



REPORT ON “PEOPLE’S DEVELOPMENT JUSTICE”

“Sustainable development and
Our participation”

Ulaanbaatar, Mongolia
2019

ACKNOWLEDGEMENTS

Centre for Human Rights and Development and MONFEMNET National Network had jointly executed the project “Sustainable development and Our participation” in Mongolia for the purpose of contributing to the improved understanding and knowledge of local communities and citizens about Sustainable Development Goals and targets, and build the capacity of citizens in implementation and implementation evaluation processes.

This project was successfully executed within the scope of the project “Women 2030: Monitoring and evaluation of Sustainable Development Goals and Development Justice” initiated by the Asia Pacific Forum on Women, Law and Development (APWLD), the regional civil society organization. We would like to express our sincere gratitude to APWLD for their financial and methodological support during the project term.

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Acronyms

| | |
|-------|--|
| CSGF | Community Saving Groups Federations |
| GC | Governor Chancellery |
| HLPF | High Level Political Forum |
| LDF | Local Development Fund |
| NSO | National Statistics Office |
| ODA | Official Development Assistance |
| SDGs | Sustainable Development Goals |
| SMEDF | Small and Medium Enterprise Development Fund |
| VNR | Voluntary National Report |

¹ *Soum* - *Soum* is the second level administrative subdivision below the *province*. Mongolia has 331 *soums*.

² *Province* - Mongolia is divided into 21 *provinces*

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EXECUTIVE SUMMARY

The Centre for Human Rights and Development in partnership with MONFEMNET National Network had successfully implemented the project targeted to deliver information about Sustainable Development Goals (SDGs) and ensure the active participation of citizens.

The project activities were carried by a team of various stakeholders including local administrative organizations such as department for social policy, legislation, internal audit, labor and social care, statistics organization, members and staff of Citizens’ Representative councils of *province*, *soums*, representative of the National Human Rights Commission in *provinces*, CSOs chaired by the heads of the Community Saving Groups Federation of *Khentii*, *Dornod provinces* and *Bayandun soum of Dornod province*.

Teams of *Khentii* and *Dornod provinces* had collected data on implementation of SDG target 8.3, *Bayandun soum’s* team collected data on SDG target 1.1 at the *province* and *soum* level and presented the findings to the local administrations for consultation. The teams had also visited Ulaanbaatar to present the results findings to the relevant ministries and officials and discussed the actions to be taken in the future. During a press conference organized to present the findings, the teams had emphasized on public participation in the process of successful implementation of SDGs at local level and highlighted the cooperation of civil society, local government and other entities.

A joint team of citizens, public employees, and civil society organizations delivered a recommendation as the result of the project which is to improve the implementation of SDG 1 and 8 related to poverty and unemployment, the biggest challenges faced by the local communities. The outcome of the project is incorporated in the joint shadow report developed by the civil society organizations for Mongolia’s VNR.

The project activities support the necessity and importance of SDGs, its targets to be included in the development policy and plans, encourage and employ citizens in the monitoring and evaluation of the SDGs, ensure equal participation of citizens and CSOs in the process and establish multi-stakeholder cooperation in order to achieve successful implementation of SDGs in the local areas.

For the purpose of continuing and expanding the project activities, trigger the implementation of SDGs, it is necessary to arrange proper structure and provide funds to utilize multi-stakeholder mechanism involving equal participation of citizens, CSOs, state administrative organizations, and Citizens’ Representative Councils to achieve transparency of development policies, planning, execution at local, national and sectoral levels, ensure accuracy of evaluation indicator, regularly organize consultations and dialogues on execution.

ONE. INTRODUCTION

Mongolia is a large landmass with a low population of slightly over 3.2 million spread across 1.5 million kilometres, bordered by the Russian Federation and the People’s Republic of China. While traditionally nomadic, the 2018 census shows that 46% of the population lives in the capital city, Ulaanbaatar.³ Mongolia is ranked 92nd by its Human Development Index (HDI=0.741)⁴ and 65th by its Gender Inequality Index (GII=0.301)⁵ out of 188 countries of the world. Gender inequality is prominent along indicators such as the average life expectancy rate (75 for females and 65 for males)⁶, labour force participation (53.4% for females and 69.5% for males)⁷, and representation in politics at decision-making levels (women hold 14.9% of the seats in the national parliament).

The poverty rate was estimated at 29.6% in 2016, an increase from 2014, with the highest rates (34.9 %) recorded in rural areas.⁸ Mining and other extractive industries play crucial roles in economic growth of Mongolia. Although the economy has grown, high unemployment remains a challenge, especially in rural areas, and inequality has increased. The increase of poverty and unemployment and rising inequality are the major obstacles to development.

The development justice framework should be understood in terms of equal allocation of funds, wealth, opportunities, power between the rich and the poor and between rich countries and poor countries. It should also be understood in terms of accountable leadership and governance with regards of economy, society, gender and environment. Development justice demands the rights of every citizen to have an opportunity to participate in development policy, planning and monitoring the implementation and receive equal benefits from development. Within this framework the report tries to present the structural, systemic barriers faced in the implementation of SDG target 1.1 and 8.3 in local areas along with the possible affecting factors such as trade and investment, land and resource grabbing, corporate capture and patriarchy.

Trade and Investment:

Mongolia had entered into 44 bilateral investment agreements with 36 of them are in effect.⁹ 80% of foreign investment totaling up to USD 2 billion in 2018 was invested in the mineral extraction sector alone. The Government had been on the receiving end of 5 Investor-State Dispute Settlement (ISDS) cases raised by foreign investors against the government of Mongolia in recent years, with 4 of them related to the investments in the mining sector. Two disputes remain ongoing as of today. In one of the cases, Mongolia was asked to pay USD 80 million to one investor while another case was ruled in favor of Mongolia. The two remaining dispute cases have the investors demanding Mongolia to provide the compensation of USD 1 billion and USD 145 million accordingly¹⁰.

Land and Resource Grabbing:

Land was the public property throughout times considering that the nomadic animal husbandry sector remains the main economic sector of Mongolia. Since 2003, a new regulation on land ownership was introduced under the Land Law providing land for households to settle and individuals to run agriculture businesses. Regretfully, no gender disaggregated information was

³ Population of Mongolia, National Statistics Office, 2018

⁴ Human Development Index, UNDP, 2017, <http://hdr.undp.org/en/composite/HDI>

⁵ Gender Inequality Index, UNDP, 2017, <http://hdr.undp.org/en/composite/GII>

⁶ Average life expectancy rate, National Statistics Office of Mongolia, 2018

⁷ Labour participation rate, National Statistics Office of Mongolia, 2018

⁸ Poverty Research, National Statistics Office of Mongolia, Ulaanbaatar, 2017

⁹ <https://investmentpolicyhub.unctad.org/IIA/CountryBits/139>

¹⁰ <https://investmentpolicyhub.unctad.org/ISDS/CountryCases/139?partyRole=2>

available of land owners.

With the transition to the free-market economy in the 1990s, intensive population concentration was observed in cities and the increases of livestock from 25.9 million to 66.5 million. A policy to support economic growth to trigger minerals sector through attracting foreign investment was adhered in the last 20 years. According to the monthly statistics compiled by the Minerals Authority, 3074 special permits are valid as of February 2019, including 1681 mining and 1393 exploration leases. Lack of consultation with local herders in the process of environmental impact assessment for special license issuance, lack of rehabilitation during mining activities, weak monitoring to ensure implementation of environmental protection have negative impacts such as soil deterioration, pollution of potable water sources, drying of rivers and waters which create disputes between local citizens and mining companies leading to the various protests and fights initiated by herders. There are high expectations of the Government and people of Mongolia from the mineral and mining investment projects, however, these expectations are not met. Despite the existence of the Law on Foreign investment which intends to protect the rights and properties of investors including tax privileges and tax stabilizations, these arrangements have failed to attract required investments.

Foreign investment in the mining sector has created a limited number of jobs but failed to create sources of funding to support domestic manufacturing which leads to the conclusion that it doesn't ensure significant reduction of poverty.¹¹ In fact, by January 2019, there were only 62 503 jobs (equal to 5,5% of all jobs in the country) in the mining sector of Mongolia according to the National Statistics Office. The great expectations of mongolian people from direct foreign investments in mining sector have not been met. Despite the fact that more than 75% of foreign direct investment has been made in mining sector in the last decade the share of this sector in GDP has been in the range of 15-23%, in total tax revenue 13-24% between 2013-2017.

Corporate capture:

Policies and decisions made by the Parliament are being mostly supportive of large businesses related to individuals elected for the parliament. This means that in the Parliament, the two main political parties and the elections organized every four years have been "captured" by large business groupings and is protecting their interests.

The State policy on state and private sector partnership was ratified in 2009, the Law of Mongolia on Concession in 2010, the Procedure for Competitive Concession Bid Selection, Procedure for Evaluating Concession Bid in 2012 were accordingly introduced to ensure the legal environment are enforced on various development projects in infrastructure and social sectors in Ulaanbaatar and the countryside. However, experts see that the process of concession agreements and mechanisms on control of these agreements are not clear¹².

The process on public private partnership in public service has led to worsening of the access and quality of essential services, increased poverty and deepening inequality. Palma ratio which represent the unequal distribution of total income for the wealthy 10% and for the poorest 40% was 1.3 for Mongolia according to the UNDP 2017 report. As Palma ratio is not measured in Mongolia, we have obtained the ratio value from the Human Development report website reported by the UNDP. The Quintile ratio to represent inequality comparing average income for wealthy 20% of population with the average income of the poorest 20%

¹¹ Mongolia's experience with investment treaties and arbitration cases. *Roeline Knottnerus, Cecilia Olivet, 2016.* <https://isds.bilaterals.org/?mongolia-s-experience-with>

¹² <https://news.mn/r/718891/>

is 6.3% for Mongolia¹³.

According to the outcome of 2013 study on Mongolia's household and population livelihood status, Gini coefficient expressed in numeric value to demonstrate inequality of population, the wealthiest 10% has 3.5 times more income than the poorest 10%. This ratio is estimated at 3.6 in centers of *province* and 3.8 in eastern region which indicates that the inequality in the rural areas are much higher than the country average. As the study aimed to involve every household, the probability of actual data is high. The study was not conducted repeatedly, so there is no data to compare to learn whether the income inequality had increased or reduced. There is need to regularly determine the income inequality at national and local levels using the above mentioned Palma ratio, Quintile ratios and Gini coefficient.

Government mandated minimum wage per month was increased to MNT 320 thousand from January 1, 2019. The minimum wage of MNT 240 thousand remained valid until December 31, 2018, which is equivalent to USD 92. There is an official source for data representing monthly average wage for each sector, however, it doesn't provide open information on classification of wages and positions. Some publicly disclosed information, for example, according to the statement made by Ts.Nyam-Osor, former head of the State Property Committee Policy Regulation Department, the annual salary of Erdenet Mining Corporation's director was MNT 600 million and was reduced to MNT 300 million upon deducting various remunerations¹⁴ including cost of medical treatment, the cost of family vacation once a year, the cost of study abroad scholarship for one child etc. If to consider that director's monthly salary was MNT 25 million or USD 9.165, this amount is 80 times higher than the country's minimum wage.

Patriarchy:

Patriarchy was getting strong during the transition years. Regression is observed in women's participation in politics along with the violation of women's rights in the society, workplaces and families. Women's role and participation in politics and state affairs were established with quota systems prior to the 1990s during the socialist regime. There were over 30% women in the People's Congress, the highest state representative organization and around 40% women in the Public Representatives' Congress¹⁵. During the democratic years, the women's *seat* quota was eliminated and instead the women's *candidacy* quota of 30% was introduced. However, the Parliament has removed women's candidacy quota from the Elections Law before the 2008 Parliamentary Election. The women's candidacy quota of 30% was introduced again in December 2015 and but the quota was reduced to 20% in May 2016, one month before the elections, which violated the Constitution. The instability of women's candidacy quota in the Election law has been a constant concern for the last decade. This pattern may be repeated again before the 2020 Parliamentary election. Today 13 members or 17.1% of 76 parliamentarians of Mongolia and 26.2% of citizens' representative council are women¹⁶.

According to information provided by the National Statistics Agency, the rate of female employment is 51% by the end of 2018 which is 14.3% less than male. Comparatively, average salaries of women are 18% less than men. Economic inactivity rate of women remains high which was 63.3% at the end of 2018, 3.6% higher than the previous year. The growth of women on maternity leave or taking care of children may influenced this increases on economic inactivity rate.

¹³ <http://hdr.undp.org/en/composite/IHDI>

¹⁴ <http://dailynews.mn/i/4582>

¹⁵ B.Delgermaa report on “Women in democratic governance”. 2010. National forum “Women and human development” <http://gender.gov.mn/backend/files/bSYvH0MgmiDdEDd.pdf>

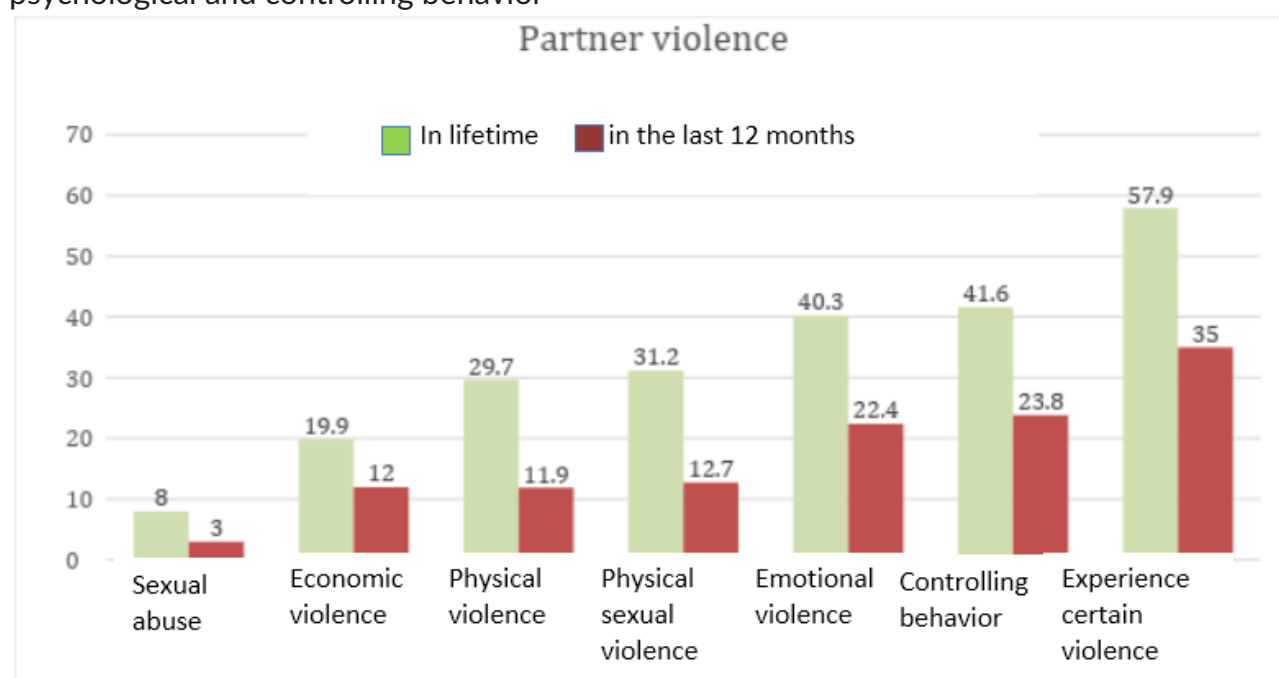
¹⁶ National Statistical Commission, www.1212.mn

Table 1. Percentage of unemployed women on maternity leave or taking care of children¹⁷

| Year | 2016 | 2017 | 2018 |
|---|--------|--------|--------|
| Percentage of women taking care of children in economic inactivity population | 12,3 % | 12,5 % | 14,5 % |

2018 study of the National Statistics Office on “Measuring asset ownership and entrepreneurship from a gender perspective” revealed that men own 1.8 times more housing than women. The gender difference is observed higher in the countryside versus cities whereas men own their housing approximately 3 times more than women. The gender difference related to land ownership for the purposes of agriculture is higher with men owning 4 times more land than women¹⁸.

The National Statistics Office carried out the “National study on gender based violence” in cooperation with the UNFPA in 2017 involving 7319 women. According to the study results, 57.9% of women had experienced partner or non-partner violence during their lifetime, 35% during the last 12 months. Types of violence include physical, sexual, economic, psychological, controlling behavior. The most common types of violence experienced by women are psychological and controlling behavior¹⁹



Source: National study on gender based violence, NSO, UNFPA, 2017

According to UNDP, Gender Inequality Index was 0.316 in 2015, 0.301 in 2016, and 0.301 in 2017 and in the 62nd place as of 2017²⁰. According to National Statistics Office, the gender inequality index is different from above and reported as 0.289 in 2015, 0.335 in 2016 and 0.282 in 2017²¹. It's not clear why these two sources have different data and it needs to be clarified by the National Committee on Gender Equality.

¹⁷ Labour Force Survey, National statistics Office, 2018, www.nso.mn

¹⁸ Study on defining property ownership and entrepreneurship from gender perspective, Mongolia, technical cooperation of Asian Development Bank http://1212.mn/BookLibraryDownload.ashx?url=EDGE_report_mgl.pdf&ln=Mn

¹⁹ Study on gender based violence, National Statistics Office, UNFPA, 2017, www.1212.mn

²⁰ UNDP, <http://hdr.undp.org/en/content/gender-inequality-index-gii>

²¹ National Statistics Office, Gender inequality index, <http://1212.mn/>

To eliminate patriarchy, it is necessary to determine and execute policies and measures to ensure gender equality, political participation of women and secure freedom to be free of violence.

National situation addressing Agenda 2030

Mongolia has signed the 2030 Agenda for Sustainable Development and ratified its Sustainable Development Vision 2030 in 2016 to be implemented at the national level. The decision to compile and submit VNR for HLPF discussion was delivered in 2018 and the preparations are ongoing. The VNR development process is very important in terms of planning and evaluation the development, policy, execution: ensuring the participation of the people and citizens, specifically:

- 1) As part of the VNR process, the Government executes certain measures such as inclusion of SDGs and its targets in the national and sectoral development policies; ensure compliance of policies and programs; defining evaluation indicator on the execution of sustainable development policies, policy goals, targets at national, sectoral and local levels.
- 2) The process to clarify the need of planning, funding and evaluation mechanism of implementation of the national and sectoral policy and consultation has been launched
- 3) Discussions and dialogues have been commenced on the need to improve legal regulations in order to ensure integrated policies, eliminate gaps in policies of national, local and sector development policies; decide policy priorities, planning, implementation, assessment and evaluation; and policy coordination.

a. State commitments on SDGs and means of implementation

The SDGs sub-committee chaired by A.Undraa, member of the Parliament, was formed under the Standing Committee on Social, Education, Culture and Science Policies of the Parliament. Sustainable Development Vision of Mongolia was ratified by the Parliament resolution in February of 2016. The National Development Agency is in charge of compliance, planning and implementation of SDGs with the national policies and programs, National Statistics office is responsible for the development of methodology to evaluate SDGs implementation and reporting.

National Statistics Office (NSO) together with UNDP and independently had assessed three times the indicators on implementation of SDGs. The latest assessment completed in October of 2017 concluded that 48.5% of 244 indicators can be directly processed and 51.5% are not yet ready to be reported.

According to the assessment of National Development Agency, SDG 1, 8, 10, 11, 12, 13, 15 out of global 17 SDGs and 169 targets are included in the 4 chapters, 44 targets of the Sustainable Development Vision 2030 (SDV) of Mongolia. While SDG 2, 3, 4, 5, 6, 7, 9, 16 and 17 are reflected in the content and principles of SDV Mongolia.

Therefore, the main working group chaired by the head of the Government's office of Mongolia and included state secretaries of ministries was formed. The secretary of the main working group is the head of the National Development Agency. Eight sub-working groups chaired by the state secretaries were formed under the ministries to be coordinated by the main working group. The main working group aims to develop list of policy documents requiring amendments and modifications, to be newly drafted and to provide recommendations. And the 8 sub-working groups aim to define national SDG targets and indicators.

The SDGs implementation work by the government is currently at an entry level to consolidate policy papers, to define priority goals and targets, to finalize indicators and methodologies to measure SDGs implementation. Along with that it is necessary to have proper structure and mechanism in place which shall ensure planning and monitoring and evaluation of the

implementation. Implementation of SDGs will significantly depend on this arrangement.

b. Role and contribution of CSOs to the implementation of SDGs

- Given the expectations of the CSOs of the opportunities to resolve many challenges and issues through the implementation of SDGs and its targets, the CSOs has established “SDGs and CSO” network to demand for CSOs to be part of the preparation for VNR, to actively contribute in the preparation process, to prepare a joint CSOs report, to ensure reflection of the CSOs report’s position, conclusion and recommendations in the Government report, and to further ensure continuous participation of CSOs in this process.
- The CSOs involvement had begun from the National consultation to define the scope of the VNR report. CSOs had written the joint report on the implementation of SDGs and presented it to the advisory team and the working group in charge of VNR report. CSOs had also participated in the national consultation to present the VNR report. A representative of the “SDGs and CSO” network was included in the National Working group to prepare VNR report.
- CSOs are working to provide information on SDGs to the local communities, ensure compliance of local development policies and plans with SDGs, encourage public to participate in implementation, establish multi-stakeholder partnership, create a role model, ensure equal participation of local citizens, build local capacities to implement the activities and initiatives of local communities.

Our priorities

As mentioned earlier in this report, members and women of the CSGFs²² decided to evaluate the implementation of selected SDGs and targets related to the challenges and problems faced by the local communities. *Bayandun soum* of *Dornod province* is a remote *soum* with high rate of poverty, so the *soum* selected SDG target 1.1 and wanted to contribute in reduction of poverty through improvement of the implementation of the target. Women members of the CSGFs of *Dornod* and *Khentii provinces* had chosen target 8.3 as *Dornod province* have many unemployed citizens, however they had chosen the target considering their advantage of being the border port city and to focus on increasing jobs. *Khentii province* had taken into account the need to enter to the employment agreement to improve employment, create proper jobs based on their study of employment contracts conducted among entities and employees under the slogan “To create guaranteed jobs” on the occasion of international human rights days in 2017.

The Government of Mongolia had conducted evaluation three times whether information could be processed in compliance with international SDGs indicators. Indicators for many targets, including SDG target 1.1 and 8.3, have not yet been developed, therefore, *Bayandun soum*, *Dornod* and *Khentii province* working groups collected data and made an evaluation in compliance with the UN Inter-Agency and Expert Group (IAEG) on Sustainable Development Goal Indicators.

TWO. Thematic analysis: Women’s priorities

The project team executed an evaluation of SDGs implementation in local communities selecting 3 communities of the eastern region: 2 *provinces* and 1 *soum* where there are CSGFs which are affiliated to CHRD. Working groups which included members and women of the Community savings groups had chosen SDG goals and targets related to their local challenges

²² CSGF - Community Saving Group’s Federation - The CSGFs is an umbrella organization of Community Saving groups initiated by CHRD’s Community Based Development program initiated in 2005.

and decided to evaluate the current situation. Working group of *Bayandun soum* made an evaluation of current situation on SDG target 1.1 “to eliminate extreme poverty of people considered to have an income lower than USD1.25 a day by 2030”, the working groups in *Khentii* and *Dornod province* evaluated SDG target 8.3 “to promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage formalization and growth of micro-, small- and medium-sized enterprises including through access to financial services”²³.

Implementation of the SDG target 1.1- *Bayandun soum*

Overview:



Population of *Bayandun soum* of *Dornod province* is 3086, 34% or 1056 are children between the ages of 0-17, 11.6% or 360 are citizens of age 55-94, 4.7% or 147 are people with disabilities, while the remaining 1523 or 49.3% are people of working age. According to statistical data of *Bayandun soum*, the poverty rate is 8.2%, the unemployment rate is 5.1%. 28% or 541 citizens are employed by the state organizations, 30% by private entities, 18% are in unofficial employment (self-employed) and 23% are on temporary jobs. 47% of citizens who are actively seeking jobs are people of the age of 20-30, 49% hold complete secondary education certificates²⁴. *Bayandun soum* is located in the east region with the highest poverty rate according to the National Statistics Office's 2016 study on poverty mapping.

Local public employees and citizens' awareness and knowledge of SDGs:



All the participants that attended the training on “Sustainable development and our participation” targeted to provide information on SDGs jointly organized by MONFEMNET and CHRD on May 24-25, 2018 in *Bayandun soum* responded to pre-training poll that they were hearing about the SDGs for the first time. Attendees of the training included the *soum* governor, specialist of the monitoring and analysis, statistician, *bag* governor, representative of citizens' representative council, CSO, individuals²⁵.

Inclusion in the *soum* policy:

Local public employees and citizens have very little understanding about the SDGs and there are no policies and plans on SDGs to be implemented in the local community.

No funds had been planned and spent for poverty reduction and supporting employment which is key to reduce poverty in the last 5 years. Despite no measures on poverty reduction are included in the action plan (platform) of the *soum* governor for 2016-2020, there is a

²³ Results of evaluation study on implementation of SDGs in local areas by Centre for Human Rights and Development and MONFEMNET National Network

²⁴ Results of evaluation study on implementation of SDGs in *Khentii* and *Dornod provinces*, *Bayandun soum* of *Dornod province* by Centre for Human Rights and Development and MONFEMNET National Network

²⁵ Results of evaluation study on implementation of SDGs in local areas by Centre for Human Rights and Development and MONFEMNET National Network

target to increase jobs²⁶.

Failure to include SDG 1 in local policies and plans with specific actions provides that this target to reduce poverty could not be achieved by 2030.

Result of evaluation:

According to statistical data of *Bayandun soum*, the poverty rate is 8.2%, however, the results of the joint team research estimated the poverty rate to be 16.2%. Unemployment rate at statistical data is 5.1% and joint team estimated it at 8.9%. The joint team is cooperating with the governor's office to understand and clarify the differences between the statistical data.

291 citizens in total are employed by 12 mining and one agriculture company which operates in the territory of the *soum*, 21.3% of those private entities are *soum* citizens. 47% of unemployed citizens are people of age 20-30.

The minimum wage of citizens employed by state, private and informal sectors has huge gaps. State organizations' salary is MNT 438,000, private sector MNT 250,000, informal sector MNT 100,000. Comparing to the government mandated minimum wage of MNT 240,000 (valid until December 31, 2018), the salaries of state employees was almost two-fold, and the private sector's equal and informal sector was 3.2 times less.

255 citizens that are classified as living under poverty (with a monthly earning of less than MNT 75,000) are provided over 10 varieties of food with food stamps. Specialists from *Dornod province* center assess income and register the people with earning under the poverty level. However, there were cases when those families register their members who live in *Ulaanbaatar, province* center and abroad and specialists from *province* center were not aware of that.

There are challenges and problems in the countryside, specifically, lack of jobs, poor infrastructure, failure to implement activities to reduce poverty and increase jobs despite such provisions are included in the *soum* budget; requirement of collateral to obtain loans for small and medium enterprise development.

Recommendations of the joint team for the local government:

- Local government need to have accurate study on households and citizens with earning under the poverty level, properly define households and citizens that are entitled to receive food stamps and establish an independent monitoring on registration of those citizens and households.
- Local government must focus on mediating unemployed youth to jobs by providing regular job vacancy announcements, executing programs to provide professional and vocational training, creating new jobs, and supporting start-up business.
- Low rate of private sector wages creates a challenge and barrier to implement SDGs, specifically SDG 8 to create decent jobs and SDG 1 to reduce poverty. Therefore, Local government needs to call upon the private sector for fulfillment of social responsibility.
- There are 12 provisions to increase jobs in the *soum* governor platform for 2016-2020. These provisions should be tied up to Sustainable Development Goals and shall contribute to the increasing jobs and reduction of poverty levels.

Recommendations of the joint team for the private sector:

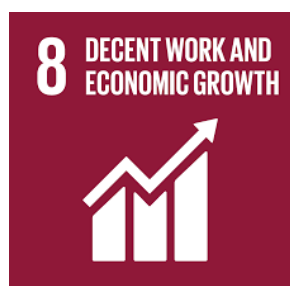
- Companies with operations in the local area should focus more on employment of

²⁶ Results of evaluation study on implementation of SDGs in local areas by Centre for Human Rights and Development and MONFEMNET National Network

local citizens; to include provisions on certain targets, measures and execute tripartite agreements signed between companies, local government and citizens to train cooks, operators (heavy equipment), welders, electricians in vocational centers.

Implementation of SDG 8.3 – *Dornod province*

Overview:



Dornod province is the most eastern province of Mongolia. It borders with Russia to the north (Inner Baikal region), People's Republic of China to the east (Hulunbuir, Xingan, Shiliin gol of Inner Mongolian Autonomous Region). Its population is 79,500 which is 2.5% of Mongolia's total population²⁷. 76.1% of the total population of the *province* are citizens of working age, 1.5% are unregistered unemployed citizens. 58% of the unregistered unemployed citizens are men. 36.7% of total unregistered unemployed citizens are men of age 15-34 which means that 1 out of 3 of this age are unemployed. Employment rate of *Dornod province* is 49.8%, women's employment is 37.5% which is 1.6 times less than men²⁸. 75.7% of 2657 citizens of informal sector are men, while the remaining 24.3% are women²⁹.

The average wage of *Dornod province* was MNT 819,400 as of quarter 3 of 2018. Average wage of men is MNT 873,400 and MNT 768,500 for women which is 12% or MNT 104,900 less³⁰.

The poverty rate of *Dornod province* as of 2016 was 41.5% which is an increase of 11.9% from 2014. This is 11.9% higher than the country average and 17.5% higher than Ulaanbaatar city's rate. The *province* is on the 6th place out of 21 *provinces*³¹ in terms of poverty. *Dornod province* is located in the eastern part of Mongolia where the poverty rate is highest.

Local public employees and citizens' awareness and knowledge of SDGs:

All the participants attending the training on “Sustainable development and our participation” targeted to provide information on SDGs jointly organized by MONFEMNET and CHRD in May of 2018 in *Dornod province* responded to pre-training poll that they were hearing about the SDGs for the first time. Over 30 attendees of the training included specialists of *province* Governor's office, specialists of *Kherlen soum* Governor's office, employees of citizens' representative council staff, statistician, representatives of CSOs and citizens.

Province policy, plan and implementation:

There is no legal document which enacts the integration of the local policies and programs in line with the SDGs. The team analyzed the activities related to the SDG target 8.3, its inclusion in 2016-2020 platform of *Dornod province* Governor, 2017 and 2018 socio-economic guidelines to develop the *province*, implementation of actions and the way of reporting.

Actions related to support employment, create new jobs are included and planned in the 2016-2020 Governor's platform. However, no specific activities were planned to create permanent jobs. Actions toward jobs were mainly limited to temporary jobs.

Indicators for evaluation of implementation of measures and actions included in the 2018 socio-economic development guidelines of the *province* fail to meet requirements and cannot be used to accurately assess progress or faults. The tables containing 2017, 2018, 2019 key

²⁷ Population of Mongolia as of December 31, 2017, National Statistics Office, www.1212.mn

²⁸ Employment rate, National Statistics Office, Q3 of 2018, www.1212.mn

²⁹ Study on labor force, National Statistics Office, Q3 of 2018, www.1212.mn

³⁰ Average wage, NSO, Q3 of 2018, www.1212.mn

³¹ “Poverty outlook 2016” study, National Statistics Office, 2017

socio-economic guidelines were in different formats which made it difficult to compare. For example, 2017 guidelines were missing indicators, the expected outcome failed to comply with target activities. Moreover, there was a measure evaluated as 100% complete while it had involved only 30% citizens against the indicator with only 50% performance. The reason of such failures, we consider is related to the improper execution of "Common procedure on policy paper implementation, monitoring, analysis and evaluation of the activities of administrative organizations" that was approved by resolution 89 of the Government of 2017. As the procedure measures performance only in three options of 40, 70 and 100%. This creates doubt in accurate evaluation and measurement of the implementations.



Activities which were not executed in 2017, 2018 were not included in the socio-economic development guidelines for 2018, 2019 accordingly. Failure to include specific and targeted actions to support employment and create jobs led to the conclusion that action plan and implementation are not based on the performance of the previous year, as no progress or setbacks are measured and there is no correlation between them. Implementation report of socio-economic development guidelines of

the province failed to provide information on new jobs, provided support, however, the conclusion highlighted the complete implementation of actions based on the job mediation service for positions announced by entities.

Budget and funding:

Table 2. Employment support Fund³², by mln MNT

| No | Budget plan | 2014 | 2015 | 2016 | 2017 | 2018 |
|----|---|------|------|------|------|------|
| 1 | Budget spent by Dornod province Labor and Social care service department to create jobs | 900 | 900 | 900 | 1700 | 1700 |

1200-1400 individuals are provided with permanent and temporary jobs annually within the given budget. The jobs include crop planting, production and sales of dairy and meat products, cleaning public areas, subcontracting work. However, there were no actions to create new stable or permanent jobs. The Labor and Social care service department plays role as workplace mediator on only announced, temporary or seasonal jobs.

MNT 1.7 billion budget was allocated in 2018, however, only MNT 1.02 billion was spent as provided in the budget spending report. Labor and Social care service department of Dornod province explained the reason as the Finance Ministry didn't allocate funds for Small and medium enterprise development fund, so the department transferred MNT 650 million from allocated MNT 1.7 billion and spent MNT 1.02 billion with budget clarification. The local governor and the Governor's office limits its activities to mediating temporary and seasonal jobs, organization of trainings instead of taking certain measures focusing on creation of jobs.

³² Report of Labor and Social care service department of Dornod province, October of 2018

Recommendations of the joint team for the Government of Mongolia:

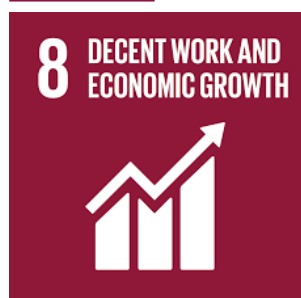
- Government should provide information and knowledge to local public employees and citizens, build their capacities on SDGs and provide policy and methodology support;

Recommendations of the joint team for the Local government:

- Local Government should integrate SDG target 8.3 with local policies and programs, develop an integrated plan, create a monitoring mechanism with involvement of citizens to support employment, create new jobs based on the results of the “Study of Labor force in Dornod province” conducted by Dornod province authority in cooperation with the NSO in 2018.
- Local Government needs to ensure tangible supports to local entrepreneurs in the creation of new jobs through allocating funds from the SME Support fund.

Implementation of SDG target 8.3 – Khentii province

Overview:



Population of Khentii province is 76,000, which is 2.4% of the total population of Mongolia.³³ 74.7% of total population are people of working age, while 0.7% are registered as unemployed. 57% of total registered unemployed are men, 48% are youth aged 15-34³⁴. Employment rate was 40.9% as of Q3 of 2018, employment of women was 9.6% less than men or 36.2%.³⁵ 55% of 4832 individuals engaged in informal sector are men and remaining 45% are women³⁶.

Average wage of Khentii province is MNT 726,400 which is 29.5% or MNT 305,400 less than the country average. Average wage of men is MNT 862,900, average for women MNT 663,300 which is less by 16% or MNT 139,600 than men.

According to 2017 study conducted by Community Savings Group Association of Khentii province, out of 110 employees of 54 entities only 10 employees had labor contract.³⁷

The poverty rate of Khentii province is 43.8% which is 14.2% more than country average, 19.8% more than Ulaanbaatar city³⁸. Khentii province is on the 4th place out of 21 provinces with its poverty rate.

Province policy, plan and implementation:

There is no legal document to support implementation of the SDGs in the local areas. The team analyzed the activities related to the SDG target 8.3, its inclusion in platform of the Dornod province Governor, 2017 and 2018 socio-economic guidelines to develop the province, implementation of actions in compliance with the guidelines and platform.

The Employment Support Fund spent MNT 537 million for implementation of sub-program “Household with job and income”. 407 new jobs were created within the scope of the program, including 243 permanent, 53 temporary and 111 seasonal.

³³ Population of Mongolia, year end of 2017, National Statistics Office, www.1212.mn

³⁴ Number of registered unemployed citizens, National Statistics Office, Q3 of 2018, www.1212.mn

³⁵ Employment rate, National Statistics Office, Q3 of 2018, www.1212.mn

³⁶ Labor force study, National Statistics Office, Q3 of 2018, www.1212.mn

³⁷ Study conducted by the Community Savings Group Federations in Khentii province, Local representative of National Human Rights Commission, and CSOs network under the slogan “Create guaranteed jobs”, December, 2017

³⁸ “Poverty outlook 2016” study, National Statistics Office, 2017



145 households were involved in 7 projects and programs subsidized by the Employment Support Fund, MNT 537 million was spent for repayable loan, advisory service, vocation and professional trainings. In 2018, MNT 30 million was spent from funds of the Local Development fund and Employment Support Fund involving 102 households where 54 jobs were created, which is 8 times less than the previous year. Employment and social care were integrated into one item which was included in the

socio-economic development guidelines of the *province*. Only single activity related to support employment and create jobs was included in this item in 2018 which means that the *province* leadership deem the employment and jobs as priority.³⁹

Funding:

No funds were allocated to *Khentii province* from Small and medium enterprise support fund in 2016-2018⁴⁰. (Table 3)

Table 3. Small and medium enterprise support fund, by mln MNT

| Funding, years | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------|-------|-------|------|------|------|
| Funding | 447,8 | 283,3 | 0,0 | 0,0 | 0,0 |
| Number of lenders | 18 | 14 | | | |
| Jobs | 76 | 37 | 0 | 0 | 0 |

Data obtained from last 5 year report of the *Khentii province* Labor and Social care service department, MNT 1,296,600 from *Soum* development fund were provided to 128 lenders in 2014 which created 322 jobs. Funding was reduced two-fold in 2015 and MNT 678,100 was provided to 101 lenders creating 203 jobs. Funding once again was reduced two-fold in 2016 when only MNT 321,250 was provided to 60 lenders and created 88 jobs. In 2017 funding was increased by MNT 1.15 million and reached MNT 322,400 which was lent to 39 lenders and created 61 jobs. In 2018, MNT 327,200 was lent to 61 lenders and created 138 jobs⁴¹. Specialist of the department explained that the reason of reduction of funding for four times was the long term issue for repayment and some loans were not repaid. (refer to Table 4)

Table 4. Soum development fund, by mln MNT

| Funding, years | 2014 | 2015 | 2016 | 2017 | 2018 |
|-------------------|--------|-------|--------|-------|-------|
| Funding | 1296,6 | 678,1 | 321,25 | 322,4 | 327,2 |
| Number of lenders | 128 | 101 | 60 | 39 | 61 |
| Jobs | 322 | 203 | 88 | 61 | 138 |

Spending, results, evaluation report of the Small and medium enterprise support fund and *Soum* development fund are not transparent.

³⁹ Report of Labor and Social care service department of Governor's office of *Khentii province*,

⁴⁰ Report of Labor and Social care service department of *Khentii province*, 2018

⁴¹ Report of Labor and Social care service department of *Khentii province*, 2018

Recommendations of the joint team to the Government of Mongolia:

- Government should provide information and knowledge to local public employees and citizens, build their capacities on SDGs and provide policy and methodology support;

Recommendations of the joint team to the Local government:

- Local government should integrate SDG target 8.3 with local policies and programs, develop an integrated plan, create a structure which to evaluate and measure implementation with participation of citizens;
- Local government should ensure that adequate funds were received from the SME support fund without decrease, effective use of Local Development fund, to make transparent the reports and evaluation on the use of funds, seek for increase of funding opportunities, improve the repayment of loans from the SME and Local development funds,
- Local government needs to develop and implement policies to encourage the formalization of informal sector and private entities and employers to implement labor contract according to the Labour Law of Mongolia.

THREE. Common ground analysis “Empowering people and ensuring inclusiveness and equality”

SDG 4. Quality education

SDG 4 implementation report was prepared by the “All for Education” National CSO coalition. Conclusion of the report provides that key concept and targets of SDG 4 are not reflected in the education sector policy papers given that the current education policy targets only access to education. The current education policy targets only on inclusiveness and misses the ensuring of equality for quality education. Therefore, education becomes a reason that deepens the social inequality, and increases poverty further. Instead of considering education sector as an accelerator of the country’s development, the sector is perceived in a very tight scope as related to social development. Issues of ethics and bribery in education service is mostly related to budget, funding, wages, and work environment of education sector as well as attitudes of parents. On the other hand, there is little knowledge about gifts, donations, supports, official and non-official payments, fees, lack of administrative initiative and proactive actions targeted to regulate the above, prevent from associated conflict of interest, bribery, eliminate reasons and conditions.⁴²

SDG 10. Reducing inequalities

Poverty reduction is an urgent problem in our country. Four targets of SDG 10 are targeted to reduce domestic inequality in the country at the economic, social and political levels and execute the SDGs vision to equally deliver benefits of development, prosperity, participation and social care without “leaving no one behind”. Therefore, it’s important to concentrate on ensuring implementation of all SDG 10 targets.

Regretfully, this goal is restricted in the Sustainable Development Vision 2030 of Mongolia with the definition “Reduce income inequality and have 80 % of the population in the middle and upper-middle income classes”, the content of this goal cannot be expressed completely in each target.

SDG 10 related to our country are not comprehensively incorporated in Sustainable Development Vision 2030 of Mongolia, 2016-2020 platform of the Government of Mongolia,

⁴² CSOs VNR on implementation of SDGs, 2019

its action plan and its three pillar development policy which is the fundamental document of investment program for 2018-2020 of Mongolia. Indicators and methodology to measure inequality and the expected levels are not defined. Poverty is associated with the structure and system, and there is limited knowledge about discriminatory policy, procedure, practical consequences, and the capacity to implement it, to define and replace means is weak. ⁴³

SDG 13: Climate change

Steps without borders NGO analyzed the implementation of SDG 13. Then the main concept of this goal is to reduce negative impacts caused by climate change, early detection, reduction and prevention. The negative impacts of climate change is not incorporated in the government's current policy and programs. The State has limited its responsibility by adaptation and protection from disasters and establishment of fund in cases of disasters. It has relied on life-long education system in improvement of knowledge and education and left out human and institutional capacities development. This fact leads to conclude that the state avoids its own obligations. Furthermore, the state shall defer it without incorporating into socio-economic development guidelines and budget allocations and seems to rely only on the funding from donors.

The State has plans to reduce greenhouse emissions to impact climate change, support the introduction of MNS ISO14001⁴⁴ package standards and to increase the number of entities to meet the standards. However, the state fails to define the accountability of the business sector and make them understand that they are responsible in ensuring that the SDGs are met. The state's plan for reducing greenhouse emission depends solely on the will and initiatives of the business sector based on natural resources and it may lead to boost business sector's attitudes to not allocate funds.

It is concluded that the concept to take immediate actions to reduce negative impacts of climate change specified in SDG 13 is completely left out without being incorporated in current policies and programs⁴⁵.

SDG 16: Peace, justice and democracy

A number of NGOs have conducted an evaluation of SDG 16 Targets 1, 2 and 10. The evaluation on Target 10 of SDG 16 concludes that despite the step forward that Mongolia has taken to ratify an independent law on Information transparency and right to information, there remains many government and state organizations' restrictions on information to be disclosed to the public. Availability and quality of information to be disclosed to the public by the state organizations fails to meet the necessary requirements. According to a study conducted by the Globe International NGO, transparent reporting of the state organizations, institutionalization, and capacity to process requests of citizens was evaluated as 39.8 points out of 100 and rated as "yellow" class which means Mongolia stands in between of transparency and non-transparency.

Evaluation conclusion:

- Mongolia lacks an independent, special organization in charge of the enforcement of the Law on right to information
- Government employees in charge of information have very limited knowledge about the law and no official training were provided for them.

⁴³ CSOs VNR on implementation of SDGs, 2019

⁴⁴ international standard of Environmental Management Structure

⁴⁵ CSOs shadow report on the implementation of SDGs, 2019

- Absence of specific instructions on government organization secrets leads to the developed culture on secrets to remain strong.

Therefore, the following recommendations are provided:

- Improve quality of information through reporting in complete format, publicize it on a timely basis, ensure public accessibility, improve understandability
- State organizations to transparently report value data on the right to information and its implementation on a monthly, quarterly and annual basis, and authorized organizations to have practices in place to regularly review data

SDG 17: Partnership

Official development assistance (ODA) provided by donors, plays an important role in the development of Mongolia. However, monitoring and control on the use of ODA loans and technical assistance and their benefits are not sustainable, while the objective and the activities are unclear and not transparent. The Ministry of Finance had introduced ODAMIS (Results based monitoring-analysis, evaluation management integrated database) in 2015 to evaluate the results of Government projects and programs implemented with ODA funds. However, the results have not been reported to the public even though these loans are paid back from public taxes.

Therefore the following should be achieved by the Government of Mongolia:

- Official development assistance funds to be spent for priority targets to implement SDGs
- Principle of partnership cooperate should be directed into tangible outcome, ensure participation, transparency, parties to be mutually accountable
- Loan and assistance outcomes should be monitored with involvement with funder, client, contractor and public

FOUR. Recommendations

To the Government of Mongolia

- To have an official translation of the SDGs, targets and indicators to disseminate to the public, raise awareness and mobilize public in the implementation process of the SDGs
- Incorporate SDGs, targets and indicators into sectors, national and local development policies; develop SDGs implementation plan, budget funding, evaluation on an annual basis and report; and hold consultations and discussions at the local, national, regional and international levels.
- Advocate to create structure and mechanism to ensure policy coordination and integration and plan and oversee the implementation SDGs.
- Trigger actions to make citizens informed, knowledgeable, capable and empowered, to ensure CSOs participation and strengthen cooperation with CSOs for implementation of SDGs.

About Centre for Human rights and Development NGO

The CHRD is a non-governmental organization operates as not-for-profit, public-benefit organization for the purpose of promoting and protecting human rights and social justice in Mongolia. The CHRD aims at a developed Mongolia where every individual enjoys the right to participation and development. The motto is development through human rights. It believes in fulfillment of human rights as the prerequisite condition for poverty reduction, protection of ecological balance and sustainable development. People's participation in formulation, implementation, monitoring and evaluation of national and local development policies, programs and projects is the sole purpose of ensuring that everyone equally benefits from the result of development.

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About MONFEMNET National Network NGO

MONFEMNET National Network (MONFEMNET) is a non-partisan, non-governmental organisation with a mission to serve as a strong driving force for the development of a national, broad-based, democratic, sustainable and transformative movement for women's human rights, gender equality, substantive democracy and social justice. We focus on policy advocacy and participatory, rights-based training aimed at building a grassroots movement and promoting institutional reform.

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