

POLICY PLANNING ISSUES ON ENVIRONMENTAL MAINSTREAMING FOR ACHIEVING SUSTAINABLE DEVELOPMENT IN MONGOLIA¹

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Abstract

The adoption of the Sustainable Development Goals not only initiate substantive changes across economic, social and environmental pillars of development, but it also triggers the need to strengthen the development policy planning processes. The development policy planning process is the foundation to sound and effective policies. This paper explores the policy planning environment in Mongolia focusing on environmental mainstreaming, identifies bottlenecks for integrated planning and proposes opportunities that could be leveraged on to improve the governance of development policies to achieve the sustainable development.

Keywords: policy coherence, development policy, economic-social-environmental interlinkages

¹ The views expressed do not necessarily represent the decision or policy of the National Development Agency or Mandakh University, nor does citing it constitute endorsement.

1. INTRODUCTION

The UN General Assembly, held on September 2015, adopted the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals (SDGs) with 169 targets and 244 indicators. This agenda has comprehensively identified sustainable development at a global level and agreed to be adopted at the national level. As such, most countries have already defined these goals at the national level and already begun to integrate them into their development policies.

Despite the adoption of the SDGs in 2015, the concept of sustainability has long-been a discussed topic around the world. In ancient times, trends in population growth, increase in consumption after industrial revolution and its implications on essential resources such as wood, coal and oil triggered decision-makers to carefully consider the need to use resources in a sustainable way (Du Pisani, 2006). This issue continues to be at the center of development discussions as global population triples (World Bank, 2020) and manufacturing production booms resulting in unprecedented economic growth between 1950-1960s raising expectations for the economy to grow exponentially. Although mainstream economists from the neoclassical orthodox school were aware of the sustainability problems to exponential consumption patterns of resources, they assumed that once a commodity becomes scarce, new technologies would be introduced to economize.

In light of economic and population growth and concerns over resource depletion, discussions around how we perceive development has increased. For instance, the Bruntland Report published by the World Commission on Environment and Development in 1987, developed guiding principles for sustainable development as it is generally understood today. The report explained that critical global environmental problems were primarily caused by enormous poverty and non-sustainable consumption and production patterns, and called for a strategy that united environment and development, which ultimately became a term, sustainable development.

Since then, countries have adopted the Millennium Development Goals (MDGs) and the SDGs—global goals through which progress has been made in many social and economic pillars of development. Recently adopted SDGs place equal emphasis on the economic, social, and environmental dimensions of sustainable development and emphasize the need for governments to realize these interlinkages through policies and legislation. With the surge of global efforts to ensure a sustainable world for our future generation, there has been greater emphasis on policy planning around the world. Extant study by the University of Manchester-based Strategic Network on New National Planning shows that the number of countries with a national development plan has more than doubled – from 62 to 134 – between 2006 and 2018, and that nearly 80 per cent of the global population now lives in a country with a national development plan of one form or another. Chimhowua et al, describe this process of re-emergence of development planning process driven by the adoption of the SDGs in 2015 as an integral part of how countries envision their future in line with global development trends.

Similar trend in the re-emergence of planning can be observed in Mongolia. In 2016, Mongolia became one of the first countries to reflect the concept of the SDGs into its new long-term development policy, the Mongolia Sustainable Development Vision-2030 (SDV). In the same year, Mongolia established the legal basis for policy planning by adopting the Law on Development Policy and Planning, which created legal grounds, principles, steps for policy planning. Despite these efforts, the planning process, which is a crucial policy cycle for ensuring the linkages across economic, social and environmental development pillars remains insufficient to drive sustainable development.

This article will first explore the current policy planning processes with a focus on environmental mainstreaming. It will not only look at the policy perspective, but also the institutional factors affecting effective synergistic policy making. Secondly, it will overview the opportunities for strengthening the policy planning process to better ensure environmental mainstreaming. Lastly, it will finish with conclusions briefly outlining the areas that need exploring in the future.

2. OVERVIEW OF POLICY PLANNING MECHANISMS FOR ENVIRONMENTAL MAINSTREAMING

Despite the early adoption of the SDGs, localizing the complex, interdependent, and comprehensive development goals to the national context, prioritizing and mainstreaming them, especially into medium- and short-term development policies and government budget framework, is work in progress. Despite showing economic growth and human development in the past years, its agriculture-based, livestock-dominated economy, with a high-dependency on natural resources, Mongolia's primary, extractive-sector dominant economy is not resilient to external shocks from global commodity price fluctuations. Also, its agriculture is not resilient to natural disasters. These vulnerabilities have had social and environmental consequences, presenting challenges to sustainable development.

In addressing these development challenges, sound development policy planning that incorporates sustainability will be critical. In light of this, Mongolia is using the Sustainable Development Goals as a compass to strengthen consensus around coherent, coordinated actions within Government and across different stakeholders.

2.1. Note on Persisting Challenges in Improving the Planning Process

The economic shift from a central to a market-based economy had extensive governance implications. Prior to the 1990s, as was the model in many Socialist countries, policy planning operated using a top-down approach in a centralized way. This was done heavily by technocrats with specialized skills and knowledge in analysis, which with no doubt lacked the democratic process of inclusiveness and bottom-up approach.

However, the sudden governance shift resulted in eliminating the infrastructure for integrated policy planning, which is a fundamental process for ensuring interlinkages across economic, social and environmental pillars of development. Perceptions about development

concepts not only in Mongolia, but globally, discouraged planning. The direct and indirect implications are evident in the plethora of extant policy documents and legislation that are not fully enforced as expected.

Since adopting global goals, the United Nations member states are starting to realize that in order to foster the sustainability of the planet and the opportunities of today for the future, we need to plan accordingly. While the MDGs were primarily focused on social issues, learning from its implementation lessons, the SDGs were designed with the goal to develop economic, environmental, and social sectors in synergy dedicating goals 16 and 17 for partnerships, institutions, and coordination matters. In other words, the SDGs have shed a spotlight on the important, but often times left out topic of integrated planning.

2.2. Policy Challenges

As of April 2020, Mongolia has approved approximately 568 policies since the 1990s, out of which around 197 national level development policies were approved by the Parliament and the Government.

Table 1. List of Existing Development Policies in Mongolia

	Vision	State Policy	Policy Basis	Strategy	General guideline	National Program	Program	Sub-Program	Master Plan	Plan	Direction	List	General Development Plan	Policy	Total
General, economy, finance	4			1	3	4	3			3		1		2	21
Foreign affairs							3								3
Mining, Heavy Industry		3				4	1								8
Agriculture, Light Industry		5		1		12	1								19
Road, Transportation		3		1		4	1			2		1			12
Energy		1				2									3
Construction, Urban Development		3				2	2			4			3		14

Health		1		1		13	2	1							18
Environment, Tourism		2				14	2			1					19
Labour, Social Protection		3		3	1	10	2								19
Education, Culture, Science, Sport		5				15	3		1		2	1			27
Governance				1		2				2					5
Law, Defense		3	1	2	1	8	2			2	1				20
ICT		1				2									3
Others		1			1	2				1		1			6
Total	4	31	1	10	6	94	22	1	1	15	3	4	3	2	197

Source: author's calculation

A close look at these policies indicate that the environment sector has second most policies compared to other sectors. Similar to this, the government adopted the Green Development Policy in 2014, enshrining clear policy objectives for protecting environmental resources, conserving nature, and setting limits on the use of natural resources. However, most all of the environment related policy actions are all dependent from human activity, in particular, from economic and social sectors.

Mongolia's 2019 Voluntary National Review showed that Mongolia's recent performance was poor in three of the major global sustainability-related indices: ecological footprint (2014), environmental well-being (2016), and environmental performance (2018). For Mongolia to achieve the SDGs, it is vital that their environmental dimensions are systematically integrated into the national development policy-making and planning processes.

Government regulations exist for planning development policies, conducting environmental strategic assessments, and measuring impacts on the environment. However, the impact of economic and social policies on the environment are not measured for all policies as they mostly are done for mega or investment projects. For instance, Section 9.12, 18.4, 24, 25, 26, 31.5 and attachment 4 of the General Guideline on Formulating Development Policy Documents passed by the Government Resolution 249 of 2016 require the conduction of impact assessment of the proposed policy on various factors such as the legislative, policy, institutional structures as well as economic, social and environmental issues. However, in practice, this

impact assessment is not conducted extensively as expected. Thus, in order to ensure the comprehensive nature of policies, certain tools and methodologies need to be in place to support the existing regulation such as the General Guideline on Formulating Development Policy Documents.

To explore the coherence of development policies in Mongolia, a task force was formed by the Prime Minister's Order Number 2 of 2019 led by the National Development Agency. This assessment process reviewed the existing policies in the following steps:

Four types of assessment were conducted by the Principal Working Group:

1. Whether policies are compliant with the Law on Development Policy and Planning
2. Whether policies have targets and indicators for each goal and objective
3. The extent of alignment between existing short and medium-term policies and SDGs, SDV-2030, the Government Action Programme, and sectoral long-term policies
4. How short and medium-term policy outcomes are contributing towards achieving the SDV-2030

The assessment results indicate that the existing policies are not sufficiently coherent horizontally or vertically and not fully compliant with respective legislation, meaning the policy objectives may have trade-offs that need to be further explored.

2.3. Institutional Challenges

Mongolia has set ambitious targets under its SDV-2030, aspiring to join "leading middle-income countries based on per capita income by 2030." To realize this goal, the government recognizes the important role of "whole of government" (Christensen and Læg Reid, 2007) and "whole of society" approaches. Extant research indicates that achievement of sustainable development through the 2030 Agenda, requires efforts beyond creating an institutional framework. Rather governments need to create new dynamics throughout policy cycles, across sectors and between levels of government (UNDESA, 2018).

In most countries, including Mongolia, issues related to the environment were seen as the responsibility of the environment ministry or department, thus line ministries lack the effort to think about it. This pattern is not only evident in the environment sector, but rather, in all ministries regarding the respective issues they are mandated for. This creates silos across institutions and the policies that they implement and ultimately, the results of which put hindrance on the broader governance spectrum.

This pattern can be observed in the sectoral policy making process in Mongolia. Socio-economic sectors lack environmental awareness and knowledge pertinent to their sector, but at the same time, the environmental sector policy practitioners lack the technical knowledge and capacity of social and economic sectors. This indicates that putting the environmental ministry or department would not solve the lack of environmental mainstreaming. Rather, all stakeholders ought to have a comprehensive understanding about the interlinkages across sectors in order to better envision cross-sectoral trade-offs and come up with optimal policy interventions within

their respective sectors. This task is not simple and requires a coordinated and synergistic system. Globally, the institutional mandate for this task varies, but the common factor is that there usually is a designated institution with a higher status than line ministries (i.e. directly under the Prime Minister or President) and is also the focal point for the SDGs. In countries in the Asia Pacific region such as Indonesia and Malaysia, the planning government bodies are usually tasked with this mainstreaming and coordination mandate.

In Mongolia, this mandate has shifted around within the government (Figure 1), which could be a reflection of the governance related transitioning challenges it encountered.

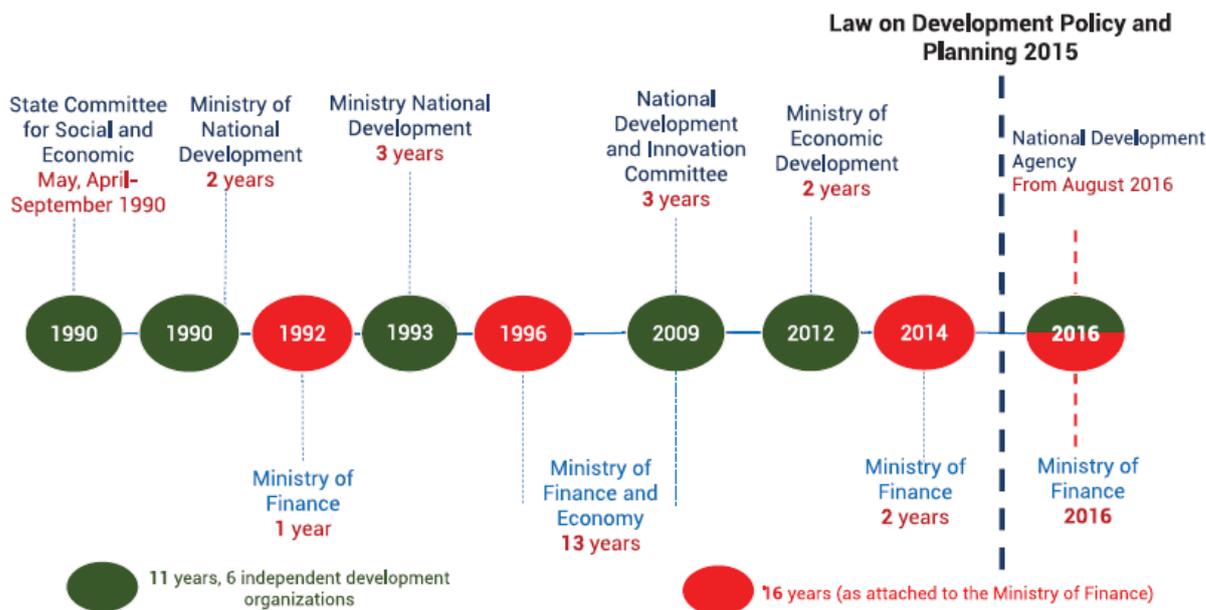


Figure 1. Frequent Change of Development and Planning Organizations over the Past 30 Years (National Development Agency, 2019)

As of 2016, the planning and policy coordination mandate has been designated with the National Development Agency (NDA), a regulatory government organization under the Prime Minister. The NDA has taken several successful attempts in institutionalizing tools and approaches in ensuring coherence, and economic, social and environmental symbiosis. However, despite these extensive efforts, legislative obstacles persist in not providing full legal basis for the NDA to review and authorize all development policies. These legislative obstacles are related to the inconsistent and overlapping regulation of mandates and obligations across state central and state organizations in legislation such as the Law on Development Policy and Planning, Law on Government, attachments to the Government Resolution 249 and 89.

3. CONCLUSION

This paper attempts to give an overview of the governance mechanisms, particularly the policy and institutional factors hindering achievement of sustainable development. From this overview it can be observed that Mongolia is not in lack of development policies, rather, it is the quality of those policies that need improvements. There is potential for increasing the

effectiveness of governance measures by making the development policy planning process to become more robust, coherent and inclusive, which could be a leverage point for reaping maximum benefit out of policies.

More generally, in addition to improving the development policy planning process, other policy cycles such as policy implementation, reporting, monitoring and evaluation processes need to be more synergistic, one process feeding the other. In practice, it is necessary to base the decision to draft new policies based on the evaluation of previous policies, which requires closer institutional cooperation.

All the above-mentioned issues need to be addressed in respective legislation. At the moment, the Law on Development Policy and Planning is being discussed for revision by the Parliament, so we will keep a close eye on its developments. Finally, a crucial factor for achieving sustainable development in Mongolia, requires meaningful participation of various stakeholders. Thus, a long-term and inclusive stakeholder platform needs to be established so that decisions on future development interventions are conscious of the needs of all groups of the society without leaving anyone from development benefits.

In order to accelerate progress towards achieving sustainable development, governance mechanisms pertinent to policy planning processes and institutional coordination needs to improve significantly. The following opportunities can be leveraged on to ensure the necessary environment for this endeavor.

- 1. Alleviate institutional gaps and inconsistencies.** A comprehensive review of roles and mandates on policy and institutional coordination must be assessed and respective action should be taken systematically taking into consideration the role of government organizations at the Parliament and President level, and non-government stakeholders such as the private sector and civil society organizations.
- 2. Heighten the standards for each policy cycle.** Policy planning and formulation processes need to be refined through comprehensive tools and approaches. Draft policies need to go through a rigorous and streamlined review and authorization process where policies not compliant with respective planning standards are not passed. In addition, the differences across reporting, monitoring and evaluation processes are clarified in legislation and enforced. Finally, systems for using the evaluation of policies as basis for the next policy needs to be established and enforced.
- 3. Clarify and increase the role of non-government stakeholders.** SDG implementation require resources that the government does not have. Thus, stakeholders like the private sector, civil society organizations and academia need to be meaningfully included in all arenas for moving towards sustainable development. Aside from sharing the burden of the need for resources, non-government stakeholders provide invaluable perspective and feedback for improving development policies and help understand the trade-offs from policy actions.
- 4. Increase awareness through systematic advocacy initiatives.** It is clear that lack of understanding of the interconnectedness of development issues and its countermeasures persists at all levels of society including the government. Knowledge and information about the synergy across economic, social and environmental issue ought to be advocated to the public through all channels of communication. Measures such as introducing the topic of sustainability could be

included in curriculums as early as kindergarten and secondary education levels. Another important venue to inform the public is educating journalists and media.

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