



MONGOLIA

THE MILLENNIUM DEVELOPMENT GOALS IMPLEMENTATION



SECOND NATIONAL REPORT

Ulaanbaatar
2007



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The Millennium Development Goals Implementation in Mongolia
Second National Report

2007

The Second National Report on MDGs implementation has been published in both Mongolian and English. In addition, the Reference Book containing detailed statistical information used in the report, methodologies to calculate such statistics, information sources, definitions and disclose notes has been prepared.

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Foreword



At the dawn of a new century and a new millennium, world leaders gathered at the Millennium Summit and adopted a historic document, the Millennium Declaration, wherein they collectively defined their development goals for the next 15 years.

All nations of the world, rich and poor, are called upon to discuss and work vigorously towards achieving the Millennium Development Goals defined in this document. Our efforts will aim at creating conditions conducive for our peoples to overcome poverty, hunger, illness, lack of access to information and education, violation of human rights and freedoms, so they can live in peace free from fear. In other words, our responsibility is to ensure human development both in individual countries and globally. The success of achieving these goals will greatly depend on the policy, actions, initiatives and concerted efforts of the leadership and state and government organizations in each country. It is important to mention that the United Nations continues to play a crucial role by bringing nations under one umbrella of common ideas and goals.

It has become a practical tradition for the world nations to submit to the UN General Assembly every 2-3 years their national reports containing analysis and evaluation of the progress achieved in the implementation of MDGs based on actual data and research. Mongolia submitted its first National Report in 2004, and has prepared its second National Report for launching. Over the past period, the Government of Mongolia has attached particular attention to

the implementation of MDGs at all levels. One clear evidence of Mongolia's commitment is the adoption by the State Great Khural (the Parliament) of Mongolia in 2005 of nine country-specific Goals aimed at improving education, health, living conditions and quality of life for all Mongols, reducing poverty, strengthening democracy and justice, ensuring and protecting human rights and freedoms, and promoting gender equality. Remarkably, Mongolia has defined and adopted, in addition to the eight common goals, the 9th MDG on "strengthening human rights and fostering democratic governance", an action that was noted globally. These MDGs have been reflected in mid-term development policy documents and programs of the Government of Mongolia, donor countries and international organizations; implementation efforts are underway.

In 2005 the World Summit had reviewed and assessed the progress achieved in the implementation of MDGs, and urged Member States to further intensify their efforts, in particular, through incorporating MDGs into their long-term development policies and strategies. As President of Mongolia I participated in that Summit and endorsed this appeal. Therefore, I initiated the preparation, under the auspices of the President of Mongolia, of the draft MDG-based National Development Strategy and submitted it to the Parliament for consideration and approval. It should be emphasized that economic and social development goals, reflected in this strategic policy document and to be attained by 2015, are closely linked with our national MDGs. It is quite evident that the approval of this National Development Strategy by the Parliament will not only provide us with policy and strategic and methodological guidance in achieving our national MDGs, but will also become an important impetus in ensuring their implementation on time and at planned levels.

The second National Report of Mongolia has been prepared with active and broad involvement of researchers and specialists, using analysis and review of the current status of the MDGs implementation, trends and perspectives of our

development supported by official statistical data and information. It is of particular importance that the Report contains a broad range of ideas, recommendations and conclusions on each of the MDG targets drawing the attention of national and foreign partners to particular issues needing more intensive implementation efforts. In particular, the classification of their implementation status in four categories: "earlier achievement" of MDG target, "on track-likely to achieve", "off track-slow" and "off track-regressing", has been very effective and useful for identifying the areas for future interventions and organizational measures, defining their framework, and improving effectiveness.

There remain many issues which the Government should address in close cooperation and partnership with international organizations, the civil society and citizens. They include, among others, the need to increase financial resources for implementation of national MDGs, creation of legal framework, strengthening of monitoring and evaluation system, enhancement of effective implementation of MDGs at the local level, raising public awareness, etc.

I wish to express my deepest gratitude to the relevant government and non-government organizations, their staff members, national researchers, the Resident Representative of UNDP and her team for their active participation in and valuable contribution to the preparation of this second National Report.



Nambar Enkhbayar
President of Mongolia

Message



On behalf of the United Nations in Mongolia I would like to congratulate the Government of Mongolia and Mongolian researchers for preparing this comprehensive 2nd MDG national report. We hope that the report will serve as a basis for accelerating the country's progress towards the MDG achievement.

This second report analyses the country's current status in respect to the Mongolia-specific MDGs and identifies main challenges and policy priorities for achieving the MDG targets. Moreover, the report summarizes the MDG progress at both the national and sub-national levels.

I am pleased to note that, among 22 Mongolia-specific MDG targets, almost 60 percent have been achieved or are likely to be achieved by 2015. The other targets are, however, considered to be "slow or regressing". The most challenging goals are income poverty, tuberculosis, housing, the enhancement of gender equality at the political decision-making level, female/male ratio of students in tertiary education, increasing percentage of land area covered by forest, and net enrolment ratio in primary education.

The report analyses the reasons for slow achievement such as insufficient degree of mainstreaming of MDGs in pursued policies,

weak coordination among the government institutions, and limited involvement of the local government and the civil society in policy implementation and monitoring.

Further, the report highlights the main policy priorities for medium and short-term at the national and local levels to accelerate progress towards the MDGs. For the first time, these policy interventions were costed and the process of linking the MDG Needs Assessment/Costing to domestic and external resources is underway. After this exercise is completed, this could become a good example of how MDG targets, MDG-consistent policy interventions, and MDG-oriented resources can meet demands of the poor and marginalized people.

We are at the crossroads to reach the MDGs. The adopted MDGs are ambitious, but they are achievable. The achievement of MDGs is dependent on the effective delivery of services to the local level, citizens' participation in decision making processes, and effective partnerships between the Government, civil society, the private sector and donors. To compete with the race against time, the United Nations system in Mongolia will continue its support for better policies, stronger institutions, and empowerment of Mongolian people.

A handwritten signature in dark ink, appearing to read 'Pratibha Mehta', with a long horizontal line extending to the right.

Pratibha Mehta
UN Resident Coordinator & UNDP Resident Representative

Acknowledgements



Mongolia, like many other countries, has pledged its commitment to the Millennium Declaration and defined its own Mongolia-specific Millennium Development Goals approved by its Parliament in 2005. Since then, the government was mandated to report every two years on the progress of implementation using official statistics and information to inform the public and to bring to the center of all stakeholders' attention issues and challenges needing solutions in order to attain the goals.

The Second National Report, which assesses the current progress and defining challenges and priorities for implementation of MDGs in Mongolia, was prepared by the Government of Mongolia, and endorsed by the Parliament with a recommendation to intensify the efforts.

It should be noted that the preparation of the National Report was a formidable task requiring considerable time and human resources. The Ministry of Finance provided leadership and guidance in the organization and implementation of this work, in which participation and collaboration by all branches of the Government of Mongolia, the civil society and donor organizations played a key role. Numerous consultative meetings, discussions and interviews soliciting views of researchers, professional institutions, international organizations and

NGOs have been organized in order to refine its content and quality.

In expressing gratitude to Ms. Pratibha Mehta, UN Resident Coordinator and UNDP Resident Representative in Mongolia, and her staff for extending their support to the preparation of this National Report through its "Support to Poverty and MDGs Monitoring and Assessment System" pilot project, I take this opportunity to convey my confidence that the mutual cooperation between us will strengthen and develop further.

I thank the Member of Parliament T.Gandi, Chair of the Parliament Standing Committee on Social Policy, Education, Culture and Science, the Member of Parliament S.Oyun, Chair of the Parliament MDG Sub-Committee, for their support and cooperation in the assessment of MDG implementation progress, preparation of the Second National Report and active participation in discussions to improve the Report.

I express gratitude to national consultants and researchers, officers of the Ministry of Finance for extending their knowledge and tireless efforts in preparing this National Report.

A handwritten signature in black ink, appearing to read 'Baeph'.

N. Bayartsaikhan
Member of Parliament,
Minister for Finance

TABLE OF CONTENTS

Foreword	iv
Message	vi
Acknowledgments	vii
List of Abbreviations	x
Symbols	xii
List of Tables	xiii
List of Graphs	xiv
Introduction	1
PART 1. Economic and Social Development Context	5
PART 2. The Millennium Development Goals Implementation	11
Goal 1. Reduce poverty and hunger	13
Target 1: Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line	15
Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from malnutrition	18
Target 3: Develop and implement strategies for decent and productive work for youth. Create jobs for unemployed people, especially for youth by giving more opportunities for land use, simplifying the procedure of opening small and medium enterprises, giving more opportunities for unemployed citizens to get micro credits	22
Target 4: Reduce negative effects of population concentration and migration, to create legal environment to protect interests of migrant citizens, provide them with job places and establish system of their enrolment in medical, education, cultural and other social services	24
Goal 2. Achieve universal primary education	27
Target 5: Provide primary education to all girls and boys by 2015	28
Goal 3. Promote gender equality and empower women	33
Target 6: Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015	34
Goal 4. Reduce child mortality	41
Target 7: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	42
Goal 5. Improve maternal health	45
Target 8: Provide access to all individuals of appropriate age to required reproductive health services and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	46
Goal 6. Combat STIs/HIV/AIDS and TB, reverse other diseases	49
Target 9: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	50
Target 10: Reverse the spread of TB by 2015	52
Target 11: Implement a special programme to combat dental diseases	55

Goal 7. Ensure environmental sustainability	57
Target 12: Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar	58
Target 13: Reduce drop in water levels through protection of sources of rivers and streams	64
Target 14: Halve, by 2015, the proportion of people without sustainable access to safe drinking water	66
Target 15: By 2015, have achieved significant improvements in the lives of slum dwellers	69
Goal 8. Develop a global partnership for development	73
Target 16: Create conducive environment for achieving the MDGs through development of improved trading and financial system	74
Target 17: Address special needs of Mongolia as a landlocked country through negotiation for favorable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries, and increase transit transportation through the territory of Mongolia	80
Target 18: Develop a debt strategy to ensure sustainability of foreign and domestic long-term debt, study methods and instruments of debt management applied nationally and internationally, manage the debt without adverse impacts on the budget and economy of Mongolia	82
Target 19: Introduce new information and communication technologies, build an "informed society"	84
Goal 9. Strengthen human rights and foster democratic governance	87
Target 20: Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of press and public access to information	88
Target 21: Foster democratic values and culture of democracy	94
Target 22: Create and put into practice zero tolerance to corruption in all spheres of social life	97
PART 3. MDG Implementation at Local Level	99
PART 4. MDG Monitoring and Evaluation	103
PART 5. MDGs Financing	107
PART 6. Evaluation of MDG implementation, priorities for near future	111
ANNEXES	
Annex 1. Key macroeconomic indicators of Mongolia	119
Annex 2. Evaluation and Trend Analysis in Implementation of MDGs	120
Annex 3. Evaluation of MDGs Policy and Activity Matrix	122
Annex 4. Selected Key MDG indicator defined values	124
List of Reference Materials	126

List of Abbreviations

ADB	Asian Development Bank
AIDS	Acquired Immunodeficiency Syndrome
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CRH	Citizen Representative Hural
CSO	Civil Society Organization
DGIDP	Democratic Governance Indicator Development Project
ECIS	Europe and Commonwealth of Independent States
FDI	Foreign Direct Investment
FIA	Foreign Investment Agency
GCA	General Customs Authority
GDP	Gross Domestic Product
GEC	General Election Commission
GNI	Gross National Income
HDI	Human Development Index
NHRC	National Human Rights Commission
HIV	Human Immunodeficiency Virus
ILO	International Labour Organization
IMF	International Monetary Fund
LLDCs	Landlocked Developing Countries
MASM	Mongolian Agency for Standardization and Meteorology
MCRC	Mother and Child Research Centre
MCSE	Ministry of Culture, Science and Education
MCUD	Ministry of Construction and Urban Development
MDGs	Millennium Development Goals
MFA	Ministry of Food and Agriculture
MFE	Ministry of Fuel and Energy
MFI	Micro Finance Institution
MMSA	Mongolian Medical Science Academy
MNE	Ministry of Nature and Environment
MNU	Mongolian National University
MNT	Mongolian National Currency - Tugrug
MoD	Ministry of Defense
MoH	Ministry of Health
MoJHA	Ministry of Justice and Home Affairs
MRPAM	Mineral Resources and Petroleum Authority of Mongolia
MTBFI	Mid-term Budget Framework Information
NBFI	Non-bank Financial Institution
NCAV	National Centre Against Violence
NCDC	National Children's Development Centre

NCGE	National Committee for Gender Equality
NCIDR	National Centre for Infectious Disease Research
NGO	Non-Governmental Organization
NPC	National Programme Committee
NPPHR	National Programme for Protection of Human Rights
NSO	National Statistical Office
NWC	National Water Commission
ODA	Official Development Assistance
OSI	Open Society Institute
OSF	Open Society Forum
PEA	Political Education Academy
PHI	Public Health Institute
PRC	People's Republic of China
PRTC	Population Research and Training Centre
RK	Republic of Korea
RF	Russian Federation
SCSPECS	Standing Committee for Social Policy, Education, Culture and Science (Parliamentary)
SGH	State Great Hural (Parliament)
SPSIA	State Professional Standard Inspection Agency
STI	Sexually Transmitted Infection
TIS	Training and Information Service
UB	Ulaanbaatar
UNCTAD	UN Conference on Trade and Development
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNICEF	United Nations Children's Fund
UNO	United Nations Organization
USA	United States of America
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

Symbols

SO _x	Sulfur oxides
NO _x	Nitrogen oxides
CO	Carbon monoxide
CO ₂	Carbon dioxide
CH	Hydrazine solution
TEQ	Toxic equivalent
Mkg/Dl	Microgram/deciliter
BOD ₅	Biochemical oxygen demand
COD	Chemical oxygen demand
Mn	Manganese
Tn	Ton
Ha	Hectare
Kg	Kilogram
L	Liters
M	Meters
mi	Cubic meters

List of Tables

2. The Millennium Development Goals Implementation

Goal 1

Table 2.1.1	Poverty headcount ratio and Gini coefficient by location
Table 2.1.2	Malnutrition in children under five years of age (percentage)
Table 2.1.3	Malnutrition in children under-five years of age by region, 2004
Table 2.1.4	Daily dietary composition and energy consumption per capita
Table 2.1.5	Employment indicators as of year end (thousands)
Table 2.1.6	Migration of population, by region

Goal 3

Table 2.3.1	Ratio of girls to boys in primary schools in Mongolia by region
Table 2.3.2	School dropout, gender ratio and poverty, 2006
Table 2.3.3	Percentage of men and women in wage employment in non-agriculture sectors, 2006
Table 2.3.4	Number of women in high level political and managerial positions
Table 2.3.5	Number of women candidates and elected members of parliament

Goal 6

Table 2.6.1	Dental disease spread among population, 2004
-------------	--

Goal 7

Table 2.7.1	Toxic air pollutants emitted from fuel burning furnaces in Ulaanbaatar, tons
Table 2.7.2	Accessibility of water supply systems in Mongolia (percent)
Table 2.7.3	Provision of housing to residents of capital city (thousands)

Goal 8

Table 2.8.1	Increase of Mongolia's GDP, foreign trade turnover and foreign investment (percent)
Table 2.8.2	Foreign trade turnover (million USD)
Table 2.8.3	Structure of exports (percentage)
Table 2.8.4	Volume of mining exports, price, Million USD
Table 2.8.5	Foreign direct investment, by sectors (million USD)
Table 2.8.6	Public debt sustainability indicators (percentage)
Table 2.8.7	Number of telecommunications equipments and users

Goal 9

Table 2.9.1	Status of implementation of UN treaties and conventions
Table 2.9.2	Mongolia governance indicators

List of graphs

1. Economic and Social Development Context

- Graph 1.1 Structure of economy (percentage)
- Graph 1.2 Price fluctuations in consumer goods (percentage)

2. Implementation of Millennium Development Goals

Goal 1

- Graph 2.1.1 Key indicators of Poverty in Mongolia (percentage)

Goal 2

- Graph 2.2.1 Universal Primary Education Target, by aimags, 2006

Goal 3

- Graph 2.3.1 Percentage of female candidates and elected members of National Parliament

Goal 4

- Graph 2.4.1 Under-five mortality rate by aimags, 2006

Goal 5

- Graph 2.5.1 Maternal mortality per 100,000 live births, by aimags, 2006

Goal 6

- Graph 2.6.1 Level of new incidences of TB, by aimags, 2006
- Graph 2.6.2 Percentage of TB cases registered in UB out of total registered TB incidences

Goal 7

- Graph 2.7.1 Content of air contaminant - sulfur dioxide (SO₂), Ulaanbaatar, 2006
- Graph 2.7.2 Implementation of target to increase forest resources, ranking by changes in forest area, 2006
- Graph 2.7.3 Water resources available for consumption, km³

Goal 8

- Graph 2.8.1 External lending Disbursement, by sectors (percentage)

Goal 9

- Graph 2.9.1 Level of press freedom in Mongolia (% of respondents)
- Graph 2.9.2 Corruption indicators for selected public sector organizations



INTRODUCTION

INTRODUCTION

Purpose of the National Report and its structure

The Second National Report on the MDGs Implementation in 2005-2006 is a document that consolidates and evaluates the current status of the MDG implementation process in Mongolia.

The National Report is prepared in accordance with the State Great Hural (the Parliament) Resolution #25 of 2005 that mandates biannual reporting on MDG implementation by the Government.

The purpose of the National Report is to review the 2005-2006 implementation process and provide the public with official statistical data, bringing the issues and challenges in attaining the goals to the center of policy priorities for stakeholders to mainstream those issues into policy and measures for implementation.

The National Report is based on the policies, programmes and implementation performance by each sector in 2005-2006 as measured against target indicators. It was developed with an involvement of teams of researchers, national consultants and working groups to ensure civil society participation as well as use of reviews and research implications developed by international organizations and national non-government organizations (NGOs).

The Report consists of six sections. The first section contains a brief introduction to Mongolia's economic and social development background. The second section presents the Millennium Development Goals, their targets and implementation status based on statistical data, as well as issues and challenges for future attention and policy priorities. The subsequent sections discuss general review conclusions on MDG implementation process at the local level, assessment and estimation of resource needs for implementation of MDGs, and information on monitoring and evaluation processes and mechanisms. The final section of the National Report contains consolidated conclusions developed through *trend analysis and matrix*

evaluation, provides recommendations on improvement of coordination of government policies and measures, and proposes priorities for the future.

Mongolia's Commitment to MDGs

One of comparatively effective and open ways to address social and economic challenges for developing countries is to bring them to the attention of the global community and resolve through common methods and efforts. The World Summit of 2000 convened 189 heads of states and governments to discuss and approve the Millennium Declaration that calls nations "to respect the most vulnerable and create an environment conducive to human development", and to set common development goals for the period until 2015. The President of Mongolia took part in the proceedings and pledged his full support and commitment.

As many other countries which endorsed the Millennium Declaration, Mongolia has defined development goals and targets that meet its specific needs and priorities and is currently implementing policies, measures, and programmes aimed at their implementation. Specifically:

- In 2005, the State Great Hural, adopted Mongolia-specific MDGs for 2015 adding one more MDG on fostering democratic governance and strengthening human rights.
- The Government of Mongolia (the Cabinet), in order to implement the MDGs, assigned concrete tasks to Cabinet members to ensure coordination with existing policy documents, carry out needs assessment/costing, undertake monitoring and evaluation, and provide reporting on the implementation progress through an all-inclusive approach.

Like all other nations, participants of the 2005 UN Millennium Summit, which pledged their commitment to MDGs and to developing of MDG-based national strategies by 2006,

Mongolia has carried out the following measures:

- In 2006, by the Decree of the President of Mongolia, the “MDG-based National Development Strategy” was drafted and submitted by the Government to the Parliament for discussion.
- In the same year, by the Decree of the Prime Minister of Mongolia, the MDG need assessment/costing and MDG-consistent, simplified Macroeconomic Framework were developed and presented to the Parliament.
- The Second National Report on the Implementation of MDGs in Mongolia was discussed and approved by the Government of Mongolia during its Cabinet meeting on August 16, 2007.

Characteristics of Mongolia Specific MDGs

In defining of its national MDGs, Mongolia included a new, 9th goal to foster democratic governance and strengthen human rights as an integral part of its MDGs and their 22 targets. Mongolia is one of only two countries, which have included democratic governance in their national MDGs. Mongolia’s MDGs are distinctive as their overall aim is “to strengthen human rights and foster democratic governance”.

Mongolia’s national MDGs in principle follow the content of goals defined in the Millennium Declaration but they differ in terms of targets, indicators and methodology of application. In particular, when defining poverty headcount it does not apply the ‘less than \$1.00 a day’ income threshold¹ but rather uses the proportion of population living below the national poverty line. Mongolia is also applying target indicators for MDGs to be attained by 2015 as approved by the Parliament.

In order to eliminate gaps in implementation at the local level, Mongolia is piloting in four aimags and two districts of the capital city to identify localized aimag level MDGs and to match necessary activities to available resources.

General Conclusion

The review of the current status of MDG implementation in Mongolia shows slow progress in general and unsatisfactory performance and weak coordination of policies and measures aimed at implementation of MDGs.

As Mongolia’s MDGs are a set of national goals and targets, evaluation at the local level identifies significant gaps in results.

The fact that the MDGs and sectoral policies, their implementation, financing, budget coordination and reporting are unable to meet coherently the needs of the implementation evidences the need for an official unit mandated to monitor and evaluate the process.

Statistical data on gender, health, education, and environment produced and disseminated by the National Statistical Office (NSO) differs from that produced by sector ministries, creating additional challenges. In the light of a continuing need for more and improved indicators, amendments to the Parliament Resolution #25 are needed.

¹ UN, MDGs Monitoring Indicators: Definition, Rationale, Concepts and Sources, New York, 2003



PART 1

ECONOMIC AND SOCIAL DEVELOPMENT CONTEXT

General Background

Mongolia is a sovereign state located between the Russian Federation and People's Republic of China (PRC). Its territory is 1.5 million square kilometers ranks 17th in the world, and it has a population of 2.6 million as of 2006.

It is divided into 21 aimags (provinces) and the capital city. Over 60 percent of the population resides in urban areas. While the capital city Ulaanbaatar – occupies only 0.3 percent of the total territory, it houses over one million residents.

The current State Great Hural (the Parliament) was elected in 2004, and its Government (the Cabinet) is in the process of implementing the 2004-2008 Action Plan. Parliamentary and presidential elections are held every four years.

In 2006, Mongolia's per capita GDP was just over USD 1,000 placing it in the low income² country category. The Human Development Index (HDI) reached 0.691³ ranking it 116th out of 177 countries, the medium level development stratum. In 2006, 32.2 percent of total population in Mongolia lived in poverty. By achieving 3.16⁴ out of 7 in Global Competitiveness Index, Mongolia ranked 96th out of 117 countries.

Mongolia's Development Strategy and Policy

For the past 17 years, Mongolia concentrated on establishing solid, democratic political foundations overhauling its centrally planned economy to create a market-oriented economy and social structure, encountering in the process all challenges characteristic of transition economies.

Current development documents of Mongolia consist of mid-term policy documents that

include: Development Concept of Mongolia (approved in 1996), Concept of National Security, Concept of Regional Development (2001-2020), Concept of Legal Reform, Concept of Foreign Policy, National Policy on Ecology (1998-2020), National Policy on Human Development (2010), Mid-term Strategy for Development of Regions (2003-2010), Government Action Program (2004-2008) and the Millennium Development Goals (1990-2015), as well as international conventions and treaties the country is party to, mid-term sector strategies, master plans, national programmes, a three-year Mid-Term Budget Framework (MTBF), and annual Socio-Economic Guidelines. In addition, national strategies for debt management and the financial sector, and mid-term Public Investment Programme are under development.

Within the framework of Millennium Development Goals for 2015 defined and approved by the Parliament in 2005, policies and actions are being implemented to ensure their linkages to existing country development strategies and policies, fair distribution of economic growth benefits among the population, and improving the livelihoods of the poor and vulnerable segments through increased employment and support their initiatives.

In 2006, under the auspices of the President of Mongolia, a working group headed by the Prime Minister has drafted the "MDG-based National Development Strategy", a long-term development vision document. The National Strategy for 2021 sets ensuring human development, fostering modern-technology based industries and preserving and protecting environment as priority areas.

Economic Background

Economic Growth. The past few years has shown a comparatively high growth, with the GDP increasing at an average of 7.3 percent for the last five years. In 2006, the GDP reached 3,715.0 billion MNT (at current prices) and 3,017.3 billion MNT (at 2005 prices)

² URL: <http://worldbank.org/website/external/datastatistics/>

³ UNDP, Human Development Report 2006

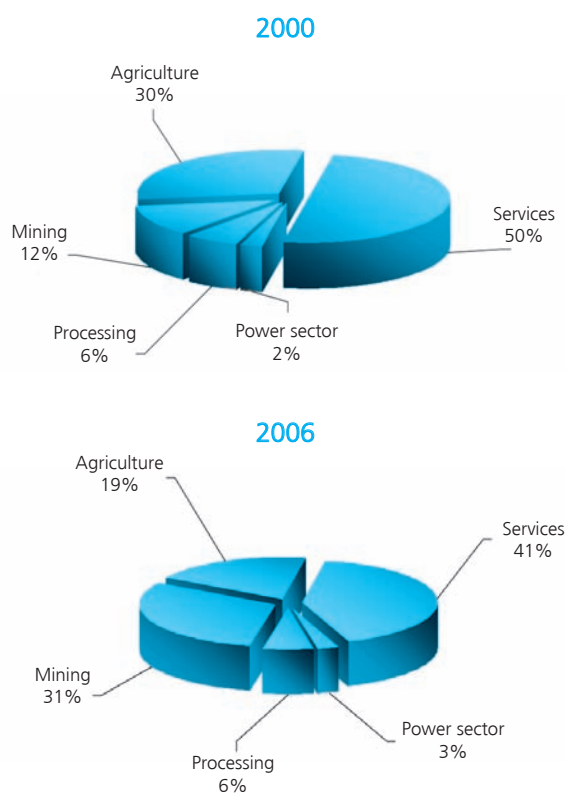
⁴ Global Competitiveness Index Report, 2005-2006

demonstrating an 8.6 percent increase against 2005. The agricultural sector contributed 1.6 percent, industries 2.0 percent and the tertiary sector 5.0 percent. Per capita GDP reached 1,440.7 thousand MNT (US\$ 1221.4) representing a 348.7 thousand MNT increase compared to 2005.

Livestock sector is the key sector of the national economy and industrial processing of livestock products and related services prevail. In the primary sector, extractive industries, power and energy, food and textile production dominate. While GDP growth varies from sector to sector, analysis of structural changes within sectors shows that in the past three years mining has lead the growth (Graph 1.1). Increase in actual physical amount of gold and copper extracted as well as their price gains and new types of minerals mined are main factors of a 31.0 percent expansion of the weight of this sector in the overall GDP.

Industrial processing, which slowed down during 2003-2005, showed revitalized energy in 2006 making up 6 percent of the total amount. The agricultural exhibited consistent growth in the past three years reaching 19 percent of GDP in 2006.

Graph 1.1 Structure of economy (percentage)

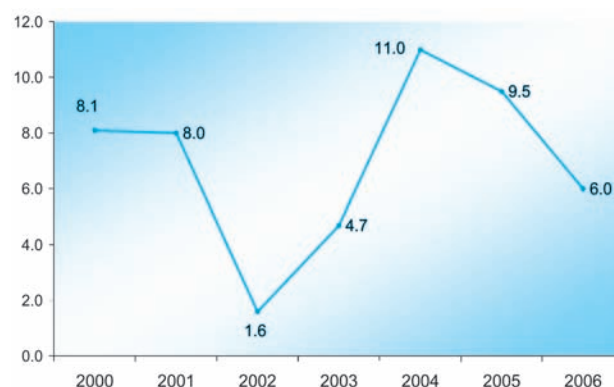


Source: NSO, Statistical Yearbook, 2006

Due to increase in prices for gold and copper, the GDP deflator has grown significantly in 2006 reaching 23.1 percent. Although growth in services sector was stable, due to increases in the mining and processing sectors, its percentage in the overall GDP decreased slightly.

Inflation. Inflation in 2006 stayed comparatively stable against to 2005, showing 6.0 percent as of end of the year. The average annual inflation rate of 4.6 percent was by 4.3 points lower than in 2005 (Graph 1.2).

Graph 1.2 Price fluctuations in consumer goods (percentage)



Source: NSO, Statistical yearbook, 2006

Consumer prices in Mongolia depend to a great extent on import prices, change in the amount of money outside the banking system as well as prices for meat which takes up a significant share of population consumption. Government actions to stabilize meat supply, strengthening the national currency against US Dollar, relatively stable import prices and success in limiting increases in money supply outside the banking system contributed towards having lowest inflation rates for the past three years.

Foreign currency revenues increased and foreign reserves grew 2.3 times resulting in appreciation of the Mongolian togrog by 4.6 percent in 2006. The year-end USD exchange rate was MNT 1,165, while year-average amounted to 1,179 MNT, accomplishing a 25.8 MNT appreciation compared to 2005.

Government Consolidated Budget. Measures to improve the overall fiscal situation and monitoring of budget expenditures, as well as to enhance government financial management practices have resulted in fiscal surpluses for the last two years. Budget revenues in 2006 equaled

36.6 percent of GDP, showing a 6.5 point growth over 2005, while expenditures increased by 5.8 points. Overall fiscal surplus in 2006 was at 3.3 percent of GDP, with the current account surplus reaching 10.0 percent.

Corporate income tax and value-added tax revenues continue to be the main budgetary revenue sources. To ensure fiscal stability, the Parliament has approved a price increase (windfall) tax on gold and copper. One-third of additional revenues will go into the fiscal stabilization fund, and the remaining two-thirds will finance capital investment and social welfare activities.

Expenditures on goods and services in the 2006 consolidated budget have increased by 5.6 points reflecting higher spending in civil servant salaries and procurement activities.

23.4 percent of total budget expenditures were on education, culture and science, 27.9 percent on social protection and labour, and 12.3 percent on health, totaling 63.6 percent overall spending on social sectors.

Social Situation

Population. While growth still continues, recent years have shown a fall in births resulting in slower average annual growth. In 2006, the crude birth rate per 1,000 population was 19.0 and the crude death rate 6.5, resulting in a natural increase of 12.5 persons per 1,000 population. 48.8 percent of the total population of Mongolia are men and 51.2 percent women with a ratio of 95 men to 100 women. The sex ratio at birth, on the contrary, is 104 boys per 100 girls.

Employment. In 2006, 1,009.9 thousand persons have been registered as officially employed, of which 124.6 thousand are employed in government and state-owned organizations with 2.6 percent in legislature, 9.5 in public administration, 22.7 in special services, and 85.8 percent in support services. Monthly average salary reached 127.7 thousand MNT (a little over \$100) in 2006, which represents a 26.2 percent increase over 2005.

Labor force participation in 2006 was 64.4 percent, a 0.9 point increase over 2005. The 2005 year end employment statistics based on official administrative records showed 260.0

thousand unemployed, of which 32.9 thousand are unemployed persons actively seeking employment through aimag and capital city Labour and Social Welfare Offices.

As of the end of 2006, 53 thousand new jobs were created and 43.1 thousand persons found employment, which represents a 2.4 percent increase over the same period in 2005. State owned enterprises and state-owned organizations employed 12.8 percent, while the remaining 87.2 of newly employed were hired by private businesses, cooperatives and other organizations.

Social Insurance and Social Welfare. Social insurance and social welfare coverage has expanded significantly. In 2006, 552.8 thousand people had social insurance, of which 69.4 percent were private sector employees and 30.6 percent civil servants. The number of pension recipients has grown by 10 percent over 2005 amounting to 310.3 thousand. A total of MNT 157.7 billion was paid out, 70.7 percent of which were retirement and 13.4 percent disability pensions, 9.9 percent were paid to dependents of deceased breadwinners and 6.0 to retired military personnel.

In 2006, social welfare revenues increased by 73 percent, while expenditures have grown by 79.5 percent. The share of retirement pensions dropped with welfare payments now taking up a greater proportion in the total fund. The number of welfare recipients has reached 1,047.6 thousand, a 38.8 percent increase from 2005, which is directly linked to the government's new package of social welfare measures.

The Parliament has approved a 22.8 percent welfare support increase beginning July 2006. The "Child Money" programme, which became effective on July 1, 2006, has paid out a total of MNT 26.6 billion to 874.5 thousand children under 18 years. The "Newborn Child" programme, which envisions a one-time payment in the amount of MNT 100,000 to each newborn child, has allocated MNT 4.1 billion to 41.1 thousand infants. Under the "First Marriage" programme that provides MNT 500,000 in one-time support to new families, 26.3 thousand couples have received MNT 11.8 billion so far. The "School Lunch" programme was launched in the beginning of 2006, and MNT 2.7 billion have been spent to finance free lunches for 110.0 thousand 1st

and 2nd graders in primary schools nationwide.

Impact of Economic Growth on Social Development

Private Sector Role in the Economy. The Government of Mongolia aspires to consolidate economic stability and reduce poverty through fostering active participation of the private sector and encouraging export oriented economic growth.

Privatization of state and local government owned enterprises was carried out successfully resulting in the emergence of a private sector that produced 52.6 percent of GDP in 1995. Its share in the GDP has reached 77.8 percent in 2006, affirming its dominant position in the economy. Sectors with the highest representation of private enterprises include: 100 percent of total share in agriculture, hospitality and catering services, 99.9 percent in trade, 92.6 in financial services, and 90.0 percent in the construction sector.

As of 2006, 30.8 thousand businesses operate in Mongolia, of which 80.8 percent had 1-9 employees, and 8.8 percent had 10-19 employees. Thus, predominance of small businesses which lack capacities to introduce and fully utilize new technologies and equipment negatively impacts competitive capabilities Mongolia's export products on the international markets.

High state involvement in health and social welfare services and education is due to disparities in the incomes of the population, inability of the current health insurance system to facilitate population's access to private health services as well as free primary and secondary education.

Linkage between Economic Growth and Poverty. Ensuring economic growth is one of key factors for better human development.

Mongolia's gross fixed capital formation comprised 34.8 percent of the GDP in 2006. A large portion of it comes from investments, 44 percent of which were financed from abroad and 56 percent by domestic investors. Domestic investment sources included 27.8 percent bank loans, 45.4 percent company equity and 26.8 percent state funding.

Emergence of additional revenue sources and establishment of the "Mongolia Development Fund" enables implementation of actions to develop infrastructure, expand production and services sectors, create better education opportunities, increase incomes and improve quality and accessibility of social services. 27.4 percent of state capital expenditures were in road construction, transportation and tourism; 22.6 percent in fuel and energy sector; and 12.4 percent in education, culture, science, health and social protection sectors.

Stabilization of the macroeconomic environment in 2006 brought favorable conditions for business development and private sector investments, expanding production and services sectors, creating new jobs, and resulting in greater workforce participation and increase in average wages. Favorable economic and weather conditions, as well as implementation of the package of social welfare measures have improved population living standards decreasing poverty to 32.2 percent in 2006.



Part 2

THE MILLENNIUM DEVELOPMENT GOALS IMPLEMENTATION



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*
- Target 2: *Halve, between 1990 and 2015, the proportion of people who suffer from malnutrition*
- Target 3: *Develop and implement strategies for decent and productive work for youth. Create jobs for unemployed people, especially for youth by giving more opportunities for land use, simplifying the procedure of opening small and medium enterprises, giving more opportunities for unemployed citizens to get micro credits*
- Target 4: *Reduce negative effects of population concentration and migration, to create legal environment to protect interests of migrant citizens, provide them with job places and establish system of their enrolment in medical, education, cultural and other social services*

Target 1

Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line

	1990	2000	2005	2006	2015
Poverty Headcounts ⁵	36.3 (1995)	35.6 (1998)	36.1 (2002)	32.2	18.0 ^a

Source: NSO, 1990-2006

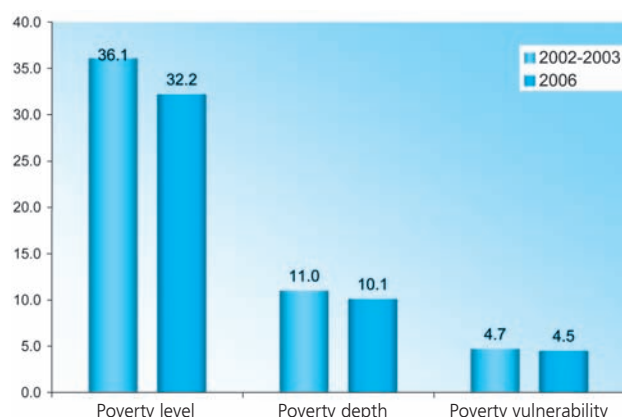
à. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Poverty

There has been gradual and steady reduction in the percentage of population living under the national poverty line down to 32.2 percent in 2006 from 36.3 percent in 1990, 35.6 percent in 2000 and 36.1 percent in 2005.

The depth of poverty in 2002-2003 was registered at 11.0, whereas in 2006 it dropped to 10.1 percent indicating the average consumption of the poor being 10 percent below the poverty line. Poverty vulnerability index for 2006 was registered at 4.5 percent (Graph 2.1.1.).

Graph 2.1.1 Key Indicators of Poverty in Mongolia (percentage)



Source: NSO, (2007)

Poverty is more prevalent in rural areas. Distance from markets, lack of infrastructure, limited opportunities to access education, healthcare and information, and resulting unavailability of jobs have a compound negative impact on rural living standards. Direct dependence of economic and livelihood activities on natural

and weather conditions are a major challenge for rural development. Winter disasters of 1999-2003 resulted in loss of 11.4 million heads or 25 percent of total livestock and forced large numbers of herder families into poverty.

Between 2003 and 2006, urban poverty has decreased from 30.3 percent to 27.0 percent, whereas rural poverty dropped from 43.4 percent to 37.0 percent. In 2002-2003, poverty levels were highest in western regions of the country at 51 percent, followed by 39 percent in Khangai, 35 percent in eastern and 34 percent in central regions. As of 2006, western regions experienced the most drastic fall in poverty levels which dropped to 39 percent. Poverty levels in Ulaanbaatar are lowest compared to other regions with only one-fifth of the total city population living in poverty. This is directly attributable to more developed infrastructure and greater business and employment opportunities that centrally located urban areas offer (Table 2.1.1).

Disparity in distribution of incomes in Mongolia as measured by Gini Coefficient was 0.350 in 1998, 0.329 in 2002-2003 and 0.380 in 2006 evidencing increase in consumption disparity.

The 2005 poverty survey participants concluded that the number of poor continued to increase with a tendency for further growth⁶, a fact that is due to prevailing selection and inclusion of representatives of poorer strata in the survey. Participants also noted deepening of poverty, defining herders who lost livelihoods to winter disasters, households who lost breadwinners or caretakers, disabled, elderly and single

⁵ Percentage of population living under the national poverty line or poverty level.

⁶ NSO, ADB, WB, Mongolia: Participatory Assessment of Poverty. UB, 2005

Table 2.1.1 Poverty Headcount and Gini Coefficient by Location

	Poverty Level (%)		Gini Coefficient	
	2002-2003	2006	2002-2003	2006
National Average	36.1	32.2	0.329	0.380
By location				
Urban	30.3	27.9	0.331	0.386
Ulaanbaatar	27.3	20.4	0.332	0.367
Aimag centers	33.9	36.1	0.324	0.389
Rural	43.4	37.0	0.313	0.360
By region				
Western	51.1	38.7	0.306	0.342
Hangai	38.7	37.7	0.320	0.354
Central	34.4	34.0	0.314	0.393
Eastern	34.5	36.5	0.317	0.399
Ulaanbaatar	27.3	20.4	0.332	0.367

Source: NSO "Household Income, Expenditure Survey" 2006

NSO, Household Income, Living Standard Measurement Survey, 2002-2003

NSO, National Statistical Bulletin, 2006

parent families as sections of population most vulnerable to poverty.

Challenges

The review of the implementation status of MDG 1 "to halve poverty by 2015" shows that despite numerous policies and programmes already implemented, between 2002-2006 the Government has been able to reduce poverty only by 3.9 points. Therefore, strategies to accelerate the process of poverty alleviation need to be developed and implemented.

Policy priorities

Short-term:⁷

- Build environment conducive for creation of new jobs, increase employment through incentives;
- Research labour safety and health trends and develop necessary legal framework;
- Reduce income and skill poverty through fostering of services that provide suitable employment for vulnerable groups such as retired and people with development difficulties;

- Implement rural employment support policies based on local development opportunities;
- Improve people's knowledge of legislation and access to information on export and import of labour force;
- Protect interests of citizens working abroad through inclusion of labour issues in the legal authorizations and mandates of consular offices;
- Improve quality and accessibility of social welfare and care services, in particular, improving coverage for the most vulnerable groups of population;
- Develop and introduce efficient and cost-effective systems for delivery of social protection services to the population, in particular population in rural and remote locations;
- Ensure coordination of poverty alleviation programmes.

Mid-term:⁸

- Support export oriented production, creation of new jobs;
- Increase real income of population and ensure its sustainable growth;

⁷ Short-term refers to 1 to 2 years.

⁸ Mid-term refers to 3 to 5 years.

- Ensure an independence of pension insurance system;
- Expand social insurance enrollment, reform legislation to secure social protection coverage provided by employers;
- Increase accessibility of infrastructure services.

Long-term:⁹

- Encourage foreign and domestic investment in all sectors of the economy, implement technological reforms;
- Increase financing for education and health sectors, promote human development.

⁹ Long-term refers to 6 to 15 years.

Target 2

Halve, between 1990 and 2015, the proportion of people who suffer from malnutrition

	1990	2000	2005	2006	2015
Prevalence of Underweight children	12.0 (1992)	12.7	6.3	6.3 (2005)	0 ^a

Source: NSO, 1990-2006

^a. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Malnutrition

Status of malnutrition may be defined by malnutrition in children under-five years of age, food security and safety.

A comparison of the year 2000 situation with that in 2004 and 2005 shows that (by dimensions of malnutrition) incidences of wasting (weight for height) dropped by 2.0 times, underweight by 2.5 times and stunting (height for age) by 1.2 times, respectively (Table 2.1.2).

Table 2.1.2 Malnutrition in Children Under-five Years of Age (percentage)

	Underweight	Stunting	Wasting
2000 ^a	12.5	24.6	3.7
2000 ^b	12.7	25.0	5.5
2004 ^c	6.7	19.6	0.6
2005 ^d	6.3	21.0	2.2

Source: ^a. PHI, MoH, UNICEF, Nutrition Status of Population of Mongolia, 2000

^b. NSO, UNICEF, Child and Development Survey-2000 (MICS-2), 2001

^c. PHI, MoH, UNICEF, Nutrition Status of Women and Children in Mongolia, 2006

^d. NSO, UNICEF, Child and Development Survey-2005, (MICS) 2007

Underweight Children. Between 1990-2000, the percentage of malnourished children in East Asia and the Pacific region was reduced from 24 to 17 percent, thus proving that the goal - "by 2015, to reduce the number of underweight children to 12 percent" - set for the region is, in fact, achievable. Between 2000-2004, the number of underweight children under 5 years of age in Mongolia had decreased at an annual rate of 1.16 percent bringing the total from 12.5 down to 6.7 percent¹⁰ and clearly demonstrating that there is ample opportunity to achieve the goal set for 2015.

Chronic Malnutrition and Stunting. Stunting (height for age) is another dimension of malnutrition, which, while steadily decreasing in

countries with historically high prevalences such as China, Vietnam and Philippines, although not very wide-spread in Mongolia, is still not showing demonstrable decrease. Compared to other countries in the region, Mongolia is lagging behind in terms of pace in reduction of child malnutrition. The number of stunted children under-five in the country has decreased by 5 points between 2000 and 2004.

Acute Malnutrition or Wasting. Although prevalence of wasting as an indicator of malnutrition is fairly low in Mongolia, survey data gathered by MoH and NSO continue to show significantly different numbers. In particular, MoH surveys of 2001 and 2004 indicate that 0.9 and 0.6 percent of children under-five are wasting, while NSO surveys of 2000 and 2005 show 5.5 and 2.2 percent respectively.

¹⁰ PHI, MoH, UNICEF, Nutrition Status of Women and Children in Mongolia", Report from 3rd National survey, UB, 2006

Table 2.1.3 Malnutrition in Children Under-five Years of Age by Region, 2004

	Underweight	Stunting	Wasting
By location			
Urban	3.9	11.5	1.1
Rural	8.1	23.9	0.2
By region			
Ulaanbaatar	4.3	10.5	1.3
Central	4.7	17.2	0
Hangai	5.4	21.9	0
Eastern	10.7	28.1	0
Western	11.9	28.7	0.8

Source: PHI, MoH, UNICEF, *Nutrition Status of Women and Children in Mongolia, 2006*

Table 2.1.3 shows that prevalence of underweight and stunted children in the countryside are twice higher than in urban areas. In western regions the number of underweight children is 2.2 times higher than in Khangai region, 2.5 and 2.78 times higher than in central region and in Ulaanbaatar respectively, and is close to prevalence rates in eastern regions. Prevalence of wasting among under-five children in urban areas was registered at 1.1 percent, while in rural areas it showed a much lower 0.2 percent, which can be partially explained by migration of herd-less rural residents to urban areas that results in unemployment and deeper poverty levels.

Child Nutrition. The data of 2004 show that 79.7 percent of infants are exclusively breastfed until 4 months old, and at 6 months the number drops to 38.3. This can be explained by increase in imports and trade of infant formulas as well as early introduction to solid foods. Although the proportion of breastfed-infants between 4 and 6 months has been decreasing, 2000 and 2005 multiple indicator cluster surveys (MICS) have indicated that during this period the proportion of infants breastfed until 6 months continued to stay stable at 55 to 57 percent respectively. Only 1.6 percent of infants between ages 6 to 11 months and only 0.9 percent of infants between ages 24 to 59 months received nutrition as recommended by professionals, whereas infants between ages 12 to 23 months did not receive adequate nutrition in terms of daily dietary rations at all. As 6 to 23 months of age is a period of most intensive growth, inadequacy of solid foods in terms of nutritional quality of selected ingredients needed for development of infants and toddlers during this period continues to be the major cause for stunting in children.

Vitamins and minerals are critical for proper child nutrition, status of which is reflected as follows:

- **Vitamin D deficiency and supply.** 41 percent of under-five children have Vitamin D deficiency, 20.8 percent have all symptoms of rickets. Symptoms of rickets are less prevalent in the central region and are more common in western, khangai, and eastern regions, and in Ulaanbaatar city. According to the 2004 survey, 15.6 percent of children under two years of age have received preventive dosage of Vitamin D in the last 12 months.
- **Iron Deficiency and Anemia.** 21.4 percent of children under five years of age have anemia. Prevalence of anemia is highest among 6-11 month old infants (39.6 percent), followed by 12-17 month-old (34.4 percent), and 18-23 month-old (23.0 percent) age groups. Analysis by location shows that anemia in urban areas is at 20.0 percent, while in rural areas it is at 22.2 percent or comparatively similar levels. Statistics by regions indicate that prevalence of anemia is 21.4 percent in Ulaanbaatar and 34.0 percent in the western region (highest rate), while central and khangai regions show lowest rates. Prevalence of iron deficiency among infants of 6-59 months of age is at 22.3 percent at the national level, of which 6-23 months age group represent 30.6 percent and 24-59 months age group 18.5 percent. The western regions show the highest prevalence at 29.3 percent.

- **Vitamin A (Micronutrient Supplementation Programme) Campaigns.** 51.6 percent of 6-59 month old children nationwide and 52.3 percent in Ulaanbaatar city have been covered by Vitamin A distribution programmes. Parents and caregivers lack sufficient information and knowledge about the need and dosage necessary or already administered to their children.
- **Iodine Deficiency Disorders.** Prevalence of goiter is at 13.8 percent among 6-12 year old children. It has gone down by 7.6 percent from the rates of prevalence registered five years ago upgrading Mongolia to the category of mild iodine deficiency countries. Proportion of households consuming iodized salt has reached 74.4 percent.

Stunting, vitamin D deficiency, anemia and other vitamin and mineral deficiencies in children related to malnutrition increase after introduction of complementary foods. This fact evidences a critical need to improve the nutritional quality of foods and implement a revised programme to increase production of vitamin and minerals fortified food products.

Food security and food safety

Calorie Intake from Food consumption. As of 2006, the daily calorie intake per capita is measured at 2,818.4 Kcal¹¹. It is, however, not possible to categorize this statistical indicator by population income levels (Table 2.1.4).

Table 2.1.4 Daily Dietary Composition and Energy Consumption Per Capita

	2003	2004	2005	2006
Calories	2 699.2	2 553.9	2 881.9	2 818.4
Protein	105.6	101.4	106.1	104.4

Source: NSO, National Statistical Bulletin, 2006

The United Nations Food and Agriculture Organization (UNFAO) 2006 report on the State of Food Security in the World¹² concluded that during 1999-2001, prevalence of undernourishment among Mongolia's population was at 38 percent, which then had decreased to 27.0 percent between 2002-2004¹³. The Special Rapporteur for the UNFAO stated in his report that daily calorie intake of members of poor households reach only 1,784 Kcal, which is much lower than international (2,100 Kcal) and Mongolia's own (2,731 Kcal) standards for required calorie intake. The report concluded that 20 percent of poor households were unable to secure necessary nutritional calorie intake even after spending all household income on food¹⁴.

A NSO survey reported that wheat, meat and dairy products provide 86 percent of daily nutritional calorie intake of an individual in Mongolia¹⁵. Consumption of these food products is higher in rural areas. While still insufficient, vegetable and fruit consumption has increased in the recent few years, especially in urban areas. Although, consumption of vegetables in rural areas is lower by 50 percent, overall average daily calorie intake is 15 percent higher than that in urban areas¹⁶.

While current issues of food production and safety have not all been solved, food is sufficient in terms of supply. In the recent years, increasing numbers of food production facilities with international standard technologies have come into operation, for example, 28 slaughter houses and 70 meat processing shops capable of supplying 85 thousand tons of meat products annually were established. Dairy producers are introducing modern pasteurizing and packaging technologies, to produce packaged milk, dietary and infant nutrition products fortified with

¹¹ NSO, National Statistical Bulletin-2006, UB, 2006

¹² FAO, "Monitoring progress towards hunger reduction goals of the World Food Summit (WFS) and the Millennium Declaration (MD) - Mongolia" Statistics Division Socio-Economic Statistics and Analysis Service. http://www.fao.org/es/ess/faostat/foodsecurity/MDG_en.htm, 2006, 2004

¹³ UNFAO, The State of Food Security in the World, 2006

¹⁴ Jean Zeigler, "The Right to Food", Report of the Special Rapporteur on the Right to Food, Addendum, Mission Mongolia, 2004

¹⁵ NSO, WB, UNDP, Household Income, Expenditure Living Standard Measurement Survey, UB, 2004

¹⁶ FAO/UNICEF/UNDP, "Joint Food Security Assessment Mission to Mongolia", Mission Report, UB, 2006

calcium, fruit, honey and cocoa. These products have longer shelf life and are more capable to compete with imported products in terms of packaging and quality. In the past three years, meat, dairy and vegetable production has grown steadily. Compared to 2005, wheat yield doubled in 2006 allowing increase in flour production to cover 45 percent of domestic demand. While there are still concerns regarding food safety, wheat, rice, vegetables and fruit imports have increased improving product availability on aimag and soum markets. The capital city, aimag and soum centers are now sufficiently supplied with both domestic and imported food products¹⁷.

There is disparity in food supply at city, aimag, soum and bag levels which is due to differences in income levels and purchasing capacity of the population. While food supply for herders and farmers is adequate in terms of quantity, there is a lack in variety resulting in vitamin and mineral deficiency. Food supply in Mongolia is fairly seasonal. Severe temperature fluctuations impact on nutritional quality of foods, while cold winter conditions require higher calorie foods. The poor in urban areas mainly reside in gers, which in winter require heating expenditures much higher than for those living in a two-room centrally-heated apartment. Thus, increased expenditures on heating during winter reduce income resources available for food during this season.

Surplus of meat and dairy products processed at home by traditional methods are sold at the market. The fact that only 7 percent of dairy and 3 percent of meat products are industrially processed adds to the concerns regarding food safety and hygiene. Tests and inspection determined that 40 percent of dairy products are contaminated with brucellosis and pathogenic bacteria and 36.7 percent contained traces of flour, water and baking soda¹⁸.

Challenges

Insufficient information and discrepancies in NSO and MoH produced data causes difficulties in assessing the actual situation with malnutrition, making it difficult to develop appropriate policies and measures. Prevalence of malnutrition maintains same levels making it a continuing

challenge for the public health sector. In particular, there is a need to improve and align nutritional indicators with international standards used currently to measure malnutrition levels. Moreover, in a situation where no coordinated cross-sectoral participation in malnutrition reduction efforts takes place and misconceptions about MoH and MoFA having to bear sole responsibility for malnutrition and food safety are common, drastic changes need to be undertaken and a new management system should be adopted.

High interest rates, strict collateral requirements and short term nature of bank loans make it difficult for food producers to finance business expansion. Better standards and capacity building are needed to improve quality inspection for imported food products.

Policy priorities

Short-term:

- Increase parents' awareness and knowledge of the importance of healthy diets for children;
- Carry out intensive advocacy efforts to promote exclusive breastfeeding of infants until 6 months old;
- Improve diet and nutrition of 6-23 month old infants and pregnant women through support to production of appropriate food products;
- Prevent chronic malnutrition among young children through improvement of their vitamin and minerals intake;
- Improve food security for the general population;
- Update the 1997 "The Recommended Daily Food Intake" standards.

Medium and long-term:

- Support production of vitamin and mineral fortified food products through appropriate policies and incentive programmes;
- Implement measures aimed at improving livelihoods;
- Reduce disparity in food consumption in urban and rural areas.

¹⁷ FAO/UNICEF/UNDP, "Joint Food Security Assessment Mission to Mongolia", Mission Report, UB, 2006

¹⁸ MFA, MoH, PHI, SPSIA, "Food Contamination Levels" Research Report, UB, 2006

Target

3

Develop and implement strategies for decent and productive work for youth. Create jobs for unemployed people, especially for youth by giving more opportunities for land use, simplifying the procedure of opening small and medium enterprises, giving more opportunities for unemployed citizens to get micro credits

Current Status of Youth Employment

The population of Mongolia in 2006 counted 2,594.8 thousand, including 1,619.3 thousand of working age, of which 1,042.8 thousand were economically active, the labor force showing an increase of 41.6 thousand compared to 2005.

Labour force participation, a key indicator for the "economically active" category, has gradually increased reaching 64.4 percent in 2006 with unemployment at 3.2 percent (see Table 2.1.5).

Table 2.1.5 Employment Indicators as of Year End (thousands)

	2003	2004	2005	2006
Working-age population	1 488.9	1 531.1	1 577.0	1 619.3
Economically active population	959.8	986.1	1 001.2	1 042.8
Of which:				
Employed	926.5	950.5	968.3	1 009.9
Unemployed	33.3	35.6	32.9	32.9
Level of labour force participation (%)	64.5	64.4	63.5	64.4
Level of employment (%)	62.2	62.1	61.4	62.3
Level of unemployment (%)	3.5	3.6	3.3	3.2

Source: NSO (2007) National Statistical Bulletin - 2006, UB

Status of Youth Employment. The structure of age groups plays a rather greater role as a factor of economic development than total population size. In Mongolia, the average life expectancy at birth is 68.8 years and the median age of 22.7 years indicates that the population is fairly young.

In 2006, 568.2 thousand were aged 15-24 years representing 21.9 percent of the total population.

The percentage of workers under 25 among the total employed population is showing a downward trend dropping from 28.4 to 23 percent between 2000-2005. Unemployment rate among the 15-24 age population was 3.4 percent in 2003, 3.6 percent in 2004, and 3.3 percent in 2005. Analysis by regions shows unemployment rates for this age group being high in khangai, western and eastern regions, and comparatively low in the central region, with higher unemployment among male 15-24 year-olds.

Policy priorities

Short-term:

- Support NGO initiatives to create labor markets for youth, and college and secondary school students;
- Establish a youth employment network;
- Review labour market regulations for alignment with youth employment needs, establish suitable minimum wage rates for young labour force and create opportunities for employment while in school;
- Provide financial incentives from the Employment Fund to employers offering stable employment opportunities to the under-privileged young;
- Encourage the young to establish production, services, cooperatives and

NGOs and funds for serving the society;

- Provide opportunities for acquiring skills in demand on the labor market, and improve competitive capabilities of the young generation;
- Conduct regularly School-to-work transition survey;
- Support youth employment through access to micro credit and business incubator services;
- Improve legislation related to wages and compensation and ensure their coherence and coordination;
- Create a national network for the ILO's "Start, Improve Your Business (SIYB)" and "Gender and Business" training programmes.

Mid-term:

- Develop a Youth Employment Sub-programme;
- Incorporate target indicators for creation of decent and productive jobs for youth in the relevant mid-term strategy, policy and planning documents;
- Assess and report on current and future trends in employment opportunities for the youth in companies and organizations operating in environmental, ICT, mining and tourism sectors;
- Develop a national vocational training programme; strengthen cooperation between employers and vocational training institutions;
- Support returnees from foreign countries.

Target 4 Reduce negative effects of population concentration and migration, to create legal environment to protect interests of migrant citizens, provide them with job places and establish system of their enrolment in medical, education, cultural and other social services

Current Status of Migration

Intensifying migration in recent years has effected mechanical changes in the number of population in regions (Table 2.1.6).

The 2000 Population and Housing Census data showed that while the net population growth rate per 1,000 was 11.4, net migration per 1,000 reached 43.0 proving migration to be the main driver of the growth for the capital city population. As regarding migration routes, between 1995-2000 eight out of ten migrants settled either in Ulaanbaatar city or the central regions. Specifically, during this period 95.4 thousand or 65 percent of all migrants have moved to Ulaanbaatar city.

The proportion of people living in urban areas is continually increasing and has reached 60.2

percent in 2005 compared to 57 percent in 2000, with 38 percent of urban population residing in Ulaanbaatar city.

Population migration is directly linked to poverty. Migration has become a number one survival option for rural residents who lost their livestock or property¹⁹. Desire to access education and health services as well as opportunities to benefit from land privatization in urban areas is the second reason for migration. Others include finding employment, improving livelihoods by moving closer to markets, ensuring the future for children, and obtaining support from relatives. While men migrate seeking opportunities for employment, women migrate seeking support from relatives.

Table 2.1.6 Migration of Population by Region

	2005			2006		
	Inbound	Outbound	Change	Inbound	Outbound	Change
Western	612	9 539	-8 927	2 318	8 137	-5 819
Hangai	3 468	10 843	-7 375	5 743	10 259	-4 516
Central	6 734	14 163	-7 429	9 449	13 936	-4 487
Eastern	644	4 171	-3 527	1 872	4 371	-2 499
Ulaanbaatar	30 207	2 949	27 258	25 877	8 556	17 321
Total	41 665	41 665		45 259	45 259	

Source: NSO (2007) National Statistical Bulletin - 2006, UB

Nevertheless, migration is a costly process. Increased rural to urban migration continues to bring additional burdens on infrastructure and services. Schools in Ulaanbaatar city are forced to work in three shifts with 40-50 pupils in one classroom, often refusing enrolment under pretext of "not belonging to the area of coverage for schooling". These and other difficulties add to school dropout rates among children of migrants.

In addition, most rural migrants have problems with civil registration documents. According to surveys, over half of migrants are not able to obtain new residence registration due to missing record of transfer from hometown. 12.5 percent of migrants do not have any documentation at all, 10.2 percent lack financial means to obtain registration documents, and a sizeable 27 percent portion does not seem to have any particular obstacle or reason for not obtaining residency registration papers. Many of the migrants are forced to beg, collect garbage and

¹⁹ NSO, ADB, WB (2005) Mongolia: Participatory Poverty Assessment Survey.

waste, or steal to survive²⁰.

“Migration and Poverty in Ulaanbaatar” survey results show that 24 percent of city residents lack access to social services. In other words, one quarter of the population in the capital city does not have adequate living conditions and cannot access health and education services.

Future migration trends indicate that additional 30 percent of the rural population intends to migrate when opportunities arise, with two-thirds planning to move to Ulaanbaatar city. Almost half of those who intend to migrate from Ulaanbaatar, would like to move abroad.

Challenges

Measures are needed to improve registration of migrants, ensure their better access to social services, relieve overstretched schools and hospitals in suburbs through expansion of existing and construction of new facilities, and expand social infrastructure services.

Policy priorities

Short-term:

- Introduce electronic formats for civil registration and information;
- Streamline current residence transfer registration processes; ensure conditions for easier and more expeditious services to citizens;
- Incorporate the assessment of population growth (natural and mechanical) impact on social services into new and existing socio-economic policies and programmes, improve cross-sectoral coordination;

- Develop local level policies and guidelines aimed at reducing negative impacts of migration and rationalizing population settlements;
- Carry out a detailed survey of trades and skills in demand in rural areas and available in excess in Ulaanbaatar city, and balance this demand and supply through use of incentive programmes based on needs assessment.

Mid-term:

- Create a system of insuring nomadic animal husbandry against natural disasters, introduce new information and communication technologies, provide renewable energy sources to herder families;
- Provide incentives to citizens, who introduce modern technologies, produce import-substituting or export-increasing new products and create new jobs.

Long-term:

- Implement policies aimed at reducing disparities between urban and rural conditions, and decentralize excessive urbanization by encouraging the population to settle in regional urban centers, satellite and cluster settlements aligned with local environment and resource capacities.

²⁰ NSO, ADB, WB. Mongolia: Participatory Poverty Assessment Survey, page 3. 2005



GOAL 2

ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 5: *Provide primary education to all girls and boys by 2015*

Target 5

Provide primary education to all girls and boys by 2015

	1990	2000	2005	2006	2015
Net enrolment ratio in primary education	95.9 (1997)	95.0	93.3	91.4	100.0a
Proportion of pupils starting grade 1 who reach grade 5	91.0	83.6	101.2	86.8	100.0a
Literacy rate among 15-24 age group	99.0	97.7	97.7 (2000)	97.7 (2000)	100.0a

Source: NSO, 2006

à. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Primary Education

Compared to other developing countries, Mongolia's baseline for the universal primary education target is fairly high. However, there may be less opportunity to achieve the target. In recent years, the net enrolment ratio in primary schools has stayed at over 90 percent without much upward change, which indicates that it may not be possible to reach the 100.0 percent target by 2015, especially the target to increase the proportion of children starting grade 1 who reach grade 5.

Primary School Enrolment. The primary school enrolment rate has shown a steady upward trend since 2002 fluctuating at around 95 percent since then. The net enrolment ratio in the primary education, which was at 90.2 percent in 2004, made a sudden jump to 93.3 percent in 2005 and then plummeted down to 91.4 percent again in 2006.

Factors impacting fluctuations in the net enrolment ratio in primary education include:

1. The number of children not covered by primary schooling is not showing a demonstrable decrease. In academic year 2005-2006, 5,411 7-11 year-old children were not attending school, 62 percent having never been enrolled in school, and remaining 38 percent having dropped out at some point.
2. Although primary school dropout rates decreased and are fluctuating at around

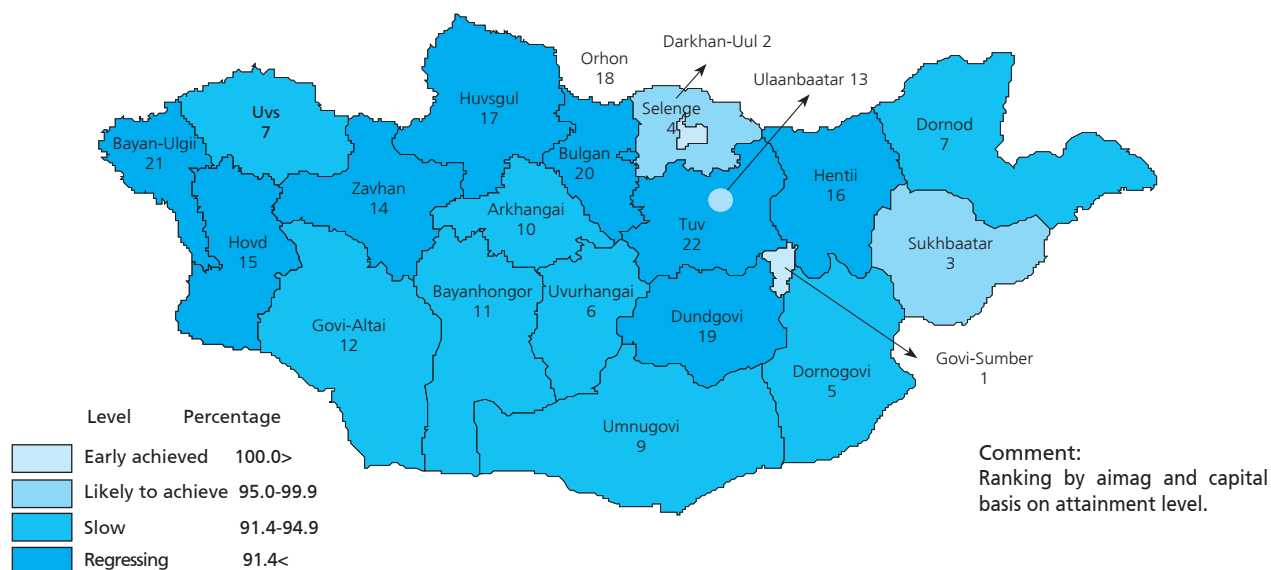
2 percent, the proportion of 1-3 grade and 1-5 grade dropouts represent 60 and 83.2 percent of all 7-15 year-old dropouts respectively. The 2005 assessment of universal education revealed that one in every four children dropped out from the 1st grade and two out of 3 dropped out from primary school. This shows a trend for the majority of dropout cases taking place at primary levels.

3. Due to limited dormitory capacity many children from herder families cannot access dormitory services. In the 2006-2007 academic year, 51,167 secondary school pupils applied for dormitory space and 16 percent were denied. 17 percent of children from herder families who applied did not receive dormitory space.

Graph 2.2.1 shows implementation of Target 5 of MDGs by aimags. A certified evaluation methodology was used for assessing the progress in each aimag and implementation status categories are shown in different colors as: a) achieved, b) attainable, c) slow and d) unattainable.

Comparison by regions shows that, in 2006, the net enrolment ratio in primary education was highest in the eastern region (93.2 percent), and lowest in the western region (89.7 percent). The fact that the difference in net enrolment between the highest rate eastern and lowest rate western region is 3.5 points shows that there is a fairly insignificant regional disparity. The number of school dropouts is high in Khentii aimag in the eastern region and in Bayan-Ulgii, Zavkhan and Khovd aimags in the western region.

Graph 2.2.1 Universal Primary Education Target, by Aimag, 2006



Source: NCO, 2006

Gobi-Sumber aimag achieved the highest net enrolment ratio in primary education, while Tuv aimag showed the lowest achievement rate and the difference between the two is 21.1 points. This is an evidence to the fact that there is great gap in primary school enrolment at aimag level.

Status of 1st Graders Reaching Grade 5. The proportion of pupils starting grade 1 who reach grade 5 has increased to 86 percent and is showing an upward trend since 2000. However, this indicator has not been stable registering 88.0 percent in 2004, then making a sudden jump to 101.2 percent in 2005 and falling again to 86.8 percent in 2006.

The reason behind the reluctance of this indicator to show positive growth is the steady rate of school dropouts among 1-3 graders and the fact that these children do not go back to school again.

Literacy Rate in 15-24 Age Groups. Since population and housing census of 1989 and 2000, there has been no statistical data available to measure this indicator of literacy as the census is carried out once in a decade. The 1989 census counted a 99 percent literacy rate while the 2000 census concluded that the population literacy rate was at 97.7 percent.

The literacy rate of the 15-24 age group is highest in Ulaanbaatar at 99.5 percent, followed by 99.1 percent in Darkhan-Uul, 98.9 percent

in Orkhon, while Sukhbaatar at 93.6 percent, Khentii at 95.6 percent and Dornod at 95.7 percent show the lowest literacy rates at aimag level. The difference between the top rate of Ulaanbaatar and the lowest in Sukhbaatar aimag amounting to 5.9 points shows that the difference in literacy rates among aimags for the 15-24 age group is fairly low.

The proportion of young in the structure of illiterate population is growing, showing a trend to further growth. In particular, illiteracy rate among the 15-19 age group has grown by 2 points²¹ between 1989 and 2000. The 2000 Population and Housing Census report makes it clear that the 15-24 age group represents 34 percent of the total illiterate population.

Young men comprise 66.3 percent of the illiterate in the 15-24 age group. While 27.2 percent of conscripts recruited in 2005 for universal military service claimed primary level education and 5.5 percent admitted illiteracy, in fact most of those with primary education could not read or write. The Ministry of Defense provides schooling to 150-200 conscripts after each draft, teaching to read and write to an average of 300 conscripts per year. Since the launch of the National Literacy Programme by the Government of Mongolia, summer literacy classes have been organized every year and 7,000 people attended in 2006.

²¹ Evaluation of Policy Environment in Education, MECS, 2005

Challenges

Education attracts due attention in the assessment of the progress of implementation of MDGs in Mongolia. It is one of the leading sectors in terms of budget allocations and the number of projects and programmes financed through foreign grants and loans. Still, the sector shows backward progress in achieving the MDG target on primary education, demonstrating insufficient implementation of the policy documents.

In order to attain Target 5 of the MDGs, the following points should be addressed:

- Lack of interest in education among school dropouts and children who have never enrolled;
 - Disparities in educational services for rural and urban areas, as well as for urban center and urban suburb population;
 - Ambiguity and inadequacy of financing mechanisms for informal education, limited access to informal education programmes for illiterate and newly literate population;
 - Limited accessibility of pre-school education services, sub-standard and unsafe conditions;
 - Inadequate supply of textbooks, few textbooks that meet new standards, absence of distribution/delivery mechanisms.
- Train teachers in methodologies for working with 6-7 year old pupils coming from varying social backgrounds;
 - Reform education standards, content and methodology for training primary school teachers;
 - Provide state support to increase wages and provide housing to teachers;
 - Provide incentives and opportunities for male teachers to work in primary, secondary and informal education institutions to correct gender imbalances existing at the secondary education level;
 - Create favorable material and psychological conditions for 6 year-olds to attend school and live in dormitories;
 - Develop and launch the new 12-year curriculum for secondary schools in the 2008-2009 academic year;
 - Improve the system for developing, certifying, selecting, printing and distributing school textbooks;
 - Continue subsidizing school textbooks for children from vulnerable groups and poor households;
 - Ensure proper work load in schools in terms of number of shifts and students per class through construction of new schools and kindergartens in aimag centers and the capital city
 - Establish dormitory facilities to provide extra-curricular activities for primary grade students of suburban schools
 - Continue and expand the school lunch programme;
 - Provide safe drinking water for schools.

Policy priorities

Short-term:

- Create favorable legal framework encouraging private sector and other stakeholder initiatives to provide primary school services;
- Reform and implement revised standards for primary education;
- Carry out a detailed study of reasons for school dropout and bad performers in secondary schools;

Mid-term:

- Develop and adopt methodologies for new teacher training to cover shortage of teachers and continuing education for existing teachers and skill training for working with the 6-7 age group;

- Implement systemic improvements in accountability, monitoring and evaluation of quality and efficiency of structural reforms for location and format of schools, kindergartens and dormitories, construction of new and repairs of existing facilities;
- Apply international methodologies in assessing of education needs and literacy rates among the adult population;
- Basing on the educational level and stage of schooling, reduce the number of pupils per PC and improve access to ICT;
- Provide all schools with cheap and reliable access to internet.



GOAL 3

PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 6: *Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015*

Target 6 Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015

	1990	2000	2005	2006	2015
Ratio of girls to boys in primary education	1.03 (1995)	1.01	0.98	0.98	1.0b
Ratio of girls to boys in secondary education	1.33 (1997)	1.20	1.11	1.03	1.0b
Ratio of female to male students in tertiary education institutions	-	1.72	1.53	1.53	1.0b
Proportion of women in the population engaged in wage employment in non-agriculture sectors	51.1	50.4	53.1	53.9	50.0b
Percentage of women elected to national parliament	24.9	11.8	6.6 (2004)	6.6 (2004)	30.0b
Percentage of women candidates in parliamentary election	7.7a (1992)	10.9a	13.7a (2004)	13.7a (2004)	35.0b (2012)

Source: NSO, 2006

a. General Election Commission, 2004

b. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Gender in Education

Female/male Ratio in Primary Education. A target was set to narrow down the 1990 and 2000 ratios of 1.3 and 1.01 to 1.0 by the year 2015. Although the target was achieved in 2001 and 2002, the indicator regressed slightly beginning in 2003 and has stayed at that level until 2006.

Female/male ratio in primary schools by region in 2006 as compared to the national average were as follows: 0.98 in the central and western regions, 0.96 in the khangai region and 0.99 in Ulaanbaatar city, i.e. the capital city being closest to the national average and the khangai region having the widest gap (Table 2.3.1).

Table 2.3.1 Ratio of Girls to Boys in Primary Schools in Mongolia by Region

	2005	2006
National average	0.98	0.98
Western region	1.00	0.98
Hangai region	0.97	0.96
Central region	0.96	0.98
Eastern region	1.02	0.96
Ulaanbaatar	0.98	0.99

Source: NSO, 2006

Western region with highest rate of poverty have shown higher rate of school dropout, while this indicator is lowest in Ulaanbaatar city where poverty prevalence is lowest in the country (Table 2.3.2).

Majority of secondary school dropouts are boys. While at primary school level the proportion of boys leaving school comprises 55-56 percent, at secondary school level it increases to 62-64 percent.

Female/male Ratio in Secondary Education.

This indicator has been steadily falling from 1.2 in 2000 to 1.03 in 2006 with a future trend to meet the target by 2015. In the 2005/2006 academic year 556.8 thousand pupils attended 724 secondary schools. While 80 percent of school dropouts in the 7-15 age group are boys, school dropout rates have fallen from 2.0 percent in 2004-2005 to 1.6 percent in 2005-2006 indicating an opportunity to reduce gender disparity in secondary schools through reduction in overall school dropout rates.

Table 2.3.2 School Dropout, Gender Ratio and Poverty, 2006

	Net enrolment ratio in primary education	Percentage of dropout at primary school level	Proportion of children in grade 1 reaching grade 5	Poverty headcount ratio	Ratio of girls to boys in primary education
Western region	89.7	7.2	81.8	38.7	0.98
Ulaanbaatar	91.6	0.3	95.0	20.4	0.99

Source: NSO, MECS, 2006

It is evident that child school enrolment directly depends on the financial situation of the household. According to the joint UNICEF-NSO Multiple Indicators Cluster Survey 2005²², 67 percent of children from poor households and 96 percent of children from wealthy households were enrolled in secondary school.

While net enrolment ratio in secondary education in the 2004/2005 academic year was at 91.4 (boys 89.5, girls 93.4 percent), and gross enrolment ratio at 95.5 (boys 95.8, girls 99.2) percent, in the 2005/2006 academic year school attendance net enrolment increased to 93.2 (boys 91.9, girls 94.9) percent, and gross enrolment to 95.4 (boys 95.3, girls 95.5) percent. If successfully retained until 2015, this rate of increase will secure 99.6 percent gross enrolment for girls and 96.1 percent for boys, enabling the achievement of the target²³.

As of 2006, 51.0 percent of all school pupils are girls. Gender ratios in primary and mid-level schools are fairly balanced, while greater gaps appear in senior secondary grades. This gap is retained through college and university levels. The fact that college and university admission examinations are open to graduates of secondary schools, where girls prevail in senior years, explains the greater proportion of female students.

Female/Male Ratio in Tertiary education. This indicator has been slowly regressing from 1.72 in 2000 to 1.53 in both 2005 and 2006. The proportion of male students in tertiary education increased from 36.8 percent in 2000 to 39.5 percent in 2005.

The larger number of female students in tertiary education is due to higher proportion of girls among secondary school graduates, as mentioned earlier, as well as traditional

differences in upbringing of girls and boys in Mongolian families.

Challenges

A survey of secondary school textbooks for gender sensitivity revealed that in 2003-2005 this indicator was not sufficiently addressed²⁴. Therefore, there is need to improve textbooks for gender sensitive content.

While women today are in better position in terms of obtaining tertiary education, it does not apply similarly to promotion at work and access to new opportunities²⁵. It evidences the fact that the structure of professional education attained by women does not necessarily correspond with the demand and supply situation in the economy. There is a need to determine the causes and social impact of gender disparity with research.

Policy priorities

Short-term:

- Provide necessary support to herder households, poor households with many children, and migrants with undefined registration status;
- Research and provide implications on factors of gender disparity in tertiary education;

Mid-term:

- Ensure gender sensitive textbook content for secondary education;

²² UNICEF-NSO MICS 2005, published in 2007, page 37

²³ Master Plan for Education Sector, 2006-2015

²⁴ MECS report on Implementation of CEDAW Fifth Government Report

²⁵ UNDP, "Mongolia Human Development Report", 2003, page 14

- Improve knowledge and understanding of gender issues in education institutions;
- Align tertiary education curriculum with labour market demands as well as the need to support national industries and to strengthen the national economic capacity.

Current Status of Gender Equality in Employment

Mongolia MDGs for promotion of gender equality are aimed at not only ensuring gender parity in education but also empowering women for equality in employment and decision-making.

The proportion of women engaged in paid, non-agriculture jobs has increased from its 2000 level and reached 53.9 percent in 2006. Women comprise 50.4 percent of Mongolia's population and take up the same proportion as men in the economically active and employed population. However, there are more women

among unemployed registered by employment agencies, which is probably due to men being more reluctant to register.

There is also disparity in wages among men and women depending on the sectors of employment, positions occupied and professional profiles. While this disparity is not related to the level of education, the national average wage of male employees is MNT 10.0 thousand higher than that of female employees. Proportion of male and female employees working in non-agriculture jobs shown by sector reveals that women prevail in education, health, trade and services sectors, while men dominate in public administration, defense, construction and transportation (Table 2.3.3).

Men spend 17.5 hours per week on non-economic activities, while women spend 31.8 hours²⁶. In other words, women, while engaged in official paid employment, spend significantly more time than men on child rearing, caring for sick and elderly, cooking and other household chores²⁷.

Table 2.3.3 Percentage of men and women in wage employment in non-agriculture sectors, 2006

	Total	Men	Women
International organizations	0.7	0.7	0.6
Job creating family business	1.2	1.2	1.0
Services to individuals and public	3.7	4.1	3.3
Health and social welfare	6.3	4.4	8.0
Education	10.0	7.1	12.6
Public administration, Defense, Social insurance	7.6	9.2	6.2
Real estate, rentals and business	2.0	2.1	2.0
Financial services	2.7	2.4	3.0
Transportation, warehouse, communications	6.6	9.0	4.6
Hospitality and catering services	5.0	3.6	6.2
Wholesale and retails trade, repair shops	26.0	22.7	28.8
Construction	9.1	11.0	7.4
Power and gas production, water supply	4.8	5.6	4.1
Mining/Extractive industries	7.6	7.5	7.7
International organizations	6.7	9.4	4.5

Source: NSO Report on Labor Force Survey, 2004

²⁶ UNDP, Human Development Report, 2003, page 14

²⁷ NSO, Report on Workforce Survey, 2004

Challenges

Employment census, surveys and research carried out in recent years applied a variety of methodologies for measuring indicators related to employment and unemployment. In addition, no official statistics on some important indicators, such as wage disparity among male and female employees and number of hours spent on paid and unpaid labour, exist, making it difficult to conduct comparative analysis and to realistically assess male and female participation in the labour market.

In particular, there is a lack of gender analysis data and information to determine disparities and changes occurring in male and female employment. Women's role in society and family should be equitably appraised, and policies are needed that support female employment and provide training to facilitate return to work after maternity leave.

Policy priorities

Short-term:

- Improve gender statistics to enable better assessment of male and female participation in the labour market.

Mid-term:

- Equitably reflect women's dual social and family roles in employment policies;

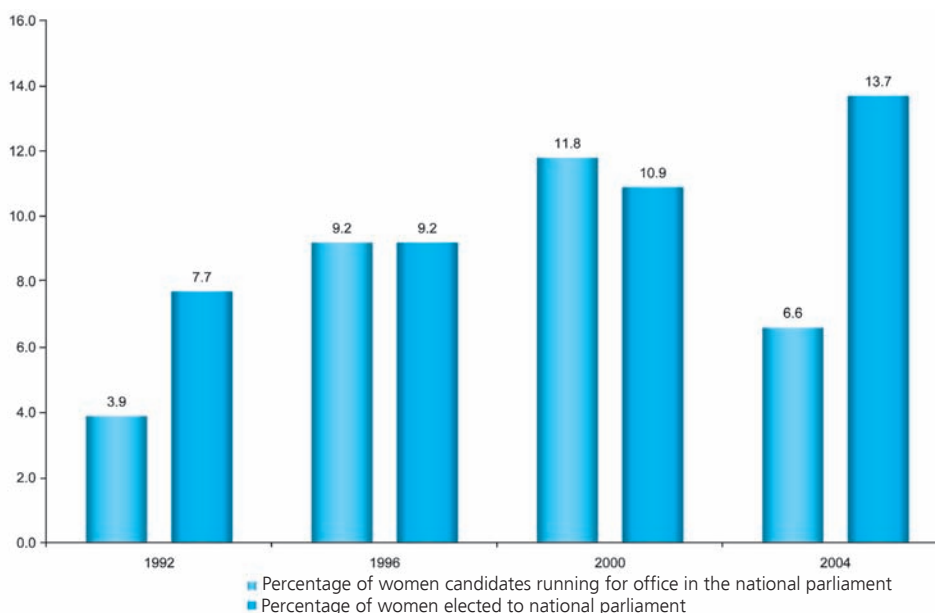
- Introduce bold changes in gender stereotypes existing in employment and labour market relationships.

Current Status of Gender Equality at Decision-Making Level

Representation of women in national parliament is one of important indicators of equal participation of women in social and political life. Mongolian women should play a prominent role in consolidating of democratic achievements, induction of good governance, transparency, openness, accountability and ethical political practices, as well as developing a strong civil society.

Proportion of Seats Held by Women in National Parliament. In 2006, 6.5 percent of members elected to parliament were women (2004 parliamentary election data), not only evidencing a major setback from 2000 achievements but also indicating a lack of progress in increasing their participation in decision-making. Amendments to the Law on Parliamentary Elections, which set a minimum quota for female candidates at 30-35 percent, were an important step towards ensuring greater participation of women in decision-making. However, without further initiatives to empower women, attainment of the 30 percent target by 2015 may become problematic (Graph 2.3.1).

Graph 2.3.1 Percentage of female candidates and elected members of national parliament



Source: General Election Commission, 2004

24.6 percent of members of aimag, capital city, soum and district Citizen Representative Hural (local parliament) are female, indicating greater political activities by women at the local level and evidencing their capabilities, and popularity and public respect given by their communities. However, there is still limited opportunity for them to compete at the national level, and numerous factors beyond their control are impeding their opportunities to run for office in the national parliament.

In recent years worldwide, there have been more female parliamentarians, leaders of

executive government and heads of states than ever before. Analysis of politics in Mongolia shows that induction of this trend will significantly depend on the political will and initiatives of the leadership of political parties. Today women represent only 5.2 percent of the political leadership (Table 2.3.4). It is a manifestation of how inadequately women's roles and participation in development are valued compared to the level of education and professional skills they have. Low representation of women among decision-making ranks evidences a lack of progress in implementation of this particular MDG target.

Table 2.3.4 Number of Women in High Level Political and Managerial Positions

	2000		2006	
	Total	Women	Total	Women
President of Mongolia	1	0	1	0
Speaker of Parliament	1	0	1	0
Prime Minister	1	0	1	0
Deputy Speaker	1	0	1	0
Members of Parliament	76	9	76	5
Members of Cabinet	11	1	18	1
Chief of Cabinet Secretariat	1	0	1	0
Deputy Ministers	11	1	18	0
Deputy Chief of Cabinet Secretariat	2	1	2	1
Governors of Aimags	22	0	22	0
Head of Government Agency	10	1	10	1
Total	137	13	151	8
Percentage of women		9.4		5.2

Source: Development and Gender Center, *Participation of Women in Politics Survey, 2006*

Female Candidates in Parliamentary Elections.

The proportion of female candidates in 2000 increased threefold compared with the 1992

elections (Table 2.3.5). This change reflects greater involvement of women in political life as well as the impact of activities by women's NGOs.

Table 2.3.5 Number of female candidates and elected members of parliament

	Candidates to national parliament		Elected members of parliament	
	Total	Women	Total	Women
1992	298	23	76	3
1996	302	28	76	7
2000	603	66	76	9
2004	262	36	76	5

Source: General Election Commission, 2004

Challenges

It is evident that there is a need to work closely with voters taking concrete steps toward increasing the number of women in the national

parliament. In order to ensure opportunities for women to actively participate in the political, economic and social leadership, there is a need for a unified system of coherent policies, methodologies and tools to prepare women for

these roles. Better tools are needed to develop gender sensitive policies and to build a system that ensures gender equality, and improved gender disaggregated data collection should be put in place. Capacity building efforts targeting the mass media need to be implemented to ensure their positive participation in fostering of correct gender attitudes among the public.

Policy priorities

Short-term:

- Create legal framework to empower women, enhance opportunities for leadership in their spheres of activity and increase their role;
- Incorporate activities aimed at attaining gender equality targets into the central and local Government action plans and

National Socio-Economic Development Guidelines; create mechanisms for monitoring and accountability for implementation; enhance gender sensitive budgeting;

- Produce official gender disaggregated statistical data.

Mid to long-term:

- Use a systemic approach to prepare women for involvement in the development process;
- Develop and adopt a law on gender equality;
- Improve voter education;
- Establish mechanisms for reviewing laws, national programmes and other legislation for gender sensitivity.



GOAL 4

REDUCE CHILD MORTALITY

Target 7: *Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate*

Target 7

Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

	1990	2000	2005	2006	2015
Under-five mortality rate (per 1000 live births)	88.8 ^a 87.5 ^b	44.5 ^a 42.4 ^b	26.0 ^a 26.1 ^c	23.2 ^a 24.0 ^c	29.2 ^b
Infant mortality rate (per 1000 live births)	64.4 ^a 63.4 ^b	32.8 ^b	20.7 ^a 20.8 ^c	19.1 ^a 19.8 ^c	22.0 ^b
Percentage of children covered by immunization against measles	82.3 ^a 82.5 ^b	92.4 ^a	97.5 ^a	98.9 ^a	96.0 ^b

Source: a. NSO, *Statistical Bulletin*, 2006

b. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

c. Ministry of Health, *NHDP Health Indicators*, 2006

Current Status of Child Mortality

In the last 16 years since 1990, infant and under-five mortality rates have decreased significantly in Mongolia. Under-five mortality rate per 1,000 live births dropped from 88.8 in 1990 to 23.2 in 2006 reflecting a 3.7 times reduction. Infant mortality rate per 1,000 live births dropped from 64.4 to 19.1 or by 3.3 times. Thus, not only the MDG targets of 29.2 and 22.0 respectively were attained in 2006, but it is also possible achieve further reductions.

Neonatal mortality. Reduction in infant mortality leads to increase in the neonatal mortality rate expressed as a proportion of overall mortality rate²⁸. The neonatal mortality is caused primarily by complications during pregnancy, labor and delivery. While overall infant mortality rate in Mongolia is steadily decreasing, there is a need for improvement of neonatal and fetal diagnostic and treatment services, introduction of new preventive care technologies, and improvement of maternal health and prevention of complications of labor/delivery.

Child mortality rate variance in rural and urban areas. While infant mortality targets for 2015 in terms of national average have already been attained in 2005 and 2006, there is some

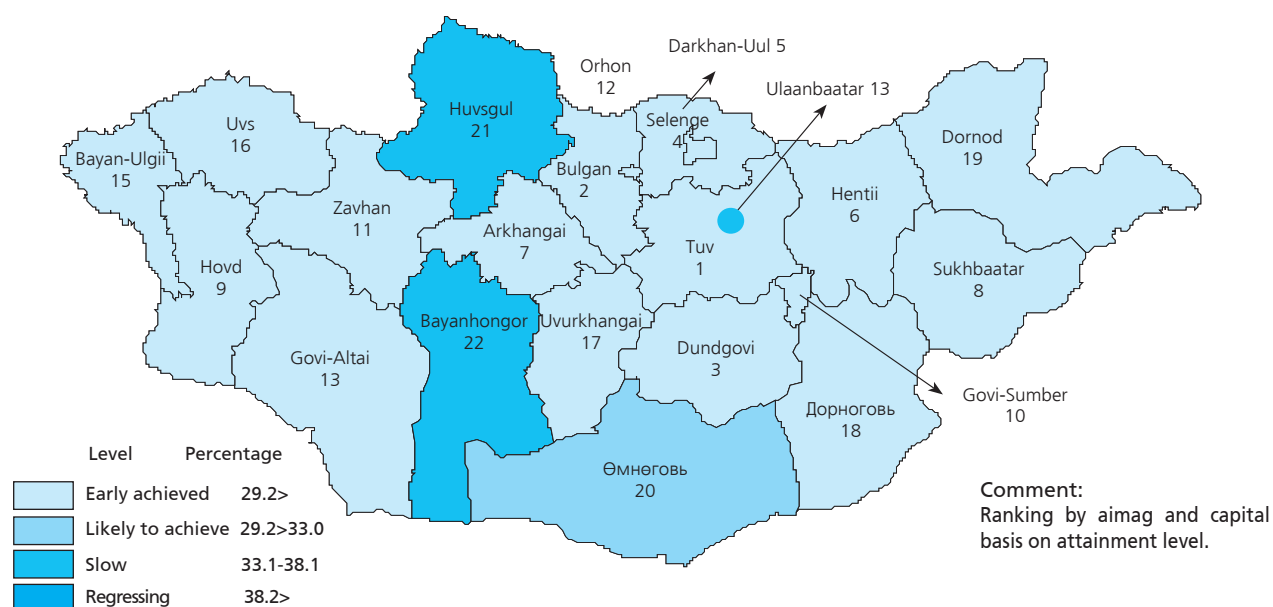
variance at the aimag level. All aimags have been ranked by their under-five mortality rate as of 2006 reflecting: 1-13th positions with rates lower than the national average; 14-19th higher than the national average and those in the bottom 3 positions-Umnugobi, Khuvsgul and Bayankhongor - have rates higher than the 2015 target national average (Graph 2.4.1). Rural areas severely lack pre- and postnatal health care services, including emergency services²⁹.

Immunization Coverage. UNICEF and the World Health Organization (WHO) recommend that each infant before the age of 11 months and 29 days to be administered TB vaccine once, Diphtheria-tetanus-pertussis vaccines 3 times each as well as be vaccinated against measles. Mongolia has successfully implemented expanded immunization programmes in 2006, covering 98.3 percent of under-one infants with TB vaccine and 99.0 percent with Diphtheria-tetanus-pertussis vaccines; no cases diphtheria-tetanus-pertussis have been registered. Combination of Hib and pentavalent vaccines was successfully introduced in Ulaanbaatar and 14 aimags allowing to reduce the number of injections, while immunization against Hepatitis B resulted in halving of Hepatitis B cases.

²⁸ Innocenti Social Monitor, 2003

²⁹ Government of Mongolia, UNICEF Cooperation Programme, Mid-term Report, UNICEF, 2005, UB

Graph 2.4.1 Under-five mortality rate by aimags, 2006



Challenges

In order to reduce child mortality rates, it is necessary to carry out detailed research to define its underlying causes, eliminate disparities in health care services for rural and urban areas, develop neonatal care services, equip health care organizations with necessary equipment, provide knowledge and skill training to medical professionals and improve health education of parents and caregivers. A comprehensive package of measures at the local level encompassing education, health, nutrition and environment aspects should be implemented in order to not only retain results achieved but to attain further sustainable reductions in child mortality rates.

- Improve quality of prenatal care and prevention of neonatal mortality;
- By 2010 provide soums with necessary equipment for neonatal treatment and services; develop neonatal research capacity at the Mother and Child Research Center and introduce modern technology in neonatal diagnostic and treatment practices.

Mid-term:

- Improve implementation of strategies for prevention of micronutrient and vitamin deficiency in mothers and infants;
- Improve quality of healthcare and services; reduce disparities in urban and rural areas;
- Develop and adopt a national strategy for improvement of neonatal care and services.

Policy priorities

Short-term:

- Carry out annual research on underlying causes of child mortality and implement corresponding measures;
- Intensify activities aimed at providing health education to parents and caregivers;



GOAL 5

IMPROVE MATERNAL HEALTH

Target 8: *Provide access to all individuals of appropriate age to required reproductive health services and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio*

Target 8 Provide access to all individuals of appropriate age to required reproductive health services and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

	1990	2000	2005	2006	2015
Maternal mortality rate (per 100,000 live births)	121.6 ^a 200.0 ^b	166.3 ^a 158.0 ^b	92.7 ^a 93.0 ^c	67.2 ^a 69.7 ^c	50.0 ^b
Percentage of birth deliveries attended by skilled health care personnel	100.0 ^a 99.9 ^b	99.6 ^a	99.6 ^a	99.7 ^a	99.8 ^b

Source: a. NSO, *Statistical Bulletin*, 2006

b. SGH, *Resolution #25, Approval of Mongolia MDGs*, 2005

c. MoH, *Health Indicators*, NCHD, 2006

Current Status of Maternal Health

In the last 5 years, maternal mortality rates in Mongolia have shown a steady downward trend. Successful implementation of the Second Phase of the National Reproductive Health Programme in 2002-2006 has resulted in reduction of maternal mortality from its 1990 rate of 121.6, and 166.3 in 2000 to 67.2 per 100,000 live births, which reflects a 2-times decrease compared to 1990 statistics. However, maternal mortality rates stayed high in some aimags.

In 1993, 243 deaths per 100,000 live births were registered, which is the highest rate ever reported by the Ministry of Health. Averages for this health indicator reported in 1991-1994 were at 195, showing a downward trend falling to 169 in 1995-1998, 157 in 1999-2002 and 92 in 2003-2006. Maternal mortality decreased drastically from its 1990 levels, and it has shown steady and significant annual reduction rates since 2001.

In recent years, while some (4-7) aimags reported zero maternal mortality cases, in others maternal mortality rates were at 213-365 per 100,000 live births. Govi-Sumber aimag reported the highest maternal mortality levels in 2005 and 2006. In general, remote aimags - Dornod, Sukhbaatar, Bayan-Ulgii and Govi-Altai - report more maternal deaths (Graph 2.5.1). Lately, an

upward trend in maternal mortality has emerged in Ulaanbaatar city. In particular, the 2006 maternal mortality rate at 77.4 per 100,000 live births was higher than the national average of 67.2. There has been an increase in the number of births due to mechanical growth of the population in the capital city.

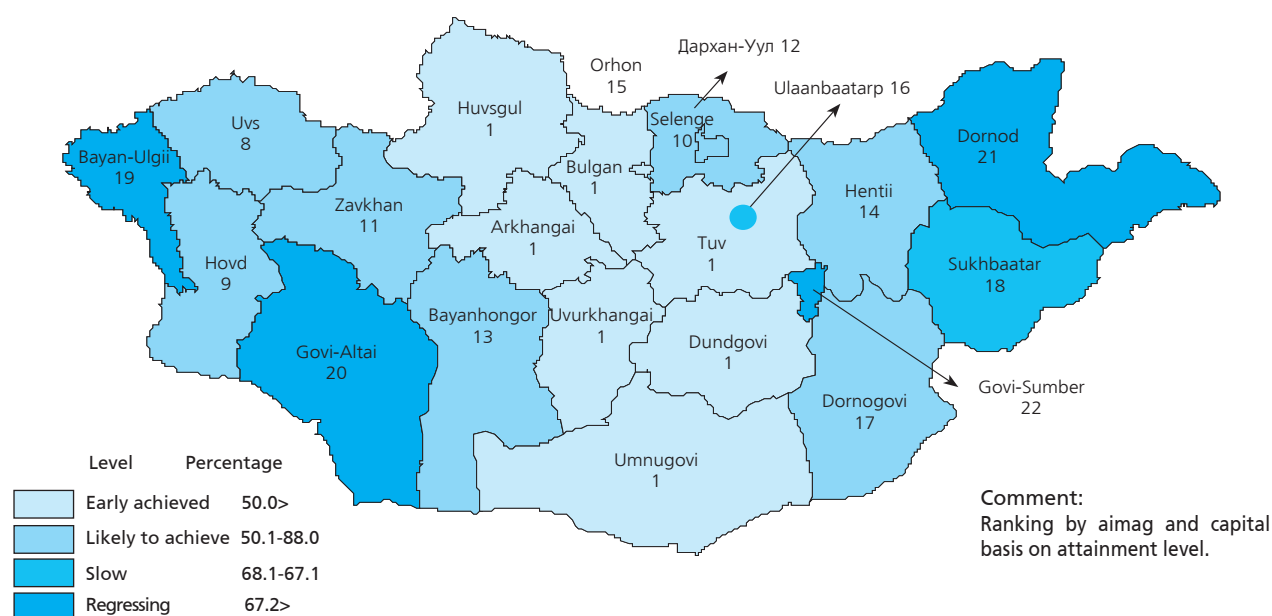
81.5 percent of pregnant women were covered by prenatal care services at early stages of pregnancy, with 82.2 percent receiving more than 6 monitoring examinations³⁰. Number of births assisted by medical personnel is steadily increasing, and at its current 99.7 percent rate indicates that it is possible to attain the 2015 target. 46 percent of women of reproductive age had underlying diseases³¹, 47.1 percent of pregnant women had iron deficiency and 37.1 percent vitamin D deficiency. 70.7 percent of pregnant women took iron supplements only in the last month of pregnancy³². Among causes of maternal mortality pregnancy related complications comprise 33.3 percent, complications during labour and delivery 21.2 percent, post-delivery complications 15.2 percent and other diseases compounded by pregnancy 30.3 percent. This indicates low quality of prenatal care services and poor overall health of women.

³⁰ MoH, NCHD, *Health Indicators*, 2006

³¹ MoH, MCRC, "Current Status of Maternal Mortality, 2001, 2002, 2003"

³² Public Health Institute, 2004.

Graph 2.5.1 Maternal mortality per 100,000 live births, by aimags, 2006



Source: NCO, 2006

Challenges

In order to maintain and continue reductions in maternal mortality rates to achieve the MDG target, it is necessary to ensure equal access to reproductive health and safe labor and delivery services to populations located in remote areas, migrant and vulnerable population groups; provide necessary treatment to women of reproductive age with pathologies and other abnormal conditions; improve quality of prenatal services and delivery of comprehensive specialized medical assistance; increase capacity of maternity wards and hospitals; enhance medical personnel skills; increase participation by public, non-governmental organizations, donors and individuals in reproductive health and safe delivery activities; improve coordination and cooperation among relevant sectors.

- Increase capacity of maternity hospitals and wards in the capital city and aimag centers;
- Improve quality and accessibility of targeted and specifically designed reproductive health services to populations in areas with high ratios of maternal mortality as well as migrant, vulnerable and low income groups;
- Reduce unsafe abortions, life-threatening and/or unwanted pregnancies through improving access to and choice of contraceptive methods;
- Ensure complete vitaminization of pregnant women.

Policy priorities

The following measures are urgently needed to reduce maternal mortality and improve reproductive health:

Short-term:

- Construct a new maternity hospital in the capital city;

Mid-to-long-term:

- Improve medical management and personnel skills to provide quality, comprehensive and accessible maternal and infant healthcare services, introduce an international-standard approach applicable to national specifics;
- Improve quality and accessibility of information and training for prevention

of prenatal complications; encourage individual participation in practicing healthy lifestyles;

- Improve nutrition for pregnant women to minimize risks of mineral and protein deficiency³³.

³³ Challenges of the Medical Science Sector, MSA, MoH, 2005, page 12.



GOAL 6

COMBAT STIs/HIV/AIDS and TB, REVERSE OTHER DISEASES

- Target 9: *Have halted by 2015 and begun to reverse the spread of Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS)*
- Target 10: *Reverse the spread of TB by 2015*
- Target 11: *Implement a special programme to combat dental diseases*

Target 9 Have halted by 2015 and begun to reverse the spread of Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS)

	1990	2000	2005	2006	2015
Spread of HIV among pregnant mother of 15-24 age group	0.0	0.0	0.0	0.0	-
Percentage of women using contraceptives and condoms	37.8 (1997)	46.9	49.3	50.3	-
Number of orphans due to HIV/AIDS	0.0	0.0	0.0	0.0	-

Source: NSO, Statistical Bulletin, 2006

Current Status of HIV/AIDS

While the rate of HIV/AIDS among Mongolia's population is at less than 1 percent, ranking it among 5 countries with the lowest rate of spread in the East Asia and Pacific region, the number of registered cases has been on the increase in the recent few years. The first case of HIV was registered in 1992 increasing to 25 cases since then, of which 20 were registered during 2005-2006³⁴. The rate of spread is defined based on registered and identified cases as there is no official data on the number of high risk population groups such as sex workers, intravenous drug users and men who have sex with men, and no comprehensive testing was conducted among them.

Increasing rates of STIs are creating conditions to speed up the spread of HIV/AIDS in the country. Over half of individuals infected with STIs are unemployed, homeless and have low incomes³⁵. Statistical data show that out of all infectious diseases STIs comprised 35.9 percent in 1998, 42.2 percent in 2002, 43.3 percent in 2003, 47.4 percent in 2005 and 35.3 percent in 2006³⁶. As of end of 2006, 17 out of all registered HIV infected individuals are men, 12 of which were infected through homosexual relations, which confirm high risk of HIV/AIDS for this group³⁷.

Cost of treatment for one HIV/AIDS patient per year ranges from MNT 3.6 million to 10.2 million, which is 2-6 times higher than the annual income of an average household in

Mongolia. HIV/AIDS/STIs are more prevalent among labor age population, contributing to the worsening of morbidity and mortality situation and endangering public health, economic stability, genetic fund and national security of the nation. Growing alcoholism and violence against women not only make them vulnerable to HIV/AIDS, but violate their rights to protect their sexual health as well.

Challenges

There is need to improve the management of activities aimed at halting the spread of and preventing HIV/AIDS, carry out timely monitoring and evaluation of their implementation, improve and expand cooperation among relevant sectors.

Policy priorities

Short-term:

- Deliver education, awareness raising and treatment services to the jobless, homeless and low income individuals who represent 50 percent of STI cases;
- Create conditions that respect human rights, are confidential and encourage voluntary participation in testing, counseling and treatment of HIV/AIDS/STIs in rural and urban areas;
- Expand HIV/AIDS/STIs surveillance mechanisms; improve diagnostic and treatment services;
- Improve knowledge and education about safe sex among homosexuals.

³⁴ MoH, NCHD, Statistics Department, 2006

³⁵ MoH, 2006

³⁶ MoH, NCHD, Health Indicators, 2006

³⁷ National AIDS Foundation, Global Fund, ME Consulting, Ltd., Survey on Behavior patterns of Homosexuals, 2006

Mid-to-long-term:

- Expand activities aimed to encourage change of risky behaviors among the population, facilitate increased use of condoms and other forms of self-protection and safe sex among sex workers and men who have sex with men;
- Intensify efforts to protect the rights of people living with HIV/AIDS, prevent discrimination and harassment and foster supportive attitudes among the public;
- Strengthen management, monitoring and evaluation of activities aimed to prevent and stop the spread of HIV/AIDS;
- Improve quality of HIV/AIDS/STI prevention and reproductive health services.

Target 10

Reverse the spread of TB by 2015

	1990	2000	2005	2006	2015
New incidences of TB (per 100,000 population)	79.0 ^a	124.8 ^a 125.0 ^b	177.4 ^a	185.3 ^a	100.0 ^b
Prevalence of tuberculosis (per 100,000 population)	435.5 ^a	60.0 ^a	91.2 ^a	84.8 ^a	-
Death rates associated with tuberculosis (per 100,000 population)	4.8 ^a 4.9 ^b	3.2 ^a	3.4 ^a	2.9 ^a	0.0 ^b
Percentage of TB cases diagnosed and treated with international standard diagnostic and treatment methods	31.4 ^a (1994)	80.9 ^a 100.0 ^b	79.0 ^a	82.1 ^a	100.0 ^b

Source: a. NSO, Statistical Bulletin 2006

b. SGH Resolution #25 Approval of Mongolia MDGs, 2005

Current Status of Prevalence of Tuberculosis

Despite the fact that diagnosis and treatment of tuberculosis have improved and the number of deaths due to tuberculosis has been decreasing in Mongolia, incidences of TB are on the rise, which makes the attainment of the MDG target by 2015 quite challenging.

Tuberculosis has direct links with social and economic development conditions and living standards of the population. In Mongolia, the social and economic transition reforms of the 1990s entailing inflation, unemployment, poverty and migration have impacted on the spread of this disease. According to the WHO survey, Mongolia ranks third among seven South-East Asia and Western Pacific region countries with highest rates of tuberculosis³⁸.

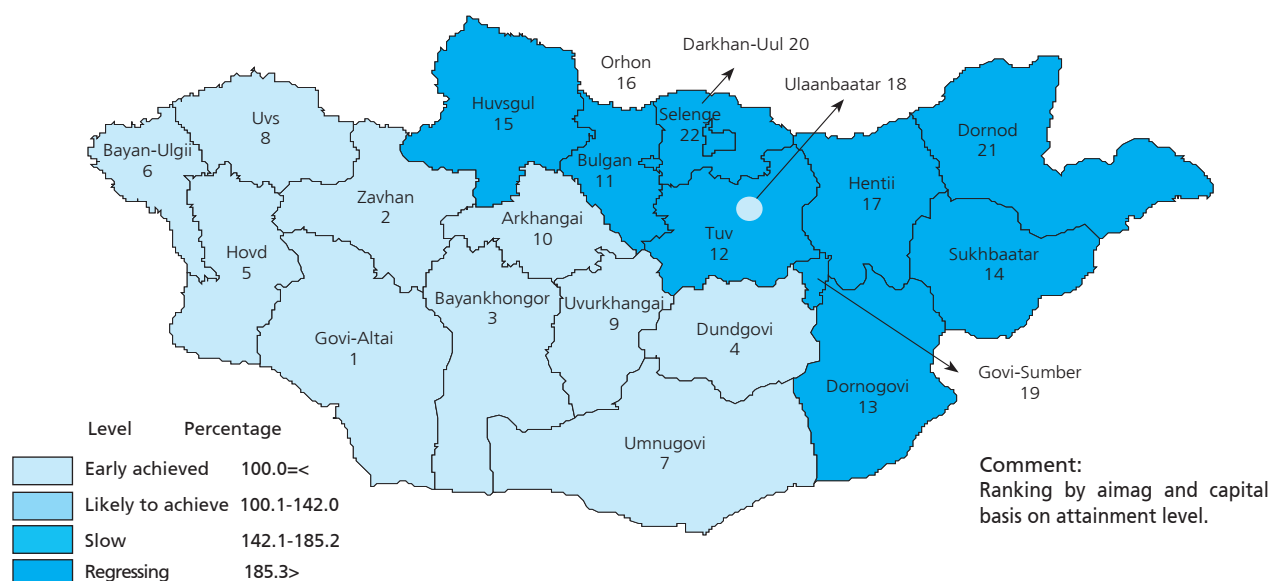
New TB incidences stood at 79 cases per 100,000 people in 1990, and further increased

to 125-185.3 during 2000-2006. However, the current nationwide trend of TB till 2010 is pointing downward. This is related to improved ability to detect and diagnose TB in a short time period.

In the past 10 years, there has been an upward trend in the spread of TB. In particular, an average of 1,569 individuals between 1991 and 1994, 2,906 between 1995 and 1998, 3,328 between 1999 and 2002 and 4,419 between 2003 and 2006 have been infected with TB respectively. The level of new TB cases (per 100,000 population) in aimags and the capital city shows that in 2006 Selenge, Dornod, Darkhan-Uul, Govi-Sumber, Khentii aimags and Ulaanbaatar city had higher than national average rates, indicating higher prevalence in eastern and central regions (Graph 2.6.1).

³⁸ Tuberculosis Control in South-East Asia and Western Pacific Regions - Report, WHO, page 17.

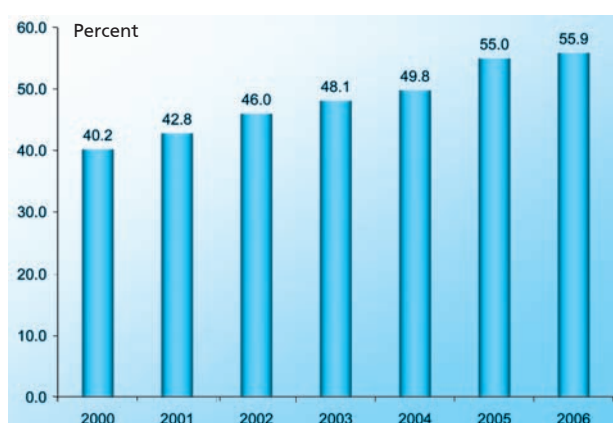
Graph 2.6.1 Level of new incidences of TB, by aimags, 2006



Source: NCO, 2006

Trend analysis indicates that the level of TB cases in Ulaanbaatar city will stay high until 2010 (Graph 2.6.2). Out of 2,308 new TB cases registered in 2006, 55.9 percent were in Ulaanbaatar city compared to 40.2 percent in 2000. 3.2 percent of all new cases registered in Ulaanbaatar are temporary residents from rural areas and 2.4 percent are homeless³⁹.

Graph 2.6.2 Percentage of TB cases registered in UB out of total registered TB incidences



Source: NCCD Bulletin, 2005, Edition #3, page 3.

The number of deaths due to tuberculosis is decreasing. Between 1991 and 1994, an average of 126 persons died of tuberculosis. The rate dropped to 83 between 1999 and 2002, and 80

between 2003 and 2006 respectively, reflecting improvements in treatment. Approximately 68-70 percent of tuberculosis patients are of labor age of 16-44 and gender disaggregated data shows an increase in TB incidences among men reaching 52.2 percent, while 47.9 percent are women.

Challenges

Efforts to combat TB need to be closely aligned with poverty reduction and improvements in housing availability and living conditions. Early detection of poor and high risk groups as well as ensuring full coverage by the DOTs should be identified as immediate mission priority for all levels of healthcare institutions. There is a need to fully engage and enhance the role of local governments, law enforcement and detention organizations, medical doctors and mid-level personnel of local health care institutions, as well as improve financial and legal environment for the activities aimed at combating tuberculosis.

Policy priorities

Short-term:

- Engage and enhance the role of local governments, law enforcement and detention organizations, medical

³⁹ Ts. Tserenbaljid, N. Naranbat (2004) Tuberculosis Registration Data, UB

personnel of local health care institutions and volunteers in the activities aimed at combating tuberculosis;

- Improve cooperation among all levels of healthcare institutions;
- Improve capacity and professional skills of TB related personnel and laboratory diagnostic services.

Mid-to-long-term:

- Improve access to and quality of living (housing and healthy environment) conditions, food security and healthcare services for poor, vulnerable population groups and detainees;
- Reduce poverty, improve housing and environment conditions, ensure early detection and effective treatment of tuberculosis among poor and vulnerable population groups.

Target 11

Implement a special programme to combat dental diseases

Current Status of Dental Diseases

WHO attaches great importance to dental and oral health as a crucial factor in reducing various sources of infection, which impact on overall health of individuals. A survey carried out in 2004 revealed that untreated dental caries prevalence among children aged 5-6 years

stands at 80.1 percent, at 62 percent among 12 year-olds, and at 72.6 percent among 18 year-old children. Only 67.5 percent of children of 18 years of age have complete teeth or escape tooth loss (Table 2.6.1).

Table 2.6.1 Dental disease spread among population, 2004

	5-6 year	12 year	18 years
Prevalence of untreated dental caries	80.1	62	72.6
Intensity of dental caries	4.6	1.94	2.62

Source: Government Resolution #150, National Programme on Oral Health, 2006

Spread of dental caries among young children and loss of teeth due to aggravation of untreated dental cavities are a result of urbanization, change in lifestyles and traditional practices, lack of knowledge on selection of healthy diets and lifestyle practices among the population. Moreover, 47.7 percent of aimags use drinking water with low fluorine content, there has been a 2-3 time increase in consumption of sweets, condensed and carbonated soft drinks, while consumption of milk and dairies dropped by 40 percent⁴⁰. Thus, reduction of dental diseases was identified as a MDG target for implementation in Mongolia. The National programme on Oral Health is being implemented since 2006 aiming to achieve this target.

Challenges

As a result of implementation of the dental and oral health programme, there have been improvements in accessibility and quality of dental healthcare service as well as in levels of knowledge and awareness. Unfortunately, these efforts have not led to reduction in prevalence of dental caries.

Policy priorities

Short-term:

- Establish a system for monitoring and surveillance of oral health, dental caries and its risk factors, create information database;
- Improve accessibility and quality of primary oral and dental healthcare services;
- Carry out activities aimed at raising awareness on oral and dental health and prevention of dental diseases; provide training and education for practicing healthy lifestyles and encouraging healthy consumption among the population.

⁴⁰ Government Resolution #66, MoH, 1999 "National Programme on Oral Health of Population".



GOAL 7

ENSURE ENVIRONMENTAL SUSTAINABILITY

- Target 12: *Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar*
- Target 13: *Reduce drop in water levels through protection of sources of rivers and streams*
- Target 14: *Halve, by 2015, the proportion of people without sustainable access to safe drinking water*
- Target 15: *By 2015, achieve significant improvements in the lives of slum dwellers*

Target 12 Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar

	1990	2000	2005	2006	2015
Percentage of land area covered by forest	7.8a 9.0b	8.5a 8.2b	7.8a	7.7a	9.0b
Percentage of protected land area	3.6a 7.0b	13.1a 13.3b	13.3a	13.3a (2005)	30.0b Comment: 15.0 of which locally protected areas
Carbon Dioxide emission (ton/person)	11.52a 4.08b	6.57a 4.19b	5.75a (2002)	5.75a (2002)	4.0b

Source: a. NSO, 2006

b. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Air Pollution in Ulaanbaatar

Air pollution in Ulaanbaatar and other cities is increasing on an annual basis and has reached disaster levels. Electricity and heating sources of the capital city, their exploitation methods and the Ger district traditional stove smoke are the main contributors to pollution. Three major power plants of Ulaanbaatar, around 400 low pressure boilers, 133.0 thousand gers and family houses with traditional furnaces burn over 5 million tons of coal per year. Out of three power stations that supply 80 percent of the capital city energy needs, only Power Plant #4 is equipped with facilities to filter wet coal and capture up to 93 percent of smoke and ash particles. However,

inadequate internal controls and failure to follow standard operational procedures often lead to substandard filtering.

These stations continue to pollute the environment emitting toxic substances such as SO_x, NO_x, CO and CO₂. Low pressure boilers and traditional Ger stoves emit 818.7 thousand tons of greenhouse gasses, 9.6 thousand tons fly ash, 33.8 thousand tons carbon oxides, 1.2 thousand tons of nitrogen oxides, and 0.4 thousand tons sulfur trioxide. During the boiler use season, 11 thousand tons of ash and coal waste are released into the air and soil⁴¹ (Table 2.7.1).

Table 2.7.1 Toxic air pollutants emitted from fuel burning furnaces in Ulaanbaatar, tons

	Greenhouse gas	Particulate matter	Cox	NOx	Sulfur Anhydride
Heating boilers	240 358.0	6 507.8	3 382.9	845.8	-
Traditional Ger stoves	578 384.0	3 095.7	30 414.0	375.1	393.4
Total	818 742.0	9 603.5	33 796.9	1 220.9	393.4

Source: MoFE, Briefing on policies and measures implemented within the framework of MoFE goal to reduce air pollution in Ulaanbaatar, 2007

Actions have been taken in the recent years to address environmental pollution, however,

they have not produced measurable results. The 2003-2004 surveys carried out by the Public Health Institute concluded that in the air in larger urban settlements concentration of nitrogen dioxide is 1.5 higher than permitted

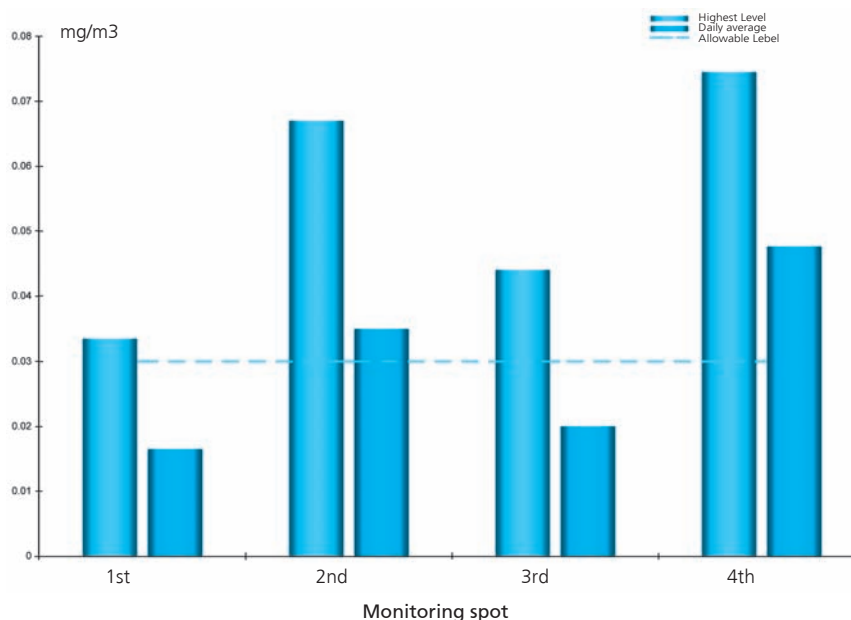
⁴¹ MoFE, 2007, Briefing on policies and measures implemented within the framework of MFE goal to reduce air pollution in Ulaanbaatar.

by health standards, while for carbon monoxide this indicator stands at 4.2, and for particulate matter is 7.8⁴².

The total capital city population has grown by 237.0 thousand between 1990 and 2000, increasing per capita carbon dioxide emissions from 4.08 tons in 1990 to 4.19 in 2000. While, normally per capita carbon dioxide levels fall with

the growth of population, this reverse situation indicates an increase of pollution sources. Although a target has been set to decrease per capita carbon dioxide emissions to 4.0 by 2015, not much data has been collected since 2000. It is obvious, however, that the concentrations of sulfur oxides and nitrogen dioxide in Ulaanbaatar city air have by far exceeded any permitted levels (Graph 2.7.1).

Graph 2.7.1 Content of air contaminant - sulfur dioxide (SO₂), Ulaanbaatar, 2006



Source: NSO, Statistical Bulletin, December 2006

Children in Ulaanbaatar city have a 1.4 to 2.7 time higher prevalence of bronchitis and 5.5-7.9 time higher occurrence of asthma compared to those living in less polluted aimags. A 2006 survey revealed that lead content in children's blood is 16.5 mkg/dl on average, a level that is much higher than allowed. Symptoms of deteriorating information retention and concentration have been observed in children indicating that the Ulaanbaatar city air pollution situation has approached levels where it can have a negative impact on the genetic pool of country's the population.

Impact of vehicle generated smoke and emission on air pollution. The number of vehicles in the capital city has increased to 79.5 thousand in 2006, a 1.9 time increase over

2000⁴³. Out of 140 thousand vehicles used nation-wide, 70 percent are 7 or more years old and do not meet ecological and traffic safety standards. Increased number of vehicles, the key factor for congestion on roads and intersections, coupled with poor quality of road maintenance, leads to slower traffic and longer stops at intersections with engines running, all resulting in further amounts of toxic emissions. Of 270 toxic substances emitted by vehicles, lead (tetraethyl), CH, nitrogen oxides, and carbon monoxide are considered most harmful to human health and intellectual development. While many countries are forgoing use of tetraethyl-added gasoline and diesel fuel, Mongolia still has not prohibited those products. In addition, due to weak monitoring of petroleum products storage, loading/discharging, transportation and distribution activities, there is continued pollution of environment through evaporation emissions.

⁴² MoH, WHO, Healthy Environment- National Programme

⁴³ NSO, Statistical Bulletin, 2005

Impact of toxic chemical substance use.

Trade in toxic chemical substances has increased drastically in the recent few years, both by type and quantity of chemicals. In 2002, stocktaking of toxic chemicals carried out in the capital city and in 21 aimags recorded 1.7 thousand tons of 563 types of chemical substances, including, 9.6 tons of 96 highly toxic substances, 0.7 tons of 60 toxic substances, 12 types of explosive, 7 types of highly acidic, 110 types of inflammable, 50 types of highly corrosive and 35 types of very irritating substances, of which 20.3 tons were ozone-depleting chemicals. The situation is worsening year by year. In 1998-2003, 509 hospitalizations due to intoxication by chemical substances and 21 related deaths were registered, 213 cases caused by chemical acids and alkali, 118 by carbon monoxide, 55 by nitrate, 43 by aluminum phosphate and 80 by other types.

Gasoline imported from Russia has high lead content. Currently, emissions of toxic substances such as dioxin and furane in Mongolia occur at 750.713 gram toxic equivalent value (TEQ) annually, of which 28.341 gram (3.8 percent) are found in the air, 3.242 gram (0.4 percent) in water, 0.035 percent in soil, 6.06-0.06 in products and the remaining 719.095 gram (95.8 percent) in wastes (ash). The main source of dioxin and furane, as determined by research, is sludge from industrial and communal waste water treatment facilities, responsible for 86.8 percent of these substances nationwide. Dioxin and furane are also produced in the process of solid waste burning, which accounts for 7.0 percent. The remaining 5.2 percent are contained in coal and fire wood ash produced by thermo-power stations and household stoves. The stocktaking revealed extensive soil pollution by dioxin and furane in areas where pesticides were stored.

In recent years, with the expansion of the mining sector and artisan mining activities, illegal use of mercury, cyanide and other types of chemicals without protection or safety measures by individuals has increased considerably.

Challenges

Air pollution in Ulaanbaatar has reached levels potentially dangerous for the genetic pool of the population. Efforts are urgently needed to create

and enhance a legal framework regulating factors that improve air quality.

Measures to ensure supply of clean coal to Gerdistricts and fostering of sensible energy consumption practices are lagging behind. There is need to strengthen monitoring of petroleum storage, loading/discharge, transportation and distribution, ensure compliance with standards, improve legislation, enforce compliance with international treaties and improve knowledge and awareness of all stakeholders.

Furthermore, inadequate environmental health monitoring mechanisms, absence of comprehensive legal framework, insufficient supply and capacity of professional human resources, and poor laboratory equipment compound the situation. Research into underlying causes and implications of diseases caused by environmental factors, their alleviation and prevention is lacking in terms of frequency, coverage, type, scope, and financing.

Policy priorities

Short-term:

- Improve legal environment;
- Utilize existing coal resources to produce clean coal and supply to Gerdistricts;
- Improve utilization of night-time regime power, encourage use of electric heaters at night;
- Implement housing programmes to replace Gerdistricts, improve availability of mortgage and housing loans;
- Expand use of gas in public transportation, communal and heat-only boilers;
- Improve public knowledge of air pollution alleviation solutions through ecological education programmes, encourage monitoring by citizens;
- Introduce financial incentives for air pollution reduction measures implemented by businesses and individuals;
- Improve environmental and air pollution

monitoring and evaluation action programmes and implementation capacity, install new monitoring stations and sites;

- Install internal air pollution monitoring-evaluation equipment at power plants; create environmental management units at industries and businesses;
- Create laboratories for testing gas-based technologies and toxic coal emissions;
- Revise the chemical substance classification systems according to internationally accepted categories and standards;
- Tighten regulations for issuing licenses and permits for export, import, cross-border transportation, production, trade, use, domestic transportation, storage and disposal of toxic chemical substances, strengthen monitoring;
- In order to eliminate illegal imports of toxic chemicals and improve accountability, adopt regulations allowing imports only through border ports designated by the Government;
- Establish criteria for evaluation of risk factors for each toxic substance.

Mid-term:

- Upgrade Gerdistrict planning; expand residential districts through relocation of some Gerdistricts;
- Provide policy and financial support to new coal briquette production facilities;
- Reduce use of raw coal and gradually eliminate their utilization.

Long-term:

- Introduce new fuel production technologies, construct small-scale coal-gas power stations;
- Install efficient heat-only boilers, improve fuel efficiency and utilize renewable energy sources;

- Construct a new, environmentally-friendly, fifth source of heating in Ulaanbaatar;
- Develop of coal-gas production based on coal deposits, carry out feasibility studies for introduction of small, medium and large coal-gas power plants.

Current Status of Forest Areas

In 1990, forest areas in Mongolia comprised 7.8 percent of the total territory. A target has been set to increase it to 9.0 percent by 2015. Forest area, which comprised 8.2-8.5 percent between 1999 and 2000, decreased to 7.8 in 2005 and further down to 7.7 percent in 2006.

State special protected areas covered 3.6 percent of the total territory in 1990, increasing to 13.1 percent in 2000 and further to 13.3 percent in 2006, a sizable threefold increase. In order to attain the 30.0 percent target by 2015, the current area would need to expand by 2.3 times, which at today's pace of progress, is impossible. Still, the target may be achieved if the land under local government protection is categorized as state special protected areas. At the present, however, it is more important to improve management and monitoring of land already under protection rather than expand into new areas.

Mongolia, located in the center of Asia at 1,580 meters above sea level, has a sharp continental climate with scarce precipitation. Although 11.8 percent of its territory is considered as forest fund area, only 69.4 percent of the areas are densely covered with forests and saksaul bushes, whereas 8.2 percent of the total territory has sparse forest and saksaul vegetation. Forest resources in the north of Mongolia are located along the three world's largest water basins and, due to continental climatic conditions, have limited opportunity for natural reforestation and are more vulnerable to forest fires, pests, and negative impact of human activities.

Climate change is intensifying the desertification process, the effects of which include permafrost meltdown, salinisation of soil and water, soil erosion, loss of land fertility, increased sand migration, and greater frequency of natural disasters. Today, 42.5 percent of Mongolia's

territory are categorized as deserts. In the past 10 years, drought prone land increased by 3.4 percent, while territory affected by desertification and extreme desertification expanded by 5.4 and 1.8 times respectively. Saksaul forests, the main vegetation of the desert zone, have been extensively cut down, with over 125.0 thousand hectares of forest areas destroyed in recent years.

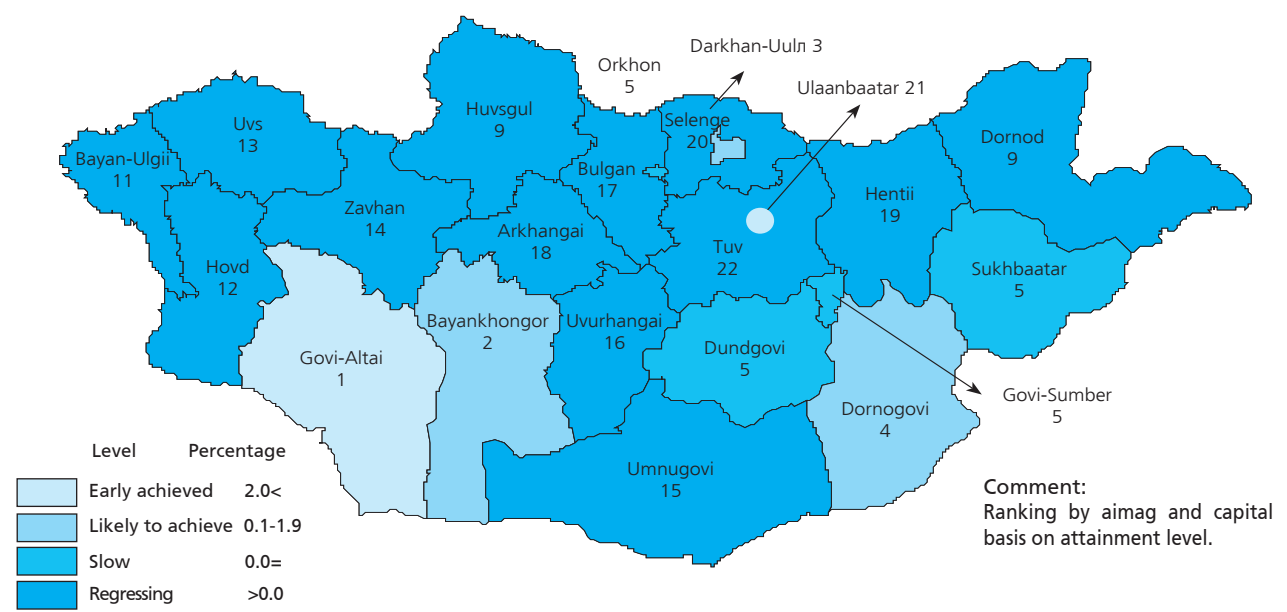
Mongolia’s forests are habitat to 700 species of insects, including 315 species of 7 strains, 56 families and 168 types of pests, which affect a varying degree of damage to forests every year. Increasing aridity and recurrence of forest fires have created favorable conditions for their reproduction.

Viewing creation of vegetation zones by planting trees and bushes vegetation as the most effective way to soften climatic conditions in the desert zone and reduce desertification, soil erosion, yellow dust storms and sand migration, the Government has approved and initiated the National Programme on Combating Desertification in 2003 and the Green Belt National Programme in 2005. However, lack of sufficient financing has delayed the implementation. In recent years, recurring forest fires and uncontrolled cutting of timber caused significant reductions of forest resources counted in millions of hectares of forest, harmful effects already being evident as 16 percent of forest areas have transformed into other types of

ecosystems. Violences of forest related legislation represent 40 percent of environmental crimes. On the other hand, weak enforcement of law, poor accountability of environmental inspectors and rangers, malfunction of the environmental monitoring system within environmental protection organizations, conflicts of local government policies with national policies aimed at protecting and preserving environmental and ecological balance are impeding effective combating against those intent on illegal creating for law abuse for the individuals profiting from forest resources.

Graph 2.7.2 depicts changes in the distribution of forest area by aimags, showing how each particular aimag reduced or increased its forest resources during 2000-2006. Aimags were ranked on progress of target achievement as shown in different colors (Annex 3). It is evident that achieving the target is very unlikely as almost all aimags show reduction in forest areas. Only Bayankhongor and Darkhan-Uul aimags show slight increase, which, however, are not sufficient to contribute towards the national level target achievement. While Govi-Altai achieved the highest rate of increase, falling into the category of those meeting the target, Tuv aimag and Ulaanbaatar city have the highest rates of deforestation, which became the major factor for regression of the national level target attainment.

Graph 2.7.2 Implementation of target to increase forest resources, ranking by changes in forest area, 2006



Source: NSO

Challenges

Shrinking of forest areas in 2006 makes it highly unlikely for the target to be attained by 2015. Deteriorating air pollution in cities, intensification of desertification and sand migration, drying up and polluted rivers and springs, and forest damages due to pests, illegal logging and forest fires demonstrate that reforestation and natural reforestation support activities need to be intensified.

Lack of incentives to ensure participation of individuals and local communities in forest protection activities leaves the entire burden on a few forest rangers and environmental inspectors who are unable to cover all needs.

Policy priorities

Short-term:

- Introduce national technology for reducing soil erosion and desertification, restoration of degraded environment; strengthen national local capacity for protection of biodiversity and combating desertification;
- Upgrade the Master Plan for Special Protected Areas;
- Expand the network of special protected areas, create appropriate management systems, introduce modern preservation management practices; create legal environment and sustainable financial mechanisms for transferring management to NGOs and the private sector;
- Support man-made and natural reforestation, curb desertification and sand migration in steppe and desert zones, protect spring water sources and plant trees and grass to reduce environmental pollution around urban settlements;
- Intensify afforestation activities and introduce economic incentives for creating green belt zones, intensify activities aimed at softening of climatic

conditions, reducing soil erosion, sand migration, and yellow-dust storms;

- Create a system of prudent use and accountability at the local level through limited land ownership contracts with local population, and involvement of NGOs and voluntary organizations in forest protection and restoration activities;
- Intensify implementation of the Green Belt Programme, increase financing resources and improve their monitoring;
- Improve overall forest protection and fire prevention activities, increase training and awareness activities, tighten monitoring;
- Increase number of seedling and propagator facilities, involve local communities in the afforestation and green zone development work.

Mid-term:

- Establish international-standard zoos within protected areas; develop ecotourism;
- Register national land heritage foundation through expansion of existing 15 eco-regions, which play important roles nationally and regionally;
- Carry out a comprehensive ecosystem research; monitor short and long-term trends of reproduction of pests; implement prevention and extermination;
- Improve public knowledge of green belt development, strengthen capacity to develop green belts around pasture and farm land;
- Create a forest information database based on geographical information database; introduce permanent forest monitoring procedures;
- Introduce forest protection management mechanisms involving professional organizations, community and public participation through long term forest land use agreements.

Target 13

Reduce drop in water levels through protection of sources of rivers and streams

Current Status of Water Resources

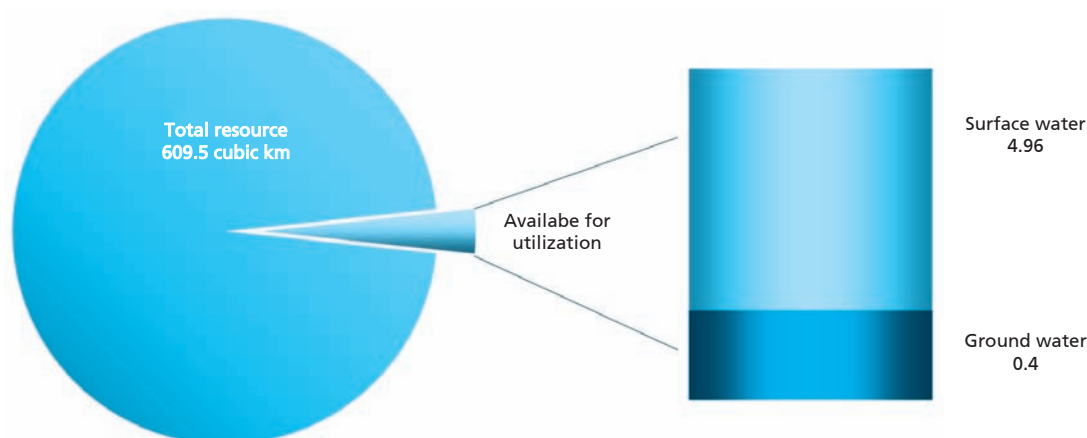
Climate change and its cyclic fluctuations have led to changes in stream-flows resulting in overall 730 meter reduction in water level⁴⁴. In Mongolia streams and river sources are depleting due to lack of protection. Surface water census carried out in 2003 counted 5,565 rivers and streams, 9,600 springs, 374 spas, 4,193 ponds, of which 14.9 percent have dried out. Moreover, 29 rivers have degraded due to excessive exploitation of machinery and technologies by extractive industries⁴⁵.

Scientists warn that the global warming will bring a reduction in the permafrost zone cover of Mongolia, which will result in changes in surface

water balance, soil moisture, air temperature regimes, vegetation cover, which in turn may cause serious effects on social and economic development.

Total fresh water resource of Mongolia consists of 609.5 cubic kilometers, of which over 500 km³ are located in mountains, and 62.9 km³ in snowcaps. Water resources available for consumption consist of 34.6 km³, of which 4.96 km³ is surface water and 0.4 km³ is groundwater. It is evident from these data that water consumption policies should focus on preferred consumption of surface water rather than groundwater resources (Graph 2.7.3).

Graph 2.7.3 Water resources available for consumption, km³



Source: MNE, 2007. Report on the Implementation of MDGs, 2006, UB

Pollution from human activities and its impact. In Mongolia, in addition to accelerated process of desertification, evaporation of ponds and streams, direct and indirect human activities affect negatively on the environment. Human activities, especially overburdening rangeland carrying capacity by herding large size herds lead to serious loss of biological productivity of the soil to grow, restore and reproduce

vegetation in some areas. Loss of productivity and vegetation further aggravates the process of land degradation and soil erosion due to wind and water, invasion of sand, compression of clay soil, and loss of soil temperature regimes.

The Gerdistricts of the capital city, which accommodate over 60 percent of total residents, have poor infrastructure consisting of low capacity power lines, water delivery points and improved roads. The lack of water treatment and adequate sanitation facility in Ger districts is

⁴⁴ UNDP, Access to Water Supply and Sanitation, UB, 2004

⁴⁵ MNE, 2007

the main biological contaminant of soil in these areas. Over 100 thousand out-house pit latrine are located in ger districts and they produce 2.0-8.5 times higher chemical contaminants and 10 times higher bacterial pollution compared to housing districts with waste-water engineering systems⁴⁶.

Around 60 percent of waste-water treatment facilities nationwide either are not capable of fully treating waste-water or are completely out of order. In Ulaanbaatar industrial and communal consumption produces 180 thousand cubic meters of waste-water, which is dumped into Tuul River without full treatment. In recent years, with the expansion of the mining sector, use of highly toxic chemical substances has increased, leading to added negative impact on human health and environment. In particular, illegal and unprotected use of such chemicals as mercury and cyanide by artisanal miners lead to negative impact on human health, genetic pool and environment.

Challenges

This particular target lacks a specific indicator and quantitative value to measure progress to achieve the target. The Government projects and programmes aim at water policy reform, protection of river basins, improve decent consumption of water resources, increased use of surface water, expand exploration for ground-water sources, construction of a large water-reservoir, implementation of projects aimed at utilizing rain and snow. However, because of financial constraints, these activities require financial support from donors.

Policy priorities

Short-term:

- Improve legal provisions for protection of water resources, river basins and streams;
- Increase community and citizen participation in protection of water resources, river basins and streams;
- Allocate resources for these activities in the national budget, and cooperate with international organizations in these priority areas.

⁴⁶ MFE, Report on the MFE policy and measures taken within the framework of Reduction of Ulaanbaatar Air Pollution target. 2007

Target 14

Halve, by 2015, the proportion of people without sustainable access to safe drinking water

	1990	2000	2005	2006	2015
Proportion of population with access to safe drinking water	55.0	66.2	...	...	70.0 ^a

Source: NSO, 2006

a. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Water Supply

In Mongolia, around 22 percent of total population has access to central water supply engineering systems, 8.5 percent of residents use water supply points connected to central systems, 8.6 percent and 0.1 percent consume water from protected water-wells and protected springs (Table 2.7.2). Overall access to improved water supply systems is at 39.2 percent, which is at a level over 20 percent lower than the worldwide average.

Water reserves. Per capita annual volume of reserve of available water is 17.3 thousand m³, while 4.5 thousand m³ in the Govi region and 46.0 thousand m³ in the northern and central regions⁴⁷. With per capita water accessibility at 13.7 thousand m³, Mongolia ranked 56th out of 182 countries⁴⁸. This is the evidence that Mongolia is among countries which have sufficient water resources. However, the country's surface and ground-water distribution is unequal in regions causing shortage of safe water in some localities. In particular, desert and steppe regions continue to experience shortage of safe water.

Table 2.7.2 Accessibility of water supply systems in Mongolia, percent

	2005	2015
Access to central water supply systems	22.0	36.6
Access to water points connected to central systems	8.5	13.6
Access to protected water-wells	8.6	29.3
Access to protected springs	0.1	-

Source: MCUD, Government Programme on Improvement of Sanitation, 2006, UB

In addition to limitations in detailed estimates of safe drinking water demand in Ulaanbaatar city and its high population density, lowering the water levels of Tuul river, pollution of the river basin, degradation of forest, soil and vegetation cover continue to deplete ground water sources. The Expert Assessment commissioned in 2006 regarding the water exploitation from 137 water sources in 11 aimags concluded that 76 percent of water supply source in these aimags is secured from ground water resources. Moreover, the surface water census revealed that a number of rivers and streams dried out, which indicates that there is shrinking opportunities for consumption

of surface water. In addition to these, water resource levels have been determined for Oyu Tolgoi, Hui-Doloon well, and Tuul-Terelj river basin at total of 49 thousand m³.

Water consumption. Surface water comprises of 20 percent of Mongolia's water consumption, while the remaining portion is extracted from ground water, of which 18.1 percent is for household consumption, 39.3 percent for industrial use, 24 percent for livestock watering,

⁴⁷ UN, MNE, Status of Nature and Environment in Mongolia, UB. 2002

⁴⁸ UN, Water Development Report-2003: Water and People, Water and Life. 2003

17.4 percent for agricultural irrigation and 1.2 percent for urban park areas⁴⁹.

In 2006, according to the capital city statistics data, residents in apartment housing consumed 203.2 liters per day while Ger district residents used 5 liters per day. A four-member household in a Ger district consumes on average 30-40 liters of water per day, of which 40 percent is used for drinking and cooking, 30 percent for laundry/cleaning, 20 percent for personal hygiene and 10 percent for dishwashing and other uses⁵⁰.

Water quality. Over 80 percent of Mongolia's territory, 70 percent of all soums or 80 percent of total population consume water with low fluorine content, while another 80 percent consume water with insufficient iodine content for drinking and household needs. Population of around 30 percent of soums and smaller settlements consume water with mineralization, in particular with magnesium content higher than permitted by the health safety standards.

In rivers running along larger urban settlements concentration of pollution is fairly high. Since 98 percent of Ulaanbaatar city's water demand is met by supply from the naturally restored layers of Tuul River, concentration of pollutants affected by human activity is very high. While pollution level of stream flow in the upper course of Tuul River is stable, water quality in the lower sections (Songino) has drastically deteriorated in the recent 5 years. Specifically, pollution level increased with higher levels of BOD5, COD-Mn, phosphate, ammonium and other pollutants resulting from mixing with waste-water found in the water.

Water treatment and sewage system. A survey of utilization and maintenance of existing 103 water treatment facilities revealed that only 41 (39.8 percent) meet the required standards of treatment quality, while inadequate level of treatment is 27 (26.2 percent) and 35 (34 percent) are out of order altogether. While 224.6 thousand people have migrated to Ulaanbaatar during 2000-2006, the capacity of water treatment stayed at 170,000 m³ per day or at the 2000 level⁵¹. In local areas waste treatment

and sewage facilities have been closed due to lack of responsible institution and personnel⁵². Improved treatment facilities comprised only 26.6 percent, of which 57.7 percent are located in Ulaanbaatar, while the remaining is located in aimags.

Challenges

Depletion of surface and ground water resources due to climate change and inappropriate human activities, and degradation of quality and pollution are becoming more challenging issues. Temporary loss of stream flow in Tuul River, pollution of the river basin, deforestation, degradation of soil and vegetation continue to deplete ground water resources, which lead to an urgent need to review and identify carefully the volume of drinking water resources and its availability for densely populated Ulaanbaatar city. There is a need for optimal consumption of water through improving natural water restoration capacity, changing behavior towards water use, improvement and rehabilitation of degraded central water supply system and its infrastructure, and reduction in loss of water.

Policy priorities

Short-term:

- Determine water resources volume and scope for consumption based on scientific research;
- Create water supply systems, expand and improve maintenance and services of existing facilities;
- Based on the general population settlement planning, create inter-soum new water supply resources, rehabilitate and protect existing water supply resources;
- Improve legal and regulatory environment for urban water supply systems and waste-water treatment facilities;
- Connect Ger district hospitals and schools in urban centers to the central sewage and waste water systems, construct small-scale treatment facilities;

⁴⁹ NWC, UNCEF, Water Policy Planning, 2002, page 13

⁵⁰ UNCEF, National Committee for Save the Children (UK)-Living Conditions of Children in Suburbs-Final Report, 2003, UB

⁵¹ CCGO, Capital City Statistics, 2006, UB

⁵² Government of Mongolia, Programme for Improvement of Sanitation, 2006, UB

- Support Ger districts households in improving private and communal sanitation facilities;
- Create market-based financing mechanisms for waste water treatment and sewage utilities;
- Introduce penalty principles for polluting drinking water sources.

Mid-term:

- Rehabilitate, expand and reconstruct central water supply systems and waste water treatment and sewage facilities in the capital city and regional urban centers;
- Construct new inter-soum water well systems and rehabilitate existing systems in soums with future for development.

Target 15

By 2015, have achieved significant improvements in the lives of slum dwellers

	1990	2000	2005	2006	2015
Proportion of population living in conditions compliant with health safety standards	22.6	23.0	...	...	50.0 ^a

Source: NSO, 2006

a. SGH Resolution #25 - Approval of Mongolia MDGs, 2005

Current Status of Housing

Mongolia set a target to ensure by 2015 living conditions compliant with health safety standards for 50 percent of its population.

Mongolia's population is divided into three main groups based on the type of housing: nomadic herders in rural areas (30 percent) and apartment residents and Ger Districts residents in urban settlements.

In 2006, 58.9 percent of total households in Mongolia lived in urban settlements. Ulaanbaatar population, which was 768.0 thousand in 2000⁵³, reached 965.3 thousand in 2006, housing over one-third of total population in the capital city. During period 2000-2004, since the 2000 Population and Housing Census, a total of 7.6 thousand new apartments were constructed increasing to 127.6 thousand apartments, which resulted in 6.7 m² per capita housing, while in rural areas this indicator stands at 5.6 m². This indicator is below by 30-40 percent the housing standards of Mongolia and 2 times lower than the international standard. Only one-fifth of total population lives in adequate housing with access to central heating, hot and cold water supply and sewage systems⁵⁴.

Currently, around 40 percent of urban population and 48 percent of Ulaanbaatar city population lives in housing with access to water, sanitation facilities and power supply. Majority of residents living in private housing, including households living in Ger districts lack access to the above basic services to some extend.

Due to harsh climatic conditions access to the central heating system is considered to be one of main criteria of comfortable living conditions. Currently, over 55 percent of households lives in apartments and houses with access to central heating. This indicator is high in Darkhan (80.1 percent), while in Arkhangai and Bayanhongor this indicator is close to zero percent. Over 80 percent of the infrastructure and planned housing is located in the five major urban centers: Ulaanbaatar, Darkhan, Erdenet, Choibalsan and Murun, which house over 44.5 percent of total population⁵⁵ (Table 2.7.3).

Currently, 50.9 percent of total households of Mongolia live in Ger Districts and 49.1 percent in apartment housing districts. While over 90 percent of Ger districts are connected to the central power supply, they do not have access to central heating, and they rely on coal and wood fired home stoves for both heating and cooking. Drinking water is carried manually from wells, which for many households is located in more 1 km distance. Ger district household consumes 4-10 liters of water per day. The cost of drinking water delivered to Ger districts is 20 times higher than that delivered to apartment housing. Ger district households have out-houses pit latrine and 70 percent do not have access to waste disposal⁵⁶.

⁵³ NSO, Ulaanbaatar Population Census Report and Population and Housing Census. 2000. UB

⁵⁴ Government of Mongolia, 40,000 Housing Programme. 2000. UB

⁵⁵ NSO, Population and Housing Census. 2000. UB

⁵⁶ ADB, Urban Development and Housing Credit Survey, Ulaanbaatar. 2005

Table 2.7.3 Provision of housing to residents of capital city (thousands)

	2000	2002	2003	2004	2005	2006
Population	760.1	812.5	846.5	893.4	928.5	965.3
Number of households	167.2	177.2	192.9	205.4	215.7	226.9
In-migration	19.9	23.7	40.8	68.8	30.2	29.6
Out-migration	0.6	0.6	0.7	1.3	2.8	6.5
Total housing stock (ml)	2 468.8	2 542.4	2 648.5	2 790.4	2 938.4	3 184.7
Residents in houses not connected to Infrastructure	73.7	75	76.9	85.6	103.6	107.8
Households living in comfortable modern housing	3.3	5.3	5.9	6	6.6	6.9
Residents in private homes				61.4	66.9	72.4
Households living in traditional Mongolian gers				56.2	56.7	59.5
Homeless households				1.8	2.4	1.9

Source: CCGO, 2007: *Capital City Statistics, 2006*

In urban centers, residents in modern housing are less vulnerable to poverty compared to those living in gers. The situation is contrary in rural areas: those living in houses are more vulnerable to poverty rather than those living in gers. Disparity in cost of housing rent and utilities have direct impact on the household income and expenditure. For instance, Ulaanbaatar city residents pay for drinking water in apartment housing MNT 0.35 per liter of water, and they consume around 203.2 liters per day. A resident in a Ger district pays MNT 0.50 per liter and utilizes an average of 5 liters per day. During winter one household living in apartment housing pays on average MNT 50-100 thousand for five months, while those living in gers spend MNT 250-300 thousand. While there is no difference in the cost of electricity there is disparity in its quality of supply. While there is evidence that households living in urban apartment housing connected to central utility services are less vulnerable to poverty, this observation has not been confirmed in rural areas. The proportion of homeless households in densely populated Ulaanbaatar, which was 2.4 percent in 2005, declined to 1.9 percent in 2006.

Challenges

Due to the existing practice of conducting the Population and Housing Census regularly every 10 years it is difficult to measure a mid-progress of achievement of the Target 15 at this point.

While significant proportions of population live in urban centers there is disparity in housing conditions, most of which lack engineering and social infrastructure and reliable services thereof. Therefore, there is a need to increase access to adequate standard housing with access to engineering and social infrastructure to the residents in urban settlements. It is important to formulate and implement the Housing policy on measures to mitigate negative impact of migration, moreover, the policy responses are needed to be harmonized and linked with the Regional Development Concept and Ulaanbaatar city Development planning and strategies.

Policy priorities

Short-term:

- Develop construction and land market in order to improve housing supply;
- In developing housing mortgage market, create adequate norms and standards suitable to housing type, price and location;
- Improve institutional structure (restructure) and coordination of activities of institutions in - charge of construction and communal services;
- Improve housing quality control and monitoring capacity.

Mid-term:

- Create and maintain database administered by the local authorities regarding population housing supply and their conditions on territories under their mandate;
- Develop and support initiatives to provide services based on contractual and out-sourcing modalities;
- Attract and utilize loans from international financial institutions for financing improvement of living conditions and housing of Ger district residents;
- Construct a new housing district;
- Allocate resources for expansion and improving engineering infrastructure in the national and local government budgets.



GOAL 8

DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

- Target 16: *Create conducive environment for achieving the MDGs through development of improved trading and financial systems*
- Target 17: *Address special needs of Mongolia as a landlocked country through negotiation for favorable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries, and increase transit transportation through the territory of Mongolia*
- Target 18: *Develop a debt strategy to ensure sustainability of foreign and domestic long-term debt, study methods and instruments of debt management applied nationally and internationally, manage the debt without adverse impacts on the budget and economy of Mongolia*
- Target 19: *Introduce new information and communication technologies; build an "informed society"*

Target 16 Create conducive environment for achieving the MDGs through development of improved trading and financial systems

	1990	2003	2004	2005	2006
Proportion of ODA provided for basic social services	-	6.92	4.41	2.56	3.28

Source: NSO, Statistical Yearbook, 2006

Current Status of Trade and Investment

Mongolia's accession to the World Trade Organization (WTO) creates favorable conditions for expanding its foreign trade, attracting foreign investment and increasing tourism within the global partnership framework. Development assistance and cooperation of donor countries and international financial institutions played a crucial role in arresting economic recession and stabilizing the economy in early transition years. Measures and policies taken to develop open economy and market relations have begun bearing fruits in late 1990s with intensified private sector activities and improved economic conditions. Stable economic growth and increase in budget revenues - the positive signs of the economic transition - have become basic fundamentals for further development.

Within framework of development assistance cooperation Mongolia receives significant

amounts of loans and grants, contributing to the addressing development challenges as improvement of infrastructure, protection of environment, strengthening health and education services, reduction of poverty, support to develop private sector and stabilize financial services. In addition, the open economy policy have contributed to increased foreign trade turnover and improved trade balance, leading to expansion of the country's foreign reserves, foreign direct investment and tourism.

Foreign Trade

International cooperation (partnerships), including foreign trade play a crucial role in accelerating the economic growth. Ratio of exports in the GDP comprised 21 percent in 1990, which increased to 57.3 percent in 2006, while the imports to GDP ration reduced slightly from 56 percent to 55.2 percent during this period (Table 2.8.1).

Table 2.8.1 Increase of Mongolia's GDP, foreign trade turnover and foreign investment (percent)

	2000	2001	2002	2003	2004	2005	2006
GDP growth rate	2.4	2.8	4.7	6.0	10.6	7.2	8.6
Foreign trade turnover	24.0	-4.3	4.7	16.6	33.4	18.9	34.6
Of which: Exports	30.0	-2.4	0.1	17.6	41.2	22.4	44.9
Foreign direct investment	4.1	38.7	37.8	19.1	15.4	31.5	11.9

Source: NSO, Statistical Yearbook, 2006

World commodity market price growth on key exports of Mongolia such as copper concentrate, gold, molybdenum and fluorspar concentrates in 2005-2006 was the main factor leading to increased budget revenue and foreign trade turnover. In addition, sale of bituminous coal, iron ore and concentrates to foreign countries has also played an important role in increasing its exports.

Foreign trade balance of Mongolia, which had shown deficit for many years since late 1990s, has finally achieved a surplus in 2006. The foreign trade turnover reached USD 3.0 billion in 2006 reflecting a 2.5 time increase over 2000 turnover and 34.8 percent increase over 2005. Particularly, Mongolia's exports reached USD 1.5 billion, reflecting a 2.9 time increase over 2000 and 44.9 percent of 2005 earnings respectively (Table 2.8.2).

Table 2.8.2 Foreign trade turnover (million USD)

	1997	2000	2001	2002	2003	2004	2005	2006
Total turnover	919.8	1 211.8	1 159.2	1 214.8	1 416.9	1 890.8	2 249.2	3 028.4
Of which: Exports	451.5	535.8	521.5	524.0	615.9	869.7	1 064.9	1 542.8
Imports	468.3	676.0	637.7	690.8	801.0	1 021.1	1 184.3	1 485.6
Balance	-16.8	-140.8	-116.2	-166.8	-185.1	-151.4	-119.4	57.1

Source: NSO, Statistical Yearbook, 2006

Mining and agricultural products are traditionally dominated Mongolia's exports, while today mining products are playing a key role in the current economic growth. Copper concentrate,

gold and other mineral materials have comprised 73.7 percent of Mongolian exports in 2005, which in 2006 increased to 76.2 percent (Table 2.8.3)

Table 2.8.3 Structure of exports (percentage)

	2000	2002	2004	2005	2006
Mining products	35.2	33.1	40.7	42.6	58.5
Textiles	35.9	27.7	22.6	18	16.1
Precious metals	14.1	22.8	28	31.1	17.7
Leather, hide and fur products	7.9	8.8	2.7	2.9	2.9
Other goods	6.9	7.6	6	5.3	4.8
Total Exports	100	100	100	100	100

Source: NSO, Statistical Yearbook, 2006

While there are an increase in the export volume for certain items due to growing demand at the

world markets in key exports, it is failing to show sufficient growth in real terms (Table 2.8.4).

Table 2.8.4 Volume of mining exports, price, million USD

	2000		2004		2005		2006	
	Vol.	Price	Vol.	Price	Vol.	Price	Vol.	Price
Bituminous coal (thousand tons)	-	-	-	-	2 217.8	26.6	2 373.9	45.5
Copper concentrate ("-")	496.0	160.3	562.6	284.3	587.1	326.2	599.5	635.4
Molybdenum concentrate ("-")	3.0	6.2	2.3	20.0	2.4	46.7	3.3	47.8
Zinc concentrate ("-")	-	-	-	-	23.1	10.2	105.8	91.1
Fluorspar ("-")	197.1	19.3	289.1	21.1	311.4	24.3	355.0	35.0
Iron ore (ton)	-	-	-	-	177.8	4.8	312.4	11.5
Precious metals (ton)	0.8	6	19.3	243.2	23.8	331.4	15.4	270.1
Combed cashmere (ton)	770.4	54.5	831.4	44.1	919.2	52.8	1 427.5	81.7

Source: NSO, Statistical Yearbook, 2006

Mongolia exports its goods to a limited number of countries. In recent years China has become one of major beneficiaries of Mongolian exports. In 2006, this country alone received 68.1 percent of exports from Mongolia, followed by Canada (11.2 percent), USA (7.8 percent), European Union (6.9 percent) and Russian Federation (3.9 percent).

As a developing country, Mongolia enjoys preferential trade terms, and USA, Canada, European Union and Japan have included Mongolia in their Generalized System of Preferences. Accession to the European Union "GSP+" tariff scheme beginning July 1, 2005 has opened up opportunity for tariff-free exports to EU markets, which plays a key role in increasing

exports and supporting domestic industries. Improvement of trade terms also contributes to the country's poverty reduction.

Foreign Investment

The government of Mongolia has made a significant effort in creating favorable economic and legal environment for attracting foreign direct investment (FDI). These included policies aimed at ensuring protection of investment, direct investors interests to transfer of technology and know-how, create employment, support export - oriented private enterprises. These policies started to produce specific results. In particular, the Government Action Plan for 2004-2008 set a target to increase FDI by supporting foreign and domestic investment initiatives through ensuring stable political, economic and legal environment. In 2001, the Government approved its "Investment Programme" setting mid-term policies and strategic implementation directions for FDI. In accordance with the programme, sectors such mining, information technology, agricultural production, and tourism have been declared as priority sectors for foreign investment. As result of the above measures, there have been significant increases in the level of FDI in recent years with increasing social and economic impact. In order to ensure external opportunities for attracting FDI, the Government entered into Treaty on Encouragement and Mutual Protection of Investment with 39

countries and Double Taxation Agreements with 34 countries.

Mongolia's total domestic savings in 2006 is expected to reach 36.7 percent of GDP, of which 41.2 percent is generated through foreign investment. FDI accounts for most of total foreign investment. Prior 2000, foreign direct investment was mainly directed to light industry, trade, public catering, transportation, tourism, textiles, banking, information technology, and construction sectors. During the period 2000-2005, amount of foreign direct investment has increased significantly in the mining sector, which resulted in the country's FDI structural changes. e of the country's.

Over 6,000 foreign investment-funded businesses are operating in Mongolia, which since 1990 brought-in a total of USD 1.8 billion in investments (Table 2.8.5). Geology and mining sector of Mongolia is attracting more attention of foreign investors due to increasing demand in minerals worldwide, and in China particularly.

China accounts for 46.3 percent of foreign investment made in Mongolia during 1990-2006, followed by Canada with 13.8 percent, Republic of Korea with 6.7 percent, USA 4.9 percent, Japan 4.3 percent and Russia 3.1 percent respectively. These countries counted 85.0 percent of all investments made in Mongolia. Attracting foreign direct investment continues to be a priority objective of the Government.

Table 2.8.5 Foreign direct investment, by sectors (million USD)

	Structure (%)	Total	1990-2003	2004	2005	2006
Geology, mining exploration, extraction, oil	48.7	873.2	347.1	146.8	183.9	195.4
Trade, public catering	17.2	308.7	125.4	37.4	53.4	92.5
Banking and financial sector	5.0	88.8	44.8	22.3	9.7	12.0
Light industry	4.9	88.2	82.3	2.7	1.8	1.4
Construction, production of construction materials	3.1	56.3	53.4	1.8	0.8	0.3
Processing of livestock raw materials	3.1	55.6	52.7	0.8	1.1	1.0
Information, communications technology	1.5	26.4	19.0	0.6	6.3	0.5
Other	16.5	295.7	160.5	23.3	60.1	51.8
Total	100.0	1792.9	885.2	235.7	552.8	354.9

Source: FIFTA Information Bulletin

Challenges

There is need to develop policies aimed at increasing and expanding export oriented production and services. Moreover, the foreign investors require an adequate legal framework for provision of their financial support to export-oriented production and introduction of new technologies.

Accession of Russia, one of Mongolia's main trade partners, to the WTO enhances opportunities for expansion of export activities.

While there is an increase in foreign investment, it is still insufficient in terms of per capita. There is a need to direct attention to developing and strengthening statistical database for monitoring of effective utilization of foreign investment.

Policy priorities

- Expand framework of countries with which to enter into agreements on trade and economic cooperation, encourage foreign investment and mutual protection of foreign investment, relief from double taxation and expansion of air transport relations;
- In order to save time and transportation cost expand trade with the two neighbors and complete negotiations on tri-partite transit transport agreements;
- Exploit strategic mineral deposits, in particular create favorable financial environment through investment agreements on Oyu Tolgoi copper and gold, Tavan Tolgoi coal and Tumurtiin iron ore deposits;
- Develop and implement targeted programmes and policies aimed at increasing processing of mineral raw materials and agricultural products, improving product quality to meet international standards and requirements, supporting introduction of new technologies, providing concessional long-term credit and creating special funds;
- Seizing opportunity of high price situation on world markets to provide necessary financial and resource support

to initiatives and efforts of Erdenet to process copper concentrates into copper (99%) and filament;

- Implement policies aimed at improving technology for production and marketing of finished cashmere products domestically and internationally, including foreign investment directed at production of competitive finished goods rather than semi-processed (combed and washed) cashmere;
- Create conducive environment in free-trade and economic zones through developing necessary infrastructure;
- Create systems of export credit, their collateral and insurance;
- Create necessary environment for expansion of electronic trade.

Current Status of Financial Sector

Financial Sector. Improvement in the economic condition resulted in greater confidence in banking and financial institutions which resulted in higher and sustainable growth in savings. This allowed the banking sector to develop into a dominant sector within the financial system of the country. In particular, in 2006, the balance of current accounts grew by 12.1 percent, while savings by 40.0 percent bringing the total banking sector assets to MNT 2.3 trillion, which is equal to 72.5 percent of GDP.

There are 16 commercial banks in Mongolia which provide banking services all over the country. Privatization of state-owned Savings Bank in November 2006 transformed the sector into a fully private with total of five banks funded by the foreign investment. Compared to 2002, total banking assets have increased by 4.7 times, which resulted in annual 47.3 percent growth during the recent 4 years. As result of which, the indicator of profitability of a banking sector - net profit to total assets ratio reached an average of 2.7 percent showing a higher rate than in some developed countries⁵⁷.

The growth in total assets of the banking sector has led to increased credit and financing to the private sector. In particular, in 2000, banks issued credit worth of MNT 60.0 billion to 1,700

⁵⁷ Bank of Mongolia (Central Bank) 2006

customers. In 2006, the number of borrowers grew to 409.7 thousand with almost 20 times increase in loan outstanding. Improvement in capacity of loan management of commercial banks and financial accountability have led to a significant decrease in the weight of non-performing loans in total portfolio from 7.2 percent in 2002 to 4.8 percent in 2006.

Appreciation of national currency in 2006 led to growth in deposits: 80 percent of deposit increase is contributed by the savings in national currency, while the remaining 20 percent are savings in foreign currencies. In 2000, the level of dollarization in the economy which expressed by ratio of foreign currency dominated deposits in total, was 26.7 percent, which increased to 39 percent in 2005 and decreased to 33 percent in 2006 respectively.

Although there is rapid growth in the total amount of loans issued by commercial banks, the proportion of loans issued for industrial production in the total portfolio is steadily decreasing. This raises some concerns. Especially the fact that loans for financing processing industry, which comprised 21.0 percent in 2003 fell to 12.8 percent only in total loans in 2006. This is related to high cost of borrowing of commercial banks. The level of interest rates offered by bank is gradually decreasing, however, the nominal interest rate continues to stay at a high levels. In December 2006, end of month average annual interest rate for the sector was reported at 26.9 percent.

Non-bank financial institutions (NBFI). Total assets of NBFIs providing services similar to those provided by banks comprised around 3 percent of total banking sector assets at the end of 2006; total assets of companies listed at the Stock Exchange comprised 5.7 percent, while amount of total assets of professional institutions participating in stock market, including Stock Exchange assets comprised only 1 percent, which demonstrates that Mongolia's financial system is mainly dependent on the banking sector.

Out of 139 non-bank financial institutions balance 73.6 percent were in profit, while 16.4 percent were running at a loss at the end of 2006.

Classification of non-bank financial institutions by types of services offered revealed that 128 (redundant numbers) provide lending services, 55 - currency exchange, 18 - trust fund, 13

- financial leasing, 6 - money transfer, 3 - investment and financial consulting and 4 of them invest in short-term financial instruments.

Stock market. The foundation of a Stock Market was established in 1991 - early years of transition from the centrally-planned economy to a market economy. As a part of the privatization process the Mongolian Stock Exchange was established to issue privatization vouchers to the citizens.

There are 387 companies listed at the Stock Exchange, of which 5.4 percent are solely state-owned, 10.1 percent state partially owned and 84.4 percent are fully privatized companies. In 2006, through a total of 253 transactions, 74.5 million shares and 99.3 thousand company stocks of 264 companies, and 47.0 thousand government bonds were sold.

Stock market transactions have shown downward trend until 2005 and picked up again in 2006 showing a 33 percent increase. This indicates that there is not only growing interest in investing but also these facts are signs of stock market development in its classic form.

One of the key indicators of stock market development is the ratio of market value of listed companies to the GDP. Due to specifics of Mongolia's stock market development, the above ratio has shown a growing trend only in the recent 3 years. In 2006 it grew to 3.4 percent reflecting a 2.3 time increase over the previous year, which is a fairly low level compared to other developing countries.

Commercial insurance. Since approval of the Insurance Law in 1997, the Government has implemented series of activities aimed at developing the insurance market, its activities and services to the international standards. Currently there are 18 insurance companies operating in the sector. The total premium collection of the insurance sector are comprised of 68.1 percent in property insurance, 22.9 percent in liability insurance, and 9.0 percent life, health and interest insurance. Out of total benefits paid 73.7 percent were issued under property policies, 12.7 percent - under liability policies and 13.5 percent under life, health and interest policies.

Microfinance sector. Independent of objectives of microfinance institutions (MFIs), micro credit was provided since mid -1990s under financing

programmes funded by grants and concessional loans from the by donor countries and international financial institutions and domestic NGOs. This trend has changed in late 1990s with the beginning of search of new methods and forms of directing financial services to rural areas, servicing the poor and providing support to sustainability of entities and organizations.

With an increasing demand for micro and small credit services and intensified competition among MFIs, the interest rates were pushed down in the recent 3 years. As result of this, financial intermediaries have begun directing their services to poor and higher risk customers.

While majority of MFIs operate in urban areas, at the same time, there is an increase in new and effective methods of delivering microfinance services to remote rural areas. Like in many countries, majority of customers of MFIs consist of borrowers in trade and services sectors.

Banks like KHAN and XAC are more effective in delivering their microfinance services. These banks have set targets to reach and deliver a variety of financial services in areas where financial services are not available.

Challenges

- Expansion of accessibility of financial services, reduction of interest rates and establishment of mechanisms for long-term financial support to production-oriented businesses for procurement of technology and equipment;
- Create new sources of financial services capable of competing with banking sector lending, in particular focus attention to developing the stock market and reducing cost of financial intermediaries through enhancing competitive environment;

- Improve legal framework for stock market operations and improve its infrastructure to meet the demand and standards of the sector;
- Develop professional skill and capacity of the human resources in area of stock market.

Policy priorities

- Further improve legal framework of the financial sector and expand activities to reach international standards;
- Increase effectiveness of regulatory and audit control over commercial banks, improve risk management, ensure implementation of international standards regarding the ratio of non-performing loans in the total portfolio at less than 6 percent;
- Focus credit services to higher value-added production and export oriented industries;
- Continue reduction of commercial loan interest rates;
- Improve legal environment for and fully establish activities aimed at combating money laundering and terrorism financing, areas of special concern of international community;
- Create legal and economic environment conducive to the expansion of the stock market, improve its infrastructure;
- Review the situation and re-direct the banking sector's dominant role in the financial system, create conditions for developing non-banking financial sectors as a priority.

Target 17 Address special needs of Mongolia as a landlocked country through negotiation for favorable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries, and increase transit transportation through the territory of Mongolia

	1993	2000	2004	2005	2006
Percentage of ODA provided to landlocked countries in GNI of particular country	25.00	23.28	17.3	-	-
ODA provided for building trade capacity, percentage	-	-	0.92	3.25	5.3*

Source: NSO, Statistical Bulletin, 2006

Current Status of Mongolia as a landlocked country

Research indicates that social and economic development of landlocked countries is slow, these countries experience disadvantageous foreign trade terms and general unfavorable conditions⁵⁸. In addition, the Human Development Index (HDI) reports that while HDI in countries with access to sea is at 0.82 that of landlocked countries is at much lower 0.55. With its HDI of 0.66 Mongolia ranks the 133rd among 173 countries.

Mongolia is one of 32 developing landlocked countries in the world. Over 90 percent of its exports are transported through rail-road. Landlocked condition not only is a challenge for transportation of foreign trade commodities also is a significant negative factor in attracting foreign investment.

Mongolia is a landlocked, small scale and vulnerable economy, with poor infrastructure and a population spread over huge territory. Its location at 1,000 km away from the border of the country to the nearest seaport, with its main foreign trade center - Ulaanbaatar at 1,700 km, and more than 10 thousand kilometers away from European markets force it to import goods and transport its exports at much higher cost than other countries.

One of the priority goal pf Mongolia is to exercise and ensure its right of a landlocked country and enjoy preferential treatment provided for by the 1982 UN Convention on Law of the Sea. Deeming it important to enter into transit transport agreements with neighboring countries, Mongolia initiated negotiations under the auspices of the UN Conference on Trade and Development (UNCTAD) in 2000 and in November 2005; after the 7th round of discussions a preliminary consensus has been reached on a draft of tri-partite agreement.

In 2001, Mongolia has approved the Millennium Road programme to play an important role in connecting Mongolia to the Asia road network and thus open access to sea. In addition, Mongolia is implementing road construction activities to connect to AN-3 (Altanbulag - Ulaanbaatar - Zamuun-Uud), A-4 (Tsagaannuur - Ulgii - Hovd - Yarantai) and AN32 (Hovd - Ulaanbaatar - Undurhaan - Sumber) Asian highways as agreed under the Agreement on Entering the Asia Highway Network, developed by the UNESCAP, and signed by Mongolia in 2004 in Shanghai.

In the future, expansion of transit capacity of the Russia-Mongolia-China rail-road will play a significant role in Mongolia's development as well as in attaining its goal to ensure access to seaports. There are many challenges and opportunities arising from current intensification of cooperation between Russia and China,

⁵⁸ Michael L. Faye, John W. McArthur, Jeffrey D. Sachs and Thomas Snow: The Challenges Facing Landlocked Countries, Journal of Human Development, Vol. 5, No.1, March, 2004

which include directing transit transportation via Mongolia's territory, construction of a second tier of rail-road to expand its own trade relations with the neighbors, reducing and streamlining transshipment process at the Mongolia-China border. There are also issues related to coordinating and making decision on revising rail transport tariffs to appropriate and competitive levels in order to attract customers.

Challenges

- Agreement on technical documentation needs to be completed in order to finalize negotiations on the tri-partite negotiations carried out under the auspices of the UNCTAD. Continue active international cooperation within the framework of Almaty Declaration.
- Intensify implementation of the Millennium Road project;
- Increase transit capacity of rail-road.

Policy priorities

- Intensive efforts needed to implement the following actions included in the Almaty Declaration;
- Continued negotiations with neighboring countries aimed at the reduction of transportation time, cost, customs red-tape and charges for landlocked countries;
- Seek and receive support from donor country or international organization for expanding rail-road capacity for servicing transit transport;
- Improve competitiveness and reduce costs for transportation of goods from LLDCs;
- Monitor transportation time and cost for LLDCs and actively cooperate with the UN and other organization within this framework.

Target 18

Develop a debt strategy to ensure sustainability of foreign and domestic long-term debt, study methods and instruments of debt management applied nationally and internationally, manage the debt without adverse impacts on the budget and economy of Mongolia

	1990	2000	2002	2004	2006
Ratio of debt in the total commodity and service exports	0.3	6.0	7.2	2.8	2.9

Source: NSO, Statistical Yearbook, 2006

Current Status of External and Domestic Public Debt

Mongolia external public debt comprises 31.7 percent of its GDP (present value), which is just under indicative 40 percent debt burden threshold defined by the International Monetary Fund (IMF) and the World Bank (WB) under their Debt Sustainability Framework (Table 2.8.6). It can be concluded that Mongolia is at low risk of falling into debt in-sustainability for the mid-term.

In order to set mid-term priorities for external and domestic borrowing, the Government of Mongolia is developing a Debt Management Strategy. In the mid-term the Government is working towards improving public debt management, coordinating it with budget and monetary policies, accelerating development of financial and stock markets and reducing risks.

Table 2.8.6 Public Debt Sustainability Indicators (percentage)

	2006	Thresholds*	Comments
Debt*/GDP	31.7	45	Sustainable
Debt*/Exports	55.3	200	Sustainable
Debt*/Government Revenues	121.7	200	Sustainable
Debt Servicing/Exports	2.9	25	Sustainable
Debt Servicing/Government Revenues	4.0	30	Sustainable

Source: NSO, Statistical Bulletin, 2006

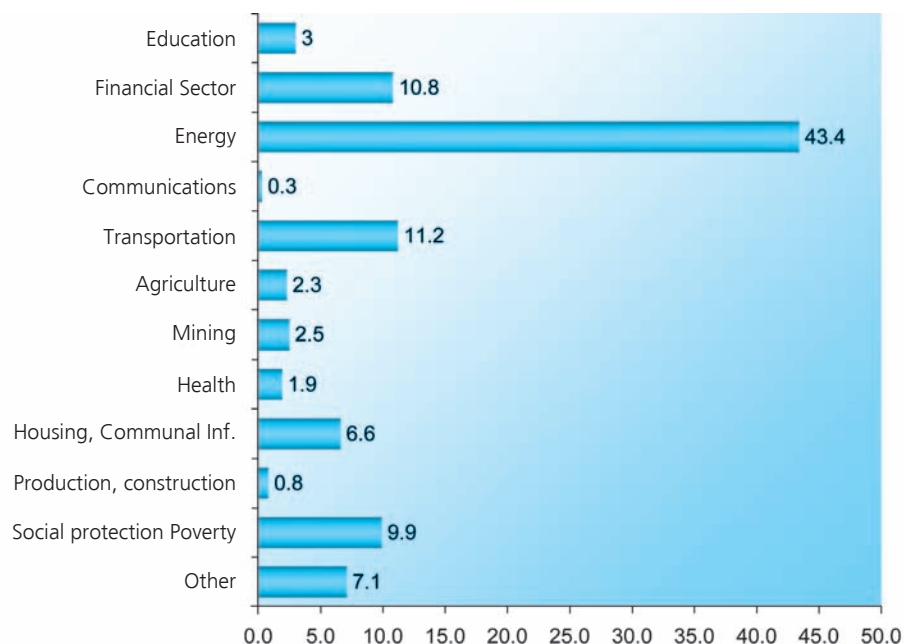
* Debt - Debt outstanding in its present value (2006 expected performance)

* Thresholds - Indicators set by IMF/WB

During 2004-2006 the Government of Mongolia borrowed and utilized a total of USD 0.3 billion from international financial and development institutions and donor countries. The disbursed loans were utilized for development of the following sectors: 43.4 percent for power sector, 11.2 percent road and transportation sector, 9.9 percent for social welfare and poverty reduction, 1.9 percent for health and 3.0 percent for education sector (Graph 2.8.1). In the future it is necessary to focus on lending for sectors which are able to recover the funds.

Total loans outstanding obtained during the period 1991-2006 stands at USD 1.7 billion, while USD 818.9 million has been repaid. The Government's concessional medium and long-term borrowing in 2005 comprised USD 151.0 million, which reduced to USD 88.0 million in 2006. In 2006, 84.2 percent of total new lending was received from ADB, WB and the Government of PRC.

Graph 2.8.1 External Lending Disbursement, by Sectors (percentage)



Source: Ministry of Finance, 2006

Loans outstanding owed to ADB are 38.0 percent, WB 21.3 percent, Japan 18.8 percent and Germany 6.7 percent respectively. The value of outstanding domestic public debt is MNT 38.2 billion, which equals to 1.0 percent of GDP. This amount is considered to be at fairly insignificant levels.

Challenges

In the future it is important to implement appropriate economic and financial management system and reduce dependency on external borrowing in the development strategy. It is necessary to improve debt management through payment of debt before maturity when additional resources available and use of refinancing schemes for selected lending.

Policy priorities

- Approve and implement Debt Management Strategy;
- Coordinate and mainstream debt management with key development documents such as the upcoming Comprehensive National Development Strategy and existing Financial Sector Strategy and Mid-term Public Investment Programme;
- Develop indicators for measuring intermediate and final outcomes of debt management and their improve monitoring.

Target 19

Introduce new information and communication technologies, build an “informed society”

	1990	2000	2004	2005	2006
Number of landline phones (per 1,000 population)	30.8	46.6	60.2	63.4	60.3
Number of cellular phone users (per 1,000 population)	-	31.2	175.7	222.8	296.8
Number of personal computers (per 1,000 population)	0.3	12.6	23.7	33.2	38.4
Number of consistent internet users (per 1,000 population)	-	2.2	8.1	8.6	10.0

Source: NSO, 2006

Current Status of Information / Communications Technology Development

In the recent years there have been exceptionally rapid progress and changes in the information communications technology sector. All social and economic sectors are benefiting from this development and the demand is increasing on a daily basis. Cellular phone, computer and internet services which have entered the market only a few years ago have become a daily need and the number of customers is drastically increasing.

The information, communications sector was technologically reformed with the assistance of foreign countries making it possible to connect freely with the outside world. The number

of landline telephone users reached 156.6 thousand reflecting a 2.3 time increase from 1990 and 28.1 percent over 2000 levels. The fact that the number of landline users decreased by 5.9 thousand in 2006, compared to its 2005 levels, indicates that it is less likely to grow in the future. The number of cellular phone users shows a 9.5-time growth in 2006 over 2000 levels or 770.1 thousand cellular phone users, of which 199.2 thousand users came in last year only. As result of which, the number of landline phone users reached 60 and cellular phone users arrived at 296.3 per every 1,000 population (Table 2.8.7).

Table 2.8.7 Number of telecommunications equipments and users

	2000	2001	2002	2003	2004	2005	2006
Number landline phones (thousand units)	122.2	128.3	135.5	145.3	152.6	162.5	156.6
Number of cellular phone users (thousand persons)	75.1	91.2	256.8	319.4	445.1	570.9	770.1
Number of personal computers (thousand pieces)	30.3	35.4	43.6	51.8	60.0	85.0	99.6
Number consistent internet users (thousand persons)	5.2	10.3	10.0	11.2	20.4	22.0	26.0

Source: MTCCA, 2006

As result of Government policies directed at increasing production of information technology and exports, computerizing households the number of personal computer users grew to 38.4 per 1,000 population in 2006 reflecting a 3-times increase over 2000 level.

In the past 2 years, over 7,400 kilometers of fiber optic cable network was installed in 88 soums of 21 aimags providing opportunity for rural population to access to new ICT services. Transfer of satellite television transmission equipment to digital system ensured technical capacity to transmit four television channels at the cost of former services, as well as capacity to transmit these programmes to 341 soums in all aimags and the capital city via INTELSAT satellite system.

All aimag center public sector institutions were connected to a network with 4MB/sec transmission speed to Ulaanbaatar improving internet connectivity and access for rural to governments.

High speed wireless internet technology was installed and tested in areas surrounding the Sukhbaatar Square, Railroad Station and National ICT Park - densely inhabited by housing, public and private offices - providing access to free internet connectivity to the population.

Challenges

- Lack of indicators and methodology for monitoring and evaluation of projects and programmes implemented in the sector;
- Need for systematized collection of data on key MDG indicator for internet accessibility and developing official statistical data based on this data.

Policy priorities

- Improve ICT education nationwide;
- Establish a unified coding system and create a single national ICT system;
- Develop information database with benchmark indicators and other statistics reflecting the development of the sector, carry out research and collect data on internet use;
- Create a integrated sector database.



GOAL 9

STRENGTHEN HUMAN RIGHTS AND FOSTER DEMOCRATIC GOVERNANCE

- Target 20: *Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of press and public access to information*
- Target 21: *Foster democratic values and culture of democracy*
- Target 22: *Create and put into practice zero tolerance to corruption in all spheres of social life*

Target 20 Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of press and public access to information

The human rights and democratic governance targets defined in the 9th Millennium Development Goal are legally and politically guaranteed in the Constitution of Mongolia (1992), as fundamental principles of democratic governance, and as established in international norms and treaties. Mongolia's current legal acts (400 laws) programmes and policy documents (300), international treaties and convention ratified by Mongolia (180) are the legal foundation of human rights and democratic governance in Mongolia.

Since the 9th MDG was developed as a new goal there are no established and unified measurement and evaluation methodologies. The report on the implementation of this MDG is produced based on limited research information, as there are no results of comprehensive studies and surveys available. The currently applied methodologies by researchers are only guidance or broad approach to assess the progress.

Current Status of Human Rights Realization

Linkage of Mongolia's Laws with International Treaties and Conventions

Mongolia is a member to 40 treaties of the UN and its specialized agencies on human rights and freedoms. While Mongolia implements and adheres to its responsibilities taken under international treaties, there have been cases of delays in reporting on implementation status and in bringing the Constitution and existing legal acts in compliance with international treaties and conventions. In addition, due to limited access to international treaty and convention provisions and resulting lack of knowledge of their rights on part of citizens, treaties and conventions are neglected in enforcement in comparison with other legal acts. In particular, the 2006 "Human Rights and Freedoms in Mongolia" report by the National Human Rights Commission (NHRC) states due to the fact that provisions

of international treaties prohibiting torture in criminal investigation and provisions the Convention Against Torture have not yet been fully incorporated in the laws and legislation, seven indicators demonstrate evidence that these provisions are not being enforced⁵⁹ (Table 2.9.1).

Level of Human Rights Knowledge of Citizens, Quality of and Access to Information

A joint UNDP and Open Society Forum survey on "Accessibility of Legal Information, Education and Legal Aid" (2005) concluded that "Access to legal information, education and legal aid in Mongolia is inadequate" and noted that there is need to improve the human rights education system, content of training and methodology within the framework of the National Human Rights Protection Programme⁶⁰. This evidence demonstrated that the process of educating the population is at its nascent stages, and results produce insufficient impact as well. In particular,

- 70-80 percent of secondary school curriculum is comprised of programmes on natural sciences, remaining percentage is set for provision of civic education;
- As instituted by a joint ministerial order of Minister of Enlightenment and Minister of Justice (old titles), beginning 1997 only law schools are required to conduct a 36-hour course on human rights. Other higher education institutions and universities do not cover to a sufficient scope human rights education, the teaching is limited only to the course sessions on Constitution of Mongolia. There is also a set mentality among educational institutions and professors that human rights knowledge is required only for legal professionals.

⁵⁹ NHRC, Human Rights and Freedoms in Mongolia Report, 2006, UB, pages 5-11

⁶⁰ National Human Rights Protection Programme, Mongolia, 2003

Table 2.9.1 Status of Implementation of UN Treaties and Conventions

	Accession Date (Reporting Period)	Last report Submitted	In Progress	Comments
International Convention on Elimination of All Forms of Racial Discrimination	1969 (every 2 years)	Report #11 1998	#16-2000 #17-2002	Two reports due
International Covenant on Civil and Political Rights	1974 (every 5 years)	Report #4 1998	2003.03.31	Slow
International Covenant of Economic, Civil and Cultural Rights	1974 (every 5 years)	Report #3 1998	2003.06.30	Deadline is upcoming
Convention on Elimination of All Forms of Discrimination Against Women	1981 (every 4 years)	Report #3,4 1997	#5-2001 #6-2005	Two reports due
Convention of the Rights of the Child	1990 (every 5 years)	Report #2 2003	3 rd report due in 2008	Deadline is upcoming
Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment	2000 (every 4 years)		2003.02.23	Slow

Source: NRHC Report 2003, MoJHA, 2003/6 Status Report, 2007

A World Bank financed project aimed at creating a unified system of legal information has been in implementation since 2005. This project is significant in terms of creating a unified system of legal information and delivering effective and qualified information service to clients.

Realization of Civil and Political Rights

In addition to Mongolia's Constitution, the Criminal Code and Criminal Procedure Code, Law on Political Parties, Law on Non-governmental Organizations and the Election Law, which are basis for ensuring civic and political rights of its citizens, Mongolia has ratified UN treaties and convention on protection of civic and political rights of citizens.

An international survey concluded that in the first ten years of democratic development the rights and freedoms of citizens were fairly well protected, while in recent years status of protection of civil rights has degraded⁶¹. Official violence in Mongolia is possible through the provision of authority to various level officials of five organizations to detain people without seeking prior permission from the courts⁶².

Although there are no severe violations of human rights based on social or religious differences, in the past 3 years 1,067 individuals died as result of criminal offense⁶³. Around 54,000 citizens are injured every year, while majority of the population become victims of one or other form of criminal offense⁶⁴.

Within the framework of "Developing Democratic Governance Indicators", 63.6 percent of participants in a 2005-2006 surveys responded that their right to life, safety and security are not ensured, while only 18.1 percent responded that these rights are ensured; 40.2 percent of all respondents had concerns about possible violence⁶⁵.

While citizens of Mongolia 'have unrestricted right to freedom of movement within Mongolia, freedom to chose location for permanent or temporary residence, freedom to travel and reside outside Mongolia and freedom return to home country", the Criminal Procedure Code includes provisions authorizing criminal investigator and inquirers to ask for signing of a guarantee by those involved in criminal offense that they will not leave the current place of residence.

⁶¹ Landman T and others, State of Democracy in Mongolia-A Desk Study. Human Rights Centre, University of Essex. p.23. 2005

⁶² Manfred Novak, Civic and Political Rights: in Light of Torture and Detention Issues. UN Report, E/CN, 4/2005/Add X

⁶³ NSO, Statistical Yearbook-2004, p.369

⁶⁴ Statistics, Central Casualties and Rehabilitation Hospital

⁶⁵ Developing Democratic Governance Indicators Project: Sociological Survey, 2005

Basic rights and freedoms such as freedom of expression, speech and press, freedom of association and assembly are provided for in the Constitution of Mongolia and implemented in terms of general principles. However, a survey states that human rights violations continue to exist as evidenced by the fact that, after general elections to the SGH and local government elections, employees of government administration and public services are laid off in large numbers, which is an evidence that there is continuing discrimination based on political party membership, discrimination on those who exercise their right to express their views and protest for political purposes as well as control of press and media by those in power⁶⁶.

Freedom of assembly is guaranteed by the Constitution of Mongolia. The Law on Demonstrations as revised in 2005 has eliminated restrictions, which existed in the earlier version. Based on the state of civic and political rights as indicators of the state democracy and basic human rights, Mongolia has ranked among "free" countries in the past 13 years in surveys ranking around 200 countries of the world⁶⁷.

Realization of Economic, Social and Cultural Rights

Citizens of Mongolia are legally guaranteed rights "to freely chose work and profession, enjoy just and favourable conditions of work, receive wages, rest and establish a private enterprise. No one is allowed to be forced to work illegally", and every citizen is obliged "to monetary and other assistance in old age, loss of working capacity, giving birth and parenting and other cases as defined in legislation".

Due to weak coordination and cooperation, inadequate monitoring at relevant stages by organizations responsible for migration, there is continuing inability to establish exact number and/or whereabouts of residents. In particular, the 2004 review of citizens' registration documentation revealed that in Ulaanbaatar 11,529 members of 4,385 households and in local areas 18,970 members of 5,683 households have failed to record their departure and migrated without proper documentation

and registration⁶⁸. Rural to urban migration of citizens increases burden on social protection and welfare services, reduces its accessibility and increase of scope of targeted groups entitled for these services. For example, a review of a 4-year period (2001-2005) reveals that in Bayanzurkh and Songinokhairhan districts the number of welfare assistance recipients grew by 31-37 percent which requires 2.5 times higher financing, while there are still those who cannot access this assistance due to lack of registration papers⁶⁹.

The Constitutional provision to provide free education to all without discrimination is being implemented successfully. However, situations continue to exist for drop children out of or not enrolling to school, especially among herders in rural areas.

Citizens of Mongolia enjoy the right to freedom of religion, freedom to engage in, create and benefit from cultural, arts and science activities. Buddhism is legalized as the principle religion in Mongolia, in accordance with which permit to carry out activities are issued by local Citizen Representative Hural. At present, there are 270 Buddhist, Christian, Muslim, Bahai, Yazu and Shaman monasteries, of which 186 have registered and obtained official permits to carry out activities⁷⁰.

International organizations and national researchers have concluded that the status of implementation of economic rights, as part of fundamental human rights and democratic principles, has improved in the recent years. The Heritage Foundation's Index of Economic Freedom survey, which uses a unified methodology to assess economic freedom of countries of the world, ranked Mongolia since their very first survey and assigned "moderately free" rankings of 3.00-3.99 for period 1995-2001, which changed since 2002 to "mostly free" with 2.00-2.99 points. However, in 2006 the ranking points regressed to 2.83 (by 0.10

⁶⁶ Developing Democratic Governance Indicators Project: Sociological Survey, 2005

⁶⁷ Freedom of the World 2006: Country Subscores. www.freedomhouse.org

⁶⁸ Ts. Nyamdorj, "Current Status of Legal Framework for Population Movement and Ways to Improve", National Conference on Migration, SGH, Forum of Asian parliamentarians on Population Migration, UNFPA, UB, 2005, pp. 42-51

⁶⁹ Ts. Bayarsaikhan, Problems of Social Sector Arising from Migration-Challenges and Policy Priorities, national Conference on Migration and Forum of Asian parliamentarians on Population Migration, SGH, UNFPA, UB, 2005, pp. 52-59

⁷⁰ Office of the President, Current Archives Bulletin, January 2005.

points) from its 2005 ranking of 2.75 points⁷¹.

Realization of the Rights of Women and Children

Mongolia is member to conventions on political rights of women and CEDAW, its optional protocols, Convention on the Right of the Child and optional protocols on cooperation in protecting children and cross-border adoption.

Since gender equality is addressed in a separate section of the Report on gender targets, this section discusses crimes of violence against women and trafficking of women, which are a serious breach of their rights. According to data provided by the National Human Rights Commission, one out of every three women is subjected to one or other form of violence, one out of ten women are victims of consistent physical assault⁷². In recent years, the process of taking advantage of poor women to force them into prostitution, further trafficking across border has displayed signs of becoming an organized process. In cooperation with the UNICEF a national programme on the Elimination of the Worst Forms of Child Labor aimed at taking children out of those jobs and sending them to school is being successfully implemented.

In 2000, Mongolia counted only two victims of human trafficking crime, which grew to 127 persons in 2006. Most of these people have been sold to China, Korea, Hong Kong, Singapore, Macao, Turkey, Israel, former Yugoslavia and Eastern European countries. Women from poor or low income groups aged between 19 and 35 are most likely to become victims of human trafficking crime⁷³.

"Causes of Children's Involvement in Crime" survey found that children are mostly involved in crime of theft, and analysis of offense patterns shows evidence that poverty and homelessness have become the key causes for such crime.

Domestic violence is a form of crime which violates fundamental human rights and has negative impact on social health and economic development. Hidden and seriously violent forms of this crime have been on the increase in recent years, comprising 50 percent of incoming calls to police⁷⁴. Majority of victims of domestic violence, who received shelter services during 2002-2006 were women. One out of every four victims attempted suicide as a way out⁷⁵.

Adoption of the Law on Combating Domestic Violence in 2004 provides legal guarantees of the right to life, free from fear for women, and a basis for prevention of this negative phenomenon in the society and establishment of mechanisms and methodology for assistance to victims of domestic violence. Basing on the legal provision to provide shelter to victims of domestic violence, the National Centre Against Violence (NGO) established shelters in Ulaanbaatar, Selenge, Dundgobi and Tuv aimags, and operated with financial support from donors.

Status of Freedom of Press and Access to Public Information

A citizen of Mongolia has the rights "to free press, freedom of belief, freedom of speech and expression of thought"⁷⁶. The law on freedom of press and media provides for freedom of content of publications and programmes of mass media placing the responsibility for the content and consequences on the particular press and media tool thus creating favourable environment for information of diverse array of views⁷⁷. The law on public radio and television legalized the following principles: "recognizing citizen's right to real information and respecting diversity of views".

There is progress in ensuring balanced information delivery through increasing number and variety of mass media instruments in the capital city and urban settlement. While the freedom of instruments of press and media has been ensured through a legal act, there

⁷¹ MNU, School of Economic Studies joint research "Mongolia's Economic Freedom Review-2006", "Institutional development - next step of reform for economic acceleration", UB, 2006, pp. 34-35

⁷² NHRC, Human Rights and Freedoms in Mongolia Report, 2002, UB

⁷³ Human Trafficking in Mongolia: Risks, Vulnerability and Impact. Partnership in Combating Human Trafficking: Prevention, Protection and Investigation. Joint Asia Foundation and Gender Equality Centre survey, UB, November 2006.

⁷⁴ NHRC, SDGC "Domestic Violence - View of a Police Officer" survey, 2004

⁷⁵ NHRC from Domestic Violence Shelter Service database, 2006

⁷⁶ Constitution of Mongolia, 2-13-16. State Information Bulletin, 1992, #1

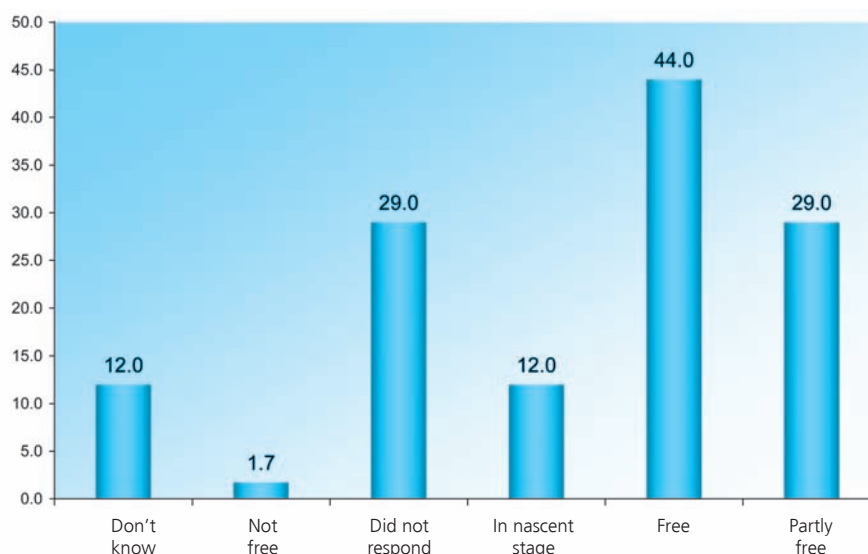
⁷⁷ Law on Freedom of Press and media Instruments, 3-1, 3-2, 1998. State Information Bulletin

is a gap in a general law stipulating freedom of information. In particular, there are legal provisions conflicting with the provisions of the Law on Freedom of Press, which provides opportunity for press and media instruments and reporters to fall under hidden influence of others.

In 2005 Mongolia ranked 54th in terms of democracy and human rights, mainly through

freedom of press indicator. This ranking plummeted to 77th in 2006 placing Mongolia in the partly free category of countries. The international ranking system assigns 0-100 ranking positions, where 0-30 is assigned to “free” countries, 31-60 to “partly free” and 61-100 “not free” of countries⁷⁸. The results of a survey carried out by the Mongolian Press Institute are shown in Graph 2.9.1.

Graph 2.9.1 Level of press freedom in Mongolia (% of respondents)



Source: Public opinion on the status of freedom of press in Mongolia, 2004, Survey Report Mongolian Press Institute, Research Unit, 2005, UB

In 2001, Mongolia established the National Human Rights Commission and adopted the National Programme on Protection of Human Rights in 2003. The National Programme Committee (NPC) and its local chapters were created to provide management of implementation process, monitoring and evaluation, coordination of activities of public, non-government and local self-governance organizations. Its composition and charter were approved in 2005. The plan for implementation of the “Programme for Protection of Human Rights in Mongolia 2006-2008” was approved in 2006.

The Constitution stipulates that the citizens “may and receive information other than classified information legally protected by the state and its entities”⁷⁹. The 1998 Law on

Freedom of Press prohibits adoption of any law that will limit freedom and independence of press, establishment of state/government censure over contents of any public information, budgetary financing of censoring activities, and state ownership or possession of any press or other mass media means⁸⁰.

The 2005 Law on Public Radio and Television stipulates that the public televisions and radio are legal entity which serves the interests of the wide public, accountable to the public and carries out its activities under public supervision upholding national interests.

Policy priorities

Short-term:

- Improve population’s knowledge and

⁷⁸ <http://freedomhouse.org>

⁷⁹ Constitution of Mongolia, 2-13-17. State Information Bulletin, 1992, #1.

⁸⁰ State Information Bulletin, 1998, #10.

- education about human rights;
- Strengthen capacity of some law enforcement organizations;
- Improve access to information;
- Create human rights information centre;
- Create a modern forensic investigation laboratory equipped with state-of the-art technology;
- Install security monitoring cameras in detention and pre-trial detention facilities;
- Establish a pre-trial detention facility, which meets international standard requirements;
- Encourage creation of monitoring mechanisms aimed at monitoring implementation of Mongolia's duties and responsibilities taken under international treaties and conventions, education and awareness raising activities;
- Develop a law on freedom of profession;

- Approve and implement a national programme on combating domestic violence;
- Determine and reduce gender related causes and circumstances of violence;
- Focus attention on creation of environment without alcoholism;
- Strengthen capacity of public entities and NGOs engaged in activities of combating violence against women.

Mid-to-long-term:

- Join optional protocols of the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment;
- Create a mechanism for reporting on how public views and comments were handled in decision-making process;
- Create a monitoring mechanism for implementation of legal acts;
- Develop and implement a general law on freedom of information.

Target 21

Foster democratic values and culture of democracy

Status of implementation of values of Democratic Governance

Democratic ideas and principles are implemented in Mongolia as guaranteed in the state policies and as conviction reflected in all undertakings of its citizens. The process of creation of fundamental democratic institutions through democratic election based on principles of distribution of state powers is being established. Market economic relations based on principles of diversity and private ownership as an economic guarantee of democracy is evolving along with gradual improvement in the level of democratic culture of the population.

Mongolia has regressed in all 6 indicators of democratic governance used by the World Bank in its most recent assessment of the status and trends of democratic governance of countries (Table 2.9.2). The process determining governance indicators is informed by statistical data on the quality of governance derived from surveys of private sector, expert research carried out in developing countries and results of surveys of non-governmental and international organizations. This survey however, does not reflect the official opinion and position of the World Bank.

Table 2.9.2 Mongolia Governance Indicators

		Percentage (0-100)	Value (-2.5+2.5)	Standard deviation	Number of polls and surveys
Voice and accountability	1996	61.7	+0.47	0.27	3
	2000	58.7	+0.37	0.25	4
	2005	52.4	+0.04	0.19	9
	2006	53.4	+0.10	0.18	9
Political Stability	1996	63.9	+0.58	0.45	2
	2000	73.6	+0.79	0.38	3
	2005	78.4	+0.93	0.28	6
	2006	71.6	+0.78	0.26	7
Government effectiveness	1996	33.2	-0.53	0.42	2
	2000	45.5	-0.34	0.20	4
	2005	41.7	-0.38	0.17	9
	2006	36.5	-0.46	0.18	10
Regulatory Quality	1996	22.0	-0.69	0.47	3
	2000	50.2	-0.04	0.29	5
	2005	42.4	-0.33	0.20	9
	2006	42.0	-0.31	0.18	11
Rule of Law	1996	55.7	+0.07	0.46	3
	2000	53.8	-0.03	0.21	6
	2005	46.7	-0.22	0.18	11
	2006	46.7	-0.32	0.17	12
Control of Corruption	1996	65.0	+0.37	0.69	1
	2000	47.1	-0.31	0.24	4
	2005	38.3	-0.57	0.21	7
	2006	37.4	-0.54	0.19	8

Source: http://info.worldbank.org/governance/wgi2007/sc_country.asp

Development of Rule of Law and Law-based State

Achievements of democratic development are reflected in the equality of all citizens before court and justice and development of the state governed by rule of law and principles of distribution of power. Mongolia is a parliamentary republic in accordance with the spirit and letter of its Constitution. Legal foundation is created to ensure balance of power between the three pillars of power – legislature, executive body and the judiciary.

While development of a rule of law based state is evolving successfully, challenges continue to exist within this framework, which attract attention:

- There is discrepancy between the distribution of powers between legislature, executives and the judiciary branches stipulated in the Constitution and its practical implementation.
- Some researchers doubt legality of amendments introduced in the Constitution in 2000.
- There are legal provisions, which have varying interpretation of relations between the SGH and the Government. In particular, organization, formation of and resignation from the Government, as well as constitutionality debates of the Constitutional Court may be listed here. The fact that Executive branch and the General Election Commission (GEC) have been exempted from the subjects to be governed by the Administrative Court Law under the decision of the Constitutional Court dated March 31, 2005, enables the Government and GEC to operate outside the law⁸¹.

While ideas and basic principles of rule of law are implemented in Mongolia, there is disparity in interpretation and implementation of law for all spheres of social life and population strata. Citizens assigned “fair” in evaluating implementation of legislation, which represents a majority opinion. In addition, the fact that public opinion ranking of implementation status as “good” was lower than “poor” leads to

making conclusion that implementation of law in Mongolia is inadequate. There is tendency of society getting used to poor implementation of law, instead of pursuing their activities within legal framework they tend more to look for “acquaintances” and ways to “cross hands”.

In many instances following the law is damaging and becomes cause for inflicting greater cost, loss of time, having to subject to harassment and vindictive acts of officials⁸². Citizens doubt in the independence and ability of the judiciary to deliver fair decisions. Many surveys conclude that there is little trust and interest among citizens to employ services of courts resorting to private ways to resolve disputes.

Status of Representative Principle of Government, Reporting, Accountability and Transparency of its Activities

Representative principles of the state and government in Mongolia are ensured through results of elections. Election of public institutions were held in 2004-2005, which displayed circumstances whereby activities of political party election committees and their candidates have limited electorate’s opportunity for choice leading to possibility of prevalence of political interests. Based on lessons learned and experience in conducting elections the Law on Election to SGH and Law on Election to Local Government were amended in 2005 and 2006, respectively.

During survey on participation of citizens in identifying the candidates for elections SGH, capital city and district CRHs, 40.7 percent of respondents replied that such opportunity does not exist, one-fourth responded “don’t know” and only a very small minority participated in the process. An increased migration of population, inadequate information on residency registration, lack of interest and culture of using this service among population, continued existence of opportunity for public officials to compile electorate lists are main reasons to influence the election processes.

⁸¹ B. Chimed, “Wondering at Silence over an Apparent Erroneous Decision of the Constitutional Court”, Article, Unuudur, #208 (2557), 2005.

⁸² Rule of Law in Mongolia -1st National Forum of Young Researchers, UB, 2005

Civil Society and Citizens Participation, Knowledge and Perception about Political Democracy

Citizens of Mongolia have “the right to assemble, right to association with others, including the right to form and join political parties and other public organizations in their own and public’s interests”. This form of activity is regulated by the Law on Non-Governmental Organizations adopted in 1997.

As of the 1st Quarter of 2005 around 4,700 NGOs were registered. A civil society survey revealed that 45.3 percent of population was a member of at least one Civil Society Organization (CSO). Party membership came in with high 41.5 percent, trade unions at 14.1 percent and women’s NGOs at 4.4 percent.

The fact that CSOs have weak financial capacity and mostly operate under donor funded activities is due to legal limitation regarding profit-making activities.

The Open Society Forum is carrying out activities aimed at improving civil society capacity to influence government’s legal and policy-making process, including discussions of legislation, organizing talk-shows on challenging issues. The Government’s funding of “Digital Mongolia” and Open Government programmes also increased opportunity for civil society and citizens to participate and influence the policy-making⁸³.

While 80 percent of the population approve of Mongolia’s transition to democracy, public knowledge and perception of democracy, knowledge of key indicators, especially those reflecting quality of democracy is fairly general or weak. Developing Democratic Governance Indicators project (DDGI) surveys indicate that citizens assigned “fair” rating to the status of democratic development in Mongolia.

Policy priorities

Short-term:

- Adopt and implement a national programme on strengthening democracy, improve knowledge of population on democratic principles;
- Carry out public administration reform;
- Support free and fair elections;
- Standardize public administration decisions, increase transparency and quality of operations of public administration.

Mid-to long-term:

- Operate a special radio and TV channel for public education on democracy;
- Improve public monitoring of election activities;
- Create environment conducive to operation of an independent, free and fair justice system.

⁸³ <http://www.opengovernment.mn>

Target 22

Create and put into practice zero tolerance to corruption in all spheres of social life

Current Status of Corruption

Capacity of the Agency for Combating Corruption, independence of its operations, transparency and impact of its awareness activities

An agency for combating corruption in Mongolia was established recently with its activities at its nascent stage of development. The Agency is mandated to monitor asset and income disclosures, investigate cases under its jurisdiction, carry out nationwide education on corruption and organize preventive measures and coordinate activities in this area. In addition, its mandate includes multifaceted activities such as: develop unified programmes, provide methodological guidance and monitor implementation; guide and direct activities of local ad hoc council; develop corruption indices and report to public on causes, forms and scope of corruption; support activities and initiatives of NGOs and citizens and take targeted measures to increase their involvement; carry out consistent information and advocacy on the negative impact and social danger of corruption, and carry out training in methods and forms of combating corruption; based on opinion surveys of citizens receiving public services, carry out bi-annual evaluation of fairness of public institutions, and inform and educate the public.

Public opinion and conclusions of researchers on trends of corruption

Results of many surveys drew attention to the fact that corruption has become an issue of concern to the society. The results of a monitoring survey (2004) on the implementation of the National Programme for Combating Corruption revealed that 88.9 percent of participants responded that corruption in Mongolia is rampant. The World Bank Institute's corruption control rating of 0.08 received in

2002 went down to - 0.52 in 2004 and further to -0.55 in 2005 (on a +2.5 to -2.5 rating scale)⁸⁴.

Transparency International's Corruption Perceptions Index assigned 3.0 points rating for Mongolia ranking it 87th among 158 rated countries in 2005, which went down to 2.8 points or regressing by 10 positions to 99th position among 163 countries⁸⁵. Graph 2.8.2 reflects the situation revealed by the MNCCI survey of over 400 businesses and entrepreneurs about public administration institutions red-tape perception. Comment: 0-20 point scale was used to evaluate a particular phenomenon with higher points indicating higher levels of red-tape.

A joint USAID and the Asia Foundation corruption assessment carried out in June-July 2005 concluded that conflict of interest permeating whole sectors and systems have led to diminished boundary between private and public sector⁸⁶. The same assessment recommended that anti-corruption measures be ensured at the policy level, revise and intensify implementation of relevant legal acts; create and operate an independent anti-corruption agency; support and encourage public participation in the implementation of provisions of the UN Convention of Combating Corruption; combat corruption within areas of negotiations carried out between citizens, businesses and government, procurement of goods and services, privatization, customs, land ownership, mining, banking and legal sectors, and high level political and business leaders⁸⁷.

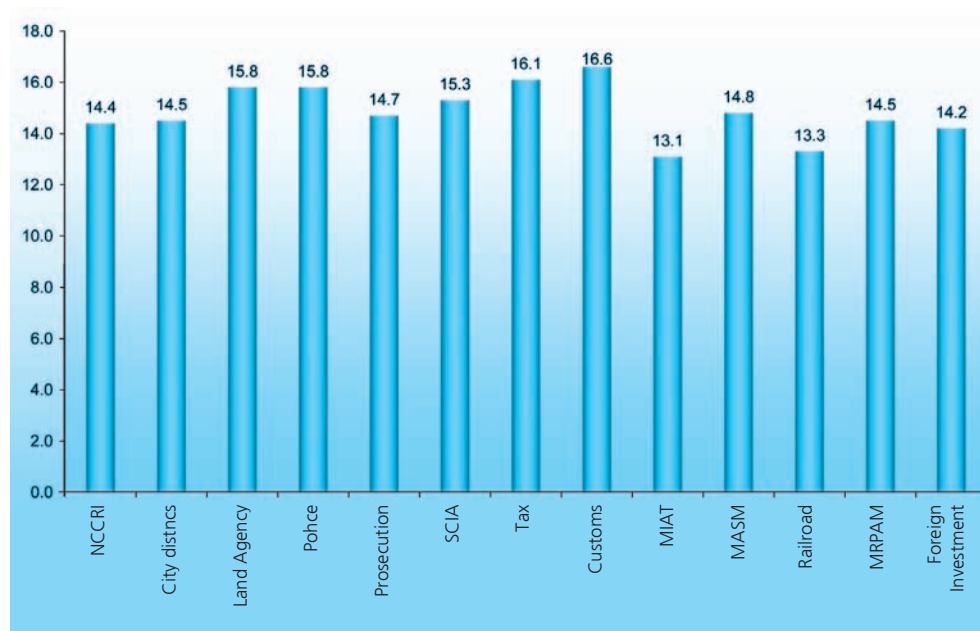
⁸⁴ http://worldbank.org/governance/kkz2005/contry_report.asp7

⁸⁵ Transparency International, Corruption perception Index, 2006. www.transparency.org

⁸⁶ Report on Corruption Assessment in Mongolia, 2005, UB, p.1

⁸⁷ Report on Corruption Assessment in Mongolia, 2005, UB, p.2

Graph 2.9.2 Corruption indicators for selected public sector organizations



Source: Survey of Red-tape in Public Administration organizations 2006

Challenges

The key challenge in combating corruption lies with the inadequate capacity of the judicial system of Mongolia, which does not possess capacity to resolve claims of citizens, requires unrealistic proof of information as well as inadequate enforcement of court decisions. Intentional delays in reviewing cases with possible involvement of corruption and officials, not enforcing decisions delivered on such cases, multiple levels of courts delivering conflicting decisions have created environment whereby citizens prefer not to take corruption cases to court.

Policy priorities

Short-term:

- Harmonise legal acts of Mongolia in compliance with the UN Convention on Combating Corruption;
- Reduce framework of subjects to disclose asset and income statements, excluding candidates running for local government elections, members of CRHs; revise disclosure information to reveal conflict of interest and to comply with legal provisions protecting privacy of individuals.

Mid-term:

- Create a unified system of public advocacy;
- Develop and implement a law on conflict of interest.



Part 3

MDG IMPLEMENTATION AT LOCAL LEVEL

Current Situation

Mongolia is a Parliamentary republic with a unitary government system consisting of the central government and local government units. In terms of administrative territorial division it consists of 21 aimags, 329 soums, 1,540 bags, and the capital city of Ulaanbaatar with its 9 districts and 132 horoos. The Constitution of Mongolia stipulates that local administrative and territorial unit administration to combine self-governance with central state government. Thus, local and administrative units have a two-tiered government consisting of the office of the Governor and the Citizen Representative Hural (CRH).

Decentralization initiated in 1990s continues with some degree of delays and conflicts existing in the relationship and sharing of power among local and central administrative bodies. It has been criticized that the Citizen Representative Hurals—local self-governance bodies—have limited authority in making decisions on local social and economic issues and only rubber-stamp budgets allocated by the central government. During the “Central and local government finance and economic division management forum” held in 2006, discussions of development challenges and issues produced proposals to authorize local self-governance bodies to define and approve budgets within allotted ceilings, and to empower Governors to re-allocate budget funds within budget line items.

An amendment to the Law on Public Administration Management and Finance is underway aimed at creating legal framework for authorizing budget organizations to approve and include funds for procurement of goods and services financed by the state in the budget portfolio of each general budget manager. In order to ensure greater local authority and independence, an amendment to the Law on Consolidated Budget is being prepared to enhance fiscal authority of local managers and improve budget revenue schemes. Approval of these drafts will strengthen the authority of local budget managers and increase budget revenues,

thus improving overall fiscal governance of the central and local budget processes.

A number of social and economic development policy documents endorsed by laws, Parliament and Government decisions as well as other legislation exist, which, however, are not aligned by coherent legal coordination and are not supported by necessary institutional structures⁸⁸. Lack of funding resources limits local government ability to implement numerous projects and programmes approved by the Parliament and the Government. In particular, although Mongolia’s MDGs had been approved and implementation in accordance with key policy documents has been carried out at the central administrative level in 2005-2006, not much progress has taken place at the local level. On the one hand, this is due to limited information and knowledge about MDGs and lack of initiative among local authorities; and, on the other hand, reflects inadequate information and incentives provided to local governments by central administrative bodies.

New Initiatives

Implementation of MDGs at the local level provides opportunities to involve local communities in the development process and provide equal access to benefits from policies and measures undertaken by the state. Considering strengthening of local governance as an important factor in ensuring access to benefits for the population, the Government of Mongolia in cooperation with the UNDP has began piloting projects aimed at localizing MDGs through strengthening local governance in four aimags and two capital city districts.

Consumption and income poverty, inadequate access to education, health and infrastructure services, and limited freedom of expression

⁸⁸ Ministry of Finance, UNDP, Poverty Assessment Unit, Assessment of socio-economic development guidelines and its synchronization with budget., p. 8, 2005.

caused by poverty and inequality are directly dependent on many factors such as geographical location and climatic conditions. Current status of implementation of MDGs shows that implementation processes for each target are different from aimag to aimag, thus demonstrating that better results could be achieved through an implementation approach based on careful analysis of required funds, budgets and scope of activities for each target. There is a need to create a system to facilitate responsible administration, based on the principle of effective and fair distribution, of pro-poor investment and budget allocations by local authorities, strengthen and enhance their capacity, and encourage, promote and provide incentives to those who have succeeded in poverty alleviation.

Analysis of MDGs implementation information, statistical data and progress indicators at the local level is crucial for identifying slow performers and enabling policy-makers to focus on MDG-oriented interventions and resources. Therefore, unavailability of data is a serious drawback for the MDG implementation process.

Current Status of MDGs Progress at the Local Level

Out of 24 MDG indicators approved by the State Great Hural (the Parliament), 10 indicators are available at aimag level, and they served as a basis for ranking of aimags by their respective 2006 MDGs implementation status (Annex 4). There is no aimag specific official statistical data available on some indicators such as poverty, malnutrition, and number of population with access to safe drinking water, thus making it impossible to evaluate these areas. Therefore, these rankings do not represent a full evaluation of MDG implementation at aimag level.

Overall implementation at the local level, as measured against selected 10 indicators, stands at 60.6 percent, a "slow progress" situation. Four aimags (Bulgan, Dornod, Khuvsgul, Khentii) out of 21 aimags and the capital city included in the evaluation ranked as "unlikely to achieve", while 17 were evaluated as "slow achievers" with Gobi-Altai and Uvs aimags having relatively high (72.5 percent) attainment levels.

Generally, reduction of maternal and under-five child mortality rates were identified as "likely to be achieved"; increase in net enrolment in primary education, reduction of spread of TB and related deaths showed "slow" progress, while percentage of 1st graders reaching grade 5, girls to boys ratio in primary school and reforestation targets were evaluated as "unachievable". These results support trend analysis conclusions presented in Annex 2. Evaluation of each indicator is shown in a graph under the relevant section, and for the reforestation target 2000 data was used as a baseline.

Policy priorities

Good knowledge of the Millennium Development goals and their targets and indicators by local governments and stakeholders is a critical factor for successful implementation. It is also important to foster understanding of linkages between existing local policies and actions and MDGs, so the latter are perceived not as an additional burden but rather as tools for priority guidance. Increasing the number of indicators to be collected at aimag level will help measure specific implementation states and enable to carry out comparative analysis of MDG progress in different aimags and regions.

Application of a unified evaluation approach based on key MDG indicators will help local governments to compare their achievements with others' and define targets and areas where interventions are most needed. Development of MDG indicators by aimags and allocation of necessary financial resources should be adopted as a priority by national statistical authorities and central and local governments.

Identifying local MDG targets and developing implementation programmes and action plans should be carried out on a priority basis and in consultations with local governments, stakeholders, residents and, in particular, low income groups. Central government support is needed for the development of local area specific strategies and action plans using participatory approach, establishment of appropriate institutional structures, and creation of monitoring mechanisms.



Part 4

MDG MONITORING AND EVALUATION

MDG Monitoring and Evaluation System

The Government of Mongolia first reported on the status of its MDG implementation in 2004 and it has now prepared the second report analyzing implementation progress in 2005-2006.

In order to ensure attainment of Mongolia's MDGs, the Parliament under its SCSPECS has set up a MDG sub-committee and a Steering Committee assigned to review implementation progress, define indicators, ensure use of international statistical methodologies, and develop and approve new measurable indicators where necessary.

Absence of a single organization responsible for coordinating MDGs implementation activities has led to cross-sectoral disparities in understanding and mainstreaming of MDGs into sector policy documents, differences in levels of public participation in the process as well as gaps in use of statistical indicators to monitor progress. Thus, research work has begun to identify solutions to these challenges and to create a national MDG monitoring and evaluation system. The Government of Mongolia with the support of UNDP has started implementing the "Support to Poverty and MDG Monitoring and Assessment System (PMMS)" project in 2005. The project framework includes: alignment of Mongolia MDGs with key policy documents, in particular, the MDG-based National Development Strategy for 2021; MDG Needs Assessment and capacity building; setting up of a monitoring-evaluation system based on international experience; support for poverty and MDG monitoring and evaluation information systems; assistance to MDG localization process; and public advocacy efforts.

In order to centralize poverty monitoring and evaluation activities, by Government Resolution #96 (2004) a special unit was created at the Ministry of Finance. However, the unit was unable to operate at the national level. Current

efforts to create a system for MDG monitoring and evaluation are incorporating these lessons learned.

MDGs Monitoring & Evaluation Indicators, Inconsistency of Information

Mongolia's MDGs approved by the Parliament consist of 9 goals, 22 targets and 24 indicators. An analysis of indicators by each target, however, reveals that indicators for some goals do not correspond with selected targets, while some targets do not have indicators at all. For example, under Goal 3 - Promote gender equality and empower women - targets include eliminating gender disparity in primary and secondary education by 2005 and at all education levels by 2015, which do not fully correspond with the goal with indicators geared toward measuring attainment of the goal rather than targets.

Furthermore, under Goal 6 for combating sexually transmitted infections, target 9 - Reduce spread of and prevent HIV/AIDS by 2015 - does not have indicators for measuring progress.

In the process of preparing the Second National Report it became clear that the work on improving indicators for previously approved MDGs is not complete and these shortcomings have created additional complications for the review of implementation progress.

Official statistical data on health, education, gender, and environment supplied by the NSO do not fully correspond with administrative records provided by line ministries responsible for these sectors. On the other hand, the MDGs approved by the Parliament Resolution #25 apply years 1990 and 2000 as baseline, and the fact that in some instances the NSO used modified baseline indicators for

evaluation caused additional difficulties effectively impeding consistent comparison and review over time. Through extensive consultations and discussions with national consultants and the NSO, it has been agreed that official statistical data from the NSO will be used for MDG progress evaluation. Since some sectoral ministries remain reluctant to accept official statistics, specific actions are necessary to eliminate existing gaps in information and data.

The National Statistical Office has utilized globally recommended 48 MDG indicators to assess implementation progress of Mongolia's MDGs, publishing the data in the 2006 Statistical Yearbook for public dissemination.

The Government of Mongolia with the support of UNDP has started the "Support to Poverty and MDG Monitoring and Assessment System (PMMS)" project and the establishment of the system will enhance stakeholders' capacity for conducting research to define needed MDGs indicators, collecting and processing data through upgrading of the DevInfo system into a web-based module, as well as improve the use of data in policy-making and budgeting processes.

Strengthening Capacity to Evaluate MDGs Implementation

Since official MDG statistics are inadequate to provide necessary information for evaluation of MDGs implementation, surveys and research data produced by relevant ministries, public and non-governmental organizations as well as international organizations had to be used. Thus, the Second National Report on implementation of MDGs in Mongolia is complemented by such additional information.

Although extensive research work is being done, policy-makers still lack the capacity to effectively use the data. More efforts are necessary to improve the delivery and presentation of research implications and recommendations to policy-makers as well as to enhance their analysis and decision-making skills.

For purposes of MDG implementation reporting, there is also a need for data analysis capacity building among monitoring and evaluation departments of relevant ministries.

The Second National Report on implementation of MDGs in Mongolia compares the status of approved indicators to the targets and, in order to compensate for potential inadequacies due to the limited number of indicators, their correlation with implemented policies and measures were included to better reflect the situation.

Challenges

Creation of a national system for monitoring and evaluation of MDG achievement is the most challenging priority issue. Inconsistency of information creates major barriers for an effective and accurate assessment and analysis of the MDG implementation progress. MDGs and their progress indicators need to be refined to ensure consistency between goals, targets and indicators. Efforts are needed to build capacity for research-based monitoring and evaluation of MDG implementation, as well as impact assessment for measures implemented.

Policy priorities

Short-term:

- Create, under the auspices of the Prime Minister, a national MDG monitoring and evaluation committee mandated to assess, monitor and evaluate policy planning, development and implementation, and coordinate and support ministries, agencies and organizations implementing Mongolia's MDGs;
- Organize joint researcher-data user groups for each subject area to discuss and develop solutions for elimination of data inconsistencies and streamlining of data collection and processing methodologies.

Mid-term:

- Improve the system of indicators for monitoring and assessment of Mongolia's MDGs, develop matrix of indicators, and eliminate data inconsistencies;
- The matrix of indicators should contain the following characteristics: baseline year, target year, frequency for data

collection, sources, future projections methodology, and guidelines. The classification should include:

1. Two-level MDG indicators:

- National
- Regional
 - Aimag
 - Ulaanbaatar city

2. Outcome and intermediate result indicators (IRI)

- Enhance capacity of central administrative bodies for policy development, monitoring and evaluation.



Part 5

MILLENNIUM DEVELOPMENT GOALS FINANCING

Part 5 MDGs Financing

MDG Needs Assessment/costing

While most world countries have defined their MDGs for 2015 and are working towards their attainment, there are only a few countries which have experience in conducting needs assessment based on specific interventions and linking them with main macroeconomic parameters and financing strategies to achieve MDGs.

The Government of Mongolia with the support from UN agencies conducted the “Millennium Development Goals Needs Assessment” in 2006, defining development policy interventions, required resources and financing options for attaining Mongolia-specific MDGs approved by the Parliament. For this purpose, by the Decree of the Prime Minister #28 (2006) a total of twelve MDG-target consistent Thematic Task Forces (TTFs) were formed. Target areas included macro-economic issues, poverty, nutrition, food security, education, gender, health, air pollution, water supply, housing, human rights and democracy. These TTFs, which had wide representation from different stakeholder groups, together with the Ministry of Finance, sector ministries and the UNDP consultant team have carried out the Needs Assessment for implementation of Mongolia’s MDGs, using the Integrated Approach recommended by the UN Millennium Project and guidelines utilized in Tajikistan.

The process of MDG Needs Assessment consisted of the following stages:

1. Evaluate current status of MDG implementation and future trends through application of approved indicators;
2. Determine short and mid-term policy interventions;
3. Link MDG and target progress with overall socio-economic development process and review policy priorities;
4. Establish appropriate targets for each intervention;
5. Determine MDG-consistent priority interventions;
6. Determine outputs to be attained;
7. Estimate required resources on annual basis and by capital and recurrent expenditures;
8. Develop MDG-consistent long-term macro-economic projections, determine options for their financing.

The MDG Needs Assessment and Costing exercise consolidated report indicates that Mongolia’s resource needs for 2007-2015 amount to MNT 16,752.8 billion or USD 14.0 billion. 28 percent of the total financing will be expended for infrastructure, 27 percent for education, and 19 percent for health sector targets. Current expenditures will take up over 51 percent with remaining 49 percent directed towards capital investments. Analysis of investment needs indicates that the highest level of funding will be required in 2010, which is directly related to major infrastructure projects planned for that year. Financing needs for other goals and targets will require generally stable growing flows of funds year by year.

If the MDGs implementation process is effectively linked and coordinated with economic growth and market expansion, and it is supported by optimal financial mechanisms, then it can fully support future sustainable economic growth without negatively impacting the overall economy.

Financing Strategy

In determining sources of funding to cover the above-mentioned expenditures, an analysis of macro level indicators and domestic and foreign source factors was carried out to define the most appropriate financing options. “Generalized Macroeconomic Framework-GMF” was used to analyze the evolution

of economic parameters through historic trend analysis of economic growth, linkages between economic sectors, impact of business cycles on economic development and future trends in MDG financing. The “Core-MDG” projection calculated using this model forecasts a resource need of USD 500 million per annum from international sources to ensure MDGs attainment. The balance could be covered by domestic public and private sector financial resources.

Combined results of three different estimations of MDG resource requirements carried out using the “Generalized Macroeconomic Framework-GMF” indicate that Mongolia does have sufficient foreign and domestic resources to finance the implementation of its MDGs. The assessment shows that it is possible to avoid steep increases in expenditures in the near-term and to tie the financing to economic expansion without extreme adverse impact on the economy enabling attainment of MDGs and reduction of poverty levels to 17 percent.

Moreover, the assessment acknowledges that some MDGs, specifically, gender equality, global partnerships for development, human rights and democratic governance, concern issues that remain unresolved both in Mongolia and globally. It recommends that in order to create an environment conducive for achieving its MDGs, Mongolia should develop and implement a “special financial strategy”.

Aligning and linking of this strategy to mid-term investment plans by the government will allow incorporation of required funding into the annual consolidated budget and development of a long-term projection of its financial needs to be covered from foreign sources, international financial institutions and donor countries.

Lessons Learned

The assessment, in general, attempted to carry out projections and identify most appropriate policy options for attaining MDGs without burdening the country’s economic growth and development resources. With this purpose, the UNDP proposed to use GMF to develop a well-founded financing strategy option, which incorporated economic growth resources and opportunities.

The Needs Assessment and Costing exercise encountered numerous issues and problems requiring attention and improvement, such as strategic planning capacity of Government organizations, working styles of officials, need for better initiative and motivation, coordination between ministries and sectors, and accuracy and completeness of data and information.

Differences in approaches, structures and methodologies, particularly in the case of templates for estimates and classification of items, created challenges for the assessment process. Numerous meetings had to be organized to train working group members in assessment methodology, coordinate planned activities and eliminate overlaps. For example, while energy and road type infrastructure, regional and SME development do not fall under any of the MDGs, they are linked to the relevant targets. Therefore, discussions were held among working groups to incorporate as many cross cutting issues as possible without creating redundancies.

In addition, due to numerous unresolved issues at policy level, coordination and selection of practical solutions that satisfied everybody was one of the more challenging issues. Use of inconsistent data for population projections by TTFs led to differing estimations, making it difficult to do the assessment and to define the scope of target coverage. Frequent change in the membership of TTFs, involving new and untrained members impacted negatively on the quality and duration of the assessment process.

Nevertheless, within the framework of the MDG Needs Assessment and Costing exercise, under active technical guidance from UN consultants optimal development policies and corresponding financing options were developed and general macroeconomic modeling methods were introduced and adopted for policy outcome analysis. The exercise contributed to the improvement of strategic planning capacity and expansion of information database.

Policy priorities

- Refine social and economic priority targets and outcomes identified by the MDG Needs Assessment, allocate necessary resources, coordinate financing, incorporate for implementation into the

Medium-term Budget Framework and Socio-economic Development Guidelines, state consolidated budget, and sector development programmes;

- Utilizing the results of MDG Needs Assessment, develop a financing strategy tightly coordinated with the country's Public Investment Programme;
- Incorporate the results of development and financial policy analysis, selection of appropriate options and their evaluation based on Generalized Macroeconomic Framework in policy making decisions for each MDG relevant sector;
- Carry out updates of MDG needs assessment at each stage of development

taking into account changes in external and internal factors;

- Adapt and continue the national-level MDG Needs Assessment at aimag level and mainstream into regional development policies;
- Develop public-private sector and NGO partnerships and motivate their participation in the implementation and financing of development programmes and policy priorities indicated in the MDG Needs Assessment;
- Report MDG Needs Assessment results to and seek support from donors, international financial institutions and development organizations, as well as foreign and domestic investors.



Part 6

EVALUATION OF MDG IMPLEMENTATION, PRIORITIES FOR NEAR FUTURE

Part 6 Evaluation of MDG Implementation and Priorities for Near Future

General Conclusion

The National Report is a document that consolidates and reviews the current status of the MDG implementation process in Mongolia. Progress of implementation is slow with weak coordination of relevant policies and measures. There is limited awareness and knowledge of MDGs, their targets and implementation progress at the local level. Moreover, there are serious disparities among aimags' performance levels. Lack of a monitoring and evaluation system, absence of a single unit or organization tasked to coordinate sector targets, incomplete database of indicators and insufficient human resource capacities are leading to inadequate monitoring of the MDG implementation process. Although the MDG Needs Assessment has been conducted, the outcomes are under-utilized in the policy-making process due to lack of concerted coordination efforts to reflect them in the budget. Furthermore, more work is needed to direct the attention and collaborative efforts of international partners and financial institutions towards the implementation of MDGs.

The consolidated review of MDG implementation in 2005-2006 was based on the following two evaluations:

1. Trend analysis comparing targets with the status of achievement for approved MDG target indicators (Annex 2);
2. MDG implementation policy and action matrix evaluation (Annex 3).

Results of Trend Analysis and Evaluation

Internationally accepted methodology was applied in the trend analysis and evaluation of the MDG implementation in Mongolia, which compared 2006 indicator attainment status with its 2000 baseline to identify the trend for 2015.

The Parliament through its Resolution #25 approved 9 MDGs, 22 targets and 24 indicators.

Only 10 targets have measurable indicators, thus, only these indicators were used in the evaluation and analysis. Out of 24 approved indicators 4 (16.7 percent) were evaluated as "early achieved", 10 (41.6 percent) as "likely to achieve", implementation of 3 indicators (12.5 percent) "slow", and 7 (29.2 percent) "regressing" from previous levels.

MDGs target indicators achieved early:

- ♦ Female/male ratio in secondary education;
- ♦ Percentage of children covered by measles immunization;
- ♦ Infant mortality rate;
- ♦ Under-five mortality rate.

The ratio of girls to boys in secondary schools in 2006 already reached the target indicator levels set for attainment in 2015.

Relatively wide coverage by immunization against measles and other diseases is having a direct impact on lowering infant and under-five mortality rates. While the target indicators for 2015 infant and under-five mortality rates have already been attained, there is a need to lock-in and improve these achievements.

MDGs target indicators in "likely to achieve" category:

- ♦ Prevalence of underweight children;
- ♦ Female/male ratio in primary education;
- ♦ Percentage of women candidates in parliamentary election;
- ♦ Maternal mortality rate;
- ♦ Percentage of birth deliveries attended by skilled health care personnel;
- ♦ Death rates associated with TB;

- ◆ Percentage of TB cases diagnosed and treated under DOTS;
- ◆ Carbon Dioxide emission (ton/person);
- ◆ Percentage of protected land area;
- ◆ Percentage of population with access to safe drinking water.

The change in the statistics on underweight children shows that it is possible to attain target indicators before 2015.

While the number of women running for seats in the national parliament has been growing since 1990, legally mandating the 30 percent female candidate quota before the 2008 elections further ensures better opportunities for women.

In order to achieve target indicators for maternal mortality rate per 100,000 live births and percentage of birth deliveries attended by skilled health care personnel, it is important to retain the momentum in the implementation of current measures, improve their quality and accessibility.

The target for TB-associated deaths per 100,000 people for 2015 is set at 0, and in 2006 the rate stood at 2.9 dropping from its 1990 and 2000 levels. Improvements in diagnostics and treatment have led to better cure and recovery rates.

Using average per capita carbon dioxide emissions (ton/person) does not reflect differing levels of air pollution in urban and rural areas, showing a need for differentiation. In that case, it would be possible to rate this indicator in rural areas as "likely to achieve", while in urban areas the indicator would fall under the "slow" category. Researchers and experts are warning that air pollution in Ulaanbaatar city has reached a disaster level.

Expanding protected land areas that are under local government authority and improving management practices will make it possible to increase the proportion of specially protected land area to 30 percent.

The proportion of population with access to safe drinking water is steadily increasing, so the target is evaluated as "likely to achieve".

MDGs target indicators in "slow" category:

- Poverty level;
- Female/male ratio in tertiary education;
- Proportion of population living in adequate sanitation conditions.

These indicators are in the "slow" category and there may be difficulties in attaining the targets by 2015. Activities implemented towards poverty alleviation by the Government of Mongolia have been somewhat effective in reducing the incidence and depth of poverty. However, at the current rate of poverty reduction, it will take 30 years to achieve the 18 percent poverty rate target set for 2015.

While the ratio of female to male students in tertiary education dropped in 2000-2003, it stayed at the same level with little change since 2003. If this trend persists, then it may be difficult to achieve the target by 2015.

MDGs target indicators in "regressing" category:

- Net enrolment in primary education;
- Proportion of pupils starting grade 1 who reach grade 5;
- Literacy rate among 15-24 age group;
- Proportion of women in the population engaged in wage employment in non-agriculture sectors;
- Percentage of women elected to national parliament;
- Incidence of TB;
- Percentage of land area covered by forest;

Since the status of the above seven indicators has regressed from their 2000 levels, there may be little opportunity to attain the targets.

The level of education in Mongolia compared to other developing countries is relatively high. However, there has been a regress from previous

achievements for all targets causing international agencies to categorize them as “regressing”. In the education sector, specific policies and targeted projects are being implemented, but results indicate a downward trend compared to their 2000 status.

There are more women than men in paid jobs in non-agricultural sectors, a fact that alerts to potential imbalances putting men at disadvantage.

Women have more education, employment opportunities and work skills, but there is limited opportunity for them to gain positions at the decision-making level. The status of this target indicator is an evidence that more policies and measures to increase women’s participation in decision-making are necessary. Since the current solution of legally mandating an increase in the number of female parliament candidates does not seem to produce expected results, the situation calls for measures aimed at opening up opportunities for capable women with leadership skills to enter political and decision-making ranks.

Prevalence of TB in 2005-2006 has increased from its 2000 level. Therefore, special efforts are necessary in order to consistently reduce the spread of TB to attain the 2015 target.

As the percentage of land area covered by forest has shrunk from 8.5 percent in 2000 to 7.7 percent in 2006, it does not seem possible to reach the 9.0 percent target set for 2015. Moreover, there is also a need to disaggregate the target by regions and other spatial distribution.

Results of Matrix Evaluation

Implementation of MDGs depends on optimal and coordinated policies and actions. In order to evaluate MDG implementation efforts by the Government of Mongolia, a matrix evaluation (Annex 3) was carried out. The policy section of the matrix was reviewed based on: (1) existence of required legal framework; (2) accession to relevant international treaties and conventions; and (3) existence of relevant provisions in sector master plans and strategy documents. The measures section was organized into groups of activities evaluated by (4) existence of a national programme aimed at implementation of a

target; and (5) existence of projects and activities implemented by the government and other organizations.

Policies and measures were marked plus (+) or minus (-) depending on the existence of legal framework, accession to relevant international treaty or convention, as well as inclusion of targets in the national programmes and master plans. A positive mark indicated the existence of policy and actions conducive to attainment of targets, and a negative mark reflected absence of such or lack of relevance to the MDG target.

Evaluation results reveal that out of 22 targets, 6 (27.4 percent) need definition of policy framework; 8 (36.4) require implementation measures; and 8 (36.4 percent) targets lack both policy framework and action measures. Furthermore, the analysis identified 9 targets with both policy and action measures, 3 of which, however, have either regressed or has shown poor performance evidencing the need for revision.

- ♦ Targets which need to be supported by policy: include MDG targets 1, 3, 4, 17, 18 and 21.
- ♦ Targets in need of actions or intensified implementation: include MDG targets 11, 12, 13, 14, 15, 16, 20 and 22.
- ♦ Targets which need improved or changed policy or its coordination: include MDG targets 5, 6 and 10.
- ♦ Targets which have well performing policy and actions: include MDG targets 2, 7, 8, 9, and 19.

Monitoring and Evaluation

Since there is no organization or unit responsible for coordination of sector MDGs policies, financing, reporting, monitoring and evaluation of MDG implementation are left to drift at line ministry level. It was observed that sector ministry officials do not view MDGs as key development goals but rather as more work added to existing sector policies. Ministries often delay reporting on targets under their mandate, and reports submitted for inclusion in the National Report did not meet quality standards containing such errors and omissions as incomplete information, inconsistent data, absence of implications and

recommendations for future policies and actions, and lack of coordination with sector or national policies and measures.

For future monitoring and evaluation of the implementation process it is important to create coherent, comparable statistical data and indicators for all targets.

Challenges

The most challenging issue for the implementation of MDGs is the absence of an institution or organizational unit responsible for organizing and coordinating the country's MDG implementation. Inadequately determined target indicators create difficulties in monitoring and evaluation of the implementation process. Establishment of a special unit will enable detailed monitoring and analysis of issues and challenges by each target, allowing implementation to be systemically addressed on a timely basis. Accordingly, the indicators approved by Resolution #25 of the Parliament need to be revised and improved.

Policy priorities

Each MDG goal section of the National Report contains policy priorities to be addressed in the future. The following are priorities for improvement of the overall MDG implementation process:

1. Revise and expand the indicator system approved by the Parliament Resolution #25;
2. Create a unit/institution responsible for coordination among sector MDG policies, mainstreaming cross cutting issues, their financing, linkage to the budget process, implementation, monitoring and evaluation of MDG related interventions;
3. Create mechanisms to measure and disaggregate final outcomes and intermediate results by aimags and regions and to report to domestic and international stakeholders;
4. Reduce implementation disparities and intensify overall MDG implementation efforts in "slow" performing aimags through policies and actions addressing their specificity and needs;
5. Continue to conduct the MDGs Needs Assessment and Costing exercise, develop a MDG-consistent macroeconomic framework and a financing strategy option;
6. Intensify implementation through coordination of policies and measures and concentration of financing and resources on targets which lack policy framework or action measures or target activities which do not produce results.



ANNEXES

Annex

1

Key macroeconomic indicators of Mongolia, 2000, 2004-2006

	2000	2004	2005	2006
Settled population, end of year, thousand persons	2 407.5	2 533.1	2 562.4	2 594.8
Economically active population, thousand persons	847.6	986.1	1 001.2	1 042.8
Of which: Employed	809.0	950.5	968.3	1 009.9
Registered unemployed, thousand persons	38.6	35.6	32.9	32.9
GDP, current year value, billion MNT	1 172.8	2 152.1	2 775.6	3 715.0
GDP, 2000 compared value, billion MNT	2 038.0	2 593.8	2 779.6	3 017.3
GDP, per capita, current year value, MNT	426.2	854.5	1091.0	1440.7
GDP, per capita, current year value, USD	-	720.9	905.2	1221.4
Investment, current year value, billion MNT	284.7	639.2	797.1	858.2
Foreign trade, million USD				
Export	535.8	869.7	1 064.9	1 542.8
Import	614.5	1 021.1	1 184.3	1 485.6
Foreign trade balance, million USD	-78.7	-151.4	-119.4	57.2
Consolidated national budget, year value, billion MNT				
Revenue	351.1	713.1	837.9	1 360.4
Expenditure	429.7	752.5	764.6	1 237.0
Budget balance, billion MNT	-78.6	-39.4	73.3	123.4
Percentage of revenue to GDP	29.9	33.1	30.1	36.6
Percentage of budget expenditure to GDP	36.6	35.0	27.5	33.3
Percentage of budget balance to GDP	-6.7	-2.0	2.6	3.3
Annual fluctuation of consumer price index, percent	8.1	11.0	9.5	6.0
Average exchange rate, 1USD=MNT	1 097.0	1 158.2	1 205.3	1 179.6

Source: NSO, Mongol Bank, Ministry of Finance, 2006

Annex 2 Evaluation and Trend Analysis in Implementation of MDGs

GOALS/TARGETS/INDICATORS		Baseline		Observed		Target	Gap in years ¹	Performance ²
		1990		2000	2005	2006	2015	
GOAL 1. REDUCE POVERTY AND HUNGER								
TARGET 1	Poverty Headcounts	36.30 ⁽⁹⁵⁾	35.60 ⁽⁹⁸⁾	36.10 ⁽⁹²⁾	32.20	...	18.00	30 Slow
TARGET 2	Prevalence of Underweight children	12.00 ⁽⁹²⁾	12.70	6.30	...	...	0	8 Likely to achieve
TARGET 3	Develop and implement strategies aimed at creating favorable and productive workplace for youth. Create jobs through increased opportunity to utilize land, simplified rules for small and medium businesses, greater access to credit for unemployed citizens	...	...	...	...	...	...	...
TARGET 4	Reduce negative impact of migration and urbanization, protect rights of migrants, create legal protections, develop systems for provision of jobs, housing, health, education, culture and other social services	...	...	...	...	...	...	...
GOAL 2. ACHIEVE UNIVERSAL PRIMARY EDUCATION								
TARGET 5	Provide primary education to all girls and boys by 2015	95.90 ⁽⁹⁷⁾	95.00	93.30	91.40	100.00	100.00	17 Regressed
	Net enrolment ratio in primary education	91.00	83.60	101.20	86.80	100.00	100.00	18 Regressed
	Proportion of pupils starting grade 1 who reach grade 5	99.00	97.70	...	...	100.00	100.00	...
	Literacy rate among 15-24 age group	...	...	...	...	...	...	...
GOAL 3. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN								
TARGET 6	Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015	1.03 ⁽⁹⁵⁾	1.01	0.98	0.98	1.00	1.00	12 Likely to achieve
	Ratio of girls to boys in primary education	1.33 ⁽⁹⁷⁾	1.20	1.11	1.03	1.00	1.00	...
	Ratio of girls to boys in secondary education	...	1.72	1.53	1.53	1.00	1.00	20 Slow
	Ratio of female to male students in higher education institutions	51.10	50.40	53.10	53.90	50.00	50.00	22 Regressed
	Proportion of women in the population engaged in wage employment in non-agriculture sectors	24.90	11.80	6.6 ⁽⁹⁴⁾	...	30.00	30.00	95 Regressed
	Percentage of women elected to national parliament	7.70 ⁽⁹²⁾	10.90	13.7 ⁽⁹⁴⁾	...	35.00 ⁽¹²⁾	30	30 Likely to achieve
	Percentage of women candidates in parliamentary election	...	...	...	...	...	...	...
GOAL 4. REDUCE CHILD MORTALITY								
TARGET 7	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	88.80	44.50	26.00	23.20	29.20	...	...
	Under-five mortality rate (per 1000 live births)	64.40	32.80	20.70	19.10	22.00	...	...
	Infant mortality rate (per 1000 live births)	82.30 ⁽⁹¹⁾	92.40	97.50	98.90	96.00	...	...
	Percentage of children covered by immunization against measles	...	...	...	...	...	...	...
GOAL 5. IMPROVE MATERNAL HEALTH								
TARGET 8	Provide access to all individuals of appropriate age to required reproductive health service and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	121.6	166.30	92.70	67.20	50.00	1	1 Likely to achieve
	Maternal mortality rate (per 100,000 thousand live births)	...	...	...	...	...	...	...

GOALS/TARGETS/INDICATORS		Baseline		Observed			Target		Gap in years ¹	Performance ²
		1990	2000	2005	2006	2015				
Percentage of birth deliveries attended by skilled health care personnel		100.0	99.60	99.60	99.70	99.80	1	Likely to achieve		
GOAL 6. COMBAT STIS/HIV/AIDS AND TB										
TARGET 9	Have halted by 2015 and begun to reverse the spread of Human Immunodeficiency Virus (HIV) and Acquired Immune Deficiency Syndrome (AIDS)	...	...	...	...	...	...	...	...	...
TARGET 10	Reverse the spread of TB by 2015									
	Incidence of TB (per 100,000 population)	79.00	124.80	177.40	185.30	100.00	21	Regressed		
	Death rates associated with tuberculosis (per 100,000 population)	4.80	3.20	3.40	2.90	0	24	Likely to achieve		
	Percentage of TB cases diagnosed and treated with international standard diagnostic and treatment methods	31.40 ⁽⁹⁴⁾	80.90	79.00	82.10	100.00	18	Likely to achieve		
TARGET 11	Implement special program to combat dental diseases	...	...	...	...	...	...	...	...	...
GOAL 7. ENSURE ENVIRONMENTAL SUSTAINABILITY										
TARGET 12	Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar									
	Percentage of land area covered by forest	7.80	8.50	7.80	7.70	9.00	24	Regressed		
	Percentage of protected land area	3.60	13.10	13.30	...	15/30.00	...	Likely to achieve		
	Carbon Dioxide emission (ton/person)	11.52	6.57	5.75 ⁽⁹²⁾	...	4.00	...	Likely to achieve		
TARGET 13	Reduce drop in water levels through protection of sources of rivers and streams	...	...	...	...	...	...	...	...	...
TARGET 14	Halve, by 2015, the proportion of people without sustainable access to safe drinking water	55.00	66.20	...	...	70.00	...	Likely to achieve		
	Proportion of population with access to safe drinking water									
TARGET 15	By 2015, have achieved significant improvements in the lives of slum dwellers									
	Proportion of population living in conditions compliant with health safety standards	22.60	23.00	...	...	50.00	...	Slow		
GOAL 8. DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT										
TARGET 16	Create conducive environment for achieving the MDGs through development of improved trading and financial system	...	...	...	...	...	...	...	...	...
TARGET 17	Address special needs of Mongolia as a landlocked country through negotiation for favorable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries, and increase transit transportation through the territory of Mongolia	...	...	...	...	...	...	...	...	...
TARGET 18	Develop a debt strategy to ensure sustainability of foreign and domestic long-term debt, study methods and instruments of debt management applied nationally and internationally, manage the debt without adverse impacts on the budget and economy of Mongolia	...	...	...	...	...	...	...	...	...
TARGET 19	Introduce new information and communication technologies, build an "informed society"	...	...	...	...	...	...	...	...	...
GOAL 9. GUARANTEE HUMAN RIGHTS AND DEVELOP DEMOCRATIC GOVERNANCE										
TARGET 20	Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of press and public access to information	...	...	...	...	...	...	...	...	...
TARGET 21	Foster and put into practice basic principles and practices of democracy	...	...	...	...	...	...	...	...	...
TARGET 22	Create and put into practice zero tolerance to corruption in all spheres of social life	...	...	...	...	...	...	...	...	...

¹ In evaluating indicators trends used the same methods employed in the ECIS Regional MDG Report⁸⁹. Years to Target shows years needed to attain target by 2015 moving at 2000, 2006 attainment rate.

² By subtracting "Years to Target" from remaining 9 years to 2015 assigned categories 0= attained; 9< attainable; 9> slow and regressed for targets which regressed from 2006 baseline.

⁸⁹ UNDP Regional Bureau for Europe and the CIS (2006), Europe and the CIS Regional MDG Report, Bratislava, Slovakia

Annex 3 Evaluation of MDGs Policy and Activity Matrix, 2006

N	TARGET	Process						Policy				Measures	
		Achieved	Likely to achieve	Slow	Regressing	Unattainable	No Indicator	Law, Government policy document	Treaties and convention ratified	Sector Master Plan, Strategy	National programme	Project, Activity Implementation	Status
1	Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line		✓					-	-	+	+	+	+
2	Halve, between 1990 and 2015, the proportion of people who suffer from malnutrition	✓						+	+	+	+	+	+
3	Develop and implement strategies aimed at creating favorable and productive workplace for youth. Create jobs through increased opportunity to utilize land, simplified rules for small and medium businesses, greater access to credit for unemployed citizens						✓	-	+	-	+	+	+
4	Reduce negative impact of migration and urbanization, protect rights of migrants, create legal protections, develop systems for provision of jobs, housing, health, education, culture and other social services						✓	+	-	-	-	+	+
5	Provide primary education to all girls and boys by 2015				✓			+	+	+	+	+	+
6	Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015			✓				-	+	+	-	+	+
7	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	✓						+	+	+	+	+	+
8	Provide access to all individuals of appropriate age to required reproductive health service and reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio	✓						+	+	+	+	+	+
9	Have halted by 2015 and begun to reverse the spread of HIV/AIDS						✓	+	+	+	+	+	+
10	Reverse the spread of TB by 2015	✓						+	+	+	+	+	+
11	Implement special program to combat dental diseases						✓	+	+	+	+	-	-
12	Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar			✓				+	+	-	+	+	+
13	Reduce drop in water levels through protection of sources of rivers and streams						✓	+	-	-	+	+	+
14	Halve, by 2015, the proportion of people without sustainable access to safe drinking water	✓						+	+	-	+	+	+
15	By 2015, have achieved significant improvements in the lives of slum dwellers	✓						+	+	+	+	+	+

N	TARGET	Process						Policy				Measures	
		Achieved	Likely to achieve	Slow	Regressing	Unattainable	No Indicator	Law, Government	Treaties and convention ratified	Sector Master Plan, Strategy	National programme	Project, Activity	Status
16	Create conducive environment for achieving the MDGs through development of improved trading and financial system	✓						+	+	-	-	+	+
	Foreign trade							-	+	-	-	+	+
	Foreign investment							+	+	+	+	-	-
	Banking and financial system							+	+	-	-	+	+
17	Address special needs of Mongolia as a landlocked country through negotiation for favorable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries, and increase transit transportation through the territory of Mongolia	✓						-	+	-	-	+	+
18	Develop a debt strategy to ensure sustainability of foreign and domestic long-term debt, study methods and instruments of debt management applied nationally and internationally, manage the debt without adverse impacts on the budget and economy of Mongolia	✓						-	-	-	-	-	-
19	Introduce new information and communication technologies, build an "informed society"	✓						+	+	+	+	+	+
20	Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of press and public access to information	✓						+	+	-	-	+	+
21	Foster and put into practice basic principles and practices of democracy	✓						-	+	-	-	+	+
22	Create and put into practice zero tolerance to corruption in all spheres of social life	✓						+	+	-	-	+	+

Note:

- + documents relevant to target exist
- documents relevant to target do not exist
- ✓ Status of attainment of target

Annex 4 Selected key MDG indicator defined values, 2006 (ranking by aimag)

	GOAL 2		GOAL 3		GOAL 4		GOAL 5	GOAL 6		GOAL 7	Attainment by aimag (%)
	Net enrolment ratio in primary education	Proportion of pupils starting grade 1 who reach grade 5	Ratio of girls to boys in primary school	% of women in the population engaged in wage employment in non-agriculture sectors	Under-five mortality rate (per 1,000 live births)	Infant mortality rate (per 1,000 live births)	Maternal mortality ratio (per 100,000 live births)	Incidence of TB (per 100,000 population)	Death rates associated with TB (per 100,000 population)	% of land area covered by forest	
1 Arkhangai	10	18	12	17	7	6	1	10	1	18	65.0%
2 Bayan-Ulgii	21	19	1	6	15	9	19	6	14	11	55.0%
3 Bayanhongor	11	15	12	4	22	22	13	3	1	2	62.5%
4 Bulgan	20	7	12	20	2	3	1	11	17	17	50.0%
5 Gobi-Altai	12	10	4	12	13	12	20	1	1	1	72.5%
6 Dornogobi	5	2	22	3	18	19	17	13	8	4	65.0%
7 Dornod	7	12	10	16	19	16	21	21	20	9	42.5%
8 Dundgobi	19	4	8	22	3	4	1	4	10	5	62.5%
9 Zavkhan	14	9	21	19	11	13	11	2	1	14	60.0%
10 Uvurkhangai	6	6	8	14	17	18	1	9	7	16	62.5%
11 Umnugobi	9	1	16	2	20	21	1	7	11	15	62.5%
12 Sukhbaatar	3	8	19	21	8	10	18	14	8	5	57.5%
13 Selenge	4	22	4	1	4	2	10	22	11	20	62.5%
14 Tuv	22	21	20	5	1	1	1	12	19	22	52.5%

15	Uvs	7	20	1	7	16	14	8	8	1	13	72.5%
16	Hovd	15	13	1	10	9	8	9	5	18	12	62.5%
17	Huvsgul	17	11	10	15	21	20	1	15	13	9	42.5%
18	Hentii	16	14	12	10	6	7	14	17	22	19	47.5%
19	Darkhan-Uul	2	17	4	12	5	5	12	20	16	3	65.0%
20	Ulaanbaatar	13	3	4	18	13	15	16	18	15	21	57.5%
21	Orkhon	18	5	16	7	12	11	15	16	6	5	57.5%
22	Gobi-Sumber	1	16	16	9	10	17	22	19	21	5	52.5%
Attainment by target indicator (%)		52.0%	44.0%	50.0%	50.0%	94.0%	92.0%	75.0%	63.0%	60.0%	46.0%	60.6%

Note

1	Achieved	100.0>	100.0>	1.0=	50.0=	29.2<	22.0<	50.0<	100.0=<	0.0=	2.0<	99.0>
2	Likely to achieve	95.0-99.9	93.0-99.9	1.02<1<0.98	47.0>49.9; 50.1>52.0	29.2>33.0	22.1-26.0	50.1-68.0	100.1-142.0	0.1-1.9	0.1-1.9	75.0-98.0
3	Slow	91.4-94.9	86.8-92.9	1.04>1.02; 0.96>0.98	45>47; 52.1>54	33.1-38.1	26.1-32.7	68.1-67.1	142.1-185.2	2.0-2.9	0.0=	51.0-74.0
4	Regressing	91.4<	86.8<	1.04>; 0.96<	45<; 54.0>	38.2>	32.8>	67.2>	185.3>	3.0>	>0.0	50.0<

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