

GRANT ASSISTANCE

(Financed from the Japan Fund for Poverty Reduction)

TO

MONGOLIA

FOR

**EXPANDING EMPLOYMENT OPPORTUNITIES FOR
POOR DISABLED PERSONS**

To be implemented in conjunction with the

**Social Security Sector Development Program
(Loans 1836/1837(SF), approved on 28 August 2001)**

April 2002

CURRENCY EQUIVALENTS

(as of 1 April 2002)

Currency Unit	–	Togrog (MNT)
MNT1.00	=	\$0.0009
\$1.00	=	MNT1,102

ABBREVIATIONS

ADB	-	Asian Development Bank
CCDPAM	-	Central Council of Disabled People's Associations of Mongolia
DMLF	-	disabled member of the labor force
EPO	-	employment promotion office
IA	-	implementing agency
JFPR	-	Japan Fund for Poverty Reduction
MSWL	-	Ministry of Social Welfare and Labor
NGO	-	nongovernment organization
PAM	-	Project Administration Memorandum
PIU	-	Project Implementation Unit
PMU	-	Project Management Unit (SSSDP)
SOE	-	Statement of Expenditures
SSSDP	-	Social Security Sector Development Program

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 December.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. Poverty among disabled persons in Mongolia is very high and is being exacerbated by the erosion of the social security system's ability to provide a comprehensive social safety net. In 2001, the Asian Development Bank (ADB) approved the Social Security Sector Development Program¹ (SSSDP) to improve social security services for poor and vulnerable groups, including disabled persons. Many disabled persons are capable of working but require support in securing employment. The Government of Mongolia requested ADB to develop new community-based approaches to expand employment opportunities for disabled members of the labor force (DMLFs). The Japan Fund for Poverty Reduction (JFPR) Project will pilot new approaches in accordance with this identified need and request. The Government of Japan approved the project on 21 December 2001.

II. BACKGROUND AND RATIONALE

2. An estimated 88 percent of disabled persons in Mongolia live in poverty as compared to 36 percent of the population as a whole.² A total of 115,000 disabled persons³ are registered by the Ministry of Social Welfare and Labor (MSWL). Of an estimated 39,700 disabled persons capable of working, 87 percent are unemployed, a figure that compares unfavorably with the national average of 17 percent unemployed. With disability benefits averaging just \$0.08 equivalent monthly, DMLFs urgently require additional income to escape poverty. With DMLFs often having to rely on to their families for support, household poverty also increases. Consequently, expanding employment opportunities for DMLFs would contribute to both individual and household poverty reduction and would also reduce the burden on the social security system to provide social assistance benefits to the poor and very poor.

3. During the communist era, government policy stressed the segregation of disabled persons. "Sheltered" employment facilities exclusively for DMLFs—such as factories for blind workers—were established, and separate education and training services were provided, even for DMLFs capable of being integrated into mainstream employment. In the post communist period, this expensive—and undesirable system—has proved unsustainable. However, no new comprehensive policies have yet been introduced. With no societal tradition of integration, disabled persons remain marginalized, unable to avail of the same educational and employment opportunities that mainstream members of society enjoy, with the consequence that their poverty incidence is much greater than the national average. The transition to a new, more inclusive approach is also hindered by the lack of qualified specialists. During the communist era, specialists used to be trained in the German Democratic Republic, Hungary, and the Soviet Union under bilateral accords, which have since broken down. No Mongolian institutions currently offer any training or research opportunities in disability-related issues.

4. New active and passive labor market policies and programs are therefore needed that draw on the full resources of government, nongovernment organizations (NGOs), and employers' representatives as well as aid agencies to effectively promote the sustainable and viable employment of DMLFs. For such support to be successful, it must be multifaceted to address

¹ Loans 1836/1837(SF)-MON: *Social Security Sector Development Program*, for \$12 million, approved on 28 August 2001.

² About 900,000 people are estimated to be poor.

³ Of this number the main groups are (i) mentally handicapped (25.3 percent), (ii) physically handicapped (25.2 percent), (iii) lingual and auditory impairments (17.0 percent), (iv) visually impaired (16.6 percent), and (v) combined disorders (13.2 percent).

the diverse needs of disabled persons, and it should include provision of employment-oriented training, career advice, and direct job placement as well as support for the establishment of cooperatives and own businesses. Although the goal should be to promote employment in open labor markets, continued recourse may need to be made to sheltered employment if the former option is not practicable, given the specific nature of disabilities. Increasing public—and prospective employers’—awareness of disabled persons’ potential and needs will also be crucial to eliminate the barriers faced by DMLFs posed by negative perceptions of their ability to participate effectively in labor markets.

5. Under the SSSDP, longer term policies will be formulated and investments will be made to promote disabled persons’ employment as well as to improve social welfare services. Additional support is, however, required to address their immediate employment promotion needs, which can also serve as pilots for other interventions in the future. This support must flexibly and innovatively meet the urgent needs of DMLFs to escape poverty through employment; it must be able to utilize effectively the capacities of NGOs, the private sector, and communities as well as government.

III. THE JFPR PROJECT

A. Objectives

6. The purpose of the JFPR Project is to pilot sustainable approaches for reducing poverty among DMLFs. The objectives are to (i) upgrade DMLFs’ employment-related skills, (ii) support business development by DMLFs, (iii) integrate DMLFs into the mainstream workforce as well as provide selective support for maintaining employment, in sheltered employment and (iv) raise public awareness about the potential of DMLFs to participate productively in the workforce. The Project will directly benefit about 4,000 poor DMLFs (about 12 percent of the total number) over a period of three years. Approaches pioneered under the JFPR Project may then be adopted by SSSDP with counterpart resources used to finance the expansion of sustainable employment generation services to other DMLFs. Appendix 1 provides the JFPR Project Framework.

B. Scope

7. The Project has five components: (i) employment services, (ii) business support, (iii) creating job opportunities on the open labor market and in sheltered employment, (iv) public education, and (v) project management and impact assessment. Appendix 2 summarizes the project structure. The Project will be implemented in the three largest cities of Mongolia (Ulaanbaatar, Darhan, and Erdenet), and in three provinces to be decided upon before inception. These six places will be the ones with the highest rates of disabled persons living in poverty.

8. **Employment Services.** This component will provide new training, information, and counseling services to DMLFs that stress their integration in training and employment where practicable. An employment support program—to be managed by NGOs in conjunction with MSWL’s employment promotion offices (EPOs)—will be prepared for at least 4,000 DMLFs living in the Project sites. DMLFs will first be consulted on their career aspirations, and aptitude testing will be undertaken to assess priority areas for job placement. DMLFs will be counseled on opportunities in the labor market as well as those for starting their own business activities,

including information on prerequisite qualifications and skills for entry into particular professions. Training courses of about one-month's duration will be provided for at least 650 DMLFs in vocationally oriented programs. These 650 trainees will be selected from the 4,000 poor DMLFs based on their ability, aptitudes, and experience. It is estimated that in the first round not more than 650 DMLFs will be trained and will find subsequent sustainable employment. These training programs will be carried out on a contractual basis using both state and private providers, and will be in line with current and anticipated market demand. Priority will be given in awarding contracts to providers who are able to integrate DMLFs into mainstream training programs and who are able to offer practical on-the-job experience as part of their programs. Regular information bulletins will be provided to DMLFs at the project sites on appropriate current and anticipated job vacancies. This component will be implemented in close cooperation with the SSSDP employment services component.

9. **Business Support.** This component will support DMLF groups—to be selected on a competitive basis through their provision of a good business plan and poverty impact targeting—to develop or expand business activities in project sites. Based on existing experience, the average number of employees per business will range from three to seven. A business development specialist will provide DMLF groups with information and advice on business development including support with market research; business plan development; and business start-ups including licensing, registration, and taxation procedures as well as support for accessing credit facilities. Support will also be provided for development and adaptation of workplaces to ensure full accessibility for DMLFs as well as adequate health and safety standards. The Project will finance renting at nominal rates, of appropriate equipment and furniture to DMLF businesses and will provide start-up materials to permit commencement of operations. It will also support marketing of products and services of DMLF businesses including financing of advertising and product fairs for enterprises. Approximately 50 DMLF firms will receive support, generating about 250 new jobs.

10. **Creating Job Opportunities on the Open Labor Market and in Sheltered Employment.** The Project will create job opportunities for about 300 DMLFs in existing firms and institutions.⁴ It is estimated that 40 percent of the DMLFs will find sustainable jobs in open employment, and about 60 percent in sheltered employment schemes. In the first phase of the Project, DMLFs will be matched by the consultants with existing vacancies in selected enterprises and institutions, and employers will be provided with incentives if they agree to recruit DMLFs for a minimum of 1-2 years and under given financial and working conditions. Incentives will include support for workplace adaptations to ensure accessibility for disabled persons and a supply of specialized equipment, furniture, and work clothing, to be financed under the Project, to allow DMLFs to work productively. Employers and supervisors will also receive special training and sensitization courses to build awareness of the special needs—and potential—of disabled workers. As employers may be reluctant initially to pay normal market wages for DMLFs, the Project will provide wage supplements to bring DMLFs' pay in line with that of other workers; these supplements will be scaled down progressively from 40 percent to 0 percent. The Government will also take full responsibility for payment of the social insurance contributions of DMLF workers. During the period of employment, regular skills training will be provided for DMLFs to allow them to develop their competitiveness vis-a-vis other employees. Regular monitoring of work assignments will be undertaken to ensure suitable and safe working

⁴ Indicative job placements could be with commercial enterprises as well as in public institutions such as schools, hospitals, and government offices. In rural areas, employment is likely to be related to herding and agriculture. Given the overall low level of vocational qualifications and skills of DMLFs, the majority of jobs can be expected to be in relatively unskilled positions.

conditions and that contracts between employers and DMLFs are adhered to. Recent legislation making it a requirement for firms employing over 50 persons to engage a certain percentage of DMLFs will support the implementation of this component.

11. **Public Education.** An awareness-raising campaign using local radio, television, and newspapers will be launched in the project sites to inform up to 10,000 DMLFs of their rights and opportunities for seeking employment as well as to raise awareness in communities and among employers of the potential for DMLFs to contribute to economic development. The Project will also support an advocacy campaign by NGOs at the community level, including sensitization of public officials and community leaders. A number of public forums will also be undertaken to explore community-wide solutions to expanding employment opportunities for DMLFs. A media advisor will work with media organizations to ensure the quality and appropriateness of content.

12. **Project Management and Impact Assessment.** A Project Implementation Unit (PIU)–headed by a project coordinator–will be established to coordinate the implementation of project activities and to take responsibility for procurement, disbursement, and reporting requirements. The PIU will organize baseline surveys of employment opportunities for and the career aspirations of DMLFs. The PIU will also manage the independent poverty impact assessment in the closing stages of the Project.

C. Costs and Financing

13. The total cost of the Project is estimated at \$1.2 million equivalent, of which \$1 million equivalent will be financed on a grant basis from the JFPR, funded by the Government of Japan. The Government, NGOs, the private sector, and poor DMLFs will finance the remaining \$0.2 million equivalent, mostly through in-kind contributions. Appendix 3 summarizes the costs by input and component, and Appendix 4 provides the detailed cost estimates.

14. The Project will be implemented in line with ADB's imprest account and statement of expenditures (SOE) procedures in accordance with ADB's *Loan Disbursement Handbook*. The initial advance to the imprest account will be \$100,000, equivalent to expected expenditures in the first six months of the Project. The ceiling for the SOE will be \$5,000 in accordance with disbursement guidelines and the nature of the Project. The detailed disbursement arrangements will be specified in the Letter of Agreement. The JFPR funds will flow from ADB to an JFPR imprest account at an independent bank in Ulaanbaatar. The project coordinator will be eligible to withdraw funds from the imprest account for transfer as advances to the concerned implementing agencies (IAs), upon approval by ADB. The IAs will also each establish a separate JFPR account in their respective cities and aimags. IAs will disburse the advanced funds to meet project expenses and thereafter submit liquidation reports to the project coordinator at regular intervals. These reports will include a summary statement of expenditures incurred and should be supported by evidence of payments unless the amount is less than the SOE ceiling of \$5,000. The project coordinator will summarize and consolidate the IAs liquidation reports and submit to ADB a request for replenishment of the imprest account together with the liquidation summary sheets using the SOE procedure. The funds flow arrangements are summarized in Appendix 5. Training will be provided for relevant personnel to build up the required administrative and accounting capabilities in the respective agencies.

D. Implementation Arrangements

15. The Project will be implemented over a period of three years commencing in the second quarter of 2002.

16. **Project Management Committee.** A broad-based project management committee will be established to supervise and provide policy and planning guidance for the Project. The project management committee will comprise MSWL, the Central Council of Disabled Peoples' Associations of Mongolia (CCDPAM), and the Employers' Federation as well as ADB.⁵ The project implementation arrangements are diagramed in Appendix 6.

17. **Executing Agency.** MSWL will be the executing agency for the Project and will provide implementation support. MSWL is also the executing agency for the counterpart loan.

18. **Project Implementation Unit (PIU).** The PIU will coordinate activities and take responsibility for procurement, disbursement, reporting and organization of project surveys. The PIU will be integrated in the project management unit (PMU) established under the SSSDP, and will have full access to its information and administrative resources. The project coordinator—who will report to MSWL and ADB—will be appointed for day-to-day management of the Project. The project coordinator will be supported by a project assistant. The PIU will also coordinate—through an international voluntary organization—activities for NGO capacity building for improving employment services to DMLFs.⁶ The SSSDP PMU procurement officer will support the PIU in all procurement matters. The SSSDP PMU finance officer will support the PIU in all disbursement and finance-related matters. The PIU will also be supported by consultants in the fields of job placement, business development, training coordination, and media consultancy.

19. **Implementing Agencies.** Implementing bodies of the Project will be (i) private sector entities contracted by the PIU to implement training and business development activities, (ii) NGOs contracted to organize employment and training services, (iii) media organizations at the provincial and city levels to implement the public education component, and (iv) an independent local research institute for the baseline survey and the poverty impact assessment. Selection and contracting of private sector entities, NGOs, media organizations and research institutions will be subject to ADB concurrence. In addition, EPOs will implement the full range of employment services in their mandate, with Government financing.

20. **Procurement and Consulting Services.** All procurement under the Project will be conducted by the PIU in accordance with ADB's *Guidelines for Procurement*. As activities will be of a small size and scattered around the country, direct purchase will be the most appropriate procurement mode for most contracts for equipment, furniture, and materials. Specialized equipment not available in Mongolia will be procured by international shopping. As applicable, civil works will be contracted using local competitive bidding or direct purchase. Indicative procurement contract packages are given in Appendix 7. Consultants will be recruited through the PIU according to ADB *Guidelines on the Use of Consultants*, to provide technical and other assistance as may be required. The project management committee will be requested to

⁵ ADB will be represented primarily by the Social Sector Officer of the Mongolia Resident Mission.

⁶ The United Kingdom's Voluntary Service Overseas has special experience with the promotion of employment for disabled persons. It expressed interest in providing a volunteer for NGO capacity building.

nominate domestic consultants for ADB's concurrence. Terms of reference for consultants will be finalized during the preparation of the project administration memorandum (PAM).

21. **Performance Monitoring and Impact Assessment.** MSWL, in consultation with the participant beneficiaries, will develop and implement a monitoring and evaluation system. A set of indicators for each of the key result areas will be jointly developed to reflect the expected outputs and targets under the Project. A local research institute will be engaged by the PIU to prepare an independent poverty impact assessment of the Project.

22. **Reporting.** The PIU will submit quarterly progress reports through MSWL to the steering committee and ADB, setting out the physical and financial accomplishments and project impact as defined by the monitoring indicators referred to in para. 21. The report will include a description and evaluation of the activities conducted during the reporting period. Recommended solutions will be identified to address constraints or hindrances. Any major changes in scope will be subject to review by and approval of ADB. The PIU, in consultation with the project management committee, will submit the budget and activity plan for each six months of project implementation to ADB for approval. A project completion report will be submitted within three months of project completion. This will include the results of the evaluation by all the stakeholders. Annual audits by an independent auditor will be undertaken at the end of year 1 and year 2. Audit reports in English will be submitted to ADB no later than six months after the end of each fiscal year.

23. **Linkages and Cooperation.** The Project will be implemented in close coordination with the SSSDP. The Project PIU will be based within the SSSDP PMU and will have full access to the latter's administrative and logistical resources to ensure efficient resource usage as well as maximum coordination in planning and implementing activities under the respective interventions. There will be close complementarity between the Project and the development of strategies for employing DMLFs under the Social Security Master Plan.⁷ Under the SSSDP employment services component, the capacity of EPOs to support DMLFs in finding employment will be improved and the facilities of training institutions upgraded to better accommodate disabled persons. Business incubators developed under the SSSDP will also be available for utilization by DMLF business groups. Initiatives developed under the Project to expand employment opportunities for DMLFs could then be expanded under the SSSDP including training, job placement, and business support activities.

24. No other aid agencies are currently involved in the field of expanding employment opportunities for disabled persons. There will, however, be regular consultations with other agencies involved in the provision of social welfare support to disabled persons as well as training development including the United Nations Children's Fund and the German Agency for Technical Cooperation.

25. Disabled persons NGOs will be involved in the planning, implementation, and monitoring and evaluation of the subproject activities. The focal point for MSWL and ADB will be CCDPAM, which acts as an umbrella organization for the 36 registered disabled persons NGOs. CCDPAM will be represented on the project management committee. NGOs will also be directly contracted by the Project to deliver services related to its components. A PAM will also be

⁷ To be developed with support from TA 3709-MON: *Strengthening Policy for Social Security Reform*, for \$600,000 approved on 28 August, 2001.

developed in coordination with CCDPAM and its members, which will provide a clear framework for NGO-implemented activities under the Project including detailed tasks, implementation arrangements, schedules, and estimated budget requirements. Communities⁸ will be routinely involved in project planning at local levels with the goals of raising awareness of the needs and potential of disabled persons as well as to support formulation of employment strategies.

E. Poverty Reduction Impact

26. **Targeting and Poverty Reduction Impact.** The Project will directly benefit an estimated 4,000 DMLFs over three years,⁹ and approximately 1,200 are estimated to secure employment as a result of support from it. The former figure represents 12 percent of poor DMLFs nationwide and about 1.3 percent of the total number of poor in the project areas. Of these 4,000 poor beneficiaries, an estimated 990 people will be brought out of poverty on a sustainable basis. Hence, the Project could reduce the incidence of poverty among DMLFs in the project area from a very high 88 percent to 80 percent. The indirect effects of the Project will be substantial. By expanding employment opportunities for DMLFs, resources for social assistance benefits to disabled persons can be concentrated more on disabled persons unable to work, thereby improving their incomes. In addition, securing employment for DMLFs will alleviate the dependency burden on affected households. The Project will be able to make a sustainable and substantial contribution to this overall poverty reduction effort in Mongolia, particularly by emphasizing and demonstrating the potential of disabled persons to contribute to their society and economy as full-fledged members of the country's labor force. Combating deeply rooted perceptions about the potential for disabled persons will also foster their integration into mainstream education and training, which will serve to reduce the deprivation poverty experienced by disabled persons in accessing these services. Appendix 8 provides a summary of the direct poverty reduction impact.

27. **Participatory Development Issues.** As in many countries, the key problem faced by disabled persons is exclusion from mainstream societal and economic activities. This exclusion can best be addressed through supporting broad-based participation of community members to raise awareness and gain support for greater inclusion of disabled persons in employment. As such the Project will stress full involvement of NGOs, community councils, employers' representatives, trade unions, and local governments. Full use will also be made of the mass media in project sites, including television, radio, and newspapers, to raise awareness of issues and to publicize the Project.

F. Risks, Assumptions, and Assurances

28. A principal risk to successful implementation is the lack of institutional capacity for implementation of integrative active labor market policies for disabled persons, given the almost complete lack of opportunities in Mongolia for training and research into disability issues, coupled with very low levels of public awareness. Although this can be partly offset by capacity-building efforts under the Project and the SSSDP, a long-term approach to the development of requisite institutions and personnel and for mobilization of public support will be needed. To ensure the appropriateness of the Project's strategic direction, international expert services will be required to allow international experience to be utilized for planning and implementing

⁸ Local *hurals* (councils with broad community representation) will be the main focal point for consultations.

⁹ An estimated additional 6,000 DMLFs will also benefit from awareness-raising activities under the public education component.

activities and follow-up measures. It is, however, assumed that these risks will be mitigated if commitment to reducing DMLFs' poverty remains strong throughout the Project period and that full support from the Government, parliament, and communities for new integrative approaches can be retained and developed.

29. Building community support will be particularly important for ensuring the success of activities. There may be resistance from some unemployed to the special program of support for DMLFs. This needs to be anticipated, in the public education campaign to raise awareness of the exceptional obstacles faced by DMLFs in securing employment and the consequent necessity for exceptional measures to allow DMLFs to participate on a more equitable basis in labor markets.

30. The Project will pilot a new approach to finance poverty reduction among DMLFs on a more sustainable basis by putting them into employment and thereby increasing social assistance allocations for disabled persons unable to work. This is fully in line with the policy reforms to be undertaken under the counterpart loan to focus scarce social assistance resources on the poorest. In addition, the SSSDP investment project will be able to replicate the newly piloted approaches on a broader scale to ensure continued financing. Of the 35,000 poor DMLFs, the Project targets about 4,000 beneficiaries directly and 6,000 additional through information services. Given the high incidence of structural unemployment in the country, with a minimum investment of about \$10 million - \$15 million, about 70-80 percent of the poor DMLFs can be brought out of poverty over a medium time period of 10-15 years. The Government is committed to increasing financing for addressing poverty among disabled persons with particular emphasis on employment generation. This includes tax and loan-financed allocations. However, with a total budget of only about \$300 million and a high level of public debt, and given that disabled persons are only one part of the poor, further grant assistance will be required. In discussions with external funding agencies, the Government is already increasing its priority for mobilizing external resources for support to reducing poverty among disabled persons.

31. A vast array of factors underpin high poverty rates among DMLFs and are beyond the scope of any single project. A comprehensive long-term approach will, therefore, be needed to effectively reduce their poverty. This will include the activities undertaken under the in SSSDP and the Project to expand employment opportunities by introducing new active labor market policies and tools. However, further—and extensive—support for essential medical, psychological, and rehabilitation services will also be needed if DMLFs' poverty is to be reduced. In the medium to long term, the prevention of disabilities must become the top policy priority to ensure that disability rates can be permanently reduced. This can be achieved through improved nutrition and medical services as well as improved health and safety standards at work, areas in which ADB is already active.¹⁰

¹⁰ Support for the health sector has been provided under Loan 1568/1569(SF)-MON: *Health Sector Development Program*, for \$15.92 million, approved on 4 November 1997. Support for nutritional development is being provided under the JFPR Grant 9005: *Assistance to Asian Countries in Transition for Improving Nutrition for Poor Mothers and Children*, for \$6.85 million, approved on 26 April 2001 and increased 23 October 2001.

IV. THE PRESIDENT'S DECISION

32. The President, acting under the authority delegated by the Board, has approved administration by ADB of grant assistance to the Government of Mongolia in an amount not exceeding the equivalent of \$1,000,000, to be financed from the Japan Fund for Poverty Reduction on a grant basis, for the purpose of the Expanding Employment Opportunities for Poor Disabled Persons, and hereby reports such action to the Board.

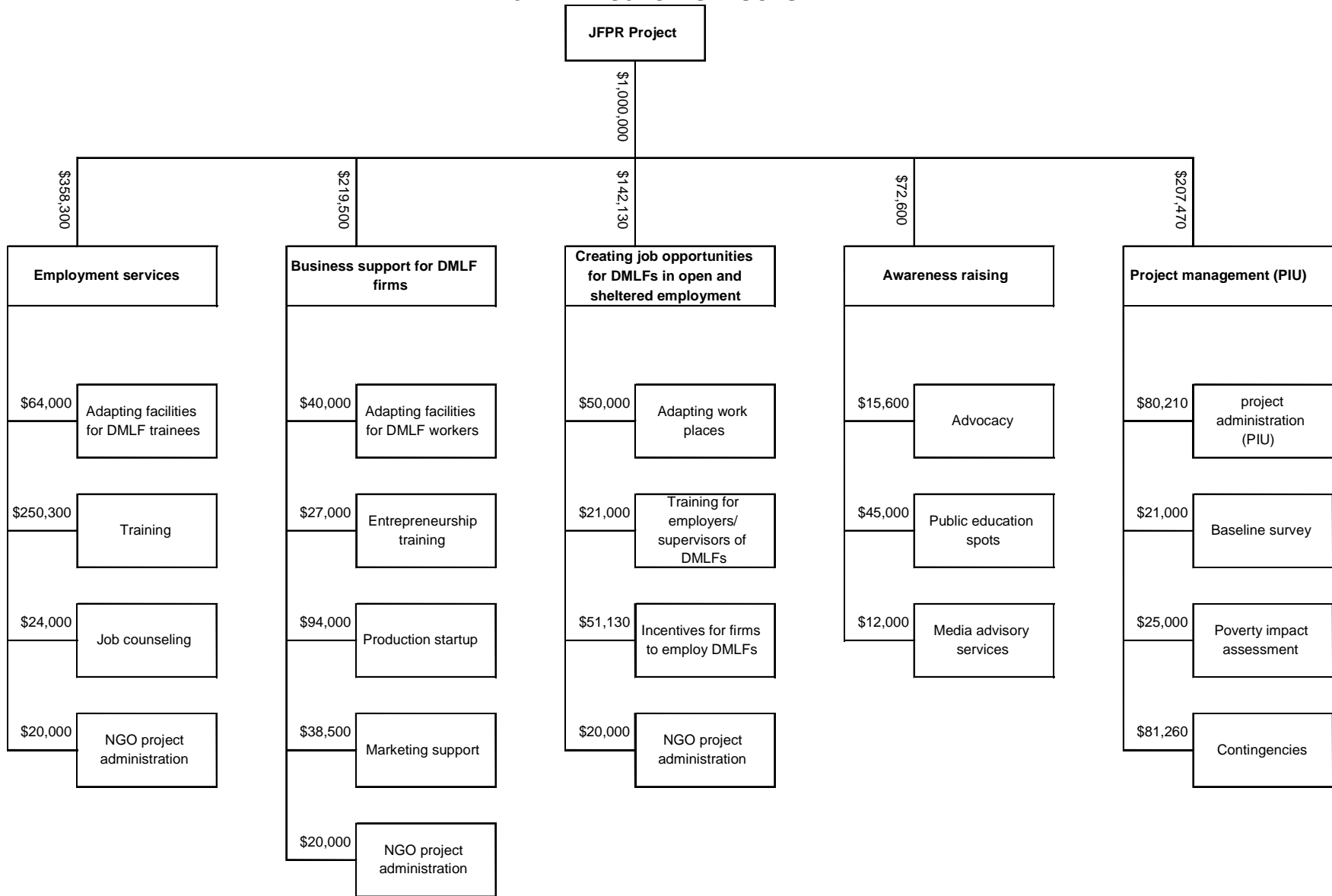
APPENDIXES

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JFPR PROJECT FRAMEWORK

Design Summary	Performance Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal Decreased poverty incidence of disabled members of the labor force in targeted areas</p>	<ul style="list-style-type: none"> • Poverty incidence in project areas decreases from 88 percent in 2001 to 80 percent in 2005 	<ul style="list-style-type: none"> • Project surveys • Local government and nongovernment organization (NGO) statistics 	
<p>Purpose Increased and diversified incomes of disabled persons through employment</p>	<ul style="list-style-type: none"> • Annual average income of disabled members of the labor force increases by 20 percent 	<ul style="list-style-type: none"> • Project surveys • Local government and NGO statistics • Project completion report 	<ul style="list-style-type: none"> • No extraordinary disruptions in labor markets during project life • Public commitment to project remains strong.
<p>Components/Outputs</p> <ul style="list-style-type: none"> • Employment services • Business support • Creating job opportunities • Public education 	<ul style="list-style-type: none"> • New employment services – including training – provided to about 4,000 persons • Support services provided to about 50 businesses • About 300 persons placed in employment • Information campaigns launched in six project areas 	<ul style="list-style-type: none"> • Project reports • Asian Development Bank (ADB) Review missions 	<ul style="list-style-type: none"> • Sufficiently capable NGOs and training providers can be found in project areas. • Sufficient capacity of umbrella NGO to coordinate activities
<p>Activities</p> <ul style="list-style-type: none"> • Establish implementation structures; contract initial NGOs and service providers. • Commence implementation of activities. • Evaluate project activities (final). 	<p>Start: April 2002 Complete: September 2002</p> <p>Start: September 2002 Complete: January 2005</p> <p>Start: January 2005 Complete: March 2005</p>	<ul style="list-style-type: none"> • Project reports • ADB review missions 	<ul style="list-style-type: none"> • Sufficiently capable NGOs and training providers can be found in project areas. • Sufficient capacity of 'umbrella' NGO to coordinate activities

JFPR PROJECT STRUCTURE



DMLF = disabled member of the labor force, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organizations, PIU = Project Implementation Unit.

INPUT-OUTPUT BUDGET MATRIX

(\$)

ITEM	Component 1: Employment Services	Component 2: Business Support	Component 3: Creating Job Opportunities	Component 4: Public Education	Component 5: Project Management	Total	Percent
Revolving Credit							
Civil Works	64,000	40,000	50,000	0		154,000	15.4
Equipment	0	50,000	40,000	0		90,000	9.0
Supplies		58,500	8,250	45,000	0	111,750	11.2
Training and workshops	192,300	27,000	21,000	15,600	0	255,900	25.6
Consulting services	82,000	24,000	0	12,000	46,000	164,000	16.4
Project management	20,000	20,000	20,000	0	80,210	140,210	14.0
Other inputs			2,880	0		2,880	0.3
Contingencies				0	81,260	81,260	8.1
Subtotal JFPR financed	358,300	219,500	142,130	72,600	207,470	1,000,000	83.2
Government contribution	41,000	33,000	25,740	240	18,150	118,130	9.8
Other donors contribution	0	0	0	0	0	0	0.0
NGO, private sector, and civil society	8,000	12,000	24,730	6,680	2,100	53,510	4.5
The poor	13,000	5,000	720	6,000	5,000	29,720	2.5
Total	420,300	269,500	193,320	85,520	232,720	1,201,360	100

DETAILED COST ESTIMATE

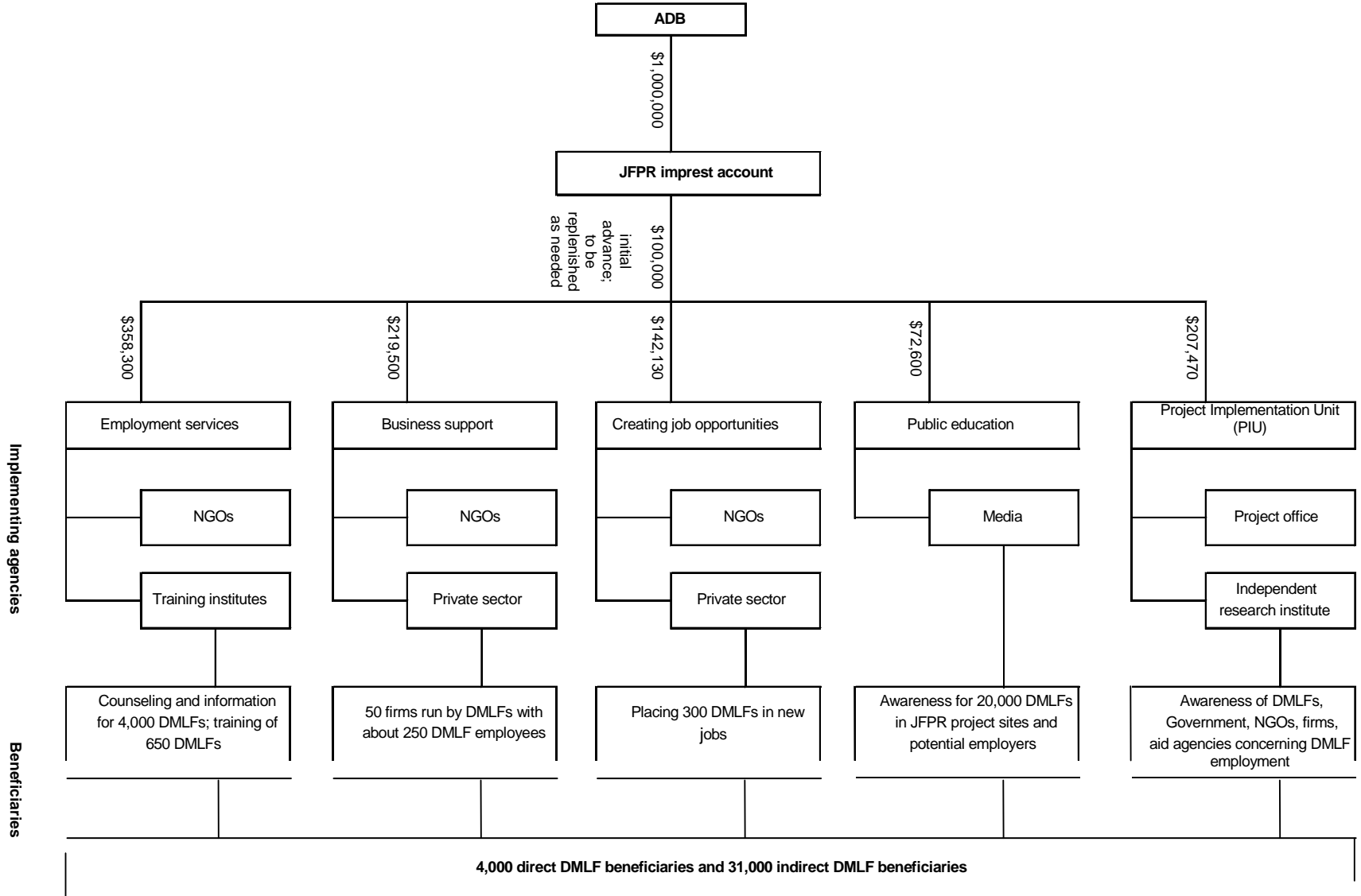
Item	ADB- JFPR	Govern- ment	NGO, Private Sector, Civil Society	Poor DMLFs	Other Donors	Total	JFPR Financed (%)
Employment services (skill training, information, counseling, job placement)	358,300	41,000	8,000	13,000	0	420,300	35.8
Adapting training facilities for disabled persons (civil works)	64,000	16,000	0	0	0	80,000	6.4
Training facilities adaptation	56,000					56,000	
NGO facilities' Rehabilitation	8,000					8,000	
VAT for civil works	0	16,000				16,000	
20% of \$80,000							
Training and workshops	250,300	25,000	5,000	13,000	0	293,300	25.0
Preparing NGOs and private sector to provide employment services for the poor disabled members of the labor force (DMLFs)	78,000	0	0	0	0	78,000	
International volunteer	40,000					40,000	
24 person-months							
Local training coordinator	18,000					18,000	
Training materials for NGOs	20,000					20,000	
Training for 650 disabled persons	164,800	25,000	5,000	13,000	0	207,800	16.5
Training contractors	162,500	25,000	5,000	13,000		205,500	
650 places, one month, \$250 per person per course							
Reference materials for training contractors	2,300	0				2,300	
Special handbook for training disabled persons							
Information on training opportunities	7,500					7,500	0.8
Job placement	24,000	0	0	0	0	24,000	2.4
Job placement specialist	24,000					24,000	
NGO project administration	20,000		3,000			23,000	2.0
Business support to 50 new enterprises for 250 DMLFs	219,500	33,000	12,000	5,000	0	269,500	22.0
Start up machinery, equipment, and materials	94,000	23,000	0	0	0	117,000	9.4
Furniture for businesses	24,000					24,000	
Start-up equipment/tools for businesses	50,000					50,000	
Start-up production materials	20,000					20,000	
VAT for equipment	0	23,000				23,000	
20% of \$115,000							
Adapting training facilities for disabled persons (civil works)	40,000	10,000	0	0	0	50,000	4.0
Business premises adaptation/improvement	40,000					40,000	
VAT for civil works	0	10,000	0	0	0	10,000	
20% of \$50,000							

Item	ADB-JFPR	Government	NGO, Private Sector, Civil Society	Poor DMLFs	Other Donors	Total	JFPR Financed (%)
Training and workshops for DMLF entrepreneurs	27,000	0	2,000	5,000	0	34,000	2.7
Entrepreneurship training	15,000		500	3,000		18,500	
Information workshops for potential entrepreneurs	9,000		1,000	2,000		12,000	
Business preparation and training for NGOs in business support	3,000		500			3,500	
Business promotion	38,500	0	7,000	0	0	45,500	3.9
Brochures and advertising	12,000		6,000			18,000	
Reference materials for business and NGOs	2,500		1,000			3,500	
Business development specialist	24,000		0			24,000	
Project implementation through NGOs, private sector	20,000		3,000			23,000	2.0
Creating job opportunities for 300 DMLFs	142,130	25,740	24,730	720	0	193,320	14.2
Incentives for employers to hire DMLFs	51,130	13,240	18,970	720	0	84,060	5.1
Working clothes for the disabled	750		750			1,500	
Special working material for on-the-job training of DPLs	7,500		7,500			15,000	
Specialized machinery, equipment, and tools for the disabled	40,000		10,000			50,000	
VAT for civil works	0	10,000				10,000	
Wage top up for DPLs, who would otherwise be paid less	2,880		720	720		4,320	
Social benefit offset	0	3,240				3,240	
Upgrading facilities for proper use of DMLFs (civil works)	50,000	12,500	0	0	0	62,500	5.0
Workplace adaptation (special furniture)	25,000					25,000	
Workplace adaptation (civil works)	25,000					25,000	
VAT for civil works	0	12,500				12,500	
Training and workshops	21,000	0	2,760	0	0	23,760	2.1
Training for DPL supervisors in companies	12,000		1,260			13,260	
Information workshops for potential employers	9,000		1,500			10,500	
Project Implementation through NGOs, private sector	20,000		3,000			23,000	
Awareness raising for the needs of DMLFs	72,600	240	6,680	6,000	0	85,520	7.3
Advocacy	15,600	240	1,680	6,000	0	23,520	1.6
Workshops for media representatives (6)	2,250		300			2,550	

Item	ADB- JFPR	Government	NGO, Private Sector, Civil Society	Poor DMLFs	Other Donors	Total	JFPR Financed (%)
Workshops for advocates and public officials	3,750		300			4,050	
Public community for a	9,600	240	1,080	6,000		16,920	
Materials	45,000	0	5,000	0	0	50,000	4.5
TV programs	18,000		2,000			20,000	
Radio programs	9,000		1,000			10,000	
Newspaper advertisements and articles	18,000		2,000			20,000	
Consultancy	12,000	0	0	0	0	12,000	1.2
Media Consultant	12,000					12,000	
Project Management	207,470	18,150	2,100	5,000	0	232,720	20.7
Project Administration	80,210	17,150	0	0	0	97,360	8.0
Staff	38,610	0	0	0	0	38,610	
Project manager	25,740					25,740	
Project assistant	6,435					6,435	
Driver	6,435					6,435	
Equipment	11,000	2,750	0	0	0	13,750	
Car	6,000					6,000	
Office equipment (fax, computer, e-mail, phone)	4,000					4,000	
Office furniture	1,000					1,000	
VAT for equipment	0	2,750				2,750	
Stationary and printing	7,200					7,200	
Communication	9,000					9,000	
Travel and car maintenance	14,400	0				14,400	
Office rent and utilities	0	14,400				14,400	
Baseline survey	21,000	500	1,100	4,000	0	26,600	2.1
Labor market/training needs analysis/potential employers' survey	10,000	300	500	1,500		12,300	
Survey of DPLs businesses activities	8,000	100	500	500		9,100	
DPL job aspirations survey	3,000	100	100	2,000		5,200	
Independent poverty impact assessment	25,000	500	1,000	1,000		27,500	2.5
Contingencies	81,260					81,260	8.1
Total	1,000,000	118,130	53,510	29,720	0	1,201,360	83.2

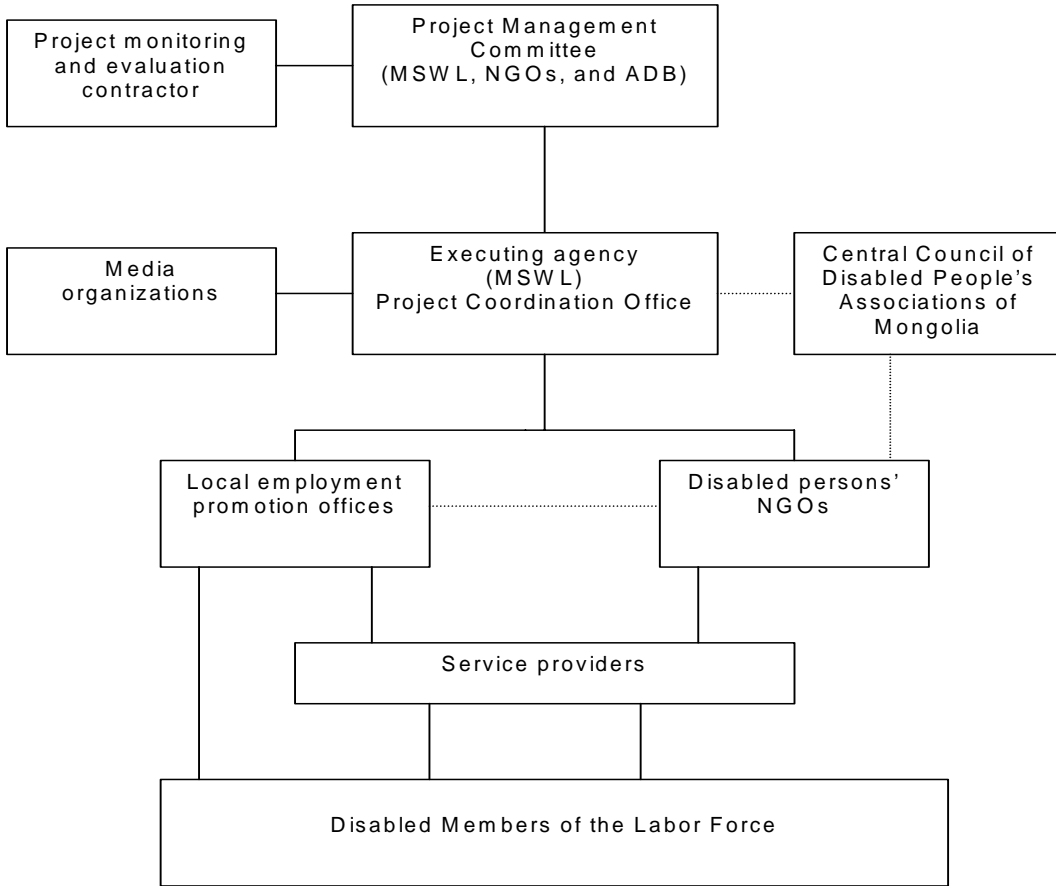
DMLF = disabled members of the labor force, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organizations, VAT = value-added tax.

FUNDS FLOW ARRANGEMENTS



DMLF = disabled member of the labor force, JFPR = Japan Fund for Poverty Reduction, NGO = nongovernment organizations, PIU = Project Implementation Unit.

IMPLEMENTATION ARRANGEMENTS



ADB = Asian Development Bank, MSWL = Ministry of Social Welfare and Labor, NGO = nongovernment organizations.

———— Direct administration, supervision and contracting

..... Advisory and coordination relationship

PROCUREMENT PACKAGING

Description	Number of contracts	Amount Base Cost (\$)	ADB/JFPR Financing (%)	Procurement Mode
A. Civil Works				
1. Adapting training facilities	6	70,000	80	DP/LCB
2. NGO Facilities Rehabilitation	6	10,000	80	DP/LCB
3. DMLF Business premises adaptation	6	50,000	80	DP/LCB
4. Upgrading company workplaces	6	31,250	80	DP/LCB
B. Equipment, Vehicles and furniture				
1. Start-up equipment and materials for DMLF businesses	1	87,500	80	DP/IS
	1	50,000	80	DP/IS
2. Specialized machinery, equipment and tools for DMLFs	1	12,000	100	DP/IS
	1	13,200	100	DP
3. PIU Car				
4. PIU Office Equipment and Supplies	5	31,250	80	DP
5. Furniture for DMLF employers (workplace adaptation)	1	1,000	100	DP
6. PIU Furniture				
C. Materials				
1. Reference materials for training contractors	1	2,300	100	DP
2. DMLF business reference and advertising materials	1	14,500	100	DP
3. DMLF on-the-job training materials	1	8,250	100	DP
4. TV and radio programs; newspaper advertisements	1	45,000	100	DP

ADB = Asian Development Bank, DMLF = disabled member of the labor force, DP = direct purchase, LCB = local competitive bidding, IS = international shopping, NGO = nongovernment organizations, PIU = Project Implementation Unit.

SUMMARY POVERTY IMPACT ASSESSMENT

	Number	Percent
Population		
Mongolia	2,400,000	
Project area	1,060,000	
Poor		
Mongolia	854,400	35.6
Project Area	424,000	40.0
Disabled		
Mongolia		
Number of disabled people	115,000	
of whom are poor	101,200	88.0
Disabled member of the labor force	37,500	
of whom are poor	35,000	85.0
Project Area		
Number of disabled people	60,000	
of whom are poor	52,800	88.0
Disabled member of the labor force	18,000	
of whom are poor	15,300	85.0
Project Beneficiaries		
Employment services and training		
Number of DMLF beneficiaries	4,000	
Sustainable poverty reduction impact (percent)		20.0
Actual poverty reduction impact (number)	800	
Business support for DMLF firms		
Number of benefiting firms	50	
Number of DMLF beneficiaries	250	
Sustainable poverty reduction impact (percent)		80.0
Actual poverty reduction impact (number)	200	
New job opportunities in existing firms		
Number of DMLF beneficiaries	300	
Sustainable poverty reduction impact (percent)		80.0
Actual poverty reduction impact (number)	240	
Awareness raising campaigns		
Number of DMLF beneficiaries	6,000	
Sustainable poverty reduction impact (percent)		2.5
Actual poverty reduction impact (number)	150	
Double Beneficiaries	400	
Sustainable Poverty Reduction Impact		
Number of people	990	
Share of poor (percent)		
All poor		.1
Poor in projected area		.2
Share of poor disabled		
in Mongolia		1.0
in project area		1.9
Share of DMLFs (percent)		
All DMLFs in Mongolia		2.8
DMLFs in project area		6.5
Investment (\$)		
Total	1,201,360	
JFPR financed	1,000,000	
Ratio		
Sustainable poverty Reduction/beneficiary (poor beneficiary ratio)		9.8
JFPR investment per beneficiary	99	
JFPR investment per sustainable poverty reduction beneficiary (sustainable poverty reduction efficiency ratio)	1,010	10.1

DMLF = disabled member of the labor force, JFPR = Japan Fund for Poverty Reduction.