INNOVABRIDGE

FINAL EVALUATION
OF THE GOVERNANCE AND DECENTRALISATION
PROGRAMME (GDP) IN MONGOLIA

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TABLE OF CONTENTS

ACRONYMS

BPR	Business process reengineering
CabSec	Cabinet Secretariat
CE	Citizen Engagement
CEP	Citizen Engagement Project
CISC	Citizen Information Service Center
CSC	Civil service council
CP	Capitalisation products
DPSP	Decentralisation Policy Support Project
FA	Functional allocation
FDG	Focus group discussions
GDP	Governance and Decentralisation Programme
GESI	Gender equality and social inclusion
GoM	Government of Mongolia
HRDC	Human Resource Development Center
ILB	Integrated Law on Budget
LATUG	Law on Administrative and Territorial Units and their Governance
LDF	Local development fund
LMS	Learning management system
LSGB	Local self-governance bodies
MUB	Municipality of Ulaanbaatar
NAOG	National Academy of Governance
NICS	National ICT competency standards
OECD-DAC	Organisation of Economic Co-operation and Development – Development Assistance Committee
PIU	Project implementation unit(s)
PSEAH	Prevention of Sexual Exploitation and Harassment
PSMFL	Public Sector Management and Finance Law
RBM	Results based management
SCO	Swiss Cooperation Office
SDC	Swiss Development Cooperation
TOR	Terms of Reference
TOT	Training of Trainers
UGP	Urban Governance Project

EXECUTIVE SUMMARY

Since the early 1990s the Government of Mongolia (GoM) has set out on a progressive path of decentralisation reforms with the intention to bring government and efficient, accountable public service delivery closer to its people. Since 2012, Switzerland, through the Swiss Agency for Development and Cooperation (SDC) in Mongolia has been supporting the GoM and the Mongolian people on this journey through its three-phase Governance and Decentralisation Programme (GDP). Currently, the GDP is in its final, exit phase which will end in December 2022.

This evaluation report summarises key findings from an independent evaluation of GDP`s final, exit phase (2020-2022) while taking into consideration its previous two phases. Conducted between May and July 2022 by Swiss based INNOVABRIDGE Foundation, the evaluation assessed GDP by applying the OECD-DAC criteria of relevance, coherence, effectiveness, efficiency, impact and sustainability. The evaluation team was very grateful for the apt support of the Swiss Cooperation Office (SCO) in Mongolia, to the implementing project partners and stakeholders interviewed. We learned and gained meaningful insights from all of them.

By design, GDP comprises three complementary sub-projects – *Decentralisation Policy Support Project (DPSP), Urban Governance Project (UGP)* and *Citizen Engagement Project* (CEP). GDP`s exit phase aimed to build on and consolidate the results achieved of GDP`s first two phases. Overarchingly, it was to contribute to sub-national governments` empowerment and their accountability to citizens, to the provision of public services that respond to citizens' (men`s and women`s) needs and to enhanced democratization through bottom-up citizen engagement.

Overall, the evaluation found the Programme to be highly contextually relevant throughout its three phases. In the exit phase, GDP`s systemic, three-pronged, fit-for-purpose design – with top-down legislative support, downstream de-concentration and digitalization of service delivery coupled with bottom-up civic engagement – aligned well with Mongolia`s governance and development priorities, with the Sustainable Development Goals (namely SDG 11, 16) and with the priorities set out in Swiss Cooperation Strategy Mongolia (2018-2021) and in the Swiss Cooperation Phasing Out Programme Mongolia (2022-2024). Its longer-term presence, high impact partners, professional staff and flexibility contributed to its trust-based and constructive working relationships appreciated by all.

Systemically, majority (67%) of the implementing partners felt that GDP had the strongest impact on administrative decentralisation but to a lesser degree on fiscal and political decentralisation. The principle of subsidiarity has not reached a sufficient level of maturity in the two domains hence the impact of de facto devolution of powers is limited at the sub-national level. This is somewhat understandable as the latter two processes are still ongoing. Moreover, support for fiscal decentralisation was primarily provided by the SDC-World Bank co-funded Sustainability Livelihoods Project (SLP III)[1]. Hence, the two domains are not fully within GDP`s purview of influence. Instead, GDP`s distinctive contribution was its catalytic support in the *acceleration, systematisation, standardisation and methodological enhancement of the design and implementation of the decentralisation process.*

Other systemic impacts were observed at legislative level where the programme`s technical assistance, high impact partners, convening power and facilitation of legal expertise impacted the way revisions to the Law on Administrative and Territorial Units and their Governance (LATUG) and new decentralisation reforms on functional allocation (FA) were architected. Procedurally, GDP also set important precedents for more efficient, de-concentrated service delivery by reducing bureaucracy and transaction costs with visible

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[1] World Bank Group. *Sustainable Livelihoods Project III – P125232.* https://www.worldbank.org/en/news/loans-credits/2020/04/24/mongolia-third-sustainable-livelihoods-project-additional-financing. It is foreseen that the project will continue until 2023 and likely beyond.

impact on businesses` and citizens` daily lives. Focus on urban development, work with the media, youth and communities via the Local development Fund (LDF) enhanced the bottom-up vector of decentralisation, transparency and local democracy. These were largely absent in Mongolia due to the strong legacy of a centralized system. GDP`s innovative trainings for civil servants were so well received that the Municipality of Ulaanbaatar has decided to fully fund and institutionalise it in the form of a new municipal training center and concept.

Areas where systemic impacts were less evident include select legislative areas - such as the Law on the Status of Cities and Villages, and on Citizens' Political Rights which are still pending as political resistance is stiff. Connection of GDP`s work to the anti-corruption agenda in Mongolia (*Goal 5.6 in Vision 2050*) could have been stronger even though the topic may have been contextually challenging to address. Nonetheless, it is fair to say that though GDP did not endeavour to work on anti-corruption explicitly, its increased focus on the digitalisation of administrative services in Phases II and III has contributed to Mongolia`s fight against corruption in the public sector. The latter two are positively correlated. Yet by focusing on the normative, structural, procedural and human capacity dimensions of decentralisation, though highly important, makes GDP`s direct attribution of impact on the expected higher level development outcome of poverty reduction more challenging to measure. Here clearer definitions of the terms and outcome-output-activity causal linkages would have been helpful.

SDC in Mongolia has a diverse governance portfolio with nine different projects. To ensure coherence within the portfolio, synergies between the three GDP and six other projects were pro-actively incentivised by SCO staff through frequent synergy meetings and concrete inter-project collaborations. These inter-project linkages were highly appreciated by all involved. Internal coherence was thus well managed but external sectoral coordination was rather limited due to the paucity of donors working in the sector. With the few active donors, SCO found it challenging to find common policy advocacy positions and fruitful collaboration on GDP related themes.

The programme`s effectiveness was assessed as moderate to high with majority of the expected outputs achieved though with some delays in the DPSP. These were attributed to the slow-down of implementation during the COVID 19 pandemic, to emerging political setbacks but also to the somewhat overoptimistic timeframe (2016-2020) set for the completion of the reforms at GDP`s inception. Due to the COVID 19 pandemic, some adjustments to the budget had to be made by all three project. Nonetheless, for UGP and CEP is expected to reach 100% disbursement by December 2022. To fully disburse and achieve its pending objectives, however, the DPSP project implementation unit (PIU) is requesting a one year extension until December 2023.

Responsiveness to gender and social inclusion (GESI) was evident in the form of disaggregated data collection, reporting, GESI enhanced training and knowledge materials. A more nuanced, impactful effort could have been exerted to integrate GESI responsive budgeting in public financial management linked to the decentralisation reforms supported by GDP. The programme was well positioned to do so but seemingly did not visibly explore it. Perceived adequacy of PSEAH provisions in Mongolia`s legislation and in most implementing partners` own policies prevented more explicit efforts in PSEAH mainstreaming. For evaluators it was challenging to assess the validity of these perceptions. PCU is perhaps better fit to revisit and address any incongruencies vis-à-vis the expected commitments with respective PIUs.

Overall, depending on the intervention area, GDP's prospects for sustainability are good-to-very high. The evaluators have reasonable confidence that the legal framework for administrative decentralisation and implemented changes were internalised with high level of local ownership. For example, some newly created institutions such as the municipal training center (HRDC) were already fully absorbed by local authorities while others such as the National Legal Institute guarantee sustainability through future allocation of staff and funding. Yet prospects for the future of fiscal decentralisation and the LDF are more volatile as they are

subject to complex political and economic factors that are beyond GDP`s control to influence.

Until December 2022, it is thus recommended, that GDP projects focus staying on track with their deliverables and disbursement to ensure the effective closure of their accounts and activities. For DPSP, decision whether a no-cost extension until 2023 will be granted needs to be jointly discussed between the SCO and the DPSP PIU. During the deliberations, a solid rationale with a clear business plan for the extension needs to be presented by the PIU. UGP is well on track for a smooth handover. The only area where attention needs to be paid is in the transfer of all digital solutions produced by GDP to the eMongolia platform. These efforts should be complemented by a beneficiary-focused awareness raising campaign about the change management process. In CEP, the variety of successfully piloted CE mechanisms should be consolidated into comprehensive civic engagement (CE) methodology that could be easily applied by subnational governments and civil society organizations (CSO) in their daily practice nationwide.

When it comes to the capitalization products (CP), several considerations are recommended. The principal one prompts SCO and PIUs to speed up the completion of CPs by no later than end of October 2022. Revisiting the CP list and systematically assessing the rationale, audience, cost-benefit (value added) and clear dissemination strategy for each CP is also recommended. CPs should be meaningful and developed to outlive GDP`s exit phase, going beyond a single event, viewing or a reading. Heavily paper based products should be avoided. Rather practical, interactive, online content for a wider range of audiences should be considered.

1.   OBJECTIVES

1.1 Objectives of the evaluation

The objective of the evaluation was to evaluate the exit phase of the Governance Decentralisation Programme (GDP) January 2020 – December 2022 while also taking into account the previous two phases – GDP II and GDP I. By providing an impartial point of view, the evaluation was to review and offer relevant recommendations for the smooth completion and handover of the programme`s key activities to local partners. The evaluation was additionally tasked to review the planned list of capitalization products (CP) to be elaborated and presented by the GDP and its projects by December 2022.

As this is GDP`s last and exit phase, the conclusions and recommendations are primarily addressed to the programme`s partners who will continue to work on GDP`s issues while also informing the SCO staff. The evaluators were asked to place particular focus on the prospective sustainability of the programme`s activities by distinguishing which:

- are sustainable without the need for further support after the programme`s exit;
- have not yet achieved the desired results and/or sustainability and should be continued by other national and/or international actors (e.g. Swiss actors or others active in Mongolia), suggestions for potential actors to provided;
- should be fully stopped.

How well the programme integrated transversal themes of gender mainstreaming, social inclusion, good governance as well Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) were also to be included in the evaluation`s assessment.

The evaluation took place from 1 May to 22 August 2022, involving three evaluators comprising two international and one local expert. SDC peer reviewer from SCO in Cambodia also joined the team and positively contributed to the evaluation. As a complementary function, INNOVABRIDGE Foundation also engaged an Associate to administer an online rapid impact assessment survey.

Sequencing of the evaluation process was based on three mutually reinforcing phases:

- *Preparatory online kick-off meeting and desk review phase* which involved a joint introduction, setting of expectations and followed by an in-depth desk review of relevant programme documents, country strategies and secondary data collection.
- *Data Collection & Consultative Phase* included a 10-day field mission from 27 June to 8 July 2022 in Mongolia during which primary quantitative data through the rapid online assessment and qualitative data were collected through 63 face-to-face, structured interviews, 7 focus group discussions (FGDs) and interactive consultations with vested stakeholders. A validation workshop with GDP`s key stakeholders and SCO staff, as well as a separate debrief with the SCO were conducted at the end of the mission.
- *Harvesting, Validation, Feedback Capture and Synopsis Phase* focused on the analytical aggregation of impacts at the *meta - Programme – level*, writing of the draft evaluation report, peer and SCO review and capturing of comments.

> **Semi-structured Interviews & focus group discussions completed (27 June – 8 July 2022)**
>
> - **UGP** – 30 Interviews, 3 FGDs, Site visits: 16th Khoroo, Chingeltei district, CISC
> - **DPSP** – 20 Interviews, Site visits: 1 aimag visit (Töv)
> - **CEP** – 13 interviews, 1 FGD
> - **1 FGD with projects in SCO`s governance portfolio** – MASAM, SLP III, PIE, SRBM
>
> The full list of interviews and FGDs is available in the Bibliography.

1.2 Methodology

In line with the ToR, the consulting team used a participatory, mixed method, blended approach based on the six OECD-DAC criteria for evaluating development projects.

***Mixed methods* approach** applied triangulation of qualitative and quantitative data available. Qualitative data and insights were gained through the mentioned structured interviews and FGDs. During qualitative data collection, mindful attention was paid to the inclusion of women`s voices, youth, and vulnerable groups` perspectives.

**Figure 1 : OECD-DAC Evaluation Criteria**
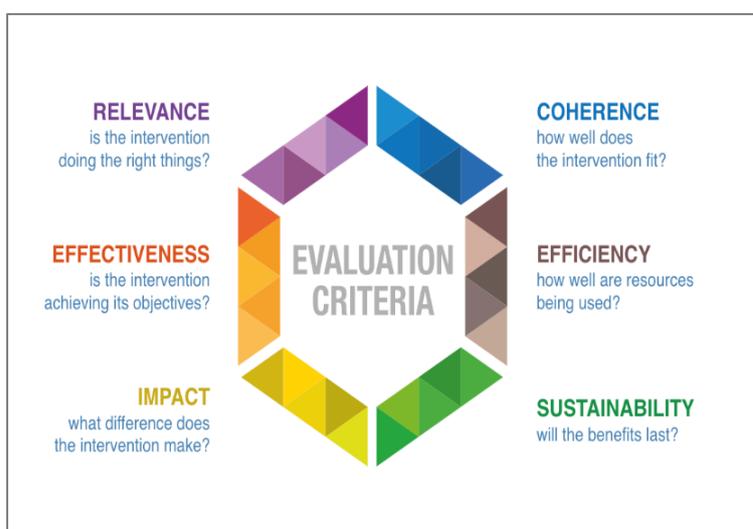
Source : OECD-DAC

Online survey. The quantitative analysis included evaluators' review of surveys conducted or commissioned by GDP`s three projects. Supplementing these, the evaluation team also conducted a rapid impact assessment using a blended - online and offline survey which targeted 60 GDP stakeholders.  The objective of the survey was for the project partners to anonymously reflect on and self-assess the programme`s impact(s) and thereby to enrich the evaluation`s of findings. The survey was translated into Mongolian and conducted 7-29 July 2022. Ultimately, 77% response rate (61 responses) were received, among which 66% were female respondents, 33% were male and 1% identified as `other`. An equivalent survey would have been ideally conducted with GDP`s beneficiaries but due to the evaluation`s time constraints, this was not possible.

Data aggregation and analysis. Given the programmme`s complexity, to aggregate data collected and to assess GDP on the OECD criteria, the evaluation used a fit-for-purpose adequacy assessment based on contribution analysis[2], process tracing, actor attribution and thorough validation of the project`s achievements as per the programme` logical framework and key KPIs. Sequentially, first the evaluators assessed GDP`s three projects following which aggregate findings were attributed at the *meta – Programme – level*. Context specificity - reflection on the results within Mongolia`s political, social and economic context were integral to the analysis. Cross-cutting issues of good governance, gender mainstreaming, social inclusion and Prevention of Sexual Exploitation, Abuse and Harassment (PSEAH) were systematically integrated as a distinct questions in the interviews. The three phases and triangulation of quantitative and qualitative insights thus provided a rich basis for deriving attributive programme impacts as well as the list of recommended capitalization products related to GDP.

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[2] *Contribution Analysis* refers to an approach for assessing causal questions and inferring causality in real-life program evaluations. Its aims to reduce uncertainty about the contribution the intervention is making to the observed results through an increased understanding of why the observed results have occurred (or not!) and the roles played by the intervention and other internal and external factors.

Figure 2: Contribution analysis approach for evaluation of GDP
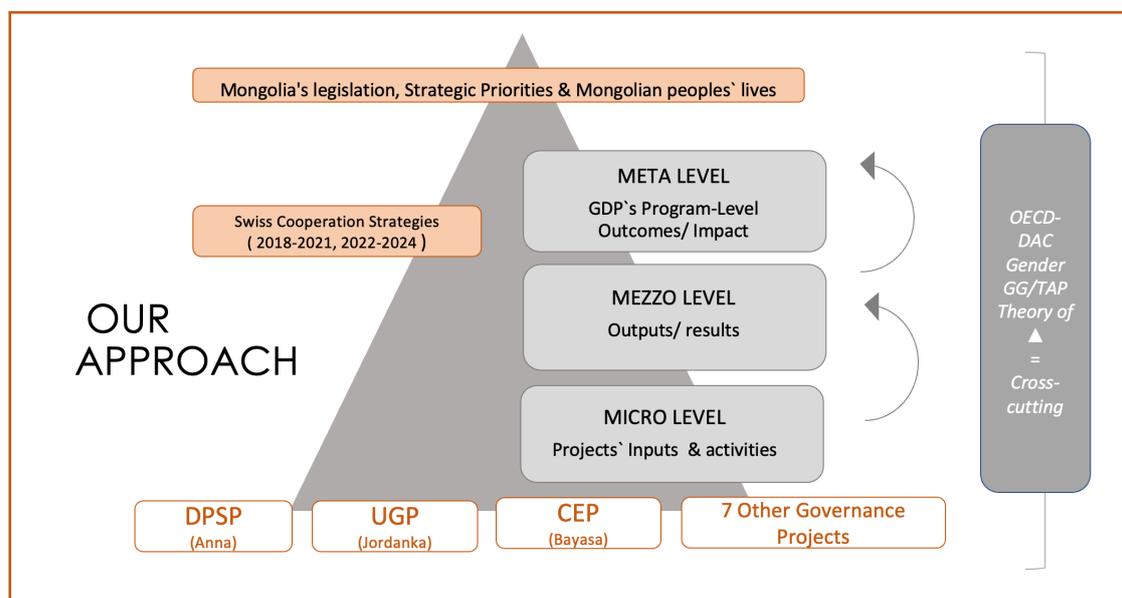
Expected Deliverables for the evaluation included an inception workplan and methodology for SCO Mongolia presented in May, a post-mission validation workshop with pertinent stakeholders on the `first cut` of evaluation findings conducted 7 July 2022 on-site in Ulaanbataar and a face-to-face internal debriefing with SCO Mongolia (18 July 2022), a draft evaluation report and a final evaluation report in English and in Mongolian, with a maximum length of 30 pages (without annexes) to be completed to SCO by 22 August 2022.

2.   CONTEXT

2.1   Decentralisation reforms in Mongolia

At the beginning of 1990s, Mongolia was characterized by a highly centralized public administration system but decentralisation was demonstrably on its legislative reform agenda. The 1992 Mongolian Constitution[3] and its Articles 57–63 outlined the division of the Country into "Administrative and Territorial Units" and their "Governing Bodies". According to the Constitution, the Mongolian People were granted the right to directly participate in political decision-making through elections at national Parliamentary level and at Local Self-Governance level.

The Law on Administrative and Territorial Units and their Governance (LATUG) was ratified in 1992 under the new concept of local self-governance specified in the Constitution. The LATUG is a fundamental, organic law that regulates governance of administrative and territorial units at all levels of government.

In addition to LATUG, in 1992, the GoM introduced a decentralisation policy called the Management Development Programme, focusing on design and implementation of the local administrative systems at the subnational level. It also included capacity development provisions while in 1994, the "Public Service law" defined the tasks and directions of the public service system while structural aspects of decentralisation related to authority and functional of the central government.

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[3] Reprint of Constitution of Mongolia. (1992) Chapter 4, Law Library, Parliament of Mongolia.

During 1996-2000, the GoM continued to deepen its decentralisation agenda. It promoted regional and rural development to address the over-concentration of economic opportunity in the capital city and central, more market-accessible regions of the country. It increased accountability in the public sector, expanded the competencies of local governments (LG) to generate their own revenues with discretionary control, and offered citizens greater opportunity to directly monitor the performance of their elected representatives. During this period, the LG were enabled to set select local taxes, they gained authority on expenditure of their own revenues and on some local decision making.

The Public Sector Management and Finance Law (PSMFL) was passed in 2002. As a basis for the PSFML, and as a part of its enforcement, a system of a central consolidated state budget was established together with international accounting principles. 2003 marked a shift to a consolidated state fund to be used by all national and local institutions. According to those interviewed, however, this step marked a move toward centralized decision-making hence contradicting the ongoing decentralisation efforts. From 2013 onwards, decentralisation efforts started to implement new measures focused on fiscal decentralisation and increased citizen participation at all levels.

The Integrated Budget Law (IBL) came into effect in 2013 aiming to improve reporting of government`s contingent liabilities and to strengthen public investment planning. The law was supported by SDC through the GDP programme and introduced LG`s authority over the Local Development Fund (LDF) in both rural areas and in the Municipality of Ulaanbaatar (MUB). At the same time as IBL was adopted, the Parliament approved amendments to the Public Procurement Law and to the Freedom of Information Act which shed more clarity on intergovernmental transfers and functions among different levels of government but many overlapping responsibilities still remained. The Cabinet`s adoption of the Resolution on State policy on decentralisation reform in June 2016 finally delineated LG`s functions, finances and responsibilities. In 2021, the Parliament of Mongolia formed the working group on decentralisation. These actions provided a clearer and more consistent national framework for the subnational governance and service delivery.

The LATUG provides a uniform framework and makes no distinction between subnational governments and their roles and powers in terms of their location. This poses a challenge for MUB and emerging secondary centers. The 1993 Law on Legal Status of Cities and Settlements granted only three cities with a national status: Ulaanbaatar, Darkhan and Erdenet. In national cities, the corresponding aimag or capital city governor is also mayor of the city which results in institutional confusion regarding the aimag-center soum authorities and their respective roles in city governance. Several major revisions to the legislation governing status and powers of Ulaanbaatar have been proposed, but which are still pending to be approved. The Parliament of Mongolia approved significant amendments to the LATUG in December 2021 which brought new concepts and principles to the law by increasing local powers, enabling LGs to generate their own revenues by introducing local taxes for the first time, ensuring citizen participation hence expanding fiscal decentralisation. This was an important further step within the fiscal decentralisation agenda.

For example, the main principles of decentralisation, including subsidiarity, financing following function, and disentanglement were incorporated while significant changes related to rational reallocation of functions across various levels of government. The revised LATUG thus sets an important groundwork for local development, namely clarifying the definition of "function", "competence", and "power" at all levels of government.

Human resources. In 2022, the total number of civil servants amounted to 208,864 out of which 62% were women[4], while elected Khural[5] members included 8,157 aimag and soum

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[4] Mongolian Statistical Information Service, www.1212.mn, (last accessed 25/07/2022).

[5] Khural/ Khural is the Assembly of elected citizens. Each aimag and soum has its Khural. At National, it is called the Great State Khural.

6combined, 27% were women. The Law of Mongolia on the Civil Services was amended in January 2019 and a New Labour Law came into effect in 2021. The Civil Service Council (CSC) formulates and oversees policy and procedures, performance monitoring and the training programmes for public servants in all categories at the central and subnational level. This legal framework regulates a degree of local control over subnational government personnel. In contrast, governors use their dual oversight over staff in deconcentrated sectoral departments, while the central ministries still play the key role. Mongolia faces challenges in developing an adequate legal and regulatory framework for its civil servants despite amendments to the Civil Service and the Election Laws and enhanced power of the CSC. One major amendment to the Civil Service Law was to prevent political interference in the recruitment of civil servants. The revised law now reinforces a career and merit based civil service regime. However, it is unclear how effective these measures will be. The National Academy of Governance (NAOG) is responsible for the professional development of civil servants.

Financing dimensions. The Integrated Budget Law added new advancements in functional decentralisation with a modest step toward fiscal decentralisation by: (i) defining devolved service delivery such as delegation of basic education and primary health to the *aimag* level; (ii) reassignment of revenues, such as modest tax and non-tax revenues, to local governments and reducing revenue sharing between the levels; (iii) a local development fund allowing modest volume of flexible financing to respond to local priorities; (iv) empowerment of subnational governments and citizen engagement that grants the public the right to provide inputs to the Hural on budget preparation in a transparent manner.

Impact of decentralisation efforts at sub-national level is still limited. While the afore mentioned represent positive advancements toward decentralisation, Mongolia is a big country, and services need to be delivered nationwide to ensure that people are motivated to live in remote areas. However, the actual re-allocation of funding and administrative positions has not followed the reallocation of functions yet. In 2022, implementation was planned and budgeting was envisaged to start in 2023. Moreover, a system for monitoring fiscal decentralisation is absent. National audit authority, performance monitoring and financial data processing is weak. Fiscal decentralisation is subject to state budget, and according to the Ministry of Finance[7], the budget deficit limits available funding for the reallocation of functions. It is thus too early to expect impact of decentralisation at the sub-national level.

2.2 GDP: Programme Overview

The purpose of this section is to provide a factual account of the GDP history, objectives, organisation and financing without passing a judgement. Evaluation findings that interpret and assess the programme, are presented in the section 3 below.

SDC`s rationale for engagement

Switzerland and Mongolia established diplomatic relations in 1964. According to the Swiss Cooperation Phasing-Out Programme in Mongolia, 2022 – 2024, both countries share democratic values. Multilaterally, Mongolia is a like-minded state and a cooperation partner on select topics though Switzerland's economic relations with Mongolia remain modest.

Switzerland`s bilateral cooperation support to Mongolia started in 2001. The Swiss Agency for Development and Cooperation (SDC) opened its office in Ulaanbaatar in 2004 and focused its support on the sustainable use of natural resources, agricultural development, and food security. Cooperation has expanded over the years to include governance, vocational

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[6] *Aimag* refers to a `regional` territorial unit, internationally assimilated to the term of "province",and *soum* is an equivalent of a "municipality" or `district`, in urban areas it is called a `Khoroo`. While Aimags and Soums are decentralized units (having their own budgets), Khoroos are deconcentrated ones (without own budget).

[7] Ministry of Finance, Evaluation interview, MN 16, 4 July 2022.

education and training, and environmental sustainability. SDC's current cooperation priorities include i) democracy, respect for human rights and the promotion of gender equality; ii) climate change adaptation/mitigation and environmental sustainability; and iii) inclusive economic development for sustainable livelihoods.[8]

After 20 years, Switzerland will phase out its bilateral development cooperation in Mongolia by the end of 2024. The SDC presence will be closed and all political affairs will be handed over to the Swiss Embassy in China. There are no Swiss NGOs or foundations that may require further support, and exit will be final. Priorities for support specify that the largest allocation, 44% of the programme's budget, will be used for democratic governance, respect for human rights, and promotion of gender equality to create equal access to quality decentralized public services (Swiss Portfolio Outcome 1). The second largest allocation of 35% is reserved for climate change adaptation and environmental sustainability (Swiss Portfolio Outcome 2). Out of the remaining funds, 12% will target inclusive economic development (Swiss Portfolio Outcome 3) and 9% is dedicated to small actions, with one-third designated for cultural endeavours.[9]

SDC has been the main donor in the governance domain in Mongolia. SDC aimed to support Mongolia's decentralisation reform process by fostering empowered, democratic and accountable sub-national governments that provide services responding to citizens' needs. The Governance Decentralisation Programme (GDP) is an important programme in SDC Mongolia's governance portfolio

GDP Intervention Logic. GDP was implemented at national and local levels in cooperation with government partners and civil society organisations. It provided both policy and implementation support to advance decentralisation and strengthen democratisation process in Mongolia. The first phase of GDP was implemented from April 2012 to March 2015, followed by the second phase from April 2015 to December 2019, and the third and Exit phase from January 2020 to December 2022. The total SDC budget over three phases was CHF 19'439'000. The monetary and in-kind contribution of government partners in 2012-2021 amounted to CHF 1'148'537, while commitment for 2022 amounts to CHF 1'041'442.

Phase I: GDP-I (2012 – 2015) consisted of four projects, with a budget of CHF 7,5 million. Under each project, the following activities were undertaken:

1. Policy Support and Research – multiple implementing partners (WB, UNDP, ZDA etc), budget CHF 930,000;
2. Strengthening PFM at Sub-National Level – WB & MercyCorps, CHF 1,790,000;
3. Fostering Civic Engagement at Sub-National Level – The Asia Foundation, Institute of Direct Democracy and Decentralisation, (IDDD, a local NGO) - CHF 1,700,000;
4. Bringing Public Services to Citizens' Doorsteps (WB, Human Security Policy Studies Centre, a local NGO) – CHF 1,800,000.

In addition, CHF 1,344,000 were budgeted for the SDC administered costs.

Phase II (2015-2019) involved significant changes. While budget amounted to CHF 8,375,000 the project management modality changed where GDP-II became directly managed by the SCO/Governance domain. The idea was to put the GoM more in the driving seat. The implementing partners and projects also changed in comparison to the 1st phase as follows:

1. Local Governance Project (LGP-3) – CHF 2,600,000, partnered with Cabinet Secretariat. However, the LGP was found similar to the Sustainable Livelihood Project (SLP III), co-financed by the SDC with the World Bank and was therefore cancelled to avoid overlap and allow a better concentration of resources.
2. Urban Governance – The Asia Foundation, CHF 3,000,000.
3. Decentralisation Policy Support (Cabinet Secretariat of the Government of Mongolia (CabSec) together with Ministry of Finance) – CHF 937,500.

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[8] https://www.eda.admin.ch/deza/en/home/countries/mongolia.html
[9] Swiss Cooperation Programme (in Mongolia), Phasing Out Programme (2022 – 2024), p. 15.

4. Civic Engagement – Office of the President, CHF 750,000.

In addition, CHF 1,787,500 were allocated to the SDC-administered costs.

Due to this change, the initial budget was reduced to CHF 5,775,000 in 2017 as the LGP-3 was cancelled and GDP-II Programme Coordination Unit was downsized from four to two persons when an international manager and national officer positions were annulled. Following the Mid-Term Review (MTR) in 2016, DPSP and UGP interventions were also readjusted. UGP was redesigned and re-launched in February 2017 to aim for systemic impact and scaling up of service delivery in the underserved city areas. DPSP adopted an incremental approach to ensure sound implementation of the Functional Allocation (FA) methodology for decentralisation. In May 2017, project partner changed in CEP from the Office of President to the Ministry of Justice and Internal Affairs (MoJIA) and the focus was adjusted towards solidifying its civic engagement-related achievements. In light of these adjustments and using the saved funds, GDP-II was extended by one year, from December 2018 to December 2019, - with programme budget raised to CHF 7,275,000.[10]

GDP Exit phase is planned for 1 January 2020 to 31 December 2022. It consists of same three projects as GDP II. Two projects, DPSP and CEP, were contracted directly to the government partners - CabSec and MoJIA. DPSP and CEP relied on their Project Implementation Units (PIUs) for implementation, and created Working Groups in ministries and departments, engaged national and international consultants, and, in the case of CEP, involved partnerships with civil society and academia. UGP was the only project implemented by an international NGO – The Asia Foundation which used multiple sub-contractors.

GDP-Exit phase had a budget of CHF 3,500,000, out of which implementation costs amounted to CHF 3 million, with DPSP and CEP receiving CHF 600,000 each, and UGP – CHF 1,882,399 in total. [11] The rest of CHF 500,000 were SDC directly managed costs, most of which was used for additional technical assistance to the three projects.[12]

As SDC Mongolia`s governance portfolio included a wider range of projects outside of GDP, close synergies were developed with some of them - most notably the two co-funded with the World Bank - "Sustainable Livelihoods Project (SLP)" which established the Local Development Fund (LDF) mechanism, and "Mainstreaming Social Accountability in Mongolia (MASAM)" which aimed at promoting public participation in decision making. Other inter-project synergies extended included with the "Strengthening Representative Bodies in Mongolia (SRBM)" project that trains local and national parliamentarians; the Public Investment in Energy Efficiency (PIE) project co-financed with GIZ, Understanding and Managing Internal Migration Project with IOMand the"Waste Collection and Transportation in Mongolia (WCTM) which focused on the Municipality of Ulaanbaatar's capacities to deliver public services in energy efficient renovation of kindergartens, social services to migrants, respectively collection and transportation of waste in 2 pilot districts of Ulaanbaatar.

Objectives and Theory of Change

Outcome 1 of SDC`s Mongolia Phase-Out Country Programme on 'Democracy, Respect for Human Rights and Promotion of Gender Equality,' under which GDP falls, outlines a Theory of Change as follows :
⇒ If national and sub-national governments have adequate resources and capacities to fulfil their functions (service delivery);
⇒ If they are equipped with and use digital/ICTs and other tools to fulfil their functions more efficiently;
⇒ If they are accountable to citizens;

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[10] SDC End of Phase Report, April 2020.
[11] Additional CHF 82,399 were allocated for technical assistance, totaling CHF 1,882,399 for the UGP Exit Phase.
[12] GDP Exit Phase Prodoc, p. 18.

⇒ If all citizens, including through civil society organisations, are empowered to express their diverse socio-cultural and political voices and needs, and are able to bring about mutual accountability;

Then equal access to and the use of quality of public services will be improved, inequalities in access to services reduced, and citizens will exercise their civic rights and duties.[13]

GDP does not offer a Theory of Change at the programme level. It instead outlines the Programme Objective which in GDP-I was stated as 'Sub-national governments are empowered, democratic, and accountable to citizens, and provide services responding to citizens' (men and women) needs.' The evaluation of GDP I (2014) notes that three core impact elements can be distilled from the objectives: (1) decentralisation of the public administration to sub-national levels to bring government closer to the people; (2) the provision of effective and sustainable services that are based on citizens' needs; as well as (3) governance that is based on democratic principles and accountability.

In GDP II addressing governance challenges remained a priority for SDC; further consolidation was to be continued and sectoral governance interventions were to be developed focusing on underserved, peri-urban areas.

The objective of GDP`s exit phase was the same as in GDP II; it does not define the programme-wide outcomes, but instead, it stipulates goals for its three constituent projects:

- **DPSP:** GoM has elaborate and implemented policies, laws, rules and processes and assigns to subnational governments clear functions, responsibilities, administrative authority and resources in an equitable manner;
- **UGP:** MUB plans and delivers more effective and responsive public services and LDF investments in ger areas;
- **CEP:** Citizen engagement is strengthened for improved government responsiveness to the needs and preferences of men, women, and vulnerable groups.[14]

GDP Exit Phase stipulates the Impact hypothesis on the change that the three projects aimed to achieve:

- Sub-national governments with enhanced political, administrative and fiscal decision-making power, participatory decision-making mechanisms, and professional civil service will provide more effective and responsive public services, thus contributing to sustainable development and poverty reduction.

Though evaluators did not have access to aggregate, programme-level GDP 1 and GDP II annual or end-of-phase reports; instead, their results were incorporated into SDC`s annual reports in conjunction with other SDC projects in governance, human rights and gender equality domains. Monitoring, however, was conducted at the level of individual projects, which produced annual reports.

Programme Organisation and Management

GDP is considered as a semi directly-implemented programme by SDC. First four, then three, projects were contracted to different implementing partners, while its overall coordination was managed by two SDC dedicated staff each at 100% (50% each for the final year 2022). In DPSP and CEP Project Implementation Units (PIUs) were embedded within respective partner government institutions. The Asia Foundation (TAF) had an institutional partnership with the Municipality of Ulaanbaatar (MUB).

GDP was initially led by an international programme manager and three national coordinators which comprised a Programme Coordination Unit (PCU), hired on the SDC staff contracts.

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[13] SDC. (2021). Swiss Cooperation Phasing-Out Programme Mongolia, 2022 – 2024. SDC, p. 25.
[14] SDC. (2019). Exit Phase GDP Project Document, 2020 – 2022.

PCU's role was progressively scaled down with abolishing of an international position, reducing the number of coordinators from three to two, and in 2022, transferring the coordinators to 50% part-time work.

GDP was steered by a Steering Committee composed of representatives from the three projects and SDC. It was chaired by the Cabinet Secretary and met twice a year.

3. EVALUATION FINDINGS

The following section elaborates on the evaluation`s key findings based on the six OECD-DAC criteria: relevance, coherence, effectiveness, efficiency, impact and sustainability.

3.1 Relevance

The evaluation found GDP to be **highly relevant to Mongolia's governance (decentralisation) context and national development priorities (Vision 2030/50 – Goal 5).** By supporting effective and fair local governance, sustainable urban development, active civic engagement and higher satisfaction with public service delivery, GDP aligned well with the 2030 SDG Agenda (SDGs 1, 5, 10, 11, 16) and with the successive Swiss Cooperation Programmes (SCP) from 2012 until 2024 for Mongolia which feature governance as one of its three core themes. Outcome 1 of the Swiss Cooperation Programme 2022-2024 focuses on `Democracy, respect for human rights, and promotion of gender equality` under the premise that *if government institutions are capacitated to fulfil their functions, pursue decentralisation, and are more accountable to citizens, and where citizens are empowered to express their needs, then equal access to and quality of public services will improve and citizens will exercise their rights and duties, leading to a more democratic and inclusive society with due respect for human rights.*[15]

**Dynamic and systematic alignment with Government of Mongolia`s (GoM) priorities linked to decentralisation fostered strong local ownership**. Mongolia`s structure of government is stipulated in the 1992 Constitution and combines self-governance and central governance principles. Since then, the state policy has been geared towards finding an appropriate balance between the two.[16] GDP built upon this foundation, including the *Law on Administrative and Territorial Units and their Governance* (LATUG, 1994), the *Integrated Budget Law* (2011), *Public Hearing Law* (2015), *General Administrative Law* (2016) and *Civil Service Law*, as well as key policies, such as Sustainable Development *Vision Mongolia-2030* (2016) that recognised the importance of decentralisation for long-term development. Reform process culminated in the *Vision-2050* based on the SDG 2030. The latter was adopted as the long-term national development policy in 2020 while GoM`s National Action Programme 2016–2020 and National Action Plan 2020–2024 likewise contained relevant commitments to the `implementation of nationwide decentralisation policy jointly with the Ulaanbaatar city administration in a comprehensive manner.'[17] GDP`s design dynamically and systematically aligned to these developments.

The GDP made a **direct contribution to the legal and policy process** underway, including in the elaboration of the State Policy on Decentralisation (2016)[18] and adoption of the Government Resolution on the Functional Allocation (FA) methodology (2018). With GDP's support, Constitutional amendments were adopted in November 2019, laying the ground for increased accountability among government branches, effective policy implementation and

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[15] Swiss Cooperation Programme for Mongolia (2022-2024).

[16] Urgamal, B. (2021). Decentralisation and Public-Sector Productivity. *Asian Productivity Organisation*, p. 7; Cabinet Secretariat of Mongolia, p. 4.

[17] Resolution of the State Great Khural of Mongolia. (2020). Approved GoM`s 2020-2024 Action Plan, p. 26.

[18] Government Resolution of Mongolia No.350. (2016), Approval of state policy on decentralisation.

empowerment of local governments. This step opened the road to principal legislation regulating local governance affairs - the revised LATUG that was approved in 2020.

The Programme was adequately pitched vis-à-vis the **country's absorption capacities**, namely commitment of the senior leadership, professional calibre and administrative capabilities of central-level and Ulan Baatar-based actors, readiness of the executive and legislative bodies to absorb assistance, and educated and active citizenry. These factors were reinforced by a **high level of national ownership** and the **relevant design** consisting of international methodology, national contextualisation and the right level of institutional attachment. In DPSP, advice of national experts and practitioners, and application of lessons from piloting in ministries and local government successfully adapted Swiss methodology to the national context. Successful **design adaptation** took place in light of the GDP-II Mid-Term Review (2016), such as re-organisation of UGP and change of implementing partner from the Office of the President to the National Legal Institute in CEP.

Good timing reinforced relevance. The government had already experimented with introducing public administration reform using external models or national expertise, but had not found the right approach in fifteen years.[19] Thus, national stakeholders were committed to the cause and had a taste of what it takes, but lacked the *knowhow* and support that SDC via GDP was able to offer. The **approach of 'learning-by-doing'** prompted the line ministries to undertake FA themselves rather than relying on foreign experts which conveyed a greater ownership of the process, outcomes and was **relevant for overcoming institutional resistance**.

High impact partners were selected as drivers of change, including the Cabinet Secretariat, the Ministry of Justice and Internal Affairs (MoJIA) on a policy level, the Municipality of Ulan Baatar (MUB) and line ministries on an executive level, and academic institutions, Khoroos, CSOs, media and youth among civil society. Importantly, SDC brought a **focus on urban governance** that helped to overcome a rural bias in international programming at the time.[20] UGP`s istrong convergence with MUB's priorities was notable, which was furthered by the adoption of the 2021 Law on the Legal Status of Ulan Baatar, the capital of Mongolia.

GDP capitalised on the political momentum and demonstrated resilience to political circumstances. Although the Mongolian government changed after the 2016 election when Mongolia's People Party (MPP) came to power, the state`s commitment to decentralisation and to GDP remained strong. The parliamentary and local elections in 2020 and presidential election in June 2021 secured MPP staying in power, which fostered stability with positive effect, as compared to the pre-2016 period when the governments frequently changed. In its turn, **SDC demonstrated consistency** by remaining in the governance sector when most international donors withdrew. Such perseverance provided the **security of long-term funding, trust and strong partnership** that allowed course correction when needed. **`Best fit` systemic thinking** was engrained in GDP's design: top-down policy and institutional reform was supplemented by efforts to unleash the demand from below, so that the citizens' rights to participate in public affairs were enforced in practice and citizens were aware of how to use them. UGP through its extensive work on improving the LDF mechanism, CEP and 'Mainstreaming Social Accountability in Mongolia' (MASAM, co-funded with the World Bank) worked in that direction.[21] UGP sought to address practical needs of the capital city where 60% of Mongolia`s citizens reside. Its efforts to de-concentrate and digitize transformative public services such as citizen ID registration and digitization of State Archives were important for the implementation of decentralisation efforts in Mongolia. As the onset of decentralisation reforms can be often too abstract for ordinary citizens to feel, in a way, UGP`s deconcentration of services and LDF acted as first demonstrable proof of decentralisation efforts. At the same

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[19] Urgamal, B. (2021). Decentralisation and Public-Sector Productivity. *Asian Productivity Organisation*, p. 7; Cabinet Secretariat of Mongolia, evaluation interview, 29/06/2022.

[20] The Asia Foundation, Evaluation interview, 4/07/2022.

[21] CEP defined civic engagement as 'encompassing actions taken by individuals and collectives, with the aim to address issues of public concern and promote the quality of life in a community.' American Psychological Association (2019; Ehrlich), Civic Responsibility and Higher Education, Oryx Press, 2000, used in the CEP Prodoc, Exit Phase 2020 – 2022.

time, as practice has shown, decentralisation processes are long-term, often asymmetric endeavours requiring complex political, administrative coordination among different administrative levels.

Limitations on relevance were observed as well. Although Mongolia is a high performer, the **strategy was perhaps too ambitious** from the start. An adequate estimation of time for a major reform was missing, which led to overoptimism on the pace of change. In relation to DPSP, a Swiss expert envisaged that 'the first phase (2016-2020) prepares the reform, the second (2020-2024) implements it.'[22] In reality, preparation for reform was still ongoing in mid-2022. MTR raised the same point: 'CEP component was based on what can be termed the 'Swiss model.' But Mongolia` is different where attaining the Swiss model may be too ambitious, attempting too much change in too short a period of time.'[23] 'Two projects (DPSP and CEP) were to produce results at the level of national policy and law, assuming that the policies and laws are being fully implemented with a measurable impact on the reality at sub-national level.'[24] In fact, **adoption of most laws and policies is outside of intervenors' control, and planning cannot be based on that assumption**. Major laws, such as the law on the Status of Cities and Villages, and on Citizens' Political Rights, are pending for a long time and political resistance is stiff.

Reform means not only legislatively stated decentralisation of functions, but also availability of **adequate financing and capacity of human resources** to implement change. Here, evidence of ownership of decentralisation by the Ministry of Finance is insufficient, while economic difficulties can make an adverse effect on fiscal equalisation. In fact, recentralisation process took place in 2019 during the GDP Exit Phase, when the MoF took back control over social welfare.[25] Financial staff`s readiness in LG structures to manage the new levers of fiscal power is not entirely clear. Stakeholders` own assessments, however, note that capacity for fiscal decentralisation at *aimag* and especially at *soum* levels is inadequate, as the bar may be too high, and the Programme design has not sufficiently addressed the human capacity issue.

Sub-national governments outside of the Ulanbaatar city and Tuv aimag are yet to fully benefit from GDP's interventions. Although the Programme's TOC is formed around sub-national governments as providers of better public services,[26] GDP concentrated on the national level and policy/ legal change. Only UGP worked with the lowest city administrative units and in service delivery in Ulan Baatar, where capacities are much stronger than in outlying areas. Although DPSP and 'other' SDC-funded projects had engagements with soums and aimags, their focus differed.

This is not to say that such focus was not relevant - it very much was – but more paced sequencing needs to be factored in. Sub-national governments would improve only after the relevant laws and policies are adopted, planning and budgeting is done, and local functionaries are ready to take on the new levers of power. GDP has not arrived at this stage yet; thus, it would have been more appropriate to **re-formulate the hypothesis towards more relevant, and achievable policy milestones for decentralisation and civic participation**. At the same time, other SDC-funded projects outside the GDP also contribute to making decentralised local governance a reality in Mongolia hence an assessment of their joint impact is warranted.

3.2 Coherence

Internal Coherence. Synergies within the diverse governance portfolio and among the GDP`s three complementary projects were managed by SDC`s programme coordination unit (PCU). Throughout the programme`s implementation, the PCU also provided quality assurance with

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[22] Pfaeffli, S. (2018). 'Mission to Mongolia' Report. Lucerne University for Applied Sciences and Arts, p. 7.

[23] (2016). GDP II Mid-Term Review, p. 35.

[24] (2016). GDP II Mid-Term Review, p. 31.

[25] Ministry of Finance, Evaluation interview, 4/07/2022.

[26] Governance and Decentralisation Programme (GDP) Mongolia. (2019). Programme Document Exit Phase, p. 13.

focus on theory of change and results-based management (RBM). Inter-project collaboration was stimulated through the SDC-facilitated `synergy or domain meetings` where complementarities and relevant joint activities, scaling and resource sharing were encouraged. Project coordinators praised these meetings as well as various capacity development opportunities provided by SDC. Examples of fruitful inter-project collaboration within GDP but also across the governance portfolio include:

- **UGP, CEP and MASAM projects co-implemented joint capacity development initiatives** and disseminating information and sharing differing results through UGP developed horizontal learning programme at the Khoroo level;
- **UGP and SLP co-developed the new LDF solution launched by Ministry of Finance;**
- **SRBM II and CEP collaborated on the Youth Parliament** and debate club activities;
- **SRBM used UGP`s materials and HRDC`s trainers for trainings of** soum representatives;
- **DPSP, CEP, SRMB and UGP collaborated** on public consultations related to LATUG.
- **PIE collaborated with UGP** on a very successful Project Management module (based on PMI standards) which it adapted to UB city context and Khoroo level.[27]

> *'We always received political support from Swiss senior management at SCO when policy dialogue entry points or representation at high-level events were needed; at UNDP we never had so many domain meetings. As a result we felt more like a family with SDC than within other organizations.'*
>
> *FGD with Project Coordinators of MASAM, SRMB III, SLP II, PIE, 6 July 2022.*

Overall, SDC`s pro-active engagement with its project partners created an important systemic elevator effect, whereby its collected bottom-up inputs, needs and expectations from project partners were elevated and effectively used as entry points for higher level policy dialogue.

At the same time, despite the collaborations among PIUs, most of non-PIU stakeholders interviewed could not readily relate to questions about GDP as a whole since most were not very familiar with GDP projects other than those that they were directly involved in. While this reality was not critical to the programme`s overall success, it does show that at operational level the sense of `a programme as a whole` got somewhat blurred. Therefore, the planned capitalisation products will be important in ensuring a cohesive legacy of the programme as whole and of its individual projects where relevant.

External Coherence. Absence of strong precence of development partners in the governance sector made SDC`s presence all the more unique, relevant and highly appreciated by local stakeholders; particularly its focus on capacity building. The few donors (mentioned) in the sector included the World Bank, KOICA, who supports MUB on digitalisation, and UNDP with its Towards Professional and Citizen-Centred Civil Service project for national civil servants and parliamentarians and more recently the EU. JICA, GIZ and the Millennium Challenge Corporation were mentioned peripherally but with no concrete linkages to GDP. Some complementarity in activities was evidenced between KOICA and UGP[28] but not with UNDP due to its national focus. Similarly IOM, though not working in the sector, has signed a partnership agreement with MUB once UGP signed a joint MoU with HRDC. Hence it can be concluded that where possible, GDP did coordinate with other donors/development partners, however, due to the scarcity of donors working in the sector, more could not have been done. Moreover, the monthly donors` coordination meetings were considered as `very disappointing` by SCO`s senior management, as finding coalitions on common policy dialogue positions did not materialize.[29]

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[27] FGD with Project Coordinators of MASAM, SRMB III, SLP II, PIE, 6 /07/2022.

[28] KOICA provided software and computer equipment to support citizen registration (eID) to all Khoroos that could not be covered by UGP - Interview with Senior Specialist, City Archive, 6 July 2022. KOICA also helped to partially equip HRDC`s training labs.

[29] Interview (online), Deputy Head of SCO Mongolia, 17/06/ 2022.

3.3 Effectiveness

GDP did have a Theory of Change at the programme level, however, its overarching Programme objective aimed for '*sub-national governments being empowered, democratic, and accountable to citizens, providing services that are responsive to citizens' (men and women) needs*.' To this effect three sub-objectives were distilled: (i) decentralisation of the public administration to sub-national levels to bring government closer to the people (DPSP); (ii) the provision of effective and sustainable services that are based on citizens' needs (UGP); and (iii) governance culture that is based on democratic principles and accountability (CEP). This section of the evaluation thus accounts for GDP`s overall effectiveness as a programme pieced from evidence generated by individual GDP projects (as listed in the Annex 1).

GDP's overarching goal of *subnational governments being empowered, democratic and accountable to citizens, providing sustainable services responding to citizen's needs* has been to a great extent achieved. All three projects, at different levels, contributed to this achievement as follows.

DPSP contributed to the establishment of an enabling legislative environment for decentralisation such as its technical inputs to the adoption of the State Policy on De-centralisation that amended the Constitution, to the Integrated Budget Law, and revision of LATUG and in making the latter more conductive to civic engagement. CEP's comprehensive review of 352 effective laws as well as the 1998 Law on Media Freedom also contributed to improving the enabling legislative environment.

At the MUB level, digitalisation and de-concentration of services (UGP's Outcome 2) coupled with the digitalisation of the LDF (UGP's Outcome 3) enhanced the *sustainability of services that respond to citizen's needs*. Through UGP, GDP contributed to the digitalisation of 30% of all MUB`s archival documents[30], de-concentration of the popular Citizen registration service to all Khoroos and to the launch of MUB`s e-Service platform (in Phase II) which enabled 40,000 UB`s civil servants and UB residents to benefit from over 70 digitized and integrated municipal e-services. Its BPR methodology - a key building block for effective digitalisation of public services ensuring that public services are more efficient and user-centric - has been well embedded in the MUB`s departments. The growing demand for BPR training among MUB staff attests to its quality and relevance. Moreover, MUB's planned expansion to 540 digital services during the exit phase was absorbed by GoM`s launch of a nation-wide *eMongolia* platform for e-services. With the nation-wide reach of *eMongolia*, UGP exceeded its planned outputs and outcomes.

Overall, GDP improved effectiveness of how the government machine functions by increasing administrative efficiency and outsourcing responsibilities to the non-governmental sector. Multi-level awareness about decentralisation was also built, fostering an institutional momentum (DPSP). To that effect, the FA methodology was approved by the 2018 Government Resolution and was introduced in the Cabinet Secretariat, parliament, all 13 line ministries, MUB and two sub-national governments. As a result, one ministry was split, giving rise to a new ministry (of Culture) and a government agency (of Sports); other departments were split or merged, and new agencies were established, e.g. Medical Supplies and Drugs' Agency (DPSP).

Other efforts to digitalise existing governance processes and state services included the launch of the mobile *E-khutuch app* (by the CEP), introduction of FA software (by DPSP a database for corresponding laws) which was significantly improved by piloting and lessons learned. All of these laid an important foundation for mainstreaming more efficient (previously paper-based) and transparent services. The built-in feedback mechanism also enhanced Khoroo officials` accountability towards their citizens. Full benefits of digitalisation are still challenged by existing digital divides that prevent remote ger Khoroos and households where internet access is poor, for the elderly, for those with low digital literacy and for those who cannot afford Internet

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[30] Evaluation Interview, Tuul Nasan, Head of City Archive Agency, Municipality of Ulaanbaatar, 6/28/2022.

access from optimally participating online. For all these user groups better infrastructure, targeted sensitization and tailored digital literacy trainings are additionally needed.

Nuanced objectives that were met to a lesser degree included DPSP`s slower advancements in the implementation of select subsidiary devolution of powers to LG and the completion of fiscal decentralization. GDP`s substantial technical inputs, advocacy and convening power to revise the Law on the Status of Cities and Villages (DPSP) and a new draft Law on Non-profit Entities (CEP) are also still pending their full endorsement and adoption by the GoM. Due to the complexity of such reforms, however, GDP was not expected to act as SDC`s sole instrument or programme of support. SDC`s wider palette of governance projects, namely SLP III, MASAM and SRMB, jointly aimed to do so.

Partnership between the GoM and youth NGOs was enhanced. CEP`s training content for pupils on governance, civic engagement, and human rights topics was developed and rolled out to over 100 of Carl Popper's clubs. Women for Change NGO also established a CE mechanism in local budgeting by involving 39 youth. organized 8 online ToT trainings on governance, civic engagement, and budgeting as ToT to share knowledge on budget and improve civic participation in budgeting process and jointly with Youth Policy Watch NGO, strengthened capacity of young journalists and institutionalized young journalists' alumni club. The Club activity became regular providing capacity building training among its members, a platform has been created for raising awareness, and improving the knowledge of citizens on existing legal frameworks and civic engagement mechanisms.

3.4 Efficiency

GDP was a half direct implemented programme by SDC composed of 3 sub-projects, each contracted to different implementing partner. The total budget for the GDP exit phase (2020-2022) was CHF 3,500,000. The table below details the allocation to three projects[31]:

Table 3.1 Budgetary Breakdown for GDP Exit Phase (2020-2022)

PA1 Implementation	SDC funds only	2020	2021	2022	Total
	DPSP	207,000	243,000	150,000	600,000
	UGP	566,500	731,399	584,500	1,882,399
	CEP	239,000	199,000	162,000	600,000
	Sub-total	996,000	1,117,000	887,000	3,000,000
PA 2 SDC managed funds	Evaluation			50,000	50,000
	Technical assistance: DPSP, CEP	130,000	130,000	100,000	360,000
	SDC PCU running costs	30,000	30,000	30,000	90,000
	Sub-total	160,000	160,000	180,000	500,000
	Total	1,172,500	1,251,000	1,076,500	3,500,000

The disbursement efficiency for UGP and CEP was solid at 87% and 85% respectively and it is expected that their disbursement will reach 100% by the end of December 2022. The disbursement efficiency for DPSP, however, was lower. DPSP staff cited the COVID 19 pandemic as the primary reason for this slow down as it significantly reduced face-to-face events. Given that DPSP will likely not be able to meet its 100% disbursement targets by December 2022, its PIU is requesting a one-year, no-cost extension. In the evaluation`s online survey, when asked to assess the overall efficiency of GDP, a resounding 92% among GDP`s PIU and PCU respondents considered GDP to be highly efficient in using minimum expenditures of time, financial and human resources to achieve its objectives.

Cost-sharing modalities. UGP benefited from cost-sharing with total monetary and in-kind funding contributions committed by the Asia Foundation (CHF 466,095) and MUB (MNT 6,248 Billion). MUB has progressively also increased its contributions from MNT 49,000,000 in 2017 to

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[31] GDP Programme document - Mongolia Exit Phase (2020-2022), September 2019, p. 19.

MNT 2,759,000,000 in 2022.[32] This attests to the programme`s and UGP`s impressively strong local ownership. Within DPSP, CabSec`s in-kind contributions amounted to approximately MNT 80,000,000 (= about CHF 24,000) during the Exit phase. It also provided the PIU with office space, furniture, equipment, meeting and training rooms, and conference halls for workshops. As for CEP, the GoM via MoJIA contributed approximately MNT 70,000,000 (= about CHF 21'000) for the exit phase and by providing the PIU with office space. For all three projects, some adjustments to the budget had to be made due to the impact of COVID 19 pandemic.

Organization, management, and administration of GDP (exit phase) followed the already tested and well-functioning setup and procedures established during GDP II, both on Programme and Project levels. The GDP Steering Committee (SC) is headed by Depty Chief of the Cabsec and comprises of DPSP Project Enabler at the Cabsec, DPSP Project Enabler at the Ministry of Finance, Project Director of UGP at MUB and Project Director of CEP, MoJIA. During the GDP (exit phase) SC convened three times (14 Sep, 2020, 31 Aug, 2021 and 25 Jan, 2022) and the meetings were well attended by SDC, TAF, PIU staff and GDP Programme Coordination Unit. SC meetings supported GDP implementation by executing the general supervision of the programme, approving the GDP annual progress reports, and the yearly plan of operation with the annual budget, facilitating high-level policy dialogue with the state institutions and other donor organizations and coordinating GDP with the Government policies and programmes. In addition, PCU is appointed by SDC in-charge of regular supervision of the projects. Regular monthly/bi-monthly meetings with the PIUs are continued by the PCU for supervision, and exchange of progress. These meetings increased efficiency, as it allowed face-to-face in-depth discussion that led to direct actions.

In terms of human resources, the PIU of UGP and CEP experienced some turnover, but the implementing partners managed to maintain the project`s momentum. DPSP staffing was quite stable throughout the exit phase,

In general, GDP is an efficient programme resulting in the legal improvement, policy changes and capacity development, partnering with non-state actors, knowledge transfer and transforming the public services for digitalization and de-concentration. All these reform measures were implemented at relatively low cost. Overall, the pace of implementation was very high, in particular for UGP and DPSP, though Covid was set back.

Mixed perspectives about GDP`s semi-directed programme management modality. GDP classified as a semi- or half-directly implemented project[33]. This meant that its three sub-projects were fully entrusted to three different institutional partners while two SDC dedicated staff (each at 100%, and at 50% for the last year 2022) supported the projects in their overall coordination, quality control (as termed by implementing partners) and management of inter-project coherence.

Given the comprehensive and ambitious scope of GDP`s three sub-projects, solid inter-project coordination was waranted and the role was well executed. At the same time, evaluators question the cost-effectiveness of engaging two full-time staff especially in addition to the highly competent Senior National Programme Officer (for Governance). Moreover, based on experience within SDC, semi-directly implemented projects have both advantages - more Swiss visibility, field knowledge of imminent realities, more direct results and concrete decision-making power, but also disadvantages. Such set-ups add substantial work for the entire SDC SCO team and not only to the SDC dedicated project team, as the many project's contracts and audits have to be done, signed and checked, respectively followed up, by the SCO financial team and ultimately the SCO management. Moreover, the SCO management has (many) more staff to supervise and manage, with more work contracts, salary payments, leave control, etc. Hence, a (big) additional administrative and human resources' work and time

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[32] Ibid.

[33] Other such SDC projects in Mongolia included: Green Gold and Animal Health Project (GGAHP), closed in 2021 and Sustainable Artisanal Mining (SAM), closed in 2019.

which cannot be allocated in more strategic steering. It also increases SDC's responsibility and risk, as SDC implements. Finally, it bears a fundamental conflict of interest/contradiction, SDC being both a donor and an implementer at the same time. As such, staff face the risk of losing the necessary critical distance that a donor should have on the projects it funds."[34]

3.5 Impact

The programme`s TOC posited that improved capacity of *government institutions to fulfil their functions, pursuit of decentralisation, accountability and equal access to and the quality of public services through citizens` greater empowerment to express their needs, exercise their rights and duties, will ultimately lead to a more democratic and inclusive society with due respect for human rights.*[35] In unison, GDP thus aimed at systemic effects by imbuing Mongolia`s decentralisation process with good governance principles.

The following section focuses on aggregate impacts generated by GDP. The aggregate impacts were derived through a close review and contribution analysis of GDP`s individual projects, their objectives and achievements (see Annex 1 for details).

Decentralisation processes are multi-dimensional, complex and context specific. Despite this reality there is ample evidence that GDP, through its comprehensive design, had a substantial systemic impact(s) at both vertical and horizontal levels of governance in Mongolia. It`s long-term presence contributed to this with the exit phase aiming to consolidate these impacts. Within means, the evaluators assess GDP`s overall systemic impact as high, which can be broken down into several levels as follows:

Enhancing top-down and bottom-up vectors of political, administrative and fiscal decentralisation. Through its multi-track design based on three complementary projects, GDP contributed to simultaneous tracks of reform:

i) *top-down legislative* vector DPSP contributed to the preparation and facilitation of transformative laws and regulations that set precedents, boundaries and safeguards for decentralisation reforms. While several legislative initiatives are still outstanding – e.g. *Status of Cities and Villages*, firm normative foundations have been set.

ii) at *mezzo-level structural, administrative* and procedural impacts were evident in GDP`s reorganisation of national and LG`s roles and responsibilities based on FA methodology and by making delivery of 74 public services for business owners more efficient (shortened service delivery time from 21 days to 5 days); other services such as citizen ID registration and archival services were already deconcentrated while the issuance of passports service is still in the process of being deconcentrated to the closest level to the citizens.

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[34] Interview with Deputy Head of SCO, 17 June 2022.
[35] Swiss Cooperation Phasing Out Programme Mongolia, 2022-2024, p. 12.

iii) *The bottom-up* vector empowered civic engagement through the LDF mechanism and thereby introduced first precedents for inclusive, participatory decision making and open budgeting ethos at the local level both procedurally and qualitatively. While the LDF is not perfect and needs to be continually refined, in this sense GDP`s support acted as the first seed and implementing instrument for fiscal decentralisation.

Jointly these simultaneous vectors contributed to normative advancements and continual finetuning of decentralisation processes, but also to reducing bureaucracy, increasing transparency and making decentralisation more visible and tangible for civil servants and citizens.

Innovative approaches to governance impacted attitudes and mindsets. New governance methods and approaches such as FA, cross-cutting rationalisation (BPR) and digitization of services, introduction of the horizontal learning process (HLP)among Khoroos or engaging youth and citizens in governance processes in new and more meaningful ways, stakeholders interviewed confirmed, were new and mind-opening for public servants and citizens alike. The LDF mechanism being digitized and opened up for voting to all members of a household (above18 years of age) rather than 1 vote per household as previously expanded the volume hence inclusion of entrants to the community planning and decision-making processes. Accounts of attitudinal changes among civil servants in how they approach service delivery and citizens` increased ownership, interest and engagement in community affairs even outside the LDF processed were observed.

> *In the 1990s Mongolia experienced an escalated and massive urbanization. Back then half a million citizens lived in UB while today the number has tripled to1.6 million. This poses high strains on MUB`s capacity to deliver public services but MUB cannot do it alone. It needs LG partners` support to share the burden in ensuring effective and efficient service delivery. This became very real and `practical` reason for GoM to decentralize. There was a growing convergence between GOM`s commitment to decentralisation and deconcentration of services to the Khoroo level was there before but GDP helped MUB to accelerate, systematize, standardize and methodologically enhance (functional allocation methodology) the design and implementation of the decentralisation process which was and continues to be complex and dynamic. We are very thankful for this.*
>
> *Interview with Head of Public Adminstration Dept., MUB*

Institutionalisation of capacity development linked to decentralisation processes. As much as decentralisation processes need legislative, structural, administrative and fiscal restructuring, they also require committed and skilled implementers. Capacity development was a focal, cross-cutting feature of GDP and thereby an instrument for the implementation of the *Law on Civil Service*. Since 2017, 34 training modules were developed by HRDC and over 16,000 civil servants were trained. A strong emphasis was also placed on developing a training of the trainers curriculum (ToT) that will be retained by the HRDC once the programme is over while following impacts were attributed to GDP trainings by beneficiaries[36]:

> `Before UGP the trainings for civil servants were not standardized, they were messy as budget allocations varied from Khoroo to Khoroo; there was also wide skills variation among Khoroo staff which the trainings did not reflect. **UGP introduced the practice of baseline needs assessments, categorization of needs and respective tailoring of training curriculum.**`

> `**Before different civil servants had different skills but were not applying their skills effectively in practice,** UGP trainings enable civil servants to look at their tasks in a systematic manner and understand their different roles, contribution and responsibilities.`

> `UGP provided resources, quality control, removed duplicitous training (since before Khoroos did trainings - or not- by themselves, there was no oversight) – **UGP developed a more systematic approach to planning of training which enabled budget efficiency.**`

> `UGP expanded the number and types of training beneficiaries (in civil service) over **time by including other types of staff who may have never received training before.**`

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[36] Evaluation, Focus group discussion with HRDC training beneficiaries, 6/28/2022.

`UGP`s trainings are more practical than those in other programmes (e.g. National Academy of Governance). They are not based on the classic classroom set up – but rather on a participatory and case study approach. Most UGP trainers are very experienced practitioners.`

***`Caters to new demands placed on civil service officers which are dynamically evolving such as digitization of services****, Mongolia 2050, and needing to deal with citizens.`*

Impact on democratisation and empowerment of civic rights emanated in behavioural effects. Democracy is a dynamic and complex set of processes occurring at different levels that are not limited to the electoral campaign and the elections. A democratic process is based on a lasting dialogue between the population and its representatives well before and between elections. While measuring UGP`s impact on democratisation in Mongolia would require a more complex set of tools, nonetheless, at this level UGP`s and CEP`s contribution here is transformative. It has planted visible seeds and for democratic processes in a society that was used to centrally planned decision making with minimum say in local (or national) decision making.

**Positive impact on Mongolians` everyday lives**.  All these important legislative and structural changes linked to decentralisation will be inneffective if they do not improve Mongolians` quality of life. To reliably assess the latter would require the triangulation of wider sets of data (baseline/exit survey, public opinion polls, macro-economic time series and national governance indices) which were not available to the evaluators within the scope of the evaluation. The following, however, are GDP`s indicative impacts at the closest levels to citizens based on qualitative inputs observed during interviews:

`Before we had centralised planning, top-down, often subjective and elitist implementation of urban development that was not always effective. With decentralisation and LDF we now have bottom-up processes. Because of these citizens are more engaged and aware, gaining knowledge about community-based planning, ownership which in turn provides new linkages and opportunities for improving better living conditions based on their perspectives and needs.`

Head of MUB Governor`s Office

- **Debureaucratization through digitization affecting reduction of transaction costs and efficiency gains in service delivery for citizens.** Before UGP, issuing citizen identity cards meant standing in long line ups, making trips to numerous offices to collect forms and photographs had to be taken in different places. Highly mobile Mongolians were also obliged to get/ change their citizen IDs in their original place of registered residence irrespective of where they currently reside. People typically needed to get a day or half a day off from work and incur various costs (bus fares, loss of wages, printing etc.) just to get or change their ID. With digitization of services (by GDP), transaction costs for these and 74 business services were reduced in many cases from 21 days to 5 without the need to take days off from work. Enabling Khoroos to serve any citizen, even those that are not from the Khoroo is important for Mongolians as they move around a lot so they can get their ID cards where it is most convenient for them rather than in their areas where they are registered. [37]

- **Impact of citizens` engagement at community level** is best illustrated in Figure below.
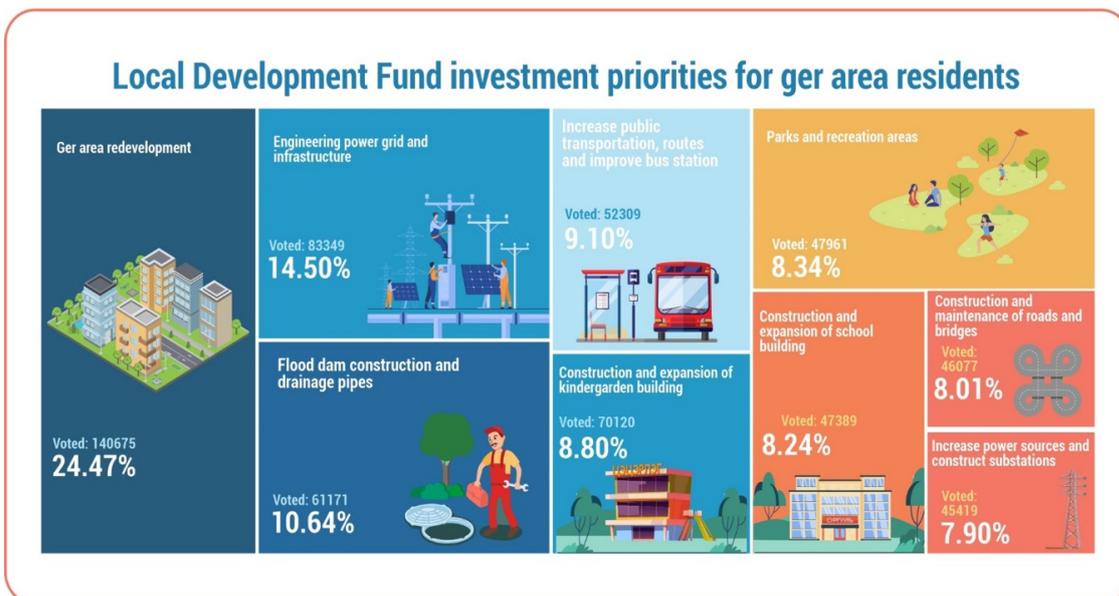
Figure 3.2: Concrete projects voted for by citizens through the LDF process (2021)[38]

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[37] Personal Interview, 16th Khoroo - Chingeltei district, 7/07/2022.
[38] Power point presentation, Evaluation Interview with UGP PIU, 28/06/2022.

Local Development Fund investment priorities for ger area residents

Ger area redevelopment — Voted: 140675 — 24.47%

Engineering power grid and infrastructure — Voted: 83349 — 14.50%

Flood dam construction and drainage pipes — Voted: 61171 — 10.64%

Increase public transportation, routes and improve bus station — Voted: 52309 — 9.10%

Construction and expansion of kindergarden building — Voted: 70120 — 8.80%

Parks and recreation areas — Voted: 47961 — 8.34%

Construction and expansion of school building — Voted: 47389 — 8.24%

Construction and maintenance of roads and bridges — Voted: 46077 — 8.01%

Increase power sources and construct substations — Voted: 45419 — 7.90%

POSITIVE UNINTENDED EFFECTS

Scale of digitization and e-governance accelerated beyond the programme`s expectations, both at municipal and national level. This was largely due to the COVID-19 pandemic which prompted citizens`, civil servants and generally government`s precipitated migration to the online environment. The launch of e-Mongolia also meant that several of GDP`s outputs had to be adjusted and transferred onto this new platform.

De-concentration of services at Khoroo level. While facilitating more citizen-centric and efficient service delivery to the lower levels of government was planned by GDP, the degree of receptivity and cooperation by and among Khoroos was unexpectedly positive. This subsequently contributed to the much faster scaling up of UGP`s initiatives.

Horizontal learning process concept which was completely new in Mongolia took off much better than expected at the Khoroo level where Khoroos are in the process of piloting and experimenting with horizontal sharing of good practices among each other.

ENABLERS OF IMPACT UNIQUE TO GDP

- **Well targeted complementarity of GDP`s three-pronged design and systemic entry points** to address complexity of decentralisation.
- **High country ownership** with GoM and local institutions being in the driver`s seat through embedded PIUs directly in local institutions.
- **Long-term presence, high-expertise and commitment among PCU and PIU staff** was highly appreciated and necessary for sustainability safeguards.
- **High impact partners targeted as drivers of change** (e.g. Cabinet Secretariat, MoJIA, MUB, line ministries` executive, academic institutions, Khoroos, CSOs, media and youth).
- **Well targeted thematic focus** such as functional allocation (DPSP), focus on urban development and digitisation well before GoM`s current commitment (UGP),
- **Dynamic adaptation and flexibility.** Decentralisation reforms are dynamic processes. The level of commitment, tempo is highly context specific typically requiring longer, sustained commitment, patience and capacity to aptly adapt to diverse (internal and external) winds of change. GDP was effectively all of the above.

Challenges and areas with lesser evidence of anticipated impact. Despite the programme`s successes, in complex reforms such as decentralisation, it is expected that not all initiatives and anticipated outputs will go according to plan. The evaluators identified the following as areas where impacts have not come to their full fruition:

i. **Architecture versus implementation of decentralisation reforms.** While political commitment and administrative decentralisation reform processes are relatively well embedded, continued implementation of structural and fiscal decentralisation that is demonstrably felt by Mongolians, at all but especially at the lowest territorial levels and in their everyday lives, has yet to happen. This, however, is beyond the programme`s scope to fully influence.

ii. **Push and pull of political resistance toward the reform process.** Decentralisation often dismantle many `comfort zones` which typically lead to resistance. Existing delays in the programme, related to DPSP, are influenced by internal political dynamics within higher echelons of GoM that are beyond the scope of the programme to fully influence.

iii. **Quality vs quantity and procedural efficiency of LDF outcomes.** So far improvements to the LDF have focused on procedural efficiency. While an important first step, *quality* of the process and its outcomes have to be equally considered in future adjustments to the mechanism (please see recommendations section).

iv. **Improving urban governance** was a key issue to be addressed by GDP. While MUB`s internal capacity for improving good governance processes such as more efficient, transparent and participatory delivery of public services were to a great extent achieved, other more specific topics and capacities in urban governance – e.g. strategic, sustainable urban planning– fiscal, spatial and sectoral urban governance relate to construction, transport, housing, environment were less reflected[39].

3.6 Sustainability

Sustainability of GDP's outcomes and impact is found to be moderate-to-high, depending on the intervention area as outlined below.

GDP promoted legislative change, and **adopted laws are best guarantors of sustainability**. Major laws, such as LATUG, General Tax and Status of Capital City Laws created conditions for effective public service delivery to citizens. Moreover, Mongolian Parliament adopted 'Vision 2050,' which will facilitate the results` sustainability. There is a reasonable belief that the legal framework for decentralised governance has solidified. Once sound laws and legal regulations are adopted and widely accepted, they will likely be followed, regulating future practice.[40] New administrative functions are stipulated in LATUG and the LDF mechanisms is embedded in the Budget Law which makes them compulsory for implementation: the MoF is thus legally bound to allocate funding to them.[41]

Institutionalisation. Starting from the CabSec, almost all ministries, government agencies, parliamentary administration and MUB have been reorganised on the principles of rational distribution of functions, achieving an institutional clarity in creating a leaner, more flexible and agile governance. Inroads were also made at two sub-national units. Two years that passed were sufficient for the changes to become internalised. In UGP and CEP, institutional functions have been absorbed into budget and for institutions such as HRDC to obtain ISO standards further solidifies prospects for their sustainability.

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[39]UN Habitat III. (2016) *UN Habitat III Policy Papers: Policy Paper 4 – Urban Governance, Capacity and Institutional Development* identifies a policy framework on urban governance based on the following: i. Social Cohesion and Equity – Livable Cities, ii. Urban Frameworks, iii. Spatial Development, iv. Urban Economy, v. Urban Ecology and Environment, vi. Urban Housing and Basic Services. https://habitat3.org/wp-content/uploads/Habitat%20III%20Policy%20Paper%204.pdf.

[40] Evaluation interviews: Ministry of Mining and Heavy Industry 4/0/2022, Ministry of Defence, 28/06/2022.

[41] DPSP PIU, evaluation interview, 27/06/ 2022.

Outsourcing of multiple functions to non-state service providers was an important institutional change in a country with an inherited tendency towards state control, but evaluation`s respondents suggest that it is working with positive demonstration effect. The FA concept has become well integrated into the vocabulary of the government, and accurate allocation of functions has become the basis of many government decisions.[42] National stakeholders believe that 'FA analysis is not a one-off event, we will be doing it again when life moves on. It will be a regular process because new needs will emerge in future.'[43]

High level of national ownership is a distinguishing feature of Mongolia, and the evaluation found evidence of ownership at both vertical and horizontal levels; for example, MUB`s increasing co-financing contribution to UGP's budget. The reform has a number of high-profile champions, including the Speaker of Parliament and Chair of the Cabinet Secretariat. National stakeholders absorbed some of the structures established by the programme (UGP) and are justifiably proud of promoting Mongolia's experience on the international scene (DPSP).[44] The process and outcome are perceived as truly nationally-owned, with a realisation that it is up to the national stakeholders to ensure that the benefits are sustained.

Capacity was created in the central-level bodies (DPSP, CEP), NGOs and academia (CEP), and MUB (UGP) to perform and train others. Capacity-development acquired a permanent feature with the absorption of the HRDC by the MUB. Congruence with the National Governance Academy was secured - which is a state institution responsible for the training of all civil servants in Mongolia - and they became complementary.[45] Respondents at the line ministries and the pilot Tuv aimag reported that after mastering the FA themselves, they are willing to share the experience to help others reform.

GDP **fostered standardisation** by engraining professional standards into country systems, which became accepted norms and essential national requirements. Two International Organization for Standardization (ISO) standards were introduced by the HRDC in UGP. Sustainability became anchored at the institutional level with outputs enshrined in procedures, legal frameworks and job descriptions. DPSP introduced definition of functions, and performance appraisal standards, which became appreciated by employers and staff.

Lastly, **lasting attitudinal shift** is essential to securing results that last. 'Officials tend to change when they start seeing that things are working.'[46] In interviews, partners expressed confidence about a commitment to sustain GDP`s results. As put by the MUB governor's office, 'At MUB, we are confident about the sustainability of key activities introduced by UGP – especially when it comes to the HRDC, integration of BPR and related capacity gained in our team which is important for continued digitization of public services and citizen engagement through LDF.'[47] Attitudinal change was reported even within the MoF which started to believe that sub-national governments may be trusted of using funds wisely.[48] Citizens became more proactive and interested in local affairs that should sustain the appetite for participation: LDF has been already set up and decisions are being made now by the local people who benefit.

New networks and linkages were created by the GDP – within the milieu of the SDC-funded projects, between NGOs, journalists, and government bodies, and between national and international partners that allowed for important knowledge transfer. In CEP, the National Legal Institute established different websites to continue to maintain knowledge. All costs are

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[42] GDP Meeting Minutes of the National Steering Committee, SDC, 25/01/2022.
[43] Tuv aimag khural, Evaluation interview, 1/07/ 2022.
[44] For example, in 2021, Mongolia received the Public Service Productivity Award from the Asian Productivity Organisation for its reform efforts.
[45] The Asia Foundation, Evaluation interview, #: 2.2, 27/06/ 2022.
[46] Ministry of Culture, Evaluation interview, 30 June 2022.
[47] MUB Governor's office, Evaluation interview, 5/07/2022.
[48] DPSP PIU, Evaluation interviews, 27/06 & 5/07/2022.

allocated in 2023 budget and the staff numbers will be increased to maintain websites.[49] Professional and personal networks create an enabling environment for sustainability.

At the same time, several factors may potentially jeopardize sustainability:

Ability of human resources to sustain the results is a key risk. Firstly, while GDP invested in capacity-building of middle-to-senior personnel to carry policies forward, a potential civil servants' turnover can lead to setbacks. New ministerial staff can come on board that is not trained, and new deputies can be elected. The 2024 elections may bring a different party into power that would trigger a considerable management-level change.[50] Secondly, the human resource dimension of decentralisation has only started to be tackled outside of MUB. Structural changes at sub-national government level hence their benefits from decentralisation reforms are yet uncertain. Thirdly, the Cities and Villages Law, - if adopted, - aims to eliminate bureaucracy and merge administrative levels which implies that institutional struggles and redundancies may follow. As explained by a national expert, 'there is a lot of duplication of functions. Job cuts are to be expected; there is no preparation for that yet.'[51]

Legal change is incomplete though it may be approaching, while GDP is at risk to end before it happens; in which case it would lose the momentum to influence its direction. 'The Law on the Status of Cities and Villages is only coming into Parliament in autumn, and it will be a really complicated law.'[52] If approved, procedural acts and amendments to other laws would need to be introduced before it could be put into force, which is unrealistic within the GDP timeframe. The process is more advanced with LATUG, but adoption of numerous regulations and bylaws is pending, while fiscal decentralisation is still at a budgeting and planning phase, with a nationwide roll-out in 2023. FA methodology is approved by a Government Resolution, but should be incorporated into the 'Law on Law' to make it last.[53]

Implementation support needs more time. Fiscal decentralisation will need more time to increase its performance,[54] reinforced by civic engagement and citizens' buy-in. In the context of the LDF, citizenry training is still needed to make participation more than voting on apps.[55] When new laws are adopted, MoF has to deal with financial implications of legal change and expressed that they practical advice on how to re-plan allocations and targets to fit into new system.[56] The state may not be able to follow-through because of the budget constraints as the country has less tax income, more needs to fund the health sector and social safety nets, and huge macroeconomic debts to cover. These factors will impact on the level of the government contributions to SDC projects and their future sustainability.

Evidence on handover options is mixed. It is commendable that in UGP, functioning of the HRDC has been absorbed by the MUB budget and LDF eVoting App (e-Mongolia) by the MoF. At the same time, the City Archives Agency expressed concerns over sustainability due to expected staff reduction.[57] DPSP, by contrast, has no handover or exit plan though its PIU is in the middle of high-paced implementation and the mission is incomplete. In Vision 2050, a dedicated unit for FA to be established under CabSec is proposed, but there is no evidence that it would be established soon. DPSP leadership stated that 'sustainability is a challenge. If the project stops, we do not have a budget to continue this work in the periphery given the financial problems in the country.' The main goal of Exit Phase was consolidation beyond SDC – but we are still in the midst of implementation.' Indeed, implementation support (Outcome

[49] National Legal Institute, Evaluation interview, 29/06/2022.

[50] Cab Sec, Evaluation interview, 30/06/2022.

[51] LATUG national consultant, evaluation interview, 28/06/2022.

[52] Cab Sec, Evaluation interview, 30/06/2022.

[53] Ministry of Labour and Social Welfare, Evaluation interview, 28/06/2022.

[54] SDC, Ealuation interview DPSP, 17/06/2022.

[55] TAF, Evaluation interview, 8/07/2022.

[56] Ministry of Finance, Evaluation interview, 4/06/2022.

[57] City Archives Agency, Evaluation interview, 29/06/2022.

3) started only in 2022. The project has savings and implementing organisation, the CabSec, requested a follow-up extension for a minimum of six months up to one year.[58]

In CEP, while the MoJIA is responsible for the legal cooperation area, an alumni student group (of Journalists) are concerned about their future. Pending legislation on non-profit sector may deprive them of a legal registration,[59] attempts to approach other donors failed as the NGO is reputed as a 'Swiss project' and the Young Journalists alumni programme needs funds to sustain itself in future.[60]

Lastly, impediments rooted in **political culture** are strong, such as corruption and temptation of tempering with processes, such as in LDF allocations. Political culture evolves slowly and incrementally; thus, good governance reform would always come against contextual obstacles. Beneficiaries worry about the amount of political will that would last: 'I keep in mind the issue of sustainability all the time. I am worried that this work will be left on paper.'[61] To reinforce political will, the SCO provided policy dialogue support in the Exit Phase,[62] but a need for maintaining high-level political relations will remain post-SDC exit. It needs to be thought-through how policy and political support to the GDP's sustainability will be maintained following takeover by the Swiss embassy in China of all political issues with Mongolia.

There is purposely no overall sustainability plan at SDC level.[63] The Country Programme states that 'to reach maximum ownership and sustainability, accompanying the new steps being taken by Mongolia on decentralisation and public participation, SDC is moving from a general *governance* approach towards democracy, respect for human rights, and the promotion of gender equality.' The approach entails addressing the issue of sustainability on a project-by-project basis. For UGP, this has been done as HRDC is believed to be sustainable, and synergies with other SDC-supported projects have been promoted. For DPSP, a sustainability plan has not been developed that would outline handover options, could be used to attract potential funders in future and ensure that knowledge resources created by the project continue to be available to Mongolian stakeholders. At the same time, there might be more to this than meets the eye: a detailed phasing-out plan highlighting sustainability'[64] internal to SDC that was not available to the Evaluators.

3.7 Gender Equality, Social Inclusion and PSEAH

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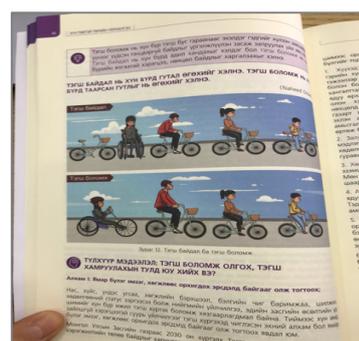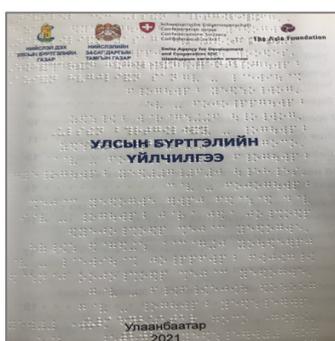
[58] CabSec, Evaluation interviews, 29 & 30/06/2022.

[59] Following re-drafting of the Law on Non-For-Profit Legal Entities since 2019, the draft Law on Associations and the draft Law on Foundations were submitted by the GoM to the State Great Khural in November 2021, as reported by the International Center for Non-for-Profit Law, March 2022, available at https://www.icnl.org/resources/civic-freedom-monitor/mongolia, accessed on 16/07/2022. It is unclear what happened next.

[60] 'Young Journalists in Governance' NGO, evaluation focus group, 27/06/2022.

[61] Ministry of Urban Development and Construction, Evaluation interview, 28/06/2022.

[62] SDC Annual Report 2020, p. 9.

[63] Communication from the SDC Deputy Head to the evaluation team, August 2022.

[64] SDC Cooperation Programme Mongolia, Phasing Out, 2022 – 2024, pp. 10, 14.

GDP integrated systemic gender and social inclusion responsiveness but gender responsive budgeting should be encouraged in future endeavours. GESI mainstreaming included gender disaggregated data collection, development of training and materials as well as knowledge products such as periodic project infographics. Visible activities promoting social inclusion included the building of wheelchair accessible ramps at the Khoroo service centres (GDP II) which subsequently prompted MUB to adopt and mainstream Accessibility Standards citywide, a laudable systemic impact at MUB level. Integration of socially and gender inclusive content in training curriculum on civic rights developed by UGP has additionally left its mark on HRDC's training ethos. Recruitment, staffing and participation in trainings also demonstrated a high level of compliance with gender equality principles. This is also partly due to the specificity of the local context where women are well represented in entry and middle management positions and they actively participate in professional settings (e.g. discussions, mid-level leadership).

Where gender inequalities, according to those interviewed, do arise in Mongolia are in the higher echelons of power, executive professional positions and decision making where male dominance occurs. GBV is also an issue. Hence, **addressing gender sensitivity in the Mongolian context requires a more nuanced approach**. To this effect, it was encouraging to see a GBV project in SCO Mongolia`s governance portfolio. Introduction of gender responsive budgeting as a tranversal PFM method linked to LATUG and fiscal decentralisation, however, could have been also addressed.[65] Moreover, trainings could target more nuanced GESI themes such as a module on gender responsive urban planning and budgeting for MUB`s senior management in the future.

PSEAH. Before assessing GDP`s integration of PSEAH principles, it is worth mentioning that although Mongolia has not ratified the *ILO Convention 190 on Violence and Harassment (2019)*, **PSEAH clauses are embedded in several national legislative acts and institutional orders.[66]** When it comes to GDP`s integration of PSEAH principles in its projects, DPSP included a PSEAH clause in its Manual on Procedure while the UGP benefited from TAF`s internal PSEAH and child protection policies.

In conclusion, as gender sensitive programming is contextual, a contextualised approach is needed for its effective design. Though the GDP did not have targeted sub-components, outcomes or outputs addressing GESI, the latter were incorporated as cross-cutting themes in the programme`s design and implementation. In the future, however, the implementers could consider a more nuanced baseline understanding of gender issues before designing and integrating corresponding programme activities. The latter merits the engagement of a GESI specialist. In regards to PSEAH, as legislative remedies appear to be in place in Mongolia, future focus should be on their effective implementation. This means the availability and effective use of enforcement mechanisms and their monitoring. GESI related results, where relevant, should be also highlighted in capitalisation products.

Good governance principles were well covered except for anti-corruption. In its core design, TOC and implementation, GDP effectively reflects governance themes of transparency, accountability and enhanced. civic engagement transversally across its activities. Where the programme`s accent could have been more pronounced is in the area anti-corruption. This is particularly as Mongolia ranks high on Transparency International`s Corruption Perception

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[65] UN Women. (2016) *Handbook on costing gender equality*, https://www.unwomen.org/en/digital-library/ publications/2015/7/handbook-on-costing-gender-equality; Stotsky J.G. (2016) IMF Working Paper: *Gender Budgeting: Fiscal Context and Current Outcomes.* IMF, http://www.imf.org/external/pubs/ft/wp/2016/wp16149.pdf.

[66] The revised Labour law, embeds provisions on non-discrimination, prevention of sexual harassment and bullying in the Civil Service Code with Ethics Committees acting as the ministerial implementors of the clause while in 2021 the *National Commission on Gender Equity* passed methodological recommendations on PSEAH obliging non-state institutions to prevent, protect and enforce complaints re. In July 2021, the *Tripartite National Council and Human Rights Commission* issued similar guidance and integrated a complaint mechanism in state organisations` internal labour relations procedures. Status of actual implementation, however, is unknown.

Index; in 2021 it ranked 110/180.[67] Though it is a sensitive area to work on in any country, weaving contextually tailored strategies to address the topic is possible. Though GDP did not explicitly target anti-corruption as a topic, GDP`s well designed systemic approach *de facto* did address it in UGP`s work on digitalisation of public services. By removing intermediaries, digitalisation is an effective anti-dote to corruption in services such as property and land management, construction permits, customs but also in issuance of passports. In this sense, by digitizing citizen registration, state archives, the passport service and LDF voting, GDP has not only contributed to more efficient service delivery but also to fight against corruption. This contribution, however indirect, should be highlighted in the programme`s capitalisation products.

3.8 Review of Capitalisation Products (CP)

Overall, the SDC PCU and UGP`s PIU team consider to be `on track` with the delivery of the planned CP. Currently, the list includes video documentaries, poster and paper presentations, infographics. To develop meaningful knowledge products – which CP are – takes dedication and specific conceptual, communication and visual/ multi-media presentation skills. Apart from their technical implementation, in hindsight, it may have been useful to outsource advisory support on the conceptual framing and planning of CP to professionals. Noting the scope and budget for the CP which is substantial (cca. 100,000 CHF), the evaluators suggest that the PCU and PIUs consider the following recommendations:

- **Accelerate production and completion.** The completion of CP was planned for mid-year 2022 and their presentation to targeted audience(s) in December 2022. At the time of the evaluation (end of July 2022), no overview of `draft or beta versions` of CP could be presented to the evaluators for the latter to get a good sense about their content. The recommendation therefore is to significantly accelerate the CPs` draft or beta versions as not to compromise their quality.

- **Cohesiveness.** To ensure cohesiveness among the different CP produced there should be a balance between overarching `impact story telling` at the programme level as well as at individual project level. At the time of the evaluation, the CP appeared to be highly focused at project level without clear inter-CP cohesion.

- **Consider meaningful, evidenced-based impact story telling through effective illustration of before and after pictures related to the Programme and its individual projects.** Emphasise targeting and communication strategies: for example, DPSP plans to produce a 'poster', seemingly for a limited audience. Instead, 2 posters could be produced for GDP as a whole - one for in-country audience and the other (in English only) - for SDC worldwide, HQ, and other donors. They need to provide different levels of detail by keeping respective audiences in mind. The externally-oriented one would benefit from the advisor assistance of an SDC communication specialist. By before and after pictures we also mean piecing individual and programme-level illustrative vignettes of the programme/projects` impact that compares baseline with their current status.

- **Devote equal attention to developing a dissemination strategy for the CP as to its content.** For example, DPSP is preparing a compilation of key studies and methodologies to be produced as a single book. This is a solid CP that can act as a legacy resource. However, the question of who would take the lead in hosting, distribution, popularising and printing on demand of the book after the project closes, needs to be addressed at this stage.

- **Accentuate linkages between digitization and anti-corruption.** Though UGP did not directly focus on anti-corruption efforts, the project could accentuate this systemic impact linkage since the work it did, directly links to it (by default).

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[67] 2021 Transparency International Corruption Perception Index. https://www.transparency.org/en/cpi/2021/index/mng.

- **Allow Khoroos to develop capitalization product(s) related to horizontal learning.** Apparently, the HLP approach is successfully getting off the ground. Asking Khoroos to develop a CP based on their results and lessons learned so far may motivate, further facilitate Khoroos` collaboration but also make them more visible when presented to a wider audience (e.g. other Khoroos, national government, media).

- **Systematically highlight meaningful data, achievements on gender, social inclusion and PSEAH** in order to reinforce and transversally mainstream the issues in the CP.

4.LESSONS LEARNED AND RECOMMENDATIONS

The following section is a selection of valuable lessons learned from PIUs related to their respective activities followed by evaluators` recommendations on the way forward.

The participatory method was an efficient tool used by CEP for identifying local issues and was well received by the locals. Open discussions combined with capacity building provided an opportunity for local citizens and local officials to interact. It proved to be an effective way to address pressing local issues. To amplify the effect, an experience exchanging practical training was organized in pilot sites with ToTs, civil servants and citizens. A short visual gallery to demonstrate identified problems by citizens and depicting them through drawings, prompted the identification of options for innovative solutions.

Figure 4.1 Participatory methods used by CEP

Soum development plan, which incorporated citizens' opinions and proposals, was finalized and adopted by the Resolution No.1 of the Citizens' Representative Hural's meeting on the 6th of November, 2018 in Norovlin soum, Hentii aimag.

With the purpose of obtaining particular information and inspiration on good practice, planning process and operations in Ikh-uul soum, Zavkhan aimag and getting acquainted with the real experience at site to come up with the "Soum forest management plan" in 2019.

Highly localised capacity building was a critical element for successful piloting. ToTs established local trainers or citizen groups comprising of 15 most active citizens each and trained them in leadership skills, team work, and planning skills. However, it showed that building and increasing capacities of citizen groups is a process with the long run impact.

The progress of development of citizen groups as trainers in 5 pilot areas varied depending on the size and age of population, influencing capacity, activeness and initiatives. Particularly, to form a Khoroo population (150,000 population) as one team in Ulaanbaatar was a challenging task. Youth participation proved to be limited as most interested people were the pensioners who had free time to participate in the activities. Moreover, it was difficult to find people from densely populated districts with same interests to carry out the tasks through citizen groups. It was observed that people lack interest and initiative even they receive enough information.

Cooperation, understanding, attitudes of soum and district governors were very important to ensure success. Governor of one soum, one district cooperated actively. As per other two soums and one district there were no regular communication and weak trust and support.

Implementation of civic engagement is resource-intensive in terms of time, coaching by the project, and financial costs hence translating into low cost effectiveness is needed. Realistic expectations Regular civic empowerment efforts through education and mass media channels, capacity building of the social workers who are working in the grassroots, capacity building of the local authorities in civic engagement are the key tools to ensure civic engagement in the long run.

Context matters. An essential condition for successful governance reforms is national demand that does not fluctuate with political winds of change. A belief that demand can be created by outside action based on an externally perceived 'objective need' for reform is a shaky foundation to build upon. Mongolia had a healthy foundation for reform, upon which technical solutions could be based. Not all beneficiary countries, however, may have such firm foundations to build on.

Optimising prospects for country ownership. To ensure that beneficiary government is in the driver`s seat, an implementation modality where PIUs activate and empower stakeholders' own capacities thus turning them from beneficiary recipients to active partners, and owners of targeted interventions. Such modality is however laborious and staff-dependent.

Realistic timeframes for how long decentralisation reforms can take should be estimated with a fair dose of realism and contingency margins. Systemic governance changes in Europe were progressive and took a significant amounts of time (sometimes centuries) to evolve; countries also need time to embrace reform and absorb change. These rarely fit nicely into excel sheets and Gantt charts.

Sustainability plans needs to be drawn well in advance [at least a year before a project ends] in order to enable a smooth transition. Technical sustainability conditions could be included into a Prodoc for final phase, while political accompaniment should be discussed on high level.

RECOMMENDATIONS

The following section proposes recommended actions that could be taken to further preserve the sustainability of the achievements made by GDP. The recommendations are structure by individual projects.

DPSP
Outstanding tasks. Legal framework should be further improved. Harmonisation between LATUG and sectoral law and regulations has only started following LATUG's adoption, and PIU needs to check whether the sectoral laws are consistent with LATUG. It will not be accomplished in the next six months. Major Law on the Status of Cities and Villages is still being lobbied for (including through the means of the study tour to Austria and Hungary in September 2022 organised by DPSP), it will require changes to other laws and regulations, followed by a hopeful adoption.
Extend focus on Outcome 3 – training, awareness raising of local authorities. While management plans on implementation support have been drawn, it is unclear who would lead on them if PIU is dissolved. Moreover, current territorial structure requires a revision, and a salary revision for local government to rectify the present unfair system [there is a great salary disparity between centrally-funded positions in aimegs and soums, and those funded from the local budget, even though staff share the same office and do comparable duties. Consequently, it is hard to find people to fill locally-funded vacancies – and this is an obstacle for decentralisation taking root].
What are the risks if DPSP closes abruptly? Currently, there is no institutional unit to transfer the work to. PIU does not know whom they should hand the work over. Under the Vision 2050, there should be a permanent unit at Cab Sec which will be responsible for FA, but there is no sign that this is happening. Another risk is that convening power will be lost and there will be no funding for meetings and discussions, and nobody to organise them. Trainings (especially in provinces) still need to be organised; otherwise human resources would not be able to master the new levers of power. There should be a Plan on Sustainability. Cab Sec should think through several options. SDC may be well-placed to assist with introductions to other donors/ development partners.

In connection to the capitalisation products. Cull the video production and use the funds for E-learning modules on functional reallocation and fiscal decentralisation. Cab Sec can host the modules on their site, as well as the Ministry of Finance (the relevant modules). SDC can host as well, at least until 2024.

UGP	
Outcome 1 **Professionalisation of MUB Staff**	• While HRDC`s institutionalization under MUB, successful ISO certification[68] and funding stability for the next 2-3 years will enable the Center to stand on a solid ground, the following recommendations are to be considered: • **Completing the full Learning Management System** (LMS) will be important for HRDC as demand for remote trainings increased during the COVID pandemic, a trend that is likely to persist. To date UGP has digitized 14/34 modules but it lacks financing for the completion of the LMS. One option would be to approach KOICA who was in past partnership with HRDC and supports digitalization themes; JICA could be another. • **Adding new content (Outcome 1.2)** Apart from soft skills development which is important, to remain relevant, more thematic and technical courses linked to urban governance - how to plan, finance and manage urban areas - should be added to HRDC`s curriculum. Such modules could include strategic urban planning (beyond technical engineering), (open)data management, data based decision-making, design thinking (user centered design) in service delivery, working with CSOs etc. As such expertise is currently lacking in Mongolia, HRDC's current efforts to reach out to and seek content development support from *The Hague Academy for Local Governance, TAFE Queensland* and Peabody College at Vanderbilt University should be further supported. HRDC would benefit significantly from the mentioned institutions' technical assistance. • **Longer-term strategic/financial planning.** While HRDC operational costs will be covered from MUB`s budget, the Center should engage in medium-to-longer term financial viability planning to ensure its sustainability beyond MUB`s current commitments. Potential diversification of income streams (and institutional set up considerations – becoming a PPP, an SOE vs. a fully public institution) may be considered especially if additional investments for new content or upgrading of its premises and equipment are planned.
Outcome 2 **Public Service Delivery and its digitization**	• **Ensure smooth integration of UGP`s digital solutions on e-Mongolia** by implementing relevant technical, administrative and communication change management processes by targeting end users. • **Assist State Archives Agency to set up an internal `training of trainers` system** to scale up the training related to the archival classification and referencing system for the remaining Khoroos (organizers). • **Promote elimination of digital divides** in future digitization of services. Currently, 63% Mongolians use the Internet while 37% are still left out from benefiting from digitalisation.[69] In UGP (Outputs 2.2, 3.2), the digitally excluded include remote gher households with limited/no Internet access, the elderly, those who cannot afford smart phones or mobile data and those with low digital literacy. Elimination of digital divides will require relevant IT infrastructure policies, training for civil servants, digital literacy programmes and public awareness building. • **Develop and implement ICT Basic Competency Standards for Civil Servants** and link them to performance appraisals, also linked to Outcome 1. Establishing national ICT Competency Standards (NICS) for the Civil Service is good international practice[70] for systematising digital readiness at different levels of the civil service. NICS typically define the basic knowledge and set

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[68] The two ISO certified standards obtained by the project include ISO 9001: 2015 for quality management systems and ISO 21001: 2018, a standard which certifies management system of educational institutions.

[69] *ITU Digital Development Dashboard: Mongolia*.www.itu.int/en/ITU-D/Statistics/Documents/DDD/ddd_MNG.pdf.

[70] UNESCO (2022) Civil Servant 2.0: Spotlighting digital competencies for policymakers at WSIS 2022
https://www.unesco.org/en/articles/civil-servant-20-spotlighting-digital-competencies-policymakers-wsis-2022

	of ICT skills pegged against measurable indicators that a civil servant must possess at a recognized level of competence or a job role. NICS should also strategically align with a country`s existing digital transformation strategies. To have weight, NICS should be underpinned by legislation or a normative act. In the context of UGP's Outcome 2, HRDC, relevant DPSP experts along with relevant institutional (e.g. NAoG) and legislative partners should consider initiating a policy dialogue related to the development of a draft NICS. • **Incorporate a link between digitalization and anti-corruption** in its capitalization products.
Outcome 3 **Citizen inputs on LDF allocation are followed by MUB planners and promote CE**	• **(Until December 2022) Ensure smooth migration and/or transition from Smart UB and LDF e-voting application to eMongolia** by employing relevant technical and administrative change management processes as well as well targeted communication campaigns to ensure that former Smart UB and LDF e-voting app users are well informed and instructed on how to migrate to MoF`s new solution. • **(Post-exit phase) Continue improving not only quantitative and procedural performance of LDF but also the quality of its civic engagement process and results.** Up until now, much effort was spent on improving the procedural elements of the LDF on and off-line. These were important first steps. In the future, however, attention should be paid to the quality of the process: i) civic education of citizens related to strategic community planning and decision making, ii) training of community facilitators (e.g. Khoroo organisers), iii) fiscal transfer allocations and their actual disbursement for citizen selected projects, iv) prevention of elite capture to safeguard the integrity of the process, v) ensuring that migration from UGP solution to e-Mongolia is smooth with a well implemented `migration support plan` (e.g. chatbot, awareness building campaign) to explain the difference between the two. SDC funded SLP III would be well fit to take up the recommended activities on the quality of the LDF process as it has extensively collaborated with GDP/UGP in the past on the LDF and it will be implemented for two more years, while the MASAM project would be well fit to continue supporting aspects related to macroeconomic planning, including fiscal decentralisation. It is thus recommended that all three projects meet to discuss the handover and concrete future actions. • **(Post-exit phase) Continue to promote LDF through rigorous information campaigns** as research shows that only `informed households` tend to participate in e-voting.[71]

CEP	
Outcome 1	• **Further revision and consultation on the law on Non-Profit Entities** (within exit phase). While CEP supported the drafting the latter, it went three times to the National Parliament, who debatedon it, however without approving nor rejecting it, as it was highly politicised. Currently, the draft is with the Ministry of Justice and Internal Affairs. It is recommended that CEP facilities further discussion and consultation on the draft law to reach a common understanding and consensus among different stakeholders before re-submitting the draft to the Parliament.
Outcome 2	• **Draft law on Media Freedom** Two consultants worked on the revision of the law in line with international best practices in order to improve it. According to them, proposals for amendments are clear. It is thus strongly recommended that integration of these amendments in the new draft law is completed within the remaining time of the project. • **Within exit phase, develop medium-term sustainability business plans for participating NGOs and facilitate dialogue with prospective donors on future support.** The PIU should engage with participating NGOs to identify strategic steps for their sustainable operation beyond the project, a dialogue with relevant donors to support the participating NGOs to be initiated by SCO. For youth policy

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[71] Mongolian Marketing Consulting Group. (August, 2022) *Evaluating citizens feedback on the works under LDF on the budget*. (A Study commissioned by UGP PIU).

	watch, Deutch Welle and for Women for Change, the Soros Foundation and the WB could be approached.
Outcome 3	• **Post-exit, institutionalise civic engagement elements in University curricula for future lawyers and journalists**. During CEP, MoJIA developed informal training modules on civic engagement, in line with international experience, higher education institutions can be effective multipliers through experimental and active learning programmes, community based and participatory action research, community-university partnerships and other types of outreach activities. While CEP prepared solid ground for mainstreaming of civic engagement elements in education, further efforts needed by the Government to mainstream civic engagement elements formal education.

ANNEX 1 - PROJECT LEVEL FINDINGS

PROJECT LEVEL SUMMARY: DECENTRALISATION POLICY SUPPORT PROJECT (DPSP)

Project's Objective: The government has elaborated and implemented policies, laws, rules and processes, and assigned to sub-national governments clear functions, responsibilities, administrative authority and resources in an equitable manner.

Expected Key Outcomes: 1) functional allocation and policy support, 2) improving fiscal framework and 3) implementation support for decentralisation reform.

Theory of change: If national and sub-national governments have adequate structures, responsibilities and resources, and are equipped with administrative capacities to fulfil their functions, better and more sustainable services can be delivered to citizens at a lower cost.

Institutional partners: Cabinet Secretariat, Ministry of Finance, 13 line ministries, National Parliament, UB governor's office and city khural, National Academy of Governance.

Budget: DPSP had an allocation of CHF 1,537,500 (1st phase CHF 700,000, 2nd phase CHF 600,000, the rest was allocated for international experts in DPSP-1). A monetarised in-kind government contribution was projected at 31% in 2020 and 38% in 2021. In 2019, the actual contribution amounted to 6%. In the first six months of 2022, monetarised government contribution totalled 96,565,454.55 MNT. [in March 2022, the GoM ceased to host the PIU which now covers office space out of the project funds].

Project's phases: DPSP was undertaken in 2 phases – DPSP 1 (2015 – 2019) and DPSP 2 (2020 – 2022) by the same partners and the PIU. Functional re-allocation mostly took place under DPSP 1, while legal and fiscal change was accompanied throughout. DPSP built upon the foundation laid by GDP 1 'Policy Support and Research' component under Outcome 1 'Policies, laws, rules and processes are in place which support and direct decentralisation reform' which was implemented by multiple partners.

Executive Summary on 6 Criteria:

Relevance
DPSP is highly relevant to Mongolia's global commitments (SDC goal 16) reflected in Sustainable Development Vision for Mongolia 2030, Swiss development strategies and national policies, such as Vision 2050, key laws and the Constitution. The project is appropriately aligned with the government priorities, the country's absorption capacity and public administration reform needs. National commitment to decentralisation has been resilient to major political change that brought the MPP into power in 2016 when DPSP was already underway. It offered a relevant combination of international methodology, national contextualisation, right level of institutional attachment and the choice of high impact partners. Appropriate timing when national demand for decentralisation was awoken, but stakeholders struggled with finding the approach that worked for them which the SDC was able to offer. These factors enabled a high degree of national ownership. The methodology of 'learning-by-doing' helped to overcome institutional resistance and led to lasting outcomes. Design, though adjusted after the MTR (2016), was still found overambitious, even though Mongolia is a high performer, and consequently too many demanding activities were fitted into a tight timeframe. Moreover, the DPSP targeted beneficiaries mostly on central state level, and capacities of sub-national governments to absorb change were left out of the scope.

Efficiency
The project is highly efficient: major results in law, policy and capacity development were achieved in six-and-a-half years at a relatively low cost, as compared by implementation by international organisations. DPSP accumulated savings due to an underspent of 30% in 2021 because of Covid that precluded face-to-face events. Overall, the pace of implementation

is very high, though Covid was a setback. Funds were spent efficiently and steps were planned in a logical sequence. Nothing was wasted. When technical studies were commissioned, their results fed into upcoming laws and government regulations. After pilots in FA were accomplished in two line ministries, lessons from them were used to improve FA methodology, and the pilot ministries mentored colleagues when the exercise was rolled out to all. Feedback from beneficiaries was used to improve FA software and make the database user-friendly. The 1st phase appropriately used Swiss expertise which was key to developing the project's content, while the 2rd phase relied on national consultants to embed it in Mongolia's legal space. DPSP used the country systems and strengthened capacities by using national cadre.

Efficiency was fostered by stability of the PIU which enabled its staff to develop specialisms over seven years and were capable of transferring knowledge to others. The involvement of official stakeholders made communication lines to the officialdom, and helped to convene multiple stakeholders. The project was laborious as institutional change required a great deal of accompaniment, and DPSP's dedication and commitment was outstanding. Ongoing communication with the government, academics and NGOs made the implementation process smooth.

EFFECTIVENESS

DPSP's results are impressive. The project targets have been mostly reached, and overperformed in some areas as additional issues came on board that needed addressing. Where targets were not fully achieved, this was due to (1) factors beyond implementers' control, e.g. the pace of legal change, institutional adaptability and Covid pandemic, and (2) targets being overambitious that were later revised [negotiated with the SDC and confirmed by the Cab Sec decision].

Outcome 1: **enabling legislative environment for decentralisation was created** by adoption of the State Policy on De-centralisation, amendments to the Constitution and the Budget law, revision of LATUG and the law on the Status of Capital City, among others. DPSP provided substantial technical inputs, used convening power and pursued an advocacy strategy to foster their adoption. Legal change is still underway – though a proposal on the revision of the Law on the Status of Cities & Villages was prepared by DPSP and endorsed by the government, adoption is pending.

Policy implementation mechanisms emerged. Stemming from decentralisation policy, the first mechanism to implement it was a review and re-allocation of functions. It was conducted in a comprehensive way in Mongolia for the first time. To that effect, the FA methodology was approved by the Government Resolution (2018) and was led by DPSP in 23 units, including Cabinet Secretariat, parliamentary apparatus, all 13 line ministries, UB Governor's Office and two sub-national governments. As a result, one ministry was split, giving rise to a new ministry (of Culture) and a government agency (of Spots); departments were split or merged, and new agencies were established, e.g. Medical Supplies and Drugs' Agency.

Institutionalisation was empowered. One FA outcome was the resulting need to introduce amendments to sectoral and administrative law. Over 500 laws have been reviewed, some amendments adopted, while some are in the process of drafting and approval, e.g. an important Child Protection Law. Massive effort that went into definition and classification of functions became an eye-opening experience for participating structures. As a result of FA, a great deal of overlapping or ambiguous functions were found; in addition, office-holders were not aware of the functions they had by law. DPSP was effective in overcoming their institutional resistance: 'usually, people do not like change. All ministries were against FA at first, as they did not want to transfer powers to the local level.'[72] The second policy mechanism following from the FA was revenue allocation. Financial resources were needed to follow the new functions and should be made available in the local budgets. DPSP enhanced the ability of

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[72] DPSP PIU, evaluation interview, 27/06/ 2022.

sub-national government to keep more of the locally-generated revenue by close collaboration with the MoF, which it brought on board for change.

DPSP improved effectiveness of how the government machine functions through an increased administrative efficiency and outsourcing responsibilities to non-state sector. Multi-level awareness on decentralisation was built, fostering institutional momentum. Digital innovation became an effective tool through introduction of FA software 'Function.gov.mn' (a database of functions with corresponding laws) which was significantly improved by piloting and incorporating the lessons from experience.

Outcome 2: conditions for fiscal equalisation were laid by establishing a **legal and policy mechanism** which aims at levelling out the difference between own revenues at the local levels and financial resources required to carry out functions allocated to them. DPSP's work concentrated on studies, technical guidance, policy advice and capacity building. Importantly, the technical outputs were in demand by policy-makers and fed into improvement of law and practice. As PIU was embedded in the CabSec and had a Project Enabler in the MoF, the expertise it offered was readily consumed because it had a receiving audience. DPSP made additions to the Budget Law, conducted baseline studies, e.g. on fiscal decentralisation and equalisation framework, prepared a manual on budget reclassification and proposals on fiscal consequences of implementation of LATUG; all in partnership with MoF. Target indicators that it developed for each phase of fiscal decentralisation were included into the State Policy on Decentralisation. Results of the study of city taxes went into drafting of the city tax law.

Sub-national level got engaged. DPSP worked not only with high policy, but engaged with the field. It organised discussions with local herders on Livestock head tax law draft to ensure that citizens' views were taken into account, and got down to the ground in Selenge aimag to explore local functions and their financing, and how their re-organisation can be used as a model for others. As a result of this work, taxation powers of local government (especially on soum/ district level) considerably increased. A handbook on financial implications of LATUG was published and distributed to aimags (provinces) to enhance their knowledge.

Outcome 3 was dedicated to accompaniment of implementation. Inroads were made: a Change Management Action Plan detailing steps in capacity-building and outreach was prepared and approved by Cab Sec. Management Plan on LATUG Implementation and other relevant legislation were approved in early 2022. Trainings and workshops were delivered, but have not reached a critical mass yet. Covid was a setback as it precluded interaction, while virtual meetings are not effective for the target audiences. Moreover, the PIU concentrated on the outcomes 1 & 2 which constituted the bulk of their mission, and implementation support had to go hand-in-hand with legal and policy work that continued.

Coherence. As DPSP worked on a high-level policy and institutional change, and was a unique, stand-alone project, the scope of cooperation with others was limited. Synergies that happened are owed to the SDC guidance and GDP Steering Committee meetings when implementers learnt about the overall progress. Citizens' views brought into focus by CEP, were said by the DPSP PIU to be useful to be consulted in the direction of change. On SDC's suggestion, DPSP used trainers developed by the UGP to maximize synergies between the two. The closest links were developed with other SDC-supported projects outside of the GDP, which were complimentary to DPSP, but engaged with different groups of stakeholders. They included "Strengthening Representative Bodies in Mongolia (SRBM)" (engagement with local council representatives) and "Sustainable Livelihoods Project (SLP)" (strengthening capacity of local authorities in public service delivery), which received strong support from DPSP in operationalising LATUG, strengthening local governance and in access to officials.[73] There were no grounds for external coherence as SDC is the only donor to governance reform.

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[73] SDC-supported 'other' projects outside of GDP, Evaluation focus group, 6/07/2022.

Impact. In the words of GDP Director, 'DPSP gives us a bigger picture on governance. It is not a big project, but its impact is really great.'[74] In fact, DPSP's achievements gained an international recognition, e.g. in Asia Pacific, while the FA methodology and the manual are internationally acknowledged.

Legislative and conceptual impacts: principal notions of decentralisation were introduced – of subsidiarity, disentanglement and 'finance follows functions', - by adoption of LATUG and other transformative laws/ regulations such as the State Policy on Decentralisation (2016) and the Government Resolution (2018) on FA. DPSP's major contribution was in setting a direction in decentralisation policy formulation and introducing a concept of fiscal equalisation that became accepted by the MoF. As a result, fiscal rights were decentralised and soums (district administrations) got more powers devolved to them. There was a big change in Tax Law as DPSP persuaded the authorities that people are prepared to pay more tax if it is locally spent, and they have power over it.

Structural impacts: FA methodology was found by beneficiaries to be a very powerful tool that offers a holistic approach and allows for solutions on different levels. Positive outcome of FA at government institutions led to adoption of the methodology by different line ministries, who all worked according to the same pattern, definition of tasks and duties. Reached consensus on FA, will make it easier in the future to apply the same tools to other sectors, maximising impacts. Moreover, the Budget Law increases the impact of the FA methodology as it stipulates that FA should be conducted every three to five years, thereby enhancing its sustainability. As a result of the FA, by becoming less burdened by their implementation duties, the government bodies gained a better ability to concentrate on their main job, i.e. policy. In dual subordination, ministries are now responsible for policy and local level – for coordination and field implementation. The term 'function' became institutionalised, and each ministry and agency now have a FA review mechanism. The power of defined functions produced an impact on budget composition: 'budget should follow the duties – you cannot expect people to perform if they do not have a budget for it.'[75] DPSP succeeded in budget re-classification to follow the structural change after the FA, Constitutional amendments and revision of LATUG. The government has already delegated some functions to the local level and began to trust it more. The project impacted on financial incentives: changes to Immovable Property Tax and Personal Income Tax laws enable revenue generation at the local level, so that sub-national governments now have an interest in raising tax which they can spend. The ethos of a bottom-up approach of transferring power increased the role of soum khurals (councils).

Procedural impacts are observed, such as an adoption of job descriptions for each public servant. The Law on Civil Service was updated in 2019 in that light. Public – private partnerships were established by outsourcing services from ministries to non-state actors. Procedures fostered by DSPS improved public service reporting and accountability, and budgeting process that ties resources to functions. Cross-sectoral coordination improved; for example, different bodies involved in land issues started to collaborate allowing to overcome bottlenecks. Cab Sec and the National Academy of Governance introduced changes to educational institutions' training curriculum to facilitate transfer of new knowledge that DPSP brought in. Local governance acquired clarity in its structure. Previously, it was ill-defined which tier (aimag or soum) was responsible for which service. As put by an aimag governor: 'Before, there was confusion. We learnt that the mix-up that we had, was wrong, and it would be much easier to work if functions were clearly delineated.'[76]

High institutionalisation: FA review triggered wider impacts on political values (it came out that culture is important for state identity and deserves a dedicated ministry rather than a 10-person strong department), the scope of state responsibilities and on overcoming distrust of non-state

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[74] Cab Sec, Evaluation interview, 30/06/2022.
[75] Ministry of Construction and Urban Planning.
[76] Tuv aimag mayor/ governor, Evaluation interview, 1/07/2022.

actors (professional bodies became responsible for licenses, certifications, cultural acquisitions etc). As stated by the GDP Director, 'the concept of FA, and the idea of identifying our own functions became the part of everyday vocabulary for civil servants. Not only it is stipulated in the Budget Law, but it became internalised.'[77] DPSP also inspired forward thinking: 'we used to focus on the speed of service delivery, which has improved thanks to FA, and now we are concerned with how to improve its quality.'

Attitudinal shifts: level of political commitment has been consistent in the parliament, the executive and among involved local officials who all embraced change in a spirit of a problem-solving approach. The implementation process planted a belief in the value of collaboration between policy world and academia. Local governments started to feel that the central state is not neglecting them. Personal impacts were also felt - all participants were proud of their work and achievements. A respondent who worked in a sectoral ministry, is now responsible for M&E in the Parliament, and stated that she is transferring the skills she acquired to introduce the same system in her new role.

National capacity-building outcomes are widely acknowledged by stakeholders: 'capacity has been built. It was very beneficial to use the methodology and have an understanding of decentralisation engrained within the Ministry's staff.[78] DPSP unleashed peer learning – as put by Tuv governor, 'our staff became more knowledgeable. We learnt how UB city government manages to serve more people, that better services can be delivered by fewer staff.' It is recognised that building capacity has a way to go. As stated by one ministry, 'we need human resources to be better qualified. Thus, the Minister of Construction concluded a Memorandum of Understanding with University of Science and Technology to prepare human resources in the periphery.'[79]

Challenges nevertheless remain. Mongolia is a big country, and services need to be delivered in the countryside to ensure that people continue to live there. However, while the conditions were prepared, re-allocation of funding and people has not yet followed the re-allocation of functions. In 2022, implementation was at the stage of central planning and budgeting and is envisaged to hit the ground in 2023. National audit authority, performance auditing and financial data procession are weak. A system for monitoring financial decentralisation does not exist. Fiscal decentralisation is a subject to state budget: although the MoF is committed, there is no additional money to fund reallocated functions, considering the budget deficit.[80] While budget proposals were submitted by the ministries to the MoF, they are estimates but not allocations, and it is still being worked out what should be funded by the central or local budget.

It is too early to expect impacts on sub-national level given that DPSP only started local capacity building activities in 2022. While soums became the main territorial and administrative units, and acquired a better revenue-generating power and tools on using it, there is a gap between policy and practice. For example, an increase in tax collectors to get the tax has not happened. More attention to human resource dimension of decentralisation would be required for the impacts to last. Moreover, technical and political ramifications of the reform are not always clear. The Law on the Status of Cities and Villages is yet to be adopted, and political and power struggles are likely on the way.

Sustainability
Legal and institutional change that is internalised, is the best guarantor of sustainability. It is enshrined in the Constitutional amendments (2019) and adopted laws, such as LATUG, Status of Capital City Law, General Tax Law, Budget Law etc, in reallocation of functions stipulated secured by government resolution, sectoral regulations and Civil Service Law.

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[77] Byambasuren, 30/06/ 2022.
[78] Ministry of Labour and Social Welfare, 28/06/2022.
[79] Ministry of Construction and Urban Planning
[80] Ministry of Finance, evaluation interview, 4/07/ 2022.

Institutionalisation has taken root in central-level public administration, where sufficient time has lapsed for re-organisation to settle in. National ownership, capacities built within civil service, legislative bodies and academia, and willingness to help others to reform give ground to believe that the seeds planted by DPSP will grow and develop. Change in attitude that accompanies legal and policy innovation, is another asset for sustainability. At the same time, financing, human resources and politics are untapped challenges. Potential civil service turnover may lead to a loss of trained cadre, while implementation has not reached sub-national governments, whose readiness to absorb benefits is uncertain. Making change more sustainable will require short-term support by DPSP and political dialogue by the Swiss side in longer-term. Developing and negotiating a Sustainability Plan is an urgent task.

Gender Equality, Social Inclusion and PSEAH: No specific gender equality considerations were noted other than stipulated by Mongolia's law-making requirements (Law on Legislation). As legal and policy change has a nationwide scope, the whole of society is expected to benefit from improved service delivery, including vulnerable groups. Safeguards against discrimination, sexual harassment and bullying are included into the revised Labour Law and stipulated in DPSP's Manual on Procedure signed by the GDP Director (CabSec Deputy Chair). Ethics' Committees were set up in all ministries and government agencies. However, cultural barriers and a lack of awareness may prevent these safeguards to be realised in practice: only the Ministry of Labour & Social Welfare reported a hands-on awareness of the issue.

Table 5.1 Status of remaining support needed per DPSP outcome and outputs

Outcome	Outputs	Remarks on the status of support needed
Activities not needing further support		
1. Functions of each state level are clarified through application of FA methodology & improvement of legal and regulatory framework	1.1 Done on central level, but financial implications at sub-national level only emerge. FA only happened on central level & 1 aimag, but not on sub-national level.	The outcome is in principle completed. However, legal change is incomplete, and legal framework needs further harmonisation. A major Law may be adopted soon. A degree of support is needed to make changes to laws & regulations post-LATUG, and provide support for adoption & planning of the Status of Cities & Villages Law.
	1.2 Done, save for the adoption of the Law on the Status of Cities & Villages, and post-LATUG amendments to other laws and regulations.	
Activities not fully completed but need to be continued		
2. Adequate fiscal mechanisms required for FA implementation are developed.	2.1 Technical assistance & guidance in fiscal equalisation & increasing local revenue	MoF needs more guidance on fiscal decentralisation, as it is at an early planning and budgeting stage post-LATUG. Functions were reallocated in law, but an increase in local tax collection has not happened due to novelty of the issue. Sub-national governments acquired taxation rights, but do not know how to use them. Follow-up to the Study Tour (postponed from 2021 to Sept 2022) is essential, so that its benefits lead to tangible outcomes. There may be a need for additional technical studies to support MoF.
3. Guidance for implementation of decentralisation reform is in place.	Outputs 3.1 & 3.2 were merged by a CabSec decision. Outstanding activities: Step-by-step implementation of Action Plan, awareness-raising & capacity development in sub-national governments on new legal framework on decentralisation and empowering local authorities;	(3) Implementation support only started due to complexity & pace of legal change, Covid, & overambitious design given the limited PIU capacities (4 staff). Change Management Action Plan has few capabilities to operationalise it. No other international actors are available. National stakeholders are not ready for handover at this stage.

	setting up ministry helplines	
Activities to be stopped		
(1) Preparation of aggregated fiscal balance sheet showing financial effects for each aimag & soum. (2) support initiative on increasing local revenue; Cooperate on improving local fiscal data collection (3) Asset registrar; (4) Adjustment of organisational structures of sub-national governments; (5) Creating systems for staff transfer from higher to lower levels	Some of these activities were already stopped. Cancellation was agreed with the SDC and included in the CabSec decision, but the LFA was not revised or mentioned in 2021 DPSP Annual Report.These activities would be beneficial in principle, but are not realistic given the time & capacity constraints. Their cancellation enables concentrate resources on the activities which can be successful in short-term and where gains are within reach, i.e. legal harmonisation, and building local capacity and awareness.	
Capitalisation products in video production	Potential for inefficient use of funds on this CP is high. PR is not DPSP`s core business, and an involvement of SDC communications' expert will be useful. Book of compiled studies/analyses (another CP) would be useful. A poster is best done by GDP, not by individual projects.	

PROJECT LEVEL SUMMARY: URBAN GOVERNANCE EXIT PHASE (2020-2022)

Project`s Objectives: For MUB to plan and deliver more effective and responsive public services and LDF investments in ger areas. The exit phase will focus on consolidating key achievements of the main phase of the project (2015-2020), including institutionalisation of successful practices and ensuring sustainability of results.

Theory of change: *Governance is key to improving quality of life and satisfaction among Ulaanbaatar's residents.* GoM has not developed a clear service orientation in the planning and delivery of services, investments in infrastructure and service improvements not being clearly linked to both expectations of citizens and broader objectives, analysis of needs, and the capacity both to implement policy and improvements. These issues are exacerbated in the ger areas where Khoroos are unempowered and limited in their ability to support their citizens, infrastructure investments are limited and poorly targeted. [81]

Key institutional partners: Municipality of Ulaanbaatar – Governor`s office, Public Administration Department, IT Dept., Development Policy and Planning Dept., Human Resources Development Dept., State and City Archives Agency, Citizen Integrated Service Centers in 204 Khoroos and 9 district Governors` Offices.

Budget: SDC's total funding to UGP amounted to CHF 4,882,399 which comprised CHF 3 million for the main phase (2017-2019) and CHF 1,882,399 for the exit phase (2020-2022). The project also benefited from a cost-sharing modality with total monetary and in-kind funding contributions committed by the Asia Foundation (CHF 466,095) and MUB (MNT 6.248 Billion). MUB has progressively increased its contributions from MNT 49,000,000 in 2017 to MNT 2,759,000,000.[82] This attests to the program`s and UGP`s impressively strong local ownership.

Project`s prior phases and evolution: In Phase I (2015-2016), focus on 33 gher khoroos in 9 UB districts, reaching 330,000 citizens. In Phase 2 (2017-2019) UGP redesigned its original scope and scaled up to 87 khoroos in 9 UB districts, reaching 812,000 citizens. In exit phase (2020-2022), UGP scales its activities to all 204 khoroos in 9 UB districts, reaching all UB`s citizens.

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[81] UGP Project Document – Exit Phase (2020-2022), p.7.
[82] Ibid.

Assessment of UGP based on the 6 OECD-DAC criteria

RELEVANCE

Overall, UGP has been highly contextually relevant in contributing to the achievement of SDG 16 (promotion of peaceful and inclusive societies and building effective, accountable, and inclusive institutions) and Mongolia`s development priorities, ongoing decentralisation reforms and urban challenges. Its design aligned well with the *Mayor of Ulaanbaatar`s Action Plan 2016-2020, Mongollia 2050* and GoM`s agenda focused on improving service delivery, citizen participation, and capacity strengthening of municipal civil servants. Focus of the project`s three mutually reinforcing components, albeit with some adjustments (e.g. addition of urban governance and digitization) remained relevant throughout its three phases. Given that 60% of Mongolia`s population live in UB additionally reinforced UGP`s geographic relevance. Consistent implementation modality of working directly within MUB departments/agencies ensured solid local ownership. For the most part, the unexpected external shock of the COVID 19 pandemic also worked in the project`s favor as it accelerated both the supply and demand side of digitalization which was aptly integrated in Phase II in the project`s design with substantial scaling benefits. UGP also harmonized with SDC`s exit phase Outcome 1 on democracy, respect for human rights and the promotion of gender equality.

EFFECTIVENESS

Flexibility and contextual adaptability, selection of high impact institutional partners (MUB, City Archives Agency, Citizen Registration, 204 Khoroos) and targeting transformative public services (citizen registration/ eID and city archives) for digitization and de-concentration to Khoroo level attributed to the high effectiveness of UGP`s approach. Maintaining the Project Implementation Unit (PIU) at the UB Governor's Office to ensure closer coordination and liaison with MUB stakeholders also proved to be an effective implementation modality, enabling a high level of local ownership.

- **In Outcome 1 (exit phase)**, the project completed the full institutionalization of the HRDC within MUB (Output 1.1), continued to rollout its training program to 16 006 entry-level civil servants and middle management (Output 1.2) with 34 practice, case-study oriented modules[83] (Output 1.3) for which it is recognized[84]. Development of a horizontal learning platform among Khoroo staff for sharing of good practices and obtaining two ISO certifications for the HRDC are UGP`s other notable achievements. HRDC`s focus on training municipal employees complements the modules provided by the National Academy for Governance with whom HRDC signed a joint MoU and follow-up Partnership Agreements to jointly deliver orientation training for newly appointed civil servants. The only area with lesser evidence were specific modules dedicated to urban governance. Due to the COVID 19 pandemic Outcome 1 also faced some challenges such as the need to rapidly migrate HRDC`s training content online. This required responsive technical and digital content design capacity which is quite new and not readily available in Mongolia. At the time of the evaluation, UGP is still working on digitizing its training content and setting the foundations for developing a Learning Management System (LMS)[85]. HRDC management noted that it will not be able to fully develop the LMS under the project`s current budget.

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[83]Majority of the modules focus on soft skills development such as leadership, teamwork and select tailored technical topics such as business process reengineering, Excel and research methods.

[84] Interviews with beneficiaries focus groups

[85] LMS typically refers to a software application for the administration, documentation, tracking, reporting, automation, and delivery of electronic educational courses, training programmes, or learning and development programmes.

- **Outcome 2** – Business Process Reengineering (BPR) trainings and methodology have been well embedded among staff at MUB (Output 2.1). The BPR methodology is a key building block for effective digitization of public services. Through rigorous screening of business processes involved in a given public service and by subsequent removal of redundant steps, BPR ensures that public services are more efficient and user-centric. The growing demand and enthusiasm for BPR training among MUB staff attests to the effectiveness of UGP`s approach. Through its work with the City Archive Agency, to date (2020-2022), UGP contributed to the digitization of 30% of MUB`s archival documents[86] as well as to the de-concentration and digitization of the Citizen registration services to all Khoroos (Output 2.2). Outputs 2.1. and 2.2

> **Key UGP Achievements Highlights**
>
> - 74 services digitized and integrated on MUB`s e-services platform
> - Service delivery time reduced from 21to 5 days
> - Since 2017, 16 006 civil servants trained (65% during exit phase alone), 91.3% of trainees (N=943) perceive they are better able to perform their duties and serve the community
> - Total MNT 73 million cost savings due to the de-concentration of targeted services
> - Services in Khoroos are wheel-chair accessible, and information in braille format is available
> - Access to services is location agnostic - at district, CISC, Khoroos for any Mongolian
>
> Source: UGP internal documented records (2021, 2022)

have been thus effectively achieved. Output 2.3 experienced a minor setback. Though the MUB e-Service platform (launched in 2018 Phase II) enabled MUB civil servants and UB residents to have access to 50 newly integrated municipal e-services (in 2019), the planned gradual expansion to 540 digital services by MUB supported by exit phase was supplanted by MoG`s launch of a unified nation-wide e-services platform – *eMongolia*. EMongolia expects to absorb all existing and new digital services on its platform; this includes the 112 e-services available on MUB`s platform (74 of which were established by UGP). Consolidation of e-services into one platform is a good practice, but effective transition, interoperability and integration of existing services need to be ensured. The UGP confirmed that a migration plan has been put in place.

> *`The program (GDP/UGP) was like my right hand, it helped us to convince our higher level management to start with digitization of services as it was not easy at the beginning. Many of our senior officials did not understand digitization, nor the importance of it. Although we have a long way to go, as a result of digitization of services supported by UGP the distance between citizens and government is decreasing.`*
>
> Personal interview, Head of MUB IT Department.

- **Outcome 3** – by developing and launching the Smart UB, LDF voting application and related trainings of MUB and Khoroo officials (Phase II) UGP laid an important foundation for making the previously paper-based, cumbersome `door-to-door` LDF voting process more efficient and transparent. The latter was scaled to 171 Khoroos in 2020 and to 204 in 2022. It also built awareness, advocacy and increased civic participation rates. The built-in feedback mechanism further enhanced Khoroo officials` accountability towards their citizens. Hence Outputs 3.1 and 3.2, were well achieved. Yet the launch of a new, electronically more secure LDF voting application in early 2022 by the Ministry of Finance (MoF) required UGP to integrate its LDF voting application with the *e-Mongolia platform*. UGP application `s weaker personal ID authentication system enabled elite capture in the voting process where some Kheseg leaders voted on citizens` behalf hence undermining the trust and integrity of the LDF mechanism.[87] As a result, though UGP`s LDF app recorded high usage and user satisfaction in 2018-2021, stakeholders interviewed noted that it needs to be discontinued in favor of the new MoF`s LDF application. Other challenges relate to

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[86] Evaluation Interview, Head of City Archives Agency, 6/28/2022.

[87] Mongolian Marketing Consulting Group. (August, 2022) *Evaluating citizens feedback on the works under LDF on the budget*. (A Study commissioned by UGP PIU).

the existing digital divide that excludes households with poor internet access, the elderly, those with low digital literacy and those who cannot afford Internet access from e-voting. For all these user groups targeted sensitization and digital literacy trainings are necessary.

Delivering results beyond targeted benchmarks. In all three Outcomes there is evidence that UGP also efficiently delivered more than it initially planned for. For example, the successfully designed and implemented trainings by UGP were rolled out to other government institutions and beyond the initially targeted MUB civil servants. In Outcome 2, UGP's pilots to deconcentrate select services were scaled up by MUB city-wide while UGP's LDF application and electronic voting platform (Outcome 3) due to its relevance and user-friendliness was also scaled up upscaled nationwide. All these positive unintended effects of UGP`s activities meant wider geographic outreach and concrete benefits to the local administration and citizens.

EFFICIENCY

**UGP`s disbursement efficiency was solid with minor overspending in 2021.** The cost-sharing between SDC, MUB and TAF (see budget section higher) enhanced the project`s financial efficiency by enabling UGP to expand its outreach hence impact on beneficiaries. Particularly notable is MUB`s progressive increase in its co-financing contributions to UGP`s budget. Some adjustments to the budget had to be made due to the impact of COVID-19 pandemic but also due to some unexpected administrative overheads which were closely discussed with SDC and got sorted during the exit phase. Activities – such as GoM`s accelerated digitization which supplanted some of UGP`s planned activities (e.g. Output 2.3 – the E-services platform being supplanted by the e-Mongolia platform). Currently, in July 2022 the budget stands at 87% disbursement, with the expectation of 100% disbursement by December 2022. In terms of human resources, the PIU experienced some turnover of three managers within the span of seven years due to maternity leaves. Post-maternity, however, the staff has successfully returned and the staffing status has been stable with highly competent and professional PIU staff in place.[88]

COHERENCE

Internal coherence. By design and its implementation UGP effectively complemented GDP`s DPSP and CEP as well as other projects within SDC`s governance portfolio. It acted as an implementation arm and proof of piloted concepts in decentralisation efforts at the city and Khoroo level. Through SDC motivated inter-project synergies, **UGP** facilitated capacity building, civic engagement and horizonal learning activities via HRDC and actively collaborated with IOM, SLP III, PIE, MASAM and SRMB projects on joint activities and resources sharing. The collaboration was fairly fluid and proactively supported by SDC.

External coherence. The evaluators observed an absence of other development partners` active presence in the governance sector which made UGP`s/ SDC`s presence all the more unique, relevant and highly appreciated by local stakeholders. The few with direct links to UGP mentioned during interviews included:

- KOICA`s digitization of public services project targeting citizen registration with 8 million USD budget allocated for 2020-2022, majority dedicated to software and IT equipment[89] which complemented the rollout of the citizen registration (eID) service (UGP Output 2.2) to all 171 Khoroos - 31 funded by SDC/ 140 by KOICA[90];
- IOM – signed a joint MoU with HRDC and a partnership agreement with MUB related to the rollout of trainings on migration at Khoroo level;

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[88] Evaluation Interview, Director, The Asia Foundation, 8/07/2022- corroborated by Interview with SDC National Programme Officer, Governance 7/07/2022.

[89] GOM - General Authority for State Registration, http://eng.burtgel.gov.mn/post/48402 (Accessed on 15 July 2022).

[90] Interview, Senior Specialist, City Archives Agency-Local Branch, 6/28/2022.

- UNDP – (`Towards Professional and Citizen-Centred Civil Service` capacity building project focuses on national civil servants and parliamentarians but due to its LG focus, it had no direct joint activities with UGP;
- JICA (digitization, provision of social services) and the Millennium Challenge Corporation (WASH sector) were marginally mentioned but with no concrete linkages to the project.

IMPACT

UGP`s objective for the exit phase was `*to achieve broad-based impact and systemic changes by supporting upscaling strategies as well as policy dialogue and advocacy to effect and sustain these changes for the benefit of as many urban residents as possible*`[91]. Since its inception UGP was also to capacitate MUB to plan and deliver more effective and responsive public services and LDF investments in gher areas.

The evaluation evidenced that UGP`s founding objective has been achieved with positive impacts traceable at the following five levels:

Implementer and `proof of concept` sandbox for de-concentration of service delivery. Though UGP also contributed to several legislative amendments, prompting legislative impacts was not its sole focus. Rather its impact was stronger as the implementor and `proof of concept` instrument for decentralized service delivery. Through the development of de-concentrated services such as citizen ID registration and issuance of passports to the Khoroo level meant bringing decentralisation reforms` concrete benefits closer to the citizens.

Enhanced efficiency and effectiveness of service delivery through digitization. UGP`s contributed to the  pre-COVID sensitisation and early work on digitization when it was still rather new and `not fully understood` by MUB and GoM.  UGP`s introduction of BPR methodology and related training of MUB staff has also changed the institutional culture on how digitalization of services is planned, architected and implemented at MUB. MUB departments` and outside agencies` demand and praise of HRDC`s training on BPR attests to its quality, high relevance and impact. The transactional efficiency gains – fewer steps and shortened time for obtaining citizen eID and passports – decreased bureaucracy and strengthened MUB`s accountability toward its citizens. The effect of digitizing services on fighting corruption, however, indirect and unmeasured (in the case of UGP), is an additional impactful benefit of work done by UGP.

Institutionalisation and professionalization of HRDC with ISO certification is undoubtedly among UGP`s most vivid impacts on systemic capacity building within MUB. HRDC is fully set up, staffed, absorbed and financed under MUB budget. The Centre has obtained two ISO standards and has several strategic partnerships with the IOM, the National Academy of Governance and a new partnership with a Dutch training institute in the Hague (on urban management). These initiatives only attest to its institutional maturity and prospective sustainability.

Horizontal learning approach (HLP) stimulates inter-Khoroo sharing of good practices hence horizontal rather than vertical collaboration. This is another example of UGP acting as an important `proof of concept` instrument for decentralisation. Formerly, vertical and hierarchically driven center-LG structures were too embedded. They still are. Therefore, small steps toward lateral rather vertical collaboration help to dismantle past path dependencies and shape new ones in favor of decentralisation.

**LDF mechanism`s improved efficiency through digitalisation increased participation rates, inclusiveness and enagement of citizens.** While there is much room for improvement in LDF, UGP`s efforts to digitalise the LDF through an e-voting app prompted several positive impacts. First, it quantitatively increased civic participation in community-based budgeting processes which simultaneously enhanced the inclusion of local populations indecision making. Whether

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[91] UGP Project Document for the Exit phase (2020-2022).

it was FGDs with beneficiaries, Khoroo leaders or MUB executive whom we interviewed, all described UGP`s support of the LDF as an important `springboard to active citizenship and seg-way for Mongolians` to be exercising their civic rights. Particularly increase in engagement was observed among youth. To ensure sustainable effects on local political and engagement culture, these efforts need to be continued. Nonetheless, UGP`s contribution here has been transformative. It has planted visible seeds for democratic processes in a society that was used to centrally planned decision making with minimum say in local or national decision making.[92]

All of the above impacts point to the conclusion that UGP`s three focal components - capacity development, service delivery and enhanced bottom-up civic engagement - mutually reinforced each other and contributed to notable systemic impacts by making public services and LDF investments more effective and responsive to citizens` needs.

SUSTAINABILITY

The evaluators assessed UGP`s outcomes to have reached a critical mass of sustainability. Firstly, the program`s sustained, longer-term presence and institutionalization was appreciated by MUB`s senior leadership and termed as `one of the longest (donor) projects we`ve had`. The project`s long-term presence thus laid important capacity and procedural foundations to the extent that all stakeholders interviewed felt highly confident about the sustainability of its activities after the project ends. For the City Archives Agency, the work will also continue but at a slower pace as 70% of its archived documents still need to be scanned and digitalized – `after UGP`s exit we will of course continue but rather than scanning 100 pages/ day, we will scan only 10 pages per day; also we will lose our quality control officers by the end of 2022 as we cannot afford to have them on our payroll. The fact that the project will end at the end of 2022 surprises us, we thought that it will continue until 2024.` The classification system, software and staff`s capacity for archival referencing developed during UGP, however, will remain and it will be rolled out nation-wide. UGP`s contribution to the development of municipal laws is the second sustainability safeguard. Lastly, the project`s strong investment in human capital and with its key activities spreading across several MUB`s departments additionally contributed to high level of institutionalization and local ownership. These too are promising prospects for the sustainability of the project`s achievements.

Table 5.2 below provides the evaluators` assessment about the status of potential support: which activities do not need further support, which are not fully completed but could be continued by other actors, which should be fully stopped.

Table 5.2 Status of remaining support needed per GDP outcome and outputs

OUTPUTS	General remarks on status of support needed 2022 and onwards	Not needing further support	Not fully completed but to be continued by other actors	To be stopped
OUTCOME 1: MUB`s CDF is implemented and leads to further professionalisation of MUB`s civil service.				
Output 1.1: MUB's Training Centre is strengthened	HRDC has been institutionalized with its operational costs being covered by MUB for the next 2-3 years. Adding new training modules and safeguards to ensure HRDC`s financial sustainability will be however needed over time. *Completion of the LMS will not be possible with current project funds, additional investment will be needed.	✓	*	

[92] Interview, Head of Governor`s Office, Municipality of Ulaanbaatar, 7/07/2022.

Output 1.2: Modules developed for (i) specific urban management topics and (ii) short-term training	UGP`s comprehensive series of training modules are actively used to train MUB`s officials; they are recognized for their practical approach. Future challenges for HRDC (within 1-5 year horizon) will be to i) develop a full LMS with digitized, quality e-learning content, and iii) add new marketable content. The latter will require new investments.	✓		
Output 1.3: New and dynamic training methodologies			✓	
OUTCOME 2: Service delivery has improved through decentralized (Khoroo) service points and digitization.				
Output 2.1: Process improvement methodology is mainstreamed	BPR trainings and methodology have been well embedded within MUB. BPR trainers are retained by the HRDC and BPR focal points were established in MUB`s departments. Yet, continued mainstreaming of training across MUB departments will be essential to ensure effective digitization of public services.		✓	
Output 2.2: Services will be optimized & delivered through additional service points	UGP de-concentrated the citizen registration service to all UB Khoroos. Yet, digitization of MUB`s services is in its early stages. Significant efforts will be needed here. MoG`s 2021 launch of the		✓	
Output 2.3: Services are delivered through a digital platform (e-Service)	eMongolia platform and the establishment of the Ministry of Digital Development and Communications are positive commitments to e-government corroborated in interviews hence further support is not needed. Demand-based technical assistance, however, is likely to emanate in the future.	✓		
OUTCOME 3: Citizen inputs to LDF allocation are followed by MUB planners and promote civic engagement.				
Output 3.1 LDF application is fully developed and includes feedback mechanisms	While the LDF application was developed and fully rolled out to all Khoroos, it was recently supplanted by a new application launched by the Ministry of Finance/SLPIII on the national eMongolia platform. This means that the LDF application developed by UGP will be technically discontinued hence will cease to operate. Future state allocations and integrity of district-level authorities to equitably allocate funding to LDF.	✓		
Output 3.2 LDF application is upscaled citywide to all 152 khoroos		✓		
Output 3.3 LDF app is institutionalized in MUB				✓

Potential risks to sustainability. Stakeholders interviewed noted that due to UGP`s achievements strong alignment with legislation and GoM`s priorities, `they are protected`. At the same time, continued commitment and political will to the current (legislative) status quo is subject to the electoral cycle, political culture and incumbent or new government`s priorities. Mongolia`s economic stability will also determine how much budget the government will have at its disposal to allocate funds to further de-concentration of services to the local level and to programs such as the LDF. The latter is perhaps the most at risk in terms of its dependence on state funding. HRDC is similarly dependent on MUB`s budget. At the same time, most of the risks mentioned are beyond the project`s scope to control. For its part, UGP set a firm foundation for catalysing behavioural precedents and for ensuring that public services and LDF investment plans are delivered in a more effective, responsive and inclusive manner.

Transversal themes: Gender Equality, Social Inclusion, PSEAH and good governance

Since its inception, the UGP was explicitly designed to focus on improving the lives of ger area residents who are most vulnerable to multidimensional poverty. It aimed to do so by targeting pro-poor services for de-concentration, inclusion of topics on pro-poor and gender sensitive approaches in training content and through collection of gender disaggregated data to ensure gender equality in its activities. The evaluation found consistency in these efforts throughout UGP`s implementation efforts with the following highlights:

- **(Outcome 1) HRDC`s training materials include gender and social inclusive content.**
- **(Outcome 2) Public awareness & access to services outreach in remote Khoroos:** 7 remote and vulnerable Khoroos were targeted for decentralizing the civic registration service including a public awareness campaign (explaining the process) which ensured that remotely located residents are equally informed and benefit from this new service;
- **(Outcome 2) Public defender requesting service** with focus on poor and vulnerable groups was digitized and uploaded on www.e-Mongolia.mn in 2022;
- **(Outcome 2) Services in khoroos are wheel-chair accessible** (UGP Phase I) and maintenance of wheel-chair ramps is integrated in Khoroos` budget while information and descriptions about services are available in braille format in citizen service centers;
- (**Cross-cutting) Gender disaggregated data was collected** stipulating that male to female ratio of citizens receiving deconcentrated services at Khoroo level is 51% female to 49% male, 54% of LDF e-voters and 65% HRDC trainers are women.

PSEAH. Evaluators found rather limited evidence of concrete PSEAH activities apart from the programme`s engagement of a gender specialist from the National Gender Commission assisting to design of the module on civic rights where gender and PSEAH responsive principles were integrated. One of the explanations provided for the limited PSEAH integration is that GoM already incorporates PSEAH provisions in several ways. These include the National Gender Commission`s recommendation (2021) obliging state departments to incorporate and implement PSEAH and Mongolia's revised Labour Law stipulating non-discrimination, prevention of sexual harassment and bullying to be embedded in the Civil Service Code which expects ethics committees to be set up at ministries. Also in 2021, a joint order of the Tripartite National Council and Human Rights Commission on PSEAH incorporated a complaint mechanism for PSEAH within state institutions` internal labour relations procedures while the NAOG teaches a module on PSEA as part of its Civic and Human Rights training. It was challenging for the evaluators to fully assess the adequacy of these measures vis-à-vis those embedded in the programme.

Mainstreaming good governance principles: transparency, accountability and civic participation. By design, GDP and its three outcomes integrate good governance principles of *more inclusive*, needs based, efficient and *transparent* (by digitalisation) service delivery (Outcome 2) and bottom-up decision making at community level in Outcome 3. By digitizing the voting process of the Local Development Fund not only made the process more efficient with increased engagement, it also empowered and thereby included new entrants – youth - into the voting process. An angle that UGP could have highlighted more in its work is the connection between digitalization (of services and LDF) as an instrument for combatting corruption.

PROJECT LEVEL SUMMARY: CIVIC ENGAGEMENT – EXIT PHASE (2020-2022)

Project`s objectives, expected outcomes and outputs: Citizen engagement (CE) is strengthened for improved government responsiveness to the needs and preference of men and women, and vulnerable groups. Making legal and regulatory framework more conductive to civic engagement, empowering young women and men to become active citizens, and digitising media`s dissemination channels for providing reliable information on the issues of public concern were the three expected outcomes of the project.

Theory of change:
⇒   If legal and regulatory framework are conductive for civic engagement;
⇒   If the government are transparent and accountable to citizens;
⇒   If young women and men are equipped and motivate to become active citizens;
⇒   If media and ICT based dissemination channels provide reliable governance-related information;
⇒   If all citizens, including through civil society organizations, are empowered to express their diverse socio-cultural and political voices and needs, and are able to bring about mutual accountability.

Key institutional partners: Ministry of Justice and Internal Affairs (MoJIA), Legal Education Institute, Legal Aid Center, Academy of Governance, Carl Popper NGO, Women for Change NGO, Youth Policy Watch NGO.

Budget: CEP I: budget of 0.75 million CHF. CEP II: budget of 0.75 million CHF. GDP Exit Phase: 1,600,000,000.00 MNT. The Government in-kind contribution was amounted 179,000,000 MNT as of January 2022.

Project's prior phases and evolution: CEP I (2015-2017) was implemented under the Office of President and sought to strengthen the legislative framework for CE through elaboration of the Law on Implementation of Citizen's Political Rights. The law was to be drafted with the support of CEPI, would have enabled the implementation of Constitutional provision on direct participation of citizens in state affairs, and was not supported by the Parliament. In addition, CEPI worked to raise public awareness on the opportunities of engaging with the state and to strengthen capacity of civil servants to support citizen participation.

CEP II (May 2017- Sep 2019) was implemented by the MoJIA mainly focusing to promote meaningful and inclusive citizen participation in public affairs. CEPII laid the ground for improved policy environment for citizen participation by elaborating a package of amendments to over 100 laws. It specified concrete mechanisms to identify "dormant" provisions related to citizen participation and to improve the overall regulatory framework for democratic participation by making it more coherent and effective. Consequently, CEPII proposed to amend nearly 200 administrative and normative acts to ensure compliance with CE requirements. A methodology to conduct impact assessment of administrative and normative acts was revised and adopted by MoJIA. Revision of NGO Law (1997) which was under wider public debate and the draft returned back to MoJIA. Currently, the Ministry is working on the draft by splitting it into two laws on foundations and law on associations. Implementation of five pilot projects in urban and rural areas helped the LG and citizens to practice participation mechanisms. These pilots focused on soum development plan, forest management plan, waste management regulations have been formalized in decisions of respective local governments and being successfully implemented.

CEP Exit Phase(Jan 2020-Dec 2022): The main lessons learnt from the previous phases were that effective advocacy, policy dialogues and targeted lobbying are important as approval of the proposals for improving the legal framework is highly dependent on the political will. It was decided that CEP will work with the existing civil society organizations rather conducting its own pilot projects which were highly costly and time consuming. The major decision was made

to focus on young generation for fostering civic engagement and make use, as far as feasible, cost effective multiplier channels, both through modern and traditional media.

Assessment of CEP based on the 6 OECD-DAC criteria

RELEVANCE

CEP's overall concept and methodology is highly relevant to the Government Action Plan and Mongolia 2050 policy documents which points out that citizen feedback on service provision makes the government open and transparent. CEP`s interventions contributed to improving the legal framework for CE through the revision and rationalization of laws with regulations on CE which led to the elaboration of over 100 amendments to relevant laws and 800 administrative norms regulating CE. Targeting youth was a timely effort because youth's electoral participation is lower than the general population. Youth is also less likely (5.6%)[93] to approach local representatives despite the fact that 55%[94] of Mongolia's population is under 35 years old. Selection of young journalists is relevant to foster their role as two-way information providers between the state and young citizens.

EFFECTIVENESS

CEP's main partners were young, creative, stable NGOs in operation of minimum 3-5 years, Office of the President, MoJIA, NAOG, National Legal Institute, Legal Aid Center and soum and district governors, khoroo governors. Strong partnerships ensured effective and efficient implementation of CEP`s objectives. Although, there was frequent turnover among the PIU staff, the implementing organization managed to maintain the project on track with high local ownership. Under the Outcome 1, three activities were planned and achieved.

Amendments to laws on civic engagement - the legal review of 352 laws was done and 177 laws regulating CE were classified. The draft law on non-profit entities was supported and at the time of evaluation, CEP was supporting the re-drafting of the law (separating Law on Foundation and Law on status of Association). The Law on Media Freedom (1998) was assessed in line with international best practices for ensuring freedom of media and press; recommendations for improvements were provided, while draft law on Media Freedom is still outstanding. In addition, CEP organized public awareness raising on LATUG and Law on Court quite successfully.

> **Public awareness campaign –key achievements**
>
> ✓ TV discussion, podcast and 4 serial articles on the Law on Court-outreaching 5,000 people
> ✓ Eagle TV discussion, 3 lawyers podcasts, 7 cut-outs with particular contents on LATUG-outreaching 10,400 people
> ✓ 2-day classroom and online training on public relations for 46 NHRCM staff
> ✓ Dissemination of 24 videos on Declaration of Human Rights 2020 and 2021
> ✓ Collaboration with Alumni club on "On one topic" discussion program on Eagle TV to discuss the draft Law on Public information.

The Log frame of GDP exit phase clearly stated that in the Outcome 1 of CEP, at least one of three initiatives: package amendments to 111 laws, Law on Non-Profit Entity and Law on Media Freedom is approved by the Parliament. To date, none of these laws have been approved. The approval of these laws is not completely dependent on the project as it is up to the political will of the GoM. It is recommended that the draft law on Media Freedom is supported by CEP in CEP`s remaining time.

According to FGD discussions among young journalists, the draft law on non-profit entities creates a "Civil Society Development Council" allowing the GoM to have the authority to oversee the activities of NGOs in the country. The Civil Society Development Council can require any non-profit legal entity to submit their annual reports for approval, including all the
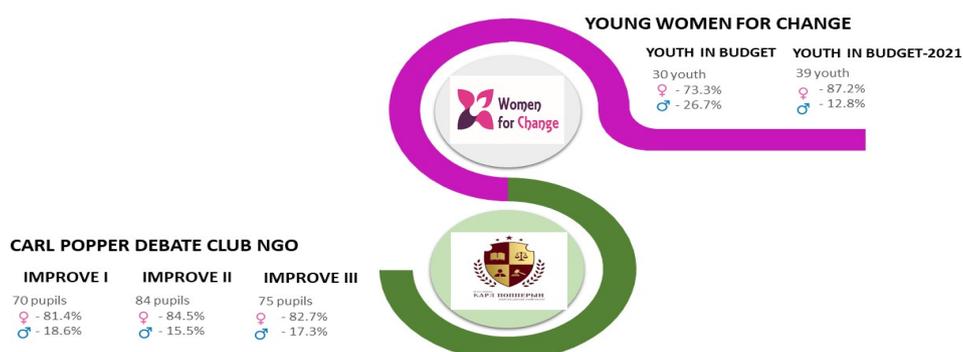
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[93] CEP II, Final operational report, 2019.
[94] www.1212.mn

details of their financial transactions and activities. FGD participants stated their concern that this law will reduce civic space and limit Mongolian CSOs' potential access to resources, including foreign donations. On the other hand, Director of External Relations Department of MoJIA said that the purpose of the law is allegedly to prevent money laundering or financing of terrorist groups, as well as to prevent any NGOs that are conducting activities "against public unity". The law`s provisions would grant the GoM greater control over the funding sources of CSOs. The draft law also could impinge on the work of any organisation critical of GoM.

Outcome 2: Young women and men are equipped and motivated to become active citizens through (i) capacity building and debate techniques and (ii) actual operationalization of CE mechanisms by youth. Strong partnership between the GoM and youth NGOs laid an important foundation for youth participation. Jointly with the Carl Popper Debate Club, CEP developed training content for pupils on governance, civic engagement, and human rights topics and currently embedded these in Carl Popper's 100 clubs debate activities. Women for Change NGO initiated a CE mechanism in local budgeting by involving 39 youth. The MoJIA developed legal training modules and curriculum for highschool students, universities and vocational training centers; it is currently working to mainstream the training program in the Lifetime Training Centers. CEP prepared the trainers jointly with the Coordination Council for Crime Prevention in Mongolia.

OUTCOME II

YOUNG WOMEN FOR CHANGE

YOUTH IN BUDGET
30 youth
♀ - 73.3%
♂ - 26.7%

YOUTH IN BUDGET-2021
39 youth
♀ - 87.2%
♂ - 12.8%

Women for Change

CARL POPPER DEBATE CLUB NGO

IMPROVE I
70 pupils
♀ - 81.4%
♂ - 18.6%

IMPROVE II
84 pupils
♀ - 84.5%
♂ - 15.5%

IMPROVE III
75 pupils
♀ - 82.7%
♂ - 17.3%

Outcome 3: ICT based channels provide an efficient means dissemination of governance- information. Under this outcome, 3 activities were planned and all fully achieved. Jointly with Youth Policy Watch NGO, CEP strengthened capacity of 50 young journalists and institutionalized young journalists' alumni club. The Club activity became regular providing capacity building training among its members, a platform has been created for raising awareness, and improving the knowledge of citizens on existing legal frameworks and CE mechanisms. The Legal Education Institute was one of the important stakeholder of CEP with the following activities carried out and embedded in their operational routine: www.e-khutuch.mn website user friendly was developed and launched. Currently they are developing and piloting smart phone app of e-khtuch.mn. The cost efficient online training platform with 10 online training modules has

Key achievements in information dissemination

✓ 5 journalists of Alumni Club prepared 10 podcasts for dissemination to public
✓ With the Legal Assistance Center, organized a campaign to promote the Law on Legal Aid for the vulnerable, held training for 52 state attorneys.
✓ Alumni Club produced lawyers podcast-1, Eagle Tv discussion
✓ With Youth Wave club, held a comics, video contest for 50 youth
✓ Conducted survey among 200 residents in 10th, and 41st khoroos in Songinokhairkan district, provided 11 informative posters on essential care, child support, domestic violence, and land titles. Provided one-on-one legal counselling to 206 citizens in the same khoroos and 47 citizens filed complaints

been developed to train the paralegals nationwide.

and requests to the relevant official to get their probledms solved.

OUTCOME III:
I1: Strengthen 50 young journalists
I2: Institutionalize journalists alumni club

01 5th phrase of YJG program organized in Fall, 2021 and strengthened 23 journalists

02 Journalists Mentorship programme implemented for 6 months and strengthened 10 journalists, produced 1 video 2 topical articles and published on Star TV and ikon.mn

03 In Collaboration with 18 journalists of Alumni club, PIU produced 9 articles, 4 videos and 2 vlogs for improving legal knowledge

04 Training for journalists to specialize in law programme is organized and strengthened 22 alumni club members

05 3 topical articles produced and published in the framework of the Journalists to specialize in law programme

06 All members meeting of the Alumni club organized in December, 2021 and developed mid-term strategy of the Alumni club
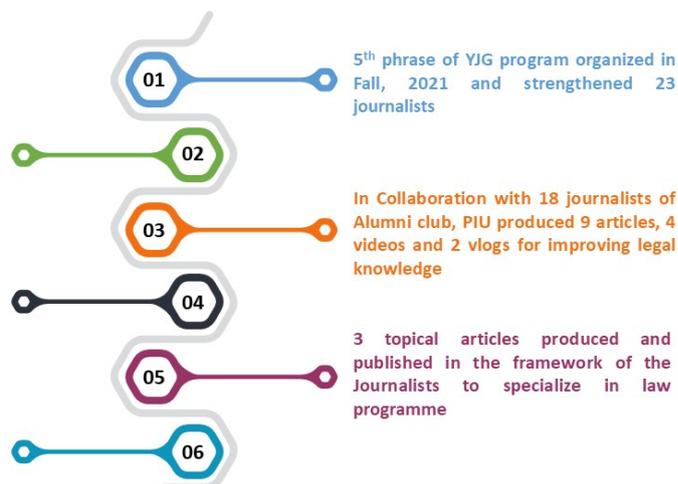
EFFICIENCY

CEP budget amounted to 16% of GDP II`s overall budget. In exit phase – 20.1 % of CEP budgte is used for project staff, 5% for operations and running costs and more than three quarters is allocated to administered project funds, i.e. for direct project activities related to the outputs. As of June 30, 2022, the project budget stands at 81% disbursement. It is expected that the disbursement will reach 100% by the end of December 2022. The very high cost-efficient activity capacity building for young journalists program was very positive output! Efficiency gains through introducing NLI-online training platform for paralegals and online simplified access of the legal information through e-khutuch website, e-khutuch app.

COHERENCE

CEP facilitated an effective public awareness raising on the LATUG jointly with DPSP. In addition, the project closely worked with UGP to facilitate the dialogue and discussion on the draft law on the legal status of Ulaanbaatar city which was adopted on the 7th July 2021. The law enabled improving the legal framework of the citizen engagement in the decision-making process of the UB city and determined legal process to participation of citizens. CEP facilitated a strong collaboration of the MoJIA with the youth NGOs and young journalists which is already very good sign. There was strong synergy between National Legal Institute and young journalists in developing training content for paralegals.
External coherence: The National Legal Institute facilitated collaboration of CEP activities with Soros Foundation and Hans Zaidel Foundation in developing e-khutuch website and app and developing training content for paralegals.

IMPACT

CEP's exit phase objective of citizen engagement is strengthened for improved government responsiveness to the needs and preference of men and women, and vulnerable groups has been achieved with the positive impacts observed in the following directions:

Legislative: increased citizens satisfaction and improved closer collaboration with the Government through improving legal framework on CE and improved access to legal advice and legal information by the people living in the remote areas (4 legal centers, paralegals and online platforms)

Behavioral: civic engagement, particularly youth engagement increases through accessing to online information channels and enhanced understanding of the civic engagement among youth and high school students (Alumni association and clubs)

Access: Attitudinal shifts among GoM staff in terms of partnering with NGOs in discussing the laws, and joint capacity building activities.

SUSTAINABILITY

Legal improvements supported by CEP established a firm foundation for future civic engagement. The improved access to legal information through digital platforms and apps will equip young women and men with better knowledge and motivation to become active citizens. Establishment of the legal centers and trained paralegals were embedded in the activities of the National Education Center. Capacity development programs on legal education for high school students, universities and vocational training centers were also institutionalized in the mainstream training programs of Lifetime Education Centers nationwide. The placement of the PIU at the MoJIA with the key activities spread ot across different agencies ensured their institutionalization and local ownership. Yet, there is great need to consolidate CE results and to develop a structured methodology for using CE mechanisms nationwide. Although efforts to improve the legal environment in CE was well accepted by the public, the law on Non-Profit Entities and drafting the law on Freedom Media are still pending subject to the political will. Furthermore, NGOs that actively participated in CEP`s capacity building and information dissemination activities face challenges in sustaining their financial viability.

Table 5.1 Status of remaining support needed per DPSP outcome and outputs

Outputs	General remarks on status of support needed 2022 and onwards	Not needing further support	Not fully completed but to be continued by other actors	To be stopped
Outcome 1: The legal and regulatory framework is conductive for civic engagement				
Output 1.1: Amendments to laws with civic engagement provisions	Proposals for coherent and clear legal and regulatory framework developed. A research report on "Implementation monitoring of Mongolian laws enabling CE and legal environment assessment" was administered with support of CEP and demonstrated that 5 types of CE feature in 309 articles of 181 laws. This research was important as it set out concrete measures for improving and implementing the law;duplications,gaps,contradictions were identified.	✓		
Output 1.2 Advocacy and implementation support for law on non-profit entities	The law was drafted with support of CEP but it was heavily criticized by the NGOs for number of reasons and the Parliament returned back the draft to the MoJIA. Currently, MoJIA is working on improvements. According to the Project Director, the status is not clear regarding when it will be submitted to the Parliament.		✓	

Output	Description			
Output 1.3 TA revision of Law on Freedom Media and Law on the Information	Two consultants worked on revisng the law in line with International best practices and provided series of recommendations to improve it. It is thus strongly recommended that the new draft law is submitted for amendments by the end of 2022.		✓	
Outcome 2: Young women and men are equipped and motivated to become active citizens				
Output 2.1 Capacity building of youth through training and debating methods	Carl Poppers Club institutionalized the governance, CE, and human rights topics in their club debate structures.	✓		
Output 2.2 Facilitate actual operationalization of CE mechanisms by youth	Women for Change NGOs pilot of CE in budgeting process needs to be picked up by someone else.		✓	
Outcome 3: Media and ICT based dissemination channels provide reliable governance-related information				
Output 3.1 Capacity building of journalists via training program	Capacity building of young journalists was implemented successfully, but further funding for training activities are still under question. It is recommended that the GoM institutionalizes governance, CE and human rights training modules in Universities` jourcurnalism curricula.		✓	
Output 3.2 Upgrade and insti-tutionalise user friendly E-khutuch website	National Legal Institute successfully institutionalized user-friendly E-khutuch website, app, and online training programs for paralegals.	✓		
Output 3.1 Communication and youth engagement	Young journalists developed series of activities in information dissemination, and in the training of young journalists. To maintain the achievements under CEP, they need continued financial support.		✓	

Gender Equality, Social Inclusion and PSEAH:

- ✓ Revised Labour Law has provisions on non-discrimination, prevention of sexual harassment and bullying – embedded in Civil Service Code.

- ✓ (July 2021) Joint order of the Tripartite National Council and Human Rights Commission on PSEAH incorporates complaint mechanism to be included in state organizationsˇ internal labour relations procedures

- ✓ In 2021 National Gender Commission developed recommendation on PSEAH and obliging state departments to incorporate – unclear if implemented

- ✓ National Academy of Governance – full module on PSEA under its Civic & HR Rights

- ✓ The CEP PIU has developed the internal project implementation procedures and its attachment 1 directly related to PSEAH preventing from work place sexual harassments and in case of the incidence, the staff who initiated the incidence will be discharged from the work place immediately without any compensation and benefits paid. Before joining the office, the staff has to read and familiarize itself with the internal implementation procedures including the attachment 1 and sign the ethics code.

ANNEX 2 - SUMMARY OF A RAPID IMPACT ASSESSMENT (ONLINE SURVEY)

The GDP evaluation team launched a blended online-offline "GDP Evaluation Rapid Impact Assessment" from 6 - 28 July 2022. The survey consisted of nine questions and targeted 71 of GDP`s PIU members and implementing partners (of its three sub-projects - DPSP, UGP, CEP). Survey respondents targeted were hence familiar with the GDP programme, its three sub-projects and their activities.

The survey was administered in Mongolian, in a paper-based format to 28 participants during the Validation Workshop during the evaluation mission (6 July 2022).   The survey was also sent out via email to 45 prospective respondents. All 28 individuals that received the paper-based version completed the survey and 33 individuals (89 percent) responded to the online survey, hence resulting in a final total sample size of 73 individuals. 66 percent of the respondents were female and 32 percent were male. The remaining chose to identify as "Other". 43 percent of the respondents were associated with the CEP, 38 percent with UGP and 11 percent of the with the DSPS. 8 percent of the respondents chose "other".

Overall, the respondents` answers reveal an overwhelmingly positive assessment of GDP`s relevance, efficiency and effectiveness. Prospects for its sustainability were also perceived as high or very high. When asked about GDP`s effectiveness, the great majority of respondents felt that GDP was either extremely effective (51%) or effective (42%). 62% also felt that GDP`s design and implementation was extremely relevant for the government of Mongolia`s decentralisation priorities while a resounding 92% of the respondents reported that GDP was highly efficient in using minimum expenditures of time, financial and human resources to achieve its objectives.

85 per cent of the respondents claimed that GDP addressed synergies and interlinkages between its activities with national and international donor programs related to decentralisation either `well` (44%) or `very well` (41%), while 54% of the respondents expressed a positive opinion about the efficiency and sustainability of the GDP`s activities once the program will be terminated. 93 per cent felt that the GDP program was able to accomplish its planned objectives.

Additional attention should be directed to the respondents' answers about GDP`s impact on the reform processes and their implementation i.e., Political Decentralisation, Administrative Decentralisation and Fiscal Decentralisation. The highest variation in responses was observed on GDP`s impact on political decentralisation where less than one third (27 %) of project implementers and partners considered that GDP high influence on political decentralisation. Higher attribution of impact was noted on administrative decentralisation among 67% respondents and 44% assessed GDP`s impact to be high or very high on fiscal decentralisation. These results confirm that decentralisation is a highly pollical and politicized reform process where development programs have much higher leverage to influence the administrative and fiscal decentralisation dimensions than political ones.

QUESTION #1

In which GDP sub-project were you involved?

43 per cent of those who responded were associated with the CEP, 38 per cent with the UGP while 11 per cent belonged to DPSP implementing partners; 8 per cent of the respondents represented "other" category of counterparts. The representativeness and spread of respondents was proportionate to the size of the projects.

Other, please specify 8%

UGP 38%

DPSP 11%

CEP 43%
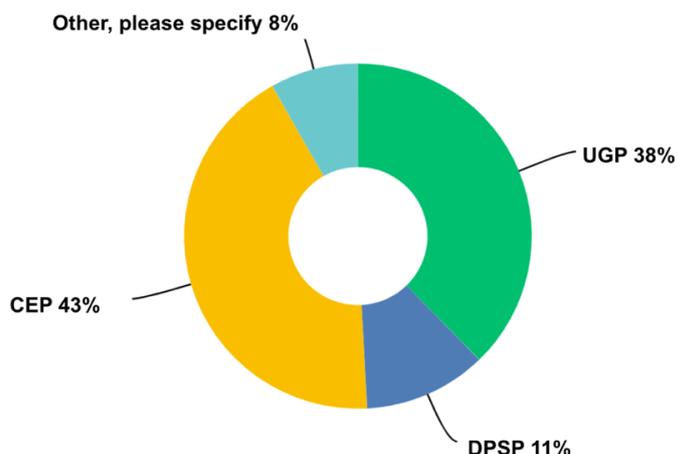
QUESTION #2

On a scale of 1 (not at all) to 5 (extremely), how relevant was GDP`s design and the implementation of its three sub-projects for the Government of Mongolia's needs, policies, and decentralisation priorities?
N=61

When it comes to GDP`s relevance, an overwhelming majority 91 per cent of the respondents felt that the GDP`s program design and implementation were `extremely relevant` or `relevant` for Mongolia`s needs, policies and decentralisation priorities. 5 per cent expressed a `neutral` perspective and only 2 per cent felt that GDP was `not at all relevant`, another 2 per cent was `not sure.

I am not sure 2%

1 Not at all relevant 2%

3 | 5%

4 | 29%

5 Extremely Relevant 62%
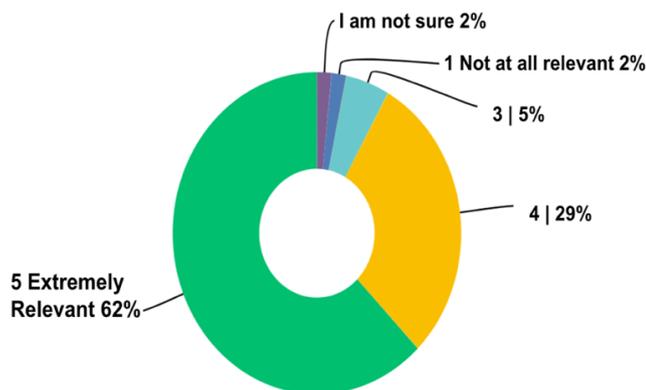
QUESTION #3

Effectiveness refers to the extent to which a given program was able to achieve its planned objectives and results. On a scale of 1-5, please rate the GDP`s capacity to achieve its planned objectives and results?
N=61

51 percent of the respondents consider GDP to be "extremely effective" in achieving its planned objectives and results, 42 per cent assess it as "effective" while 3 percent felt "neutral". Only 2 percent felt that GDP was "somewhat effective", and another 2 per cent were "Not sure". No open ended responses were provided. Answers to this question thus suggest that an overwhelming majority (93%) of PIUs consider GDP to have effectively achieved its planned results.
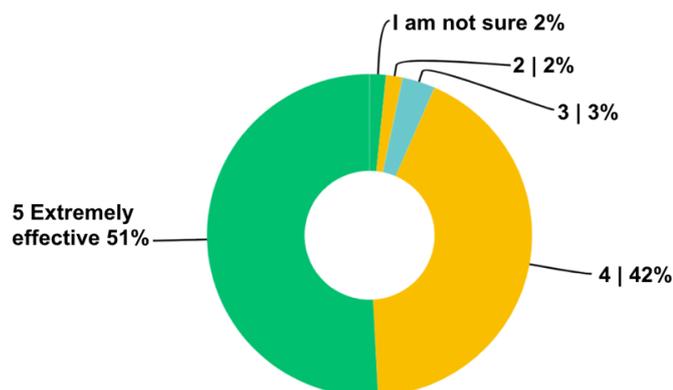
QUESTION #4

Impact refers the extent to which a program contributes to higher transformative effects at systemic or societal level. To what extent has GDP had impact on the following reform processes and their implementation.
N=60
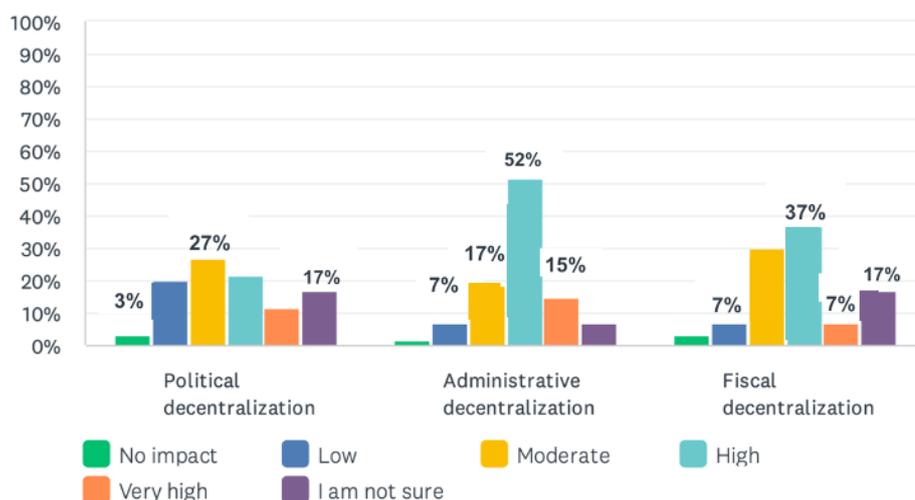
In this question, respondents were asked to comparatively assess which stream of decentralisation GDP has had the greatest impact on: political decentralisation, administrative and/ or fiscal decentralisation. While over half of respondents attributed

GDP`s impact to be the strongest in administrative decentralisation, the greatest variation of responses was detected on the GDP`s impact on political decentralisation and only 37 percent saw GDP to have an impact on fiscal decentralisation. These findings are not surprising as both political and fiscal decentralisation processes are still ongoing and are somewhat out of the programme`s full influence. Fiscal decentralisation gets quite technical and political hence it more difficult to implement rapidly.
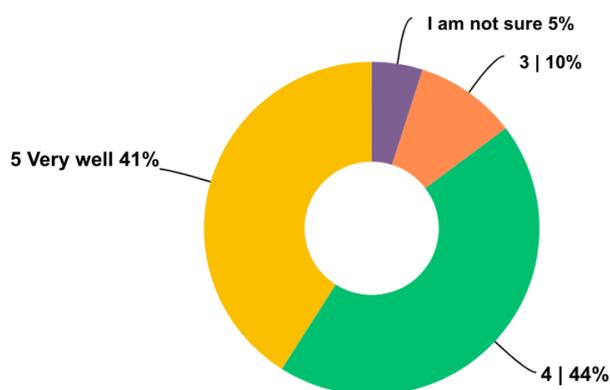
Open ended responses:
- `Officials in the first phase of the administration involved in the project realized that administrative concentration should be broader in its early stages, but the current legislation has not changed in the direction of reducing concentration.`
- `We wondered if the impact on the political framework was minimal. It had a clear impact on the administration.`
- `Had an impact.`

QUESTION #5

On a scale of 1 (not at all) – to 5 (extremely) please assess how well did the GDP address synergies and interlinkages between its activities and those of other national (Mongolian) government and international donor programs related to decentralisation?
N=61

85 per cent the respondents confidently conclude that GDP has done a good or very good job in drawing synergies and interlinkages between its activities with national and international donor programs related to decentralisation. 10 per cent were neutral and only 5 per cent were unsure about their assessment.

I am not sure 5%
3 | 10%
5 Very well 41%
4 | 44%

Open ended responses:
- `In addition, the project aligned its activities with long-term urban development programs.`
- `The laws and regulations of the U.S. He also explained to his activities that the donor was required by the organization.`
- `Only synergies with donor`s request, not Mongolian government.`

QUESTION #6

On a scale of 1 (not at all) to 5 (extremely) please assess how well did the GDP address synergies and interlinkages between its internal three projects (DPSP, UGP, CEP) and other projects (for example, MASAM, Sustainable Livelihoolds Program, SRMB)?
N=61

When it comes to drawing synergies and interlinkages between its three internal projects as well as others in SDC`s governance portfolio, 44 per cent of respondents felt that GDP has coordinated inter-project linkages `well` and 29 per cent that it has done so `very well`. 15 per cent of the respondents were unsure, 8 per cent felt `neutral` while 4 per cent reported `somewhat`. These conclusions corroborate evaluators` findings observed during interviews.
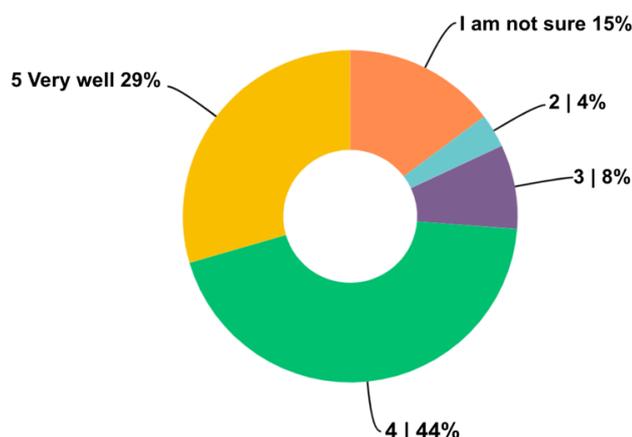
Open ended responses:
- *`Mongolian participation in the project is tied to the Sustainable livelihoods project and they're working together.`*
- *Projects also present and meet their activities 1-2 times a year.*

QUESTION #7

Program efficiency refers to the ability of a program to accomplish its planning objectives with a minimum expenditure of time, financial and human resources. On a scale 1 (not at all) – 5 (extremely) please assess how efficient was GDP in achieving its objectives? Answered N=61

48 percent felt that the GDP program was able to accomplish its planning objectives by selecting "4" "Efficient". Similarly, 44 percent felt that the GDP program was able to accomplish its planning objectives. 6 percent felt "Neutral" and 2 percent "Not sure".
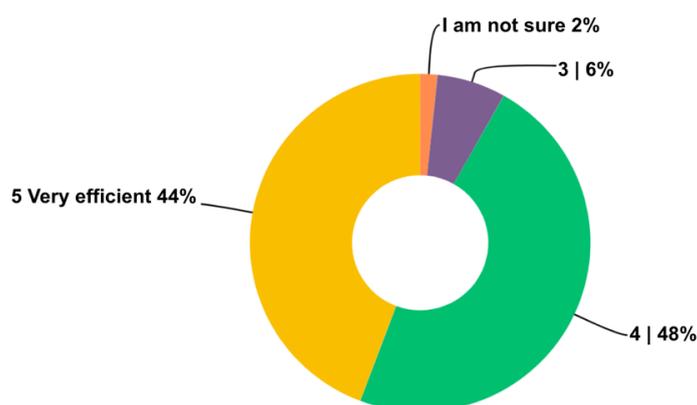
QUESTION #8

How confident are you that your institution/ organization will be able to effectively sustain and build on GDP Program-related activities (that were started or completed) once the Program is over? N=61

54 per cent of the respondents expressed very high confidence in the sustainability of the GDP and related activities after it exits, 31 per cent percent are quite confident, 13 per cent were neutral` on this question while only 2 per cent felt skeptical about the Programme`s sustainability.
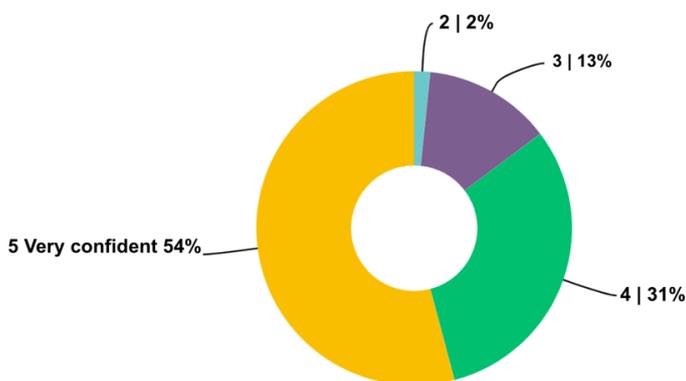
Open ended responses
Request the project to continue for another year.

QUESTION #9

What gender do you identify as? N=61

Out of the total that responded, 66 percent were female, and 32 percent were male, while 2 percent identified themselves as `other`.

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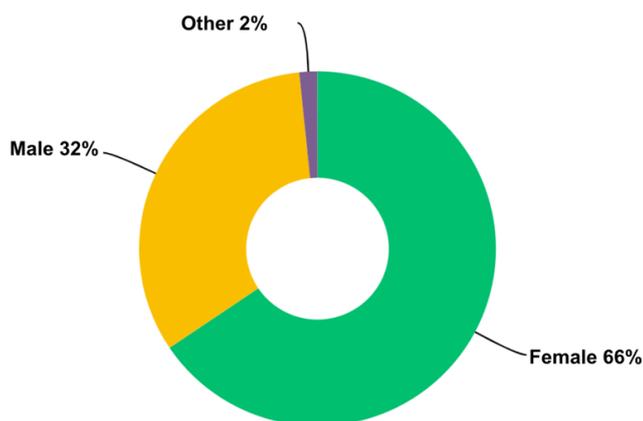
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Federal Department of Foreign Affairs FDFA
Swiss Agency for Development and Cooperation SDC
South Cooperation Department
Asia Division
Swiss Cooperation Office and Consular Agency in Mongolia

Reference: 7F-08183.03—Governance and Decentralisation Programme (GDP) Exit Phase

RESTRICTED INVITATION CALL

Mandate for the

FINAL EVALUATION of

THE GOVERNANCE AND DECENTRALISATION PROGRAMME (GDP)

in Mongolia

<u>TERMS OF REFERENCE</u>

Place of mission: **Mongolia**

Timeframe: **May-August 2022 (best scenario), alternatively 3rd or 4th quarters of 2022 (middle and** worst-case scenarios, depending of the evolution of the COVID-19 situation)

Number of working days: **Maximum 75 days in total** (= approximately 25 days for each consultant)

1. Summary

The Governance and Decentralization Programme (GDP), implemented since April 2012, aims to support Mongolia's decentralization reform process by fostering empowered, democratic and accountable sub-national governments that provide services responding to citizens' needs. The programme, implemented in two phases (GDP I in 2012-2015; GDP II in 2015-2019) is currently in its final 3rd and exit Phase, which will end on 31 December 2022. The goal of the ongoing GDP exit Phase is to consolidate the achievements of GDP-II through emphasis on sustainability of the results, including institutionalization and upscaling of good practices and strengthened ownership of the programme by relevant Mongolian stakeholders. The total SDC budget for GDP implementation over 3 phases was CHF 19'439'000. The monetary and in-kind contribution of government partners to date (2012-2021) amounts to CHF 1'148'537, while commitment for 2022 amounts to CHF 1'041'442. As GDP is a nationwide programme, its benefits are/will be enjoyed by all citizens of the country.

The GDP is an important programme in SDC Mongolia's governance portfolio, which aims to contribute to the country's democratisation and decentralization reforms and thus, to more inclusive and sustainable development outcomes. The programme, implemented at national and local government levels in close cooperation with relevant government partners and civil society organizations, provides both policy and implementation support to advance decentralization and democratisation.

GDP is considered an SDC **half direct implemented project**: composed of **3 sub-projects**, each contracted to different partners (see below), its overall coordination and coherence has been managed by 2 SDC dedicated staff each at 100% (50% for the last year 2022). In 2022, SDC will facilitate a series of capitalisation products jointly with the government and/or other partners, which will be presented at a national closing workshop end of 2022.

The **present mandate aims to evaluate the final exit Phase of GDP, while taking into consideration the previous two phases**. As part of the mandate, the evaluation team is expected to review/amend from an external point of view the list of capitalization products which will be

elaborated during the first half of 2022 and subject to a separate process. The mandate should ideally take place between June-July 2022 for a maximum of 25 days for each team member. Should the COVID-19 situation not allow such timing, it should be envisaged to conduct the evaluation in the 3rd or latest 4th quarter 2022. The offer should encompass these 3 scenarios and their respective implications.

2. Context

Since 2011, the Government of Mongolia (GoM) placed an emphasis on decentralisation reform to achieve more equitable and inclusive development. The efforts toward empowering local governments to provide better public services and enhancing citizen participation for greater government accountability have shown considerable progress, including greater opportunities for citizen participation in local development through passage of the Integrated Budget Law (2011), Public Hearing Law (2015) and General Administrative Law (2016). While a broad consensus among key government stakeholders on the need for continued decentralisation and democratisation remained strong, challenges persisted, including the following: the functional allocation among different government levels remained either unclear/ overlapped, local authorities were not provided with adequate financial and administrative authority to fulfil assigned mandates; legal rights of citizens to participate in public affairs were not coherently codified and effectively enforced; citizens' knowledge and attitudes about importance of civic engagement remained weak; improved delivery of services and infrastructure investments to residents, including to those living in the capital Ulaanbaatar, which accommodates more than half of the country's population remained a pressing issue for the municipal authorities. The GDP was thus launched to support addressing these challenges.

SDC has been the main donor in the governance domain in Mongolia, which is one of the 3 main areas of SDC work according to its Country Strategy Mongolia 2018-2021 and its Phase-out Programme Mongolia 2022-2024. Next to its GDP programme, SDC has engaged in efforts to improve service delivery through other projects, with which some synergies have been developed. The list below mentions the most relevant other SDC-funded projects, sorted out by order of importance of the synergies developed with GDP. In addition to those, GDP's implementation has been supported by a SDC's regional initiative, the Local Governance Initiative and Network (LOGIN).

- "**Sustainable Livelihoods Project (SLP)**" - co-funded with the World Bank and the Mongolian Ministry of Finance - which has established the Local Development Fund (LDF) mechanism, the main financial instrument of decentralisation through which the localities can themselves decide on which local projects to fund. A mid-term review has been done.

- "**Mainstreaming Social Accountability in Mongolia (MASAM)**" – co-funded with the World Bank – which aims at promoting social accountability and public participation in decision making;

- "**Strengthening Representative Bodies in Mongolia (SRBM)**" - co-funded with the Mongolian Government and the Mongolian Parliamentary Services - which is training local and national parliamentarians on fulfilling their roles;

- "**Waste Collection and Transportation in Mongolia (WCTM)**" – co-funded with the Municipality of Ulaanbaatar - which focuses on the waste management in 2 pilot districts of Ulaanbaatar. A mid-term review is ongoing in 2022.

- "**Internal Migration" project**, which outcome 3 targets the concrete (governance) public service delivery to internal migrants. A mid-term review has been done.

- "**Combating Gender-based Violence (GBV)**", which aims among others at providing shelters to the victims of GBV.

- "**Public Investments in Energy Efficiency (PIE)**" – co-funded with the German International Cooperation (GiZ) – which focuses on the refurbishment and isolation of schools/kindergarten and private apartment blocks. SDC contribution to the project ends in 2021.A final evaluation has just been finalised.

➢ **"Youth Employment Promotion Project (YEPP/VET)"**, which has among others established a Youth Employment Service Desk within the usual governmental employment services in each of the 21 Mongolian provinces and the 9 districts of Ulaanbaar. The project has ended in December 2021. An (outcome) evaluation has been done.
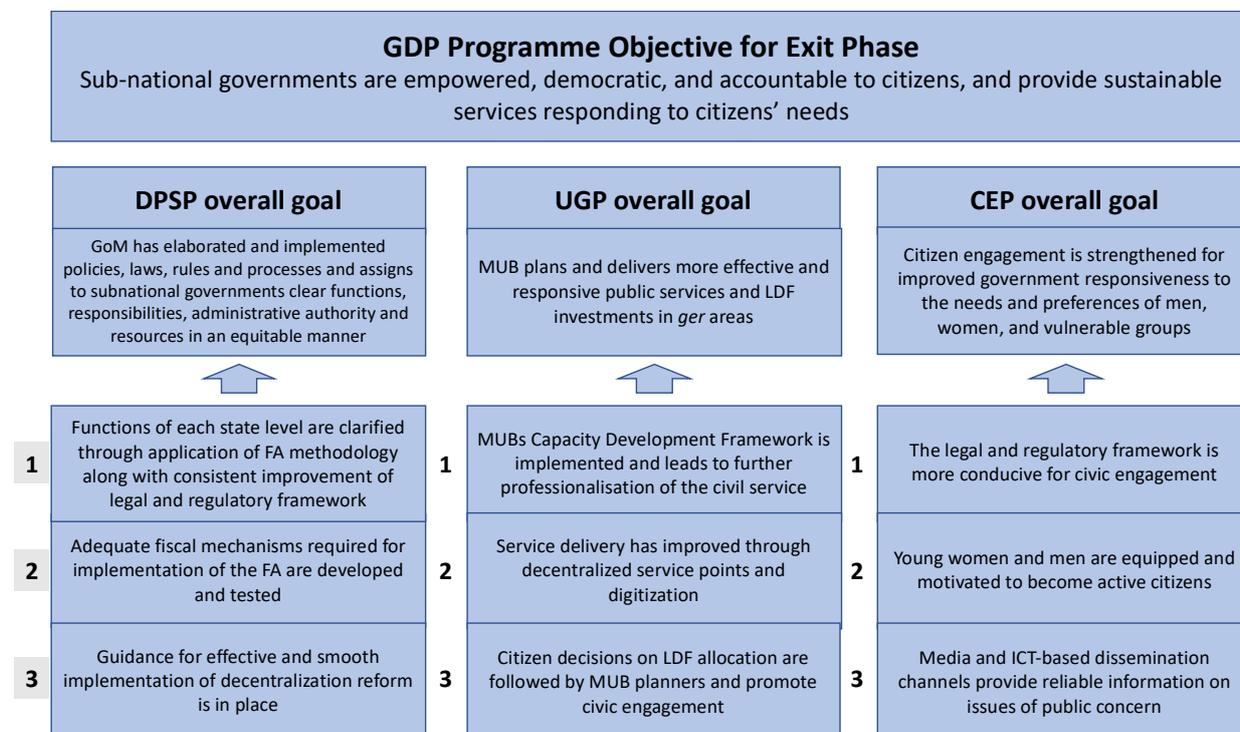
3. Programme objectives and impact hypothesis

The GDP's Exit Phase (01.01.2020 – 31.12.2022) consists of the following three sub-projects:

➢ **The Decentralization Policy Support Project (DPSP) -** implemented in partnership with the Cabinet Secretariat of Government of Mongolia (CabSec), which is SDC's direct contract partner - aims to support the elaboration of an overarching policy on decentralisation.

➢ **The Civic Engagement Project (CEP) -** implemented in in partnership with the Ministry of Justice and Internal Affairs (MoJIA), which is SDC's direct contract partner - aims to establish an enabling legal framework for citizen participation in decision-making and implement civic engagement mechanisms. Until March 2017, CEP was implemented by the Office of President.

➢ **The Urban Governance Project (UGP) -** implemented in partnership with The Asia Foundation (SDC's direct contract partner) and the Municipality of Ulaanbaatar (MUB) - aims to strengthen the capacity of the municipal government to plan and deliver public services and LDF investments in ger areas of Ulaanbaatar in response to the priorities voiced by citizens.

Following an external mid-term evaluation of GDP-II in October 2016, UGP has been re-designed and re-launched in February 2017 and DPSP re-adjusted. The second phase of CEP was launched in May 2017 with the Ministry of Justice and Internal Affairs (MoJIA) as a new government partner. Taking into consideration these adjustments and the complexity of the programme, in September 2018, GDP-II was extended by one year till 31.19.2019 to enable full implementation and consolidation of its interventions.

While the overall goal of GDP-II and its sub-projects remained unchanged in the Exit Phase, some modifications have been made within respective sub-projects' components to enhance their effectiveness and respond to the evolving context.

The DPSP and CEP are implemented by CabSec and MoJIA via affiliated Project Implementation Units. The UGP is implemented by the Asia Foundation (TAF) in close collaboration with MUB.

| **GDP Programme Objective for Exit Phase** |
| Sub-national governments are empowered, democratic, and accountable to citizens, and provide sustainable services responding to citizens' needs |

DPSP overall goal	**UGP overall goal**	**CEP overall goal**
GoM has elaborated and implemented policies, laws, rules and processes and assigns to subnational governments clear functions, responsibilities, administrative authority and resources in an equitable manner	MUB plans and delivers more effective and responsive public services and LDF investments in *ger* areas	Citizen engagement is strengthened for improved government responsiveness to the needs and preferences of men, women, and vulnerable groups

#	DPSP	#	UGP	#	CEP
1	Functions of each state level are clarified through application of FA methodology along with consistent improvement of legal and regulatory framework	1	MUBs Capacity Development Framework is implemented and leads to further professionalisation of the civil service	1	The legal and regulatory framework is more conducive for civic engagement
2	Adequate fiscal mechanisms required for implementation of the FA are developed and tested	2	Service delivery has improved through decentralized service points and digitization	2	Young women and men are equipped and motivated to become active citizens
3	Guidance for effective and smooth implementation of decentralization reform is in place	3	Citizen decisions on LDF allocation are followed by MUB planners and promote civic engagement	3	Media and ICT-based dissemination channels provide reliable information on issues of public concern

Impact hypothesis: Sub-national governments with enhanced political, administrative and fiscal decision-making power, participatory decision-making mechanisms, and professional civil service will provide more effective and responsive public services, thus contributing to sustainable development and poverty reduction.

The three sub-projects of GDP contribute to the overall programme objective through achieving their respective project goals:

DPSP addresses the decentralization reform in a comprehensive way through creating the necessary policy and fiscal environment for local government empowerment, including clear delineation of functions among different government levels and clear delineation of administrative competences required to implement the assigned functions. The Exit Phase based on a functional review of central and local governments, potentials for outsourcing government functions to private sector are assessed to be transferred in an optimal manner. This includes a package for necessary legal and fiscal adjustments.

UGP supports MUB to plan and deliver more effective and responsive public services and investments from the Local Development Fund (LDF) in Ulaanbaatar City with focus on sub-urban ger areas (= poorer areas of Ulaanbaatar, mainly composed of yurts). The ongoing Exit Phase continues building on UGP/GDP-II's achievements in relation to (i) capacity strengthening of MUB civil servants, (ii) improving access to public services for urban residents and (iii) rolling out Local Development Fund (LDF) Citizen Input mobile phone application to improve public consultations on LDF among Ulaanbaatar residents.

CEP aims to strengthen citizen engagement for improved government responsiveness to the needs and preferences of men, women, and vulnerable groups. The exit phase of CEP builds upon and continues to improve the legal environment for civic engagement as well as the institutionalisation of the successful citizen participation pilots implemented during CEP-II with a special focus on the young generation, including young journalists and use of cost-effective digital channels to increase the project's outreach and impact.

4. Programme's intervention strategy

- Emphasis on **government ownership**: the implementation modality was chosen upon consultation with government partners with Project Implementation Units (PIUs) embedded within respective partner government institutions. The **co-funding** by government and municipal partners has contributed to strengthened ownership and increased outreach of the programme (MUB's co-funding has enabled expanding UGP's implementation to all 171 sub-districts/khoroos[1] of Ulaanbaatar).The programme is moreover steered by a joint Steering Committee composed of the partners of the 3 sub-projects as well as SDC. It is chaired by the Government.

- **Promotion of broad ownership of the promoted changes**: engagement at macro, meso and micro levels with a range of government and civil society stakeholders (e.g, DPSP, closely cooperates with Decentralization working group at the Parliament; CEP's relevant components are implemented by the competent NGO and youth debate club).

- **Facilitation of coordination** (through 2 dedicated SDC staff) and synergies among GDP sub-projects, as well as with relevant governance projects of SDC (see under context) and other donors to maximize the impact of the programme and its efficiency.

- **Combination of policy and implementation support**

- **Inclusiveness and poverty focus** and gender equality: e.g., UGP has been designed to have a strong pro-poor focus by choosing ger area khoroos as its primary target area.

- **Institutionalization** and Capacity strengthening of national partners to enable the continuation of GDP interventions following the programme's closure (e.g., UGP's support for establishing and strengthening MUB's Training and Research Centre and DPSP's support in development of the Functional Allocation software to be used by all public sector bodies).

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[1] Khoroo = Lowest administrative unit in the capital city. It is a deconcentrated unit, not a decentralized one, hence has not any budget to manage on its own.

- **Use of e-tools/support for digitalization**: combination of digital APP to render services more broadly accessible and of online trainings (which enabled continuation of these activities despite COVID-19 restrictions).

5. Main achievements

DPSP has improved the legislative framework for decentralization by supporting the elaboration of the State Policy on Decentralisation (2016) - a key policy document for the implementation of a comprehensive and well-sequenced decentralization process in Mongolia. **Its implementation is well underway** with the **Functional Allocation (FA) methodology - ,** developed with technical assistance by the University of Lucerne in Applied Sciences and Arts (HSLU) - **approved in 2018 and successfully applied in all government sectors and sub-national governments** to ensure appropriate assignment of functions among government levels in line with key decentralization principles and necessary legal adjustments prepared. These principles **have been reflected in the Sustainable Development Vision of Mongolia-2030** (2016) in recognition of the importance of decentralization for the country's long-term development. **Based on constitutional amendments** (2019), which **include provisions supporting decentralization and further empowerment of local governments**, DPSP has supported the elaboration of changes to the principal legislation regulating local governance affairs - the Law on Administrative and Territorial Units and their Governance (LATUG). The Parliament's approval in 2020 of the LATUG has marked **a significant progress toward greater decentralisation, empowerment of local governments and strengthened local governance processes**: by creating the foundation for shifting more powers to local governments, including fiscal, taxation, administrative and property management powers (for example, the transfer of certain percentage of corporate income tax to local governments, income tax revenue fully transferred to soums[2]/municipalities and districts of the capital city). The LATUG has **spelled out key decentralization principles** (subsidiarity, finance follows functions, etc.) and **delineated the functions of different tiers of government**. In addition to LATUG, decentralization is well anchored in other national policies and legal instruments adopted in 2020. The Parliament adopted the Budget law and one of the accompanying laws thereto was the Law on Tax on number of heads of Livestock, which gave the power to the local governments to assign and decide the amount of this tax.

UGP has continued contributing **towards consolidating the capacity development system** for over **4'000 public administrative civil servants of MUB** established in the main phase of GDP. Thus, the Training and Research Center of Ulaanbaatar (TRC-UB) launched in 2017 now provides systematic, relevant and results-oriented capacity building to MUB staff. The TRC-UB is continuously evolving in terms of internal processes, facilities, partnerships as well as quality and scope of the trainings provided. The strengthened capacities of civil servants are expected to contribute to improved delivery of services to Ulaanbaatar's residents. Building on previous efforts to support MUB's initiative to **enhance access to pro-poor public administrative services**, **MUB**, with UGP's support, **upscaled services de-concentrated to khoroo level** in the GDP's main phase **to additional khoroos, increased the range of available services,** and continued to **support MUB's service digitalization efforts**. These efforts have contributed to bring public services closer to urban citizens, especially those living in sub-urban ger areas. Within the scope of **promoting citizen engagement in budget decision-making**, an LDF Citizen Input mobile phone application was upscaled citywide in Ulaanbaatar, enabling to switch from paper-based household voting (1 vote per household) to individual e-voting, thus **ensuring inclusive participation in local budget consultations and laying the ground for greater consideration of citizen preferences in final LDF decisions**. The successful introduction of LDF e-voting in Ulaanbaatar has informed MoF's plans to **use LDF e-voting nationwide**.

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[2] The *Soum* corresponds usually to the concept of "Municipality" in many other countries. In Mongolia, it is the sub-division of a province (= *Aïmag*). The *Soum* is the lowest decentralised governance structure. Hence, it has its own budget to manage, coming from transfers from the central State (fiscal decentralisation) and other sources. Since 2021, it can raise certain taxes on its own.

CEP has contributed to ensure favourable legal environment for citizens' participation by elaborating amendments in over 100 laws[3] with the aim to specify concrete mechanisms to ensure the implementation of provisions related to citizen participation. CEP also **has contributed to responsive planning and decision-making** through the implementation of pilot projects in urban and rural areas to help local governments and citizens practice the use of existing citizen participation mechanisms in its 2nd phase. The results of these projects, including soum/municipal development plan, forest management plan, waste management regulation, etc., have been formalized in decisions of respective local governments. Recognizing the importance of youth[1] participation in public life, CEP has worked to strengthen youth engagement mechanisms, such as youth debate clubs among high schools students and institutionalization of young journalists clubs, comprised of graduates of CEP's Young journalists programme. Significant progress in implementation of the National programme "Legal education for all", supported by CEP, was made as the Action plan was approved by the Minister for Justice and Internal Affairs, for the systematic and nation-wide introduction of legal curriculum, which is planned to be included in the academic curriculum for secondary schools.

A **more detailed summary of the results achieved** according to an SDC perspective will be provided to the selected team of consultants at the beginning of the evaluation.

6. Objectives of the evaluation

The external evaluation of GDP will cover the ongoing 3rd and exit Phase of GDP while taking into consideration the main phase of GDP-II and GDP-I[4]).

Since this is the last/exit phase of the projects, the conclusions and recommendations should clearly distinguish which are the elements that:

- are already sustainable and do not need further external support.

- the interventions that haven't achieved the desired results and/or sustainability level and should be taken up by another national and/or international actors (including relevant Swiss actors or development actors already active in Mongolia) following the closure of the programme. Such potential actors are to be suggested.

- the interventions that should be stopped.

As Switzerland is completely phasing out of Mongolia in 2024, the recommendations should mainly be targeted to the programme's partners who will continue to work on the issues developed under the GDP programme. But SDC remains also interested by recommendations still relevant for its own institutional/cross-cutting learning and networks.

Finally, the evaluation will review the list of capitalization products produced jointly by project implementing organizations and the PCU and suggest adjustments to the list (a separate capitalization process will be launched in 2022).

7. Methodology

The evaluation is to apply the **6 OECD-DAC criteria** for evaluating development projects, including relevance, coherence, effectiveness (intended/unintended, positive/negative results), efficiency, impact, and sustainability of GDP. The evaluation is also expected to assess the extent to which **gender** mainstreaming has been reflected in the course of programme implementation.

In addition to reviewing the available programme and project documents and other relevant background documentations, the evaluation team will collect and analyze primary and secondary data through online and in-person meetings with project partners, relevant stakeholders and beneficiaries,

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[3] Main laws with civic engagement regulation include: Budget Law (2011), Law on Information Transparency and Right to Information (2011), Glass Account Law (2015), Public Hearing Law (2015), Law on Legislation (2016), General Administrative Law (2016), Deliberative Polling Law (2017)

[4] Although GDP-I, implemented in 2012-15, had the same overall programme goal, it consisted of four sub-projects different from GDP-II sub-projects described in these ToRs. The implementing partners were also different. The relevant information about GDP-I is included in the package of reference materials for the evaluation.

as necessary. A workshop with attendance of key stakeholders to present and obtain feedback on the evaluation findings is to be organized and held. **The mission will take place in the capital city of Ulaanbaatar only**.

In addition, the evaluation needs to assess to which extent the partners have addressed the issue of **PSEAH** (Prevention of Sexual Exploitation, Abuse and Harassment[5]) in the project (rules, tools, activity, staff training, etc.).

8. Deliverables

The following documents must be submitted to SDC:

1) Briefing presentation, explaining how the evaluation will be conducted

2) Debriefing presentation with inclusion of the following parts:
   ➤ Evaluation results and recommendations
   ➤ Recommended capitalization products

3) Draft Evaluation report

4) List of recommended capitalization products

5) Final Evaluation report in English <u>and</u> in Mongol with a maximum of 30 pages (without annexes), including a summary with the main findings and recommendations. The report will focus on results (impacts, outcomes, outputs), to be organised following the usual 6 standard principles for evaluations. The focus should mainly be at impact and outcome levels.

9. Description of tasks and required profiles

The evaluation will be performed by an external team comprising of 3 members, preferably **gender**-balanced: an international consultant, a national consultant, and an additional consultant either international or national. A translator can be added when relevant for part of the mission. An **SDC peer reviewer** from SDC HQ or another field office is also expected to join some parts of the evaluation. The latter should not be part of the offer, as her/his costs will be covered directly by SDC.

The consultants will have the following roles and profiles:

Consultants	Roles	Required Qualifications
Team leader (international consultant)	➤ Responsible for structuring and organizing the evaluation ➤ Briefing and debriefing with SDC and GDP stakeholders ➤ Responsible for the deliverables	➤ In-depth experience and expertise (at least 10 years) in evaluating governance projects, including in the area of decentralization and democratization. Experience in leading evaluations. ➤ Experience in knowledge management, documentation and report writing ➤ Extensive working experience and in-depth knowledge of facilitation methods (at least 10 years) ➤ Experience in capitalization of development interventions ➤ Experience in evaluating **gender** mainstreaming in development projects ➤ Excellent English language skills (speaking and writing) ➤ Previous proven successful experience as evaluation team leader (attestations to be provided).
1 National consultant + 1 national or international consultant	Support the team leader in: ➤ Context analysis ➤ Setting up the mission schedule & logistics ➤ Conducting interviews	➤ Proven experience in consultancies and evaluation of decentralization and democratization projects ➤ Experience in evaluating **gender** mainstreaming in development projects

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[5] https://www.shareweb.ch/site/SDCPSEAH.

	➤ Contextualizing the evaluation findings, ➤ Translation	➤ Experience in facilitating workshops, interviewing project stakeholders, as well as gathering and analyzing data ➤ Excellent English and Mongolian language skills in writing and speaking (the latter required for the national consultant-s).	
SDC peer reviewer	➤ In consultation with the team leader, undertake parts of the evaluation/participate in selected milestones of the evaluation ➤ Contribute to the evaluation recommendations and input the evaluation report from an SDC perspective ➤ Contribute insights and recommendations regarding potential Swiss actors (as required) to take on the programme's interventions and potential capitalization products	➤ SDC staff ➤ Experience in implementation/overseeing/evaluating governance domain projects ➤ Experience in evaluating **gender** mainstreaming in development projects ➤ Excellent English language skills (writing and speaking) ➤ Available and authorized to spend some days on the mandate (exact involvement to be discussed with the team leader and SDC office in Mongolia).	

10.   Duration and resources

The evaluation (including preparation and report-writing) will last a maximum of 75 workdays in total, hence approximately 25 days for each consultant. The offer should include a detailed work schedule with indication of workdays per consultant as well as the repartition of work between consultants.

ATTENTION: Due to the unpredictable evolution of the COVID-19 pandemics and of the related evolving restricted measures of the Mongolian Government, **the offer must present 3 scenarios to conduct such an assignment** (including implications on the timing, the team composition and on the budget). Consultants are expected to show flexibility and innovations.

The below tentative schedule proposed by SDC is seen as the best scenario. The middle and worst case scenario should foresee the conduction of the evaluation in the 3rd respectively 4th quarters 2022.

Milestones	Date	Responsible
Call for proposals	01.02 2022	SDC
Submission of offer	28.02.2022	Consultants
Review of offer	By 14.03.2022	SDC
Revised offer	By 28.03.2022	Consultants
Final review/decision, contract making and signing	By 30.04.2022	SDC, consultants
Desk Review	Between 01-31.05.2022	Consultants
Briefing with SDC	Beginning of June	SDC, consultants
Stakeholder workshop to present the evaluation findings	By 08.07.2022	Consultants
Debriefing with SDC	In the week of 18.07.2022	SDC, consultants
Submission of a draft report (including a list of capitalization products)	By 31.07.2022	Consultants
Feedback on draft report	By 15.08.2022	SDC
Submission of a final report	By 22.08.2022	Consultants

Please note that the period from 11 to 17.07.2022 is the Mongolian *Nadaam* public holidays. SDC, the Mongolian Government and all other partners in Mongolia will not work during this period.

11. Offer

Based on these ToR, an offer is expected by 28th February 2022. Only offers composed of a team of three consultants (without SDC consultant) with required profiles, and potentially including a translator, will be considered. The offer must comprise:

1) A **narrative offer** of maximum 10 pages (without annexes) including:
   a. Understanding of the mandate
   b. Methodological approach, including the options B & C due to the COVID-19 pandemics and its implications; remote methods must be explicitly highlighted and explained;
   c. Detailed schedule/workplan, including the options B & C due to the COVID-19 pandemics and its implications;
   d. Consultants' profiles (CV in annexes), a table of repartition of tasks between consultants, and their availability during the evaluation period (all options);
   e. List of similar missions conducted (highlighted in color in CVs) with references in annexes

2) A **financial offer**, including:
   a. A Submission letter with date and signature showing the total amount of the offer.
   b. Detailed budget in SDC format. In addition to consultants' fees and per diem, the offer should contain all necessary costs to conduct the mission under the team leader's responsibility. The costs of the team members and of the potential translator have to be sub-contracted by the lead consultant, and shown in the specific "sub-contracts" part of the SDC budget format.

The potential SDC reviewer is not to be included in the financial offer. His/her expenses will be covered separately by SDC.

The funding of this mandate as well as administrative and financial follow-up is the responsibility of Swiss Cooperation Office in Mongolia. The consultants are accountable only to SDC Mongolia.

Offers are to be sent by email to:

Ms. **Internal only**
Senior National Programme Officer
Email:
Direct phone:

With copy to:
Mr. **Benoît Meyer-Bisch**
Deputy Head of Cooperation
Email: benoit.meyer-bisch@eda.admin.ch
Direct phone: +41 58 465 04 52

12. Documentation available for the selected consultants only

General:
1. Swiss Cooperation Strategy for Mongolia 2018-2021
2. Swiss Phase-out Cooperation Programme for Mongolia 2022-2024
3. SDC's Annual Reports 2016-2021 on its Cooperation Strategy

GDP Exit Phase (main focus of the evaluation):
4. GDP overall project Agreement signed with the Ministry of Finance
5. GDP sub-project agreements signed with the direct contractual partners
6. GDP Exit Phase Credit Proposal
7. GDP Exit Phase Programme Document (2020-2022)
8. Project Documents of DPSP Exit Phase; UGP Exit Phase and CEP Exit Phase
9. GDP Exit Phase Annual Reports (2021, 2020)
10. DPSP, UGP, CEP Annual Reports (2021, 2020, 2019)
11. More detailed summary of results achieved according to SDC
12. Mongolian Government's documents: Government Action plan, the Action Plan of the Governor of Ulaanbaatar city, Long-term development policy document – Vision 2050, Budget law, revised LATUG, revised Law on Legal Status of the Capital city, etc.

GDP II:
13. GDP Phase 2 Credit Proposal
14. End-of-Phase Report of GDP-II
15. Mid-term review of GDP-II (2019)
16. Mid-line evaluation of UGP/GDP
17. Parliament resolution on approving State policy on Decentralization (2016)
18. Government Resolution #22 (2018) on approving Functional re-allocation methodology,
19. *Only if requested by the consultants:* GDP Annual reports (2016-2018)
20. *Only if requested by the consultants:* DPSP, UGP, CEP Annual Reports (2016-2018)

GDP I:
1. Final external evaluation report of GDP I
2. *Only if requested by the consultants:* GDP Phase 1 Credit Proposal
3. *Only if requested by the consultants:* GDP I Programme Document (2012-15)