment (2006)
- Draft Law on OSH

The third tier is inclusive of programmes and projects being implemented nationally and/or provincially. Some of the most relevant to DWCP include:

- National Poverty Alleviation Programme
- National Employment Promotion Programme
- National Programme of Action for the Development and Protection of Children, 2002-2010
- Social Security Sector Development Programme
- Programme for Support of Small and Medium-Sized Enterprises
- National program on improving OSH and working environment.
- National Programme of Action for the Development and Protection of Children, 2002-2010

Brief description of the policy frameworks, sectoral policies and programmes most pertinent to this document is attached as Annex 1

Overall DWCP Implementation Strategy in Mongolia

As a framework to support the Government of Mongolia in its development goals and forwarding its NPA-DW, and to support CMTU and MONEF in their own organizations' goals, overall implementation strategy of DWCP will seek to ensure:

- Developing complementarity of action through an integrated approach when implementing activities to boost backward and forward linkages with policy and programmes;
- Emphasizing capacity development of partners – tripartite constituents and plus;
- Strengthening linkages with UN and other development partners both as contributory to larger international goals as well as a tool for resource mobilization;
- Institutionalizing monitoring mechanism for proper assessments and contribution of DWCP;
- Integrating and mainstreaming gender and HIV/AIDS in activities conducted as a cross cutting emphasis.

The cooperation will entail the ILO providing technical advisory services, introducing relevant comparative and international experience, supporting research and documentation, information exchange, training and workshops, and where possible the development and execution of externally funded technical cooperation projects.

DWCP priorities

As agreed with the constituents DWCP priorities include, assistance and support to:

- Employment promotion strategies in addressing issues of sustainable livelihoods and poverty alleviation in the formal and informal economy;
- Improving the working environment and extending protection of workers rights;
- Strengthening tripartism to support social and economic policy development, implementation and institutional reform.

Priority 1

Employment promotion strategies in addressing issues of sustainable livelihoods and poverty alleviation in the formal and informal economy.

Challenges

The fast growing informal sector, despite its poor conditions of work, offers employment and incomes to a large number of people who otherwise will remain without incomes. The challenge is to effectively bring into play its potential for job creation and generation of income, while steering it progressively towards formalization and decent work. Government of Mongolia recognizes the reality of the informal economy, and has adopted a policy on Informal Economy and is carrying out sectoral action plans addressing the issues of informal economy. Technical assistance has been requested for supporting their implementation.

As the private sector continues to grow impacting creation of more and better jobs, it becomes imperative that vocational skills are improved and upgraded for Mongolian workers to be able to fill the new vacancies. In view of the widening gap between current level of skills and those required, new strategies need to be defined and implemented. Workplace learning and on-the-job training (OJT) that have been successfully tried elsewhere, are strategies for deliberation and implementation in Mongolia.

Another of Mongolia's newer challenges is how to best tap the potentials of its young population of which 55 per cent is below the age of 25 years. The unemployment rate for graduates of technical schools is above average. With the formal sector unable to absorb unemployed workers and new graduates, many of the new entrants in the informal economy are young people. Youth employment is now recognized as a high priority in Mongolia, the challenge being the developing and putting in place of specific policy measures as well as action plans aimed at youth employment. This will undoubtedly include improved information, guidance and counseling, skills development for market needs, support for self-employment through enterprise development and promoting opportunities for young people to find employment abroad.

The overall challenge is how to update and implement effectively an active employment policy that meets current needs. This requires further development and strengthening of labour market institutions including employment exchanges. Expansion of labour market information system, including data gathering and analysis is needed.

Outcomes to be achieved, areas of cooperation and indicators:

Outcome 1: Development of national policy framework is supported by innovative interventions designed and implemented to promote employment and impact livelihoods and poverty with specific focus on informal economy.

Areas for cooperation:

- Update and implement national employment promotion policy.
- Support micro and small business through introducing and promoting ILO training programmes — Start and Improve Your Business (SIYB), Know Your Business (KAB) and GET Ahead.
- SIYB needs assessment will be conducted and training needs identified.
- Adaptation and reproduction of ILO methodologies and conducting TOT activities for tripartite constituents.
- Technical backstopping service and provision of Local Economic Development (LED) and training materials and support to establishment ILO business training system in local areas.
- Provide follow-up assistance for improvement of legislation on cooperatives.
- Provide follow-up assistance to informal economy policy through designing and implementing informal economy module in Mongolia's LFS.
- Conduct need assessment of informal economy workers in selected disciplines—i.e. vendors and service providers.

Indicator:

- Increase in percentage of good practice replication and adoption of ILO tools and methodologies by Government and social partners.

Outcome 2: Improved skill development for livelihood and employability.

Areas for cooperation:

- Provide technical advice on development of amendments to the VET Law.
- Provide technical assistance to MOSWL, CMTU and MONEF in initiating workplace learning models.
- Conduct case studies on experiences of selected industries and/or enterprises. Feed lessons learnt into policy, for collective tripartite action as well as individual enterprise action.
- Adapt good practices in workplace learning.
- Initiate action to promote employability and employment of people with disabilities through effective Legislation.
- Build capacity of representatives of Government, employers and workers groups, organizations of persons with disabilities and NGOs to enable them to extend support to policies and programmes for people with disabilities.
- Give support in implementation of the communication strategy for PwD.

Indicator:

- Improved skills have led to increased sustainability in employment, for instance, greater number of unemployed who remain in employment for more than 6 months.

Outcome 3: Decent and productive work promoted for youth.

Areas for cooperation:

- Develop linkages for better coordination, effective planning and implementation of youth employment activities
- Conduct school-to-work transition study.
- Prepare situation analysis based on the findings of the survey and develop Plan of Action.
- Organise and hold National Youth Conference.
- Provide technical advisory for establishment of Youth Employment Network in Mongolia.

Indicator:

- Unemployment rate among youth is on the decline.

Priority 2:

Improving the working environment and extending protection of workers rights.

Challenges

Mongolia’s labour inspection system is severely challenged as a result of the new employment structure. Privatization of large state-owned enterprises and the sharp increase in the ranks of the self-employed, as well as the expansion of the informal sector, have created a much larger playing field to monitor the application and compliance to national law. Current capacity of labour inspection needs to be strengthened to respond to the emerging needs. There is currently no minimal criteria established as to which workplaces qualify for inspection, nor does the labour inspection cover the large and growing informal sector. Furthermore, aside from a record of industrial accidents there is little additional information or statistics. Coordination mechanisms amongst various law enforcement agencies need to be developed to deal with issues of forced labour and enforcement of ILS.

Although the Government of Mongolia has put in place the “National Programme on Improving the OSH Environment”, and a “Law on Occupational Safety and Health” has been drafted and is currently under consideration, major challenges remain in the effective application of occupational safety and health standards, to monitor their implementation, and to record industrial accidents and occupational diseases. Awareness of legal standards among employers and workers needs to be scaled up and their capacity strengthened. Labour inspection and OSH legal framework needs to be strengthened and new approaches need to be identified to enable extension of labour inspection to economic sectors that have so far remained outside its scope of coverage and where labour malpractice has been reported — including sectors where child labour has been identified.

Child labour and tackling the issue of worst forms of child labour have been high on the national agenda. Like all other areas, Mongolia’s transition has had worrying consequences for its young. Poverty and situation in the rural areas, have contributed to the emergence of child labour. Mongolia has however, taken concrete steps to demonstrate its commitment to eliminating the worst forms of child labour. Work already accomplished in the area of child labour has identified main gaps where concerted effort is required for a successful elimination of WFCL in Mongolia. These gaps, which pose the key challenges,

exist in the areas of improving the enabling environment and scaling up of the number of successful direct actions, building national capacities and solidifying institutions, policies and the legal framework.

Mongolia is a low prevalence but high-risk country for HIV/AIDS. It is imperative that timely measures be taken to address this issue at workplace. Current capacity and awareness amongst public at large and tripartite constituents in particular needs to be strengthened to avoid any scaling up of the pandemic in Mongolia.

Outcomes to be achieved, areas of cooperation and indicators:

Outcome 1: Improved scope, quality and impact of labour inspection so that there is better application of labour law and progress made in understanding and compliance of ILS.

Areas for cooperation:

- Strengthen capacity of social partners to better respond to ILS requirement.
- Develop training materials for training of labour inspectors.
- Conduct training for tripartite partners in labour inspection.
- Provide technical advisory services to law enforcement agencies.
- Provide technical assistance for Convention on Forced Labour.
- Strengthen capacity of National Human Rights Commission in promoting fundamental workers rights.
- Provide assistance for ratification of C.81, C102, C.184, C.161, C 141 and C 187.
- Support tripartite monitoring of implementation of Core ILO Conventions, including preparation of specific reports.

Indicators:

- Increase in number of labour inspections.
- Labour inspection has been gradually expanding SPIA; and constituents continue using training and other materials.

Outcome 2: Improved Conditions of work and Safety and Health at Work

Areas for cooperation:

- Provide technical assistance in the formulation of Law on Occupational Safety and Health (OSH).
- Conduct needs assessment in selected sectors for designing OSH interventions.
- Adaptation of existing materials.
- Conduct trainings in OSH for tripartite constituents – managers, workers, labour administrators and OSH practitioners.
- Support to OSH in micro enterprises through training programmes on Work Improvements in Small Enterprises (WISE) and Work Improvements and Neighborhood Development (WIND), WISH, and WISCON.
- Provide technical support to employers' activities in informal gold mining.
- Develop guidelines for collecting and evaluating data on industrial accident and occupational diseases.
- Translate relevant materials and develop guidelines for OSH management.
- Capacity building of personnel for the newly established OSH center (training, study tour etc).

Indicators:

- Decrease in the number of occupational accidents and diseases.

Outcome 3: Substantial progress made towards the 10-year goal of eliminating the worst forms of child labour, in particular removing children from hazardous work in informal mining.

Areas for cooperation:

- Implement IPEC-TB project resulting in strengthened action by social partners in specific sectors against Child Labour.
- Strengthen advocacy strategies and awareness raising methods to reach and mobilize the widely dispersed population against Child labour.
- Improve national and local capacities on data gathering, planning, implementing, monitoring of child labour (CLM) and development programmes.
- Further develop and harmonize institutions, policies and the legal framework.
- Improve application of laws and regulations.
- Develop and ensure replication of effective direct actions for withdrawing and preventing WFCL.

Indicators:

- Decrease in school drop-outs, increase school enrolment, number of working children reduced.

Outcome 4: Strengthened advocacy for HIV/AIDS prevention in the Workplace.

Areas for cooperation:

- Design advocacy strategy for HIV/AIDS prevention.
- Conduct capacity building activities for tripartite constituents.
- Enhance MONEF's capacity to carry out its programme on HIV/AIDS prevention.
- Technical assistance for developing national plan of action.

Indicators:

- Training materials produced are available in targeted workplaces, and workers are aware of HIV/AIDS issues at workplace.
- Employers' and workers' organizations have influenced national policy on HIV/AIDS.

Outcome 5: Improved legal environment for migrant workers

Areas for cooperation:

- Provision of policy makers and implementers of labour migration policy with latest ILO publication on labour migration (translation and publication).
- Provide assistance for ratification of ILO Conventions on Labour Migration.

Indicators:

- Increase in number of decrees on migrant workers' labour protection drafted or adopted.
- Tripartite constituents' initiatives to support migrant workers are becoming visible.

Priority 3

Strengthening tripartism to support social and economic policy development, implementation and institutional reform

Challenges:

Tripartite partners — Government, workers' and employers' groups — acquired their new roles in a new environment of political democracy and the market economy, through the emergence of a national tripartite social dialogue. The revision of the Labour Code in 1999 also paved the way for the creation of the National Tripartite Committee on Labour and Social Consensus (NTCLSC) as a formal tripartite consultation body. The nascent industrial relations system and social dialogue, however, is not without challenges.

The implementation of the bi-partite/tripartite agreements, for instance, has yet to be acted on fully. The provisions of these agreements would need to be translated into concrete policy measures, which can be implemented either jointly or separately by tripartite partners. There is a tendency for social dialogue at the national level to focus on the public sector with a danger that this will not promote the important interests of the private sector that is now the driving force behind economic growth. This could undermine the legitimacy of social dialogue. In addition to public sector wages, there are concerns about minimum wage setting. There is a need to ensure effective participation of social partners, balancing the employers' concerns about productivity and capacity to pay with workers' concerns about living standards. Bargaining and negotiating skills, as part of the social dialogue process, need to be refined and issues of coordination between the national and provincial levels need to be strengthened. Capacity building of constituents in specific technical areas of work is essential to enable them to carry out, shape and enact their important role in social policy. Furthermore, to enable them play their respective roles in the globalised economy, the social partners have articulated the need for enhanced, international knowledge of Corporate Social Responsibility (CSR).

Outcomes to be achieved, areas of cooperation and indicators:

Outcome 1: Further progress in implementing the Resolution on Tripartism is achieved.

Areas for cooperation:

- Strengthen contribution and influence of social partners on social policy.
- Equip social partners to contribute to CSR action in Mongolia.
- Organise tripartite workshops and training designed to improve skills of social dialogue.

Indicators:

- Visible input from the social partners in policy dialogue and other national processes through increased participation in national meetings / consultations.

Outcome 2: Improved capacity of workers and employers for representation of their members

Areas for cooperation:

- Provide technical advice and assistance to CMTU and MONEF to undertake institutional reforms.
- Assist CMTU in modernizing its organizational structure and re-orienting policy to represent its members in both private and public sector, including informal sector.
- Assist MONEF in strengthening its capacity to deliver HR services to its members.
- Conduct needs assessment and design trainings.
- Provide assistance for carrying out training in specific areas, as required.

Indicator:

- Increase in percentage of good practice replication and adoption of ILO tools and methodologies by social partners.
- Increase in bipartite cooperation.

Outcome 3: Improved wage policy

Areas for cooperation:

- Provide technical guidance for conducting sample survey for minimum wages and wage determination.
- Provide research and study on private sector wage system.
- Provide training and workshop for tripartite constituents on private sector wage policy.
- Provide assistance for defining a new national policy on minimum wage.
- Update National standard of classifications of occupations according to the ILO standard.
- Provide guidance for upgrading and updating civil service salary scheme at the national level with the participation of tripartite constituents.

Indicator:

- Increased ability of tripartite partners to determine wages using commonly agreed criteria and procedures.

Monitoring DWCP progress

It is proposed that six monthly progress be reviewed on the basis of activities conducted with a view to:

- ensuring timely delivery,
- assessing impact and lessons learnt,
- taking remedial measures if required,
- follow-up and development of future programme.

Annex 1

NATIONAL FRAMEWORKS

Economic Growth Support and Poverty Reduction Strategy (EGSPRS) (2003)

In its Economic Growth Support and Poverty Reduction Strategy finalized in 2003, the Government set itself the goal of reducing poverty through higher economic growth based on active private sector participation and an export-oriented trade policy. The strategy is to redistribute the benefits of growth through pro-poor policies. More specifically, it is aimed at: (i) ensuring macroeconomic stability and public sector effectiveness; (ii) supporting production and exports and improving the environment for private-sector led development; (iii) enhancing regional and rural development and environmentally sustainable development with a focus on addressing rural-urban disparities in economic growth and service delivery;

Social Security Sector Strategy (2003)

The Social Security Sector Strategy adopted by the Government as Resolution 239 in 2003 outlines a plan for the employment sub-sector with support from the Asian Development Bank through the Social Security Sector Development Programme. This includes a number of reforms aimed at extending and improving employment services; developing pilot projects to support cooperation between employers and employees; improving employment opportunities for vulnerable groups including older workers and persons with disabilities; and reducing occupational accidents and diseases through preventive measures. Employment services are to provide improved services to poor workers, the informal sector and migrant workers.

Action Plan of the Government of Mongolia (2004-2008)

The main objectives of the Government's activities are to: upgrade the quality of public service to a new level by strengthening the capacity and accountability of public service institutions and civil servants, expanding civil participation at all levels of decision-making and ensuring transparency; deepen legal reforms in all spheres of political, economic and social life and substantially improve standards for ensuring human rights and create safe living environment; sustain higher rates of stable, private sector-led economic growth by providing support for access to new markets on the basis of knowledge and information, and by implementing a regional development concept to reduce disparities in development between urban and rural areas; conduct social policy aimed at improving living standards of families and; sustain higher rates of stable, private led economic growth by providing support for access to new markets on the basis of knowledge and information, and by implementing a regional development concept to reduce disparities in development between urban and rural areas; conduct social policy aimed at improving living standards of families and households by providing them with a stable legal environment, adequate infrastructure and a financial environment conducive for accumulating savings, owning, possessing and disposing immovable property such as land and houses; and carry out human development policy aimed at educating citizens who respect education, culture and their national traditional heritage, and who are highly conscious about protection of the natural environment, values of democracy and their own rights, and who are able to contribute to the development of their country by taking advantage of various opportunities provided by the globalization process.

Policy on informal employment (2006)

This policy adopted by Parliament in January 2006 outlines a Government action plan based on the ILO concept of Decent Work and the Declaration on Fundamental Principles and Rights at Work. The policy defines the informal economy as production of non-agricultural goods and services that are not prohibited

and which are not fully reflected in official registration, statistical information and social protection. According to the definition, informal employment lacks work organization. The objective of this policy is to “formalize” informal employment by providing Government services; creating legal, economic, labour and social protection guarantees to protect people in informal employment from risks; and ensuring economic growth. The policy will be implemented in three phases – the first during 2005–2007, the second 2008–2011 and the third 2012–2015.

National OSH Programme

The National OSH programme was developed in 2005 with technical assistance from ILO. It was adopted by the Government in April 2005. The main objectives of this programme are to promote OSH prevention, decrease the number of industrial accidents and occupational diseases, and create conditions to protect workers’ life and health, improve the legal framework for protecting workers from occupational risks, and develop the social dialogue. Given the predominance of informal economic activities, the adverse working conditions found in it are given substantial attention in the document. (Government of Mongolia has implemented Occupational Safety and Health Programmes in 1997-2000 and 2001-2004.)

Programme for Support of Small and Medium Sized Enterprises (2005)

This programme was adopted in April 2005 through Government Resolution No 64. This specified that the purpose of the program is developing and increasing the competitiveness of small and medium sized enterprises, improving conditions for the formalization of informal businesses, and the creation of new workplaces.

National Programme of Action for the Development and Protection of children (2002-2010)

This is the Government’s umbrella programme to address the development and protection of children. The goal 13 of the programme deals with the elimination of the worst forms of child labour. The programme’s implementation plan for 2005-2007 includes a list of hazardous work prohibited for children and actions to improve national legislation, to organize national-wide awareness raising activities, to provide direct services to affected children and their families and to improve child labour monitoring.

Education Sector Master Plan (2006-2015)

Mongolia developed and adopted in 2006 an Education Sector Master Plan 2006–2015 to bring technical education and vocational training in line with labour market demand; to establish standards and an assessment system; to improve training, retraining and advancement of teachers; and to upgrade facilities and equipment.

National Household Livelihood Capacity Support Programme (2001–2006), following up on the National Poverty Alleviation Programme (1996-2000)

The National Poverty Alleviation Programme (1996–2000) was designed to mitigate the adverse effects of Mongolia’s economic transition on the most vulnerable groups by creating jobs for the unemployed, promoting income generation for the poor, reducing dropout rates and non-enrolment rates in basic education by renovating *soum* schools, strengthening rural health services and assisting the poor herders affected by *dzuds*. The NPAP was followed by a National Household Livelihood Capacity Support Programme (HLCSP). The overriding goal of the HLCSP is to improve livelihoods of households living below the poverty line and prevent households that are at the edge from falling into poverty by expanding the framework of basic economic and social services, a precondition for protection and development of human capital. The HLCSP is being implemented in two phases between 2001 and 2006.

Concept of regional development of Mongolia

In its Concept of Regional Development, adopted by the highest body of legislative power, the Parliament, the Government introduced the idea of regional development zones. The objective is to reduce disparity between urban centres and rural areas as well as across provinces based on economic resources and comparative advantage in different regions. Regional development is to have components addressing Government, economy, society, culture, environment and settlements. It also should fit within the global economy. Whatever the outcome, the priorities identified for the development of regions can be used as guides for policies at all levels.

Millennium Development Goals (MDGs)

Youth employment is addressed in Resolution 25 on the Millennium Development Goals adopted by the Parliament in April 2005. The first national report prepared by the Office of the President of Mongolia and the Ministry of Foreign Affairs with assistance from the United Nations in Mongolia included measures under the third goal to develop strategies for creating decent and productive jobs for youth. Four priority areas were identified: (i) higher education and professional training should be designed to develop working skills that are required by the labour market; (ii) programmes should be put in place to enable training for youth at their workplace; (iii) support should be made available for small and medium-sized businesses designed for youth; and (iv) budgetary and financial policy measures should be taken to promote employment in towns and cities.

United Nations Development Assistance Framework (UNDAF)

The United Nations Development Assistance Framework for 2002–2006 included the following five goals: strengthening equal access to social services; promoting equity, sustainability and decentralization in development; improving governance with greater accountability, transparency and responsiveness; incorporating environmental concerns in development planning; and strengthening disaster preparedness and response management. In support of the national development framework articulated in the Development Concept of Mongolia (1996), the draft National Development Strategy 2020, the Economic Growth Support and Poverty Reduction Strategy (EGSPRS) and the current Government Medium-Term Action Plan 2004–2008, and building on the analysis of the Common Country Assessment (CCA), the current UNDAF calls for strengthening the capacity of the Government to deliver the Millennium Development Goals. The UNDAF for 2007–2010 identifies four aspects of the development process that require immediate action: (i) reducing vulnerabilities and disparities; (ii) improving natural resources and environmental management; (iii) improving responsible and democratic governance; and (iv) addressing the landlocked status and promoting global, regional and South-South cooperation. The first priority will be secured through decent work and fair incomes. According to the UNDAF, “More job opportunities need to be created through a carefully planned process of industrialization that combines improved local business capacity with international expertise and technology.”

MDG-Based National Development Strategy (NDS)

Currently in a draft form, the NDS has been formulated under the President’s Decree, involving a wide range of stakeholders. NDS is intended to help achieve Mongolia’s commitment to all nine MDGs, and is based on “costs” and measurable targets. NDS defines a roadmap to improve the lives of Mongolian people by through focusing on the achievement of MDGs. The process is being led by the Ministry of Finance, along with ten major line ministries including the Ministry of Social Welfare and Labour.

Annex II

HIGHLIGHTS OF ONGOING AND COMPLETED ILO ACTIVITIES IN MONGOLIA

Technical Cooperation, Policy Advise and Training

The cornerstone of ILO activities in Mongolia have been continued implementation of TC projects and activities; conducting needs based research thereby providing a solid basis for policy advise and making recommendations to the Government and social partners; conducting training activities aimed at capacity building; and holding workshops/seminars as an advocacy tool as well as broadening and deepening the debate on current issues of concern to the social partners.

Of special significance and noteworthy is the emphasis on integration and the resulting complimentarity of outputs. Almost no activity has been conducted in isolation of another. Existing TC projects, IPEC and Informal Economy, have provided the platform for a spanning range of interventions, covering a host of technical areas (OSH, ILS, employment, skills and employability, social protection, LMI and Statistics, social dialogue, cooperatives, HIV/AIDS), with output of each feeding into another activity. These have included, advise on legislation, direct action, materials development, production and dissemination as well as research, training, workshops and seminars.

Priority 1: Employment promotion strategies in addressing issues of sustainable livelihoods and poverty alleviation in the formal and informal economy

The Mongolia component of the DFID funded Regional project “**The Informal Economy, Poverty and Employment: An Integrated Approach**” during the course of its implementation, aimed at raising awareness, among policy makers, social partners and other stakeholders at the national and local levels; building capacity for service providers and institutions supporting the informal economy; and undertaking direct action using an integrated approach to empower women and men in the informal economy to move towards decent work.

Project on “**Promoting decent and productive work for young women and men in Mongolia (2005)**”, part of regional project on Youth Employment funded by Government of Korea, aimed at developing a knowledge base and disseminating information to inform policy makers, social partners, youth organizations and women’s organizations in identifying youth-specific interventions and in formulating and endorsing an action plan and implementation strategy for youth employment, as well as, developing and implementing programmes and projects to carry out the action plan on youth employment.

OSH related activities, conducted mainly as part of the TC projects, enhancing integration, have included training for home workers, small construction sites and farmers. Many local OSH trainers consisting of workers, employers, Governments and NGO representatives, were trained to maintain and expand these training activities.

Research / needs assessments have formed the basis for providing high level policy advise to the Government and social partners. In response to a request for assistance in promoting employment in rural areas, the ILO has produced a report on ‘Promoting employment opportunities in rural Mongolia’. Tripartite partners have endorsed the emergent integrated strategy for local economic development and rural employment promotion. The Study on “Extension of Labour Legislation to the Informal economy in Mongolia” draws on Mongolian labour legislation and its implementation, practice and experience

together with previous studies of the Mongolian informal economy. Other activities have included translation and adaptation of ILO training package on SIYB.

Priority 2: Improving the working environment and extending protection of workers rights

Building on the IPEC work in Mongolia (since 1999), the implementation of the DOL funded project on “**Elimination of Worst Forms of Child Labour: Time Bound Measures (2005-2009)**” is currently underway. Strategic objectives of the project include (a) strengthening the enabling environment for national action against the worst forms of child labour and (b) developing an area-based intervention model at the local level targeting boys and girls at risk or engaged in the worst forms of child labour for prevention, withdrawal and rehabilitation or direct action that can be replicated in different areas and/or at a larger scale. Series of national and provincial stakeholders’ workshops and local level planning meetings have been held. Based on the outcome of the planning meetings the project now is in the process of formulating actions plans.

IPEC , since its inception, in Mongolia has been contributing to raising awareness about children’s rights and the negative consequences of child labour, building capacity to ensure law enforcement and implement policies and programmes, and withdrawing and preventing children from entering child labour in specific locations.

Project on “**Promoting employability and employment of people with disabilities through effective Legislation**”, funded by the Government of Ireland, in its Mongolia component focuses on enhancing capacity of representatives of Government, MONEF, CMTU, disabled persons organizations and non-governmental organizations to promote the employability and employment of persons with disabilities through effective legislation, policies and programmes.

Project to “ **Prevent and eliminate child labour and improve the situation of informal gold mining**”, being implemented by MONEF in collaboration with ILO includes policy development as well as an enhanced role of MONEF in eliminating and preventing hazardous forms of child labour in informal gold mining, promoting safe and productive work in small-scale mining and improving the relations between formal companies and informal miners.

A seminar on Forced Labour in Mongolia within the framework of ILO Declaration on Fundamental Principles and Rights at Work and its follow-up for proper application of these Conventions has been conducted. This has provided a greater opportunity for better understanding of forced labour among countries of sub-region, and encouraged national initiatives and exchange of experiences and information. The ILO technical assistance plays a vital role for the implementation of Conventions in Mongolia, acknowledged and appreciated by Government and social partners.

Prior to the aforementioned workshop, and within the framework of application of Fundamental Principles and Rights at Work, a study on labour legislation in selected mining sectors had already been conducted. The general objective of the study was to examine and assess the implementation of labour rights of mine workers in the both the formal and informal sectors.

Support was also extended for a review of legislation on Cooperatives in light of the Promotion of Cooperatives Recommendation, 2002 (No. 193). This was carried out within the framework of the IE project, at the request of the Ministry of Food and Agriculture, to assess the need for changes and develop recommendations for the national cooperative legislation in Mongolia.

Priority 3: Strengthening tripartism to support social and economic policy development, implementation and institutional reform.

ILO activities have focused on Workplace Learning, jointly, with Ministry of Social Welfare and Labour, the MONEF, the CMTU and other stakeholders. Issues explored relate to skills development and determining strategies for improving delivery of skills through workplace learning/institution-based learning. The pilot project “**Increasing productivity in the Mongolian private sector through enhanced capacities and skills**” was designed and implemented jointly by the ILO and tripartite partners in Mongolia, as a part of the follow-up programme to the 2002 International Labour Conference Resolution concerning tripartism and social dialogue. The pilot project interventions included (a) basic management and labour relations training; (b) policy workshop on on-the-job training or workplace learning, and (c) a social dialogue review exercise and tripartite workshops on social dialogue and wage policy.

Other areas of work

Increased and growing attention to HIV/AIDS issues in the Workplace have resulted in the translation and dissemination of the ILO Code of Practice. Technical advice and guidance has been provided for tripartite action and development of plan of action for HIV/AIDS at the workplace.