



Social Monitoring Report

Project Number: 39229-033
Annual Report (January–December 2020)
June 2021

Mongolia: Agriculture and Rural Development Project - Additional Financing

Prepared by the Project Management Unit of Agriculture and Rural Development Project for the Asian Development Bank.

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Asian Development Bank

**MONITORING REPORT ON SOCIAL AND GENDER PERFORMANCE
OF AGRICULTURE AND RURAL DEVELOPMENT PROJECT - ADDITIONAL FINANCING
(1 January - 31 December 2020)**

Executive summary

1. This monitoring report provides details of monitoring results of 41 from 45 subprojects implemented by the Project participating enterprises (PPEs) under AF ARDP during 2016-2020. PPEs had significant improvement in their internal processes, including strengthened policy and procedures, production process and product quality, working conditions for employees with safer workplaces, employees' benefit programs and more importantly, new jobs were created despite of the challenges they have faced due to Covid-19 pandemic. By the end of 2020, all PPEs employed 6,642 people in total, from which 63% are women and 40% are rural people. Within the VCI activities, during 2016-2020, 2,318 new working places were created, where 67% went to women, which exceeds the project target of 40%. From those PPEs, 21 are located at aimag, soum and bag levels and 10% of total created new jobs were offered to the local people.
2. PPEs subproject implementation has brought significant economic positive impact on livelihood, especially, for PPEs employees and local suppliers (herders and vegetable and sea buckthorn growers). In 2020, PPEs paid in total MNT 5,184.4 million for social insurance fee and contributed MNT 18,429.8 million to the social and regional development activities through payment of the corporate income tax to local governments' budget.
3. During the reporting period, the PPEs did not face any ethnic minorities' concerns and involuntary resettlement issues as assessed. All those subprojects are implemented within territory owned by PPEs companies and or related companies (land/space used based on the long-term contract) and using land possessed by them with securing certificates. No ethnic minorities' communities are in the project areas and all projects utilizing existing own facilities.

I. Project description and Information

Project name and No:	Agriculture and Rural Development Project - Additional financing, MON 39229-033		
Total amount of financing:	#	Source	Amount, USD mln
	1	ADB ADF	15.0
	2	ADB OCR	35.0
	3	GOM	1.0
	4	PPEs	10.0
	Total amount		USD 61.0 mln
Project implementation period:	2016.03.01 – 2021.06.30		
Executing and implementing agencies:	Ministry of Food, Agriculture and Light industry (MOFALI) (From January 2020) Ministry of Finance		
Project objective:	Expected impacts of the overall project: (i) competitiveness of the agriculture processing industry enhanced, (ii) private sector-led employment generated, and (iii) SMEs developed. The outcome of the overall project will be value addition on Mongolian agricultural resources increased by PPEs. The project is expected to increase primarily the agro-processing capacity and secondarily primary agricultural production in Mongolia, and hence increase value addition to agricultural resources. The increased capacity will lead to employment generation, and indirectly benefit herders, farmers, and primary processors through the PPEs' increased demand for raw materials.		
Reporting period:	2020.01.01 –2020.12.31		
Objective of the monitoring	<ul style="list-style-type: none"> - Monitor a compliance with ADB's social safeguard policy and requirement, Laws and regulations of Mongolia and Government policies during project implementation, - Monitor PPEs' performance in the view of gender and social safeguards dimensions measure progress and achievement of the project implementation against the targets set in the DMF. 		
Number of sub-projects covered the monitoring	Monitoring of 2020 covers 41 from 45 subprojects, approved and financed under AF ARDP (Please see the table 2). Four subprojects were not included in this monitoring report, since Ikh Aurag Ord LLC repaid its loan in 2019 and subprojects of the Zurgaаn Khoshuu LLC and Efes Khuns LLC were not operational with non-safeguard reasons. Remaining one subproject was approved by end of 2020; therefore, it is early to monitor the implementation of this subproject.		
Tools/resources of the monitoring	<ul style="list-style-type: none"> - Monitoring report received from 41 PPEs using the table developed for this purpose; - Site and fact-finding visits. PMU had monitoring visits to all PPEs during the reporting period, findings of these visits are included in this report; - Other resources of the monitoring include; websites, reports, communication with stakeholders such as inspectors, local governments officials, local community, workers, local suppliers and partners and others. 		

II. Project social and gender performance

This monitoring report provides details of monitoring results of 41 subprojects of 45 subprojects implemented by the PPEs during 2016-2020. As of end of 2020, in total 45 subprojects have been

approved and financed by the additional financing of ARDP, amount of which is MNT 106.3 billion. An implementation progress against DMF targets is provided in the table 1.

Table 1. Project overall performance, by project performance indicators

#	Performance indicators	Baseline data (as of 31 Dec 2015)	Project achievemnets	Performance up to end of the project date, including data from original project		
				In total	Targets	%
<u>Output 1. VCIs financed.</u>						
1	About 80 VCIs are financed by Q4 2020	13	45	58	50	116%
2	Due diligence of about 80 VCI subprojects is completed by Q3 2020 (added, 2015 baseline: 16)	16	49	65	50	130%
3	In total 920 person-times of PPE and PPB staff are trained on finance, safeguards, gender, and monitoring by Q2 2020, of which at least 40% are women (added, 2015 baseline: 332)	332	3336	3,668	920	399%
			Women participants is 49.6%. (Exceeds the project target of 40%)			
<u>Output 2. Herders' production capacity improved.</u>						
4	120 herder and farmer cooperatives supported by the project, their outputs increased by at least 20% by Q4 2020 (added, 2015 baseline: 104)	104	13 bee-farmers and 15 fiber cooperatives supported by the ARDP AF project have increased their honey by 42.5% and increased their harvest and collection by 66%, respectively.	132	120	110%
5	5,500 person-times of herders, farmers, primary processors, and relevant technical staff of local governments, of which 40% are women, trained by Q4 2019 (added, 2015 baseline: 4,320)	4,320	3881	8,201	5,500	149%
			Women participants is 50.5%. (Exceeds the project target of 40%)			
<u>Output 3. Enterprises' marketing and technical capacity improved.</u>						
6	800 person-times of PPE staff, of which at least 40% are female, are trained on marketing and technical skills by Q4 2020 (added, 2015 baseline: 350)	350	1959	2309	800	289%
			Women participants is 74.7%. (Exceeds the project target of 40%)			

Progress of the project implementation

The following sections summarize the project implementation progress by outputs, providing details of benefits, which the project has already generated especially for employees, herders, local people, problems and issues needed to be addressed on timely and adequate manner, and risks to which sufficient attention should be paid:

2.1. Progress of output 1: VCIs financed

As of end of 2020, in total 49 social and gender assessments were conducted for VCI proposals, 45 subprojects of which have been approved and financed (Table 2. VCIs information). Total

amount of approved and financed subprojects is MNT 106.3 billion. Four subproject proposals were not approved by Project Steering committee for the following reasons; 3 companies did not provide audited financial reports and one company - under Government resolution No. 87 dated February 27, 2019 (as the resolution excludes SMEs, the major shareholder of which are MPs, government officials from access to any financing by international projects and government funding qualifies it as conflict of interest). Assessment work involves not only review of the existing operations, procedures and policies, it also involves advice, recommendations, which adds value to planning for improvement of Social and Gender performances.

Table 2. VCIs information

Monitoring indicators	Project data					
	2016	2017	2018	2019	2020	Performance up to date
Number of VCIs financed	9	7	11	10	8	45
Number of social and gender assessments prepared for VCI proposals	9	10	11	12	7	49
Number of VCIs approved by ADB/PSC	9	8	10	10	8	45

PPEs subproject implementation monitoring for 2020 is as follows by sectors (Table 3):

Table 3. Number of PPEs, by sectors

No	Sectors	Number of PPEs	%
1	Wool and cashmere	16	36%
2	Meat	7	16%
3	Diary product	5	11%
4	Bee farming	2	4%
5	Seed production	2	4%
6	Feed production	1	2%
7	Tannery and leather production	3	7%
8	Apparel	1	2%
9	Intensive farming	4	9%
10	Vegetable processing	2	4%
11	Seabuckthorn production	2	4%
	Total	45	100%

Project investments were made in 11 sectors, 34% of PPEs are in the wool and cashmere sector. (Number of PPEs, by sectors shown in table No.3). Almost all PPEs have implemented planned activities during the reporting period in timely manner, while a few have had a certain delays due to both longer approval/financing processes and situations emerged from the Covid-19 pandemic.

Monitoring of 2020 covers 41 subprojects from ARDP additional financing project, approved and financed during 2016-2020. Four subprojects were not included in this monitoring report, since Ikh Aurag Ord LLC repaid its loan in 2019 and subprojects of the Zurgaan Khoshuu LLC and Efes Khuns LLC were not operational with non-safeguard reasons. Remaining one subproject was approved by end of 2020; therefore, it is early to monitor the implementation of this subproject. The

list of subprojects financed by the additional financing ARDP and monitoring in 2020 is attached in the Attachment 1.

Findings provide the following details:

2.1.1. Safeguards

During the reporting period, 8 subproject proposals under output 1 were screened by PMU in accordance with ADB safeguard requirements and categorized as a C for both: Involuntary Resettlement and Ethnic minorities' community and approved by the ADB. PMU consultant prepared social and gender assessment for each of 8 subproject proposals in 2020, submitted to ADB and Project Steering committee and all got approval.

2.1.2. Beneficiaries

As shown in the table 4, PPEs' employees are the direct beneficiaries of the Project. All PPEs employed in total 6,642 people by end of 2020, 63% of which are women and 40% are rural people. During 2016-2020 VCI activities created all together 2318 new jobs, 67% of which went to women. Among those loan recipient PPEs, there are 21 located in aimag, soum and bag levels and 10% of total created new jobs were offered to local people. Khanbogd cashmere LLC, Jur ur LLC, Best shoes LLC, Zavkhan bayalag LLC and Erdenet makh market LLC are PPEs, which have created significant number of new jobs in 2020 by successfully managing negative impacts of Covid-19.

Table 4. Information on Project beneficiaries

Monitoring indicators		2016		2017		2018		2019		2020	
		Total	From which female	Total	From which female	Total	From which female	Total	From which female	Total	From which female
Number of total employees of PPEs		3313	65%	3958	64%	6455	66%	7015	67%	6642	63%
Of which:	Managerial staff	152	50%	210	48%	358	56%	375	57%	433	58%
	Engineering and technical staff	407	36%	392	39%	542	39%	674	38%	542	42%
	Financial and administrative staff	443	76%	503	73%	843	70%	1077	72%	982	63%
	Workers	2299	68%	2856	66%	4707	69%	4741	69%	4685	66%
Number of new jobs created under project /2016-2020										2318	67%
Number of new jobs created in the rural areas /2016-2020/										233	86%

*- This table does not include subprojects financed by original project investment. PPEs, which implemented those subprojects, have repaid their loans.

However, most PPEs struggle with consequences of the Covid-19 to the business: fallen demand for productions, cash flow disruptions and difficulties in paying employees remunerations were key challenges of PPEs, especially non-food industrial business become vulnerable due to stricter restrictions and lockdowns, which caused some layoffs. Total number of employees of PPEs in non-food sectors was decreased by 15% in 2020 comparing with 2019.

In 2020, PPEs paid in total MNT 5,184.4 million for social insurance fee and contributed MNT 18,429.8 million to the social and regional development activities through payment of the corporate income tax to local governments' budget. PPEs spent in total MNT 41,762.2 million for annual wage expenditure of employees. Expenditures on social security fee and annual wage fund by PPEs in 2020 compared to the previous year decreased by 68% and 42%, respectively. This decreases

appeared due not only to the company's financial difficulties, but also to the government's decision to exempt enterprises and individuals from social insurance payment.

2.1.3. Progress made in improvement of work and workplaces

During the project implementation, all PPEs have improved their production process and productivity, as well as working environment and condition. 12 PPEs provided new separate sanitary and changing facilities for men and women and 26 PPEs created much more space per employee in the production floors to have more improved work safety, as a result of full and partial construction work and maintenance invested in by PPEs. This was all confirmed through monitoring reports received from PPEs and monitoring visits conducted by PMU. Some PPEs' work results shown in below photos.

Photo 1. Darkhan nekhii JSC

Within the project investment Darkhan Nekhii JSC planned to open first bonded leather plant in Mongolia in first quarter of 2020. Equipment and machine were purchased and space for production was expanded. However, the plant opening was postponed from the planned schedule, because Chinese experts who work to complete equipment installation, test and train employees could not arrive in 2020 due to border closure and restrictions of Covid-19.



Natural lighting has been improved drastically by renovating the factory's roof. Emergency shower and eye rinsing station was established.



Photo 2. Yanmal LLC

The company established own de-hairing and spinning workshops, which allowed keeping related costs down and save time. 35 new permanent employees were hired.



Photo 3. Processing plant of Zavkhan bayalag LLC before and after the investment



Photo 4. Global nomadic products LLC

The company collects yak milk from local herders to make ghee, butter, hard cheese for dog chew by establishing collection/processing workshops in Tsakhir, Tariat and Khangai soums of Arkhangai aimag. It made real contribution to income generation of the local herders in the remote area, especially in summer time, when the herders do not have much to sell, except fresh milk, which quickly spoils, if it is not processed immediately. 22 local people are provided with jobs.



2.1.4. Policy and procedures.

Human resource policy and procedures in all PPEs ensured that female workers will not be discriminated at the working places. Internal policies and procedures in most PPEs were reviewed and updated as required by PMU in line with national labor code standards and in accordance to the recommendations given during the assessment by social and gender consultant at PMU. Depending on the size of the company, the improvement in this area varies from PPE to PPE. It does not seem easy for small businesses with fewer than 20 employees to cope with management of all changes at first place. They tend to focus first on their business operations management. Improvements in documentation and recording take time, and could not be done simultaneously with improvements of business operations.

Generally, most of Mongolian small business owners take all management responsibilities in their own hand with intention to take full control, but always have limited time to perform multiple tasks or try to use effectively limited human resources, that is far below than what is required for proper management of new areas or to hire outside professionals. In order to improve their awareness about governance the PMU invited 12 PPEs to the “Corporate governance” training by the USAID “BEST” program, aimed at improvement of Governance in SMEs of Mongolia. 20 PPEs out of 41 reviewed and updated their policies and procedures to address needs and requirements prompted by an expansion of the business operations, changed organizational structure, in some case upon PMU recommendations. Some companies are performing preparatory work, some started introduction of the HACCP and ISO standards or got certificates, shown in Attachment 3.

2.1.5. Staff training and employees

All PPEs approved and implemented training plan for 2020 in order to support the expanded or new operations. In total, 7328 employees, with overlaps, from which 64% are female employees, participated in 492 trainings organized by the PPEs, including technical, skill and knowledge development and orientation trainings in safe ways during Covid-19. Please see the table 6.

For example, Gobi JSC, NTG LLC, Denimon LLC, Darkhan nekhii JSC, Tumen shuvuut JSC and Nuudel tejeel LLC paid substantial attention and time to improvement of knowledge and practice of employees. Some PPEs had difficulties to invite foreign specialists, who will help to install new equipment and train employees due to border closure.

Table 5. Training activities in PPEs

No	Company	Skill development trainings, 2020			
		# of trainings	Budget, mln ₮	Number of employees who had skills upgrade trainings	Women employees trained
1	Noos Ireedui LLC	5	1.95	86	59
2	Denimon LLC	15	1.8	78	54
3	Gobi JSC	90	41.9	2519	1763
4	Khan Brand LLC	0	0	0	0
5	Mongolian Cattle LLC	0	0	0	0
6	Russkie kolbasy LLC	3	0.1	45	14
7	Davshilt Trade LLC	0	0	0	0
8	Sor Cashmere LLC	5	2.4	8	8
9	Monmeat trade LLC	4	5.6	154	61
10	Khanbogd cashmere LLC	8	10	34	23
11	Mogol noos LLC	6	0	20	14
12	Bayalag-Ulzii LLC	3	2.3	22	17
13	Darkhan nekhii JSC	35	5.3	295	195
14	Tumenshuvuut JSC	21	2.5	315	150
15	Ikh ulam undrakh LLC	0	0	0	0
16	Yanmal LLC	3	10.3	6	5
17	Choirkhaikhan LLC	0	0	0	0
18	Nuudel tejeel LLC	21	3.2	163	53
19	Jinst Murun LLC	5	2	23	20
20	GBT LLC	41	35.4	394	189
21	Khurkh gol LLC	1	1.2	25	9
22	Mihachi LLC	1	0.3	1	1
23	Ajigana LLC	0	0	0	0
24	Mongol textile LLC	4	0.75	23	11
25	Uguuj mandal LLC	9	1.8	18	10
26	Best shoes LLC	9	7.3	236	129
27	Zavkhan bayalag LLC	9	1	106	82
28	Munkhbumuud LLC	1	0.7	5	5
29	Erdmeat	4	36	43	23
30	Jivertyn orgil LLC	3	0.2	62	18
31	NTG LLC	131	9.7	1640	1148
32	Trust trade LLC	12	14.3	137	78
33	Jigd khuch LLC	5	0.9	36	16
34	Jur ur LLC	5	22.6	567	380
35	Leader Cashmere LLC	8	4	31	13
36	Durvun ulzii LLC	7	2.5	68	27
37	Erdenet makh market LLC	3	2.7	54	27
38	Global nomadic products LLC	5	2.0	61	33
39	Ulemj cashmere LLC	5	1.1	16	4
40	Darkhan tsaskhan suu LLC	3	1.3	15	6
41	Batseju LLC	2	0.2	22	10
	Total	492	235.3	7328	4655

2.1.6. Fringe benefits

All PPEs offer necessary benefits such as annual leave, paid sick leave, maternity leave and medical insurance, which are in line with the relevant laws and regulations of the Mongolia. In addition to that, all PPEs have own benefits for their employees, which are regulated by the Internal labor procedures, including free/discounted lunch, transportation services/transportation fee, employee incentive programs, team building events and other employer assisted programs. The PPEs spent in total MNT2.5 billion for package of fringe benefits in 2020. Noos Ireedui LLC, Gobi JSC, Bayalag-Ulzii LLC, Ajigana LLC, Choirkhaikhan LLC and Darkhan nekhii JSC provide employees' bus or microbus, which operate on daily basis with pre-defined route and timetable. PPEs paid in total MNT1.6 billion for employees' food and transportation services.

For the most PPEs, for one and more years' employment, the employees are eligible for car leasing support.

2.1.7. Employees Health and Safety.

Medical care units provide basic medical services for their employees at the factories of the NTG LLC, Darkhan nekhii JSC and Gobi JSC. Mogol noos LLC, Noos Ireedui LLC, GBT trading LLC, Russkie kolbasy LLC, Monmeat trade LLC, Jinst murun LLC, Erdmeat LLC, Durvun ulzii LLC, Ulemj cashmere LLC and Denimon LLC have contracted doctors to provide basic medical services. During the reporting period, in total, 2529 employees of 29 PPEs have had medical checkups. Remaining PPEs postponed scheduled annual checkups in 2020 due to Covid-19.

In 2020, Gobi JSC, Trust trade LLC and Jur ur LLC had assessment of working conditions conducted by the OSH center and its authorized institutions. 14 of all monitored PPEs were inspected and got hygienic measurements in main units of companies conducted by local inspection authorities. According to the inspection reports, work place conditions in most units of PPEs have been in compliance with national requirements, and occupational safety condition. Noos Ireedui LLC, Monmeat trade LLC, Khanbogd Cashmere LLC, Gobi JSC, Tumen shuvuut LLC, Zavkhan Bayalag LLC, GBT LLC, Erdmeat LLC, NTG LLC, Trust trade LLC, Erdenet makh market LLC, Jigd khuch LLC, Jur ur LLC and Darkhan Nekhii JSC were evaluated as a "low risk". Sor cashmere LLC, NTG LLC and Erdmeat LLC were evaluated as a "medium risk" and they have implemented follow up actions in accordance with requirements and recommendation provided by the state inspectors in timely manner in order to correct non-compliances related to drinking water sampling, work place assessment, internal control, and improvement of workers canteen and hiring hygienist etc., which are included in their OHS plan of 2020. Please see the attachment 4: OSH activities in PPEs.

During the monitoring of PPEs the PMU visited local SID and met state inspectors of Govisumber, Selenge, Darkhan-Uul, Orkhon, Uvurkhangai, Khovd, Khuvsgul, Khentii and Zavkhan aimags, Ulaanbaatar city and Nalaikh district and made inquiries compliance on OSH, as well labor relation.

In total, 19,461 employees of 38 PPEs attended OSH trainings and 2607 employees of 33 PPEs attended health trainings organized by companies, individually. All employees received safety instructions on daily, weekly or monthly basis within the schedule depending on their production process and potential risks at workplaces.

In 2020, two minor incidents recorded at Gobi JSC and NTG LLC, which were related to improper handling of equipment. In all cases first aid provided, as well compensation and workers returned to their work.

All PPEs which have had PMU monitoring, shown strong evidence in providing personal with protective equipment and uniforms. However, during PMU monitoring visits there were cases when employees didn't wear required clothes or masks, and the PMU strongly recommend companies' management and OHS staff to continue provide personal protective equipment and uniforms and promote its' proper use at the workplace.

2.1.8. Performance of Covid-19 preventative plan

Due to the outbreak and spread of Covid-19, Mongolian Government has taken measures to prevent an outbreak of the Covid-19. In order to prevent and reduce the risk of the Covid-19, the Government of the Mongolia has launched a nationwide "High Disaster Preparedness" on 13 February 2020. Accordingly, all PPEs, currently implementing subprojects have developed Covid-19 health and safety plan as requested by PMU and/or ADB.

All operational PPEs approved and implemented Covid-19 preventive plan to protect their employees. During the monitoring visits, the PMU team confirmed the implementation of Covid-19 plans and provided relevant recommendations in case of Covid-19 appearance at the workplace or lack of compliances by workers, visitors and clients or customers.

Table 6. Covid-19 plan performance

#	Company	Covid -19		# Measures			
		Risk assessment	Covid-19 plan	Planned	Performance	Total of expenses, mln ₮	# of employees involved
1	Noos Ireedui LLC	low	+	5	5	8.8	103
2	Denimon LLC	low	+	11	11	2.5	93
3	Gobi JSC	medium	+	16	16	26.8	9,114
4	Khan Brand LLC	medium	+	8	8	0.7	18
5	Mongolian Cattle LLC	low	+	8	8	0.3	7
6	Russkie kolbasy LLC	low	+	8	8	3.6	20
7	Davshilt Trade LLC	low	+	6	6	0.6	13
8	Monmeat trade LLC	low	+	9	9	16.8	83
9	Sor cashmere LLC	low	+	4	6	6.02	98
10	Khanbogd cashmere LLC	medium	+	9	9	1.9	200
11	Mogol noos LLC	low	+	19	19	0.3	78
12	Bayalag-Ulzii LLC	medium	+	6	6	2.5	93
13	Darkhan nekhii JSC	medium	+	12	12	3.6	398
14	Tumenshuuut LLC	low	+	10	10	7.9	201
15	lkh ulam undrakh LLC	low	+	11	11	0.6	19
16	Yanmal LLC	low	+	5	5	5	120
17	Choirkhaikhan LLC	low	+	3	3	0.3	28
18	Nuudel tejeel LLC	medium	+	11	11	32.15	150.0
19	Jinst Murun LLC	low	+	7	7	0.8	7
20	GBT LLC	low	+	11	11	30.5	171
21	Khurkh gol LLC	low	+	10	10	3.5	81
22	Mihachi LLC	low	+	5	5	0.2	4
23	Ajigana LLC	low	+	5	5	60	171
24	Mongol textile LLC	low	+	8	8	0	27
25	Uguuj mandal LLC	low	+	10	10	4.6	18
26	Best shoes LLC	medium	+	10	10	12.4	124
27	Zavkhan bayalag LLC	low	+	9	9	1.9	30
28	Munkhbumuud LLC	medium	+	6	6	0.7	44
29	Erdmeat	medium	+	9	9	13.8	63
30	Jivertyn orgil LLC	low	+	9	9	16.3	50
31	NTG LLC	medium	+	8	8	125.2	754
32	Trust trade LLC	low	+	10	10	16.4	137
33	Jigd khuch LLC	low	+	9	9	15.9	35
34	Jur ur LLC	low	+	10	10	421.4	916
35	Leader Cashmere LLC	low	+	9	9	3.6	145
36	Durun ulzii LLC	medium	+	6	6	8.4	72
37	Erdenet makh market LLC	low	+	11	9		54
38	Global nomadic products LLC	low	+	9	9	8.2	68
39	Ulemj cashmere LLC	low	+	10	10	2.6	10
40	Darkhan tsaskhan suu LLC	low	+	11	11	4.1	15
41	Batseju LLC	low	+	9	9	1.1	22
	Total	11/30/	41	362	362	871.9	13,854

According to the consolidated monitoring data, out of 41 PPEs 27% have evaluated their operation with medium risk, 73% - PPEs with low risk. All planned activities with budget of MNT871.9 million have been implemented. In total 13,584 employees were involved.

Photo 5. The Khanbogd cashmere LLC is taking measures against Covid-19.



2.1.9 Supply chain.

Herders, farmers and primary processors benefitted from organized capacity development programs and provision of equipment and materials under Output 2 of the Project directly. During the reporting period, PMU received and screened proposal to establish 61 water wells in 57 soums of 11 aimags and 3 in reserve pasturelands of 3 aimags to support herders through improved water supply in the underutilized pasture areas.

As of end of 2020, 40 water wells out of planned 62 were constructed, 53% from which are in the process of registration or selection and conclusion of contract with people who will be in charge of the wells. In total 1,253 local and herder families benefitted directly from the sub-project implementation.

As of 31 December 2020, altogether 3,881 of herders, farmers, and relevant technical staff of local Government (50.5% female participants) were trained on the following topics: warehouse quality and standard, milk and meat hygiene aspects and primary processing, beekeeping, honey quality, sea-buckthorn growing and processing technology, and raw material grading.

Under output 1, PPEs are working actively to develop cooperation with herders, farmers and cooperatives on establishment of the sustainable raw material procurement system. Moreover, PPEs started to provide assistance and support to the piloted cooperatives, farm, herders, established raw materials warehouses and raw material collection centers in local areas to increase the value of raw materials and improve local suppliers/herders' incomes.

In 2020, wool and cashmere processing PPEs purchased 2,397 tons of cashmere and 706.2 tons of yak and sheep wool and paid MNT 146.2 billion. Herders in company's procurement areas benefitted from large volume of its procurement process. Most of PPEs provided direct inputs to herders paying advance payments and incentives, even during the challenges of Covid-19 pandemic.

GBT trading LLC and Durvun ulzii LLC have been implementing their plan to develop direct cooperation with vegetable growers and improving raw material procurement process, good results already seen. In 2020, these two PPEs procured in total 10,537 tons vegetable from local growers and spent MNT 8,647.2 million, which were higher by 15% and 40% comparing with 2019, respectively.

Photo 6. Vegetable collection center of Durvun ulzii LLC in Orkhon soum, Darkhan-Uul aimag

Durvun ulzii LLC. Under VCI, vegetable collection center in Orkhon soum expanded and equipped, gherkin seeds distributed to vegetable growers. 11 local people were provided with seasonal jobs.



2.2. Progress of output 2: Production capacity of herders and farmers improved, output 3: Marketing and technical capacity of enterprises are improved, and output 4: Mongolian product brand(s) developed.

Under the impact of Covid-19, the TA team was not able to complete the all planned work on time, but was able to produce reasonable results

Significant progress has been made in several subsectors as result of support to herders, herder cooperatives and farmers. As of 31 December 2020, under the ARDP AF 3,336 people (50% are women) were trained on the following topics: warehouse quality and standard, milk and meat hygiene aspects and primary processing, beekeeping, honey quality, sea-buckthorn growing and processing technology, and raw material grading.

During the reporting period, a subproject proposal under output 2 to establish 61 water wells in 57 soums of 11 aimags and 3 in reserve pasturelands of 3 aimags was received, screened for land acquisition by PMU in accordance with ADB safeguard and national relevant requirements. PMU in accordance with ADB safeguard requirements categorized it as a C for Involuntary Resettlement and Indigenous peoples. In addition, due diligence for establishment of water wells conducted by the PMU, confirmed the findings of the screening, and DDR was cleared by ADB.

As of end of 2020, 40 water wells out of planned 62 were constructed, 53% from which are in the process of registration or selection and conclusion of contract with people who will be in charge of the wells. In total 1,253 local and herder families will benefit directly from the sub-project implementation.

Trainings on product development and quality assurance and brand development were organized under output 3 and 4. During the ARDP AF 3,172 people were trained, 68% of which female participants.

2.3. Gender and Development.

According to the consolidated monitoring data, out of 6642 employees of 45 PPEs, 63% are women. 58% of the management, 42% of all engineering and technical staff and 62% of financial and administrative positions are occupied by women.

Human resource policy and procedures in all PPEs ensured that female workers are not discriminated at working places and for all PPEs, no complaint received from employees on discrimination and sexual harassment. Female workers significantly benefitted as a result of investment through improved working conditions and OSH, new jobs creation, increased knowledge and skills, established separate sanitary facilities for women and men, separate changing rooms and lockers, regular medical checkups of employees done by all PPEs.

Within the VCI activities, 2318 new jobs were created as of end of 2020, 67% of which went to women, and this exceeds the project target of 40%. GAP implementation report based on data received from PPEs has been prepared and shown in attachment 4.

29% of all PPEs are managed by women leaders and most of them have played an important role in their own sector's development in Mongolia and their contribution has been highly recognized in pertinent sectors. (Mrs.Tungalag, General director of Denimon LLC is President of the Sewing Industry Federation, Mrs.Erdenetuya, founder of the Sor cashmere LLC and Mrs. Gantsetseg, General director of Khanbogd cashmere LLC are members of Steering committee of Wool and Cashmere association, Mrs.Sansarmaa, CEO of Trust trade LLC is member of Steering committee of Food producers association) and their contribution has been highly recognized in their sectors.

Mrs. Gantsetseg, General director of Khanbogd cashmere LLC and Ms. Munkhzul, Deputy director of Jur ur LLC, who made a valuable contribution to enhance the sectoral development, were awarded with title of Honored Worker of Industry of Mongolia .

2.4. Disclosure and public consultation

Project information was disclosed continuously through channels such as meetings, trainings, website of the ARDP project and PPBs, brochures and via phone calls. In addition, information dissemination went through informal channels such as Facebook, emails and messages, when the PPEs and potential companies requested to clarify project related issues, which was considered as a most effective way to disseminate. ARDP website (www.ardp.mn) included detailed information about the project and related requirements, including ADB's and national safeguard requirements to share for public.

During the assessment of 5 subproject proposals, PPEs consulted with Local government and Citizens' Representatives khurals (CRK) on implementation of their proposals and got official support. (Table 7)

Table 7. Information disclosure and public consultation of subprojects

No	Subproject	Location	Local government and CRK
1	Global Nomadic products LLC	Arkhangai, Selenge	CRK of Tushig and Zuunburen soums of Selenge aimag, CRK of Tariat soum of Arkhangai aimag
2	Ulemj Cashmere LLC	UB	Representatives of Public Meeting 24 th khoroo of Bayanzurkh district
3	Darkhan Tsaskhan suu LLC	Darkhan-Uul	Local government of Darkhan soum of Darkhan-Uul aimag
4	Batseju LLC	UB	Public Meeting 13 th khoroo of Chingeltei district
5	Jinst Murun LLC	Khuvsgul	Governor of Erchim bag of Murun soum of Khuvsgul aimag

2.5. Grievance redress mechanism (GRM)

Grievances, requests and comments related to the project can be submitted to the PMU in written form, through phone call and grievances' window at the project's website /<http://www.ardp.mn/eng/ardp/contact/>. Regulation procedure of grievances, requests and comments related to the project activities is included in the internal labor procedure of the ARDP. In 2020, PMU received 9 requests from 8 PPEs to postpone sub-loan repayment due to Covid-19 pandemic. 4 of 9 requests were redressed and remaining 5 were rejected by PMU (1 request) and PCS (4 requests). The reasoning and justifications for the decisions were communicated to PPEs.

The grievance mechanism is in place at all PPEs. Most companies have improved grievance redressing activities by developing new procedure or updating their existing internal procedure on labour by including handling of concerns from different stakeholders, appointing personnel responsible for receiving, record keeping and handling grievances. 6 PPEs revised their GRM on receiving and solving complaints from employees, suppliers, as well as other external stakeholders. During the reporting period, no complaint received from employees on discrimination and sexual harassment. PPEs received complaints and requests mostly from employees. As end of 2020, 41 PPEs recorded 8,417 requests/complaints and resolution rate was 99.8%. 15 grievances are on-going to resolve and 2 grievances of Tumen Shuvuut and Best Shoes were rejected. A worker of Best Shoes LLC asked to increase salary, but the company did not support his request and explained the reasons for the refusal. In addition, a client of Tumen Shuvuut JSC complained about spoiled egg, which was not proved by quality test.

GRM of most PPEs is focused on workforce and internal issues. 56.5% of all complaints are raised from employees. PMU recommended to PPEs to revise the GRM to be more transparent and accessible to other external stakeholders. (Please see the attachment 5.)

2.5. Project management activities.

During the reporting period, PMU provided all afforded supports to PPEs to smooth implementation of project activities through communication with other stakeholders, developing cooperation with tangible benefits for each, dissemination of project related information through promotion and engagement of all stakeholders and clients in project activities.

The PMU pays close attention to reach the project targets and avoid gaps during implementation of GAP. PMU receives annual social and gender performance monitoring reports from all PPEs, related sex-disaggregated data are collected and monitored. The quality of data and information of the reports do not always meet the report requirements, due to the lack of capacity and time allocated by staff, management, and turn over and rotation within company.

III. Conclusion/challenge

The project investments activities made significant positive impact and changes at the enterprises level in terms of production process, quality of product, volume of sales, product development, team building and safe and pleasant working environment for employees. However, the Covid-9 crisis forced sudden adjustments or adaptation. Covid-19 has altered PPEs, revealing new priorities, capabilities and outlooks to keep businesses, as well as employees and consumers, customers. Human resource and capacity building constraints are required further proper planning for all PPEs, especially small companies and non-food companies. In addition, expanded advocacy work is need due to slow enrollment of new employees for existing positions, rotation of current personal.

IV. Recommendations for further improvement

- To promote sustainable employment and HR policy, conduct continuous trainings and mentoring for new hires,
- To provide periodical trainings and capacity building activities for PPEs employees,

- To maintain safe workplaces, implement continuously Covid-19 preventive plan,
- Continue improvements on OSH and GRM,
- Continuously improve internal monitoring system with the inclusion of GAP implementation.

Prepared by: Amarjargal Yo., Social and gender consultant, ARDP-AF

May 4, 2021

Attachment 1. The list of subprojects financed by the ARDP-AF and monitored in 2020

No	Company	Issuing bank	Approved		Location
			By	Date	
	1. Wool and cashmere				
1	Gobi JSC	TDB	ADB	2016	UB
2	Choirkhaikhan LLC	Golomt	ADB	2018	Govisumber
3	Jinst murun LLC	Golomt	PSC	2018	Khuvsgul
4	Mongol textile LLC	Golomt	ADB	2018	UB
5	Munkhbumud LLC	Golomt	PSC	2019	UB
6	NTG LLC	Golomt	ADB	2019	Orkhon
7	Khanbogd cashmere LLC	KHAN	ADB	2017	UB
8	Bayalag ulzii LLC	KHAN	PSC	2017	UB
9	Yanmal LLC	KHAN	ADB	2018	UB
10	Sor cashmere LLC	TDB	ADB	2016	UB
11	Noos ireedui LLC	Golomt	ADB	2016	Uvurkhangai
12	Mogol noos LLC	TDB	ADB	2017	Tuv
13	Leader cashmere LLC	KHAN	ADB	2020	Khuvsgul, UB
14	Ulemj cashmere LLC	KHAN	ADB	2020	UB
15	Batseju LLC	KHAN	PSC	2020	UB
12	Sectoral total				
	2. Meat and meat production				
1	Efes khuns LLC	Golomt	PSC	2019	UB
2	Trust trade LLC	UB bank	ADB	2019	UB
3	Monmeat trade LLC	KHAN	ADB	2016	UB, Khentii
4	Russkie kolbasy LLC	KHAN	PSC	2016	UB
5	Erdmeat LLC	KHAN	ADB	2019	Orkhon
6	Davshilt trade LLC	TDB	PSC	2016	UB
7	Erdenet makh market LLC	KHAN	ADB	2020	Orkhon
6	Sectoral total				
	3. Milk and dairy production				
1	Jigd khuch LLC	Golomt	PSC	2019	UB, Tuv
2	Jur ur LLC	Golomt	PSC	2019	UB, Orkhon
3	Khan brand LLC	KHAN	PSC	2016	UB
4	Global nomadic products LLC	KHAN	PSC	2020	Arkhangai
5	Darkhan tsaskhan suu LLC	Golomt	PSC	2020	Darkhan-Uul
3	Sectoral total				
	4. Tannery, leather manufacturing				
1	Darkhan nekhii JSC	Golomt	ADB	2017	Darkhan-Uul
2	Best shoes LLC	UB bank	PSC	2019	UB
3	Ikh ulam undrakh LLC	NIB	PSC	2017	UB
3	Sectoral total				
	5. Apparel				
1	Denimon LLC	TDB	PSC	2016	UB
1	Sectoral total				
	6. Intensive farm				
1	Tumen shuvuut JSC	XAC	ADB	2017	UB
2	Ajigana LLC	TDB	ADB	2018	UB
3	Nuudel tejeel LLC	UB bank	PSC	2018	UB
4	Mongolian cattle LLC	Golomt	PSC	2016	Khovd
5	Zurgaun khoshuu LLC	KHAN	ADB	2017	Tuv
5	Sectoral total				
	7. Bee farm				
1	Ikh aurag ord LLC	Golomt	PSC	2018	Tuv
2	Mihachi LLC	Golomt	PSC	2018	Selenge
2	Sectoral total				
	8. Seabuckthorn production				
1	Zavkhan bayalag LLC	KHAN	PSC	2019	Zavkhan
2	Shar doctor LLC	TDB	ADB	2019	UB
2	Sectoral total				
	9. Vegetable processing production				
1	GBT trading LLC	Golomt	ADB	2018	UB
2	Durvun Ulzii LLC	Golomt	ADB	2020	UB
1	Sectoral total				
	10. Seed production				
1	Khurkh gol LLC	Golomt	ADB	2018	Khentii
2	Uguuj mandal uul LLC	KHAN	PSC	2018	Selenge
2	Sectoral LLC				
	11. Feed production				
1	Nuudel tejeel LLC	UB bank	PSC	2018	UB
1	Sectoral total				
37	10 sectors				

Attachment 2. Policies and procedures

	Company	Changes in policy and procedures	Remarks
1	Noos Ireedui LLC	+	1 new procedure developed and approved
2	Denimon LLC	+	1 procedure renewed and approved (Internal labor procedure)
3	Gobi JSC	+	1 procedure and 4 instruction developed newly. Instruction on procedures given at the workplaces for 7142 employees in 2020
4	Khan Brand LLC	+	1 new procedure developed and approved
5	Mongolian Cattle LLC	-	No changes
6	Russkie kolbasy LLC	-	2 new procedures developed and approved
7	Davshilt Trade LLC	-	No changes
8	Sor Cashmere LLC	-	No changes
9	Monmeat trade LLC	+	8 new procedures developed and approved
10	Khanbogd cashmere LLC	-	No changes
11	Mogol noos LLC	+	2 procedures updated (Internal procedure and job description and schedule were developed)
12	Bayalag-Ulzii LLC	-	No changes
13	Darkhan nekhii JSC	+	ISO 9001:2015 introduced and 3 subcompanies got certificate. Within this work the company revised and 22 procedures were renewed and followed within production process.
14	Tumenshuvuut LLC	+	9 new procedures approved and introduced
15	Ikh ulam undrakh LLC	-	No changes
16	Yanmal LLC	+	1 procedure on salary calculation developed
17	Choirkhaikhan LLC	-	No changes
18	Nuudel tejeel LLC	-	No changes
19	Jinst Murun LLC	-	No changes
20	GBT LLC	+	21 procedures and 40 instructions reviewed and required changes made
21	Khurkh gol LLC	-	No changes
22	Mihachi LLC	+	4 new procedures developed
23	Ajigana LLC	-	No changes
24	Mongol textile LLC	+	5 new procedures developed and introduced
25	Uguuj mandal LLC	+	5 procedures renewed
26	Best shoes LLC	+	7 new procedures developed.
27	Zavkhan bayalag LLC	-	No changes
28	Munkhbumuud LLC	-	No changes
29	Erdmeat	+	Got HACCP, MNS ISO 22000:2019 certificates. All procedures revised and 21 new procedures and 30 instructions developed.
30	Jivertyn orgil LLC	-	No changes
31	NTG LLC	-	No changes
32	Trust trade LLC	-	No changes
33	Jigd khuch LLC	+	1 new procedure developed and approved
34	Jur ur LLC	+	8 instructions, 1 standard newly developed and approved
35	Leader Cashmere LLC	-	No changes
36	Durvun ulzii LLC	+	3 new procedures developed
37	Erdenet makh market LLC	+	Got HALAL, HACCP certificate. Within consulting service to introduce ISO 22000, revision of policy and regulations is ongoing
38	Global nomadic products LLC	+	3 new procedures approved
39	Ulemj cashmere LLC	+	3 new procedures (Procedures on GRM, time reporting and employee registration)
40	Darkhan tsaskhan suu LLC	-	No changes
41	Batseju LLC	-	No changes
		20/21	

Attachment 3. OSH measures

#	Company	OSH		Organization of OSH activities			PPE for employees	Trained employees on OSH	Instructed employees on OSH	# of employees' health checkups	Health trainings		# of recorded incident and accidents	# of recorded Occupational diseases
		# of measures	Total of expenses, mln ₮	OSH plan	OSH staff	OSH committee					#	Participants		
1	Noos Ireedui LLC	22	78.7	✓	✓	✓	85	109	85	0	0	0	0	0
2	Denimon LLC	2	12	✓	✓	✓	72	125	58	58	2	56	0	0
3	Gobi JSC	113	305.1	✓	✓	✓	2200	13678	7142	237	5	90	1	0
4	Khan Brand LLC	4	0.7	✓	✓	-	23	16	23	0	13	8	0	0
5	Mongolian Cattle LLC	1	0.2	✓	-	-	8	6	8	4	1	4	0	0
6	Russkie kolbasy LLC	2	0.3	✓	✓	-	20	30	20	30	4	20	0	0
7	Davshilt Trade LLC	10	1.3	✓	-	-	8	26	8	13	0	13	0	0
8	Monmeat trade LLC	8	11.3	✓	✓	✓	38	57	38	40	2	47	0	0
9	Sor cashmere LLC	1	0.7	✓	✓	✓	58	58	4290	0	0	0	0	0
10	Khanbogd cashmere LLC	3	2	✓	✓	✓	302	200	302	0	1	245	0	0
11	Mogol noos LLC	2	0.3	✓	✓	✓	84	78	126	56	4	45	0	0
12	Bayalag-Ulzii LLC	1	0.3	✓	✓	✓	99	75	99	0	1	0	0	0
13	Darkhan nekhii JSC	15	331.4	✓	✓	✓	236	381	351	188	5	135	0	0
14	Tumenshuvuut LLC	11	62.6	✓	✓	✓	245	196	245	158	0	0	0	0
15	lkh ulam undrakh LLC	1	3.5	✓	✓	-	18	0	18	0	0	0	0	0
16	Yanmal LLC	1	13	✓	✓	✓	70	110	110	110	1	110	0	0
17	Choirkhaikhan LLC	3	0.3	✓	✓	✓	28	0	28	28	0	0	0	0
18	Nuudel tejeel LLC	5	1.2	✓	✓	✓	130	130	150	0	2	100	0	0
19	Jinst Murun LLC	5	0.7	✓	✓	-	4	11	4	5	1	5	0	0
20	GBT LLC	43	58.2	✓	✓	✓	171	159	162	81	8	171	0	0
21	Khurkh gol LLC	3	3.5	✓	✓	-	52	180	80	50	1	50	0	0
22	Mhachi LLC	2	0.2	✓	-	-	4	1	5	3	0	0	0	0
23	Ajigana LLC	1	9.8	✓	✓	✓	171	136	136	0	1	60	0	0
24	Mongol textile LLC	2	1.5	✓	✓	✓	23	23	23	0	2	23	0	0
25	Uguuj mandal LLC	7	15	✓	✓	-	18	36	18	18	5	18	0	0
26	Best shoes LLC	7	5.6	✓	✓	✓	124	210	124	21	2	68	0	0
27	Zavkhan bayalag LLC	15	0.2	✓	✓	✓	33	54	55	32	2	28	0	0
28	Munkhbumuud LLC	4	0.7	✓	✓	✓	44	0	44	0	0	0	0	0
29	Erdmeat	2	24.4	✓	✓	✓	63	63	63	64	4	63	0	0
30	Jivertyn orgil LLC	15	0.75	✓	✓	✓	50	110	50	50	2	50	0	0
31	NTG LLC	123	125.1	✓	✓	✓	504	928	504	0	2	40	1	0
32	Trust trade LLC	8	49.2	✓	✓	✓	137	108	137	74	3	90	0	0
33	Jigd khuch LLC	12	12.1	✓	✓	✓	33	33	33	35	0	0	0	0
34	Jur ur LLC	5	163	✓	✓	✓	788	1663	897	961	1	879	0	0
35	Leader Cashmere LLC	4	0.8	✓	✓	✓	48	166	48	59	2	32	0	0
36	Durvun ulzii LLC	5	3.8	✓	✓	✓	40	20	30	43	2	20		
37	Erdenet makh market LLC	8	16.1	✓	✓	✓	82	108	58	59	1	54		
38	Global nomadic products LLC	2	2.3	✓	✓	✓	68	58	68	15	3	32	0	0
39	Ulemj cashmere LLC	7	1	✓	✓	-	16	60	16	0	1	16	0	0
40	Darkhan tsaskhan suu LLC	5	2.3	✓	✓	✓	15	15	15	15	2	13	0	0
41	Batseju LLC	4	1.2	✓	✓	-	22	44	22	22	4	22	0	0
	Total	494	1322.35	41	39	29	2640	19461	15693	2529	90	2607	2	0

Attachment 4. GAP Implementation report of ARDP AF

Action	Objectives and Monitoring Indicators	Performance at reporting
Output 1: Value chain investments (VCI) financed		
1.1. Review VCI proposals and prepare gender analysis for all VCI proposals from the project participating enterprises (PPEs)	Gender analysis to be done for approval of all VCI proposals as part of due diligence.	At the end of 2020, Social and gender assessment was conducted to all 49 subproject proposals under ARDP AF and approved as part of due diligence.
1.2. All criteria for assessing and/or approving VCI proposals include a positive weighting for inclusion of measures to promote gender equality within PPEs and amongst local suppliers/ communities	Criteria for assessing and/or approving VCI proposals included (i) enhancement of employment opportunities for women; and (ii) other gender and social benefits such as improved working conditions, occupational safety, increased skills and knowledge, improved physical infrastructure at workplaces, etc.	Criteria for gender equality practices was used to assess VCI proposals and current situation in the enterprise and PPEs were requested to include measures to promote gender equality within the PPEs, which are different depending on subsector, operation, size and location of the company and character of proposal investment. PMU's proposal assessment includes practical recommendations for further positive practices and elimination of shortcomings.
1.3. Facilitate cross-learning between PPEs to profile good practices on gender performance, through lateral learning visits, development and sharing of case studies.	Good practices on gender performance introduced between PPEs.	Experiences and achievements on social and gender performance of successful PPEs introduced continuously to other PPEs through learning visit, trainings and review meetings organized with PMU initiative. Scheduled implementation seminar, which was planned to organize with ARDP initiative with purpose to discuss success and challenges of the subproject's implementation and share their experiences among PPEs, was postponed to 2021 due to Covid-19 situation.
1.4. Ensure that gender responsive core labor law/standards applied, skills and knowledge to women increased and gender equality in workplaces promoted	Corporate code of social responsibility, internal policy on promoting gender equality and policy against sexual harassment are established in all PPEs.	Human resource policies and procedures in all PPEs ensured that female workers are not discriminated at work places. During Project implementation no complaints received from employees regarding discrimination and sexual harassment.
	<p>All internal policies and practices of PPEs are consistent with National legislations and Law on Promotion of Gender Equality of Mongolia.</p> <p>Concrete action plan for increased female recruitment and retention into managerial and technical positions developed for all PPEs with not less than 40% women in these positions.</p>	<p>Most of PPEs had significant progress on development and implementation of gender and socially responsive policies and procedures in their operation, which was monitored in regular basis.</p> <p>By end of 2020, 77 person in managerial, administrative and financial positions of 12 PPEs and 123 person in engineering and technical position of 14 PPEs were recruited, as well promoted, 57% and 65% of which were women, respectively.</p> <p>However, most PPEs faced with impacts of the Covid-19 on their business operation negatively: fallen demand for</p>

		productions, cash flow disruptions and difficulties in paying employees remunerations were key challenges of PPEs, especially non-food industrial business become vulnerable due to shutdowns and layoffs. Total number of employees was decreased by 5% in 2020 comparing with 2019.
	At least 40% of all trainees of skills upgrade trainings provided by PPEs are women (to employees and local suppliers).	According to monitoring report of 2020, in total 7,238 employees, from which 64% were female employees, participated in 492 trainings among all PPEs.
	Working environment and conditions of all PPEs improved, meeting or exceeding labor and safety standards.	Female workers significantly benefitted as a result of investment through improved working conditions and OSH practices at the workplaces, which were confirmed through monitoring reports received from PPEs and monitoring visits conducted by PMU.
	Gender-responsive physical facilities, including separate toilet and changing facilities for female and male employees, separate accommodation; and childcare facilities, if applicable.	Separate sanitary facilities for women and men, separate changing rooms and private lockers, regular medical check-ups of employees renovated at all PPEs.
1.5. Ensure the involvement of female trainees in training programs	At least 40% of training participants are women.	In total 3,668 representatives of PPEs, PPBs and other interested parts trained under output 1, of which 49% were women.
1.6 Ensure the provision of new jobs for women under the Output 1 activities within PPEs	At least 40% of total new jobs created in PPEs provided to women employees.	Within the VCI activities, as of 2020 2318 new jobs were created, 69% of which went to women, which exceeds the project target of 40%.
Output 2: Production capacity of herders and farmers improved		
2.1. Ensure that female herders, farmers and local officials will benefit the project support, including training activities	(i) At least 40% of herders, farmers, and local government officials receiving project support are women; and (ii) At least 40% of training participants are women.	(i) During the ARDP AF 8,201 participants were trained under Output 2, of which 54% are women. (ii) 43% of all 1429 local herders and member of cooperatives supported by the Project under Output 2 are women.
2.2. Ensure the provision of new jobs for women under Output 2 activities	Women access at least 35% of new created jobs.	During the Midterm review, the mission agreed to delete GAP 2.2 indicator 'Ensure the provision of new jobs for women under Output 2 activities' since it is obsolete under the ARDP AF phase in which Output 2 is no longer focusing on job creation.
Output 3. Enterprises' marketing and technical capacity improved.		

3.1. PPE staff receiving marketing and technical trainings	At least 40% of participants are Women.	During the project implementation, under output 3, 2,309 participants of PPE staff were trained, of which 70% were women.
Project management		
5.1. Establishment of PMU	<ul style="list-style-type: none"> (i) At least 30% of PMU staff are female; and (ii) Social and gender specialist implements GAP at the institutional level and assists PPEs to improve gender equality and awareness at company level. 	<p>64% of PMU staff of the ARDP are female.</p> <p>PMU had social and gender specialist who implemented the GAP at the institutional level and assisted the PPEs in developing capacity for improving gender equality and awareness.</p>
<p>5.2 Ensure effective GAP implementation by:</p> <ul style="list-style-type: none"> - Conducting GAP orientation and implementation training for PMU staff, executing and implementing agencies, PPBs, and PPEs at project onset and a periodic basis; - Maintaining a project specific, sex disaggregated database and conduct periodic reviews and consultations on the implementation of the GAP; and - Identifying, collecting, analyzing, and reporting sex-disaggregated data and gender performance indicators for all project activities, where applicable and report annually 	<ul style="list-style-type: none"> (i) Sex-disaggregated data collected and analyzed and reported semi-annually; and (ii) Effective GAP for the project are implemented. 	<p>Effective GAP for ARDP implemented.</p> <p>Sex-disaggregated data on PPEs performance were collected and maintained on regular basis, which were confirmed through monitoring reports and during monitoring visits conducted by PMU. PMU prepared and reported GAP implementation and progress on annual basis.</p>

Attachment 5. GRM in PPEs

No	Company's name	GRM				as of December 31, 2019						
		Included in Internal labor procedure	Procedure on Quality assurance	Informal GRM	GRM procedure	# received complaints/requests:			# redressed complaints	# on-going to resolve	# complaints rejected	Average time spent to lodge a complaint, days
						From employees	From customers	From other stakeholders				
1	Noos ireedui LLC	√				40	0		40			7 days
2	Denimon LLC	√	√			32	23		55			1-3 days
3	Gobi JSC				√	1579	2877		4456			1-7 days
4	Khan brand LLC	√	√			15	0		15			1-7 days
5	Mongolian cattle LLC	√	√			0	0		0			1 day
6	Russkye kolbasy LLC	√	√			18	10		28			7 days
7	Davshilt trade LLC	√				0	0		0			1 day
8	Monmeat trade LLC	√	√			2	0		2			10 days
9	Sor cashmere LLC	√	√			16	0		14	2		10 days
10	Khanbogd cashmere LLC	√	√			30	1		31			1-7 days
11	Mogol noos LLC	√	√			43	0		43			5 days
12	Bayalag-Ulzii LLC	√	√			10	3		13			5 days
13	Darkhan nekhii PLC	√	√			3	4		7			1-7 days
14	Tumenshuvuut LLC				√	84	72		155		1	7 days
15	lkh ulam undrakh LLC	√				0	0		0			1 day
16	Yanmal LLC	√	√			103	12		109	6		3-10 days
17	Choirkhaikhan LLC	√				295	0		295			7 days
18	Nuudel tejeel LLC	√	√			2	0		2			3 days
19	Jinst Murun LLC	√	√			0			0			3 days
20	GBT LLC				√	211	51		262			1-3 days
21	Khurkh gol LLC	√	√			15	4	4	23			14-30 days
22	Mihachi LLC	√	√			5	2		7			30 days
23	Ajigana LLC	√	√			2	11		13			7 days
24	Mongol textile LLC	√	√			21	0		21			7 days
25	Uguuj mandal LLC	√				2	0		2			2 days
26	Best shoes LLC	√	√			28	10		37		1	14 days
27	Zavkhan bayalag LLC	√	√			24	6		27	3		3- 7 days
28	Munkhbumuud LLC				√	0	0		0			3 days
29	Erdmeat	√	√			27	2		29			1 day
30	Jivertyn orgil LLC	√	√			38	24		60	2		7 days
31	NTG LLC	√	√			465	12		477			1 day
32	Trust trade LLC				√	123	45		168			1-7 days
33	Jigd khuch LLC	√	√			64	9		72	1		1 day
34	Jur ur LLC				√	708	466		1174			3-7 days
35	Leader cashmere LLC	√	√			87	0		86	1		14 days
36	Durvun ulzii LLC	√	√			40	5		45			1-3 days
37	Etdenet makh market LLC	√	√			609	11		620			1 days
38	Global nomadic products LLC	√	√			2	1		3			3 days
39	Ulemj casmere LLC	√	√			0	0		0			3 days
40	Darkhan tsaskhan suu LLC	√	√			9	0		9			1 day
41	Batseju LLC	√				0	0		0			3 days
Total		35	27	0	6	4752	3661	4	8400	15	2	