**Mongolia**

**Operations Manual: Shock Responsive Social Protection Pilot**

UNICEF will support the Ministry of Labour and Social Protection (MLSP ) to carry out a vertical expansion of the Child Money Program (CMP) in areas affected by dzud. This child-focused shock-responsive social protection (SRSP) pilot will be referred to as the Cash Transfer for Children during Climate Related Shocks.

The pilot is a test of the program design. The main objective of the pilot is to test and refine the program design, operational processes and data management systems in order to inform a decision of whether and how to scale-up.

The OM is a ‘living document’, meaning that it should be updated to reflect any changes agreed by stakeholders and approved by the government.

The pilot is a cash transfer to vertically expand the CMP and targets children aged 0 to 5 living in the selected Soums. The top-up will be paid through existing CMP accounts.

The design choices for the program can be found in the feasibility study (June 2019). This document, the operations manual (OM), covers only the design parameters and operational processes of the pilot. It is intended as a common reference document for all those involved in the implementation of the program.

The pilot consists of two components:

* Early Action / Winter Preparedness Component which will be paid in late November in areas (i.e. Soums of the pilot Aimag) predicted to be worst affected by dzud; ( actual payment was done in December)
* Early Response Component which will be paid after the dzud between February to April in areas worst affected by dzud.

Soums will be selected using data sources provided by the National Agency for Meteorology and Environmental Monitoring (NAMEM) and input from the National Emergency Management Agency (NEMA) and local authorities. MLSP will endorse the soum selection.

# **Roles & Responsibilities**

This section outlines the main actors involved in the implementation of the pilot, as well as their key roles and responsibilities.

## **MSLP**

The MLSP is the main partner for UNICEFThe Social Protection Policy Implementation and Coordination Department of the MSLP is responsible for oversight and coordination of the pilot implementation. More specifically, it will:

* Facilitate UNICEF requests for data from the CMP Database Team; ( data from GALSW does not include name, registration number etc. Request to General Intelligence Agency to get full data is pending)
* Facilitate support for the implementation of the pilot by communicating the decisions and directions of the MLSP to the General Agency for Labour and Social Welfare (GALSW);
* Chair meetings related to the pilot;
* Approve final Soum selection;
* Facilitate communication and exchange of data with the MoF to ensure payments are made on time, and reconciliation files are shared with UNICEF in a timely manner;
* Facilitate the timely transfer of funds from UNICEF to the MLSP to the MoF by working with the MLSP’s own Finance Division.
* Deciding the key dates, including payment dates, any relevant meetings, date range when messaging should take place, etc. with the Aimag and Soum levels;

**1.2 General Agency for Labour and Social Welfare (GALSW)**

The GALSW is responsible for coordinating with the Implementation Department of the MLSP and UNICEF to:

* Ensure that implementation plans and directions from the MLSP are shared with Labour and Social Welfare Department staff at the Aimag-level and Soum-level
* Communicating and coordinating with Aimag and Soum levels to ensure that pilot-related messaging is carried out in timely manner and to a high standard;
* Communicating key dates, including payment dates, any relevant meetings, date range when messaging should take place, etc. with the Aimag and Soum levels;
* Ensuring that data requests from UNICEF which are related to the calculation of exact number of beneficiaries, payment list and reconciliation file are exacted from the CMP database and shared in a timely manner (i.e. according to the work plan);
* Instructing the CMP Database Team to generate the Payment List at least 10 working days in advance of payment; ( days have been inconsistence for 4 installments, needs to be set certain number of days)
* Sending the Payment List to UNICEF at least 8 working days in advance of the payment date; (this needs to be removed as this is not being implemented or consult with MLSP to implement)
* Receiving the signed Payment List and request for transfer of funds from UNICEF at least 5 days before the payment date; (this needs to be removed as this is not being implemented or consult with MLSP to implement)
* Sending the signed Payment List for approval by the MLSP at least 5 days before the payment date; (this needs to be removed as this is not being implemented or consult with MLSP to implement)
* Sending payment list to the MoF( days have been inconsistence for 4 installments, need to be set certain number of days with consultation of UNICEF, MLSP, GALSW and MoF)
* Sending final permission for payment( days have been inconsistence for 4 installments, need to be set certain number of days)
* Informing the Aimag and Soum level Labour and Social Welfare Department staff when payment has been made; (done by UNICEF mostly)
* Receiving the Reconciliation File from the MoF via e-office and providing this to the CMP Database Team to upload into the CMP Database;
* Received reconciliation file to be sent to UNICEF within 5 days after the cash installment; (ADDED)
* Reporting Unpaid Amounts to UNICEF and returning the funds to UNICEF.

## **1.3 UNICEF**

UNICEF is responsible for supporting the MLSP to implement the pilot through existing CMP implementation systems.

UNICEF will:

* Support the MLSP to coordinate meetings with key actors at the Aimag level to carry out Soum selection, according to the criteria set out in this OM:
	+ first during November for the Early Action/Winter Preparedness/Component, and
	+ second during February/March/April for the Early Response Component;

Meetings will be chaired by MLSP and final Soum selection approved by MLSP;

* Request the exact number of eligible children from the CMP Database Team via the GALSW at least 15 working days prior to payment;
* Request the Payment List from the GALSW at least 10 working days prior to payment;
* Review and approve the Payment List at least 8 working days prior to payment;
* Send the signed Payment List back to GALSW at least 8 working days prior to payment; (not being implemented, therefore need to consult with MLSP)
* Provide funds to the MLSP at least 6 working days prior to payment;
* Receive the Reconciliation File and Report on Unpaid Amounts from GALSW and raise any discrepancies to the MLSP in writing;
* Provide support to data analysis, coordination, drafting of written inputs/reports, and other activities as required to the MLSP for the duration of the pilot and pilot follow-up.

## 1.4 **Ministry of Finance (MoF)**

The MoF is responsible for

* carrying out payment from the MLSP account into the beneficiary accounts indicated on the payment list and payment request letter shared by MLSP.
* Informing unused funding to GALSW and transfer unused funding to GALSW bank account. (ADDED)

## 1**.5 Aimag and Soum Local Social Welfare Officials**

* Support the pilot implementation in their respective soums
* Deliver the messages about the purpose of the pilot and encourage the use of the cash to avoid some negative copying strategies that have impact on their children
* Support the post monitoring visits of the pilot team

# **Design Parameters**

## **Eligibility Criteria**

This section describes the criteria that children must meet to be eligible for the pilot. Targeting takes place at two levels; therefore, there are two levels of eligibility criteria:

1. Geographical Criteria (i.e. Soum selection):
	1. Early Action/ Winter Preparedness/ (i.e. Soums at high risk of dzud)
	2. Early Response (i.e. Soums most severely impacted by dzud)
2. Individual Beneficiary Criteria (i.e. child=level selection)

### **Soum Eligibility Criteria: Early Action/Winter Preparedness Component**

Soum eligibility criteria for the Early Action/Winter Preparedness Component focus on identifying Soums at greatest risk of dzud, using information from both qualitative and quantitative sources.

**Socio-economic vulnerability of Soums is not a criterion for eligibility of Soums; the objective of the pilot is to avoid negative coping strategies harmful to children in the event of severe dzud which normally results in major losses of livestock assets. Information on the evidence base for this design parameter can be found in the feasibility study.**

In order to be eligible for the pilot, Soums must meet the following criteria:

* Be identified within the official Dzud Risk Mapping (produced by NAMEM) as at highest risk of dzud for the current year;
	+ If data from the current year is not yet available, Soums most severely affected by previous dzuds should be selected;
* Be identified, by consensus, by local (Aimag- and Soum-level) NAMEM, NEMA, and MoFALI officials as at high risk of dzud.

The total number of eligible children in the selected Soums must be less than 2800; in the event that the total number is close to but above 2800, UNICEF will make a determination of whether the total number of beneficiaries can be increased, based upon the availability of additional funds.

### **Soum Eligibility Criteria: Early Response Component**

Soum Eligibility Criteria for the Early Response Component focus on identifying areas hardest hit by dzud.

In order to be eligible for the pilot, Soums must meet the following criteria:

* Be identified within the updated official Dzud Risk Mapping (produced by NAMEM) as having the hardest hit by dzud for the current year;
	+ If the updated dzud risk mapping is not yet available, these should be identified by consensus, by local (Aimag- and Soum-level) NAMEM, NEMA, and MoFALI officials as having dzud.

The total number of eligible children in the selected Soums must be less than 8 000; in the event that the total number is close to but above 8 000, UNICEF will make a determination of whether the total number of beneficiaries can be increased, based upon the availability of additional funds.

### **Child Eligibility Criteria**

As CMP Bank Accounts are per child rather than per household, targeting is also done at the child-level rather than the household-level.

Child-level targeting takes place after the Early Action/Winter Preparedness Component Soum selection and again after the Early Response Component Soum selection.

To be eligible for the pilot, a child must:

* Be aged 0 to 5 years old;
* Live in one of the the selected Soums;
* Be a beneficiary of the CMP with an active bank account.

## **Benefit Amount**

For the Early Action/Winter Preparedness Component, the benefit amount is MNT 40 000 per eligible child.

For the Early Response Component, the benefit amount is MNT 60 000 per eligible child (paid in 3 equal, monthly installments).

## **Payment Frequency and Timing**

Payment will take place on a different day than the payment of the CMP, in order to help beneficiaries differentiate between the regular CMP and the Top-up.

For the Early Action/Winter Preparedness Component, payment will take place once during late November or early December.

For the Early Response Component, payment will take place three times, following the dzud (i.e. starting within the first 2 to 3 months of the year). Exact dates are to be decided after the dzud.

# **Operational Cycle**

The operational cycle of regular cash transfer programs, such as the cash-based welfare programs delivered by the MLSP, tends to be quite fixed (targeting, registration/enrolment, account creation (where e-payments are used), payment token issuance, payment, reconciliation of payment, updates and complaints, and exit).

However, because the objective of the shock-responsive pilot is to leverage the existing Child Money Program (CMP) by expanding vertically the monthly payment with an additional amount geared towards helping households to mitigate the effects of extreme winter, the pilot operational cycle is much simpler and consists of:

* Targeting
	+ Soum Selection
	+ Child-level Beneficiary Selection
* Transfer of Funds to MLSP MoF Account
* Payment
* Reconciliation & Return of Unpaid Amounts
* Payment Spot Checks.

As the program has two components (i.e. the winter preparedness component and the early response component), this cycle is repeated for each component.

**Figure 1: Detailed Operational Cycle**

## **Targeting**

Targeting takes place separately for each component. Targeting for the Early Action/Winter Preparedness Component takes place in November, while targeting for the Early Response Component takes place between January and February.

Targeting takes place for:

* Soum Selection (Geographical Targeting)
* Child-level Targeting within selected Soums

### **Roles and Responsibilities**

MLSP is responsible for, with the support of UNICEF as needed:

* Calling the meeting of the key actors involved in the Soum selection process (NEMA, NAMEM, Aimag- and Soum-level MLSP officers, local authorities, UNICEF);
* Chairing the Soum Selection Meeting;
* Providing data on the number of children aged 0 to 5 in every Soum for the Aimag(s) in which the pilot will take place;
* Approving the final list of selected Soums;
* Providing UNICEF a summary report on the total number of eligible children living in the selected Soums;
* Coordinating with Aimag- and Soum-level authorities to share information about the selection process and outcomes.

NEMA

* Attending the Soum Selection Meeting and providing inputs to Soum Selection based on the selection criteria found above in 2.1.1 and 2.1.2;
* Coordinating with Aimag-level NEMA offices to provide relevant inputs to the Soum Selection process.

NAMEM

* Attending the Soum Selection Meeting and providing inputs to Soum Selection, including available data on dzud risk mapping and dzud occurance, based on the selection criteria found above in 2.1.1 and 2.1.2;
* Coordinating with Aimag-level and Soum-level NAMEM offices to provide relevant inputs to the Soum Selection process.

## **Targeting Process: Soum Selection**

Soum selection takes place in a meeting of national and local authorities from MLSP, NEMA, NAMEM and local government. Soums are selected based on the criteria provided above in 2.1.1 and 2.1.2.

1. MLSP and UNICEF Call Soum Selection Meeting
	1. MLSP and UNICEF together agree on the date and final participation in the Soum Selection Meeting (November);
	2. UNICEF prepares the invitation and venue (ideally this can be done at MLSP) and shares this with MLSP, who invites participants (November);
2. Soum Selection Meeting ( 2nd week November);
	1. Participants are briefed on the process and objectives by UNICEF and the MLSP;
	2. Participants carry out Soum selection based on the criteria provided above in 2.1.1 and 2.1.2.

MLSP chairs this meeting and local-level staff participate but do not provide any dzud-related inputs. The attendance of MLSP officials from local levels is to understand the process of selection in order that they can explain it to communities, if asked.

* 1. Soums at highest risk of dzud should be included in order of the severity of their risk, up to a maximum of 2800 children in total. 100% of eligible children in the Soum must be included.

If the entire Soum cannot be covered within the ceiling of 2800 children (for example, if the total number of eligible children in the Soums is 3000 children):

* First, UNICEF and the MSLP should consult each other to understand whether UNICEF can cover the cost of the additional children;
* Second, if UNICEF cannot cover any additional children such that 100% of eligible children in the selected Soums receive the pilot top-up amount, then the number of Soums covered must be reduced until the total number of children is less than 2800 total children.
* While the objective of the Soum selection meeting is to rank Soums by dzud risk, if a very large Soum cannot be included due to size, the Soum with the next highest at-risk should be considered for inclusion if it can fit within the ceiling of 2800 children.
1. Soum Selection Approval
	1. MLSP reviews and approves the final Soum selection, or requests changes with justification.

## **Child-level Beneficiary Selection**

Once Soums are selected, MLSP should move towards the identification and selection of all eligible children.

### **Roles & Responsibilities**

UNICEF is responsible for providing support to the MSLP, as needed, including to the CMP Database Unit to support processing of data requests.

MLSP is responsible for:

* ensuring that the CMP Database Unit responds to data requests in a timely manner, according to the terms set out in the DSA between UNICEF and the GALSW;
* reviewing and sharing the draft payment list with UNICEF.

Specifically, within the MLSP, the CMP Database Unit is responsible for generating a draft payment list from which the payment process will be carried out for the pilot.

### **Process**

1. CMP Database Unit generates a draft payment list containing all children aged 0 to 5 (including children aged 5) currently registered in the selected Soums and receiving CMP (i.e. with active bank accounts);
2. MLSP reviews the list for any errors and provides a signed/approved copy to UNICEF in soft copy protected by a password to be shared by phone, in order to support the transfer of funds process.

Given that this process is being carried out for the first time, a draft payment list is used at this stage. In case of any errors or issues, the draft can be revised before the final payment list is issued and approved. After the pilot has completed and the operational processes are well-established, the child-level beneficiary selection and generation of payment list steps can be combined into a single step.

## **Transfer of Funds to MLSP**

UNICEF transfer the funds required to make payments to all children aged 0 to 5 in the Soums approved by MLSP.

### Roles & Responsibilities

MLSP is responsible for sharing the official, signed list of approved Soums and total number of children with active CMP accounts with UNICEF, and for requesting payment of beneficiaries via the MoF. ( not being implemented )

UNICEF is responsible for ensuring funds are transferred to MLSP within the agreed timeframes.

### **Process**

1. MLSP shares the list of approved Soums and the total number of children to be paid with UNICEF;
2. UNICEF processes the funds required for payment of the Early Action/Winter Preparedness Component cash transfers and transfers the full amount into the MLSP treasury account at the MoF;
3. MLSP confirms the receipt of the funds to UNICEF.

## **Payment**

Payment is carried out 4 times during the pilot:

1. Early Action/Winter Preapredness Payment (December)
2. Early Response First Payment (February)
3. Early Response Second Payment (March)
4. Early Response Third Payment (April)

### **Roles & Responsibilities**

MLSP

* Generates the payment list and shares this with both UNICEF and the MoF in order to process payment and help UNICEF meet its internal audit requirements ( payment list is not shared with UNICEF before payment)

UNICEF

* Sends request letter to MLSP to generate a payment list and make payment to those selected for the pilot.

MoF

MoF is responsible for processing payment according to the payment instructions provided by MLSP.

### **Process**

The following process is followed for payment:

1. UNICEF requests the MLSP to generate the payment list by letter. The letter specifies the Soums, age criteria (0 to 5 years), and payment amount per child, as well as the date on which payment should be made;
2. CMP Database Unit generates the payment list according to the request from UNICEF. The payment list is generated in the same format as the regular CMP payment list (Annex of the DSA);
3. CMP Database Unit sends the payment list for approval within MLSP;
4. MLSP reviews and approves the payment list and sends it with a request letter to the MoF to make payment from the MLSP account to beneficiary accounts;
5. MoF carries out payment according to the payment list and letter, as per the regular process.

## **Reconciliation & Return of Unpaid Amounts**

Reconciliation is the process through which MLSP and UNICEF compare the payments confirmed as made into beneficiary accounts to the payment list; any unpaid amounts are identified and reported before being returned.

### Roles & Responsibilities

MLSP is responsible for:

* generating the Reconciliation File and providing a soft copy and hard copy to UNICEF;
* requesting MoF to return unpaid funds to UNICEF.

UNICEF is responsible for:

* reviewing the Reconciliation File and comparing the unpaid amounts returned to identify and follow-up on any discrepancies.

### Process

1. After payment, CMP Database Team generates the Reconciliation File using data from e-office. The Reconciliation File shows a payment status for each child on the payment list; if the payment was unsuccessful the Reconciliation File shows a coded reason for this;
2. MLSP reviews the Reconciliation File and shares this with UNICEF along with information on the total amount of funds returned to the MLSP account at the MoF (due to unsuccessful payment of beneficiaries);
3. MLSP requests the return of unpaid funds from the MLSP account at the MoF to UNICEF;
4. UNICEF reviews the Reconciliation File and compares the amounts unpaid to the amount returned from the MoF. Any discrepancies are raised to MLSP.

## **Payment Spot Checks**

UNICEF will carry out limited spot checks with a small sample of beneficiaries, as part of its internal audit requirements, to verify receipt of funds and of the amount of funds received. This will take place once winter weather permits travel.