

Changing Policy Environment in Mongolia: Role of UNCT in a Country at Crossroads

Sajjad Zohir

Executive Director, Economic Research Group
sajjad@ergonline.org; sajjadzohir@yahoo.com

and

Mahesh Patel

Senior Policy Adviser, Social Policy and Economic Analysis, UNICEF
mpatel@unicef.org

1. Introduction: Background and Study Objectives

1. This report is one of eight studies of UN agencies' involvement in the preparation of country-level Poverty Reduction Strategy (PRS) and/or National Development Strategy (NDS) in various less developed countries.¹ Mongolia is an exception since it is a low-income country with per capita gross domestic product (GDP) of US \$690 (in 2005), and since it is not a member of the LDCs.² More importantly, Mongolia is not a PRS country even though a Poverty Reduction Strategy Paper, called the EGSPRS, was prepared in 2003.³ The EGSPRS was accepted at the meetings of the Executive Boards of the World Bank and the IMF, even though no resources came into the country from the two agencies under the PRS commitments. Mongolia however is a country on full roll, where the UNCT's practices have been considered as 'best practice' model, and one UN is vigorously pursued. It is also a country in transition where the politics of governance has been undergoing significant changes since the beginning of the 1990's; and UN agencies' partnership in the process continues to be highly valued by the Government of Mongolia (GOM).

2. The country studies preceded by a desk review of the relevant literature, a day-long exchange of ideas amongst members of the research team, and a common understanding developed in consultation with the UNDGO on the central focus of the country studies. Accordingly, the Mongolian study had the following objectives.

- Assess how effectively the UN agencies, collectively and individually, were involved in the PRS/NDS processes in individual country;
- Identify lessons learned and constraints in integrating the UN development agenda, particularly the MDGs in the PRS/NDS;

¹ The selected countries are Mongolia, Laos PDR, Azerbaijan, Honduras, Lesotho, Malawi, Uganda and Zambia.

² The simulation results presented in the "Report on Needs Assessment for Millennium Development Goals Achievement in Mongolia, Summary", mentions the figure to be US \$ 940 in 2007. The NDS paper however mentions the figure to be \$ 1018 for 2006.

³ EGSPRS stands for Economic Growth Support and Poverty Reduction Strategy.

- Recommend to UNDG so that the latter may assist UN Country Teams in improving their effectiveness. In a way it also tables some issues which UNCT-Mongolia may like to consider in their future engagements.

3. Given the above objectives, the study team had identified the scope of the study in terms of the following five steps:

- Understand Mongolia's PRS/NDS process as it has evolved over the recent past
- Identify and understand the UNCT's role in the PRS/NDS process
- Identify the roles played by different PRS/NDS players: external development partners, Government, and the Civil Society; and assess the dynamics between relevant PRS players to the extent these facilitated or obstructed integrating UN development agenda in PRS/NDS
- Understand and assess coordination and alignment dilemmas within the UN System
- Identify and suggest mechanisms that could contribute to a more effective, more visible, and more coherent involvement of the UN in the PRS/NDS process

4. A Mission comprising Sajjad Zohir, Executive Director, Economic Research Group (Dhaka) and Mahesh Patel, Senior Policy Analyst, UNICEF (Bangkok) was fielded during 19-26 May 2007. This was preceded by desk review of reports and documents of UN and UN agencies in Mongolia; Government of Mongolia; other external development partners and other research materials obtained in the web and accessed through contacts⁴. During the period of the Mission, the Team had interviewed representatives of UN agencies, GOM, EDPs and the academia/civil society.⁵ One the Mission members realized that EGSPRS was temporarily on hold; and new dynamics had surfaced around the national development strategy (NDS) since the GOM-EDP Technical Group Meeting in April 2007; a pre-defined set of checklist could no more be adhered to. In stead, the focus was more on understanding the processes (and dynamics), and how UNCT had contributed (and continues to contribute) in leading the processes to outcomes that are compatible with the broad UN mandates, and the Mongolian MDGs in particular. Te Preliminary findings of the Mission were shared with the UNCT in a de-briefing session on 25th May 2007; and the current draft is circulated on 10th June 2007.

5. The following section sketches the history of national and sectoral policy making in Mongolia and introduces various policy documents. The purpose is to arrive at a common understanding of the situation prior to assessing UNCT engagements. Section III sketches the activities of various UN agencies and other external development partners so far these relate to Mongolia's PRS/NDS. Section IV attempts an assessment of UNCT engagements within the structure of three primary focus areas: process, content and outcomes. The concluding section raises issues relevant for taking forward the UN agenda, in particular, the MDGs in Mongolia and makes several recommendations.

⁴ A list of reference is annexed to this report.

⁵ The list of persons interviewed is included at the end of the report.

II. Shifting Target – the Mongolian Policymaking in Transition

During the socialist era

6. It is important to recognize that one of the first casualties of Mongolia's transition from a 'socialist' regime to a 'market-drive democratic' regime was its planning apparatus.⁶ And the process of transition is yet to stabilize in terms of consensus within its polity as well as in terms of institutional restructuring within the government. During the 1980's, based on guidelines provided by Mongolian People's Revolutionary Party, the Standing Commission on Economic-Budget Affairs of the People's Great Hural (PGH) drafted the five-year national and annual economic plans, which were approved by the PGH and became law. The Council of Ministers directed and implemented national planning through the State Planning and Economic Committee and through the Ministry of Finance. Planning for different sectors of the economy was conducted by relevant ministries and state committees, while the local plans were drawn up by local governmental organizations.⁷

7. The top-level state economic organizations under the Council of Ministers were reorganized during 1987-88. The State Planning and Economic Committee was formed out of the former State Planning Commission, the State Labor and Social Welfare Committee, the State Prices and Standards Committee, and the Central Statistical Board. New economic entities were the Ministry of Agriculture and Food Industry; the Ministry of Environmental Protection; the Ministry of Foreign Economic Relations and Supply; the Ministry of Light Industry; and the Ministry of Power, Mining Industry, and Geology. Unaffected by the reorganization were the Ministry of Social Economy and Services, the Ministry of Communications, the Ministry of Finance, the Ministry of Transport, the State Construction Committee, and the State Bank of the Mongolian People's Republic. Local government organizations--the executive committees of *Hurals* -- implemented economic plans and budgets, directed economic construction, and supervised the work of economic and cooperative organizations at their level.

Changes in the 1990s

8. Mongolia's first multi-party election was held on 29 July 1990. In November 1991, a new constitution was drafted and it was adopted on 12 February 1992. In addition to establishing Mongolia as an independent, sovereign republic and guaranteeing a number of rights and freedoms, the new constitution restructured the legislative branch of government, creating a unicameral legislature, the State Great Hural (SGH). The restructuring within the government began long before the SGH adopted the Resolution (Number 38) on May 21, 1996, on "Mongolian State Policy on Reforming Government

⁶ The distinction between the two eras in those terms seems to be unanimous amongst young Mongolians, as was revealed from extensive informal discussions the researchers had.

⁷ National economic plans included general development goals as well as specific targets and quotas for agriculture, capital construction and investment, domestic and foreign trade, industry, labour resources and wages, retail sales and services, telecommunications, and transportation. The plans also focused on such social development goals and targets as improved living standards, population increase, cultural development, and scientific and technical development.

Processes and the General System of Structure”. The Planning Commission was merged with several other entities to form the new Ministry of National Development (MOND) in 1990. Later in 1992, the MOND was dissolved to constitute National Development Board (NDB)⁸ and the latter was placed under the Prime Minister Office (PMO). In 1996, the erstwhile PC (within the NDB) was reconstituted as the Economic Policy Department and placed under the Ministry of Finance. Currently, several alternatives are reported to be under consideration, of which two are noteworthy. Some favor a stronger Planning Cell under the Ministry of Finance; while others are in favor of setting up an independent Planning Commission (or, a Ministry of Planning); and the future remains unclear.⁹

9. Along with shifting institutional focal points, there has also been an influx of documents; and it is difficult to point at any one document as providing guidelines to shape GOM’s economic decision-making and for EDPs to engage.¹⁰ There had been the Government’s Programme of Action (1992)¹¹, National Poverty Alleviation Program for 1994-2000, Development Concept paper of Mongolia (1996)¹², Public Investment Program (PIP, 1995-1998), and various sectoral strategy papers¹³. In 1998, the Government adopted a Mongolian Action Program for the 21st Century, known as MAP-21, linked to a Sustainable Development Strategy through 2021, developed with UN support.¹⁴ The Action Program and the Strategy were not implemented due to frequent government changes, and policy makers rarely refer to them. In more recent past, the IPRSP was prepared in 2001 with WB/IMF support, which was made into a full PRSP in 2003, called the Economic Growth Support and Poverty Reduction Strategy (EGSPRS).¹⁵ For various reasons, the EGSPRS never became a legally binding document; and the newly-elected Government of 2004 decided to rely on a constitutionally-mandated Action Plan for 2004-08 as Mongolia’s medium-term development strategy. In February 2005, the Academy of Sciences and the Mongolian Development Institute, a local think-tank, completed a development plan through 2021, prepared at the initiative of the President. The plan, called the National Development Programme of Mongolia (2005) had not been

⁸ One UNDP project document during that period notes: “The NDB is the central government planning agency, coordinating the country’s overall development process, formulating national plans and policies, advising the government on development related policy decisions, and reviewing and approving ministry policies and plans prior to their submission to the Council of Ministers.”

⁹ See Table 1.

¹⁰ The problem is further aggravated by the ritualism around promulgation of decrees. While decrees are often necessary for implementation of any design of actions, mere promulgation does not always suffice, nor do these automatically ensure sustenance of GOM commitments to a plan of action over a long period. As will be mentioned later, individual EDPs may often find it convenient to short-circuit the process, hurting the very process of institutionalizing good democratic governance.

¹¹ This programme outlined the intent and direction for development in a number of sectors, particularly agriculture, mining and industry.

¹² The National (long term) Development Concept was approved by the Parliament in 1996.

¹³ Such as the National Poverty Alleviation Program (PAP), and the Mongolian Education and Human Resource Master Plan (1994-1998).

¹⁴ This was supported by the UNDP under a project titled, “Mongolian Action Programme for the 21st Century (Mongolia’s Sustainable Development Programme)”, project # MON/95/G81/A/5G/99. The MAP-21 and national sustainable development strategy annexed to the programme were adopted by the Government Resolution No.82 in 1998.

¹⁵ The Government completed the EGSPRS in July 2003. It prepared a EGSPRS Progress Report, which was discussed by the Cabinet in May 2005.

widely shared within the country. More recently, a MDG-based National Development Strategy (NDS) through 2021 has been prepared, and was placed at the GOM-External Partners' Technical Meeting in April 2007. A revised draft has been prepared and was waiting to be placed before the Cabinet while the present Mission was fielded. If it is approved by the Parliament, expectedly in August-September 2007, the NDS is expected to become a reference point for policymakers, and the GOM intends to operationalize the NDS in 2009.

10. Since the beginning of the political transition, one document that had survived through the changes is the Socio-Economic Guideline (SEG).¹⁶ Till 2006, it had been an annual document that guided Government's actions. Since then SEG (2006-09) has been transformed into a rolling Medium Term Plan; and there are expectations that it will eventually be linked with the Medium Term Expenditure Framework (MTEF). In addition to the national level plans and strategies, three sectors had received much attention in the planning exercises – education, infrastructure and health. The Government completed a Master Plan to Develop Education for 2006-15 in 2006. The infrastructure has reportedly been approved by the Cabinet in May 2007.¹⁷ A Health Master Plan was completed in 2005, which was updated awaiting final approval. Several changes in the line ministry had allegedly stalled the process and there are confusions around renewed interests amongst some EDPs, which may soon be resolved to make way for final approval of the Health Master Plan by the end of 2007.¹⁸

Summary and Scope of the Study

11. Tables 1 and 2 summarize some of the events to capture how the GOM is undergoing a transition in its policymaking process. Currently, there are two agencies within the government who are identified to have observable roles to play in drawing up national development plans – the MOF and the PMO¹⁹. But there are times when the President's Office also surfaces.²⁰ While the present situation is relatively more transparent than what it had been during the 1990's, finding a suitable counterpart within the GOM, particularly in case of wider adoption of MDGs and supporting formulation of NDS, had been (and remains) quite difficult. More importantly, unlike many PRS countries, engagements around a defined set of policy documents and processes were not options at the hand of the UNCT in Mongolia. Rather, assisting the process to stabilize to something meaningful for the country was an added responsibility. In summary, the ex ante scope of the study was found too narrow in the particular context of Mongolia; and

¹⁶ It is often referred to as Guidelines for Economic and Social Development.

¹⁷ A transport strategy was under preparation and many were surprised to find it inadequately addressed in the ADB-supported infrastructure strategy.

¹⁸ It is important to note that *Aimags* have important roles in implementation of programmes; and the Local government strategies and plans have been formulated systematically every 2-3 years. The latter have been incorporated into the Government Action Plan. This report does not address this aspect.

¹⁹ Often, one needs to engage with the EPD within the MOF.

²⁰ President's office does not have a mandate in planning, but had served as the secretariat to the working group headed by the Prime Minister. Such overlaps often complicate the dealings for outside agencies.

one had to look at the various processes and entry points of engagements to comprehend the totality of the task UNCT had in hand.

12. The UN agencies have been active in Mongolia at different capacities. Yet, their engagements in the context of PRS/NDS, particularly in endogenising MDGs in the country's plans and strategies evolved gradually only since the completion of the IPRSP in 2001. This had also coincided with the launching of the CCA 2002-06. Since then, the intensity and nature of UNCT engagements may be differentiated across three distinct periods. The three periods are as follows:

- 2002-2005 (until the World Summit on Sustainable Development where the President of Mongolia had participated): More in support of EGSPRS through capacity building in key areas within the Government and promoting the need for MDG-centric policy formulation.
- 2005- April 2007 (when the GOM-External Partners' Technical Group Meeting was held and the draft NDS failed to gather adequate supports): More pro-active engagements in a space that was increasingly being perceived as UN's independent of other EDPs.
- Beyond April 2007: Time for reflection and repositioning.

Much of the focus of the present report is on the second period, even though the major engagements during the first period will be highlighted. The third period surfaces when future issues are discussed and suggestions made on the basis of certain conjectures.

13. The assessment of UNCT engagements in PRS/NDS looks into three broad areas. These are,

- Process
 - Engagements and supports (entry points, services provided, partnerships, strengths & weaknesses)
- Content
 - Issues (extent to which MDGs and other UN mandates included/ integrated in the policy documents, capacity building and monitoring system put in place)
 - UNDAF/CCA PRS alignment
- Outcomes
 - Understanding current situation, value added in process concretization, operationalization, perceptions

The issues are discussed in the context of future, which draw upon both lessons learnt and perceived future. The recommendations, including those on capacity, follow as corollaries.

III UN Agencies and other External Development Partners in Mongolia

14. There are several agencies, which operate regularly in Mongolia, of which only three of the ExCom agencies have their country offices in Ulaanbaatar.²¹ These are, UNDP, UNFPA and UNICEF and one specialized agency, WHO.²² The World Bank Mongolia office, run by a Country Manager, is effectively under the China based Country Director. Of the bilateral donors, beside the historical presence of Russia and China; Japan, Germany and Republic of Korea have active interests in Mongolia; and USAID has been closely supporting the PMO and the MOF providing supports to policy formulations since the early 1990's.²³ IMF had been quite active till the formulation of EGSPRS and till the last loan disbursement (under PRGF) in 2003; and only recently there are signs of renewed effort to engage with the GOM.²⁴ The Asian Development Bank (ADB) an important player in Mongolia; and is reportedly, expanding its operations to also include support to mining sector as a priority.²⁵ Even though a new entrant, the European Bank for Reconstruction and Development (EBRD) is increasingly being visible in the Mongolian context. Brief sketch on activities of the other UN agencies in Mongolia is relegated to Annex 2. Rest of this section presents UN involvements with partial focus on other EDPs.

15. The key player within the UN family with regards to the PRS/NDS process in Mongolia has been the UNDP, often alone (with supports from RCC and the HQ), and at times, in collaboration with other UNCT members such as for MDG costing where UNFPA and UNICEF provided technical assistance. Its activities over the years reveal of three major entry points: supports to GOM through capacity building in various areas; supports to adoption of international convention at the national level; and coordination among donors through its pro-active role in the UNCT.²⁶ Two projects which are believed to have played important roles in facilitating the process towards MDG-based PRS/NDS are, (i) Poverty Research and Employment Facilitation for Policy Development (PREF) initiated in 2002; and (ii) Poverty and MDG Monitoring and Assessment System (PMMS) initiated in 2005. The former provided inputs to the formulation of EGSPRS, drafting of the first MDG Report and to the Parliamentary

²¹ The UN Mongolia website mentions of UNDP, UNFPA, UNICEF, UNESCO, UNIFEM, UNV, WHO, World Bank and UNIDO. The UNCT website mentions of few other agencies to be members of the Country Team: ADB, FAO, ILO, and IMF. Of the UN agencies, UNESCO, ILO, UNIDO, FAO and UNHCR are Beijing-based. Several other agencies, such as, UNAIDS, UNESCAP, UNEP and UNIFEM operate from Bangkok offices.

²² WHO has its office linked to project activities at the Ministry of Health. Several others also have project offices, but with limited capacity. See Annex 2.

²³ The five major external partners are Japan, ADB, the World Bank, Germany and the USA, accounting for approximately 87 percent of gross ODA in 2003-04.

²⁴ Mongolia became a member of IMF in 1991. Of the total PRGF arrangement last approved in 2001, only 42 percent was availed. It is reported that the IMF chose to abstain from any further loan disbursement till the clearance of debt accounts between Mongolia and Russia was made transparent.

²⁵ In terms of share in external assistance to Mongolia, ADB is a bigger player than WB

²⁶ Several projects with other line ministries are omitted and the focus is confined to PRS/NDS related activities.

resolution in 2005 to adopt MDGs as the basis for national planning (see Table 4 in Annex 1). The second paved the way for more active engagement in MDG costing and had reportedly provided inputs to the drafting of the NDS that awaits approval by the GOM. On donor coordination, the major instrument sought were the UN Thematic Groups; and these are on Human Rights, MDGs, Statistics, Advocacy & Young People, Gender and on STI/HIV/AIDS. The sphere of donor coordination has recently been expanded to include UN joint programmes, such as on, MDG monitoring; HIV/AIDS; Water and Sanitation; etc.

16. Most other UN agencies in Mongolia engage with GOM at sectoral levels. WHO has been active in the health sector and their inputs to JICSWEL initiative to develop a Health Master Plan has been substantial. Both UNFPA as well as UNICEF have also been closely involved with JICSWEL. UNICEF was under the China office and in 2003 established its representation office in Ulaanbaatar. UNICEF has been active in education and the health sectors; and had been instrumental in enactment on protecting child rights.²⁷ UNICEF has been involved in immunization and essential drugs and in collaborative programmes with WHO on baby-friendly hospitals, Integrated Management of Childhood Illness (IMCI) and child nutrition. Another UNICEF initiative has been to institutionalize DevInfo (called the Mongol_Info) in the National Statistical Office (NSO). UNFPA established its representation office in 1998. With its field offices, UNFPA is more active in imparting reproductive health services and supporting education on adolescent health. UNICEF and UNFPA are also active in the fields of advocacy, whereby they also engage in activities aiming at influencing policies on such areas as gender, child, education and health. All these agencies partner extensively with other bilateral and multilateral donor agencies.

17. Other than certain activities of UNIDO, FAO, UNCTAD, ILO, UNEP and UNESCAP, most activities of the (more) active UN agencies in Mongolia are in social sectors.²⁸ Thus, commonality in their interests is well manifested in the MDGs; and one observes various degrees of cooperation in pursuing the common mandates. Even though Mongolia is not one of the pilot countries volunteering for One UN, three of the four agencies (with in-country offices) sit in the same compound and share all the utilities. While there is a great deal of cooperation amongst these agencies on a day-to-day basis, each has multiple engagements with non-UN agencies – multilateral as well as bilateral donors. There are several such meeting places. The most obvious one is during the UNDAF preparation; and two such occasions arose in the past. The first UNDAF (2002-06) had extensively engaged the partners in IMF, WB, ADB, beside the GOM. Extensive consultations with diverse group of stakeholders were also carried out during 2005-06 leading to the finalization of the second UNDAF (2007-11).

18. A second area of partnership is around project/program supports to GOM that are normally sector-specific, and involve one or several counterparts within the Government. In most such cases, individual UN agencies engage in such partnerships and share the

²⁷ Mongolia ratified the UN Convention on the Rights of the Child (CRC) in 1990 and adopted the National Law on the Protection of the Child Rights in 1996.

²⁸ UNDP also engages in several other sectors, such as, governance, environment and trade.

information through UNCT. There are numerous such activities cited in the websites of these agencies. For example, there is UN/WB joint initiative on Avian Flu preparedness. UNDP is supporting a project on trade and Human Development (MDG 8) and have established a trade negotiations unit in the Ministry, in which USAID and GTZ are very closely involved. WHO, UNICEF and UNFPA partner with many agencies on health sector.

19. Another critical area of engagement between the GOM and the EDPs is, what had once been the Consultative Group's Meeting; and the on-going changes in such platforms deserve special attention in order to understand the specificities of Mongolian context and be able to appreciate the nature of UN engagements in supporting the country's initiatives towards formulating PRS/NDS.²⁹ The last CG meeting was held in Tokyo in 2003 and since IMF programme is on hold there has been no CG meeting. References for discussion in that meeting were the GOM's Socio-Economic Guidelines and budget documents, and attempts were made to align aid with key windows in the budget process. There had been a lull period since then, and agreements were reached to reactivate the process by replacing the CG meetings with in-country Technical Group Meetings between the Government and external partners.³⁰ The first and second Technical Meetings took place in February 2006 and October 2006 in Ulaanbaatar; and the third Technical Meeting was held in April 2007. Initially, three Working Groups (WGs) were formed to coordinate support for infrastructure, private sector development and social sectors. This was revised and extended to six WGs: (i) transport & road co-chaired by ADB; (ii) infrastructure co-chaired by the WB; (iii) urban development co-chaired by JICA and Japan ; (iv) environment and agriculture (rural development) co-chaired by the WB and Netherlands and (v) private sector and mining, co-chaired by WB and EBRD; and (vi) energy, co-chaired by USAID.³¹ The last Technical Meeting agreed to add a new WG on health.³² While these initiatives are in line with the 2005 Paris Declaration on Aid Effectiveness, it is alleged that the interests of lending agencies had greater say in setting the priorities, often at the cost of marginalizing the social sectors.³³

²⁹ While CG are pledging meetings, UN teams have potentially important roles in providing supports to the national government to prepare and also liaison with other EDPs on setting priorities in resource allocations.

³⁰ One suspects that the IMF stand on withholding loan operations due to apparent non-transparency in external debt repayment to Russia had a role to play in putting a stop to the CG meetings. Even the newly institutionalised GOM-External Partners' Technical Meetings since 2006 are considered informal exchanges with no obligation on donors to commit.

³¹ The names of the WGs often go through changes, and the co-chairing may also change.

³² It is unclear if this was added to a previously formed WG on education, which reportedly had no additional role to play given the adoption of the Master Plan on education. Even though ADB volunteered to co-chair the WG on health, the responsibility may shift to Japan.

³³ Interestingly, the website on Aid Harmonization and Alignment stop reporting beyond October 2003. See, http://www.aidharmonization.org/ah-cla/ah-browser/index-abridged?rgn_cnt=mn&master=master. One may also cite the statement by the IFC chief economist Michael Klein, "*Natural resources bring many opportunities to improve livelihoods, but that there are concerns that the benefits from natural resources will not be well shared. Therefore it will be important to ensure transparency and accountability in the sector through initiatives such as EITI.*"

20. Mongolia depends heavily on external assistance, which accounts for over 20% of total GDP, and 80% of the assistance comes as loans and credits. Per capita aid inflow is close to US \$ 100 per year. Total external debt outstanding exceeded the size of the country's GDP by the end of 2003. ADB is the most important creditor, accounting for 37.2 percent of total external debt (as of end 2003); and Japan tops the list amongst bilateral donors (22.2%).³⁴ Amongst other creditors, the important ones are, the World Bank (19.1%), Germany (6.7%), IMF (4.1%) and Republic of Korea (2.4%).³⁵ The country is rich in its mineral resources, significant proportion of the deposits are reportedly in the northeast region. Thus, investment potentials in the country are likely to be influenced by the prospects of extracting and marketing these resources, which will have bearings on other related sectors (such as, infrastructure, energy, etc.). The third Technical Meeting of April 2007 was particularly important in this regard; and it is no surprise that the Meeting had no room for discussions on progresses made in poverty reduction and social sectors. An infrastructure strategy, prepared with lead support from the WB, is in the process of getting final GOM approval.

IV. Assessing UNCT Engagements in PRS/NDS

21. It is important to recognize that Mongolia had put up an EGSPRS that is no more owned; the consultations through CGs are now replaced by informal exchanges in the Technical Meetings; and there is an NDS which is yet to be commonly accepted within a format conducive for aid harmonization. Thus, UNCT engagements in Mongolia could not be assessed with reference to a plan document. Rather, the assessment is based on an environment of "shifting targets". In doing so, broadly two phases are taken into account – 2002 till 2005, and 2005 till the third Technical Meeting in April 2007. The processes of supports and engagements provided are highlighted first. In doing so, the focus is on entry points (already noted), services provided and nature of partnership); and three distinct segments are addressed – pre-2005 coinciding with PREF activities, 2005-2007 coinciding with PMMS activities, and the two rounds of CCA-UNDAF.³⁶ The second part of this section addresses content and outcomes. The latter is not addressed separately since there is, as yet, no single plan on board.

IV.1 Process and lessons

22. The Poverty Research and Employment Facilitation (PREF) project was initiated in November 2001 (with extended life till June 2007).³⁷ The Ministry of Social Welfare and Labor (MOSWL) was considered the lead agency, which was later shifted to the Ministry of Finance. Other participating GOM agencies were the National Statistical

³⁴ http://www.unescap.org/pdd/debt/docs/regionalwshop/16_mongolia.pdf.

³⁵ Most of the IMF debt has been repaid; and therefore its current share will be insignificant.

³⁶ There were several other activities which ran parallel during the periods of PREF and PMMS. One noteworthy initiative was the UN support, jointly with the World Bank, to the Household Income and Expenditure Survey combined with detailed Living Standards Measurement Survey throughout 2002 - 2003 as an essential step in understanding multi-dimensional issues of poverty and welfare in Mongolia. The review however confines to the aforementioned two projects only.

³⁷ While UNDP Mongolia was the lead agency, other contributors included SIDA, JWIDF and the UNDP Regional Program. All progress reports on PREF are no more available in the declared links in the website.

Office, HLCSPPO, and Central Employment Office. One of the key activities of PREF included establishment and capacity building of the Poverty Research Group (PRG) in the Ministry of Finance to mainstream pro-poor thinking within economic policy development and to link in with major policy planning exercises, and especially, with the Poverty Reduction Strategy. The other principal activities included research studies on various issues related to pro-poor development, and support to the production of the national PRSP (EGSPRS). It is learnt that initial choice of MOSWL as the focal point had run into difficulties, which was soon corrected; and for all practical purpose, MOF became the lead agency in implementing the project activities.

23. As will be noted later, the UNDAF 2002-2006 did have no mention of MDGs. Such absence is understandable since the process of consultation started in 1999 and mostly finalized by the end of 2000 and early 2001. The central focus of the first UNDAF had been on human rights; and yet the initiation of PREF enabled the UNCT to engage meaningfully in supporting the GOM in subsequent planning for poverty reduction. The Mission could not dig into the details on processes involved in PREF operations. It was however revealed that the MOSWL was not the appropriate agency to undertake the responsibility. The idea of PRG is reported to have immensely contributed towards preparation of several key policy documents during the period – EGSPRS, the first MDGR, and (reportedly) the GOM Action Plan 2004-08 and the National Development Programme 2004-2020. More importantly, the UNCT policy of having the GOM in charge imbued a sense of ownership (particularly with the MDGR and GOM-AP) that was echoed by most government officials interviewed. PRG, during its active life time, was not perceived as purely a project entity. Instead, it is reported to have engaged in other activities on behalf of the MOF and thereby facilitated the undertakings of other EDPs as well.

24. Could something be done differently during those years? It appears that the future was unclear to the players, as far as the perspectives revealed in UNDAF 2002-2006. There is however one aspect of institution-building that may be considered in future. Even though no separate assessment could be done, several respondents, particularly from the MOF, revealed that the PRG is no more an active entity. And with uncertainties around EPD, the MOF was unable to attract the brighter segment and therefore it remains handicapped in undertaking technical exercises.³⁸ While PRG was able to deliver the output on behalf of the GOM that had been of immediate importance, institutionalizing capacity within the government possibly needs more than that attended to under PREF.

25. The second set of activities for supporting MDG-based PRS/NDS was made possible largely due to the project to support the national Poverty and MDG Monitoring and Assessment System (PMMS). The pilot project, with an initial project life of three years, started in November 2005. PMMS has the following focus: establish inter-sectoral coordination mechanism for poverty / MDG monitoring and assessment; build capacity for implementation and result monitoring; localize MDGs; build national capacities for analysis and impact; align domestic and international resources in the framework of

³⁸ Informal discussion with new entrants into the service sector revealed that the ratio of government salary to private sector salary for equivalent qualification is less than 0.5.

MDGs; develop an integrated and decentralized poverty and MDG monitoring information system; and communicate the results for better informed and more participatory decision-making. The project design allows for the MOF to play the role of the national implementing agency. However, most project activities had been carried out by a Project office, which is headed by a National Project Director.

26. SGH Resolution Number 25 endorsing MDGs as the basis for drawing up plans was passed in November 2005 which paved the way for implementation of the PMMS with no legal bars. The first scoping Mission came in February (13 – 25) 2006; and the GOM was keen on getting the MDG-based plans ready by September of that year. The mission to support preparation of Mongolia's MDG based National Development Strategy had: (1) reviewed existing sector and national plans and assess data availability for an MDG needs assessment for Mongolia, (2) prepared for the MOF an Action Plan for formulating the long-term national development strategy, and (3) proposed institutional arrangements needed for preparing such a strategy. The Mission, led by staffs at the Regional Center in Colombo, also advised on how the Needs Assessment methodology would guide the preparation of a long-term national development strategy. The Mission felt that more discussion was needed on how to translate the long-term development strategy into medium terms plans and associated expenditure framework. report on MDG based NDS.

27. A year of intense activities followed since the first Mission³⁹: a GOM Resolution (N53), dated 22 March 2006, designated agencies responsible for undertaking MDG initiatives and endorsed the actions needed to streamline MDGs into SEG, and other GOM documents; the training of the TTFs followed in end March 2006; Scoping Mission on GMF in May 2006; a mission on preparing MDG based NDS in May-June; and several exercises on MDG costing and GMF. It is the understanding of the present Mission that the process part was driven by a number of factors. There had been a compulsion on the part of GOM to put together an NDS with a central focus on MDGs to engage in their negotiations with the IFIs and other bilateral and multilateral lending agencies. This coincided with the RCC (Colombo)'s initiatives to undertake MDG costing in various countries in the region, and to put the DSI-developed GMF into work. The UNCT Mongolia had very efficiently coordinated the two to get things going – both in terms of ensuring fund flows and addressing the demands of the GOM.

28. There were several processes involved in the above-mentioned undertaking: formation of NATFs and TTFs from the line Ministries; training on MDG costing by resources pooled from UN agencies (including RCC); training on GMF to staffs in EPD by DSI; drafting on MDG costing reports; supports to MDG-based NDS; and initiatives to engage other EDPs in the process. The Needs Assessment Task Forces were set up by a Prime Minister's Decree (N28, 14 March 2006), and their activities were to be coordinated by the Deputy Prime Minister and the Finance Minister.⁴⁰ This ensured

³⁹ UNRC reported of seven technical missions during the period with two joint missions of UNDP, UNFPA and UNICEF; three GMF training and orientation; 13 national consultants to support TTFs; and several other engagements, including the active roles by the UN Inter-agency technical groups.

⁴⁰ The NA Task Force 1 was later split into two subgroups, ref. N2-4/1181, 29 march 2006.

ownership of the process by the GOM. The TTFs, actually undertaking the costing exercises and providing inputs to the works of the consultants, comprised the workforce from relevant line ministries. The members are reported to have engaged in discrete time slots, often frustrating the consultants.⁴¹ The intensity of work had however increased before the October Mission and some members felt that they deserved to be compensated for the extra hours of work that they put in. It was also felt that it were only few members in each group who had the prior technical orientations and had to bear the major part of the workload.

29. Trainings imparted were of two kinds; one for the MDG costing using Excel templates and taking cue from targets and interventions; and the second is on inputting data into the GMF model developed by DSI and running simulations. Sector/Ministry level training (through TTFs) of the template-based costing had been extremely well-received. Many thought that it provided them an entry point into doing their annual budgeting in systematic ways. For agencies (such as, governance and justice) that had difficulties in identifying interventions and associating cost to these, the MDGNA provided a meaningful approach. Sessions with multiple TTFs looking into synergies were appreciated because the participants got a wider perspective on the implications of their activities within the perimeter of a single line ministry. It was widely recognized that the MDGNA/costing exercise helped the GOM staff in line ministries to structure the ways they compile and organize data; and the exercises on identifying interventions and indicators brought fresh awareness on the types of data they need to collect/compile.

30. The participants in the trainings on MDG costing thought that the time was too short and the courses were hurriedly passed onto them. There were reports of marked differences in the quality of training imparted by different trainers. One from the RCC was found to be particularly good and able to relate the design with the specificities of Mongolia. It was learnt that several others sourced from specialized agencies (UNFPA and UNICEF) could only be procured for limited periods; and such makeshift arrangement could not satisfy either of the parties. In spite of the limitations, all participants and their seniors in the line ministries had great appreciation for the trainings offered. For some agencies, the MDG costing approach introduced new ways of identifying interventions and developing meaningful budgets.⁴²

30. It was learnt that the main beneficiary of the GMF training had been the EPD at the MOF. The limitations of time-bound trainings was more pronounced in this case, which involved concepts underlying models, the infrastructure that ran the model and actual running through simulations of alternative scenarios. It appeared to the Mission that only some limited instances of simulations could be imparted to the better learners amongst the participants.

⁴¹ See UN Mission Report on Preparing MDG Based National Development Strategy, Mongolia, My 22-June 3, 2006.

⁴² Respondents at the Legal Policy Department, Ministry of Justice, were particularly happy since they could now use the design to develop projects for financial supports from within as well as outside the Government.

31. Limitations of training to a government with limited manpower because of the demand on services of few skilled staffs and possible over-crowding of less-capable (to receive) participants are common in all countries. Mongolia has a high percentage of educated population and the young entrants into the formal sector (including the government) are generally computer-literate. In spite of such an advantage, the Mission felt that more time spent on linking concepts and categories specific to Mongolian context and linking these to costing template would bear greater benefits and such skills have greater prospect of sustenance. As for the training on GMF, the Mission had mixed feelings. First, it was obvious that the essence of the model was not understood by the best of the participants. Nor are they able to generate meaningful results using realistic scenarios for simulation exercise.⁴³ The policymakers keen on making attractive presentations found the GMF and its output interface very attractive.⁴⁴ But as one of the EPD staffs dealing with GMF put it, “implications of higher copper prices had to be finally worked out with the IMF-provided financial expenditure system.” While the keenness exists for picking new software and models – and like all young novice, the enthusiasm for mastery over the mechanics, in-house capacity for model building or even using models meaningfully for forecasting is unlikely to be realized when the initial capacity to comprehend economic models is limited.⁴⁵

32. The processes leading to the finalization of UNDAFs also provide opportunities to engage with partners within the GOM and other EDPs, and to reflect country’s priorities in the programs planned by the UN agencies. Both UNDAFs in Mongolia were preceded by CCAs – the first because there was no PRSP, and the second because there was no commonly owned document in spite of the EGSPRS having been prepared. The consultations in the preparation of both UNDAFs were extensive; and the schedules were planned ahead of time. The first UNDAF (2002-2006) notes that process (with CCA) began in May 1999 with participation from both WB and the IMF. A national seminar had been organized in March 2001, and the CCA and UNDAF were finalized respectively in May and June 2001. The second UNDAF (2007-2011) mentions of starting off the process in July-August 2005 with inter-UN agency meetings at working group levels, followed by multi-stakeholders’ consultations in September-October 2005 and a UNCT retreat in November 2005.

33. The CCA-UNDAF process has been hailed by people within the GOM as participatory and comprehensive in terms of consultations. The process had also involved other EDPs. While the UNCR had mentioned of wider participation of the EDPs from the beginning, some of the comments made by the respondents from the WB raise doubts on the level of enthusiasm the partners had in the last UNDAF. It is true that the WB is also a signatory to the current UNDAF, but explicit reservation was expressed against UN agencies’ engagement beyond “environment” and “governance” issues; and one may note

⁴³ We were informed that the MOF wanted to input different prices for copper and generate separate simulation results – but they were unable to do so.

⁴⁴ GMF results, primarily derived by the consultants, were used in presentation of the PMO. There are however confusions as to whether the figures presented exactly matched those derived.

⁴⁵ The person identified as the key recipient of the GMF had only a Bachelor’s degree in economics from a local university.

that the current UNDAF (2007-2011) had tagged “improvement of natural resources” with environment.

34. Another issue of contention arose during the course of exchanges the Mission members had with various respondents. It was felt that other EDPs (particularly, the WB) are actively involved in developing MTEF and in introducing budgetary disciplines; and therefore, the undertakings on MDGNA/costing would have better prospect of integration if supports of these agencies were mobilized. This was relevant for GMF as well, about which reservations were explicitly expressed by some such agencies. Discussion with the MOF also revealed that the technical staffs there were simultaneously dealing with the WB’s RMSM-X, IMF’s financial programming, MDG costing techniques and the GMF model. It is learnt that the UNCT had invited WB and ADB to join the first exploratory MDG costing mission in Feb 2006, and both WB and ADB resident country offices were interested. Unfortunately, they did not; and one suspects that perhaps their HQ did not see MDG costing as a priority. An invitation from the government could have strengthened resident WB Manager's position *vis-a-vis* his Country Director and HQ; but that did not happen either.

35. Whatever may have been the reason, the Mission felt that UN objectives would be better served if such agencies like the WB and the ADB could be involved in the processes involving the MDG costing and introducing the macro model (GMF). While the WB Country Manager has reservation about the soundness of the macro model, he was keen on looking into the prospect of contributing in the costing exercises and/or take cue from such exercises already done. One reason for skepticism on the macro model is the later reservations with the quality of draft NDS which claimed to have based its findings on such modeling exercises.

36. The final segment in process involves the UN inter-agency cooperation. The UNRC Report for 2005 (5 January 2006) mentions of five UN Theme Groups in 2005: (1) MDGs (chaired by UNRC); (2) HIV/AIDS (chaired by UNFPA); (3) Human Rights (chaired by WHO); (4) Water and Sanitation (chaired by UNICEF); and (5) Gender (chaired by ADB). We were unable to get any such report for 2006. The meetings are reported to be taking place regularly – at least once in two months. However, these are meant to have exchange of information only; and participation of agencies outside the UN are influenced by the extent of interest they have in the topic of discussion in a given meeting. The same applies for the UNCT meetings. The Mission did not delve into the minutes of these meetings; and could draw upon the exchanges with the members of the Theme Group on MDGs and from discussion with individual members of the UN staffs. It is our understanding that the bias to include or be included exists on both sides; and for various reasons (not probed here) complete harmonization of activities remains elusive.

37. The Mission had not also looked into details of the sector strategy and the processes involved. However, it was felt that individual agencies had to often align with major lending agencies to engage in a given sector fruitfully. This, at times, undermined the strength of one UN; and may weaken the drive towards establishing UN mandate in the sector.

IV.2 Content and outcome

38. Even though the UN staffs currently working in Mongolia found it hard to believe, the CCA and UNDAF 2002-2006 did not have any mention of MDGs.⁴⁶ Primary focus of the first UNDAF was on human rights.⁴⁷ Since the initiation of PREF, the UNCT has been pro-active in propagating the idea of MDGs. MDG and other UN mandates are largely acknowledged and incorporated in EGSPRS. As noted before, MDGs are adopted by the Parliament as the guiding principles for policy formulation, fiscal framework and sectoral strategies; and the MDGNA for budget. In all recent pronouncements, the GOM has been quite open and explicit about its commitment to the MDGs, and all staffs the Mission had interviewed expressed deep appreciation for the UN role in making this happen.

39. MDGs have been localized in a number of ways. First, Mongolian MDGs have a ninth goal; to strengthen human rights and foster democratic governance. Second, the MDGNA/costing incorporates many of the local aspects. Finally, the long term development strategy (NDS) explicitly claims to be based on MDGs. Thus, on papers, the UNCT's achievements in supporting the GOM to adopt MDGs in EGSPRS and NDS are examples of success.⁴⁸ The culture of UN agencies in the country however has been to credit the government to establish ownership; and in the process the contributions of the UNCT may often get marginalized. In spite of such gesture, positive roles played by the UN system are widely acknowledged. And, that ironically raises some issues of concern for the future, to be discussed in the following section.

40. UNDAF 2007-2011 has been developed in line with the country's priorities laid out (as stated in the report) in the Development Concept of Mongolia (1996), the draft National Development Strategy 2020, the Economic Growth Support and Poverty Reduction Strategy (EGSPRS) and the current Government Medium-Term Action Plan 2004-2008. Consistent with the Parliamentary Resolution of April 2005, the UNDAF also calls for strengthening the capacity of the Government to deliver on the Millennium Development Goals (MDGs) including the ninth goal to "strengthen human rights and foster democratic governance". The UNDAF also notes that the Parliament Resolution commits the Government of Mongolia to regularly report on the progress of the MDGs.

⁴⁶ The CCA 2002-2006 notes that "overarching theme of the CCA is Human Rights and Human Development – two mutually supportive sides of the same coin. Within this theme, four interlinked dimensions are assessed and analysed, and the critical linkages between these components are identified. The components are good governance, economic growth with equity, equity and social policy, and environment and sustainable development."

⁴⁷ It is quite possible that such limited perspective was viewed favourably by IFIs and other lending agencies. It is therefore no wonder that some of these agencies found the widening of UN engagement less than acceptable.

⁴⁸ Information compiled for MDG costing went into financial planning and projections reflected in SEG, and NDS reports made use of these. Moreover, results from GMF exercise were used in the presentation made by the Prime Minister's Office at the third GOM-External Partners' Technical Meeting, even though one may question the numbers used.

The result matrix laid out in UNDAF clearly draws the outcomes from the MDGs and other priorities set in the national policy documents.

41. While UNCT engagements have contributed towards inclusion of MDG issues in the EGSPRS and in developing an MDG-based NDS, there are several concerns on the sustenance of these achievements. The long term development strategy (NDS) has been criticized on several grounds; and the initial achievements may be lost if proper attention is not given in coordination amongst EDPs and in guiding current engagements to link with such other initiatives as sectoral strategies, MTEF and budget. Currently, the infrastructure strategy appears to get finalized on a fast track, which may fail to take due cognizance of the social sector concerns. At the same time, final approval of the Master Plan on Health awaits final approval in spite of it being finalized for quite sometime. In general, the Mission got the feeling that the sector strategies currently under formulation by the Working Groups for the GOM-External Partners' Technical Committee Meetings may override the national policy documents prepared with so much effort; and many such strategies may fail to appreciate the social objectives articulated in MDGs.

V. Issues and Recommendations

42. Besides being a transitional economy, Mongolia is unique in many respects. It is a land-locked country with harsh weather and has an extremely low population density. The political reforms towards democracy have apparently completed one phase paving the way for major undertakings in the field of economy. Ironically, both the blessings and the evils lie in the country's deposits of mineral resources, which can earn a worthy value only if it is extracted and (largely) exported. The UNDAF clearly recognized this and had sought to assist the country towards improved management of its natural resources. But, as one of the respondents mentioned, "power lies with those who have the perks"! With increases in international prices of many of these resources (such as, copper), investments in the mining sector has become more lucrative – from the perspective of both GOM and the potential investors. Mongolia now happens to be at a crossroad where these resources (or, revenues earned from these resources) may be utilized in ways that will address economic growth with social concerns as well. At the other extreme is the possibility of designing sector strategies aimed at facilitating resource extraction and ignoring the need to compensate for the social costs associated with such growth.

43. It appears that the emerging rift in positions of UN agencies vis-a-vis other EDPs lie precisely in their differences in the path to follow. If unattended, the differences are likely to increase since many of the bilateral and multilateral lending agencies feel an MDG-based national plan to be a distraction to investments in the mining sector. Priorities of EDPs in Mongolia appear to be shifting, calling for repositioning of UNCT's engagements in strategic manner. On board, ADB will adhere to the MDGs – but the actual undertaking is unclear. It is quite possible that their lending principle will be more profit-driven and the commitments to MDGs may falter at the country level practices. WB views its mandate to be separate from the IFC and is comfortable with MDGs, but it also finds comfort in sector-specific interventions rather than adopting any holistic

approach to development. The WB Country office is however willing to be on board for collaboration UN initiatives (through MDG costing) in prioritizing interventions and engaging in sector-specific targeted interventions. While GOM may stick to a revised NDS, it is also likely to go ahead with the sectoral strategies that may not always be in line with those outlined in MDG-based NDS.

43. Based on the lessons learnt from the past experience and the Mission's understanding about the future (as described above), the following recommendations are made.

- There have been achievements in reaching the budget sections within line ministries through the MDGNA/costing exercises, it is important to take this forward and link it with MTEF and budgetary process. For certain sectors, such as, education and health, it is easily possible – BUT requires wider collaboration with other agencies, particularly, with the WB.
- Creating a well-integrated information base for policy supports and monitoring is essential and PMMS aims to do that. Since there are many such initiatives, it is important to liaison with agencies engaged in such initiatives.
- Engagement with other players in the country may also open the door for financing the MDGs.
- More unified effort towards one UN approach to sectoral strategies need to be developed.
- Regional offices and HQ need to be sensitive to the specificities of individual country and provide requisite support. It is important that roaster of expertise is maintained at both these levels and with the DGO from which the country office can draw upon without much delays.
- DGO needs to influence WB to commit to the 2005 WSSD Outcome Document; and influence WB to make MDG a priority. It is urgent that an MOU is negotiated with the WB and it is transmitted to the Task Managers in HQ as well as to Country missions with strong message to enforce in practice.
- Within the UN reforms there needs to be a strategic and broader discussion on UN- WB relationship and role division.

Abbreviations

ADB	Asian Development Bank
BWIs	Bretton Woods Institutions
CCA	Common Country Assessment
DFID	(United Kingdom) Department for International Development
DP	Development Partner
EBRD	European Union Bank for Reconstruction and Development
EDP	External Development Partner
EGSPRS	Economic Growth Support and Poverty Reduction Strategy
EMIS	Education Monitoring Information System
EPD	Economic Policy Department (or, Department of Economic Policy), MOF
EU	European Union
EBRD	European Bank for Reconstruction and Development
FAO	Food and Agricultural Organisation
GMF	Generalized Macro Framework
GOM	Government of Mongolia
GTZ	German Agency for Technical Cooperation
HIV/AIDS	Human Immune Deficiency Virus/Acquired I. Deficiency Syndrome
HMIS	Health Monitoring Information System
HQ	Head Quarter
HSMP	Health Sector Master Plan
IFI	International Financial Institution
ILO	International Labour Organisation
IMF	International Monetary Fund
INCRD	International Conference of New or Restored Democracies
IPRSP	Interim Poverty Reduction Strategy Paper
JICA	Japan Overseas Cooperation Agency
JICWELS	Japan International Corporation of Welfare Services
JWIDF	Japan Women in Development Fund
KOICA	Korean Overseas International Cooperation Agency
LSMS	Livelihood Standard Measurement Survey
MOCES	Ministry of Culture, Education and Sports
MDGs	Millennium Development Goals
MDGNA	MDG Needs Assessment
MICS	Multi-Indicator Cluster Survey
MOF	Ministry of Finance
MOFA	Ministry of Foreign Affairs
MOND	Ministry of National Development
MTFF	Medium-term Fiscal Framework
MTEF	Medium Term Expenditure Framework
NA	Needs Assessment
NATF	Needs Assessment Task Force
NDS	National Development Strategy
NSO	National Statistical Office
PGH	People's Great (<i>K</i>)hural (Mongolian Parliament)

PIP	Public Investment Programme
PMO	Prime Minister's Office
PREF	Poverty Research and Employment Facilitation
PMMS	Poverty and MDG Monitoring System
PRG	Poverty Research Group
PRSP	Poverty Reduction Strategy Paper
RCC	Regional Coordination Center (of UNDP)
RMSM-X	Revised Minimum Standard Model-Extended
SD	Sustainable Development
SEG	Socio-Economic Guidelines
SEO	Socio-Economic Outlook
SIDA	Swedish International Development Agency
STI	Sexually Transmitted Infections
SWAps	Sector-Wide Approaches
TTF	Thematic Task Forces
TTG	Thematic Technical Groups (UN)
UNAIDS	The Joint United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Programme
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNHCR	United Nations High Commissioner on Refugees
UNIDO	United Nations Industrial Development Organization
UNDG	United Nations Development Group
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHABITAT	United Nations Human Settlement Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Emergency Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIFEM	United Nations Development Fund for Women
USAID	United States Agency for International Development
WB	The World Bank
WFP	World Food Programme
WG	Working Group
WHO	World Health Organisation
WSSD	World Summit on Sustainable Development

Table 1: Shifting Targets

Annex - 1

Period	Focal Point/Activities coordinated by	Document	EDP
Pre-1990	Central Planning Commission ¹	Economic Plans	
Oct 1990-Aug 1992	M/O National Development ¹	i. Annual Socio-Economic Guidelines (SEG) – Parliament approves ii. Economic Cooperation	Few advisors supported by EDP
Aug 1992-Aug 1996	National Development Board under the PMO; Advisors to the Prime Minister (PM)	Annual SEG Direct Policy advices to the PM	USAID & JICA
Aug 1996 - present	(i) M/O Finance (1996-2000 & 2004-present), Ministry of Finance and Economy (2000-04), under which Economic Policy Department ¹ is placed	i. National (long term) Development Concept, approved by the Parliament in 1996 ii. EGSPRS 2003-06 endorsed by Cabinet for IMF-WB Joint Staff Assessment purpose ² iii. SEG – annual till 2006; and SEG 2006-09 became rolling Medium Term Plan iv. MDGNA/MDGR to be updated every two years ³ iv. Annual Budget v. Socio-economic Outlook - dissemination	USAID/JICA till 2001. USAID supports on trade policy issues. WB/IMF on EGSPRS. UNCT supports to MDGNA and indirect supports to EGSPRS and other
	(ii) PMO's Office	i. Consolidated report on implementation status of various ministries (as PM is the head of the Cabinet) ii. Government Action Plan iii. NDS by a special Decree – PM chairs WGs, but the Secretariat is in President's office	UN, WB, ADB, JICA
Future	H1: A separate ministry for planning; H2: A stronger planning cell (revitalized EPD) within MOF		

Note: (1) The PC, along with Labor brought out of the M/O Labor and Social Welfare (latter included in M/O Health), and Science & Technology were merged to form the new M/O National Development in 1990. Later in 1992, the M/O of ND was dissolved to constitute National Development Board and the latter was placed under the Prime Minister Office (PMO). In 1996, Labor was taken under the M/O Health, Science & Technology under the M/O Culture, Sports, and Science & Technology, and the erstwhile PC was constituted as Economic Policy Department and placed under the Ministry of Finance. (2) The Executive Board of the WB and IMF had approved the EGSPRS. (3) The first MDG Report was prepared in 2004 under the Ministry of Foreign Affairs, and the responsibility later shifted to MOF. The Cabinet decided to update MDGNA/Costing exercise every two years and use these as the basis to prepare annual SEG and in sectoral policies.

Table 2: Relevant GOM Policy/Plan Document and Contributions from EDP

Document	Year	Content/Remark	Process: Agency /Activities
Various conventions	Pre-2002	Adoption of various international conventions	UN agencies
IPRSP	2001	No mention of MDG. While several social sector indicators were included, the target columns were blank suggesting casual treatment of the issues.	WB/IMF
EGSPRSP	2003	*Takes note: “with assistance from UNDP and ADB adopted and incorporated MDGs in various policy documents”. *The national development concept and the government action plan under it explicitly accounts for MDGs and MDG-based monitoring. *A long list of MDG indicators was included (more as aspired goals with no targets set) and their reporting through MDGR was noted.	WB, ADB (PPA-2000) IFAD on regional consultation; Poverty Research Group (PRG) formed under “Poverty Research & Employment Facilitation for Policy Development” (PREF) project of UNDP, placed under the MOF
National MDG Report (MDGR-1)	2004	Driven by GOM, Minister of Foreign Affairs and the Economic Adviser to the President co-chaired. MDGR-1 reported on various targets and UNCT was duly acknowledged.	UN Theme Group on MDG provided comments and support for printing and dissemination, financed by UNDP funded GGHS project
GOM-AP 2004-08	2004	Accounts for MD targets in the context of infant and maternal mortality. However, many social sector concerns are addressed in general terms with no reference to targets.	Coalition Government’s Platform of Action
SEG	End 2005	As medium term strategy	Supports to research undertaken by PRG
NDP 2004-20	2004-05	First attempt towards a long term strategy	
NDS draft	April, 2007	MDG-based NDS, and draws upon the MDG costing and the GMF results in its numerical presentations	UNCT support through PMMS (UNDP - TRAC one and two); UNDP/RCC-Colombo; UNFPA HQ, UNICEF RO; Some Resident technical involvement of WHO; Comments & reviews by UNEP, UNAIDS, UNESCO, ILO; and consultations with UNHABITAT, UNESCAP
MDGR-2	2007	Draft ready for review	Indirect support through PMMS

Table 3: Sector-specific initiatives

Document	Year	Content/Remark	Process: Agency /Activities
Master Plan (MP), Education, 2006-15,	2006	Cabinet approval received to make ADB loan approval possible. Not yet approved by the Parliament.	ADB, UNESCO, Japan (UNICEF was a member of the WG), inputs from UNFPA
MP, Infrastructure	2007		WB
MP, Health	2007	In progress	JICWELS (UNICEF, UNFPA, and WHO contributed)
Agriculture Strategy	2002		FAO, WB, GTZ
Regional Development Strategy	2002		ADB
Social Security Strategy Paper	2004	Cabinet discussed/approved	ADB
National Disaster Management Plan	2007	Pending approval	UNDP
Democratic Governance Indicators			UNDP
National Action Plan for HR			UNDP, UNOHCHR
MTEF	2003-		WB dependent on consultants
Poverty/MDG Monitoring		System to be put in place	Under PMMS, supported by UNDP and UN Joint Programme on MDG Monitoring (Under formulation)
GFMIS (Financial Management)			WB
HRMIS (Human Resource)			WB
EMIS (Education, draft design)	2006	Third Education Dev Project	ADB, GTZ, UNICEF
HMIS (Health)			ADB, JICWELS, WHO, UNICEF, UNFPA, others
MICS, 3 rd round (1995, 2000 were earlier rounds)	2006		UNICEF
MongolInfo		NSO yet to provide unrestricted use	UNICEF, UNRC Office
Population Census/LSMS			WB, UNFPA, UNDP

Table 4: Legal basis for various Policies and Institutions through GOM/Parliament promulgations

Time	Description and promulgating agency	Essence of the promulgations/Remarks
8-10 July 2002		9 th Consultative Group Meeting at Ulaanbaatar. The theme was: “Medium Term Growth Policies for Poverty Reduction”.
2003	Cabinet approved EGSPRS	Was never placed in the Parliament
2003	Last	
2005	GOM is a signatory	Resolutions at the World Summit on Sustainable Development
November 2005	Parliament (State Great Hural - SGH) Resolution N25, 2005	Parliament endorses inclusion of MDGs – carry out MDGNA/costing and link it with annual budget; database to improve statistical capacity for monitoring; and MDG reports. SEG 2006-08 incorporating MDGs
13 February 2006	Decree of the President of Mongolia, N05	Set up Working Groups responsible for developing the integrated MDG based long term national development policy and strategy with two implementation stages – 2005-2015 and 2015-2021
22 March 2006	Resolution of the GOM, N53	Cabinet members assigned to streamline MMDG into SEG, Fiscal Framework and sectoral guidelines; identify and resolve missing resources needed in achieving the MDGs targets within the grants and technical assistance by international banking and financial organizations and donors; prepare biannual national MDGs progress reports; and ensure broad participation by non-governmental organizations and the public in MDGs implementation processes.
April 2007		In the First External Partners and GOM Technical Meeting in 2005, MOF presented the NDS planning steps and action plan including Integrated approach towards costing and macro. The third Technical meeting was held in April 2007 where the draft NDS was presented. The revised draft has been distributed to the Ministers for review and is expected to be discussed in the Cabinet soon and it is expected that NDS will be placed before the Parliament in July 2007.

Annex 2

Information of Other UN Agencies in Mongolia

WHO has possibly the longest history of collaboration in Mongolia, which dates back to 1963. Mongolia belongs to the Western Pacific Regional Office of WHO with its office in Manila, Philippines. Presently, WHO has a project-based office at the Ministry of Health. It has collaborated with other agencies, particularly the ADB, in developing the Health Sector Strategic Master Plan and its implementation framework. WHO's involvement in the Integrated Management of Childhood Illness (IMCI) strategy helped to reduce the infant and under five mortality rates. It is also involved with the Global Fund against TB, Malaria and AIDS to enhance its tuberculosis control efforts. On the data generation and monitoring pertaining to MDGs 4 to 6, WHO provides valuable supports to the MOH in bringing out the health situation reports.

WHO has taken the lead in the field of water and sanitation through its programme to protect springs used by the rural and urban poor and the provision of water and sanitation to demonstration rural hospitals with funding from the Arab Gulf Program for United Nations Development Organizations (AGFUND) and the United States Agency for International Development (USAID).⁴⁹ WHO also partners with UNDP to support the improvement of water supply to rural areas. There have also been bilateral cooperation with GTZ and JICA in the areas of maternal and child health, including immunization and combating iodine deficiency, and donating hospital equipment.

UNIFEM had its first entry into Mongolia in 1990 with a small microcredit project. During 1999-2004, there had been substantive involvement which resulted in the approval of the Plan for Gender Equality by the GOM Resolution 274, in December 2002; passing of a new Law against Domestic Violence in May 2004; and compilation of gender-disaggregated statistics to promote gender-sensitive policies and plans of actions. UNIFEM operates from its Bangkok office and coordinates its activities closely with the UNDP country office.

UNV supports occasional training workshops and special events in the fields of sustainable development. It also facilitates individual volunteers to work with local NGOs and other agencies. At the action level, it contributes towards promoting MDG # 7 and MDG # 8.

Since its inception in 1979, UNIDO China covers all programme activities and advisory functions of UNIDO in China, Mongolia, the Democratic People's Republic of Korea and the Republic of Korea. UNIDO's engagement in Mongolia was reactivated in December 2001 when a Memorandum of Understanding (MoU) was signed between UNIDO and

⁴⁹ Water and sanitation experts from the Asian Development Bank, UNDP, UNICEF, WHO and the World Bank met in early 2006 to develop strategies with the Government to better address the extensive water and sanitation needs of rural schools and hospitals.

the Government of Mongolia. Its limited engagement in Mongolia is confined to industry and trade review, and on regional cooperation.

FAO had been actively involved in agriculture sector strategy during the late 1990's with a good deal of collaboration with WHO; and was active in the livestock sector till 2005. FAO had contributed, along with UNDP, DFID and the World Bank, in preparing a rural development strategy paper in 2002. A recently completed Joint Food Security Assessment Mission to Mongolia recommended establishing a FAO country office in Mongolia.

UNESCAP has different mandates and directly engage with the Government (or, agencies within the Government); and mostly deal with trans-national issues. In areas of supporting statistical capacity, the agency had a historical role in the region. In limited ways, UNESACP had provided supports to the Poverty Research Group in the MOF with training and other advisory supports, and these were coordinated with the UNDP country office in Mongolia.

Several other agencies with focused but active engagements in Mongolia are UNEP, and UNHCR. UNEP had assisted in the preparation of the State of Environment 2002, which provided valuable inputs to subsequent attempts towards MDG costing of environment. UNHCR operates at the level of East Asia and the Pacific Region; and occasional engagements, particularly in the context of human rights. One other agency, WFP, does not yet have a program in Mongolia, but there may be one in future.

Source: Various websites and interviews at Bangkok regional offices.

List of Persons Interviewed

Government of Mongolia

Namjildorj Enkhbayar, Economic Policy Adviser, Prime Minister Office
Jamba Jargalsaikhan, Director, Department of Economic Policy, MOF, GOM
Zorigtbat, Macroeconomist, DEP, MOF
Herol, Deputy Director, Legal Policy Department, Ministry of Justice
Hunan, Legal Policy Department
Gombosuren Batbold, Director, Department of Primary and Secondary Education, MOECS, GOM.
Ms. Nergui, Senior Officer, DPSE, MOECS, GOM.
Ms. Ochir Enksetseg, Director, Multilateral Cooperation Department, Ministry of Foreign Affairs
Gansukh Damdin, First Secretary, Multilateral Cooperation Department, Ministry of Foreign Affairs

UN Agencies

Pratibha Mehta, UN Resident Coordinator, Ulaanbaatar, Mongolia
Delia Barcelona, Representative, UNFPA, Mongolia
Bertrand Desmoulins, Resident Representative, UNICEF, Mongolia
O. Enkh-Ariunaa, Poverty Specialist, UNDP, Mongolia
O. Adiya, UN Coordination Officer, UN in Mongolia
Enkhtsetseg Sh, Programme Officer, World Health Organization, Western Pacific Region.
Sandra Nicole Rotzinger, Programme Officer, UNFPA
Khurelmaa, M&E Officer, UNICEF

Other External Development Partners

Hong Geun Jeong, Counsellor (Deputy Chief of Mission), Korean Embassy
Mandar P. Jayawant, Deputy Country Director, ADB, Mongolia Resident Mission
Arshad Sayed, Country Manager & Resident Representative, The World Bank, Mongolia

Members of the Academia/Civil Society

Batnasan Namsrai, Academic Secretary and Associate Professor, Mongolian National University
Purevtseren Myagmartseren, Lecturer in Land Management, National University of Mongolia.

Researchers/Consultants working in Projects located within the GOM

Tsedev Erdenechimeg, National Project Manager, PMMS/MDG Monitoring Project,
UNDP

Munkhtseren, Policy Expert, PMMS

Indramohan S. Narula, Representative, Technical Advisor for Health Sector
Development, JICWELS

Radnaa Otgonbayar, Head of the Unit, Health Sector Strategic Master Plan
Implementation Management Unit, Ministry of Health, Mongolia

Rentsen Batmend, National Consultant, Project on Institutional Capacity Development,
Office of the President of Mongolia.

TTF on health, education, gender and governance

Inter-agency Technical Group on MDGs

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