

**PUBLIC COPY**

EXECUTIVE SUMMARY -  
MONGOLIA DEMOCRACY  
AND GOVERNANCE  
ASSESSMENT

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# ASSESSMENT OBJECTIVES AND METHODOLOGY

This Democracy and Governance (DG) Assessment applies a Strategic Assessment Framework (SAF) designed by USAID in 2000 and revised in 2010. The framework was introduced with the aim of providing a common analytical methodology to ensure consistency in the assessment process and to allow for cross-country comparisons. The SAF follows a four-step analytical process, intended to provide a foundation for the development of a DG assistance strategy for a country:

- The first level of inquiry involves looking at the kind of political system that characterizes the country from a democratic viewpoint and determining the direction of change on the democratic continuum. Five elements (which are not fully distinct and never mutually exclusive) are taken into consideration: the degree of **consensus** on rules and fundamentals, the degree to which the **rule of law** is respected, the degree of **competition and political accountability** in the system, the quality of political **inclusion**, and **administrative accountability and effectiveness**.
- Having defined the problem for democracy and governance, the second level calls for an analysis of the interests and capacities of key actors and institutions that are likely to support or obstruct DG reforms. The goal is to identify how the political game is played; who the allies of reform are; and which political, economic, and social interests oppose democratization. Combining this analysis with conclusions from first-level questions (the primary problems confronting democracy), the framework leads to the identification of priority institutional arenas for possible USAID support.
- The third level of inquiry entails a consideration of the USG's and USAID's interests, institutional constraints, comparative advantage, and positioning vis-à-vis other development actors, and the availability of resources.
- The final level calls for the development of an assistance strategy and clearly prioritized programmatic alternatives for addressing the primary DG constraints highlighted in the analysis, within bounds determined by opportunities, comparative advantage, and resource availability.

The Assessment findings and analysis are based on the sum of information collected during four weeks of field work carried out between August 23 and September 17, 2010, and from a review of available documentation. While in Mongolia, the Assessment Team met with a wide range of political, civil, and international actors and reviewed relevant documentation and reports related to the state of democratic development and assistance in Mongolia. In addition to site visits and meetings in the capital city of Ulaanbaatar, the Team visited local government offices and other local-level actors in Dalanzadgad and Darkhan cities, Khongor and Yeroo soums, and Oyu Tolgoi mine. In all, the Team conducted approximately 70 interviews with more than 100 individuals.

In the Assessment document, the Team cites written sources where available. In meetings, the people interviewed assumed a level of confidentiality and for that reason, the Team does not cite specific individuals, but typically provides a general identification of the source as, for example, “a representative of civil society” or “a Member of Parliament.” The Assessment Team has drawn their conclusions from both written sources and from the sum of these meetings with more than 100 individuals.



## 1.0 INTRODUCTION AND CONTEMPORARY CHALLENGES

### 1.1 CONTEXTUAL FACTORS

Mongolia's transition from communism began in 1990 and the country has undergone unprecedented political, economic, and social change. Located between Russia and China, Mongolia has developed political and economic ties with its immediate neighbors while cultivating a Third Neighbor Policy that reaches out to nations in Asia, North America and Europe. China accounts for 71.9 percent of exports and 35.9 percent of imports compared to 10.4 percent of exports and less than two percent of imports to Canada and the US.<sup>1</sup>

Until the early 2000s, natural resources were primarily used for animal husbandry, agriculture, and tourism. With the recent discovery of viable and extensive mining resources, investor interest has grown in the vast gold, copper, and coal deposits. How this wealth will be used and distributed frames the next generation of economic and political development.

Regarding the government structure, Mongolia is a unitary state with one central level of government in Ulaanbaatar and three sub-national levels. The highest sub-national level is the “*aimag*” or province, followed by the “*soum*” or county, and “*baghs*” or sub-county. The capital city of Ulaanbaatar is also divided into districts and horoos or sub-districts. In total, the country has 21 *aimags*, 329 *soums* and 1,520 *baghs* while the capital has nine districts and 117 sub-districts.<sup>2</sup>

Mongolia is an educated, ethnically homogeneous culture of 2,735,800 people.<sup>3</sup> Ethnic Mongols comprise 94 percent of the population, with the remainder being 5 percent Kazakh, and 1 percent Russian, Chinese or other<sup>4</sup>. The life expectancy is 67 years while the literacy rate is 98 percent for men and 96 percent for women.<sup>5</sup> The per capita GDP is \$1,969.<sup>6</sup> Foreign aid still accounts for 19 percent of GDP<sup>7</sup> and roughly 63.5 percent of government expenditure<sup>8</sup> but Mongolia has reduced its level of indebtedness in the last 20 years. The country still ranks 115<sup>th</sup> out of 185 nations on the Human Development Index, which measures longevity and health, education, and relative standard of living. Today, 38.7 percent of the population lives below the poverty line.<sup>9</sup> The poorest 10 percent of the population secures 2.9 percent of GDP compared to the richest 10 percent who account for 24.5 percent of the GDP.<sup>10</sup>

Today, 57 percent of Mongolians live permanently in urban centers and 40.6 percent of the population lives in Ulaanbaatar.<sup>11</sup> This transition—from nomadic herder culture to an urbanized center—is perhaps one of the most profound transitions Mongolia faces today.

Mineral wealth and its prospects are also having a profound impact. Currently, 45 percent of the unemployed have secondary educations;<sup>12</sup> however, their skills do not match labor needs. In all likelihood, the current employment profile (34 percent in agriculture including herding, 61 percent in services, and just 5 percent in industry) will change dramatically in the coming decades.<sup>13</sup>

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<sup>1</sup> Nationmaster.com, 2010.

<sup>2</sup> Central Intelligence Agency (CIA), 2010; and [www.state.gov](http://www.state.gov).

<sup>3</sup> Ibid.

<sup>4</sup> United Nations Development Program (UNDP), 2009.

<sup>5</sup> Ibid.

<sup>6</sup> World Bank, 2010c.

<sup>7</sup> Mongolian State Statistical Office, 2009.

<sup>8</sup> CIA, 2010.

<sup>9</sup> Mongolian State Statistical Office, 2009, p. 300.

<sup>10</sup> CIA, 2010.

<sup>11</sup> Mongolian State Statistical Office, 2009, p. 80.

<sup>12</sup> Ibid.

<sup>13</sup> CIA, 2010.

## 1.2 HISTORICAL LEGACIES AND DEMOCRATIC CHANGE

Mongolia underwent two significant political and economic transitions during the 20<sup>th</sup> Century. The first began in 1911 following the collapse of the Qing Dynasty. By 1921, revolutionary leaders had created the Mongolian People's Party and a new government with Damdiny Sukhbaatar as its commander in chief. After the death of Sukhbaatar in 1923, General Khorloogiin Choibalsan took control who matched Stalin's repressive policies and led purges of Buddhist temples. Yumjaagiin Tsedenbal became the next leader after Choibalsan's death in 1952. His policies included urban and rural collectivization as well as mass education, health and social welfare campaigns. Tsedenbal was ousted in 1974 and replaced by Jambiin Batmonkh.

During the 1970s and 1980s, tens of thousands of Mongolians went to schools and universities in-country as well as across Eastern Europe and the Soviet Union. Within a month of the fall of the Berlin Wall in November 1989, an intelligentsia-led democracy movement started in Ulaanbaatar. By early spring 1990, the Mongolian Politburo voted itself out of existence—the democratic revolution in Mongolia was achieved without a single act of violence.

The first free, multiparty election for a two-year caretaker government took place in July 1990, which the Mongolian Revolutionary People's Party (MPRP) won in a landslide. The first two years of transition brought national difficulties. The Soviets removed all economic and political assistance and a very dry summer, followed by an unusually cold winter, brought a *zud* in which herders lost millions of animals. Hyperinflation, massive unemployment, and growing poverty tested the new system's survival. International donors provided considerable assistance in energy and creating the building blocks of democracy and a market economy.

After the 1992 passage of the Constitution and the MPRP electoral victory in Parliament (known as the State Great Hural or SGH) international donors—in particular the German *Stiftungen* and USAID—turned greater attention to the demand side of democracy. Although USAID continued to provide energy assistance, programming expanded over time to include working with fledgling independent media, civil society organizations, opposition political parties and judicial reform.

During this time, the fractious democratic parties entered into an uneasy, but functional Democratic Union Coalition (DUC). In the June 1996 elections, the DUC wrested power from the MPRP and undertook a program of privatization of large state-owned enterprises and property. Attempts to privatize the Erdenet Copper Mining Company were controversial and contributed to significant political discord in the late 1990s.

In the 2000 elections, the MPRP won an overwhelming majority while the fractured opposition democratic parties carried just four seats out of 76. With only a minor role in government, the opposition sought to establish a voice in civil society and through media. In the 2004 elections, Mongolia's electorate voted for equal numbers of candidates from the MPRP and the democratic opposition, forcing a coalition government.

On June 29, 2008, Mongolia held its fifth parliamentary election since transition began in 1990. By 2 a.m. on the 30<sup>th</sup>, independent pollsters gave the Democratic Party the lead, but later that morning the MPRP announced it had won the majority of seats in the SGH. Protestors gathered in front of the MPRP building near Sukhbaatar Square. Between the mid-afternoon of June 30<sup>th</sup> and the early hours of July 1<sup>st</sup>, events unfolded that shook Mongolians' understanding of the state of their democracy and which still generate deep concern throughout the country. By 3 p.m., violence broke out among the demonstrators and police. Late in the evening a group burned and looted the MPRP headquarters. Police shot tear gas and rubber bullets, resulting in the deaths of five people and the wounding of hundreds. More than 700 young men and women were arrested and there were reports of abuse and human rights violations in the detention center.

National outrage over the violence and allegations of election fraud overshadowed MPRP's election victory. The MPRP urged the Democratic Party to join their government to restore a sense of "national solidarity." The 2009 Presidential election was peaceful as the two parties formed bipartisan election committees at every level. New national identification cards were used to issue voter cards, which also reduced fraud. The coalition government created in 2008 continues today, but there are questions as to its long-term viability given upcoming elections in 2012.

## 2.0 THE KEY CHALLENGES TO DEMOCRATIC GOVERNANCE IN MONGOLIA

This section describes the key challenges to democratic governance in Mongolia by focusing on the five analytical dimensions of: (1) consensus, (2) competition and political accountability, (3) inclusion, (4) rule of law, and (5) administrative accountability and effectiveness. Many individuals interviewed for this Assessment invoked the metaphor of the crossroads and asserted that Mongolia must choose to improve governance and resume democratic development or accept the consolidation of political power and economic interests in the hands of the business-political elite.

### 2.1 CONSENSUS

There is a basic consensus among Mongolians on national identity. The borders are long and generally porous but clearly defined. There are no secessionist movements and no popular rebel movements. As indicated, ethnic Mongols comprise 94 percent of the population while 5 percent are Kazakh, and 1 percent Russian, Chinese or other<sup>14</sup>. Although Mongol subgroups and Kazakhs may experience some discrimination, they all identify themselves and are widely acknowledged as Mongolian nationals.<sup>15</sup>

Mongolians are increasingly apprehensive about the presence of foreign workers and immigrants, especially Chinese (and to a lesser extent Koreans). However, ultra-nationalist sentiments are not widely popular or pervasive, despite their disproportionate coverage in the Western press.<sup>16</sup> Mongolians interviewed for the Assessment linked the anti-foreign sentiment to fears connected with rapid globalization of the country.

The majority of Mongolian citizens and elected officials agree on democratic rule as the irreversible framework through which power should be allocated. Since the transition from socialism in 1990, Mongolia has held ten democratic elections, resulting in the transfer of power from one party to the other and back. International election monitors typically find Mongolian elections to be free and fair, but Mongolian observers noted serious deficiencies including allegations of vote rigging, vote buying, and fraud.<sup>17</sup>

Public opinions regarding democracy are somewhat contradictory and appear to reflect a growing dissatisfaction or indifference with political processes in Mongolia. In a recent survey, 58.2 percent of respondents indicated that they were “satisfied” or “rather satisfied” with democracy and the present political system while 38.9 percent were “rather not satisfied” or “not satisfied.”<sup>18</sup> A recent survey for the Asian Barometer found that one-third of the population identified itself as pro-democratic while another third preferred an “authoritarian” form of government. (The remaining third were indifferent.)<sup>19</sup> However, experts interviewed for the Assessment stated that these results do not necessarily indicate a desire to return to socialism but rather a desire for a strong leader to provide security, economic prosperity and stability.<sup>20</sup>

Mongolians interviewed for the Assessment indicate that businessmen are dominating politics and crowding out other voices. Political representation of women is narrowing. In 2003, women held nine of the 76 seats in Parliament and one deputy ministerial seat. Today, there are only three women MPs plus one minister and four vice ministers.

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<sup>14</sup> United Nations Development Program (UNDP), 2009.

<sup>15</sup> According to Library of Congress and CIA Factbook references, approximately 81 percent of Mongolians are Khalkha Mongols while other Mongol groups, such as Dorbet, Dzakchin, Buryat and others, comprise approximately 1-3 percent each. Significant differences between these groups did not surface during any of the assessment interviews or background research.

<sup>16</sup> Branigan, August 2010.

<sup>17</sup> Bellweather Forum, May 24, 2009.

<sup>18</sup> Sant Maral Foundation, April 2010.

<sup>19</sup> Asian Barometer, quoted in an interview with Ganbat D., Executive Director, Academy of Political Education, August 23, 2010.

<sup>20</sup> Ganbat D., Executive Director, Academy of Political Education, August 23, 2010.

Between 50 and 75 percent of the population identify themselves as Buddhist.<sup>21</sup> Mongolia's school of Tibetan Buddhism is struggling to reestablish its relevance after 70 years of socialism. Lamas are increasingly involved in the environment, but have shied away from an activist approach.

## 2.2. RULE OF LAW

The World Bank's Worldwide Governance Indicators for 2009 show that Mongolia's score for Rule of Law is trending downwards, from 56 percent in 2004 to 43 percent in 2009. Mongolia ranks below the Regional Average for East Asia (51 percent) and fares slightly better than Vietnam (42 percent). The constitutional framework underlying the new democracy of Mongolia is unclear, which allows competing interests to interpret the constitution for their own ends. Although laws have been drafted with reasonable clarity, regulations, if they exist at all, are subject to varying interpretations. The judicial system continues to exhibit weaknesses that undermine Mongolia's rule of law.

The Constitution adopted in 1992 provides for fundamental guarantees of freedoms and rights enjoyed by citizens. The Constitutional Court exercises "supreme supervision over the implementation of the constitution" (Art. 64). Currently, the power under the constitutional framework is weighted in favor of Parliament. A presidential veto has been a partial check on the authority of Parliament, but has not prevented Parliament from overriding important laws of inclusion in recent years. Under the original text of the Constitution, members of Parliament could "not hold concurrently any job or position other than their duties as assigned by law" (Art. 29). At the initiative of the Parliament, the Constitution was amended so that MPs could not hold any other position "except the post of Prime Minister and member of the Government," (Art. 29, as amended). With this amendment, the roles of government and Parliament have been considerably blurred formally; currently eight of the 11 ministries are headed by MPs.

Judges are appointed by the President on proposal of the General Council of Courts (GCC), and for Supreme Court judges, on presentation to Parliament by the GCC. The President has generally deferred to the selection procedure and appointed judges nominated, but the current President has begun to exercise his prerogative not to appoint judges that have been nominated.

Most legislative initiatives emanate from the Government or Parliament. The President, until recently, has not proposed significant pieces of legislation. Draft laws are not widely circulated. When they reach Parliament, there are no standard procedures to elicit comments through open hearings or written submissions. Although some parliamentary committees may have adopted procedures for public hearing, it appears that they are rarely utilized. Under the Constitution, laws are not effective until published (Art. 26(3)). There is widespread access to existing laws both in hardcopy and on the Internet. However, access to other normative acts, such as regulations, is far more limited and haphazard. Some ministries promulgate their own regulations without the required review of the MOJ, making it difficult to find out what regulations are currently in effect.

The Assessment Team frequently heard from interviewees that while there are laws on the books, the implementation of the laws is weak. When laws, regulations or procedures are unclear, civil servants enforce laws selectively or arbitrarily. Each executive agency has a different set of rules and regulations governing its procedures—some are found in the substantive law that they follow, and some they develop themselves. There is not an administrative procedures law that provides an overarching framework of notice requirements, hearings, access to information and other fundamental issues.

The pervasive view of the courts in Mongolia is that they do not uniformly interpret the law or apply the law equally to all parties, regardless of the party's position or political persuasion. Mongolia does well on the Heritage Foundation's Index of Economic Freedom 10 benchmarks except for property rights and freedom from corruption. Similar results are found in the Mongolia Corruption Benchmarking Survey, in which judges have slowly climbed in the rankings of perceived corrupt agencies. Judges now hold the number two place, only behind the Land Authority.

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<sup>21</sup> CIA, 2010; and Sumati and Prohl, 2009, p. 70.

Several factors contribute to negative public perception of courts. One overriding theme is that judges are not acting independently. Despite years of good work, there appear to be structural impediments that allow outside actors to influence the decisions of judges. These impediments include the procedures and policies governing promotion and compensation of judges and processing ethical complaints against judges.

## 2.3 COMPETITION AND POLITICAL ACCOUNTABILITY

Mongolian elections are generally declared “free and fair” by the international community, much to the consternation of local monitoring organizations who have identified and documented alleged violations.<sup>22</sup> Elections are accessible to all Mongolians in country but voter turnout has declined with each election in the last 20 years from a high of 97 percent in 1992 to 76 percent in 2009<sup>23</sup>. Observers report—and General Election Commission (GEC) officials concede—that members of opposing parties sometimes experience bureaucratic difficulties acquiring their voter ID from local *aimag* and *soum* electoral councils.

While several interviewees indicated the coalition government ensured national unity following the events of July 1, 2008, the majority warned that the coalition limits debates on policy options, reducing public insight and participation in policy formulation and governance. Beyond elections, public officials at all levels of government are primarily accountable to their party and State superiors, rather than to their constituents.

There is a disparity between central and local levels of government. *Aimag* council members are elected and nominate an *aimag* governor, but that governor is confirmed by and accountable to the Prime Minister. Local elected representatives gather only twice per year to discuss budget plans prepared by the central government and then rubber stamp the already approved budget. Most taxes collected by local authorities are channeled to the state budget. Local officials must also coordinate their activities with the 20 departments with direct line authority into ministries in Ulaanbaatar.

The Independent Authority Against Corruption (IAAC) has been somewhat successful in combating administrative corruption and petty bribery but less effective at holding MPs responsible for their actions. The Presidential Amnesty Law that was intended to absolve those still incarcerated from the events of July 1, 2008, had the unintended consequence of purging the records of those convicted of corruption and trafficking. This move further weakened the IAAC investigations into several high-ranking officials.

The capacity of media and civil society to serve as a check on government is weak for different reasons. As of early 2010, there were 3,840 media practitioners in 383 media outlets throughout Mongolia with 1,709 journalists and contributors. Six newspapers are published in a foreign language while there is one newspaper in the Kazakh language.”<sup>24</sup> Only the Mongolian National Television and Radio (MNTR), the umbrella organization for the Mongolian National Broadcaster (MNB), is regulated by laws directly related to its operations and content. The other 25 independent television stations are not regulated by law.

While the business-political elite control most media, rigorous investigative journalism is under constant pressure. One recent report noted that “more than 60 percent of defamation cases are initiated by politicians, authorities and public officials.”<sup>25</sup> Fully half of journalists surveyed in late 2009 report threats and harassment, including death threats, threats against family members, and lawsuits.<sup>26</sup> In the MNTR, salary is linked to airtime, reinforcing a preference for face-time talk shows over time-intensive investigative programs.

Access to information is a constant challenge for journalists, civil society, and citizens alike. Not only has a draft Freedom on Information Law been stalled since 2004, state secrecy laws<sup>27</sup> provide for all state institutions to create their own list of confidential documents and data. With Internet access limited to 10

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<sup>22</sup> Open Society Forum; Bellweather Forum, 2009.

<sup>23</sup> General Election Commission, 2010, p. 30.

<sup>24</sup> Globe International and Open Society Forum, 2010.

<sup>25</sup> Sumiyabazar, May 7, 2010.

<sup>26</sup> Globe International and Open Society Forum, 2010, p 5.

<sup>27</sup> Ibid.

percent of Mongolians,<sup>28</sup> it is difficult for citizens to get web-based information. In general, politicians, political parties, and civil society have not yet embraced new media. However, MPRP advisors informed the Assessment Team that they plan to use social networking media in the 2012 elections.

## 2.4 INCLUSION

The actual exercise of franchise is guaranteed, but public participation in the decision-making process is minimal with the exception of new initiatives such as the Presidential Citizens' Hall. Increasingly, inclusion in the political process is restricted by economic status. Informal (and effective) barriers to meaningful women's participation continue.

Public opinion polls show that only 16.6 percent of respondents believe that political parties represent peoples' opinions.<sup>29</sup> The enthusiasm of the early days of democracy is waning, giving way to growing citizen frustration or indifference. In a panel session with Mongolian college and university students, those present said they would not vote for candidates who have been in office, and are only interested in "new faces."<sup>30</sup>

There are mechanisms for making government decisions and processes public. At the national level, the government publishes the annual budget and officially publishes laws and amendments, but does not consistently publicize draft laws. The government publishes the national budget, but does not disclose actual expenditure. Procurement tenders are public documents, but the government does not typically disclose who won individual procurements. Open sessions of Parliament are broadcast on one of the cable channels (but not on the MNTR). Voters can contact their local and nationally elected leaders through written petitions, and often communicate via text messages, telephone calls, and emails. Parliament and each ministry have websites through which citizens lodge complaints. Similarly, the Ministry of Justice and the National Police Authority, among other agencies, have open office hours. Entities like the Ministry of Environment and the IAAC have organized public councils to serve as advisory groups.

At the local level, political elites often manipulate rules to exclude opposing parties and opposing voices. For *soum* and *bagh* by-elections, a minimum number of 150 voters are required for elections to be considered valid. Budgeting, expenditure, procurement and policy debates are all subsumed under the Secrecy Law, although at least one local *aimag* (Selenge *aimag*) has taken the initiative to post its budgets and transcripts of council meetings publicly in the local library. Despite these recent initiatives, a recent IRI report found significant discontent with the level of transparency and participation at the local level. Participants reported "citizens have no information on what public funds are expended on and what government authorities do..."<sup>31</sup> and noted that local leaders "neither provide information for nor engage citizens."<sup>32</sup>

Poverty often serves as a discriminatory factor, limiting inclusion in social and political life and affecting the quality of public services. Costs for uniforms and schoolbooks can be prohibitive for the poor. Doctors expect patients to pay an additional gratuity, which affects the quality of treatment. Nationwide, Mongolia lacks sufficient facilities and provisions for people with disabilities. However, recent efforts to build networks of disabled persons' organizations have succeeded in raising awareness among government officials and medical professionals in Mongolia.

Throughout the democratic era, few women have been elected to public office—less than 11 percent of MPs and just 4.5 percent of local elected council members<sup>33</sup>. With US encouragement, Mongolia recently took on a leadership role in the Community of Democracies, a coalition of democratic countries that promote

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<sup>28</sup> CIA, 2010. Full citation in "media" section.

<sup>29</sup> Sumati and Prohl, 2009, p. 230.

<sup>30</sup> Interview with College and University students, August 2010.

<sup>31</sup> IRI, 2010, p. 13.

<sup>32</sup> Ibid, p. 11.

<sup>33</sup> Mongoliana, January 4, 2006.

democratic rules and strengthen democratic norms and institutions around the world.<sup>34</sup> The agenda for 2011-2012 is to increase the role of women and strengthen civil society.

## 2.5 ADMINISTRATIVE ACCOUNTABILITY AND EFFECTIVENESS

Public perceptions reveal gaps and growing deficits in the efficacy of public institutions. The World Bank's Worldwide Governance Indicators show that Mongolia has dropped on government effectiveness, from 41 percent in 2004 to 23 percent in 2009, and accountability from 56 percent in 2004 to 49 percent in 2009. Not only do the skill level and political loyalties of public servants affect the implementation of their duties, but also cultural legacies from the communist era<sup>35</sup> thwart responsiveness and accountability to the public.

There are roughly 15,000 civil servants across the nation's public institutions, according to the Civil Service Council of Mongolia. As high as 30 percent of the civil service is replaced after each election, which results in numerous complaints from dismissed employees and others to the Administrative Courts.<sup>36</sup> Each government agency establishes its own administrative procedures governing responses to public inquiry. Under the Secrecy Law, each government agency determines what information is confidential.

Related to the above challenge with civil servants, Mongolia's education system does not prepare its students for existing labor needs. Forty-five percent of Mongolia's unemployed have completed their secondary education.<sup>37</sup> International donors, including the MCC and foreign investors such as the owners of the Oyu Tolgoi mine, are implementing vocational education programs to fill the gap left by the educational system.

Corruption is a persistent problem in public institutions. Overall, the incidence of petty corruption has been dropping in recent years according to the 2009 *Mongolia Corruption Benchmarking Survey*.<sup>38</sup> The number of households who report having to pay a bribe in the last three months has declined from 28 percent in September 2006 to 20 percent in September 2009.<sup>39</sup> The average bribe in March 2009 peaked at 397,000 Tugrug (about \$302 or 15.3 percent of average annual income<sup>40</sup>). However, the overall Tugrug amount has begun to drop and was last calculated at 308,000 Tugrug in September 2009. This same survey reports that the highest five actual bribe-taking sectors—doctors, teachers, clerks, police officers, and customs officers—have remained the same between 2006 and 2009.

Formal accountability mechanisms between public servants and the public exist, but these suffer from weak implementation by officials and lack of understanding on the part of citizens. According to the law, citizens may submit complaints regarding accountability and performance to the Administrative Courts and through open hours, the Petition Law, the Constitutional Court (CC) and the Human Rights Commission (HRC). In recent years, the Police, Customs, and the Independent Authority Against Corruption, have established 24/7 complaint hotlines that have a growing reputation for responsiveness and effectiveness.<sup>41</sup> However, the absence of whistleblower laws and witness protections inhibits some people from coming forward.

SGH plenary sessions are broadcast on a private cable station, and the President's Citizens Hall initiative has opened the door to a limited number of citizens. However, Standing Committee sessions, sub-committees and working groups function with greater opacity. On a selective basis, experts from NGOs and academia are brought into the policy dialogue, but these occasions are the exception.

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<sup>34</sup> [www.community-democracies.org](http://www.community-democracies.org).

<sup>35</sup> Such as "looking up" or *bilenchilekh* in Mongolian.

<sup>36</sup> Casals & Associates, Inc., 2005, p. 12.

<sup>37</sup> Nationmaster.com, n.d.

<sup>38</sup> The Asia Foundation and Sant Maral Foundation 2010, p. 9.

<sup>39</sup> *Ibid.*, p. 9.

<sup>40</sup> *Ibid.*

<sup>41</sup> Both customs and police officials said open hours reflected a substantial change in culture from "being VIPs to offering customer service."

## 2.6 DISTILLING THE DG PROBLEMS

There is a clear consensus on national identity and on the democratic process as the system for contestation of political power. However, there is no consensus on the actual delegation of power among the branches of government and between national and sub-national levels of government as the language in the constitution on these issues is somewhat vague. The voices of citizens and civil society are being stifled. Rules of the game exist for the political contestation of power, but the elite are able to manipulate or bypass these rules, leading to growing gaps in wealth and power, and high levels of frustration and feelings of disenfranchisement.

In recent years, Mongolia has witnessed a narrowing of competition and accountability, partly due to the convergence of Parliament and Ministry leadership, and partly related to the current coalition government. Elections are generally regarded by Mongolian monitors as flawed even though international observers call them free and fair. The rising cost of campaigns has crowded out many candidates, leaving room only for the wealthy. Informal barriers to voter registration along party lines and allegations of vote rigging, fraud, and vote selling reveal serious weaknesses in the electoral system. The violent events of July 1, 2008 also demonstrate the social and political tensions in society. The General Election Commission is exploring a new vote counting system, upgrading voter IDs, and adopting new technology to minimize human interaction for voter registration and vote counting.

Of the more than 6,000 registered NGOs, only an estimated 10 percent are active and effective. Civil society organizations have concerns about financial sustainability and face being co-opted, or intimidated by government and business interests. Media sources have been captured by business-political interests and often represent the political views of their owners. Private media ownership remains unregulated. Anti-defamation laws are frequently invoked by the well-connected to stifle investigative journalism. There is no Freedom of Information Law in place, and formal channels for requests for information do not work. However, civil society reports some improved access to information through informal channels on an institution-by-institution basis.

Inclusion is guaranteed by law but informal exclusionary practices are the norm in Mongolia. There has historically been a very high level of voter participation, but rates are falling. There are no formal procedures to include citizens in policymaking and only recent and inconsistent efforts to seek citizen input. Women are virtually absent from Parliament and senior decision-making positions in government, holding only three out of 76 seats in the SGH. Although women are well represented in support roles in political parties and government, there is a glass ceiling for leadership positions.

In terms of administrative accountability and effectiveness, some government agencies, but not all, are moving to a customer service orientation and have been successful in improving public perceptions. The Independent Authority Against Corruption has been effective in preventing and investigating administrative corruption but has been challenged to effectively address grand corruption. Rates of administrative corruption have been falling and costs to households are now falling after peaking in March 2009. The powerful and politically well connected can still act with impunity. There are no legal mechanisms to enforce accountability to the public through public enquiries or hearings. In general, there are limited policies and procedures for administrative accountability. After the events of July 1, 2008, there has been a growing perception that government serves itself, not citizens.

Over the course of Mongolia's 20-year history of democracy, the country has developed civilian-led democratic structures, a democratic legal framework, and evolving democratic institutions. **However, the integrity of Mongolia's democratic process is threatened in three key ways: (1) a weakening system of checks and balances, (2) blurring between business and political power resulting in grand corruption and serious conflicts of interest, and (3) inconsistent implementation of law and execution of government functions.** The exploitation of Mongolia's mineral wealth will either exacerbate the shortcomings of the democratic system or, with stronger governance mechanisms in place, help consolidate democracy and stimulate economic growth.

## 3.0 KEY POLITICAL ACTORS AND INSTITUTIONS

This section of the Assessment explores how the key political actors operate within their institutional environment and are influenced by the structures and incentives of such institutions.

### 3.1 THE LEGAL SYSTEM

The judicial system in Mongolia is divided into three levels. The lowest court level is comprised of the *soum*, inter-*soum* and district courts,<sup>42</sup> which generally hear in the first instance for less serious criminal offenses and smaller civil cases. The regional (*aimag*) courts hear appeals and sit as the trial court for cases involving more than 10 million *Tugrug* or more serious criminal cases. There are 21 *aimag* courts plus the city court in Ulaanbaatar for a total of 22 courts at this level. The administrative courts created in 2004 have only two levels of the administrative courts. The highest court is the Supreme Court, which is divided into three chambers: criminal, civil and administrative. Seventeen justices sit on the Supreme Court.

At the first level, the courts in Mongolia have seen a 30 percent increase in the number of civil cases in the past three years. The number of administrative cases has more than doubled in the same period while the number of criminal cases decided has remained the same. Civil cases dominate the docket, with almost seven times as many civil cases (35,800) decided last year compared to criminal cases (5,400). Administrative cases still only represent a small percentage of those that are decided in the first instance (1,100).

Over the past ten years, court facilities and equipment have improved in large measure due to USAID support. Training through the National Legal Institute is mandatory and distance learning is available to judges in the *aimags*. The salaries for courts and court staff have improved. Judges are bound to follow a Code of Judicial Ethics although public perception indicates there are persistent ethical problems in the judiciary.

The Assessment Team repeatedly heard that it is difficult to access court files, particularly by NGOs or journalists. According to one court visited in Darkhan, no journalist or NGO had ever asked to see a court file and suggested that, if requested, they could obtain the file. Court decisions are not routinely published, although an administrative court has started to publish all of its decisions. Civil cases are randomly assigned, but in a recent change to the criminal procedure code, the chief judge once again assigns criminal cases.

Just as libel laws have been used to punish critics of the government or business, disciplinary proceedings or the threat of disciplinary proceedings have been used as a weapon to influence judges. The qualification committee decides issues of professional advancement—and corresponding rank or increased salary may depend on yielding to the influence of another judge. The same action that was referred to the disciplinary committee may also be referred to the qualification committee, the membership of which may be different—so there is yet another lever of influence over the judge.

Judicial reform is again front and center on the political agenda. Through the National Security Council, the President has developed a concept paper on strengthening judicial reform and judicial reform is expected to be a contested issue in Parliament in 2011. This judicial reform package is still fluid and in preparation, but this packet of laws will be submitted for the winter session of Parliament after the first of the year.

### 3.2 THE LEGISLATURE

Mongolia's Parliament, the State Great Hural (SGH), is divided currently into seven standing committees, which are further divided into sub-committees, working groups and ad hoc committees. The actual number of standing committees may vary by parliamentary vote, and reflect the highest priorities of the current body. Three of the seven standing committees are chaired by DP and four by MPRP parliamentarians.

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<sup>42</sup> Larger *soums* have their own court of first instance. Otherwise, two or more *soums* share an intersoum court. The larger cities (Ulaanbaatar, Darkhan, and Erdenet) have districts.

State capture by business interests was a frequent concern of the people with whom the Assessment Team met. In a 2008 post-election analysis by The Asia Foundation, 31 of the 72 confirmed seats are held by men with known business ownership that include alcohol, roads, construction, cashmere, media, airlines, banks, mining, and food production, among others.

Selective inclusion of civil society organizations, academics, and other stakeholders in working group and sub-committee discussions occurs at the discretion of that particular body. At other points, efforts by NGOs to proactively submit recommendations to these legislative bodies are either rejected outright or received without action. The Constitution does not explicitly require the SGH to seek out or incorporate such participation. Owing to Mongolia's small population, draft laws and legislative agendas are sometimes available through informal channels. For example, the SGH's 2010 autumn agenda was found on an English-language business website,<sup>43</sup> but not Parliament's own website.

No assessment of the SGH would be complete without direct mention of the virtual absence of women parliamentarians. The current SGH has only three women in its ranks, none of whom are from the coalition partner Democratic Party. Yet women outnumber men at all levels of education and civil society, and compete aggressively in the private sector. The SGH passed a 2007 law that required political parties to fill their candidates' slate with a minimum of 30% of women. Two months prior to the elections, Parliament reversed itself and repealed the law.

### 3.3 THE EXECUTIVE

As indicated in Section 2.2, Mongolia's presidential/prime minister arrangement creates some confusion with regard to the Constitution's allocation of powers. Some advocate for greater strength in the Presidency while others argue for a stronger Prime Minister. Both the President and the Prime Minister together with his Cabinet wield executive authority.

A poignant question the Team heard repeatedly was: Who does government represent? Not only do eight out of 11 Cabinet Ministers serve as MPs, all but two have known business interests, some with direct conflicts of interest in their Cabinet positions or legislative roles. Prior to 2004, election results created a clear ruling party and a defined opposition. Back-to-back coalition governments have reduced that arena of contestation, oversight, and accountability.

The current Prime Minister and Chairman of the MPRP is reportedly the richest man in Mongolia with broad business interests in retail, tourism, cashmere, gold, mining, and telecommunications.<sup>44</sup> The SGH appointed him to the post after his predecessor resigned, citing poor health in 2009. The President is a reform-minded Democrat who hails from the DP. His initiatives include the Citizens' Hall in the Parliament Building and a redefinition of national security to include economic, human rights, and environmental dimensions.

The President, any MP, and the government have the right to initiate laws, although only the President has the right to veto. The review process related to registering regulations is bypassed occasionally. Critics of the review process note that the MOJ and the Ministry of Finance (MOF) use their gate-keeping role to prevent important draft laws from entering parliamentary debate, thereby interfering with the legislative process. MOJ officials counter, saying that MPs with no law drafting experience initiate politically motivated "draft laws" that are irresponsible or violate basic Constitutional principles.

### 3.4 LOCAL GOVERNMENT

As indicated in Section 1.1, local government in Mongolia is comprised of 1,520 *baghs*, 329 *soums*, and 21 aimags while Ulaanbaatar city has nine districts and 117 sub-districts (or *boroos*).<sup>45</sup> The city of Ulaanbaatar is challenged with a growing population and an aging, over-extended infrastructure. The city's population has

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<sup>43</sup> Business Mongolia, n.d.

<sup>44</sup> The Asia Foundation, 2008.

<sup>45</sup> CIA, 2010.

increased by approximately 70 percent over the last 20 years. Approximately 60 percent of the populace lives in peri-urban informal settlements, known as *ger* districts, that lack piped water, sanitation, and other basic services. The Assessment Team heard from many that *ger* residents are particularly challenged with civic participation and inclusion. Many lack knowledge on how to voice opinions or seek redress. Community organizations are weak or non-existent. In reality, many *ger* residents are focused on providing for their families, which leaves little time for civic participation.

Overall, accountability is a significant issue at all levels of local government. Structurally, only the *bagh* chairman, presidium, and governor are directly accountable to citizens. At the *soum*, *aimag*, city district and *horoo* levels, members are directly accountable to local citizens but governors are theoretically accountable to four other entities. These include: 1) the citizens that elected them to the assembly, 2) fellow assembly members that nominated them, 3) the governor or Prime Minister who approved the appointment, and 4) the dominant local party who supported the nomination and appointment. Ministry accountability at the local level is also a challenge. Approximately, 20 different government agencies station staff in local governments, but are accountable to the ministry, not local government.

Regarding citizen input, few, if any, local government (or national) processes mandate input by local residents. Although officials in smaller communities hear regularly from constituents, this informal process is less prevalent in larger *soums*, *aimags*, city districts or *horoo*s. Thus, the voices of everyday citizens are crowded out of the local government process. Women's access to decision-making positions is not more equitable at the local level. Women have been elected to *bagh*, *soum* and *aimag* assembly positions in some areas, but as of 2006, only 3.3 percent of all governors have been women.<sup>46</sup>

Budgeting and tax revenue allocation are also contentious local government issues. Local government entities currently prepare a line item budget that is sent to the governor at the next level for review and approval. On taxes, the General Department for National Taxation, a central government body, collects all taxes through its local branches and returns a very small percentage back for local government expenditures. The national government is currently working on a fiscal decentralization proposal. It is not clear when (and perhaps if) the law will be enacted.

### 3.5 ELECTORAL INSTITUTIONS AND POLITICAL PARTIES

Mongolia's oldest party, the MPRP, has 90 years of experience. Since 1924, it has been out of power for just four years (1996-2000). Its party structure runs deep into the Mongolian countryside and across the private sector. It has engaged youth and women's organizations which cultivate new generations of leaders. The DP is an amalgamation of several parties and the party received significant US and German funding on party development, message, campaign tactics, etc. The first (and only) attempt as a ruling party as the DUC from 1996-2000 led to widespread disappointment among the electorate and four fractious Prime Ministers.

Few small parties remain sufficiently viable to garner the number of signatures needed to register or secure sufficient funding to compete with the coalition-based parties. The Civil Will Party, led by a charismatic leader, is the only other voice in the current SGH.

Women's participation in each of the parties is characterized as extremely active, but at the leadership level, the numbers fall drastically. According to a senior party leader, women make up 23 percent of MPRP's leadership Steering Committee, although only four percent competed as candidates in the 2008 elections. The DP has no women in Parliament, none among its ministers and three in its 30-member Central Board.

Election processes are defined by three distinct factors—the electoral code, implementation of that code by the General Election Commission, and the political parties contesting the vote. International observers have called all ten elections—five each for SGH and President—since transition largely free and fair. In stark contrast, Mongolian observers have documented frequent violations. The five parliamentary elections have been conducted using three separate electoral codes. The GEC is working with other state institutions and

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<sup>46</sup> Mongoliana, 2006.

agencies to address some of the deficiencies of the 2008 elections that are within its power. One worrying note was the absence of representatives from civil society in domestic monitoring teams in either the previous election or from either of the draft laws before Parliament now.

Clearly, money underlies the electoral process and political party dynamics. The cost of elections is rising exponentially. Between the 2004 and 2008 SGH elections, the overall cost incurred by the GEC to conduct elections increased by an order of magnitude from 696.6 million *Tugrugs* to 7.2 billion *Tugrugs* (or approximately US \$550,000 to US \$5.7 million).<sup>47</sup>

The average candidate spends 130 million *Tugrugs* (\$127,000) according to the GEC, but the real cost reportedly ranges from \$50,000 to \$1 million once staff, advertising, operations and other expenses are factored in.<sup>48</sup> The practice of giving “presents” to prospective voters in return for pledges of votes is widespread. This dependency on campaign war chests also minimizes women’s ability to compete, as their access to wealth is more limited.

### 3.6 CIVIL SOCIETY

Civil society leaders in Mongolia are deeply committed to democracy, human rights, women’s issues, the environment, poverty reduction, citizen education, and other vital issues. However, the sector has significant constraints. A 2005 study indicated “civil society in Mongolia is still in a nascent stage of development and operating in a largely disabling environment.”<sup>49</sup> It appears that little has changed in five years.

Approximately 6,000 nongovernmental or civil society organizations are currently registered with the Mongolian government.<sup>50</sup> This compares with 5,300 in 2006.<sup>51</sup> However, local civil society experts estimate that only 10 percent are active. Women dominate the sector from the leadership to support staff.

All civil society organizations are required to register with the Legal Entities Registration Agency located in Ulaanbaatar. Generally, the process appears fairly straightforward but the centralized registration system is a serious barrier for organizations located outside the capital. In addition, registration approval can be subjective. The Assessment Team heard four examples in which NGOs were initially refused registration. Two represented human-rights or women’s rights constituents and two were working on controversial issues.

Regarding the enabling environment for CS, the Ministry of Justice and representatives from civil society held discussions in early 2010 regarding a proposed NGO law. The draft law reportedly includes a provision to refer to NGOs to a “non-profit entity” and requires all “non-profit entities” to adhere to a series of licensing requirements to start operations. It also includes language allowing for personal tax deductions for contributions to NGOs. There is concern that these provisions could subject NGOs to increased government regulation and restrictions.

Other challenges cited include increasing harassment reportedly from powerful political and business interests and a lack of access to information and voice in policy formulation and the drafting of legislation.

### 3.7 MEDIA

As with politics and the government, business and political elites dominate broadcast and print media. Recent surveys show that 70 percent of Mongolians watch MNB broadcasts and another 50,000 have cable television service.<sup>52</sup> Newspapers proliferate often under direct ownership or control of an MP or his close associate. Radio has waned in its influence, although private stations have also grown in number over the last decade.

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<sup>47</sup> General Election Commission, 2010.

<sup>48</sup> Ibid.

<sup>49</sup> Verbal summary by the IRI Mongolia Director, 2010 Report of Group Discussion, 2010.

<sup>50</sup> The terms “civil society” and “nongovernmental organization” are used interchangeably in Mongolia.

<sup>51</sup> Beck, et al., 2007.

<sup>52</sup> UNESCO, 2007.

Until 2005, the State owned the Mongolian National Television and Radio (MNTR). This singular national voice gave impetus to opposition parties and politicians to create their own media outlets to ensure broadcast of alternate views. The MNTR still receives 30 percent of its funding from the State, but it alone has laws that regulate its program content and advertising. The 25 private television channels labor under no such restrictions, even during election periods.

New media and social networks are still in their infancy. Mobile phones are ubiquitous, even deep into the Gobi where signals are strong close to *aimag* and *soum* centers. Internet use is still modest with roughly 10 percent of the population logging on,<sup>53</sup> although 70 percent of Ulaanbaatarites over the age of 12 use the Internet on a daily basis.<sup>54</sup> There are some bloggers, and any number of television broadcasts feature running text of viewers during their broadcast. In Ulaanbaatar, unsolicited text messages are largely for advertising purposes, but the systems are in place to use these platforms for political campaign messages and news alerts.

Mongolia's legislative framework contributes to a chilling effect for investigative journalism. A draft law for Freedom of Information was first put to the SGH in 2004, yet no version has passed the legislature. There is a State Secrecy Law which gives broad powers to restrict access to information at the discretion of government institution heads even down to the local school director. A third component to self-censorship is the powerful Defamation Law, which makes it a criminal act to "defame" other persons. To avoid lengthy, costly and capricious court trials, many journalists simply keep their mouths shut. A fourth disincentive, at least at the MNB, is that journalists are paid on the basis of air time. This policy creates a strong preference for chat shows which require little off-air research.

Independent press and investigative journalism are fading from the democratic landscape in Mongolia. Civil society has few media watchdog groups. By all indices, freedom of the press in Mongolia is falling. Even the State's own National Statistical Office indicates that Mongolians give a 28.5 percent approval rating to the political, economic and financial independence of mass media.<sup>55</sup>

### 3.8 OTHER NON-STATE ACTORS

Business elites, some of whom simultaneously serve in parliament and ministerial positions, are some of the most powerful non-state actors in Mongolia today. These same individuals have captured much of traditional print and broadcast media. Mining has become the most important business sector in Mongolia. In 2008, mineral commodities comprised 75 percent of Mongolia's total export revenue and the industry is attracting considerable foreign investment.<sup>56</sup>

Religious figures have not been significant actors in the democratic process in Mongolia. Although people regularly seek advice from monks on personal and family issues, few monks, if any, are active in political or human rights issues. Muslims, Christians, and traditional Shamanists comprise about 10 percent of the population.<sup>57</sup> Mormon, Catholic and other Christian missionaries are increasingly active in the country.

The urban and rural poor, including herders, are other non-state actors, although they are neither unified nor homogenous. In recent years, many herders have migrated to unplanned *ger* settlements in *soums*, *aimags* and Ulaanbaatar. *Ger* residents have little access to formal employment or critical services like heat, water and electricity. For a variety of reasons, tensions between existing residents and the new arrivals are on the rise.

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<sup>53</sup> CIA, 2010.

<sup>54</sup> Newswire, April 2009.

<sup>55</sup> UNDP, 2008, Target 22; impact #5.

<sup>56</sup> USGS, 2009.

<sup>57</sup> CIA, 2010.

### 3.9 INTERNATIONAL COMMUNITY

Russia and China are two of the most influential members of the international community in Mongolia. In 2009, 78.5% of Mongolia's exports went to China while 43% of imports came from China followed by 28% from Russia. Both countries are investing in mining and other industries.<sup>58</sup> In addition, Russia and Mongolia recently renewed military ties including joint exercises, training, and other activities.<sup>59</sup>

Mongolia pursues friendly "Third Neighbor" relationships with a number of countries, which includes the US, South Korea, Japan, Turkey, Germany and others. For the next few years, the US will be one of the largest bilateral donors in Mongolia given MCC's \$285 million, five-year compact with Mongolia. USAID is well known for its DG investments particularly in the justice sector and anti-corruption. The Assessment Team learned that UNDP, GTZ, World Bank, ADB and JICA also support DG programs. While relationships between donors are cordial, formal coordination mechanisms are not particularly strong.

The Mongolia diaspora is another potentially important yet disparate part of the international community. Remittances from Mongolians working abroad are reportedly as high as \$200 million per year, which serve as important income for many families. A number of people suggested that they see more highly educated Mongolians returning home as opportunities increase in mining, related businesses and government.

## 5.0 PROGRAMMATIC RECOMMENDATIONS

### 5.1 ANALYTICAL OVERVIEW, DG OBJECTIVE, AND DEVELOPMENT HYPOTHESIS

In the past 20 years, Mongolia has developed civilian-led democratic structures, a democratic legal framework, and evolving democratic institutions. However, the constitutional structure of government is still an unsettled and contentious issue. In recent years, business elites have increasingly consolidated their political power, taking seats in Parliament and creating and capturing independent media, crowding out other voices. These individuals have used their positions of power for personal gain, engaging in political activities that present clear conflicts of interest, and have worked to erode checks and balances in the economic, judicial, constitutional, and electoral processes. Civil society organizations, while struggling with financial viability, either are co-opted or face intimidation to silence opposition voices. Women are increasingly sidelined in high political office and decision-making positions of government.

This DG Assessment raises three primary concerns about the current situation:

1. The weakening system of checks and balances.
2. The coalescence of business and political power.
3. The inconsistent implementation of law and the execution of government functions.

The Assessment Team recommends enhancing administrative accountability and effectiveness, as well as strengthening aspects of rule of law as the critical areas for DG assistance, particularly to ensure the consistent implementation of law and to combat grand corruption. Other priority issues are in the area of inclusion to ensure that citizens' voices and civil society are actively engaged in decision making and in competition to strengthen political parties and civic education.

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<sup>58</sup> Economic Intelligence Unit, 2010.

<sup>59</sup> [www.state.gov](http://www.state.gov).

The Assessment Team recommends strengthening Mongolia's democratic governance through stronger governance mechanisms, increased openness and transparency, and consistent implementation of law by:

- Supporting and increasing citizen and civil society participation in decision making and legislative development at the national and sub-national levels;
- Reducing the inconsistent and selective implementation of law;
- Strengthening political parties and civic education; and
- Supporting enabling legislation, administrative reform, and transparency and accountability initiatives.

Programmatic recommendations include the following areas:

1. Enhance government effectiveness and accountability through administrative reform, anti-corruption, improved access to information, and justice sector strengthening;
2. Strengthen civil society capacity and increase citizen knowledge and participation in the political process;
3. Foster a more representative, participatory electoral process around the access, analysis, and dissemination of information; and
4. Support early decentralization efforts by assisting in the development of a legal enabling environment for local governance and fiscal decentralization, and by training on local democracy, public participation, financial management, and CSO engagement.



# APPENDIX 1. ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
CC	Constitutional Court
CDCS	Country Development Cooperation Strategy
CPI	Corruption Perception Index
CS	Civil Society
CSO	Civil Society Organization
DCHA	Bureau for Democracy, Conflict and Humanitarian Assistance
DG	Democracy and Governance
DOC	Development Outreach and Communications Officer
DOD	Department of Defense
DP	Democratic Party
DPO	Disabled Persons' Organization
DUC	Democratic Union Coalition
EG	Economic Growth
EIU	Economist Intelligence Unit
EPP	Elections and Political Process Division
EU	European Union
FOIA	Freedom of Information Act
FSN	Foreign Service National
FSO	Foreign Service Officer
FY	Fiscal Year
GCC	General Council of Courts
GDP	Gross Domestic Product
GEC	General Election Commission
GOM	Government of Mongolia
GONGOS	Government-oriented Nongovernmental Organizations
GTZ	<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i>
HRC	Human Rights Commission
IAAC	Independent Authority Against Corruption
IMF	International Monetary Fund
IRI	International Republic Institute
IT	Information Technology
JICA	Japanese International Cooperation Agency
KOICA	Korean International Cooperation Agency
LGBT	Lesbian, Gay, Bisexual, Transgender
MCA	Millennium Challenge Account

MCC	Millennium Challenge Corporation
MDG	Millennium Development Goal
MNB	Mongolian National Broadcaster
MNTR	Mongolian National Television and Radio
MONFEMNET	National Network of Mongolian Women’s NGOs
MP	Member of Parliament
MPRP	Mongolian Peoples’ Revolutionary Party
MOJ	Ministry of Justice and Home Affairs
NED	National Endowment for Democracy
NDI	National Democratic Institute
NGO	Nongovernmental Organization
NLI	National Legal Institute
OSF	Open Society Forum
OT	Oyu Tolgoi Mine
PSC	Personal Service Contractor
SAF	Strategic Assessment Framework
SGH	State Great Hural (Parliament)
SOE	State-Owned Enterprise
TT	Tavan Tolgoi Mine
UNDP	United National Development Program
USAID	United States Agency for International Development
UB	Ulaanbaatar, the Capital City
USD	United States Dollars
USG	United States Government
USGS	United States Geological Survey
WSP	Women for Social Progress

## APPENDIX 2. LIST OF TERMS

Aimag	Province level government unit. Mongolia's local governments include 21 aimags and the capital city of Ulaanbaatar.
Bagh	Sub-county level government unit. Mongolia has 1520 bagh in its local government structure.
Ger	A traditional, round felt structure used by nomadic, herder families.
Hural or Khural	Council of elected representatives.
Horoo	District-level administration in Ulaanbaatar.
Naadam festival	Midsummer festival held in Mongolia featuring the traditional sports of wrestling, horseracing and archery.
Ninja Miners	Artisanal or small-scale miners with little to no mining expertise that often use highly toxic and environmentally damaging techniques to extract minerals.
Soum	County level government unit. Mongolia has 329 soum across the 21 aimags.
State Great Hural (SGH)	The National Parliament.
Tugrug (var. tugruk)	Mongolian currency, 1 US\$ = 1,320 Mongolian Tugruks as of September 22, 2010. <sup>60</sup>
Zud (var. dzud)	The result of extreme weather factors that include autumn drought and heavy winter snows which drastically limit livestock's ability to find sufficient fodder resulting in large die-offs of herds. Zuds have occurred four times in the transition period, 1990-1991; 1999-2000; 2000-2001; and 2009-2010.

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<sup>60</sup> <http://www.oanda.com/currency/converter/>, accessed September 22, 2010.

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