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The Brigade – B. Gombosuren, 1977.

LABOR MARKET PROGRAMS
AND
SERVICES IN MONGOLIA

ASSESSMENT OF THE PUBLIC EMPLOYMENT SERVICE

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Céline Ferré

Ulaanbaatar, 2020

ACRONYMS

AIS	Automated Information System
EPF	Employment Promotion Fund
EPP	Employment Promotion Program
ESC	Employment Service Center
GDP	Gross Domestic Product
GoM	Government of Mongolia
GOLWS	General Office of Labor and Social Protection
GRM	Grievance Redress Mechanism
IAP	Individual Action Plan
ILO	International Labor Organization
IT	Information Technology
LMFS	Labor Market Forecast Survey
LMI	Labor Market Information
LMIS	Labor Market Information System
LSWO	Labor and Social Welfare Office
MoE	Ministry of Education
MoF	Ministry of Finance
MoLSP	Ministry of Labor and Social Protection
PES	Public Employment Service
PwDs	People with Disabilities
RILSP	Research Institute for labor and Social Protection
SECiM	Support to Employment Creation in Mongolia
TVET	Technical and Vocational Education and Training
YEPP	Youth Employment Promotion Program

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1. BACKGROUND AND OBJECTIVES

Since 2010, Mongolia' s gross domestic product (GDP) grew steadily despite a sharp contraction between 2014 and 2016 (World Bank, 2020). After the remarkable 2010-14 growth, economic activity contracted sharply, beginning in 2015, due to, inter alia, a progressively worsening external environment characterized by plummeting foreign direct investment, falling commodity prices and restrained economic growth in China. This led to a slowdown in Mongolian GDP annual growth, from 17.3 per cent in 2011 to 1.2 per cent in 2016. Growth resumed in early 2017, only to slow down as of 2019.

Mongolia's labor market has experienced a recent recovery, despite little progress on reducing the gender wage gap and poverty incidence. The economic contraction of 2014-2016 resulted in job losses and eroded incomes, particularly among the vulnerable and poor households, who are disproportionally affected during economic downfalls (National Statistical Office, NSO). As the economic picked up again in 2017, labor market conditions started improving, with unemployment rates declining steadily from 10 percent of the population in 2016 to 7.8 percent in 2018. The structural transformation of the economy has continued, though both agriculture and services have lost labor to the industrial sector. But despite improved labor market conditions, the gender wage gap remains wide and the female labor force participation rate is at a historic low (World Bank, 2020).

1.1. Labor market context in Mongolia

The Mongolian labor market and its related challenges differ from other countries in the region or countries at a similar development level. Mongolia is very sparsely populated and a subject to harsh climate with extreme differences in seasonal temperatures. These contextual factors influence the nature of employment, which is highly seasonal in many sectors, and challenge the provision of labor market services throughout the country.

Figure 1: Labor force participation – 2010–2019.
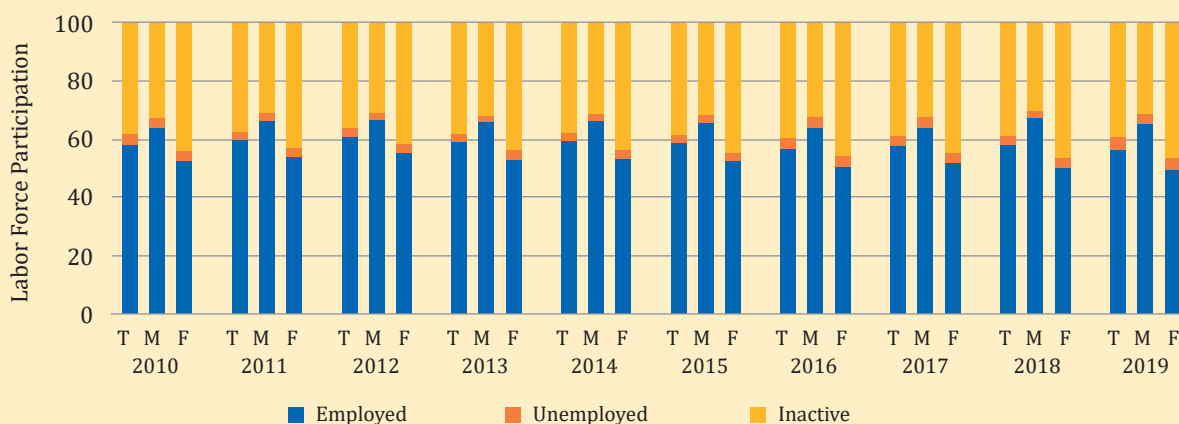
Note: T = Total; M = Male; F = Female. Data from 2019 is only based on two first quarters.
Source: Labor Force Surveys (LFS), National Statistical Office (NSO).

Mongolia's labor force participation rate[1] is relatively high, but so are unemployment rates. In 2019, 61 percent of the population is engaged in the labor market, which is only a slight decline from 62 per cent in 2010. Female labor force participation has consistently declined since 2006, with respective participation rates of 53 and 70 percent in 2018 (World Bank, 2020).[2] In parallel, unemployment rates are also quite high: unemployment rates are around 10 percent in 2019 and never dropped below 7 percent between 2010 and 2019. Women are less likely to be unemployed, probably because they are more likely to become inactive when they lose their job. In 2019, unemployment rates are respectively 11 and 8.9 percent for men and women[3] (see Figure 1).

Informality and other relative unproductive forms of employment continue to be widespread. The most recent available data indicate that during the past ten years the share of informal employment in non-agriculture sectors more than doubled, from 12.7 percent in 2006 to 26.3 percent in 2016 (LFS data). In other words, every fourth person employed in non-agricultural activities in Mongolia is egaged in the informal economy in 2016.

Rates of informality, unemployment, and/or inactivity are particularly elevated for a number of specific groups, including women, seasonal workers, rural-to-urban migrants, and particularly youth. Together with Indonesia and the Philippines, Mongolia is one of the three countries in the East Asia and Pacific Region where the problem of

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[1] Labor force participation rates = Share of working-age population who is either working or actively looking for a job.

[2] Full data disaggregated by gender is not available after 2017. Additional statistics for more recent years were compiled in other reports and are quoted when available, while not necessarily reflected in Figure 1.

[3] Unemployment rates are different from the share of working-age population unemployed as displayed in Figure 1: unemployment rates = unemployed individuals / (employed + unemployed individuals).

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high youth unemployment is most acute. In urban areas, both Ulaanbaatar and provincial capitals or aimag centers, but more generally across all of Mongolia, a comparatively large share of young people are not in employment, education, or training (NEET). In 2018, 23 percent of young people aged 15 to 24 are NEETs (LFS data, 2018). Youth unemployment rates are almost three times those of the working-age population: 29 percent for the third quarter of 2019 (LFS, 2019). In addition, long-term unemployment for youth are also elevated and there appears to be no clear path of youth transitioning from school to productive and secure work (World Bank, 2017).

The Mongolian labor market faces three major barriers. First, finding a job is complicate due to lack of information and transparency about labor demand. Many jobseekers have little information about their labor market prospects or the market itself and perceive formal sources of labor market information as unhelpful. As a consequence, only 5 percent of unemployed or inactive youth rely on state employment support organizations as sources of information about employment (World Bank, 2017). Second, the Mongolian labor market is characterized by skills mismatch between supply and demand: jobseekers' hard and soft skills are not in line with employers' expectations (World Bank, 2017). Finally, vacancies are scarce. Labor demand is limited, especially for the most vulnerable with limited or little education and work experience (World Bank, 2017).

Other main labor market issues in Mongolia include skills shortages, gender inequality (ADB, 2014). Certain groups are comparably more vulnerable than others on the labor market, including rural-to-urban migrants, youth and women (ILO, 2013). Employers seem to discriminate against particular age groups in hiring, such as young graduates, youth with no work experience, and workers above the age of 40. Vacancies generally ask for some initial work experience; employers also prefer hiring employees with certain life skills in order to reduce the high job turnover (Grassman et al., 2015).

1.2. Population serviced by the Public Employment Service (PES)

In the meantime, registered unemployment remained quite low: in 2018, only one in four unemployed individuals was registered as a jobseeker with a Labor and Social Welfare Office (LSWO). Looking more carefully at the data, Ulaanbaatar stands out as the region with the lowest coverage of total unemployed individuals: over 42 thousand individuals aged 15 to 64 are unemployed according to LFS data in 2018, while only 13 thousand people are registered with the employment agency, that is only 19 percent of the total population to be serviced. The highest coverage is among the population aged 25-44, where 28 percent of jobseekers are registered with the agency. Coverage is also highest among jobseekers with upper-secondary education (63 percent), and lowest among individuals with technical education (5 percent) – see Figure 2.

Figure 2: Population serviced by PES, 2018.

Registered vs. total unemployment

By region

By age group

By education

■ Total unemployed (LFS data) ■ Total unemployed (LFS data)
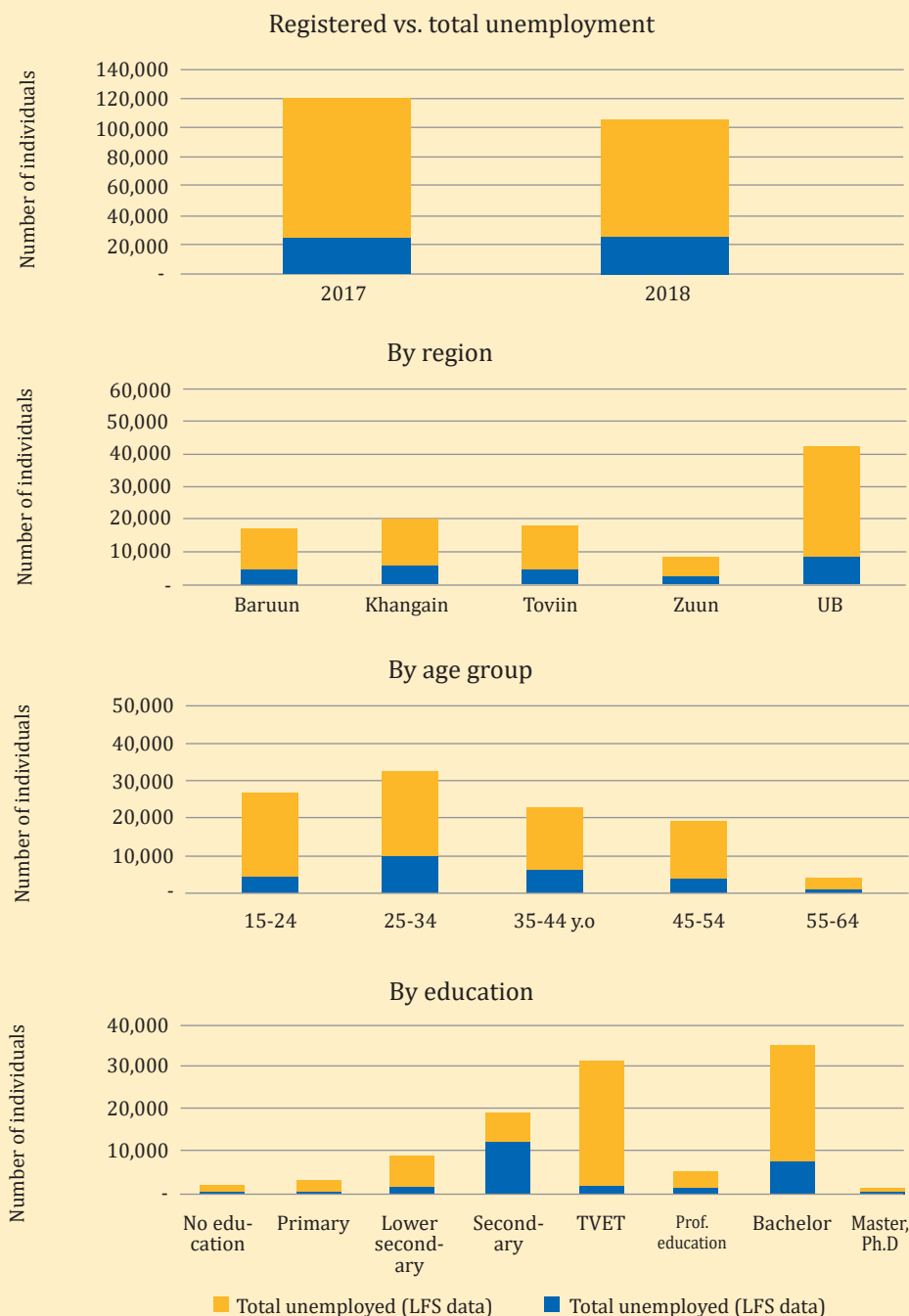
Note: unemployment rates from LFS data are restricted to the working-age population (15-64 year-olds).

Source: Labor Force Survey (LFS) and administrative data from GOLWS, 2018.

Potential reasons for the underutilization of LSWO are threefold. First, in most international examples, newly unemployed individuals have to register with the PES to receive unemployment insurance (UI), and often have to show that they are actively

looking for a job (by coming on a regular basis to the PES) to continue receiving the UI. In addition, for those who are not eligible for the UI, a number of countries are implementing guaranteed minimum income (GMI) transfers, many of which are also conditional on working-age individuals coming on a regular basis to the PES to prove they are actively looking for work. In Mongolia, there is no GMI scheme, and UI are limited in time (less than 2 months) without conditionality on receiving the transfer.[4] Second, the number of job vacancies registered by the PES is quite limited, despite being compulsory, so the pool of jobs to choose from for jobseekers is limited: employers do not reach out to Mongolia's PES to add their vacancies to the LMIS, so only job vacancies that have been actively chased after by LSWO specialists are registered in the LMIS.[5] Indeed, anecdotal evidence suggests that jobseekers in Mongolia are very likely to use word-of-mouth and social connections to find a job. Finally, accessing the closest PES may be too costly both, in terms of time and money, for prospective jobseekers, who may be deterred from using the PES services (travel time from home in scarcely populated areas, long waiting lines in urban centers with overburdened caseworkers, limited quality of services offered, etc). In some cases, jobseekers may not even know about the role of the PES.

1.3. Methodology and scope of report

The MLSP has planned to undertake the following activities under the Mongolia Employment Support Project (MESP): (i) assessment of PES delivery and effectiveness; and piloting new processes for streamlining work organization, operational linkage and enhancing performance measurement; (ii) physical renovation/modernization of at least 14 local LWSOs; (iii) review and enhancement of the effectiveness of collaboration between public and private employment services; (iv) supporting the re-design of the LMIS;[6] (v) introducing an advanced job matching technology into the LMIS;[7] (vi) organizing workshops, seminars and study visits to build the capacity of national and local level employment service managers and officer.

This report aims to provide a review and assessment of the delivery of labor market services and programs administered by Mongolia's public employment service (PES). The objective of this document is to assess the effectiveness, operations and performance of the PES, identify the major barriers to implementing effective labor market services, and provide recommendations based on international evidence. This task is particularly critical given that the existing labor market information system (LMIS) has reached its maximum

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[4]   In Mongolia, unemployment benefits are paid every two weeks, and can cover up to 76 days. To claim unemployment benefits, a person must have contributed to an unemployment insurance scheme under the social insurance package for the last 12 months preceding lay off, and must be registered a jobseeker with the local branch of LSWO.

[5]   Hence, there may be a bias towards companies that regularly provide jobs, as LSWO specialists will have a tendency to reach out to those companies first, to have a higher success rate of entering a new job vacancy in the system.

[6]   An international consultant has visited Mongolia twice and proposed a higher-level framework for re-designing the LMIS.

[7]   Will be done under the Korean consultancy.

capacity and will need drastic changes to help MoLSP and GOLWS deliver efficient labor market services and programs.

The consultancy assignment was undertaken between December 1st, 2019 and February 15th, 2020. The findings of the report are based on the desk review of relevant documents and meetings with various individuals and groups. The Terms of Reference (ToR) of the assignment are provided in Annex 1. A work plan prepared by the consultant prior to starting the assignment was consulted with and endorsed by the team leader from the Mongolia Employment Support Project (MESP) Project Implementation Unit (PIU). The work plan suggested the selection of districts and aimags[8] to visit and the specific stakeholders, counterparts, and groups of beneficiaries to meet during the assignment. The full list of organizations and individuals met is consigned in Annex 2.

The results and recommendations presented in this report were discussed with relevant key stakeholders during a workshop organized on January 15th, 2020 in Ulaanbaatar. This workshop consisted of the presentation of the key findings of the assessment, and proposed recommendations and new operational model/processes.

The rest of the report is organized as follows. Section 2 presents the overall institutional setup, including the interactions between the Ministry of Labor and Social Protection, the General Office of Labor and Social Welfare, and local employment services. Section 3 zooms into the labor market services offered to jobseekers and the delivery chain mechanisms. Section 4 overviews some examples of international best practices. Section 5 details specific recommendations in the context of Mongolia. And finally, Section 6 concludes.

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[8] Mongolia is divided into 21 provinces or aimags. Each aimag is further divided into soums (counties), and then baghs (villages). The capital, Ulaanbaatar, is governed as an independent provincial municipality, and comprises 9 districts, further divided into khoroos (city wards).

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2. INSTITUTIONAL SETUP

This chapter provides an overview of the institutional setup of the Mongolian labor market system. For that purpose, the major stakeholders involved, and only their main functions are first described in this section. A more detailed description of the labor market services and delivery chain mechanisms are presented after, in Section 3.

Central administrations, employment agencies, and service providers interact all along the delivery chain of labor market programs targeted at jobseekers (see Figure 3). Two major institutional stakeholders are involved in the delivery of labor market programs: the Ministry of Labor and Social Protection (MoLSP), and the national employment agency (NEA). Mongolia's NEA is named the General Office of Labor and Social Welfare (GOLWS), and has a nationwide network of Labor and Social Welfare Offices (LSWOs). In addition, the capital city overseen by the Municipal Employment Division (MED), of Ulaanbaatar's Governor's Office, which has no direct link with GoLSW.

Figure 3: Interaction between administrations, service providers and beneficiaries
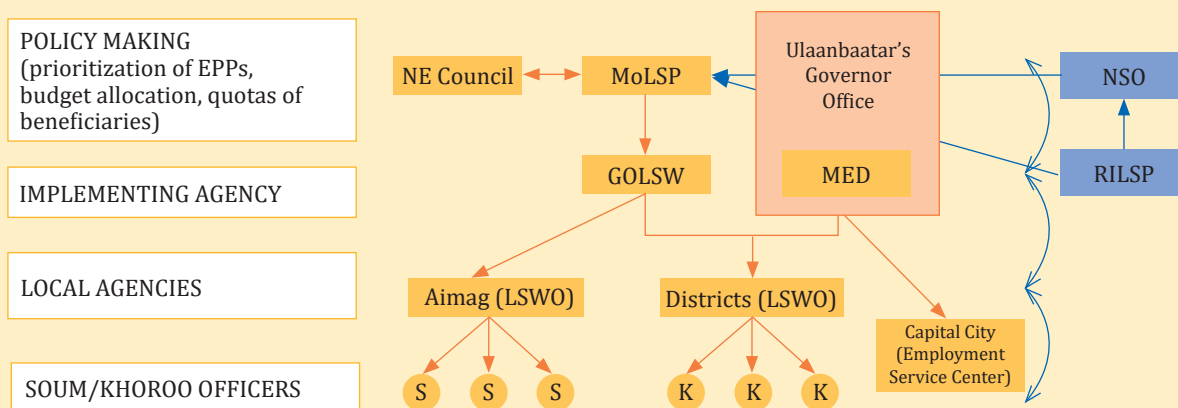
Source: Interviews with various stakeholders, December 2019.

2.1. Policy making: the Ministry of Labor and Social Protection (MoLSP)

The Ministry of Labor and Social Protection (MoLSP) develops policies and strategies in the field of employment. MoLSP is responsible for coordinating the implementation of the Employment Promotion Law (EPL). In collaboration with other relevant institutions, including the tripartite National Employment Council (NEC), it develops the prioritization of employment promotion programs (EPPs) to be implemented for each coming fiscal year,

and the budget allocation and beneficiaries' quotas across programs, and by local labor offices.

2.2. Implementing agencies: the General Office of Labor and Welfare Service (GOLWS) and Labor and Social Welfare Offices (LSWOs)

The General Office of Labor and Welfare Service (GOLWS) is the implementing arm of MoLSP. It oversees the implementation of active labor market policy of MoLSP through counselling and job placement services for jobseekers and employment promotion programs and projects for different target groups.

Public employment services in Mongolia are delivered through a nationwide network of 30 Labor and Social Welfare Offices (LSWOs). They are divided between 9 district offices in Ulaanbaatar, and 21 aimag offices for the rest of the country. Each aimag center manages one labor and social welfare officer per soum,[9] while each district center manages one labor and social welfare officer per khoroo,[10] for a total of 337 soums and 152 khoroos. The institutional setup is slightly more complicated in Ulaanbaatar, as part of the service delivery and budgeting is overseen by the Municipal Employment Division (MED), of Ulaanbaatar's Governor's Office. In addition to the district LSWOs, MED also provides services through the Employment Service Center (ESC) located in Dunjingarav, which is a one-stop service center – see Figure 4.

Box 1: Municipal Employment Division (MED)

The Municipal Employment Division (MED) is Ulaanbaatar's Governor Office agency responsible for (i) implementing the employment activities of the Mayors Action plan for 2016-2020, as well as (ii) delivering 4 activities as part of existing EPPs in Ulaanbaatar, namely part-time job mediation and group planning activities under the workplace support program, entrepreneurship support activities under YEPP, and vocational training under the preparation for employment and skills development program.

MED is not fully guided by GOLWS and the exact position it holds under/beside MoLSP is not fully clear. MED's operational costs are financed by the municipality, and MED's management is appointed by MoLSP as directed by the Employment Promotion Law of Mongolia in discussion with the city's Governor[11].

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9   A soum is an aimag subdivision.
10   A khoroo is a district subdivision.
11   Employment Promotion Law, Clause 29.3. Capital city employment office heads shall be appointed and dismissed by the relevant Governor, based on the consultation with the chairman of the state central administrative body in charge of labor matters, while the district employment office heads shall be appointed and dismissed in consultation with capital city employment office head. The chairman of the central labor exchange office shall be appointed and dismissed by the chairman of the state central administrative body in charge of labor matters.

However, MED reports its EPP activities to MoLSP and GOLWS, and provides some supervision to district LSWOs. District level LSWOs implement employment Services, EPPS and other programs and activities, for which they report both, to MED and GOLWS.

- The 4 activities implemented by MED under MoLSP's EPPs are financed by the Employment Promotion Fund and they have to report to GOLWS and MLSP on EPP activities and get guidance from GOLWS and MoLSP.
- MED is also responsible for employment promotion activities for the Governor Office, for which they report directly to the Governor Office, and all of which are financed by the city.

In addition, Dunjingarav Employment Service Center (ESC) provides employment services similar to those provided by regular LSWOs. But Dunjingarav operates as an integrated service center in order to achieve the Mayors Action plan for 2016-2020. The main service provided by Dunjingarav ESC is career guidance, which is delivered in cooperation with professional NGOs. To improve access to employment services and lower the workload of specialists, a UB Job application and Opensoft program were developed, accessible to employment specialists, jobseekers, and prospective firms (completed in May, 2020).

These LSWOs provide core employment services: jobseeker and vacancy registration, counseling of jobseekers and job matching, and implementing and/or coordinating the above-mentioned employment promotion programs. Each LSWO in aimags and districts has a network of officers in charge of employment services located in each soum and khoroo who are, in most cases, tasked with delivering both social welfare and employment services.

In addition to public LSWOs, private employment services providers and private brokers are available to support jobseekers in searching and finding jobs. To service the large number of jobseekers in some areas, private employment service providers also exist: as of December 2019, they were about 40, down from about 80 at the beginning of the year.[12] These entities are qualified by GOLWS to provide the same services as the PES, i.e. registration, counseling and guidance, and job matching. A subset of them is also certified to provide training courses, and sometimes some other EPPs. In essence, the private providers are GOLSW subcontractors and provide most of the services that a local public employment center would provide. In parallel, jobseekers can turn to private services that have no links with GOLWS: Bizz Network dominates the sector of private brokers, with a network of 200,000 registered jobseekers and 40,000 partner firms.

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[12] Their number was cut down by GOLWS by almost half, as the services they were providing was not considered sufficient to continue being funded.

Figure 4: Public and private actors servicing jobseekers in Mongolia

Public Employment Service (PES)

3 main services
    Registration
    Counseling/guidance
    Matching/intermediation

6 Employment Promotion Programms
    Skills development program
    Workplace support program
    Youth employment promotion program (YEPP)
    Employment promotion program for PWDs
    Herders employment promotion program
    Senior expert advisory program

Employment Service Center (UB)

Private employment providers (~40)
Mainly services
Some are accredited to provide traning
Performence-basef pay

Private brokers
One actor: Bizz Network

Fee-based service
Mainly catering to higher educated jobseekers

Note: Ulaanbaatar's Employment Service Center (ESC) mainly provides the same services as LSWOs, and they implement four main activities/services under EPPs (part-time job mediation, entrepreneurship program, vocational training and group planning activities).

Source: Interviews with various stakeholders, December 2019.

The provision of employment services is segmented between lower- and higher-educated jobseekers. Bizz Network caters to a population of highly-educated jobseekers, computer-literate individuals who are comfortable looking for jobs with online tools, and ready to pay a fee to access the full range of services offered by the broker.[13] It has no ties with GOLSW and as such does not follow any instructions/protocols/certifications from GOLSW. On the other hand, the public and private employment services under the direction of GOLWS cater to lower - and middle-skilled jobseekers: these individuals are more difficult to place, and may require additional activation measures in addition to intermediation services, as well as more intensive counseling and career guidance sessions.[14]

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[13] A few other headhunting agencies exist, such as Specialized Career Consulting, Mongolian Talent Network, MDHi Pro Consulting and Applus Velosi, but they are very small and do not compete with Bizz Network, which de facto has a near monopoly.

[14] Private employment agencies carry out career counseling, job-matching and registration services for the lower- and middle-skilled job seekers with contract and special permit of GOLSW. They are financed by the ESF and their contract amount with GOLSW will be vary with the number of services they provide to jobseekers. The amount disbursed for each service is determined by the Decree of Minister of Labor and Social protection.

2.3. Other institutional actors and stakeholders

Additional quantitative information is obtained through two main institutions: the National Statistical Office (NSO) and the Research Institute for Labor and Social Protection (RILSP). NSO is an independent body, which compiles information mostly on the supply side of the labor market: population and unemployment at the aimag/district level, administrative data on registered jobseekers and beneficiaries. Mongolia's NSO gathers information on labor market supply through the standard Labor Force Survey, implemented since 2002/3: it is the official source of information for labor market participation, including unemployment rates. On the other hand, RILSP is a research center mapped under GOLWS, which provides additional information on supply and demand at the national level. Since 2016, RISLP is responsible for conducting baseline studies within the context of employment, labor relations, social protection, population development studies, labor market forecasting, planning and estimation (see detailed description in Section 3.1.2).

In addition to these key institutional players, other central ministries, national and international agencies may be involved to a certain extent (Ministry of Education Culture Science and Sports (MoECSS), General Authority for Social Insurance, etc.), other bilateral or multilateral donors (World Bank, European Union, Swiss Development and Cooperation (SDC), the German cooperation (GIZ), etc.). Some core services are also outsourced (trainings for jobseekers, trainings for LSWO and GOLWS staff, payments, etc.). Information Technology (IT) should intermediate as the bridge between all of these actors, through the Labor Market Information System (LMIS).

3. LABOR MARKET SERVICES AND THE DELIVERY CHAIN

3.1. Policy making

3.1.1. Planning and budgeting

Planning is centrally done by MoLSP and NEC. The set of EPPs is approved every other year, while budgeting is done on a yearly basis. EPPs are the instruments that contribute to the policy priorities of the government as stipulated in the Employment Promotion Law (EPL) into action. As of January 2020, the following six EPPs and Labor Market Promotion Piloting Program under MESP are currently being implemented:
- Preparation for employment and skill development program
- Workplace support program
- Youth employment promotion program (YEPP)
- Disabled People's employment promotion program
- Herder's employment promotion program
- Senior expert's advisory service program
- LMPPP under MESP

Budget allocation is done on the basis of a few indicators that are produced for each aimag or district. These include total population, poverty rates, total number of unemployed (from LFS data), number of registered unemployed (administrative data from LMIS). As highlighted in Figure 3, each aimag and district sends a proposed budget and number of beneficiaries to be reached, which is mostly based on an increase from last year's budget and quotas. There is thus some sort of a bottom-up approach, as LSWOs are consulted and engaged in the decision process.

Table 1: Budget and quotas per employment service or program, 2018.

Employment Service or Program	Number of beneficiaries (2018)	Actual Expenditure (2018, mln ₮)
Career counselling services	89,961	646
Job placement services	43,105	359
Preparation for employment and skill development program	7,677	1,013
Workplace support program	38,464	11,207
Youth employment program (YEPP)	4,869	2,653
Disabled People's employment promotion program	5,617	3,647
Herder's employment promotion program	3,678	5,803
Senior expert's advisory service program	1,527	1,164

Source: GOSLW, 2019.

Budget allocation and quota determination are path-dependent and not based on needs or performance. Most aimags and districts will send revised budget and quotas per EPP slightly higher than the year before. Planning is thus done irrespective of program popularity (over-or undersubscription), program efficiency (cost incurred to place a jobseeker back on the labor market), changes in local labor settings (supply and demand discrepancies, skills mismatch, etc.), the profile of registered jobseekers, or the performance of officers from LSWOs.

Budget for EPPs is not continuous, and as a consequence EPPs cannot be offered during the first semester of each year. Most of the funding for the Employment Promotion Fund (EPF) stems from revenues from fees imposed on companies for hiring foreign workers. Delays in fund transfer happen every year, due to the need to wait for fees to be collected before being budgeted in the EPF. In most years until 2019, the first batch of funding is disbursed towards April, which means that no EPPs are available between January and April: programs are discontinued in the lean season, when jobseekers are more available to attend training for instance, and that EPP officers have irregular workload – see Section 3.2.1. However, an extra funding line was added to compensate for reduced foreign workers' revenues after the recent economic turndown, which could be used to create a more continuous funding stream.

The set of six EPPs is roughly targeted to the most vulnerable populations. As identified earlier in Section 1.1, youth, seasonal workers, and rural-to-urban migrants are the most vulnerable groups when it comes to unemployment. Youth are targeted through the Youth Employment Promotion Program (YEPP) implemented so far in collaboration with the Swiss Development and Cooperation. Some seasonal workers are targeted by the herders' employment promotion program, but a vast majority of seasonal workers fall in between those programs (construction, mining, etc.). In particular, seasonal workers suffer from the discontinuity in funding for EPPs, which prevents GOLWS from proposing any activities between January and April, which are the typical lean months. Finally, rural-to-urban migrants do not appear to be a specific target group of any of the six EPPs, unless they are given priority in the skills development program.

3.1.2. Assess labor market and jobseekers' needs

Detailed and up-to-date information on the labor market and jobseekers' need is available, but it is not analyzed regularly. The National Statistical Office (NSO) collects quantitative information and statistics for labor market diagnostic (labor force participation, employment and unemployment, including long-term unemployment, vulnerable populations, quality and nature of work, etc.) mainly drawing on data collected by the yearly Labor Force Survey (LFS). Other than the Population and Housing Census, LFS represents the only comprehensive source of information on all aspects of the labor market, covering the whole population, in which each person can be assigned a definite labor force status (employed, unemployed or outside the labor force).

Information from LFS can be used to draw diagnostics of the supply side of labor market as well as evaluating the impact of EPPs. Questions such as "Who is most at risk to be unemployed?", "Who are the long-term unemployed?", "Are there pockets of unemployment?", etc… can be answered with LFS data, and additional module can be added to answer more specific questions that can, in turn, inform policy decisions: most LFS questionnaires include a set of questions on utilization of PES, which can help answer questions such as "Are people who benefited from measures and services from GOLWS more likely to be working?" Detailed questions about participation in labor market programs, benefits from social transfers, availability of infrastructure (public transportation, daycare and kindergarten, elderly car, etc.) can be used to understand their correlation with labor force participation.

The second major source of information that should be used to adjust labor market measures is the barometer survey. The goal of this yearly publication is to anticipate labor market requirements and skills needs in order to (i) promote better anticipation of future skills needs (i.e. help young graduates chose which specializations will be most in demand), (ii) develop better matching between skills and labor market needs (i.e. identify which sectors of activity, which occupation, and where, supply and demand do not match), and (iii) bridge the gap between education and work (i.e. inform GOLWS about the set of training programs to offer).

The use of the barometer survey is limited: the survey should be conducted at a subnational level and its results should be shared more systematically with potential users. First, the barometer is only elaborated at the national level, which, in the case of Mongolia, presents major issues: Ulaanbaatar is very different from the rest of the country, and a national assessment will not be very useful to identify skills gaps. Second, the survey is not being used to inform GOLWS on the type of trainings to offer to bridge the skills gap. The occupational barometer should be the main element used to identify the key trainings to be offered each year by GOLWS and LSWOs. Medium-term forecasts should also be used to inform technical and vocational education and training (TVET) institutions to prioritize specializations that are in higher demand. Third, the results of LMFS and the occupational barometer should be communicated more extensively outside of GOLWS. The primary users of the results of LMFS are graduates, and jobseekers who are looking into re-training or upskilling options, as well as employers who may realize that some of the skills they are looking for are not available in the direct catchment area where they are located, but available elsewhere (*geographic* skills mismatch).

Box 2: Data sources on Mongolia's labor market

National Statistical Office (NSO)

The Labor Force Survey (LFS) is implemented by the Labor Force Statistics Division of the National Statistical Office (NSO) and is the major source of information on the labor market force and trends. NSO started implementing the survey in 2002/3. It is implemented quarterly on a continuous basis and allows the publication of quarterly as well as yearly indicators. It covers the all citizens of Mongolia or foreigners with permanent residence. The survey is carried out in line with the international recommendations adopted by the International Labor Organization (ILO). NSO, in collaboration with the ILO, significantly improved the survey methodology over the past three years. Such improvement will continue over the next two years by harmonizing the survey concepts and definitions with the international standards adopted at the 19th International Conference of Labor Statisticians (in 2013) and with the recommendations of the Resolution concerning statistics of work, employment and labor underutilization.

The Labor Force Survey information is available at the national, provincial (aimag) and district levels as well as by rural and urban areas. The Labor Force Survey is the main instrument of data collection on employment, unemployment and persons outside the labor force; it permits the collection of consistent and comprehensive information on employees and the self-employed population.

In addition to its standard questions, module questionnaires are attached recurrently to the LFS core questionnaire. To date, the following modular surveys have been conducted along LFS: Child Labor (2002–03, 2006–07 and 2011–12), Informal Sector (2007–08 and 2016) and Green Jobs (2014 and 2016). A special module on the reasons for unemployment will be implemented in 2020.

Between 2000 and 2013, the NSO estimated monthly average wages and salaries of employees based on establishment surveys. Thereafter, the NSO has been collecting data on wage and salaries from exhaustive observations in the files of the Social Insurance Fund included in the Report of the General Office for Social Insurance (SIGO) of Mongolia. NSO also tested a Wage Structure Survey in 2010, and conducted an ad hoc Labor Cost Survey in 2012. This task was taken over by RILSP since 2014 and both surveys are conducted every two years.

Research Institute for Labor and Social Protection (RILSP) conducts an extensive list of surveys annually:

- Mid-and long-term labor market forecast survey
- Barometer survey

- Graduate employment survey
- Survey on wage structure and survey on cost structure
- Informal employment survey
- Labor force migration survey
- Assessment survey on employment promotion project
- Stability survey
- Computable general equilibrium of Mongolian labor market
- Law implementation (survey on law implementation of occupational safety and health, survey on implementation of labor law, status of the joint contract and agreement survey.

DIAGNOSTIC:

- **Weak use of data available to determine priorities of employment policy measures:** although data is available and regularly collected, it is not being used to design, evaluate, and recalibrate employment policies, partly because the LMIS is outdated. However, NSO and RILSP collect information on the working-age labor force (LFS), as well as supply and demand (LMFS), which should be used more systematically to inform policy decisions.

- **Budget and quota allocation are path dependent, and not based on needs or performance:** planning is done irrespective of program popularity (under- or oversubscription), program efficiency (cost incurred to place a jobseeker back on the labor market), changes in local labor settings (supply and demand discrepancies, skills mismatch, etc.), the profile of registered jobseekers, or the performance of officers from LSWOs. However, data is collected through the labor market information system (LMIS), and its content should be used more systematically to allocated budget and quotas. Additional information on LSWOs and employment officers' performances and difficulties should also be collected and analyzed.

3.2. Implementation of services and programs

3.2.1. Roles and responsibilities of GOLWS

Mongolia has set up both legal and institutional framework for delivering core employment services through GOLWS. The Employment Promotion Law (EPL)[15] of Mongolia organizes the delivery of employment services and programs, the upkeep of labor market registration, and the maintenance of the labor market information system. There are a number of standards and regulatory instruments governing the delivery of

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[15] Adopted in 2011 (Revised Law). MoLSP is planning to revise this law in the near future.

employment services and programs, such as National Standard MNS6620 on requirements for employment service organizations, Decree of National Employment Council (NEC) approving employment promotion programs, etc.

Figure 5: Organizational structure of GOLWS
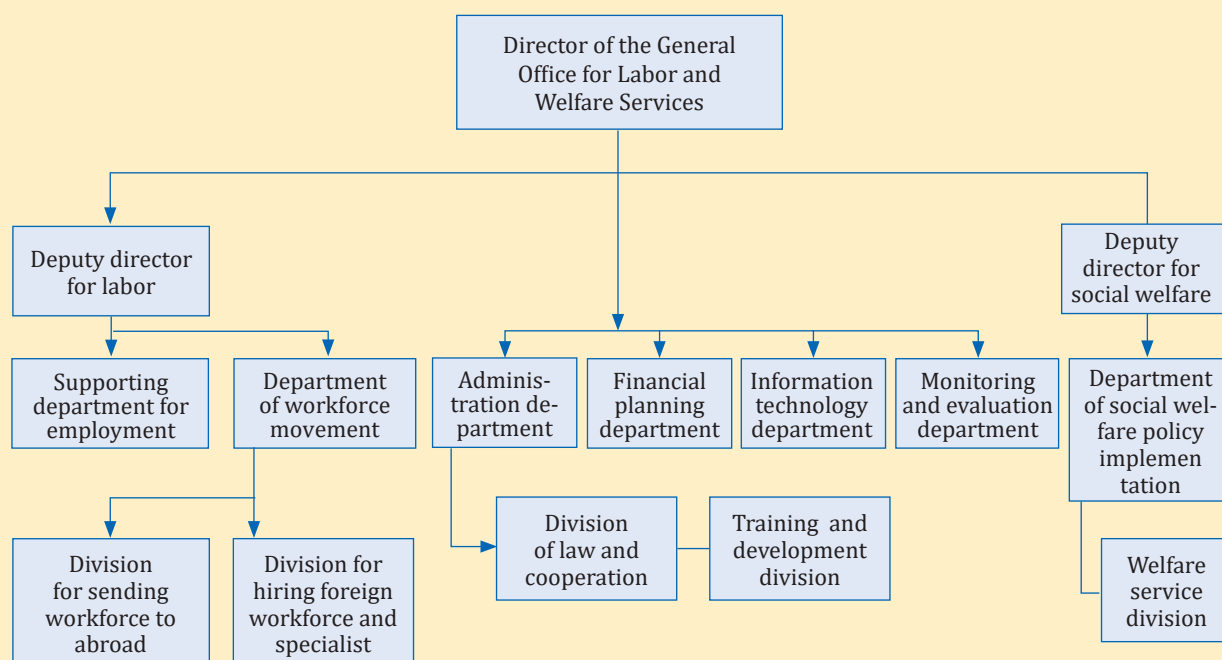
Source: General Office of Labor and Welfare Services (GOLWS), December 2019.

The organizational structure of GOLWS is divided into three sections: labor, social welfare, and supporting departments. The employment vice directorate is made of the Employment supporting department and Workforce movement department, and the division for receiving labor force from abroad and the division for sending labor force abroad. In addition to those employment-specific departments, it can rely on supporting departments, including the public administration division, the training and development division, the legal division, the information and technology (IT) center, the financial and planning department, and the monitoring and evaluation (M&E) department – see Figure 5.

The roles and responsibilities of the different units within GOLWS are not always clearly defined, and sometimes overlap with MoLSP. Both institutions, MoLSP and GOLWS have an employment service department, responsible for the implementation of employment services, i.e. registration, career guidance, and job matching; as well as an employment promotion program division, responsible for the implementation of EPPs but number of programs vary in every 2 years depending on the resolution of the National

Employment Council. The responsibility of implementing both, employment services and measures, should fall under the responsibility of GOLWS only.

In addition, there is weak operational linkage between employment services and employment promotion programs at GOLWS. The two sections work independently, and oversee different officers within LSWOs. They should not function independently, but together, as services and programs are complementary measures to help jobseekers get back on the labor market (see Section 3.2.2 for the same comments at the LSWO level).

GOLWS also presents weaknesses in performance management of employment services and programs. Most of the activities carried out by the M&E and Internal Audit department are financial audits of 8 to 10 LSWOs per year. This seems to be a standard practice across Ministries, but it entails that there is no monitoring of the quality of the services that are proposed by LSWOs, or soum/khoroo officers, either on an ad hoc basis, or through the collection of performance-based indicators. The M&E department should instead focus on monitoring of EPPs, evaluating the impact of EPPs, the continuous analysis of jobseekers, vacancies, and the unemployed. It should also monitor the implementation of targets set for the LSWOs, the performance of LSWOs and employment officers, and drafts the GOLWS yearly activity report (with the targets established by MoLSP). In short, the M&E unit should monitor the activity of LSWOs, not just audit their finances, and should do so in collaboration with the LMIS specialist, who should be providing data inputs from the system.

In the capital city, MED is also providing similar services to those offered by GOLSW – see Box 1 for full discussion.

3.2.2. Roles and responsibilities of LSWOs

The LWSOs and soum/khoroo officers work as one-stop shops:[16] they are the entry points for an array of services related to social protection and welfare that jobseekers can access. On the same premises, incoming jobseekers can benefit from different services, some of them provided directly under the "L/Labor" of LSWO, and others provided by the "SW/social welfare" of LSWO (or others), such as social assistance benefits, counselling sessions, etc. This holistic solution to the problems of disadvantaged groups moves beyond partnership working into the more complex and demanding area of service integration, and is in line with the latest recommendations from international best practices. However, the operational link between labor and social services could be strengthened in Mongolia, as they currently work under one roof, but lack full operational coordination.

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[16]   At soum/khoroo levels, they work as a one-stop-shop: only one specialist provides both social welfare and employment services. At district/aimag levels, the two services are provided in the same building/facility, however by different specialists.

The number of staffs in LSWOs is relatively fixed and does not depend on the size nor profile of the population to be serviced. In each employment division, there are about 2 officers in charge of EPPs implementation, and usually 2 officers in charge of services (counseling and job matching). This number is irrespective of the number of jobseekers to be serviced, or the profile of jobseekers (jobseekers who cumulate barriers to employment, i.e. who are harder to place, will need longer sessions with employment officers). As a consequence, many LSWO officers are overburdened, between collecting information on the unemployed, providing career information and counselling, disseminating information about EPPs, delivering and monitoring EPPs, liaising with employers (registering new vacancies, and newly created jobs), and liaising with GOLWS and soums/khoroos. This is particularly the case in densely populated areas (UB in particular) where khoroo officers have too many jobseekers to service, but also in scarcely populated area, where soum officers spend a lot of time traveling from herder to herder to implement the herder's employment promotion program.

Similarly, soum/khoroo officers are stretched over many different functions and often large territories. Each soum/khoroo is covered by one labor and social welfare officer, irrespective of the size of the geographical territory to cover (soum/khoroo officers have to travel often to monitor beneficiaries of some of the EPPs, especially the herder's program), or the profile of the jobseekers. These soum/khoroo workers are largely occupied by social welfare related functions. In addition, soum/khoroo officers have to deliver many different services, including collecting information on the unemployed, providing career information and counselling, disseminating information about EPPs, delivering and/or monitoring EPPs (organizing public works, overseeing trainings, monitoring loans), liaising with employers (registering new vacancies, and newly created jobs), as well as the whole array of social welfare services. As a result, some soum/ khoroo specialists may be away from their desk, for extended periods of time: potential beneficiaries of social welfare and labor measures may find an empty desk when they show up at the soum/khoroo center.

Employment service specialists have a higher workload than EPP specialists. First, there are twice as many jobseekers benefiting from counseling and intermediation services than jobseekers enrolled in EPPs – see Table 1. Second, due to the discontinuity of funding for EPPs, EPP specialists have little work to do during the first four month of the year.

Having specialized officers appears to pose challenges and fragments the delivery of services and measures a jobseeker can access. Each jobseeker should have one caseworker only. However, employment officers are either specialized in delivering services only, or EPPs only. This division of tasks is counterintuitive and counterproductive: each jobseeker should have one interlocutor only, who can guide him and discuss with him the best portfolio of services and programs that will help him get back on the labor market. This approach, putting the client at the center of the process, is coined the client-centered approach and will be discussed in more details in Section 5.3.

LSWOs seem to have difficulties retaining qualified labor force. Staff turnover seems to be quite high, at all levels: PES staff's salaries are low, caseworkers' caseload is high, and the number of staffs per LSWO soum/khoroo is capped due to budget constraints. The success of labor market services and programs will depend heavily on having quality (and quantity) staff; therefore, addressing staff recruitment, training and retention will be fundamental to ensure quality delivery of services.

Recent efforts were made to clarify and standardize operational procedures for LSWO and soum/khoroo staff to ensure a minimum standard of services. With high staff turnover, limited availability of training, weak linkages between employment services and programs, the existence of clear operational manuals and business processes was of fundamental importance. Annex 3 compiles all available business procedures. The current procedures are stand-alone description of processes are not linked to one another. The client-centered operational model should hence improve the understanding of caseworkers, standardize their approach, and simplify their work.

Figure 6: Responsibilities and functionalities of LSWOs and MED service center

- Registers jobseekers/ unemployed
- Registers vacancies/new jobs created
- Administers LM services/ programs
- Monitors LM programs
- Liaise with *soum/khoroo* specialists
- Liaise with GOLSW

Source: Interviews with various stakeholders, December 2019.

Aimags
2 employment specialists
2 EPP specialists

S   S   S

- Registers jobseekers/unemployed
- Registers vacancies/new jobs created
- Administers LM programs
- Administers SW programs
- Monitors LM programs

Districts
2 employment specialists
2 EPP specialists

K   K   K

Employment Service Center (UB)

- Registers jobseekers/ unemployed
- Registers vacancies/ new jobs created
- Administers LM programs but not financial grants
- Administers SW payments
- Monitors LM programs

Private service provider operating under GOLWS are paid on performance-based results. The forty (40) private centers deliver the same services as the PES. Some private service providers also offer some labor market programs (trainings, etc) but they cannot offer financial grants. Private service providers are remunerated based on the number of clients that are enrolled in guidance/counseling, and on the number of jobseekers that they match to a vacancy. This performance-based management initiative has, however, never been evaluated: no data is available to assess if private employment providers are performing better than the traditional PES, or if they tend to service different profiles of jobseekers.

> **Box 3: Performance–based payment in private employment service providers**
>
> The network of 40 private employment service providers provides the same services as the regular PES, i.e. registration, counseling, and intermediation, and some centers are even qualified to provide some EPPs, such as training.
>
> The major difference in their functioning, compared to regular PES, is the performance-based pay: private employment providers receive money for each jobseeker serviced (about MNT 10,000 or USD 3.5), and receive an additional transfer for each jobseeker placed on the labor market (about MNT 10,000 or USD).

3.2.3. Servicing jobseekers

In servicing jobseekers, the current system in Mongolia includes somehow all three steps identified by best international practices: *assess, decide, implement.* Upon registration, employment specialists gather information about jobseekers to help them *assess* the needs of the latter. They then offer services or refer the jobseeker to EPP specialists (*decide*), and finally enroll the jobseekers in services or programs (*implement*). Outreach is however rather low key, with few activities and channels being used to reach out to potential jobseekers or prospective employers: more frequent use of emails, reaching out to industry chambers, promoting the role of the PES to TVET and universities, improving the outreach through a public internet portal, etc. Connecting and reconnecting to prospective employers as well as potential jobseekers is fundamental to ensure a virtuous circle of use of the PES from the supply and demand side of the labor market. There are however no specific rules about how often jobseekers and employment specialists should meet, nor are there any instructions for employment specialists to follow up with jobseekers once they are registered in the system, or once they have secured a job (no tracking policy[17]).

However, the system does not yet have a strong client-centered approach: it does not use profiling nor individual action plans on a systematic basis. There is no systematic profiling of jobseekers, nor elaboration of individual action plan (IAP), nor constant update of IAP/jobseeker's file. However, some pilot projects have used profiling in the recent past, in combination with individual action plans (IAPs) – see Box 4 below.

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[17] This tracking exercise, i.e. knowing if the jobseekers is employed, where, what is wage is 3/6/12 months after graduating from the PES would not only be important to assess the efficiency of the programs and services they received, but also it could be of use if any performance-based incentives are put in place.

> **Box 4: Profiling pilots (YEPP and SECiM)**
>
> The Youth Employment Promotion Project (YEPP) implemented by the Swiss Development and Cooperation and the Support to Employment Creation in Mongolia (SECiM) project implemented by the European Union are both using profiling methodologies to tailor their services to prospective jobseekers.
>
> The Youth Employment Promotion Program (YEPP), uses a long caseworker discretion model (it lasts about 45 minutes), by which YEPP specialists categorize young jobseekers into three groups: individuals who are labor-market ready, individuals who face some difficulties in joining the labor market, and finally individuals with strong barriers to enter the labor market. Following profiling, jobseekers discuss an individual action plan (IAP) tailored to their needs, with lighter support being given to individuals form the first group, and more intensive support being provided to those in the last.
>
> Similarly, SECiM implements a caseworker discretion profiling model, categorizing individuals into the same three groups before offering them tailored support through an individual action plan (the questionnaire is rather short and lasts about 10-15 minutes). Guidelines to provide tailored support to the three different profiles include a table dividing the set of measures from the six different EPPs over the 3 different profiles.

Employment specialists waste a lot of time because of the outdated Labor Market Information System (LMIS). The first steps followed by caseworkers to enroll a new jobseeker is the registration procedure. The client/jobseeker always comes to and LSWO or soum/khoroo specialist to get registered. This physical step is unnecessary for most computer-literate jobseekers, who could be registering online if the LMIS was working properly. Examples of successful initiatives exist: the employment service center in Dunjingarav has developed an online app for jobseekers and employers, and similarly the EU-funded SECiM project developed an online app.

3.3. Labor Market Information System (LMIS) and Monitoring and Evaluation (M&E)

The Ministry, and different levels of PES are interconnected through the Labor Market Information System (LMIS), managed by the Information Technology (IT) division. The IT division is responsible for the proper and continuous functioning of the organization's information systems and IT infrastructure.

The LMIS offers outdated basic functionalities to internal users (LSWO specialists and GOLWS employees), resulting in the existence of suboptimal mechanisms.

Figure 7: Labor Market Information System (LMIS)

LMIS

Register jobseekers/ unemployed

Register vacancies

- Repository of jobseekers
- Repository of vacancies
- Indicators on programs and services

Matching

GOLSW

LMIS unit

- **LMIS monthly publication**
- **6 main indicators**

  - Registered jobseekers
  - Registered unemployed
  - Registered vacancies
  - Job placement
  - Number of newly created job
  - Number of people with career guidance
    - Additional indicators on EPPs

MoLSP

- Policy making: decisions on program prioritization, budget allocation, quotas of beneficiaries
- Audits from M&E department

Source: Interviews with various stakeholders, December 2019.

- **End users: online self-services (e.g. registration, career exploration tools, enrolments in education and training opportunities) are not yet available distancing end users (jobseekers and employers).** The services provided by the LMIS include basic information, but do *not* provide information on employment (how to get employed, how to create a resume, how to and frequently asked questions for employment, etc.) to young people. The website's content is rather static and does not interoperate with the internal IT system. The portal is administered by the IT Division with no external support.

- **LSWO specialists: the PES LMIS is a repository of jobseekers' profiles and employers' vacancies, but it does not provide practical matching functionalities.** As a consequence, employment specialists do not use the system directly, but create additional manual steps to conduct matching. Most often, they extract vacancies from the LMIS, export it to an Excel spreadsheet and print it out. When prospective jobseekers ask for vacancies, employment specialists refer to these lists. In some cases, the Excel spreadsheet is compiled by the main aimag/ district specialist on a regular basis, and shared with soum/khoroo officers. Many LSWOs have created local Facebook groups for their soum/khoroo specialists – see below the case of Khan Uul district in Box 5.

- **GOLWS and MoLSP: data extracted from the LMIS is basic and does not provide an analysis of what works and what doesn't.** The LMIS specialist of GOLWS extracts information at the aimag/district level monthly, consisting of 6 main

indicators: number of registered jobseekers, number of registered unemployed, number of registered vacancies, number of individuals who found a job through LSWO, number of newly created jobs, and number of beneficiaries of career guidance. In addition, program specific indicators are communicated to the LMIS unit. The information is compiled in tables and graphs, but no analysis of what works and what doesn't is conducted. Currently, there is thus no information on which programs or services are more cost-efficient, if some programs are under- or oversubscribed, if the donor-led pilot interventions are more successful at servicing clients (i.e. comparing the two profiling initiatives), if private provision of employment services is more or less efficient, etc. In addition, there is little information on the performance of LSWOs and employment specialists (see Section 3.2.1). Such information would be very much needed to identify which LSWOs have difficulties in respecting quotas and reaching targets, which LSWOs are performing above average and what can be learned from them, etc.

Box 5: Parallel systems created to circumvent the outdated LMIS

Several ad-hoc platforms have been created in addition to the outdated LMIS database. MED developed its own LMIS (job.ubburj.ub.gov.mn), used by Dunjingarav employment service center, which allows jobseekers and employers to enter directly their information. They can do it either through the regular website, or through the mobile app (UB Jobs). Both end users are able to access their profiles online, browse information and match directly with each other. The system uses jobseekers' finger print, through which it is directly interconnected with data source hosted by HUR only. In addition, Dunjingarav employment service center sends automated messages to jobseekers to follow-up with their efforts to find a job.

Similarly, the district of Khan Uul in UB developed its own online platform (jobnet/hanuul.mn). The different employment specialists communicate through a Facebook group, on which the main employment specialist from the district uploads daily the list of vacancies in an Excel format.

Finally, there is no Grievance Redress Mechanism (GRM).

3.4. Internal training

Trainings are organized, but they are not conducted on a regular basis. Newly hired caseworkers do not systematically go through a training prior to starting their jobs. Trainings are mostly organized on an ad-hoc basis, for instance when new programs are being introduced. Newly hired staff should start with a training on how to register, profile, and service jobseekers (individual action plan, different ALMPs and services). However, and because of capacity and budget constraints, these trainings are not conducted as often as would be needed, and many newly hired staff start working before they can attend the

training (the waiting time may be up to 6 months). When this is the case, other specialists of the LSWO will train the new recruit.

As a result, employment services, which require good knowledge about how to counsel and guide jobseekers, are particularly weak. Multi-stage guidance is virtually absent, as there is no profiling of incoming jobseekers. All different steps of employment service provision should be strengthened, including job-search assistance, information about the labor market, motivation/counseling/soft skills acquisition, matching and sending job offers, screening through data-mining or through requested information form the jobseeker, intermediation and follow-up, etc.

DIAGNOSTIC:

- **Poorly defined roles and responsibilities, resulting in overlapping of some functions, and absence of others.** Some departments exist in both, MoLSP and GOLWS, such as the department for employment services, and the department for EPPs, which is redundant.

- **Work overload.** At both levels, LSWOs and soum/khoroo, officers are overworked, and stretched over many tasks that could be easily automated. Khoroo specialists and employment service officers are particularly overworked, the first ones because they have large populations to service in UB, and the second ones because employment services enroll twice as many jobseekers as EPPs.

- **Fragmented services and labor market programs and no client-centric approach.** Due to the organizational setup of GOLWS and LSWOs, employment services and promotion programs are delivered by different officers. Introducing a client-centric model should strengthen the links between the different types of measures a jobseeker can benefit from. It will require the introduction of profiling, and the elaboration of an individual action plan for most jobseekers.

- **The prioritization of services for certain groups of clients would be required.** Currently, a first-come first-served approach to enrollment of applicants who meet basic eligibility criteria. The PES may want to consider finding ways to target the interventions to the most vulnerable/disadvantaged people, who would be served on a priority basis over the year. For instance, EPPs may target longer term unemployed (e.g. unemployed above one year) or other vulnerable groups. Similarly, trainings should be offered first to jobseekers with skills-sets that are not in demand.

- **The different services and EPPs should be coordinated by some framework procedures and operational manual**. The business procedures should be transformed into a step-by-step guidance/detailed algorithm to help caseworkers to match the jobseeker's profile with available services and determine/prioritize the intervention/mix of interventions that addresses her employment barriers in the best way. In addition, based on the jobseekers' profile and programs' eligibility criteria, the information system could automatically pull-out a shortlist of programs and services for which the client is eligible.

- **High staff turnover.** This is true at all levels: at lower levels, low pay and work overload deter people from staying in their jobs, and at higher levels, positions are highly correlated with the ruling political party.

- **Insufficient training for staff development.** Training should be organized more regularly, using multiple channels (in real life, remote connection, online trainings), and should be made available to all specialists (irrespective of their place of work). This particularly true for counseling and job matching services.

- **Weakness in performance management of employment services.** Few indicators are collected at the LSWO or soum/khoroo levels. These indicators, compiled monthly, are not being analyzed to inform GOLWS about which programs are being over- or undersubscribed, which LSWOs are having difficulties reaching their goals and targets, if some districts or aimags are experiencing economic slowdowns (lower levels of registered vacancies/new jobs), if the provision of employment services is more efficient through public or private service providers. Both, process and output indicators need to be clearly defined, to monitor and evaluate the performance of GOLWS programs, and the M&E unit should be in charge of overseeing it (and not conducting financial auditing). There should also be a clear follow-up mechanism between employment specialists and registered jobseekers.

- **Limited outreach to both jobseekers and prospective employers.** There should be more awareness campaigns about the role of LSWOs, especially in areas with high unemployment rates. Some countries, such as North Macedonia, have implemented mobile teams with local social workers that work with local disadvantaged youth to promote the work of the PES.

- **Outdated LMIS system leading to tremendous waste of efficiency.** Redesigning of the LMIS system is being done in parallel to this report: more in-depth analysis of the current state of the system, caveats, and areas to improve is available as a companion paper. It is also inefficient to have the different initiatives (such as Ulaanbaatar's MED) develop some systems on their own if they are not scaled up later.

- **Many of the tasks that employment specialists have to carry by hand could be automated by a new and functional LMIS.**

- **The public LMIS portal should be the single point of interaction between the potential beneficiaries and the PES.** All the detailed information on job vacancies, allowances, training programs details, guidance for beneficiaries, careers information, available on-the-job-training placements, FAQs, benefits, links to careers information attached to each of the EPPs, etc. should be available from that same platform. The possibility for online inquiries by the potential beneficiaries through the portal should be allowed, and as well as communication management mechanisms.

- **Other interaction and information mechanisms should be strengthened.** First, interfacing the Portal with Social Media (Facebook, Twitter, LinkedIn, Instagram, etc.). including promotional campaigns through newsletters for potential beneficiaries and chatbots provided in the Portal, through Instant Messaging applications (e.g. Skype) and/or Social Media, to interact with the potential beneficiaries and provide information and guidance. In addition, mobile applications with information on EPPs (active and passive) and the use of push notifications to update the beneficiaries on the latest developments and opportunities would be useful.

- **GOLWS has a weak Monitoring and Evaluation (M&E) set up.** M&E should track: (i) the implementation and results of services and programs, (ii) the performance of caseworkers and LSWOs, (iii) the performance of service providers (especially for training), and (iv) the employment outcomes of service beneficiaries. All processes are however poorly elaborated in the Mongolian case, and monitoring of services and programs is kept to a minimum.

- **No Grievance Redress Mechanism.**

4. GOOD PRACTICES AND INTERNATIONAL EXPERIENCE

This chapter reviews the international experience in this area, presenting some of the global best practices that can be of reference for Mongolia. More specifically, the chapter reviews the different operational models around the main principles of client-centered approach, and the individualization of support.

Over the past decades, a major shift can be observed in the institutional and organizational culture of PES worldwide. Most PES have moved away from being a self-sufficient organization, to one that sets to develop and manage working relationships with other agencies, both public and private, in the delivery of employment services. In developing partnerships in service delivery, the challenge for PES is to ensure the quality of services through the establishment of standards for service delivery while tailoring adequate support to each unemployed person.

Figure 8: A view of the client–centered approach

- Provision of detailed information to the beneficiaries in relation to all the LMPs (active or passive) provided by NEA.
- Online cross-referencing of the unemployed information with the official records available.
- Online checks for cases of deregistration.
- Creation of a detailed CV continuously updated with all the latest achievements to support the unemployed search for a job.
- Unemployment benefit.

- Automatic analysis of the unemployed profile.
- Provision of recommendations for further engagement with programs (services) allowances based on the profiling outcome.

Registration   **Profiling**

Enrollment & Monitoring   **Individual Action Plan**

- Automated enrollment procedures and online progress reports.
- Appointments management mechanisms to support employment interviews.
- ALMPs continuous evaluation by the beneficiaries with the use of electronic means., including complaints management.
- Monitoring mechanisms for the unemployed pathway to employment during their participation in the ALMPs and after that.

- Provision of LMI to the counselors and the unemployed.
- Matching between jobseekers skills and job vacancies and between unemployed skill gaps and ALMPs for the provision of recommendations .
- Online update of the unemployed IAPs and CVs based on their progress in the ALMPs, achievements, certifications, testimonials, etc.
- Online notifications and information delivery in relation to the unemploed obligations and the available job vacancies.

4.1. Operational Models

4.1.1. Client-centered approach

Most EU-28 countries are reinforcing the individualization of support provided to the jobseekers. This entails focusing on job integration agreements tailoring support to individual needs with clear rights and obligations for both the jobseeker and the support bodies – the client-centered approach. This approach consists of constructing an operational model around the needs and specificities of each client, i.e. the jobseeker (see Figure 8).

Best Practice 1: Focusing on the hardest to place in France

In France, the national action plan against long-term unemployment adopted in 2015 combines a reinforcement of personalized, intensive counselling, aiming to reach 460,000 beneficiaries in 2017, an increased offer of subsidized contracts and vocational training and a new scheme of work-based training for older workers or those with lower qualifications, as well as better access to childcare and housing support. Long-term unemployed will also benefit from the 500,000 supplementary trainings for jobseekers in 2016, which will double jobseekers' training offers and of which one third should target specifically long-term unemployed and/or low-qualified workers.

In order to shift counselors' attention away from the easy-to-place and onto the hardest to place (the so-called "creaming effect"), incentives need to be put in place. Performance incentives need to be tied to the placement of disadvantaged jobseekers under a management by objectives (MBO) system. Budgets can be awarded according to the objectives, and outcomes at the end of the year measured against these objectives. Under such an arrangement, labor offices can receive additional resources aimed to meet an objective of placing more long-term unemployed into jobs. MBOs are particularly suited to a regionalized PES structure, with budgets allocated tied to certain agreed performance benchmarks. The addition of staff rewards is a feature in some PES and has proved to be a successful motivating factor in the achievement of objectives. The UK Jobcentre Plus and the Swiss public employment service have experimented with such incentives (see below).

Best Practice 2: Management by objectives – UK's Jobcentre

The UK Jobcentres Plus are subject to a job entry target based on a point system that gives disproportionate weight to disadvantaged jobseekers. Jobseekers with the highest points are lone parents as well as people with a disability, with additional points awarded for people residing in marginalized neighborhoods, defined as having a high share of ethnic minority residents, long-term unemployed and low-income households. Giving more points to those disadvantaged jobseekers gives higher incentives to caseworkers to service the most in need.

Finally, service prioritization allows for a more efficient allocation of resources available for counseling. The staff time that is currently allocated to relatively easy-to-place job-seekers will be freed up, and therefore can be devoted to the most difficult cases. Some main lines of action proposed by the caseworker to the most vulnerable jobseekers include more intensive mediation for those who are at risk of long-term unemployment or are already long-term unemployed, including more intensive diagnostics, retraining, support for the creation of new and targeted jobs, support for community work and short-term jobs, organization of work experience, support for self-employment and other measures to enhance the employability of the target groups. With respect to the organizational implications, the emphasis is placed on staff training, increased action planning capabilities, evaluation mechanisms and the development of more sophisticated labor market information systems.

In particular, most countries focus on prevention and early interventions for youth. Most countries have introduced systems to detect risk groups early on and make them subject to prioritized and individualized attention, in particular youth through career counseling and professional orientation at school. This also involves early drop outs from school at a time prior to becoming long-term unemployed, typically after six months of joblessness, with directions to remedial and second-chance education or work placement and apprenticeship schemes.

4.1.2. One-stop center (integrated case-management model)

Service integration typically involves either a merger of the traditional PES with social welfare offices or the introduction of integrated computer systems.[18] Service integration builds on the recognition that job-seekers can have multiple needs that are best addressed in an integrated, one-stop shop manner. It also exploits synergies and generates savings that can be reinvested in new and more intense service provision and programs. Evidence points to the importance of integrating the broad range of employment services into one-stop shops as part of a transition of the PES to "intermediation services" between employment, education and training actors, enabling better labor market functioning and quality job placements.

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[18] Coordination with other policy makers and agencies working in fields such as education, health, housing and childcare is also needed to provide a more client-oriented approach that addresses the multi-faceted barriers faced by those farthest from the labor market. Some countries have been exploring new ways of providing such coordinated services, for example through local employment "brokers" who can signpost unemployed people to different services (both pre- and post-employment) while helping communities to fix long-standing barriers and bottlenecks such as a lack of available childcare.

> **Best Practice 3: Case management approach in Estonia**
>
> The case management approach used in Estonia provides a notable example of how the PES can manage relationships with other agencies that have specialized staff to work with the disadvantaged job seekers or long-term unemployed to move them towards suitable employment. The steps involved in the case-managed approach used in Estonia include:
>
> - The establishment of contact with the client and making an initial assessment of their employment related difficulties. The kind of support that the client needs is determined. Other primary-level specialists may be involved in the initial assessment process, including the local government social worker, rehabilitation officers, etc.
> - The assignment of a case-manager to the client.
> - In-depth assessment of the client's abilities, problems, environment, and resources. An outcome of this assessment is the production of an individual action plan to help the person into employment.
> - The coordination of the implementation of the action plan.
> - The evaluation of the attainment of the objectives.
> - The direct delivery of specific services.
> - The referral of the person to employment services and/or public care services (including rehabilitation services if warranted).

From an IT perspective, good international practices highlight the importance of integration and interoperability. The PES should be capable of and willing to integrate products and services developed together with partners, including customers. Exchanging knowledge and information both with stakeholders at the national level and between PES can encourage innovation and provide strong leverage to improve the implementation of good employment policies and strategies.

4.1.3. Specialization of caseworkers/PES for certain target groups

The latest trends include greater specialization of caseworkers or entire PES. This includes dedicating staff to dealing with hard-to-place clients and investments in training and retraining as well as rotating staff. It also crucially involves culturally sensitive service provision, centered around the individual's needs and abilities, involving dedicated advisors for minority jobseekers in those areas with large minority communities. Japan and Canada offer interesting examples (see below). However one should note that specialization of caseworkers is not done by service/program, but by jobseeker profile (this distinction is fundamental).

> **Best Practice 4: Specialization of caseworkers in Japan and Canada**
>
> In Japan there are special offices targeting persons over age 40 seeking managerial and technical jobs, mothers, people seeking part-time employment, recent graduates, and youth. In Canada, the Targeted Initiative for Older Workers (TIOW) helps unemployed workers, typically aged 55 to 64, return to work. The initiative is cost-shared with the provinces and territories. It provides employment assistance services, such as resume writing and counselling, and improves participants' employability through activities such as skills upgrading and work experience.

4.1.4. Enhanced contracting out of services to private sector and NGOs

Many countries around the world choose to contract out the activation services for the most difficult to place clients, based on performance-related payments to the private sector and NGOs. This shift is reflected for example in Australia where the PES has effectively been outsourced to private and NGO-type agencies. The rationale is that outside partners are better positioned to deliver more effective services than the PES infrastructure – for example NGOs with experience in working with Roma communities or PWD. However, outsourcing is likely only effective when coupled with a performance monitoring and measurement system which allows tracking the individual's progress in finding and retaining a job (e.g. through monitoring social insurance contributions). The Czech Republic has recently launched a pilot initiative focused on Roma communities (see below).

> **Best Practice 5: Contracting out to NGOs in the Czech Republic**
>
> The Czech Government has launched a pilot Social Inclusion Agency to promote innovative partnerships between public services and NGOs in select marginalized communities which provide an entry point for a new approach to promote the employment of Roma. The Social Inclusion Agency relies on the opportunity to develop innovative social inclusion programs individually tailored to local conditions and taking advantage of locally available know-how and actors. The Agency acts as a service provider itself in the pilot localities, but it effectively outsources the bulk of activities to local NGOs.

4.1.5. Regular monitoring and evaluation and performance management

Good international practices also highlight the importance of regular evaluation of the effectiveness of the employment offices. Effectiveness is measured by jobseekers´ placement and through regular client surveys to ensure high quality and focused service provision. Empowering clients to demand high quality services is also important, by for instance introducing client satisfaction report cards where clients can provide feedback on the quality of service they have received.

At a minimum, PES monitor a key set of performance indicators:

- Jobseekers/PES clients: number of jobseekers registered (detailed statistics per profile of jobseeker), number of jobseekers serviced, number of jobseekers registered in active and passive LMPs, number of jobseekers who successfully transitioned to formal employment, number of jobseekers still holding a job 3/6/12 months after exiting the system, etc.

Best Practice 6: Internal quality and process evaluation in Estonia

The Estonian PES assesses Individual Action Plans (IAP) twice a year to ensure that the plans consider the needs of the jobseeker and outline relevant support measures. The IAPs are drawn up by the job counsellor and the jobseeker and contain a plan of actions and measures to help jobseekers find suitable employment. The methodology to assess the quality of IAPs was developed in 2010 because the PES noticed that IAPs were missing background information and that actions were inconsistent. An internal team (consisting of specialists on work-focused counselling and previous job counsellors) reviews a random sample size of 130 IAPs in total from all regional offices along the following criteria: accuracy and consistency of information about the jobseeker, coherence of the individual's opportunities and obstacles to finding employment, relevance of agreed actions, progress reporting, analysis of results, record of appointments and other relevant information, relevance of the services and ALMP measures to the needs of the jobseeker. The IAPs are assessed within these criteria on a 4-point scale. The average score of IAPs per region and for the whole organization is used as one of five 'quality-related' key performance indicators, together with 13 'outcome' indicators and 30 'output' indicators.

- Branch offices and caseworkers: caseworkers' turnover, number of jobseekers per caseworker, average time spent with each jobseeker, rate of successful exits per branch office/per caseworker, number of registered vacancies per jobseeker, share of registered vacancies successfully filled, etc.

Best Practice 7: The Balanced Scorecard to compare local offices in Austria

In the Austrian PES, the Balanced Scorecard (BSC) aims for an objective comparison of local PES offices and regions in terms of their performance. This performance tool addresses many aspects of PES performance. 25 indicators cover a variety of quantitative outcomes, process and quality-oriented targets such as reintegration rate of active measures, services to employers, call center services, and management processes. The BSC is weighted to take account of key resource dimensions, including staffing and budgets, and different local situations. The tool is used to benchmark the performance of the 100 local PES offices.

> The performance of an office is measured using different methods: calculation of office specific 'expectation-result', benchmarking across two different types of 'office-clusters', fixed reference figures for all offices. The BSC is a self-steering instrument but also a tool for the federal office and regional branches to monitor local offices. In that way, low and high performers within one cluster are identified and encouraged to share knowledge on performance improvement.

Collecting the key indicators allows to set up performance management, which makes critical information on performance results available for managers at all levels of the organization, enabling rational decisions to be made on the priority of resources. If performance information is linked to the budget cycle, the information can also be utilized to improve effectiveness as part of the budget cycle.

> **Best Practice 8: Incentive regime in Estonia**
>
> In the Estonian PES there is a widespread use of incentives for the employees with several elements covering both monetary incentives and soft incentives. The basic principles of the incentive regime are that incentives should be based on transparency and fairness, e.g. a share of their wages is based on incentives. At the same time, they use also nonmonetary incentives: a rating of top 10-counsellors and annual rewards for people and teams.

In addition, PES often carry out case-effectiveness analyses, which are usually done in-house and consist of looking at the relationship between resources, activities and outcomes, i.e. how much does is cost the PES/a PES branch to successfully place a jobseeker back on the labor market. More in-depth analyzes may additionally look into efficiency of scale, that is whether available staff, expenditures, or outputs such as activities are optimal to achieve the highest rate of return on the labor market.

Finally, and more often every year, PES will carry out rigorous impact evaluations of their ALMPs. Some countries have institutionalized this, such as Denmark, which never scales up a new measure before testing out a pilot at a rather small scale and evaluating the impact of that pilot on the probability to transition back on the labor market. France and Germany also evaluated regularly new options of service delivery or ALMPs in order to allocate resources to the most performing programs and scale down those with limited impact on jobseekers. These sophisticated impact evaluations are usually outsourced to university professors: in the case of France, most of the work is carried out by a team of researchers gathered around Bruno Crépon, while in Germany, most of the work is carried out by the Institute of Labor Economics (Institut zur Zukunft der Arbeit, IZA). In addition, some evaluations looking into cost-effectiveness exist, linking processes and outcomes, but are still few and far between (some work has been recently done by J-PAL, as well as the Danish National Labor Market Board (see Box below)).

> **Best Practice 9: Impact evaluations ran by the Danish National Labor Market Board**
>
> The Danish government designed randomized control trials (RCTs) to obtain evidence on the effectiveness of all ALMPs introduced since the mid-2000s. The Danish National Labor Market Board runs on average 2 RCTs per year and disseminates the results through a knowledge bank (data repository, conferences, interactive debates, etc.) to foster the active participation of the research community. Most impact evaluations not only look at the impact of the various pilots on the transition back to work, but they also carry out cost-benefit analyses, to determine which programs are the least costly to reduce unemployment rates/spells.

4.1.6. Engaging employers

Research in OECD countries identifies two general models for developing relationships with employers. These include the organizational models in which PES counsellors that work with both employers and jobseekers and those where PES have dedicated employer relationship staff. For example, in France, the PES has formal agreements with large company networks and industry sectors concerning recruitment support. Both organizational models have strengths and weaknesses. While generalist staff may be better positioned to match their clients with employment opportunities, there is a risk that their attention becomes heavily focused on jobseekers, to the detriment of employers. Likewise, while dedicated staff can offer more specialized support to employers, there is a risk of disconnection between services to employers and jobseekers.

Regardless of the model, research in the EU suggests a number of relevant cross-cutting principles for strengthening employer engagement. For one, PES staff need to be knowledgeable about employer needs, particularly in the local labor market they are serving. Regular trainings and seminars for frontline staff can be of value. Finding an appropriate combination of different channels for employment contact – from face-to-face to telephone to online services – can be the best way to find a balance between effectiveness and efficiency in serving employers.

4.1.7. Matching graduates and job vacancies

International best practices show that tight links between labor market demand and trainings being provided by secondary and tertiary education are key. Often case, there is a mismatch between the type of skills needed by companies advertising for job vacancies and the skills taught through the educational system, at the university level, as well as through vocational education and training. In order to improve the fit between graduates and job vacancies, tight links between the education and employment sector must be sought after.

> **Best Practice 10: AlmaLaurea's Job Matching placement service**
>
> The Placement services of AlmaLaurea made available to the consortium universities are intended to facilitate the entry of new graduates into the job market and comply with the Italian law ("work connection").
>
> - **Placement platform:** the AlmaLaurea Placement Platform is an extensive range of services that support the university placement office. More than 50 universities use it. Through the Platform each university can publish job offers that only students and graduates of that university can answer. The Platform allows the placement office to register entities and companies and to carry out intermediation and support activities in the selection of the professional profiles they are seeking.
>
> - **Jobs and Internship Bulletin Board:** its activation is linked to the use of the Placement Platform. This Bulletin Board allows companies to publish job offers and/or internships, both extra curricular and curricular. The preparation of the offer is handled autonomously by the company, but its publication must be approved by university placement office staff.
>
> - **Internship Module:** the module included in the Placement Platform manages the creation, printing and approval of training agreements and projects. Manages the internship itself by tracking any extensions and suspensions. Automatically gathers assessments from trainees and company tutors. The module is activated separately.
>
> - **Events Module:** new experimental module added to the Placement Platform to support external recruiting events (meetings between students/graduates and companies). Companies can set up their own exhibition spaces where students and graduates can submit their CVs in the days before the event. Companies can then view and assess the CVs in advance, making the most of individual meetings during the event. For their part, graduates and students can select in advance the companies that they want to meet and organize their day. The module is currently available in two versions: basic, which is more simple to use and can be activated quickly, and advanced, with more sophisticated functions and services and for which specific training is required.

4.2. Information Systems

On a global scale, a standardized open-source or commercial MIS that would effectively support all the tasks seen above is not available. Such a MIS system would need to include many different subcomponents: the core information management in a PES, the provision of services and the interaction with the unemployed and the employers, the monitoring and evaluation of EPPs, as well as administrative functions. In

most cases, customized MIS are being developed on an ad-hoc basis, as each organization or government agency has different requirements depending on the policies pursued in their specific context. The available systems are usually tailor-made solutions, developed progressively in-house, having different levels of maturity, and covering a wide range of functionalities set by each country's legal framework.

4.2.1. The Greek OAED

The OAED or public employment service of Greece´s reform shares similarities with the Moldovan case. Greece's active labor market policy is undergoing reform focused on program design and the delivery mechanism. As per common European Union practices, Greece is moving from an ad hoc to a more systemic approach in managing active labor market programs (ALMPs). The goal as laid out in the Strategic Framework for the redesign of ALMPs prepared by the Ministry of Labor, Social Security and Social Solidarity is to implement a new ALMP model comprising the following elements: (i) shifting towards a new model of ALMP delivery whereby a menu of ALMPs is available on a continuous basis to the unemployed; and (ii) strengthening the provision of counseling (including profiling) to the unemployed in order to support, assess, and guide them appropriately.

Currently OAED uses OPS[19] as a fundamental IT tool to support its core operations. Based on the infrastructure of OPS, a number of services (subsystem of e- services and portal) have been implemented in order to automate time consuming business processes, and thus free up counselors' time for more qualitative services to the unemployed and employers. The OPS is very rich in functions and has a high level of maturity from an implementation point of view, while at the same time it is fully integrated into OEAD's operations (e.g. basic registration and profiling of the unemployed, management of personalized action plans, processing of unemployment benefits, ALMPs run by OAED, electronic submission of applications forms and CVs for participation in both active and passive labor market programs, electronic update of the unemployment card, etc.). For the support of the available ALMPs, besides OPS, a number of information systems (interoperating with OPS) are utilized in order to streamline the involved processes and provide means for the realization of a monitoring and evaluation framework of ALMPs.

The OPS and OAED's subsystem of e-services and portal also provide tailored services for the unemployed and employers. They do so by making use of both the database and data/information received through interoperability with other public body systems, as they have connections to external systems allowing the (semi)automatic update of status and other information. Currently, the functionalities of OPS are enriched with the integration of an online profiling instrument providing the means for a more effective orientation of the candidate beneficiaries to the ALMPs (counselors will be supported by the instrument). At the same time the National Institute of Labor and Human Resources (EIEAD) will provide access to all data related to the analysis of labor market to OAED.

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[19]   The OPS is the Greek acronym for MIS – Management Information System.

The demand-responsive training programs are administered through a well-developed information system that supports the entire process of training management. The system has many features and allows to record many details. It centralizes the management of programs, trainees, training providers, and firms that provide internships. The system supports the full workflow, including program definition, announcement, applications, provider proposals (including curricula definition), registration, class management, scheduling, absenteeism recording, evaluation and grading, payments and digital documents recording (e.g. contracts and signed class curricula). It provides a good tool for daily operations for the program managing body and training providers and is also a good database for monitoring and data analytics.

OPS is the core IT infrastructure for the support of wage subsidies along with the complement of e-services and a customer service tool (CRM[20]). The CRM that has been developed under the framework of the reengineering of OAED. CRM facilitates communication and the provision of personalized services to the unemployed and employers, by making use of the relevant registries maintained by OAED. The registry of employers is enriched through interoperability with data/information drawn from various external systems.

Finally, in order to satisfy the requirement for an effective monitoring and evaluation framework[21] for the ALMP reform, an advanced reporting mechanism will be introduced. As the OPS is a "Transaction-Oriented System" and in order to meet the high demands of reporting, a Business Intelligence System (namely, MIS of OAED for Administrative Information) has been developed as part of the reengineering framework of OAED. This MIS covers the increased needs for reporting by collecting and exploiting data/information from all the information systems of OAED. The MIS of OAED for Administrative Information will be extended in terms of data acquisition and analysis, in order to become the core infrastructure hosting the new monitoring and evaluation framework of ALMPs.

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[20]   CRM is at the final stages of data migration with OPS and will complement it at a later stage.
[21]   Generation of indicators and provision of an automatic alerting mechanism based on these indicators.

Best Practice 11: Examples of OAED dashboard
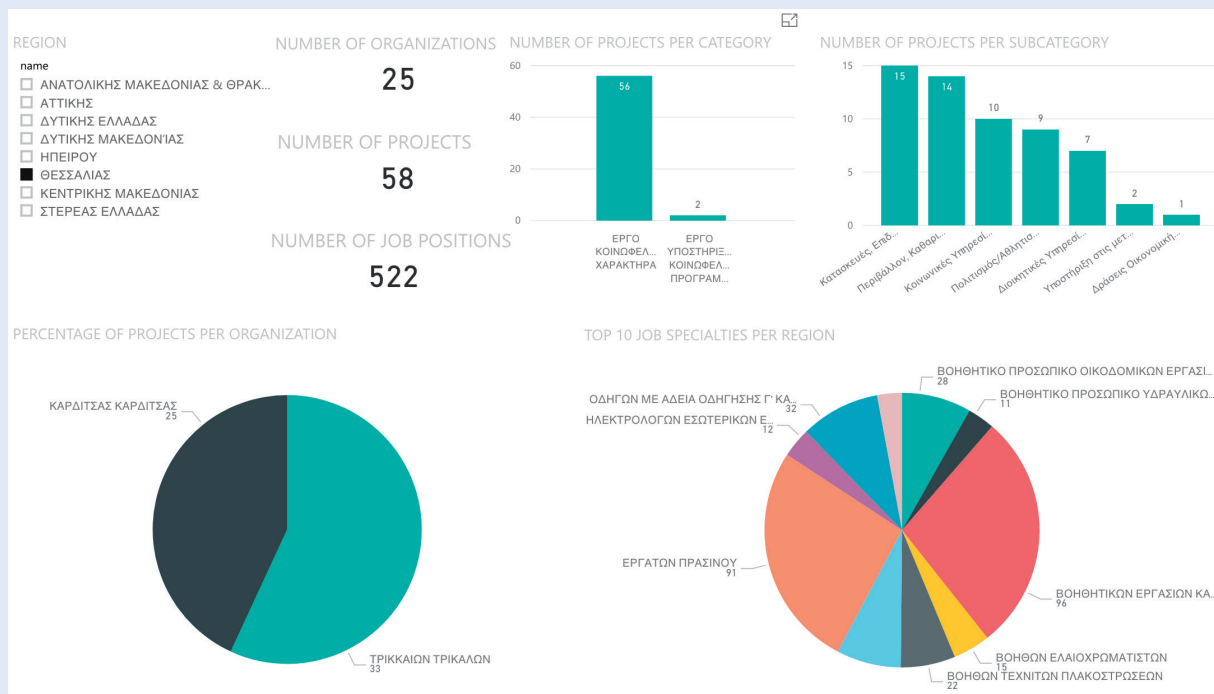
4.2.2. Matching mechanisms

A very important aspect is the existence of efficient matching mechanisms between the skills of the unemployed and the available job vacancies as well between the unemployed skills gaps and the available ALMPs. In this area computerized solutions typically involve a number of elements: A comprehensive inventory of occupations that lists the skills, qualifications and experience required for entry; a tool that individuals can use to assess their own skills, interests and abilities and compare them to occupations that appeal to them; a database of ALMP opportunities again showing entry requirements, etc. Several international experiences in this area are summarized below.

Best Practice 12: Examples of matching mechanisms

One of the best known and most comprehensive examples is O*Net[22], created for the U.S. Department of Labor, Employment & Training Administration. However, designing such a sophisticated resource with such a wide-ranging functionality from scratch is hardly feasible for most countries.

My World of Work[23] in Scotland, is a government funded portal that comprises a self-assessment element to determine each individual's skills, a job matching facility, and a training opportunity search function.

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[22]   https://www.onetonline.org/
[23]   https://www.myworldofwork.co.uk/learn-and-train

According to a recent CEDEFOP study[24], the VDAB[25] in Belgium launched Competence-based matching in 2010. The vision was to develop a web application that would more precisely match the skills of the unemployed to labor market needs. It is innovative because it combines a vacancy database with a skills database (developed by the Flemish Social and Economic Council, SERV) featuring a list of skill needs for most occupations. Jobseekers use the tool to indicate their skills profile (a personalized suggestion is made based on previous work experience and educational background). The application links this to the skills requested for vacancies and calculates matching scores, along with suggestions for skills and personal development opportunities. The philosophy is that vacancies can be relevant for a person who already has half or more of the required competences. The innovative VDAB matching system has proven valuable outside of Flanders. Malta's PES Jobsplus[26] uses the same system to match job seekers to vacancies. The technical part of the matching process, which does not require human intervention, takes place remotely on VDAB systems and servers.

The Czech Education and Work Web portal provides information to jobseekers to steer them towards a qualification required for subsequent matching to a job vacancy. It offers an overview of newly introduced short VET programs (vocational qualification, VQ) and vacancies. Through a matching process, jobseekers are guided to these vacancies and – where required – they are guided to take the necessary steps towards acquiring and using a VQ. The tool connects vacancy, course, provider databases and generic occupation overviews and helps jobseekers navigate the possibilities of the national qualifications framework. In April 2014, the portal had around 10.000 registered users who were provided with around 20.000 job offers linked to almost 800 generic professions, 2.000 training courses and about 500 VQ exams.

Finally, one example of an internship matching service is the UK's Graduate Talent Pool[27]. The program is aimed at recent university graduates and enables them to search for internships in UK organizations of any size from the public, private or voluntary sectors. It works by leading individuals to refine their search using filters like occupational area and location. Employers can post their internships on the site, subject to a transparent set of conditions.

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[24] Cedefop (2018)
[25] https://www.vdab.be/
[26] https://jobsplus.gov.mt/
[27] https://graduatetalentpoolsearch.direct.gov.uk/gtp/index

4.2.3. Support the workload of TS caseworkers when servicing jobseekers

- *Enable the registration (re-registration) of unemployed people with the agency.* This would include the upload of required documentation, such as the creation/update of their detailed CVs (recording their education level, skills, competences, previous experience, certificates, achievements etc.), in a continuous and simplified manner, and preferably online.

- *Support the profiling and the development of individual action plans (IAPs) based on the profiling outcomes.* All the necessary verifications should be made online by cross-referencing the unemployed information with the official records available, thus promoting NEA's paperless operations.

- *Assist the counselors and the unemployed through the delivery of efficient matching functionality.* Matching refers to both between the skills of the unemployed and the available job vacancies as well as between the skill gaps of the unemployed and the available ALMPs, based on the profiling outcome and the data recorded in the unemployed CVs. The same mechanism could be extended to support the provision of recommendations for referrals to other services/providers, e.g., social assistance, health to help the client handle LM barriers as needed, etc. In parallel the MIS should feed from Labor Market Information (LMI) and Labor Market Intelligence systems, if possible, to facilitate the counseling process.

- *Provide the caseworkers with a global view of the unemployed progress during the period registered with the agency.* This would include their pathway to find a job and information in relation to their progress when participating in ALMPs (acquired skills, certifications, individual reports, testimonials, reason for deregistration, financial data, etc.), whenever required. Moreover, the MIS should enable the TS staff to keep a journal (remarks/notes) on every communication they have with the unemployed, including the monthly appearance of the unemployed granted with the unemployment benefit, as well as the monitoring of the beneficiaries' activities related to the ALMPs.

- *Cater for alerting, notification and information delivery mechanisms to beneficiaries.* Various means should be considered, i.e., e-mail, Web Access, SMS, instant messaging. This information would relate to the beneficiaries' obligations stemming from their registration with the NEA (e.g., unemployment benefit, job opportunities, participation in the ALMPs, etc.).

- *Automated appointment management and record of actions.* Make available automations to support the management of appointments and the recording of the counselor's actions in relation to counseling sessions and employment interviews.

- *Enable the automated connection to the unemployment benefit processing module.* This feature will accommodate the calculation of the amount and the payment duration of unemployment benefits by the TSs (the payment of the unemployment

benefit shall be realized by the National Social Security Agency), as well as the monitoring of the beneficiaries granted with the unemployment benefit.

- *Standardized template documents.* Templates would include profiling, reporting, cooperation agreements and contracts (among beneficiaries, service providers, employers and the agency), recording achievements, certification, etc.

4.2.4. Provide an online platform with information for all clients (jobseekers, employers and service providers)

- *Be complemented by a portal open to the public, advertising the labor market programs.* This portal should also provide the labor market actors (potential beneficiaries, training providers, employers, etc.) with information on job vacancies, allowances, training programs details, guidance for beneficiaries, careers information, available on-the-job-training placements, FAQs, application procedure and guidance for training providers (TPs) and employers, benefits, links to careers information attached to each of the ALMPs, grievance redress procedures and timetables, etc. In addition, the portal should cater for online inquiries/complaints.

4.2.5. Provide an online entry point for all clients (jobseekers, employers and service providers)

- *The provision of individual accounts for all the labor market actors offering services to NEA (training providers, professional rehabilitation institutions and centers, employers, etc.).* This would enable an online communication channel between them and NEA to send in reports, invoices etc. and receive payments. Moreover, the MIS should provide alerting, notification and information delivery mechanisms through various means (i.e., email, Web Access, SMS, instant messaging) for the labor market actors in relation to their obligations stemming from their contracts with the NEA (progress reports, financial data, administrative tasks, etc.).

Jobseekers

- *Provide individual beneficiary accounts.* This would be accessed through the NEA Portal, and would be pre-populated by basic CV information with the capacity to hold: Profiling results, skills gap analysis, Individual Action Plans and counselor/ client updates, employer reports, testimonials, training provider reports and work-based supervisor reports plus completion data - certificates achieved and follow-on destination. All the above should be designed in a format that corresponds with the monitoring and evaluation criteria of the NEA.

- *Enable the unemployed to apply online for consultancy, assistance and support to start a freelance activity or a business.* This should also include being automatically updated on every step of the evaluation process (performed by electronic means) of their application.

- *Provide e-tools for the support of the monitoring and evaluation activities by the beneficiaries participating in the ALMPs.* E-tools refer to online questionnaires, e-surveys etc. The system should also provide for the effective submission of complaints and comments by the beneficiaries.

Employers

- *Provide an online mechanism for employers to offer job vacancies and apply to ALMPs.* These include for instance wage subsidies, on-the-job training placements and traineeship placements through the NEA Portal on a continuous basis. The MIS should also accommodate the application evaluation in an effective and timely manner.

- *Provide advanced search mechanisms for the employers to search for potential candidates in the unemployed database.* The MIS should also update the employers with possible matches over time, based on their preferences.

Service providers

- *Develop online service providers accounts.* This would allow service providers to update key information that is needed by the TS and NEA, such as attendance sheets, invoices, etc.

4.2.6. Facilitate administrative and planning processes (NEA and TS)

Strategic planning

- *Facilitation for the annual planning of the ALMPs* (targeting and budgeting). This would be for both the TSs and the National Agency and would include accommodation of the annual procurement plan for the acquisition of services.

- *Enable the identification of vocational training needs as well as the other ALMPs targetin*g. This should be done through access to Labor Market Information (LMI) and Labor Market Intelligence systems, if possible.

Measures and services

- *The provision of an effective mechanism for the management of training programs and the beneficiaries/ trainees by the training providers and the employers (traineeships) as well as related reporting mechanisms.* This would allow the NEA specialists to administer and supervise the whole process around training activities, schedule, absenteeism management, certification, academic performance and exams, etc.

- *Facilitate the administration of all the ALMPs by the TSs' staff with the provision of advanced information management and reporting tools.* These would support the agency's daily operations (e.g., lists of pending tasks, progress reports by the service providers and approval/rejection process, financial management, operational monitoring of the programs and provision of automated alerts, etc.).

- *Facilitation for the disbursement of benefits to beneficiaries and service providers.* This should be done according to a planned schedule/achievement of pre-set key milestones and inspection of the submitted documents. It should include the generation of electronic payment slips which will then be forwarded to disbursing institutions. The system should also track feedback on actual payments made.

Interaction with service providers

- *Accommodation of registers of approved service providers to deliver services (training, accommodation, rehabilitation, etc.) and provide the ability to enhance it on a continuous basis.* The providers should be able to apply online for inclusion in the registries, as well as submit an objection to NEA in case they are excluded from the registry. All the necessary verifications should be made online by cross-referencing the providers' information with the official records available, thus promoting NEA's paperless operations.

Governance (M&E, audit, GRM)

- *Support for the specialists of the NEA.* This will include automations to streamline the auditing process of the ALMPs (online crosschecks of the information submitted by the service providers) and the provision of mechanisms for the support of on-site inspections (auditing assignments management and monitoring of inspections by the heads of the TSs, submission of audit reports online by the specialists, etc.).

- *Support an M&E framework under the new model of ALMP delivery*. This will include the ability to pull out key data– number of starts with a TP; number of starts who complete theory training, number of starts who are placed; number of starts who achieve a completion certificate; numbers who achieve a positive destination within given time periods; gender split for all of the aforementioned etc. In addition, the ability to monitor and evaluate ALMPs based on skills acquisition and job outcomes, rather than solely program completion, should be provided.

- *Support for the performance monitoring and management of the organization*. This would include monitoring (and redistribute as possible) caseloads of caseworkers, performance monitoring of LSWOs, tracing of individual results/productivity to support HR decisions on promotions, learning needs, etc.

- *The provision of dashboards and alerting mechanisms for the high-level monitoring and supervision of the ALMPs.* This would focus on the Management team of the PES and the MoLSP.

- *The utilization of advanced technologies like Artificial Intelligence and Machine Learning*. These could, among others, provide models to analyze, match and predict based on the available data and provide the means for the design and implementation of more effective ALMPs.

- *Support for an effective grievance redress mechanism (GRM).* This would allow to enhance accountability and transparency in relation to the services offered by the PES to all the labor market actors. It should be provided through multiple uptake channels (the PES Portal, LMIS beneficiary and service providers accounts, email, LSWOs, phone, etc.), and with ability for grievances to be filled anonymously. The LMIS should categorize, assign priority, route grievances to the appropriate entity, provide automatic acknowledgement of complaints, and ability to track grievances and assess progress being made to resolve grievances. Moreover, it should accommodate a knowledgebase (of past complaints and measures taken) to support the grievance redress process and support the necessary security mechanisms to enable grievances to be treated confidentially, assessed impartially, and handled transparently.

5. RECOMMENDATIONS

5.1. A new Labor Market Information System (LMIS)

A new LMIS should be developed. Based on the assessment provided in Section 3.3, the LMIS platform has reached the end of its life-cycle and the need for a new LMIS is evident. The new and revised LMIS should not only facilitate the recording of actions related to all labor market actors, but also, among others, it should provide the means for the streamlining of the PES business processes through the provision of automations for time consuming tasks. It should also become a supportive tool facilitating the daily tasks of LSWO specialists, freeing up their time and enabling them to provide more qualitative services to the unemployed and the employers.

Figure 9: Services provided to all the labor market actors by the LMIS

Jobseeker

Provision of detailed information to the beneficiaries in relation to all EPPs.
Registration/re-registration and online verification of information.
CV creation and continuous update with achievements.
Profiling and provision of recommendations/ Creation of IAP.
Alerting, notification and information delivery mechanisms on obligations and job vacancies.
Access to CV and all achievements.
Online application to EPPs.
Evaluation of EPPs and online submission of complaints / comments.
Facility for appointments with employers.
Unemployment benefit.

LSWO + soum/khoroos Caseworkers

Profiling and IAP tools.
Provision of LMI.
Global view of the unemployed progress during the period registered with the agency.
Matching functionality between the unemployed skills and the available job vacancies as well as between the unemployed skill gaps and the available EPPs.
Provision of recommendations for referrals to other services, e.g., social assistance, health to help the client handle LM barriers as needed, etc.
Appointments management and recording of actions.
Complaints management.

Employers

Posting of job vacancies.
Advanced search for employees.

Service providers

Information related to procurements and FAQs.
Online application and verification of eligibility.
Eligibility appeals.
Administration of programs - Online submission of reports, invoices, etc.
Alerting, notification and information delivery mechanisms on obligations.
Facility for payments.

GOLWS + LSWO Specialists

Effective administration of EPPs.
Facility for the EPPs auditing process.
Facility for payments.

GOSLW + MoLSP

EPPs targeting and annual planning of EPPs.
Operation monitoring and evaluation of EPPs (active and passive).

Source: Author, January 2020.

Finally, it should lead to a more efficient case management through the realization of a client-centered approach: all the information, services and tools should be designed and developed having the jobseeker as a starting point.

First, the new and revised LMIS should provide an entry-point for jobseekers. The new LMIS should have a public portal to inform jobseekers about services and programs offered by the PES (information benefit allowances, training programs details, guidance for beneficiaries, careers information, available on-the-job-training placements, FAQs, application procedure), and information about the labor market (including but not restricted to the occupational barometer and the results of the employers' survey). The LMIS should allow jobseekers to create their profile online, update it on a continuous basis, access registered vacancies through a search tool that filters opportunities they are interested in, and access online trainings and help files.

Second, the new LMIS should automate a large number of steps and procedures currently carried out by LSWO specialists. First, and as mentioned in the previous paragraph, registration should be carried out, if possible, by the jobseekers themselves. Similarly, vacancies should be registered by employers themselves, information from service providers (number of participants, attendance, invoices, etc.) should be filed online, all of which should free time for employment specialists to carry out more meaningful work. This should be achieved by a public portal interface and an online app. Second, the LMIS should feature a functional matching tool, which will automatically identify relevant vacancies for registered jobseekers, and relevant candidates for prospective employers. The matching algorithm will drastically reduce the time currently spent by LSWO and soum/khoroo specialists in matching supply and demand. The LMIS should include a push function that will notify jobseekers and employers when eligible options are registered in the system, so that they can contact each other directly. Finally, in order to organize the work of caseworkers in a client-centered approach, the client's file should be regularly updated, based on information from his/her activity: enrollment in EPP, attendance, graduation from EPP, new skills certificate (training), job-search actions, visits to the LSWO, etc.

Third, the public portal should inform employers and service providers about opportunities with the PES. It should allow them to registered directly their vacancies, look for prospective candidates, provide information from service providers ((number of participants, attendance, invoices, etc.) and allow them to get in touch with LSWO specialists if they need more in-depth intermediation services, or if they need more information on participating in EPPs.

Finally, the new LMIS should foster a culture of monitoring performance, monitored by GOLWS, and ultimately used by MoLSP. Strong emphasis should be put on regular data collection to ensure targets and forecasts are based on the most current data. Outputs and outcomes of services and programs implemented by GOLWS should be monitored through the LMIS, as well as the performance of LSWOs and employment specialists.
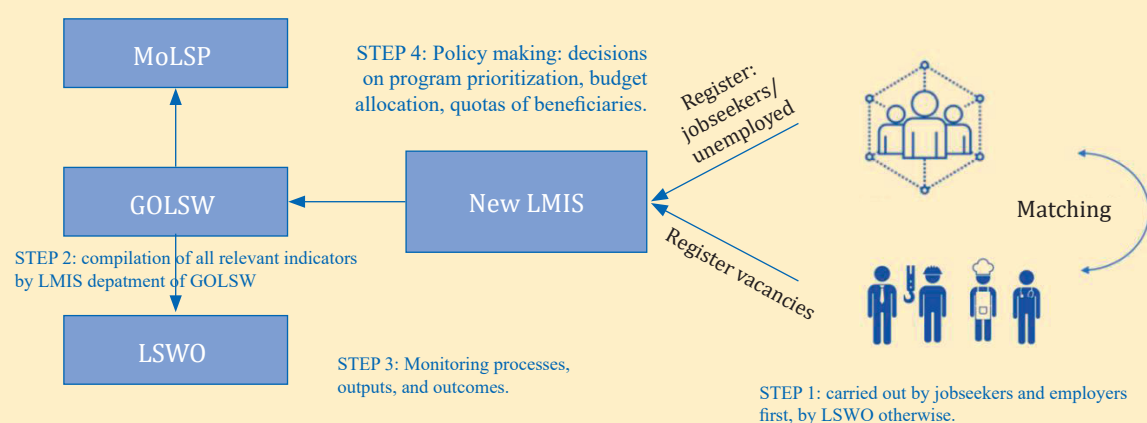
Monitoring and evaluation indicators should consider the needs of each LSWO (i.e. level of local unemployment, density of enterprises in the region, jobs turnover), the resources or inputs (i.e. number of LSWO caseworkers, number registered jobseekers, budget allocated to employment services and EPPs, etc.), and the performance (outputs and outcomes) such as number of registered jobseekers transitioning to formal jobs, number of jobseekers still holding a job after 3/6/12 months, average wage in job, etc.

The MIS should be designed in a modular approach. This would entail that it favors reuse and thus allows the easy integration of mechanisms to support new active or passive labor programs and its easy setup in relation to new legislation over time. In Figure 9, a list of services that the new LMIS should provide for all the labor market actors is depicted.

5.2. Systematic use of data to inform decision–making process

Data should be used to inform decision-making process at all levels. As mentioned earlier, data exist, but it is not being used systematically, and to its full extent. The goal of collecting data is not to compile it in tables and reports, but it should be used to take decisions, improve processes and programs, scale up or shrink down current initiatives.

Figure 10: Implement a culture of M&E and performance–based management

MoLSP

STEP 4: Policy making: decisions on program prioritization, budget allocation, quotas of beneficiaries.

Register: jobseekers/ unemployed

GOLSW

New LMIS

Matching

STEP 2: compilation of all relevant indicators by LMIS depatment of GOLSW

Register vacancies

LSWO

STEP 3: Monitoring processes, outputs, and outcomes.

STEP 1: carried out by jobseekers and employers first, by LSWO otherwise.

Source: Author, January 2020.

First, at the LSWO level, dashboards should be created to help specialists understand in real time the needs of the local labor market: number of registered jobseekers, their main characteristics (age group, gender, education and skills, length of unemployment), the number of participants in each service and program, etc. The example of the Greek OAED dashboard could be used as a starting point (see Best Practice 10).

Second, GOLWS should be in charge of monitoring the implementation of services and programs. First, GOLWS should monitor processes, i.e. how the programs are being implemented by LSWO and soum/khoroo specialists in collaboration with service

providers (i.e. training centers): how many people are serviced by each LSWO, ratio of jobseeker-to-caseworker, etc. Second, it should monitor outputs of programs and services: how many people are enrolled in each EPP, how many dropped out, how many graduated, etc. Third, GOLWS should monitor immediate job placement: how many jobseekers find a job through LSWO, and how many successful jobseekers are still employed 3/6/12 months later (through tracking surveys conducted on a random sample of individuals). In addition to developing a sound monitoring and evaluation of outcomes and impacts of programs (number of beneficiaries, success rates in transition from unemployment to employment, etc.), it will also be important to assess and monitor the performance of the delivery systems, including institutions and other precursors, as well as key inputs (e.g., human resources, IT systems, organizational aspects, business processes, etc.). Key performance indicators relating to the outputs and outcomes of delivery systems include: efficiency (for citizens, administrators, and governments), inclusion (coverage, equity, accessibility), quality, and transparency.

Third, GOLWS should be in charge of evaluating the implementation of services and programs. Questions such as: as public or private service providers more efficient/ successful at delivery services/placing jobseekers on the labor market? Which LSWO are most successful at placing jobseekers? Is that linked to the state of the local economy, or the profile of registered jobseekers? Are there local initiatives that other LSWOs can learn from? Which programs are most efficient, in terms of costs and placement: how much does is cost to put one jobseeker back on the labor market? Table 2 displays the total budget and number of beneficiaries for each service and program offered nationally: a simple additional column can be created to check the cost per beneficiary, which highlights which programs are more or less costly.

Table 2: 2018 budget per employment service or program

| Employment Service or Program	# of beneficiaries (2018)	Expenditure (2018) (mln ₮)	Cost per beneficiary (₮)
Career counselling services	89,961	646.1	7,182
Job placement services	43,105	359.2	8,334
Preparation for employment and skill development program	7,677	1,013	131,887
Workplace support program	38,464	11,207	291,350
Youth employment program (YEPP)	4,869	2,653	544,814
Disabled People's employment promotion program	5,617	3,647	649,279
Herder's employment promotion program	3,678	5,803	1,577,678
Senior expert's advisory service program	1,527	1,164	762,017

Introduce a Grievance Redress Mechanism (GRM): The GRD should be integrated into all NEA's core processes and activities. It should also be integrated into staff job descriptions and responsibilities. The GRM should be appropriately resourced and monitored and operate independently of interested parties. There should be clearly

defined standards for the objective judgement of each grievance. It should be accessible to all stakeholders, irrespective of their remoteness, language, education or income level, with procedures to file grievances and seek action easily understood by the beneficiaries. To be efficient, the GRD should be advertised and communicated to all involved actors. All grievances should be filed anonymously, through various contact options and multiple uptake channels (email, box, etc.). The mechanism should be responsive to the needs of all complainants, offering a clear procedure with time frames for each stage and clarity on the types of results it can (and cannot) deliver. Grievances should be treated confidentially, assessed impartially, and handled transparently.

Finally, MoLSP should use the information collected by the LMIS, and other data sources, for policy making. MoLSP should use available information to prioritize employment promotion programs (EPPs), allocate budget and quotas, and set targets.

In addition to administrative data from the new LMIS, GOLWS and MoLSP should make full use of available information collected by the National Statistical Office (NSO). As mentioned in Box 1, NSO collects detailed and nationally representative data on the working-age population through the Labor Force Survey (LFS) conducted quarterly. Future publications, including the special module on reasons for unemployment of the 2020 LFS should be looked carefully into, in order to inform future employment policies, choice of EPPs, and populations to focus on.

The data collected by the Research Institute for Labor and Social Protection (RISLP) should also be used more systematically, especially the employer's survey. For this to happen, the employer's survey should be refined. Recommendations and diagnostic on skills mismatch should be divided between technician-level and specialist-level jobs (the former is the most important), close attention should be paid to the difference between occupations/sectors with high turnover and occupations/sectors in high or rising demand. Occupational mismatch (or occupational barometer) should display results at most at the 4-digit ISCO-08 level, and preferably at the 3-digit ISCO-08 level (see example of Moldova's Occupational Barometer). The results of the employer's survey should be communicated with TVET institutions, jobseekers (flyers/posters should be made available to/in all LSWOs).
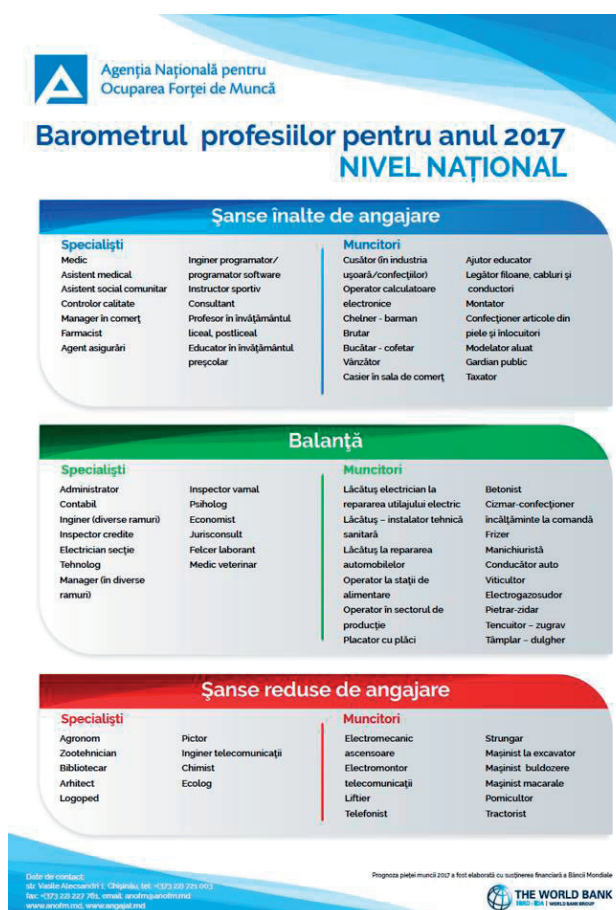
Findings should be used to choose which training programs to implement through EPPs (LSWO should only fund trainings for which there is a supply-demand mismatch), and to develop regional recommendations. In addition, a longer-term Labor Market Forecast should be developed, which is currently under way with Victoria University, Australia. RILSP's role should thus be strengthened, to act as the main analytical unit of GOLWS and MoLSP (like a labor market observatory).

The measures presented in this Section are fundamental: if the PES starts collecting and analyzing information today, it will have the data and information necessary to change policies and priorities in the near future.

5.3. A client–centered operational model

5.3.1. Philosophy of client-centric model

The **client-centered approach** reinforces the individualization of support provided to the jobseeker, focuses on job integration agreements tailoring support to individual needs with clear rights and obligations for both the jobseeker and the support bodies (caseworker from the territorial subdivision -TS, or other government agencies). This approach consists of constructing an operational model around the needs and specificities of each client, i.e. the jobseeker, but also employers.

For jobseekers, the implementation of a client-centered approach will facilitate the effective interaction of the jobseekers with the agency (in terms of time spent and achieved outcome) and it will provide the means for the efficient delivery and management of information in relation to the unemployed status (e.g., seeking for a new job, participates in an EPP, receives unemployment benefit, etc.), their pathway in the agency and the options they have for their further engagement with the agency. This will be achieved through the combination of profiling, the individual action plan (IAP) and the frequent communication between jobseekers and caseworkers, which will continuously update the jobseeker's personal file. This approach will enable the caseworkers to have a "365 view" of any unemployed person registered with the NEA at all times and it will provide the necessary means for the delivery of personalized services to both the unemployed and the employers.

For employers, the implementation of client-centered approach will facilitate interactions between caseworkers and prospective employers, mainly through an improved external interface that supports the NEA website and implementation of EPPs. That interface will minimize barriers to information and services, allowing employers to have simple, yet detailed, information about the labor market, intermediation services offered by LSWOs, and EPPs implemented by the PES.

5.3.2. New operational model

The main task of a specialist should be to guide the jobseeker and offer the most efficient combination of programs and services, and to do so in a manner that allows for non-linear processes, in a client-centric approach – see Figure 11). The current

model relies on a set of procedures, which are stand-alone description of processes are not linked to one another (see Annex 3), and employment services and EPPs are managed separately by different specialists. The new operational model should hence improve the understanding of caseworkers, standardize their approach, and simplify their work. This could be attained by adopting a client/case-centric integrated pathway through general procedures and EPPs, and business processes behind the measures presented as procedural steps, as well as link them to the Jobless interface.

Upon registration, a jobseeker should be invited to be profiled. Given that two pilots have implemented profiling in Mongolia, SECiM and YEPP, experience and lessons from these two projects should be use to design a final profiling procedure.[28] As both pilots are implementing caseworker's' discretion models, it would make sense to follow the same procedure.[29] Jobseekers should be profiled into three groups: those who are job-market ready (low labor market barriers), who will require very limited interactions with the LSWO. Those who have medium barriers to entering the labor market, and will require additional support from the PES. And finally, individuals with high barriers to joining the labor market, and who will require intensive support from the PES – see Figure 12.

Figure 11: Client–centric operational model
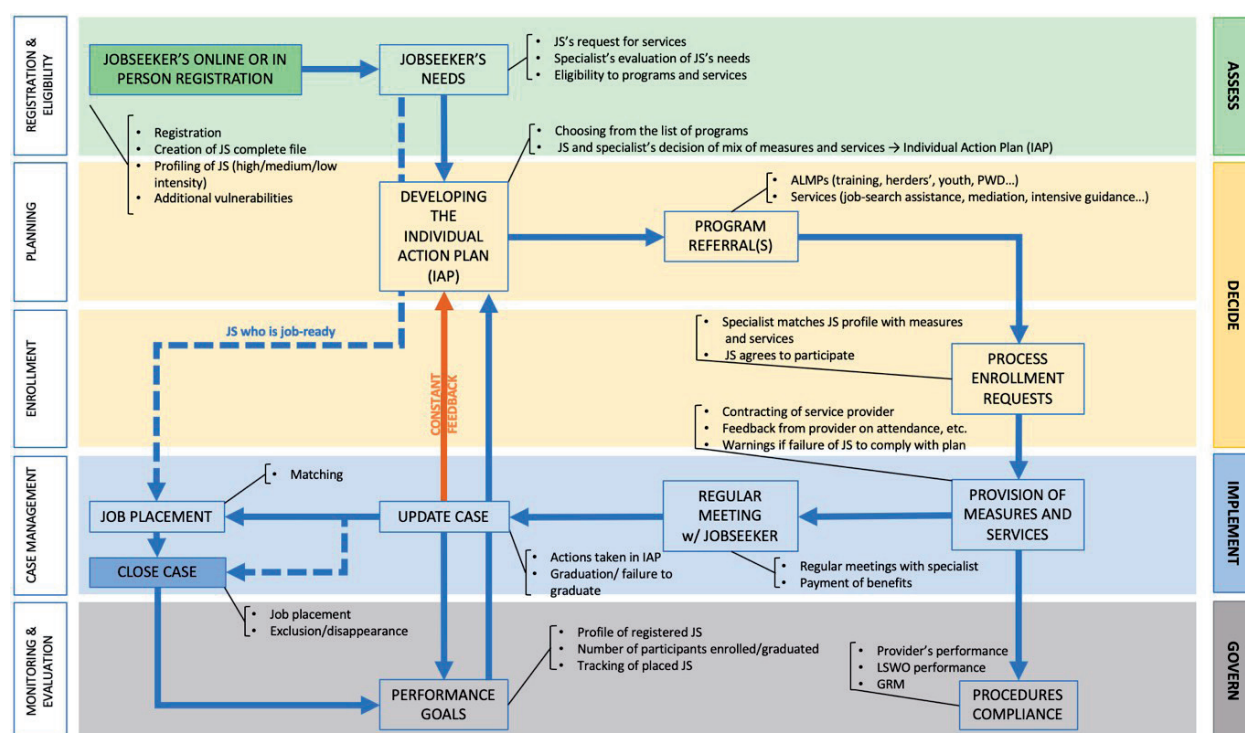
Source: Author, January 2020.

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[28] YEPP training was conducted in 21 aimag and district LSWOs and there are 9 LSWOs left to get the training on profiling: it would be a good opportunity to capitalized on that existing-knowledge/knowhow.

[29] One could potentially add a statistical tool to assist the caseworker's decision (computer-assisted discretion model).

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Once a client is profiled, he should be immediately directed to services if he has low barriers to employment; **otherwise, the caseworker should establish an individual action plan (IAP).** This IAP is the founding stone of the client-centered approach, as this is the key step where the caseworker and the jobseeker discuss the set of the most appropriate measures and services. The IAP consists of a detailed plan of actions to be taken during the upcoming month, and a broader picture of actions to be taken in the next 12 months. It also designates a key counselor for the jobseeker, that is the person who will be personally responsible for following the jobseeker's file.

The adaptation of a client-centered approach will enable the caseworkers to have a "365 view" of any unemployed person or firm registered with the PES at all times and it will provide the necessary means for the delivery of personalized services to the unemployed. This approach will facilitate the effective interaction of the jobseekers and the employers with the agency (in terms of time spent and achieved outcome) and it will provide the means for the efficient delivery and management of information in relation to the unemployed status (e.g., seeking for a new job, participates in an EPP, receives unemployment benefit, etc.), their pathway in the agency and the options they have for their further engagement with the agency.

The new operational model, based on a client-centered approach, may be labor intensive and demanding in terms of institutional capacity. This model requires more frequent and high-quality interaction between caseworkers and clients (jobseekers, but also service providers and employers). To make such approach possible, GOLWS should deploy revised information management that will use client-centered information systems and electronic communication tools to ease the work of caseworkers and staff, and improve/simplify the communication between the PES, clients and stakeholders.

Figure 12: Measures to offer each group of jobseekers
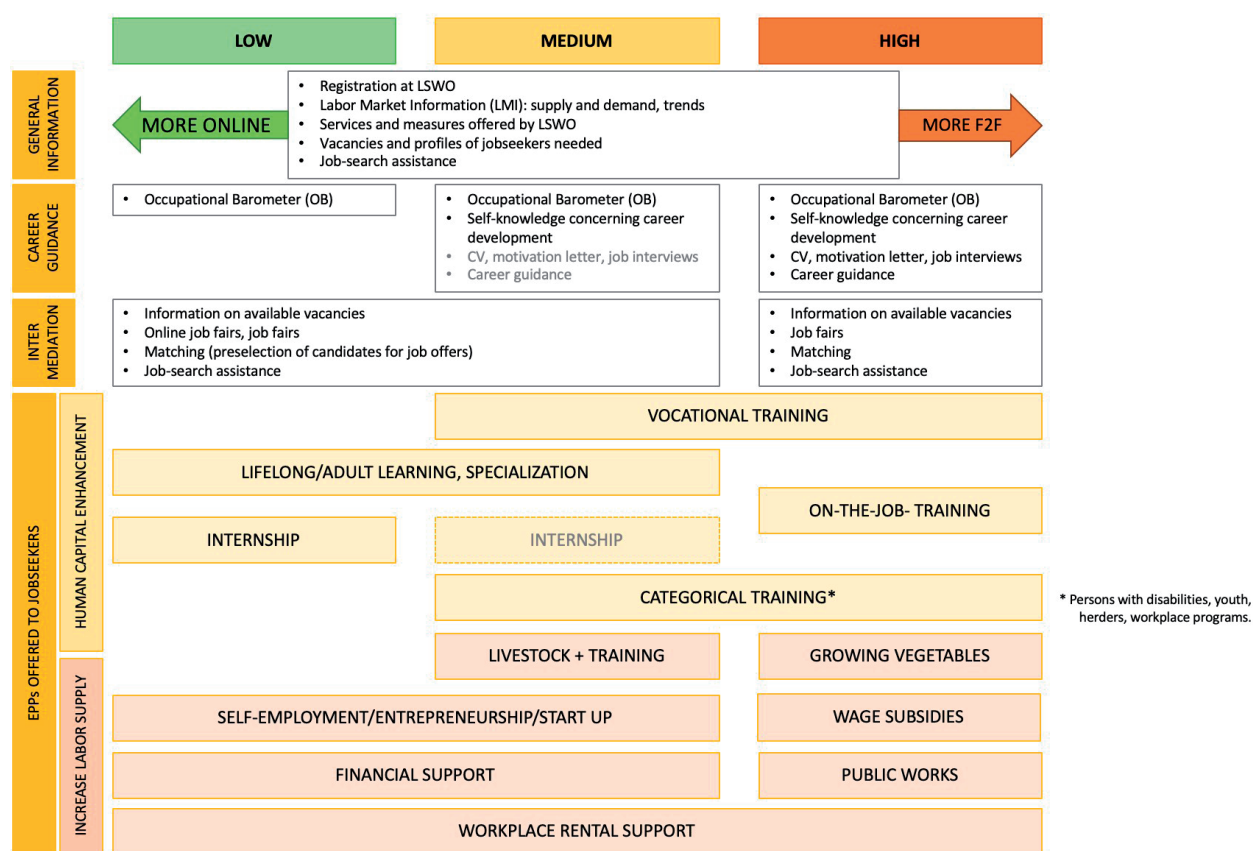
Source: Author, January 2020.

5.3.3. Segmenting services through IAP

Figure 12 above provides optional guidance on how to decide which set of programs and services should be offered to the different profiles. Individuals who are market-ready will need little support from the PES, both in terms of services (mostly directed to online help), and measures (maybe they can benefit from internships if they are young and with no experience, or some financial support program). Individuals who display medium barriers to the labor market will require stronger support from the PES, i.e. more frequent meetings, more guidance and counseling, and different types of EPPs (vocational training, self-employment program, etc). Finally, individuals who are far from the labor market, and present strong barriers to joining the labor force, will be offered an intensive set of services form the PES, mostly through face-to-face interactions, and they will be directed mainly to public works programs and other EPPs directed at individuals with lower skills sets.

5.4. Better defined–roles and responsibilities of various stakeholders

The tasks and responsibilities of employment specialists should be redefined to lower their workload when possible. At the soum/khoroo level, specialists need to be in their office when beneficiaries of social welfare or labor services come in. Because

they often have to travel out of the premises, restricted working hours from the office should be set up, so that no client is faced with an empty office. Because soum/khoroo specialists are entry points to the PES, their responsibility should only be to guide jobseekers towards the different set of measures and services available to them, and then refer them to the nearest aimag/district center for further services. At the a*imag*/district level, caseworkers should not be specialized in either employment services or EPP: functions should not be fragmented along services and programs lines, as it is not client-centric and also counterproductive during the lean season when EPP specialists have little to do. In addition, and specific to UB, planning and quotas within the capital city should be conducted at the level of UB, and not the district level, while different initiatives and services between district centers and employment service centers should be coordinated.

MoLSP's role as a decision maker, and GOLWS's role as an implementing agency should be strengthened. As mentioned earlier in Section 3, MoLSP and GOLWS have several departments with overlapping responsibilities and roles. MoLSP should only have departments and units responsible for decision-making processes, while GOSWS should be responsible for implementing EPPs. LSWOs and MED should be guided by GOLWS on delivering services and EPPs and report to GOLWS to ensure better integration and coordination.

Finally, a coordination unit should be set up within MoLSP. That unit should coordinate actions at the higher policy and decision-making levels. It should ensure that there is no overlapping of donor-driven initiatives (several donor piloting similar initiatives, or covering the same target population, in the same areas). It should also ensure that future initiatives are aligned with policy priorities set by MoLSP (and not donor-driven).

Finally, LSWO and soum/khoroo centers should have more flexibility on staffing. All *aimag*/district centers have approximately the same number of staff (one manager, two employment service officers, two employment promotion officers), and similarly, each soum/khoroo has one labor and social welfare officer, irrespective of the total number of people to be serviced. Staffing should depend on total population, or the number of jobseekers to be serviced. Additional thought should be given to the size of the territory to cover, so as to ensure that officers have enough time to service their constituency.

5.5. Regular capacity building

Most staff with the PES lack up-to-date trainings on key topics. The following training should be provided on a yearly basis: (i) overarching structure of servicing clients (client-centric approach); (ii) profiling; (iii)elaborating an IAP, i.e. linking all business procedures/implementation guidelines under a client-centric model of service delivery; (iv) special modules to service the most vulnerable clients (people with disability, youth; and (v) special modules to understand labor market demand, though the use of RILSP analyses, or potentially implementing ad-hoc labor market demand surveys.

The trainings should be offered at least once a year, in person. It should include a 3-day training on servicing clients, a 1-day training on interacting with employers, and a 1-day training about M&E and performance-based management. Participants should consist of LSWO specialists, in priority those who are new and soum/koroo specialists, and the head of LSWO who can potentially then train their own team. These trainings could be combined with other training for social welfare services, so as to minimize costs and travels.

In addition, online material could be developed to provide simple guidelines on business procedures, that specialists can refer to in between yearly trainings. Finally, webinars could be organized if the infrastructure permits it.

5.6. Continuous funding stream

The final key barrier to implementing efficient labor market measures is the discontinuity in funding from the Employment Promotion Fund (EPF), since it stems from revenues from fees imposed on companies for hiring foreign workers. Delays in fund transfer happen every year, due to the need to wait for fees to be collected before being budgeted in the EPF. Most years, the first batch of funding is disbursed towards April, which means that no EPPs are available between January and April: programs are discontinued in the lean season, when jobseekers are more available to attend training for instance, and that EPP officers have irregular workload.

Funding from foreign workers was a about MNT 20 billion in 2019, funding from state budget is about MNT 29 billion (but part of this budget is spent on stipends for TVET0, and the interests and payments from microloans amount to about MNT 20 billion. It would be very important to look into ways of smoothing the budget so that activities start as soon as the new fiscal year starts, without any delays.

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