

# Independent Reporting Mechanism (IRM): Mongolia Progress Report 2016-2017

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# Executive Summary:

## Mongolia Year 1 Report



Action plan: 2016-2018  
Period under review: July 2016 – September 2017  
IRM report publication year: 2018

Mongolia's second action plan addressed a number of open government priorities in the country, such as transparency of media ownership and political finance, disclosure of beneficial ownership and contracts in the extractives sector, and improving the Glass Account system. However, the Cabinet Secretariat did not provide the IRM with evidence for implementation of the commitments despite repeated requests.

### HIGHLIGHTS

Commitment	Overview	Well-Designed? *
★2. Improve quality of and access to education and health services	Implement and support initiatives on social accountability and constructive engagement between citizens and service providers.	Yes
5. Create favorable media environment	Amend the Law on Media Freedom and the Law on Broadcasting while holding stakeholder public consultations.	Yes
12. Beneficial ownership transparency	Disclose beneficial ownership in the extractives sector to comply with the Extractive Industries Transparency Initiative (EITI) Standard.	Yes

\* Commitment is evaluated by the IRM as specific, relevant, and has a transformative potential impact

★ Commitment is evaluated by the IRM as being specific, relevant, potentially transformative, and substantially or fully implemented

### PROCESS

Civil society played a leading role during the development of the action plan, and a wide range of civil society groups were involved in the consultations. While the Cabinet Secretariat established a new working group to serve as a multistakeholder forum during implementation, it was mostly inactive in the first year.

### Who was involved?

U.N.	Government
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		Narrow/ little governmental consultations	Primarily agencies that serve other agencies	Significant involvement of line ministries and agencies
	Beyond “governance” civil society		✓	
	Mostly “governance” civil society			
	No/little civil society involvement			

The consultation to develop the draft action plan included over 80 representatives from government ministries, civil society, the private sector, international organizations, and the media. Civil society expressed satisfaction at the incorporation of their commitment proposals into the final action plan.

#### Level of input by stakeholders

Level of Input	During Development
<b>Collaborate:</b> There was iterative dialogue AND the public helped set the agenda	✓
<b>Involve:</b> The public could give feedback on how commitments were considered	
<b>Consult:</b> The public could give input	
<b>Inform:</b> The government provided the public with information on the action plan.	
<b>No Consultation</b>	

#### OGP co-creation requirements

Timeline Process and Availability Timeline and process available online prior to consultation	Yes
Advance notice Advance notice of consultation	Yes
Awareness Raising Government carried out awareness-raising activities	Yes
Multiple Channels Online and in-person consultations were carried out	Yes

Documentation and Feedback A summary of comments by government was provided	Yes
Regular Multi-stakeholder Forum Did a forum exist and did it meet regularly?	No
Government Self-Assessment Report Was a self-assessment report published?	No
<b>Total</b>	<b>5 of 7</b>

#### Did Not act contrary to OGP process

A country is considered to have acted contrary to process if one or more of the following occurs:

- The National Action Plan was developed with neither online or offline engagements with citizens and civil society
- The government fails to engage with the IRM researchers in charge of the country's Year 1 and Year 2 reports
- The IRM report establishes that there was no progress made on implementing any of the commitments in the country's action plan

## COMMITMENT PERFORMANCE

Most commitments in Mongolia's second action plan saw low levels of implementation, or were not started during the first year. The Cabinet Secretariat did not provide the IRM with a self-assessment report or evidence of implementation after several requests.

		Year 1	Year 2
COMPLETED COMMITMENTS	OGP Global Average *	18%	36%
	Action Plan 2016-2018	0 of 13 (0%)	
	Action Plan 2014-2016	1 of 21 (5%)	3 of 21 (14%)
TRANSFORMATIVE COMMITMENTS	OGP Global Average *	16%	
	Action Plan 2016-2018	3 of 13 (23%)	
	Action Plan 2014-2016	9 of 21 (43%)	
STARRED COMMITMENTS	Most in an OGP Action Plan	5	8
	Action Plan 2016-2018	1 of 13 (8%)	
	Action Plan 2014-2016	3 of 21 (23%)	3 of 21 (23%)

\* This indicator is calculated using data from the most recent round of published IRM reports.

★ Commitment is evaluated by the IRM as being specific, relevant, potentially transformative, and substantially or fully implemented. Prior to 2015, the starred formula included commitments with "Moderate" potential impact.

## RECOMMENDATIONS

1. Provide more information on open government activities.
2. Reinvigorate the working group to monitor implementation.

3. Include new government actors in the OGP process.
4. Specifying intended outcomes for commitments.
5. Greater emphasis on civic engagement and public accountability in the extractives sector.

## COMMITMENTS OVERVIEW

Commitment Title	Well-designed *	Complete	Overview
1. Government 11-11 Call Center	No	No	It is unclear if the 11-11 Center has changed or improved since the previous action plan. The 11-11 Center mobile application has not been updated since 2015.
2. Social accountability in education and health	Yes	No	The World Bank's "Mainstreaming Social Accountability in Mongolia" project has resulted in significant improvements to public participation and access to information regarding health and education services in participating <i>aimags</i> (provinces).
3. Civic engagement in decision making	No	No	This commitment aims to improve opportunities for public participation in decision making. However, the vague activities make the level of completion difficult to assess.
4. Transparency in political party financing	No	No	Parliament created a new task force to draft amendments to the Law on Political Parties. However, the commitment does not specify the extent of the amendments or how consultations will impact the final draft.
5. Create favorable media environment	Yes	No	Although the draft amendment to the Law on Broadcasting addresses deficiencies in media ownership transparency, it is unclear if consultations with stakeholders while drafting the amendments.
6. National Program for Combating Corruption	No	No	Parliament passed a new National Program for Combatting Corruption, and the government developed an action plan to implement the new anticorruption program. with the first phase to be implemented However, it is unclear if OGP stakeholders were consulted during its development, per this commitment.
7. Foreign assistance transparency	No	No	The foreign loan database does not include additional information on projects from the previous action plan. Moving forward, the government could specify the type and format of information to be published on the database.
8. Online value-added	No	No	The government met with CSOs to discuss a draft handbook to implement the Law on VAT, and held training workshops on the

tax (VAT) registration			EBARIMT system. However, there is no evidence of specific trainings for accountants on the VAT system in urban and rural areas, or reporting their effectiveness.
9. Glass Account system	No	No	While government agencies continue to publish budgetary reports to the Glass Account Portal, the Portal does not provide additional information on transactions, and the government has not developed a new mechanism to monitor spending.
10. Public procurement transparency	No	No	This commitment aims to introduce the Open Contracting Data Standard to the government procurement process. The government e-procurement website has not been updated during the current action plan cycle.
11. Public resource contract transparency	No	No	EITI rates Mongolia's level of progress on contract disclosure as "satisfactory" against the EITI Standard. However, the total number of contracts published on the database remains relatively low.
12. Beneficial ownership transparency	Yes	No	Mongolia's EITI multi-stakeholder group developed a roadmap for beneficial ownership disclosure, though the creation and publication of the database is not scheduled for 2019.
13. Transparency of state-owned enterprises	No	No	This commitment aims to enact several activities designed to mitigate conflicts of interest and lack of transparency in state-owned enterprises. Moving forward, this commitment could be divided to address three major areas of transparency in state owned enterprises: financial reporting, corporate social responsibility, and conflicts of interest.

\* Commitment is evaluated by the IRM as specific, relevant, and has a transformative potential impact

★ Commitment is evaluated by the IRM as being specific, relevant, potentially transformative, and substantially or fully implemented

## ABOUT THE AUTHOR

IRM staff wrote this report.

**The Open Government Partnership (OGP)** aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. OGP's Independent Reporting Mechanism (IRM) assesses development and implementation of national action plans to foster dialogue among stakeholders and improve accountability.



## 1. Introduction

The Open Government Partnership (OGP) is an international multistakeholder initiative that aims to secure concrete commitments from governments to their citizenry to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. OGP provides an international forum for dialogue and sharing among governments, civil society organizations (CSOs), and the private sector, all of which contribute to a common pursuit of open government.

Mongolia began its formal participation in 2013, when President Tsakhiagiin Elbegdorj declared his country's intention to participate in the initiative.<sup>1</sup>

In order to participate in OGP, governments must exhibit a demonstrated commitment to open government by meeting a set of (minimum) performance criteria. Objective, third-party indicators are used to determine the extent of country progress on each of the criteria: fiscal transparency, public officials' asset disclosure, citizen engagement, and access to information. See Section VII: Eligibility Requirements for more details.

All OGP-participating governments develop OGP action plans that elaborate concrete commitments with the aim of changing status quo practice beyond the status quo over a two-year period. The commitments may build on existing efforts, identify new steps to complete ongoing reforms, or initiate action in an entirely new area.

Mongolia developed its national action plan from February 2016 to June 2016. The official implementation period for the action plan is June 2016 through September 2018. This year one report covers the action plan development process and first year of implementation, from June 2016 to September 2017. Beginning in 2015, the Independent Reporting Mechanism (IRM) started publishing end-of-term reports on the final status of progress at the end of the action plan's two-year period. Any activities or progress occurring after the first year of implementation (September 2017) will be assessed in the end-of-term report. At the time of writing, in April 2018, the Cabinet Secretariat has not published a self-assessment report.

In order to meet OGP requirements, IRM staff carried out this evaluation of the development and implementation of Mongolia's second action plan. The IRM relied heavily on desk research to determine the potential impact and completion levels for individual commitments. Also, to gather the voices of multiple stakeholders, the IRM surveyed civil society representatives who took part in the action plan's development process. The IRM aims to inform ongoing dialogue around development and implementation of future commitments. Methods and sources are dealt with in Section VI of this report (Methodology and Sources).

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<sup>1</sup> See "Mongolia," Open Government Partnership, <https://www.opengovpartnership.org/countries/mongolia>.

## II. Context

Major stakeholder priorities for Mongolia's second action plan included transparency of political finance, disclosure of beneficial ownership and contracts in the extractive sector, improving the Glass Account system, and improvements to legislation allowing greater public participation and access to government decision making. Many commitments in the second action plan carried forward from the previous plan.

### 2.1 Background

Mongolia is a largely stable democracy with strong human rights and fair, competitive elections. Nonetheless, there remain challenges in ensuring that the economy performs for all Mongolians and that basic public services are delivered efficiently and without corruption.

Mongolia's particular problems of corruption and public service delivery are rooted in recent history. The "shock therapy" of the 1990s moved the country away from protective tariffs and privatized state-owned land and enterprises. While this has had a net positive impact on growth and wealth, Mongolia has become one of the most export-dependent countries in Asia, especially with its largest trading partner, China. With the dissolution of many domestic industries in the 1990s, the economy has grown, albeit primarily through commodity exports, including solid metals, agricultural products, and livestock.

The extractive sector—oil, gas, minerals—provides a growing and promising means of generating revenue and foreign exchange, but has also fueled perceptions of corruption.<sup>1</sup> Extractives account for 20 percent of gross domestic product (GDP), 18.6 percent of government revenue, and 86.2 percent of total exports in 2018. A single new mine, the Oyu Tolgoi copper and gold mine (owned jointly by Rio Tinto at 66 percent and the Government of Mongolia at 34 percent) is expected to account for a third of Mongolia's GDP from 2020.<sup>2</sup> In 2015, Mongolia lifted a 2010 moratorium on new licenses, and in May 2017 removed restrictive banking regulations to open the country up to wider mining exploration (equaling roughly one-fifth of the country's area).<sup>3</sup> The subsequent "rush" has revived perceptions of corruption in issuing of licenses for exploration and the misuse of revenue.<sup>4</sup>

Privatization and volatility of government revenue in prior years means that many basic services, including health care and urban infrastructure, are chronically underfunded. In recent years, rural migrants, in part driven by climate change, have been settling in the capital Ulaanbaatar, often in largely improvised housing on the edge of the city.<sup>5</sup> Lack of sanitation and heating, in particular, afflict the outlying areas of the capital, and many recent migrants would prefer to live in permanent urban housing.<sup>6</sup>

This combination created some problems when the Democratic Party-led government borrowed heavily to finance major public expenditures and delayed expansion of major mining operations during boom times. When China's economy retracted and the slump in global commodity prices began in 2014, Mongolia nearly defaulted with foreign creditors. In order to avoid default, the government agreed to implement severe austerity measures in exchange for a major bailout from the International Monetary Fund (IMF).<sup>7</sup> Perceived mishandling of the economy by the Democratic Party-led government to widespread pessimism among voters, who went to the polls in 2016 for parliamentary elections.<sup>8</sup>



The Mongolian People's Party (MPP), a much-transformed former communist party, won 85 percent of the seats in parliament.<sup>9</sup> The new government came in shortly after the approval of the second action plan (in June 2016), and the resulting bureaucratic and ministerial changes across the government shifted focus away from OGP activities. A 2017 presidential campaign stoked a great deal of ethnic nationalism, with accusations of foreign entanglements and corruption smearing both sides and commitments by both candidates to redirect mining revenue to citizens. It is still a matter of discussion whether the vote was a rebuke of the IMF austerity package or a battle of reputations between candidates. In the end, Khaltmaa Battulga of the Democratic Party won, leaving Mongolia with a divided government, which, in a semi-presidential system, could lead to compromise or deadlock.<sup>10</sup>

Sustainable development plays a significant role in driving Mongolia's key challenges. Recent research revealed acute environmental impacts of unmonitored mining operations<sup>11</sup> and little public access to information regarding the consequences of that mining.<sup>12</sup> Beyond the heavy dependence on unsustainable extractive industries, there are problems of human migration and pollution.

A third of Mongolia's population works as herders, but this is changing. The "push factors" for rural to urban migration are both climate- and policy-related. Climate change has resulted in drought, increasingly harsh winters (or *dzuds*), and shorter autumn rains. Policy has also driven change. There are now no quotas on the number of animals for herders, meaning that the density of grazing animals has increased—from 20 million in 1990 to 66 million in 2017.<sup>13</sup> With the disappearance of state-supports and insurance for herders, they are less resistant to shocks. This has driven large numbers of herders to the capital city, where jobs, schooling, access to markets and health care are more readily available.<sup>14</sup> This migration has made Ulaanbaatar (if measured from its poorer suburbs) one of the world's most polluted cities.<sup>15</sup>

It is fitting, then, that Mongolia's second action plan largely coincides with the country's United Nations Sustainable Development Vision 2030. According to the Sustainable Development Vision, by 2030, Mongolia aspires to be a "multi-sector stable economy, and a society dominated by middle and upper-middle income classes, which would preserve ecological balance, and have stable and democratic governance."<sup>16</sup> These goals will be achieved through a variety of transparency and accountability initiatives, such as ensuring social equality through inclusive growth, decentralizing and ensuring the participation of all stakeholders in decision making, judiciously enforcing ethics in the public sector, and eliminating corruption.

### **Access to Information**

Mongolia's 2011 Transparency and Right to Information Law provides the basis for the public and journalists to seek information.<sup>17</sup> It is considered one of the stronger access to information laws in Asia, although it still suffers from over-wide exceptions. The vibrant press sector is largely free of harassment, although there are intimations of self-censorship, especially in an increasingly partisan environment. Claims of defamation, libel, and violations of the Law on State Secrets are most often used to curb reporting. During the 2016 election, 209 defamation complaints were brought to law enforcement, although law enforcement did not pursue any. In 2013, parliament introduced legislation to regulate online commenting, but the legislation failed.<sup>18</sup> In 2017, many media organizations protested a bill (the Law on Infringement) they saw as potentially censorious with a front page "blackout."<sup>19</sup>

Open Data Watch, which carried out a survey of the national Open Data System in Mongolia, is generally positive about the openness of available data on government websites, but found two major areas for improvement. First, key information is missing in health, education, and environmental sectors. Second, the terms of use for public data are unclear, which means that potential users are unsure how and if they can use government data.<sup>20</sup> Additionally, a recent report shows that specific types of information, especially environmental information, are not readily available to the public, especially many of the most vulnerable populations. This includes air and water quality data. Many requests for information, some of which should be proactively available are met with “mute refusals” by state officers.<sup>21</sup>

### **Public participation in legislation and regulation**

The 2017, the Law on Legislation came into effect. To initiate legislation, the initiator must fulfill the following criteria: (1) provide a clear process for both developing and justifying the need for the draft legislation; (2) set out methodologies for estimating costs to the government related to the draft law’s implementation; (3) evaluate the impact of the legislation on the public once implemented; and (4) conduct public outreach before submitting legislation to the public. Despite this, there are no formal regulations on lobbying—when it is permitted, what defines a lobbyist or a lobbied entity, or how the public can access such information.<sup>22</sup>

The General Administrative Law, Article 6, requires ministries, agencies, and provincial governments to seek public comment by posting draft regulations on their respective websites for at least thirty days and by holding public hearings, following the rules set out in the 2015 Public Hearing Law.<sup>23</sup> According to the most recent World Bank regulatory governance report, however, this is not carried out in practice.<sup>24</sup>

### **Civic Space**

Mongolia’s laws on association and assembly comply well with international standards. Nonetheless, certain groups, most notably lesbian, gay, bisexual, transgender, and queer groups suffer from routine harassment by non-state actors, and sometimes by policy. There is no formal legal recourse for harassment or discrimination of activists and human rights defenders.<sup>25</sup> There is also some evidence of rising xenophobia and discrimination against minority and foreign-born people, both of which are protected under the law, if not equally in practice.<sup>26</sup>

### **Accountability**

A 2017 joint study by the Asia Foundation and Sant Maral Foundation found interesting trends in perceptions and experiences of corruption in Mongolia.

- Over the past 11 years, the percent of households reporting paying a bribe declined from 25 percent to 5 percent. Where bribes are paid by households, they are paid to expedite onerous rules and processes.
- While reported experiences of petty corruption have been declining, perceptions of grand corruption have increased. Perceptions of corruption in the form of people paying for government jobs or appointments are particularly high. The Land Utilization Agency, mining sector, and political parties have shared the top three spots in the public’s perception of the most corrupt institutions.
- There is an established Independent Agency Against Corruption, but public confidence in its powers and its ability to rein in corruption have been steadily declining since its founding in 2012.<sup>27</sup>

The courts of Mongolia have strong legal backing that should enable citizens to seek adjudication. As an accountability body, however, the courts have room for improvement. There is no viable external body to ensure the judiciary’s

independence, although the law does prescribe such organizations. Further, parliament voted in 2016 to annul a decision by the Supreme Court (over mortgage regulations) and subsequently deposed the presiding justice. This happened just before the election, when the Supreme Court delivered a judgment that there would be no system of proportional representation and that there should be a first-past-the-post voting system, essentially cementing two-party rule.

## 2.2 Scope of Action Plan in Relation to National Context

Six of the 13 commitments in Mongolia's second action plan continue or build off initiatives from the first action plan. Notably, several potentially transformative commitments had only a marginal effect on opening government by the end of the first action plan cycle due to limited implementation. For example, Commitment 11 to develop a contracts database for publicly-owned resources improves on the limited number of contracts made available from the previous action plan. Commitment 12 on publishing beneficial ownership information builds on a previous commitment that established a central database for information on oil, mineral, and land tenure ownership licenses.

There has been a long-standing call to relaunch the National Program for Combatting Corruption, which served as the primary government anticorruption policy from 2002 to 2010. While the action plan includes a commitment on a new anticorruption program (Commitment 6), it focuses on engaging OGP stakeholders during the program's implementation without explaining how the stakeholders will actually affect the program. Additionally, while Commitment 4 on the funding of political parties addresses an important open government issue in Mongolia—given the high levels of public perception for corruption in political parties—it is questionable whether amending the Law on Political Parties will effectively address this issue.

Commitment 5 of the action plan specifically addresses a major stakeholder priority from the previous action plan (as well as one of the key recommendations from the IRM Progress Report) by seeking to improve media freedom, press independence, and transparency in media ownership by amending the Law on Media Freedom and the Law on Broadcasting. Given the current lack of transparency over media ownership and the conflicts of interest regarding the relationship between media outlets and political parties, such amendments could lead to significant improvements to transparency, particularly during election cycles.

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<sup>1</sup> Edwards, Terrence, "Whiff of corruption hangs over Mongolia's mining license auctions," *IntelliNews*, 17 March 2015, <http://www.intellinews.com/whiff-of-corruption-hangs-over-mongolia-s-mining-license-auctions-500445336/?archive=bne>.

<sup>2</sup> See: <https://eiti.org/mongolia>.

<sup>3</sup> Lim, Blanche, "Miners ready for new Mongolia boom with one-fifth of the country to be opened for digging," CNBC, 23 May 2017, <https://www.cnbc.com/2017/05/23/miners-ready-for-new-mongolia-boom-with-one-fifth-of-the-country-to-be-opened-for-digging.html>.

<sup>4</sup> Edwards, Terrence, "Whiff of corruption hangs over Mongolia's mining license auctions," *IntelliNews*, 17 March 2015, <http://www.intellinews.com/whiff-of-corruption-hangs-over-mongolia-s-mining-license-auctions-500445336/?archive=bne>.

<sup>5</sup> Kingsley, Patrick, "Nomads no more: why Mongolian herders are moving to the city," *The Guardian*, 5 January 2017, <https://www.theguardian.com/world/2017/jan/05/mongolian-herders-moving-to-city-climate-change>.

<sup>6</sup> "Why yurts are going out of style in Mongolia," *The Economist*, 24 July 2017, <https://www.economist.com/blogs/economist-explains/2017/07/economist-explains-17?zid=306&ah=1b164dbd43b0cb27ba0d4c3b12a5e227>.

<sup>7</sup> Edwards, Terrence, "Mongolia agrees \$5.5 billion economic bailout plan with IMF, others," *Reuters*, 18 February 2017, <https://www.reuters.com/article/us-mongolia-imf/mongolia-agrees-5-5-billion-economic-bailout-plan-with-imf-others-idUSKBN15Y02S>.

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- <sup>8</sup> International Republican Institute, "IRI's Center for Insight Poll: Mongolia Faces Pessimism Amid Struggling Economy," 2 May 2016, <http://www.iri.org/resource/mongolia-faces-rising-pessimism-amid-struggling-economy>.
- <sup>9</sup> Edwards, Terrence, "Mongolian opposition wins landslide, voters fed up with hard times," Reuters, 29 June 2016, <https://www.reuters.com/article/us-mongolia-election/mongolian-opposition-wins-landslide-voters-fed-up-with-hard-times-idUSKCN0ZF0PE>.
- <sup>10</sup> Sambu, Boldsaikhan, "Here are 4 things to know about Mongolia's presidential election on Monday," The Washington Post, 23 June 2017, [https://www.washingtonpost.com/news/monkey-cage/wp/2017/06/23/here-are-the-4-things-to-know-about-mongolias-presidential-election-monday/?utm\\_term=.35c89d93a7c3](https://www.washingtonpost.com/news/monkey-cage/wp/2017/06/23/here-are-the-4-things-to-know-about-mongolias-presidential-election-monday/?utm_term=.35c89d93a7c3). Sambu, Boldsaikhan, "Mongolia just elected a former wrestler as its president, after its most divisive election ever," The Washington Post, 13 July 2017, [https://www.washingtonpost.com/news/monkey-cage/wp/2017/07/13/mongolia-just-elected-a-former-wrestler-as-its-president-after-its-most-divisive-election-ever/?utm\\_term=.a74a9d997295](https://www.washingtonpost.com/news/monkey-cage/wp/2017/07/13/mongolia-just-elected-a-former-wrestler-as-its-president-after-its-most-divisive-election-ever/?utm_term=.a74a9d997295).
- <sup>11</sup> Thorslund, Josefina, and Jerker Jarsjö, Sergey R. Chalov, and Ekaterina V. Belozerovala, "Gold mining impact on riverine heavy metal transport in a sparsely monitored region: the upper Lake Baikal Basin case," Journal of Environmental Monitoring, Volume 14, 2012, [https://www.researchgate.net/publication/230849769\\_Gold\\_mining\\_impact\\_on\\_riverine\\_heavy\\_metal\\_transport\\_in\\_a\\_sparsely\\_monitored\\_region\\_The\\_upper\\_Lake\\_Baikal\\_Basin\\_case](https://www.researchgate.net/publication/230849769_Gold_mining_impact_on_riverine_heavy_metal_transport_in_a_sparsely_monitored_region_The_upper_Lake_Baikal_Basin_case).
- <sup>12</sup> Excell, Carole & Moses, Elizabeth, "Thirsting for Justice: Transparency and Poor People's Struggle for Clean Water in Indonesia, Mongolia, and Thailand," World Resources Institute, 28 September 2017, <https://www.wri.org/sites/default/files/thirsting-for-justice.pdf>.
- <sup>13</sup> See: <http://www.en.nso.mn/>.
- <sup>14</sup> Kingsley, Patrick, "Nomads no more: why Mongolian herders are moving to the city," The Guardian, 5 January 2017, <https://www.theguardian.com/world/2017/jan/05/mongolian-herders-moving-to-city-climate-change>.
- <sup>15</sup> The World Bank, "Air Quality Analysis of Ulaanbaatar: Improving Air Quality to Reduce Health Impact," December 2011, <http://documents.worldbank.org/curated/en/900891468276852126/pdf/660820v10revis00Mongolia0Report0Web.pdf>.
- <sup>16</sup> Mongolia Sustainable Development Vision 2030, available at: [http://www.un-page.org/files/public/20160205\\_mongolia\\_sdv\\_2030.pdf](http://www.un-page.org/files/public/20160205_mongolia_sdv_2030.pdf).
- <sup>17</sup> The Law of Mongolia on Information Transparency and Right to Information, available here: <http://unpan1.un.org/intradoc/groups/public/documents/un-dpadm/unpan047231.pdf>.
- <sup>18</sup> <https://monitor.civicus.org/newsfeed/?country=162&category=4>.
- <sup>19</sup> Kohn, Michael, "Nothing to See Here: Mongolia Media Goes Dark to Protest Curbs," Bloomberg, 27 April 2017, <https://www.bloomberg.com/news/articles/2017-04-27/nothing-to-see-here-mongolia-media-goes-dark-to-protest-curbs>.
- <sup>20</sup> See Open Data Watch's 2017 country profile for Mongolia here: <http://odin.opendatawatch.com/Report/countryProfile/MNG?appConfigId=4>.
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- <sup>22</sup> [http://www.nyulawglobal.org/globalex/Mongolia\\_Research.html](http://www.nyulawglobal.org/globalex/Mongolia_Research.html).
- <sup>23</sup> See the Mongolia Country Commercial Guide at Export.gov here: <https://www.export.gov/apex/article2?id=Mongolia-Corruption>.
- <sup>24</sup> The World Bank, Global Indicators of Regulatory Governance for Mongolia, available here: [http://rulemaking.worldbank.org/data/explorecountries/mongolia#cer\\_consultation](http://rulemaking.worldbank.org/data/explorecountries/mongolia#cer_consultation).
- <sup>25</sup> See: CIVICUS Mongolia, <https://monitor.civicus.org/country/mongolia/>.
- <sup>26</sup> See: <https://freedomhouse.org/report/freedom-world/2016/mongolia>.
- <sup>27</sup> The Asia Foundation and Sant Maral Foundation, "Survey on Perceptions and Knowledge of Corruption: Strengthening Democratic Participation and Transparency in the Public Sector in Mongolia Project," 2017, [https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017\\_ENG.pdf](https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017_ENG.pdf).

### III. Leadership and Multistakeholder Process

Development of Mongolia's second action plan involved a wide range of stakeholders. Civil society played a leading role in organizing the consultations. While the Cabinet Secretariat established a new working group to serve as a multistakeholder forum to monitor implementation, this working group has been inactive since the approval of the action plan. At the time of writing this report, the Cabinet Secretariat has not published a self-assessment report.

#### 3.1 Leadership

This subsection describes the OGP leadership and institutional context for OGP in Mongolia. Table 3.1 summarizes this structure while the narrative section (below) provides additional detail.

**Table 3.1: OGP Leadership**

<b>1. Structure</b>	Yes	No
Is there a clearly designated Point of Contact for OGP (individual)?	✓	
	Shared	Single
Is there a single lead agency on OGP efforts?		✓
	Yes	No
Is the head of government leading the OGP initiative?		✓
<b>2. Legal Mandate</b>	Yes	No
Is the government's commitment to OGP established through an official, publicly released mandate?		✓
Is the government's commitment to OGP established through a legally binding mandate?		✓
<b>3. Continuity and Instability</b>	Yes	No
Was there a change in the organization(s) leading or involved with the OGP initiatives during the action plan implementation cycle?		✓
Was there a change in the executive leader during the duration of the OGP action plan cycle?	✓	

Mongolia is a semi-presidential representative democratic republic with executive power exercised by the president. The Cabinet Secretariat of the Government of Mongolia is the lead government agency responsible for coordinating Mongolia's OGP process and commitments. The Cabinet Secretariat supports the prime minister in overseeing Mongolia's national development policy, including its Millennium Development Goals.<sup>1</sup> In the initial stages of Mongolia's OGP participation, the Ministry of Foreign Affairs was responsible for Mongolia's commitments, but this responsibility shifted to the Cabinet Secretariat in June 2013. See Table 3.1 on the leadership and mandate of OGP in Mongolia.

In May 2014, the prime minister established, through Directive No. 61, the National Council with the purpose of implementing Mongolia's OGP commitments and coordinating the work of the Cabinet Secretariat for OGP. The chief of the Cabinet Secretariat serves as the head of the National Council, while the deputy chief of the Cabinet Secretariat serves as the deputy head of the National Council. Prime Minister's Directive No. 2017 (October 2015) changed the composition of the National Council. The National Council consists of seven members: three government and four civil society representatives.

The first National Council meeting occurred in June 2014 to develop Mongolia's first action plan. The National Council held its second meeting in February 2016 to organize the multistakeholder process for developing Mongolia's second action plan, basing the new process off the findings in Mongolia's first self-assessment report and the IRM report for the first action plan. OGP's civil society coordinator for the Asia and Pacific and government program officer also attended this second meeting and helped facilitate the consultations. From the second meeting, the National Council created a working group to develop Mongolia's second action plan.

Major political changes occurred in Mongolia shortly after the development and approval of the second action plan, as well as during the first year of implementation. In July 2017, one month after the approval of the second action plan, parliamentary elections resulted in a landslide victory for the opposition (the Mongolian People's Party). This in turn led to sweeping ministerial and bureaucratic changes across all levels of the Mongolian government (including at the junior and senior levels). The presidential election the following year (June 2017) resulted in a run-off after no candidate secured a majority of the vote in the first round.<sup>2</sup> Another Cabinet shuffle in October 2017 led to further bureaucratic changes, including the appointment of a new chief of the Cabinet Secretariat.<sup>3</sup> The parliamentary and presidential elections, as well as the subsequent bureaucratic changes throughout the Mongolian government during the first year of the action plan, shifted the Cabinet Secretariat's time and attention away from OGP activities.

### 3.2 Intragovernmental Participation

This subsection describes which government institutions were involved at various stages in OGP. The next section will describe which nongovernmental organizations were involved in OGP.

**Table 3.2: Participation in OGP by Government Institutions**

How did institutions participate?	Ministries, Departments, and Agencies	Legislative	Judiciary (including quasi-judicial agencies)	Other (including constitutional independent or autonomous bodies)	Subnational Governments
Consult: These institutions observed or were invited to observe the action	N/A	N/A	N/A	N/A	N/A

plan but may not be responsible for commitments in the action plan.					
Propose: These institutions proposed commitments for inclusion in the action plan.	N/A	N/A	N/A	N/A	N/A
Implement: These institutions are responsible for implementing commitments in the action plan whether or not they proposed s.	8 <sup>4</sup>	0	0	0	0

Government participation in the National Council includes state secretaries from the Ministry of Finance, the Ministry of Justice, and the Ministry of Foreign Affairs. During the first action plan, the Ministry of Economic Development took part in the council, but is not part of the restructured council. The Head of Monitoring, Inspection, Evaluation and Internal Audit from the Cabinet Secretariat is the Secretary of the National Council. Table 3.2 above details which institutions were involved in OGP.

The Central Government Authority for Budget and Financing oversees the implementation of five of the action plan's thirteen commitments, namely commitments 7, 9, 10, 11, and 12 (Commitment 12 is shared with the Central Government Authority for Mining). The Central Government Authority for Justice is responsible for implementing four commitments (commitments 3, 4, 5, and 6). The Cabinet Secretariat, the General Authority for Taxation, and the Financial Regulatory Commission are each responsible for one commitment (commitments, 1, 8, and 13, respectively), while the Central Government Authority for Education, and the Central Government Authority for Health are jointly responsible for Commitment 2.



### 3.3 Civil Society Engagement

Countries participating in OGP follow a set of requirements for consultation during development, implementation, and review of their OGP action plan. Table 3.3 summarizes the performance of Mongolia during the 2016-2018 action plan.

**Table 3.3: National OGP Process**

Key Steps Followed: 5 of 7						
Before	1. Timeline Process & Availability			2. Advance Notice		
	Timeline and process available online prior to consultation	Yes	No	Advance notice of consultation	Yes	No
		✓			✓	
	3. Awareness Raising			4. Multiple Channels		
	Government carried out awareness-raising activities	Yes	No	4a. Online consultations:	Yes	No
		✓			✓	
				4b. In-person consultations:	Yes	No
					✓	
	5. Documentation & Feedback					
Summary of comments provided				Yes	No	
				✓		
During	6. Regular Multistakeholder Forum					
	6a. Did a forum exist?	Yes	No	6b. Did it meet regularly?	Yes	No
		✓				✗
After	7. Government Self-Assessment Report					
	7a. Annual self-assessment report published?	Yes	No	7b. Report available in English and administrative language?	Yes	No
			✗			✗
	7c. Two-week public comment period on report?	Yes	No	7d. Report responds to key IRM recommendations?	Yes	No
			✗			✗

Four CSO representatives were members of the OGP National Council for the second action plan, namely the president of the Mongolian National Chamber of Commerce and Industry, the president of the Association of Mongolian Journalists, the executive director of the Research Centre for Economic Policy and Competitiveness, and the executive director of the Open Society Forum. The National Council met in February 2016 to discuss the results from the first action



plan, including the government's self-assessment report and the IRM Progress Report, and the development of the second action plan.

The Cabinet Secretariat established a working group to develop a draft for the second action plan on 20 April 2016 (through Order No. 65 of the Chief of the Cabinet Secretariat). Details for the consultation meeting were made available eight days before the meeting via multiple channels, including the Cabinet Secretariat website and the Mongolian newspapers Daily News and National Post. The consultation was also advertised on the OGP Mongolia Facebook page, the OGP Mongolia Twitter account, the Mongolian National Broadcaster, and the news websites news.mn and mglradio.com.<sup>5</sup> The Cabinet Secretariat also sent email invitations to CSOs and governors of *aimags* (provinces) to organize local consultations and provide feedback and recommendations on the draft.

The public consultation included over 80 representatives from government ministries, civil society, the private sector, international organizations, and the media. The working group met on 19 May 2016 in the capital Ulaanbaatar, where working group members facilitated five sub-sessions (workshops) around the five OGP challenge areas. These sub-sessions consisted of around 15 participants each, with equal representation of civil society and government. Participants took part in the sub-sessions based on their area of expertise, and could provide feedback and recommendations for the commitments in the second action plan. CSO and *aimag* representatives who could not attend the meeting were able to send their feedback and proposals via letter and email. A variety of government, civil society, and international organizations (such as the World Bank) submitted a total of 30 commitment proposals. The working group completed the draft action plan, it was posted online for comments and feedback and uploaded to the OGP Mongolia Facebook page. Overall, civil society played a leading role in developing the second action plan, and CSOs were satisfied that the final action plan reflected their priority areas and commitment proposals.

After the 19 May 2016 meeting, the working group submitted the draft to the National Council for review at the Council's meeting on 31 May 2016. After incorporating feedback from the National Council members, the National Council adopted the final action plan at its 7 June 2016 through Resolution No. 2. The final action plan included a total of 13 commitments, six of which were either directly carried or modified from the first action plan. However, there is no evidence that the public or the working group were able to comment on the final draft of the action plan.

#### Table 3.4: Level of Public Influence

The IRM has adapted the International Association for Public Participation (IAP2) "Spectrum of Participation" to apply to OGP.<sup>6</sup> This spectrum shows the potential level of public influence on the contents of the action plan. In the spirit of OGP, most countries should aspire for "collaborative."

Level of public influence		During development of action plan	During implementation of action plan
<b>Empower</b>	The government handed decision-making power to members of the public.		
<b>Collaborate</b>	There was iterative dialogue AND the public helped set the agenda.	✓	
<b>Involve</b>	The government gave feedback on how public inputs were considered.		
<b>Consult</b>	The public could give inputs.		
<b>Inform</b>	The government provided the public with information on the action plan.		
<b>No Consultation</b>	No consultation		✓

### 3.4 Consultation During Implementation

As part of their participation in OGP, governments commit to identify a forum to enable regular multistakeholder consultation on OGP implementation. This can be an existing entity or a new one. This section summarizes that information.

Following the approval of the second action plan, the National Council planned to establish a new working group with “broader participation” to serve as a multistakeholder consultation forum to monitor implementation of the plan. The new working group was formed, but it has not been active since the action plan’s approval. It should be noted that the two major elections and subsequent widespread bureaucratic changes occupied significant government attention away from OGP activities during the first year of the action plan’s implementation.

### 3.5 Self-Assessment

The OGP Articles of Governance require that participating countries publish a self-assessment report three months after the end of the first year of implementation. The self-assessment report must be made available for public comments for a two-week period. This section assesses compliance with these requirements and the quality of the report.

At the time of writing this report, the government of Mongolia has not submitted a self-assessment report for the second action plan. The lack of a self-assessment report can likely be attributed to the bureaucratic changes that took place during the first year of the action plan cycle.

### 3.6 Response to Previous IRM Recommendations

**Table 3.5: Previous IRM Report Key Recommendations**

Recommendation		Addressed?	Integrated into Action Plan?
1	Approve and publish a clear, stable structure of authority and outline of responsibilities for the OGP Council.	X	X
2	Guarantee wider civil society participation on the OGP Council by inviting and	X	✓

	encouraging specific civil society organizations to join.		
3	At least one commitment on transparency, participation, and/or accountability in education is included in the next action plan, resulting from collaboration with civil society stakeholders from the education sector.	X	✓
4	At least one commitment on media freedom is included in the next action plan, resulting from collaboration with civil society stakeholders from the media, journalism, and press-protection sector.	X	✓
5	Expansion and closer alignment between Mongolia's open government and national resource and extractives activities.	X	X

While the National OGP Council actively coordinated the consultations to develop the action plan, political events in Mongolia (namely the contentious parliamentary and presidential elections of 2016–17) largely prevented the Council from maintaining a clearly defined leadership role in the development process (Recommendation 1). Also, the National Council's new working group to monitor implementation of the action plan has been largely inactive, and the Cabinet Secretariat has yet to publish a self-assessment report for the first year of implementation. Regarding Recommendation 2, a wide range of CSOs participated in the consultation meetings to develop of the draft action plan in May 2016.

Recommendations 3 and 4 have been integrated into the action plan through commitments 2 and 5 respectively. Commitment 2 involves improving transparency, participation, and accountability across the country in both the education and health sectors, through the implementation of ten sub-projects as part of the World Bank and the Swiss Development Agency's "Mainstreaming Social Accountability in Mongolia" project. Commitment 5 involves consulting media stakeholders and the public to draft amended media freedom legislation, and to improve transparency of media ownership.

Recommendation 5, to align between open government and the extractives sector, was only partly integrated into the action plan. The second action plan includes two commitments that are directly relevant to the extractives sector (commitments 11 and 12), and civil society stakeholders expressed satisfaction with the action plan's extractives commitments. Additionally, in accordance with the one part of Recommendation 5, one member of the OGP National Council also serves on the Mongolia EITI Multistakeholder National Council, namely the executive director of the Open Society Forum.<sup>7</sup> While the commitments on publishing extractives contracts and beneficial ownership (commitments 11 and 12 respectively) are positive initiatives toward transparency in the extractives sector, they do not explicitly explain how the public will participate in the development of the databases or how the public will hold government and companies accountable based on the information published.<sup>8</sup>

<sup>1</sup> For more information, see the Strategic Mission and Vision of the Cabinet Secretariat of Government of Mongolia at: <http://cabinet.gov.mn/news.php?n=55>.

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<sup>2</sup> Edwards, Terrence and Campbell, Joseph, "Mongolia's presidential election forced into second round," Reuters, 26 June 27, <https://www.reuters.com/article/us-mongolia-elections/mongolias-presidential-election-forced-into-a-second-round-idUSKBN19H238>.

<sup>3</sup> For more information on the Cabinet changes from October 2017, see:

<http://www.parliament.mn/n/mbfo>.

<sup>4</sup> Cabinet Secretariat of Government of Mongolia, Central Government Authority responsible for Justice, Central Government Authority responsible for Budget and Finance, Central Government Authority Responsible for Health, Central Government Authority Responsible for Education, Culture, and Science, Central Government Authority Responsible for Mining, Implementing Agency of Government of Mongolia, General Authority for Taxation, and Financial Regulatory Commission of Mongolia.

<sup>5</sup> See (in Mongolian):

[http://mglradio.com/home/index.php?mid=fastnews&page=1&document\\_srl=141123](http://mglradio.com/home/index.php?mid=fastnews&page=1&document_srl=141123).

<sup>6</sup> For more information on the IAP2 spectrum, see:

[http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/foundations\\_course/IAP2\\_P2\\_Spectrum\\_FINAL.pdf](http://c.ymcdn.com/sites/www.iap2.org/resource/resmgr/foundations_course/IAP2_P2_Spectrum_FINAL.pdf).

<sup>7</sup> For the full list of Mongolia EITI Multistakeholder National Council members, see:

<http://www.eitimongolia.mn/en/national-council>.

<sup>8</sup> While Commitment 11 will "identify what is considered as public resources in the mineral, land, water and petroleum category in Mongolia with the engagement of the public and civil society organizations," the actual role that the public and civil society will play in this process is unclear.

## IV. Commitments

All OGP-participating governments develop OGP action plans that include concrete commitments over a two-year period. Governments begin their OGP action plans by sharing existing efforts related to open government, including specific strategies and ongoing programs.

Commitments should be appropriate to each country's unique circumstances and challenges. OGP commitments should also be relevant to OGP values laid out in the OGP Articles of Governance and Open Government Declaration signed by all OGP-participating countries.<sup>1</sup>

### What Makes a Good Commitment?

Recognizing that achieving open government commitments often involves a multiyear process, governments should attach time frames and benchmarks to their commitments that indicate what is to be accomplished each year, whenever possible. This report details each of the commitments the country included in its action plan and analyzes the first year of their implementation.

The indicators used by the IRM to evaluate commitments are as follows:

- **Specificity:** This variable assesses the level of specificity and measurability of each commitment. The options are:
  - High: Commitment language provides clear, verifiable activities and measurable deliverables for achievement of the commitment's objective.
  - Medium: Commitment language describes activity that is objectively verifiable and includes deliverables, but these deliverables are not clearly measurable or relevant to the achievement of the commitment's objective.
  - Low: Commitment language describes activity that can be construed as verifiable but requires some interpretation on the part of the reader to identify what the activity sets out to do and determine what the deliverables would be.
  - None: Commitment language contains no measurable activity, deliverables, or milestones.

**Relevance:** This variable evaluates the commitment's relevance to OGP values. Based on a close reading of the commitment text as stated in the action plan, the guiding questions to determine the relevance are:

- Access to information: Will the government disclose more information or improve the quality of the information disclosed to the public?
- Civic participation: Will the government create or improve opportunities or capabilities for the public to inform or influence decisions?
- Public accountability: Will the government create or improve opportunities to hold officials answerable for their actions?
- Technology and innovation for transparency and accountability: Will technological innovation be used in conjunction with one of the other three OGP values to advance either transparency or accountability?<sup>2</sup>
- **Potential impact:** This variable assesses the potential impact of the commitment, if completed as written. The IRM researcher uses the text from the action plan to:
  - Identify the social, economic, political, or environmental problem;
  - Establish the status quo at the outset of the action plan; and

- Assess the degree to which the commitment, if implemented, would impact performance and tackle the problem.

Starred commitments are considered exemplary OGP commitments. In order to receive a star, a commitment must meet several criteria:

- Starred commitments will have “medium” or “high” specificity. A commitment must lay out clearly defined activities and steps to make a judgement about its potential impact.
- The commitment’s language should make clear its relevance to opening government. Specifically, it must relate to at least one of the OGP values of access to information, civic participation, or public accountability.
- The commitment would have a “transformative” potential impact if completely implemented.<sup>3</sup>
- The government must make significant progress on this commitment during the action plan implementation period, receiving an assessment of “substantial” or “complete” implementation.

Based on these criteria, Mongolia’s action plan did not contain any starred commitment.

Finally, the tables in this section present an excerpt of the wealth of data the IRM collects during its progress reporting process. For the full dataset for Mongolia and all OGP-participating countries, see the OGP Explorer.<sup>4</sup>

### **General Overview of the commitments**

Mongolia’s second action plan includes 13 commitments within the framework of four of the five OGP grand challenges, namely; improving government services, improving government integrity, effective management of government resources, and improving corporate governance and feedback mechanism. Several initiatives were carried from the first action plan, such as Commitment 1 (11-11 Center), Commitment 7 (transparency in foreign loans), and Commitment 9 (Glass Account system). Civil society played an active role in proposing commitments, and the final commitments generally reflect civil society priorities in Mongolia.

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<sup>1</sup> Open Government Partnership: Articles of Governance, June 2012 (Updated March 2014 and April 2015), [https://www.opengovpartnership.org/sites/default/files/attachments/OGP\\_Articles-Gov\\_Apr-21-2015.pdf](https://www.opengovpartnership.org/sites/default/files/attachments/OGP_Articles-Gov_Apr-21-2015.pdf).

<sup>2</sup> IRM Procedures Manual. Available at: [http://www.opengovpartnership.org/sites/default/files/IRM-Procedures-Manual-v3\\_July-2016.docx](http://www.opengovpartnership.org/sites/default/files/IRM-Procedures-Manual-v3_July-2016.docx).

<sup>3</sup> The International Experts Panel changed this criterion in 2015. For more information visit: <http://www.opengovpartnership.org/node/5919>.

<sup>4</sup> OGP Explorer: [bit.ly/1KE2Wil](http://bit.ly/1KE2Wil).

## 1. Mobile Application for Government 11-11 center to receive citizen feedback and requests

### **Commitment Text:**

*Introduce a mobile application for the Government 11-11 Center and advocate and mobilize its usage by promoting the application to the public.*

### **Status quo or problem addressed:**

*The government 11:11 center has been operating and receiving feedback from the public since 2013. Thus far it has been a successful project and received a “Star” rating in 2013 for the implementation of the NPA of the OGP of Mongolia. The 11:11 Call Centre responds to complaints and feedback from citizens, but currently is unable to take action on these complaints and improve government service. Therefore, there is a need to establish a reporting system for citizens to rate provision, quality, and transparency of services provided by the 11:11 Call Centre and make reports by the service providers using modern technological innovations.*

### **Main Objective:**

*The introduction of the mobile application for the 11-11 Call Centre and Service Centre of the government. As a result, the government service will become more transparent and efficient, and the quality of service will be improved.*

### **Milestones:**

- 1.1. Audit the last two years' activities of the Government 11-11 Center.*
- 1.2. Identify technological solutions and alternatives efficiently to deliver services and outcomes of the Government 11-11 center for the public.*
- 1.3. Prepare and develop contents and technology to introduce the special application for the Government 11-11 center.*
- 1.4. Test the application for the Government 11- 11 center.*
- 1.5. Update the application for the Government 11-11 center.*
- 1.6. Announce service launch of the mobile application for Government 11-11 center.*
- 1.7. Provide and promote the user instructions of the mobile application for the Government 11- 11 center for the public.*
- 1.8. Sustain the operation of the services provided by the mobile application for the Government 11-11 center for the public.*
- 1.9. Conduct an evaluation and develop concluding observations of the activities of the application for the Government 11-11 center through an independent NGO and disseminate the findings to the public.*

**Responsible institution:** Cabinet Secretariat of the Government of Mongolia

**Supporting institutions:** Government authorities and local municipalities, all ministries and agencies, Governors Office of the Capital city, *aimags*, *soums*, and districts, Democracy Education Centre NGO, Partnership for Social Accountability, other relevant CSOs.



**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
1. Overall		✓			✓	✓	✓	✓		✓			Yes	✓			

### Context and Objectives

The Mongolian government established the “11-11” Call Center to register complaints and feedback on government services from citizens and to transfer the information to the relevant government body for further action. However, while the 11-11 Center provides complete access to the complaints themselves (including recordings of the telephone calls), it lacks a mechanism to oblige the government to take remedial action in response, and it does not allow users to track the government’s response to complaints. To make government service more efficient and transparent, this commitment proposes to introduce a mobile application for the 11-11 Center. In addition, the government proposes general improvements to the operation of the 11-11 Center, such as user instructions, an independent CSO evaluation of the application’s performance, and an audit of the last two years, among others. This commitment builds on Commitment 3.3.2.6 from the previous action plan, which sought to expand the reporting of public feedback on the 11-11 Center and to establish a data system that responds to and tracks public inquiries.

This commitment is relevant to the OGP values of access to information, civic participation, public accountability, and technology and innovation. The commitment is relevant to access to information because the government expects to provide more guidance on how to use the 11-11 Center and publish information on how it is used. It is relevant to civic participation in that the mobile application offers a new channel for members of the public to provide feedback and directly influence the policy process. In terms of public accountability, while there is not a direct system for compelling government officials to respond and react to citizen feedback, the commitment does improve the possibility for citizens to indirectly offer feedback and receive responses from the government. Specifically, the mobile application expands the opportunities for the public to engage with government and hear responses to common concerns.

While the commitment’s primary objective is verifiable—the introduction of a mobile application for the 11-11 Center, —most of the milestones are vague and difficult to



measure, such as identifying technological solutions or testing the application. Also, the commitment does not define the overall purpose of the application, thus making it difficult to determine the extent to which the milestones address this purpose. Therefore, the commitment has a low level of specificity. While the mobile application would be more accessible to the public than just the 11-11 Center, the commitment does not fully address the fundamental problem identified above, namely that there is no guarantee that the government will take actions in response to citizen feedback. In this sense, the activities outlined above will likely only provide minor improvements to the already existing system.

### **Completion**

While the 11-11 Center has registered feedback, registering over 130,000 pieces of feedback from citizens as of the time of writing this report (January 2018), it is unclear if the Center's website has changed since the previous action plan period in terms of services provided.<sup>1</sup> The last update for the mobile application was in June 2015.<sup>2</sup> The IRM has requested information on new developments for the activities for this commitment from the Cabinet Secretariat such as the audit, development of user instructions, and the independent NGO evaluation of the application's performance, but has not received a response. For more information, see Section VI: Methodology and Sources. The commitment is considered not started at the end of the first year of the action plan cycle.

### **Next Steps**

If this commitment is carried forward to future action plans, the government should specify steps it will take to enhance the existing mobile application for the 11-11 Center and to align the future activities with the overall scope of the commitment.

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<sup>1</sup> The IRM compared the current website, [www.11-11.mn](http://www.11-11.mn), with earlier archived versions of the website, such as versions from September 2016 (available at: <https://bit.ly/2iHNqye>) and from June 2017 (available at: <https://bit.ly/2K3GloP>).

<sup>2</sup> See the 11-11 Center's application on the iTunes App Store, where the latest version is from 23 June 2015: <https://itunes.apple.com/us/app/11-11-t-v/id579541331?ls=1&mt=8>.

## ❖2. Improve quality of and access to education and health services

### **Commitment Text:**

*Improve contents of the information about services provided by the two sectors and increase number of dissemination channels to the public. Implement and support initiatives on social accountability and constructive engagements between citizens and service providers.*

### **Status quo or problem addressed:**

*Although quality and access to education and health sectors have been improved in the last few years, due to lack of adequate resources these two sectors could not be developed in a required level. Therefore, there is a need to develop new ways to improve access to and quality of the primary services provided by the government, in the health and education sectors especially to vulnerable groups and poor citizens without much additional financial resources. Social accountability, and constructive engagement, and partnership between service providers and citizens, are possible solutions to meet this need.*

### **Main Objective:**

*Develop simple and user friendly information about education and health services to the public and disseminate these information through appropriate communication channels and platforms. Efficient and productive feedback mechanisms, which foster constructive engagement and mutual understanding between services providers and citizens, will be established and encouraged. These steps are necessary for not only improving quality and access to services in the two sectors but also to support institutional development.*

### **Milestones:**

*2.1. Include local stakeholder identified priorities of the two sectors in the local development program through engagement between local SA champions, and local governors and administrations.*

*2.2. Implement social accountability initiatives to improve engagement between the parties for improving quality of and access to education and health services in aimags and districts.*

*2.3. Improve internal and external information systems and encourage feedback mechanisms and fostering mutual accountability and constructive engagement of both sides (services providers and service users/citizens) in selected aimags and districts as demonstrations for scaling up.*

**Responsible institutions:** Central Government Authority responsible for education and health.

**Supporting institutions:** The Social Development Divisions of the Governor's offices in addition to education and health service providers in selected aimags and districts. National and rural/local NGOs for social accountability, Project "Mainstreaming Social Accountability in Mongolia" (MASAM), which is funded with the contributions from the Swiss Agency for Development and Cooperation (SDC) and the World Bank.

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
★2. Overall		✓			✓	✓	✓					✓	Yes			✓	

**Editorial note:** This commitment is clearly relevant to OGP values as written, has transformative potential impact, and is substantially or completely implemented and therefore qualifies as a starred commitment.

### Context and Objectives

While Mongolia has made significant improvements to its health and education in recent years, several key issues in these sectors remain. The World Health Organization lists several challenges to Mongolia's health care system, including limited domestic funds available for non-communicable disease programs, air pollution in Ulaanbaatar, and geographical barriers for accessing health services in rural areas.<sup>1</sup> According to the United Nations Children Fund, the increase in out-of-pocket payments impacts the capacity of the poor to access services, the cost of medicines is prohibitive for many Mongolians, and migrants from rural areas are particularly disadvantaged by difficulties with civil registration and health insurance.<sup>2</sup>

Additionally, Mongolia's education system continues to face numerous challenges, namely:

- poor quality and relevance of the current curriculum for primary and secondary education,
- inadequate teaching qualifications and skills,
- lack of consistent education standards
- weak learning and teaching environments in schools, and
- supply-driven irrelevant vocational education for youth.<sup>3</sup>

The United Nations Development Programme noted in a 2016 report that rural students in Mongolia face particular challenges, such as "a lack of Internet access, of learning resources for professional development, of opportunities for unsupervised study, and of well-qualified and experienced teachers."<sup>4</sup>

This commitment seeks to 1) improve information content and dissemination for the health and education sectors in *aimags* (provinces) and districts, 2) to include stakeholder priorities in local development of these two sectors, and 3) to implement

feedback mechanisms and public engagement with service providers. The education component of this commitment addresses one of the key recommendations from the previous IRM report: to include a commitment on transparency, participation, and/or accountability in education. Improvement in the health and education information systems is relevant to the OGP values of access to information. The inclusion of priorities identified by stakeholders in local development programs is relevant to the OGP value of civic participation. Also, the establishment of feedback mechanisms for citizens to hold providers of health and education services accountable makes the commitment relevant to the OGP value of public accountability.

A participant in the consultations to develop the action plan confirmed to the IRM that this commitment is being carried out by the World Bank and the SDC as part of a joint project called “Mainstreaming Social Accountability in Mongolia” (MASAM).<sup>5</sup> The primary goal of MASAM is to provide citizens in poor localities with “increased access to public decision-making processes and quality services through social accountability.”<sup>6</sup> The project is being implemented in ten *aimags* and three districts of Ulaanbaatar between 2015 and 2019. Of the ten *aimag* sub-projects, seven are in the health sector (in Dornod, Govisumber, Khentii, Khuvsgul, Selenge, Sukhbaatar, and Uvs), and three are in the education sector (in Gobi-altai, Khovd, and Uvurkhangai).<sup>7</sup> The ten *aimags* were chosen based on a mixed criteria of poverty incidence, readiness for social accountability, and health and education development indicators.<sup>8</sup>

The information provided to the IRM confirms that the commitment was developed with clear objectives and social accountability projects in mind, specifically the World Bank’s MASAM project, which is listed as a supporting institution for the commitment. However, while some of the activities referenced in the commitment are verifiable, the commitment lacks details on the scope and scale of these activities.

In light of the persistent challenges facing the health and education sectors in Mongolia, the inclusion of stakeholder priorities in development programs could lead to better targeted development and improved allocation of funds. Furthermore, the establishment of feedback mechanisms could help local governments more directly address the issues facing their communities, especially in rural areas. Given that the projects in the MASAM will be carried out in *aimags* that were determined to have opportunity for improvement in these areas, MASAM could have a potentially transformative impact on social accountability for citizens.

## Completion

The World Bank and SDC created a website “[www.irgen-tur.mn](http://www.irgen-tur.mn),” (“citizen-state” in Mongolian) with information on the project and resources on social accountability initiatives.<sup>9</sup> At the beginning of the project, the government held a workshop in Ulaanbaatar city that included 46 participants, including 26 national CSOs, ten local CSO representatives/coordinators, and ten government counterparts from the participating *aimags*. Development of the sub-projects then took place during capacity-building workshops held in each participating *aimag*. According to the World Bank’s independent external assessment of the MASAM sub-projects, “guidelines for selecting sub-project topics were based on stakeholder consensus on a local issue or “felt need.”<sup>10</sup> For nine of the ten sub-projects (all except the project in Gobi-altai *aimag*), the independent assessment provides descriptions of sub-projects’ outcomes, assessments of strengths, and recommendations for improvement if the sub-projects are to be replicated or scaled up. According to the World Bank’s 2017 MASAM annual progress report, MASAM involved six national NGOs, 93 local CSOs, 32 service providers (24 schools, five *aimag* general hospitals, and three

family health clinics), and directly or indirectly benefited and 83,217 citizens, according to the estimation of local sub-project partners.<sup>11</sup>

The independent assessment report indicates that all ten sub-projects concluded their implementation around September 2017. Given the ongoing nature of the MASAM sub-projects, the level of implementation is considered substantial at the end of the first year of the action plan. It should be noted that the World Bank's independent assessment report for MASAM does not include assessments for the sub-projects being implemented in the three Ulaanbaatar districts of Bayanzurkh, Chingeltei, and Songinokhairkhan, nor are they listed in the main target areas page on the "irgen-tur" website.<sup>12</sup> The World Bank's 2017 annual progress report notes that a memorandum of understanding was signed between the World Bank and the Municipality of Ulaanbaatar on 27 March 2017, "to increase citizens' access to the decision-making process and improve quality of services through the implementation of sub-projects in Bayanzurkh, Chingeltei and Songinokhairkhan districts, which have high levels of poverty incidences."<sup>13</sup> However, these Ulaanbaatar sub-projects are not scheduled to be implemented until after the reporting cycle for this report.

### Early Results

The World Bank's independent assessment report describes a variety of early outcomes from each of the ten sub-projects. However, the report found two sub-projects to be particularly successful and thus highly replicable and ready to be scaled up: public participatory schools in Khovd aimag and improving the tuberculosis ward services in the Selenge aimag.

The sub-project in Khovd sought to address the lack of sufficient information and access to decision-making processes on governance, resource allocation, expenditure tracking, and operational planning for ten secondary schools in low income soums (counties) that are isolated from the *aimag* center. Through the sub-project, education officials and local CSOs drafted and sought approval for an action plan that includes budget allocation for the training of monitors, CSO and parental participation in the school budget-proposal-making process, public reporting of school performance, and making school audit reports available to school councils and the public.

Selenge aimag has experienced high rates of tuberculosis (TB) due to contamination from the aimag's numerous mining operations. The sub-project for Selenge aimag has led to greater collaboration between the local government, CSOs, and local health specialists to identify urgent needs and incorporating them into budget proposals for 2018, including the building of a dedicated TB facility, procurement of diagnostic equipment, and proposals from four family health clinics. CSO and health sector collaboration led to home visits in 16 out of 17 soums, mobile diagnostics, and the treatment of new cases. Public information campaigns on good health practices to stop the spread of TB were also carried out. Overall, local government officials, health service providers, and CSOs in Selenge aimag have seen notable improvements in citizen participation in developing and monitoring of health programs and services from this sub-project.

Other outcomes from the sub-projects include registering temporary residents for health care services in Khuvsgul aimag, improved access to dental equipment in Sukhbaatar, reduced infant mortality and improved health services in Uvs aimag after a citizen-monitored procurement process for medicines and medical devices, and increased parent awareness and involvement in school activities and programs in Uvurkhangai aimag.

## Next Steps

The MASAM project has already led to promising improvements in the health and education sectors in the participating *aimags*, and it is important to build upon the successes moving forward. The IRM recommends carrying this commitment forward to the next action plan but with greater clarity on what type of health and education information will be provided to the public (and how the scope of this information will be determined). The next action plan could also more clearly describe the new accountability mechanisms envisaged under the MASAM project. For example, this could include establishing specific measures to hold government officials and public sector employees in the health and education sectors accountable to the public. Additionally, future commitments around social accountability could involve scaling up promising sub-projects based on the World Bank's independent analysis and stakeholder feedback.

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<sup>1</sup> See Mongolia-WHO Country Cooperation Strategy 2017-2021,

<http://iris.wpro.who.int/bitstream/handle/10665.1/13684/WPRO-2017-DPM-005-eng.pdf>.

<sup>2</sup> United Nations Children's Fund, "Analysis of the Situation of Children in Mongolia 2014," pgs. 33-34, [https://www.unicef.org/mongolia/unicef\\_sitan\\_english\\_final.pdf](https://www.unicef.org/mongolia/unicef_sitan_english_final.pdf).

<sup>3</sup> For more information, see: [https://www.unicef.org/mongolia/activities\\_2191.html](https://www.unicef.org/mongolia/activities_2191.html).

<sup>4</sup> United Nations Development Programme in Mongolia, "Mongolia Human Development Report 2016," pg. 54,

[http://hdr.undp.org/sites/default/files/mongolia\\_human\\_development\\_report\\_2016\\_english\\_full\\_report\\_2016\\_06\\_28.pdf](http://hdr.undp.org/sites/default/files/mongolia_human_development_report_2016_english_full_report_2016_06_28.pdf).

<sup>5</sup> The World Bank, "Mongolia: World, SDC Support Civic Engagement to Improve Social Services," 9 February 2017. <http://www.worldbank.org/en/news/press-release/2017/02/09/mongolia-world-bank-sdc-support-civic-engagement-to-improve-social-services>.

<sup>6</sup> <http://www.irgen-tur.mn/en/what-is-masam>.

<sup>7</sup> For the main target areas of the MASAM project, see: <http://www.irgen-tur.mn/en/target-areas>.

<sup>8</sup> Cabrera III, Wadel S., "Mainstreaming Social Accountability in Mongolia (MASAM) Project: Independent Assessment of Sub-project Implementation," November 2017, pg. 16, [http://www.irgen-tur.mn/sites/default/files/documents/Masam-Project\\_eng.pdf](http://www.irgen-tur.mn/sites/default/files/documents/Masam-Project_eng.pdf).

<sup>9</sup> See (in English): <http://www.irgen-tur.mn/en>.

<sup>10</sup> Ibid: [http://www.irgen-tur.mn/sites/default/files/documents/Masam-Project\\_eng.pdf](http://www.irgen-tur.mn/sites/default/files/documents/Masam-Project_eng.pdf).

<sup>11</sup> World Bank, "Mainstreaming Social Accountability in Mongolia MASAM, Annual Progress Report 2017," 19 September 2017, pg. 10.

<sup>12</sup> See: <http://www.irgen-tur.mn/en/target-areas>.

<sup>13</sup> World Bank, "Mainstreaming Social Accountability in Mongolia MASAM, Annual Progress Report 2017," 19 September 2017, pg. 17.



### 3. Civic engagement in decision-making

**Commitment Text:**

*Promote and advocate the rights of public engagement reflected in these legislations<sup>1</sup> to the general public and foster justice by enabling the public to implement their rights and obligations and actively engage and participate in the decisions concerning them.*

**Status quo or problem addressed:**

*The Mongolia Government has adopted legislation to ensure the engagement of the public in policy and decision-making processes. These pieces of legislation are the Law on Development Policies and Planning, the Law on Public Hearing, the General Law on Governance and the Law on Legislations. Thus, for these documents to be effective, there is a necessity to increase and mobilize public engagement in the implementation of these legislations.*

**Main Objective:**

*Ensure public engagement and transparency in the decision-making processes of government organizations, which in turn has a positive impact on the public interest.*

**Milestones:**

*3.1. Provide training and advocacy on a broad scale on how to engage and provide feedback in the decision-making processes for decisions that could affect the legal interests and rights of the individual and the public.*

*3.2. Government authorities and governors shall present decisions that could impact the interests of the public to the public in a transparent and accessible manner with sufficient time for feedback.*

*3.3. Evaluate the level of public engagement in the decisions by government authorities and governors that could impact public interest.*

**Responsible institutions:** Central Government Authority responsible for Justice, Head of Legal Reform Policy Department

**Supporting institutions:** Government organizations of all levels, Open Society Forum, MNB- "Mongolian News" Channel National Broadcaster (MNB, a non-profit entity responsible for the "Mongolia News Channel"), NGOs work with Monitoring and Evaluation and Policy Development Mongolian Association of Journalists, Globe International

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
3. Overall		✓			✓	✓				✓			Yes	✓			

### Context and Objectives

This commitment aims to improve public participation in Mongolia and to ensure the effectiveness of various civic engagement legislation, namely the Law on Development Policies and Planning, the Law on Public Hearing, the General Law on Governance, and the Law on Legislations. More specifically, the commitment calls for 1) training and advocacy on how to provide feedback in the decision-making processes, 2) presenting decisions to the public in a transparent and accessible manner with sufficient time for feedback, and 3) evaluating the level of public engagement in the decisions by government. The commitment builds on Commitment 3.3.2.1 from the previous action plan, which called for introducing channels of communication between citizens and the government.

Presenting decisions of public interest to the public in an accessible manner makes the commitment relevant to the OGP value of access to information, while the trainings for the public on how to provide feedback makes the commitment relevant to the OGP value of civic participation. The commitment's milestones do not offer greater details on how the trainings will take place, which channels will be used to present the public with government decisions, or how the evaluation of the level of public engagement will be conducted. Therefore, the specificity is marked as low. While the goal of improving opportunities for the public to engage in decision-making processes is laudable, the vaguely worded activities of this commitment make its potential impact minor.

### Completion

Between June and September 2017, the parliament held country-wide consultations to discuss draft amendments to the Mongolian Constitution, including an option for online participation.<sup>2</sup> However, it is unclear if these consultations are the results of this commitment. The IRM inquired with the Cabinet Secretariat to provide greater detail on the methods and effectiveness of the trainings and advocacy for public engagement in decision-making processes, but did not receive clarification. For more information, see Section IV: Methodology and Sources.

Due to the lack of additional information and the vague wording of the milestones, the commitment is considered to have not started at the end of the first year of the action plan.

### Next Steps

If this commitment is carried forward to future action plans, the IRM recommends going beyond the current focus on training and include broader steps to ensure the implementation of the recently passed laws. Notably, future commitments could include the establishment of mechanisms to allow the public to offer feedback on



decisions, along with accountability mechanisms for when the government fails to present decisions to the public before they are finalized. If the trainings on how to provide feedback in the decision-making processes are carried forward, they should specify who will be trained and how the trainings will improve the implementation of the recently passed laws.

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<sup>1</sup> These legislations referenced in the commitment text are the Law on Development Policies and Planning, the Law on Public Hearing, the General Law on Governance, and the Law on Legislations.

<sup>2</sup> "Discussion on Draft Amendment to Constitution to Begin Nationwide," Montsame, 6 June 2017, <http://montsame.mn/en/read/10364>.

## 4. Develop a legal environment that ensures transparency in the funding of political parties

### Commitment Text:

*Make an Amendment to the Law on Political Parties of Mongolia to reflect the issue of funding transparency of political parties in the new amendment to the law.*

### Status quo or problem addressed:

*Funding of political parties is a contentious issue not only in Mongolia but also in other countries as well. According to survey data and study reports, political parties have the highest risk of exposure to corruption. There are still cases of violations related to election funding; this shows that the system is not comprehensive enough to handle these issues. Various international studies reveal that corruption in political parties is the base of defects in the political system, and has a negative effect on the development of parties and creates a foundation for future corruption. Therefore, there is an immediate need to address the issues of funding to political parties and make these channels more open, transparent, monitored and accountable. Amend the law on political parties of Mongolia and reflect the issue of funding transparency of political parties in the new amendment to the law.*

### Main Objective:

*Amend the law on political parties of Mongolia to reflect the issue of funding transparency of political parties in the new amendment to the law.*

### Milestones:

*4.1. Design the draft amendment of the Law of Political Parties in accordance with the processes outlined in the "Law on Legislations and Law on Public Hearing" while engaging stakeholders of the OGP in the process.*

*4.2. Reflect detailed regulations regarding the funding of political parties in the legal draft and organize actions to advocate the approval of legislation, which clearly states how to ensure transparency and accountability in the funding issues in the law.*

*4.3. Organise advocacy activities in cooperation with OGP stakeholders until the approval of the draft legislation.*

**Responsible institution:** Central Government Authority responsible for Justice

**Supporting institutions:** National Audit Authority, General Authority for Tax, Independent Agency Against Corruption, civil society organizations who actively work and research on government transparency, corruption and governance issues, MNB, Mongolian National Chamber of Commerce and Industry (MNCCI), political parties

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
4. Overall		✓			✓	✓				✓			Yes		✓		

### Context and Objectives

Regulations on the funding of political parties in Mongolia remain weak. The OSCE found in its 2015 report on anticorruption reforms in Mongolia that the “lack of effective supervision over political finances promotes political corruption and vested interests controlling government institutions,” and that “existing basic provisions on party finances are not enforced and are easily circumvented in practice.”<sup>1</sup> While the 2005 Law on Political Parties regulates non-election party financing and requires that political parties report their financing, it lacks clear provisions to monitor compliance with the law and ensure accountability, which in turn incentivizes the use of illicit funding and disincentivizes reporting income and expenditure.<sup>2</sup> Additionally, there is growing public distrust of political parties in Mongolia, as evidenced by the findings from recent surveys by Transparency International<sup>3</sup> and the Asia Foundation regarding popular corruption perceptions in the country.<sup>4</sup> To address these issues, this commitment calls for increasing transparency in political party funding. Specifically, the commitment includes amending the 2005 Law of Political Parties, passing new regulations on political party transparency, and organizing advocacy activities with OGP stakeholders.

This commitment is relevant to the OGP values of access to information and civic participation because it has a clear objective on increasing the transparency of political party financing while involving OGP stakeholders in the process of drafting an amendment to the Law on Political Parties. While the commitment calls for drafting an amendment to the Law on Political Parties and drafting new regulations regarding the funding of political parties, it does not explain what aspects of the law will be amended or what the new regulations will entail. Also, the commitment does not explain how OGP stakeholders will be consulted during the drafting of the amendment, or how the consultations will impact the final wording of the law. Therefore, the specificity is coded as low. Given that the commitment does not specify the extent of the amendments to the Law on Political Parties, the commitment will have only a minor potential impact on this issue. While the consultations with stakeholders are important, it is not clear how stakeholders will affect the final legislation.

### Completion

In December 2015, former President Ts. Elbegdorj initiated a draft Law on Political Parties to replace the existing law.<sup>5</sup> According to the Office of the President, the draft amendments included a provision that would require political parties to publish their budget information online through the Glass Accounts system.<sup>6</sup> However, Parliament

rejected the draft law. A civil society representative informed the IRM that a number of discussions on the draft law took place before it was rejected, though the composition of these discussions is unclear. The new parliament created a new task force to draft the amendments to the Law on Political Parties in December 2017.<sup>7</sup> There are two task forces, one composed of parliamentarians representing all parties with seats in parliament, and a sub-task force comprised of researchers and parliament secretariat staff.

As these events were carried out after the first year of the action plan cycle, they will be assessed in the IRM End of Term Report. However, because the sub-task force has completed a draft framework document for the draft amendments, the commitment is assessed as having limited implementation, but is on schedule.

### Next Steps

While improving the transparency of political party financing addressed both a major open government issue in Mongolia as well as a major stakeholder priority for the second action plan, this commitment does not clearly delineate which aspects of the Law on Political Parties will be amended, or how stakeholder consultations will impact the final wording of the amended law. Moving forward, the IRM recommends carrying this commitment forward, but with a clearer overall objective for the draft amendments, such as introducing greater transparency of income and revenue for political parties, establishing an independent oversight mechanism, and involving civil society in campaign financing monitoring and oversight.

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<sup>1</sup> Organisation for Economic Co-Operation and Development Anti-Corruption Network for Eastern Europe and Central Asia, "Anti-Corruption Reforms in Mongolia: Joint First and Second Rounds of Monitoring of the Istanbul Anti-Corruption Action Plan," 2015, pg. 7, <https://www.oecd.org/corruption/acn/Mongolia-Round-3-Monitoring-Report-ENG.pdf>.

<sup>2</sup> Dr. Bat-Ölzii Erdenedalai, "How are political parties in Mongolia financed?" The Mongolian Observer, 6 April 2016, <https://mongolianobserver.mn/political-parties-mongolia-financed/>. For Mongolia's 2005 Law on Political Parties, see: <http://www.legislationline.org/topics/country/60/topic/16>.

<sup>3</sup> See: <https://www.transparency.org/qcb2013/country?country=mongolia>.

<sup>4</sup> The Asia Foundation and Sant Maral Foundation, "Survey on Perceptions and Knowledge of Corruption: Strengthening Democratic Participation and Transparency in the Public Sector in Mongolia Project," 2017, pg. 56, [https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017\\_ENG.pdf](https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017_ENG.pdf).

<sup>5</sup> "What requirements must political parties meet?," News.mn, 2 December 2015, <https://www.news.mn/?id=210971>.

<sup>6</sup> See: The Office of the President of Mongolia, Discussion on Draft Law on Political Parties Held, 2 December 2015, <http://eng.president.mn/newsCenter/viewNews.php?newsId=1757>.

<sup>7</sup> Email exchange between IRM and representative of the Open Society Forum in Mongolia, 4 May 2017.

## 5. Create a favorable environment for media outlets and journalists

### **Commitment Text:**

*Facilitate consultation with a wide range of participants from the media to civil society organizations with the purpose of reviewing the limitations for media content and establishing a legal environment that ensures the financial and political independence of MNB by amending the Law on Mongolian National Broadcasting.*

### **Status quo or problem addressed:**

*Recommendation four of the special recommendations provided by the Independent Consultant Report on the implementation of the NAP for the OPG of Mongolia for 2014-16 stated that Mongolia should have a special commitment to freedom of media in cooperation with the media and journalism sector in the NAP for 2016-18. Journalists are worried about government actions to directly control the media. Currently, media outlets are meeting the domestic demand for Mongolia's 3 million people. Many large companies and politicians now own a media outlet or have a "cooperation agreement" with the media that restricts the media from publicly releasing any negative information about that person or company.*

### **Main Objective:**

*Adopt a new Law on Freedom of Media, which is in line with international standards.*

*To promote fair competition in the media industry and to promote the sectors development. It is necessary to develop a mechanism for transparency in media.*

*To ensure and protect the rights of journalists to maintain the confidentiality of their informants.*

*Make amendment into the Law on National Broadcasting to ensure media is free from political influence and has independent finances from the government.*

### **Milestones:**

*5.1. Run a consultation session for the draft amendment of the Freedom of Media and present it to the Parliament upon assessing whether the legislation meets international standards.*

*5.2. After consulting with the public and ensuring that the Draft legislation meets international standards, the Draft legislation should be submitted. The draft should recognize the rights of journalists to maintain the confidentiality of their informants, and that media outlet owners must be transparent.*

*5.3. Plan and organize advocacy actions until the adoption of the law in cooperation with OGP engagement*

*5.4. Receive feedback and facilitate consultations with professional associations on what amendments can be made into the Law on Mongolian National Broadcasting to ensure the financial and political independence of broadcasting.*

*5.5. Submit the draft amendment of the law, which reflects the outcome of the consultation and organize advocacy actions until the Parliament passes the amendment.*

5.6. Develop a legal environment to ensure Information transparency of the ownership of media.

**Responsible institution:** Central Government Authority responsible for Justice

**Supporting institutions:** Cabinet Secretariat of Government of Mongolia, Secretariat of Parliament and other relevant organizations, civil society organizations who actively engage and conduct research on government transparency, corruption and governance issues

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
5. Overall			✓		✓	✓						✓	Yes		✓		

### Context and Objectives

Mongolia has taken several steps towards protecting freedom of the press and media since the transition to democracy in the early 1990's. The 1992 Constitution of Mongolia guarantees freedom of the press through Article 16.16,<sup>1</sup> and the 1998 Law on Freedom of the Media prohibits state censorship of the media.<sup>2</sup> The 2005 Law on Public Radio and Television established the Mongolia National Broadcaster (MNB) as a non-profit entity governed by a 15-member National Council that provides nationwide broadcasting services.<sup>3</sup> Additionally, Mongolia passed the Law on Information Transparency and Right to Information in 2011 which regulates transparency of the state and the rights of citizens and legal entities to seek and receive information.<sup>4</sup>

Despite these legislative efforts, observers have noted several persistent issues that hinder Mongolia's media landscape. One such issue is the use of anti-defamation laws to dissuade criticism from journalists, often through the threat of excessive and disproportionate fines. The Globe International Center's 2015 Media Freedom Report noted that between 1999 and 2015, 54.3 percent out of total 738 civil and criminal defamation cases were filed against media and journalists.<sup>5</sup> In 2016, Global International Center registered 63 violations affecting the professional work of 61 journalists and media outlets, of which 12 were related to criminal defamation, detention, or arrest.<sup>6</sup> According to Freedom House's 2016 Freedom of the Press Report, "(in Mongolia) self-censorship is encouraged by the risk of legal liability, and journalists often retract critical stories before defamation cases go to trial."<sup>7</sup> In July

2015, one journalist was fined 19.2 million MNT (USD \$10,000) following a defamation conviction, a sum of over 100 times the minimum monthly wage.<sup>8</sup>

Another issue is the lack of transparency regarding media ownership in Mongolia. Reporters Without Borders and the Press Institute of Mongolia reported in the 2016 Media Ownership Monitor that 29 out of a total of 39 investigated media outlets in Mongolia have political affiliations through their founders and/or owners.<sup>9</sup> The MNB has been criticized for its perceived lack of independence. According to the Centre on Law and Democracy, the MNB depends heavily on a direct government subsidies, which negatively impacts its independence and stability, and that the Law on Public Radio and Television does not clearly delineate the process of appointing the National Council, leading to political interference in the appointment process.<sup>10</sup> In its Needs Assessment Report for Mongolia's June 2016 parliamentary elections, the OSCE's Office for Democratic Institutions and Human Rights noted concern with the financial and editorial independence of the MNB, "whereby a limited advertising market leads to a dependency on advertisement purchased by central and local government, especially outside of the capital."<sup>11</sup>

This commitment aims to improve the legal environment for journalists in Mongolia as well as transparency in media ownership by amending the Law on Media Freedom and the Law on Broadcasting. Specifically, the commitment calls for holding consultations with the public and media stakeholders before submitting the draft laws to parliament, assessing if the draft legislation meets international standards, and developing a legal framework to ensure information transparency of media ownership.

The considerable emphasis placed on public and stakeholder consultations to develop the amended media laws makes the commitment relevant to the OGP value of civic participation. The commitment also stipulates that the draft laws should develop a legal environment to ensure transparency of media ownership, making it relevant to the OGP value of access to information. Overall, the milestones clearly state that consultations will take place throughout the development of the draft amendments. However, the milestones do not explain how the draft amendments will reflect the outcomes of the public consultations. Therefore, the specificity is marked as medium. It should be noted that the development of the legal environment to ensure transparency of media ownership (Milestone 5.6), an important component of the commitment, is vague. Press and media freedom is an important issue in Mongolia and a major stakeholder priority that the previous action plan failed to address.

If fully implemented, this commitment could have a potentially transformative impact on the freedom of the press and journalism in Mongolia because the public and media stakeholders have an opportunity to directly influence the amendments to the country's laws governing the media. Additionally, journalists and the public will have increased access to information regarding the ownership of media outlets, thus significantly improving both media and political transparency in the country. It is also positive that the government expects to draft the amendment through consultations with citizens. The previous IRM report highlighted the importance of this issue in its key recommendations, one of which called for the inclusion of a commitment on media freedom in collaboration with media civil society groups, journalists, and the press protection sector.<sup>12</sup>

### **Completion**

In December 2016, the government submitted a draft Law on Broadcasting before Parliament.<sup>13</sup> Article 19<sup>14</sup> of the draft law addresses the issue of media ownership



transparency, and includes the disclosure of license-holder information. Article 19.3 stipulates that the Regulatory Commission (the government agency that issues media licenses) shall undertake “necessary measures to create conditions for fair competition in the broadcasting sector and to prevent... over concentration in accordance with relevant regulation”, and Article 19.4 states that the Regulatory Commission shall “disseminate information on license ownership to the public.” These articles fulfill the overall objective of the commitment to release media ownership information.

In an analysis of the draft Law on Broadcasting, the Centre for Law and Democracy (CLD) found several elements that run contrary to international standards, such as failing to transform the Communications Regulatory Commission into an independent body, failing to provide for community broadcasters, and imposing an unduly harsh regime for regulating content.<sup>15</sup> CLD’s analysis also found that the draft law fails to clarify the criteria against which license applications shall be assessed, and does not require the licensing process to be transparent or to allow for public participation.<sup>16</sup>

The IRM inquired with the government regarding the public consultations carried out when drafting the amendment to the Law on Broadcasting and the Law on Media Freedom, as stipulated in the commitment milestones, as well as the steps taken to ensure these draft amendments meet international standards. However, there is no evidence that the government organized public consultations on these two draft laws during the reporting period. In March 2017, TV representatives discussed the draft Law on Broadcasting during the national TV forum, but this forum was not organized by the government. Given the lack of information on whether these consultations occurred, the overall implementation commitment is considered limited at the end of the first year of the action plan cycle.

### Next Steps

Improving the operating environment for media outlets in Mongolia is a laudable goal, as it addresses a major stakeholder priority from the previous action plan. If this commitment is carried forward, the IRM recommends specifying what is meant by transparency of media ownership and financial and political independence of public broadcasting.

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<sup>1</sup> Globe International Center, Media Freedom Report, 2012-2014, <http://www.globeinter.org.mn/images/upld/Hevleliinerhcholo2015english.pdf>.

<sup>2</sup> Law of Mongolia on Freedom of Media, available at: [http://crc.gov.mn/contents/en/raw/12/30/27/10\\_Mongolian\\_Law\\_on\\_Freedom\\_of\\_Media.pdf](http://crc.gov.mn/contents/en/raw/12/30/27/10_Mongolian_Law_on_Freedom_of_Media.pdf).

<sup>3</sup> The Law of Mongolia on Public Radio and Television, available at: <http://www.crc.gov.mn/en/k/x7/1g>.

<sup>4</sup> Law on the Information Transparency and Right to Information, available at: <http://unpan1.un.org/intradoc/groups/public/documents/un-dpadm/unpan047231.pdf>.

<sup>5</sup> Globe International Center, Media Freedom Report, 2015, <http://www.globeinter.org.mn/images/upld/Hevleliinerhcholo2016eng.pdf>, pg. 21.

<sup>6</sup> Globe International Center, Media Freedom Report 2016, [https://www.forum-asia.org/uploads/wp/2017/05/Media\\_freedom\\_report\\_2016eng.pdf](https://www.forum-asia.org/uploads/wp/2017/05/Media_freedom_report_2016eng.pdf), pg. 16.

<sup>7</sup> See: <https://freedomhouse.org/report/freedom-press/2016/mongolia>.

<sup>8</sup> Zoljargal, M, “Court releases jailed journalist after imposing fine,” *The UB Post*, 28 July 2015, <http://ubpost.mongolnews.mn/?p=15526>.

<sup>9</sup> Media Ownership Monitor Mongolia, available here: <http://mongolia.mom-rsf.org/en/owner/>.

<sup>10</sup> Centre for Law and Democracy, Report on Current Regulatory Issues and Needs in Mongolia, January 2010, <http://www.law-democracy.org/wp-content/uploads/2010/07/10.01.Mongolia.Media-Situation.pdf>.

<sup>11</sup> Office for Democratic Institutions and Human Rights, Organisation for Security and Co-operation in Europe, Mongolia Parliamentary Elections, 29 June 2016: OSCE/ODIHR Needs Assessment Mission Report 5-8 April 2016. <https://www.osce.org/odihr/elections/mongolia/237621?download=true>, pg. 9.

<sup>12</sup> Independent Reporting Mechanism, Mongolia Progress Report 2014-2015, [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_14-15\\_Final\\_ENGLISH\\_0.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_14-15_Final_ENGLISH_0.pdf), pg. 61.



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<sup>13</sup> Law of Mongolia on Broadcasting, available at: [https://www.law-democracy.org/live/wp-content/uploads/2017/03/Mongolia.Bro\\_.Dec16.pdf](https://www.law-democracy.org/live/wp-content/uploads/2017/03/Mongolia.Bro_.Dec16.pdf).

<sup>14</sup> Available at: <http://forum.parliament.mn/projects/356>

<sup>15</sup> Centre for Law and Democracy, Mongolia: Analysis of the Draft Broadcasting Law, March 2017, <https://www.law-democracy.org/live/wp-content/uploads/2012/08/Mongolia.Broadcasting.Mar17analysis.pdf>, pg. 1.

<sup>16</sup> Ibid. pg. 6.

## 6. National Program for Combating Corruption

### Commitment Text:

*Ensure multilateral engagement of the OGP to implement the National Programme against Corruption.*

### Status quo or problem addressed:

*Since the completion of the National Programme for Combating Corruption for 2002-10, there hasn't been any strategy or program developed for combating corruption at the national level. Therefore it is necessary to define a comprehensive government policy against corruption and refine relevant legislations and actions to improve coordination between different agencies.*

### Main Objective:

*Actively engage in and partner with the National Programme against Combating Corruption after it's approval.*

### Milestones:

*6.1. Organize a meeting with the engagement of all stakeholders of the OGP to make implementation plans if the "NAP" is approved.*

*6.2. Deliver proposals of the OGP stakeholders on engaging and cooperating in the actions to implement NAP.*

**Responsible institution:** Central Government Authority responsible for Justice and other relevant organizations

**Supporting institutions:** Independent Agency against Corruption, other relevant government organizations, MNCCI, NGOs working on governance and transparency, MNB and "Mongolian News" Channel

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
6. Overall		✓				✓			✓				Yes		✓		

## Context and Objectives

Mongolia has committed to reducing corruption through a number of initiatives. Chapter 4 of the 2006 Law on Anti-Corruption established the Independent Authority Against Corruption (IAAC) to conduct corruption prevention, corruption studies, public awareness raising and education, and to investigate corruption offenses and review asset and income declarations of public officials.<sup>1</sup> Mongolia became a party to the United Nations Convention Against Corruption in 2006,<sup>2</sup> and joined the Organization for Economic Cooperation and Development's Istanbul Anti-corruption Action Network in 2012, which published its first and second monitoring reports in 2015.<sup>3</sup> Despite recent anticorruption measures, public perceptions of corruption remain high in Mongolia, as evidenced by a 2017 recent survey by the Asia Foundation and Sant Maral Foundation,<sup>4</sup> as well as Mongolia's rank of 103 out of 180 countries in Transparency International's 2017 Corruption Perception Index.<sup>5</sup>

Mongolia completed its first National Program for Combating Corruption between 2002 and 2010,<sup>6</sup> and parliament approved a new national anticorruption strategy in November 2016 that was developed by the then-President Ts. Elbegdorj in November 2015.<sup>7</sup> This commitment calls for the active engagement of OGP stakeholders in implementing the new National Program for Combatting Corruption. The involvement of stakeholders in implementing the anticorruption program is relevant to the OGP value of civic participation. The commitment provides few details on how exactly stakeholders priorities and proposals will influence the anticorruption program. While the anticorruption program is an important initiative to improve governance in Mongolia, it is unlikely that the activities outlined in this commitment will have any measurable impact on open government in Mongolia.

## Completion

In January 2017, the government held the National Anti-Corruption Forum, where participating CSOs and government ministries and agencies submitted feedback on the development of the action plan to implement the new National Program for Combatting Corruption.<sup>8</sup> By March 2017, the government had developed an action plan to implement the new National Program for Combatting Corruption, with the first phase to be implemented between 2016–19, and the second phase to be implemented between 2020–2023.<sup>9</sup> The IRM inquired with the Cabinet Secretariat regarding who was involved in drafting the anticorruption program. The IRM also asked about any plans to actively engage OGP stakeholders during the implementation of the program, but did not receive a response to either inquiry. For more information, see Section IV: Methodology and Sources. Based on the lack of additional information, the commitment is assessed as having limited implementation at the end of the first year of the action plan.

## Next Steps

Given that the National Program for Combating Corruption has been approved, this commitment does not need to be carried forward to future action plans. However, the implementation the anticorruption program could serve as commitments in future action plans, if they are clearly relevant to OGP values.

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<sup>1</sup> Law of Mongolia on Anti-Corruption, available here: <http://lehmanlaw.mn/wp-content/uploads/2016/04/Anti-corruption2006.pdf>.

<sup>2</sup> Conference of the States Parties to the United Nations Convention against Corruption, Fourth session, 3 October 2011, <https://www.unodc.org/documents/treaties/UNCAC/COSP/session4/V1186007e.pdf>.

<sup>3</sup> Organisation for Economic Co-operation and Development, Anti-Corruption Network for Eastern Europe and Central Asia, Anti-corruption Reforms in Mongolia, Joint First and Second Rounds of Monitoring of the Istanbul Anti-Corruption Action Plan, 9 October 2015, <http://www.oecd.org/corruption/acn/Mongolia-Round-3-Monitoring-Report-ENG.pdf>.

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<sup>4</sup> The Asia Foundation and Sant Maral Foundation, Survey on Perceptions and Knowledge of Corruption, 2017, [https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017\\_ENG.pdf](https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017_ENG.pdf).

<sup>5</sup> Transparency International, Corruption Perceptions Index 2017, available at: [https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017).

<sup>6</sup> The National Anti-Corruption Programme 2002-2010, available (in Mongolian) at: <http://www.legalinfo.mn/annex/details/3192?lawid=7014>.

<sup>7</sup> Independent Authority Against Corruption (IAAC), Comments to the Action Plan to implement the National Program for Combating Corruption submitted by government agencies and CSOs, 2016-2023, available here (in Mongolian): <https://www.iaac.mn/page/92?menu=217&lang=en>.

<sup>8</sup> See (in Mongolian): <http://www.iaac.mn/files/6e396b8e-a4cd-41d6-8a42-535892425542/ATUH.tusuld.sanal.pdf>.

<sup>9</sup> Organisation for Economic Co-operation and Development, Istanbul Anti-Corruption Action plan Joint First and Second Rounds of Monitoring: Mongolia Progress Update, 13 September 2017, pg. 10, <https://www.oecd.org/corruption/acn/OECD-ACN-Mongolia-Progress-Update-September-2017-ENG.pdf>.

## 7. Promoting transparency of loans and aid from foreign countries

### Commitment Text:

*Accelerate actions to develop an information database on borrowings, aid and projects and programs by international organizations and make the information open to public.*

### Status quo or problem addressed:

*Information about projects implemented with funding from international organizations is not transparent or accessible by the public.*

### Main Objective:

*Make information about borrowings, aid, assistance, projects, and program by international organizations open to the public.*

### Milestones:

*7.1. Update management database*

*7.2. Develop and expand information database*

*7.3. Organize training and capacity building on information management system*

*7.4. Promote information system to the public*

**Responsible institution:** Central Government Authority for Budget and Finance

**Supporting institutions:** General regulators of budget, Project implementing units

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
7. Overall		✓			✓					✓			Yes	✓			

### Context and Objectives

Chapter 7, Article 22 of Mongolia's 2003 Law on Coordination of Foreign Loans and Grant Aid calls for the establishment of an integrated registry of projects and database for foreign loan-funded projects, grant-funded projects and activities,

and foreign debt.<sup>1</sup> This commitment aims to ensure greater transparency of foreign assistance by developing an information database on foreign aid projects and promoting it to the public. It builds off Commitment 3.3.1.7 from the previous action plan, under which the Ministry of Finance launched a website ([odamis.mof.gov.mn](http://odamis.mof.gov.mn)) that listed and described about 1,000 past and ongoing projects with information on funders, expenditures, and performance. While the commitment was considered substantially implemented in the IRM End of Term Report, the report found that the website lacked detailed budget information, such as loan interest rates, repayment conditions, and implementing authority/organizations.<sup>2</sup> The commitment in the current action plan seeks to remedy the lack of budget information on the website.

Publishing information on projects implemented with international funding is relevant to the OGP value of access to information. However, the commitment does not provide further detail on the scope of foreign aid information to be made available to the public. Furthermore, there is no detailed description of how the trainings and capacity building will allow citizens or public officials to better understand or manage the information on the database. Therefore, the specificity is marked as low.

Commitment 3.3.1.7 from the previous action plan has a potentially transformative impact on access to foreign loan information because there was no government system to make such information available to the public prior the launch of the database.<sup>3</sup> However, the IRM End of Term Report found the commitment to have improved access to information only marginally due to the lack of detailed budget information made available. The commitment in the current action plan seeks to expand the information on the database, but the lack of a more specific description of the new information to be published makes it difficult to assess how this commitment addresses the deficiencies in the database. For example, it does not specify if the new information will be made available in machine-readable format. Also, the commitment does not include activities for promoting data use or raising awareness of the information made available on the database. Given the lack of a more detailed description of how the database will be expanded, the potential impact is marked as minor.

### Completion

The [odamis.mof.gov.mn](http://odamis.mof.gov.mn) database currently lists over 1,200 past and ongoing foreign-funded projects in Mongolia.<sup>4</sup> The information includes the start and end dates of the projects, the issue being addressed, the geographical area covered, the names of the funding and implementing organizations, and the implementation status. It is unclear, however, the extent to which the current amount of information on the database expands upon the amount during the previous action plan. Additionally, the IRM inquired with the government regarding the training for the information management system and the steps taken to promote the database to the public, as required by the commitment, but has not received a reply to this request. For more information, see Section VI: Methodology and Sources. The implementation of this commitment is considered to have not started at the end of the action plan's first year.

### Next Steps

Given the importance of foreign assistance to Mongolia, the IRM recommends carrying this commitment forward to the next action plan, but with greater specification for the type and format of information to be published on the database.

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<sup>1</sup> Law of Mongolia on Coordination of Foreign Loans and Grant Aid, available at: <http://legal-policy.mn/uploads/files/1437030428-33356109.pdf>.

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- <sup>2</sup> Independent Reporting Mechanism, “Mongolia End of Term Report 2014-2016,” [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 13.
- <sup>3</sup> Independent Reporting Mechanism, “Mongolia End of Term Report 2014-2016,” [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 27.
- <sup>4</sup> For the database of foreign-funded projects, see: <http://odamis.mof.gov.mn/projectList>.



## 8. Online registration of VAT

### **Commitment Text:**

*Continue registering all sales centers, service providers, and markets into the online receipt registration system and provide systematic information to public entities.*

### **Status quo or problem addressed:**

*The amendment of Law on VAT by the Parliament of July 09, 2015, established a legal environment for correctly collecting VAT. It created an opportunity for the customers to register their receipts onto the online receipt registration system and get back a certain portion of their tax payment in the form of incentives and lottery prizes.*

*GTA has started to implement the “EBARIMT” system, which meets international standards, from January 01, 2016 and as of now, the amount of VAT income increased 2.2 times a year on year for the first two months of implementation.*

*Since January 01, 2016 a total of 29,880 entities and 37,045 cash registers were connected to the system. Since 1995, only 12,000 POS machines were connected to a system to register non-cash transactions in Mongolia. The connection of 37,045 Cash register POS machines into the system in less than a three month period is an impressive achievement.*

*With the conversion from paper receipts to online receipts, it became easier for entities to report to the tax system and created an opportunity to reduce stress related to tax reporting. It also stopped the allocation of about 300 million MNT for paper receipts in the government budget.*

*As of May 2016, traffic for the Ebarimt.mn website reached 4.5 million, and there is now a total of 415 493 people registering their receipts through the website. As a result, the website became the most popular website in Mongolia after Facebook and YouTube according to <https://www.similarweb.com/country/mongolia>*

### **Main Objective:**

*Provide accessible information to entities and the public about VAT online receipt registration*

### **Milestones:**

*8.1. Develop a draft handbook for citizens to provide easy to understand instructions on how to register and log in to the online system. Upon completion of the draft send to civil society organizations for consultation.*

*8.2. Identify and prepare mediums to distribute the handbooks (such as online, publications, messages, radio, television programs, and social media)*

*8.3. Disseminate new and improved handbooks in consultation with the public through different mediums.*

*8.4. Prepare easy to understand and accessible handbooks for service providers and sales persons on VAT and HOW and WHEN to register receipts for customers and disseminate the information through different mediums and outlets.*

8.5. Provide training on VAT for accountants in urban and rural areas.

8.6. Report the effectiveness of the online registration of VAT through the media on regular basis.

8.7. Inform the public about the new procedures for the lottery system.

8.8. Live broadcast of the lottery process to the public.

**Responsible institution:** General Authority for Taxation, Implementing Agency of Government of Mongolia

**Supporting institutions:** All government organizations, Information technology center for customs and taxation, National Data Centre, GAST, citizens, entities, NGOS, MNCCI, Mongolian Economic Forum

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
8. Overall			✓		✓	✓				✓			Yes			✓	

### Context and Objectives

Mongolia passed an updated Law on VAT (value-added taxes) in 2015 which created an online system to register receipts.<sup>1</sup> This commitment seeks to provide the public with accessible information on the new online receipt system by drafting a handbook on how to register in consultation with civil society, and to disseminate the handbook to the public through easily accessible mediums. It also plans to train accountants in using the new system, to regularly report on the effectiveness of the system through the media, to inform the public about the new procedures for the lottery system, and to broadcast the lottery process to the public. The dissemination of the handbook on using the new online registration system to the public is relevant to the OGP value of access to information, while the development of the handbook in consultation with civil society and the public is relevant to the OGP value of civic participation. The commitment's milestones present a relatively clear roadmap for how the handbook on the new online VAT registration system will be developed and presented to the public, though the consultation process with civil society during the drafting of the handbook is not defined in the commitment. Therefore, the specificity is considered

medium. Providing the public with information on how to use the new online VAT system is a positive initiative in terms of transparency and access to information, while consulting civil society and the public will help ensure the handbook addresses specific user needs. However, it is unlikely that the development and distribution of a handbook will have more than a minor potential impact on access to information and civic participation.

### Completion

In September 2016, a meeting with CSOs was held to discuss the draft handbook to implement the Law on VAT. The Mongolian Tax Administration distributed information on the use of the EBARIMT system through five television channels, two daily newspapers and two online media publications. 28,300 posters to promote the VAT refund through EBARIMT were posted in shopping centers and stores by April 2017. By the time of writing this report, 2,023 training workshops to introduce Law on VAT and how to use the EBARIMT system were held throughout the country, including all *aimags* and cities. However, there is no evidence of specific trainings for accountants on the VAT system in urban and rural areas, or reporting the effectiveness.

The system is very popular among citizens and businesses and it is effective, transparent and user-friendly. There are two strong financial incentives to use the system for citizens. First, 20 percent of VAT payment is refunded, and second, every registered receipt also serves as a lottery ticket, where the winners announced every month live through a television channel. There are step-by-step instructions on how to register receipts, receive VAT refund, participate in the lottery and relevant laws and regulations both for citizens and businesses. EBARIMT also has a well-developed mobile application.

Overall, implementation of this commitment is considered substantial at the end of the first year of the action plan.

### Next Steps

This commitment should be completed during the current action plan period. If this commitment is fully implemented at the end of the action plan cycle, it does not need to be carried forward to the next action plan.

In the future, a commitment that more explicitly makes government-held information available to the public could have a higher potential impact on open government practices. Likewise, creating a channel through which citizens can directly communicate with government officials regarding VAT services would better align the commitment with OGP values.

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<sup>1</sup> For the revised Value Added Tax Law, see (in Mongolian): <http://www.legalinfo.mn/law/details/11227?lawid=11227>.

## 9. Promoting glass account system

### **Commitment Text:**

*Improve and refine indicators for measuring budget and financial information transparency of government organizations. While strengthening the government's capacity to respond to complaints and feedback of citizens and civil society organizations.*

### **Status quo or problem addressed:**

*Activities aimed at ensuring budget and financial transparency have had an important impact on the implementation of the Law on Glass Account (2014), and all government organizations are now beginning to make their budget spending more transparent to the public. Despite this achievement, there is public suspicion regarding government agencies hiding their budget spending by dividing their expenses over 5 million on the actual budget spending. Because of this, it is necessary to reduce the transaction transparency threshold to MNT 1 million for government organizations.*

**Main Objective:** Increase transparency of the budget and financial activities

### **Milestones:**

*9.1. Promote an updated and improved online system for the Law on glass account on a regular and continuous basis.*

*9.2. In addition to the transaction information for the spending above 5 million in the budgets and finance, the government should upload information about decisions and main agreements in relation to this transaction.*

*9.3. Research and develop a mechanism for community members to monitor, report, and follow-up on spending of their community.*

**Responsible institution:** Central Government Authority responsible for Budget and Finance

**Supporting institutions:** All regulators of budget, Units implementing the project "Citizens monitor budget" NGO Network, NGOs for Audit and Monitoring, MNB, Mongolian Journalism Association MNCCI

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
9. Overall			✓		✓						✓		Yes	✓			

### Context and Objectives

The Mongolian Parliament passed the Law on Glass Accounts in July 2014, which entered into force in January 2015 and requires all government agencies and legal entities with state involvement to make budgetary information available to the public.<sup>1</sup> Article 6.4.4 requires government agencies to disclose publicly-funded procurement contracts above 5 million MNT (~USD \$2,100) in order to comply with the law. However, government budgets in Mongolia remain opaque with little public oversight. Notably, in its 2017 Open Budget Survey, the International Budget Partnership found that Mongolia provides the public with limited budget information and few opportunities to engage in the budget process.<sup>2</sup>

This commitment seeks to make the online Glass Accounts system more open and responsive to the public. More specifically, the government plans to upload information on decisions and main agreements in addition to the transactions themselves, and to develop a mechanism for community members to monitor, report, and follow up on spending in their communities. In addition, the commitment plans to reduce the threshold for disclosing publicly-funded procurement contracts from 5 million to 1 million MNT. The commitment builds off Commitment 3.3.1.3 from the previous action plan, which created the integrated Glass Accounts system of the state budget. While Commitment 3.3.1.3 received a “starred” rating in the IRM’s Progress Report, the IRM’s End of Term Report found that the government had still not disclosed social benefits for public servants, performance reports for government-funded projects, or non-budgetary income such as charities by the end of the first action plan period.<sup>3</sup>

The publication of additional information on contract agreements and the reduction of the reporting threshold from 5 million to 1 million MNT makes the commitment the commitment relevant to the OGP value of access to information. The commitment includes implementation activities that are mostly verifiable, such as the creation of the feedback mechanism and the inclusion of publically- funded transactions over 1 million MNT. However, it is not entirely clear what type of “decisions” and “main agreements” regarding the transactions will be uploaded to the online system.

Additionally, while the commitment calls for the development of a mechanism, to “monitor, report, and follow up on” community spending, it does not provide accountability obligations for government agencies to respond to complaints or feedback received. Therefore, the specificity is marked as medium. Publishing additional information to the Glass Accounts system would be a much-needed improvement to budget transparency in Mongolia, while the creation of the feedback

mechanism would give citizens greater oversight for the allocation of government funds, particularly at the local level. Lowering the limit of the reporting threshold is also important because many daily transactions for local government authorities are far below 5 million MNT, and there is mounting public suspicion that government agencies are “dividing their expenses” to hide spending above 5 million MNT. However, the commitment’s activities (particularly the feedback mechanism envisaged in milestone 9.3) are worded vaguely, and therefore it is unclear how they will change business as usual regarding the current opaqueness in budgetary information in Mongolia. Therefore, the potential impact is marked as moderate.

### **Completion**

To comply with the Law on Glass Accounts, government agencies publish their budgetary plans and performance reports to the Glass Account Portal [www.shilendans.gov.mn](http://www.shilendans.gov.mn) (in operation since 2015). While government agencies continue to update their information on the Glass Account Portal on a monthly basis, the type of information available on the Portal has not changed since the previous action plan period. Additionally, the government has not developed an efficient mechanism for citizens to monitor, report, and follow up on the information available in the Portal, nor has the reporting threshold been lowered to MNT 1 million.

The IRM asked the Cabinet Secretariat to provide information on the mechanism for community members to monitor and report on spending, the percentage of compliance with the Glass Account system among government agencies. However, the Cabinet Secretariat did not respond to this request. For more details, see Section IV: Methodology and Sources. Therefore, the implementation of this commitment is assessed as having not started at the end of the first year of the action plan period.

### **Next Steps**

The IRM recommends carrying this commitment forward to the next action plan, but with greater clarity on which information on transactions will be published to the Glass Account Portal. The commitment should also provide greater detail on how the proposed feedback mechanism will function, such as the procedures for submission of questions on spending, complaints about the misuse of funds, and the obligations of government officials to respond to these public inquiries.

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<sup>1</sup> Law of Mongolia on Glass Accounts, available in Mongolian at: <http://www.legalinfo.mn/law/details/10497>, and in English at: [http://www.iaac.mn/old/pdf/law\\_en/8\\_on\\_glass\\_accounts.pdf](http://www.iaac.mn/old/pdf/law_en/8_on_glass_accounts.pdf).

<sup>2</sup> International Budget Partnership, Open Budget Survey 2017 for Mongolia, available at: <https://www.internationalbudget.org/wp-content/uploads/mongolia-open-budget-survey-2017-summary-english.pdf>.

<sup>3</sup> Independent Reporting Mechanism, Mongolia End of Term Report 2014-2016, [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 13.

## 10. Promoting transparency of public procurement process

### **Commitment Text:**

*Fully introduce the international initiative of Open Contracting Data Standards to government procurement activities.*

### **Status quo or problem addressed:**

*Mongolia has made significant achievements on regard to making the government/budget procurement process transparent to the public; this comes as a result of actions and initiatives spearheaded by the Ministry of Finance and Government Procurement Agency (GPA). Progressive legal changes were made into the Law on Purchasing and Procuring Goods and Services with the State and Local Resources and Budget in 2011 and 2014. Started using an online platform to make procurement processes transparent to the public.*

*GPA is currently working on to reform the online system in order to make the procurement process fully open and transparent, and also to increase accessibilities for citizens to get information, and to encourage citizens' constructive engagement and participation. The Ministry of Finance and GPA requested the World Bank to support to align their initiative on the procurement with the Open Contracting Data Standard, an international initiative for open government etc. Therefore the parties do cooperate on this matter.*

### **Main Objective:**

*Make government procurement processes transparent to the public.*

### **Milestones:**

*10.1. Openly disseminate invitations to participate in bidding for government procurements and inform process and outcomes of the bid through the online procurement platform.*

*10.2. Monitor whether rights and obligations of the ordering party are implemented by clause 46.1.9, article 46 of the Law on Purchasing and Procuring Goods and Services with Government and Local Resources.*

*10.3. Disclose annual procurement plans, reports and assessments of the general budget managers to the public.*

**Responsible institution:** Central Government Authority responsible for budget and financing issues

**Supporting institutions:** Government Procurement Agency, all ministries, and agencies, the World Bank, CSOs, and Private Sector

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
10. Overall			✓		✓						✓		Yes	✓			

### Context and Objectives

This commitment aims to make government procurement processes more transparent to the public by introducing the Open Contracting Partnership's Open Contracting Data Standard.<sup>1</sup> More specifically, it plans to 1) openly disseminate invitations, processes, and outcomes of bids for procurement, 2) monitor the effectiveness of Article 46.1.9, of the 2005 Law on Procurement of Goods, Works, and Services with State and Local Funds,<sup>2</sup> and 3) disclose to the public budget managers' annual procurement plans, reports, and assessments. In doing so, the commitment continues the theme of disclosing procurement contracts that began with Commitment 3.3.1.8 from the previous action plan, which called for the disclosure of procurement contracts above 80 million MNT.

The dissemination of information on the bidding process for procurements and the disclosure of annual procurement reports and assessments make the commitment relevant to the OGP value of access to information. The commitment's activities are mostly verifiable, although there are some important details missing in each of the milestones. For example, it is unclear how the effectiveness of Article 46.1.9 of the Law on Procurement of Goods, Works, and Services with State and Local Funds will be monitored. Therefore, the specificity is marked as medium. The open dissemination of bidding invitations and awarding of procurement and the disclosure of annual procurement plans, reports, and assessments are important initiatives toward greater transparency in government procurements. However, without greater details on how the Open Contracting Data Standard will be introduced to government procurement processes, it is likely the commitment will not have greater than a moderate potential impact on transparency in Mongolia.

### Completion

The Mongolian government publishes procurement tenders, contract amounts, participating bids, and results on the e-procurement website, [www.tender.gov.mn](http://www.tender.gov.mn). However, this website already existed by the end of the previous action plan period (June 2016). The IRM asked the government to specify how the website has changed since that time, as well as the extent to which the Open Contracting Data Standard has been fully introduced. For more details, see Section VI: Methodology and Sources. According to a 2016 UN report on Mongolia's public procurement framework, the procuring entity must post the tender invitation through nationwide daily newspapers and other forms of mass media.<sup>3</sup> However, the extent to which these invitations, annual procurement plans, and budgets are openly disseminated to the public is unclear.

### Next Steps

Going forward, the IRM recommends that the government provide an update on its progress toward implementing this commitment. If it is not fully implemented during the current action plan period, the IRM recommends incorporating this commitment into the next action plan. In particular, publishing each step of the contracting process and creating a feedback mechanism for engaging stakeholders in the planning and awarding of procurement contracts would be a major step forward for transparency in Mongolia.

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<sup>1</sup> For more information on the Open Contracting Data Standard, see: <http://standard.open-contracting.org/latest/en/>.

<sup>2</sup> Law of Mongolia on Procurement of Goods , Works and Services with State and Local Funds, available here: <http://cgc.gov.mn/contents/en/raw/12/30/24/7. Procurement.pdf>.

<sup>3</sup> United Nations, "Review of the Public Procurement Legal Framework of Mongolia," August 2016, [http://www.un-page.org/files/public/mongolia\\_legalreview\\_final\\_1.pdf](http://www.un-page.org/files/public/mongolia_legalreview_final_1.pdf).

## 11. Transparency of contracts of public resource exploitation

### Commitment Text:

*Identify what is considered as public resources in the mineral, land, water and petroleum category in Mongolia with the engagement of the public and civil society organizations.*

*Identify types of documents such as agreements on utilizing deposits, investment and sustainability agreements, shareholding and product sharing agreements, local cooperation agreements and agreements for land and water usage and develop an information database of these documents that is accessible to the public.*

### Status quo or problem addressed:

*It is important to establish accountability measures and information transparency of documents that regulate relations between government and state-owned enterprises who use public resources. In addition to this ensuring transparency of the use of public resources such as land, water and minerals are a priority for Mongolia.*

### Main Objective:

*Ensure transparency in the agreements to use public resources.*

### Milestones:

*11.1. Identify scope or relevance and relevant list of public resources*

- a. Minerals and Oil*
- b. Land and Water*

*11.2. Identify types of agreements and contracts to be covered*

- a. Use of deposit, investment, sustainability, shareholding, product allocation, and similar agreements.*
- b. Land and Water Usage Contract.*
- c. Local Cooperation Agreement and other similar agreements.*

*11.3. Develop contract database*

*11.4. Ensure access to contract database by the public*

**Responsible institution:** Central Government Authority responsible for budget and financing issues

**Supporting institutions:** Central Government Authority responsible for Foreign Investment Mineral Resource Authority, Mongolian Petroleum Authority, Open Society Forum

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
11. Overall			✓		✓	✓					✓		Yes			✓	

### Context and Objectives

Mongolia's economy is heavily dependent on the extraction of various natural resources found throughout its vast and sparsely populated territory.<sup>1</sup> However, there has been a lack of transparency regarding contracts for natural resource exploitation, with civil society and the public unable to access and monitor contracts.<sup>2</sup> For example, although Article 36.1 of the 2014 Law on Petroleum stipulates that certain information on oil exploration and contracts should be shared to the public through mass media, this law is often not enforced.<sup>3</sup> This commitment seeks to ensure greater transparency in public resource contracts by identifying the scope of public resources to be reported (within the categories of land, water, mineral, and petroleum), identifying the scope of contracts to be covered, and developing a contract database for public use. This commitment is a continuation of Commitment 3.3.1.5 from Mongolia's previous action plan, which called for publishing all investment, stability, and production sharing agreements related to publicly-owned resources. Though not specifically mentioned in the commitment text, this commitment also attempts to address the 2016 General Administrative Law, which requires public consultations in the development stage of contracts on public interest affairs signed by government entities.<sup>4</sup>

The publication of an accessible database on public resource contracts is relevant to the OGP value of access to information. Although not a specific milestone, the commitment mentions identifying what is considered a public resource through engaging civil society and the public, thus also making it relevant to the OGP value of civic participation. While the commitment lists categories of resources and types of contracts to be covered in the database, it does not provide detail on how the public will help develop the database or how the database will be promoted to the public. Additionally, it is unclear what is meant by the "scope" of public resources to be included in the database. For example, this could mean the geographical scale of the extractives sites or the range of the public resources within the categories covered in the database.

Commitment 3.3.1.5 from the previous action plan could have had a potentially transformative impact on public access to contracts for natural resources, but due to the limited number of contracts available at the end of the action plan cycle, the IRM End of Term Report found that it improved access to information only marginally.<sup>5</sup> Continuing to add contracts to the publicly available database is a laudable initiative toward greater transparency in the public resource sector, especially given the importance of these resources both to the country's economy and to the lives of

many rural Mongolians. However, the commitment does not call for any new methods of disseminating information on contracts to the public that might be more effective than a digital database, nor does it specify how civil society will influence the scope of resources and contracts to be made available. Therefore, the potential impact of this commitment is considered moderate.

### Completion

As a result of a multistakeholder national discussion held in December 2014, representatives from government, civil society, and mining industries agreed to establish a publicly accessible online database for resource contracts.<sup>6</sup> In early 2017, the Open Society Forum, in cooperation with the Extractive Industries Transparency Initiative (EITI) Secretariat of Mongolia and the Ministry of Mining and Heavy Industry (MMHI), launched the Resource Contract Database ([www.iltodgeree.mn](http://www.iltodgeree.mn)). The database currently has 35 contracts, including one Production Sharing Agreement (DMW Petroleum AG), 22 cooperation agreements, and seven land and water usage agreements, among other agreements.<sup>7</sup> The contracts are available in text and PDF format and include annotations that explain relevant clauses and articles. Though still relatively low, the 35 contracts represent an increase from the seven that had been published on the database by the end of the first action plan period (June 2016).<sup>8</sup> According to a memorandum of understanding signed in June 2017 by the Ministry of Mining and Heavy Industry, the EITI Secretariat, and the Open Society Forum, the EITI Secretariat is responsible for maintaining and updating the database while the MMHI provides support for collecting the contracts from various government organizations.<sup>9</sup>

In addition to the mining contracts on the Resource Contract Database, there are 25 contracts between mining companies and local governments published on Mongolia's EITI website.<sup>10</sup> However, this is the same number of contracts reported in the IRM End of Term Report for the previous action plan.<sup>11</sup> Mongolia also has seven contracts published on ResourceContracts.org, a global repository of extractive sector contracts.<sup>12</sup> Of the seven contracts, three are Production Sharing Agreements, while the others include a concession agreement, an amended and restated shareholders' agreement, an underground mine development and financing plan, and an asset sale and purchase agreement.

EITI currently rates Mongolia's level of progress on contract disclosure as "satisfactory" during the Second Validation (2018) against the EITI Standard.<sup>13</sup> Due to the ongoing nature of publishing mining contracts to the Resource Contract Database, the implementation of this commitment is assessed as substantial at the end of the first year of the action plan.

### Next Steps

While the disclosure of resource exploitation contracts is an important goal, future commitments in this area could improve opportunities for the public to participate in the awarding of contracts, particularly at the local level. Also, the government could consider developing mechanisms for public accountability that cover issues such as the environment and public health. Furthermore, to achieve a higher potential impact, future commitments could more clearly specify the expected outcomes, as well as how they differ from existing government practices.

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<sup>1</sup> Extractive industries accounted for 20 percent of Mongolia's GDP, 18.6% of government revenue and 86.2% of total exports in 2016 according to the 2016 EITI report available here: [http://www.eitimongolia.mn/sites/default/files/uploads/final-reports/Mongolia\\_EITI\\_Report\\_2016\\_English.pdf](http://www.eitimongolia.mn/sites/default/files/uploads/final-reports/Mongolia_EITI_Report_2016_English.pdf).

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<sup>2</sup> Natural Resource Governance Institute, “Contract Transparency a Critical Component of Civil Society Oversight in Mongolia,” 19 November 2015, <https://resourcegovernance.org/blog/contract-transparency-critical-component-civil-society-oversight-mongolia>.

<sup>3</sup> Law of Mongolia on Petroleum (the new edition), available at: <http://english.pam.gov.mn/content/-Law-of-Mongolia-On-Petroleum---the-new-edition--11370.shtml>.

<sup>4</sup> As clarified in IRM questionnaire completed by Enkhtsetseg Dagva, Program Manager, Open Society Forum, 23 April 2018.

<sup>5</sup> Independent Report Mechanism, “Mongolia: 2014-2016 End-of-Term Report,” [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 19.

<sup>6</sup> See (in Mongolian): [http://forum.mn/index.php?sel=project&menu\\_id=29&obj\\_id=5007](http://forum.mn/index.php?sel=project&menu_id=29&obj_id=5007).

<sup>7</sup> Available at: <http://www.iltodgeree.mn/>.

<sup>8</sup> Independent Report Mechanism, “Mongolia: 2014-2016 End-of-Term Report,” [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 19.

<sup>9</sup> IRM questionnaire completed by Enkhtsetseg Dagva, Program Manager, Open Society Forum, 23 April 2018.

<sup>10</sup> Available at: <http://www.eitimongolia.mn/en/node/4875>.

<sup>11</sup> Independent Reporting Mechanism, “Mongolia: 2014-2016 End-of-Term Report,” [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 17.

<sup>12</sup> See: <http://www.resourcecontracts.org/search?q=mongolia>.

<sup>13</sup> See Mongolia’s progress by requirement for the second EITI validation (2018): <https://eiti.org/mongolia#mongolias-progress-by-requirement>.

## 12. Transparency of information on beneficial ownership in mining sector

### Commitment Text:

- *Identify relevant natural resources*
  - o *Minerals and oil*
  - o *Land and Water*
- *Establish mechanism to collect information about the owners.*
- *Establish mechanism to check and confirm the information*
- *Disseminate the information to the general public.*

### Status quo or problem addressed:

*Transparency of the operations related to the use of natural resources is the fundamental principle of accountability. Today, this information is not entirely transparent, thus limiting the public's capacity and opportunity to monitor and make these operators accountable.*

### Main Objective:

*Make information public about the owners of the entities who are exploiting natural resources.*

### Milestones:

- 12.1. *Identify relevant natural resources*
  - a. *Minerals and oil*
  - b. *Land and Water*
- 12.2. *Develop mechanism to collect information about the owners*
- 12.3. *Establish mechanism to confirm the information in the database*
- 12.4. *Disseminate the information to the public*

**Responsible institutions:** Central Government Authority responsible for Budget and Finance  
Central Government Authority responsible for Mining Related Issues

**Supporting institutions:** Central Government Authority Responsible for Justice  
Central Government Authority Responsible for Foreign Investment  
Petroleum Authority Mineral Authority, Open Society Forum, Extractive Industry Transparency Initiative, Borderless Steps NGO

**Start date:** 30 June 2016

**End date:** 30 June 2018

Commitment Overview	Specificity	OGP Value Relevance	Potential Impact	On Time?	Completion
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	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
12. Overall			✓		✓							✓	No		✓		

### Context and Objectives

The Asia Foundation and the Sant Maral Foundation's 2017 study on corruption perceptions in Mongolia found that the public viewed land utilization, state mining, and local procurement offices as the most corrupt sectors in Mongolia.<sup>1</sup> Despite concerns of potential corruption in the extractives sector,<sup>2</sup> Mongolia passed the Law on the Amendments to the Mineral Law in 2014, which lifted a 2010 moratorium on issuing new licenses.<sup>3</sup> Mineral license information is available online through the Mineral Resources and Petroleum Authority's central directory. This commitment aims to improve transparency in the extractives sector by collecting information on beneficiaries of companies involved in this sector and disseminating it to the public. In doing so, this commitment builds off Commitment 3.3.1.4 from Mongolia's previous action plan that established a central database for information on oil, mineral, and land tenure ownership licenses.

The dissemination of information on beneficial ownership of companies involved in the extractives sector to the public is relevant to the OGP value of access to information. While the commitment's overall objective (to publish information on beneficial ownership) is clear, the milestones leave out some important details such as how the mechanism to confirm information on beneficiaries will be established and how the information will be disseminated to the public. Also, the definition of "beneficial ownership," which can have multiple interpretations, is unclear from the commitment text. Therefore, the specificity is marked as medium.

Although the publication of oil, mineral, and land tenure license ownership on a central database (Commitment 3.3.1.4) had a potentially transformative impact at the outset of the previous action plan, the IRM End of Term Report found that it only improved access to information marginally because of the limited disclosure of petroleum and land license ownership.<sup>4</sup> In addition, civil society considered the published information to be unsatisfactory and requested that the government disclose the beneficial ownership information for companies that hold licenses. This commitment specifically addresses this recommendation and is particularly salient due to the concerns of corruption in the extractives sector. Therefore, the commitment could have a potentially transformative impact on access to beneficial ownership information for the Mongolian extractives sector.

### Completion

Implementation of this commitment is linked to Mongolia's compliance with the Extractive Industries Transparency Initiative (EITI), a global standard to promote

open and accountable management of natural resources. Requirement 2.5 of the EITI Standard 2016 requires all implementing countries to disclose beneficial ownership information for companies that have obtained rights to extract oil, gas, and minerals by 2020.<sup>5</sup> In December 2016, Mongolia's EITI multistakeholder group (MSG) approved a roadmap to disclose beneficial ownership of corporate entities that bid for, operate, or invest in the extractive sector.<sup>6</sup> The roadmap has seven objectives with 32 planned activities to be carried out by 2020, including the incorporation of a database with beneficial ownership information in Mongolia's 2018 EITI report, and to conduct awareness raising activities and disseminate this information to the public.

Mongolia's 2016 EITI report found that out of 213 companies selected to complete the template for beneficial ownership in accordance with Requirement 2.5 of the EITI Standard, only 47 companies (22 percent) submitted their beneficial ownership information to the Mongolia EITI's e-Reporting system.<sup>7</sup> Objective 6 of the EITI roadmap is to conduct a pilot collection of beneficial ownership information and ensure data accuracy by incorporating government bodies and agencies' data system, exchanging information and updating relevant forms. Objective 7 of the roadmap is to ensure beneficial ownership information is disclosed and publicly accessible through Mongolia's 2018 EITI report. However, according to the roadmap, the collection of information for the database and its disclosure to the public are not scheduled to take place until 2019, after the action plan's June 2018 end date.

There have been regular meetings and discussions among EITI stakeholders on beneficial ownership disclosure. In 2016–17, nine discussions and workshops took place among different government agencies, extractive companies, and CSOs. Civil society and media representatives have also formed an informal group to improve the legal environment for beneficial ownership disclosure. According to a civil society representative, the State Registration Agency is working to collect beneficial ownership information on all mining companies by June 2018.<sup>8</sup>

Given the limited number of companies that provided beneficial ownership information in the most recent EITI report, as well as the scheduled collection and incorporation of beneficial ownership information for 2019, the completion of this commitment is considered limited and behind schedule.

### Early Results

Mongolia's EITI website includes an interactive infographic with the results of a beneficial ownership questionnaire that the multistakeholder group prepared for Mongolia's 2013 EITI report.<sup>9</sup> The infographic includes the shareholder country, type, and name for the 215 companies that responded to the voluntary questionnaire (out of a total of 250). However, subsequent EITI reports have been less successful in providing beneficial ownership data. Thirty of 236 companies provided information in 2014, 51 of 202 companies responded in 2015 (of which 26 disclosed beneficial ownership), and 47 of 213 companies reported information in 2016.<sup>10</sup> For the most recent data, Appendix 25.a of Mongolia's 2016 EITI report includes beneficial ownership information for the 47 companies that responded to the request for disclosure.<sup>11</sup>

### Next Steps

According to a representative from the Open Society Forum, government organizations are still reluctant to publicly disclose their beneficial ownership information. There are also continued barriers in privacy-related laws that limit the amount of beneficial ownership disclosure. Moving forward, beyond implementing the

steps outlined in Mongolia's EITI roadmap, the government could ensure that privacy laws do not inhibit future beneficial ownership disclosure to the public.

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<sup>1</sup> The Asia Foundation and Sant Maral Foundation, "2017 Survey on Perceptions and Knowledge of Corruption: Strengthening Democratic Participation and Transparency in the Public Sector in Mongolia Project," [https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017\\_ENG.pdf](https://asiafoundation.org/wp-content/uploads/2017/09/MG-SPEAK2017_ENG.pdf).

<sup>2</sup> United Nations Development Programme, Corruption risk assessment in Mining sector of Mongolia, 7 June 2016, available at: [http://www.mn.undp.org/content/mongolia/en/home/library/democratic\\_governance/CorruptionRiskAssessmentinMiningSectorofMongolia.html](http://www.mn.undp.org/content/mongolia/en/home/library/democratic_governance/CorruptionRiskAssessmentinMiningSectorofMongolia.html).

<sup>3</sup> For more information on the 2014 amendments to the 2006 Minerals Law, see: <http://www.eisourcebook.org/cms/January%202016/Mongolia%20Mineral%20Law%20Amendments%202014.pdf>.

<sup>4</sup> Independent Reporting Mechanism, "Mongolia: 2014-2016 End-of-Term Report," [https://www.opengovpartnership.org/sites/default/files/Mongolia\\_EOTR\\_2014-2016.pdf](https://www.opengovpartnership.org/sites/default/files/Mongolia_EOTR_2014-2016.pdf), pg. 18.

<sup>5</sup> EITI International Secretariat, The EITI Standard 2016, 15 February 2016, [http://www.eitimongolia.mn/sites/default/files/uploads/english\\_eiti\\_standard\\_0.pdf](http://www.eitimongolia.mn/sites/default/files/uploads/english_eiti_standard_0.pdf), pg. 21

<sup>6</sup> See: Roadmap for beneficial owners disclosure within the EITI standard, available at: [https://eiti.org/sites/default/files/documents/mongolia\\_eiti\\_road\\_map\\_on\\_bo\\_2016\\_12\\_20\\_in\\_english.pdf](https://eiti.org/sites/default/files/documents/mongolia_eiti_road_map_on_bo_2016_12_20_in_english.pdf).

<sup>7</sup> Mongolia Extractive Industries Transparency Initiative, Mongolia Eleventh EITI Reconciliation Report 2016, November 2017, [https://eiti.org/sites/default/files/documents/2016\\_m\\_eiti\\_report\\_final\\_english.pdf](https://eiti.org/sites/default/files/documents/2016_m_eiti_report_final_english.pdf), pg. 127.

<sup>8</sup> IRM questionnaire completed by Enkhtsetseg Dagva, Program Manager, Open Society Forum, 23 April 2018.

<sup>9</sup> See: <http://www.eitimongolia.mn/en/beneficial-owners>.

<sup>10</sup> See: <https://eiti.org/mongolia#beneficial-ownership-disclosure>.

<sup>11</sup> See the 2016 Mongolia Extractive Industries Transparency Initiative Report Appendices, [https://eiti.org/sites/default/files/documents/2016\\_m\\_eiti\\_report\\_appendices\\_en\\_final.pdf](https://eiti.org/sites/default/files/documents/2016_m_eiti_report_appendices_en_final.pdf), pgs. 121-123.

### 13. Transparency of licencing, operational and financial information of state owned companies

#### **Commitment Text:**

*Ensure annual financial and operational reporting by companies, develop a comprehensive database to ensure transparency for social responsibility, create a culture in the company to report and disseminate information about the company and use governance as a promotion, make the selection process of independent members of Board of Directors independent from political involvement, make the information of candidates transparent to the public and enable Board of Directors and Executive Directors to make independent decisions and create a mechanism to take accountability for their decisions and provide performance-based incentives.*

#### **Milestones:**

*13.1. Establish a comprehensive information system to enable information about corporate governance, activities, and financial reports to be more accessible and transparent.*

*13.2. Improve the report quality of the State Owned Enterprises to meet international standards.*

*13.3. Create a comprehensive system to develop and openly report social responsibility reports detailing environmental impact of the operations carried out by companies working in the mining sector.*

*13.4. Ensure open and transparent reporting of exploitation agreements of the state and public owned enterprises as well as negotiations for a large sum of funding or with conflict of interest.*

*13.5. Enable regular reporting of activities of the state and public owned enterprises to the public.*

*13.6. Increase responsible engagement and partnership of the media to ensure transparency at all levels.*

*13.7. Ensure the announcement for selection of Independent Members of the Board of Directors and Executive Management of State Owned Enterprises are made public. While also creating a mechanism to enable transparency of the information of all candidates and make selection of suitable candidates with the participation of independent players and submit the list to a commission of the relevant company to make the final selection.*

*13.8. Make information about direct beneficiaries and owners of the state owned enterprises and natural resources transparent and open to the public.*

*13.9. Ensure Board of Directors of the companies with state ownership can make decisions independently and take responsibility for the decisions that they make. Enable them to work independently from political involvement and introduce performance-based incentives for them.*

**Responsible institution:** Financial Regulatory Commission

**Supporting institutions:** Central Government Authorities in charge of Budget, Finance, Mining and Environmental issues. National Council for Corporate Governance, MNCCI, Erdenes MGL LLC, National portal site for corporate governance, Genial Association of Journalists, Mongolian Radio and Television of the MNB, Mongolian News Channel

**Start date:** 30 June 2016

**End date:** 30 June 2018

**Editorial Note:** This is a partial version of the commitment text. For the full commitment text please see the Mongolia National Action Plan:

<https://www.opengovpartnership.org/sites/default/files/Mongolia-NAP2-Final-Eng.pdf>.

Commitment Overview	Specificity				OGP Value Relevance				Potential Impact				On Time?	Completion			
	None	Low	Medium	High	Access to Information	Civic Participation	Public Accountability	Tech. and Innov. for Transparency and Accountability	None	Minor	Moderate	Transformative		Not Started	Limited	Substantial	Complete
13. Overall				✓	✓						✓		No		✓		

### Context and Objectives

There remains a general lack of transparency for state-owned enterprises and companies in Mongolia, including the Board boards of directors and financial reports. For example, Mongolia's 2016 EITI report found that only seven state-owned enterprises provided information on their boards of directors.<sup>1</sup> This commitment seeks to enact of number of activities designed to mitigate conflicts of interest and lack of transparency in Mongolia's state-owned enterprises, particularly in the extractives sector. More specifically, the commitment seeks to encourage Mongolian companies to comply with the Company Law, which regulates relations with respect to the establishment, registration and organization of Mongolian companies, including the boards of directors,<sup>2</sup> as well as the Law on Environmental Impact Assessment, which requires the disclosure of environmental impact assessments and rehabilitation reports by mining companies.<sup>3</sup> Additionally, the commitment calls for improving the reporting quality of state-owned enterprises to meet international standards, increased engagement with the media to ensure transparency, and to ensure that the boards of directors of state-owned companies are able to work independently from political involvement. Though not a specific milestone, the commitment also plans to integrate the information with the Independent Authority Against Corruption (IAAC), the country's anticorruption agency. The open reporting of social accountability by state-owned enterprises (Milestone 13.3) continues the theme of Commitment 3.3.1.6 from the previous action plan (a starred commitment),

which called for publication of information on actions that could be harmful to the environment or to people's health.

Establishing a database of confirmed candidates for the board of directors and openly disseminating social accountability reports to the public make the commitment relevant to the OGP value of access to information. The milestones include deliverables that are mostly verifiable and measurable, though it is unclear how the government will partner with the media to ensure transparency (Milestone 13.6). The initiative to make direct beneficiaries and owners of state-owned enterprises and natural resources open to the public (Milestone 13.8) is essentially the same objective Commitment 12. Taken together, the activities of this commitment could have a moderate potential impact on access to information in Mongolia.

### Completion

While the National Council for Corporate Governance operates the [www.governance.mn](http://www.governance.mn) website. However most of the available information pre-dates the implementation period of the second action plan.

According to the 2015 Law on Accounting, state-owned enterprises must comply with the International Financial Reporting Standards (IFRS).<sup>4</sup> While this law has been in force since January 2016, in practice, many enterprises do not comply due to the cost and difficulty of doing so. In December 2016, the Ministry of Finance developed and approved three new accounting and auditing standards to meet the IFRS standard. Ninety accountants from state-owned enterprises attended a three-day training workshop, which introduced these new standards.

The 2011 Company Law requires companies to hold a nomination committee to evaluate the activities of the board of directors.<sup>5</sup> However, according to Transparency International Mongolia, none of the ten largest listed companies disclose having a nomination committee and no company disclosed performing regular board of director evaluations.<sup>6</sup> Additionally, there is no evidence of implementation of the specific activities outlined in this commitment regarding board of director transparency. Therefore, the overall level of completion is considered limited at the first year of the action plan.

### Next Steps

While this commitment's overall goal of increasing transparency of state-owned enterprises is laudable, the individual activities encompass too wide a range of issues for one single commitment. Moving forward, the IRM recommends carrying the commitment forward to future action plans, but dividing it into three separate commitments. The first could focus on the financial reporting by state-owned enterprises, including but not limited to environmental impact reports and exploitation agreements. It should also make clear what enforcement mechanisms will be put in place to oblige state-owned enterprises to provide this information.

The second commitment could focus on transparency in corporate social responsibility, including the publication of clean-up and environmental rehabilitation reports and the creation of mechanism for civil society to monitor these efforts. The third commitment could address conflicts of interest by focusing on public disclosure of recruitment processes for positions of ownership on an ongoing basis. This commitment could also involve the creation of a civil society monitoring mechanism given the difficulties of identifying the owners of state-owned companies.

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<sup>1</sup> Mongolia Extractive Industries Transparency Initiative, Mongolia Eleventh EITI Reconciliation Report 2016, November 2017, pg. 116,

[https://eiti.org/sites/default/files/documents/2016\\_m\\_eiti\\_report\\_final\\_english.pdf](https://eiti.org/sites/default/files/documents/2016_m_eiti_report_final_english.pdf). The information on board of directors is available in Appendix 24.a, available in Excel format here:

<http://www.eitimongolia.mn/en/reconciliation-report>.

<sup>2</sup> Mongolia Company Law, available at: <http://www.ebrd.com/downloads/legal/securities/mongcomp.pdf>.

<sup>3</sup> Law of Mongolia on Environmental Impact Assessments, available at:

<http://admin.theiguides.org/Media/Documents/LawEnvironmentalImpactAssessments.pdf>.

<sup>4</sup> Ernst & Young, "Mongolia's new Accounting and Auditing Laws",

<https://www.ey.com/Publication/vwLUAssets/ey-mongolia-new-accounting-and-auditing-laws/%24FILE/ey-mongolia-new-accounting-and-auditing-laws.pdf>.

<sup>5</sup> Company Law of Mongolia, available here:

<http://www.wipo.int/edocs/lexdocs/laws/en/mn/mn011en.pdf>.

<sup>6</sup> Transparency International Mongolia, Business Integrity Country Agenda Mongolia, 201, pg. 81,

[http://resource3.sodonvision.com/transparency/file/2018/6/777tu5i5du77p212keb33zd6k/BICA\\_ENG\\_FI\\_NAL.pdf](http://resource3.sodonvision.com/transparency/file/2018/6/777tu5i5du77p212keb33zd6k/BICA_ENG_FI_NAL.pdf).



## V. General Recommendations

Mongolia's second action plan addressed several key stakeholder priorities, such as transparency of political finance, media ownership, and the extractives sector. Moving forward, future commitments could identify concrete, intended outcomes, while the extractives sector commitments could more directly involve civil society and the public.

This section aims to inform development of the next action plan and guide completion of the current action plan. It is divided into two sections: 1) priorities identified by civil society and government and 2) the recommendations of the IRM.

### 5.1 Stakeholder Priorities

Among the main stakeholder priorities for Mongolia's second action plan were transparency of political finance, disclosure of beneficial ownership and contracts in the extractives sector, improving the Glass Account system, and the improvements of legislation allowing greater public participation and access to government decision making. The action plan included commitments that addressed these priorities, and civil society stakeholders were generally satisfied with the scale and scope of the commitments.

### 5.2 IRM Recommendations

Overall, Mongolia's second action plan, much like the first, contains several high-impact commitments in high-priority areas such as civic space, transparency in the extractives sector, public-service delivery, and anticorruption. However, the implementation of both action plans has been low. Moving forward, the IRM recommends focusing on raising levels of implementation. Several specific recommendations for improving both implementation and the OGP process more generally are listed below.

- **Provide more information on open government activities.** Despite a strong co-creation process that involved a wide range of civil society groups, there has been a lack of communication with stakeholders regarding implementation following the action plan's approval in June 2016. For example, the Cabinet Secretariat has not published a self-assessment report, nor provided additional information on implementing the action plan. In the future, it is important to provide regular updates on the progress made toward implementation to sustain the momentum in public engagement from the co-creation process. This should align with OGP's new co-creation standards, which include establishing a specific website dedicated to open government in Mongolia, publishing regular updates on the progress of commitments (including reasons for delays, next steps, and a feature for public commenting).<sup>1</sup> Future steps could include the establishment of a dashboard (a real-time tracker for implementation).
- **Reinvigorate the working group to monitor implementation.** Although civil society played a leading role in developing Mongolia's second action plan, this role has diminished significantly during the first year of implementation. Notably, while the Cabinet Secretariat committed to forming a new working group to serve as a multistakeholder forum in order to monitor the implementation of the second action plan, this working group was mostly inactive following the approval of the plan. Moving forward, government and civil society could collaborate to reinvigorate this working group. This could

involve regularly scheduled meetings between government and civil society, as well as the online publication of minutes from these meetings, and possibly appointing specific civil society groups to oversee the government's implementation of individual commitments. By reinvigorating the working group, civil society groups can remain engaged in the OGP process and capitalize on the interest and momentum accumulated during the action plan development phase.

- **Include new government actors in the OGP process.** Building on the success of Commitment 2, which focuses on improving public service delivery in the health and education sectors in several *aimags*, the government could include further commitments in the next action plan that involve subnational governments, such as the Ulaanbaatar City Council. Other branches of government beyond the executive branch, including Parliament and oversight institutions, could also participate in the OGP process by developing and implementing commitments. To mitigate issues of coordination across different levels of government, the Cabinet Secretariat could establish a regular forum that includes liaisons for OGP at the participating government institutions to discuss ongoing activities and progress in implementation.
- **Raise awareness of open government among public officials.** A challenge in Mongolia is securing active engagement from key implementing agencies. The IRM has found that a major cause of delays in implementation is that lead agencies often do not understand their responsibilities as part of the OGP action plan, or lack high-level political support to implement commitments.<sup>2</sup> In Mongolia, significant bureaucratic changes following the approval of the second action plan in June 2016 have posed additional challenges to active OGP participation across government agencies. To improve the sense of ownership among government institutions, the government could consider the following undertakings:
  - 1) Organize trainings of public officials on the values, benefits, and best practices of open government.
  - 2) Organize and hold a ministerial-level event to re-engage government agencies with the OGP process.
  - 3) Align OGP commitments with institutional priorities to ensure greater buy-in and facilitate implementation.
- **Specify intended outcomes for commitments.** Many of the commitments in Mongolia's second action plan cover important open government themes, such as anticorruption and transparency in the extractives sector. However, some of the commitments could better specify the expected changes in government behavior. For example, Commitment 6 does not specify intended outcomes beyond the implementation of a National Program for Combating Corruption. Likewise, Commitment 4 is an important initiative toward transparency in political party finance but lacks details on the content of proposed legal amendments. Moving forward, the next action plan could provide more concrete and measurable outcomes that are expected from implementation beyond a series of deliverables.
- **Greater emphasis on civic engagement and public accountability in the extractives sector.** Mongolia's second action plan carries forward many of the potentially transformative reforms in the extractives sector from the previous action plan, such as releasing beneficial ownership information and publishing contracts. However, most of these activities focus on releasing

more information and neglect to either involve the public or relevant stakeholders in the process of collecting this information for databases, or to develop mechanisms by which the public can hold government accountable based on the information provided in databases. In the future, the government could commit to improving engagement with stakeholders, particularly in local regions that are affected by the extractives sector, and develop mechanisms for public accountability that cover major issues such as the environment and public health.

**Table 5.1: Five Key Recommendations**

1	Provide more information on open government activities.
2	Reinvigorate the working group to monitor implementation.
3	Include new government actors in and raise awareness of the OGP process.
4	Specifying intended outcomes for commitments.
5	Greater emphasis on civic engagement and public accountability in the extractives sector.

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<sup>1</sup> For more information, see the OGP Participation & Co-creation Standards, available at: <https://www.opengovpartnership.org/ogp-participation-co-creation-standards>.

<sup>2</sup> For more information, see: Falla, Renzo, "Why OGP Commitments Fall Behind," Independent Reporting Mechanism, Winter 2017, [https://www.opengovpartnership.org/sites/default/files/IRM\\_Technical-Paper\\_Failure\\_Dec2017.pdf](https://www.opengovpartnership.org/sites/default/files/IRM_Technical-Paper_Failure_Dec2017.pdf).

## VI. Methodology and Sources

The IRM progress report is written by researchers based in each OGP-participating country. All IRM reports undergo a process of quality control to ensure that the highest standards of research and due diligence have been applied.

Analysis of progress on OGP action plans is a combination of interviews, desk research, and feedback from nongovernmental stakeholder meetings. The IRM report builds on the findings of the government's own self-assessment report and any other assessments of progress put out by civil society, the private sector, or international organizations.

Each IRM researcher carries out stakeholder meetings to ensure an accurate portrayal of events. Given budgetary and calendar constraints, the IRM cannot consult all interested or affected parties. Consequently, the IRM strives for methodological transparency and therefore, where possible, makes public the process of stakeholder engagement in research (detailed later in this section.) Some contexts require anonymity of interviewees and the IRM reviews the right to remove personal identifying information of these participants. Due to the necessary limitations of the method, the IRM strongly encourages commentary on public drafts of each report.

Each report undergoes a four-step review and quality-control process:

1. Staff review: IRM staff reviews the report for grammar, readability, content, and adherence to IRM methodology.
2. International Experts Panel (IEP) review: IEP reviews the content of the report for rigorous evidence to support findings, evaluates the extent to which the action plan applies OGP values, and provides technical recommendations for improving the implementation of commitments and realization of OGP values through the action plan as a whole. (See below for IEP membership.)
3. Prepublication review: Government and select CSOs are invited to provide comments on content of the draft IRM report.
4. Public comment period: The public is invited to provide comments on the content of the draft IRM report.

This review process, including the procedure for incorporating comments received, is outlined in greater detail in Section III of the Procedures Manual.<sup>1</sup>

### Interviews and Focus Groups

Each IRM researcher is required to hold at least one public information-gathering event. Researchers should make a genuine effort to invite stakeholders outside of the “usual suspects” list of invitees already participating in existing processes. Supplementary means may be needed to gather the inputs of stakeholders in a more meaningful way (e.g., online surveys, written responses, follow-up interviews). Additionally, researchers perform specific interviews with responsible agencies when the commitments require more information than is provided in the self-assessment or is accessible online.

IRM staff wrote this report, under the guidance of the IEP. The OGP Support Unit visited Mongolia in March 2018 to discuss the OGP process with government officials and civil society representatives. Following this visit by the Support Unit, the IRM attempted to reach out to the point of contact in the Cabinet Secretariat to inquire about the progress made towards implementing the commitments in the action plan and to provide additional information on the co-creation process beyond the

description in the action plan. The IRM also asked the point of contact about the status of the government's self-assessment report, and to provide more information on consultation efforts during the implementation period.

The IRM developed two questionnaires: one for the co-creation process, and the other for the level of implementation for each commitment, as well as questions to help better assess the potential impact for certain commitments. The IRM attempted to contact the point of contact via email on 16 April 2018 and 2 May 2018 to complete these surveys, but did not receive a response from the point of contact on either occasion. To gather feedback from civil society on the co-creation process, the IRM sent questionnaires to civil society representatives who participated in the process from Transparency International Mongolia and the Open Society Forum asking about their level of satisfaction with how civil society proposals were incorporated into the action plan.

The IRM also reached out to member of the civil society OGP working group to answer questions about commitment development and implementation. The IRM integrated comments received into this draft.

In addition to questionnaires, the IRM carried out desk research to determine the potential impact and levels of implementation for the commitments. For example, the IRM relied heavily on the information available on the World Bank's "irgen-tur.mn" website to analyze the activities carried out under the "Mainstreaming Social Accountability and Education in Mongolia" (MASAM) project for Commitment 2. The IRM also utilized information and reporting from the Mongolia Extractives Industries Transparency Initiative (M.EITI) website to review the commitments pertaining to the extractives sector, namely Commitment 11 (exploitation contracts) and Commitment 12 (beneficial ownership). For commitments that involved uploading information to publicly-available webpages such as Commitment 7 (foreign assistance) Commitment 9 (Glass Accounts), and Commitment 10 (public procurement), the IRM compared archived versions of the relevant webpages to determine if they had changed or improved since Mongolia's previous action plan.

### **About the Independent Reporting Mechanism**

The IRM is a key means by which government, civil society, and the private sector can track government development and implementation of OGP action plans on an annual basis. The design of research and quality control of such reports is carried out by the International Experts Panel, comprised of experts in transparency, participation, accountability, and social science research methods.

The current membership of the International Experts Panel is

- César Cruz-Rubio
- Mary Francoli
- Brendan Halloran
- Jeff Lovitt
- Fredline M'Cormack-Hale
- Showers Mawowa
- Juanita Olaya
- Quentin Reed
- Rick Snell
- Jean-Patrick Villeneuve

A small staff based in Washington, DC, shepherds reports through the IRM process in close coordination with the researchers. Questions and comments about this report can be directed to the staff at [irm@opengovpartnership.org](mailto:irm@opengovpartnership.org).

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<sup>1</sup> IRM Procedures Manual, V.3: <https://www.opengovpartnership.org/documents/irm-procedures-manual>.

## VII. Eligibility Requirements Annex

The OGP Support Unit collates eligibility criteria on an annual basis. These scores are presented below.<sup>1</sup> When appropriate, the IRM reports will discuss the context surrounding progress or regress on specific criteria in the Country Context section.

In September 2012, OGP officially encouraged governments to adopt ambitious commitments that relate to eligibility.

**Table 7.1: Eligibility Annex for Mongolia**

Criteria	2013	Current	Change	Explanation
Budget Transparency <sup>2</sup>	4	4	No change	4 = Executive's Budget Proposal and Audit Report published 2 = One of two published 0 = Neither published
Access to Information <sup>3</sup>	4	4	No change	4 = Access to information (ATI) Law 3 = Constitutional ATI provision 1 = Draft ATI law 0 = No ATI law
Asset Declaration <sup>4</sup>	4	4	No change	4 = Asset disclosure law, data public 2 = Asset disclosure law, no public data 0 = No law
Citizen Engagement (Raw score)	4 (8.24) <sup>5</sup>	4 (8.24) <sup>6</sup>	No change	<i>EIU Citizen Engagement Index raw score:</i> 1 > 0 2 > 2.5 3 > 5 4 > 7.5
<b>Total / Possible (Percent)</b>	<b>16/16 (100%)</b>	<b>16/16 (100%)</b>	<b>No change</b>	<b>75% of possible points to be eligible</b>

<sup>1</sup> For more information, see <http://www.opengovpartnership.org/how-it-works/eligibility-criteria>.

<sup>2</sup> For more information, see Table 1 in <http://internationalbudget.org/what-we-do/open-budget-survey/>. For up-to-date assessments, see <http://www.obstracker.org/>.

<sup>3</sup> The two databases used are Constitutional Provisions at <http://www.right2info.org/constitutional-protections> and Laws and draft laws at <http://www.right2info.org/access-to-information-laws>.

<sup>4</sup> Simeon Djankov, Rafael La Porta, Florencio Lopez-de-Silanes, and Andrei Shleifer, "Disclosure by Politicians," (Tuck School of Business Working Paper 2009-60, 2009), <http://bit.ly/19nDEfK>; Organization for Economic Cooperation and Development (OECD), "Types of Information Decision Makers Are Required to Formally Disclose, and Level Of Transparency," in *Government at a Glance 2009*, (OECD, 2009), <http://bit.ly/13vGtqS>; Ricard Messick, "Income and Asset Disclosure by World Bank Client Countries" (Washington, DC: World Bank, 2009), <http://bit.ly/1cloyf>. For more recent information, see <http://publicofficialsfinancialdisclosure.worldbank.org>. In 2014, the OGP Steering Committee approved a change in the asset disclosure measurement. The existence of a law and de facto public access to the disclosed information replaced the old measures of disclosure by politicians and disclosure of high-level officials. For additional information, see the guidance note on 2014 OGP Eligibility Requirements at <http://bit.ly/1EjLJ4Y>.

<sup>5</sup> "Democracy Index 2010: Democracy in Retreat," The Economist Intelligence Unit (London: Economist, 2010), <http://bit.ly/eLC1rE>.

<sup>6</sup> "Democracy Index 2014: Democracy and its Discontents," The Economist Intelligence Unit (London: Economist, 2014), <http://bit.ly/18kEzCt>.