**Mongolia**

**The SCD-CPF Engagement meeting with Civil Society Organizations**

 **August 31, 2017**

*This is a brief, informal summary of the issues raised during the meeting. If you were present and wish to make a correction or provide further information, please email Indra Baatarkhuu at ibaatarkhuu@worldbank.org.*

The World Bank Group (WBG) met with 15 civil society organizations in Mongolia on August 31, 2017 to exchange views and perceptions on Mongolia’s development opportunities and challenges as well as possible WBG support.

The discussions focused on three guiding questions:

1. What do you see as Mongolia’s biggest opportunities as well as challenges to end extreme poverty and promote shared prosperity?
2. What are the development priorities for Mongolia in the next 4-6 years?
3. How do you think the WBG (World Bank, IFC, MIGA) could support Mongolia in the next 4-6 years to end poverty and promote shared prosperity in a sustainable manner?

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| **Category** | **Comments from Stakeholders** |
| **Inputs on country diagnostic (opportunities, challenges, and pathways to end poverty & promote shared prosperity)** | **Challenges and country diagnostic****General overview and poverty reduction:** * Mining sector has been key factor for economic growth but economy is heavily dependent on it.
* Peaceful transition to democracy without any violence but democracy did not bring benefits overall; political instability is prevalent.
* The educated middle class and generous social services saved society from extreme poverty.
* Inequality has risen and poverty rate stands at 60% according to some estimates.
* Poor social services such as overcrowded health service negatively affects people dragging them into poverty.
* High unemployment among people with higher education.
* Democracy has not benefitted the society. There has been no poverty in the socialist times, whereas now inequality is growing and poverty is not reducing in real life.
* Some other participants noted that transition to democracy and market economy is relatively recent and Mongolia is still ‘learning from mistakes’ Poverty is reducing. The fact that some people’s livelihoods are improving and some people are staying at the same level leads to perception that poverty has increased.

 **Governance and accountability:*** Lack of political accountability to citizens.
* Weak civil society has not been successful in representing the society. There are not many specialized NGOs. CSOs are dominated by female leaders and there is huge lack of funding.
* Growing injustice with only the rich people drafting and approving laws to serve their own benefits.
* With the poor public sector performance, there is need for capacity building in public sector. Its previous attempts were unsustainable; high turnover and low capacity of civil servants.
* Around 105 laws have provision related with citizen’s participation, but not much is implemented in reality.
* Planning is not carried out effectively.
* Influence of politics is too high in country’s development.
* Low actions taken towards developing and enforcing standardization.
* Low civic education of the population, public not effectively engaged with the government and not able to voice their opinion.
* Injustice in legal system with human rights ignored and court failing to protect ordinary citizens.
* Lack of monitoring of state budget expenditure and no government accountability.
* Need to outsource some public social services to civil society.

**Diversification:** * Traditional pasture nomadic livelihood is being destroyed. Herders are being deprived of their pastureland and water due to mining, affecting their rights.
* No major manufacturing and industry has been developed in recent years.
* Commercial banking is operating poorly. Need to improve banking sector.

**Others:** * Public sector expanded its scope and size. Corruption issues need to be addressed as a priority.
* Not all NGOs are operating well serving to the society and their funding sources are dependent on donors.
* Xenophobia in terms of nation, race, wealth, gender status, race is an increasing issue in Mongolia to which the recent discussions during elections on pure Mongolian blood and mixed blood is a testament.
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| **Inputs on WBG strategy and partnerships** | **Governance and accountability:*** Unless government tackles governance issues and stability itself, no need for further support from WBG. Some other participants noted that WB should provide excellent policy recommendations and bring good practices from other countries as the government listens to WB advice.
* Social accountability mechanisms need to be strengthened, civil society need to be engaged in social accountability interventions which are proven to be effective.
* Political parties’ leadership should be strong and fair, regulation of political party funding can be financed by state budget to reduce the dependency on illegal funding sources.
* Priority should be given to civic education and to be included on core education program
* Government needs to strengthen their public relations.
* Social sector policy and analysis are underdeveloped compared with economics
* Support budget stability.

**Diversification:*** Instead of mining, priority sector should be agriculture and local community-based tourism. Agricultural sector creates more jobs than mining.

**Human Capital:** * Instead of focusing on strengthening education service infrastructure such as building new schools, teacher education system must be reformed and new generation of teachers should be trained. Currently, students with poor performance usually enroll in teacher program which is a challenge.
* Although academic education has been relatively good, education on ethical values has been left out leading to younger generation deprived of ethical values.
* Rural development and sustainable livelihood depend on good quality schools. Good education is a push factor on internal migration and support is needed for improvement of rural school dormitories.
* Public health education is very low due to budget constraints and limitations.
* Social welfare service need to be revisited.

**Private sector:*** Private sector development is key for economic development.
* Strengthen private and civil society partnership.
* Respectful human rights to be built via corporate responsibility in private sector.
* Media management is least developed among private sector. Support is needed for small, local and community media outlets as they can play a big role in delivering important information to communities.
* Support for renewable and solar energy will be helpful to increase energy independence.
* Taxation, banking sectors must be developed.

**Civil Society:*** Capacity building and funding to support civil society organizations are needed.
* NGO Law needs to be changed differentiating all organizations serving members or society; tax regulation support is needed to encourage private sector to contribute more to this sector. For example, there is no capacity and lack of experience of constructive engagement between CSOs and government. The process needs to be developed with soft skills and capacity building.
* Monitoring and evaluation of loan projects can be done by third parties/civil society.

**Environmental protection** * Environment protection should be included not in various socio-economic issues. Urgent need to address environmental degradation.

Balanced and comprehensive development must be prioritized. |
| **Inputs on WBG engagement** | * Extra attention on sustainability of implemented projects (after the project closure).
* Continue the good research work in education sector, evidence-based policy making and evaluation.
* Strengthen the loan project regulations and monitoring.
* Adopt local context when designing new projects. Some participants consider that WB project on improved stoves did not suit well local conditions leading to low project results.
* Conduct the solid assessment in project planning stage.
* Discourage environmentally unfriendly projects such as hydro-power stations, coal power station but rather support renewable energy. It should be noted that human resources to develop this sector is scarce. Ensure broad consultation and environment assessment is done before project implementation.
* Improve the visibility of WBG projects in Mongolian using simple outreach mechanisms such as social media.
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| **Others** | * One participant stated the view that current issues in socio-economic development are due to WBG advice and guidance as politicians and government listen to WBG advice well; WBG ruined the country with inequality and poverty worse now than before transition. Government, mining, and private sector are ‘robbing’ people.
* Some participants noted that civil society organizations should develop more and play a larger role in the society and to increase government accountability.
* Infrastructure projects, e.g. renewable energy and ICT development projects were successful, especially in promoting rural connectivity.
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Results of the survey taken during the meeting:

1. In your view, what are the crucial development areas for Mongolia to focus actions aimed at ending poverty and shared prosperity throughout the country over the next decade? (PLEASE SELECT UP TO 5)

| **ANSWER CHOICES–** | **RESPONSES–** |
| --- | --- |
| –Public sector governance/reform | 55.56%5 |
| –Health | 55.56%5 |
| –Education | 55.56%5 |
| –Equality of opportunity | 44.44%4 |
| –Anti corruption | 44.44%4 |
| –Natural resource management | 33.33%3 |
| –Environmental protection and pollution control | 33.33%3 |
| –Social protection | 22.22%2 |
| –Job creation/employment | 22.22%2 |
| –Food security | 22.22%2 |
| –Rural development | 22.22%2 |
| –Agriculture, livestock, and forestry | 11.11%1 |
| –Private sector development | 11.11%1 |
| –Financial markets | 11.11%1 |
| –Foreign investment | 11.11%1 |
| –Economic growth | 11.11%1 |
| –Road and transport | 0.00%0 |
| –Trade and exports | 0.00%0 |
| –Urban development | 0.00%0 |
| –Climate change | 0.00%0 |
| –Energy | 0.00%0 |
| –Disaster risk management | 0.00%0 |
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1. How do you think the World Bank Group can have the most impact on its assistance to Mongolia? In which areas do you believe the WBG should focus in the next 4-6 years? (please select up to 3 options)

| **ANSWER CHOICES–** | **RESPONSES–** |
| --- | --- |
| –Supporting human development | 66.67%6 |
| –Supporting public sector governance | 55.56%5 |
| –Supporting the business environment | 33.33%3 |
| –Supporting investment in infrastructure | 33.33%3 |
| –All are equally important | 22.22%2 |
| –Supporting natural resource management and environmental protection | 11.11%1 |