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# Food Stamp Program Focuses Aid on Poorest Families in Mongolia

Mongolia is now better able to identify and assist the poorest people in the country.

**MONGOLIA**  
**FOOD AND NUTRITION SOCIAL WELFARE**  
**PROGRAM AND PROJECT**

Approved: December 2008  
Closed: June 2014

**ADB**

**PROJECT RESULTS**

- MORE THAN 120,000 PEOPLE**  
are no longer undernourished
- THE PROGRAM TARGETED**  
the country's poorest 5%
- BY FREEING UP INCOME,**  
the program has allowed families to send children to school
- MORE FRUITS AND VEGETABLES**  
are eaten by beneficiaries of the program

Mongolia is now better able to identify and assist the poorest people in the country.

Namjilsuren Gombo and her five daughters live in a simple ger—a traditional oneroom tent home—along a hardscrabble mountainside on the outskirts of the Mongolian capital city of Ulaanbaatar.

With an 8th-grade education, and no husband, 42-year-old Namjilsuren has struggled for years to take care of her daughters with her meager income. Some months, just keeping them fed meant giving up other necessities.

"Sometimes we did not have notebooks for them to use in school," she recalls. Adding later, "There were times before when I used to cry because I felt helpless."

These days, life is better for Namjilsuren and her five daughters. They have been enrolled in a government food stamp program, which is a welfare benefit that helps them to buy enough flour, rice, and other basic commodities to get them through the month. Using the stamps to cover food expenses frees up money to spend on other necessities.

"It means we get to satisfy our daily food consumption needs," she says. "With full stomachs, the children are much happier going to school and their grades have improved. They never miss school, they are better fed, and they have something to wear. They are happy attending their classes."

Namjilsuren and her five daughters benefited from the Food and Nutrition Social Welfare Program and Project, a partnership between the Government of Mongolia and ADB.

The project was launched to help the government provide assistance to the country's poor and vulnerable people in response to global food and fuel crisis in 2008. When food prices spiked in May 2008, inflation in Mongolia reached 33%, the highest rate of all Asian countries. The country was importing almost 80% of its food. Poverty at the time stood at 33% of the population, and in poor households about 70% of the budget was spent on food.

The government first reacted to public demonstrations about high food prices by raising welfare payments for all by 20%. This approach was costly, particularly because it did not channel the welfare benefits to the poorest. Through the project, the most vulnerable households were identified. Being able to target assistance enabled the government to help those who were most in need while also helping contain the government's ballooning welfare expenditure.

## Finding the poor

The Food and Nutrition Social Welfare Program and Project helped the government create a food stamp program that carefully targeted the poorest and most vulnerable 5% of the population. This was the first time in Mongolia that poor families nationwide were systematically identified. Food stamps represent about 10% of average monthly spending in these households.

**"The project helped to create a safety net, ensuring food consumption and nutritional levels for the poor."**

Wendy Walker, a principal social development specialist at ADB

"The project helped to create a safety net, ensuring food consumption and nutritional levels for the poor," says Wendy Walker, a principal social development specialist in ADB. "The impact evaluation of the project found that the most significant impacts have been ensuring food security and dietary diversity for households, improving self-esteem, and reducing negative coping strategies such as having to borrow money from others to pay for food."

The project designed and conducted a nationwide household survey that identified the country's poor. The resulting database has become an important tool for poverty targeting, which can be used for other social programs.

"It was a very effective project," says Otgonbileg Yura, head of the Welfare Division in the Ministry of Population Development and Social Protection. "With the implementation of this project, we were able to deliver social welfare services based on the actual living conditions of the population. In other words, social welfare is becoming now more targeted, reaching the most vulnerable and poor households."

Dorjderem Sanjaasuren, a senior officer in the Department of Social Welfare Policy Implementation, agrees.

"The project laid the groundwork for correctly identifying households and citizens who are in dire need of social welfare assistance, put in place a household living standard database, and provided a platform for gaining experience and expertise," he says.

The food stamp program was officially adopted as a government social welfare benefit in 2012, and is now fully supported by the state budget. The program ensured that the poorest people in the country do not become malnourished or hungry. More than 120,000 people have benefited from the program, exceeding the original target of 100,000.

Lkhagvasuren Myagmarjav, a director in the Social Welfare Service Department in General Office of Social Welfare and Service, says the program has had a powerful impact on the poor in Mongolia.

"People are genuinely happy about this program," she says. "The program has really made a difference in their lives. More specifically, malnutrition was averted. According to the testimonies of citizens themselves, certain funds that would normally be spent for food purchase are now being used for other useful purposes, such as healthcare and education; this opened new possibilities for improvements in their living standards."

Many people who receive food stamps have told government officials that their children are particularly benefiting. The extra money is often set aside for their education. Because the food stamps can only be used for a specific list of 10 essential food commodities, and are most often used by female members of the household, the assistance helps to ensure nutritional impact in the household instead of being spent on other less essential items.

"The biggest advantage of the food stamp system is that they are mostly handled by female members of the household and are intended solely for buying food," she says. "This support is critical in building hope and confidence among the most vulnerable members of the society. As a result, they can play more active roles in their communities."

"Food stamps in rural areas are paper stamps that are redeemed at shops, but in urban areas they are electronic debit cards with the monthly payment automatically transferred by the bank to the card," notes Altansukh Myagmarjav, project manager in the Ministry of Social Welfare and Labor. "This makes it very easy for beneficiaries to use and for the government to manage the program."

## Going back to school

Otgonjargal Pashka is a 29-year-old social worker in the district of Songinokhairkhan, west of Ulaanbaatar. Her district is located near Naran garbage disposal point where the poorest live by foraging through rubbish for their daily subsistence. Because few have enough money for food, not to mention children's education, many children drop out of school. Children from poor families are ashamed to go to school because their parents cannot afford to buy them school uniforms or stationery. Sometimes children are thrown off buses because they lack money for bus fare.

"With the food stamps they can feed themselves," she gladly says. "The money that was used only on food items now is spent on other things."

"Girls usually feel more ashamed than the boys, so they miss their classes more often," says Erdenetsetseg Myagmarsuren, a school teacher with four students whose families were enrolled in the food stamp program. "These children really had a hard time."

"Fewer students are dropping out of school," she says. "They are now fed, dressed, mentally optimistic, and motivated. Compared to other human development programs, food stamps have no negative impact, it is mostly positive."

## Living a better life

Poor families that receive food stamps use them to buy food from the contracted shopkeepers located across the country. One of the contracted shopkeepers, in Dungovi Aimag, south of Ulaanbaatar, observes that the families who benefit from the food stamp program consume more fruits and vegetables. Thus, the quality of food and nutrition for the poor has improved.

Saintuya Lkhagva and her five children, who live in a poor area on the outskirts of Ulaanbaatar, survive on the small salary earned by her husband, who is a music teacher in elementary school.

Saintuya bought food with her husband's salary, but the family could barely get by. They lived in a trailer, using his salary to buy basic food and fuel to burn in the harsh winter to keep them warm.

The family situation has improved since receiving food stamps under the ADB-supported project. With the help of the food stamps, they could save their earnings to acquire a simple home of their own.

"You can't imagine how happy we were," Saintuya says. "Our children were very happy, happy that we would no longer be cold in the winter. Our lives have changed dramatically. Our children are more active. They are happy at school and are getting better grades now."

"The trailer was not only cold, but also very small for all of us," she continues. "There was no room for any furniture. Now we have a TV; a refrigerator; and a computer for the children, even if it's not new. Next year, things will get even better for us. We are living as a normal family."

*This article was originally published in [Together We Deliver](#), a publication highlighting successful ADB projects across Asia and the Pacific that demonstrated development impacts, best practice, and innovation.*

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