

Report for DD 7

Development Dialogue 7: *Draft Law on Development Policy and Planning*

The seventh dialogue on development policy and planning issues was held on 19 February, 2014 in UN House in close partnership with the Ministry of Economic Development.

With rapid growth of the Mongolian economy and increase in mining revenues, proper planning, consistent policymaking, sound public investment plan, effective implementation and monitoring are key drivers of the development and it is necessary to ensure that available resources are effectively harnessed to meet the country's many development objectives. Improvement in development policy making and planning system of Mongolia has become a critical issue. Thus, the necessity and the rationale to have Law on Development Policy and Planning are grounded in regulating the operations and functions of stakeholders in the development policy making and planning; and furthermore establishing the legal framework for development policy document formulation, approval and implementation. Having the law enables Mongolia to pursue principles of continuous, consistent and integrated planning regime; implement proper development policies based on its limited resources; accelerate country's future development and ensure its sustainability.

Within the scope of establishing the legal framework for development policymaking and planning system, the Ministry of Economic Development drafted the Development policy and planning law and is planning to submit the draft law to the Parliament in the 2014 spring session. The draft law regulates the following relations:

- Ensure consistency and coherence of development policy documents at national, local and sector levels;
- Develop policy documents based on their rationale and practical need as well as its relevancy to goals and targets of the national long-term development policy;
- Define the authorities and responsibilities of government organizations in development policymaking, approving, policy implementation, results-based reporting, monitoring and evaluation;
- Ensure that planning is done timely and implementable;
- Regulate relations which arise under keeping planning transparent to the public;

Mr.O.Chuluunbat, Vice Minister of Economic Development, and Ms. **Sezin Sinanoglu**, UN Resident Coordinator and UNDP Resident Representative welcomed guests and opened the forum.

Over 100 representatives including members of Parliament, government officials, policymakers and implementers, scholars and researchers on development issues, civil society, NGO's and international development agencies participated in the forum.

The dialogue had 2 parts: first, as a national forum chaired by Mr. **D.Zorigt**, Member of Parliament, with presentations: *“Necessity and the rationale to improve the current development policymaking and planning system in Mongolia”* by Mr. **G.Batkhurel**, Deputy Director of Development Policy, Strategic Planning and Regulation Department, Ministry of Economic Development, *“Key Provisions of the Draft Law on Development Policy and Planning”* by Mrs. **Ts.Myadagmaa**, Senior Officer of Development Policy, Strategic Planning and Regulation Department, Ministry of Economic Development; second, as an open discussions chaired by Mr. **Thomas Erickson**, UNDP Deputy resident representative. Mr.**Saurabh Sinha**, UNDP Senior Economist, introduced an international experience on development policy formulation and implementations. Mr.**Ts.Davaasuren**, Member of Parliament and **Mr.J.Tsenduren**, Governor of Zuunmod soum, Tuv province. Were key commenters in the first part, and panelists in second part were Mr.**A.Bakei**, **S.Demberel**, Members of Parliament, Mr.**O.Khuyagtsogt**, Ministry of Finance, Ms.**Kh.Oyuntsetseg**, Cabinet secretariat, and Mr.**S.Nasanbat**, Governor of Darkhan-Uul province.

Special guests for the forum were Mr.D.Sodnom, former Chairman of the Ministers' Counsel (Prime Minister), Mr.D.Davaasambuu, former Minister of Finance, famous economists S.Nyamzagd, N.Dashzeveg, and academicians T.Dorj and Luvsandorj.

Specific impacts of the Development Dialogue:

At the opening speech of the forum, Ms.**Sezin Sinanoglu**, UNDP Resident Representative, highlighted a need for and high importance of the Policy and Planning Law, and goal of this forum which is to help to get an in-depth understanding of the provisions of the draft law and to have an exchange of views on its various aspects. She emphasized that sound and successful development requires forward planning that includes a vision, concrete goals and action plans on how to achieve those goals. It needs policy coordination and coherence. It needs financial planning as well as benchmarks to measure success.

Planning is more than just about 'producing', the goal of the proper planning is **Human Development**. It is about enhancing the quality of life of all citizens by addressing issues of

lack of opportunity, inequality, and poverty. It is about creating jobs, improving access to health or quality of education. It is about making growth inclusive, about responding to new challenges such as environmental degradation, disasters, global warming and adaptation to climate change.

Mr.Saurabh Sinha, senior economist of UNDP in his presentation brought good examples and practices of development policy planning from around the world, how other countries dealt with identifying strategic priority sector for their development, how it is linked with budgeting and resources allocated, what monitoring and evaluation is required to support the implementation of development planning policy.

At the discussion stage of the draft Law on Development Policy and Planning, a number of issues arise which are relevant to an integrated development policy and planning framework in Mongolia. Those issues were key topics for discussion at the forum:

- To what extent does the draft Law reflect a national consensus on planning in Mongolia?
- How does the draft Law impact existing short, mid, and long-term policies?
- How well is the draft law integrated with policy planning documents such as National Development Strategy, long-term strategies, medium-term Government Action Plans, the Public Investment Plan (PIP), annual Socio-economic Guidelines, and sector master plans? How does the draft law reflect such mechanisms?
- Whether and to what extent does the draft Law provide policy continuity across possible change in government after elections?
- Whether and to what extent are the planning and budget cycles aligned at both central and aimag levels? How will the draft Law regulate them?
- Is there practical need to legislate monitoring and evaluation mechanism of planning? How do we monitor and evaluate implementation of result-based plan not the implementation of progress-based plan? Are there any provisions for mid-term evaluations to ensure that implementation stays on track?
- How well does the draft Law integrate the central and the local planning systems, especially after the strengthening of decentralized planning under the new Budget Law?

Participants actively engaged in discussions, expressed their concerns about development issues, highlighted key points on overall planning in areas such as long-, mid-, and short term planning, central, regional and local planning. Some of those points summarized as below:

- Sound development planning and budgeting is still required with changed, information and technology based approach;

- Planning must be long-term, continuous and inherited, sustainable, not dependent on parties' policies and programs, but as a guidance to them; parties' policy must fit in to it to achieve general development goals;
- Planning must be well supported by short-, and mid-term strategies with clear, measurable and achievable objectives;
- It requires a development of human resource, capable to understand, develop and implement proper planning policy, country is lacking well-trained planning specialists;
- De-centralization in planning is important, as well as a capacity development at regional, local levels;
- Overall development planning must be separated from budgeting planning;
- There are over 400 different laws on planning and development, but the new law must be a central to all, complex and to provide integration of those laws and related provisions, procedures;
- Planning process must involve all stakeholders, all citizen at all levels;
- Planning must be based on science, which would require establishment of central research institution under the auspices of ministry of economic development;;
- Clear and comprehensive definition of and distinction between policy, planning, strategy, programs must be delivered to citizens;
- Planning must shift from sectorial level to regional level and provide them an opportunity to develop independently;
- To create a National Council for development, which includes best researchers, planners, scholars and economists, this counsel must develop a model of national development;

In summary, all speakers and commenters positively noted that the draft law is as actual as timely; it must be reviewed, improved before the final submission to the Parliament, combined with other similar drafts and proposals, must provide sustainability of the development, it must be based on best experiences of previous planning practices, including period of centrally planned economy, and supported by experienced and well-trained development specialists. Different ministries, government agencies and institutes, researchers and specialists, interested stakeholders must combine their efforts to have universal vision of the **development** and clear directions to achieve common goals.

A special thanks from all participants goes to organizers of the Dialogue – to the Ministry of Economic Development, to UNDP and NDPP project PIU, to the funding partner of the project – UK Fund.