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**PROJECT DOCUMENT**  
**MONGOLIA**

**Project Title:** Strengthening Representative Bodies in Mongolia

**Project Number:**

**Implementing Partner:** Parliament Secretariat, the Parliament of Mongolia

**Start Date:** January 2017    **End Date:** December 2020    **PAC Meeting date:** 14 June 2016

**Brief Description**

The promulgation of the new constitution in 1992 marks the beginning of the emergence of local self-governing bodies in Mongolia. Citizens Representatives Hurals (CRHs) have become a stable institution and played an important role in the consolidation of democracy. However, challenges remain in making them truly representative of local people, as a responsive and accountable institution. The legal framework established in the early transition period has not kept pace with the country's social, economic and political transformations. Laws are approved without sufficient consultations with local authorities, thus making their implementation difficult at the local level. The organizational capacities of CRHs are constrained by limited resources available at their disposal, unclear mandates and lack of overall guidance. With significant turnover of the CRHs' members, there is a continuous need to update the knowledge of their duties and responsibilities as elected representatives. At the same time, citizens' ability to demand accountability from elected representatives is limited due to their low awareness about the functioning of local self-governing bodies, which make important decisions affecting their lives.

The Project's aim is to address the above challenges by adopting a comprehensive three-pronged strategy for capacity development of local self-governing bodies, addressing simultaneously the interrelated levels of legal and institutional environment, the organisational capacity of CRHs including individual competencies as locally elected representatives. In addition, the Project will assist the Parliament of Mongolia in translating recent laws and policies into concrete actions aimed at creating opportunities for meaningful citizen participation in decision-making, mobilising support of CRHs in awareness raising and monitoring the implementation of recently approved laws. In turn, this would result in the increased effectiveness of laws by translating policy declarations to concrete impacts at the citizens' level. The Project builds on the foundation laid by the "Support to Participatory Legislative Processes" and "Capacity Strengthening of Local Self-governing Bodies" projects, both implemented by the Parliament Secretariat with support from UNDP and SDC from 2013-2016.

**Contributing Outcome (UNDAF/CPD):**  
By 2021, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realisation of the rights of the poor and marginalised

**Outputs:**

1. Improved legal framework for local self-governance
2. Citizens' Representative Hurals have improved organisational capacity
3. National training programme for local elected representatives is institutionalized.
4. Improved capacity of the Parliament Secretariat to support representative bodies

<b>Total resources required:</b>		\$3,800,000
<b>Total resources allocated:</b>	<b>UNDP TRAC:</b>	\$ 500,000
	<b>Donor SDC:</b>	\$3,300,000
	<b>Government:</b>	
	<b>In-Kind:</b>	
<b>Unfunded:</b>		

Agreed by (Implementing Partner)

Enkhbold Miegombo, the Speaker, the State Great Hural of Mongolia

Agreed by (UNDP):

Beate Trankmann, UNDP Resident Representative

04 October 2016

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## I. DEVELOPMENT CHALLENGE

### 1.1 Overall institutional context

Mongolia is a unitary state with a central government and three tiers of sub-national governments. The territory of Mongolia comprises 21 aimags and the capital city, with a total of 330 soums and 1602 baghs (rural) and 9 districts and 152 horoos (urban). According to the Constitution of Mongolia, the administrative and territorial units are organised on the basis of combination of both self-governance and state administration. The Constitution defines self-governing bodies in aimags, the capital city, soum and districts as Citizens' Representative Hurals (CRH) (referred hereafter as Hurals) of their respective territories; in baghs and horoos as general meetings of citizens. Currently, there are over 8000 elected representatives in the aimag, capital city, soum and district CRHs.

CRHs have legal mandates to **represent** the interests of local citizens, to **adopt resolutions** (normative acts) on local matters, and to **oversee** the performance of the executive on citizens' behalf.<sup>1</sup> Local elected representatives are expected to express the voice of citizens, civil society organizations and business groups, ensure that bottom-up proposals are effectively and fairly fed into local decision making, planning and budgeting, that complaints over service delivery and performance of local administrations are registered and acted upon, and that citizens know what their local government is doing and planning, thus ensure **downward accountability** and transparency. As an oversight body of the local executive branch, Hurals are also uniquely placed to oversee local government operations, public financial management and service delivery, thereby ensuring **horizontal accountability** of local authorities.

Local self-governing bodies have been in existence since the adoption of the new constitution in 1992, with regular elections held every four years. The emergence of local self-governing bodies played an important role in the country's transition to democracy in the last two decades. However, as in other countries, decentralization and local governance reforms is neither simple nor fast. The 'unfinished reforms' need to be completed which involves continuous efforts to enhance and implement the legal framework, while at the same time strengthening capacities of local authorities as well as citizens' demand for accountability.

### 1.2 Legal framework for local self-governance

The main law which regulates local government affairs is the Law on Administrative and Territorial Units and their Governance (LATUG) which was approved in 1992 and revised in 2006. Because it was adopted in the early transition period, the law falls short of keeping pace with the country's more recent social, economic and political transformations. Despite containing many elements of the socialist legacy, it does not address certain important issues such as the accountability relationship between local executive and representative body, the legal status of elected representatives, the delineations of powers and responsibilities between different levels of Hurals, among others. For instance, the LATUG does not clearly stipulate the reasons for dismissal of Governors by Hurals. Because of this lack of clarity, there are blockades of Governors' activities, or frequent threats of dismissal by Hurals, creating deadlock in the system. Similarly, while important powers of hural representatives are delegated to presidium members, the way presidium members are selected and their relation with hural members remain unclear. Acknowledging these challenges, a number of revisions have been made in the LATUG since its adoption, but these were of a piecemeal nature rather than addressing fundamental issues.

Besides the LATUG, there are currently around 50 different laws which assign functions and responsibilities to CRHs. Legal changes and central government decisions limiting the power of local authorities or assigning new functions are unfortunately introduced without prior consultations. Hence, the conclusion made by observers that there is weak constitutional protection of local authorities in this regard.<sup>2</sup>

This problem is further exacerbated because of unclear assignment of functions between the different government tiers, and duplicating and/or contradicting provisions between the LATUG

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<sup>1</sup> The Constitution of Mongolia (Articles 62.1 and 62.2) and LATUG (Article 8.2)

<sup>2</sup> From the proceedings of the National Forum on Local Governance: Issues and Solutions, organized in December 2015, organized with support from the CSLSB project.

and sectoral laws. As a consequence, there are numerous cases where decisions that were adopted by the central government and local authorities are contradicting or overlapping, hence generating conflicts and weakening accountability lines. This has been evident in decisions regarding land management, property ownership, mining license, environmental protection and large investment projects.

The system of local government takes a central place in the recent constitutional debates in the country. A parliamentary working group proposed constitutional amendments that had profound impacts on the overall system of local government in Mongolia<sup>3</sup>, including curtailing powers of Hurals, especially in the nomination of Governors and indirect elections for CRHs. But again, no consultations have been held with the most important stakeholders – local authorities.

The election laws and electoral systems have a big impact on the quality of local representation. The current electoral system favours big parties excluding small parties and independent candidates. In Mongolia, partisanship and party polarization is perhaps expressed strongest at the local level. The Law on Elections approved in December 2015, changed local electoral system from mixed to majoritarian, which is expected to help reduce politicization at the local level, consequences of which are felt more strongly by smaller administrative units.

### 1.3 Capacity of Local Hurals

Results of previous elections showed a high turnover rate of 60 percent of Hural representatives. They have different backgrounds and experiences, many of them are elected for the first time. As a result, the majority of Hural representatives have at the start of their term in office insufficient knowledge to conduct their role adequately.

**Decision-making function.** As a council, CRH is a collective decision making body, thus bearing collective responsibility for its decisions. Its main force lies in the composition of assembly which by law, mentions that Hural should meet at least twice a year. The LATUG fails to clearly define the procedures and internal regulations of CRHs. There are, for instance, very limited indications as to what the quorum should be for hural meetings (the LATUG only says ‘the majority of members’). Since there is no standard procedure for meetings each Hural develops and approves its own regulations which are rarely reviewed and assessed in terms of their efficiency and transparency.

Functions of Hurals include discussion, approval and monitoring of the implementation of the Governor’s Action Plan; annual budget proposal, its amendments, budget execution, budget implementation reports and inform the public<sup>4</sup>. By law, Hurals also discuss any other matters of socio-economic life of their respective territories and pass resolutions. Normative acts passed by Hurals have to be compliant with the Constitution, laws and decisions of the Government of Mongolia and competent higher authorities. Although it is not common for all Hurals, such breaches are found in hural resolutions. The Independent Authority against Corruption, for instance, assessed legality of resolutions adopted by Hurals of 15 aimags and 208 soums between 2013 and 2015 and found 97 breaches mostly about local fees and tariffs exceeding legally defined thresholds<sup>5</sup>. The current legal framework allows only Hurals to change or annul its own decisions.

The above situation should improve by the recently approved law on General Administrative Procedures which introduced stricter scrutiny for administrative decision making by requiring undertaking potential impacts assessment and public consultations prior to approval, review of legality by the Ministry of Justice, and a proper documentation of decisions.

**Oversight function.** Besides overseeing the implementation of Governors’ action plans and budgets, sectoral laws, for instance, the laws on education and health assign a wide range of responsibilities to Governors to develop and implement education and health programmes and plans for their respective territories, and assigned functions to Hurals to oversee their implementation. The Law on Public Hearing introduced a mandatory provision for Hurals to conduct budget oversight hearing annually. Often, these additional functions are given to Hurals

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<sup>3</sup> The parliamentary working group submitted its proposals for constitutional amendments in November, 2015. Because of lack of wider consultations and short time left before the elections, the debates are left to the next parliament.

<sup>4</sup> The Budget Law 2011, Article 64.

<sup>5</sup> Data from the Mongolia Independent Authority Against Corruption (IAAC), 2015 report.

without financial resources and clear instructions. Hence, hurals exercise oversight functions at varying degrees and in different forms, including through inspection visits to service facilities, establishing oversight working groups and hearing reports from the heads of service delivery agencies. In most cases, the oversight functions of Hurals over service delivery is mainly anecdotal and is non constraining because of the lack ability of Hurals to hold accountable centrally appointed civil servants (only 3 out of 16 officers at the soum level report to the governor) and the lack of financial and human resources to perform oversight functions properly (i.e. to conduct independent data collection and public hearings).

**Representation.** Women represent around 30 percent of representatives in soum and district Hurals, but only 17 and 13 percent in the aimag and the capital city Hurals respectively. Young people are also an underrepresented group in Hurals. Different studies point to lack of interests among young people to take part in community-level activities and there is little or no direct engagement between youth and their Hural representatives, because young people believe their ideas and opinions are largely ignored in politics. Hurals need to seek more innovative ways to engage with young people.

While Hurals are supposed to express the voice and protect the interests of citizens, half of surveyed citizens did not know about the functioning of Hurals. Less than 50 percent of rural respondents believe that representatives can represent their people and only 1/3 of citizens in Ulaanbaatar have confidence in their elected representatives<sup>6</sup>. This situation points to the need for increased engagement with citizens and awareness raising about local self-governing bodies and also differentiated strategy and interventions for urban and rural settings.

#### **1.4. New legal framework for citizen participation in governance**

The weakness of the legislative process and reform process in general is that reforms are generally introduced in a rushed manner without sufficient policy analysis, assessment of risks and opportunities, policy debates and consensus building, or without a clear implementation strategy. Hence limited stakeholders' understanding and buy-in undermines the implementation of the laws and results in frequent changes of laws soon after their initial implementation.<sup>7</sup>

To respond to these challenges, the Parliament of Mongolia approved a number of important laws in 2015, including the Law on Legislation, the Law on Public Hearing, the Law on General Administrative Procedures and the law on Development Policy and Planning. The aim of these laws is to set a common standard in legislative drafting process, improve the quality of and coherence between different laws, administrative acts, policies and planning documents, and to enhance public scrutiny and consultations. This is a breakthrough in improving the quality of future laws and the coherence of Mongolia's legal system.

While the aim of these laws is also to increase citizens' participation in decision-making, their implementation could also increase the overall "transaction costs" for the government. The Parliament Secretariat and Hurals will need external support to translate these laws into clear procedures and guidelines.

#### **1.5 Ongoing support to Hurals**

In 2013, SDC and UNDP initiated two projects "Capacity Strengthening of Local Self-governing Bodies" (CSLSB) and "Support to Participatory Legislative Process" (SPLP), to be implemented by the Parliament Secretariat. The CSLSB project developed an induction training programme for newly elected local representatives for their core functions. For the first time in the history of hurals, this training was offered nationwide to over 8000 representatives. This national training programme is continuously being updated with new contents and real case studies and thematic training modules are now developed and offered to presidium members.

To complement the training programme, the SPLP and CSLSB projects have also supported the Parliament Secretariat to introduce e-governance tools, including an online system for petitions and legislative case management. A video conferencing system was also set to improve access to information, transparency and increase opportunity for public participation. The integrated

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<sup>6</sup> A baseline public perception survey of local self-governing bodies conducted in 2015, involving 1200 households from 5 aimags, 15 soums, 7 districts and 20 horoos of Ulaanbaatar.

<sup>7</sup> UNDP (2012), *Institutional and context analysis: Public sector governance, anti-corruption, and participation in Mongolia*, Discussion paper.

website for CRHs [www.khural.mn](http://www.khural.mn) is one of the most tangible results since the website connects 361 Hurals at all levels and provides a range of information from profiles of representatives, structure and decisions of Hurals, best practices and news. The website has also become a learning platform for Hurals members to share their experiences and for citizens to learn about the decisions of their Hurals.

Under the CSLSB first phase, the project implemented a small grants programme to promote Hurals' best practices in improving oversight functions and citizen participation in decision making. In 2014 and 2015, a total of 41 Hurals received grants on a competitive basis. The grant scheme proved to be an effective means to stimulate Hurals in experimenting new ideas in a resource limited context. In parallel, the Project also built the capacity of a few NGOs specialised in local issues with the aim to utilize their expertise for future assistance to Hurals.

The project also provided leadership training for women elected representatives at all levels, and supported a number of activities aimed at increasing exposure of female elected representatives to the media and in the public arena. A documentary on women elected representatives was produced and a National Forum on Women's participation organised in 2016, with the participation of women MPs and representatives from all Hurals. It is expected that these activities will contribute to an increased number of female representatives in Hurals in the next 2016 local elections.

It is important to note that during this period, the Parliament Secretariat has demonstrated a strong ownership and leadership in the overall implementation of the project.

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## II. STRATEGY

Mongolia marked the 25<sup>th</sup> anniversary of its first democratic elections in 2015. Today, Mongolia is widely viewed as a stable democracy and free country<sup>8</sup> with a market based economy, in which human rights are well-respected, the media is free, and genuine political competition exists. The next test of Mongolia's democracy is how well the country can transform the enormous development potential of its vast mineral wealth into inclusive and sustainable growth. At this crossroads of its development, Mongolia approved a new long-term development vision for the country – Sustainable Development Concept of Mongolia till 2030 – in February 2016, which is firmly anchored in the global 2030 Agenda for Sustainable Development. The vision's declared objectives are to increase economic growth, eradicate poverty and reduce inequality, increase educational attainment, improve life expectancy, preserve the ecological balance, improve the country's business environment, and build a governance system that is professional, stable and participatory and free of corruption.

A key factor for success in this regard is the continued deepening of democracy and strengthening of key institutions to enable people's voice to be taken into account in decision making and to ensure accountable government institutions delivering sustainable development and inclusive services. Rebuilding trust in political institutions and changing citizens' view of their government in treating them fairly, being democratic and associated with economic success is of fundamental importance for governance in Mongolia today.<sup>9</sup>

With this in mind, the UN System (including UNDP) in Mongolia defined one of the strategic priority outcomes for Mongolia as: "By 2021, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realisation of the rights of the poor and marginalised"<sup>10</sup>. SDC's Country Strategy for Mongolia is "to contribute to equitable and sustainable social and economic development in Mongolia" by "fostering effective, efficient and fair local governments, satisfied citizens, and a genuinely representative and effective civil society"<sup>11</sup>.

It is generally acknowledged that improving government accountability improves service delivery, particularly for the poor, and citizens can most easily influence the state at the local level.<sup>12</sup> However, it depends on citizens' ability and opportunity to demand accountability and whether

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<sup>8</sup> Freedom in the World 2015, Freedom House

<sup>9</sup> UNDP Country Programme Document for Mongolia 2017-21

<sup>10</sup> The United Nations Development Assistance Framework 2017-21

<sup>11</sup> Swiss Cooperation Strategy Mongolia 2013–2016, page 7.

<sup>12</sup> World Development Report, 2004, the World Bank.

local governments have the means and incentives to respond to citizen demands for accountability and better service delivery. Hence the overall **theory of change** (annex 3), i.e. design and strategies of the project are based on this premise.

The Project will adopt a comprehensive three-pronged strategy for capacity development of local self-governing bodies, addressing simultaneously the interrelated levels of legal and institutional environment, the organisational capacity of Hurals as well as the individual competencies of local elected representatives. In addition, the project will assist the Parliament of Mongolia in translating recent laws and policies into concrete actions aimed at creating opportunities for meaningful participation by citizens in decision-making, mobilising support of Hurals in awareness raising, monitoring of implementation of recently approved laws, thus increase the effectiveness of these laws at the citizens' level. These interventions should reinforce each other's impacts and create synergies at the outcome level – ensure project contributions towards making governing institutions more responsive and accountable to citizens. The Project builds on the foundation laid by the SPLP and CSLSB projects, both implemented by the Parliament Secretariat with support from UNDP and SDC in 2013-2016.

### **Strategy One. Create enabling environment for local self-governing bodies through improved legal framework**

The Project makes an assumption that important legal reforms, including the constitutional amendments, the revision of LATUG and other related laws will take place after the parliamentary elections in June 2016.

The project will support these legal reforms through developing reform options based on international comparative analyses and analysis of the real situation of Mongolia, creating a space for local authorities for dialogue with the central government and consensus building, assist the Standing Committee on State Structure and Sub-standing Committee on Local governance in undertaking policy analysis, the impacts assessment of draft laws and facilitating consultations and discussions with stakeholders, and prepare draft amendments for parliament debates. As a result, the project will make contributions to the revision of the Constitution of Mongolia and LATUG with an aim to ensure better protection of the rights of local authorities, removing inconsistencies and duplications between laws, improved checks and balances between the local legislature and executive, i.e. address the current accountability deficits of local authorities towards citizens, as described in the paragraph 1.2. Subsidiarity principle shall apply when determining which functions are assigned to different levels of government, which means that a higher government level shall only take responsibility for a function if and insofar the objectives of a function cannot be sufficiently achieved by a lower government level.

Recent debates on the constitutional reform and ad-hoc revisions of LATUG (for instance, the Government's proposal to remove the articles related to property ownership by Hurals) indicate the need for in-depth studies of some issues such as local property ownership, rangeland management, election and appointment systems of local governments. The Project will assist the Parliament to commission issue based research from the perspective of the roles of Hurals as necessary and when an opportunity arises. This will build a foundation for informed debates and contribute to the development of a coherent and comprehensive reform strategy and strengthening of its conceptual underpinnings.

This component of the Project will be implemented under close technical and policy guidance from the Parliament Standing Committee on State Structure (SCSS) and the Sub-standing Committee on Local Governance (SSCLG) because of their roles in consensus building on reform options, actual legal drafting and approval in the Parliament.

### **Strategy Two. Enhance the organizational capacity of local Hurals**

Interventions under this strategy will aim at improving the internal structures, policies and procedures, thus the effectiveness of Hurals as an institution.

The Project will support the functioning of Hural committees by streamlining procedures and developing template procedures, identifying best practices and disseminating them to other Hurals. Improved functioning of these committees have the advantage of widening viewpoints and sharing out responsibilities, and drawing expertise to recommend actions in matters that require specialized knowledge or technical judgement.

The Law on General Administrative Procedures (LGAP) has provisions for ensuring legality of decisions and normative acts by administrative bodies and assigned a central body to oversee the process (the Ministry of Justice and Home Affairs). In principle, with the implementation of the LGAP, problems related to the legality of Hural resolutions should be addressed. However, it has also introduced requirements to conduct impacts assessment, which explains justifications for a particular act, scope, identification of groups whose legitimate interests likely to be affected, estimation of human and economic resources needed for implementation; consultation on drafts, registration with a central authority, annual monitoring of implementation and reporting on results. This will certainly increase the workload of Hural Secretariats, and they also need practical assistance in the implementation. The Project will develop a simplified manual or check list for resolutions to be passed by Hurals and also assist in developing procedures for public consultations.

The project will continue small grants programme to promote best practices in exercising oversight and representation functions of Hurals. However, unlike with the previous phase, exclusive focus will be given to improving Hurals' engagement with target groups such as women, young people, the poor and vulnerable groups and oversee the executive's performance in delivering the services for these target groups. This will also cover monitoring of implementation of laws, government policies and programmes aimed at poverty reduction (such as the Government's Employment Creation programme, Soum development funds) in their respective territories. The project will also focus on the actual adoption of best practices by hurals identified in the previous phase. The lessons learned from the grant implementation will feed into national and local policies on poverty reduction and relevant laws.

Very useful resources have been created as a result of the grants programme for NGOs, including template meeting procedures, standard code of conduct, procedures for granting mineral exploitation license, guidance for oversight functions, methodology for participatory monitoring, handbook for citizens 'knowing your Hural', collection of real case studies to supplement the national induction training programme content, and a handbook of best practices. Given the size of the grants (average 10mln tug), it has proved to be cost-effective and worthwhile investment in the future capacity building service providers to Hurals. The project will continue this grant scheme to NGOs for addressing demand based practical needs of Hurals.

The project will work towards institutionalisation of the website by continuous training of admins of Hural Secretariats, a regular monitoring by the project of timely inputs by Hurals on meeting procedures and decisions. The related monitoring reports will be integrated into the Government's regular monitoring system. The Project needs to do more to develop and enrich website content, especially on-line resources for Hurals such as publications, guidelines, research reports, and conference proceedings. In this regard, international best practices are easily accessible from similar websites of local governments associations around the world.

In order to move away from the current compliance and activity based reporting, the Project will support developing a small set of core and consistent indicators that will help local citizens understand how well their Hural is performing. This new performance measurement framework aims to have a strong focus on supporting Hurals to actively manage and improve their organisational performance. This component will be implemented in close cooperation with the Cabinet Secretariat who has a formal role to collect annual reports aimag hurals and the Civil Service Commission who is going to work of the overall performance management framework in the civil service under the UNDP supported project.

**Strategy Three. Enhance individual competencies of local elected representatives to fulfil their decision making, oversight and representation functions.**

Being an elected representative is a position of responsibility. This is a challenging role with limited resources available to reach out their electorate and they have other duties besides being a representative. In order to be a competent elected representative and for carrying out such responsibilities, they need experience and skills. Elected representatives need to understand how local government works, how it relates to central authorities, local government's legal rights and obligations and the opportunities and obstacles.

The national training programme for local Hural representatives, including the induction course for newly elected representatives, and other short courses for sub-groups of Hural representatives,

which was initiated as part of the CSLSB project in 2014 proved to be successful in this regard.<sup>13</sup> The delivery of the induction training programme covering over 8000 representatives in less than 6 months was made possible as a result of creation of a network of local trainers drawn from Hurals themselves. The project will continue expanding this network of trainers and refresh their knowledge. This strategy will pursue simultaneous improvement in and implementation of existing training modules and increased ownership of the national institutions complemented by commensurate budgets allocated to Hurals for training purpose. The national training programme will gradually be handed over to the Academy of Management, which can guarantee its sustainability beyond 2020.

While very positive feedbacks were received with regard to the relevance and content of the induction training programme, Hural representatives stressed the need to receive the training right after getting elected into the office and also to include chairs of Bagh general meetings. General meetings at Bagh and Horoo levels are a very important institution of local self-governance which have direct contact with citizens at the primary administrative level, but this group is often left outside of any capacity building programmes. Therefore, the induction training will be offered in the first half of the first year as the local elections will be held in October 2016.

In order to address the problem of lower attendance and interests by the members of the capital city and district Hurals as compared with their rural peers<sup>14</sup>, a detailed assessment of the training needs and an adjustment of the training content and delivery modes to suit specific urban needs are being reviewed during the current phase. In the next phase, the project will create more ownership by the Secretariat of Ulaanbaatar city CRH in the organization of training, the choice of the topics and the training methodology for district Hural members and other interventions of the project.

A critical element of competencies of elected representatives is their leadership skills – the very purpose of getting elected as representatives to bring about desired changes, communicate this vision and influence others, and serving as role models in their communities. And this need is constantly raised by the members of Hural. The CSLSB project developed two sets of leadership modules for elected representatives and offered to presidium members and female elected representatives. The women leadership training programme assisted the participants to acquire skills in identifying actions and analysing priority issues in their communities from a women's perspective. It also contributed to enhancing the confidence and self-esteem of women representatives. On the other hand, it is recognised that the leadership programme for presidium members fell short of tailoring the programme and its methodology for the specific needs of elected representatives. UNDP will seek to mobilize the worldwide best expertise in improving the training content and training of trainers in the next phase.

In order to ensure a more continuous learning programme for local Hural representatives, the project will develop a number of short training modules on topics of priority by Hurals which can be delivered either by local trainers or NGOs specialized in local governance issues or the Academy of Management.

Possible areas of innovation could include the use of online platforms to provide (individual or group) trainings, digitalization of training materials to encourage demand-driven trainings and the use of social media to facilitate interactions and exchange of experiences between Hural members. The project will also investigate the feasibility to initiate a "peer-to-peer" programme between individual Hural members as well as a "twining programme" to encourage cooperation between local institutions.

Following the results of the baseline public perception survey about the functioning of local self-governing bodies, the CSLSB project intensified its activities aimed at public awareness raising, including the production and airing of two TV documentaries on the overview of Hurals and the role of representatives, and the role of female representatives in their communities, and development of a training module "Knowing your Hural" to explain the role of Hurals and their role in democratic governance to citizens. However, these are not sufficient to increase the overall understanding of citizens and change their attitude towards their elected representatives. Hence, the Project will support activities on citizens' awareness about the role of elected representatives

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<sup>13</sup> Mid-term project evaluation report, CSLSB, December 2015, page 10.

<sup>14</sup> Average attendance rate of aimag and soum hural representatives in the induction training was 86.5%, whereas 59% for district hural representatives. The CSCLB project annual progress report, 2014, page 16.

on one hand and increased engagement of elected representatives with their constituencies on the other hand.

#### **Strategy Four. Improve the capacity of the Parliament Secretariat to support representative bodies**

The Parliament Secretariat has been assigned with important new roles in the legislative process by the Law on Legislation: 1) conduct legal analysis for a conclusion as to whether a draft legislation initiated by a law initiator complies with the requirements stipulated in this law (Articles 19.2, 41.2-6); 2) Jointly with a relevant standing committee, organize public awareness raising about approved laws (Article 46.1); 3) jointly with a relevant standing committee monitor the implementation of laws and regularly inform the law initiator of the positive and negative impacts (Article 49.2 and 49.5), in the case of unsatisfactory progress against stated objectives, conduct assessment of the impacts of implementation with the purpose of consolidating achievements, analysis of the real situation for identifying implementation challenges, positive and negative social impacts, propose options for optimal and effective implementation (Article 51). This requires the Parliament Secretariat to develop new technical skills among its staff to review impacts and cost-benefit analysis by law initiators, and also conduct monitoring of the implementation of laws.

The Project will assist the Parliament Secretariat in developing these new skills by training of its staff, experimentation of new ideas and innovations, developing procedures and guidelines for legal review and monitoring of implementation of laws. Drawing from the experience of the SPLP and CSCLB projects the selection of laws to be monitored by the Parliament Secretariat will be limited by those which have relevance to local governments and/or state structure in general, therefore under the jurisdictions of the SCSS and will be decided by the Project Board. Results of such practical experimentations should feed into developing related procedures and guidelines and it also allows staff learning by doing. It will also allow the Parliament Secretariat the use of a third party for such monitoring.

The Project will assist the Parliament Secretariat in mobilising support from Hurals in raising awareness of newly approved laws among citizens and monitoring of implementation of existing laws at the local level, organizing public hearings on selected topics as Hurals have the same legal mandates.

Although the Parliament Secretariat has no direct role in organizing public consultations on draft laws and statutory acts, it has a plan to capitalize on the ICT solution introduced earlier – video-conferencing system established in all aimags and districts with support from the SPLP and CSCLB projects – for such consultations organized by the Parliament, the President’s Office and the Government, is currently working on the related procedures. This will not only improve coordination between government institutions, but also save the physical space and time between the central government and local governments and citizens.

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### **III. RESULTS AND PARTNERSHIPS**

#### ***Expected Results***

The project’s overall aim is to improve the capacity of local Hurals to implement their decision-making, oversight and representative functions more effectively, thus contribute to the achievement of the strategic priority goal: “By 2021, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realisation of the rights of the poor and marginalised” as in UNDAF/CPD for 2017-2021.

Four Outputs will contribute to achievement of the Outcome/Project Goal:

1. Improved legal framework for local self-governance
2. CRHs have improved organizational capacity
3. National training programme for local elected representatives is institutionalized
4. Improved capacity of the Parliament Secretariat to support representative bodies

## **Output 1. Improved legal framework for local governance**

**LATUG revision.** Interventions under this output will be centered around the LATUG revisions mainly. The project will provide the necessary technical support to the Standing Committee on State Structure and Sub-Standing Committee in developing a conceptual framework for the reform of local government system in Mongolia, reform options based on comparative analysis, consensus building on the conceptual framework through different means such as regional and national forums and online discussions. The project may also provide support in the drafting process, including conducting the impacts assessment and preparing proposals for amending other relevant laws and holding consultations on draft proposals.

**Issues based research.** The above activities will be complemented and reinforced by in-depth research studies of some of the pertinent issues of local governance in Mongolia such as rangeland management, local property ownership that are hotly debated and cause challenges in practice. The exact topics will be defined during the course of implementation by the project board. The project will facilitate Mongolian policy makers, practitioners and researchers to learn from the experience of countries in Eastern Europe which went through the same economic transition and effectively addressed the municipal property ownership and management issues. The aim of these research studies is to build a knowledge base about the functioning of local governments, while providing substantive inputs into the constitutional debates and other legal reforms, and also increase the national research capacity. International technical expertise will be mobilized, as necessary.

**Create a space for dialogue.** The project will create a space for representatives of local authorities for dialogue and debates with policy makers by organizing forums, TV and online discussions on topics of importance for local governments. While ensuring that women in elected offices are well represented in such dialogues to express their own concerns and interests of their communities, the project will support specific activities aimed at advancing gender equality in decision making. It will provide a space for local elected women representatives to collectively interact with policy makers, women MPs, political party leaders and civil society organisations so that gender equality concerns are addressed through legal and institutional changes and also such events will increase public exposures of women in elected offices. In addition, the project will assist local Hurals to make use of the opportunity created by the Law on Legislation for providing inputs into law making processes, meaningful deliberations and presenting a common stand so that to prevent from possible adverse impacts of new laws on local governments.

## **Output 2. Citizens' Representative Hurals have improved organizational capacity**

**Improved procedures of Hurals.** The functioning of Hural and its committees will be strengthened through streamlined procedures and application of newly developed template procedures based on best practices. If necessary, this could be complemented by training of staff of Hural Secretariats. As expressed by Hurals, standard procedures may include: standard meeting procedures; selection and functioning of presidiums and standing committees; budget reviews; assessment of proposals for the Local Development Fund and monitoring of their implementation; assessment of the governor's plan and budget; establishment of a local protected area.

**Improved quality of decisions by Hurals.** The Project will develop a simplified manual or check list for resolutions to be passed by Hurals. Practical guidance will be provided to Hural Secretariats through developing a manual of implementation of the LGAP along with a collection of case studies illustrating potential areas of breach, drawing from the administrative court decisions and the IAAC reviews. The project will assist the development of a detailed procedure for public consultations on draft decisions through a consultative process. The project will collect statistics of such consultations from Hurals in order to measure the effectiveness of the implementation of the LGAP and document lessons learned from the consultations in order to feed back into improved legal framework and procedures and for dissemination of best practices among Hurals.

**Oversight and representation function.** In order to increase pro-poor focus of its interventions, the project will make available 20 grants per year to Hurals which will be provided on a competitive basis with criteria for proposing a more rigorous process in engaging with target groups such as women, young people, the poor and vulnerable groups and oversee the executive's performance in delivering the services for these target groups and implementation of government programmes

aimed at poverty reduction. The project can support public hearings initiated by Hurals on general oversight. Same as in the previous phase, lessons learned will be shared through horizontal learning events and documented into best practice handbooks for Hurals and recommendations will be integrated into national and local policies on poverty reduction and relevant laws.

**Institutionalisation of [www.khural.mn](http://www.khural.mn).** The project will continue to support further improvement and sustainability of the website by providing Hural website managers with additional training; organizing moderated forums for Hural representatives on selected topics; enriching its content with on-line resources for Hurals; making it more user friendly and accessible to the general public; ensuring its sustainable continuation after 2020 through gradual handing over to the Academy of Management, in its management and maintenance.

**Performance management framework established.** A set of performance indicators will be developed based on international experience, consultations with the central government, Hurals, subject matter experts and citizens, and be checked against the existing reporting requirements. The set can include simple indicators such as attendance of members in hural meetings, timely disclosure of decisions and maintenance of websites, attendance rate in training, etc. This performance reporting will be a significant challenge for Hurals, therefore a range of guidance and implementation support will be developed as part of the project including training for officers to ensure the performance reporting is completed accurately and in a timely way and for representatives to understand and interpret the results. The performance management framework will be piloted in a few selected Hurals in the first year, then expand to other Hurals in subsequent years, eventually scaled-up as mandatory reporting by Hurals to the government and citizens.

### **Output 3. National training programme for local elected representatives is institutionalized**

**Induction training for newly elected representatives.** Induction training programme with a revised content will be offered to all elected representatives and chairs of Bagh and Horoo general public meetings in the first half of 2017. The training handbook will be made available in printed and online forms for the future use of the representatives. The training programme will be continuously updated throughout the implementation of the project by the Academy of Management.

**Leadership training programme.** As was mentioned in the Strategy section, the content and methodology of the leadership training programme will be finalized during the current phase of the project. Leadership training will be offered to chairs and presidium members of Hurals at all levels.

**Women leadership training.** The project will continue leadership programme for women in elected offices in order to motivate them to provide leadership in their communities and Hurals, to stand for elections, seek common solutions to local problems and increase their ability to influence decision making process in Hurals and eventually increase of number of women candidates and elected.

**Thematic training modules made available.** The project will expand the national training programme by developing additional short courses on topics that are identified by Hurals as important and offered based on their demands, using different training methodologies such as video conferencing and online training. Possible topics may include rangeland management, property ownership and management, new legal framework that affect the work of Hurals. Thematic training and online modules will be developed by the Academy of Management. In addition, sectoral ministries, whose implementation of policies require cooperation of Hurals at the local level, may cooperate with the project in developing and implementing training modules of their interests. Because these short-term courses are demand-based, the costs of delivery of the training programmes will be covered either by respective Hurals or ministries.

**Network of trainers expanded and maintained.** The project will expand the number of trainers available per aimag, ensure that they continuously upgrade their technical knowledge and didactic skills. Training of Trainers (ToT) will be conducted annually by the Academy of Management. Together with the national institutions, the project will look into opportunities for possible certification of these trainers.

**Sustainability of the training programme.** The Working Group, established by the Parliament Secretariat in 2016, will aim to develop options for institutionalization of the national training programme. The Working Group's ultimate purpose is to get a formal approval either from the

Parliament or the Government of Mongolia on sustained resources available for training purpose for Hurals.

**Increased citizens' awareness about their elected representatives.** The project will support civic education activities aimed at increasing citizens' awareness about the importance of elected representatives, functioning and performance of their representatives, including TV promotional materials, training, online sources, and use of social media etc. The public perception survey will be repeated to measure the results of these interventions from the baseline level.

#### **Output 4. Improved capacity of the Parliament Secretariat to support representative bodies**

**Improved capacity for legal analyses.** The project will provide capacity development support to the staff of the Parliament Secretariat for them to effectively undertake newly assigned roles by the Law on Legislation, namely, in acquiring techniques of legal analysis of draft laws, including estimation of costs and risks, social and economic impacts, undertaking cost-benefit analysis. International expertise will be sought in this area. It will cover improving technical knowledge of staff in areas where specific expertise is required such as macroeconomics, extractive industry, environmental protection, investment, international finance, contract law, and debt management. It will also include training of staff of Standing Committees.

**Monitoring of implementation of laws.** The project will support the Parliament Secretariat and the SCSS in conducting a regular monitoring of implementation of laws and developing such monitoring tools as demonstrated in the case of laws that are relevant to local governments and the state structure in general. It will also mobilize support of Hurals, when necessary, a third independent party in undertaking such monitoring exercises. The project will facilitate learning by staff of the Parliament Secretariat from relevant international experience of conducting monitoring and parliamentary oversight and training of staff in monitoring tools. Monitoring should result in corrective actions by relevant government bodies, thus improve the effectiveness of implementation of laws.

**Improved research capacity.** The project will use a combination of training and applied research on selected topics and allowing access of staff to international sources. Training modules will be developed and offered to staff covering topics of research methods, techniques of policy analysis and comparative legal studies. The project may support specific research topics selected by the research unit and assign an international consultant who can provide hands-on advice and guide to the staff of the Parliament Secretariat throughout the research project as was the case of the constitutional study conducted in 2014 under the SPLP project.

**Improved procedures for public consultations.** The Parliament Secretariat will develop procedures and guidelines for local governments on how to conduct public consultations as implementation mechanisms of the newly approved laws (Legislation, General Administrative Procedures, Development Policy and Planning). Jointly with local Hurals, the Parliament Secretariat will conduct public awareness raising campaign about the legislative process in the parliament and new legal framework so that citizens are aware of their rights and more actively engaged in legislative and policy making processes. In addition, the project can support public hearing initiated by a relevant Standing Committee on draft laws which have significant impacts on local governments and citizens. The project will provide the necessary support to the Parliament Secretariat in making a whole of government use of the video-conferencing system and other online means for public consultations on legislative processes.

#### ***Resources Required to Achieve the Expected Results***

The project will provide all the necessary support to the Parliament Standing Committees in developing reform options and conducting consultations with stakeholders on the solutions, if necessary technical assistance in the drafting of the revisions of the LATUG. The Parliament Secretariat and the Standing Committees will make staff time available for providing policy guidance for the reform process, quality assurance of substantive products (training manuals, publications, procedures and guidelines) delivered under the project as well as serving as members of procurement committees for activities implemented by the Parliament Secretariat as a Responsible Party. The IT Department of the Parliament Secretariat will oversee the maintenance of the [www.khural.mn](http://www.khural.mn) website and video-conferencing system and the work of subcontractors.

UNDP will provide policy advisory services to the Parliament of Mongolia through its local governance expertise available at the Country Office and the Bangkok Regional Hub (UNDP's regional centre for the Asia-Pacific). Regional experts will be brought to Mongolia semi-annually to do a technical review of the project implementation and engage in substantive discussions about the project's overall direction with the key stakeholders of the project.

The project will cover the expenses related to the induction training and leadership training for women elected representatives. Secretariat of the UB city and aimag Hurals will provide logistical support in the organization of different training, and will be in charge of coordinating other activities involving soum and district Hurals.

The project will purchase services of NGOs, training institutions and individual experts in specific deliverables of the project, including development of capacity building toolkits and training content for elected representatives, delivery of different training, through a competitive selection process.

Short-term international experts will be recruited by the project for technical advice on specific topics such as property ownership and management, techniques of cost-benefit analysis of proposed laws, etc.

### ***Partnerships***

Activities under Output 1 will be implemented under close guidance from the Parliament Standing Committee on State Structure (SCSS) and the Sub-standing Committee on Local Governance (SSCLG) who in turn has the role to partner with a wide range of stakeholders, including party groups in the parliament, members of parliament, the government, local authorities and the civil society for building political consensus on reform options.

Moreover, the project will ensure synergy and complementarity with the SDC funded "Decentralisation policy support" project implemented by the Cabinet Secretariat, whose aim is to develop an overall decentralisation policy of the Government of Mongolia, with the main objective to rationalise functional assignments between different levels of the government along the principles of subsidiarity and disentanglement. Legal review should be guided by the overall national decentralisation policy.

For delivering the results under Output 2, the project will work with the Secretariats of the capital city and aimag CRHs who will liaise with their respective lower level of Hurals. The Cabinet Secretariat will be a key partner for developing performance management framework for Hurals. A non-exhaustive list of partners includes NGOs specialized in local governance issues and local government associations - the Mongolian Association of Local Authorities (MALA), Association of Mongolian Local Authorities (AMLA), National Association of Mongolian soums and Baghs (NAMBS), Institute of Local Development (ILD), Centre for Citizenship Education (CCE), Tungaamal Centre who were involved in the previous phase as trainers and prepared practical handbooks and toolkits for Hurals.

For delivering the results under Output 3, the project's main partners will be Secretariats of the capital city and aimag CRHs for delivery of training to elected representatives, the Academy of Management for Training of Trainers and training content update, government agencies such as the Independent Authority Against Corruption for developing training modules on public ethics and regulation of conflict of interests, and other academic institutions. The project will engage service of women NGOs such as MonFemNet for updating the content of leadership training and delivering the training to women in elected offices.

Under Output 4, partnership will be forged between the national parliament and local Hurals in awareness raising about new laws and monitoring of implementation at the local level. The project will assist in building partnership between the Parliament of Mongolia with parliamentary organizations around the world for relevant experience sharing.

### ***Risks and Assumptions***

In addition, to the political risks (mentioned below), the country's current fiscal challenges that are mainly caused by the payment of the debt and the decline of commodity prices can't be ignored and will over the next few years negatively impact on the national budget and inter-government fiscal transfers. The fiscal situation will further be aggravated by the difficulty for central and local governments to increase their revenue-bases and mobilise additional ODA funding. Translated at

the level of the project, these challenges would require prudent investments, strategies to cut-costs and systematic analysis of sustainability.

The delivery of the results under the Output 1 depends very much on the political environment and composition of the Parliament after the 2016 elections and whether major parties will pursue the unfinished agenda of the previous parliament for revising the Constitution and LATUG and policies towards greater decentralisation in general. There are two major risks associated with this: one is lack of interests in the parliament to pursue these reforms, the other is lack of political consensus, therefore all the objectives stated can be realised only partially. Moreover, the results depend on the personal commitment of the Chairs of SCSS and SSCLG to initiate the required legal reforms. Therefore, the project will assist in raising awareness about the need for reform through different forums and public debates, equipping the Standing Committees and their Chairs with solid arguments for the reform and policy analyses and mobilize support from local governments. UNDP and SDC senior management will closely engage with chairs of the SCs on these substantive issues from the time of their appointments.

It is expected that there will be a high turnover of the members of CRHs as a result of local elections in 2016. In addition, although staff of the Secretariat of Hurals, including the Heads, is protected by the Civil Service Law, some of them can be replaced because of possible power shifts in the Hural compositions. However, this situation poses only moderate risk to achieving the results under Output 2 due to the strong commitment and active engagement with the project on the part of Hural Secretariats as was demonstrated in the previous phase.

There is a high risk associated with institutionalisation of the national training programme for elected representatives due to the economic crisis the country is facing and savings regimes introduced throughout the public sector in the last two years. The main element of institutionalisation is foreseen to be state budgets made available for Hurals for training purpose so that they continuously offer training for elected representatives after the end of the project. It is assumed that the economy will recover by 2020, and the options proposed for the institutionalisation will be operationalised.

There is a moderate risk of delay of implementation of activities aimed at capacity building for the staff of the Parliament Secretariat because required specific expertise may not be easily available, both nationally and internationally. Therefore, planning should be carefully done through Annual Work Plans to see what is feasible within a particular year.

The full risk log is attached in Annex 2 of the current project document.

### ***Stakeholder Engagement***

Direct target groups of the project are 8000 local Hural representatives (approximately 2000 female and 6000 male representatives), staff of the Hural Secretariat and the Parliament Secretariat.

As was the case with the CSLSB project, special attention will be given to female Hural representatives to improve their leadership skills and to motivate them to stand for re-election or to stand for election at the aimag/city level after a first term in office at the soum/district level. In addition, the project will implement a small scale research to assess the particular bottlenecks for female candidates to get elected for the aimag or city Hural, since the percentage of female representatives at the aimag and the capital city level is significantly lower (17 and 13 percent respectively) than for the soum or district level (around 30 percent). The outcome of this research might result in additional activities to be implemented by the Project to promote female participation in the various Hurals.

The indirect and ultimate target group of the project is the population in the constituencies of the local Hurals. Through improved functioning of local Hurals, basic service needs of the population should be better known to the executive and be integrated into actual planning and budget allocation. By focusing some of the project activities specifically on improving the interaction between local Hural representatives and people of marginalised or “voiceless” groups, like youth, women and urban and rural poor, the Project aims to make them more visible for local Hural representatives and to create an accountability link between the local Hural representatives and these marginalized groups in order to move their interests higher on the agenda of the local Hurals.

Because the project focuses on strengthening of capacities of the national institutions, it does not have direct social and environmental impacts on the populations groups identified above. Nor does it have impacts on greenhouse gas emissions. As a result, a separate environmental impact assessment is not required.

### ***South-South and Triangular Cooperation (SSC/TrC)***

The project will benefit from UNDP's global and regional expertise on local governance and decentralisation and particularly from the experiences and best-practices of similar projects implemented in the Asia-Pacific region. It should be noted that SDC is currently engaged with UNDP on 4 other local governance/decentralization projects in the region. A joint initiative between SDC, the UNDP Regional Hub and the 4 projects could be envisaged to share knowledge and discuss common approaches, particularly around the importance of local governance for the SDGs at subnational/local level.

At the policy and strategic level, the particular political context and the transition phase that Mongolia is undergoing inevitably impacts on the pace of its decentralisation and local governance reform process. Several countries in the region have been facing similar situations and lessons learnt will be shared to improve the capacity of the project (and the CO) to either anticipate or respond to such changes. On a related note, while Mongolia's is expected to face increased economic and fiscal challenges due to the payment of its debt and the decline of commodity prices, the project will need to offer innovative solutions to cut down implementation costs (i.e: Hural training programme). Ongoing experiences from the region related to online training courses, use of mobile technology to connect citizens to local administrations or to report fraud could over the period be tested in the project.

At the technical and implementation level, through interactions with the UNDP Bangkok Regional Hub, Mongolia's experience and best practices from the project will be shared and promoted within the region and globally through UNDP's network.

### ***Knowledge***

During the previous phase of the project, a number of useful knowledge products have been produced by the project, including public perception survey about local self-governing bodies, training manual for elected representatives, leadership training manual for women in elected offices, best practice handbook for Hurals, lessons learned from the grants implementation, a collection of template procedures for Hurals, two documentary films about elected representatives, including women representatives. These products will be updated with new content and reproduced for wide dissemination through printed and online forms.

In the next phase, the project will focus more on generating knowledge about the functioning of local government system in Mongolia, realities and opportunities, legal and practical challenges local governments face, focusing on specific topics of importance for Hurals. The project will also support production of knowledge products drawing from international sources as most practitioners working in local government do not speak English. The Hural website will be updated with new content as a reference source for Hurals, publications, research paper, conference proceedings and international best practices.

As part of efforts to strengthen the research capacity of the Parliament Secretariat, research studies will be undertaken with assistance from international experts.

### ***Sustainability and Scaling Up***

The entire project design is centred around sustaining results achieved under the "Capacity strengthening of local self-governing bodies" and "Support to participatory legislative processes" both implemented by the Parliament Secretariat of Mongolia in 2013-16 and supported by UNDP and SDC. The following specific elements are factored in the project design with the aim to ensure sustainability of its results beyond 2020:

In the first year of the project, a detailed sustainability plan will be developed and approved by the Project Board. This joint plan shall include the organisational setup, human resource development and financial commitments to sustain the outputs and results of the project, and will be closely monitored as part of the project M&E system.

It is assumed that the Implementing Partner of the project - Parliament Secretariat and relevant standing committees of the Parliament of Mongolia will keep their strong leadership and ownership as demonstrated during the previous phase of the project, especially in initiating legal reforms, building consensus on the reform options, and providing quality control on other inputs and activities of the project. Revision of the LATUG is expected to bring about lasting impacts on the functioning and performance of local self-governing bodies by clarifying accountability lines and legal status of Hural Secretariats.

Some issues affecting the overall performance of Hurals such as decision making powers vested in presidium members and lack of accountability lines towards the members, contradicting decisions by different Hurals, unclear legal status of the Hural Secretariats require legal corrections and should be dealt with under the Strategy One.

The objective of the project is not only to develop and roll out a national training programme for local elected representatives, but also to ensure that this training programme is institutionalised in such a way that it can continue to deliver high quality and cost effective training without external support in future. By institutionalisation is also meant an ability of an institution to update and/or renew the training modules to respond to changing circumstances or new demands for training. The task of updating the training content and training of trainers will be gradually handed over to the Academy of Management – a government agency, responsible for training of civil servants. A standard letter of agreement will be signed between UNDP and the Academy of Management, with concrete timelines for deliverables for ensuring sustainability and the implementation will be monitored by the project.

The project will extend the network of local trainers who are directly drawn from Hurals themselves and continuously build their capacity as trainers, who will take over the actual organisation of the training courses. Secretariats of Aimag Hurals will have provided induction training for newly elected representatives for the second time, therefore should have sufficient experience to handle trainings of such size. Through the Working Group established in 2016, the Parliament Secretariat will advocate the relevant national institutions for allocation of budgets for Hurals for the induction training of elected representatives.

In addition, while the khural.mn website is operational and Khurals update the information on a regular basis, the website will also need continuous overall maintenance and content update in order to remain relevant and sustainable in the future. As a transition measure, with assistance from the IT Department of the Parliament Secretariat, the Academy of Management will provide training for administration officers of Hurals on maintenance of website. The project will invest in capacity building of the Academy of Management, who, in the future, will be responsible for updating the content of the website on a cost-recovery basis from Hurals.

The project will continue using the national implementation modality, whereby the national rules and regulations are followed in procurement, recruitment and financial management of the project, project budgets are integrated into the national budget, therefore strictly monitored through national laws such as the Budget Law (budgeting cycles) and the Law on Glass Account (budget transparency).

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## **IV. PROJECT MANAGEMENT**

### ***Cost Efficiency and Effectiveness***

Geographically, the project has a national scope, i.e. it covers all 330 soums, 21 aimags and 9 districts of the capital city. Apart from the induction training, reaching out all 361 Hural units with project interventions is impossible within the given resources. Therefore, a competitive grant scheme was selected as a strategy to reach out to all Hurals in order to promote best practices in Hurals for exercising oversight and representation functions. The lessons learned and best practices will be disseminated nationwide using different means such as online sources and regional and national forums. Using ICT solutions, including the integrated webpage of Hurals, video-conferencing facility proved to be a cost-effective way of outreach and exchange of ideas. All these tools will continue to be utilised also in the implementation of this project activities as relevant.

The project's main beneficiaries, i.e. local Hural representatives expressed the need to receive induction training immediately upon getting elected. Both from the perspective of the training impacts on their work as representatives and motivation – the project will capitalise on eagerness to learn new things when the Hural representatives are newly elected.<sup>15</sup> That means delivering the training for over 8000 representatives in less than 6 months, with average number of participants per aimag around 300 and in some aimags with 500-600 participants. Aimag hural Secretariats provided instrumental support in the organization of the training, by making staff time free of charge and venue and other logistics available. Also such a scope of training was made possible thanks to local trainers trained by the project. This proved to be the most cost effective way since using trainers from the capital city that would have not been sufficient and feasible. The project aims to increase the network of these trainers and use them for the induction training of newly elected representatives in the first half of 2017. The project will make maximum efforts to continuously update their skills of trainers and technical experts for subsequent support to Hurals.

The project will tap into the existing expertise of local government associations and NGOs specialized in local governance issues for the dual purpose of their own capacity building as future service providers to local Hurals and cost-efficiency. The project tried using the services of outside experts, which were more expensive and often lacked relevant experience and insights into the functioning of Hurals.

In addition, cost-efficiency was achieved through relying on national expertise, namely in-house expertise of the Parliament and UNDP CO and internal resources of Hurals through the best practice programme. In the future phase, the project will strategically utilize international expertise in areas where national expertise was found to be insufficient such as behavioural science (leadership), on technical topics such cost-benefit analysis of draft laws, etc. for building of the national capacity in these areas.

In terms of the project management, the core team members of the project will be kept to a minimum: Project Manager, M&E Officer, Administrative and Financial Officer, International UNV and driver. Additional support officers will be hired on a short-term basis during peak periods in terms of workload such as organizing training workshop and big meetings, and national technical advisers will be hired for specific tasks with clear deliverables. This way, the project will ensure cost-efficiency as well as diversifying the expertise.

### ***Project Management***

The Parliament Secretariat will provide its staff time as government contribution to the project and this will be costed. The project will be audited annually by an external audit firm which has a long-term agreement with UNDP to conduct audits for all UNDP supported projects. The cost of audits is shared among the projects. In line with the UNDP Executive Board approved Policy on Cost Recovery (EB document DP-FPA/2012/1, and DP-FPA/2013/1 and EB Decision 2013/9), organizational costs incurred by UNDP in terms of staff time and other implementation costs of a policy-advisory, technical and implementation nature essential to deliver development results of the project will be included in the project budget and directly charged.

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<sup>15</sup> The lessons learned from the first induction training, as concluded by the mid-term review and the training impacts assessment conducted in 2015.

## V. RESULTS FRAMEWORK

### Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:

By 2021, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realisation of the rights of the poor and marginalised

### Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:

Indicator: *Voice and Accountability Index*; Baseline (2014): 56.7; Target (2020):70.0

Indicator: *Proportion of seats held by women in national parliament and sub-national elected offices*; baseline (2016): 17.1% and 27.3%, respectively; Target (2021): 30% and 40%, respectively.

**Applicable Output(s) from the UNDP Strategic Plan: Output 3.2.** Functions, financing and capacity of sub-national level institutions enabled to deliver improved basic services and respond to priorities voiced by the public.

### Project title and Atlas Project Number:

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)				DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	
<b>Output 1</b> Improved legal framework for local self-governance	1.1 LATUG revisions submitted.	Parliament	-	2016	-	X	-	-	<a href="http://www.legalinfo.mn">www.legalinfo.mn</a>
	1.2 Percentage of acceptance of recommendations from analytical studies supported by the project at the policy level	Parliament	-	2016	-	70%	-	-	<a href="http://www.legalinfo.mn">www.legalinfo.mn</a>
<b>Output 2</b> CRHs have improved organizational capacity	2.1 Percentage of Hurals that adopted standard template meeting procedures	PIU	0	2016	20%	30%	40%	50%	<a href="http://www.khural.mn">www.khural.mn</a>
	2.2 Number of decisions found non-compliant with laws and decisions of higher competent authorities	PIU	97	2013-2014	0	0	0	0	MoJHA has a mandate to register admin. acts, but it may not have data disaggregated by soums.
	2.3 Percentage of acceptance of recommendations from oversight by Hurals at the policy level (esp. poverty reduction programmes)	PIU	0	2016	-	70%	70%	-	Grants implementation will be monitored by PIU.
	2.4 Percentage of decisions and documents timely posted on <a href="http://www.khural.mn">www.khural.mn</a> (by aimags, soums and districts)	PIU	n.a.	2016					Baseline will be established by PIU and it will update completion rate every 6 months.

	2.5 Number of hurals that adopted performance management framework	PIU	0	2016	10	30	100	300	Report by the capital city and aimag hurals
<b>Output 3</b> National training programme for local elected representatives is institutionalized	3.1 Attendance rate of the induction training programme by the elected representatives disaggregated by urban/rural, male/female, administrative levels	PIU	59%-urban 86.5% Rural	2014	85% urban 95% rural	-	-	-	Report by the capital city and aimag hurals
	3.2 Number of women benefitting from measures to support women's preparedness for leadership and decision-making roles	PIU	1800	2015	0	1000	1000	0	Project annual progress reports
	3.3 Percentage of representatives using the skills learned from training in their work, disaggregated by urban/rural, male/female, administrative levels	PIU	80%	2015	-	80%	-	-	Independent assessment of training impacts will be conducted 6-12 months after the training
	3.4 Number of thematic training modules available for elected representatives	PIU	3	2016	0	3	3	0	Project annual progress reports
	3.5 Network of trainers expanded and maintained	PIU	52	2016	100	100	100	100	Project annual progress reports
	3.6 Funding made available to Hurals for training purpose	Hural Secretariats	0	2016	-	-	-	tbd	The Capital city and aimag budgets approved.
	3.7 Level of citizens' awareness about elected representatives in CRHs	PIU	50%	2015	50%	-	60%	-	Public perception survey
<b>Output 4</b> Improved capacity of the Parliament Secretariat to support representative bodies	4.1 Number of laws jointly monitored by the Parliament Secretariat and Hurals.	Parliament Secretariat	0	2016	1	1	1	1	Project annual progress reports
	4.2 Number of public hearings conducted by the Parliament and local hurals.	Parliament Secretariat		2016	10	10	15	15	Project annual progress reports
	4.3 Number of analytical studies supported by the project	Parliament Secretariat	-	2016	2	2	2	2	Project annual progress reports

## VI. MONITORING AND EVALUATION

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
Track results progress	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Every 6 months	Slower than expected progress will be addressed by project management.		
Monitor and Manage Risk	Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Annually	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.	Project Board members	
Learn	Knowledge, good practices and lessons will be captured regularly.	Annually	Relevant lessons are captured by the project team and used to inform management decisions.		
Annual Project Quality Assurance	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.	Project Board members	
Project Report	A progress report will be presented to the Project Board and SDC, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk along with mitigation measures.	Annually, and at the end of the project (final report)			
Project Review (Project Board)	The project board will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up with relevant audiences.	Twice a year	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.	Project Board members	

### Evaluation Plan

Evaluation Title	Partners (if joint)	Related Strategic Plan Output	UNDAF/CPD Outcome	Planned Completion Date	Key Evaluation Stakeholders	Cost and Source of Funding
Project final evaluation	UNDP/SDC	3.2	CPD Outcome 2	Sep 2020	CRHs at all levels, Parliament Standing Committees, Parliament Secretariat, Cabinet Secretariat, Academy of Management, NGOs	\$30.000 project funding

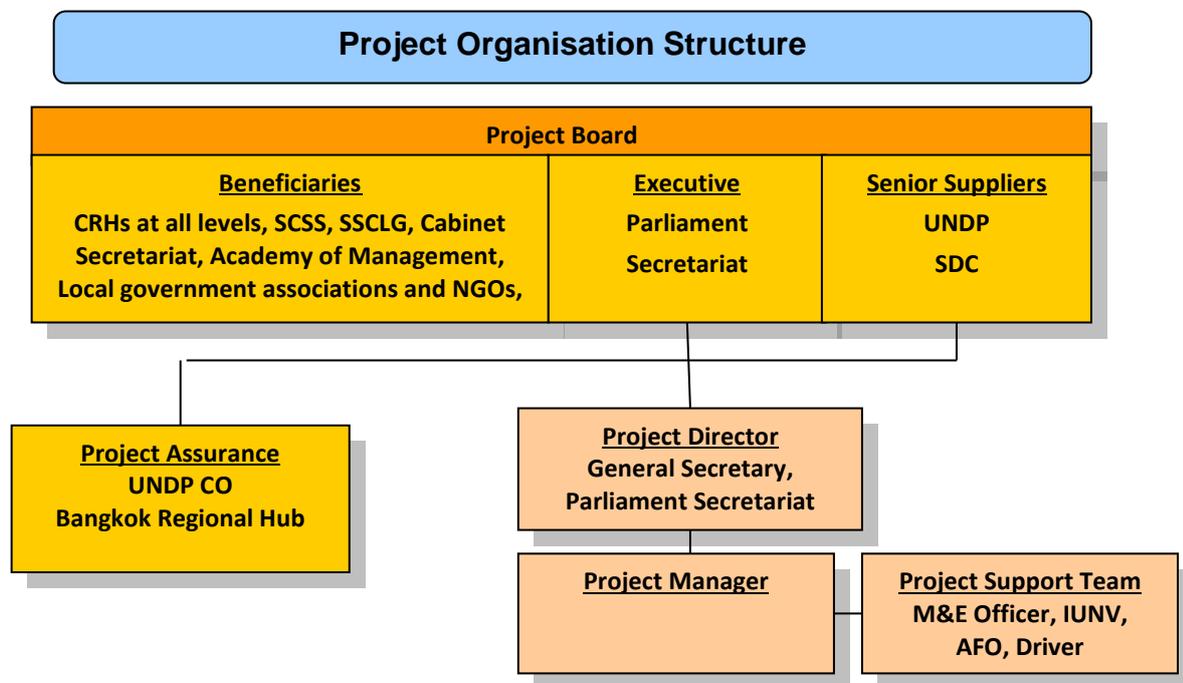
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## VII. MULTI-YEAR WORK PLAN

## VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The **Implementing Agency** of this project is the Parliament Secretariat, the Parliament of Mongolia. *The National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures* (issued in July 2011) and *Framework for Cash Transfers to Implementing Partners* (issued in 2005) will be used as overall guiding documents of project implementation. The Implementing Agency will be accountable to UNDP for the disbursement of funds and the achievement of the project results and outputs, according to the approved work plan. In particular, the Implementing Agency will be responsible for the following functions: (i) coordinating activities to ensure the delivery of agreed outputs; (ii) certifying expenditures in line with approved budgets and work-plans; (iii) facilitating, monitoring and reporting on the procurement of inputs and delivery of outputs; (iv) approval of Terms of Reference for consultants and tender documents for sub-contracted inputs; and (vi) reporting to UNDP on project delivery and impacts.

The overall project management structure of the project is shown below:



**The Project Board.** The Project Board (PB) has the responsibility to supervise and monitor the project delivery according to the annual work plan and project document. The PB is chaired by the project executive and is also composed of the project suppliers and beneficiaries. The PB will meet at least twice a year. The PB is responsible for making executive management decisions, including approval of work plans, budget plans and project revisions. Specifically the PB will be responsible for: (i) achieving co-ordination among government agencies; (ii) guiding the project implementation process to ensure alignment with national and local development priorities and sustainable resource use; (iii) overseeing activities of the project, monitoring progress and approving reports; (iv) overseeing the financial management and approving financial reports; and (v) monitor the effectiveness of the project implementation.

The Board will be chaired by the **project executives**. The General Secretary of the Parliament Secretariat and the UNDP Deputy Resident Representative will co-chair Board meetings. The project executives will be responsible for overall guidance and direction of the project, overseeing delivery of the project and deciding on corrective action for Board consideration as needed. The Executive will assign responsibility for day-to-day management of the project to **Project Director**

who will be the General Secretary of the Parliament Secretariat - the Budget Manager of the State Great Hural. The Project Director will sign all financial and legal documents on behalf of the SGH.

**Beneficiaries** will include Citizen's Representative Hural of aimags, the capital city, soums and districts, the Cabinet Secretariat, Parliament Standing Committee on State Structure (SCSS), Sub-standing committee on Local Governance (SSCLG), the Academy of Management, Local government associations and NGOs. Project beneficiaries are responsible for Co-ownership of the project from a user (stakeholder) viewpoint, ensuring the realization of the project results from the perspective of the beneficiaries, attending Project Board meetings and reviews, reviewing exception reports and exception plans and recommending corrective action when required.

UNDP and SDC will be **Senior Suppliers** of the project, responsible for ensuring regular supply of resources to ensure the effective operations of the project, providing guidance and technical advice, as needed, also by using UNDP and donor's global and regional expertise, reviewing exception reports and exception plans and recommending corrective action when required.

### **The Project Management Team**

The role of the Project Manager will be to: (i) ensure the overall project management and monitoring according to NIM guidelines; (ii) facilitate communication and networking among key stakeholders; (iii) organize meetings of the PB; and (iv) support local stakeholders. The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board and is responsible for day-to-day management and decision making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Responsibilities include preparation of progress reports submitted to members of the Project Board. The Project Manager will also coordinate directly with UNDP. A monthly meeting between UNDP and SDC and the project management team will be held to monitor the planned activities and their corresponding budgets in the project's Annual Work Plan (AWP). The Monitoring and Evaluation (M&E) Officer's responsibility is to monitor progress against the project the monitoring plan, collect baseline and progress data and reporting. The Administrative and Finance Officer (AFO) is responsible for ensuring proper accounting and procedures of the project implementation. The project will recruit a Swiss-funded international UNV as a knowledge management expert for a duration of three years. The project team will also be invited to attend and contribute to the SDC Governance domain meetings. All project team members shall be UNDP service contract holders. Where necessary, a project support officer or technical adviser may be recruited by the Implementing Agency on a short-term basis.

### **The Project Assurance role**

The Project Assurance function will be performed by UNDP through its CO with support of the UNDP Bangkok Regional Hub. It should ensure that project plans are being developed according to standards and that management procedures are properly followed; project outputs definitions and activity definition have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting; project board's recommendations are followed and revisions are managed in line with the required procedures.

UNDP's new Quality Assurance Standards and Tools will be applied throughout the project implementation. The project quality assurance report is attached to the current project document (Annex 1), it will be updated annually and at the end of the project, shall be presented to the Project Board. Quality Assurance reports along with ratings of project parameters of strategic orientation, relevance, management and reporting, efficiency, effectiveness, sustainability and national ownership shall be done by a programme officer and endorsed by UNDP DRR and submitted to UNDP HQs, who in turn monitors COs' performance through a dashboard.

Specific tasks under the project assurance role are to ensure that:

- Funds are made available to the project;
- Assure quality of the project annually using the Project Quality Assurance rating tool for the Implementation Monitoring phase;
- The project is making progress towards intended outputs;
- Perform regular monitoring activities, such as periodic monitoring visits and "spot checks";

- Resources entrusted to UNDP are utilized appropriately;
- Critical project information is monitored and updated in Atlas;
- Financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the project board;
- Risks are properly managed, and that the risk log in Atlas is regularly updated.

Within the framework of the *National Implementation by the Government of UNDP Supported Projects: Guidelines and Procedures*, specific project implementation procedures may be agreed by UNDP and the Implementing Agency and annexed to the Project Document.

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## IX. LEGAL CONTEXT AND RISK MANAGEMENT

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Mongolia and UNDP, signed on 28 September 1976. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.” The implementing partner for this project is the Parliament Secretariat, the Parliament of Mongolia.

1. Consistent with the Article III of the SBAA, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:
  - a) put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
  - b) assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.
2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.
3. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via [http://www.un.org/sc/committees/1267/aq\\_sanctions\\_list.shtml](http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml). This provision must be included in all sub-contracts or sub-agreements entered into under/further to this Project Document.
4. Consistent with UNDP’s Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.