PROJECT DOCUMENT

Project Title	SUPPORT TO INTEGRITY AND TRANSPARENCY EFFORTS IN MONGOLIA
UNDAF Outcome 2:	Democratic processes are strengthened through institution building, civil society empowerment, and enhanced accountability and transparency to reduce disparities and human poverty
Expected CP Outcome(s): (linked to the project and extracted from the CPAP)	Capacity for democratic and participatory governance enhanced in national and local governing institutions
Expected Output(s): (resulting from the project and extracted from the CPAP)	- Participatory democracy assessment and MDG9 , using Democratic Governance Indicators (DGIs) institutionalized for improving policy and practice - Capacity strengthened for compliance with the United Nations Convention Against Corruption (UNCAC) - Capacity for local governance in rural and urban areas increased
Implementing Partner:	Independent Authority Against Corruption (IAAC)
Responsible Parties:	Civil Service Commission, Ministry of Health, State Specialised Inspection Authority, Cabinet Secretariat (representing the pilot aimags)

Revision of the Project Document
(Extension of the project duration by 2 months until 29 Feb 2012)

1. This is a budget neutral extension.

2. The extension of the project duration by two months is required to complete some activities that have not been completed before Dec 2011, and allow payment for those services. No new activities will be initiated during this two month period of extension. The estimated budget for this extension is $8,000.

3. The revised project budget is $435,000.

Programme Period:	2008-2011	**Project original budget:**	**USD 750,000**
Start date:	Dec 2008	**Revised budget:**	**USD 435,000**
End date:	Dec 2011		
Revised end date:	29 Feb 2012		
Management Arrangements:	DIM	Government In-kind Contributions	
Prodoc revision 1:	Jan 2012		

Agreed by:

Sezin Sinanoglu, UNDP Resident Representative   17 Jan 2012

PROJECT DOCUMENT

Project Title	SUPPORT TO INTEGRITY AND TRANSPARENCY EFFORTS IN MONGOLIA
UNDAF Outcome(s):	Accountability and transparency in governing institutions enhanced People's participation in governance increased
Expected CP Outcome(s): *(linked to the project and extracted from the CPAP)*	Capacity for democratic and participatory governance enhanced in national and local governing institutions
Expected Output(s): *(resulting from the project and extracted from the CPAP)*	- Participatory democracy assessment and MDG9 , using Democratic Governance Indicators (DGIs) institutionalized for improving policy and practice - Capacity strengthened for compliance with the United Nations Convention Against Corruption (UNCAC) - Capacity for local governance in rural and urban areas increased
Implementing Partner:	Independent Authority Against Corruption (IAAC)
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Brief Description

This project is part of Government of Mongolia and UNDP partnership in strengthening democratic governance for the attainment of national MDGs. The project builds on previous experience and on-going initiatives for strengthening national integrity systems. The project strategy rests on the indentified need for a four prong approach to address (a) UNCAC and MDG 9 monitoring and reporting, (b) IAAC functional capacities, (c) sectoral integrity initiatives, and (d) strengthening accountability and transparency in local management. For the implementation of this strategy the project will take a programme approach in the design, planning and execution of deliverables, and work with a range of responsible partners. The project will be implemented under the leadership of the IAAC and CSC for stakeholder coordination and programme coherence. The project will be aligned with on-going ministerial integrity initiatives and other emerging needs including for increased participation of civil society actors in the fight against corruption. The project will seek positive synergies and complementarities with similar initiatives supported by other international development partners.

Programme Period:	2008-2011	Total resources required USD Total allocated resources: _____	
Key Result Area (Strategic Plan):	Fostering Democratic Governance	• UNDP TRAC	USD 750.000
Atlas Award ID:	_____	• Other: ○ Donor ○ Government	_____ _____
Start date: End Date: LPAC Meeting Date: Management Arrangements:	December 2008 December 2011 October 2008 NEX	Financial gap: USD Government In-kind Contributions	MNT 75,000,000

Agreed by Ch. Sangaragchaa, Commissioner General, IAAC   10 December 2008

Agreed by Debora Comini, UNDP RR   10 December 2008

Acronyms and Abbreviations

ADB	Asian Development Bank
APR	Annual Project Review
CP	Country Programme (UNDP)
CSC	Civil Service Commission
CSO	Civil Society Organization
GOPAC	Global Parliamentarians against Corruption
IAAC	Independent Authority against Corruption
IPSL	Institute of Philosophy, Sociology and Law
MDG	Millennium Development Goals
MECS	Ministry of Education, Culture and Science
MoF	Ministry of Finance
MoH	Ministry of Health
MoJHA	Ministry of Justice and Home Affairs
MOPAC	Mongolian Parliamentarians against Corruption
NACC	National Anti-Corruption Council
NEX	National Execution
NISE	National Integrity Systems Enhancement
NPM	National Project Manager
NSO	National Statistical Office
POPP	Programmes and Operations Policies and Procedures
SSIA	State Specialised Inspection Agency
TAF	The Asia Foundation
TOR	Terms of Reference
UNCAC	United Nations Convention Against Corruption
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNODC	United Nations Office for Drugs and Crime
WB	World Bank

I. Situation analysis and project justification

Mongolia has come a long way in fighting corruption. A first Anti-Corruption Law was adopted in 1996, but lack of political will, understanding of the causes of corruption and weak legal enforcement have since continued to fuel public scepticism. The lack of a special anti-corruption agency was also considered to be one of the impediments to more decisive action, but opinions on the need for such an organisation have continued to be mixed. In 2002, a National Program to Combat Corruption was approved and a National Anti Corruption Council (NACC) established (as a coordinating body at the Parliament) to oversee the implementation of the program.

The initial years of the new Millennium witnessed a series of events that have influenced decisions in the policy debate on anti-corruption measures and related institutional arrangements in Mongolia. First, after years of intensive disagreements on the content of a new Anti-Corruption Law and the need for an Independent anti-Corruption Agency, the signing (April 2005) and ratification (January 2006) of the United Nations Convention Against Corruption (UNCAC) led to a breakthrough in the policy debate. The new law on anti-corruption was approved in July 2006 and came into force on 1 November 2006 and the Independent Authority Against Corruption (IAAC) became operational in early 2007. A Law on Political Parties was also adopted, with provisions to control the financing of political parties. A Media Law had already been adopted in February 2005, providing for the further privatization of media outlets. An Anti-Money Laundering law was also adopted in 2006.

Second, with the adoption of the Millennium Declaration and the Millennium Development Goals (MDG), the debate on good governance became more closely linked to the goals for socially equitable economic growth, poverty reduction and environmental protection. In April 2005, the State Great Khural adopted a Resolution on MDGs with an additional MDG9 "Fostering Democratic Governance and Strengthening Human Rights", which contains a specific target to *"create an environment of zero-tolerance for corruption"*. More recently in February 2008, the parliament adopted a resolution on the monitoring system for the MDGs in Mongolia, which includes indicators on MDG 9 (see table below). The Ministry of Finance is responsible for overall coordination of monitoring and reporting on the country's progress in achieving the MDGs. Specific responsibility for collecting data and reporting on progress on MDG9 targets on anti-corruption has been assigned to the IAAC and the National Statistical Office (NSO). Preparatory work on governance indicators was conducted by the UNDP MDG9 project, executed by the Institute of Philosophy, Sociology and Law (IPSL). Steps have already been taken to institutionalise elements of the work done by the MDG9 project, through the household surveys conducted by the NSO. Sustainable use of anti-corruption indicators and reporting on MDG9 by the IAAC will require additional support. This will also provide an opportunity for enhancing coordination in the use of various methodologies among the IAAC's institutional donors.

Lastly, accountability for achieving the MDGs' also resulted in targeted integrity initiatives at the sectoral level. With UNDP support an innovative pilot project was launched in 2006 to strengthen ethics and integrity in the Ministry of Health (MoH). The initiative aimed to increase transparency and accountability of the ministry and selected health organizations. In 2008, a similar project was launched to strengthen ethics and professional standards at the State Specialised Inspection Agency (SSIA). In a nutshell, the sectoral approaches are aimed to review bureaucratic procedures and practices on procurement, finance, personnel and recruitment, develop and adopt benchmarks of transparency and accountability requirements, improve procedures regulating conflict of interests and code of conduct, access to information and communication within the ministry and its broad client base. While important progress has been made, feedback from various stakeholders (including development partners) still points to serious integrity deficits. A more detailed overview of the ongoing sectoral integrity initiatives in Mongolia is provided in Annex 2.

Further work in this area will need to be aligned with the recently developed anti-corruption ministerial action plans.

But despite these initiatives and institutional reforms, low accountability of public institutions and high levels of corruption in the public, private and political sectors continue to be seen as one the causes of persisting inequality, poor basic service delivery and high levels of poverty. While much progress has been made, the mandate of the IAAC is still largely expected to be "enforcement" oriented by the public. The quality of investigation and related case management can still be improved, to ensure full respect of due process and external oversight. The capacity to analyse the root causes of corruption in Mongolia and monitor and report on progress with regard to the implementation of the international treaties, laws, regulations and policies to reduce corruption opportunities also remains to be strengthened. The latter need has become increasingly pressing, now that the IAAC has been given formal responsibility to report on UNCAC and monitor two of the three indicators on the MDG9 anti-corruption target. IAAC also needs support to fulfill its statutory reporting requirements on a bi-annual basis to the Parliament. In terms of its preventive mandate, IAAC will be facing an increasing workload when coordinating/monitoring the implementation of the anti-corruption action plans prepared by the ministries and agencies.

Table: MDG 9 Goal – targets, indicators and responsible agencies

Target	Indicators	Responsible agency
Target 22: *Fully respect and uphold the Universal Declaration of Human Rights, ensure the freedom of media, and provide the public with free access to information*	1. Human Development Index	UNDP
	2. Expert evaluation of conformity of Mongolian laws and regulations with international human rights treaties and conventions	National Human Rights Commission
	3. Percentage of implementation/enforcement of judicial decisions	Ministry of Justice and Home Affairs
	4. Number of attorneys that provide services to poor citizens	Ministry of Justice and Home Affairs
	5. Public perception of political, economic, and financial independence of mass media	National Statistical Office
	6. Number of state organizations that regularly place reports of their budgets and expenditures on their websites	Ministry of Finance
Target 23: *Mainstream democratic principles and practices into life*	1. Public perception of activities of state organizations	National Statistical Office
	2. Number of civil society organizations that have officially participated and expressed their views in the process of developing and approving the state budget	Ministry of Finance
	3. Percentage of voters that have participated in nominating governors of soums and baghs	Cabinet Secretariat
Target 24: *Develop a zero-tolerance environment to corruption in all spheres of society*	1. Index of corruption	IAAC
	2. Perception of corruption in political organizations, judicial and law enforcement institutions	IAAC
	3. Public perception of corruption in public administration and public services	National Statistical Office

II.   Project approach

With the ratification of UNCAC, an international normative framework is now available that can guide improvements to anti-corruption prevention, education and enforcement policies and related institutional arrangements. But UNCAC (and fighting corruption) is not an end in itself, it is a means towards reaching the broader goal of achieving a just and equitable society that is governed by accountable and transparent institutions that operate under the rule of law, and in full respect of international human rights norms and standards. That goal is reflected in the country's MDG9 on "Fostering Democratic Governance and Strengthening Human Rights".

Hence, the expected outcome of UNDP's support in this sector is not primarily to strengthen the Anti-Corruption Agency but to support efforts that can inflict incremental behavioral changes in the overall culture of the public service and society, towards more ethical, transparent and accountable management of scarce resources in the delivery of

services. It explains why UNDP's support will target tangible integrity, accountability and transparency initiatives at sectoral and local levels, while at the same time supporting institution building of the IAAC and the Civil Service Council (CSC), in collaboration with other development partners. Hence, in line with the United Nations Development Cooperation Framework (2007-2011) outcome of having *"democratic processes strengthened through institution building, civil society empowerment and enhanced accountability and transparency"* the new UNDP 'Support to Integrity and Transparency Efforts in Mongolia" project aims to achieve that outcome through a mixture of support to policy research, legislative review, functional capacities, monitoring and reporting and tangible integrity initiatives at the sectoral and local levels, that involve both service providers and end users.

The main outputs to be achieved under the project are outlined in the Results and Resources Framework with deliverables that will be further detailed in the annual workplans by the different responsible partners. The Annual Work Plan describes the specific inputs to achieve agreed outcomes and will form the basic agreement between the Project Board and each responsible partner on the use of resources. Those responsible partners may enter into agreements with other organizations or entities to assist in successfully delivering project outputs. While support to core institutions is needed, it is equally imperative to transform the traditional culture of information hoarding within government into one that provides easier access to information, as a powerful tool for citizens to scrutinize and monitor government decision-making and bring public officials and politicians to account, beyond election time. The sectoral initiatives aim to address these challenges on a pilot basis, within a sectoral context. In line with UNDP's country strategy, strengthening civil society for greater participation and transparency will be promoted whenever possible.

Rather than having isolated small projects, each with their own project management units and support staff, the "Support to Integrity and Transparency Efforts in Mongolia" project features a programme approach, with central management support (and close coordination with other development partners), while allowing for sufficient responsibility of action at the level of the different responsible partners. Overall management and coherence among the different initiatives will be the responsibility of the National Project Director, while team managers will be responsible for achieving the deliverables at the level of the different responsible partners.

At central level, the project will liaise closely with both the IAAC and the CSC, which both have responsibilities with regard to coordinating and monitoring ethics and integrity initiatives in the ministries. In a country where centralized management styles still prevail, the challenge for the project is to ensure that tangible integrity initiatives are pursued at the level of the pilot sectors and local entities. The project management set-up aims to address these challenges, while at the same time allowing for effective coordination, monitoring and reporting at central level.

A regular interaction and knowledge sharing, in particular between development projects working on ethics and integrity and anti-corruption will be promoted. Particular collaboration will be secured between UNDP democratic governance projects, in particular the local governance project and the MDG9 projects.

To respond to some of the main challenges identified in the situation analysis – and after close consultation with government agencies and development partners - the project will support the delivery of main outputs for which detailed activities are outlined below:

I. Capacity is in place to monitor the implementation of the UNCAC and MDG9 reporting on anti-corruption

II. The IAAC has the capacity to conduct investigations in respect of human rights norms and principles of due process

III. The capacity of pilot entities is enhanced to improve integrity, accountability and transparency in their respective sectors

IV. Local stakeholders have the capacity to initiate and monitor local accountability and transparency initiatives in pilot aimags and soums

III.   Prior and current assistance to the sector

UNDP Mongolia has been a key player in the fight against corruption for nearly ten years now. Initial support (review of draft anti-corruption legislation, study tours, workshops) was provided under UNDP's former global Programme on Accountability and Transparency (PACT). That support mainly targeted the parliamentary Anti-corruption working group (PACWG) that was established by the State Great Hural in 2000. The working group was responsible for drafting a new Anti-corruption Law and for preparing a National Programme for Combating Corruption (NPCC). The National Action Plan to implement the NPCC was finalised with the support of UNDP's Good Governance for Human Security project - GGHS) and approved in 2002.

To support the implementation of that Action Plan, UNDP in 2003 launched the "National Integrity System Enhancement (NISE)" project, which had four main objectives: (1) to support selective initiatives under the NPCC; (2) public awareness raising; (3) further support to finalise the policy, legal and regulatory framework for combating corruption and (4) management support for the coordination and monitoring of the implementation of the NPCC.

When in April 2005, the State Great Khural of Mongolia adopted an additional MDG9 "Fostering Democratic Governance and Strengthening Human Rights", which also included a target to create an environment of zero-tolerance for corruption, UNDP launched an additional MDG9 project. That project was implemented by a group of academics, public officials and civil society representatives responsible for developing a set of national governance indicators needed to measure progress with the implementation of this MDG 9.

As part of a new MDG-related sectoral approach, in 2006 UNDP launched an innovative pilot project with support from Democratic Governance Thematic Trust Fund to strengthen ethics and integrity in the Ministry of Health. In 2008, in line with the initial positive results obtained in the health sector, a new pilot project has been designed and approved to provide support to the State Professional Inspection Authority with strengthening of ethics and professional standards, and the introduction of selective ICT solutions to reduce opportunities for corruption at the regulatory inspection authority. UNDP has also been requested by the Office of the President to provide additional support in the process of finalizing the Conflict of Interest Law and revised Civil Service Code of Ethics.

Currently, the two other main players in this sector are the World Bank and USAID. The World Bank, through its "Governance Assistance project" provides support to the CSC, the Ministry of Justice and Home Affairs (MoJHA) and the IAAC. Assistance to the latter includes UNCAC legal gap analysis, updating of laws and regulations, logistical support and ICTs, asset declaration management, conflict of interest legislation, and capacity development. The World Bank has also been requested by the government to facilitate coordination among the different donors that assist the IAAC. The Asia Foundation is supporting the prevention and awareness raising activities of the IAAC (and related capacity development efforts) and assists the agency with corruption perception surveys

and public information campaigns. TAF is also increasing its efforts to build capacity of prosecutors and judges and also plans to do more work on corruption investigation.

The Asian Development Bank has recently commissioned a governance risk assessment in education and transportation sectors and has expressed its intention to also provide longer-term support the IAAC and help to implement some of the integrity action plans in the ministries.

IV.   Outputs and Description of Activities

For achieving CP outcomes to *enhance capacities for democratic and participatory governance*, the project will produce the following outputs in accordance with its four prong approach adopted in this document.

Output 1:   Capacity is in place to monitor the implementation of the UNCAC and to ensure effective and coordinated UNCAC and MDG 9 reporting on anti-corruption

As the IACC has now been given formal responsibility to report on UNCAC and monitor two of the three indicators on the MDG9 anti-corruption target, to achieve this output, the UNDP project will provide research support, and assistance in monitoring implementation of the UNCAC and support in developing/adjusting and using the MDG 9 corruption-related indicators. To avoid stretching the capacity of the IAAC, research will be outsourced to independent research institutes or local think tanks. The research support provided by the project will liaise closely with the sectoral and local integrity initiatives, as well as with the ongoing and future initiatives on governance and anti-corruption indicators. The purpose of the research is to have well-informed citizens and decision-makers on the face of corruption and its impact in Mongolian society which will allow the IAAC, the CSC and the sectors and local governments to contribute to the building of a more honest and transparent society. Research should also further inform the respective action plans in the ministries and agencies.

UNCAC monitoring will allow the IAAC to better assume its mandate of proposing new or amended legislation where needed. Mongolia has put in place many components of the legal environment to support the implementation of anti-corruption policies and programs. While initial work has been conducted with support of the MoJHA, there is also a consensus that a more comprehensive review of the existing anti-corruption legislation is needed, to bring Mongolia's integrity infrastructure fully in line with the key principles of the Convention. In collaboration with other development partners, the project will assist the government, as needed, with further reviewing the existing national legislation and regulations in comparison with the UNCAC provisions. Further assistance could also be provided by the United Nations Office for Drugs and Crime (UNODC). Hence, analyzing legal gaps or deficiencies will be part of the UNCAC monitoring process. Efforts need to be made to get parliamentarians closer involved in the anti-corruption efforts. Special workshops can be organized to reach a core group of dedicated parliamentarians. The possibility will be explored of establishing a voluntary initiative of Mongolian Parliamentarians Against Corruption (MOPAC) that would constitute the national chapter of GOPAC (Global Organisation of Parliamentarians against Corruption).

The project will support the on-going initiatives and processes to improve the anti-corruption legislative framework and institutional arrangements. An immediate activity that will be supported by the project is to help the special working group on Conflicts of Interests (CoI), headed by the Legal advisor in the Office of the President, to help finalise the new legislation. Further work will be needed to ensure broad training and awareness raising, once the new CoI legislation is approved. This activity could be undertaken jointly with the other development partners.

Support to the monitoring of MDG9 anti-corruption target will be done in close collaboration with the MDG9 support project for which an extension has been planned under the Global "Governance Assessments" project. Progress in adjusting the methodology, surveys and data needed to report on the two MDG9 indicators for which the IAAC is responsible will be done in close coordination between the UNDP, the World Bank and the Asia Foundation. The role of the Public Council in these monitoring and functions needs to be further clarified and strengthened. The Project management team will conduct regular assessment of the political environment of the project, not just assessing the capacity challenges in the IAAC, but essentially analyzing the political economy of corruption in Mongolia. The annual report of the project will need to go beyond reporting on activities and address also the trends and challenges within the external environment of the project.

Reporting on IAAC's activities (and on the broader integrity and transparency initiatives that are ongoing) should become an important element in the awareness raising and advocacy strategy of the IAAC and the government. Coordinated support from the development partners would also facilitate the consolidated reporting on integrity initiatives.

Effective monitoring and reporting requires responsible agencies to stay connected to comparative experiences and regional and global capacity building events. Hence the need for Mongolia to maintain its presence in sub-regional, regional and international events where experiences of UNCAC party states and other countries are shared. Regional and global networking not only informs from comparative experiences but can also facilitate peer support. Hence, the project will provide limited support (on a cost-sharing basis) to allow Mongolia's integrity institutions to join various regional and global fora and networks (e.g. the ADB-OECD Anti-Corruption initiative for Asia Pacific, the Anti-Corruption Practitioners Network for Eastern and Central Europe). Project management will need to establish solid monitoring mechanisms to ensure that investments made for such international exchanges are also resulting in tangible results at national level (whether in terms of training, policy changes or institutional and legal developments).

Output 2:   The IAAC has the capacity to conduct investigations in respect of human rights norms and principles of due process

The IAAC is currently building up its capacity to ensure delivery on its three-pronged mandate of prevention, education and enforcement. While most other functions of the IAAC are receiving support from various development partners, the investigation function has not yet been the subject of more systematic capacity building efforts. Without such support there is a risk that results achieved will remain at the level of legal analysis, training, research, monitoring and reporting without any visible impact on much needed punitive action against the various forms of grand and petty corruption. Without visible improvements, popular support for the anti-corruption initiatives will rapidly wane.

With most staff coming from the police services, skills are not lacking; what is more specifically needed is to ensure that the punitive mandate (investigation and case management for prosecution) of the IAAC is addressed with full respect of human rights norms and principles of due process. Training is intertwined with the development (and improvement) of work processes. Hence, unless improved work processes are mapped out training will not be meaningful. The project will therefore support the preparation of an operational manual which details the work processes, and which will then also be used as training manual. The project will focus its support particularly on four areas: (1) drafting of a capacity development plan for the IAACs investigative function; (2) establishing a coherent system of complaints and case management allowing to eliminate backlogs,

reduce vulnerability to mismanagement of cases and to improve annual reporting; (3) preparation of an operational manual and (4) advanced training on anti-corruption investigations in line with the new operations manual. Further logistical support to improve the intelligence work of the commission, allowing it to engage better in covert activities to detect corruption will need to be secured from additional donor sources.

The aim of this intervention, which will be undertaken in collaboration with the UNODC, is to increase the IAAC's capacity to manage and monitor cases from complaints registration to preliminary analysis to investigation, to legal review and finally to prosecution and adjudication and to ensure that this whole process is done in a transparent manner with full respect for due process. The output will be produced trough technical advisory functions and international expertise, also with involvement of the UNODC (for the training component).

Finally, over the three year period, the project would also assist the IAAC in looking at options to improve the external oversight over the investigative functions of the agency. The role of the Public Council needs to be further studied as well as potential other organizational devices to ensure effective scrutiny of the IAAC.

Output 3: **Mechanisms are in place and people are trained to enhance integrity, accountability and transparency at selected sectoral levels**

UNDP's main objective with this project is not to fight corrupt practices (as a negative behavior), but to promote positive developments in the public service and in society, in terms of ethical behavior, accountability and transparency. Even though the fight against corruption has to take place at many fronts, the role of the public service in promoting ethical values and professional standards will be crucial.For this reason, a key role in the project will also be played by the CSC. In this regard, it is important to note amendments to the Law on the Civil Service which places much more emphasis on merit based services, political neutrality and ethical standards.

While action at the central policy level in terms of research, monitoring and legal developments is important, laws, action plans, surveys and capacity building efforts alone will not improve the general perception that the Mongolian people have about the weak results achieved so far in combating corruption. To reverse the general wave of cynicism, a series of initiatives will be initiated at the sectoral levels to enhance transparency and accountability in selected organizations, aiming for a visible integrity impact in certain sectors. UNDP has been engaged in a series of initial integrity initiatives in the MoH and the SSIA. These efforts will be continued and closely linked to the *integrity action plans of the ministries and agencies* concerned, which have been developed in coordination with the IAAC. If resources permit, this output could possibly be expanded during the second half of the project to another sector critical for the attainment of national MDGs. The project's link to the IAAC as the main coordinator for these ministerial integrity action plans allows the project to upscale results achieved and exchange experiences and tools with other partners working at sectoral levels.

Positive developments have been witnessed in the MoH, but a series of integrity deficiencies persist and need to be addressed during the implementation of this project. To get a better view on what has been achieved, lessons learned and tools used documented, UNDP will conduct an in-depth assessment of the integrity initiatives conducted in the MoH. The assessment report, for which funds will be made available by the UNDP Regional Centre in Bangkok, will also include a draft annual work plan with recommendations for project activities to be continued or initiated by the project.

Indicative activities to be addressed at the sectoral level may include but not be limited to:

- Perception survey within the sector on integrity deficiencies (and participatory discussions to identify the issues of most concern to the staff and the public and the means to address them)
- Public information campaign implemented to ensure the provision of timely, transparent and accessible information on fees and procedures for obtaining services provided by the ministry.
- Ethics Committees established in the ministry and policies in place to enhance ethical conduct in ministerial operations (including implementation of the code of ethics and conflict on interest policies, and with broad participation and buy-in from the staff)
- Training delivered to civil servants in the ministries on the new civil service law, ethical standards and new conflict of interest legislation (when approved)
- Introduction of E-governance solutions to reduce opportunities for corruption
- Counseling services for public officials who are faced with questions on ethics and conflict of interest cases and who need advice (this mechanism will liaise closely with the Civil Service Council).
- Specific integrity initiatives for targeted service delivery functions (e.g. permits)
- Documentation of lessons learned and tools and training materials developed

These specific sector level interventions will be aligned with ministerial action planning and other integrity documents for improved stakeholder coordination and programming coherence.

Participatory workshops will bring together various stakeholders in order to identify the types and forms of corruption, determine their root causes, point out the consequences and develop possible solutions. The workshops, and action-oriented awareness raising campaigns directed at both public officials and the citizens, will generate public debate on how to address the identified key problems in the selected organisations. Enhanced access to information and getting civil society increasingly involved as a pressure group for demanding more open and ethical government will be part of these initiatives.

Output 4: **Stakeholders at pilot local entities have the capacity to monitor the quality of service delivery and related accountability and transparency in local management**

Nowhere are the effects of corruption and lack of accountability and transparency felt more directly by citizens than at the level of local governments. This output will complement the work that is undertaken at the level of the UNDP Local Governance Support project, which has project facilitators in four pilot aimags, namely Tuv, Khenti, Gobi-Altai and Bayanulgli. The project will select at least two of the pilot aimags and soums where the Local Governance support project is operating to conduct additional transparency and integrity initiatives. Preference will be given to poor but resource abundant communities, where lack of transparency and accountability has a direct negative impact on the environment and livelihoods of the people.

Operations in this area will start with a *local transparency survey*, which is needed to develop a deeper understanding of the types and scale of problems affecting the local governance system and also to establish a baseline of data against which the impact of the projects integrity activities over time can be measured. The survey is also an important means through which an initial constituency to lobby for more transparency and integrity can be formed. MDG9 project can provide technical support in conducting the survey The survey aims for citizens to get a better understand the existing realities related to corruption, transparency and the quality of governance in their local constituency and thus to get more public interest in the issue of local corruption. The survey should be designed to capture information from all key stakeholders – the public and private sectors as well as civil society. The project team can decide whether specific surveys are needed for some of

the public agencies at the local level, or even to specific activities or sections within the local government and public and private service providers. These activities will also be linked with the report card system, developed by the CSC, and that will be piloted by the Local Governance Support project.

Based on the initial transparency survey, the project will organize *stakeholder/community consultations* on the findings of the survey. *Position papers* on the key integrity issues identified by the community members will be commissioned and developed by national consultants in consultation with local discussion groups. These papers will be on themes identified as crucial by the project, such as land management, natural resource management, health, education etc. The aim of these position papers is to provide more detailed information on specific issues that preoccupy the communities or particular constraints to change.

The results of all these surveys and focus group discussions will be shared with the local communities and decision-makers and recommendation for further action discussed. This would lead to local integrity action plans that would be presented to a larger audience (local government officials, local CSOs, local leaders, local journalists).

An important part of the work to be done at the local levels is also to ensure training of government officials on the new civil service statute, code of ethics, the potential new Conflict of Interest Law and the provisions on asset declarations and means for the public to access these declarations and provide comments, in accordance with the anti-corruption law. An important element of this output is also to organize broad information campaigns at local level about the kind of institutions that are available for the people in tackling corruption. Information campaigns will be organized to explain to citizens the role and procedures of each of the existing integrity institutions, existing complaints mechanisms at local and national level, asset declarations and existing opportunities to question them.

At the next stage, when a better understanding of the local integrity deficiencies has been gained, the project could also explore the possibility of additional small scale, targeting specific service delivery functions in a government agency (e.g. birth certificates or traffic licenses) or building permits, allowing adequate measures to be taken in a specific context.

V. Results & Resources Framework

Intended Outcome as stated in the Country Program Document: Capacity for democratic and participatory governance enhanced in national and local governing institutions

Outcome indicators as stated in the Country Program Results and Resources Framework, including baseline and targets
- National legislations reviewed and made consistent with UNCAC;
- Detailed procedures and regulations for implementing the Anti-Corruption Law developed and enforced, including strengthening of capacity of the IAAC;
- Support provided for development and implementation of standards on transparency, accountability and ethics by public agencies and sector specific DGIs piloted in selected agencies
- Democratic governance indicators streamlined and a set of specific target indicators developed to assess democracy and MDG 9 and approved by the Government;
- Independent monitoring and reporting system on the implementation of MDG-9 established using DevInfo and institutionalized and human capacity for participatory monitoring improved;;

Partnership Strategy: UNDP will liaise closely with the other development partners that are currently supporting the IAAC or that are planning to do so in the future. There is potential for much closer collaboration and joint programming with several of these development partners, in particular in the area of local governance, and sectoral approaches. For some activities under the project, UNDP could seek additional technical assistance from the United Nations Office for Drugs and Crime (UNODC), in particular with regard to UNCAC monitoring, and training and capacity building to improve corruption investigations and related case management..

Project title and ID (ATLAS Project ID): Support to Integrity and Transparency Efforts in Mongolia

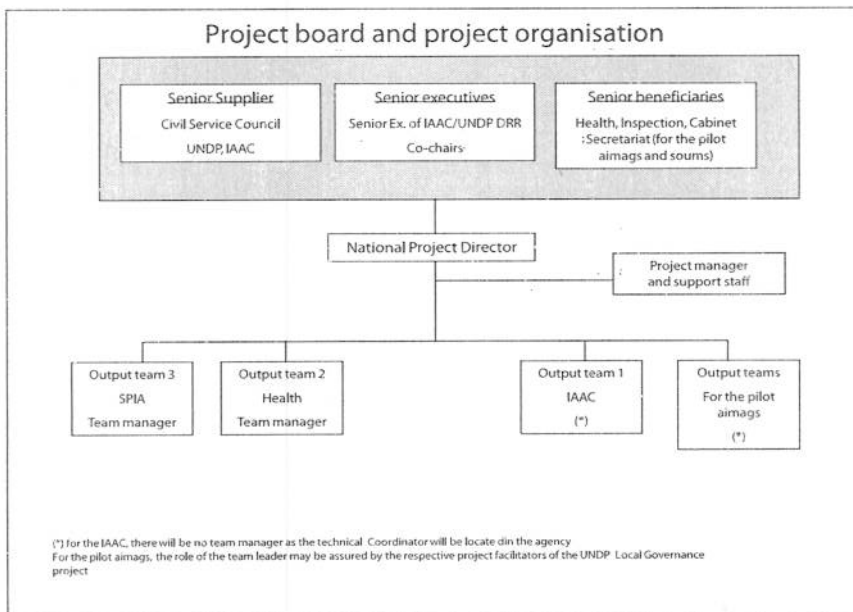| Intended Outputs	Output Targets for (years)	Indicative Activities	Responsible parties	Inputs
1. Capacity is in place to monitor and report on the implementation of anti-corruption policies the UNCAC and MDG 9 targets on anti-corruption policies and programmes *Baseline:* - *No progress reports available yet but IAAC now appointed as lead agency for UNCAC* - *Initial work stared but no comprehensive legal UNCAC gap analysis has been conducted -several laws and regulations are seen to be in need of revision.* - *Initial work on indicators conducted but further consolidation of surveys and methodologies needed. IAAC has limited capacity to monitor anti-corruption indicators* - *National action plan available but in need of updating* *Output indicators:* - *Regular progress reports submitted to the UNCAC secretariat, the Ministry of Finance (MDG reports) and the parliament* - *Legal and institutional gap analysis available* - *Corruption indicators in support of MDG9 reporting updated and used by IAAC* - *IAAC reports presented and discussed in broader stakeholder meetings and the media* - *Key legislation is prepared/amended and adopted*	1.1. First progress report submitted to UNCAC secretariat (2009) 1.2. Revision of priority legislation based on gaps and priorities identified in UNCAC report (2009 - 2011) 1.3. Methodology agreed to report on MDG9 corruption indicators (2009) and monitoring on basis of indicators conducted (2009-2011) 1.4. Participatory review of the National Anti-Corruption Action Plan (2009)	1.1.1. Training on use of UNCAC self-assessment tool 1.1.2. Working group led by IAAC to report on UNCAC implementation (both mandatory and non-mandatory provisions). 1.1.3. Small workshops with key partners to discuss findings and recommendations to feed into the country's UNCAC monitoring report (UNCAC report includes questions on assistance needed which need to be discussed in the partner coordination meetings) 1.1.4. Stakeholder meetings to present the annual reports 1.2.1. Expertise recruited to conduct review of priority legislation 1.2.2. Consultation process on the revised draft legislation 1.2.3. Training to ensure wide dissemination of new laws and regulations (e.g. conflict of interest policies) 1.3.1. Establish working group to select national anti-corruption indicators and UNCAC monitoring indicators 1.3.2. Stakeholder workshops and discussion groups 1.4.1. Stakeholder workshop (including with Parliament) on National AC program and Action Plan 1.4.2. Review of the National Anti-Corruption program and Action Plan	IAAC MOJHA CSC Parliament IAAC MOJHA CSC IAAC CSC Institute of Philosophy NSO IAAC	Project management costs (salaries, procurement, travel, miscellaneous): 20,000 US$ Workshops: 6,000 US$ Stakeholder meetings (contribution): 4,000 US$ Revision of priority laws (consultancies, translation, printing): 50,000 US$ Workshops: 5,000 US$ Training: 10,000 US$ Workshops and discussion groups: 10,000 Workshops and discussion groups: 10,000 Consultancy: 5,000

	1.5. Research as conducted and comparative studies undertaken to inform key integrity institutions (2009-2011)	1.5.1. Following surveys and monitoring process, research outsourced to local think as needed 1.5.2. Mongolia participates actively in global, regional and sub-regional forums	esearch: 30,000 US$ Networking: 40,000 US$ **Estimated cost output 1:= 190,000 US$**
2. The IAAC has the capacity to conduct investigations in respect of human rights norms and principles of due process . *Baseline:* *- IAAC has basic capacity to conduct investigations but case management is not yet optimal, timely data are lacking and an operational manual is not available* *- There is no automatic tracking of complaints handling and automated reporting* *- Training is not linked to a systematic evaluation of operational procedures* *- There is no oversight mechanism that can guarantee due and unbiased investigation process* *Output indicators:* *- A training needs assessment for the investigation department available* *- Operational manual to support case management available* *- Staff of the investigation department trained in advanced investigation techniques.* *- Annual IAAC reports testifies of improved ratio investigations/convictions* *- Surveys show increased popular confidence in IAAC operations* *- A mechanism for independent oversight of IAACs operations available*	Operational analysis and capacity needs assessment of the Investigative Department conducted (2008) An operational manual for case management available (2009). Implementation of capacity development plan through both in-country training and overseas training (2008-2010). 2.4. Study and proposals to improve external oversight of the IAAC (2010).	2.1.1. Selection of consultant 2.1.2. Operational analysis (case management analysis) of the Division conducted 2.1.3. Capacity needs assessment conducted 2.2.1. Design of operations manual based on optimized work processes 2.2.2. Internal consultations and approval by senior management – operations manual to become training manual 2.2.3.Capacity development plan prepared for the Investigation Division based on new operations manual 2.3.1. Organisation of in-country and overseas training 2.4.1. Analyse current accountability structure of IAAC, study best international practices and make recommendations for improved oversight over IAAC's activities 2.4.2. Stakeholder meeting to present findings and options of the report	IAAC IAAC IAAC IAAC	Project management costs (salaries, procurement, travel, miscellaneous): 20,000 US$ Int. Consultancy: 75,000 US$ In-country training (advanced investigation skills - Int. consultancy: 25,000 US$ Other training (UNODC): 30,000 US$ Study on IAAC's oversight mechanism: nat. consultancy : 3,000 US$ Workshops: 2,000 US$ **Estimated cost output 2:= US$: 155,000**
3. Capacity enhanced to improve integrity, accountability and transparency in pilot sectors *Initially activities under this output will mainly concern the Ministry of health and the State Professional Inspection Agency. Additional sectors could be added as and when additional resources become available.*	3.1.Assessment of status of integrity, accountability and transparency in the health sector (study to be undertaken jointly with ADB) (2008) 3.2. Refinement of Ministerial and Integrity Action Plan based on result of integrity assessment and launched at the International Anti-Corruption Day (2009)	3.1.1. Conduct assessment of Ministry of Health 3.1.2. Stakeholder workshop to discuss findings 3.1.3. Codification of lessons learned and tools introduced in the ministry during the previous UNDP support project 3.2.1. Stakeholder workshop to discuss results of the integrity assessment and working groups to prepare action plan	MoH UNDP ADB	Funds will be made available from the Regional centre in Bangkok ADB contribution Project management costs (salaries, procurement, travel, miscellaneous): 20,000 US$ Workshops: 45,000 USD$ Stakeholder Meetings: 25,000 USD$

A. Project management arrangements

The project shall be implemented in the National Execution (NEX) modality and shall be managed in accordance with the rules and procedures outlined in UNDP POPP.

Overall responsibility for project implementation will be with the **Project Board (the Board).** The Board will provide policy guidance and monitor the performance (timely implementation of all components) of the project, review progress on a periodic basis in terms of the delivery of project results and benefits, approve progress reports and end of project report, managing risks and ensure that project milestones are managed and completed. It provides guidance on matters concerning overall project management and project finances approves project revisions and addresses project issues as raised by the Project Manager. It ensures that required resources are committed and arbitrates on any conflicts within the project or negotiates a solution to any problems between the project and external bodies. Board members individually and collectively will ensure that potential risks in the project's policy and political environment that may undermine the achievement of project objectives or production of its outputs are removed or mitigated in a timely and effective manner. Hence, it is responsible for overall quality assurance of the project. In addition, it approves the appointment and responsibilities of the project manager and defines the latter's responsibilities.

Project board and project organisation

Senior Supplier	Senior executives	Senior beneficiaries
Civil Service Council	Senior Ex. of IAAC/UNDP DRR	Health, Inspection, Cabinet :Secretariat (for the pilot aimags and soums)
UNDP, IAAC	Co-chairs	

National Project Director

Project manager and support staff

Output team 3	Output team 2	Output team 1	Output teams
SPIA	Health	IAAC	For the pilot aimags
Team manager	Team manager	(*)	(*)

(*) for the IAAC, there will be no team manager as the technical Coordinator will be locate din the agency
For the pilot aimags, the role of the team leader may be assured by the respective project facilitators of the UNDP Local Governance project

The Board will be chaired by a senior executive of the IAAC and co-chaired by the UNDP Deputy Resident Representative. As the **Executives**, the head of the IAAC and the UNDP Deputy Resident Representative represent the ownership of the project and assume ultimate responsibility for its successful implementation. Other members of the Board will include a representative of the Civil Service Council, a representative of the Ministry of Health, a representative from the State Specialised Inspection Authority, and a representative of the Cabinet Secretariat (representing the pilot local governments). The NPD, the UNDP programme officer for the project and the project coordinator will participate in the meetings of the Board without having voting powers. The Board meetings are open to representatives of the third-party cost-sharing donor(s), and other development partners that assist the IAAC, who will be notified of the forthcoming meeting and provided with relevant documents in advance so as to ensure transparency and coordination among donors supporting the IAAC.

The Board decides on a consensus basis. In case a consensus cannot be reached, final decision shall rest with the UNDP Resident Representative. The organigramme shows the composition of the board and key roles on the project.

The Board will allocate responsibility for day-to-day implementation and management of the project to the **National Project Director** who is responsible for project implementation according to an agreed work plan and within set budget ceilings. The NPD will essentially be responsible for the successful running of the project, and for the delivery of outputs under this project document. The NPD shall lead the coordination efforts between the IAAC and other concerned agencies and responsible parties. The NPD will also provide coordination, management and oversight over the establishment and activities of the various teams that will be established to help achieve the outputs at the level of the responsible parties, and coordinate also with other projects that contribute to the same outcome in the country programme. Hence, the NPD will be responsible for all matters concerning the day-to-day running of the project on behalf of the Board, to ensure that the project produces the required products, to the required standard of quality and within the specified constraints of time and cost. In collaboration with the team managers, the NPD will also be responsible for producing regular progress reports and end of project report. The NPD, project coordinator and team managers will meet on a regular basis with the governance cluster leader and the responsible UNDP Programme Officer.

UNDP will select and recruit – endorsed by the Board - a project manager who will support the NPD with daily project management. The PM is expected to be a highly-qualified professional who apart from his managerial expertise will also provide substantive technical and policy advice and inputs, where needed. He/she will liaise, on behalf of the NPD with the different team managers that are established by the responsible parties. Team managers will be hired by the project to support work planning and implementation of project activities at the level of the Responsible parties. On behalf of the NPD, the Project Manager will guide the Team Managers in designing and implementing the project outputs.

Project Assurance is the responsibility of each Project Board member and a function of objective oversight and monitoring which is independent of the Project Manager. Project assurance support will be provided to the Project Board by a designated Senior Specialist from the Civil Service Council and UNDP Programme Officer.

The Project Support Office (PSO) will be located in the IAAC, which will be the main implementing agency for the project. UNDP will also recruit an Administrative and Financial Assistant. The PSO will recruit National Consultants and International Consultants on a need-basis as per the Annual Work Plans (AWPs).

The main responsible parties will be the Civil Service Council, the Ministry of Health and the State Specialised Inspection Authority and the Cabinet Secretariat (and possibly other agencies/ministries – to be defined as the project evolves and more resources are being mobilized. These RPs are responsible for producing specific project deliverables in accordance with approved team work plans.

The Lead Agency (IAAC) will open a separate bank account for the project. UNDP will advance the funds to the Lead Agency according to UNDP rules, regulations and guidelines. The NPD will disburse the funds to the Responsible Partners (RP) according to the project's activities and work plans. The RPs will report back to the NPD who will report on project implementation to the Board. It will be the responsibility of the NPD (assisted by the project coordinator) to prepare a consolidated financial report, in the required format, and provide it to UNDP at regular and necessary intervals. It will also be the

E. Monitoring and evaluation

Project monitoring and evaluation will be conducted in compliance with the programming policies and procedures set out in UNDP's POPP and on the basis of a Monitoring Schedule Plan to ensure the achievement of the stated results within the agreed budget and schedule.

Quarterly progress reports shall be submitted by the NPD to the Project Board members and the UNDP Governance Cluster leader and program officer. The reports will record progress towards the completion of key results, based on quality criteria and methods captured in the Quality Management table below.

An Annual Review Report shall be prepared by the NPD and shared with the Project Board. The Annual Review Report shall provide a summary of results achieved against pre-defined annual targets at the output level.

Based on the annual review report, the Board shall conduct a meeting to assess the performance of the project and appraise the Annual Work Plan (AWP) for the following year. This annual review may involve other stakeholders as required.

Other monitoring activities will be:
- Regular field visits as outlined in the Monitoring Schedule Plan;
- Periodic project management meetings and meetings with partners and stakeholders, as required.

In accordance with UNDP Evaluation Policy, UNDP and the Government in consultation with other stakeholders will jointly agree on the purpose, use, timing, financing mechanisms and terms of reference for such an evaluation. UNDP shall commission the evaluation, and the evaluation exercise shall be carried out by external independent evaluators identified jointly by the Project Board and the cost-sharing donor(s).

Additional monitoring and evaluation activities may be undertaken as requested by stakeholders and/or cost-sharing donor(s).

- A revision of specific government regulations and procedures (including licences) used in the sector and propose amendments (including ICT and E-governance solutions) to ensure procurement, financial management processes and human resources practices are fair and just.
- Surveys in the sector to get a feeling of perceptions on sectoral corruption and its main causes, leading to focus group discussions to agree on problems and solutions ((with a particular focus on youth groups, women and other target groups). These surveys, at the outset of the joint project provide timely indication of what the project should focus on.
- An agreement within the sector (staff and clients) on a set of benchmarks of transparency and accountability (including on access to key information) that would apply to the sector, based on an identification of current constraints and bottlenecks, and mechanisms agreed upon to address these.
- A study of existing incentive systems and proposal for improvement to enhance ethical conduct of working in the sector.
- The promotion of ethics and integrity of staff through open discussions, training, code of conduct and complaints handling;
- Sectoral ethics management systems through training and advocacy, including on government-wide leadership and management code of conduct in a sectoral setting;
- Effective complaints handling mechanism put in place for the sector. This could also involve the establishment of citizens committees to oversee the delivery of services;
- Addressing whistle blowing regulations and practices in a sectoral setting;
- Establish effective monitoring and evaluation system to follow-up on progress made in the sector
- Pilot applications in service delivery units that have volunteered to implement integrity initiatives[1].
- Joint activities with the Civil Service Commission in terms of adapting codes of ethics and performance appraisal standards for the staff.

Equally important is to have an excellent communication and public relations policy, to ensure documentation and broader awareness raising on the activities and achievements in the sectors. The experience of the pilot initiatives (e.g. ethics and integrity initiatives in pilot hospitals or schools) need to be shared within the ministry but also within the public service as a whole and with the broader public.

Involvement of the Public Service Commission is also important, in particular given the links with public service code of ethics and codes of conduct and staff incentives.

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[1] There are now 20 pilot hospitals and health centers that have volunteered to implement project components.