

INTERNATIONAL LABOUR ORGANIZATION
Formalization of the Informal Economy Project

Terms of Reference

National Consultant to conduct an assessment for developing
a design of an e-formalization platform.

Background

The International Labour Organization (ILO) implements the Formalization of the Informal Economy Project, which aims to provide technical support to foster the transition to the formality of informal workers and informal businesses in Mongolia. The project focuses on assessing the potential capability of establishing a platform for e-formalization that could help simplify the registration of workers and enterprises and provide adequate employment and labour relations services to workers in the informal economy.

The Government of Mongolia created e-Mongolia electronic system and continued the digital transformation process to convert public service delivery into a digital format, which can facilitate and streamline public service delivery. Within these initiatives, core systems for digitalization – data exchange system, authentication system, etc – have been developed. As a result, several services of e-tax, e-daatgal, e-job, e-halamj, and e-business platforms are already in use. As well as these have been integrated into the e-Mongolia system, covering informal workers to various extents.

The Ministry of Labour and Social Protection (MLSP) is keen to move towards e-formalization by developing a system for facilitating the formalization of informal businesses and workers and has requested technical assistance from the ILO. Given this background, the project aims to support the MLSP in exploring technological readiness and seeking opportunities to create an e-formalization platform or expand functionalities by data exchanging protocols of the government's information systems.

Objective of the assignment

This consultancy aims to assess and identify the possibility of developing a platform or expanding functionalities for e-formalization, and to enable the registration process of informal businesses and workers.

Scope of work

The research will be conducted by a team of two national consultants (Lead Consultant and IT Consultant). Consultants will co-write the final report providing concrete recommendations on the development of platform or functionalities for e-formalization of enterprises and workers. Both consultants are expected to work together to:

- Carry out desk review of national literature including, but not limited to, policy and strategy documents and legal frameworks;

- Collect other relevant information from other sources to present a comprehensive picture of the situation and clear recommendations to develop the necessary framework to undertake the assessment;
- Plan and undertake individual consultations with all relevant stakeholders, as needed (related Ministries, UB city Mayor's Office, Employers and Workers' Organizations, representatives of Employers and Workers from Informal Economy, Academia/Experts, Development Partners and Civil Society Organizations);
- Design, coordinate, and facilitate the process for undertaking necessary validation with all stakeholders and receive feedback on the analysis and recommendations proposed.

The lead consultant will formulate a draft strategy for the transition to formality using digital systems, with a clear framework and develop process mapping on existing government information systems in the context of e-formalization. The information systems to be assessed include e-Mongolia, e-daatgal, e-tax, e-job, e-business, e-barimt, and other relevant systems that may be identified during the assessment. The work to be conducted by the lead consultant should encompass:

- Mapping and analysis of relevant processes for the registration, maintenance, and compliance with legal obligations of economic units and workers within the relevant information systems, and in the context of formalization in Mongolia. This should include the identification of the required processes, the procedural steps (including who are the responsible actors and their roles in each step, and if there are costs entailed), the information needs and decision points for each procedural steps (including the mapping of the variables and inputs required/collected), and produce detailed diagrams and descriptions of the processes to support analysis;
- Identification of potential reforms to improve efficiencies and reduce time and resources requirements for compliance of relevant processes and within specific systems, identification of potential synergies and connection/inter-operability opportunities between systems, identify functionality needs and gaps within and between the processes and systems;
- Provide recommendations for the development of platform or functionalities for e-formalization of enterprises and workers, including by expanding functionalities and/or inter-operability of existing systems, or the creation of a dedicated platform – with detailed analysis of pros and cons for different approaches. This analysis and recommendations should consider the governance and the underlining legal and policy frameworks of the IT systems assessed.

The IT consultant will be responsible for assessing a technical and functional scope of the existing IT systems and infrastructure for establishing an integrated e-formalization platform or functionalities ensuring systems interoperability for MLSP based on the process mapping provided by the lead consultant. The work to be conducted by the IT consultant should encompass:

- Assist the lead consultant in the IT review of the relevant systems and processes and provide guidance and recommendations on areas for improvement.
- Review of the IT infrastructure of the different systems/responsible institutions;
- Review of the governance and management of the different systems/responsible institutions ICT operation;
- Review of the existing core functionalities and systems, including other relevant systems not listed above;

- Review of data security, large data handling and data analysis capabilities and procedures (including human resources capabilities).

Deliverables

	Lead consultant	IT Consultant
Deliverable 1	Inception report: A detailed outline of the research methodology along with timeline in English to be submitted within two weeks of the contract commencement. (5 days)	i) Work plan in Mongolian within a week of the contract commencement. ii) Draft assessment report in Mongolian. (30 days)
Deliverable 2	Draft assessment report in Mongolian consists of process mapping for digitalization and integration/simplification of processes between different organizations. (30 days)	Final report in English incorporating comments received from stakeholders. (10 days)
Deliverable 3	Revised and finalized report in Mongolian incorporating feedback and comments received from the ILO, MLSP, MDDC, Mongolian Tax Administration, and other stakeholders. (10 days)	Work with a lead consultant on the assignment and deliverables from 1 to 4. (10 days)
Deliverable 4	Final consolidated report in Mongolian and English. (12 days)	
Contract duration	01 April – 31 July 2024 (62 days)	01 April – 31 July 2024 (50 days)

The National Consultants must have the following qualifications

Lead consultant	IT Consultant
<ul style="list-style-type: none"> - Advanced degree in economics, social science, or other related fields - At least 10 years of experience in conducting research and technical consultancy on social and economic issues. - Experience in implementing public digital services, business process mapping, and reengineering is an advantage - Previous work experience with research assignments in informal economy will be an added advantage 	<ul style="list-style-type: none"> - Advanced degree in IT/Computer Science or equivalent field with a minimum of 10 years of experience is required. - Demonstrated experience working as a System Analyst in projects of a similar nature is a must - Experience in providing technical assistance to ministries and government agencies is an advantage - Knowledge and experience in emerging technology in public services - Fluency in written and spoken English and Mongolian

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How to apply

Interested candidates are invited to submit the following documents to ulaanbaatar@ilo.org copying tergel@ilo.org by 6.00 pm (Ulaanbaatar time), 19 March 2024.

- Letter of interest, explaining their skills and experience are relevant to the assignments.
- CV and a brief sample report from prior assignments of similar nature.
- Daily professional fee expressed in MNT.