

WORKSHOP

"Building an Asian community of practice on monitoring and budget analysis"
09-11 July 2007 Phnom Penh, Cambodia

Organized by SILAKA and Social Watch
in collaboration with OXFAM- Novib/KIC

PARTICIPANT'S QUESTIONNAIRE
SYSTEMATIZATION OF EXPERIENCES
To be submitted before 3 July, 2007

Congratulations on being selected to participate in the workshop. Since this workshop is based on the exchange of knowledge contained in specific practices, please fill in this form as fully as possible so that we can make the most of it. If you have any queries about how to complete it, do not hesitate to contact us. Thank you.

I. Personal and Contact Information

Gender | F | | M |

Name(s) | Undral

Surname (s) | Gombodorj

Nationality | Mongolian

Name of the Organization/Movement/Community (and Acronym)

Democracy Education Center (DEMO)

Describe your current position in the organization

Director of the Democracy Education Center (DEMO).

Does your organization take part in or does it have bonds with local, national, regional or international networks? If so, which?

DEMO is the member of the following networks:

- EDITNET - Education for Democracy International Trainers Network
- "1% tax Initiative" - a national NGO network

II. Description of experiences and selection of a practice:

Please answer the following questions. Use the necessary space.

What is a practice?

We understand a practice to be a process, strategy or activity of an organisation or a group of organisations to achieve social change. A practice may vary from an agricultural technique or an educational method to more complex processes like international coalition building. Its scope may be limited, but it may also correspond to entire projects or programmes.

1. ¿Which are the principal fields of expertise of your organization? (E.g., social development, human rights, budget monitoring, sexual and reproductive rights, etc)

- NGO Capacity Building
- Education for Democracy

2. ¿Which are the main strategies used in your organization? (E.g., education, research, campaigning, advocacy, lobbying, satisfaction of specific demands, etc.)

- Awareness raising, education

- Research
- Campaigning
- Advocacy
- Lobbying

3. Among the activities and experiences of your organization, please choose one you consider relevant to be transmitted to the other participants. The practice selected should be a specific action, plan, intervention or process in one of the four topics that will be explored in the workshop (ESCR, Budget analysis, monitoring, advocacy). And you should be able to divide it into the following elements:

a. **Summary** of the practice (no more than 5 lines, please).

Advocacy for 1% tax law:

- The central idea of the 1% tax law is that taxpayers share the 1% of their personal income tax to the preferred NGOs

b. **Motivation:** Situation or problem that the practice aimed to resolve.

One of DEMO's objectives is to contribute to the development of the Mongolian NGO sector by providing support services to NGOs as training, consultation, advocacy, and information. Since the intention of the 1% tax law is to assist a large part of this sector, and since both the sector and the legislators are unprepared for the new 1% tax opportunity, DEMO initiated and developed a program "1% initiative" focused on helping to implement this law.

The 1% tax designation is not a donation, a tax benefit or a tax incentive. It is essentially a special form of tax allocation. In other words, Parliament confers a limited right on each individual taxpayer to decide how to use (where to allocate) a certain percentage of the public budget. Taxpayers may decide to transfer this portion of the tax to a qualifying organization or beneficiary as defined by law. Should they decide not to transfer the funds to one of these beneficiaries, the funds will be channeled into the overall public budget and used as determined by the annual Budget Act of Parliament.

Being a special form of redistributing public funds, percentage designation is clearly a mechanism that affects democratic decision-making and civic responsibilities. Its function, therefore, especially in Mongolian society where taxpayer awareness is too weak, is a significant one in that it reinforces the notion of taxpayer control over public funds.

Major benefits of the 1% law:

- encourages charitable behavior and participation in civil society
- allows taxpayers/individuals to make a choice
- demonstrates public support for NGOs
- encourages interaction between citizens and NGOs
- brings revenues to NGOs

c. **Objective(s)**

The objectives for the 1% tax advocacy are:

- To lobby the legislators to adopt 1% tax amendment.
- To inform and raise the awareness of the Members of Parliament and key Government officials about the value and importance of the 1% tax.

d. **Strategies** used to solve the problem or situation.

1. Discussions and consultations within the NGO sector
2. Establishment of an informal NGO Coalition for 1% tax initiative

3. Media campaign to promote 1% tax initiative
4. Lobbying Government and Parliament

e. Resources (financial, human, materials, etc.).

1. Grants
2. DEMO's expertise
3. developed informational and promotional materials on 1% tax

f. Level of action (local, national, regional and/or international, and if there are any relations among them)

- National
- Regional

g. Brief description of the process (main activities, beneficiaries, when and where it was carried out, methodology, collaboration with partners, etc.).

1. Establishment of an informal NGO Council for advocacy of 1% tax law and the development of a Strategy Paper on 1% tax initiative.
2. Dissemination of information about 1% tax initiative to public.
3. Country-wide media campaign to promote and advocate for 1% tax initiative.
4. Lobbying & Negotiation with Government agencies and members of Parliament.

h. Main results and changes made during the implementation (if it is still running, please comment on the potential outcomes, obstacles, etc.)

Main results:

- Public is informed about the 1% tax
- Government and members of Parliament are also aware of 1% tax initiative
- NGOs are highly supportive of the 1% tax idea

3 Evaluation of the Practice.

1. What is the general evaluation of the practice? Was the practice successful in achieving the objectives stated? Was the situation/problem resolved?

Unfortunately, the 1% tax law was not passed by Parliament in 2006.

2. What were the key factors for success or failure?

Key factors for success:

- 1% tax model of Hungary and Central Eastern Europe
- DEMO was the member of Working group of the drafting the Nonprofit law
- The Tax Code was under the reforming stage
- Political power 50:50
- Citizens were tired of very politicized system
- NGOs were highly supportive of 1% initiative
- Media were open and transparent
- Support from donor organizations

Key factors for failure:

- We focus more on NGOs and public, not to legislators directly.
- We couldn't raise awareness of legislators to support the 1% tax law
- Legislators weren't committed to pass the 1% tax law.
- The advocacy message wasn't correct.

3. What are the major lessons learned?

- Government is not open and supportive towards NGO sector
- NGOs should be more cooperative and well-organized
- Lack of the public trust in NGOs
- Citizens are not aware about taxation at all
- Face-to face lobby meetings are more effective
- Advocacy demands much of funding support
- Introduce more benefits of 1% tax rather than its risks
- More strong advocacy and closed lobbying for 1% tax

Please submit this questionnaire before **3 July 2007** to:

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