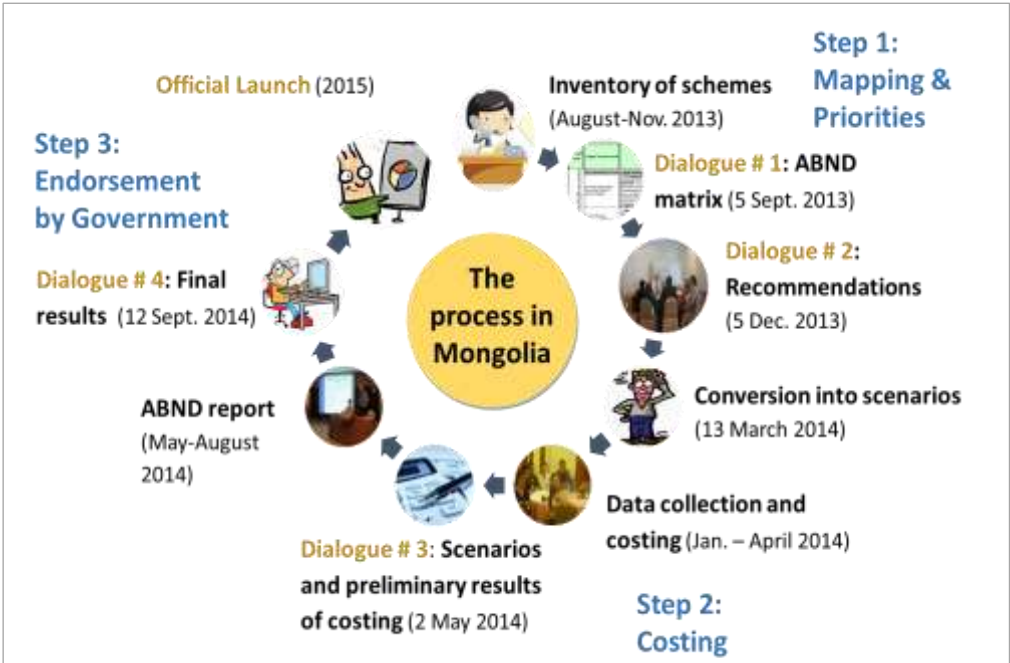


Assessment based national dialogue on social protection and employment promotion in Mongolia

The ABND on social protection and employment promotion in Mongolia

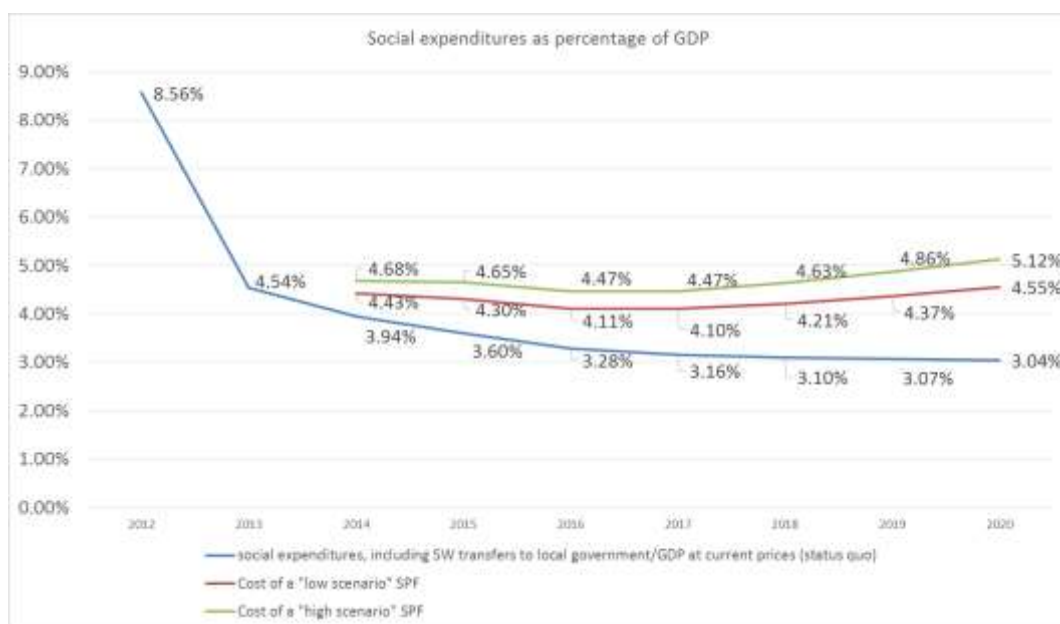
On September 2013, the Ministry of Population Development and Social Protection and the UN Country Team launched the Assessment Based National Dialogue on social protection and employment promotion (ABND), with the objective of defining a Social Protection Floor for Mongolia and assessing its affordability. The ABND also represents a baseline information for monitoring progress in extending social protection in the country. The ABND comprises three steps.



Cost of a social protection floor in Mongolia

The total social protection expenditures needed for realizing a social protection floor in Mongolia could range from a **low-cost scenario of 4.55 per cent of GDP** to a **high-cost scenario of 5.12 per cent of GDP, by 2020**.

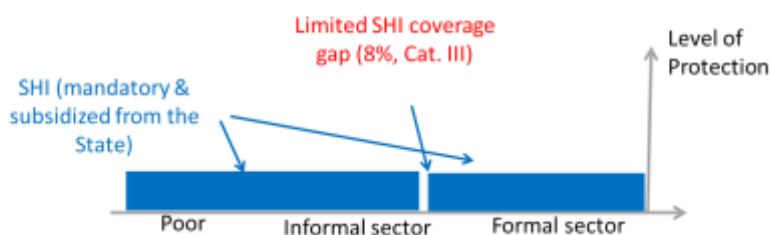
The cost of a social protection floor in Mongolia would not be more than MNT580,800 per year per capita, **equivalent to only USD25 per month per person**.



Guarantee 1. All residents have access to essential health care



Universal social health insurance coverage achieved, but effective access!



Universal social health insurance (SHI) coverage is achieved in Mongolia, with 92% of the population; however effective access to even basic health care is still not a reality for many in Mongolia.

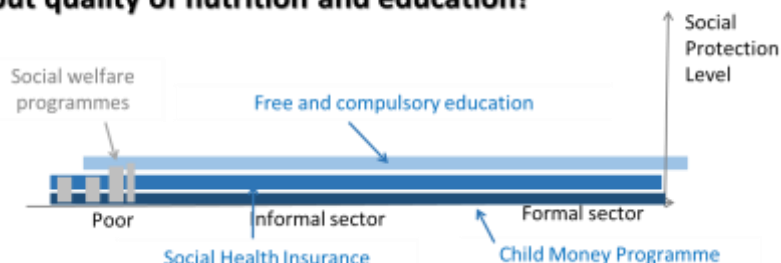
In particular the following issues will have to be addressed in the short future:

- Gradually decrease the out-of pocket expenses, which still stands at 41%;
- Increase the social health insurance contribution for category herders, unemployed and vocational students;
- Include drugs in long-term demand in the list of essential medicine and increase their reimbursement rate;
- Include registration of migrant workers under the category of private employees;
- Reinforce monitoring and inspection role of SHI offices for ensuring quality of health care services in rural areas; and
- Introduce smart card registration system.

Guarantee 2: All children enjoy income security through transfers in cash or kind to guarantee access to nutrition, education and care



Income security, health and education for all children achieved, but quality of nutrition and education!



Income security for all children to help families meeting their basic needs is achieved, mainly through the universal Child Money Programme. Education and health are also provided free for all children. The ABND came with the following recommendations:

- Keep the universal Child Money Programme and adjust periodically the benefit to the consumer price index;
- Combine and improve income support and social inclusion programmes for children with disability;
- Increase the meal allowance to kindergarten and pre-school;
- Introduce supervisory mechanisms for better safety and quality of meals at school and kindergartens; and
- Increase the number of kindergartens to ensure that the remaining children have access.

The definition of a social protection floor in Mongolia

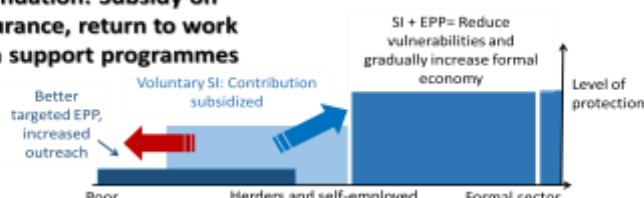
Guarantee 3: All those in active age groups who cannot earn sufficient income enjoy a basic income security (particularly in case of sickness, unemployment, maternity, disability)



Gap in social insurance coverage!



Recommendation: Subsidy on social insurance, return to work and youth support programmes



The Mongolian social security system offers protection in case of working injury and occupational disease, maternity, sickness and unemployment, the latter being available only for employees of the private sector. The coverage under the voluntary social insurance scheme is still too low (9% of the total employed), especially among youth. In addition, in 2013 the Government launched eight Employment Promotion Programmes (EPP) (with two more in 2014) to support vulnerable groups to access decent, productive and sustainable jobs. To address the gap in ensuring income security for the working age group, the ABND agreed on the following priorities:

- Develop an incentive mechanism for increasing SI coverage among herders and self-employed;
- Introduce more flexible services at Social Insurance Department, use new IT technologies to collection of contributions;
- Increase replacement rate for maternity benefits under voluntary SIS at the same level as ones under mandatory SIS;
- Establish systemic linkages between social insurance and active labour market programmes; and
- Implement an EPP targeting specifically at young herders and/or young people of aimag and soum centers.

Guarantee 4: All residents in old age have income security through pensions or transfers in kind



Gap in pension coverage!

In future, if no policy changes



Recommendation: subsidizing the contribution



While coverage among the employees of the private and public sectors is high (70% of the employed), only 9% of the herders, self-employed and informal economy workers contribute to the voluntary social insurance scheme. The ABND pushed the following recommendations to extend old-age protection:

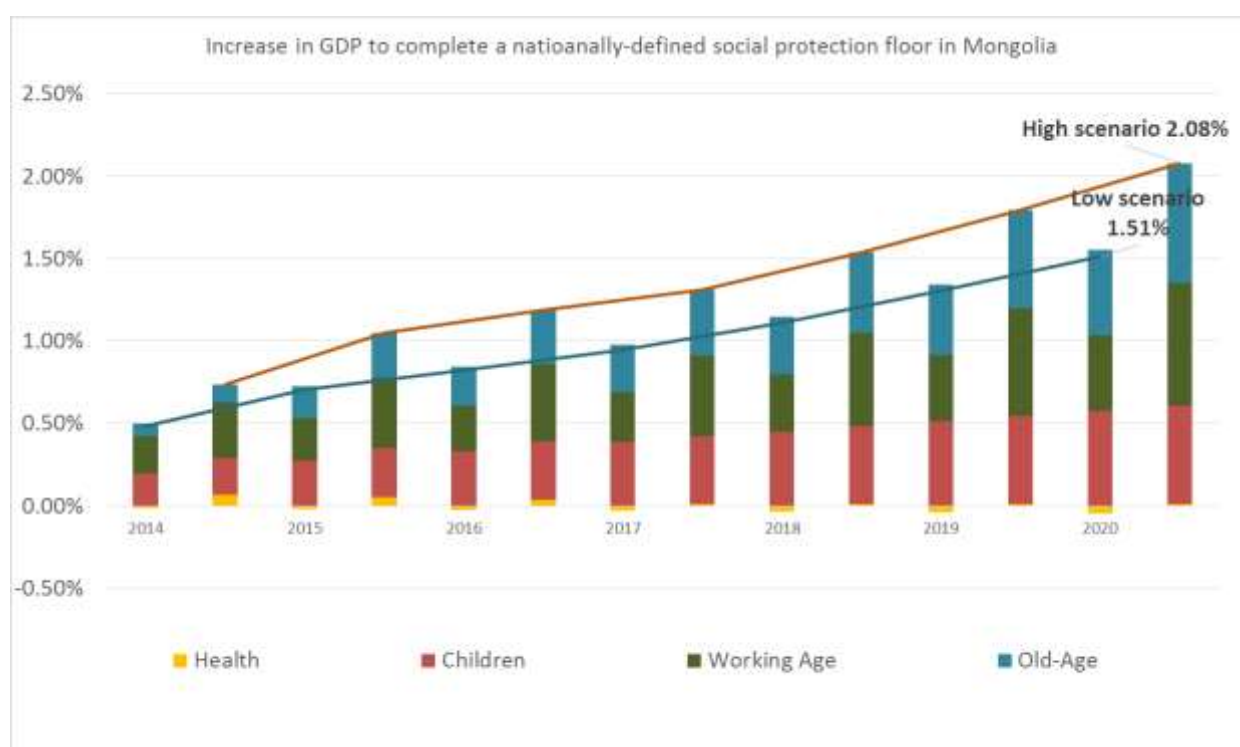
- Introduce a three pillars pension system: Pillar 1: Universal minimum pension; Pillar 2: Contributory SI pension (voluntary and/or mandatory); Pillar 3: Supplementary individual saving accounts; and
- Encourage contribution of herders and self-employed to the SI pension scheme by introducing a subsidy;
- Establish a long-term care system that will provide holistic protection to older people (income security, health, dignity).

Results of the costing of a social protection floor in Mongolia

The scenarios used to estimate the cost of a social protection floor in Mongolia

The Government and UN Working Group on Social Protection used the ILO-UNICEF Rapid Assessment Protocol for estimating this cost.

Guarantee	Low scenario for a SPF in Mongolia	High scenario for a SPF in Mongolia
Health	Increase the SHI contribution of herders, self-employed and vocational students to 1% of minimum wage	Fully subsidize the SHI contribution of herders, self-employed and vocational students
Children	Index the child allowance on inflation	
	Index the pre-school meal allowance on inflation	Increase and index the pre-school meal allowance
Working Age	Increase the replacement rate during maternity leave to 100% for herders, self-employed and informal workers	
	Subsidize the voluntary contribution to the maternity, sickness, injury insurance fund by 50%	Subsidize the voluntary contribution to the maternity, sickness, injury insurance fund by 70%
	Subsidize the voluntary social insurance contribution for beneficiaries of Employment Promotion Programmes by 50% or 100% (depending on the programme)	Fully subsidize the voluntary social insurance contribution for beneficiaries of Employment Promotion Programmes
	Implement new entrepreneurship and vocational training programmes for young herders, with social insurance contribution fully subsidized	
	Implement a new EPP for persons under the pension disability pension and UI benefits	
Elderly	Subsidize the voluntary old-age pension contribution by 50% and index the social welfare pension	Subsidize the voluntary old-age pension contribution by 70% and index the social welfare pension



Definition of a social protection floor in Mongolia

Health	universal health insurance coverage, with a full subsidy for vulnerable group and herders
Children	Universal and free primary and secondary education, including free boarding schools
	Universal Child Money Programme, automatically indexed on the CPI
	Higher meal allowance, indexed on CPI, for all children attending kindergartens (2 to 6 years old).
Working age	Universal social insurance coverage, with subsidized contribution for insured under the voluntary scheme (70.0 per cent subsidized by the State's budget)
	Replacement rate of maternity benefits at 100.0 per cent for all workers, including herders, self-employed and informal economy workers.
	Reinforced EPPs with a special programme for young herders
	Return to work and re-training programmes for victims of working accident and occupational disease, and insured unemployed.
Elderly	Social welfare pension indexed on CPI
	Universal social insurance old-age pension coverage, with subsidized contribution for insured under the voluntary scheme (70.0 per cent subsidized by the State's budget)

The cost of a social protection floor in Mongolia would not be more than MNT580,800 per year per capita by 2020, equivalent to less than USD1 per day per person. This cost would include the provision of universal health insurance with subsidies for vulnerable groups and herders; free primary and secondary education, including boarding school and improved nutrition at school; universal child allowance; universal social insurance coverage, with subsidized voluntary contribution; targeted and effective employment promotion programmes, notably for young herders; and universal old-age pension.

Learn more about the Social Protection Assessment Based National Dialogue methodology and tool



The guide provides knowledge and expertise for conducting social protection assessment based national dialogue (ABND) exercises, which are the first step towards the implementation of social protection floors. It is based on real Asian countries' cases and experiences.

The guide is also available as a self-learning e-box:

<http://secsoc.ilo.org/abnd/>



More about the ABND in Mongolia:

Find all materials of the dialogues, list of participants, workshop's reports and pictures on line:

<http://www.social-protection.org/gimi/gess/ShowProjectPage.do?pid=2287>

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