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FM: TOKYO



Every time we travel abroad and hear people talk about our country, we always focus on what is being said. It is almost like setting yourself to a specific frequency on FM radio. I have recently attended the sixth Invest Mongolia conference organized in Tokyo and have summarized below what I learned, trying to capture everything I heard there.

Mongolia, and other countries whose foreign exchange reserves are limited, does not have many choices other than competing with others to attract foreign investment and technology. Our government and our private sector have spent the last 20 years touring around the world and visiting the largest cities to demonstrate why investing in Mongolia is a good thing, what business opportunities there are, what advantages will be gained, and how the overall living environment as well as the legal framework are set up.

This conference, which is organized by the Japanese company Frontier on an annual basis, took place in JICA's

Global Plaza building. In total, there were 250 participants, including ambassadors, scholars, journalists, Japanese companies who are looking to do business in Mongolia, and Mongolian businesses who are seeking to establish business partnerships.

At the same time as the conference took place in Japan, a political struggle around dismissing Prime Minister Khurelsukh's cabinet and disbanding the entire government was reaching its peak in Ulaanbaatar. It was the reason why some invitees, including Minister of Mining and Heavy Industry D. Sumiyabazar, did not take part in the conference. A small group of government representatives, including embassy officials who made it to the conference showed up only in the morning and disappeared for the day without coming back to the event. Some of them gave speeches, but went missing immediately afterwards.

Here is the summary of some of the topics discussed at the investment conference that happened on a shaky day in UB. ▶▶

► COAL EXPORTS

Mongolia's most important industry is mining. However, due to the delay in building a railroad from our biggest coking coal mine to the border, Mongolia is losing 22 USD for every tonne. The cost of transporting coal using trucks is 28 USD per tonne, while the railroad can bring it down to 6 USD. What we are losing each year would have been enough to build 270 km of railway.

The state-owned Erdenes Tavan Tolgoi sells its coal at the mine, so they do not assume any responsibility for transportation. Essentially, it is up to transport companies who they hire and whose trucks they use, which results in an increased number of accidents and fatalities. Our state-owned companies do not have any sense of corporate social responsibility.

Energy Resources, which is a private coal mine, is not only washing coal at their mine site, but also

managing the delivery of coal to Ganqimaodu port for 135 USD a tonne and to the east coast of China for 175 USD (having been able to organize transportation within China). Erdenes Tavan Tolgoi sells their coal at their site for 60-70 USD a tonne, which increases to around 100 USD at the border before Chinese companies import the coal, wash it, and sell on for around 150 USD. It means we are losing 50 USD per tonne. In other words, for every 30 million tonnes of coal exported, we are losing 1.5 billion USD. With this money, you can build 4-5 coal washing plants with a capacity to process 15 million tonnes a year.

If there is an intention to offer shares of Erdenes Tavan Tolgoi on the international capital markets, there is unlikely to be much interest to invest in small parts of a state-owned company led by a board of directors who are politically appointed.

AGRICULTURAL EXPORTS

We need to accurately certify the sources of our products, provide a guarantee that they are organic, improve our productivity, and adopt new technological solutions such as the Internet of Things

(IoT) as quickly as possible. Also, there is a need to improve the quality of our agricultural products and step up their packaging.

TRANSPORT AND LOGISTICS

If you arrange a container to be delivered from Japan to Mongolia, it travels on a ship to Busan in Korea and China's southern coast, then on trucks, and then on trains to Ulaanbaatar. It makes transportation costly and slow. This route is often selected as per DHL's requirements. Otherwise, if the goods are to be transported via Tianjin, it is required that only one

type of product be transported in one container.

A high-ranking official from China committed to allowing painless transit (with less border and customs restrictions) between Ulaanbaatar and Tianjin. What happened to that commitment?

GOVERNMENT POLICY

There is so much instability in the Mongolian government itself and its policies. The government announces and commissions a large number of competing projects, but none of them end up being fully executed. Even if they are implemented, they end up running deficits due to eventual competition in pricing. There have been years of talk on how a power plant will be built in proximity to coal mines, but it was never realized. The domestic electricity tariff is set by the government at such a low level

through heavy subsidies. Due to electricity being too cheap, power plants are unable to accumulate enough capital to upgrade technology and improve the infrastructure for transmission and distribution.

The price of electricity must be at the right level, not forced to a low level, and there is no need to enable subsidies for everyone. These outdated power plants are still operational because Mongolia has good engineers. We need to build a new power plant equipped with new technology.





▶ CAPITAL MARKET

When international large banks and companies look at potential partners in Mongolia, they not only look at their business needs but also the corporate social responsibility those potential partners have. However, it is not clear how Mongolian businesses are contributing to environmental or humanitarian

causes or how their social investment works. Despite being a shareholding company, Mongolian businesses do not keep operational reports or the full list of shareholders transparent and accessible. Twenty-eight years later, the foundations of Mongolian Stock Exchange are still being politicized.

WORKFORCE

If Japan enacts their revised law on hiring foreign labor starting from 1 April 2019, there will be a lot of Mongolians who will be heading there. Mongolians can be good workers who are relatively more educated and can learn Japanese to a sufficient level reasonably fast. Even though the Chinese are

the largest foreign population in Japan, Mongolia would be at the top if those numbers are compared to the population of their home countries. Another area where we are at the top of the list, followed by Bangladesh, is the number of people who overstay on their visas.

NEW AIRPORT

What happened to our new airport that was supposed to be commissioned two years ago?

The Japanese side completed the construction of the airport on time, but Mongolia did not build the road in time. The decision to choose a company to operate the airport is still being postponed. The original agreement, which went through at least five Ministers of Road and Transport Development (A. Gansukh, M. Zorigt, D. Ganbat, J. Bat-Erdene, and Ya. Sodbaatar) was that it would be a Japanese company.

[Many services and duty-free stores in the Buyant Ukhuaa airport are owned by ministers and state officials. Therefore, it will not be resolved any time soon, and the same force to keep their own interests is causing delays in the new airport. It looks like the authorities are once again putting the public interest below their own. – JD]

When will the Khushigt Valley curtains be opened?

2018.11.21
Tokyo, Japan ■



The Power of Judicial Review: **DISTANCING THE COURTS FROM POLITICS AND ENSURING LAW AND ORDER**

In 2002, the Mongolian Parliament adopted two new laws to create a new type of court specialising in administrative law. The new administrative courts became operational in June 2004. In Spring the following year, the Tsets, the body responsible for constitutional control in Mongolia (үндсэн хуулийн цэц; undsen khuuliin tsets; or “Tsets”) issued an opinion (*No. 2; 2005*) that the administrative courts did not have the power of judicial review—that is, the power to rule on the legality of administrative acts by the Cabinet. As a result, Parliament removed those provisions from the law and the administrative courts were no longer able to address citizens’ complaints against Cabinet decisions. The decision of the Tsets was criticized heavily by lawyers, especially by *Professor B. Chimid*.

Later, in 2015 and 2016, Parliament adopted the General Administrative Law and the new Law on Administrative Court Procedure. These laws have been in force since July 2016. The administrative courts and the Supreme Court of Mongolia represents the view that these laws reinstated the powers of judicial review by the administrative courts. The administrative courts have accepted, hence, lawsuits against the Cabinet since July 2016. Over the last two years, the administrative courts have reviewed

around twenty decisions of the Cabinet, according to *one report*. The administrative courts have taken up a number of highly politicized issues, such as the 49% of shares of “Erdenet” mining or the *Winter/Spring horse races*.

Tensions between the Tsets and the Supreme Court

Yet despite the new laws, the Tsets continues to assert its 2005 No. 2 Opinion. In a letter dated 02 April 2018, Mr. D. Odbayar, *Chairman of the Tsets*, demanded that the Supreme Court correct the “wrong practice of judicial review of Government’s decisions by administrative courts”. In May, the Supreme Court responded, stating that it “refuses to satisfy the demand” put forth by Chairman Odbayar (*Defacto Gazette No. 47*).

Mr. Odbayar’s letter was criticized by lawyers such as *Dr. O. Munkhsaikhan* who argued that the Tsets may only act if a petition was lodged. Therefore, the Chairman of the Tsets violated both the Constitution and the Constitutional Procedural Law when he issued an opinion without due procedure.

In an October 2018 interview, Supreme Court Justice Dr. G. Banzragch stated that the Tsets’ 2005 No. 2 ►►

- ▶ Opinion was not applicable to the new 2015/2016 laws anyway because the original 2002 Law on Administrative Court Procedure had been repealed by Parliament.

In fact, despite the Tsets' 2005 No. 2 Opinion, Cabinet decisions were being reviewed—but by the civil courts. Between 2005 and 2016, the civil courts were restoring personal and property rights of individuals if they were violated by Cabinet's decisions.

The role of the administrative courts

In theory, the administrative courts are in a better position to protect the rights of individuals with regard to state authorities due to the inquisitorial system that originates from German administrative court rules. The administrative courts may actively be involved in investigating the facts of the case, whereas the civil courts are limited primarily to the role of an impartial referee between the disputing parties. Potentially, the rights of citizens could be protected from arbitrary state actions more effectively if the administrative courts were able to clearly carve out their place in the Mongolian judicial system.

Experience shows, however, that the administrative courts' rules make access to justice more difficult when it comes to areas such as intellectual property protection (*Defacto Gazette No. 69*). Another issue is whether the administrative courts are capable of distancing themselves enough from politics. For example, the current Law on Administrative Court Procedure permits "organisations representing the public's interest" as claimants. With the Winter/Spring horse racing case, the administrative courts accepted several children's rights NGOs as claimants. For administrative courts, the risk of becoming of an extended arm of politicians is thus very high.

One other issue involves the courts' power to interpret ordinary law in consideration of

the Constitution of Mongolia. If a regular court considers a law—the validity of which is material to its decision—to be unconstitutional, it should suspend the proceedings and refer the matter to the Supreme Court. The Supreme Court should then ask the Tsets for an opinion if it decides that the referral by the regular court on a law's constitutionality was sufficiently reasoned.

In the case of the 2015 and 2016 laws, the regular courts did not question the constitutionality despite the existence of the Tsets' 2005 No. 2 Opinion. The constitutionality of the administrative courts' actions is therefore questionable as the Tsets is entrusted with safeguarding the constitutionality of the ordinary laws, according to the Constitution of 1992. *As discussed in a previous column*, this issue reflects the need for reforms of the constitutional procedural law in order to ensure a clear positioning of the Tsets within the Mongolian judicial system.

The way forward

Curbing the administrative courts' powers of judicial review does not solve the current tensions between the highest constitutional institutions of Mongolia. Instead, procedural rules need to be reformed in order to ensure sufficient distancing of the administrative courts and the Tsets from day-to-day politics. This goal can be achieved only by clearly positioning the Tsets within the judicial system and by limiting the rules regarding the admittance of claims before the administrative courts. Mongolia's democracy depends on a judiciary that is free from political influence, clearly structured, and thus able to execute its primary role of maintaining law and order in society.

November 2018 ■



ALEX HEIKENS
UNICEF MONGOLIA
REPRESENTATIVE

THE REAL HEALTH PROBLEMS ARE NOT CAUSED BY THE THINGS YOU CAN SEE

Alex Heikens has been appointed as the Representative of the United Nations Children's Fund Mongolia Country Office as per 21 July 2017. He joined UNICEF in 2013 as a senior adviser at UNICEF Headquarters, New York. He led the development and implementation of UNICEF's policy on climate change, energy, and environmental sustainability. Prior to UNICEF, Alex served as a Regional Policy Adviser for the United Nations Development Programme in Asia-Pacific, providing high-quality support to UNDP Country Offices and Governments on addressing climate change (2010 – 2013). From 2007 to 2010, he was with UNDP Indonesia where he led the development of the UNDP climate change portfolio and assisted the Government of Indonesia with formulating key-policy documents and programmes such as UNREDD. Before joining the UN, Alex did his PhD research on the impacts of contaminated water resources on human health and agricultural production in Indonesia. Besides his PhD in environmental sciences, Alex holds an MSc in Biology from Utrecht University, the Netherlands. Mr Heikens is a Dutch citizen.

Jargal Defacto: What are the initiatives UNICEF is pursuing in Mongolia now?

Alex Heikens: UNICEF has been operating in Mongolia for many years on issues such as water and sanitation, nutrition, health, education and these initiatives will continue for a long time. The one issue where we really need to step up our game is however, environmental pollution. Air pollution has become a serious issue for maternal and child health. This has been going on for 10 years now and I think we are yet to understand the short, medium and long-term consequences of air pollution on children, pregnant women but also society as a whole. I was appointed to Mongolia, because of my environmental background and my commitment to not simply talk about these issues at the headquarters but to support my team here and to take meaningful action, to put the issue in the spotlight. We are seeking to find solutions both in terms of reducing pollution and exposure to it as well as strengthening health services. Children should not be dying from air pollution these winters.

JD: What kind of long-term consequences would you like to highlight?

AH: There is the health aspect as well as the economic one. A recent report by the WHO reiterates that air pollution exposure during pregnancy adversely affects the cognitive development of an unborn child. If your brain is affected, if it affects your learning capacity, if it affects your behavior it means that you are going to carry that with you for the rest of your life. Also, when your lungs are damaged by air pollution while not fully developed, you will carry that with you for the rest of your life. Let's say a five-year-old has been breathing polluted air for a few years, the chances that they will suffer from cardiovascular disease, chronic health problems, lung issues by the time they are 55 is very likely.

JD: Did the same consequences manifest itself in 50's London?

AH: Yes, absolutely. That is also where we are learning from. There is a significant increase of health problems and health costs in the generation that grew up in 50's London. This is something that Mongolia needs to think about. In 20 – 30 years from now, you will most likely have a significant increase in health costs and you need to start to figure out how to pay for it. It is not fair that the children of today did not cause the pollution problem, but they will get the bill. They are already suffering from it and as grown-ups, they will have a lot of health problems.

JD: What can we do about the issue?

AH: First of all, it is about understanding that it is not only about children with pneumonia or other health problems today, you should recognize that half of your country lives in one city. We must also not forget about the different Aimag centers with significant air pollution. Acknowledge the problem and start to analyze it deeper in terms of what are the likely health costs. Then, look at the financing options in terms of the health insurance system that you have and how these issues can be addressed in the long-term. Meanwhile, we have to make every possible effort to solve the pollution problems right now and reduce the exposure as much as we can. For example, we should do everything we can to improve the indoor air quality of kindergartens and hospitals. Pregnant women should also get the right information in terms of doing whatever they can to reduce their exposure at home and in the streets.

JD: Could you elaborate on improving indoor air quality in practical terms?

AH: Air pollution affects everyone equally with the difference being that those with the means to do so investing in air purifiers, living outside the city or sending their pregnant wives to another country during the winter. In public buildings, you can better seal the windows, improve the regulation of the heating system, cover ventilation points with good filters and have good quality air purifiers. It is also about your behavior in

your office, in your home to make sure you close the doors and maintain the ventilation system as much as you can. There are low cost solutions but you also have to speak to your building manager about what more you can do to retrofit the heating system so you can regulate the temperature.

JD: As I understand, air pollution is not simply what you can smell but also small particles that your lung can not filter?

AH: You are absolutely right, the real health problems are not caused by the things you can see. They are caused by the particles that are so small that you don't see them. It goes inside your lung and penetrates the lung tissue, goes into your blood stream and those dirty chemicals circulate through your whole body. They reach your brain and can cause headache and disturb your brain activity. They can also penetrate the placenta and reach the unborn child.

JD: Can you comment on the wide range of government projects that have yielded little impact?

AH: Over the last 10 years, despite many efforts and investments, we have not seen enough progress. I am concerned that it will take a long time to reach levels of air quality that one can consider relatively safe. We need to understand that the energy question in Ulaanbaatar is a big challenge. Heating is not a luxury, it is necessary for survival, so you have to heat. Moving towards sustainable and clean energy does take time and effort as well as continuous commitment. This commitment has to go beyond one government to the other government because it will take, let's say another 10 years. Whichever political party you are a part of, everyone needs to agree that we want clean air for our children. Another issue we have to get around is that there is no one simple technical solution. You have to take a comprehensive approach whereby you look at the source of the energy, better insulation of homes and buildings as well as behavioral change.

JD: Do you have any suggestions for better insulation of Mongolian Gers?

AH: First of all, the Mongol Ger is a unique structure and it has been serving its purpose for hundreds of years. This shows that the Ger is very suitable under many conditions. We also need to recognize that we are in the 21st century and that there have been a lot of new developments around materials, understanding insulation, and design. One of the things we are in the middle of is a Ger innovation challenge whereby we are working with local partners including GerHub and with international partners to have a fresh look at the Ger. One of the things that the initial modelling showed us is that about 50% of the heat loss is through the floor. So, what can we do to better insulate the floor in an affordable way? They also looked at the door because there is also a lot of heat loss through the door. Moreover, we looked at the top to see what can be done to still allow ventilation but to avoid unnecessary heat loss.

We set up six Gers that are all slightly different and a team from the University of Pennsylvania is setting up monitoring systems through which we can follow the performance of those Gers in the coming months. We all also engaging communities and reference group to get their opinion on the Gers. Hopefully this will give us some inspiration of things that communities can adopt into their own lifestyles.

JD: What will be the first results and how can we implement these measures in an affordable manner?

AH: It must be consumer driven meaning getting the

consumer involved in the further developing the designs and looking at the price points to determine what cost they will accept as reasonable. The market research needs to be done and you need to work with your local suppliers to adjust how they provide the basic materials and whether distribution is feasible. We must also however invest in better healthcare especially to people in the Ger district.

JD: What are your views on Mongolia reaching the SDG goals by 2030 paying particular attention to issues that affect children in particular?

AH: There is an ongoing national survey led by the National Statistics Office with support from UNICEF and UNFPA whereby 20 teams across the country are surveying thousands of families to understand whether we are on track to meet the SDG's or how far we are off track and what corrective measures can be taken in the next couple of years in terms of policies and investments. At this point, it is difficult to determine whether we are on or off track. We expect the initial analysis to be completed in March with the report becoming available in June. That would be a good moment to have an in-depth dialogue with policymakers. It is worth noting that questions of health are prominent in the questionnaire.

JD: What are some other issues that UNICEF in Mongolia is concerned with?

AH: We are in a situation in the country whereby a significant number of children are challenged by obesity as well as children suffering from malnutrition. There are a lot of problems around micronutrients for both those groups. This has to do with more and more children living in an urban environment not getting enough exercise and consuming more fast food. Another issue I would like to highlight is child protection and adolescent mental health. Since 2003, the number of children between 10 and 14 that have committed suicide has sharply increased. We need to analyze this, but I think this reflects a bigger issue, the mental health of our children. This in turn connects to child protection and how well we are looking after our children in terms of mental health. When things do go wrong, those children should get the support that they desperately need.

JD: What approach is UNICEF Mongolia looking to take in terms of keeping children safe on the internet?

AH: We first need to acknowledge that children spend a lot of time in a different world than where their parents are living. This requires a new way of parenting because you cannot watch over the shoulder of your child anymore. Therefore, Awareness amongst parents is something really important to work on. Children also need to be better informed about the potential risks that they are encountering. They may believe that they are chatting with another 12-year-old, but it may be a 42-year-old sitting in a different country. At the same time, we should also be happy about the opportunities the internet is giving to children and parents as well. The second element that needs to happen is working with internet providers and police, both domestically and internationally to take down inappropriate content. We also need to ensure that when the police to encounter victims on the internet, that there are systems put in place to help those children. We need to look at the whole spectrum in terms of awareness, prevention, action and recovery.

This interview originally aired in November 7, 2018. It has been edited here for space and clarity. You can watch the full 30-minute interview at jargaldefacto.com.



2019 STATE BUDGET UNDER REVISION

On the 15th of November, the President vetoed the 2019 State Budget proposal leading to renewed discussions in Parliament. I don't foresee any major changes in the budget but an amendment to allocate 500 billion MNT to the Development Bank of Mongolia for the creation of three complex factories may be reviewed. The Parliament refused to completely overhaul the budget following the veto, stating that a third of the 1.5 trillion MNT proceeds from the increased coal export revenue can be diverted to the creation of those factories.

The Mongolian government fails to comprehend the necessity of a mineral wealth fund to adapt to the fluctuating commodity prices. This fund can comprise of the proceeds that exceed projections and can be used to finance various public projects. As politicians are only concerned with four-year time frames however, they make annual amendments to the budget.

According to Mr. Z.Enkhbold, the Chair of the President's office, this is a flexible approach that raises two concerns. Firstly, the President reserves the right to veto any resolution but that this counteracts, the symbol of unity that the Office of the President is meant to emulate. Secondly, it was suggested that the president's office seemingly took on the role of the Ministry of Light industry whose prerogative it is to propose such undertakings.

This demonstrates the lack of separation of powers mechanisms in Mongolia. The amendment suggests the creation of another fund despite the existing 28 funds being marred by mismanagement. There is no guarantee that this new fund would not follow suit. We still need to uncover the full extent of the mismanagement of the existing funds. Each ministry was provided with a fund to support projects within their expertise in order to offset the impact of the

unfavorable economic conditions that led to consistent deficits in the budget. Unfortunately, all those funds have been misused with the respective Minister making the decision as to how to utilize those funds. This create an uneven playing field, reducing competitiveness ultimately leading to the loss of jobs.

The new fund proposes an allocation of 500 billion MNT to the Development Bank despite the fact that its outstanding credits are still not fully transparent. This lack of transparency has led to the gradual erosion of the people's faith in democracy with individuals beginning to contemplate whether a single authoritarian leader with complete control would be better equipped to solve all these issues.

That members of the cabinet including the Minister of Finance were absent from the renewed discussions on the budget demonstrates the poor quality of governance in Mongolia. These absences were driven by the realization that the President vetoed the draft budget as a political maneuver to approve his project despite condemning the budget as too extravagant just a month prior. The calls for the dissolution of the government also meant that Ministers more pressing issues to attend to. I believe that the two political parties completely lost their integrity due to constant bickering over the budget and misappropriation of funds.

It is worth noting however that the current Prime Minister promised to fight this wrongdoing by the two political parties and get to the core of the mismanagement of funds. In pursuit of this, he has begun to demand the resignations of certain individuals including the Speaker of the Parliament. These calls have received the support of 40 Members of Parliament.

CALLS FOR THE RESIGNATION OF THE SPEAKER OF PARLIAMENT

The people of Mongolia are awaiting to find out what exactly happened to their money through the various funds. The misappropriation of funds has to be organized and conducted under the auspices of the party leadership. The SME case involves the ruling party but if the Prime Minister digs further, there are a multitude of funds that have been misused by the Democratic Party. The SME case is just the tip of the iceberg and the extent of mismanagement of the remaining funds should be uncovered.

Party financing in Mongolia is confidential and if they were to disclose their finances reveal substantial wrongdoings as they receive donations that vastly exceed the 10 million MNT limit set by law. This forced Mongolia deeper into corruption and the Speaker of the Parliament, Mr. M.Enkhbold who until recently served as the head of the People's party has to accept significant responsibility for this lack of transparency in party financing.

In the video that precipitated the 60 billion MNT case, the leadership of the People's party including the Speaker were discussing the sale of senior posts in government and estimated a revenue of 60 billion MNT from those sales. The fact that those discussions took place is illegal, but Mongolia's anti-corruption agency supported the claim that the recordings were doctored. The Prime Minister has refuted this and attested to the Speaker taking part in those discussions.

Over the last 20 years, Mr. M.Enkhbold has served in some of the highest positions in Mongolian politics including as the Mayor of Ulaanbaatar where he stayed for an extended period of time. We connect him with the mismanagement of Ulaanbaatar city land. Ulaanbaatar's public property were and are still being sold off. A prime example of this is the Mountains such as Zaisan being sold. It is not clear to this day who bought how much land and the price that was paid. If the land was auctioned off, we could have built low cost apartments that would have allowed us to decrease the smoke pollution. The day will come when he is held accountable for his actions.



Despite conventional wisdom anointing the head of the ruling party Prime Minister, Mr. M.Enkhbold chose to decline the post preferring to instead become the Speaker of the Parliament. This decision was made with his sight set on the 2016 Presidential election which he lost. The Speaker of the Parliament is by no means an irrelevant position however as he sets out the agenda of Parliament. At his volition, certain draft laws can be deprioritized or even never be discussed. Moreover, he creates the Speaker's List and can use this prerogative to distance undesirables from relevance.

Should Mr. M.Enkhbold be removed from power, the 40 members of Parliament that have signed the petition to relieve him of his duties will appoint a new Speaker who will hopefully not abuse his powers to the extent that Enkhbold has. An issue that the new Speaker may raise for example is the nomination for the head of the anti-corruption agency. The candidate was nominated by the previous president and supported by Mr. M.Enkhbold but his removal from office may give rise to new nominations.

Another concern that people have is that on November 22nd, when the 40 members of Parliament refused to come to the session until Mr. M.Enkhbold resigned, he questioned whether this decision amounted to an attempted coupe. This prompted extended debates in Parliament that may

have extreme consequences as a decision that this did indeed amount to an attempted coup will allow for the mobilization of the security apparatus to combat it.

Also, the Prime Minister remarked last Sunday that 500 officials including high ranking individuals from the military, judiciary and police gathered at the Palace of Independence, the headquarters of the People's Party in an attempt to organize demonstrations. He stated that he prevented these demonstrations from taking place. It is worth noting that these individuals are legally bound to refrain from taking part in any political demonstrations or actions let alone organize them. I believe that this infraction was enough to cost them their job which may very well happen once the political situation in Mongolia stabilizes.

If we contemplate on the Palace of Independence, it is the headquarters of the ruling party build through

extra-budgetary means without consultation from the public so I have a hard time discerning from whom they would like to be independent, probably from the people.

The sole resignation of Mr. M.Enkhbold will not be enough to stabilize the political situation in the country but it will allow us to gain a better insight into wrongdoings such as price stabilization programs which allocated funds at significantly reduced rates or without any. The benefactors of those loans are however yet to be revealed. Also, the Chinggis Khaan bonds through which millions of dollars were distributed to companies with political affiliations as well as the mismanagement of land will become more transparent. However, politicians interested in keeping such information confidential have a large network of media outlets, companies and banks through which they pursue those ends.

ETHICS OF JUDGES

A 2017 survey on Judicial Ethics and Discipline conducted by the judicial subcommittee on Ethics in collaboration with the Asia Foundation and Global Affairs Canada found that out of 200 claims made to the court, only 30 were put on the court's docket. Of those 30 cases, approximately 25 are concluded with insignificant disciplinary punishments. However, we at least have an ethics committee that is discussing the issue and they are revealing where the claims originate and why they occur.

The fact the government officials are misappropriating our funds with impunity demonstrates that our judicial system is flawed. For example, the earnings of all public officers above a certain level are disclosed to the anti-corruption agency but in the case of judges, they are disclosed to the Supreme Court who keeps those records confidential. The survey brought to light the weaknesses of the court system including the practice of adding irrelevant punishments to sentences. I am not certain whether the current judiciary is capable of handling the SME case in a fair manner but without a fair and proper resolution to the case, there can be no discussion of justice in Mongolia. The coming four days will determine which direction Mongolia will head in.



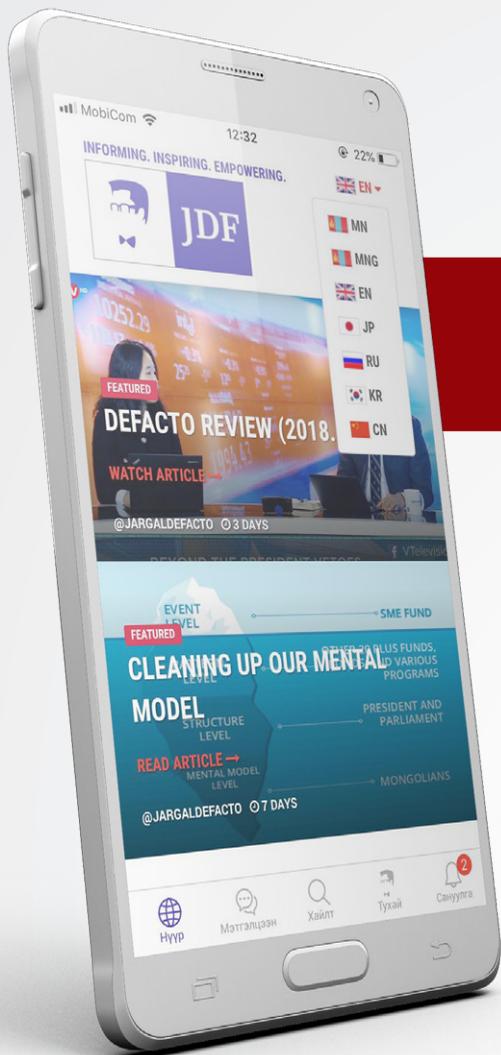
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You can watch the full 30-minute review on the Defacto website [\[HERE\]](#).*



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