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Introducing the Graduation Approach for Shock-Responsive Social Protection and Resilience Building in Mongolia



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Snapshot of Climate Risks and Poverty

- Significant climate changes 1940-2015: warming of $> 2^{\circ}\text{C}$, decline in rainfall
- Rate of warming far higher than the global average, could exceed 5°C by the end of the century, amplifying stress on health, livelihoods, and ecosystems.
- Climate change has caused chronic drought and dust storms.
- Expected increase in intensity of extreme climate-driven hazards including harsh winters (*dzud*), heat wave, drought, and flooding

Indicator	Value	Source
Population Undernourished ⁴	21.3% (2017–2019)	FAO, 2020
National Poverty Rate ⁵	28.4% (2018)	ADB, 2020a
Share of Income Held by Bottom 20% ⁶	7.9% (2018)	World Bank, 2019

Social Welfare System: Issues & Reform Directions

- Many different social assistance benefits, mostly cash-based, also food stamps
- Government policy directions include:
 - consolidating programs to reduce fragmentation
 - better poverty targeting
 - helping people move from welfare to productive employment
 - more NGOs to deliver social welfare services

ADB Shock-Responsive Social Protection Project 1 & 2, 2020-2023

- **SRSP1**: emergency assistance to supported vertical expansion of child grants and food stamps
- **SRSP2**: continued child grant top-ups, plus new component to help strengthen shock-responsive systems (targeting, digitalization) and programs (pilot testing the graduation approach to diversify livelihoods strengthen household resilience to future shocks)



Introducing the Graduation Approach



- Builds on past government-led program + NGO pilot
- 24-month program in 3 districts of UB with high poverty concentration (Jan 2022 to Dec 2023)
- NGO implementation partner contracted by Ministry of Labor & Social Protection
- targeting verification survey to select 1,520 participants
- Service providers for market assessment, impact evaluation, media & communications
- Potential to roll out nationwide if successful

5 Key Considerations

1. Resources and staffing
2. Sustainability
3. A “revolving door” of social assistance

Graduation from poverty: implications for social protection in Mongolia

Policy Brief No. 2, September 2021

This policy brief reflects on evidence on the Graduation approach in social protection and discusses implications for scaling up such an approach in Mongolia, based on experiences with the government's National Program to Support Targeted Household Development and Protection (NPTHDP).

Key Messages

- The graduation approach has been tested in Mongolia through both NGO-led programs and the government's NPTHDP, which sought to link poor households to existing services through social welfare staff
- Respondents from a recent study perceived the NPTHDP to be relevant and comprehensive as it worked directly with targeted households. However, implementation was varied, given differences in staff capacity, stakeholder attitudes and a lack of dedicated program resources
- NGO-implemented graduation programs usually perform well because of their resource intensive nature, including dedicated staff and budgets. To be successful, government-led programs require strong multi-sector coordination and a commitment to reducing capacity constraints among staff
- Graduation is most impactful when integrated into a social protection system that offers a 'revolving door' so that households who fall back into poverty are able to access social assistance when needed
- Graduation programs should ideally be designed to support the transition of workers into the formal economy, where they can access social insurance
- Graduation programs can strengthen linkages between social assistance, labor market schemes and social insurance

What is the graduation approach in social protection?

The graduation approach works with poor households, building on a foundation of social welfare benefits with a holistic set of interventions that aim to address the multiple facets of deprivation. The ultimate objective is to gradually move households out of poverty and onto a trajectory of diversified livelihoods, improved living standards, and better resilience to shocks. The approach starts from the premise that poverty has many dimensions, so no one single intervention alone (such as education, training, or cash support) will be able to tackle poverty completely. Instead, a multi-dimensional approach is needed that starts with but goes beyond consumption support such as cash grants. Pioneered in Bangladesh in 2002 by the international development organization

This policy brief is part of a series of knowledge products on social welfare issues produced by a team of experts from Oxford Policy Management (UK), Partnership for Children (Georgia), and the Population Teaching and Research Center (Mongolia) in collaboration with Asian Development Bank (ADB) social protection specialists under the ADB technical assistance project [Building Capacity for an effective social welfare system \(TA 9893-MON\)](#) with the Ministry of Labor and Social Protection in Mongolia. The views presented here do not necessarily reflect the views of ADB or the Government of Mongolia.



5 Key Considerations

4. Graduating into what?

5. Social insurance



Thank you



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