The Asia Foundation

MONGOLIA ANTI-CORRUPTION SUPPORT PROJECT (MACS)

FINAL REPORT
December 2011

Submitted by
The Asia Foundation

Prepared for
United States Agency for International Development

Award Number: AID 438-A-00-06-0000400

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I. Report Summary

In November 2005, the United States Agency for International Development awarded The Asia Foundation/Mongolia (the Foundation) a grant (Award Number: AID 438-A-00-06-0000400) to implement a three-year project entitled *Mongolia Anti-Corruption Support (MACS) Project.* The award was subsequently extended three times and concluded on September 15, 2011. The United States Department of Agriculture contributed additional funding to the MACS Project from December 5, 2008 until July 15, 2011.

With USAID support, the Foundation's partnerships with government agencies and local non-governmental organizations (NGOs) contributed to the reduction and deterrence of corruption in Mongolia by improving the legal framework, increasing public awareness, and strengthening government capacity to combat corruption.

The Foundation met, and in some cases exceeded the project's objectives, which were to: 1) strengthen capacity of the Independent Authority Against Corruption (IAAC) to prevent corruption; 2) strengthen capacity to prosecute and adjudicate corruption cases; 3) improve inter-agency coordination on combating corruption; and 4) increase citizen engagement to prevent corruption. The project promoted a common understanding among key actors of anti-corruption best practices; supported the Government of Mongolia (GOM) to expand efforts to combat corruption; and carried out significant public outreach and awareness activities. The Foundation also trained hundreds of government officials, judges, and prosecutors, to further promote understanding of anti-corruption activities.

Central to the Foundation's success were the close partnerships fostered with key change agents both internal and external to the GOM. Working with the Independent Authority Against Corruption, Cabinet Secretariat, President's Office, Supreme Court, General Prosecutor's Office (GPO), General Authority for State Registration (GASR), General Agency for Specialized Inspection (GASI), Capital City Land Authority (CCLA), and leading local NGOs, the project team forged key networks that will enhance sustainability of local counter-corruption efforts. A hallmark of the Foundation's approach was the range of government agencies and civil society organizations partnered to create a broad coalition of anti-corruption actors. Lastly, the Foundation coordinated its activities with anti-corruption efforts undertaken by other stakeholders, including international donors such as The World Bank and United Nations Development Programme, in order to avoid duplication of activities.

Key project highlights include:

- Advised on the development of and advocated for the passage of Mongolia's Anti-Corruption Law in 2006. This law significantly improved the legal environment for anti-corruption efforts and brought into establishment the IAAC in 2007.

- Advocacy and support for the establishment of a specialized panel of Supreme Court Judges to adjudicate corruption cases. Eight members of the special panel were trained during a week-long course in best practices of adjudicating corruption cases in Singapore.

- In collaboration with the IAAC and Cabinet Secretariat, instituted annual anti-corruption action planning process in over 100 government agencies, including 53 ministries and agencies, 21 aimag governments, 26 state-owned enterprises, and 27 Ulaanbaatar municipality agencies.

- Developed a robust, credible, and cutting-edge tool for benchmarking corruption over time, and conducted 11 semi-annual corruption benchmarking surveys nationwide. The surveys are the only tool in Mongolia to measure both public perception and actual household incidence of corruption. It also set a benchmark of data that measured progress on combating corruption and informed policy and project directions.

- Produced a wide range of public outreach materials, including television public service announcements, documentaries, drama series, posters, and leaflets, reaching thousands of Mongolians, and increasing public awareness and citizen engagement in combating corruption.

- Over the course of the project, strengthened the IAAC to investigate 782 corruption cases with 65 convictions handed down, among them including high-level officials. The IAAC oversaw and monitored 56,763 income and asset disclosure forms (99.87% completion rate), recovered USD $5.4 million in funds, and froze USD $6.9 million in assets.

- During the life of the project, incidence of household corruption decreased from a high of 28% in September 2006 to a low of 8.8% in March 2011.

II. Background

Efforts to combat corruption in Mongolia have become more robust over the last decade. In 2002, the Mongolian Parliament adopted the National Anti-Corruption Program for 2002-2010, aimed to prevent and combat corruption. Mongolia signed the United Nations Convention Against Corruption (UNCAC) in April 2005, and was ratified in January 2006, signifying another important milestone in anti-corruption efforts. In July 2006, Mongolia passed the Anti-Corruption Law, which brought into establishment the Independent Authority Against Corruption (IAAC), the organization mandated to lead the fight against corruption in Mongolia.

Since its establishment in 2007, the IAAC has advanced anti-corruption efforts through the collection and monitoring of annual income and asset disclosure statements by more than 56,000 government officials, conducting more than 700 investigations, and engaged the public through outreach activities and the 1969 corruption reporting telephone hotline.

Despite setbacks caused by the passage of an amnesty law in 2009, efforts to fight corruption in Mongolia continue to move forward with proposed amendments to the criminal code (which would make corruption offenses more severe crimes and prevent future amnesties), the drafting of ground-breaking conflict of interest legislation, and the appointments of both a new General

Prosecutor in 2010 and Supreme Court Chief Justice in 2011. New leadership appointments at the IAAC are also expected to occur in November 2011.

To address this growing problem, the Foundation's project worked to strengthen the capacity of the GOM to combat and prevent corruption. The Foundation also focused on providing technical support to the newly created IAAC, as well as to a range of government agencies to improve the implementation of their anti-corruption action plans. The Foundation complemented these efforts with significant outreach and public awareness activities that worked to increase citizen engagement in corruption prevention, as well strategic partnerships with key civil society groups to further move forward an anti-corruption agenda. Finally, the Foundation pioneered a corruption benchmarking tool to measure incidents of corruption and track overall corruption progress over time.

III. Major Outcomes of the Project

Strengthening of Anti-Corruption Legal Framework

Passage of Anti-Corruption Law and Establishment of IAAC

Following the signing of UNCAC in 2005, the GOM was required to comply with the convention, including the establishment of an independent entity "to carry out its functions effectively and free from any undue influence." In addition, 77 percent of the Mongolians interviewed in 2002 supported the establishment of an independent agency to fight corruption.[1]

The Foundation provided crucial support to both government and civil society organizations for not only the passage of the new Anti-Corruption Law, but also the implementation of the law, which called for the establishment of an independent anti-corruption body. In coordination with other stakeholders' efforts, the Foundation initially conducted advocacy activities targeted at key and influential government officials and civil society leaders in order to make progress towards the passage of the law. In March 2006, the Foundation supported a five-member delegation of the Mongolian government and non-governmental representatives to participate in the ADB/OECD Anti-Corruption and Anti-Money Laundering Conference held in Kuala Lumpur, Malaysia. Participation in the conference allowed Mongolia to better integrate into regional and international forums related to anti-corruption and anti-money laundering, and to inform the drafting of anti-corruption legislation and the establishment of an anti-corruption agency. In addition, preliminary agreements were reached with Hong Kong's Independent Commission Against Corruption (ICAC) and with Malaysia's Anti-corruption Agency to support bilateral training and capacity building exchanges, including professional development courses for anti-corruption agency staff.

Following these initial consultations, in May 2006, a three-member delegation including Y. Oyunchimeg, Assistant Prosecutor; G.Zandanshaatar MP and Anti-Money Laundering Law (AML) working group member; and N. Enkhbold, MP and Anti-Corruption Law (ACL) working group member, traveled to Hong Kong to attend a Hong Kong ICAC conference on eradicating

[1] Assessment of Corruption in Mongolia, USAID 2005, Ulaanbaatar

private sector corruption, and held consultations with the ICAC on the operational and technical considerations related to the establishment of Mongolia's anti-corruption agency. At the end of the working visit to Hong Kong, the delegation finalized key elements of the ACL and AML.

In an effort to bolster progress in drafting anti-corruption legislation, the Foundation provided technical assistance to parliamentarians. This included enlisting the support of the UN Office of Drugs and Crime (UNODC), the body responsible for UNCAC. In May 2006, UNODC advisors, in collaboration with the Foundation, briefed three audiences of Parliament, including the full Parliament, a more specific presentation of issues to the Legal Standing Committee, and article-by-article review with the ACL working group. In addition, throughout May 2006, the Foundation continued to support information and research requests submitted by the respective working groups. These requests included providing information related to comparative law and practices, and the provision of asset declaration forms and instructions. The Anti-Corruption Law was passed by the Parliament of Mongolia on July 6, 2006 after several months of advocacy efforts by the Foundation in partnership with other key domestic and international partners.

Upon passage of the ACL, the Foundation continued to work with legislators to draft and/or amend other laws which were required in order for Mongolia to comply with UNCAC. When the ACL came into effect, the Foundation prepared an assessment of the ACL with input from UNODC, and regional anti-corruption bodies including Hong Kong's ICAC.

During the establishment of the IAAC, the Foundation worked closely with The World Bank and UNDP to ensure solid coordination of donor efforts in anti-corruption activities. The Foundation mobilized Mr. Tony Kwok, the former Deputy Commissioner of Hong Kong's Independent Commission Against Corruption to assist the IAAC with general functions associated with the organizational structure of the agency, formulation of organizational strategy documents, personnel capacity building, and the development of a Code of Conduct for IAAC staff.

Amendments to the Criminal Code

Throughout 2010, the Foundation worked closely with the President's Office, and in particular with the working group on Amendments to the Criminal Law, to strengthen the criminal code for corruption offenses. The Foundation mobilized Mr. Kwok to assist the working group, and organized a round table discussion with the working group so that the members could exchange ideas with Mr. Kwok on proposed amendments, particularly on illicit enrichment, abuse of office, and solicitation of bribes, the most common forms of corruption in Mongolia.

Highlighting the significance of the Foundation's anti-corruption work, President H.E. Elbegdorj requested to meet with Mr. Kwok during his January 2010 visit to Mongolia. On January 14th, Mr. Kwok, accompanied by the Foundation's Mongolia Country Representative, met with President Elbegdorj for an hour and a half, exchanging ideas and providing the President with suggestions for the draft amendments to the Criminal Law.

Following a review of the draft law by Mr. Kwok, the Foundation provided six pages of recommendations to the criminal law amendment working group. The recommendations were in

line with UNCAC requirements, and focused on amending the law in the four priority areas of solicitation of bribes, illicit enrichment, conflict of interest, and abuse of office.

Following the Foundation's recommendations, the sentences for all corruption crimes increased from a range of three to five years to a range of five to 10 years in the draft amendments. All eight corruption offenses were shifted to a higher severity of crime, ensuring that they will not be included under any future Amnesty Law. In addition, abuse of power, solicitation of bribes, and illicit enrichment were clarified in the amendments. The draft law was discussed at the Legal Standing Committee during the Spring 2010 Parliament session, and a parliamentary working group was established to further refine the draft law. At the latest working group meeting in October 2011, the working group recommended that the draft should be discussed in combination with the draft conflict of interest law, which is also being discussed in the Fall 2011 Parliament session.

Conflict of Interest Legislation

To further improve the anti-corruption legal framework, the Foundation supported advocacy and public awareness on the Draft Law to Prevent Conflict of Interest, a crucial law in the fight against corruption. Working closely with a local civil society partner strong in legislative advocacy, Open Academy, the Foundation increased public support and awareness on the importance of the draft law through university lectures and discussions, newspaper interviews and articles, and television programs and interviews. Through a comparative study, the Foundation also supported the research and development of draft forms for public officials to declare conflict of interest, including:

1. Form for annual declaration of interests of public official;
2. Form for ad hoc declaration of interest concerning actual decision making by official;
3. Procedures for submission, registration and review of the forms; and
4. Declaration of gifts and similar benefits received.

The Draft Law on Prevention of Conflict of Interest in Public Service was discussed in the October 19, 2011 meeting of the Standing Committee on State Structure, and approved to be introduced to the plenary session of Parliament.

Institutionalization of Government Agency Anti-Corruption Action Plans

From 2008 – 2011, the Foundation strengthened the GOM's anti-corruption efforts through considerable technical assistance on the development and implementation of anti-corruption action plans (ACAPs). In close collaboration with the IAAC and Cabinet Secretariat, the Foundation introduced ACAPs to government ministries and agencies, trained IAAC officials on monitoring the ACAPs, and institutionalized the process through an annual workshop convened by the Prime Minister. Mr. Kwok provided technical assistance throughout the ACAP process, leading trainings for the IAAC, providing feedback on ACAPs, and facilitating the annual Prime Minister's Anti-Corruption Workshop.

Government Ministries and Agencies

Following a recommendation from Mr. Kwok, Prime Minister Bayar decreed, shortly after taking office in January 2008, that all ministries must assess corruption risks and develop anti-corruption action plans within five months. With the Foundation support, in March 2008, the IAAC and Cabinet Secretariat organized the first Prime Minister's Workshop to introduce and develop ACAPs in 26 ministries and agencies. The completed plans were then submitted to the IAAC and Cabinet Secretariat for approval in May 2008. At the second annual Prime Minister's Anti-Corruption Workshop in April 2009, ministry and agency ACAP development was reviewed, participants were trained on advancing ACAP implementation, and participants discussed and reviewed Mongolia's progress in complying with UNCAC.

Aimags

In 2010, the Foundation expanded ACAPs to reach all 21 aimag governments. The third Prime Minister's Workshop on "Anti-Corruption Action Plan: Monitoring and Local Participation" was co-organized by the Foundation, the Cabinet Secretariat and the IAAC on April 15-16, 2010 to support local government administrations to develop ACAPs and to introduce a draft monitoring and evaluation system for the plans.

Over 90 senior government officials from 55 ministries and line agencies as well as all 21 Aimag governors participated in this two-day workshop, facilitated by Mr. Kwok. On the first day of the workshop, Aimag governors worked in groups to identify corruption risks at the local level, and to develop draft ACAPs based on Hong-Kong's successful four-pillar approach, which includes ethical leadership, individual integrity, system integrity, and enforcement and deterrence. This was the first ever initiative to develop anti-corruption action plans at the local level, further increasing the reach of ant-corruption capacity building initiatives in the countryside. Governors designed local anti-corruption action plans under each pillar, and their draft ACAPs were presented to Cabinet Secretariat Khurelbaatar.

On the second day of the workshop, senior officials of 55 state organizations including all the ministries and line agencies which already developed ACAPs were present to discuss the draft monitoring and evaluation system for anti-corruption action plans based on international best practice. Final reports made by the groups were then presented to Prime Minister Batbold.

State-Owned Enterprises

Following the success of the Prime Minister's Workshop, the GOM requested the Foundation to provide assistance in organizing a similar anti-corruption action planning workshop for state-owned enterprises. There are over 70 legal entities fully or partly owned by the Mongolian Government, such as Erdenet Copper Mine, UB Railway, and the Thermo Power Plant. The Foundation and the Cabinet Secretariat invited 25 large and medium sized entities to the workshop to introduce the four-pillar anti-corruption action planning. The workshop was held on May 27, 2010, and helped eliminate opportunities for corruption through increasing transparency and strengthening internal controls in these organizations, through the first ACAPs developed by state-owned enterprises and submitted to the IAAC and Cabinet Secretariat.

City of Ulaanbaatar

On November 23, 2010, the Foundation, IAAC, and Cabinet Secretariat jointly organized an Anti-Corruption Action Planning Seminar for officials from the Ulaanbaatar City Governor's Office, Governors of UB Districts, and UB agencies including the city land authority, property office, tax office and transportation office. In total, 60 officials from city departments, districts and 27 agencies participated. During the seminar, participants developed ACAPs, and other government organizations shared their experience with ACAP implementation. The workshop further expanded anti-corruption action planning beyond national ministries and agencies to the sub-national level in Ulaanbaatar, which is home to approximately 40% of the country's population.

Establishment of Special Panel of Judges for Adjudicating Corruption Cases

In order to address discrepancies in the adjudication of corruption cases at courts, the Foundation worked with the Judiciary to improve their capacity, providing training to judges and other technical assistance. The Foundation advocated for and supported the establishment of a panel of judges who preside on corruption case trials for several years. When Chief Justice Zorig was appointed as the new Chief Justice of the Supreme Court in January 2011, the issue gained traction and was included in the Foundation/Supreme Court joint workplan. As a result, the Foundation and the Supreme Court signed a workplan on April 6, 2011. On April 20, 2011, 16 judges from eight District Courts, the Capital City Court and the Supreme Court were officially appointed to the special corruption panel by a resolution of Chief Justice Zorig.

Semi-Annual Corruption Benchmarking Surveys

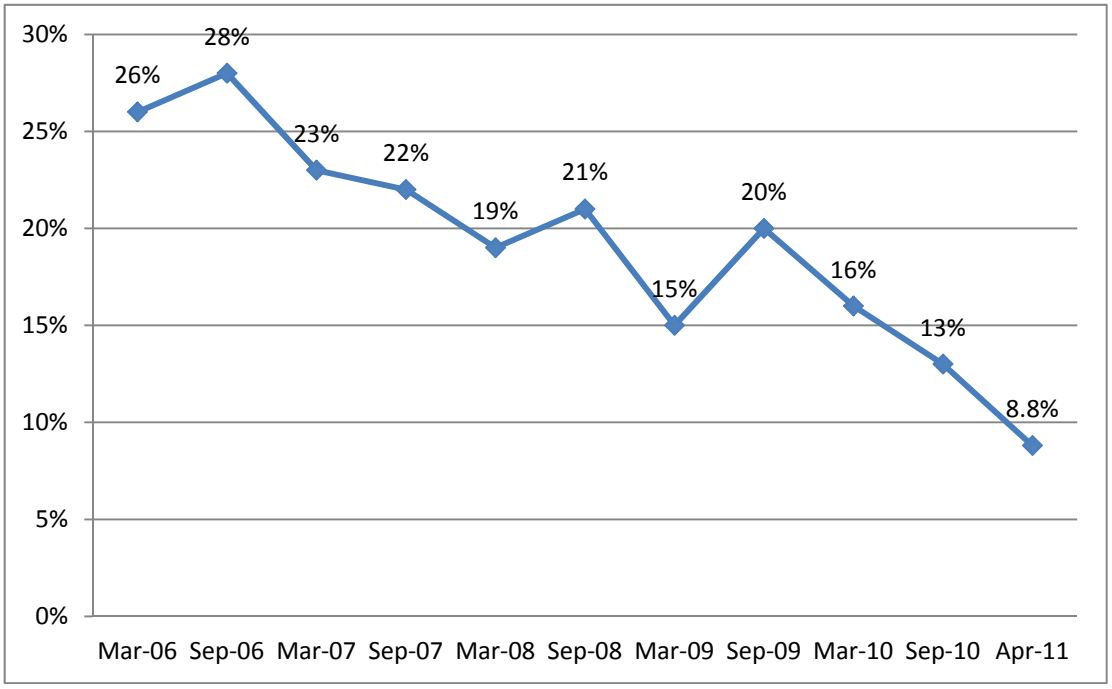
From March 2006 until April 2011, the Foundation, in collaboration with the Sant Maral Foundation, the leading polling organization in the country, conducted 11 semi-annual corruption benchmarking surveys to collect data and identify trends in public perception and actual household incidence of corruption. Conducted twice a year, the Corruption Benchmarking Survey (CBS) provided a unique and robust tool for government policy-makers, enforcement bodies and civil society groups to observe and assess the impact of government and civil initiatives to fight corruption in Mongolia. CBS measured both public perceptions of institutional corruption, and the impact of petty corruption on the day-to-day life of Mongolian households. Over the past five years, survey data collected from across Mongolia has provided objective insights into the nature and scope of corruption. These insights, and the patterns that are visible over time, have shaped programming, influenced government policy, and provided the Independent Authority Against Corruption (IAAC) with valuable citizen feedback.

Survey	***Date***	**Size**	***City***	***Western Region***	***Khangai Region***	***Central Region***	***Eastern Region***
1	March 2006	1,031	UB	Hovd	Khovsgol	Umnugovi	Dornod
2	September 2006	601	UB	Uvs	Arhangai	Selenge	Khentii
3	March 2007	600	UB	Uvs	Uvurkhangai	Selenge	Sukhbaatar

4	September 2007	600	UB	Uvs	Arhangai	Umnugovi	Sukhbaatar
5	March 2008	610	UB	Hovd	Uvurkhangai	Tov	Dornod
6	September 2008	600	UB	Zavkhan	Bulgan	Dornogovi	Khentii
7	March 2009	1,000	UB	Zavkhan	Khovsgol	Tov	Sukhbaatar
8	September 2009	600	UB	Zavkhan	Arhangai	Dundgovi	Khentii
9	March 2010	1,000	UB	Khovd	Uvurkhangai	Selenge	Sukhbaatar
10	September 2010	1000	UB	Uvs	Khuvsgul	Umnugobi	Dornod
11	April 2011	1,000	UB	Khovd	Uvurkhangai	Selenge	Sukhbaatar

The 11th and final CBS, an abbreviated version of the original survey, was conducted in April 2011. The results of this final survey confirmed that household level corruption continues to decrease in Mongolia, as a record low of 8.8% of respondents stated they had paid a bribe in the last three months, compared to a high of 28% in September 2006, as shown in the below figure.

Percent of households responding "Yes" to the question: In the past three months have you or anyone of your household paid a bribe in any form?



Citizen Engagement and Public Awareness

During the course of the MACS project, the Foundation supported a large-scale public awareness campaign to improve the public's understanding of corruption and increase citizen engagement in corruption prevention activities. The Foundation supported a range of communication and outreach tools to reach the Mongolian public with information about corruption prevention and ways for them to become involved. Many of the activities in this section were conducted with funding from the United States Department of Agriculture.

Public Service Announcements

- Conducted a focus group discussion to identify effective ways to promote the 1969 Corruption Reporting Hotline in order to increase the number of corruption reports to the hotline. The focus group participants stated that they were not sure of the correct reporting hotline number, and were not aware of the reporting procedures. Based on the findings, the Foundation and IAAC developed a promotional campaign for the hotline.
- Produced two 40-second public service announcements (PSA) to promote the 10969 Corruption Reporting Hotline, and to encourage the public to report corruption incidents. The announcements aired on MNB 84 times, the largest nationwide channel in terms of viewership, and 396 times on three of most popular commercial TV channels including NTV, TV9 and SBN throughout November and December 2010.
- Produced a 12-part series of a "Facts and Figures" TV program to increase public engagement on corruption deterrence. Each TV program was aired for 10 minutes covering topics including training and monitoring techniques for local NGO networks, different follow up actions on corruption reports and implementation of anti-corruption action plans by ministries and agencies. The TV programs were aired between December 2010 and May 2011.
- In addition, in April 2010, the Foundation supported the publishing of 1,000 copies of IAAC's Annual Report in order to improve public awareness on its activities. The Annual Report was distributed to all ministries, line agencies and local authorities.

Documentaries

The Foundation supported the production and airing of two television documentaries to increase public awareness on the IAAC and increase citizen engagement in preventing corruption.

- Produced and aired an 18-minute documentary about the IAAC operations. The documentary shows activities of each division of the IAAC, including prevention and public awareness, monitoring and evaluation, and investigation.
- Dubbed a 12-minute documentary about Hong-Kong's Independent Commission Against Corruption (ICAC) into the Mongolian language to improve public awareness on how a successful anti-corruption agency operates in foreign countries.

Television Drama Series

The Foundation, in partnership with the IAAC, produced a series of television dramas to increase public awareness on the cost of corruption and how it affects families and the country. The drama series also aimed to promote the 1969 Corruption Reporting Hotline, and increase public engagement on combating corruption. The TV drama consisted of three episodes, each 30 minutes in length. From December 9, 2009 to March 6, 2010 all three episodes were aired on MNB, SBN TV, SCH TV, the Education Channel, and Soyombo TV. The series was also distributed to each Aimag Governor to be broadcasted on local channels. The episodes were re-aired to commemorate International Anti-Corruption Day on December 8 and 9, 2010.

- The first episode, "Regret," is about a civil servant who knew about an improper bidding process for a construction project tender. Unfortunately, he did not report the case to the relevant authorities. Because of poor construction quality, his wife died and son was seriously injured in an accident. This episode aimed to encourage civil servants to report corruption cases.
- The Second episode, "Letter," is about a young man who lost his opportunities to study abroad and to become a civil servant because of corruption at the scholarship committee and civil servant recruitment process. As a result, the man was forced to apply to become a contract laborer in Korea. This episode demonstrates that corruption eliminates education and employment opportunities for young people.
- The third episode, "Gray Heaven", is about a businessman who owns a vodka factory, and sponsors the election campaign of his friend. In return, the candidate helped him import a huge amount of cheap and low quality alcohol from China tax free. The businessman also bribed an inspector of the specialized inspection authority. The poor quality vodka caused several people to die after drinking it. Although the businessman was jailed for corruption, he was amnestied according to the amnesty law. This episode aimed to show the public that the recent amnesty law undermines efforts to combat corruption.

IV. Summary of Program Activities (by partner agency)

Independent Authority Against Corruption (IAAC)

The IAAC adopted Hong Kong's model of a three-pronged anti-corruption approach of deterrence, prevention, and public awareness and education. From 2007 to 2010, the Foundation brought Mr. Tony Kwok to Mongolia 15 times to advise the IAAC and provide technical assistance on institutional strengthening, planning processes, new staff professional capacity building, and development of a business plan and organizational budget. During his visits he also facilitated the three Prime Minister's Workshops, and advised on amendments to the criminal code. In 2007, he was awarded the title of Honorary Advisor to the IAAC for his significant contributions to the development of the agency.

Additional support over the course of the project provided to the IAAC, including:

- Assistance for development of communications, public awareness, and education strategy for IAAC. Public awareness materials developed with the IAAC are mentioned above.
- Support for development of IAAC website (http://www.iaac.mn). As required by law, senior government officials' income and asset disclosure statements are available on the site.
- 1969 Corruption Reporting Hotline and Center. This complaint mechanism was established with Foundation assistance that focused on handling calls professionally and confidentially.
- Training for both IAAC staff on how to engage with media, and for media on how to report on corruption cases, held in June 2009, and facilitated by Tony Kwok.

- Starting in 2010, the Foundation held monthly meetings with the leadership of the IAAC to track progress and stay informed on the latest issues at the agency.

Cabinet Secretariat

From June 21-24, 2010 the Foundation organized a study visit to South Korea for four staff of the Cabinet Secretariat to improve capacity building on the evaluation of anti-corruption action plans and performance evaluation of state agencies. During the three-day visit delegates visited the South Korean Prime Minister's Office, the Ministry of Public Administration and Security, and the South Korean Coast Guard, as well as several NGOs such as People's Solidarity and Participatory Democracy and Transparency International. All of the organizations shared their best practices with the participants through productive sharing discussions. Following the study visit, the Foundation and the Monitoring and Evaluation Division of the Cabinet Secretariat organized a half-day training on South Korean anti-corruption efforts, including Income and Asset Disclosure, for IAAC staff in July 2010.

General Agency for Specialized Inspection (GASI)

In 2010, to further support agency ACAPs, the Foundation and the General Agency for Specialized Inspection (GASI), signed a Memorandum of Understanding and developed a workplan. GASI is mandated with inspecting and ensuring quality standards at all public and private entities. Under the workplan, the Foundation supported the following GASI initiatives to increase transparency, reduce bureaucracy, and streamline services:

- Conducted a study on standards that focused on food and environment. Two sets of environmental standards were approved by the National Standardization Committee, and are being implemented throughout the country. Three sets of new food standards will be discussed by the National Standardization Committee for approval in November 2011.
- Conducted an analysis of permissions granted by inspectors, and as a result 101 types of permissions were eliminated through two government resolutions, reducing red tape and corruption opportunities.
- Established a hotline (1286) in 2010 to receive public complaints regarding GASI operations, with 665 complaints and comments received in the first year of operations.
- Developed a risk assessment checklist to standardize inspection procedures for GASI inspectors on food and environmental inspections.
- Provided training to all 1,355 GASI on the risk assessment check lists, combating corruption, code of ethics, and preventing conflict of interest, the first ever GASI training to include all of the agency's inspectors.
- Conducted a third party client satisfactory survey in Ulaanbaatar, 21 aimags, and three border points. GASI senior leadership has used the results of the survey to inform policies and planning.
- Organized a multi-stakeholder forum on the "Rights and Responsibility of Public and Private Sector" with 200 participants.

Supreme Court

Following the appointment of 16 judges to the specialized panel of judges to adjudicate corruption cases, the Foundation, in collaboration with the Supreme Court of Mongolia,

Singapore Ministry of Foreign Affairs, and Singapore Civil Service College, organized an intensive five-day training for eight of the panel judges from June 27 to July 2, 2011. The training was provided by a number of experienced experts including Mr. Chua Cher Yak, Former Director of Singapore's Corrupt Practices Investigation Bureau.

On September 13, 2011 the Foundation supported the Supreme Court to organize a post-training half-day workshop. In total, 20 officials including 14 judges and six Supreme Court officials participated in the workshop. During the workshop the participants of Singapore counter-corruption training shared their knowledge from Singapore's experience and presented a set of 28 recommendations developed by the trainees. The final training report and recommendations were officially presented to Supreme Court Chief Justice Mr. Zorig.

Also in 2011, the Foundation supported the Supreme Court in upgrading its official website. A total of 7,000 pages of rulings, legal interpretations, and other court data have now been uploaded to the site, making court decisions transparent and publicly available for the first time. The website was also restructured with many user-friendly features, such as links to recently decided cases and a calendar for court hearing schedules. The website was officially launched in October 2011 at www.supremecourt.mn.

General Prosecutor's Office

In an effort to improve prosecutors' capacity and strengthen inter-agency coordination, the Foundation concluded a work plan with the General Prosecutor's Office on March 24, 2011. Under the work plan, the Foundation assisted in the development of a prosecutor anti-corruption curriculum and handbook, provided training and organized an inter-agency workshop. In September 2011, the Foundation, in collaboration with GPO, IAAC and the National Legal Institute (NLI), finalized the first draft of the prosecutor anti-corruption curriculum and handbook. The GPO is working to have the curriculum accredited by NLI in near future.

General Authority for State Registration (GASR)

The Foundation concluded a Memorandum of Understanding with the General Authority for State Registration (GASR) on June 18, 2010. GASR is mandated to oversee state civil registration, state registration on legal entities as well as state registration on property rights. Under the framework of the MOU, the Foundation supported the following GASR initiatives from the agency's anti-corruption action plan:

- Developed revised versions of the three stand-alone laws on state registration, namely: Law on State Civil Registration, Law on State Registration of Property Rights, and Law on State Registration of Legal Entities. Parliament approved the amended laws in November 2011.
- Organized an anti-corruption training for GASR officials in January 2011 with 44 participants. Trainers from the IAAC and the Independent Research Institute of Mongolia (IRIM) NGO trained on several topics, including increasing transparency of public services, code of ethics for civil servants, and preventing conflicts of interest.

- Supported procurement of public access computers in GASR service halls for citizens to access information on GASR services, search legal entity name availability, track real estate licenses and passport issuances, and conduct archival enquiries in order to promote effective prevention of corruption incidents and bureaucracy, eliminate service backlog, increase transparency and streamline registration services.
- Published 60,000 copies total of 12 different types of brochures in order to increase public awareness on state registration services and transparency of services provided by GASR. These brochures were distributed to all local GASR branches in 21 aimags and nine districts of Ulaanbaatar.
- Produced informational posters to raise awareness on GASR information directory hotline (1890) and GASR homepage www.registrationmongolia.com.
- Developed a ten-minute film to increase public awareness on GASR services and false documentation. The program was aired on SBN TV in April 2011.
- Conducted a client satisfaction survey to set a base line for citizen satisfaction regarding GASR services. The survey results were shared with senior GASR leadership in June 2011, and necessary follow-up actions were planned.

Capital City Land Authority (CCLA)

Based on results from previous corruption benchmarking surveys that show the land authority consistently perceived as the most corrupt agency, the Foundation initiated cooperation with the Capital City Land Authority (CCLA). In February 2011, the Foundation and CCLA signed a Memorandum of Understanding aimed to improve transparency, responsiveness, accountability and instill zero tolerance of corruption at CCLA through effective implementation of the organization's ACAP. Under the MOU, the Foundation partnered with the IAAC to organize the first ever anti-corruption and civil service code of ethics training for 125 CCLA staff in May 2011. The full-day training covered a range of crucial topics including corruption prevention, code of ethics, conflict of interest, and civil service standards.

The Foundation also supported a client satisfaction survey among 200 respondents in April 2011. The survey results and recommendations were officially presented to CCLA leadership and all staff during the agency's information hour. As recommended from the survey results, CCLA determined the areas needing improvement and started actions to increase public officers' ethics, reduce bureaucracy and improve transparency. Research has been initiated to develop a very detailed and concrete code of ethics. In addition, a directory hotline (1285) has been established and is now in use, receiving complaints and comments from the public and providing necessary information to clients. The Foundation also supported promotional posters and PSAs to increase public awareness of the hotline. Finally, the Foundation supported the publication of 1,000 copies of the Compendium of Laws and Regulations on Land Management for public and internal use of CCLA. This is the second and updated edition of a 2007 compendium, and was distributed to all district branches of CCLA.

Civil Society

During the course of the MACS project, the Foundation also collaborated with many civil society organizations on anti-corruption activities, including outreach to rural areas, legislative

advocacy, the development of anti-corruption training materials, and the monitoring of Member of Parliament constituency money.

Mongolian Association of Local Authorities (MALA)

In January 2011, the Foundation partnered with the Mongolian Association of Local Authorities (MALA) on the distribution of the 10th semi-annual Corruption Benchmarking Survey. MALA worked through its local networks and was able to deliver nearly 1,000 survey booklets to 21 aimags and nearly all soums. Each aimag then conducted their own surveys to compare results and discuss the corruption situation in their local areas.

Saran Eej Society and National Centre Against Violence

In May and June of 2011, the Foundation worked with Umnugobi Aimag branch of the Saran Eej Society and the Darkhan-Uul branch of the National Centre Against Violence on implementation of Umnugobi and Darkhan-Uul Aimag anti-corruption action plans. Both organizations conducted customer surveys of main agencies, and a study of internal regulations which might be causing corruption. The surveys and studies revealed many inappropriate practices such as the unlawful collection fees and payments. Results of the survey and studies and recommendation were provided to each Aimag's governor's office, and also to the IAAC to improve further planning of activities.

Voter Education Center

The Foundation, in partnership with the Voter Education Center (VEC), developed a practical training manual on how to increase public, civil society, and private sector engagement on fighting corruption. The training manual includes a general understanding about the costs and types of corruption, preventive measures, international best practices, code of ethics of public, private sectors and NGOs, public and NGO engagement on corruption prevention and awareness, as well as useful case studies.

Mongolian Information Development Association

In the state budget for 2010, each of the 76 Members of Parliament were allocated one billion Mongolian tugriks (approximately USD $750,000) for them to allocate in their constituencies for local development. The Foundation supported a local NGO, Mongolian Information Development Association (MIDAS), to monitor constituency money expenditures in order to increase transparency and raise public awareness on how these funds are allocated and spent. Using the Foundation's own resources, The Foundation had earlier piloted this project, which included 10 MPs elected from Ulaanbaatar. Under MACS, an additional 26 MPs, including the remaining 10 MPs from Ulaanbaatar and 16 MPs from rural areas, were included in the monitoring project. A variety of public awareness information tools were loaded on the www.76terbum.mn website developed during the pilot phase. In addition, TV programs and newspaper articles were produced. This monitoring system improved the openness, transparency and efficiency of the constituency money expenditures and increased public awareness and control on this issue.

V. Lessons Learned and Challenges Moving Forward

Despite the solid achievements and results of the MACS project over the past six years, there were and still remain significant challenges to combat corruption in Mongolia. Challenges encountered included: weak enforcement of regulations; loopholes in laws and regulations; weakness in administrative processes; and a lack of political will for an anti-corruption movement from leadership at all levels of government. In addition, the young and inexperienced IAAC still lacks the institutional support and leadership to reach its full potential for the effective enforcement and prevention of corruption throughout the country.

Another major challenge was the passage of the Amnesty Law by the Mongolian Parliament in 2009 that negatively impacted anti-corruption reform. The Law stalled anti-corruption efforts of the GOM, and hampered several pending cases involving high-level officials. The increasing consolidation of business and political interests also presents a challenge with issues of conflict of interest in government and Parliament decision-making. Finally, the leadership of the IAAC was being investigated in the second half of 2010, and has been involved in criminal proceedings for most of 2011, further impacting anti-corruption efforts in Mongolia.

In 2009 and 2010, the MACS Project explored programming in the area of strengthening the adjudication of commercial cases, including the possibility of introducing an alternative dispute settlement mechanism. Following an initial assessment in 2009, and survey of international and Mongolian companies on the demand for a second arbitration court in 2010, the Foundation did not pursue this avenue of programming, and continued to focus efforts on strengthening anti-corruption reform.

Moving forward efforts to strengthen anti-corruption reform in Mongolia should focus on continuing to strengthen the anti-corruption legal framework. Passage of the Amendments to Criminal Code and the Draft Law on Prevention of Conflict of Interest are crucial to continue the fight against corruption.