

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The Asian Development Bank (ADB) has been the largest external financier providing assistance to Mongolia's social protection sector for over a decade, with a focus on reform of the social welfare and insurance systems, and the labor market. World Bank has been involved in the sector through analytical work and has cooperated closely with ADB in reforming the social welfare sector. The World Bank also engages in reforming the pension system to shift from a single-layer, pay-as-you-go contributory system to a multilayer pension system. The United Nations agencies support the sector in line with their respective mandates: (i) the International Labour Organization is promoting employability for rural youth; pension coverage for herders, the self-employed and informal economy workers; and building of a social protection floor; (ii) the United Nations Population Fund is providing support to develop the sector's population policy and youth development; and (iii) the United Nations Children's Fund works on child issues and promotes family development. Beginning in 2011, German development cooperation through GIZ has assisted in strengthening social health insurance.

Major Development Partners

Development Partner	Project	Duration	Amount (\$ million)
A. Social Welfare			
Asian Development Bank	Food and Nutrition Social Welfare Program and Project	2008–2013	Program: 9.0 Project: 3.0
World Bank	MSTA: Component B. Supporting Government Efforts to Better Protect the Poor	2011–2014	3.2
B. Social Insurance			
World Bank	MSTA: Component F. Initiating and Supporting the Pensions Reform Agenda and Developing Policy Options	2013–2014	0.3
German International Cooperation	Reform of the Social Health Insurance Project	2011–2013	1.7
C. Ministry of Population Development and Social Protection			
UNFPA	Youth Development Project jointly funded by UNFPA, the Swiss Agency for Development and Cooperation, and the Government of Mongolia	2013–2017	11.0
International Organization for Migration	Strengthening the Management of Labor Migration and Counter Trafficking in Mongolia	2012–2013	0.1
International Labor Organization	Extending Social Protection through Youth Employment Promotion and Social Security Pension for Herders the Self-Employed and Informal Sector Workers in Mongolia	2014–2015	1.8
United Nations Children's Fund	Various Child Friendly interventions including household Development Program	2012–2016	4.2

MSTA = multisectoral technical assistance project, UNFPA = United Nations Population Fund.
Source: Ministry of Population Development and Social Protection, Foreign Cooperation Division

B. Institutional Arrangements and Processes for Development Coordination

2. The Ministry of Population Development and Social Protection has not established a formal development coordination mechanism. In 2012–2013, development partners have been

invited to attend a series of national forums to formulate a comprehensive population development and social protection policy. These included forums on social insurance, social welfare, the elderly, people with disabilities, and youth, and a national consultation on child protection. The United Nations agencies convene a social protection thematic group, to which other development partners and government representatives are invited.

3. The Social Security Sector Strategy and its accompanying action plan, approved by the Cabinet in 2003, provided a 10-year development strategy for the social protection sector, including social welfare, social insurance, and employment services. The strategy was intended to provide guidance for investments and policy reforms in the social protection sector. Overall, many aspects of the plan were pursued, but reforms and achievements fell short of expectations because of a lack of resources and conflicting political agendas. The additional financing of the Food and Nutrition Social Welfare Project aims to update the Social Security Sector Strategy through a highly participative process with key stakeholders—including development partners—within the first 2 years of project implementation. This will serve as a thematic-based coordination mechanism. The coordination between the Social Security Sector Strategy and the Comprehensive Population Development Policy supported by the United Nations Population Fund will be further discussed with the Ministry of Population Development and Social Protection.

4. In July 2012, the newly elected government published the Government Action Plan (2012–2016). The social protection program includes measures to improve social welfare (through better targeting of benefits, and improvements to the old age pension paid under social welfare); strengthen social insurance (by introducing a multilayer pension system); support youth (through rehabilitation of centers for disabled children, and introduction of a universal cash benefit for all children); seek private sector investment in elderly care; and improve infrastructure to provide assistance to disabled people. The Government Action Plan will guide short- to medium-term development of the social protection sector and serve as a coordination mechanism for partners.

5. The project will closely cooperate with the World Bank-supported multisectoral technical assistance project on improving information technology processes and systems for social welfare, further institutionalize the proxy means test, and provide capacity building to social workers and staff of the General Office for Social Welfare Services. The project will also collaborate closely with the United Nations agencies on the formulation and implementation of a social protection floor. Activities started under GIZ on improving health insurance information technology systems, including claim processing, will be continued by the project.

C. Achievements and Issues

6. Development partner coordination in the social protection sector is largely informal, because the limited resources do not require extensive coordination. The planned update of the Social Security Sector Strategy will be an opportunity for joint policy dialogue by government, development partners, and nongovernment organizations to address overarching issues in the sector, such as (i) the substantial need for capacity development as a result of high staff turnover, the introduction of new technology, and lack of investment; and (ii) limited capacity for evidence-based and gender-sensitive policy analysis and development, including poor data analysis.

D. Summary and Recommendations

7. The planned updating of the Social Security Sector Strategy under the project is an opportunity to bring all development partners, civil society, and government together to define social protection reforms for the next decade. The Ministry of Population Development and Social Protection is expected to play a coordinating role to ensure effective development and implementation of social protection policies in Mongolia.