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SOCIAL ACCOUNTABILITY

*(Summary of presentation given
to National University of Mongolia
students on 18 December 2018)*

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**JOHN ROBERT RANCK,
KNOWN AS BOB**
CHIEF EXECUTIVE OFFICER
AND PRESIDENT AT ORBIS
INTERNATIONAL, INC.

**IF YOU WANT TO SEE PURE JOY,
WATCH THE PATCH COME OFF
FROM SOMEONE WHO HAS
BEEN BILATERALLY BLIND AND
SEE THE EXPRESSION WHEN
THEY CAN SEE AGAIN**

IV PAGE

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SOCIAL ACCOUNTABILITY

(Summary of presentation given to National University of Mongolia students on 18 December 2018)

The development and prosperity of a nation and the livelihood of its people depend on combination of a democratic government and a free market. The democracy needs to have good governance most importantly, besides a good government and a strong leader.

Good governance means it is transparent, accountable, and responsible. Free market means private properties are protected, prices are set by the market rather than the government, and free competition exists. When it comes to free market in Mongolia, we have not walked the walk, only talked the talk.

MONGOLIA'S LIMPING DEMOCRACY

Public servants and politicians use public resources to deliver services to people. Given those resources are owned by the public, people need to be involved in overseeing how the resources that belong to them are being used and what outcomes are being delivered. The concept of 'social accountability' is at the core of this oversight process.

For social accountability to be effective, the government needs to keep its door for people's participation, and the public needs to be willing to get involved and engage in the oversight process. Civic engagement and democratic elections are key pillars to democracy. In Mongolia, the door to our government is not fully open to civic participation while our people are sitting back from being involved and engaging with the government. This

Mongolians have recently gotten into the habit of talking a lot about corporate social responsibility and how the private sector has an accountability before the society. Same goes for talking about transparency in public governance. This focus has resulted in the 'glass account' law, which was passed for improved transparency in government organizations. However, the law and its implementation have been waning lately.

The key ingredient sorely needed for our development today is social accountability. It is highly timely that Mongolians have started talking about what social accountability means, why it is important, and how it can be brought to life.

is why we have not seen mutual trust build up between people and the government.

Elections are not the only way people can exercise their power, granted by democracy, to impose their influence. In between elections, people must be overseeing government activities and making sure mistakes are identified and fixed. In this sense, social accountability comprises of three key components – reporting, engaging, and enforcing accountability (R. Mulgan, 2000).

For social accountability to be effective, the government must report its activities, people need to engage in discussions on those reports, and public servants are held accountable against their duties and responsibilities. The following conditions need to be formed to enable such environment: ►►

- ▶ - *Organized and capable citizen groups taking on projects and initiatives*

Mongolia is seeing the formation of its civic society. However, due to lack of funding, there is a large number of inactive non-governmental organizations (NGOs) despite having been registered and having their own stamps and certificates. The number of active organizations is very small in reality.

In highly advanced democracies, taxes are not imposed on donations given to non-governmental organizations. But it is not the case in Mongolia, which forces many organizations to seek funding from abroad. On the other hand, our NGOs are not consistently publishing their operational and financial reports.

- *Government institutions showing leadership in social accountability and aligning laws, regulations, and activities accordingly*

What this means is that the government should be reporting to the public on how effectively public servants have performed against their duty to improve public services, enhance livelihoods, and protect people's rights.

Previously some governments used to hold an open day session once a year, where our ministries and government agencies participated in. However, there is currently no platform available to people and the private sector to directly engage with the government and express their opinion.

The local government houses in aimag and soum centers need to be town halls, where people can freely come and go, use conference rooms and libraries, and enjoy free access to the Internet. This would align with the social accountability priorities.

Also, people currently have a very limited opportunity to provide input in planning, approving, implementing, and reviewing public budgets at national and local levels. There is no independent

oversight on planning and performance of public budgets that are formed by public resources, including the taxes people pay.

- *Context and cultural appropriateness i.e. culture of political transparency, fairness, and justice*

Under the constitution, Mongolians have the right and freedom of speech, information, and association. However, people have a less than serious attitude towards exercising their rights and freedom. The whistleblowing culture is still immature in Mongolia, and people are still being treated differently before the law. If you were a senior official in the government, law enforcement institutions will treat you differently than ordinary citizens.

- *Information to access i.e. information intended to the public being fully accessible, available and accurate*

Ensuring data is analyzed and interpreted by competent groups or experts is essential to having constructive engagement. However, the 2016 election report on donations and expenditure is still not made available on the website of General Election Commission.

We now need a law that prohibits the government from using private information without permission. Access to and availability of information means that people should be able to not only see the source but also receive the information in a digestible form.

At this stage of Mongolia's development path, our people need to start getting more involved in overseeing what government is doing and what outcomes they are achieving, and enforce accountability.

2018.12.20 ■



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Bob Rank, CEO of Orbis Flying Hospital with 30 years of experience managing domestic and international flights for the US Air Force. A Brigadier-General of the US Air Force where he flew KC – 10 and DC 10 planes. Currently develops Orbis's strategic vision, manages fundraising, and human resources in addition to representing Orbis in government agencies and donors. He owns a Master's Degree in National Defense Strategy from the National War College and a Master's in Public Management from Golden Gate University.

Jargal Defacto: Please tell us about the mission for your visit this time

Bob Rank: Orbis has changed the way that the world sees. Our vision is to transform lives through the fight against blindness. With our network of partners and friends, we train, mentor and inspire local teams so they can find blindness in their communities. It is a sustainable project and it is a teach a man to fish operation as opposed to give a man the fish operation. Every time we come in with the flying eye hospital or hospital based training, our mission is to teach doctors, nurses and technicians to fight blindness better when we are not there.

JD: Please tell us about the origin of Orbis, which is such a marvelous mission

BR: It was a wonderful combination of innovative ophthalmologists - doctors, and some innovators from the aviation industry who looked at the skills of eye surgeons around the world and said wondered how to get them better training. You can't bring them to the US because it's too expensive and there are too many restrictions so how do we take the training to them. The idea was to take an airplane, put a teaching hospital on the airplane and take it abroad to people who needed training. The response from the ophthalmology community, of people who wanted to teach was overwhelming. Doctors would fly with the flying eye hospital to teach in various countries. To date, we have trained people in over 92 countries, in person with the flying eye hospital.

JD: How many professionals have you trained?

BR: I would have to dig for that number because it is pretty big. If you look at just the flying hospital, it is one broadcast platform from where we teach, we also do hospital based training which is a similar model but without the airplane and then we have an online learning and collaboration platform called Cyber sight. In Cyber sight last year, we reached doctors in a 125 countries in a variety of subspecialties and we did teaching, mentoring, case referrals and collaboration on how to treat, and an online surgical mentorship where a trainee in Peru had a complicated surgery on a 6-year-old. She wasn't sure how to do it so we had one of our mentors looking over her shoulder from the US, looking through the internet, through her microphone as she was performing the surgery to answer any questions that may arise and walked her through the surgery, it was brilliant.

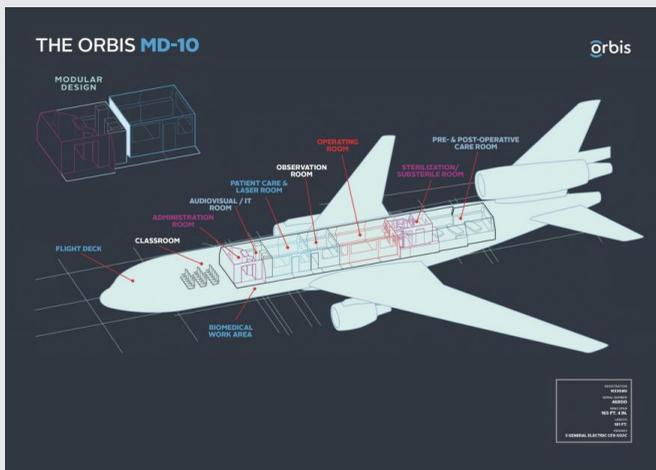
JD: So eye doctors are on planes, online and on the ground?

BR: Exactly. We are true to the original mission which was to find innovative ways to bring that instruction to people who wouldn't otherwise.

JD: Who started this program and when?

BR: The first flying eye hospital took off in 1982. The ideas and the collaboration that led up to that dated back into the 70s. Those personalities were trying to get the resources together for that flying eye hospital.

JD: Is it the same plane?



BR: We have changed the plane three times. The first airplane was a DC 8, and it took off originally from Houston, Texas and went around the world. It went to a lot of places and attracted a lot of attention. It lasted until the early 90s when we replaced it with the DC 10 which was a fundamental change in the design of the hospital because the fuselage was so much bigger. That plane flew until June of 2016 when we replaced it with the one that is here in Ulaanbaatar. It is an MD 10 and we have taken the level of sophistication up again. The hospital is built into the airplane like legos, they are all hooked together as little modules and they all slide in and connect to the airplane. The engineering is independent of the airplane so it has its own power, water, hospital quality air flow system, sterilization and medical gas. If the time were to come that we would have to replace the airplane, we could take the hospital out, put a new airplane in place, put the hospital in.

JD: So it is an almost brand new one

BR: Right. The hospital itself is brand new. It was designed just for this airplane. It possesses state of the art retina and cataract machines, anesthesiology, 3D cameras on all cameras and exam equipment. Because it is a broadcast platform, it will broadcast to the 46 seat class, to a partner hospital or to the internet. In China recently, we did broadcasting and had 450 locations dialed in to see surgery in real time. When a teaching event like that happens, the surgeon is mic'd up and he or she is performing surgery, there are trainees in the room, they are narrating what they are doing and taking questions. You have people in cyberspace, asking questions and there will be someone in the passing on the question to the surgeon. What we found is that when we do these live learning events in China, it is the most collaborative because they are so delighted to be doing it all in Chinese.

JD: What is different about your program in Mongolia compared to the last 5-6 times?

BR: This time, it is a three-week program, and we are excited. The first week, is all pediatrics, it is pediatric cataracts, some oculoplastic and I learned from working with the volunteer faculty that my impression that cognitive cataract was a child that was born that couldn't see was not always the case. A child can be born with a not very well developed cataract so they can see through it, but it becomes fully developed 5 - 6 years later so they can't see through it anymore and needs to be replaced. So, we were doing cognitive cataract surgeries on children 3 - 16 years of age and several oculoplastic surgeries.

The second week is all simulation. We've launched a new effort thanks to United Technologies Aerospace Services to bring in the best simulation technology in the market and use it to train surgeons on part tasks so they master it without ever seeing a patient. We have a cataract surgical simulator, retina surgical simulator, a pediatric anesthesia simulator and we can put up to five training stations and train 3 - 4 residents at a time who can look at each other and how their work is going, trade feedback, and go back and forth while having a mentor looking over their shoulders.

The third week of the program deals with adults: adult cataract, adult glaucoma and since cataract and glaucoma are the first and second causes of blindness amongst adults in Mongolia, we thought it would be a good place to put an emphasis.

JD: Why is this the case?

BR: We find cataract tends to have a high prevalent side in populations that spend a lot of time outside, exposed to UV. I don't know what the cause of glaucoma would be trend-wise from an epidemiology perspective.

JD: Who is organizing the training from the Mongolian side?

BR: Our partners for the training right now are the Mongolian Ophthalmology Society, National Center for Child and Maternal Health, Hospitals number 1 and 3 and the senior mentor of ophthalmology in Mongolia,





Dr. Baasankhuu, who used to be a staff ophthalmologist on the Orbis flying eye hospital.

JD: Can you elaborate on what attracted you to the flying eye hospital

BR: For me, eye health has always been a very personal conversation. My father was a glaucoma patient, all of my mother's relatives had cataracts and I struggled with refractive error in my flying career all my adult life. When we talk about eye diseases and the phenomena of the eye that can prevent someone from achieving, I became very familiar with all of them. For me, the impact was minor, it was one small thing at a time, but I knew people whose careers had been stopped because of an eye disease, or their progress had been stopped because of a trauma to the eye. To be involved with an organization that can help people get past that seemed to be the opportunity of a lifetime.

JD: How do you deal with the logistical aspects of such an elaborate operation?

BR: There is a saying in the Air Force that the young pilot steps on board and goes to the cockpit while the smart pilot walks on board and turns towards the business end to make sure that everything is in line for the mission. The same is true with Orbis, the pilots take care of the front end of the airplane but it takes a staff of almost 30 to take care of the clinical needs, logistics, stocking of the airplane to make sure the right consumables and medication for each program are on board. We have a small United Nations in that airplane, I think we represent 24 countries in that staff and they are all team players, they want to see what else they can do to help someone they work with.

JD: How are they paid?

BR: They are paid as full time staff with Orbis and the volunteer doctors and nurses from around the world fly in and fly out each week with the program. All the pilots are volunteers from FedEx, they take their vacation time to come in, pre-fly to the next program, make sure it is all buttoned up and safe and fly home. We have over 400 doctors from 26 countries and they are absolutely phenomenal.

JD: How do you cover costs?

BR: Individual donations. Donations can be made at our website, www.orbis.org which we have in multiple languages depending on where you are in the world. We also have some wonderful corporate partners. You could not operate an airplane like this without the help of FedEx, Boeing, United Technologies Aerospace Services, Alkon is another big sponsor, and Omega who are the ones that sponsored Daniel Graig to come out here and film the special about Orbis in Mongolia in 2011. I believe he got married on Saturday, flew on Sunday and he and his wife spent their honeymoon here filming that special. They tried to keep it quiet but even the hotel clerk know who James Bond was when he checked in.

JD: What is your best experience during your time with Orbis?

BR: It is hard to say in detail, my most meaningful experience because you will see tears on your table. There is nothing more impactful than seeing someone gain their sight back. If you want to see pure joy, watch the patch come off from someone who has been bilaterally blind and see the expression when they can see again. There is nothing like it and I invite you to come to one of the postdoc sessions and see that for yourself, it will grab you by the heart.

JD: That must give you a lot of energy.

BR: It does, I wake up every morning very motivated



because I love what I do and everybody at Orbis stays there because they love what they do. We get up in the morning knowing we give back to people who can never pay us back.

JD: How do you see the future of Orbis?

BR: I see us doing more innovation and working hard to change the way diagnosis is done. I had a great conversation last night with one of our partners, Dr. Hu Wei from China. Medicine is in what I call a retail model in many places. You need something, you go to the big box, you get it, and you go home. Retail is transforming with the Alibaba and the Amazon model. Is that transformation on the horizon for medicine also? Can Artificial Intelligence and imaging from a smartphone be used to take a picture of my own eye, send it to an ophthalmologist and ask whether I need to come see them? Eye diagnosis is not transient like a fever. There is a picture, a symptom there so someone can tell you that you are fine to get to care now. When that transformation happens, it will change what I call the patient logistics equation. Right now, there are hospitals that send buses to the countryside to bring in people to give them check-ups, eye screenings. The majority of them, 75 – 80%, go right back home without any issues.

JD: There are a disturbing amount of countries without the capacity to provide proper care to their citizens. We would still need to deliver doctors and medication to them. Do you think there will be a need for more and more Orbis's?

BR: One plane, a lot of innovation. The poor countries you describe may have no roads, no electricity, no running water but they all have cell phones. You have cell phone connectivity and charging in places where there isn't physical infrastructure that you and I might think of. If we can leverage that cell phone and handheld infrastructure to bring care to them or to bring them into care, we will have made the care delivery system more efficient. In ophthalmology, that is so critical, once they know that they need care we can help with that infrastructure. Our partnership with governments is that we show people they can be more productive with spectacles but if the government doesn't have that in their insurance, our job is to sit with them and demonstrate that for example 15 – 20% of children need spectacles and lobby for them to be in their insurance. They may not know that 15 – 20% of children in their country need spectacles so our role is to make them aware of that.

JD: Is there an analogous model to Orbis for other diseases?

BR: Not that I am aware of. There are mercy ships,

smile trains, operation smile that focus on different types of care delivery but we are unique in that we are doing teaching and we are building the capacity of local medical teams so that they can perform when we are not there. When Orbis leaves, the child at the front of the line knows that we have left behind doctors and nurses to take care of her. It is very important that we are continuing to improve the level of care. We had a doctor with us this week who is on his third program in Mongolia and after screening day, he felt compelled to stand up with the rest of the faculty and express his delight at the magnitude of the change in the sophistication of the doctors and nurses and how they have continued to learn since the first time he was here.

The Ministry of Health was at the airplane yesterday and we had a wonderful long discussion about the partnership. Orbis will train, we will upskill, and we'll lift all the nurses, technicians, surgeons, anesthesiologists and help make everyone better. Along the way, there will be incubators, oxygen blenders, microscopes, x-ray machines that have to be maintained as you build the budget for the hospital. We can introduce state of the art technology but we can't maintain it. The government budget and the hospital budget needs to be our partner.

JD: How do you decide on which countries to operate in?

BR: First, we will go where we are asked, we will always go where we are invited. Second, it has to be a place that has the need and it has to be a place where our teaching can be sustainable. We have been in some countries for a long time because the need is so great and we keep expanding into more and more rural areas. In October, we celebrate our 20th year in Ethiopia where we have built over 250 primary eye clinics and turned them over to the government to be run but we have trained, staffed and continue to upskill all the staff that do the primary care for the villages. As development expands into southern Ethiopia, we are expanding with it. We are fighting trachoma where there is a 100% chance of going blind with a repeat infection and they had prevalence rates of 35%. We have been working there long enough that 26 districts now are trachoma free.

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



MONGOLIAN PEOPLE'S PARTY (MPP) MEETING

It was clear from the onset that we could not expect much from the closed meeting of the Mongolian People's Party due to infighting within it. In regards to the resignation of the Speaker of Parliament, 40 members of the MPP requested his resignation. The Speaker however claimed that he was appointed through legal procedures and will leave in accordance with the legal framework in place. Despite vigorous debate, the meeting yielded little results.

However, critical remarks by prominent party members such as Mr. Ts.Nyamdorj and Mr. L.Oyun-Erdene gave insights to the public. We realized that there is a mafia called MANAN headed by Mr. D.Erdenebileg, the Chairman of the Trade and Development Bank; Mr. N.Tumurkhuu, former Minister of Road and Transportation whose construction company, Undur Buyant constructed the current palace of the ruling party; Mr. D.Ganbat, former Minister of Road and Transportation; Mr. T.Badamjunai, former Mayor of Ulaanbaatar. Mr. Ts.Nyamdorj, claimed that those four individuals comprise a company which controls all infrastructure projects in Darkhan, Erdenet, Selenge and have bought Darkhan metallurgy plant Khutul cement factory in Erdenet. They also own 54 licenses for color metals according to the allegations.

Their company also allegedly sold a 3,000 square meter office space for 27 billion MNT in the TDB building with Mr. Ts.Nyamdorj stating that 5 million USD is nothing for them. Mr. L.Oyun-Erdene also claimed that the Speaker of Parliament put forward Mr. Kh.Battulga as a candidate for the 2017 Presidential election as he thought it would be easier to run against him than against R.Amarjargal who was another potential candidate. Ironically, the circulation of the 60 billion MNT recording and of the Lunar New Year ceremony held by Mr. M.Enkhbold, the Speaker led to the election of Mr. Kh.Battulga.

Mr. Ts.Nyamdorj also alleged that the key figure behind the Erdenet 49% share purchase from



Russians is former President Mr. Ts.Elbegdorj under the patronage of Mr. Enkhbold. Any attempt to uncover the specifics behind this purchase and the S.Zorig murder are halted at the Justice department by Mr. Enkhbold. Moreover, the judicial apparatus takes exception to individuals who attempt to uncover the truth behind the two cases. This demonstrates that there are certain influential individuals who control not only the state but the speaker. The fact that this has come to light however is good for Mongolian democracy.

According to the Charter of the MPP Small Khural, it has 300 members and possesses the right to make amendments to the party charter if it gains the support of 2/3 of its membership. An amendment to dismiss members of parliament who engage in activities inconsistent with the party vision, platform or wishes passed with 90% of the vote.

Mongolian legislation requires this amendment has to pass through the Supreme Court but it is a less than reputable institution with recent indiscretions such as refusals to register



political parties. Therefore, it is unclear whether the amendment will pass or not. With the Speaker controlling the judiciary and law enforcement mechanisms, there is a strong likelihood that the amendment will be rejected. If it is accepted, Mr. M.Enkhbold could get dismissed from the party but I don't believe this will happen.

There are unfortunately no legal provisions regarding the boycott of parliament in an attempt to force the resignation of the Speaker. Members of parliament are elected by the citizens and should convene parliament. The boycott has led to many laws, discussions, the impending cabinet reshuffle being postponed due to the parliament not convening. Mr. D.Demberel, the most senior

Member of Parliament stated that Mr. M.Enkhbold, by refusing to step down, was breaking a moral obligation.

The state should be above the political parties, at least in theory. Political parties are meant to serve as a bridge between government and people. Today, those parties are serving as a bridge between their cronies and companies to the government. The ruling party controls the state and has been hindering the course of justice by not allowing certain cases to be discussed and bringing the interests of the party and close acquaintances to the forefront. We don't know what is going to happen but we are in a political crisis.

SOCIAL INSURANCE FUND

There are 400,000 people receiving a pension in Mongolia as we speak. Of those 400,000, 244,000, almost 60% of them have pension credits issued by banks. That credit was 18% at the beginning of the year while the market rate is 22 - 24%. With promises to lower the rate further to 12%, we can't help but wonder how the difference in rates is being covered. The fund allocates funds to commercial banks who then lend it to the pensioners at 12%. Moreover, some loans are forgiven and the length of the loan is decreased to a maximum of 1 year. Pensioners are also no longer put in a position where they have to devote their entire pension to loan repayments. From now on, banks can only claim 70% of an individual's pension for loan repayment.

Why the pension fund is allocating those funds to commercial banks when it does not drive down the market interest rate is a question yet to be answered. The 10% difference between the market rate and the pension credit rate is gradually paid off from our state budget increasing the budget deficit if revenue does not increase. The government is then relegated to introducing new taxes and increasing existing ones in order to reduce the budget deficit. Therefore, the government is issuing discounted loans to retired people at the cost of everyone else.

The social insurance tax is meant to return to the individual without any deductions when that person gets older. This is not the case in Mongolia as the current payments of the workers are used to

pay the pension of retirees. There is a conceptual mistake here as it raises the question of who will pay the pensions of people working today. The creation of a separate pension fund which can also be used to invest in bonds from other countries or projects due to their 40 or so year timespan is a more proper mechanism through which to handle pensions.

It is clear that the current system doesn't work and Mongolia should have both private and public insurance. The Mongolian government owes a lot of debt to the pension fund of Mongolians and they agreed at a certain point, on the sum of how much they will pay back. A separate pension fund should be created and a given percent of the funds should be moved annually to this new fund. The government can also stimulate the creation of private pension funds whereby if the employee chooses to pay 1% of his salary to the private fund, the employer has the right to match the contribution with the remainder of the legislated pension tax has to go to the public fund.

Private pension funds usually operate in a more functional manner owing to the lack of involvement from politicians. One benefit is that when someone retires, they receive the money they contributed with some extra funds to offset the impact of inflation on the individual. Combining public and private pension funds are the future but today, we should pay close attention to how the social insurance fund is being managed.

SMOG AND MORTGAGE LOAN



Everybody is aware of the challenges we are facing in terms of air and we have not decided on any working solutions on the issue. We looked at special stoves, better quality coal among other measures but nothing is working. The short-term solution is to create the infrastructure that would provide heating and cold water to every household in gers. This is the cheapest way to solve the issue. Liquefied Natural Gas is used in many countries but we don't currently possess the infrastructure to implement this and it is an expensive undertaking.

The long term solution is the housing of ger districts which is somewhat started by the current ministry with programs such as the loans to particular projects inside the ger district. As this is not sustainable, I suggest that Ulaanbaatar city issues their own bonds to facilitate the construction of affordable housing. The bonds should also entail the city retaining half of the current taxes as people won't buy municipality bonds when they can't tax the people. This is the most efficient way to provide housing for the ger districts.

The new procedure the government set out regarding mortgage loans is different as it emphasizes houses that would be rented rather

than bought. These are not new solutions because the discounted mortgage housing in Mongolia is creating a big disparity with 66,000 empty apartments and 200,000 people in the ger district seeking affordable apartments. Our current system is not workable as the mortgage program was initiated by the Central bank which was behaving like it was responsible for the infrastructure budget of the country.

The balance will be moved to the government but the current Minister of Finance has postponed this transfer. Transferring the balance would increase the deficit that they are barely managing to deal with as is. Repayments on the Chinggis Bond begin in 2021 and the government will most likely not want the balance of the mortgages on their expenses either.

For politicians seeking reelection, anything is possible, including 5% mortgage loans but ultimately, the money is going to come from people that are working in this country, not those stealing. Should this mortgage be implemented, individuals and companies barely managing to survive will pay the implications of the decision not the person promising it.

This review has been edited here for space and clarity. You can watch the full 30-minute review on the Defacto website [\[HERE\]](#).



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