



REPORT OF THE National Workshop to launch the Assessment Based National Dialogue on Social Protection In Mongolia

TUUSHIN HOTEL, ULAANBAATAR, MONGOLIA
5 September 2013



Introduction

The National Workshop to launch the “Assessment Based National Dialogue on Social Protection and Employment Support Services” was organized by the Ministry of Population Development & Social Protection (MPDSP) and the UN Social Protection Group in Mongolia.

The ABND on social protection and employment support measures intends to draw recommendations for the further design and implementation of social protection provisions with the aim to achieve at least the social protection floor for all the population.

The workshop focussed on :

- Presenting the Social Protection Floor initiative launched by the UN, the link with International labour standards on social security, and assessing its relevance in supporting Mongolia’s efforts to extend social protection;
- Learning from on-going initiatives to extend social protection in Mongolia;
- Understanding the objective and methodology of the ABND, the process and its limitations;
- Complementing, validating and correcting the preliminary findings of the ABND matrix for Mongolia;
- Agreeing on the next steps for the conduct of the ABND in Mongolia.



Mongolia is growing very rapidly and there are still gaps in ensuring equal opportunities. More needs to be done to improve the life of people in Mongolia. The SPF provides a very good basis to achieve an inclusive growth. The SPF provides an opportunity for UN agencies, development partners and international financial institutions to work together to extend social protection to all and improve delivery of social services. We are hoping that the government will take on board the development of Poverty National Strategy, putting SPF at the core of the strategy



Ms Sezin Sinanoglu

**United Nation
Representative
Coordinator and UNDP
RR in Mongolia**



Ms Otgonjargal Baasanjav

**State Secretary,
Ministry of Population
Development & Social
Protection**

The ABND is the initial step in achieving a SPF for Mongolia. I would also like to underline that more importantly is the inter-sectorial partnership will make valuable contribution to precisely determining policy design and implementation issues.

If we can assess current Mongolian social protection situation in a reasonable way, if we are able to know who, where and why some are still excluded from the schemes, and it would be a valuable contribution from the UN to help the Government setting a rational SPF.

Introduction

The workshop was attended by 55 participants from different line ministries (MPDSP, MOL, MOH), representatives of MONEF and MTUC, civil society, academia, UN agencies, others development partners and bilateral donors engaged in social protection.



Morning's Session: UN Development Assistance Framework priorities on social protection



**Ms Bolormaa
Purevsuren**

*ILO National
Coordinator*

The SPF is absolutely in line with the outcomes of the Strategic Priority 2 (on social protection) of the UNDAF. Each outcome of the Strategy Priority 2 fits very well under the 4 guarantees of SPF.

In 2013, UN Social Protection Working Group was set, chaired by ILO and UNICEF, with the participations of many other UN agencies. The mandate of the Working Group is to extend social protection, through notably the the establishment of a SPF. To fulfill its mandate, the Working Group agreed on an operational assistance framework aimed at sharing knowledge, experience among UN agencies and with the government. It also provides a platform for mobilizing technical and financial resources.

Basic social services and social protection: OUTCOMES

- Outcome 3: Access to quality education;
- Outcome 4: Access to safe water and sanitation;
- Outcome 5: Access to good health services;
- Outcome 6: Social protection is strengthened and expanded with a specific focus on the vulnerable.

SOCIAL PROTECTION FLOOR

Morning's Session: Existing SP Policy and Programmes



Ms Munkhzul Lkhagvasuren

Director, Social Security Policy Implementation and Coordination Department, MPDSP

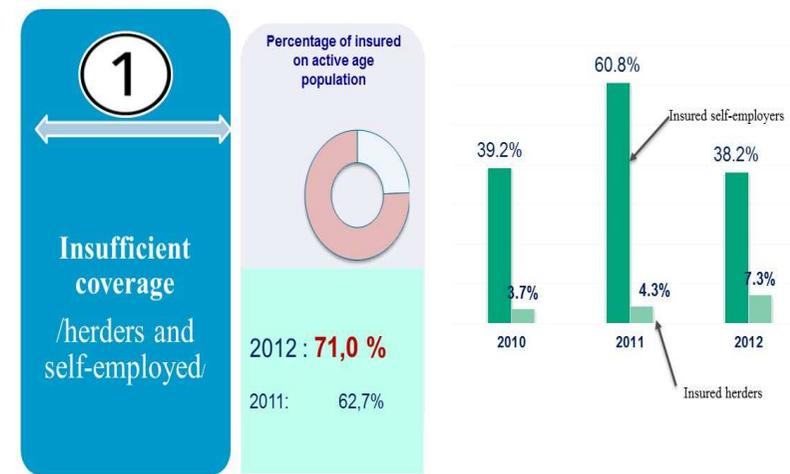
90% of the elderly are receiving a pension, either from the contributory or non-contributory scheme. Changes in entitlement to old-age pension have been introduced recently. Formerly, Mongolia had a single system managed by the State, based on a defined benefits approach. In 2000, the system has been reformed for a notional defined contribution system. To date, more than 50% of the population is enrolled in the social insurance scheme. The growth rate in registration is increasing on an encouraging path.

The main challenge remains in the coverage among herders; only 17% of herders are enrolled in the voluntary insurance scheme. Therefore, further resolution and action are needed to extend social protection to herders.

The last three years' trends show an increasing enrolment and increasing public expenditure on social security, mainly due to aging population. Government has committed further efforts to pursue the extension of social protection, especially to expand the coverage of voluntary and mandatory social insurance to the entire economically active population. Providing effective coverage will require the creation of a new, possibly mandatory programme for herders and self-employed with some degree of subsidization of the contributions and establishment of incentives. Therefore, in order to improve social security for the whole population, measures aimed at delivering through effective mechanisms the funds allocated to health, education and social welfare services to the vulnerable and target groups, as well as reform of the social welfare system and employment generation, need to be accelerated.



Pension scheme coverage



Morning's Session I : ILO Concepts & Standards and ABND Methodology



Ms. Celine Pyron Bista
Chief Technical Advisor on unemployment protection, ILO Bangkok



Ms. Valerie Schmitt
Social Security Specialist,
ILO Bangkok

Introduction to Social Security and the Social Protection Floor

- Social security are social transfers that provide both financial support and social services to cope with risks along the life cycle

Social security is a human right

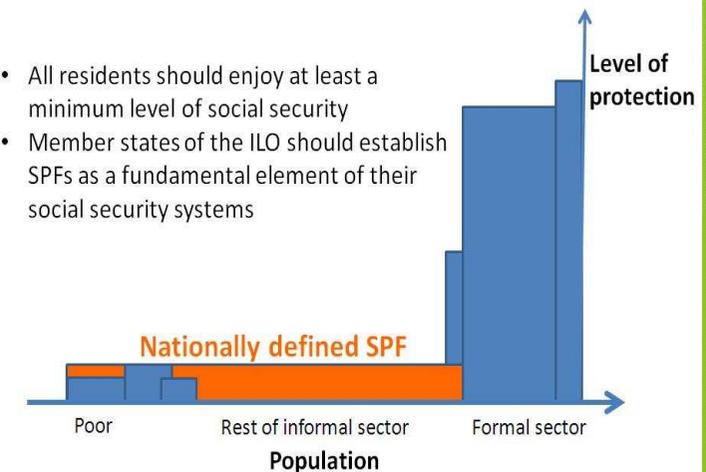
- Recalled by the ILO Social Security (Minimum Standards) Convention, 1952 (No.102) and the Recommendation on Social Protection Floor, 2002 (No.102)
- SS systems are funded on following guiding principles: equality of treatment, State's responsibility, risk pooling and collective financing, tripartite administration, adequate and guaranteed benefits, and progressive extension

The Social Protection Floor:

- an opportunity for extending social security to all (universal coverage) with respect of rights and dignity of people;
- an opportunity for linking social protection with employment and ensuring effective delivery of social services;
- SPF as an investment.

Extending social security: The Social Protection Floor

- All residents should enjoy at least a minimum level of social security
- Member states of the ILO should establish SPFs as a fundamental element of their social security systems



Morning's Session I : The ABND objectives, methodology and process

STEP 1: Assessment matrix and consultations (Sept. - Nov. 2013)

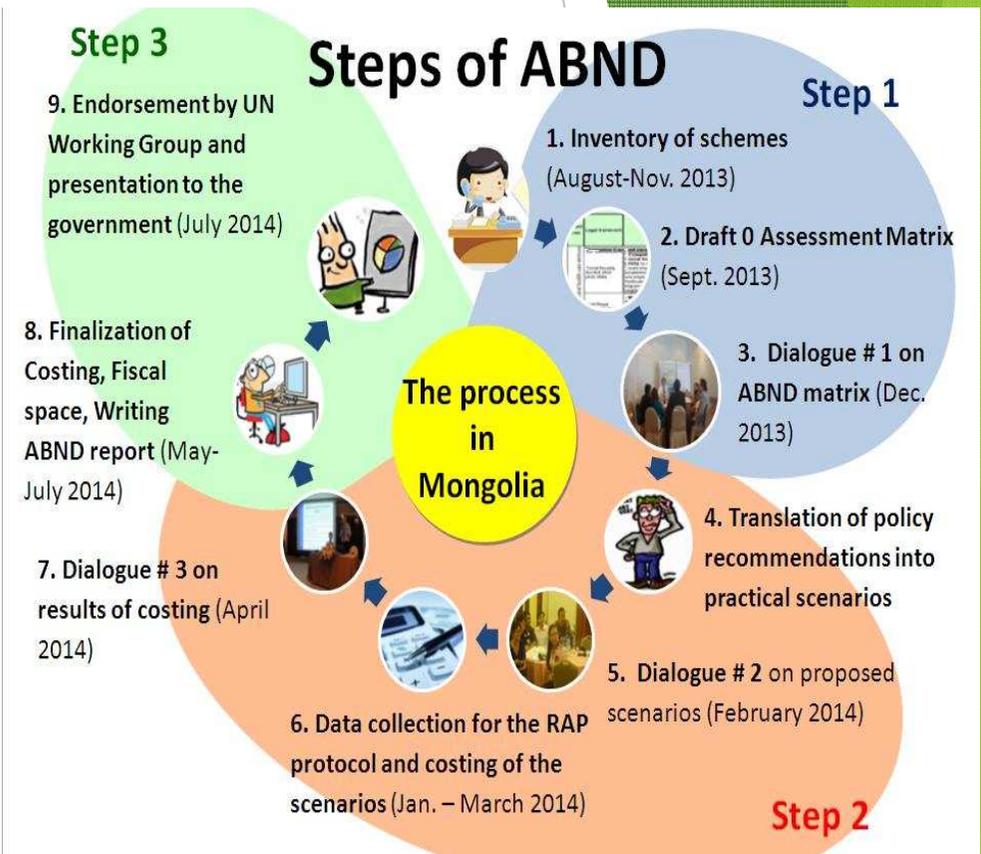
- ▶ The assessment matrix is developed with all stakeholders involved in social protection in Mongolia, Ministries and government agencies, social partners, civil society, academia and development partners, through national and local consultations. It contains for each of the four guarantees of the SPF an inventory of existing social security, poverty alleviation active labour market programmes, identifies policy gaps and implementation issues, and provides recommendations for the design and implementation of further social protection provisions with the aim of guaranteeing at a minimum the SPF to all the population.

STEP 2: Costing of the priority recommendations (Dec. 2013-Feb. 2014)

- ▶ The cost of the proposed social protection scenarios is then estimated and projected over a 10 year period using the ILO Rapid Assessment Protocol (RAP). This costing exercise can serve as a basis for discussions on available fiscal space, government budget reallocations, and the prioritization of different social protection policy options.

STEP 3: Endorsement of the report at high level (March- May 2014)

- ▶ The final report is shared with government representatives, workers and employers as well as civil society organizations with a view to validate the recommendations and assumptions and prepare for the next steps (feasibility studies for the design of the new schemes or expansion of existing schemes, or establishment of coordination mechanisms).
- ▶ The report, expected to be released by May 2014, will support the implementation of the second phase of the ILO/Japan Project "Promoting and building income security and employment services in Asia - focus on Mongolia and ASEAN" (2014-2015).



Afternoon's Session : Building the matrix for each of the 4 Guarantees

Step 1: Building the assessment matrix

- ▶ *Group 1: All residents have access to affordable essential health care, including maternity care*

Group co-chaired by the Ministry of Health and WHO

- ▶ *Group 2: All children receive basic income security providing access to nutrition, education, care and any other necessary goods and services*

Group co-chaired by MPDSP and UNICEF

- ▶ *Group 3: All persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity and disability, receive basic income security*

Group co-chaired by MPDSP and UNDP/ILO

- ▶ *Group 4: All residents in old age receive basic income security through pensions or transfers in kind*

Group co-chaired by MPDSP and ILO

	SPF objectives	Existing SP provisions	Planned SP provisions (strategy)	Policy gaps	Implement-ation issues	Recomm- endations
Health	Four SPF guarantees	Identifying existing situation in the country		Identifying policy gaps and implementation issues, addressing which would complete the SPF		Priority policy options, to be decided through national dialogue
Children						
Working age						
Elderly						

Afternoon's Session : WG's against each of the 4 Guarantees



WG 4. Elderly

Facilitated: by
MPDSP and ILO



WG 2. Children

Facilitated: by
MPDSP and
UNICEF



WG 3. Working Age

Facilitated: by
MPDSP and UNDP



WG 2. Health

Facilitated: by
MOH and WHO

WG 1: All residents have access to essential health care



Rapporteur: **Mr. Batsukh.T**

National Consultant



POLICY GAPS :

- To setup sufficient proportion of treatment cost sharing among central government budget and HI fund
- To expand health care service packages to the HI fund in order to decrease individual's actual co-payment, increase quality of services in a way to legal amendments as:
 - *Citizens Health Insurance law*
 - *Law on drugs and medicine*
 - *Law on Health care*
- To bring close individual's contribution responsibilities
- To review drug remuneration mechanism that patients who necessarily gets free charge of medicine & drugs from the state in their lifetime (in order to increase vulnerable's share and solvent individuals bear costs by themselves)
- Water sanitation and hygiene is also key issue of considerations.

IMPLEMENTATION ISSUES:

- Care service payment system should updated by:
 - Define clear functional responsibilities of buyer /HI Fund/ and service provider /hospitals/
 - Introduce smart card system that could be accepted for all level of hospitals even any type of services
- To put limitation for unnecessary inpatient service of insured and expand to outpatient service package included free health testing for all at least once in a year
- Health care service quality control mechanism need to strengthened
- Health care complaint system does not work properly and If the grievance is not addressed in a way that satisfies the consumer, the consumer should be register their complaint to the third party.
 - create Independent Health care complaint Bureau with good procedures and forms financed by HI Fund

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



Rapporteur: Ms.
Dolgormaa.J

Director of Strategic
Planning Department. MPDSP



- Children discipline at the monasteries are not following formal education curriculums
- *water* sanitation and hygiene (WASH) and sufficient sanitary installation for children also being considerable issue
- Most parents lack knowledge and skills for accessing to services and work with their children
- Penal of the lack responsibilities are very low when parents discharge their parental obligations
- Limited employment policies focused on families and child –friendly workplaces
- Children without parental control / parents working abroad / are need to cover SP scheme as well
- Actually there are good Infrastructure standards to the Disabled people, but bad implementation
- Lack of services for children's spare time or vacancy
- Budget allocation for Community based welfare is not delivering to the targeted groups nor proper services
- There is not coherent information delivery system
- School social workers are not closely work or attend with their students
- Bad dormitory services
- Not sufficient professional social care and psychological services

WG 3: All those in active age groups who cannot earn sufficient income enjoy a basic income security



Rapporteur: *Mr. Adiya.G*

*General Secretariat,
Confederation of Trade
Union*

GENERAL REMARKS

- ▶ There is a good law, many programmes
- ▶ Lack of coordination and overlapping, contradiction
- ▶ But funds and capacity are lacking to implement the programmes.
- ▶ Especially employment support and creation in rural areas, where high level of unemployment and poverty
- ▶ Governance issue as well.
- ▶ Large working poor create a disincentive to work.

Preliminary recommendations

- 6 of the ALMPs have satisfactory implementation (6 month review)
- However, there is a need to reinforce capacity of labour officers at the local level for the implementation of these new programmes
- Accessibility: solution recently being introduced: having employment vacancies advertised at very local levels (in Ghent)

- Disability allowance for temporary incapacity: the amount is very low (almost three times lower than international standards)
- Shortcoming in the level of benefits (level adjusted in ad-hoc manner, no indexation), however duration is generous enough
- Too much focus on cash benefits rather than focusing on employment support (turning them into employable and employed citizens)
- Should be more emphasized on rehabilitation programmes for persons with disability.

- All EP programmes are still very new (since Jan 2013), so population not aware.
- Already identifying some overlapping and inefficiencies
- In general, good set of policies that will support the implementation of the employment law
- Soon, an assessment of the performance of the existing ALMPs



WG4 : All residents in old age and with disabilities have **income security** through pensions or transfers in kind



Rapporteur: Ms.
Amarjargal.G

Director SW Policy
Implementation Department,
State Social Welfare General
Office

POLICY GAPS:

- Problems in the parameters of the DB and NDC schemes leading to a necessary pension reform...
- The level of benefits under the social welfare pension are low (103,600 MNT/month) although indexed on living standard; in some provinces this amount is below the minimum living standard
- If the pension reform includes in the pillar zero a universal pension system, this will lead to the suppression of the social welfare pension
- **Equity:** Inequity related to different retirement age of men and women (60 ; 55); recommend uniformed retirement age (60 for all) and then progressively increase retirement age (62, ...)
- **Early retirement:** Military and persons working in hazardous conditions can retire earlier (50 for women and men) and are entitled to a pension
- However they don't have access to other benefits (such as health care) or services (elderly homes) where the minimum age is 55 for women and 60 for men
- Many elderly persons don't have a place to live ("joint family system")

IMPLEMENTATION ISSUES:

- Almost universal coverage of pensions; it is estimated that out of the 215,000 elderly 207,000 receive some kind of pensions
- The military pension (very generous) is managed by the Social Insurance fund, which creates confusion with the other pension funds =>
 - ✓ *recommend uniformed pensions or*
 - ✓ *to separate the pension funds and management of pensions*



Next Steps conduct the ABND exercise in Mongolia

- ▶ Continue consultations and data collection to map all programmes and identify gaps under Step 1- ILO national consultant supported by UN WG and respective government agencies and local government bodies.
- ▶ Technical Workshop on ABND Exercise in Mongolia will held in December 5, 2013. The workshop will aim at discussing and agreeing on social protection recommendations and elaboration of scenarios

