MILLENNIUM DEVELOPMENT GOALS: NATIONAL REPORT ON THE STATUS OF IMPLEMENTATION IN MONGOLIA

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Acknowledgments

First, it should be noted that the process of preparing the first National Report on the implementation of the Millennium Development Goals has not been an easy task. Cooperation and participation of the Government of Mongolia, civil society and donor organizations have been crucial to this Report. To improve the content and quality of the Report, a series of meetings, discussions and debates have taken place at different levels, and views and thoughts of ordinary people and experts have been widely reflected in the Report. These have been very useful.

The Office of the President and the Ministry of Foreign Affairs of Mongolia jointly undertook a coordinating role in preparing this Report. In doing so, a national task force was established, consisting of officials from the relevant ministries and scholars. The UN system organizations, namely UNDP, UNFPA, UNICEF, WHO, ADB and the World Bank, have provided valuable support both in terms of expertise and financial assistance within their respective projects and programs. We are pleased to express our special gratitude to these organizations and their staff, in particular, Mrs. Saraswathi Menon, the former UN Resident Coordinator and UNDP Resident Representative in Mongolia.

We thank the members of the national task force who generously contributed their knowledge and insights to the preparation of the Report, namely Mr. D. Gotov, the former adviser to the President of Mongolia on economic affairs, currently Secretary of the National Security Council of Mongolia and the staff of the Department of Multilateral Cooperation of the Ministry of Foreign Affairs.

We are also grateful to all national and international consultants, including Ms. G. Pagma (Household Livelihood Capacity Support Programme Office), Mr. A. Batjargal (Information Technology Park), Mrs. Kh. Enkhjargal (National AIDS Foundation), Mr. E. Tumurbaatar (Environment and Rural Development NGO), Ms. N. Sonintamir (National University of Mongolia), Mr R.Gantomor (Center for Social Development) and Mr. Paul Shaffer (IDEA International) who have made valuable contributions to the preparation of the report and offered valuable services.
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<tr>
<td>AIDS</td>
<td>Acquired Immunodeficiency Syndrome</td>
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<td>BCC</td>
<td>Behaviour Change Communication</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of all forms of Discrimination Against Women</td>
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<td>CSOs</td>
<td>Civil society organisations</td>
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<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
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<td>DOTS</td>
<td>Directly Observed Treatment Short Course</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
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<td>GTZ</td>
<td>German Technical Cooperation Agency</td>
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<tr>
<td>HIV</td>
<td>Human Immunodeficiency Virus</td>
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<tr>
<td>ICT</td>
<td>Information and Communication Technology</td>
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<td>IMCI</td>
<td>Integrated Management of Childhood Illnesses</td>
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<td>JICA</td>
<td>Japan International Cooperation Agency</td>
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<td>UN</td>
<td>United Nations</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>CSOs</td>
<td>Civil society organisations</td>
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<td>ADB</td>
<td>Asian Development Bank</td>
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<td>SSSMP</td>
<td>Social Security Sector Master Plan</td>
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<tr>
<td>LSMS</td>
<td>Living Standards Measurement Survey</td>
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<td>MDGs</td>
<td>Millennium Development Goals</td>
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<td>MnDG</td>
<td>Mongolia Development Gateway</td>
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<td>MIDAS</td>
<td>Mongolian Information Development Association</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<td>MONITA</td>
<td>Mongolian National Information Technology</td>
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<td>NSO</td>
<td>National Statistical Office</td>
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<td>PCs</td>
<td>Personal Computers</td>
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<td>SIDA</td>
<td>Swedish International Development Cooperation Agency</td>
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<td>SMEs</td>
<td>Small and Medium Enterprises</td>
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<tr>
<td>LSMS</td>
<td>Living standards measurement survey</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>ODA</td>
<td>Overseas Development Assistance</td>
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<td>Swedish International Development Cooperation Agency</td>
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<td>AIDS</td>
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### Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
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<tr>
<td>STDs</td>
<td>Sexually Transmitted Diseases</td>
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<td>STIs</td>
<td>Sexually Transmitted Infections</td>
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<td>RH</td>
<td>Reproductive Health</td>
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<td>TB</td>
<td>Tuberculosis</td>
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<td>DOTS</td>
<td>Directly Observed Treatment Short Course</td>
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<tr>
<td>NSO</td>
<td>National Statistical Office</td>
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<tr>
<td>WTO</td>
<td>World Trade Organization</td>
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<td>UN</td>
<td>United Nations</td>
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<tr>
<td>UNAIDS</td>
<td>Joint United Nations Programme on HIV/AIDS</td>
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<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNESCO</td>
<td>United Nations Science and Cultural Organization</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<tr>
<td>UNICEF</td>
<td>United Nations Children’s Fund</td>
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<tr>
<td>VCT</td>
<td>Voluntary Counseling and Testing</td>
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<tr>
<td>WB</td>
<td>World Bank</td>
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<tr>
<td>UNFPA</td>
<td>United Nations Population Fund</td>
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<td>UNESCO</td>
<td>United Nations Science and Cultural Organization</td>
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<td>WHO</td>
<td>World Health Organization</td>
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<td>WTO</td>
<td>World Trade Organization</td>
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Countries all over the world, rich and poor, came to the start of the new century and the new millennium with a deeper understanding and recognition than ever before of their common destiny, with a sincere desire to define universally accepted goals and coordinate the ways and means to achieve them.

Heads of States and Governments from 189 nations took part in September 2000 in the UN Summit where they adopted a historic document - the “Millennium Declaration”. The document contains eight core Millennium Development Goals that in turn comprise most pressing issues to be addressed by 2015 in the areas of health, education, environment and global partnership for development. In other words, every country has taken a pledge to act upon the above Goals within the specified period of time. Mongolians have a proverb “if promised, then kept”. This saying reminds us of the responsibility we assume behind each and every promise and declaration.

Nations of the world reaffirmed their pledge to achieve the Millennium Development Goals at the Monterrey International Conference on Financing for Development and the Johannesburg World Summit on Sustainable Development held in 2002. We know that some countries attached a particular significance to the implementation of the Goals by adopting special guidelines and action plans, and have been met with success in implementing them.

Countries are to review the status of implementation of the Goals every 2-3 years and report to the United Nations General Assembly.

Mongolia in line with its commitment is now presenting its first national report on the status of implementation of the Millennium Development Goals. The report seeks to reflect in detail the current situation in the target areas of the Millennium Development Goals, measures that have been taken nationwide to address the issues, the challenges that still exist and the support and assistance needed to overcome them.

The document is significant not only because it draws the attention and directs the policies of political parties, politicians and non-governmental organizations in our country to complex and critical issues of development and social progress, but also because it sets a comprehensive yardstick against which the public will evaluate their performance.
Foreword

It could also be of interest and help to the donor community in assessing which areas of pressing social issues suffer from inadequate national resources, and where the support and assistance of foreign countries are needed most.

The Millennium Development Goals could only be realized through fruitful cooperation between, on the one hand, citizens who should benefit from implementation of the Goals, particularly the poor and vulnerable groups, and, on the other hand, the Government, its branches and offices, self-governing local institutions and other constituting segments of the civil society.

This is why there is a need to evaluate regularly the implementation process of the Millennium Development Goals at the national level, reflect on the status of implementation compared to others, take orderly measures to fulfil the promises taken, keep this issue at the center of attention by the state and the public, and pay special consideration to creating a partnership to include the whole nation.

A task force on producing the national report was formed under the auspices of the Office of the President of Mongolia and the Ministry of Foreign Affairs bringing together the representatives of the relevant ministries and National Statistical Office. I, as a signatory of the “Millennium Declaration” together with other heads of states and governments of the world, am very satisfied to see the task force successfully accomplish its task and publish the results of its work in the Mongolian and English with help of the UN Country team in Mongolia.

I express my sincere gratitude to the members of the National Task Force, experts and scholars who tirelessly worked to ensure the quality of the report as well as to the leadership of the UN Country team Mongolia.

PRESIDENT NATSAGIIN OF MONGOLIA

NATSAGIIN BAGABANDI
Mongolia is a sparsely populated land-locked developing nation of some 2.5 million inhabitants. Whereas in 1998 GDP per capita of Mongolia was estimated at USD390, it reached USD477 in 2002. Before the 1990s Mongolia achieved impressive results in the areas of education and health, which is reflected in its mid-ranking standing in UNDP’s Human Development Index.

The times of transition to a market economy and democratic society are accompanied by some pressing developmental challenges. The on-going structural transformation, which began over a decade ago, has far-reaching economic, political and social consequences. Reforms include liberalization of major domestic markets and trade, adoption of a flexible exchange rate regime and privatization of state assets. Initially, national income fell sharply as Mongolia experienced a severe economic crisis during the period of 1990-94. Unemployment soared, poverty increased and the country was faced with social problems such as street-children and homelessness as well as raising crime rates and alcohol abuse.

Signs of an economic recovery emerged in 1995, when the economy grew for the first year since the onset of transition. Inflation was brought under control and the private sector began to show signs of dynamism. Extremely harsh winter conditions and drought (termed in Mongolian Dzud) in 1999-2001 with a great number of livestock losses led to large declines in the output of the agricultural sector which accounted for over a third of the country’s GDP. As a result, the overall economic growth slowed down in 2000-2001 This economic downturn brought to the fore issues of vulnerability and appropriate policy responses in the form of strategies of disaster and risk management. In 2002, GDP growth accelerated to 4 per cent, backed by strong performance of the industrial and service sectors. In 2003 the economy grew by 5.5 per cent and further acceleration of growth is expected in 2004.

On the political front, the democratization process in Mongolia has been rapid and impressive. Four parliamentary and three presidential elections, all recognized as free and fair by domestic political parties and international observers, have been held. Guarantees of human rights are now enshrined in law. While Mongolia is a party to over 30 international human rights treaties, the Government and judicial capacity to ensure the full realization of human rights is hampered by weaknesses in the legal and judicial system, particularly by lack of resources and the need for enhanced capacity. Other factors which stand in the way of better governance performance include limited information flows between the legislative and executive branches of government and civil society; duplication and unclear responsibilities within the public sector and lack of accountability at the local government level.

After the first decade of transition the situation in the social sector continues to face significant challenges. There has been an increase in poverty and the country is faced with multitude social problems. In addition, during the initial period of transition the quality of public services in education and health has deteriorated. The share of public spending on health and education has fallen sharply. As discussed in subsequent chapters of this report many social outcome indicators have declined, or improved only marginally, over the decade.

Mongolians today are experiencing a profound transformation in virtually all facets of their lives. Managing this change in ways that promote equitable and sustainable growth is the core development challenge facing the nation today.
Goal 1: REDUCE POVERTY and HUNGER
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line.

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<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
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<tr>
<td>Poverty Headcount</td>
<td>36%</td>
<td>35%</td>
<td>18%</td>
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<tr>
<td>Depth of Poverty (Gap x Headcount)</td>
<td>10.9a</td>
<td>11.7b</td>
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* MDG Target

Status and Trends

Poverty remains widespread in the country despite efforts to reduce it. Official figures suggest that around one third of the total population live in poverty, defined as the inability to afford a basket of basic food and non-food items. Many others find themselves close to the poverty line. According to any indicator, the poverty reduction challenge is significant indeed.

Poverty increased dramatically in the early years of transition as national income plummeted, unemployment increased, inflation soared and social spending fell. There is insufficient data on the period up to the mid-1990s. And due to principal differences in survey methodology the data for 1995 and 1998 Living Standards Measurement Surveys (LSMS) are incomparable.

Other data on changes in real income per capita, food consumption and herd size among the poor have shown improving trends since 1995. However, a reversal took place in 1999 when severe Dzuds, or winter calamities, struck large areas in Mongolia. Many rural people lost their animals and were left without the means to sustain their livelihood. A high in-migration rate has been observed to Ulaanbaatar, Darkhan and Erdenet. Ensuring access to health and education services became a pressing issue not only for rural people, but even more for urban population in the suburbs of the cities. Since then, economic growth slowed down to 1.0-1.1 per cent in 2000 and 2001 due to sharp decline in agricultural sector, which produces more than 1/3 of the GDP. However, acceleration was recorded as 4.0 per cent in 2002 and 5.5 per cent in 2003 respectively.

Depth of poverty and disparity appear to have increased and poverty has not declined over the last decade. If this trend is not reversed, the MDG target of halving the poverty headcount by 2015 will not be met.

Poverty affects various households in a different manner. Female-headed households, large households, and households in urban areas are the hardest hit. Poverty is becoming urbanized and the trend has been accentuated by increased migration from rural areas. Over half of all the poor are concentrated in urban areas and around one quarter in the capital, Ulaanbaatar. This change in the composition of poverty has brought new social issues, including street children and led to
increased crime rates. Increasing pressure is exerted on social services, already strained during the transition.

Poverty is not about insufficient income or consumption alone. Information from a participatory poverty assessment, an attempt to assess main features of poverty among Mongolians, which was conducted in 2000 in collaboration with the World Bank and other donors, highlighted the loss of self-respect and self-confidence due to increased domestic violence, alcohol abuse and unemployment.

Poverty is closely associated with unemployment and low levels of education and health care, including reproductive health services. Indeed, household survey data reveal that one third of the very poor are unemployed, a rate over three times that of the non-poor. The social costs of unemployment are severe, contributing to low self-esteem, depression, alcohol abuse, domestic violence and crime, as mentioned above. Despite low levels of pensions and benefits, poor households heavily rely on them as a source of income. The share of these transfers in household income is 2.4 times higher for the very poor than the non-poor in urban areas and twice as high in rural areas.

A range of coping strategies, rather short-sited, have been resorted to in order to respond to these shocks, including migration to the cities and to more prosperous regions, sale of assets and withdrawal of boys from school. Clearly, many of these strategies have harmful consequences for those involved. Five groups have been identified in the interim Poverty Reduction Strategy Paper (I-PRSP) as being particularly vulnerable: single parent households with many children; households with less than 100 heads of livestock; unemployed persons; uneducated persons, the elderly, disabled as well as dependent children without a custodian.

**Challenges**

Sustained poverty reduction in the Mongolian context must meet six core challenges:

*Accelerating the rate of economic growth.* Where poverty affects one third to one half of the entire population, rapid poverty reduction requires high rates of growth. The core challenge will be to ensure that growth is pro-poor.

*Reversing the rise in disparity.* Rising inequality reduces the impact that economic growth has on poverty reduction and often, has negative consequences for the growth itself. The country’s commitment to eliminate all forms of discrimination requires it to find solutions, which simultaneously promote growth and equity, and create employment opportunities for the poor. This will be a key challenge for the pro-poor growth.

*Addressing urban poverty.* The high concentration of poverty in urban areas in Mongolia calls for special programs tailored to meet the problems of poor communities in Ger districts.
Involving local communities and civil society organizations (CSOs). People have the right to participate in processes that affect their lives. Wider participation also helps developing anti-poverty programmes. Involving local communities and CSOs in the design and implementation of poverty reduction programmes, identification of beneficiaries for public benefits and monitoring of public service provision are likely to improve the poverty impact of public policy.

Managing disaster and risk. As discussed, human insecurity is central to the lives of poor and vulnerable persons and it calls for measures to reduce the effect of hardships as well as to enhance people’s capacity to overcome them. A challenge will be to devise strategies which complement livelihood strategies of the poor and correspond to their priorities.

Ensuring adequate social protection. Social protection is an essential component of strategies of risk management as well as an effective tool of reducing poverty among the extreme poor. A core challenge is to provide cost-effective social protection, the benefits of which enable the enjoyment of an adequate standard of living for the poor and are targeted towards the most vulnerable and disadvantaged. The participation of local communities in identifying the poor and others who are in need of social welfare continues to be of utmost importance. Another major issue is the over-extended social welfare system resulting in low per capita benefit from it. Restructuring social assistance benefits and improving its prioritization is a primary task of the Government.

**Enabling Environment**

One of the priorities of the Government of Mongolia is poverty reduction. The Government committed itself to the MDG target of halving absolute poverty by 2015.


The Social Security Sector Master Plan (SSSMP) is being prepared by the Government with the ADB technical assistance. Along with other programmes the SSSMP is designed to reduce poverty and improve Mongolians’ livelihood. The international community as well, has affirmed its commitment to the goal of poverty reduction. There has been a number of development projects expressly designed to address poverty, including programmes and projects on Sustainable Livelihood (the WB), Social Security Sector Development (ADB),
Goal 1. Reduce Poverty and Hunger

Poverty Research and Employment Facilitation (UNDP/SIDA), Strengthening the Disaster Mitigation and Management System (UNDP/Luxemburg), and Rural Poverty Reduction (IDA’s (IFAD’s?).)

Priorities for Development Assistance

Instruments for Pro-poor Growth. Small and Medium Enterprise (SME) development; provision of financial services (savings, credit, insurance) for the poor; investment in pro-poor infrastructure such as deep-water wells and all-weather roads and expansion of activities undertaken by the national poverty reduction programme.

Elements of Pro-poor Democratic Governance. Greater accountability in public financial management, decentralization of authority in rural areas and improvement of monitoring/oversight mechanisms with the involvement of civil society.

Disaster and Risk Management. Accelerating on-going efforts to put in place mechanisms, which minimize the impact of disaster hardships and support the coping strategies of vulnerable groups in response to them.

Social Protection. Continuing efforts at reforming the pension system and ensuring that adequate benefits and allowances are targeted to the most disadvantaged.

Monitoring and Evaluation

| Capacity of collecting quantitative data | Medium |
| Quality of research data available at the moment | Medium |
| Statistical data collection capacity | Medium |
| Statistical analysis capacity | Poor |
| Capacity of statistical analysis tasks, planning and identification of resources distribution | Poor |
| Mechanisms of monitoring and evaluation | Medium |

Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

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<tr>
<td>12 %</td>
<td>12 %</td>
<td>6 %</td>
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* MDG Target

Status and Trends

The country is a party to the International Covenant on Economic, Social and Cultural Rights and the Convention on the Rights of the Child, which provide a normative framework for addressing hunger-related issues, such as food and nutrition. Data on average caloric intake per person do not reveal underlying problems. They show an increasing trend since 1992, when average caloric intake was below the minimal requirement of 2,100 kcals per person per day. By 2000, average intake had exceeded that basic requirement by around 15.0 per cent due largely to an increase in the supply of wheat through trade and food aid.

These average figures conceal important food deficits among the poor. According to 1998 LSMS data, the total expenditure of the poorest 20.0 per cent of the population falls below the amount required to buy adequate food, even if all household expenditures were allotted to food alone. Another study concluded that those below
the ‘subsistence level standard’ meet only two thirds of their caloric needs. This problem is much more severe during the winter months when caloric consumption falls by up to 30.0 per cent. In general, Mongolian diets are far from ideal. Particularly countryside people tend to rely on excessive consumption of fat due to the dependence on meat and dairy products, and salt intake is also high, especially in western aimags.

In addition to household food security, there are on-going problems of food quality and safety. A significant number of cases of typhoid, salmonella, dysentery and food poisoning have been reported. The liberalization of food production, distribution and marketing without an adequate quality control, and dependence on import without adequate food safety controls have been major contributing factors.

In Mongolia, the prevalence of underweight children under-five has remained constant at around 12.0 per cent over the last decade. Two other dimensions of child malnutrition, stunting (height for age) and wasting (weight for height), have remained relatively static affecting around 25.0 and 3.0 per cent of the population, respectively. In addition, the prevalence of low-birth weight children appeared to have increased from around 6.0 per cent in 1992 to 10.0 per cent in 1999. All forms of child malnutrition are more severe in aimags than major cities, though there are significant regional differences.

The causes of malnutrition go beyond inadequate food intake to include such factors as improper weaning and feeding practices, diarrhoeal diseases and acute respiratory infections. In addition, a high level of tobacco use and alcohol abuse is observed among the general population. The linkages between poor nutrition, poverty, ill health and lack of education are very pronounced.

Other nutrient deficiency diseases affect large segments of the population. Vitamin D deficiency affects around one third of children; iron deficiency anemia is found in between one third and one half of children under-five and iodine deficiency disorders (IDD) leading to goiter affects around one fifth of children. Vitamin D deficiency and IDD have decreased by around 30.0 per cent whereas anemia has increased over the last decade.

While there is no starvation in Mongolia many households suffer food and nutrition shortage.

Challenges

Mongolia faces a number of pressing challenges related to hunger and malnutrition:

Increasing food access of the poor. As noted, hunger is not due to a lack of food supply, but rather to an inadequate purchasing power of the poor. The human right to food requires that
measures be taken to increase the food access of the poor through direct or indirect means.

**Addressing seasonality.** The seasonal dimensions of hunger are pronounced and call for close operational links with strategies of disaster and risk management.

**Improving Food Safety.** Enforcement of regulatory standards regarding quality of domestic and imported foods is essential for improving food safety.

**Enhancing Awareness of Good Nutritional Practice.** Providing education on appropriate dietary, feeding and weaning practices, especially in remote areas, is essential to changing behavioral patterns in nutritionally beneficial ways.

**Tackling Geographical Disparities.** Effective policies to promote nutrition must take into account the generally large differences in the incidence of malnutrition and nutrient deficiency diseases between rural and urban areas and between aimags.

Vulnerable households are caught in the vicious circle of “poverty-hunger-illness”.

Poor families have less access to health services than better-off families. According to average monthly spending on health services, people with the highest income spend on health service 9 times more than those very poor. In addition to that, a decrease in number of visits to medical institutions by the poor was noted.

Daily intake of members of poor households is 1,784 kcal\(^1\), compared to reported standard of 2,900 kcal per an average Mongolian.

**Enabling Environment**

Important steps are taken by the Government to address problems of hunger and malnutrition. As a follow-up to the 1992 Rome Declaration on World Food Security and the World Food Summit Plan of Action, the Government of Mongolia approved and began implementation of the National Programmes on “Improvement of Population Food Supply and Nutrition of Mongolian People” of 1994, the “Green Revolution” of 1998 and the “White Revolution” of 1999. Further, since 2001 the National Programme on “Food Supply, Safety and Food Nutrition” has been implemented with the purpose of providing the population with nutritious, good quality and safe food on an equitable and accessible basis.

In 1999 the Parliament amended and passed a new food law setting out standards on food quality and safety. Ratification of the law on iodized salt (passed in 2003) banning import of non-iodized salt gave an opportunity to reduce iodine deficiency and goiter incidence.

The international community has been active in this area. Specific projects include: the WHO’s Food Nutrition and Food Safety project; UNICEF’s Support to Food Nutrition and Growth of Small Children and Eliminating Iodine Deficiency Illnesses projects; World Vision’s Food Nutrition

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programme; and the ADB’s programme on the Improvement of Food and Nutrition of Poor Mothers and Children.

**Priorities for Development Assistance**

Strategies to reduce hunger and malnutrition involve multi-sectoral interventions, which address issues of poverty, vulnerability, health, education and the environment. Priority interventions related to many of these areas are addressed in other chapters of this report. The following priority areas pertain specifically to hunger and malnutrition.

*Direct Nutrition Interventions for the Poor.* Direct provision of food to the poor, through school feeding programmes or improvements in the quality of food provided in rural dormitories.

*Information, Education and Communication (IEC).* Attention should focus on improper feeding practices especially early weaning-out, inadequate dietary norms such as the low nutritional content of supplementary foods, as well as tobacco use and alcohol abuse.

*Micronutrient Supplementation.* Support for supplements of iron, folic acid and vitamin D as well as subsidized provision of iodized salt, to address anemia, vitamin D deficiency and goiter.

*Food Safety Regulation.* Support to the implementation and enforcement of food safety legislation.

**Monitoring and Evaluation**

**Target 3: Develop and implement strategies for decent and productive work for youth.**

<table>
<thead>
<tr>
<th>Monitoring elements</th>
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<td>Mechanisms of monitoring and evaluation</td>
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</tbody>
</table>

**Status and Trends**

As discussed in the context of goal 1, there is a close association between poverty and unemployment. The very poor are three times more likely to be unemployed than the non-poor. Rates of unemployment among youth aged 15-19 or 20-24 are significantly higher than among other age groups. As evidenced by the following graph based on 2000 Population and Housing Census data, the problem is particularly severe in urban areas where unemployment affects almost half of job seekers aged 15-19.
Goal 1. Reduce Poverty and Hunger


While gender differences in youth unemployment are not large, there are big differences in labour force participation rates. Labour force participation rate for youths aged 15-24 is 15.0 per cent higher for males than females.

Challenges

**Accelerating employment generation for youths in urban areas.** The high rates of youth unemployment, concentration of poverty and increasing social problems in urban areas highlight the necessity of employment generation for the urban youth. There is also a need to create decent and productive jobs for youth in rural areas, a major reason for rural to urban migration.

**Explicitly addressing employment issues in macroeconomic analysis.** Incorporating employment targets in macroeconomic policy analysis is one way to effectively pursue a strategy of pro-poor growth.

**Closing the reverse gender gap in enrolment and dropout rates.** The gender gap in the labour force attributed by males’ underperformance in education, which does not serve well for longer-term economic and social progress.

Priorities for Development Assistance

A number of relevant priorities have already been addressed in the context of the Goal 2 on education. Other priority areas include:

**Tertiary and vocational training closely linked to job-skill demand in the labour market.**

**Youth internship/placement programmes.** Implementation of internship/apprenticeship for youths within formal sector companies and organizations.

**Support for youth-focused SMEs.** SME support packages for enterprises likely to generate youth employment.

**Fiscal policy measures aimed at promoting urban youth employment.**
Goal 2. ACHIEVE UNIVERSAL PRIMARY EDUCATION
Target 4: Provide primary education to all girls and boys by 2015

<table>
<thead>
<tr>
<th>Criterion</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net enrolment ratio in primary education</td>
<td>98(^a)</td>
<td>91(^b)</td>
<td>100(^c)</td>
</tr>
<tr>
<td>Proportion of pupils starting grade 1 who reach grade 5</td>
<td>91(^c)</td>
<td>84(^d)</td>
<td>100(^d)</td>
</tr>
<tr>
<td>Literacy rate of youth ages from 15-24</td>
<td>99(^a)</td>
<td>98(^c)</td>
<td>100(^d)</td>
</tr>
</tbody>
</table>

\(^a\) Population statistics, 1989  
\(^b\) Population statistics, 2000  
\(^c\) MOSTEC Statistics  
\(^d\) MDG Target

Status and Trends

The economic crisis in Mongolia has had adverse effects on education, although recent trends leave room for optimism. Net primary enrolment rates plummeted from around 98.0 per cent in 1989 to 82.0 per cent in 1992, before rebounding in 1993 to gradually reach 91.0 per cent in 2000. *If the annual rate of increase since 1994 of 2.0 per cent of constant linear growth continues through 2015, the MDG target of universal enrolment in primary schools will be met.* The proportion of pupils enrolled in the first grade who reach grade 5 was 91.0 per cent in 1990 and 83.6 per cent in 2000. Cohort-based projections suggest that the completion rate will reach 87.0 per cent by 2005.

While basic education remains free, the cost of school supplies, meals and informal levies for repairs, maintenance and cleaning represent a significant burden for many families. According to the 2000 Participatory Living Standards Assessment (PLSA), educational costs for children was the most frequently cited factor adversely impacting on livelihoods of the middle income groups. In addition, LSMS 1998 data reveal that close to a half of respondents cite the lack of income, or the necessity for children to work, as the main reason for school non-attendance among children aged 8-15.

Due to the low population density, in Mongolia a disproportionately high level of public spending goes to financing energy and school building maintenance costs, and less is devoted to the development of teachers and school curricula. In urban centers, there is a shortage of classrooms, exacerbated by the increased rural to urban migration.

In 2000, 90.0 per cent of all school buildings, and 80.0 per cent of dormitories were in need of repair. Special importance was attached by the
Government and a significant amount of budgetary allocations was directed since 2000 to repairing schools and dormitories. Construction of a total of 62 new school buildings and their extensions were completed in 2000-2003 and due in 2004. Since 2000, 1,462 buildings of educational organizations were maintained, including projections for the year 2004.

Curriculum and teaching methods are often not relevant to the life-skill and livelihood challenges facing students, but are rather scholastic.

There is limited involvement of parents or trustees in either school board management schemes or parent/teacher associations.

**Challenges**

Meeting the MDGs targets and accelerating progress will entail meeting at least the following major challenges:

*Reducing the actual or opportunity costs of schooling borne by families.* Since the direct costs of education are not decreasing tangibly it places an additional burden on low-income households. It serves as an excuse for parents to take children out of school so that they perform household duties or family income generating activities.

*Improving the quality of teaching.* Upgrading teacher training, improving the curriculum in line with the needs and interests of students will be central to improving the quality of teaching.

*Improving the physical condition and availability of classrooms and dormitories.* Problems of an inadequate supply of electricity and heating, declining quality of buildings and facilities undermine the learning environment of those in school. A major challenge to achieve universal primary education requires the limited capacity and general lack of dormitories in rural schools.

**Enabling Environment**

Free and compulsory primary education for all is enshrined in the Constitution of Mongolia. According to the 2002 amendments to the Law on Primary and Secondary Education, the secondary education school system will convert to 11 year schooling from 2005.

As a follow-up to the Global Conference on Universal Education held in Dakar, a national plan of activities up to the year 2015 was adopted and the “National Forum of Universal Education” was established. The Government is taking measures to repair all school buildings by 2004. Public funding of all expenses related to running school dormitories has been a positive factor in the school enrolment rate since 2000.

The Government just completed ADB financed Education Sector Development Programme (ESDP), which played an important role in school rationalization and upgrading, textbook provision, teacher re-training, and capacity building. UNICEF supports the Government with a child-centered learning approach in school rehabilitation, non-formal education, and development of community based approaches to pre-schools and primary education. JICA
Goal 2. Achieve Universal Primary Education

rehabilitated many schools in Ulaanbaatar and other cities. DANIDA supported the development of rural schools. The Soros Foundation has an ongoing programme for modernizing teacher training, educational publishing, and ICT development. In 1997-2001 UNESCO’s ‘Learning for Life’ Project was implemented, supporting long distance learning and non-formal education initiatives.

Priorities for Development Assistance

Reduce Direct and Opportunity Costs of Schooling Borne by Families. Financial support to students from poor households, improved meal provisions in dormitories, supporting households and reducing additional financial expenditures.

Teacher Training. Upgrading teacher skills in accordance with a changing educational and social environment.

Curriculum Reform. Tailoring the curriculum to better conform to the realities and life-skill and livelihood (vocational) needs of different communities and learners. Improve the content, methodology, structure and quality monitoring system of primary and secondary education.

Rehabilitation of Schools and Dormitories. Enhancing access to primary education for children from herder households and vulnerable groups through improvements in physical condition of dormitories.

Active Involvement in Extracurricular Events such as sports, interest clubs, camping etc.

Community Management. Improvement of mechanisms of community involvement in educational affairs.

Inclusive Education for Disabled Children. Policy and programmes to enable disabled children to receive equal access to schooling.

Expanded System of Education with appropriate policy, practice and training methods, which would enable school drop-outs to rejoin and receive an education at a required level. Support and develop all forms of supplementary education for school drop-outs.

Monitoring and Evaluation

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<td>Mechanisms of monitoring and evaluation</td>
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</tr>
</tbody>
</table>
Goal 3.
PROMOTE GENDER EQUALITY and EMPOWER WOMEN
Target 5: Eliminate gender disparity in primary and secondary education by 2005 and to all levels of education no later than 2015

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<tr>
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</thead>
<tbody>
<tr>
<td>Gross primary enrolment (female/male ratio)</td>
<td>1.01*</td>
<td>1.01*</td>
<td>1.00*</td>
</tr>
<tr>
<td>Gross secondary enrolment (female/male ratio)</td>
<td>1.12*</td>
<td>1.20*</td>
<td>1.00*</td>
</tr>
<tr>
<td>Literacy rate of ages 15-24 (female/male ratio)</td>
<td>1.00*</td>
<td>1.00*</td>
<td>1.00*</td>
</tr>
<tr>
<td>Female/male ratio of students in higher educational establishment</td>
<td>1.56</td>
<td>1.72</td>
<td>1.00</td>
</tr>
<tr>
<td>Share of women in wage employment in the non-agricultural sector</td>
<td>47% (1999)</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Proportion of seats held by women in national parliament</td>
<td>4.0%</td>
<td>12.5%</td>
<td>45%</td>
</tr>
</tbody>
</table>

* MOSTEC Statistics
* NSO/UNIFPA, UNSD, 2000, Population and Housing Census of Mongolia
* NSO, 1999. Population Census of Mongolia
* MDG Target
* National Gender Equality Programme, 2002

**Status and Trends**

Ensuring equal participation of men and women in development and creating a favorable enabling environment for equal ownership and access to resources are advantageous in improving the quality of people’s life diminishing the negative impacts of the society.

Mongolia has achieved impressive results in women’s education. Gender equality in primary, secondary and higher education was largely achieved by the end of the 1980s. Due to the economic crisis of the early 1990s many dormitories in rural schools had to close their doors, which in turn contributed to decreased enrolment rates. With privatization of the livestock, families became interested in involving children in household duties and, therefore, the children were withdrawn from their schools, particularly boys. It had widened the gender gap in primary and secondary schools. 53.0 per cent of secondary school students were girls in 1990. The gender gap has widened in 1992, 2000 with girls comprising 58.0 per cent and 55.0 per cent respectively. However, markedly decreasing number of school drop-outs in recent years testifies to the possibility of eliminating gender gap in this area. In 2003, 51.4 per cent of secondary school students were girls.

In primary and secondary and tertiary schools 50.1 per cent of students are girls.

Among the students in higher education establishments male students comprised 39.0 per cent in 1990, however, the number decreased to 30.0 per cent in 1995. Since 1996 the share of male students has risen and reached 37.0 and 39.8 per cents in 2000 and 2003 respectively. The ratio of male and female students in colleges and universities rose on average by annual 0.06 per cent during the period of 1995-2000. *The MDG of improving gender parity will be attained by 2010 if the trend continues.*

While there is an opportunity to eliminate gender gap in Mongolia at all levels of education, there are numerous issues that are indicative of the remaining gender gap.
Disruption of gender parity in higher education is affecting negatively the institution of marriage. For instance, the results of the 2000 Population and Housing Census show that the higher the social and economic status of women the higher are divorce rates.

In the labor market, although women’s share of wage employment in the non-agricultural sector is near parity with men, hesitation is still persistent when employing women.

While women are better educated than men, they are still under-represented in management and decision-making positions. There is a notable tendency of discrimination against women in the labor market, a fact that is associated mainly with stereotype of women’s reproductive role. With the squeeze of the formal sector employment during the early stage of the transition, an informal sector has expanded and more women are working in it now.

However, as of 2000, women comprised 12.0 per cent of legislators, 31.0 per cent of senior officials in government agencies, 13.0 per cent of governors and heads of local self-governing bodies, 35.0 per cent of the leadership in political parties, 26.0 per cent of directors and executive directors, 39.0 per cent of management in services, divisions and bureaus.

In the national parliament women comprised 4.0 per cent in 1992, 9.0 per cent in 1996, 12.0 per cent in 2000, and 6.0 per cent in 2004 showing some deterioration.

According to the UNIFEM’s resource kit “A Life Free of Violence,” domestic violence in Mongolia has increased in the last decade as a result of transition period. Surveys conducted in 1995, 1998 and 2000 show that violence exists in 20.0 percent of Mongolian families. The majority of victims are women, children and elders.

Challenges

Achieving the MDG targets and promoting women’s empowerment will entail meeting the following challenges:

The main cause of increased number of school drop-outs are large territory, nomadic animal husbandry and poverty. The boys aged 12-15 are taken out of school during the harsh winter and spring seasons in order to have them contribute to household business and family chores. This leads to an increased gender gap in secondary and high schools, universities and colleges.

Limiting the enrolment to the grade 9 under the pretext of the lack of seats in classrooms has influenced the increased gender gap in high schools.

Decreased number of engineering and technology students since the 1990s had a significant impact on the rise of the gender gap in universities and colleges.

It is worth noticing that women face obstacles in career in formal sector, they comprise a considerable share of employees in informal sector.

Participation of women in political life is still low, since overwhelming majority of candidates to elected offices are men.

Decision makers, political leaders, and members of the private sector, who are predominantly male,
lack sensitivity, knowledge and awareness regarding domestic violence, especially violence against women. Discriminative views of men and women are developed by children’s upbringing and reinforced by tradition, culture, and social norms.

**Enabling Environment**

The first Constitution of Mongolia in 1924 guaranteed equal rights to men and women.

The democratic reforms underway since 1990 have consolidated the rights of women, enshrining them in the 1992 Constitution.

The Government is implementing the National Gender Equality Programme from 2002 with the aim of eliminating gender inequality. However, there is a need to support it by setting up institutional arrangements within the government structure.

There is an opportunity to decrease the school drop-out rate as the value attached to education is increasing among rural people and they are more desirous to give to their children a proper education at an appropriate age.

In 2004 the Parliament passed the Law on Combating Domestic Violence.

**Priorities for Development Assistance**

**Provide clothing, food and school supply assistance** to children from poor and extremely poor households studying in primary, secondary and high schools.

**Improving teaching quality and methodology of working with boys** in secondary schools through sustainable supply of professional teaching staff to rural schools

**Increasing access to full secondary education** by improving the capacity and quality of service in classrooms and dormitories of primary, secondary and high schools

**Piloting and implementing** gender-sensitive budgeting initiatives to analyze how central and local governments raise and spend public money, with the aim securing gender equality in decision-making about public resource allocation, and gender equality in the distribution of the impact of budgets.

**Promoting economic empowerment of women** and creating legislation aimed to prevent gender-based discrimination in the workplace

**Implement the newly adopted Law on Combating Domestic Violence.**

**Formulation of policy that aims at increasing women's representation** in decision-making positions.

**Amend the laws on or charters of political parties** so as to increase the share of women among candidates to elected offices.

**Monitoring and Evaluation**

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Goal 4. REDUCE CHILD MORTALITY
Goal 4. Reduce Child Mortality

**Target 6: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate.**

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>Under-Five Mortality Rate (Per 1000 Live Births)</td>
<td>87.5° (1995)</td>
<td>42.4° (1998)</td>
<td>29.2°</td>
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<tr>
<td>Infant Mortality (per 1000 Live Births)</td>
<td>63.4° (1995)</td>
<td>32.8° (1998)</td>
<td>-</td>
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<tr>
<td>Percentage of Children below age 1 Vaccinated against Measles</td>
<td>85.2°</td>
<td>92.4°</td>
<td>-</td>
</tr>
</tbody>
</table>

1 Ministry of Health Sector of Mongolia: 80 years, 2002  
2 NSO, Statistical Yearbook, 2000, 2001  
3 MDG Target  

**Status and Trends**

Under-five mortality rate has been reduced rapidly in Mongolia over the past decade. *The mortality rate was more than halved between 1990 and 2000, a rate which puts Mongolia well on track to achieving the MDG target by 2015.* Though there are discrepancies between administrative data and household survey data over the levels of child mortality, the downward trend is apparent in all data sets.

This decline in child mortality is attributable to a number of factors. There has been a steep drop in the fertility rate as a response to the economic situation. International standards in diagnosing and treating acute respiratory infections and diarrhea have been introduced and breast-feeding has been successfully promoted. In addition, a successful immunization programme has been implemented. Thus, reductions in infant and under-five mortality and infectious diseases were achieved.

Despite these positive developments, under-five mortality remains a serious concern for particular population groups and regions. The rural areas, particularly the Western region, fare worst compared to others due to its remoteness, severe climatic conditions and underdeveloped infrastructure. Under-five mortality rates are higher in Ger communities due to the lack of access to clean water, basic sanitary facilities, knowledge of appropriate feeding and child caring practices.

The main causes of under-five mortality are respiratory diseases, diarrhea, asphyxia, low birth weight, short spacing between births and the young age of mothers. Important factors affecting both child and infant mortality are deterioration in, low quality of, and access to health services in rural areas. Poor living conditions, including a lack of access to electricity and low levels of parental education, particularly mothers’ education also serve as contributing factors. Furthermore, there is a direct effect on child mortality from general and reproductive health, nutrition, and housing conditions.

**Challenges**

Sustaining the progress gained in reducing under-five mortality will entail meeting the following core challenges:

*Infant Care Measures.* Neonatal care and essential newborn care standard programmes implemented nationwide.
Goal 4. Reduce Child Mortality

Child Health Programs. Implement integrated childhood health programmes on a national level.

Decrease Urban/Rural and Regional Disparities. Maintaining the rate of reduction in under-five mortality will entail focusing increased attention on rural areas, Ger districts and specific regions where rates are higher. Major challenge is an unequal access to quality health services and the inequity of health between urban and rural populations. Most of the health resources are concentrated in urban centres, particularly in Ulaanbaatar, while rural areas experience a shortage of medical personnel, poor working conditions and lack of necessary medical equipment and supplies. Consequently, child mortality rates and the incidence of maternal deaths are higher in rural areas.

Improving Parental Education. Given the close association between education and child mortality, it will be critical to introduce educational programmes which address issues of neo-natal care, utilization of available services, feeding practices, nutrition, child health and care.

Promoting Reproductive Health. The linkages between fertility levels, birth spacing, and mother’s age and child mortality attest to the importance of an effective implementation of the National Reproductive Health Programme, which promotes reproductive rights based on informed choice.

Addressing Neo-natal and Child Health Care. It is necessary to establish conditions for providing quality and accessible health care with emphasis on fetal, infant and child health issues.

Enabling Environment

Mongolia has formalized its intentions to reduce the mortality rate among children below the age of 5 in several policies and programmes on health and social development. The country ratified the Convention on the Rights of the Child in 1992, under which it is obliged to take measures to diminish child and infant mortality. In 1990-2002 the National Programme on Development of Children was implemented. A review of its outcomes laid ground for the adoption of the National Programme of Action for the Development and Protection of Children to be implemented in 2002-2010. According to the Constitution and the Health Law, health care expenses of children under the age of 16 are covered by the State. There is also a specific law on Child Protection.

Mongolia has a relatively effective system for providing assistance and services to children and the level of female education is high. There is no tradition of sexual discrimination of children with respect to education, health or nutrition.

Reforms in the health sector have placed emphasis on improving the quality of basic medical care. Special attention has focused, at the soum and bagh level, based on the underlying principle that healthcare is provided by the family, soum and bagh doctors.

Partnerships and international cooperation for improving children’s health are extending coverage of priority areas to safe motherhood, immunization, integrated management of childhood illnesses, and diet and nutrition. Since 1997, the National Reproductive
Health Programme has been implemented and it was revised in 2001. Knowledge and use of contraceptives is increasing. Programmes sponsored by UNFPA and UNICEF have been playing an important role in reducing infant and child mortality, in improving nutritional conditions and maternal health. The GTZ, UNICEF and WHO are currently supporting Integrated Management of Childhood Illnesses programmes which are being expanded this year to cover most aimags. The ADB through the Health Sector Development Programme has assisted the Government to implement sector reforms by developing a system more responsive to patients’ needs, based on primary health care and preventive services.

**Priorities for Development Assistance**

Sustaining the progress in consistently reducing under-five mortality will require a multi-pronged strategy that involves interventions in education, health, nutrition and the environment. Many of these are addressed elsewhere in the document. Remaining priorities include:

**Infant care measures.** Implement neonatal care and essential new born care programmes on a national level.

**Child Health Programmes.** Integrated childhood health programmes extended to the national level. Integrated management of childhood illness programme extended to the national level, focusing on improving the aspects of nutrition, immunization and other factors influencing child health, including maternal health. The programme to improve case management skills of health staff and overall health system require effective management of childhood illnesses as well as improved family and community practices on child caring.

**Health care provision for vulnerable groups.**
Improve primary health care provision for vulnerable, high-risk groups and rural population.

**Information, Education and Communication (IEC) Programs.** Attention should focus on key health, clean water provisions, and nutritional issues affecting infants and children, as well as better involvement of families and community groups in addressing issues of reproductive health.

**Specialist Training.** Training of paediatric, childcare and nutrition specialists, especially in rural areas and improving the supply of necessary medicine and equipment.

**Monitoring and Evaluation**

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Goal 5.
IMPROVE MATERNAL HEALTH
Target 7: Access for all individuals of appropriate age to required reproductive health services and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maternal Mortality Rate (per 100,000 live births)</td>
<td>200(^a) (1992)</td>
<td>158(^a) (1999)</td>
<td>50(^c)</td>
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<tr>
<td>Proportion of Births Attended by Skilled Health Personnel</td>
<td>99.9(^b)</td>
<td>99.7(^b)</td>
<td>99.8(^c)</td>
</tr>
</tbody>
</table>

\(^a\) MoH Health Indicators 1992, 2000.
\(^b\) MoH Health Indicators 1990, 2000.
\(^c\) MDG Target

Status and Trends

Rates of maternal mortality are high in Mongolia at 158 per 100,000 live births in 2000. Trends between 1992 and 2000 show a reduction of around 20.0 per cent, from 204 to 158 per 100,000 live births. While these levels are much higher than those recorded prior to 1990, there are big problems of comparability as international reporting standards were not introduced until 1992. However, maternal mortality per 100,000 live births dropped in 2002 to 124 and in 2003 it was 109.5, which is the lowest rate in the last decade. The challenge now is to ensure continuous decreasing trend in order to meet the MDG target.

Maternal mortality is higher in remote rural areas than in urban areas and also varies between regions. For instance, in 2003, maternal mortality rates in some remote western aimags located in mountainous areas were between 145 and 173 per 100,000 live births, which is significantly higher than the national average. In addition, maternal mortality is higher among first-time mothers and among women with low education and many children. It is also higher among poor herders and the unemployed.

There is a range of factors which account for the persistently high maternal mortality rate in Mongolia, including the economic situation, environmental conditions, climate, etc. The most decisive policy-related factors are the low quality of medical services during pregnancy, delivery and after birth as well as the unequal costs and conditions of care and infrastructure between urban and rural areas. Due to problems with registration, migrant women in urban areas lack information and tend to be left out of basic health services which in turn contribute to increasing maternal mortality among this vulnerable group.

The use of modern contraceptives among women of child bearing age in 1998 was 33.0 percent. However, this number is comparatively lower for women with low education, women herders located in remote areas, and women living in poverty.

The Reproductive Health Survey 1998 revealed that 96.0 per cent of all women giving birth during the last 5 years received antenatal care and 94.0 per cent of deliveries took place in health facilities with the assistance of professional mid-wives and doctors. Nevertheless, the quality of the care received is questionable as evidence by the high reported incidence of complications due to diseases associated with pregnancy.
Low quality of care is a much more serious problem in soums and baghs where there is a shortage of medicines and equipment, poor communications and referral systems, lack of skilled medical personnel and inadequate capacity to deal with complications during pregnancy and delivery in a timely manner. Additional problems in rural areas include delayed response in the case of emergencies and home births due to the lack of access to health facilities. The closing, in the early 90s, of many maternity rest homes where women in remote areas were permitted to stay prior to delivery is one factor which may have contributed to the deterioration of care. However, most of these facilities are being restored now.

In addition, poor nutrition bears significantly on maternal health and mortality. There is a high incidence of iron deficiency anaemia and other pathologies among pregnant women and women who have just given birth.

Although recent surveys claim that women are well informed and make use of family planning methods, abortion rate is high - 234 per 1,000 live births in 2003. It is estimated that 13.0 per cent of maternal deaths are due to unsafe and late abortions.

Unequal gender relations and the weaker power of women may also be restricting access to care in rural areas. Specifically, the privatization of livestock and the economic crisis have placed a heavy burden on women who face added work responsibilities.

**Challenges**

Issues that need to be resolved to improve access to reproductive health care assistance and services and decrease maternal mortality are:

**Providing Quality, Accessible Care in Rural Areas.** Improving the quality of care in rural areas will be critical to reducing maternal mortality and will entail increased public financial commitment, better training of personnel as well as reallocation of existing resources in favour of rural medical facilities.

**Improving Transport and Referral Systems.** The higher rates of maternal mortality heighten the importance of improving transport and referral services in accordance with needs of sparsely populated areas and population movements of pastoral communities.

**Promoting Reproductive Health and Family Planning for High Risk Groups.** The linkages between high fertility, unsafe abortion and maternal mortality accentuate the importance of effective implementation of the National Reproductive Health Programme.
Goal 5. Improve Maternal Health

To create an enabling environment for the provision of emergency obstetrics care. Remote rural areas with poor infrastructure are lacking the necessary equipment, medicines and trained medical professionals for providing emergency obstetrics care.

It is necessary to undertake publicity campaigns, provide information and seek support from policymakers in the area of reproductive health and postnatal care.

Increasing Awareness of Maternal Health among population, especially vulnerable groups and teenagers. Changing attitudes on seeking medical assistance as well as increasing knowledge of pregnancies, antenatal and postnatal care.

Building Partnerships with Communities. Increasing the participation of community-based organizations and general public in reproductive health care and mobilizing their support are critical to the overall success in reducing maternal mortality.

Enabling Environment

Mongolia has set the goal of reducing its maternal mortality rate in several policy documents and programmes such as the 2004 State Policy on Population Development, the 2001 Maternal Mortality Reduction Strategy and National Programmes on Reproductive Health and Soum Health Development, and other health agendas.

The legal environment for improving maternal health is quite well established in the country. As a party to the Convention on the Elimination of all forms of Discrimination against Women (CEDAW) and CRC, the country has a duty to ensure appropriate services for women regarding pregnancy, confinement and post-natal care.

The State Policy on Public Health approved by the Parliament in 2001 stresses the importance of improving client-oriented services, in particular improving reproductive health care access for vulnerable groups and people of remote regions. It also accentuates the importance of strengthening government, NGOs and civil society partnerships in supporting health.

Measures are taken in the framework of the health sector reform programmes to enhance medical service quality, supplies for soums, baghs and family doctors, and improve client-oriented medical assistance.

From 2001 regional diagnostic and treatment centers have opened in three aimags (Khovd, ornod and vurkhangai). It is likely that measures implemented by the Government in poverty reduction, sustainable livelihood, improvement of food supplies, nutrition and micro-nutrients to low-income mothers will contribute significantly to addressing maternal mortality concerns. There is also the considerable advantage of having a relatively high education level among women and girls.
Goal 5. Improve Maternal Health

Priorities for Development Assistance

**Emergency Medical Care.** Increasing the supply of ambulances in rural areas and/or suitable alternatives.

**Public maternity hospitals.** Upgrading and providing aimags’ maternity hospitals with up-to-date treatment and powerful diagnostic equipment.

**Rural Reproductive Health Care.** Upgrading rural health facilities to deal with complications during pregnancy and delivery as well as increasing essential medicines, equipment and nutrient supplements.

**Specialist Training.** Increasing the supply and upgrading the skills of specialists as well as community health workers.

**Family Planning.** Programmes to increase awareness of and access to family planning techniques and measures for couples and individuals, along with sustainable mechanisms for continued supply of contraceptives.

**Behaviour Change Communication (BCC) Programmes.** Tailored programmes to increase awareness of key aspects of reproductive and maternal health that target high-risk groups and areas.

**Monitoring and Evaluation**

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<thead>
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Goal 6.
COMBAT STIs/ HIV/ AIDS and TB
Target 8: Have halted by 2015 the spread of HIV/AIDS and begun to reverse STIs

| Target 8: Have halted by 2015 the spread of HIV/AIDS and begun to reverse STIs |
|---------------------------------|-----------------|-----------------|-----------------|
|                                 | 1990            | 2000            | 2015            |
| HIV prevalence among 15-24 year old pregnant women | 0*              | 0*              | 0*              |
| Contraceptive prevalence rate   | 49.1%           |                 |                 |
| Number of children orphaned by HIV/AIDS | 0*              | 0*              | 0*              |

  b MoH. Health sector of Mongolia: 80 years.
  c MDG Target
  d UNAIDS. Report on the Global Health Epidemic

Status and Trends

Mongolia has an extremely low-recorded prevalence of HIV/AIDS. Since 1992, when data on HIV began to be compiled in the country, there have been four reported cases of HIV/AIDS. In annual examinations conducted on over 30,550 high-risk groups, blood donors and pregnant women between 1987 and 2000 no positive cases were revealed. At present, there are no AIDS-orphaned children in the country.

Because the surveillance system for HIV/AIDS is not yet well established the above figures may underestimate the true prevalence of the infection. Still, other data also point to low prevalence of HIV rates. According to UNAIDS estimate, at the end of 2001 there were less than 100 possible cases of HIV/AIDS in Mongolia, and the spread among 15-49 year olds was less than 0.01 per cent. In 2003 the above figure was 300 and 0.02 respectively.

The low prevalence of HIV/AIDS is not a cause for complacency as Mongolia has a number of risk factors, which predispose it to the risk of infection. The risk factors include 50.0 per cent rate of the population below 23 years old, relatively high incidence of sexually transmitted infections (STIs) increasing in recent years, growing number of sex workers and younger entrants into the sex trade. Also increasing number of people moving from rural to urban areas in search of work, trade, business, educational opportunities as well as growing number of international travellers constitutes additional risk factors. Occurrences of intravenous drug-use, although is not wide spread, the rapid spread of HIV infections in recent years in neighboring countries such as Russia, Kazakhstan and China, rates of unemployment and high level of poverty (almost half of those infected with STIs are unemployed or homeless) serve as contributing factors.

Notwithstanding the positive developments in recent years in public knowledge and attitudes towards HIV/AIDS prevention, around 10.0 per cent of the population in some regions retain the view that it is not possible to prevent HIV. Furthermore, though knowledge about condoms is relatively widespread, their use is low.

It is difficult to make assumptions about further rates of infection. It is impossible to rule out the possibility of the rapid spread of HIV/AIDS, as was the case in other former socialist countries. Due in part to the low incidence of HIV/AIDS, the disease has not emerged as a priority public issue. There is a strong social stigma associated with the disease. This may contribute to a low number of reported cases and leaves the nation ill-equipped to address the human rights of those that are or may potentially be affected.
STIs are the leading communicable diseases reported in the country, and the prevalence among the general population is high - over 30.0 per cent prevalence in pregnant women. Based on a national survey conducted in 2002, unless an effective control over this situation is established, a massive epidemic of HIV would follow soon. Some experts, however, believe that this conclusion is not backed by sufficient scientific data.

If effective preventive measures are undertaken now it is possible for the country to remain one of the few countries with a low prevalence and spread of HIV/AIDS rate in the future and to deal with those who contract the disease in a manner that respects and protects their human rights.

In order to determine the real situation of STIs/ HIV in the country, the second phase of STI/HIV survey has been conducted in Ulaanbaatar and 6 selected aimags in two years. The survey revealed that teenagers, especially girls, who are having sexual relationships at an earlier age and have multiple partners, were at high risk to STIs. According to the survey, 42.1 per cent reported that they were not accustomed to using condoms and 80.0 per cent said that they would go to hospitals if infected with STIs.

**Challenges**

The following key challenges must be met to prevent the spread of STIs/HIV/AIDS in Mongolia:

*Strengthening the control over the high prevalence of STIs in the country.*

*Improving surveillance, research and monitoring systems to facilitate early detection of STIs/ HIV/AIDS.*

*Establishing reliable and functional modern laboratory diagnostic facilities at all levels.*

*Strengthening partnerships between the Government, NGOs, civil society and the private sector for STIs/HIV/AIDS awareness and prevention and increasing participation of non-health sectors in the fight to prevent the epidemic.*

*Increasing BCC interventions on STIs and HIV/AIDS, and access to contraception, especially condoms, for youth and high-risk groups.*

*Improving the understanding of the concept of confidentiality among all health service providers.*

**Enabling Environment**

The goal of combating and preventing HIV/AIDS is reflected in legal acts and policy papers such as the State Policy on Public Health, the National Strategy to respond to HIV/AIDS, National Reproductive Health Programme and the Law on the Prevention of HIV/AIDS. In addition, the National Programme on Communicable Disease was approved in 2002, which has a special sub-component on HIV/AIDS. NGOs aspire to contribute to this work and their ability to do so is gradually improving. Marie Stopes International Mongolia, with the support of UNFPA, is successfully running social marketing and distribution of male and
female condoms. WHO is supporting the introduction of 100 per cent condom use programmes in Erdernet, Darkhan and gold mining camps for commercial sex workers that will be expanded over time to include Ulaanbaatar. Mongolia is also a recipient of Global Funds for use in HIV/AIDS prevention.

Although partnerships between the Government, UN and other international organizations are increasing, there is room for further improvement. In recent years there has also been an increase in public awareness and understanding of these issues. Visible political support from the highest levels would positively impact upon public awareness efforts. The international community has affirmed its commitment to the goal of combating HIV/AIDS in the country. There have been a number of projects expressly designed to address HIV/AIDS, such as the International Guidelines on HIV/AIDS and Human Rights. All of the above will have positive effects on meeting the MDGs.

**Priorities for Development Assistance**

In order to maintain the low spread of HIV/AIDS until 2015, four priority interventions are critical:

*Improved national surveillance systems* for assessing the situation and risk of spread of HIV/AIDS. Make Voluntary Counseling and Testing (VCT) widely available and promote the use of VCT among the population.

*Involve civil society organizations* in Behaviour Change Communication programmes on STIs/HIV/AIDS targeted to youth and high-risk groups.

*Social marketing programs promoting condom use and availability and safe sex.*

*Improved services and facilities to treat STIs.*

**Monitoring and Evaluation**

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</table>

**Target 9: Have begun to reverse the spread of tuberculosis by 2015**

<table>
<thead>
<tr>
<th>Prevalence of tuberculosis (per 100,000 persons)</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Death rates associated with TB (per 100,000 persons)</td>
<td>79</td>
<td>125</td>
<td>40</td>
</tr>
<tr>
<td>Proportion of TB cases detected and cured under DOTS</td>
<td>5</td>
<td>3</td>
<td>100/80</td>
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</tbody>
</table>

* NCSID. Recorded Cases of Tuberculosis, 2001.
* MDG Target

**Status and Trends**

Tuberculosis is one of the pressing public health problems in Mongolia today and is the third most prevalent infectious disease. The registered incidence of tuberculosis had increased from 79 in 1990 to 125 in 2001 and 155 in 2003 per 100,000. This rapid increase is not only related to improved detection, but also connected with the rapid increase of poverty during the transition period. The country is considered to have a high incidence of tuberculosis, which the WHO estimates at 230 per 100,000. Over half of those suffering from tuberculosis are unemployed and homeless and most are poor. At present, there are
Goal 6. Combat STIs/HIV/AIDS and TB

Mongolia introduced the Directly Observed Treatment Short Course (DOTS) in 1995 within the framework of the National Programme for Combating Tuberculosis. By the end of 1999 it covered all aimags and cities. As a result of DOTS implementation, coverage reached 100.0 per cent in 1999 compared to 6.0 per cent in 1995. About 80.0 per cent of those detected have been cured and the number of deaths among those newly-detected with tuberculosis is decreasing. This is a big success.

The BCG (Bacillus of Calmette and Guérin) vaccination rate is low among children from nomadic families and migrant families in big cities. Resistance to major anti-tuberculosis drugs, common among TB patients, was rare.

The DOTS experience suggests that it will be possible to halt the spread of TB, though it may be some time before the prevalence levels reported in 1990 are attained.

Challenges

To attain the MDG goal, three core challenges must be met:
- *Improving detection of tuberculosis* among high risk groups and fully involving them in the DOTS treatment.
- *Extending coverage of DOTS to soums and increasing use of DOTS by family doctors.*
- *Cover extensively the nomadic herder households and migrants with BCG vaccination and increase its effectiveness.*

Enabling Environment

The new strategy for diagnosis and treatment is reflected in the amended National Policy on Public Health and the National Programme on Combating Tuberculosis. In accordance with the provisions of relevant laws, the Government assumes responsibility for insurance and costs associated with TB prevention and relevant services. The country has a 5-year action plan to tackle TB, with the support and funding by donors. In addition, Mongolia’s project proposal requesting US$ 1.7 million from the Global Fund to Fight Aids, Tuberculosis and Malaria for TB control has been approved, and US$ 644,000 will be granted for the 2003-2004. Public awareness campaigns for DOTS have gained the support of policy makers. The improved capacity of a new TB diagnostic laboratory and the introduction of a quality control system will further enhance performance in combating TB.
Priorities for Development Assistance

Development priorities for combating TB should focus on the following areas:

Extension of DOTS to high-risk population groups and areas.

Coordinated strategy integrating the programme for combating tuberculosis and the reform programme of the health sector.

Information, Education and Communication programmes on TB expanded and directed to high-risk audiences.

Increase access to vaccination for nomadic herder and migrant households.

Monitoring and Evaluation

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Goal 7.
ENSURE ENVIRONMENTAL SUSTAINABILITY
Target 10: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

<table>
<thead>
<tr>
<th>Percentage of land area covered by forest</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
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<tbody>
<tr>
<td>9(^a)</td>
<td>8.2(^b)</td>
<td>9(^c)</td>
<td></td>
</tr>
<tr>
<td>Land area protected to maintain biological diversity (%)</td>
<td>7(^d)</td>
<td>13.3(^b)</td>
<td>13.3(^b)</td>
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<tr>
<td>Carbon dioxide emissions (ton/person)</td>
<td>4.08(^c)</td>
<td>4.19(^c)</td>
<td>5.61(^d)</td>
</tr>
</tbody>
</table>

\(^b\) Protected Areas of Mongolia. 2000.  
\(^c\) Sustainable Development Programme 21, 1999  
\(^d\) MDG Target

Status and Trends

Land/pasture degradation, air pollution, low energy efficiency, deforestation, and decreasing biodiversity currently present most pressing environmental problems for Mongolia.

According to the Ministry of Nature and Environment, 78.0 per cent of pastureland is degraded and further 20.0 per cent has a tendency towards degradation. Another survey conducted in 1998, suggests that 98.0 percent of pastureland was degraded to some extent and 20.0 per cent of it severely. Causes of degradation vary: overgrazing in areas close to markets and water points due to the failure to manage and maintain deep-water wells; mining operations, especially gold mining, coupled with the lack of land rehabilitation; infestations with grasshoppers and Brandt’s Voles. There is a high risk that degraded lands could lead to desertification.

Air pollution is an increasingly serious problem, especially in Ulaanbaatar and several other urban centres. Concentration of noxious pollutants has increased since 1994 and exceeds safety standards in winter months. Main sources of air pollution in Ulaanbaatar are, first, inefficient stoves of Ger communities surrounding the city, second, motor vehicles, and third, thermo-power plants. Ger communities are not connected to central or district heating systems. Hence, the heat in Ger communities is mostly generated by burning wood and coal and waste, which leads to high levels of natural resource consumption. Ulaanbaatar city had about 40,000 vehicles in 2000 and the number rose to 68,000 in 2003. Outdated technology in government operated thermo-power generating plants and numerous small-scale stations that generate heating significantly contribute to air pollution. Mongolia has one of the highest carbon dioxide emissions rates per capita in Asia. Consumption of low-grade coal, which leads to inefficient energy production, low-efficiency heating system, lack of insulation in the design of buildings, and overall lack of incentives to conserve energy use also are among the contributing factors.

Deforestation is a serious problem in Mongolia. According to the Ministry of Nature and Environment, forested area in the total territory of the country has decreased from 11.0 per cent to 8.2 per cent. The reasons for deforestation include excessive logging coupled with insufficient replanting, frequent forest fires and pressures from
Goal 7. Ensure Environmental Sustainability

inappropriate human use. Lack of relevant scientific knowledge and information, inefficient management and structure of relevant ministries, agencies and civil society organisations also serve as the contributing factors.

Mongolia possesses a wide range of flora and fauna that can be rarely found elsewhere in the world. Increasing levels of population and migration, and a rising number of livestock are affecting stability of the ecosystems. Moreover, unregulated hunting has led to extinction of a number of species of wild animals. In response, the Government has increased the size of the protected land area to 13.3 per cent of the country’s total territory, and undertook a commitment to raise that figure to 30.0 per cent.

Challenges

In the areas where environmental concerns are most pressing, the core challenges are defined as follows:

*Developing appropriate institutions for pastureland management.* During the transition period the state has effectively withdrawn from pastureland management. Number of herder households and livestock increased in the last decade, while the condition of deep-water wells deteriorated, primarily due to the lack of ownership. It is also believed that open access pastureland use system is among major contributing factors.

*Reducing emissions from motor vehicles.* Improving urban air quality will require finding ways to improve the quality control over emissions from existing vehicles and enhanced traffic flow regulation.

*Converting to fuel-efficient heating systems and high-insulated building materials and changing incentive structures to promote conservation.* In order to increase energy efficiency and reduce environmental pollution, it is important to support initiatives that promote the use of fuel-efficient and smokeless household stoves, energy efficient, environmentally friendly, high-insulated building materials (straw, etc.).

*Protecting fragile ecosystems and wildlife.* In addition to improving pastureland and livestock management, Mongolia also will need to improve controls on illegal hunting and the export of rare and endangered species.

*Improving forest management.* Lack of regulation on forest use and enforcement of existing legislations is due, in large part, to assigning the responsibility for forest management to a single government ministry and local communities.

Enabling Environment

The 1992 Constitution of Mongolia guarantees the right of every Mongolian to live in a healthy and safe environment. From the beginning of the transition period, policy makers have placed environmental concerns at the forefront and have reflected them in an integrated national strategy. First attempts at developing this strategy were made in the National Development and National Security Concepts, approved by the Mongolian Parliament in 1994. The basic guidelines for sustainable
development and environmental protection were clearly formulated in directives such as the “Ecological Policy of the Mongolian State” (1997). The Mongolian Government adopted the “Mongolian Action Programme for the 21st Century” (MAP-21) in 1998. This Action Programme identifies economic growth, social equality, sustainability, and appropriate use of natural resources as the key strategy for development. The Sustainable Development Strategy until the year 2021 is being developed by the Government upon the initiative of the President.


Thus, the country has been exemplary in establishing the legal basis for sound environmental management. However, implementation has been weak, due to competing interests in the society and the economy, general lack of incentives for environmental conservation. In many instances, environmental degradation has proceeded unabated during the past decade.

Education, training and public awareness are essential to environmental protection and sustainable development. The Ministry of Education, Culture and Science has been implementing an educational program since 1997, integrating environmental sustainability issues into the curriculum.

**Priorities for Development Assistance**

Priorities within the framework of sustainable development include:

**Community-based pasture-management.** Supporting schemes to involve local herders in the management of grazing land and water points.

**Vehicle Inspection.** Increasing the number of vehicle inspection stations in Ulaanbaatar and enforcing greater compliance.

**Improved Energy Efficiency.** Introduction of market incentives to promote energy efficiency, especially in the construction sector, and dissemination of energy conservation technologies. Promotion of renewable energy in rural Mongolia, especially solar and wind energy.

**Information, Education and Communication.** Pursue informational campaigns to promote energy conservation and sustainable practices, including
on reducing the risk of forest fires, selective cutting of trees, etc.

_**Community forestry.**_ Supporting programs that promote local management of forest reserves by government and local communities.

### Monitoring and Evaluation

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### Target 11: Halve, by 2015, the proportion of people without sustainable access to safe drinking water

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<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
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<tbody>
<tr>
<td>Proportion of population using improved water source</td>
<td>55°</td>
<td>60°</td>
<td>80°</td>
</tr>
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</table>


**c** MDG Target

### Status and Trends

According to LSMS data, in 1998 close to a half of the country’s population received water from unsafe sources such as unprotected wells, rivers, rain or snow. These data may overstate the proportion of the population without access to safe water, because in some remote localities natural sources may actually provide safe drinking water. Scientific quality controls need to be undertaken to ascertain the quality of particular sources. Nevertheless, the data points to a significant proportion of the population lacking access to safe water. Indeed, the water used by inhabitants of close to 40.0 per cent of all settlements is below standard. As discussed in connection with Goals 1 and 4, the lack of access to safe water is a cause of the high incidence of diarrhea, which is closely linked to child malnutrition and mortality.

Level of access to drinking water is closely associated with both geographical location and economic status. Two-thirds of rural dwellers use water from unprotected wells, rivers, rain or snow compared with less than a third of urban residents. Further, in urban areas, only a quarter of the poor have access to piped water from central sources compared to a half of the non-poor. Access to safe drinking water is a serious problem in *Ger* districts in urban areas.

Clearly, poverty is one major cause of inadequate water access. Other problems relate to both the quantity and quality of water. Over the last five years, there has been a reduction of ground water levels and drying up of some traditional water sources. The causes are likely related to inefficient water supply, excessive use of water by gold mining entities, climate change and desertification. In addition, 60.0 per cent of the deep-water wells constructed before the 1990s have significantly deteriorated. The fact that over 100 *soum* centres are located in regions with permafrost also has an adverse effect.
Water quality also requires attention. Domestic sewage, industrial wastes, agricultural run-off, and untreated solid and dry waste are polluting surface and groundwater. Improper storage and use of chemicals and fertilizers, and violations of regulations to protect sanitary zones further exacerbate the problem. Groundwater in the Gobi region and eastern steppes is highly mineralised, which is a constant source of health problems in these areas, including tooth decay, stomach and urinary tract illness and cardiac problems.

**Challenges**

Improving access to safe drinking water will involve addressing the following key challenges:

*Facilitating safe water access to poor in urban and rural areas.* Urbanization has out-paced the provision of amenities, including water, to poor urban communities. The highest proportion of population using water from unprotected sources is in rural areas. Redressing these disparities is a core challenge.

*Resolving ownership/management issues concerning deep water wells in rural areas.* Unresolved ownership issues have left many wells dysfunctional.

*Rehabilitating water treatment facilities.* The majority of water treatment facilities were built 20-30 years ago, with equipment and technology now outdated and burdened by high operating costs.

*Changing behavioral patterns concerning water use.* Harmful practices that need to be addressed include uneconomic water usage, lack of effective water conservation, absence of water source protection mechanisms and the use of groundwater sources for livestock and human consumption.

**Enabling Environment**

In 1995, the Parliament of Mongolia passed Laws on Water and Fees on Use of Water and Mineral Water. In 2002, the Law on Water Supply and Sewerage Networks Use in Cities and Settlements was approved. In connection with the implementation of these laws, the Government has issued over 20 decrees and regulations, and over 20 water standards are in force. In May 2004 the “Law on Water” was once again amended to include institutional streamlining; management of river basin within the ecosystem and; community based resource use and management; user fee for economic entities that make profit on water, etc. However, more improvements are required to provide better incentives for water resource conservation and possession and ownership of water facilities. The year 2004 is announced by the Government to be the year of Water Policy Reforms.

**Priorities for Development Assistance**

*Safe drinking water supply.* Extension of water supply networks to under-serviced urban and rural settlements.

*Rehabilitation of rural deep-water wells.* Establishment of an appropriate institutional framework for the ownership/management of rural wells and support for their rehabilitation.
**Goal 7. Ensure Environmental Sustainability**

*Investment in water quality monitoring and water treatment facilities.* Support for the re-installation and rehabilitation of improved water quality monitoring and treatment facilities in areas of high mineral content and pollution.

*Demand-responsive approaches and cost recovery.* Further assistance to improved water supply and sanitation systems must be based on (a) the ability and willingness of users to pay for those services and (b) establishing cost recovery mechanisms to ensure adequate maintenance of those systems.

*Information, Education and Communication on proper water use.* Promotion of water conservation and other appropriate practices.

### Monitoring and Evaluation

<table>
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<tr>
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### Target 12: By 2020, to have achieved a significant improvement in the lives of slum dwellers

<table>
<thead>
<tr>
<th>Proportion of population using adequate sanitation facilities</th>
<th>1990</th>
<th>2000</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22 a</td>
<td>25 b</td>
<td>50 c</td>
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</tbody>
</table>

* MDG Target

### Status and Trends

Currently, the population is almost equally split between areas with traditional dwellings or *Gers*, and ‘conventional’ housing. There are wide disparities in access to basic amenities including heating, water supply and sanitation between these two types of housing. Typically, *Gers* do not have central heating or indoor bathroom facilities. Around one quarter of urban *Gers* do not have facilities for waste disposal.

The relationship between poverty and housing type is especially pronounced in urban areas. *Gers* comprise around a quarter of total urban housing and are often areas of concentrated poverty. In addition, there is a strong relationship between lack of access to central heating in *Gers* and urban poverty.

The Population and Housing Census 2000 revealed that almost 18,000 households do not have any housing of their own, but share it with other households. More troubling is the number of homeless people that reaches 4,300 nationwide. Those people spend the nights in entrances, basements and manholes. About one third of them are children and youth below the age of 19.

Urban housing condition has almost certainly deteriorated over the last decade with the economic crisis of 1990’s, internal migration predominantly with destination to Ulaanbaatar, and growing urbanization of poverty. Despite the current boom in the housing sector in Ulaanbaatar, purchasing power of the general public is still insufficient.

### Challenges

Meeting the MDG target in this area will includes a number of core challenges:
Goal 7. Ensure Environmental Sustainability

Improving living conditions and reducing poverty in Ger communities. Migration to the capital, Ulaanbatar, has resulted in the growth of poor, Ger communities already suffering from the lack of basic amenities.

Increasing public investment in sanitation and heating infrastructure. Extending services to communities without basic sanitation and heating facilities.

Addressing issues of homelessness. Providing shelter for those in extreme need is a pressing imperative.

Facilitating increased public and private investment in housing. The shortage of housing in Mongolia is affected by restricted opportunities of investment in the housing sector due, in part, to the lack of access to credit and slow adoption of new technology.

Enabling Environment

The passage of the National Programme on Housing, laws on Housing, Apartment Privatization, Condominium, as well as Civil Code, Land Law and Land Ownership Law were an important step in creating the favourable legal environment for the development of the housing sector.

The purpose of the Government’s Housing Programme, adopted in 2002, is to provide assistance to the urban population in obtaining comfortable housing built to modern technical, architectural and urban development standards, with appropriate engineering services. It also aims at assisting nomads in obtaining dwellings made of modern materials that correspond with their traditional lifestyle, improving the housing supply and conditions of low and medium income population, young families and civil servants, and attracting local and foreign investment in this field.

Priorities for Development Assistance

Public infrastructure development in poor communities. Extend/rehabilitate underground sewage systems or feasible alternatives for waste and water disposal in poor communities and extend central heating networks.

Immediate and long-term housing for the homeless. Increase investment in shelters and public housing for the homeless.

Development of appropriate technologies. Support the development and introduction of new techniques and technologies to the housing architecture (such as straw bale houses), city planning, and construction sector with the aim to facilitate cost-effective and energy efficient housing.

Financial assistance for housing Support for sustained financial assistance for the poor communities to purchase, construct, extend, and reconstruct housing accommodation.

Monitoring and Evaluation

<table>
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Goal 8.
DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT
Target 13: Create favorable condition for achieving other MDGs through developing trading and financial system.

Status and Trends

Mongolia has rapidly embraced free trade and currently has one of the most open economies in the world. In 1997, it joined the World Trade Organization (WTO) and imposed 5.0 per cent tariff on most imports and a modest tax on exports of a small number of raw materials. In 2003, the foreign trade volume (exports plus imports) exceeded 1.0 billion US dollars, a 50.0 per cent increase over the decade. At the present Mongolia is trading with more than 80 countries, of which the People’s Republic of China, the Russian Federation and the USA are the main trade partners.

Liberalization of the trade regime in Mongolia was intended to meet the needs of the domestic market, increase the competitiveness of domestic industries and spur exports. One of its side-effects, however, is a persistent and growing trade deficit since 1996. Trade deficit in 2002 amounted to 166.8 mln US dollars and escalated by more than 10.0 per cent to 185.1 mln US dollars in 2003. In addition, continued reduction of tariff levels since 1992 led to a decreasing share of customs tax revenues in the state budget.

Mongolia’s export earnings are highly dependent on world market prices of few commodities, in particular copper and cashmere. Furthermore, revenues from traditional export items goods such as leather, sheep skin good, carpets and wool blankets have declined sharply. There has also been an influx of cheap imports in the aftermath of the Asian crisis.

The financial sector in Mongolia was rapidly liberalized in the early years of transition. A number of private banks were established, which extended large amounts of credit without appropriate safeguards. Almost all commercial banks were directly or indirectly owned by the state with the state involvement and pressures from government officials playing an important role in loan decisions. At the same time, outstanding bad loans that were kept in the balance sheet of the State Bank of Mongolia (which was the only bank in the country before the 1990s) were transferred to newly created commercial banks. Hence, bank failures resulted from inadequate government monitoring and management capacity, and excessive state interference in credit provision. An ensuing banking crisis and restructuring of the banking sector was worth over 8.0 per cent of GDP. It has also left a legacy of a large share of non-performing loans and high lending rates. In addition, financial services are concentrated in urban areas and cater to formal sector activities. As a result, there are real credit constraints inhibiting the potential growth of the informal sector, especially in the rural areas. In general, financial markets are not very well developed, as evidenced by the high spreads between deposit and lending rates, which were in the range of 25.0 per cent in 2000. Furthermore, insurance and long-term capital markets are poorly developed and ill-equipped to serve productive and beneficial investment projects.

The non-banking financial sector has grown rapidly in the urban areas over the last few years. People living in the rural areas, however, still to a
large extent lack access to micro-financial services.

**Challenges**

There are a number of challenges, which must be met in order to reap the potential benefits associated with trade and financial sector liberalization:

*Analyzing the poverty impact of trade liberalization.* Detailed analysis of winners and losers from trade reform is required to develop policy to assist those bypassed or adversely affected by policy change.

*Diversifying exports and increasing competitiveness.* Decline of the terms of trade for traditional export items and persistent trade deficit call for an increased attention to the production side, with a particular focus on increasing productivity and developing non-traditional exports.

*Improving transit transportation arrangements with neighboring countries.* For land-locked Mongolia, an efficient and reasonably priced transit transportation system is a key ingredient of an effective export promotion strategy.

*Extending the outreach of micro-financial institutions.* Extending financial mediation to under-serviced areas through formal and informal micro-financial institutions specialized in credit, savings and insurance with an aim to improve local economies and living standards.

*Reinforcing the regulatory framework for financial services.* Enforcing the regulatory framework, which governs the banking and insurance sectors.

*Integration to regional economic and trade structures.* Activities in this direction should be further accelerated since Mongolia is the only member of the WTO, which is not a party to any regional trade agreement.

**Enabling Environment**

The Government of Mongolia is successfully undertaking trade and financial sector liberalization. As mentioned, it has joined the WTO and reduced tariffs to very low levels. It has approved the Laws on Free Zones and the Legal Status of the Altanbulag and Tsagaannuur Free Trade Zones as well as Zamyn Uud economic free zone. It has also simplified administrative procedures, governing trade, reducing the number of required permissions from 600 to 87. Currently, more emphasis needs to be placed on the analysis of impact of free trade on poverty and national industry.

The Government of Mongolia is implementing the “Mid-term Concept on Financial Sector Reforms” covering banks, non-banking financial organizations, securities and insurance markets. The plan of activities to improve the financial sector within the framework of this concept deals with issues such as developing financial sector infrastructure (corporate governance, banking management, banking communications, accounting and audit), as well as extending the scope of activities for financial mediation for non-banking
financial organizations. There is a need to strengthen a regulatory framework and institutions in the financial sector.

With respect to transportation issues, particularly transit transportation, tripartite negotiations on transit transportation issues are underway with the Russian Federation and the People’s Republic of China. The Transit Traffic Framework Agreement that is expected to result from negotiations will create new opportunities for expanding trade and economic cooperation in the region.

**Priorities for Development Assistance**

*Poverty impact analysis of trade reform.*  Interdisciplinary impact analyses of trade integrating a range of approaches and techniques need to be undertaken.

*Support to export promotion.*  Support measures for small and medium enterprises specializing in non-traditional exports, and upgrading skills and equipment of existing industries for which a potential export market exists.

*Transportation.*  Investment in key transportation infrastructure, and harmonization of transit transportation regulations with neighboring countries.

*Micro-financial services.*  Promotion of models of micro-financial mediation to areas and groups poorly-serviced by the existing financial system and development of services that suit the local needs.

*Financial regulation.*  Undertake measures for improving oversight of the banking sector and regulation of the insurance market.

**Target 14: Special Needs of landlocked Mongolia**

**Status and challenges**

Transit transportation plays an important role for Mongolia - a continental landlocked country.

The issue of transit transportation is being addressed through regional bilateral and multilateral meetings and agreements.

Mongolia has concluded bilateral agreements on transit transportation and access to sea with China and Russia in 1991 and 1992 respectively.

For a landlocked country like Mongolia, international recognition of the right to use road transportation to deliver and pick up cargo from ports in neighboring countries, is one of the most important issues. Transit transportation through the territory of Mongolia also could play an important role for regional development. Mongolia has joined the Asian Highway Network through routes A-3, A-4, and A-32.

Several negotiation rounds have taken place on the draft General Framework Agreement on Transit between Mongolia, Russia and China since 2000. The establishment of the Framework Agreement will enable Mongolia to access the sea not only through railway but also by road, multi-modal and other means of transportation as well as make transportation faster.
and cost effective. The Framework Agreement could also play an important role in developing regional trade and investment by extending additional transit opportunities through the territory of Mongolia.

**Enabling environment**

The Facilitation Committee, which brings together representatives from government ministries, relevant agencies, customs, road and rail transportation organizations, and the private sector, was formed in June 2003. The Committee functions to facilitate cooperation in transportation policymaking and activities between ministries and organizations. The committee could play an important role in the formulation of an integrated policy on transportation, especially transit transportation policy, improved coordination between related ministries and agencies, increased active participation of private stakeholders, training of human resources, dynamic participation in activities of international organizations, and the formulation of an integrated action plan.

Measures are being taken to raise the Mongolian flag on the high seas, to register ships. In 2003, the Government adopted a resolution on “Rules of Registering Ships of Mongolia”. In order to develop maritime transportation, Mongolia has ratified the 1982 UN Convention on the Law of the Sea and other relevant international agreements.

Furthermore, to regulate the activities of vessels bearing the Mongolian flag on the high seas the Law on the Use of the Open Seas was adopted in 1997.

Internationally, Mongolia has been undertaking active measures in easing difficulties and challenges of land-locked developing countries in the framework of the UN and the WTO.

**Priorities for development assistance**

*Increasing competition between transit states* for access to sea or gateways will reduce Mongolia’s dependency in one state. It is also important to seek policies that are mutually advantageous with transit states.

**Export mainly high value products where transport cost is less important**

**Reduce costs of its exports and imports by improving national transportation network**

**Develop integrated policy on transportation, especially transit transportation policy at the national level with support from international organizations and donors**

**Target 15: Deal comprehensively with the debt problems through national and international measures in order to make debt sustainable in the long term.**

**Status and Trends**

The issue of debt incurred from the former Soviet Union in convertible rubles was settled at the dawn of the year 2004 on most favourable conditions after a series of bilateral negotiations with Russia. Ninety eight per cent (98.0 per cent) of the total debt was written off and the
remaining part was settled within the existing resources. It was a major step in strengthening the economic sovereignty of Mongolia.

However, the debt burden is becoming increasingly onerous for Mongolia for the past years. The level of external debt in convertible currency jumped from 6.0 per cent to nearly 101.9 per cent of GDP between 1991 and 2003. Virtually all of the debt is held by bilateral and multilateral creditors of which Japan, the Asian Development Bank, and the World Bank account for the lion’s share.

The target is to constrain levels of outstanding debt to below 94.0 per cent of GDP by 2004. World Bank and IMF simulations suggest that under certain scenarios, Mongolia’s debt is sustainable and does not require restructuring.

Estimations up to the year 2010, applying common international standards such as the ratio of external debt and debt service to GDP and other indicators, show that Mongolia could become a HIPC category country as soon as 2008.

The close linkage between debt and overseas development assistance (ODA) calls attention to issues of aid effectiveness and coordination. Mongolia is among the most aid dependent countries in the world. Over the 1990s, ODA averaged around 20.0 per cent of GDP, or twenty times the average of low income countries. The fact is that the very high levels of foreign aid have not translated into appreciably higher rates of economic growth or poverty reduction. The situation calls for raising aid effectiveness.

**Challenges**

*Improving information systems for debt management.* Devising user-friendly information systems for the production and analysis of timely data on debt is an essential tool of debt management.

*Systematically assessing ODA impact.* Putting in place mechanisms to systematically assess programme performance to inform subsequent programme selection and design.

**Enabling Environment**

The Government of Mongolia has taken steps to address its debt burden. It is involved in discussions with its main creditors on reducing its debt burden and on timely repayment of its loans. It has taken concrete steps to improve debt management, including the establishment of a comprehensive database on foreign loans and grants; the recording of foreign debt in its currency of origin following international standards. For the first time in a decade, Mongolia has no outstanding arrears on its foreign debt. The settlement of the Russian claim creates a favorable condition for revising longer-term debt management strategy.

**Priorities for Development Assistance**

*Financial information system.* Pursue efforts in conjunction with UNCTAD to implement the agreement on ‘Installation, Testing and Training of a Financial Information System on Debt Management’.

*Systematic Monitoring, Evaluation and Impact*
Goal 8. Develop a Global Partnership for Development

**Analysis.** Efforts should be undertaken to harmonize monitoring and evaluation systems and to systematically undertake impact analysis of policies and programmes.

**Selection Criteria and Practice.** Rigorous criteria for selection of new projects should be elaborated and selection should be systematically based on the results of monitoring, evaluation and impact analyses.

**Aid Coordination.** Instruments of aid coordination, such as the EGS PRS, should be better coordinated.

**Target 16: Development of new information communication technologies, building an Information Society**

**Status and Trends**

In recent years Mongolia, like other countries, has set the goal of building an “Information Society” through developing information and communication technology (ICT), introducing it in all sectors of its social and economic development, striving to make it a priority sector to compete on world markets. In order to achieve this goal the country has been focusing its efforts on creating a policy and regulatory environment, renewing and reforming the basic networks of information communication.

As a result of these efforts, the adoption of new technologies in the communication sector has been extremely rapid compared with traditional technologies. As the survey\(^1\) shows, over the last 5 years the growth of fixed telephony is 6.0 per cent while the cellular telephony has grown by 193.1 per cent. In 2002 the density growth of fixed and cellular phone subscribers has reached 5.6 and 10.7 per 100 inhabitants respectively. Nevertheless, there is a need to increase the supply of new technologies, equipments and services of information communication. As of April 2003, 95 public schools in Ulaanbaatar use only 1,059 computers, which mean 11 PCs per school.

Internet and data communication networks are rapidly developing as well. Currently, 8 Internet service providers are conducting business in the Internet market and more than 10 provincial centers have access to high-speed Internet services. The number of Internet users has increased by 376 per cent or almost four times in the last four years with more than 46,000 registered subscribers and over 140,000 Internet users at the end of 2002.

Since 1990, in order to improve the legal environment for the ICT sector, the Mongolian Parliament has adopted the Law on Communications (2001) and the Law on Postal Activities.

A National Information Technology Park was set up in 2001 to promote IT production and exports, to provide emerging new companies and business entities with governmental support in their development. This Park provides new companies with office facilities and internet connection free of charge, helps them to start their business activities.

But, the legal environment for effective competition and policy regulation has not been fully created, and are at the stage of being developed.

\(^1\) Current status of ICT development in Mongolia, 2003, Mongolia Development Gateway, InfoCon.
Challenges

In Mongolia, in order to build a “knowledge-based society”, which is the basis for an “Information Society”, and to make the ICT a principal means for promoting its social and economic development, comprehensive measures are to be undertaken to enhance legal environment and policy regulation, to deepen its technical and technological renovation, to modernize rural communication facilities and introduce new types of information and communication services, to expand their application and coverage. In particular:

**Develop and implement a set of laws on information technology.** At present, work is being done on the elaboration of the draft general law on information technology, draft laws on E-governance, E-signature and E-transaction.

**Intensive development of ICT infrastructure.** Deepen technical and technological renewal of IT, especially in rural areas, establish information and internet service points in aimag and soum centers, universities, institutes and secondary schools, hospitals, etc.

**Human capacity-building for IT use.** Capacity-building for IT use is one of the primary goals put forward by the Government in the new century. To achieve this goal it is of particular importance, for instance, to provide all secondary schools with PCs, to promote computer education, distance education and training for IT usage in cooperation with relevant government organization, private institutions and NGOs.

Create opportunities for export of IT production and software. Relevant activities, which have started at the National IT Park, should be further intensified.

Enabling Environment

The Government of Mongolia has defined the development of ICT, intensive introduction of it in all social and economic sectors as a priority task of its development in the new century. In 2000 the Parliament of Mongolia approved the “Concept of the ICT development in Mongolia up to 2010”; in 2002 the Government adopted its “Mid-Term ICT Development Strategy” and the Plan of Action for its implementation.

In April 2001, the National ICT Committee, headed by the Prime Minister of Mongolia, was established. In order ensure the active participation and cooperation of government and private organizations in this field the Mongolian Information Development Association (MIDAS) was established with UNDP support. Among active partners in this field are NGOs like the Mongolian National Information Technology (MONITA), Mongolia Development Gateway (MnDG) and others.

Mongolia pursues the policy to further develop its cooperation in the field of ICT with international and regional organizations, other countries and NGOs. Thus, for example, with a grant from the Government of India the Information and Communication Training Center was established in October 2002.
**Priorities for Development Assistance**

*Creation of legal environment and policy regulation.* To create conditions for implementing E-government, E-commerce, E-banking, E-transaction and other services by elaborating, adopting and implementing a package of laws on information technology. Furthermore, a national policy and strategy on E-commerce should be elaborated and implemented.

*Develop ICT infrastructure.* Create high-speed information infrastructure replacing basic information communication networks with digital technology, provide information communication branches, particularly those in rural areas, with necessary equipment, ensure reliable power supplies. Provide those communication branches, which are not connected to the central power supply network, having only diesel power generation units, with full solar energy supply units.

*Develop gradually new types of IT services.* Promoting distance education, establishing centers for medical examination and treatment, high-speed internet services, creating data banks for all types of information (including transportation, tourism, population, land registration, natural resources, education, culture and etc).

*Capacity-building.* Provide, within the framework of secondary school curricula, basic understanding of ICT, computer education, increase and promote ICT classes in universities and institutes, train and retrain their teachers, expand training for ICT use and e-services through means of distance education, courses, seminars and etc.

*Encourage investment.* Generate income and savings through investment in ICT and network services, use them for the purposes of creating new types of information communication services, expand their coverage and improve quality.

*Business and private sector support.* Within the National IT Park create opportunities for IT production and export of software. Provide support to businesses in ICT sector; promote the use of IT as a principal tool in national production and services, for increasing their competitiveness.


Bibliography


Mongolia Development Gateway, InfoCon. *Current status of ICT development in Mongolia, 2003*
### Appendix A.

**Mongolia’s Progress towards the Millennium Development Goals: Status at a Glance**

<table>
<thead>
<tr>
<th>Goals and targets</th>
<th>Will Development Goal/Target be Reached</th>
<th>Status of Enabling Environment</th>
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<tr>
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<td>2. Halve Hunger</td>
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<tr>
<td>3. Provide Universal Primary Education to all girls and boys</td>
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<tr>
<td>4. Eliminate Gender Disparity in Primary and Secondary Education</td>
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<td>5. Reduce by two-thirds, under-five mortality</td>
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<td>7. Halt the spread of HIV/AIDS and begun to reverse STIs</td>
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<tr>
<td>9. Reverse the loss of environmental resources</td>
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<td>10. Halve the proportion of persons without access to safe drinking water</td>
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<tr>
<td>11. Improve the lives of slum dwellers</td>
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### Appendix B.

**Monitoring and Evaluation Capacity for Tracking MDGs: Status at a Glance**

<table>
<thead>
<tr>
<th>Goals and targets</th>
<th>Data Gathering</th>
<th>Quality of Survey Information</th>
<th>Statistical Tracking</th>
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