

**MEDIUM-TERM CIVIL SERVICE REFORM STRATEGY OF MONGOLIA  
(2020-2030)**

*Towards creating 21<sup>st</sup> century-proof civil service*

**Reasons for Reform**

The civil service plays a critical role in the well-being, security and prosperity of the people of Mongolia. Efforts to create a civil service capable of implementing public policies and effective service delivery to citizens were an early priority during the transition period. A major milestone was the adoption of the Civil Service Law in 1994 which determined civil service personnel policies and the status of civil servants, and the establishment of an independent Civil Service Council (CSC) in 1995. The State Great Hural approved the state policy on reforming government processes and the general state structure in 1996.

Mongolia has changed a great deal in the past 25 years and civil service reforms have not kept pace with this change. This strategy replaces the Medium-Term Civil Service Reform Strategy 2004, which built off revisions to the Civil Service Law and the passing of a new Public Sector Management and Finance Law in 2002.

The new Civil Service Law, approved in December 2017 and entered into force from January 2019, provides an opportunity to rebuild the foundation of the civil service and become more responsive to the needs of the Mongolian people. The Law strengthens the legal framework for a merit- and career-based civil service and requires the development of 47 new regulations and procedures that offer significant potential for improving how the civil service operates.

There are a range of pressing challenges that civil service reform needs to respond to:

*Politicization of the civil service*

Despite the promulgation of the principles of apolitical service and refraining from party affiliations through amendments in the Civil Service Law and election laws, the civil service remains politicized. Rewarding supporters with civil service posts is widely practiced across all parties and across central, subnational and local levels of the government. Replacement of posts in the name of restructuring and team building, high influence of politics on civil service appointments, advice and decisions, non-compliance with laws, procedures and standards undermines stability and continuity as well as capacity development efforts in the civil service.

*Declining trust in the state*

People are increasingly disenchanted with the state capacity to deliver on its main roles of economic stabilization, reducing poverty and unemployment, and raising the standard of living. One third of Mongolia's population is living below the poverty level, and the unemployment rate

has remained at more than 8 percent in recent years. Unfair distribution of resource revenue is a contributing factor to this decline in trust. Unethical conduct of politicians and public officials, and frequent corruption scandals have also greatly contributed to the declining trust of citizens in the state. The latest opinion surveys show that more than 60 percent of citizens do not trust the Government. Moreover, there is a worldwide trend – technology and education have empowered individuals, and younger generations in particular; growing number of citizens are cynical about traditional political and administrative institutions; and governments are facing difficulties in retaining their legitimacy.

#### *Weakened discipline and accountability of civil servants*

The reputation of the civil service has been eroded due to recent alarming crimes of civil servants killing each other, widespread alcohol use at workplace, and weakened accountability at all levels. In the 2018 opinion surveys, 75 percent of the respondents replied that injustice is widespread, discipline and accountability is absent and the state is unaccountable. The Government of Mongolia passed Resolution #258 in 2018 “Tightening discipline and order in the civil service”. The resolution instructed managers of all government organizations to take preventive measures based on the analysis and detection of the root causes of crime and unethical conduct by civil servants.

#### *Policy instability*

It is estimated that, in the last 25 years, a total of 517 policy documents were passed by the Government, ministries and agencies, of which 203 are still effective, including long-term and short-term development programmes and policies, with only 132 implemented.<sup>1</sup> The list is expanded by party platforms, action plans of the Government and Governors of Aimags, the capital city, Soums and districts. Common drawbacks of these documents are weak preparation, lack of coherence and continuity, lack of implementation and coordination mechanisms, not backed by evidence and research, not aligned with budgets and weak human resource capacity for policy making. This bears consequences of retarding socio-economic development, non-achievement of intended goals, inefficient allocation of resources, increased conflict of interest, reduced international reputation of Mongolia and confidence of foreign and internal investors.<sup>2</sup>

#### *The changing operating environment of the civil service*

In the 21<sup>st</sup> century, the operating environment of the civil service is characterized by volatility, uncertainty, complexity and ambiguity (VUCA world). Frequent changes of political leadership

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<sup>1</sup> Citation from speech of Mr. Oyun-Erdene, the Chief of the Cabinet Secretariat, “New reconstruction” discussions about assessment of implementation of medium term policies and future measures, the Government House, 29 March 2019

<sup>2</sup> From presentation of Mr. Batkhurel, head of Development Policy, Strategic Planning and Coordination, the Ministry of Economic Development, the Development Dialogue on Draft Development Policy and Planning Law, organized by the UNDP and the Ministry of Economic Development, Mr. Batkhurel, head of Development Policy, Strategic Planning and Coordination, the Ministry of Economic Development, 19 February 2014.

are coupled with frequency of disruptive events, crises and shocks, whose timing, occurrence and duration are unknown. Globalisation, technological advances, economic crises, natural disasters, environmental degradation, demographic changes, urbanisation, an increasingly complex social structure, widespread public dissatisfaction with government and its services, and civil service scandals are all major factors that force the civil service to change the “old way” of doing things. Civil servants are required to have a new set of skills and competencies in order to cope with these challenges, adapt to changes and meet the expectations a more globally-linked and politically-aware citizenry, especially in the era of digitalisation.

*The role of the civil service in achieving the long-term development goals of Mongolia*

In 2015, the international community, including Mongolia, adopted the Sustainable Development Goals (SDGs), setting targets to be achieved by 2030 to end poverty, fight inequality, protect the planet and enhance human development. SDG16 calls for actions to promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels. The Sustainable Development Vision of Mongolia 2030 includes transparent and ethical public sector management, public policy continuity, inter-sectoral coordination and participatory decision-making as agreed principles of governance for sustainable development. A professional, stable, transparent and accountable civil service is essential for this development to be achieved and sustained.

## Civil Service Reform Strategy

The strategy identifies specific changes needed across the civil service. It defines critical issues, the ways to address them and sets out key actions. The civil service reform strategy is a working document, which will be regularly updated and reviewed on a continuing basis.

### Strategic objectives

1. Ensuring meritocracy and stability in the civil service
2. Strengthening ethics, discipline and accountability of civil servants
3. Improving policy making capability
4. Improving performance of public organizations
5. Establishing the optimum structure and size of the civil service
6. Increasing motivations of civil servants

### Strategic objective 1. Ensuring meritocracy and stability in the civil service

The highest priority of this reform is ensuring that the selection of civil servants for appointments and promotions is based on merit rather than political affiliation. This is the most important step for establishing political neutrality in the civil service and regaining the trust and respect of the people of Mongolia.

#### What needs to change

**Merit-based:** The recruitment, appointment, promotion and transfer of core civil servants is based on what they know not who they know. Selections should not be based on political affiliation, corrupt payments, promising favours, friends and family relationships or bias against a person's sex. They should be based on a person's achievements: their knowledge, education, qualifications, professional skills, competencies, experience and work performance.

**Stable:** In a stable civil service, you know what the rules are, how they apply to you as a civil servant and can have confidence that structures, processes and personnel will not change frequently or for no good reason. A stable civil service is not rigid or permanently fixed but provides a predictable and dependable foundation for managed change. Stability is maintained across changes in Governments or Ministers with shifts in structures, processes or personnel being sensible, balanced, politically neutral and in line with all laws and requirements.

#### How to deliver it

##### 1.1 Protection of the merit principle

Standard practices of merit-based selection will be fully enforced in the civil service:

- **Legal requirement** – The Civil Service Law makes it a legal obligation for civil servant recruitment, appointment, termination, performance assessment, promotion and rewards to be based on merit.

- **Job descriptions** – Every civil service position must have a job description that documents the key functions to be undertaken and the qualifications, experience and skills required. Procedures on mandatory standards and competency framework will be developed and rolled out. Job descriptions must be designed around the functional needs of the organisation and specific requirements of the role. A job description must not be adjusted to the profile of a preferred candidate as this would be a clear and corrupt breach of the merit principle.
- **Competitive selection** –The best eligible applicant will be determined by examination. The examination will be tailored to the specific requirements of the position as set out in the job description, rather than testing of general legal knowledge (memorising information) and subjects unrelated to functional competency. The examination will assess management, analytical, problem-solving, leadership and teamwork skills as well as spoken and written Mongolian language capability. Suitability for the position will be assessed based on in-depth evaluation through tests, interviews and exercises, as appropriate.
- **Gender equality** – Full inclusion of women in leadership roles in the civil service is required to ensure that all available talent and capability is being utilised and the diverse perspectives of citizens are being reflected in the civil service. Implementation of the Law on the Promotion of Gender Equality (2011) will work alongside the focus on merit-based appointments to support increased representation of women in leadership roles.
- **Disputes process** – Complaints regarding selection, demotion, dismissal, and disciplinary decisions can be lodged with the Civil Service Council within 30 days. The Civil Service Council will determine if there is a dispute to be resolved and will review and resolve the dispute within 30 from the lodging of the complaint. Council members must resolve disputes fairly, independently and with strict adherence to laws and regulations. Council members cannot address disputes concerning their own family or relatives. The Civil Service Council can direct organisations or individuals to take corrective measures by a due date, or if they detect illegal actions can pass the issue on for criminal review.
- **Performance agreements** – Every core civil servant will agree an annual performance plan with their direct supervisor. The plan will clearly set out professional expectations, priority deliverables and measures of success. The plan will align with the job description for the role and the strategic and business plans of the organisation.
- **Performance reviews** – Every core civil servant will have a formal review of performance against their performance plan conducted by their direct supervisor at least annually. The documented results of this performance review will contribute to merit-based selection, promotion, dismissal, remuneration or reward decisions.
- **Human resource audits** –In addition to addressing complaints and disputes the Civil Service Council will have the power to conduct audits of state bodies to determine that the merit principle is being fully applied. A human resource audit is a comprehensive method to assess compliance with rules and regulations, review human resource policies, procedures, documentation and systems to identify needs for improvement in the human resource function of state bodies and recommend corrective actions. An audit involves all aspects of

human resources, usually in a checklist fashion, including hiring, benefits and compensation, performance evaluation process, termination, job descriptions, form review, and personnel file review.

## **1.2 Protection of the career-based principle**

Core civil service promotions are only open to experienced civil servants who have met duration of service and training requirements. Appointments are made through a competitive merit-based process. A career-based approach prioritizes strong standards over the flexibility to appoint talented individuals from outside the civil service. This trade-off is necessary to ensure that the reform priority of a stable and professional civil service is delivered, and political appointments are prevented.

To ensure the stable appointment of experienced civil servants to core civil service positions, the new Civil Service Law sets clear career-based eligibility requirements along with mandatory requirements to complete package professional training (Article 23).

To retain some important flexibility in the promotion of candidates with outstanding skills or capabilities the Civil Service Law allows for the appointment of candidates who meet half of the required employment durations if they are the best applicant determined by merit-based selection (Article 26.3), it also sets specific procedures for the pool of candidates eligible for selection to a vacancy (Article 27).

Clearly understood and effectively implemented and enforced, these career-based requirements will significantly increase the stability of the Civil Service and reduce the potential for political influence in the appointment of civil service roles. As with the merit-based approach the Civil Service Council will play an active oversight role to ensure the career-based requirements are being applied.

## **1.3 Professional development of civil servants**

To be effective a civil service needs to have the right people in the right roles. This requires attracting, retaining, developing and motivating capable civil servants. In order to cope with the 21<sup>st</sup> century challenges civil servants need to continuously upgrade their skills to manage change, budgets, finance, programmes, projects, contracts, risks and digital skills, and be able to understand challenges faced by other sector and citizens. Present and future conditions require that learning should occur beyond individuals, but also organizations and the entire civil service.

*[Competency framework goes in this section]*

The new Civil Service Law legalized professionalization training requirements for civil servants for the first time (Articles 24.1 and 29.1). There will be two main types of training. Package professionalisation training will be tailored to the core knowledge and skills of particular levels and scopes of responsibility and will be a compulsory requirement prior to appointment to senior positions. Short- and medium-term on-the-job training will also be provided to civil servants after

appointment to a position to support continued development of the required skills and knowledge for that position.

Training will be provided to support the development of professional skills and knowledge by a civil service training institute under the oversight of the Cabinet Secretariat. The Government of Mongolia by its resolution #368 of 2018 “Some measures regarding the Academy of Management” approved the statute of the Academy of Management and passed a decision to re-organize it into the government civil service training institution. Moreover, a joint decree #37/33 of the Chief of the Cabinet Secretariat and the Chair of the Civil Service Council was passed in April 2019, which approved the content and programme of the package professionalization training for candidates for posts of senior principal, principal and senior officers. As a result, the current training curriculum of the Academy of Management is going through a major reform.

Actions:

- Provide systematic training for candidates nominated by government organizations for appointment to posts of senior principal, principal and senior officers.
- Conduct regular training needs assessment of civil servants and government organizations for identification of what skills missing and where, update the training content and programme based on these needs and improve training materials.
- Enable open competition for training suppliers of transferable skills from other sectors such as IT, based on training needs assessments.

## **Strategic objective 2. Strengthening ethics, discipline and accountability of civil servants**

Trust is integral to the successful functioning of a civil service. Trust takes time to build but can be rapidly undermined by dishonest, unethical and biased actions or the perception of unfairness. A renewed foundation of trust will be established through ethical, politically neutral, impartial and respectful public services.

What needs to change

**Ethical:** A renewed foundation of citizens’ trust in their government will be established through ethical, politically neutral, impartial and respectful civil service. Trust takes time to build but can be rapidly undermined by dishonest, unethical and biased actions or the perception of unfairness. Civil servants are expected to do the right thing, uphold the law and the spirit of the law, and put the national interest ahead of their personal interest. Civil service values are clearly documented and widely understood. There are consequences for unethical behaviour and a strong track record of ethical actions and decisions is essential for promotion.

**Political neutrality:** Core civil service appointments, processes and advice are not influenced by political party affiliation and are free from undue political interference. An individual civil servant’s political affiliation has no impact on their professional behaviour or their chances of appointment or promotion. Politicians are obliged to support and promote political neutrality in

the civil service and face consequences if they seek to undermine it. Citizens and civil servants can call out any politically biased civil service actions or decisions without fear of reprisals.

**Impartial and respectful:** Everyone is treated fairly, equitably and with respect by civil servants. People do not receive worse treatment due to their gender, ethnicity, political affiliation, sexuality or socio-economic status. Civil servants dress professionally, behave professionally and communicate professionally. Service standards are met for all interactions.

How to deliver it

Actions:

- **Merit-based selection** – The highest priority of this reform is ensuring that the selection of civil servants for appointments and promotions is based on merit rather than political affiliation. This is the most important step for establishing political neutrality in the civil service and regaining the trust and respect of the people of Mongolia.
- **Wrongful dismissal consequences** – Political appointments are also made possible by the unjust removal of serving civil servants from their roles. The new Civil Service Law (Article 50.1) sets clear consequences for an official found to have made a wrongful dismissal. If the Civil Service Council or a court proves that a core civil servant has been removed from their role unlawfully, the damage incurred by the state shall be compensated by the official who made the wrongful decision.
- **Increased oversight** – Changing current corrupt human resources practices will require support, encouragement and enforcement. The Civil Service Council has a critical role to play in providing strengthened oversight over appointment and dismissal processes. This role will have to be active and reactive: checking on agency practices and responding to complaints and concerns. The Civil Service Council is granted significant authority and powers by the Civil Service Law (Articles 65-74) and the effective execution of these powers will be essential for successful reform. The Civil Service Council has a strong mandate to act independently of political interference in investigating selection processes and auditing human resources practices. Enforcement of its decisions are mandatory, and it has the power to revoke illegal decisions.
- **Enforcement of code of conduct** – Civil servants swear an oath to adhere to Mongolian laws and ethical norms. For the purpose of providing a guidance for civil servants, The Government of Mongolia passed a resolution #33 of 2009 approving “Ethics code of civil servants in the administrative and service categories”. The procedure defines ethical breaches and sanctions for breaches starting from warning to voluntary resignation from the civil service, in case of misconduct of disciplinary and crime nature, impose sanctions in accordance with relevant laws and procedures.
  - Within the framework of the package professionalization training, conduct repeated training on ethics and accountability for civil servants at all levels.
  - Senior officials will understand that demonstrating and promoting ethical behaviour is central to their leadership responsibilities.

- The functioning of the Ethics Councils at the government and public service organizations will be regularized and the Civil Service Council will provide technical support and guidance.
- **Discipline and accountability of civil servants** – If a civil servant is convicted of corruption or abuse of power they can no longer be a civil servant. Clear misconduct will lead to disciplinary measures. Legal framework will be improved for disciplinary procedure for timely detection and prevention of a misconduct, handling disciplinary cases efficient, fair and equitable manner. Not meeting expectations will be a performance issue that will be addressed through performance review and will directly impact on chances of promotion or increased responsibility.
- **Creating zero-tolerance environment towards workplace harassment** – develop and enforce internal organizational procedures prohibiting any form of illegal harassment, including sexual harassment, discriminatory practices, imposing sanctions to official in case of breaches. Within the framework of the package professionalization training, conduct repeated training on prevention from workplace harassment, including sexual harassment.
- **Open information** – Open disclosure of annual reports on ethical breaches and misconduct and disciplinary actions for all civil servants.

### **Strategic objective 3. Improving policy making capability**

For governments to make good decisions they need access to high quality advice. In Mongolia, new laws, policies and programmes are often proposed without solid analyses of the impacts of past policy interventions and the lessons learned. The result is poor implementation and inconsistency between policies. It is the responsibility of the civil service to ensure that Government is being provided with the best advice possible.

#### **What needs to change**

**Policy advice:** Providing policy advice to the government is an essential function of civil servants. They have a duty to provide evidence-based, balanced and objective advice to policy makers. However, because of expectations for government transparency, technological revolution, other social and political factors, new skills are required from civil servants in definition of policy problems, designing solutions and effective communications on policy decisions and implementation for the required political support.

#### **How to deliver it**

- **Open policy** – Understanding the root causes of complex policy problems requires analytical skills that can synthesise multiple disciplines and perspectives into a single narrative. Problem definition is no longer possible in a closed environment of experts. Opening up policy making means that problems are often raised to the attention of civil servants by citizens and politicians. Civil servants will acquire new policy communications tools such as the use of webpages, platforms, video-editing, and the new media.

- **Evidence-based policy** – Often policies are developed in isolation from practicalities of implementation. Policy advice will be based on evidences of what works, taking into consideration of budgetary and time constraints, incentives and barriers to implementation of government policies at the local and user levels.
- **Policy implementation** – The Government is no longer sole player in policy implementation and service delivery. Civil servants need new skills to manage complex contracts involving international, private and public sector investment, public-private partnerships and project and teamwork. In addition, because of the increasing complexity of socio-economic issues, the government organizations are pressed to improve intersectoral cooperation and coordination.
- **Policy training** – In addition to the traditional policy tools such as economic analyses, cost-benefit analysis, scenario planning and consulting with citizens, civil servants need to acquire new tools such behavioural insights, data analytics, foresight techniques, forecasting of future risks, use of the social networks and social media. Those who are in policy functions are expected to undertake at least five days a year of continuing development to acquire policy skills.

#### **Strategic objective 4. Improving performance of public organizations**

The civil service has to cope with challenges of the 21<sup>st</sup> century including technological revolution, interconnectedness of the world economy, world power shifts, demographic and climate changes, income inequality, increased crimes, economic management, declining trust of citizens in the government and democratic participation, weakened social capital, national sovereignty “leaked up” to multinational corporations, international organizations and businesses. These economic, social, political, technological and environmental challenges require public organizations to think, act and learn strategically as never before. Strategic planning is designed to help coping with a new environment and defining the most pressing problems and ways to address them.<sup>3</sup>

##### **What needs to change**

**Strategic management:** Strategic, business and individual performance plans are key accountability mechanisms in the civil service. These plans set out what is going to be done and how success will be measured. Reporting and monitoring of organisational performance against their strategic and business plan commitments drives accountability for government organisations and their management. Individual performance reviews that directly contribute to chances of increased responsibility, remuneration and promotion drive individual accountability. Accountability for the results delivered is an essential feature of a merit-based system.

##### **How to deliver it**

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<sup>3</sup> Bryson J. Chapter 1, *Why strategic planning is more important than ever*, in *Strategic planning for public and non-profit organizations*, the 5<sup>th</sup> edition, Wiley, 2018.

- **Strategic plan** – The new Civil Service Law requires government organizations to develop a four-year strategic plan (Article 53). The Government of Mongolia passed a resolution #36 of 2019 approving “The procedure for developing, approving, and implementing strategic plans”. According to the procedure, the Cabinet Secretariat, government ministries and Governor’s Offices of Aimags and the capital city are required to develop strategic plans within their jurisdictions no later than two months after approval of the Government’s Action Plan and responsible for ensuring their implementation.
- **Business plans** – In line with the Article 54 of the Civil Service Law, the Government of Mongolia passed a resolution #37 of 2019 approving “The procedure for developing business plans, establishing performance objectives and indicators and reporting”. Business plans will be aligned to the strategic plan and other policy documents, should have clear objectives and indicators, clearly define targets and performance indicators.
- **Results-oriented monitoring system** – The strategic and business plans only work as accountability mechanisms if there is a clear requirement for annual performance reporting against the plans and the provisions for monitoring of results. The Cabinet Secretariat has a critical role to play in promoting the results-oriented culture in the civil service by establishing the plan requirements and standards, and improving reporting formats and associated indicators, the monitoring and evaluation function of government organisations towards results orientation.
- **Transparency** – Transparency supports all the objectives of civil service reform. Improved transparency of government organizations will be driven by the setting and enforcement of clear standards and requirements for the accessibility, release and sharing of information. Making Government information transparent is a very sizable and significant undertaking so it is vital to prioritise where increased openness will make the biggest difference. Over time the balance will shift away from a need-to-know assumption of secrecy to transparency being the default unless there is a reason for confidentiality.
- **Citizen-centred monitoring** – Citizens demand greater transparency from the government and their expectations about the quality and effectiveness about public services have changed. As a result of technological advances transparency means will continue to increase and the new media, including social media will continue serve as an oversight force.
  - Partnership will be built between government agencies, civil society organisations and private sector stakeholders to work together to deliver integrated services.
  - Digital transition will enable access to information so that every citizen participates in policy making and service in an informed manner.
  - Improve methodology for participatory monitoring of performance of government organizations. In order to ensure the objectivity and independence of such assessment, contractors with sociological and social audits will be utilized, related costs will be reflected in the state and local budgets.

- A Public Oversight Council will be established to monitor the quality, access and impacts of public services. The government will provide the necessary support in regularizing its activities.

## **Strategic objective 5. Establishing the optimal structure and size of the civil service**

Ensuring civil service institutions are people-centred and sustainable

What needs to change

Sustainable

People-centred functional alignment

Digital transition

How to deliver it

### **5.1 The right size of the Government**

There are two internationally accepted measures of a government size: the ratio of government expenditure to GDP and the ratio of government employment to total employment. If the ratio of government expenditure is below 30 percent, the size is considered as 'normal', if it reaches above 30 percent as 'abnormal', above 40 percent considered as 'wasteful'. As for Mongolia, the percentage of the government outlays in GDP persistently remained above 40 percent since 1990. As of 2014 it was 41.1 percent [needs update]. Moreover, the government debt in GDP was 8.4 trillion tug and 49.5 percent in 2014 [needs update]. High share of government outlays in GDP indicates lesser resources allocated to the private sector, resulting in slower economic growth.

As of January 2019, the civil service employs 193557 people accounting for 15.6 percent [needs update] of the country's total workforce. Hence, the government has become the biggest employer, with one in every five people of Mongolia working in the civil service. When compared with OECD countries, the ratio is highest in the Scandinavian countries with 20-30 percent, lowest in Japan and Korea with 7-8 percent.

Actions:

- To introduce and enforce a legal requirement for keeping the ratio of the government expenditure to GDP at below 40 percent
- Tighten control by the Cabinet Secretariat and the Civil Service Council to increase staffing without justifiable reasons.

### **5.2 The optimal structure of the central and local public administration organizations**

The structure and organization of the central government ministries and agencies changed as the new governments formed. However, such changes lacked clear justifications. In some cases, increasing the number of ministries served the purpose of awarding with the post of the Minister to the members and supporters of the winning party as well as parties that joined the coalition.

In transitioning to agency structure in 1996 it was envisioned that the agencies would be separated from policy making, while the ministries were supposed to have small structures focused primarily on policy making. In this way, the agencies were to implement policies and undertake government regulatory functions, and were to become self-sustaining. However, no assessment has been made to date as to whether how the ministries and agencies are performing their respective functions of policy making and implementation and regulation, and how appropriate their current structure is.

Internationally, it is advised to undertake a systematic review of functions if the government structure is not reviewed for more than 10 years.

The Civil Service Law requires post requirements to be developed based on job analyses. Ideally, options for a sound structure of the government based on a systematic analysis of functions of government organizations should precede this exercise. But this is an exercise which requires lots of efforts, time and money, hence never done in Mongolia.<sup>4</sup>

In terms of sequencing, a broad review of the structure of the central government ministries and agencies should be undertaken first, followed by a broad review of horizontal allocation of functions across different levels of the government, and eventually detailed reviews of functions and structures of individual government organizations in a sequenced manner.

#### Actions:

- Complete assessment of implementation of “the state policy on reforming government processes and the general state structure” approved by the SGH resolution #38 of 1996, and the broad review of functions of the Government ministries and agencies by the first half of 2020;
- Complete a broad review of functions of local governments, including Governor’s offices of the capital city and aimags, branches of the central government agencies at the local level, Secretariat of the Citizens’ Representative Hural in 2021, provide recommendations feeding into the revision of the Law on Administrative and Territorial Units and their Governance (LATUG);
- Sequential review of functions and structures of public administration organizations according to approved timelines;
- Provide recommendations for addressing overlaps, gaps, contradictions of functions through legal means.

### 5.3 Digital transition

Digitalisation is one of the most evident and important changes in today’s society and the civil service. Websites and social media platforms are now essential tools for communicating with the public. ICT plays a critical role in speeding up the flow of information and knowledge between government and citizens and transforming the way in which governments and citizens interact.

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<sup>4</sup> Excerpt from speech of Mr. B.Tsogoo, the Chair of the Civil Service Council, the National Forum of Public Managers, 21 September 2018.

The Government of Mongolia approved “The National E-Governance Programme” by its resolution #73 of 2019. The programme sets out objectives of developing E-Governance through integrated policies and plans on hard and soft infrastructure, introduction of e-services, government information system, protection of data integrity and security, promote creation and use of open data, ensuring e-participation of citizens in the government decision making, promote human development through application of smart technologies regardless of space and time.

Implementation of the programme improving digital skills of civil servants. Knowledge of ICT needs to be enhanced with training. There are essential competencies in this area such as basic desktop administration and maintenance, official use of social media, understanding the impacts of emerging technologies on government processes, office automation, e-government services, information security, privacy and related concepts, data protection, computer and cyber security.

Actions:

- Review of functions and structures of public administrations conducive to the digital transition which allows the people without barriers and in a timely manner;
- The Civil Service Council will establish and maintain a National Integrated Register of civil servants. The Register will reflect past and present employment records and the roster of reserve candidates for managerial positions.
- Embed digital skills at every level of the civil service

## **Strategic objective 6. Increasing motivations of civil servants**

Motivation matters....

What needs to change

**Motivation of civil servants:** The civil service employment offer is more than just pay and pensions. It combines a number of important aspects such as working environment, interesting work, learning and development, career advancement, performance management and reward, civil service values, ethos and culture.

How to deliver it

- **Civil service culture** – Cultures of upholding the civil service values, eradicating red-tapes, focus on achieving results, cost savings, mutually respectful relationships between supervisors and employees and among employees will be nurtured. The new competency framework will promote and support such behaviours and will be adopted as part of the special requirements for the post and performance management of civil servants.

**Civil service remuneration** – Comparative pay levels are a key driver of civil servant motivation and of the recruitment and retention of talented people. Civil servants must receive the salary, compensations, allowances, rewards, bonuses, pensions and benefits which are due in their job position. The procedures for setting all of these factors will be clear and fully implemented.

The salary of a civil servant will be determined by:

- job analysis which defines the functions and responsibilities of the job position
- linkage to the average living standards of the population and average salary of positions in the private sector
- adjustments based on the relative performance of the civil servant against their individual performance agreements.

If the average salary of civil servants falls 5 percent below the average salary of comparable positions in the private sector a proposal to increase salary levels of relevant job positions will be considered and resolved by the State Great Hural.

Disputes from complaints regarding rewards, salaries, work conditions or social guarantees will be independently resolved by the Civil Service Council.