

MONGOLIA



Mongolia

Kh.Gantsogt,
Ministry Of Finance,

Overview of Mongolia

- Territory: 1,564,115.75 km² (19th in the World)
- Location: Central Asia, bordered with Russian Federation and China.
- Capital: Ulaanbaatar city
- Population: Above 2.7 million /April, 2011/
- Government structure: Parliamentary Republic
- Currency: Mongolian Tugrikh /1 USD = 1250 tugriks/
- GDP: 2011 estimate - Total \$11.018 billion
 - Per capita \$4,006

Map of Mongolia



Overview of Public Procurement



Overview of Public Procurement

- May 2000 **First Public Procurement Law (Law)** adopted decentralized system based on UNCITRAL Model Law.
- Dec 2005 **First Revision of the Law:** Procuring entities became fully responsible and accountable for their procurement decision.
- June 2011 **Second Revision of the Law:** Public Procurement Agency for centralized large amount procurement was established.

Procurement Policy Department, Ministry of Finance

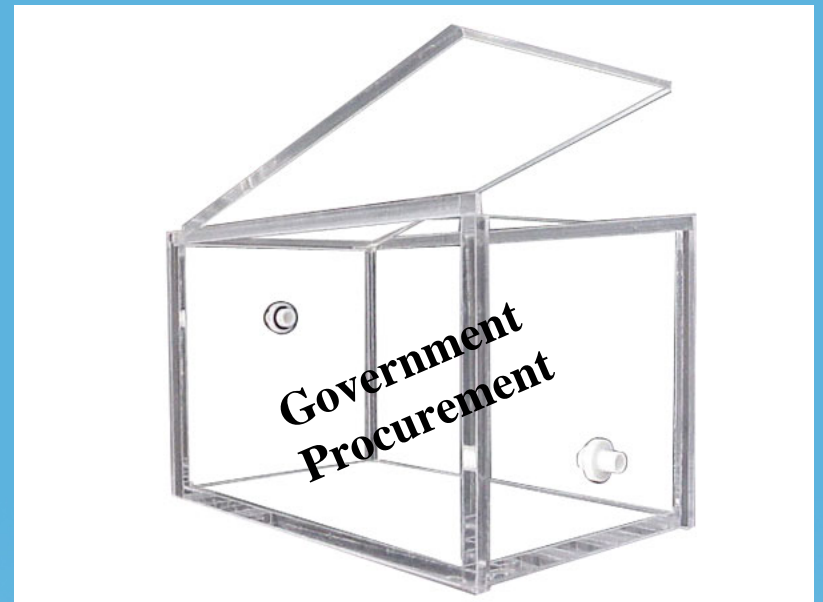
Duties and functions of PPD mandated by Law:

- *Public procurement policy;*
- *Public procurement coordination;*
- *Procurement monitoring and review;*
- *Research and analysis related to the public procurement;*
- *Develop government procurement capacity and professionalism.*

Principles of GP

Transparency

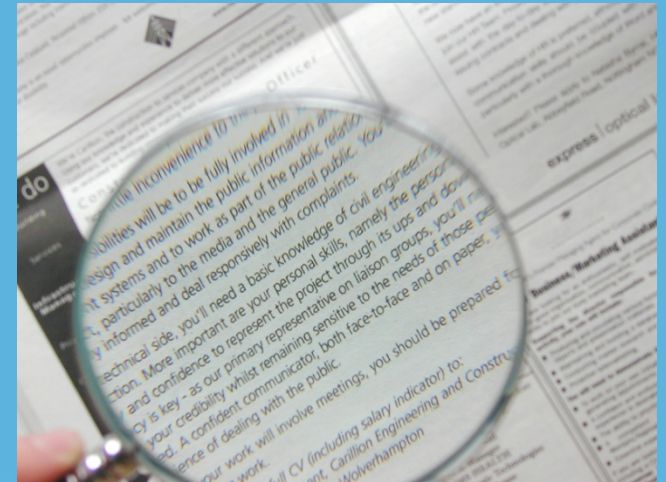
- ❑ Open and transparent procurement regime
- ❑ Procurement objectives, criteria and procedures made known to suppliers



Principles of GP

Open and fair competition

- ❑ Will encourage suppliers to give their best offers
- ❑ Suppliers are given equitable access opportunities and compete on a level playing field



Principles of GP

Value-for-money

- ❑ Procure from sources that can best meet its requirements and which offer the best value
- ❑ Optimal balance of benefits and costs on the basis of total cost of ownership
- ❑ Does not mean that a tender must be awarded to the lowest bidder.



Procurement methods and threshold

There are three main Procurement methods.

<i>Method</i>		<i>Threshold</i>
Direct contract		Up to 1 million tugrug
Comparison (Quotation)	Works	Up to 50 million tugrug
	Goods	Up to 30 million tugrug
Tenders	Works	Greater than 50 million tugrug
	Goods	Greater than 30 million tugrug

Public Procurement Process

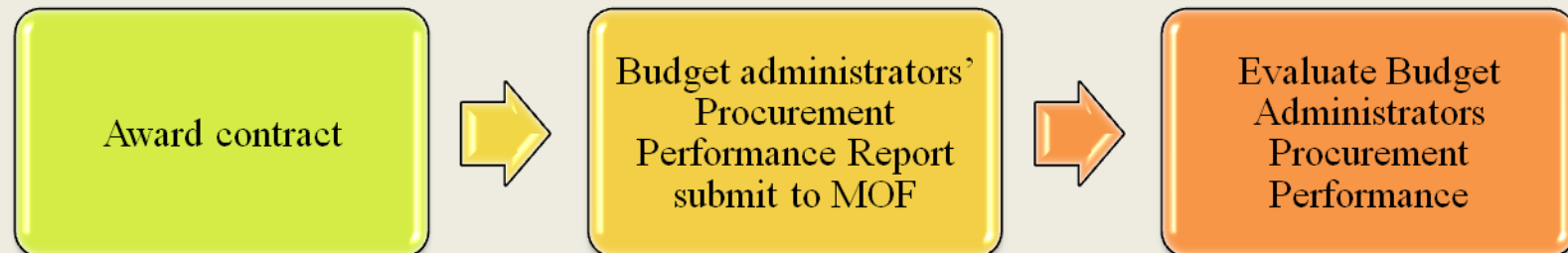
Procurement Planning



Bidding Process



Contract management



Complain

Complainant can give a complain in three ways.

No	Responsible person	Condition	Duration of review
1	Procuring entity	Before give any permission of award contract to bidders from Procuring entity	Working 10 days
2	The Authority for Fair Competition and Consumer Protection	After give any permission of award contract to bidders from Procuring entity	14 days
		After give no-objection award contract to bidders from Ministry of Finance	
3	Court	After the award contract and complainant can not get any response from FCCP authority or do not agree with FCCP authority decision.	-

Public Procurement Future Plan

E-PROCUREMENT



e-Procurement System of Mongolia

- ❖ The Project on Establishment of e-Procurement System in Mongolia started in October, 2010 (Phase 1).
- ❖ The Implementing Agency: PPD, MOF of Mongolia
- ❖ Component: e-Bidding, e-Shopping mall, e-Catalogue system.
- ❖ Implementation plan of the e-Procurement system:
 - e-Shopping mall will be launched from March 2012
 - e-Bidding will be launched from January 2013

CSO participation

- Mandatory participation of
 - ❖ CSO
 - ❖ private sector
 - ❖ and citizens in evaluation committees

- Government will hire CSO to provide monitoring on contract implementation



Challenges in CSO participation

- ❑ Capacity of CSO (numbers)
- ❑ Rules and guidelines related with CSO participation
 - ❑ How and who? Which CSO
 - ❑ Rights and responsibilities?
 - ❑ How to report on findings and to whom?
- ❑ Lack of Knowledge and Experience

Challenges in CSO participation

- ❑ How to set up CSO networks which specializes on procurement?
- ❑ How to finance CSO activities?

Civil Society engagement in the procurement

- Following the successful launch of OPEN DOOR-2009, the Procurement sub-network of Mongolia established. 16 CSOs came together as the country's sub-network (2010)
- The network formulated its objectives and shared vision.
- Trained 80 CSOs on procurement legal e

Ministry of Finance

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Thank You