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**UNITED NATIONS DEVELOPMENT PROGRAMME**  
**PROJECT DOCUMENT**  
**MONGOLIA**

**Project Title: Towards a Professional and Citizen-centred Civil Service in Mongolia**

**Project Number: MON/18/101**

**Implementing Partner: Civil Service Council of Mongolia**

**Start Date: Feb 2018**

**End Date: Dec 2021**

**PAC Meeting date: 31 Jan 2018**

**Brief Description**

The transition experience of Mongolia has shown that establishment of a formal legal framework is insufficient for creation of professional and depoliticized civil service. Rewarding supporters with civil service posts is widely practiced across all parties and across central, subnational and local levels of the government. It undermines stability and continuity as well as capacity development efforts in the civil service. There is consensus across the political spectrum in Mongolia that this issue needs to be addressed on an urgent basis.

The project will support the implementation of the civil service reform priorities towards creating a stable, impartial, professional and citizen centred civil service and their implementation through capacity-building. The first output of the project will facilitate consensus building on reform priorities through analytical research on stability and staff turnover, accountability mechanisms for beaching the Civil Service Law, and gender parity in the civil service. This will be complemented by capacity building activities towards professionalization of the civil service, including induction courses for different posts, online mandatory courses, curriculum reform of the government training institution, reform of the civil service entry examination and support to women leaders in the civil service.

The project will support the implementation of the gender quotas for administrative posts in the civil service set by the Gender Equality Law by introducing stronger enforcement mechanisms. It will also develop leadership capacities and networking among of female leaders in the civil service.

In the context of increasing demand for engaging citizens in government affairs, the project will pioneer initiatives to engage citizens' experiences, give voice to citizens on their experiences with public services, and provide inputs to improve the quality of public services and competencies of civil servants.

Contributing Outcome (UNDAF/CPD): Strengthened governance for increased voice and accountability Indicative Output(s): 1. Strengthened legal and policy framework for a professional civil service 2. Improved professional capacities of civil servants 3. Enhanced gender equality in public administration 4. Citizen-centred monitoring of public administration performance	<b>Total resources required:</b>	\$5,500,000	
	<b>Total resources allocated:</b>	<b>UNDP:</b>	\$ 100,000
		<b>Government of Canada:</b>	\$5,400,000
		<b>Government:</b>	
		<b>In-Kind:</b>	
	<b>Unfunded:</b>		

Agreed by (Standing Committee on State Structure, Parliament of Mongolia):

Lundeejantsan Danzan, Chair, Standing Committee on State Structure

Agreed by (Civil Service Council):

Tsogoo Baltav, Chairman of the Civil Service Council

Agreed by (UNDP):

Beate Trankmann, UNDP Resident Representative

**Date: 14 February 2018**

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## I. DEVELOPMENT CHALLENGE

Efforts to create modern professional public administration capable of implementing public policies and effective service delivery to citizens started from the early transition period. A major milestone of this stage was the adoption of the Civil Service Law (CSL) in 1994 which determined civil service personnel policies and the status of civil servants, and the establishment of an independent Civil Service Council (CSC) in 1995.

With the adoption of the Public Sector Management and Finance Law (PSMFL) in 2002, significant amendments were made to the CSL, which strengthened the power of the CSC over personnel control, allowed flexibility and increased the emphasis on performance management. The Government's Medium-term Civil Service Reform Strategy was approved in 2004 by the Parliament of Mongolia. The priorities of the strategy include improved selection procedures for senior civil servants, development of leadership skills, more transparent, fair and performance-oriented personnel management mechanisms. Further amendments in the CSL were made in 2008 requiring civil servants to refrain from party affiliations. The Election law revised in 2011 introduced a provision requiring civil servants to resign 6 months before being eligible to stand in parliamentary elections, in order to prevent candidates from misusing public positions for their election campaign. This provision remains in the revised Election law in December 2015.

However, similar to other countries in transition, the experience of Mongolia has shown that establishment of a formal legal framework is insufficient for creation of professional and depoliticized civil service. Rewarding supporters with civil service posts is widely practiced across all parties and across central, subnational and local levels of the government. High turnover of civil servants was particularly evident in the 2012 and 2016 general and local elections where the power had shifted from one party to the other. It undermines stability and continuity as well as capacity development efforts in the civil service. The number of formal complaints to the CSC on unlawful dismissal of civil servants increased from 87 in 2009 to 144 in 2016, whereas many opt not to lodge complaints for violation of their rights, indicating a lack of trust in their ability to seek justice from the State. Moreover, it has become a commonly accepted practice that one leaves on a voluntary basis because of "belongingness" to the minority or opposition party despite the civil service protection. On average, over 7000 people leave the civil service on a voluntary basis, annually.<sup>1</sup>

Yet, policy makers seek solutions to the problem of politicization of the civil service through legislative changes rather than through better enforcement of the existing legal and policy framework, which is viewed by many as 'up to the international standards' and adherence to the rule of principles in public administration.<sup>2</sup> On 7 December 2017, the Parliament of Mongolia approved a revised Civil Service Law, with a major conceptual change whereby the principle of career based civil service system with requirements of minimum years of service for recruitment and promotion to senior executive posts, has been introduced. The new law reaffirmed the independent status of the Civil Service Council. It remains as the main oversight body for ensuring that the personnel procedures relating to recruitment, transfers, promotions and dismissals comply with the law and principle of meritocracy. It is empowered to investigate grievances of employees in the civil service and adjudication of disputes related to human resources management practices and civil service examinations. It shall recommend appropriate remedies and also has the right to annul unlawful decisions in this regard.

The Civil Service Law 2017 has introduced some new elements in the civil service such as standardization of the civil service, requirements for mandatory training for candidates for senior executive posts, package training towards professionalization, on-the-job training for existing civil servants, reform of the entry examinations based on tests and interviews and with a new content, establishment of a public oversight council. The law has special chapters devoted to the ethical code of conduct of civil servants and performance management. The new Civil Service Law will be

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<sup>1</sup> Civil service statistics compiled by the Civil Service Council. 7430 and 7705 people left the civil service on a voluntary basis in 2015 and 2016 respectively. The data provides the situation of the civil service of Mongolia as of 31 December 2016.

<sup>2</sup> A note from the proceedings of the conference "Legal Reform of Mongolian Civil Service", organized by the President's Office, the Standing committee on State Structure of the Parliament, and the Civil Service Council, with support from UNDP project "Support to Participatory Legislative Process" on 28 October 2015

effective from January 2019. The Government of Mongolia is expected to develop 43 bylaws and procedures in support of its implementation and has a plan to complete this exercise within 2018.

The size of the civil service in Mongolia is an issue of concern. Only in the last four years it increased by 14.5 percent (162,769 in 2012 and to 188,974 in 2016), representing 16.6 percent of the country's workforce. Thus, the civil service has become the largest job provider. While women are well represented in the civil service overall (59.9 percent of civil service posts are occupied by women), the proportion of women in higher ranks of the civil service remains low at 12 percent and 23.4 percent of political posts are occupied by women.<sup>3</sup>

The Law on Gender Equality (GEL) approved in 2011 presents new legal tools to ensure that any reform of recruitment, training and oversight in the civil service also ensures equal opportunities for women and men. The law provides detailed provisions aimed at guaranteeing gender equality in employment and labour relations, preventing sexual harassment in employment and introduced quotas for political and administrative appointments. However, these quotas still remain as policy declarations because of lack of effective enforcement mechanisms. Plus, there is no data available to measure the performance of public managers/organisations in terms of meeting the gender quotas in the civil service posts.

Despite legislative and policy reforms, the administrative culture, bureaucratic behaviour, and the working habits of civil servants are not considered to have changed significantly. Accountability and customer orientation remains weak. On-the-job training is sporadic and not linked to any strategic framework or vision for the capacities of civil servants. Only 50 per cent of the training courses offered by the National Academy of Governance (NAOG) – a government training institution – target the actual civil servants. The management of the NAOG realizes these weaknesses and has a plan to transform theory based teaching curriculum into practice oriented content. The skills and knowledge of the teaching staff need to be upgraded. The NAOG does not have modern textbooks on public sector management and administration.

Civil service entry examinations administered by the Civil Service Council test theoretical legal knowledge rather than the practical knowledge, skills and capacities necessary to deliver policy change in different technical areas. The CSL specifies that performance appraisal shall be the basis for promotions and changes in salary, award of ranks, disciplinary actions, and career development. In reality however, performance appraisal had been largely a perfunctory exercise in Mongolia.<sup>4</sup> Only a few, but yet infrequent and intermittent attempts have been made to get citizen's feedback into the performance of the public administration, and such feedback has yet to be incorporated into the policy-making process.

The Monitoring and Evaluation and Internal Audit Department (M&EIAD) of the Cabinet Secretariat is in charge of the overall monitoring of the performance of line ministries, government departments and local governments. The Government of Mongolia passed a resolution in 2017, revising the M&E procedures in line with the requirements set by the Law on Development Policy and Planning (2015).<sup>5</sup> This also includes a requirement for assessment of customers' satisfaction about public services as part of the M&E process.<sup>6</sup> However, this M&E function still lacks results orientation and is limited to monitoring of implementation of laws, national programs, Government's action plans, transparency of operations, and monitoring of the overall socio-economic indicators. There is a need to promote a culture of results orientation in the planning, implementation, monitoring and reporting by public agencies and among civil servants.

In 2015, the international community, including Mongolia, adopted Sustainable Development Goals (SDGs), setting targets to be achieved in the next 15 years to end poverty, to fight inequality, to protect planet and to enhance human development. SDG16 calls for actions to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. The Parliament of Mongolia also approved Mongolia's Sustainable Development Vision for 2030. It defines a priority goal in the area of governance as "to improve leadership of public organizations at all levels, establish transparent

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<sup>3</sup> Civil Service Council (2017) Civil service statistics, the situation as of 31 December 2016

<sup>4</sup> World Bank (2009) Mongolia: Towards a High Performing Civil Service. Report No. 50767-MN.

<sup>5</sup> The Government Resolution #89, approved on 15 March 2017 "Uniform procedure for monitoring and evaluation of implementation of policy documents and performance of administrative organizations".

<sup>6</sup> Decree #302 of the Cabinet Secretary, approved on 15 December 2017, General guidelines for customers' assessment.

and accountable governance at the national and local levels, while ensuring citizen participation and public-private partnership”.

As a result of the parliamentary elections held on 29 June 2016, the Mongolian People’s Party (MPP) has won overwhelming majority of the seats in the parliament.

Within the overall goal of creating stable and accountable State, based on the rule of law, the Government’s Action Plan for 2016-2020 has defined the following priorities towards professionalization of the civil service:

- Improve the implementation of the Gender Equality Law and increase participation of women at the decision-making level;
- Improve accountability of civil servants, ensure enforcement of laws and regulations with sanctions for civil servants for their actions in violation of laws, regulations, and code of conduct, causing losses and damages;
- Address the weaknesses related to lack of professional skills, incompetency, irresponsible and unethical behavior of civil servants, hold them legally accountable regardless of their network and the interests of parties and coalitions, thus improve the reputation of the civil service;
- Prohibit senior civil servants to grant posts in public offices based on nepotism and cronyism. Ensure the stability of the civil service through initiation and approval of a law on the immunity of civil servants;
- Create a legal environment for introducing citizens’ score cards in the public service.
- Enhance opportunities for training and career development of civil servants, including classroom and distance learning, support conditions for professional and competent civil service.

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## **II. STRATEGY**

There is consensus across the political spectrum in Mongolia that the rule of law is not being upheld in the civil service, and that further reform is necessary to address that. A starting point for adherence to the rule of law is political will. Precisely because of the persistent politicisation of the civil service, any effective reform will need to have the consensus and commitment of all political parties. Therefore, choosing the best strategy for reform and getting strong cross-party support for it will be essential for success. Secondly, a sound framework in which roles, responsibilities and accountability lines are clarified and coherently and consistently implemented. These will need to ensure an effective accountability framework, so that breaches of the civil service law are detected and remedied.

UNDP, as a trusted neutral partner and with its long-standing reputation supporting capacity building in the public sector, is well-positioned to support civil service reforms through policy dialogue as well as their implementation through capacity-building. UNDP has extensive knowledge and experience on advancing women’s equal participation in decision making and public service. The promotion of gender equality and women’s empowerment is central to the mandate of UNDP and intrinsic to its development approach.<sup>7</sup> The Government of Canada has supported civil service reform in Mongolia since 2010 through providing comparative analyses, recommendations for the revision of the Civil Service Law and increase the capacity of the CSC in enforcing the merit principles in the civil service.

As was mentioned in the situation analysis, the establishment of a formal legal framework is insufficient for professionalization and depoliticization of the civil service. The project will contribute to furthering this legal reform through providing technical inputs into the process of development of relevant procedures and tools for effective implementation of the Civil Service Law, undertaking analytical research on stability versus professionalization, accountability and gender equality in the civil service in Mongolia, thus building foundations for informed debates and consensus. The project will adopt an “issues based” approach which identifies bottlenecks for policy reform and offer timely advice to enhance the impact of project interventions.

A higher performing public administration system in Mongolia requires a greater professionalization of its civil service force. Despite the high general education levels in Mongolia, an analysis of the different types of positions within the civil service and respective educational qualifications suggests

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<sup>7</sup>UNDP’s Gender Equality Strategy for 2014-2017 was approved by the Executive Board on 9 January 2014. In addition, UNDP launched a global initiative on Gender Equality in Public Administration.

that up to a quarter of civil servants can be categorized as low or semi-skilled.<sup>8</sup> This underlines the importance of the public sector as provider of jobs (ie, social welfare role of public sector employment), and also suggests a rooted clientelism and system of patronage (ie, in the allocation and assignation of civil service jobs). Both elements undermine fair, equitable and merit-based recruitment processes aimed at bringing and maintaining the best people in the civil service.

The Civil Service Law has been implemented for more than two decades already. While it aimed at creating a stable and professional civil service, further efforts are required in order to improve the professional capacities and skills for administrative level civil servants. Mongolian policy makers and analysts have pointed out the importance of improving the professionalization levels of the civil service as a means to counter political interference in the civil service. The new Civil Service Law mentions about a package training programme towards professionalization, specific for each post level and functional area. The content and programme of this training shall be developed by the CSC and approved by the Government of Mongolia, and delivered by the National Academy of Governance (Article 24). This training is mandatory for candidates for senior executive posts (Article 23).

Attending to this need, UNDP has been requested to support the professionalization of Mongolia's civil service. The project will be supporting different interrelated processes and stakeholders, including curriculum development for administrative posts, reform of entry examinations, improved capacity development on human resources procedures and practices, including gender-sensitive policies, overall leadership and management.

The project will support the implementation of the Gender Equality Law in practice by developing gender-sensitive human resources policies and practices, clear definitions of what constitutes harassment, sensitization programmes among supervisors and employees, appropriate and clear procedures which spell out redress mechanisms and enforceable sanctions, definition of the roles and accountability of senior civil servants, at all levels of public administration.

The new Civil Service Law has a special chapter devoted to the performance management of civil servants (Chapter 13). Each public organization is required to develop a four-year strategic plan in line with the Government's Action Plan, and annual performance plan, based on which civil servants develop individual annual performance plans. Procedures for organizational strategic and performance planning, individual performance planning and assessment and related rewards and sanctions are expected to be developed and approved by the Government in 2018. This is in line with an earlier advice of the Government of Canada "to encourage all budget organizations to develop and place their own performance agreement and appraisal system aligning with their own business objectives, specific conditions and environments. This new approach should help organizations manage staff performance more effectively in line with organizational objectives, culture and human resource policies. The CSC could then provide some methodological guidance and quality assurance on how this process is done".<sup>9</sup> Hence, the project will provide support to the development of related procedures and guidance for line ministries and local governments on performance management.

Civil service reform is just one aspect of wider public administration reforms, with the ultimate objective of enhancing citizens' overall living standards through the provision of public services across a wide area, ranging from birth certificates to education and health services. However, the civil service in Mongolia is regarded as resistant to change, inward-looking and while at the local level the proximity between public administrators and public service users is close due to geographical conditions, organisationally the civil service still follows a hierarchical top-down model which hinders the development of people-centred, development-oriented and locally responsive service delivery. In addition, while Mongolia has a vibrant and active civil society, there is dearth of comprehensive, continuous and objective performance instruments based on citizens' feedback and experiences.

In the context of increasing demand for engaging citizens in government affairs, the project will pioneer initiatives to engage citizens' experiences, give voice to citizens on their experiences with public services, and provide inputs to improve the quality of public services and competencies of civil servants.

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<sup>8</sup> World Bank (2009) Mongolia: Towards a High Performing Civil Service. Report No. 50767-MN.

<sup>9</sup> The government of Canada (2013), Mongolia: civil service reform options.

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### III. RESULTS AND PARTNERSHIPS

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

In order to address the development challenges and root causes identified in the above sections, UNDP will assist the Government of Mongolia in the implementation of the civil service reform priorities towards creating a stable, impartial, professional and citizen centred civil service. Thus, the project goals are aligned to the priorities of the Government of Mongolia as defined in the Sustainable Development Vision for 2030 and the Government Action Plan for 2016-2020. The project's overall goal is to support the implementation of the Civil Service Law by providing technical inputs into the process of development of required procedures and tools, and contribute to building relevant capacities among civil servants and government agencies.

This will be achieved by means of four interlinked outputs:

- Output 1: Strengthened legal and policy framework for a professional civil service
- Output 2: Improved professional capacities for civil servants
- Output 3: Enhanced gender equality in public administration
- Output 4: Citizen-centred monitoring of public administration performance

The first output provides overarching support to the project as a whole, providing a policy research that can provide relevant and timely evidence and international experience not only for the immediate legal reforms but on other policy issues throughout the lifetime of the project, and which will in turn shape the activities to be supported under the other three outputs.

#### **Output 1: Strengthened legal and policy framework for a professional civil service**

The project will support the following pieces of analytical research designed to inform policy-makers:

- **Stability versus professionalization on Mongolia's Civil Service.** An analysis of turnover in the Mongolian civil service, establishing data on the extent of turnover across time and disaggregated by grade/job function, and between central ministries/agencies and at local levels. Turnover levels will be compared with typical levels for civil services in other countries in order to establish the likely incidence of politically-motivated dismissals and replacements, and the kinds of job which have tended to be most affected by them.
- **Civil service accountability.** A policy study of accountability mechanisms for breach of the civil service law in Mongolia and in selected comparator countries (to include: CSC, the role of trade unions to pursue cases on behalf of affected staff members, the role of administrative courts) to understand better why accountability mechanisms have not been effective in Mongolia and make recommendations for strengthening these.
- **Advancing gender equality in the civil service.** A comprehensive review of existing laws, policies and internal regulations of the civil service, informed by sex disaggregated data, gender indicators and gender analysis, to identify gaps between the de jure and de facto gender equality, particularly in relation to recruitment, appointment and promotion, to ensure they do not discriminate directly or indirectly against women.
- **Development of bylaws and procedures in support of the implementation of the newly approved Civil Service Law.** A set of procedures developed through a rigorous process specified in the Law on Legislation such as consultations with stakeholders and undertaking analytical and comparative studies, and to be approved by the Parliament of Mongolia.

The analysis and options policy papers will be developed in close cooperation with key stakeholders, including members of parliament, the Cabinet Secretariat, the Ministry of Justice and Home Affairs, the Civil Service Council, and civil society actors. The project will organise discussion workshops to enable wide dissemination of the findings and options and an open discussion among all stakeholders to facilitate evidence-based consensus-building on ways forward.

The policy discussion papers and the subsequent policy decisions made by the government and the Parliament, will in turn be used to inform the design of other outputs, so that implementation of reforms – whether through institutional reforms, capacity-building/training, redesign of recruitment, performance management and appraisal, oversight systems, grievance mechanisms or however

else – can be comprehensively supported by the project through a set of strategically coordinated activities.

## **Output 2. Improved professional capacities for civil servants**

This output will support the implementation of the new Civil Service Law, namely the interventions aimed at developing the capacities of civil servants towards professionalization of the civil service. The following section provides the list of deliverables and tentative activities under this Output. However, this list is indicative and a detailed plan will be developed jointly with the Civil Service Council at the outset of the project.

### **Package professionalization training modules available and rolled out**

The Project will assist the Civil Service Council and the National Academy of Governance in developing the content and curriculum for the package professionalization training for specific administrative posts, including senior executive posts in the civil service. The training programme will be developed through a rigorous process, consisting of the needs assessment, comparative studies of similar civil service training programmes in other countries, expert reviews and content validation through testing and piloting, before approving by the Government. This training will be rolled out and offered to those in the administrative posts (18,960 as of 2016). In addition to the knowledge and competences related to functional areas, the package training will include mandatory training on gender, prevention of harassment, sexual harassment and abuse of authority in the workplace, ethics and regulation of conflict of interests. The project will also assist the Civil Service Council in developing the content of the on-the-job training. Where appropriate, the project will pilot and replicate the application of modern training methodologies such as e-learning, with web-classes, electronic books and references, illustrations and animations, and online forums.

**Curriculum reform of the National Academy of Governance.** Support will be provided to the National Academy of Governance in analysing the strengths and weaknesses of its training courses and research capacities. This will be done by way of introducing international standards and methodologies to assess internal capacities, review of teachers' profiles, curriculum and content development, teaching techniques with support from international consultants and twinning arrangements with civil service training institutions from developed countries. Review of curriculum development for training will be the basis for supporting the development of package training modules for administrative posts (ie on the job modules, induction courses to public sector jobs, change management, leadership and service oriented culture) Support will include elements of curriculum update and modernization, evidence-based teaching, modern public management tools and others to be identified throughout the project lifetime.

The project will also support production of modern textbooks on public administration to be used by students of law, public management and administration in law and management schools in universities. The project will cooperate with the National University of Mongolia in this regard.

**Reform of examinations into the civil service system.** An important step in the professionalization of the civil service is examination to ensure candidates are fit-for-purpose. There are two types of examination in the civil service: general entry examination and special examination for specific posts.<sup>10</sup> In both cases, the CSC has introduced comprehensive and modern online recruitment examinations. Yet, there is consensus that both tests have a strong reliance on formalistic and general theoretical legal knowledge rather than the practical skills and capacities necessary to bring innovation and people-centred public services, in particular, specialized professional examinations for higher grades. The Article 33.6 of the new Civil Service Law states that specialized professional examinations shall test candidates' skills and competencies in management, undertaking analytical work, problem solving, and leadership. This will require a different set of methodologies. Support will be provided to address the main limitations of the existing tests and questions, through provision of international good practices and state-of-the-art methodologies on civil service recruitment processes. These may include elements like questionnaire development, grading, multi-step examination, test weights and scoring. As part of this reform the project will facilitate learning from Canada's experience in psychometrically based assessments for senior civil servants.

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<sup>10</sup> In 2016, 5236 persons participated in the civil service entry examinations organized by the CSC and its aimag branches.

**Capacity development on human resources processes.** A modern, professional, politically neutral civil service requires a consistent, fair, transparent and equitable application of norms and regulation, as well as strict adherence to the rule of law. While most of Mongolia's human resources processes aim to achieve this, deficiencies and malpractices still prevail in the application and enforcement of these regulations, especially in applying gender sensitive human resources processes and practices. Most human resources managers in public organizations lack formal training covering all of the stages of the employment process, including recruitment, selection, training, legal rights and responsibilities, compensation, and appraisal. The project will help human resources managers in public organizations acquire hands-on skills for problem solving, developing staff productivity and motivation. The project will also support the production of knowledge products such as textbooks. UNDP will bring international expertise on good practices on human resources management practices, especially those that are related to behavioral change and feedback on the performance by peers and supervisors (e.g. 360 assessment tool). Cooperation will be fostered between Mongolia's Civil Service Council (including branches at ministerial and local levels) and counterparts in developed countries of interest to Mongolia, such as with the Canadian Public Service Commission.

**Ethics and integrity in the civil service.** A merit-oriented civil service requires a minimum degree of ethics and integrity, from the early recruitment process to the daily implementation of activities and relationship with citizens. A professional citizen-centred civil service means an ethical civil service with integrity. With the adoption of the Conflict of Interest Law in 2012 and the National Anti-Corruption Strategy in 2016, it is also high time to promote further the mainstreaming of ethics and integrity in the civil service. The National Anti-corruption Programme (NACP) will be implemented in two phases covering 2016-2019, 2020-2023, the Government of Mongolia approved an action plan to implement the NACP in 2017.<sup>11</sup> The goals and interventions specified both in the NACP and the Action Plan towards "strengthening fair, accountable, transparent civil service, ethical conducts" and "ensuring openness of the public service, and increasing its access and efficiency" overlap with the project in terms of specified goals towards creating professionalized civil service and its scope and implementation timeframe. Therefore, with good coordination among state organizations, they can be mutually supportive.

The project will develop a series of training tools, including a mandatory ethics training that would help public officials to detect and analyse symptoms of problems related to ethics and conflict of interests. The project will help build the capacity of managers to implement the ethics and integrity standards of their organisations, in the context of relevant laws, policies, ethics codes, values and workplace norms. This component will be implemented with the assistance from the Independent Authority against Corruption (IAAC).

### **Output 3: Enhanced gender equality in public administration**

As highlighted in the situation analysis, gender parity and gender sensitive human resources policies and processes and relevant skills is a major consideration in the civil service reform process. While overall the civil service includes a fair participation of women in the public sector, there remains an important concentration of women in the support service category (70 percent women), while only less than a quarter of the political posts are occupied by women, and women represent a significant minority in the highest four administrative grades.<sup>12</sup>

The project will assist the Civil Service Council in developing and implementing a strategy aimed at changing the overall workplace culture and human resource policies; and support capacity building, training and professional development of women in the civil service. The strategy will include systematic curriculum and in-service training on gender equality at all levels, including management, professional courses for senior officials on their responsibilities and accountability with regard to delivering gender equality results, develop communication strategy, sensitization of all staff on harassment and sexual harassment through mandatory training and enforce disciplinary measures, provide support to gender focal points at all levels, apply gender analysis to all policies and practices,

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<sup>11</sup> Government Resolution #114 of 12 April 2017, approving the Action Plan for the implementation of the National Anti-Corruption Strategy.

<sup>12</sup> The administrative posts in the civil service are composed of an ascending 14-grade scale. According to estimates from the Civil Service Council, women in grades 11 to 14 (including heads of aimags' Governor's offices, heads of department, heads of agencies and state secretaries, respectively) represent a significant minority.

undertake a capacity assessment of women in the civil service, support career development and formal leadership training for women civil servants, networking and advocacy.

The project will also assist the Government of Mongolia in the implementation of the gender quota for administrative posts (Article 10 of the GEL). A baseline data defining the current state of the implementation of the GEL will be established jointly with the CSC. The project will assist in establishing enforcement mechanisms and related tools for implementation, capacity building and empowerment of government agencies and staff whose role is to monitor the implementation of the GEL, such as the National Human Rights Commission (NHRCM) and the CSC.

#### **Output 4. Citizen-centred monitoring of public administration performance**

##### **Strategic planning and annual performance plans introduced in public organizations**

Articles 53 and 54 of the Civil Service Law require that each public organization develops a 4 years strategic plan in line with the Action Plan of the Government of Mongolia and its annual performance plan. The Government is expected to develop procedures for the strategic planning and the development of annual performance plans and their respective indicators and reporting. While the rationale behind this initiative and concepts are unclear at this point, it is going to be an important innovation to improve the performance of public organizations and value orientation towards the goal of serving citizens better. Strategic planning in the public sector is a relatively new concept around the world. The Mongolian stakeholders will need a strong exposure to the international literature and experience of strategic planning in the public sector before embarking on such an exercise. In view of this, the project may recruit short-term international consultants on strategic planning and also support study visits to countries where strategic planning has effectively worked in the public sector and improved performance of public agencies.

**Results orientation in internal monitoring and reporting by public agencies.** The project will aim at creating results-oriented culture at all levels of the government by assisting the Government of Mongolia in reviewing the current internal monitoring and evaluation procedures, introducing new planning and reporting formats towards results orientation and training of managers and M&E officers at all levels.

**Improved internal performance appraisal systems.** The project will assist in improving the performance management system in the civil service, by reviewing the related procedures and guidelines, putting in place effective monitoring system at all levels, and promoting the culture of performance management. In cooperation with the Cabinet Secretariat, the Civil Service Council will develop procedures and guidelines for performance management in public organizations. The project will explore the potential for introduction of online performance management system and it will support at least two government agencies and two local governments in the implementation of these procedures, application of performance management tools, including models of standards self-review systems and performance maintenance.

**Participatory monitoring of public administration performance.** The project will adapt, pilot and institutionalize nation-wide a social audit instrument. The Government Action Plan specifically mentions citizens' score card. However, before adapting this tool, the project will review the past and ongoing initiatives on social accountability tools tried in Mongolia and allow the Mongolian policy makers and practitioners study the international experiences so that the lessons learned from these initiatives are well reflected in the new methodology. The project will also have a consultation and validation of the methodology with a wide range of stakeholders. The methodology for citizens' monitoring of public administration performance will be developed in close coordination with the Cabinet Secretariat to ensure it complements and supports the government's own self-assessments.

To ensure an objective and independent assessment of citizens experiences in the evaluation of public administration performance, this component will be coordinated with the Civil Service Council and the Cabinet Secretariat, but implemented independently by a service contractor specialized in sociological surveys and social audits. After discussion and consensus on the methodology, the project will pilot its implementation in selected aimags and districts of Ulaanbaatar. Based on results, lessons learned and suggestions from local and central level authorities, the methodology will be refined and improved. The project will aim to scale up an innovative monitoring mechanism on

citizens experiences with public administration performance tools nationwide and incorporated into the government's monitoring and evaluation system by the end of the project.

**Capacity Strengthening of the Public Oversight Council.** According to the new Civil Service Law, a public council with oversight functions shall be established, the procedure for selection of its members and functioning shall be developed within 2018. The project will provide capacity building support to the Council and its members and foster partnership between the government agencies and the Public Council.

### ***Partnerships***

The project will work with the Civil Service Council as the primary implementing partner, but a number of other key stakeholders will have a role in implementation: the Parliament of Mongolia which will adopt the next reforms (in particular the Standing Committee on State Structure which has a key role in seeking a consensus) and the Ministry of Justice and Home Affairs (MOJHA) for the development of civil service related procedures; the National Academy of Governance which is in charge of curriculum development and training of civil servants, the National University of Mongolia for strengthening public administration courses at universities, and the Independent Authority against Corruption (IAAC) in respect of ethics training, the National Human Rights Commission of Mongolia (NHRCM) in respect of gender training and coordination of implementation of the Gender Equality Law and developing different tools of monitoring of public administration performance with the Cabinet Secretariat.

The choice of the Civil Service Council to implement the project reflects both its oversight role and personnel management role in the civil service.

## IV. RESULTS FRAMEWORK

<b>Intended Outcome as stated in the UNDAF/Country Programme Results and Resource Framework:</b>										
By 2021, governing institutions are more responsive and accountable to citizens, while ensuring effective participation of young people and realization of the rights of the poor and marginalized.										
<b>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</b>										
Indicator 2.4.1: Number of complaints received by Civil Service Council on unlawful dismissal; Baseline (2016): 144; Target: 70 (2020)										
Indicator 2.4.2: Extent to which HRM processes and procedures meet minimum benchmarks of fair and accountable recruitment, performance evaluation, and promotion process; Baseline: baseline study to be conducted in 2018; Target: TBD after baseline value is available										
<b>Applicable Output(s) from the UNDP Strategic Plan:</b> Outcome 2: Citizen expectations for voice, development, the rule of law and accountability are met by stronger systems of democratic governance										
<b>Project title and Atlas Project Number: Towards a Professional and Citizen-centred Civil Service in Mongolia</b>										
EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS & RISKS
			Value	Year	Year 1	Year 2	Year 3	Year 4	FINAL	
<b>Output 1 Strengthened legal and policy framework for a professional civil service</b>	1.1 Turnover rate of civil servants after the elections.	CSC	14.23 %	2016				7.6%		<i>Civil service statistics reflecting turnover rate after the 2020 elections will be made available in the first half of 2021</i>
	1.2 Percentage of acceptance of recommendations from analytical studies supported by the project at the policy level	CSC	<i>n.a.</i>	2017				80%		<i>Further revisions of the Civil Service Law, government action plan, and other policy documents</i>

<b>Output 2 Improved professional capacities for civil servants</b>	2.1 Number of package professionalization training modules available for administrative category of civil servants, including the executive posts.	CSC, Cabinet Secretariat, NAOG	0	2017	2	2			4	Government resolution approving the content and programme of the training as specified in the Civil Service Law.
	2.2 A set of mandatory online training courses on gender, prevention of harassment, sexual harassment and abuse of authority in the workplace, ethics and conflict of interest introduced in the civil service	IAAC, CSC, NHRCM	0	2017		2	2		4	Decisions of the CSC approving the content of the mandatory courses.
	2.3 Completion rate of the mandatory courses	CSC	0	2017		0	30%	50%	80%	CSC reports
	2.4 Reform of entry examinations into the civil service	CSC		2017		1				Decision of the CSC approving procedures for civil service examinations
	2.5 Standard benchmark for fair, transparent, accountable HR processes established and monitored.	CSC	0	2017						Decision of the CSC approving procedures for career based promotion systems, etc.
	2.6 Leadership training module developed and number of trainers trained	NAOG	1	2017	1	30				CSC has leadership training module, which needs to be updated.
	2.7 Number of middle and senior level civil servants received leadership training	CSC	0	2017			450	450	900	CSC reports
<b>Output 3 Enhanced gender equality in public administration</b>	3.1 Increased representation of women in senior administrative post	CSC	8.3%	2016					10% increase	This includes state secretaries, heads of government agencies, aimag governor's offices, and Hural Secretariat,
	3.2 Number of senior managers received gender-sensitization training	CSC	0	2017	0	60	60	60	180	Project reports
	3.3 A mechanism in place to monitor the implementation of the gender quota in the civil service	CSC, NHRCM	0	2017	1	1	1	1		Joint reports of the CSC and NHRCM
	3.4 Number of women benefited from leadership and networking programmes	UNDP	0	2017	100	500	200	200	1000	Project reports
<b>Output 4</b>	4.1 Number of government agencies adopted a standard procedure for performance appraisals	Cabinet Secretariat	0	2017		2	10	11	25	

<b>Citizens-centred monitoring of public administration performance</b>	4.2 Number of government agencies developed strategic and annual business plans	<i>Cabinet Secretariat</i>	0	2017				40		
	4.3. A methodology for citizen monitoring of performance of public service agencies adopted as part of the government M&E system	<i>Cabinet Secretariat</i>	1	2017		1				<i>A methodology for citizen monitoring was approved in 2017, However it needs further improvement.</i>

## V. MONITORING AND EVALUATION

In accordance with UNDP's programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans:

### Monitoring Plan

Monitoring Activity	Purpose	Frequency	Expected Action	Partners (if joint)	Cost (if any)
<b>Track results progress</b>	Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs.	Annually	Slower than expected progress will be addressed by project management.		
<b>Monitor and Manage Risk</b>	Identify and monitor risk management actions using a risk log. Audits will be conducted in accordance with UNDP's audit policy to manage financial risk.	Quarterly, Annual financial audits	Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken.		\$20000 for external audit
<b>Learn</b>	Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project.	At least annually	Relevant lessons are captured by the project team and used to inform management decisions.		
<b>Annual Project Quality Assurance</b>	The quality of the project will be assessed against UNDP's quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project.	Annually	Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance.		
<b>Project Report</b>	A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk log with mitigation measures, and any evaluation or review reports prepared over the period.	Annually, and at the end of the project (final report)			
<b>Project Review (Project Board)</b>	The project board will meet twice a year to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project's final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences.	Biannually	Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified.		

**Evaluation Plan**

<b>Evaluation Title</b>	<b>Partners (if joint)</b>	<b>Related Strategic Plan Output</b>	<b>UNDAF/CPD Outcome</b>	<b>Planned Completion Date</b>	<b>Key Evaluation Stakeholders</b>	<b>Cost and Source of Funding</b>
Outcome Evaluation	UNDP/DFATD			Dec 2021		\$30,000

## VII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

The implementing agency for this project will be the Civil Service Council. The government coordinating agency will be the Standing Committee on State Structure, Parliament of Mongolia. The project will achieve four parallel outputs contributing to the overall project outcome. Consequently, it will adopt a multi-stakeholder approach working with relevant agencies responsible for delivering the respective outputs. In that respect, the following will be the main responsible parties by outputs:

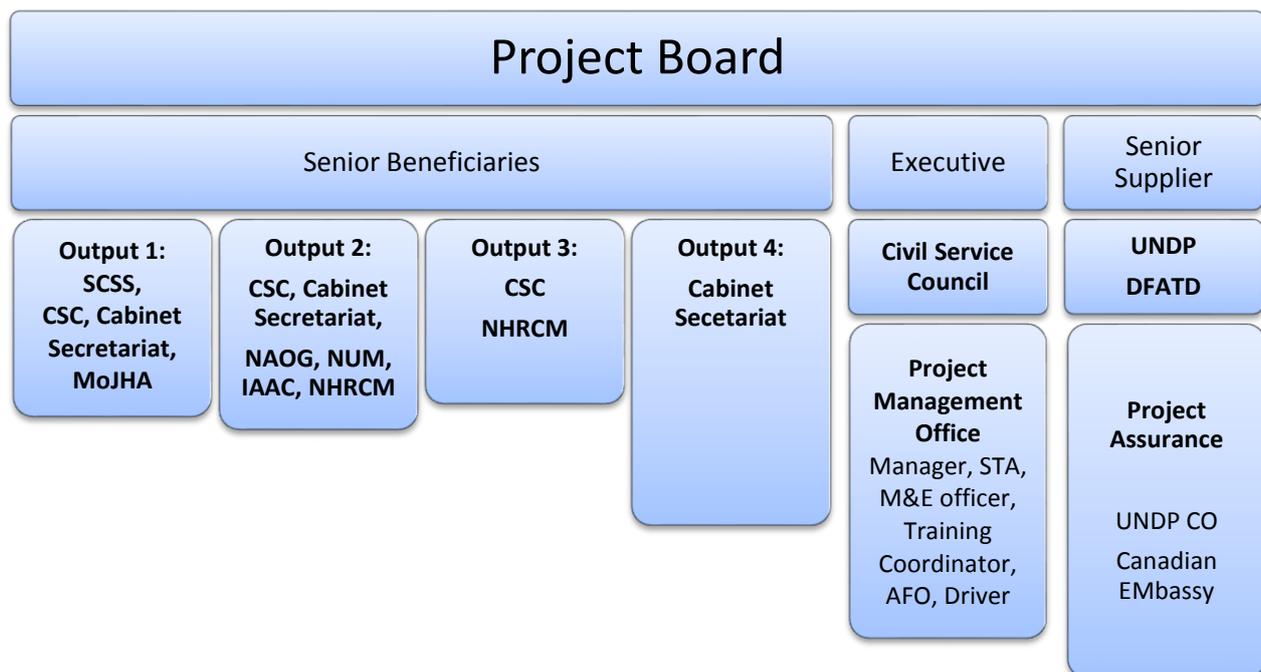
**Output 1.** Civil Service Council in partnership with the Standing Committee on State Structure of the Parliament (SCSS), the Cabinet Secretariat (CS) and the Ministry of Justice and Home Affairs (MOJHA)

**Output 2.** Civil Service Council, Cabinet Secretariat, the National Academy of Governance, the National University of Mongolia, the Independent Authority against Corruption (IAAC) and the National Human Rights Commission of Mongolia (NHRCM)

**Output 3.** Civil Service Council and the NHRCM

**Output 4.** Cabinet Secretariat, complemented by an independent party to be identified from open competitive recruitment processes.

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



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

The Board will be chaired by a representative assigned by the Chair of the Standing Committee on State Structure and the UNDP Resident Representative who will co-chair Board meetings. The PB will meet at least every 6 months. The project executives will be responsible for overall guidance and direction of the project, overseeing delivery of the project and deciding on corrective action for Board consideration as needed. The Chair of the Civil Service Council will act as the **National Project Director** and will sign all financial and legal documents on behalf of the CSC.

**Beneficiaries** will include the Standing Committee on State Structure of the Parliament (SCSS), the Cabinet Secretariat (CS), the Ministry of Justice and Home Affairs (MOJHA), the National Academy of Governance (NAOG), the National University of Mongolia (NUM), the Independent Authority against Corruption (IAAC) and the National Human Rights Commission of Mongolia (NHRM). Project beneficiaries are responsible for Co-ownership of the project from a user (stakeholder) viewpoint, ensuring the realization of the project results from the perspective of the beneficiaries, attending Project Executive Board meetings and reviews, reviewing exception reports and exception plans and recommending corrective action when required.

UNDP and DFATD will be the **Senior Supplier(s)** of the project. The Senior Suppliers represent the interests of the parties which provide funding and technical expertise to the project. UNDP and DFATD are responsible for making sure that progress towards the outputs remain consistent from the supplier perspective, the required resources are made available and contribute supplier opinions on Project Board decisions, arbitrate on, and ensure resolution of, any supplier priority or resource conflicts. The role of the Senior Suppliers is to advise on the selection of strategy, design and methods to carry out project activities; ensure that any standards defined for the project are met and used to good effect; monitor potential changes and their impact on the quality of deliverables from a supplier perspective; monitor any risks in the implementation aspects of the project

### **The Project Implementation Unit (PIU)**

The UNDP will recruit a Project Manager and Administrative and Finance Officer and Monitoring and Evaluation Officer. The role of the **Project Manager** will be to: (i) ensure the overall project management and monitoring according to NIM guidelines; (ii) facilitate communication and networking among key stakeholders; (iii) organize the meetings of the Project Board; and (iv) support stakeholders. The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Project Board and is responsible for day-to-day management and decision making for the project. The Project Manager's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. Responsibilities include the preparation of progress reports which are to be submitted to the members of the Project Board. The Monitoring and Evaluation (M&E) Officer's responsibility is to monitor progress against the project the monitoring plan, collect baseline and progress data and reporting. The Administrative and Finance Officer (AFO) is responsible for ensuring proper accounting and procedures of the project implementation.

**Senior Technical Advisor (STA):** A senior technical advisor (STA) will be recruited to provide overall substantive and quality assurance roles. The STA will have the overall responsibility to manage the substantive and technical implementation of activities, and not the management aspects. The STA will report both to UNDP Country Office and the project management office.

**Training Coordination Officer (TCO):** UNDP will recruit a training coordination officer, who will provide coordination and logistical support to the training activities, and provide quality assurance for products and deliverables under the entire training components of the Project.

All project team members shall be UNDP service contract holders. Where necessary, administrative support officers or technical experts may be recruited by the Implementing Agency on a short-term basis, during peak periods of the project implementation.

**The Project Assurance.** The Project Assurance function will be performed by UNDP's Country Office and a representative of DFATD in Mongolia.

It should ensure that project plans are being developed according to standards and that management procedures are properly followed; project outputs definitions and activity definition have been properly recorded in the Atlas Project Management module to facilitate monitoring and reporting; project board's recommendations are followed and revisions are managed in line with the required procedures.

UNDP's Quality Assurance Standards and Tools will be applied throughout the project implementation. The project quality assurance report is attached to the current project document (Annex 3), it will be updated annually and at the end of the project, shall be presented to the Project Board. Quality Assurance reports along with ratings of project parameters of strategic orientation, relevance, management and reporting, efficiency, effectiveness, sustainability and national ownership shall be done by a programme officer and endorsed by UNDP DRR and submitted to UNDP HQs, who in turn monitors COs' performance through a dashboard.

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

- Funds are made available to the project;
- Assure quality of the project annually using the Project Quality Assurance rating tool for the Implementation Monitoring phase;
- The project is making progress towards intended outputs;
- Perform regular monitoring activities, such as periodic monitoring visits and "spot checks";
- Resources entrusted to UNDP are utilized appropriately;
- Critical project information is monitored and updated in Atlas;
- Financial reports are submitted to UNDP on time, and that combined delivery reports are prepared and submitted to the project board;
- Risks are properly managed, and that the risk log in Atlas is regularly updated.

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

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## VIII. LEGAL CONTEXT AND RISK MANAGEMENT

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

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

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**IX. ANNEXES**

- 1. Project Board Terms of Reference and TORs of key management positions**
- 2. Risk Analysis**
- 3. Project Quality Assurance Report**