



ILO/Japan  
Multi-bilateral  
Programme



MINISTRY OF POPULATION  
DEVELOPMENT & SOCIAL PROTECTION  
AND  
MINISTRY OF LABOUR



## REPORT OF THE NATIONAL WORKSHOP

ASSESSMENT BASED NATIONAL DIALOGUE ON SOCIAL  
PROTECTION AND EMPLOYMENT SUPPORT:

---

### VALIDATION OF THE MATRIX & IDENTIFICATION OF KEY RECOMMENDATION



Ulaanbaatar, 5 December 2013  
Best Western Tuushin Premier Hotel

## Contents:

1. Background
2. Opening remarks
3. Presentation of the SPF concepts & ABND process
4. Presentation of the Assessment matrix
5. Supporting Presentations from key Ministries
6. Working group session
7. Working group presentations
8. Recommendations



## 1. Background

In September 2013, the Government, notably the Ministry of Population Development and Social Protection (MPDSP) and UN Country Team for Mongolia have launched the Assessment Based National Dialogue (ABND) on Social Protection and Employment support services (SP-ES).

During the first step of the ABND exercise, the development of the assessment matrix consists in (i) mapping for each of the four guarantees of the SPF an inventory of existing social security, social protection and poverty alleviation programmes, (ii) identifying policy gaps and implementation issues, and (iii) preparing a number of 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.

Between September (launch of the ABND or Dialogue #1) and end of November 2013, the assessment matrix has been 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.

The validation of the assessment matrix and key recommendation workshop (Dialogue#2) was held on 05 December 2013 in Ulaanbaatar. The workshop was attended by the Vice Minister of Population Development and Social Protection Mr E.Tamir, the Programme analyst of the ILO Country office for China and Mongolia Mrs. Samina Hasan and over 60 participants from ministries, agencies, local government institutions, academia, NGOs and UN agencies.



Millennium  
Development  
Programme



ХҮН АМЫН ХӨГЖИЛ, НИЙГМИЙН  
ХАМГААЛЛЫН ЯАМ



ХӨДӨЛМӨРИЙН ЯАМ



НИЙГМИЙН ХАМГААЛАЛ, ХӨДӨЛМӨР ЭРХЛЭЛТИЙН  
ҮНЭЛГЭЭНД СУУРИЛСАН ҮНДЭСНИЙ ХЭЛЭЛЦҮҮЛЭГ

**ҮНЭЛГЭЭНИЙ ҮР ДҮНГ ХЭЛЭЛЦЭЖ ЗӨВЛӨМЖ  
ГАРГАХ ҮНДЭСНИЙ ЗӨВЛӨЛДӨХ УУЛЗАЛТ**

**Assessment Based National Dialogue on Social Protection and  
Employment Support: Validation of the Matrix & Identification of  
Key Recommendations**

2013 ОНЫ 12 ДУГААР САРЫН 05

УЛААНБААТАР ХОТ

Best Western Tuushin Premier Зочид буудал

## 2. Opening remarks

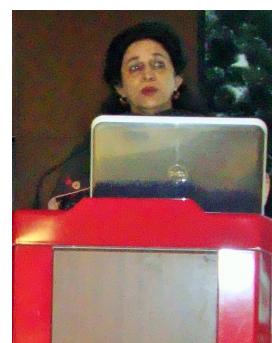
**Mr. E.Tamir**, Vice Minister of the Ministry of Population Development & Social Protection highlighted that some countries in the Asia Pacific region such as Indonesia, Cambodia, Thailand, and Viet Nam have adopted the social protection floor concept for designing their national social protection policies and strategies. The Government of Mongolia, and in particular the Ministry of Population Development and Social Protection and the Ministry of Labour, has also recognized the importance of implementation of a national Social Protection Floor as the initial step towards a more comprehensive social protection system. The new Government for Changes of Mongolia has announced its Action plan to implement for 2012-2016 announced that to ensuring supply with workplaces and well sufficient income for every Mongolians and moreover to discharge the uncontrolled social welfare policy and support only children, elders and disabilities, who need such social welfare"



*"Assessment based national dialogue with supporting the ILO and other UN agencies would have significant outcome for social protection extension. I would also like to underline that more important things is inter sectorial partnership will make valuable contribution to precisely determining policy design and implementation issues."*

- **E.Tamir**, Vice Minister

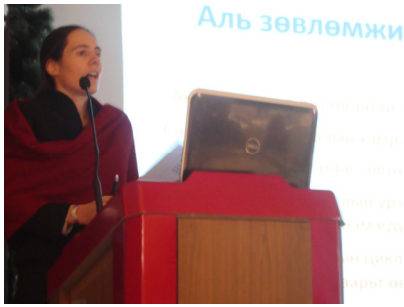
**Mrs. Samina Hasan**, Programme analyst of the ILO Country office for China and Mongolia (CO-Beijing), pointed the commitment of the Government of Mongolia its clear to work towards the establishment a national social protection floor for the country, guaranteeing that the whole population gets access at least to a minimum set of social benefits and services. She commented that the preliminary results so far seem to show that Mongolia has made tremendous progress over the last two decades. Mongolia is now quite well equipped with already several social protection laws and policies in place.



*"Mongolia could actually be the first country in Asia and the Pacific to achieve a nationally defined social protection floor" -Samina Hasan*



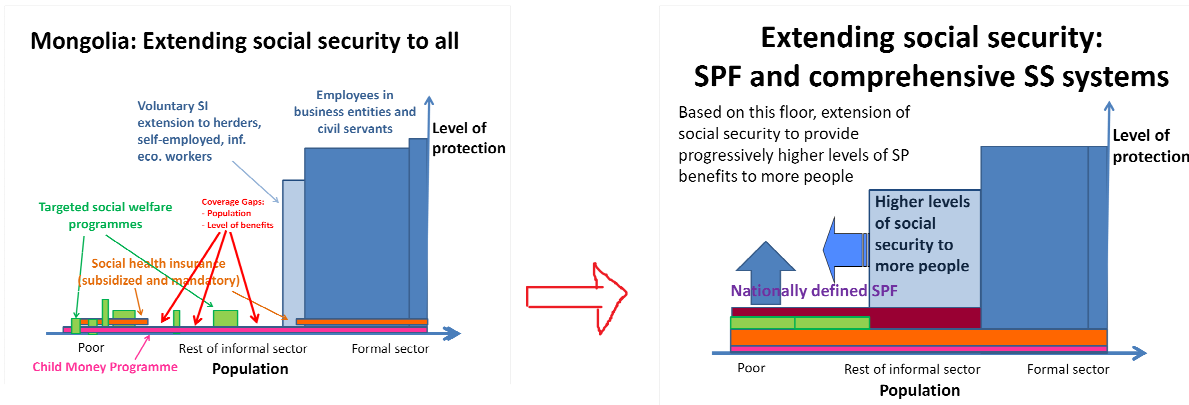
### 3. Presentation of the SPF framework and ABND process



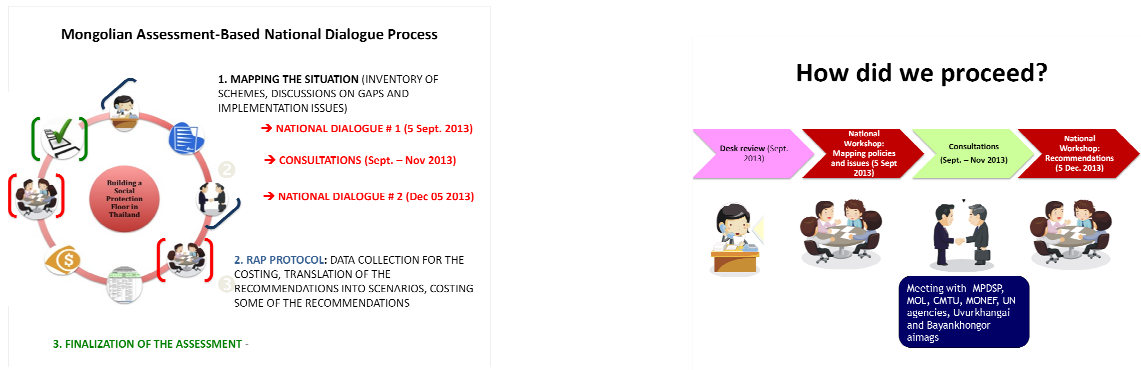
**Ms Celine Pyron Bista**, Chief technical consultant on Unemployment protection, ILO Bangkok, made a recall presentation of the SPF framework Concept and ABND process. She highlighted that the Social Protection floor is the first level of social protection in a national social protection system. It is a basic set of social rights derived from human right treaties, including access to essential services (such as health, education, housing, water and sanitation, and others, as defined nationally) and social transfers, in cash or in kind, to guarantee income security, food security, adequate nutrition and access to essential services.

SPF provides social protection to those in non-formal employment relationships. Since, the SPF promotes employability (employment support and vocational training). All residents should enjoy at least a minimum level of social security and member states of the ILO should establish SPFs as a fundamental element of their social security systems

No 'one size fits all' approach: each country defines the levels of benefits that it can/is willing to provide. Each country also decides how to do it – through universal schemes, targeted social assistance, social insurance and employment promotion services as well.



There are three key questions in Mongolian ABND process : i) How do we define a Mongolian Social Protection Floor?, ii) What is the current social protection situation in Mongolia and what are the persistent gaps?; and iii) How much would it cost to close these gaps? -The UN working group on social protection, led by the ILO, has conducted a number of consultations, here in Ulaanbaatar but in selected aimags and soums. The ABND is now at the juncture of validating the assessment matrix (mapping of existing social protection provisions and persistent gaps) and identifying key recommendations for the achievement of a nationally defined Social Protection Floor in Mongolia.



Ms Celine P.Bista also introduced the ABND costing exercises based on key recommendations and selected scenarios.

She explained, the proposed social protection recommendations are converted into practical scenarios for expanding existing programmes and services or introducing new benefits. The cost of implementing the scenarios is estimated and projected over a 10 year period using a costing tool developed by ILO and known as the Rapid Assessment Protocol (RAP).

#### From Step 1 to Step 2

SPF objectives	Existing SP provisions	Planned SP provisions (2014-2015)	Policy gap	Implementation issues	Recommendations
Health					
Children					
Working-age					
Elderly					

There are 2 types of recommendations

Recommendations to introduce new SPF benefits, increase benefit levels, extend target group coverage

We can estimate the cost

Qualitative recommendations on administrative structures and processes, targeting and registration mechanisms, introduction of a social insurance scheme, tax reform, improvement in quality of services

We need to conduct further studies

#### Designing scenarios

Scenarios for "elderly":

Recommendation	Scenario
Recommendation 1: Increase coverage of the voluntary SI scheme among	Scenario 1.1: Introduce a subsidized contribution by the government, 25% of contribution paid by the target insured person (all herders, self-employed and informal economy workers, irrespectively of their level of income)  Scenario 1.2: Introduce a subsidized contribution by the government, 50% of the contribution paid by the target insured person (idem)

## 4. Presentation of the Assessment matrix



**Mr. T. Batsukh**, National consultant, introduced his consultations findings on policy gaps and implementation issues of Mongolian existing social protecting schemes. He concluded, however, Mongolia has number of SP schemes in comparison with its population and the Asia pacific regions, but there are considerable gaps in the system:

- Informal economy workers (included herders in rural areas) still not protected or excluding from social security scheme. Current SP schemes are not sufficient their employment specific
- There is not sufficient linkage between the ALMPs programmes and Social Security programmes
- Low qualities of social services
- Need to change key parameters of current Social insurance pension scheme
- Need to introduce efficient service delivery infrastructure in order to increase SP coverage and accessibilities

### Guarantee 1: HEALTH

#### Policy Gaps:

- **Social health Insurance package** is relatively low /25.1%/ Vs. Central Government Budget Package
- **Out of pocket payment:** increased to 41 %  
**Governance :** Fragmented, overlapped not clear functions among MPDSP and MOH
- **SHI organization:** No legal environment for the HI office to carry out responsibilities of an active purchaser such as studying the needs of the insured, defining the health care services, selecting health care providers and negotiating prices and tariffs of health care services;
- **Service package:** SHI package does not completely cover service needed by insured leading to situation where the insured need to pay for the service that are omitted.
- **Customer satisfactions:** poor chooses, lack of services of customer's demand  
**Equity:** There is big difference of monthly contribution amount between Mongolian nationals and non-nationals

#### Implementation issues:

- **Coverage:** The coverage of HI decreasing from 98% to 92% in last 2 years due to the fact that herders, students and unemployed were subsidized by the Human Development Fund (HDF) by one time measure for their contribution fulfillment.
- **Collect contribution:** the current SI system is not effective in collecting HI contributions from the informal sector and herders
- **Benefits:** Free Diagnostic services and checkup testing benefit (56,000 MNT each case+80,000 MMT for bonus once in a year) is adequate, but there is very limited beneficiaries due to insufficient service delivery and poor accessibility of public hospitals. Private hospital Diagnose centers not contacted with SHI Fund.
- **Service quality control:** Health care complaint system does not work properly If the grievance is not addressed in a way which satisfies a consumer
- **SHI Fund:** Huge positive balance (equal to 95.3% of the annual HI fund revenue in 2012) between the HI fund revenue and expenditures, but the health needs of the population are not fully met;

### Guarantee 2: CHILDREN

#### Policy Gaps:

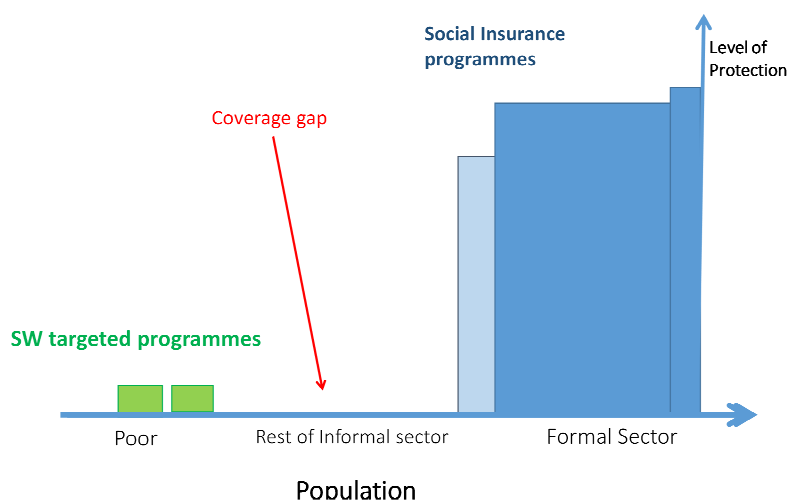
- **Universal Child Money Programme (CMP)** is not evidence based: often based on political decisions
- **CMP benefit Level:** not adequate for school attendance: uniform and textbooks
- **The level of SI pension:** benefits adjusted in ad-hoc manner, no indexation
- **Accessibility:** Enrollment increased across the kindergartens thanks to free meal measures, but these enrollment increases generally not among children from low-income households. Lack of schools and kindergartens, and poor infrastructure and services
- **Nutrition Adequacy:** Kindergarten meal normative is still low
- **The definition of invalid children** does not meet the requirement of inclusions (medical, social, ... e.g.) where number of children cannot access to services and benefits entitled by SP legislations
- **Water sanitation and hygiene (WASH)** and sufficient sanitary installation for children also being considerable issue

#### Implementation Issues:

- Required supporting documents violation of CMP ( to loss birth certification and parents ID) is the main complication issue in rural area.
- 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

## 4. Presentation of the Assessment matrix (continued)

### Guarantee 3: Working age



#### Policy Gaps:

**Insurance Policy:** Contribution collected on a monthly basis, which is not adapted to the seasonality of herders' incomes.

**Benefits:** Relatively low-level of benefits, short duration and restrictive eligibility criteria create disincentive to enroll SI scheme.

#### **Occupational disease and Working injury:**

Disability allowance for temporary incapacity: the amount is very low (almost three times lower than ILO/C121)

**Maternity:** Voluntary Social insurance offers lower benefits although contribution rate is the same as Mandatory Social insurance maternity benefit. Maternity benefits period (4 months) is much shorter than the one provided by Social assistance benefits (10 months).

**Unemployment benefits:** the requirement that workers have contributed for at least two years (including the 9 continuously months immediately preceding their job loss) to be eligible for benefits is too strict and causes many who lose their jobs to fail to qualify for any unemployment insurance benefit, and poor linkages with employment promotion programmes

**Disability pension:** Shortcoming in the level of benefits (level adjusted in ad-hoc manner, no indexation), however duration is generous enough,

**Linkage:** Employment promotion programmes (EPPs) having poor linkage with Social Insurance scheme

#### Implementation issues:

The level of SI contribution is affordable and minimum wage representative of herders income (at least minimum wage= one sheep per year for herders), but low registration to voluntary DUE TO:

**Coverage:** Very low coverage, mostly young people, herders and self-employed not interested, although it includes maternity protection.

**Evasion:** The average wage reported by the National Statistical Office (NSO) is significantly higher than the average wage declared for paying Mandatory social insurance contributions, shows that employers are evasion their contribution responsibilities.

**Accessibility:** Herders hardly visit once a month the soum center due to remoteness, animal husbandry care and their income shortness.

**Contribution schedule:** It is not appropriate or unmet rural populations income cycle and life style features. Herders' income streams depend on highly seasonal events like cashmere and milk or live animal sales, and their demand for cash is also highly seasonal. Herders only have opportunity to have cash only 2 times in a year which during the spring for cashmere and early December for meat preparation.

**Lack of information** on procedures, especially among the young people.

## 4. Presentation of the Assessment matrix (continued)

### **Guarantee 4: ELDERLY**

#### **Policy gaps:**

**Coverage of OA pension voluntary scheme:** Very low coverage, mostly young people, herders and self-employed not interested

**Funding:** The DB pension system currently operates on a PAYGO basis, however the fund is currently in deficit and projections show that these deficits are likely to grow in the future, even after considering the impact of the 1999 (Individual Pension Account or NDC) reform.

**Indexation:** The level of pension benefits adjusted in ad-hoc manner, no indexation

**DB vs. NDC conflict:** Problems in the parameters of the DB and NDC schemes leading to a necessary pension reform: a/ workers born post 1960 will have lower retirement benefits than workers born pre 1960. b/ Early retirement under NDC scheme those born after 1960 is also will be lower than the benefits of those who work to the normal retirement age.

**Level of benefits:** inadequate level of pension to be paid under the individual account system, low retirement age that provides low level of benefits, in particular for women.

**Equity:** Benefit level is higher under mandatory Social insurance than if the person has contributed at minimum wage, the minimum pension the person will get 75% of mini wage (mini pension is 45% of mini wage).

**Equality of treatment:** Unequal retirement age between men and women.

#### **Implementation issues:**

**Accessibility:** Herders hardly visit once a month the soum center.

**Military pension:** The military pension (very generous) is managed by the Social Insurance fund, which creates confusion with the other pension funds, need to separate the pension funds and management

**Governance:** absence of periodical actuarial reviews, low administrative capacity and insufficient infrastructures.

**Service:** The reimbursement list of social assistance services is need to update. Some prostheses and orthopedics facilities and other goods and services are not included in that list.

**Targeting criteria:** SA Fuel compensation (coal and firewood) supply procedure is not sufficient for elderly people aged over 80.

## 5. Supporting Presentations



**Ms. Yu.Otgonbileg**, Head of the Social welfare Division, introduced the feedback presentation on behalf of MPDSP. She noticed that the key findings of design gaps and implementation issues were reasonable, but some of findings need to clearly define on the matrix. She also gave feedback on the preliminary recommendations provided by national consultant.

### Working Age Population

#### Recommendation 1:

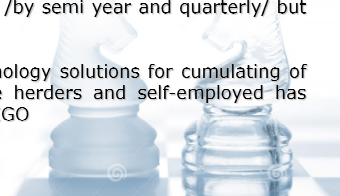
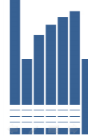
**The Government Action plan (150.3) has noticed:** " Introduce specific pension fund and programmes dedicated to the herders, self-employed and informal sector workers"

**MPDSP is seeking sufficient ways to ensure Herders and Self-employed workers social protection .**

#### Recommendation 2:

SI policies /contracts / for herders and self-employed is already modified to their specific needs /by semi year and quarterly/ but still having low coverage

Directions to the efficient technology solutions for cumulating of contribution payment from the herders and self-employed has been given by Minister to the SIGO



**Ms. D.Norjmaa**, Officer, Informal sector employment, ALMP Department, provided the feedback presentation on behalf of MOL. She informed that all of Employment promotion programmes(EPPs) are still very new (since Jan 2013). However, the MOL already started making changes for these 8 programmes based on short term(6 month) review .

#### The general reversal of the Employment Promotion Programmes

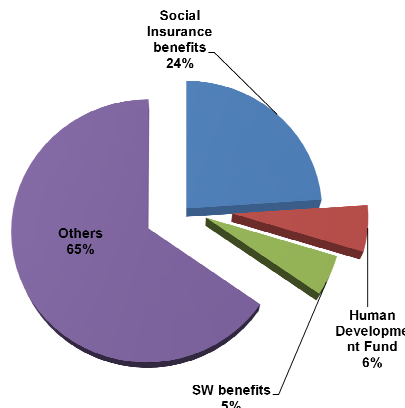
Existing EPPs	Changes	Proposals
1. Employment Promotion Programme for Self employed, cooperatives and small businesses	Keep and expand	1. Supporting Entrepreneurship Programme
2. Employment Promotion Programme for Herders	Keep and to ease qualifications	2. Employment Promotion Programme for Herders
3. "Inhabited Mongol" Programme /Public Work/	Keep and expand	3. "Inhabited Mongol" Programme /Public Work/
4. Employment Promotion Programme for Disability	Keep and expand	4. Support job places for disability person Programme
5. "Preparing to Employment" Programme	Combine and expand	5. "Preparing to Employment" Programme
6. "Conduct Employment Training Programme		6.a -Employment promotion Programme for people aged over 40 6.b Employment promotion Projects for senior people
7. Employment Promotion programme for aged over 40 and senior citizens	Split and expand	Ongoing measures need to shift other EPPs
8. 'Support for Employers' Programme	Dismiss	7. Youth employment promotion programme
	New	



**Ms. V.Rentsenkhand**, Social security Budget officer, Government Expenditure Division, informed current fiscal space of Social protection on behalf of Ministry of Finance. She provided the current situation and medium term projections of SP fiscal space. She also expressed Ministry's interest to involving SP ABND costing exercise.

### Expenditures of Social Security in 2014

#### Total Recurrent expenditures (2014)



Exp. items	Billion MNT
Total recurrent	5,326.3
Of which (social transfers):	
Social Insurance Funds	1,275.8
HDF (child money programme)	306.6
Social welfare fund	266.8



## 6. World Café

World café (the participants stay 30 min in each café and turn from one café to the other) discussion organized by four Guarantees in the afternoon session of the Workshop. The aim of these discussions were to complete the assessment matrix with key recommendations, especially describe extension of coverage to uncovered population and new SP measures to be introduced in order to reach at least the social protection floor for all the population.



## 7. Stakeholders' recommendations for each guarantee

### Recommendations for Health Guarantee:

- H1.** Increase SHI contribution for category II and IV.
- H2.** Allow option for herders to pay SHI contributions twice a year adjusting better to the seasonality of their income. Since, provide an incentives to use the power of local NGO's, small businesses and mobilized merchants those who collect/buy cashmere, wool and meat in rural areas
- H3.** Increase the list of subsidized medicine, those reimbursed at 80% based on current list review.
- H4.** Reinforce monitoring role of the SHI offices in ensuring quality of health care services.
- H5.** Increase yearly ceiling of health care package for elderly people aged over 70 (linked to recommendation E4).
- H6.** Develop methods to determining SHI contribution rate for category II, III and IV (SIGO representative says that minimum wage based method is maybe one of possible option)
- H7.** Transfer primary health care services, especially soum hospital and family health centers funded by Government budget into SHI benefit package in order to expand SHI coverage those who uninsured.
- H8.** Activate Sub National SHI Committee's functionalities at all level (each aimag also has SHI subcommittee under the Sub National SHI) which has ineffective activities.
- H9.** Create health care service control system which available to monitoring with insured participation.
- H10.** Finance private diagnostic laboratories from SHI fund in order to decentralizing diagnostic services in public hospitals and improve accessibility of services to the beneficiaries.
- H11.** Some of the expensive health care services, for instance, surgeries, diagnostic testing and prosthetics should be financed by SHI Fund.
- H12.** Establish minimum guarantee of health care service by the State but not only limited primary health care services as family health centers.
- H13.** Prosthetic facilities for disabled and elderly from the Social welfare fund also should finance by SHI fund.

### Recommendations for Children Guarantee:

- C1.** Index the Child Money Programme benefit (MNT 20,000/month) to the consumption price index (CPI).
- C2.** Combine and improve income support and social inclusion programmes for children with disability, through the development of activities and services adapted to them, in particular ensure access to kindergarten and pre-school education.
- C3.** Increase and index the meal allocation in kindergarten and pre-school to the CPI.
- C4.** Increase the number of kindergartens to ensure that the remaining 25% (among vulnerable groups) can also access to these education services.
- C5.** Increase SI survivor benefit level to the CPI
- C6.** Alleviate qualifications of benefits focused to the single mothers or fathers with many children
- C7.** Provide textbook and school uniform compensations to children of low-income families
- C8.** Provide jobs to parents whose children involved in worst forms of child labour.
- C9.** Introduce different meal tariff for dormitory students depending on their age specific
- C10.** Improve and ensure environments for development and right to education of the herder-families children.

## 7. Stakeholders' recommendations for each guarantee (continued)

### Recommendations for Working Age Guarantee:

- WA1.** Maternity benefits: increase replacement rate for maternity benefits under voluntary SI scheme to 100%, at the same level as maternity benefits under mandatory SI scheme; increase duration of benefits (6 months).
- WA2.** Unemployment benefits: Bring more flexibility in qualifying conditions: 9 months in the last 24 months, to improve protection of workers holding short term contracts; increase the duration of benefits up to 6 months; improve linkages with employment promotion programmes (EPP).
- WA3.** Open option to pay the voluntary SI contribution twice a year to follow seasonality of herders' income (or to allow more flexibility, pay once a year); provide more flexibility in paying back unpaid contributions (applies also to SI Pension Fund and SHI contributions. linked to recommendation H2)
- WA4.** Introduce SI registration as a condition to benefit from the eight EPP.
- WA5.** Develop young herders-targeted EPP, linking better with vocational training and registration to SI (most of beneficiaries of the eight EEP are living in urban areas).
- WA6.** Reinforce employment promotion services, in particular career/employment/training counselling, vocational training and entrepreneurship counselling, notably for youth (too much focus on delivering loans and financial grants).
- WA7.** Develop EPPs focused on more local governments' initiatives or fitting their specific needs
- WA8.** Carry out a study for the possibilities to select the type of social insurance by mandatory based insured person.
- WA9.** Promote the participation of private insurance and social service providers in order to decentralize current state authority based SI and SA monopoly scheme. (Especially health insurance)
- WA10.** Create new scheme which could be promotes growth of the targeted groups (incubation) in via those EEPs able to performed by civil society organizations. (For instance, psychological counselling service for disabled persons)
- WA11.** Support and encourage self-employment and entrepreneurships for persons with disabled
- WA12.** Consider to social issues of workers who serving as of correctional services. There is may be some of forced labour elements.
- WA13.** Increase SI Maternity benefit level and periods. Maternity benefit terms should be at least 6 month.
- WA14.** Government /or employer/ should pay SI contributions (excluding HI) for mothers those who looking after her baby until 3 years old.
- WA15.** The compensations by employers to the employees' damage caused by work injury and occupational diseases in accordance to the Labour Code (article 97) should be allowed every year (current law says one or more times that is not clear)
- WA16.** Modify current unemployment application procedure. Unemployment benefit application period should be maximum one month (currently, 14 working days)
- WA17.** If business entities and organizations do not employ disabled persons at the level specified in Labour Code (Article 111: disabled persons shall be employed not less than 3 percent of its total staff by companies having more than 50 employees), they should pay a monthly payment not less than equal to three times of minimum wage standard for each vacancy they should have employed

## 7. Stakeholders' recommendations for each guarantee (continued)

### Recommendations for Elderly Guarantee:

**E1.** Revise the SI pension parameters to adjust retirement age **between** men and women.

**E2.** Introduce a three pillars pension system: Pillar 1: universal minimum pension; Pillar 2: Contributory SI pension (voluntary and mandatory); Pillar 3: Complementary individual saving accounts.

**E3.** Develop a long term care and support system for elderly (that might have a positive impact on youth employment creation): nursing houses and programmes promoting elderly's participation in social work (e.g. child care) and short term assignment (e.g. doctors, herders' know how).

**E4.** Provide a comprehensive benefits package for poor elderly (age and means targeted): housing benefits, fuel allowance, increased health care package (see recommendation H5), and the minimum pension provide by the new old-age pension system.

**E5.** Recommendation WA3

**E6.** Other benefits than HI contributions and child money programme by Human development Fund subsidies are terminated since 2012, so there should not use as "HDF" furthermore (or replaced by Government budget )

**E7.** Create incentive mechanism for stable SI contribution payments by herders and self-employed. For example, if herder man was continuously paying for 5 years of his SI contribution, then 6<sup>th</sup> year contribution may be discharged.

**E8.** Recommendation in the matrix: "Need to eliminate the criteria of fuel supply aged over 80" should be eliminated from the matrix