




Australian Government
AusAID



Australia–Mongolia Program Strategy 2012-2016

April 2013



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1. Summary

Landlocked, sparsely populated and resource-rich, Mongolia confronts a unique set of development challenges. While Mongolia has made important progress in strengthening its democratic and free market systems, and economic growth has taken it to lower-middle income country status, Mongolia's poverty rate remains high—39 per cent of the population (approximately 1 092 000 people) have an income below the national minimum living standard, rising to 54 per cent of the population (approximately 593 000 people) in rural areas.¹ Inequality has widened in recent years, with the initial benefits of Mongolia's mining boom disproportionately accumulating among a narrow, elite section of the population.

A stable and prosperous Mongolia is in Australia's national interest, and our assistance will promote a well governed, economically resilient and equitable Mongolia. Appropriately targeted Australian aid investments can deliver substantial results. Australia's investments in education have been successful in improving capacity in Mongolia's public and private sectors, and have strengthened Australia's bilateral relationship with Mongolia.

The *Australia – Mongolia Program Strategy 2012–2016* outlines how Australian aid will assist the government and people of Mongolia to achieve the country's development goals. Our assistance will be targeted towards three priority themes where we have comparative advantage and a program record, in line with the development objectives identified by the Government of Mongolia, particularly in its *Millennium Development Goals-based Comprehensive National Development Strategy*:

- Human resource development—we will continue to build the human resource and leadership base of Mongolia through Australia Awards, to empower individuals to contribute to the country's development.
- Mining for development—we will target our assistance toward strengthening governance in the mining sector, to help ensure mining revenues are equitably distributed, and the social and environmental impacts of mining are effectively managed.
- Supporting vulnerable communities—we will focus on providing improved water, sanitation and hygiene facilities to disadvantaged rural children, to prevent illness among students, teachers and the community more broadly.

Australian support in these areas is based on our long-standing relationship with the Government of Mongolia in achieving its development objectives. In partnership with the Government of Mongolia, we will increase our efforts in improving the quality, accountability and transparency of the aid program. In delivering the aid program, we will make targeted use of multilateral organisations and non-government organisations and increase harmonisation with other donors. We will maintain a sharp focus on achieving outcomes, encouraging mutual accountability and promoting value for money so we can make a real difference to the lives of the people of Mongolia.

¹ National Development and Innovation Committee, *Millennium Development Goals Implementation: The Fourth National Report*, 2011.

Figure 1. Map of Mongolia²



² United Nations Department of Peacekeeping Operations, *Cartographic Section Map No. 3721 Rev. 3*, 2004.

2. Development Partnership Principles

2.1 Principles and commitments

The fundamental purpose of Australian aid is to help people overcome poverty. This serves Australia's national interests by promoting stability and prosperity in our region and beyond.

Our aid program is guided by five strategic goals: to save lives, promote opportunities for all, build sustainable economic development, build and support effective governance, and to respond effectively to humanitarian crises and natural disasters. We focus our efforts in areas where Australia can make a difference and where our resources can most effectively and efficiently be deployed. The *Australia – Mongolia Program Strategy 2012–2016* gives effect to this through a focus on human resource development, mining for development and supporting vulnerable communities in our aid activities.

Aid programs are more sustainable when owned and driven by partner governments. Australia is committed to aligning with the priorities and policies of our development partners. We use approaches that are tailored to country-specific situations and needs. In delivering an aid program, risks have to be taken to achieve results. We take a firm but sensible approach to risk management to guard against risk and fraud while delivering programs and assistance to those poor people who need it.

We will work with Mongolia's Ministry of Economic Development to implement annual high-level consultations between the two countries, to promote regular discussion of the progress and achievements of our aid program. This will enhance our relationship of mutual trust, recognition and accountability for results, and support the objectives of Mongolia's *Millennium Development Goals-based Comprehensive National Development Strategy*,³ including enhancing governance and developing a sustainable mining industry.

We work through partnerships to deliver our program. Our development partnerships are built on mutual accountability and accountability to our respective citizens, organisations and constituents, and are inclusive of women and men. Critical to accountability is Australia's commitment to be more transparent with financial and operational information, results and performance. Australia supports greater transparency by all development partners to better measure and report on the impact of development efforts, foster accountability and promote greater coordination. The major partners in the *Australia – Mongolia Program Strategy 2012–2016* are the World Bank, the United Nations Children's Fund (UNICEF) and The Asia Foundation.

This program strategy is guided by the Australian Government's aid policy, *An Effective Aid Program for Australia: Making a real difference—Delivering real results*, which sets the strategic direction of our aid program through to 2015–16. To give effect to this policy the Government has prepared a *Comprehensive Aid Policy Framework* which outlines the resources and headline results to be delivered by 2015–16 and sets new standards for the efficient and effective delivery of Australian aid. We are committed to the performance, results and value for money of Australian aid to Mongolia, as part of the overall effectiveness

³ Parliament of Mongolia, *Millennium Development Goals-based Comprehensive National Development Strategy*, 2008.

and impact of our aid program. Australia has a zero tolerance approach to fraud in our aid program, and remains committed to being accountable for our investments in Mongolia.

2.2 Joint focus on results

Australia and Mongolia are committed to delivering aid that is transparent, based on mutual accountability and a shared focus on results. Both countries have signed the *Paris Declaration for Aid Effectiveness* (2005), *Accra Agenda for Action* (2008) and *Busan Partnership for Effective Development Cooperation* (2012). Australia's aid to Mongolia is delivered in line with these international commitments.

Australia will deliver its program to Mongolia to align with and respond to the Government of Mongolia's national development strategy. In consultation with the Government of Mongolia we will develop a performance assessment framework for this program strategy, which outlines the development outcomes we expect to achieve. Implementation of this program strategy will be reviewed through annual high-level consultations between Australia and Mongolia. Progress will also be documented in comprehensive yearly program performance assessments. The resulting Annual Program Performance Report will be made publicly available through the Australian Agency for International Development's (AusAID) website.

3. Context and rationale for Australian aid in Mongolia

3.1 Poverty and need

Harsh natural conditions, geographical isolation, lack of access to financial resources, and unemployment are the main causes of poverty in Mongolia. The poverty rate remains high—39 per cent of the population (approximately 1 092 000 people) have an income below the national minimum living standard, rising to 54 per cent of the population (approximately 593 000 people) in rural areas.⁴ Inequality has widened in recent years, with the initial benefits of Mongolia's mining boom disproportionately accumulating among a narrow, elite section of the population. Mongolia currently ranks 110 out of 187 countries on the Human Development Index.⁵

In addition to the eight Millennium Development Goals (MDGs), Mongolia has its own ninth MDG—to strengthen human rights and democratic governance—which forms the basis for achieving all other MDGs. The fourth Mongolian national MDG progress report indicates that seven of the nine MDGs are likely to be achieved by 2015.⁶ Poverty reduction and environmental sustainability are lagging, despite significant economic growth in recent years.

With our strong focus on poverty reduction, Australia's funding for programs and expert advice on policy can play an important role in assisting the Government of Mongolia to deliver its development priorities.

An economy in transition

Mongolia is at a critical crossroads in its development. In 2012, Mongolia had one of the world's fastest growing economies, driven by the formal, large-scale mining sector and associated foreign investment, which has propelled it to the status of a lower middle-income country. The International Monetary Fund reports that real gross domestic product increased by an unprecedented 17.3 per cent in 2011, moderated slightly to 12.7 per cent in 2012 and is expected to rise again to 15.7 per cent in 2013.⁷

However, growth has been driven by the resource sector and high government spending, which makes the economy susceptible to the negative impacts of a slump in commodity prices. This occurred during the global financial crisis in late 2008 and early 2009.⁸

A well-governed mining sector can not only help reduce poverty but also reduce a developing country's dependence on aid. When benefits from mineral wealth are shared with the broader community, through employment and investment in social services, mining contributes to poverty reduction, economic growth and national self-reliance. The Government of Mongolia has identified responsible development of mining projects as a key objective, and we can share Australia's significant expertise and experience in promoting a stable regulatory environment in the mining sector. The Government of Mongolia is also seeking advice

4 National Development and Innovation Committee, *Millennium Development Goals Implementation: The Fourth National Report*, 2011.

5 United Nations Development Programme, *Human Development Report – Sustainability and Equity: A Better Future for All*, 2011.

6 National Development and Innovation Committee, 2011.

7 International Monetary Fund, *World Economic Outlook Database*, September 2011.

8 International Monetary Fund, *Mongolia: Second Post-Program Monitoring Discussions*, 2012.

on environmental management, as mining (legal and illegal) is harming the country's sensitive ecology. The largest environmental challenges from mining tend to come from small and medium-sized mines, which do not have the oversight, capacity or motivation to follow international best practice for environmental management established by larger mines (often foreign-owned).

Mining activities are also posing challenges and opportunities for mining and non-mining communities in Mongolia. Some communities have benefited substantially through direct employment, local enterprises or mining-related service provision, while others have received little or no benefit. Specific risks relate to women, children and the general health of all mining community members. The growth of mining and mining activities has outstripped the availability of social specialists within government, and the capacity of systems for registering workers for social services, such as health and education, is limited.

The skills gap, unequal development and vulnerability to natural disasters

The rapid development of Mongolia's mining sector has placed significant demands on human resources and skilled employment in the public and private sectors. While basic educational achievement is high, there is a gap between the educational qualifications and skills being delivered in the secondary and tertiary sectors and the human resource needs of the public and private sectors. Private companies, local and foreign, as well as the public sector are finding it difficult to source suitable staff, which highlights the need for ongoing targeted assistance in education and training.

Improved accountability and transparency in managing the gains from the mining sector would increase the likelihood of more Mongolians benefiting from the mining boom and achieve greater poverty reduction. Despite consistent gross domestic product growth over recent decades, equitable distribution of benefits and opportunities to the poor remains a concern.

Approximately 44 per cent of Mongolia's 2.8 million people live in the capital Ulaanbaatar and the rest are scattered over a vast territory of grasslands and mountains.⁹ Rural communities are particularly vulnerable to further socio-economic decline due to their geographic isolation, and a less competitive agricultural sector as a result of the mining boom. More than 50 per cent of the rural population has no access to safe water, and nearly 70 per cent has no access to adequate sanitation.¹⁰ Lack of proper water and sanitation in rural schools and dormitories, where many children spend up to nine months of the year, remains a critical area of concern.

Natural disasters, such as the 'dzud' (a summer drought followed by a very cold winter), exacerbate the vulnerability of rural communities and have contributed to internal and international migration. Urbanisation in Ulaanbaatar and the two secondary cities of Darkhan and Erdenet has resulted in growth of peri-urban, spontaneous 'ger' (traditional circular tent) settlements. This unplanned resettlement has impeded employment opportunities and placed significant demands on the efficient delivery of public services.¹¹ Another major natural disaster would place further strain on already under-resourced social service providers and lead to further unplanned settlements.

⁹ United Nations Office for the Coordination of Humanitarian Affairs (UNOCHA), *Tomorrow's Crises Today: The humanitarian impact of urbanization*, 2007.

¹⁰ Government of Mongolia/UNICEF, *Mongolia: Water, sanitation and hygiene in Schools & Kindergartens Project Design Document AusAID Funding Proposal 2012-2015*, 2011.

¹¹ UNOCHA, 2007.

3.2 Australia's national interests

Australia and Mongolia have a long-standing bilateral relationship spanning trade and investment, people-to-people links, defence and aid.

A stable and prosperous Mongolia is in Australia's national interest. To maintain regional stability, Australia, like a number of other developed nations, is interested in supporting Mongolia as an emerging Asian democracy and prosperous partner. Our aid program will help foster improved governance and more equitable development in Mongolia.

Through its 'third neighbour' strategy, Mongolia seeks to develop ties with other countries with similar views on human rights, democracy and free markets. Mongolia has demonstrated its commitment to a representative democracy as the current chair of the Community of Democracies.

Australia is now a major investor in Mongolia's mining sector and there are an estimated 180 Australian companies actively seeking business opportunities there. Australian-listed Rio Tinto is the main investor in the Oyu Tolgoi copper and gold mine project, with prospective revenues estimated at US\$3 billion annually, equivalent to one-third of Mongolia's 2010 gross domestic product. The Oyu Tolgoi project will create 3000 to 5000 jobs once production, which began in early 2013, reaches peak level.

Australia and Mongolia also cooperate on global and regional issues. Contributing to international peace-keeping and security has been a particular focus of our cooperation. Australians and Mongolians serve together in UN peace-keeping operations such as in South Sudan, where Mongolia has over 800 personnel deployed. Australia also participates in the annual Khan Quest¹² peace-keeping exercises that Mongolia hosts.

3.3 Capacity to make a difference

Given Mongolia's significant ongoing needs and Australia's expanding assistance, there is an opportunity to strengthen the impact of our aid at a crucial period of Mongolia's development. Mongolia's *Millennium Development Goals-based Comprehensive National Development Strategy* focuses on developing human resource capacity, improving governance and ensuring sustainable mining. Australia's in-country programs are designed to align with this development agenda, targeting some of Mongolia's most pressing development needs and focusing our assistance where we have experience, credibility and can make a difference.

Mongolia's donor landscape includes large credit and grant donors such as the People's Republic of China, Japan International Cooperation Agency, US Millennium Challenge Corporation, Korea International Cooperation Agency and Asian Development Bank. Although Australia ranks in the middle of this donor list by budget, we are one of the largest grant donors and we will continue to have a whole-of-government approach to our aid program, with AusAID the largest contributing agency.

Mongolia does not have a formal framework for donor coordination. Sectoral donor coordination is limited. The infrastructure, agriculture and rural community development sectors are heavily subscribed as a proportion of total commitments, followed by education. Australia often receives requests to support Mongolia's agricultural sector, and while this is an area where we have a comparative advantage, Japan and China each already provide large-scale support. The mining sector, where we have much to offer, has unmet need for new financing, even though many donors have recently entered the sector.

Australia is a leading donor in education. We have supported 234 Mongolians to study in Australia since 2003 through the highly regarded Mongolia Australian Scholarships Program, and many alumni have made important contributions to Mongolia's development, including through holding senior positions in

¹² A peace-keeping exercise held in the Asia region, in conjunction with the US.

government, the civil service and private enterprise. This strong reputation in education, combined with the current human resource challenges confronting the public and private sectors in Mongolia, makes education an obvious choice for our ongoing engagement.

Australia is also a global leader in the mining sector, and Mongolia looks to us as a role model in developing its resource wealth. The Australian Government's Mining for Development Initiative helps developing countries use their natural resources to improve their economies in a sustainable manner. Through this initiative, we will work in conjunction with multilateral organisations and other development partners to assist the Government of Mongolia to maximise the benefits and opportunities of mining. We will do this by supporting programs that improve governance and transparency and mitigate the environmental and social impacts of mining. Australia has already committed \$5 million over four years to a groundwater management activity in the main mining area in the southern Gobi region.

Australia has a strong record of supporting vulnerable communities in Mongolia. We have worked in partnership with multilateral organisations, such as the International Federation of Red Cross and its national societies, and UNICEF, to increase resilience to natural disasters, and we are applying our expertise in improving water, sanitation and hygiene facilities in marginal communities. Current support includes a four-year, \$3.4 million activity launched in Hövsgöl¹³ Province in 2012, which will provide improved water, sanitation and hygiene facilities for approximately 7800 disadvantaged rural children. Hövsgöl has been identified as one of Mongolia's most disadvantaged provinces. We will continue to assist vulnerable communities in mining and non-mining areas.

3.4 Scale and effectiveness

Australia has already achieved positive results in Mongolia by targeting assistance towards a small number of priority areas where we have comparative advantage. We will closely adhere to this principle as our assistance expands. In line with *An Effective Aid Program for Australia: Making a real difference—Delivering real results*, our assistance will be targeted to three priority themes where we can make the greatest difference, and have a proven record of performance. These three themes—human resource development, mining for development and supporting vulnerable communities—also represent an intersection of AusAID policy priorities globally, development priorities identified through consultation with the Government of Mongolia, and the content of the current AusAID program to Mongolia.

We have made strategic decisions to not provide assistance to other high-need sectors and priorities identified by the Government of Mongolia, such as infrastructure and agriculture, as other development partners are already implementing major programs in these areas. Human resource development, through the Mongolia Australian Scholarships Program, will provide much-needed capacity building to the public, private and non-government sectors and strengthening of the bilateral relationship. Mining for development will expand over time, reflecting Mongolia's need for assistance and Australia's high-level capacity to make a difference in this area. While supporting vulnerable communities will be an important area of focus, human resource development and mining for development will have larger funding allocations. This is because we have greater capacity to be effective and deliver results in these areas.

¹³ Also spelled Khövsgöl.

4. Strategic priorities for Australian aid

4.1 Proposed focus areas, expected outcomes and Australia's contribution

Our work in Mongolia has three core themes:

1. human resource development
2. mining for development
3. supporting vulnerable communities.

This reflects three of the five strategic goals of *An Effective Aid Program for Australia: Making a real difference—Delivering real results*:

- promoting opportunities for all—by giving more children access to education; addressing water, sanitation and hygiene problems in schools and kindergartens; and providing masters-level Australia Awards to Mongolians from the public, private and non-government sectors
- building sustainable economic development—by helping ensure the environmental and social impacts of mining are effectively managed; improving transparency and accountability in the mining sector; and helping ensure all Mongolians benefit from mining
- effective governance—by improving the capacity of public sector organisations in Mongolia, including national and local government officials.

Gender equitable and disability-inclusive development approaches are integrated across our aid program.

1. Human resource development

Human resource development has always been a key theme of Australia's assistance to Mongolia, and is renowned in-country for quality and relevance. In a low-population, high-growth environment, Mongolia's public sector in particular is facing severe human resource constraints, especially as it works to implement reforms. Officials are under pressure to manage a broad range of public sector accountabilities related to the mining boom. At the same time, the private sector is seeking management talent, leading to a bidding-up of salary levels and a continuing shortage of highly skilled individuals. This is a cross-sectoral challenge and involves nearly all Government of Mongolia ministries.

Mongolia would benefit from tertiary-level training in professional fields to increase its pool of management talent, and Australia is well-placed to meet this need through our existing Australia Awards program. The Mongolia Australian Scholarships Program will remain Australia's key activity in promoting human resource development in-country. This program is designed to improve the human resource needs in priority sectors, and enhance the opportunities for knowledge sharing and institutional links between Australia and Mongolia.

Masters-level Australia Awards are offered to Mongolians from the public, private and non-government sectors in areas including health, mining, education and natural resource management, in line with

Mongolia's *Millennium Development Goals-based Comprehensive National Development Strategy*. From 2012, 38 masters-level students will study in Australia each year through this ongoing program.

2. Mining for development

The Government of Mongolia has identified improved governance in the mining sector as a key area of need. Australian assistance will address this through a mining for development program in Mongolia. The design of this program will be completed mid-2013, and will likely focus on three components:

- Mining policy development and administration—this could include short-term training and technical assistance to government agencies responsible for managing and monitoring Mongolia's mining sector.
- Environmental impacts of mining—this could include building on Australia's existing work in mitigating the negative environmental impacts of mining; it is envisaged that this component will be delivered through a partnership with the World Bank. The World Bank proposes to undertake a mining-related Strategic Environmental and Social Assessment, to commence in 2013, to identify activities for potential Australian support.
- Social impacts of mining—this could include addressing some of the social impacts around mining, including improving women's access to mining-related employment.

3. Supporting vulnerable communities

Australia has laid a solid foundation in supporting vulnerable communities in Mongolia. For example, we have established a strong in-country partnership with UNICEF, and from 2012 are working with UNICEF to provide improved water, sanitation and hygiene facilities to disadvantaged rural children in Hövsgöl Province in the country's northwest. Access to water, sanitation and hygiene is a neglected area in Mongolia, and this will be our key activity in supporting vulnerable communities.

While the focus of our support for vulnerable communities is in rural areas, we are also supporting a pilot activity to improve basic service delivery, especially water, electricity and waste collection, in the poor peri-urban communities of Ulaanbaatar, through core funding under AusAID's regional partnership with The Asia Foundation.

We will also provide support to vulnerable communities through pillar three of the Mining for development program (Social Impacts of Mining), the volunteers program and applied research funded through the Australian Development Research Awards Scheme.

Australia stands ready to provide humanitarian assistance through Mongolian and international partners in the case of natural disasters.

4.2 Program approaches and ways of working

The *Australia – Mongolia Program Strategy 2012–2016* will build on the successes of current program delivery, while recognising that some changes in emphasis and direction are required to meet emerging challenges. As part of Australia's policy to consolidate its aid with fewer, larger programs in fewer sectors, we will focus our efforts in key sectors where we have comparative advantage and can make the greatest difference. We will also coordinate our work with the Government of Mongolia, civil society, the private sector, and other donors, to ensure individual activities in a sector connect coherently, in strategy and implementation.

In addition to maintaining a strong relationship with the Government of Mongolia, we will work with:

- Bilateral donors and multilateral organisations, such as the World Bank and United Nations organisations, that will remain critical partners in program implementation. Australia is an active participant in the annual Development Partners Meeting, which facilitates discussion between the Government of Mongolia, bilateral and multilateral donors. We will continue to promote greater donor coordination.
- Civil society and the private sector, using innovative approaches to build coalitions to promote positive policy change. We will support civil society, private sector and government representatives to join forces in support of selected development outcomes. This includes non-government organisations, which are important project delivery partners due to their access to local areas and strengths in community development.
- Australian government agencies, education and research institutions. Our aid program will build on these relationships, and through specialist Australian agencies will contribute targeted expertise and technical assistance.
- Volunteers, through the Australian Volunteers for International Development program, in sectors which align to the priority themes of the *Australia – Mongolia Program Strategy 2012–2016*, including mining, governance, environment and vulnerable communities.
- Managing contractors, who will be used to support program delivery in sectors such as human resource development.
- We expect that contributions of Australian funding will be recognised by our development partners through the Australian Aid Identifier. This is an important part of Australia's commitment to the Australian people, and the people in the countries where Australia's aid is delivered, to achieving greater transparency.

5. Program performance and risk management

5.1 What success will look like at the end of the strategy

The success of Australia's work will be measured according to achievements made under the three priority themes of the *Australia – Mongolia Country Strategy 2012–2016*. The following describes the high-level outcomes we aim to achieve by 2016:

- **Strengthened human resources capacity:** An additional estimated 190 Mongolians will have received tertiary education in Australia. New partnership links will have been established and existing links between Mongolian and Australian public sector institutions will have been strengthened.
- **Strengthened accountability, transparency and governance of Mongolia's mining sector:** The capacity of Mongolian authorities to proactively regulate and monitor the use of natural resources, and mitigate negative environmental and social impacts, will have been improved.
- **Improved access to water and sanitation:** Approximately 7800 rural children will have improved access to water, sanitation and hygiene facilities in their schools, with Australian funding helping to build new water, toilet and hand washing facilities in 12 schools and 12 kindergartens in Hövsgöl Province, northwest Mongolia. These new facilities, combined with training for children and teachers in hygiene and sanitation, will have helped prevent illness among students, approximately 840 teachers and staff, and the community more broadly.

5.2 Performance assessment framework

Monitoring and evaluation are critical components of an effective aid strategy. With our key partners, we will engage in joint, annual monitoring of our development activities, reviewing progress against outcomes and strategy results. Our programs will have the flexibility to make adaptations and changes if required.

A performance assessment framework, which will set out clear program objectives, intended outcomes and how progress towards them will be measured, will be published in 2013.

5.3 Risk management

Four key risks might prevent or inhibit delivery of this program strategy: machinery-of-government capacity; economic volatility; program fragmentation; and poor donor coordination and collaboration. Measures for managing these key risks are outlined below:

Machinery-of-government capacity

The 2012 elections have resulted in substantial changes to the Government of Mongolia, including transfer of the aid portfolio to the new Ministry of Economic Development. These changes are placing considerable additional pressures on Mongolia's already overstretched public service.

We will continue to communicate with the Ministry of Economic Development to ensure the new administration is fully informed and engaged with Australia's aid program. This will help ensure that the expansion of our program is effectively managed and that both governments remain committed and accountable to delivering results.

Economic volatility

Machinery-of-government capacity and economic stability are inextricably linked. Supporting the Government of Mongolia to strengthen machinery-of-government capacity will not only bolster democratic achievements, it will also encourage investment certainty. A sound enabling environment will allow mining to expand and more sustainable economic growth.

Through the *Comprehensive Aid Policy Framework* and maintaining a transparent relationship with our counterpart, the Ministry of Economic Development, we will ensure our aid program funds are predictable to provide greater certainty for aid investments for both governments.

Program fragmentation

As Australia's development partnership with Mongolia matures and expands, this will place increased demand on Australian resources. To remain effective in our aid management and avoid program fragmentation we will continue to make strategic investments in a small number of areas. We will continue program delivery in partnership with multilateral organisations, to extend our impact through existing networks and specialist expertise.

Poor donor coordination and collaboration

With many active development partners in Mongolia, there is the risk of poor aid coordination, duplication and increased management costs, in particular for the Government of Mongolia. This could divert limited partner government management resources away from more important uses, such as delivering better services. Australia will work closely with development partners, both multilateral and bilateral, to set out clear roles and responsibilities and lines of communication.

Our existing collaboration with a number of multilateral organisations will need to be carefully balanced to avoid overreliance on these partners, which could limit the visibility of our program and control over activity implementation. We are already working with our multilateral partners to prevent these problems by increasing our involvement in designing, monitoring, evaluating and branding our joint activities.

6. References

Parliament of Mongolia, *Millennium Development Goals-based Comprehensive National Development Strategy*, 2008.

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