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GLOSSARY OF TERMS

BICA	Business Integrity Country Agenda
CG	Corporate Governance
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
EITI	Extractive Industries Transparency Initiative
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
IAAC	Independent Agency against Corruption
MeTA	Medicines Transparency Alliance
OECD	Organization for Economic Co-operation and Development
PWA	Public Watch App
PWYP	Publish What You Pay
TI	Transparency International
TI-M	Transparency International Mongolia
UNCAC	United Nations Convention against Corruption

BACKGROUND

INTRODUCTION TO TI-M

Transparency International-Mongolia (TI-M), a non-governmental organization dedicated to tackle corruption in Mongolia, was established and registered in 2003 by a group of concerned citizens representing different civil society organizations. TI-M was accredited as an official chapter of the global Transparency International (TI) movement in early 2014.

The global TI movement operates through more than 100 chapters worldwide and an international Secretariat in Berlin. It is the world's leading civil society organization working on anti-corruption. In its efforts to raise awareness about the damaging effects of corruption and to develop and implement effective measures to tackle corruption TI works in partnership with governments, businesses, and civil society organizations around the world.

TI's organizational strength with 100 national chapters in conjunction with the Secretariat enables the organization to provide a vast amount of resources including:

- Expertise and tools, particularly numerous indexes which have been developed to measure and address corruption in various contexts
- 'Constructive criticism' approaches that make TI a valued and trusted partner by governments, international organizations, businesses, and media and society groups around the world
- Independence and non-political partnership
- The capacity to mobilize and build coalitions of stakeholders
- A wide range of knowledge acquired through worldwide research and advocacy work undertaken at local, regional, and national levels
- Recognized international experience and a network of experts on corruption in numerous sectors

In accordance with TI's global strategy, this strategic plan outlines the efforts to integrate Mongolia into the international anti-corruption movement and to bring Mongolia's integrity and accountability standards in line with international standards and best practices.

Our **vision** is a country free of corruption, enabling justice, equality, and integrity at all levels of Mongolian society, for current and future generations.

Our **mission** is to combat corruption for the people of Mongolia by promoting integrity, transparency, accountability, and no impunity and by collaborating with individuals and institutions from all sectors and at all levels of society.

Our **values** are Transparency, Accountability, Integrity, Solidarity, Courage, Leadership, Justice, Democracy, Vigor, Respect, and Equality.

Our guiding **principles**:

- As coalition builders, we will work cooperatively with all individuals and groups, with for profit and nonprofit corporations and organizations, and with governments and international bodies committed to the fight against corruption, subject only to the policies and priorities set by our governing bodies.
- We are dedicated to maintaining openness, honesty, and accountability in all of our working relationships and with each other.
- We will remain democratic, politically non-partisan, and non-sectarian in our work.
- We will condemn bribery and corruption vigorously wherever it has been identified, although, as an organization, we do not seek to expose individual cases of corruption.
- The positions we take will be based on sound, objective, and professional analyses and high standards of research.
- We will only accept funding that does not compromise our ability to address issues freely, thoroughly, and objectively.
- We will provide accurate and timely reports of our activities to our stakeholders.
- We will respect and advocate for fundamental human rights and freedoms.
- We are committed to cooperating with other national chapters worldwide as well as with the global Secretariat.
- We stand in solidarity with each other and we will not act in ways that may adversely affect other Chapters or the TI movement as a whole.
- We will strive for balanced and diverse representation on our governing bodies.

Our approach is holistic and enables us to work across four interdependent areas: **people, laws, institutions** and **behaviors**. As a National Chapter of the TI movement, we believe that people are central to our efforts, and that the public demand for integrity must be strengthened. We believe that institutions from the public and the private sector must improve their transparency, in word and deed, to counter corruption and provide accountability to all. We also recognize that values matter as key drivers in our work at TI-M and at the core of the sustained change we seek.

The past twelve years of TI-M's operations can be divided into two separate phases: First, the phase of advocating for change, which began in 2003 and ended in 2006. During this period TI-M played a crucial role in advocating for the adoption of anti-corruption programs, ratification of the United Nations Convention against Corruption (UNCAC) in 2006, and amendment of the 1996 Law against Corruption, and took an active role in developing the first National Anti-Corruption Program. Unfortunately, due to a lack of political will and a lack of experience in drafting laws and regulations, the country ended up with a legal and institutional framework that lacks implementing provisions and efficient law enforcement, leading to huge inequality among the population.

TI-M's second phase, implemented from 2007 to 2012, was characterized by constructive engagement, intended to reach out to more organizations aiming at more opportunities for collaboration. After conducting needs-assessments, TI-M altered its strategy during this phase to engage particularly with law enforcement agencies charged with fighting corruption as they must be free of criminal intent and suspicion. Activities involving the judiciary, helped TI-M detect and expose irregularities in the system to the general public and to politicians.

It took TI-M years to prove its independence and to establish working relationships and credibility with decision-makers. TI-M's engagement has helped to accelerate the reform processes that were in demand by the general public and already in the works.

Building on these achievements TI-M strives to further strengthen government institutions, improve accountability and transparency in public services, cooperate with the private sector to reduce corruption for an open and clean business environment with a focus on the mining sector, and raise awareness on drivers and consequences of corruption as well as actively engage citizens and especially youth to tackle corruption. To ensure that these efforts are not undertaken in isolation from each other, TI-M aims to adopt a collective and innovative approach, engaging civil society as well as the public and the private sector.

However, in order to be successful in these endeavors, TI-M must be equipped with expertise and skills. Therefore, TI-M needs to continuously build capacity and strengthen its positioning and visibility. Furthermore, implementing the selected areas of work is related to risks which need to be addressed. The specific risks and plans for their mitigation are elaborated in the individual sections of this strategic plan.

COUNTRY SPECIFIC FRAMEWORK

Mongolia has a surface area of 1.54 million square kilometers with a population of only three million, making it the least-densely populated country in the world. Boarded by Russia in the north and China in the south, Mongolia is a landlocked country, heavily depending on its two neighboring economies. Traditionally, Mongolia is a country of nomads with a heavy dependency on agriculture. Despite rapid urbanization, reflected in the capital city Ulaanbaatar, which inhabits almost 50% of the total population, 30% of Mongolia's population still depends on animal husbandry¹.

Mongolia changed its constitution in 1992 to transform from a communist state to a democracy, developing to the only country in Central Asia which the Freedom House's "Freedom in the World 2013 Index" ranked as "free". Over the past 20 years, Mongolia peacefully transitioned into a free-market economy and a multiparty parliamentary system. The country has taken important steps to establish a modern economy in recent years². It is now at a threshold of major transformation, which is mainly driven by the exploitation of the country's tremendous amount of mineral resources³. As a major economic driver, the mining sector contributed to double digit economic growth rates, reaching their peak of 17.5% in 2011. However, growth

¹ Bertelsmann Stiftung, 2014, BTI 2014 – Mongolia Country Report.

² Franquelli, Creazzo, 2013, A tipping point for Mongolia's democracy?

³ The World Bank, 2014, Mongolia Economic Update – December 2014.

rates continuously declined, falling to 10% in 2014⁴. The outlook for 2015 by the Asian Development Bank predicts economic growth to reach only 3%⁵. Furthermore, investment significantly declined, as did Foreign Direct Investment (FDI), and business prospects are weakening. At the same time inflation remains in double digits due to a credit boom in 2014 and continued currency depreciation⁶.

The assets related to the extraction of mineral resources entail significant corruption risks. The legal framework related to the mining sector is very instable and laws and regulations change frequently, the licensing procedures are opaque, public tenders are regularly awarded to businesses owned by parliament members or their family members, and the rule of law, especially in regard to negotiated contracts, is not sufficiently enforced. Political power games and a high turn-over of staff in the ministries as well as publicly owned companies, depending on the currently ruling party, add to the corruption problems.

Although Mongolia generally has strong laws, the law enforcement shows major insufficiencies. This can be demonstrated by the public's perception of the judiciary, as assessed in TI's Global Corruption Barometer. According to the survey undertaken in 2013, 73% of the respondents felt that the judiciary was corrupt or extremely corrupt⁷.

To address these issues, TI-M plans work together with the government, the private sector, and Civil Society Organizations (CSOs) in a collaborative manner, involving all relevant stakeholders. With this strategic plan TI-M sets the framework for its efforts in fighting corruption over the coming three years. The focus areas for TI-M's work as well as the envisioned impacts are described throughout this document.

PROGRAM RATIONAL

Mongolia's economic challenges are many as its financial situation heavily depends on mining, which makes up around 20% of its GDP⁸. As the government owns a large share (about 35%) in Oyu Tolgoi, which shall become one of the world's largest copper and gold mines once fully operating, it forces policy makers into a dangerous balancing act in which the demands of the citizens must be appeased and weighed against the considerations of real world business demands. Faced with these conflicting interests, politicians often find themselves operating in favor of one interest over the other and in political power games that send the market into extreme fluctuations. This pandering to capricious political incentives has caused inflation to soar, consumer confidence to plummet, and foreign investors to abandon the country altogether. Additionally, there seems to be little guarantee that Mongolia is willing or able to bring itself up to the challenge of enforcing the rule of law in regard to negotiated contracts and the constant problems presented by corruption.

⁴ The World Bank, 2015, Data – Mongolia.

⁵ Asian Development Bank, 2015, Asian Development Outlook 2015 – Financing Asia's Future Growth.

⁶ The World Bank, 2014, Mongolia Economic Update – December 2014.

⁷ Transparency International, 2013, Global Corruption Barometer – Mongolia.

⁸ Asian Development Bank

Although Mongolia approved its anti-corruption law in 1996 and introduced a national program to fight corruption, law enforcement and implementation of the national program are insufficient. In addition, Mongolia joined the UNCAC in 2005 and ratified it in 2006. However, the Mongolian anti-corruption law still doesn't meet the standards of the UNCAC and implementation is a major challenge⁹. Despite these efforts to address the corruption challenges Mongolia faces, corruption is still considered to be widely spread in Mongolia, as outlined in the 2014 Monitoring Report of the Organization for Economic Co-operation and Development (OECD)¹⁰.

TI-M has been working with the public sector as well as with CSOs for the past decade. With this work TI-M was able to improve the capacities of relevant institutions and to promote broad participation in anti-corruption issues. Good relations were built with the municipality of Ulaanbaatar, the Independent Agency against Corruption (IAAC), and other public institutions. However, there are still many challenges to be solved, calling for further action in the public sector as well as for the need to involve other stakeholders. Engaging with existing partners and building relations to other important actors will enable TI-M to scale up its work, while keeping a focus on the most urgent corruption issues. The main goals will be to:

- Strengthen government institutions;
- Improve accountability and transparency in public services;
- Reduce corruption for an open, competitive, and transparent business environment; and
- Raise awareness on drivers and consequences of corruption as well as actively engage citizens and especially youth.

Drawing on past experiences and relationships, TI-M seeks to continue its cooperation with the public sector to further strengthen the legal and institutional framework in the area of anti-corruption. The main focus will be on promoting transparency and monitoring appropriate and effective law enforcement, while at the same time making recommendations for the adoption and implementation of new laws and acts in accordance with Mongolia's legal needs. Improving transparency within the public sector will not only be a goal on the national but also on the subnational and municipal level, with an initial focus on Ulaanbaatar and a few selected regions of Mongolia. Considering the large percentage of citizens living in Ulaanbaatar and the already existing relations with a number of local authorities, Ulaanbaatar is an obvious starting point for TI-M's efforts on local governance. These efforts will be gradually extended into different regions.

In line with the new movement-wide strategy 2020, which is currently under development, basic public services are identified as priority areas for TI-M's future work. Despite the municipal services that TI-M will focus on in its regional governance work, the chapter identified the health sector as highly vulnerable to corruption, and thus, as a further focus area. Therefore, TI-M with the support of the World Health Organization (WHO) in Mongolia has established a Medicines Transparency Alliance (MeTA) composed of representatives from the public sector, the private

⁹ TI-Mongolia and the UNCAC Coalition, 2011, UN Convention Against Corruption Civil Society Review.

¹⁰ OECD, 2014, Anti-Corruption Reforms in Mongolia – Assessment and Recommendations Report

sector, and CSOs. This alliance will work as a multi-stakeholder group in a joint effort to strengthen the pharmaceutical system in Mongolia through improved governance, transparency, and accountability.

Striving to engage further stakeholders in its work, TI-M recognized the need to involve the business community, and particularly the mining sector, in its anti-corruption efforts, due to the sector's distinct vulnerabilities to corruption. By directly cooperating with the private sector, and in particular the mineral resource sector, TI-M strives to improve business ethics, corporate compliance, and corporate integrity systems within the business community. Besides supporting individual companies in addressing the challenge of developing and implementing a sound integrity system, the aim is to promote the creation of a business sector alliance as well as a multi-stakeholder group, composed of the private sector, the public sector, and civil society, to enable meaningful collective action, supporting the transformation of the business environment as a whole.

One major component of TI's future work, having its effect on all other projects, will be the engagement and empowerment of the general public in the fight against corruption. This will be mainly facilitated through the provisioning of educational information, research, and surveys, which will be made available to the public to enhance the knowledge about corruption and to enable the public to participate in public debates. This work will particularly emphasize the role of the youth in challenging corruption and will therefore involve significant endeavors in advancing the youth's knowledge about the causes and effects of corruption. The main goal is to empower the youth to take their own actions in the fight against corruption.

With these efforts TI-M envisions to significantly contribute to the solution of Mongolia's corruption challenges. We consider the above mentioned areas as most vulnerable to corruption and at the same time believe that a change of behavior in these sectors will lead to essential and meaningful improvements in their transparency, accountability, and integrity. The ultimate goal is to create a long-term impact directed at ending corruption in Mongolia.

STRATEGIC PLAN

FRAMEWORK

In order to achieve the very ambitious vision on *curbing corruption in government, politics, business, civil society, and the daily lives of people in Mongolia*, TI-M needs to address several sectors on a variety of topics. Therefore, TI-M selected focus areas that cover the public sector, the private sector, and civil society and aims at integrating its efforts by linking its focus areas and working in coalitions. Based on the above-mentioned vision, an overall goal for each focus area was formulated. These goals shall be reached through the implementation of various initiatives, which contribute to the achievement of several outcomes. The main goals are as follows:

Government Institutions: Improved capacities and performance as well as increased accountability in government institutions.

Public Services: Improved social accountability and transparency in public services most vulnerable to corruption.

Business sector with a focus on the mining industry: Improved business ethics, corporate governance, and integrity in individual companies, established community of good practice, and level playing field for a clean business environment.

Civil society with a focus on youth: Well-informed and engaged citizens and youth for participatory decision-making and reduced corruption.

The planned initiatives to reach the goals and the related outcomes as well as associated risks are outlined in the following sections.

The strategic plan also outlines the timeframe for the implementation of the described initiatives as well as the implementation and monitoring methods.

GOVERNMENT INSTITUTIONS AND PUBLIC SERVICES

Goal: *Improved capacities and performance as well as increased accountability and transparency in government institutions and public services.*

Outcome 1: *Capacities of governments at city, district, and khoroo levels to take over new functions as these are decentralized and to govern in a more participatory, transparent, and citizen-oriented manner are improved.*

In order to ensure a citizen-oriented, participatory, and transparent way of governing TI-M in close cooperation with The Asia Foundation and the Open Society Forum implements the Urban Governance Program of the Swiss Development Cooperation. The coordination of the whole project lies with The Asia Foundation, while TI-M Urban assists the Public Administration Department of the Ulaanbaatar City Governor's Office in the development of a tailor-made on-the-job capability-strengthening program. The development of this program will be based on a

needs-assessment of the governments at city, district, and khoroo levels. This program will be targeted in particular to “front-line” staff (kheseg leaders – outreach staff of the local government – and khoroo-based staff), as well as governors and khoroo khural presidium members. Examples for topics to be covered are:

- Rights and duties
- Roles and responsibilities
- General knowledge and skills, such as
 - Facilitating public meetings
 - Explaining decision-making processes
 - Reading and understanding budgets and financial plans
 - Understanding e-governance and coaching citizens in using it

Risks: There is a risk that a re-centralization process will start after the national and local elections in 2016, 2020 and/or the presidential election in 2017.

Outcome 2: *Improved social accountability through the establishment of effective mechanisms that ensure transparent and accountable public services and enable civil participation on district level.*

The citizens and civil society organizations of any nation play an important role when it comes to strengthening the accountability of public officials and combating corruption. However, civil society needs to be empowered to meet this role. Ensuring that all citizens equally receive complete, accurate, and timely information about their rights and that they are enabled to participate in decision-making processes that directly affect them, goes a long way in this regard. TI-M strives to scale up its efforts in this regard and implement new approaches to meet the common goal of giving citizens a stronger voice in areas that directly affect them. At the same time, TI-M aims to enhance transparency and accountability in the public. Therefore, TI-M seeks to cooperate with other organizations, such as the World Bank and the Swiss Development Cooperation (SCD) in the effort to improve social accountability through the establishment of effective mechanisms that ensure transparent and accountable public services and enable civil participation on district level.

The main intended outcomes of the project are the institutionalization of social accountability and thereby the equal access to transparent, good quality public services for all citizens of selected districts. Through transparent procedures and the involvement of citizens in decision-making processes that directly affect them, citizens will be empowered to hold public officials accountable, and thus to contribute to reduced corruption and improved public services. These outcomes are ultimately expected to lead to poverty alleviation and social development as long-term impacts.

TI's distinctive strength is its global movement that allows national chapters to operate independently but at the same time draw from the great expertise and resources of the global TI movement. While TI-M has the knowledge base related to the country context and specific corruption issues in Mongolia, the TI global movement provides a variety of different tools and approaches that have proved to be successful in other countries and regions. Utilizing some of

these tools, such as Centers of Concerned Citizens, Advocacy and Legal Advice Centers, or Development Pacts, will enable TI-M to drive the change it seeks with regards to increased social accountability.

Outcome 3: *Improved governance, transparency, and accountability in the pharmaceutical sector are improved.*

TI-M with support of the World Health Organization (WHO) Mongolia formed a “Medicines Transparency Alliance (MeTA)” in February 2015. The MeTA project includes representatives from the public sector, the private sector, and the civil society. It is targeted at all stakeholders in the medicines market to improve access, availability, and affordability of medicines by increasing transparency in the medicines supply chain. The overall goal is to strengthen the pharmaceutical system through improved governance, transparency, and accountability. The specific objectives of the project are to:

1. Increase transparency in regulatory practice and ensure easy access to information on drugs circulating in the Mongolian pharmaceutical market;
2. Conduct research of and institutional capacity building within the pharmaceutical sector; and
3. Raise awareness on drug related issues, governance, and transparency among different actors in the pharmaceutical sector.

Risks: An internal risk is the limitation of human and financial resources. So far no funds have been acquired for the MeTA activities and there is only one full-time staff – Program Manager – working on the program. To overcome this challenge TI-M will need to secure funding, which was already initiated through a joint proposal to the European Union.

Another risk is the coordination of the many involved stakeholders and their interests and needs. For this purpose the MeTA alliance was established as an NGO, the META Mongolia, involving all relevant stakeholders in one organization. To ensure its efficient functioning the Steering Committee of the META Mongolia NGO needs to be established and internal regulation policies have to be developed. Thereby, a clear structure and regulatory framework will ensure the coordination of all involved stakeholders.

Outcome 4: *Strengthened capacities and mandate of the Independent Agency Against Corruption (IAAC). Strengthened engagement of the anti-corruption agency with the general public and other stakeholders.*

(In November 2016, Mongolian parliament passed a new National Anti-corruption Strategy, which is valid until 2020. According to the strategy, Independent Authority Against Corruption (IAAC) in Mongolia shall monitor the implementation of the program and report on the implementation to the relevant Standing Committee of the State Great Khural. Thus, the responsibilities of the IAAC has increased significantly and so its priority areas when it comes to corruption.)

Risks: Lack of willingness from the IAAC to cooperate TI-Mongolia. There is possible political influence to the IAAC’s operations.

Outcome 5: *Strengthened capacities of the public procurement agency and increased transparency in the award of public contracts.*

TI-M has been working with the public procurement agency of Ulaanbaatar in the past, developing a procurement strategy and check-list that support agency staff with conducting procurement processes in a transparent, accountable, and environmentally friendly manner. Although Mongolia has a comparably strong Public Procurement Law this, implementing regulations to support practitioners with the implementation of the law are lacking. TI-M jointly with the public procurement agency of Ulaanbaatar, the Ulaanbaatar city government, and the Open Society Forum identified the biggest challenges of public procurement officers when conducting a tender process. The results were translated into the mentioned check-list, giving the employees guidance on transparency issues related to their tasks.

TI-M strives to deepen the engagement with the public procurement agency of Ulaanbaatar and to initiate relations with the national public procurement agency. Despite the introduction of the Public Procurement Law and the public procurement agency, only about 10% of all public contracts are awarded through tender processes carried out by the public procurement agency. The remaining 90% are carried out directly in the ministries and agencies that are involved in the contract implementation. Thus, the aim is not only to improve the transparency of the tender processes but to strengthen the mandate of the public procurement agency.

The public procurement agency of Ulaanbaatar is very cooperative and through the good relations the national public procurement agency is also interested in the involvement of TI-M. With this support and in a joint effort with other NGOs and the involvement of legal expertise, TI-M intends to introduce transparency and monitoring tools to increase the transparency and accountability in the award of public contracts. Integrity Pacts have proven very strong in this regard in other countries, such as Bangladesh and India.

Risks: There is a risk that the developed strategy and check-list won't be used by the agency staff. In order to mitigate this risk, the mayor of Ulaanbaatar approved the checklist to give it high level authority and ensure that public procurement agency staff complies with all the steps set forth in the list. In addition TI-M strives to implement monitoring mechanisms to ensure the proper conduct in the announcement and implementation of public tenders. Furthermore, there is a risk that other ministries and agencies are reluctant to cooperate when it comes to strengthening the mandate of the public procurement agency. Due to own interests these agencies have an incentive to retain the power of conducting their own tendering processes. Although, this is in contrast with the provisions of the Public Procurement Law political interests lead to this practice and even cause the demand to dismantle the public procurement agency. Through advocacy campaigns and close relationship with the public procurement agency and the city of Ulaanbaatar, TI-M aims to raise awareness of the benefits of conducting all public tenders through the public procurement agency and involving civil society in the monitoring of the responsible conduct of public tenders. Strengthening the public's voice has shown to go a long way when it comes to political decision-making processes.

BUSINESS SECTOR WITH A FOCUS ON THE MINING INDUSTRY

Goal: *Improved business ethics, corporate governance, and integrity in individual companies, established community of good practice, and level playing field for a clean business environment.*

Outcome 1: *Corruption risks and solutions in the business sector are identified. Special focus will be set on the extractive industries.*

Understanding the major challenges companies face in their attempts to do business in a responsible and fair way is the prerequisite when striving to reduce corruption in the private sector. For this understanding it is necessary to assess the current environment in which companies operate as well as the companies' own efforts in operating with integrity.

TI is currently in the pilot phase of a new assessment tool named the *Business Integrity Country Agenda* (BICA), which will assess the state of key factors that enable the private sector within a certain country to operate with integrity. The BICA does not only consider the legal framework in a country but also the business reality. Thereby, the assessment offers a holistic approach for gathering all the relevant information to assess business integrity from a country's perspective and to provide a credible foundation for action¹¹. TI-M aims to carry out a BICA assessment in order to fully understand the business environment in Mongolia with regard to integrity, and to draw conclusions, formulate recommendations, and develop a reform plan based on the results of the BICA.

In order to have a credible and widely shared assessment result, the BICA will be carried out in a participatory way, including different stakeholders in the assessment, the analysis, the formulation of recommendations, as well as the implementation of the resulting reform plan. For this participatory approach TI-M will create an advisory group that shall include representatives from business associations, government, public service agencies, the IAAC, the Publish What You Pay (PWYP) coalition as a representative for the civil society, further CSOs, media, the stock exchange, market regulators, and academia. This advisory group will review the assessment framework, determine the key indicators, assist with the data collection and verification, review and approve the scoring of indicators, propose recommendations, disseminate the assessment results, and support the implementation of the reform plan¹². TI-M will invite the different stakeholders for the advisory group and will draw from its own network and existing coalitions for that. The assessment itself will be carried out by an external researcher, contracted by TI-M.

Outcome 2: *Reduced corruption risks in individual companies due to the development, implementation, and compliance with corruption prevention and anti-corruption management tools, customized for certain industries and companies.*

¹¹ Transparency International, 2014.

¹² Transparency International, 2014.

Once the country context is understood and the corruption risks analyzed, the gathered results should be used to develop appropriate tools for companies to improve with regards to business ethics/Corporate Social Responsibility (CSR), Corporate Governance (CG), transparency, and integrity. The tools will be developed in a manner to address the issues identified in the BICA assessment as well as to cater the different needs of individual businesses. Therefore, the advisory group formed for the BICA assessment will be involved in this process and experts from within and outside the TI movement will be consulted. Furthermore, tools will be tailored to companies' expectations and individual needs and the respective companies will be advised regarding the implementation of the developed tools and programs. Such tools can be based on existing TI instruments, advancements of the companies' own processes and guidelines, and newly developed tools, and may include but not be limited to:

- Guidelines for business ethics/CSR and integrity
- Instruments for developing and implementing integrity systems and anti-bribery programs
- Transparency guidelines / Guidelines for CSR reporting
- Guidelines for political financing
- Tools for improved CG

Outcome 3: *Reduced corruption in the private sector through the joint action of an integrity coalition, operating as multi-stakeholder group, supporting the implementation of the reform plan and promoting transparency, integrity, and responsible business practices.*

The work with the private sector will be the main focus of TI-M's Business Integrity Program, which will be carried out with individual businesses as well as with groups of businesses. However, to be truly successful in tackling corruption in the private sector, not only an understanding and commitment by business but also by the government and public service agencies will be necessary. Furthermore, companies will need to jointly address and overcome the corruption challenges of their sector and at the same time be in close exchange with other stakeholders, who can support this process or whose expectations need to be met. For this purpose, TI-M aims at developing a *Corporate Supporters Forum* consisting of companies dedicated to a corruption free business. In order to engage further stakeholders, a multi-stakeholder mechanism between the private sector, the public sector, and CSOs will be promoted to reflect the interests of all relevant parties in the endeavor to establish a clean business environment and a level playing field. As a multi-stakeholder mechanism will already be established in form of the advisory group for the BICA assessment, the cooperation among this group will be further encouraged and facilitated for the implementation of the assessment results and for future cooperation.

Outcome 4: *Reduced corruption in the private sector through enhanced effectiveness of the legal framework and its enforcement, with a special focus on the mining industry and related legislations, especially those concerning licensing procedures and contract negotiations.*

To address the full scope of private sector corruption, not only potential bribe payers but also potential bribe receivers or demanders need to be involved in the process. For companies to work with integrity, the environment they operate in needs to enable them to do so. Therefore, a stable legal framework with effective laws and efficient law enforcement is a precondition for a corruption free business sector. Thus, the government and its implementing institutions need to be closely involved in the effort of creating a clean and fair private sector. For that reason the public sector will be involved in the BICA assessment and the implementation of the developed recommendations. Furthermore, TI-M will partner with the TI Secretariat as well as other TI chapters on a chapter-led project named *Mining for Sustainable Development*, which aims at the enhancement of transparency and accountability in the award of mining sector permits, licenses, and contracts.

Risks: One of the main risks when directly cooperating with other actors is the risk to engage with organizations that are involved in undue practices. This can lead to a loss of credibility for TI-M and the entire TI movement, and thus put TI's cause at risk, within and beyond Mongolia. Therefore, TI-M will need to select its partners very carefully and adopt due diligence procedures when necessary, which will be particularly important in the process of selecting corporate supporters. In addition, corporate supporters will need to be assessed on a regular basis and criteria and procedures for a potential suspension need to be formalized.

A further risk, especially associated with the BICA, is the possibility that representatives from the private or public sector will not be satisfied with the findings and blame TI-M for casting a shadow on them. Internally the main challenge associated with this risk is that TI-M might not have the power or capacity to deal with such confrontation. Externally this would again potentially damage the image of the chapter, the BIP, and the BICA. To avoid this risk, all stakeholders need to be included in the process of the BICA and all other activities from a very early stage. Furthermore, TI-M needs to clearly define and communicate what will be assessed through the BICA and what the purpose of the assessment is.

Companies, government institutions, and CSOs might be reluctant to cooperate with TI-M on business integrity. Different reason could be the cause, such as the perception that an organization already works on integrity and anti-corruption issues or concerns of being publicly exposed. This would mean a major risk for the success of the whole program and the achievement of the envisioned goals, and could stigmatize the Business Integrity Program as unsuccessful. Therefore, it is very important to building relationships with the relevant stakeholders very early on and to find common goals and areas of cooperation, which will benefit the organizations own agendas in order to mitigate this risk.

An internal risk is the limitation of resources. So far no funds have been acquired for the business integrity work and there is only one full-time staff – Business Integrity Program Manager – working on the program, which means a limitation in manageable work load and expertise regarding all the areas the program involves. There will be a significant need of funds to carry out all outlined activities and to thereby reach the intended outcomes. To overcome this challenge TI-M will need to secure funding and closely work with the TI Secretariat and experienced TI chapters.

CIVIL SOCIETY WITH A FOCUS ON YOUTH

Goal: *Well-informed and engaged citizens and youth for participatory decision-making and reduced corruption.*

Outcome 1: *Awareness of citizens regarding corruption issues and engagement in anti-corruption efforts increased through the possibility to report on corruption related concerns by means of a mobil application and website, called Public Watch App.*

TI-M will empower citizens to report corruption they experience or witness by using a dedicated website and application as well as a toll-free SMS number. The overall purpose of this project is to enhance the quality of democratic governance by enabling citizens to participate in the fight against corruption by using new electronic tools. At the same time citizens are encouraged and enabled to effectively hold their government accountable and contribute to systemic improvements.

In additions to these general services provided by the Public Watch App, TI-M seeks to utilize this platform for monitoring activities during the 2016 parliamentarian elections. Elections are an important and integral aspect of democracy, meant as a mechanism with which citizens hold their leaders to account for past actions and future promises. When citizens are enabled to actively contribute to an environment in which a free and fair election can take place, it will become less attractive for politicians to meddle in elections and stimulate the emergence of truly citizen-oriented politics. Therefore, ensuring a fair and transparent election process through monitoring mechanisms is an essential part of democratic stability and contributes to a countries anti-corruption measure. TI-M's Public Watch App can assist the creation of a more rapid reporting and alert system than traditional electoral monitoring mechanisms, as well as bring in the voice of citizens as a new dimension in electoral monitoring through crowdsourcing. When citizens realize that their voices can make a difference, political engagement will become more attractive for them. Collaboration between civil society, technologists, and ordinary citizens around national online election platforms is one effective way to bring this about. The Public Watch App can be effectively utilized in this manner. Making elections more open, honest, and peaceful was the impetus for starting Ushahidi, and it remains TI-M's core mission.

Risks: There is a risk of receiving and subsequently providing false information, since the platform is designed on an anonymous reporting basis.

Outcome 2: Parliament Watch App

An informed and active civil society contributes to participatory decision-making and a transparent government, two essential characteristics of an efficient democracy. Engaging the youth in this sense is particularly important for TI-M, as they will shape the country's political and anti-corruption agenda in the future. Despite this role, the youth generally shows a low level of engagement and is insufficiently educated on topics related to the Parliament and political decision-making. To provide the youth with a suitable and easy to use tool to learn about the parliament and political decision-making and in order to involve them in the latter, TI-M developed a mobile application called the *Parliament Watch App*. Through this application TI-M provides users with educational information on issues of interest. These range from topics discussed in Parliament, decisions taken that particularly affect the youth, as well as corruption related topics. In addition to the educational features, users can raise question or add comments, directly addressing them to Parliament Members, enabling a direct exchange between citizens and Parliament officials. The application will be linked with TI-M's Public Watch App, Facebook page, and Twitter account, introducing even more possibilities to gather updates and valuable information in the area of anti-corruption.

Risks: A major challenge is the active engagement of youth, which seems to generally be uninterested in political processes and decision-making. This might also extend to the utilization of the *Parliament Watch App*. In order to address this challenge TI-M aims for cooperation with other youth related organizations, such as the Mongolian Youth Federation (MYF) and different Universities in Ulaanbaatar. By introducing topics such as anti-corruption and issues discussed or decided in Parliament into the activities and events of the MYF and the curricula of universities, more young people can be encouraged to listen and participate. Advertising the utilization and learning opportunities of the *Parliament Watch App* in this framework, will attract more young citizens to try the application. Additionally, presenting the content of the *Parliament Watch App* in a participatory and fun way will set an incentive to revisit the application. Therefore, the educational part will focus on youth relevant topics, and will include games, quizzes, and opportunities for exchange with others. There may be an additional risk of complaints about the accuracy of the information arising. For that purpose, TI-M will employ a person dedicated to the collection and distribution of information for the Parliament as well as Public Watch App on a full time basis.

TIMEFRAME

Activities	Target Group	Expected Outcomes	Time Period
Government Institutions and Public Services: Improved capacities and performance as well as increased accountability and transparency in government institutions and public services.			
<i>Urban Governance</i>			
Activity 1: Adaptation of training materials and/or development of new material.	<ul style="list-style-type: none"> • Khoroo level staff • District level staff 	<ul style="list-style-type: none"> • Complete training curriculum established • 10-14 Training modules created 	January 2016
Activity 2: Management of competitive grant process.	<ul style="list-style-type: none"> • Service providers • Khoroo staff 	<ul style="list-style-type: none"> • Ensure fair competitiveness. 	January 2016 to April 2016
Activity 3: Conducting workshops and trainings.	<ul style="list-style-type: none"> • All level MUB staff 	<ul style="list-style-type: none"> • 460 Front line staff • 430 district and MUB staff covered. 	January 2016 to October 2018.
<i>Social Accountability</i>			
	•	•	
<i>Medicines Transparency</i>			
Activity 1:	•	•	
Activity 2:	•	•	
<i>Strengthening Initiative for the IAAC</i>			
	•	•	
<i>Transparency in Public Procurement</i>			
	•	•	
Business sector with a focus on the mining industry: Improved business ethics, corporate governance, and integrity in individual companies, established community of good practice, and level playing field for a clean business environment.			
<i>BICA</i>			
Activity 1: Prepare BICA Assessment.	<ul style="list-style-type: none"> • Public sector • Private sector • Civil society • Donors • Researcher 	<ul style="list-style-type: none"> • National advisory group is established • Funding is secured • Researcher is identified 	June 2017 to Sep 2017
Activity 2: Conduct BICA Assessment.	<ul style="list-style-type: none"> • Public sector • Private sector • Civil society 	BICA Assessment is carried out and business environment understood.	September 2017 to June 2018
Activity 3: Establish reform plan based on	<ul style="list-style-type: none"> • Private sector • Public sector 	Basis for long-term change is established.	Sep - Dec 2018

assessment results.	<ul style="list-style-type: none"> • Civil society 		
Activity 4: Implement the plan.	<ul style="list-style-type: none"> • Private sector • Public sector • Civil society 	Long-term collective action for real change is initiated.	Continuous starting in Dec 2018
<i>Integrity tools</i>			
Activity 5: Develop different guidelines and tools related to business ethics/CSR, transparency, CG, anti-bribery, and integrity, drawing on BICA results.	<ul style="list-style-type: none"> • Private sector 	Companies can be provided with a set of anti-corruption and integrity tools.	Continuous starting in Sep 2016
Activity 6: Promote the developed guidelines and tools and advice companies on their customization and implementation.	<ul style="list-style-type: none"> • Private sector 	Companies implement the tools.	Continuous starting in Sep 2016
<i>Corporate Supporters Forum and multi-stakeholder coalition</i>			
Activity 7: Prepare Corporate Supporters Forum.	<ul style="list-style-type: none"> • Private sector 	Structure and formal framework for the Corporate Supporters Forum is established.	Second half of 2018
Activity 8: Acquire corporate supporters, with a focus on the mining sector.	<ul style="list-style-type: none"> • Private sector 	Corporate Supporters Forum is established and has at least five members.	Continuous starting in Sep 2016
Activity 9: Organize regular meetings and workshops for the Corporate Supporters.	<ul style="list-style-type: none"> • Private sector 	Corporate Supporters address corruption challenges collectively.	Continuous starting in Sep 2016
Activity 10: Support corporate supporters with the promotion of transparency, integrity, and accountability among other stakeholder groups and the	<ul style="list-style-type: none"> • Private sector • Public sector • Civil Society 	Advancement of long-term collective action for real change.	Continuous starting in the second half of 2016

general public and support the extension of the multi-stakeholder group.			
Activity 11: Support multi-stakeholder group with the implementation of the reform plan and organize regular capacity development and dialogue events for the multi-stakeholder group.	<ul style="list-style-type: none"> • Private sector • Public sector • Civil Society 	Improved ability of the multi-stakeholder group to advocate for and drive real change.	Continuous starting in the second half of 2016
<i>Legal framework in the private sector</i>			
Activity 12: Assess legal framework as well as its corruption risks, with a special focus on the award of mining sector permits, licenses, and contracts.	<ul style="list-style-type: none"> • Public sector • Private sector 	Current status of legal framework is understood.	October 2016 to August 2017
Activity 13: Make recommendations for efficient laws, regulations, and policies as well as for enhanced access to information.	<ul style="list-style-type: none"> • Public sector • Private sector • Civil society 	Basis for change is established.	August - December 2017
Activity 14: Develop practical tools and solutions for government and business to help close critical accountability gaps.	<ul style="list-style-type: none"> • Public sector • Private sector 	Tools to close accountability gaps can be provided to government institutions and businesses.	Second half of 2017
Activity 15: Conduct capacity development activities for the	<ul style="list-style-type: none"> • Public sector 	Tools are implemented and accountability gaps are closed.	Continuous starting from Sep 2016

relevant legislative institutions as well as the jurisdiction.			
Civil society with a focus on youth: Well-informed and engaged citizens and youth for participatory decision-making and reduced corruption.			
<i>Public Watch App</i>			
Activity 1: Signing MOU's and cooperation agreements with relevant stakeholders.	<ul style="list-style-type: none"> • Relevant ministries • Government agencies • Mobile phone service providers 	<ul style="list-style-type: none"> • At least 5 MOU's signed with government organizations. • Cooperation with at least one mobile operator 	August to November 2016
Activity 2: Processing submitted concerns and providing anti-corruption information	<ul style="list-style-type: none"> • Citizens • Public officials 	<ul style="list-style-type: none"> • Web site is updated on a constant basis • Complaints/concerns are processed within three weeks 	From November 2016 onwards
<i>Youth Accountability Project</i>			
Activity 1: Regular workshops/lecture sessions at the universities and colleges	<ul style="list-style-type: none"> • Youth • Students 	<ul style="list-style-type: none"> • At least 10 universities are visited • Survey to be conducted amongst young people 	Sep 2017 onwards
Activity 2: Essay and Photo competition to be organized	<ul style="list-style-type: none"> • Youth • College students • High-school students 	<ul style="list-style-type: none"> • These competitions are advertised to at least 10 schools including colleges • The works of competition winner are to be circulated via social media 	Sep 2017 onwards

IMPLEMENTATION

The implementation of the strategy has important implications in terms of the mobilization and allocation of resources, and for the roles and responsibilities of the TI-M board and staff.

First, making the strategy happen requires the clarification, adaption, and formalization of support from the Secretariat and the TI-M board, particularly regarding fund raising and managing funding flows.

Second, based on the strategy TI-M will need to develop an action plan to break down the broader goals into individual steps towards the goals' achievement. Responsibilities will be assigned to each step and their implementation will be linked to indicators and milestones,

allowing for efficient monitoring activities. Within the monitoring process the plan will be revised on an on-going basis to ensure it continues to aim at the set targets.

Finally, TI-M expects new issues and opportunities to emerge as a result of the changing context. For challenges that fall outside the scope of TI-M's goals and that are deemed of critical importance to the fight against corruption by TI-M's board, a consultation with major stakeholders will be organized to review their relevance and identify areas of expertise and interest. In anticipation, TI-M is committed to respond to these potential emerging issues and opportunities and is generally aiming at collaborating with other organizations that can add expertise and resources.

TI-M truly believes that by living up to the aspirations and commitments made for the next three years, the chapter will be able to meet the challenges that lay ahead. It is through TI-M's commitment to each other, our partners, and those we seek to serve that we will strive towards our vision of curbing corruption, and promoting our core values of transparency, accountability, integrity, solidarity, courage, justice, and democracy in all our endeavors.

Cross-cutting issues: While there are no specific objectives to address gender issues, TI-M will pay particular attention to integrate gender issues in designing and implementing the activities of the strategy. TI-M will, for instance ensure that research activities include gender dimensions. A gender balanced point of view and participation in training, workshops, conferences and research, and so on will be strongly encouraged.

Environmental issues may become important during some projects, particularly the Business Integrity Program, due to the mining sector's impacts on the environment and the negative implications corruption can have in this regard. However, at this point there are no plans to specifically address corruption-related environmental damage.

Flexibility: The context, the political sensitivity of the topic, and the various stakeholders involved in the implementation of the programs require that planned activities described in this strategic plan be amendable. This document should be seen as a living and evolving document. The action plans and corresponding budgets for the programs, which will be developed on an annual basis, will be reviewed by the Board of Directors in consultation with key stakeholders in Mongolia and at the TI Secretariat, seeking purposefulness, better synergies, and greater efficiencies in the program implementation.

Management: The Board of Directors of TI-M will ensure the strategic direction and compliance of best practices, governance and management framework, and policies of the organization and the proper management and accountability of funding. Regular board meetings will be held throughout the period to review and ensure proper implementation of the above initiatives and the achievement of the set goals.

The Executive Director of TI-M will oversee day-to-day management of the programs and entire operations. When applicable and needed, experts and consultants, (both local and international) including from the TI international movement and overseas chapters will be mobilized to ensure technical expertise, added value, quality, and satisfying delivery of program outcomes. A

Finance and Administrative Officer will ensure proper financial management and recordings in order to meet professional audit requirements from donors and the TI Secretariat.

MONITORING AND EVALUATION

The achievement of the goals set out in this strategy will be monitored by means of a set of indicators which will be developed as part of an action plan. The indicators will aim at reaching annual milestones that shall feed into reaching the overall goal. Furthermore, TI-M will utilize a global monitoring, evaluation, and learning tool, developed by the TI Secretariat. The tool includes a limited number of common processes and practices (e.g. core indicators), that can be used throughout the movement, and which are relevant at the national level. The monitoring, evaluation, and learning tool will assist TI-M in measuring progress against this strategy over time. Progressive and financial reports will be produced and sent to respective donors as required by donors. Annual financial reports will be prepared for the approval of the Board of Directors. Annual independent audits will be conducted which will be financed by the program funding.