

# New State Policy on Decentralisation boosts government's reform agenda

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**Ulaanbaatar, 19.09.2016 -- The Government of Mongolia's adoption of the first state policy on decentralisation reform on 28 June 2016 will accelerate slated reforms that have been on the political agenda since 1992.**



The State Policy on Decentralisation will clarify the functions, finances and responsibilities at the lowest level of public administration. © SDC

The prior lack of a comprehensive decentralisation policy and clear distinctions in relation to the roles and mandates of central and local administrative bodies often led to the inefficient use and allocation of public resources.

The new State Policy on Decentralisation, which is based on the core concepts of good governance, transparency and accountability in decision-making processes, aimed at addressing those issues.

The policy also ensures that the disbursement of revenues is properly aligned and resolves such long-debated issues as insufficient state budget allocations to local governments.

"The essence of decentralisation is transferring authority to the lowest level of public administration - one that is closest to the people - without any overlapping functions," said Deputy Chair of the Cabinet Secretariat U. Byambasuren. "Therefore, it would be of great significance for us to have a comprehensive functional analysis and a systematic methodology for reallocating functions."

Prominent Mongolian scholars such as Dr S. Zulfikar, Director of the National Academy of Governance of Mongolia, praised the government's decentralisation efforts.

"Decentralisation is a key to ensuring democratic values and principles in all the political, economic and social spheres," Dr Zulfikar said. "The effective assignment of functions among local and central administrative organisations is an instrument to increase the efficiency and effectiveness of public service."

The policy incorporates a detailed roadmap for the government's implementation of decentralisation reform, which is to be carried out in two phases until 2024.

The Swiss Government, through the SDC's Governance and Decentralisation Programme, supported Mongolia's Cabinet Secretariat in formulating the policy. The Lucerne University of Applied Sciences in Switzerland also provided technical input based on Swiss experiences of the reallocation of functions and fiscal equalisation.

The next steps are the elaboration of a methodology for the reallocation of functions and the development of an action plan of the decentralisation reform followed by support to its implementation.