



MONGOLIA

SOCIAL PROTECTION SECTOR FACT SHEET

Due to persistent economic volatility, limited diversification, internal migration, and rapid urbanization, Mongolia currently faces rising inequality, expanding informal sector employment, and increasing vulnerability. This requires continuous focus on further improving the country's social protection and welfare system. Asian

Development Bank (ADB) has supported the social protection sector in Mongolia for the past 20 years and has helped to build its foundation. Through a mixture of programs, projects and technical assistance (TA) the bank also helped mitigate the adverse impacts of economic crises, ensure fiscal sustainability, develop

welfare systems, and improve social protection services and service delivery. To date, ADB assistance to Mongolia's social protection sector amounts to \$238.19 million comprising five loans of \$221.97 million, three grants for \$12.94 million, and five TA projects for \$3.28 million.

SOCIAL PROTECTION DEVELOPMENT

ADB has supported government policies to reduce unemployment, provide essential social welfare and insurance services for those incapable of working, and provide social insurance services to support working people at risk of falling into poverty. The bank's assistance aimed to improve services through strengthening government capacities and developing the systems for nongovernment organization delivery of social welfare. ADB also helped the government establish the first one-stop centers for all social protection (insurance, welfare, employment, etc.) and develop community-based services.





SOCIAL SECTORS SUPPORT DURING ECONOMIC CRISES

The global financial and economic crises in 2009 and 2015 had immediate and very negative fiscal and economic consequences for Mongolia and compromised the government's social spending. In close coordination with other international donors, ADB provided loans, grants, and TA projects aimed at stabilizing the economy and protecting social sector expenditures. Through specific short-term policy measures, ADB-financed programs helped reduce poor households' out-of-pocket health care

and education expenditures, increased micronutrient consumption, ensured adequate targeting and expansion of the food stamp program, supported the fiscal adjustment necessary for economic stabilization program, and helped to ensure that the budget for social sector expenditures remained adequate. At the same time, the policy measures improved the long-term sustainability of social expenditures through better targeting and consolidation of social welfare transfers.

SUPPORT FOR ELDERLY PEOPLE AND PERSONS WITH DISABILITIES

An overwhelming majority of persons with disabilities (PWD) in Mongolia are unemployed, live in poverty, and lack access to adequate healthcare and social services. Through its loans, grants, and TA projects, ADB aimed to improve government capacity to develop employment opportunities and integrate PWDs into the education system, develop

employment-related skills, and raise public awareness about their potential to participate productively in the workforce. ADB has also helped the government rehabilitate facilities for elderly people and develop nursing home management capacities, rehabilitate the national hospital, and support the prosthetics department.



STRENGTHENING THE SOCIAL INSURANCE AND PENSION SYSTEM

ADB helped the government review pension policies and practices, develop plans for pension reforms, review legal frameworks and legislative acts, and strategize further social insurance and pension reforms. The bank provided financial and TA resources to improve the social insurance information system policies, and upgrade its software and infrastructure.

FOOD AND NUTRITION SOCIAL WELFARE SUPPORT

Mongolia has limited capacity for food production, is prone to natural calamities such as dzud (very cold and snowy winters that cause high numbers of livestock loss) and is highly dependent on imports for its food supply. During the 2008 global food and fuel crisis, the country experienced the highest food inflation in all of Asia. As a response, ADB provided program and project grants to design and implement a targeted food stamp program that would protect the most vulnerable, strengthen systems in the sector, and establish early detection and rapid response mechanisms for similar emergencies. The evaluation of the program revealed that it has had a significant impact on ensuring dietary diversity of beneficiaries, reducing food insecurity, and reducing negative coping strategies. The program is now fully owned and implemented by the government, and was expanded in 2015 in response to economic instability.



MONGOLIA: ADB Operations in Social Protection

(as of 31 December 2016)

Project Approval No.	Project Name	Net Amount	Milestone Dates		
		(\$ million)	Approved	Closed	
Loans					
1.	1836	Social Security Sector Development Program (Project)	4.34	28 Aug 01	9 Oct 09
2.	1837	Social Security Sector Development Program (Program)	5.66	28 Aug 01	22 Nov 07
3.	2523	Social Sectors Support Program	43.87	24 Jun 09	30 Sep 12
4.	3086	Additional Financing of Food and Nutrition Social Welfare Project	18.10	10 Dec 13	30 Nov 17
5.	3297	Social Welfare Support Program	150.0	29 Sep 15	30 Jun 17
Subtotal			221.97		
Grants					
1.	9014	Expanding Employment Opportunities for Poor Disabled Persons	0.94	1 Apr 02	31 Dec 06
2.	0137	Food and Nutrition Social Welfare Project	3.00	10 Dec 08	5 Jan 15
3.	0138	Food and Nutrition Social Welfare Program	9.00	10 Dec 08	30 Jun 13
Subtotal			12.94		
Technical Assistance					
1.	2252	Strengthening Social Insurance	0.09	20 Dec 94	31 May 98
2.	2978	Social Safety Net	0.99	31 Dec 97	31 Aug 05
3.	7300	Strategic Capacity Development	0.70	24 Jun 09	30 Jun 11
4.	8544	Supporting Social Protection Reforms	0.50	10 Dec 13	30 May 17
5.	8850	Ensuring Inclusiveness and Service Delivery for Persons with Disabilities	1.00	12 Dec 14	30 Sep 16
Subtotal			3.28		
TOTAL			238.19		



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