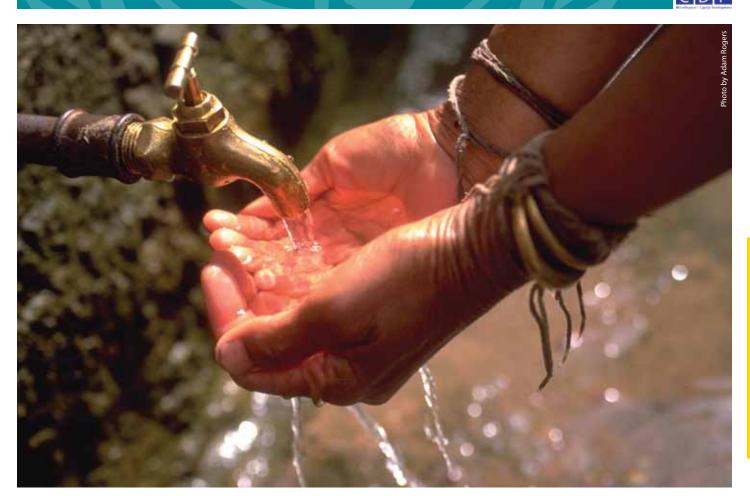
MONGOLIA: ACCESS TO WATER AND SANITATION

United Nations Development Programme United Nations Capital Development Fund

POVERTY REDUCTION AND MDG ACHIEVEMENT



Background

Landlocked between China and Russia, Mongolia is the least densely populated country in the world, with a population of 2.6 million over a surface area of nearly 1.6 million square kilometers. More than one third of the population relies on semi-nomadic livestock herding as its primary source of livelihood. Despite high growth before the crisis (annual average 9% from 2004 to 2008), the national poverty level has not decreased and remains at 35.5% (47% in the rural areas). Mongolia ranked 100th of 169 countries in the 2010 Human Development Index (HDI) and reached a GDP per capita of US\$ 3,236 (PPP). Since the global financial crisis, the government has been facing a major budget shortfall and is struggling to finance its social welfare programmes. In winter 2010 herders have been severely hit by a 'zud', a natural disaster in which an unusually harsh winter follows a summer drought; the loss of livestock has amounted to 8.8 million heads.

Mongolia is on track to achieve education and under-five mortality targets (MDGs 2 and 4). Progress has been limited in reducing poverty and unemployment (MDG 1) and gender-based disparities persist (MDG 3). Inadequate sanitation is prevalent in rural areas (69%,

including shared facilities). 48.4% of poor people have no access to improved sanitation, compared to 25% of non-poor people.

Water stress explains the vulnerability of rural populations engaged in nomadic livestock husbandry and arable farming. It also decreases their resilience and that of the ecosystems on which their livelihoods depend. Mongolia's falling standards of water quality are associated with health problems such as diarrheal diseases, which include dysentery, typhoid and Hepatitis A (34% of total infectious diseases registered in 2008), as well as the increased risk of chronic diseases of the kidney and urinary tract as a result of the hardness of the water. Access to safe drinking water and sanitation would improve health, reduce health care costs (MDGs 4-6), boost productivity and increase the return on investments (MDG 1).

MDG Localization and Local Development Programmes

Under the joint UNDP/UNCDF/UNICEF regional initiative on Improving Local Service Delivery for the MDGs, the study Improving Local Service Delivery for the MDGs: Rural Water Supply and Sanitation collected data from 3,000 rural households and 90 public schools and hospitals. The study found unequal access to safe drinking water and sanitation between rural and urban residents, their respective rates of consumption and the prices that they pay for water, and the institutional vacuum for delivering these services in rural areas. Given the specific attention required for the water and sanitation sector, the United Nations Country Team (UNCT) in Mongolia, including UNDP, UNICEF, WHO, and UNFPA, has secured about US\$ 4 million under a Joint Programme on Water and Sanitation in order to improve health by increasing access to safe drinking water sources, expanding sanitation facilities and improving hygiene practices. During 2007-2010, the main investments have been in the improvement of water governance; the development of a consolidated national database; the increase of laboratory capacity; the improvement of safe water supplies and appropriate sanitation facilities; the enhancement of water and sanitation education; and the promotion of greater community ownership of water sources.

UNDP's Local Governance Support Programme (LGSP) provides technical assistance in policy reforms to increase the managerial and fiscal autonomy of local governments in five pilot aimags. It has been supporting the statistical capacity, costing, needs assessment and definition of MDG targets at the local level. It has proven useful in developing short-, mid- and long-term development plans reflecting local priorities.

Opportunities for Scaling Up

The central government has formulated the updated National Water Programme (2010-2021), the Programme on Sanitation Facilities (2006-2015), the National Environmental Health Programme (2005-2015), the Programme on Urban Development and Utilities, the Programme on Sanitation facilities, and the "Provision of Safe Drinking Water to the Population of Mongolia" (PSMFL) to be implemented in two phases by 2015. The PSMFL assigns local governments the responsibility of ensuring the normal operation of water, sewerage and drainage systems. The funds allocated by the central government are being used for capital-intensive construction and the rehabilitation of engineering networks (heating and water supply) and wastewater treatment facilities mainly in urban areas. The primary focus has been on water supply for pastureland and livestock. The improvement of water and sanitation will require an estimated total investment of US\$ 537 million.

LGSP demonstrated that, when citizens were allowed to choose the priority of projects, one third of the approved proposals involved the digging of wells, the installation of water purification facilities, and the construction of public baths. In addition, the joint UN programme on water and sanitation is sufficient to cover only two to three aimags. The current service delivery initiative can be linked to the ongoing expansion of LGSP from five aimags to a nationwide programme (local to national scale up). With an estimated investment of US\$ 15 million, LGSP will foster capacity development by enabling local governments to fully undertake their assigned functions in the water and sanitation sectors. Efforts will focus on planning and management for the provision of water and sanitation, an essential local government function. Because of the increased capacity of local governments and the critical need to improve access to water and sanitation in order to achieve several MDGs, the funds from the national government and the development partners will be invested in infrastructure.

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THE ROLE OF LOCAL GOVERNMENTS IN ACHIEVING THE MDGS:

The Constitution and the 1992 Law on Government Administration proclaim Mongolia as a unitary state with three tiers of local government. Governance of the administrative and territorial units is based on the principle of centralized authority as well as a gradual transition toward a system of local governments. Apart from the capital city of Ulaanbaatar, the country is divided into 21 administrative units known as aimags. The functioning of local gov-ernment institutions is coordinated at the central level by the Cabinet Secretariat. The aimags elect a council (khural), headed by a centrally appointed governor. Each aimag is divided into smaller administrative units soums (areas with a population ranging from 2,000-5,000), headed by an appointed soum governor. The 329 soums are divided into bags, the lowest administrative unit in the country. There are 1,544 bags in the country, each headed by a bag governor. The Law assigns only very basic municipal functions to local governments and places key responsibilities for local functions such as education, health and policing with central portfolio ministers. Aimag governors are supposed to deliver core local services, such as public hygiene, waste removal, environment conservation and protection, pest eradication and control, road maintenance, operation of water, sewerage and drainage systems, fire prevention, local public infrastructure facilities, and prevention of infectious human and livestock diseases.

Insufficient finances and technical capacity inhibit the capacity of local governments to provide high-quality social services. Accountability is weakened by the top-down appointment system of civil servants from the centre and a lack of empowerment among local citizens. Local government officials act on behalf of the central government. Subnational authorities have little discretionary power to respond to local needs in implementing government policies. While some functions have been devolved to local administrative units, the national level retains complete fiscal control. Tax (personal income and property) and non-tax (user fees and charges) revenues available to local governments are fairly modest.



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