

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ECSS

TA No. and Name: 3709-MON: Strengthening Policy for Social Security Reform			Amount Approved: \$600,000	
			Revised Amount: n/a	
Executing Agency: Ministry of Social Welfare and Labor	Source of Funding: TASF		TA Amount Undisbursed \$70,218	TA Amount Utilized \$529,782
Date			Completion Date	
Approval 28 Aug 2001	Signing 13 Nov 2001	Fielding of Consultants 1 Apr 2002	Original 28 Feb 2002	Actual 31 Dec 2004
			Closing Date	
			Original 31 Dec 2003	Actual 22 Jun 2005
Description				
<p>The advisory Technical Assistance (TA)¹ was intended to address the shortcomings in social security services in Mongolia which arose from the absence of a comprehensive policy and planning framework for medium and long-term development and financing for the sector. With the lack of a comprehensive approach the sector suffered from inefficiencies caused by short-term, <i>ad hoc</i> and often uncoordinated planning processes. The TA was also designed to address the urgent need to mobilize additional resources for social security. Reflecting their socialist origins, social security services in Mongolia were universal in nature, without specific targeting or prioritization of poor or vulnerable groups. Service delivery relied overwhelmingly on the public sector, with little provision made for any private or civil society involvement. Policy development was hampered by uncoordinated interventions by different development agencies.</p>				
Objectives and Scope				
<p>The objective of the TA was to assist the Government in the development of a comprehensive Social Security Sector Strategy (SSSS) comprising policies and strategies designed to establish an efficient social security sector appropriate to a market-oriented economy. The TA was intended to support the Government of Mongolia, and the Ministry of Social Welfare and Labor (MSWL) in particular, to develop a comprehensive framework for the medium and long-term development of the social security sector. It was also intended to render support for mobilization and coordination of internal and external resources for financing of the social security sector.</p>				
<p>The TA had the following four components: (i) development of legislative and policy frameworks for the social security sector; (ii) support for institutional organization of the sector including reforms to MSWL; (iii) development of an overall SSSS for 10 years as well as the first rolling three-year plan of action for implementing it; and (iv) development of the following strategies and mechanisms that will feed into the overall social security sector master plan (a) social assistance benefit delivery and eligibility; (b) community-based social service delivery; and (c) community-based social worker system.</p>				
Evaluation of Inputs				
<p>The Executing Agency was MSWL, which demonstrated strong ownership of the TA and effectively discharged all its commitments under the TA agreement, and exceeded substantially its expected inputs in developing the master plan.</p>				
<p>MSWL was assisted in TA implementation by 18.7 person-months of international (against 19 planned) and 31.5 person-months of domestic (against 30 planned) consultants engaged by the National Research and Development Centre for Welfare and Health (STAKES) of Finland. The quality of consulting team members varied greatly. Their performance was marked by poor team leadership, insufficient coordination with MSWL and other stakeholders, and low flexibility in responding to ADB and MSWL requests. Their utilization of local consultants was not always efficient, with specialists used largely for support functions. There was an initial delay in fielding the social insurance specialist, and on MSWL's proposal, the consultant recruited a local expert to commence preparatory activities.</p>				
<p>ADB fielded review missions to support TA performance. At ADB's request, the consulting firm replaced the team leader. In addition, ADB and MSWL agreed to utilize savings under TA 2978-MON Social Safety Net to supplement TA work in the critical areas of social insurance and social assistance/welfare, and in policy development. Individual consultants were brought in and worked closely with MSWL in updating the sector diagnostics.</p>				

¹ Loans 1836/1837: *Social Security Sector Development Program*, approved on 28 August 2001 for \$12 million.

Evaluation of Outputs

The TA team conducted a number of studies that were designed to provide the diagnostic underpinning for the SSSS, including : (i) labor market and employment services; (ii) poverty impact assessment; (iii) organization, management and policy coordination in the social sector; (iv) review of the capacity of the private sector and NGOs to participate in social security provision; (v) social assistance and social services; (vi) social legislation, administration and management review; and (vii) social insurance. The value of the studies, however, was limited as they were substantially delayed and translations into Mongolian were made available only several weeks after the English versions were finalized. This limited the scope for internal review and discussion. According to MSWL the studies yielded little new information, as they had been sourced primarily on government documentation. In addition, they focused overwhelmingly on rural issues, whereas a greater regard for urban issues was desired by MSWL. Without adequate upstream consultation with MSWL or other stakeholders on scope and purpose, there was little MSWL ownership of the studies and their conclusions. On receiving advice from ADB and MSWL, the consultant made substantial efforts to improve the studies – including a change of personnel in the team – but the utility of the studies was hampered by the substantial delays and relationship difficulties between some team members and MSWL counterparts. The conclusions and recommendations of the studies were, therefore, largely ineffective.

The principal output of the TA was the SSSS itself, which would also form the basis of the social security components of the National Poverty Reduction Strategy (NPRS). MSWL took the decision to draft the SSSS itself, and involved the consultant mainly on social assistance/welfare, where the quality of work was considered satisfactory. Individual international consultants financed under TA 2978-MON assisted in the development of other elements of the SSSS.

In agreement with MSWL and ADB – and in lieu of the draft SSSS - the consultant prepared an independent reform proposal as a resource for personnel working on the SSSS. Subsequent work was focused on finalizing the studies and the draft reform proposal and further advisory work in finalizing the SSSS, with focus on social welfare/assistance sections. Principal issues for follow-up included (i) reform of criteria for defining disability; (ii) developing community-based social services; and (iii) developing social work services.

The eventual SSSS was adopted by the Cabinet of Ministers and is now the formal social security policy of Mongolia. As agreed it also provided the basis for social security elements of the NPRS. Extensive MSWL involvement ensured strong 'buy-in' and ownership and the adoption of the SSSS can be considered successful.

Overall Assessment and Rating

The TA is rated as partly successful. The TA design was relevant. The performance of the MSWL was highly satisfactory. The ADB's performance was satisfactory. Expected outputs, especially the SSSS, were achieved and adopted with some success. These were achieved, however, largely due to MSWL's own efforts and due to the assignment of additional consultants under TA 2978-MON to support the SSSS's development.

Major Lessons Learned

A major lesson learned from the TA was the importance of strong Government ownership and close cooperation between the TA and key stakeholders from the start of TA implementation. The comprehensive nature TA required a team leader and its members with strong technical and administrative skills. This was envisaged, but did not materialize.

Recommendations and Follow-Up Actions

The SSSS provides a solid platform for social security reform and development in Mongolia. The Government is undertaking several reforms based on SSSS on its own and with support of L1836/37-MON: Social Security Sector Development Program. To reinforce its implementation, the Government should ensure that activities under L1836/37-MON correspond closely with the priorities of the SSSS. In addition, the Government should promote the application of the SSSS as the single framework for external assistance. ADB should undertake regular monitoring of progress in SSSS implementation.