



KEY MESSAGES

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Mongolia is one of the first countries to adopt the Sustainable Development Goals. Six months following the adoption of the SDGs by the global community, the Parliament of Mongolia approved its long-term development strategy (Mongolia's Sustainable Development Vision 2030) reflecting sustainable development.

Despite the early adoption of the Agenda, challenges remain. Localizing the complex, interdependent, and comprehensive development goals to the national context, prioritizing and mainstreaming them, especially into medium- and short-term development policies and government budget framework, is work in progress.

Mongolia has a sound foundation for ensuring future sustainable development. Its past economic growth places it amongst the medium ranking countries while it has been ranked in the high human development category on the Human Development Index since 2015.

But Mongolia remains vulnerable to factors not entirely in its control, as well as factors amenable to policy. An agriculture-based, livestock-dominated economy, with a high-dependency on natural resources, Mongolia's primary, extractive-sector dominant economy is not resilient to external shocks from global commodity price fluctuations. Also, its agriculture is not resilient to natural disasters. These vulnerabilities have had social and environmental consequences, presenting challenges to sustainable development.

Growth needs to be more inclusive, broad-based, and cleaner. It has contributed to disparities in various forms such as gaps in social services across regions, limited employment opportunities, inequalities resulting in poor quality of life for some groups. Air-pollution has become a much-discussed challenge. In addition, Mongolia is significantly impacted by climate change. The frequency of natural disasters is not only directly affecting livelihoods, but also exacerbating environmental degradation, eventually also impacting the economy.

In addressing these development challenges, sound development policy planning that incorporates sustainability will be critical. In light of this, Mongolia is using the Sustainable Development Goals as a compass to strengthen consensus around coherent, coordinated actions within Government and across different stakeholders.

Because of the comprehensiveness and interconnectedness of sustainable development objectives, Mongolia acknowledges the criticality of a "whole of government" plus a "whole of society" approach. In support of this a nationwide effort is underway to initiate the review of existing policy documents for their alignment with the country's sustainable development agenda as well as the coherence between each other. Concrete tools have been developed which are being institutionalized by the Government for assessing policies and enabling alignment of future actions with the Sustainable Development Goals and the Mongolia Sustainable Development Vision-2030. Mongolian government has also initiated

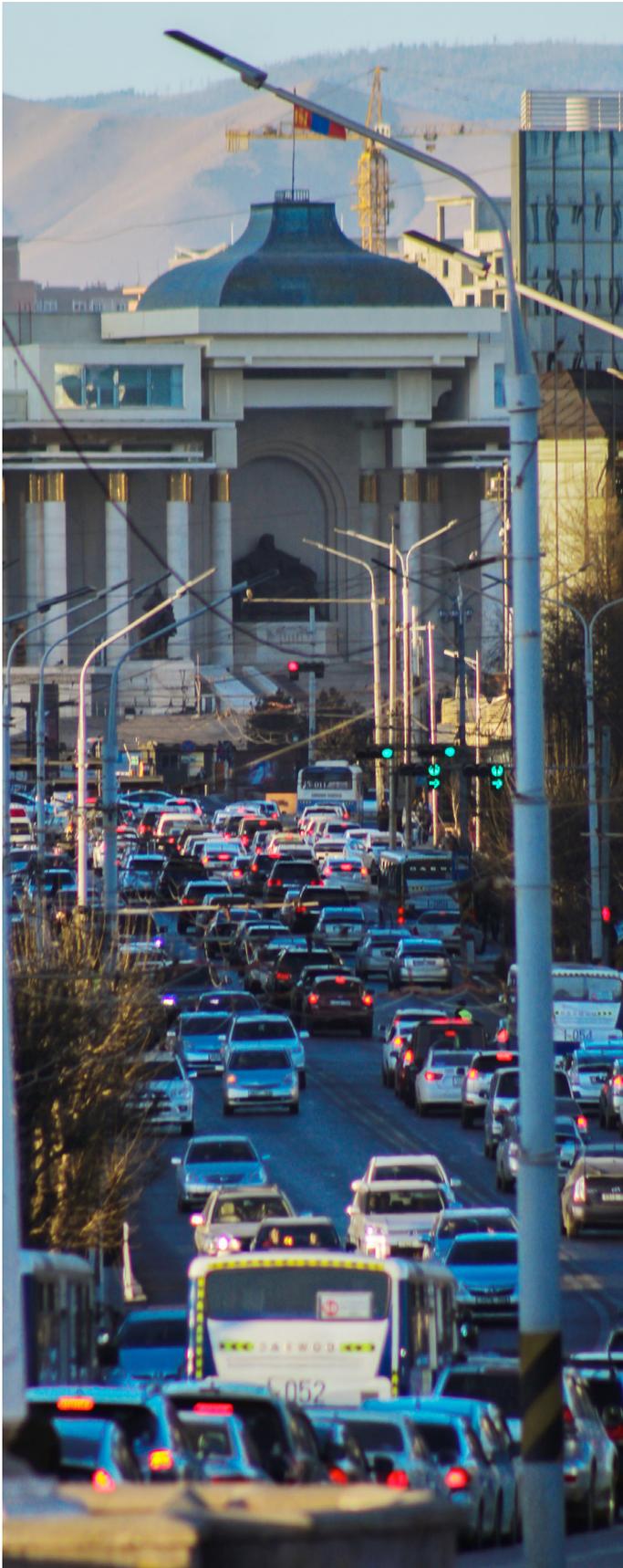


Photo credit: Naranbayar Sukhbaatar

multi-stakeholder working groups to identify national Sustainable Development Goal targets and indicators. These initiatives have been instrumental in establishing a foundation for effective implementation of the Agenda 2030.

While apex level national structures are in place, future directions need to include stakeholders at multiple levels. A National Council for Sustainable Development led by the Prime Minister, and a Parliamentary Sub-Committee on Sustainable Development Goals are in place. The National Development Agency provides technical support on localizing the sustainable development agenda and ensuring policy integration and the National Statistical Office strengthens the evidence base. Next steps will focus on strengthening capacity and coordination across and between different levels of government, private sector, think tanks, civil society and people.

Mongolia's first Voluntary National Review presents a snapshot of its status on Sustainable Development Goals. It highlights the risks of disparities preventing, or even reversing development gains. The Report applies the lens of "leaving no one behind" identifying vulnerable groups who are at-risk of being left behind. Most importantly, the Report highlights the criticality of improving Mongolia's development policy and planning, ensuring policy integration, coherence, prioritization, linkages with financing, effective monitoring and reporting, for successful implementation of sustainable development.

The Report features the issue of "Air pollution" as an example of a complex, multifaceted development challenge that would benefit from a comprehensive analysis through a sustainable development lens to develop effective solutions. Air pollution is an increasingly pressing development challenge in Mongolia affecting public health and productivity while creating considerable costs to the economy. Key bottlenecks are identified to inform more integrated and coordinated policy interventions to address it. The aim of the report is to apply this model to overcome other development challenges in the country.

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MONGOLIA'S SUSTAINABLE DEVELOPMENT ENABLING POLICY ENVIRONMENT

Work on localizing the sustainable development goals is underway. The State Great Khural (Parliament) adopted the Law on Development Policy and Planning on 26 November of 2015. This law is the legal basis for establishing an integrated system of development policy and planning. The adoption of this law enabled policy-makers to re-assess and systemize the process of policy planning for the first time since the 1990s. Following this, the adoption of the Mongolia's Sustainable Development Vision-2030 (MSDV-2030) in 2016 was an important step towards ensuring SDG localization and alignment of national policies with SDGs. The MSDV-2030 was developed considering the interdependent and comprehensive nature of economic, social and environmental pillars of sustainable development.

Creating Institutional Structures for Sustainable Development

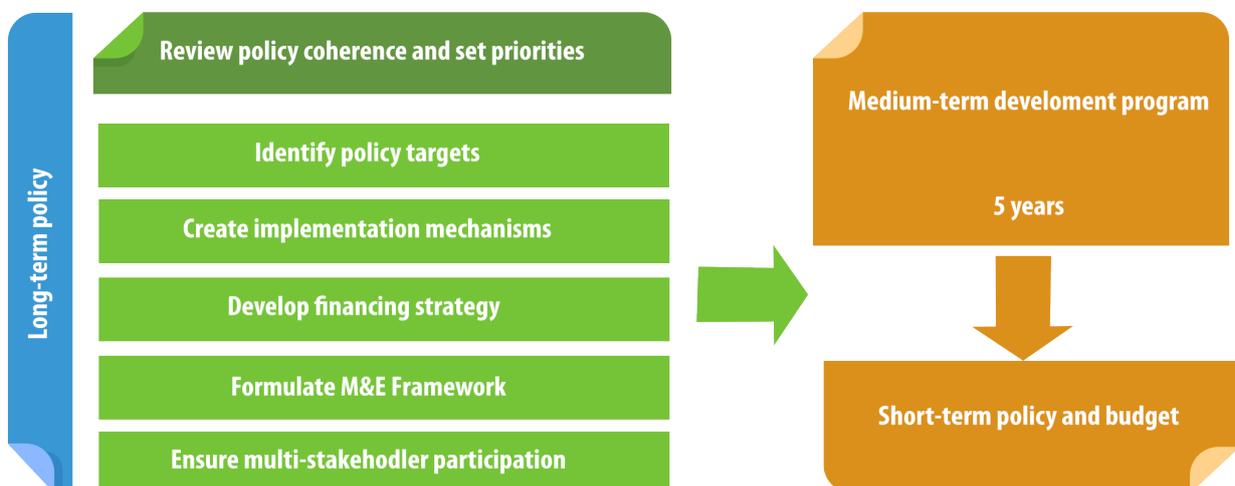
Mongolia is working towards establishing the institutional framework for ensuring policy planning and regulatory mechanisms. Apex level institutional mechanisms have been established:

- Sub-Committee on SDGs under the Standing Committee on Social Policy, Education, Culture and Science of the Parliament
- National Council for Sustainable Development headed by the Prime Minister
- National Development Agency mandated to provide technical policy support and ensure mainstreaming of the SDGs
- National Statistical Office to strengthen SDG indicators and data collection

The Government of Mongolia recognizes the importance of "whole of government" and "whole of society" approaches

The SDGs require development policies to be holistic, scientifically sound, integrated, and incorporate multi-stakeholder participation.

Figure. Roadmap for Aligning Mongolia's Long Development Policy with the SDGs





Currently, there are over 200 effective policy documents, and a majority of them are not compliant with the Law on Development Policy and Planning. Consequently, these documents have tended to be marked by duplication, contradictions, and gaps.

Tools on assessing policy coherence have been developed and adopted by Government Resolution No. 294. A Working Group including all state organizations with a mandate to formulate policies was established by the Prime Minister's Order No. 2 of 2019 and using this tool, a systematic review was undertaken to assess the alignment of existing policies with the SDGs, and country's long and medium-term development policies. Based on results of the review, necessary adjustments will be made to align policies with the SDGs.

Directing Development Financing Towards Sustainable Development

Mongolia initiated the process of Development Finance Assessment in 2018. In the future, Mongolia needs to develop an Integrated National Financing Framework (INFF) for setting up a broadbased integrated management system that ensures consistency between planning and budgeting processes to support the achievement of future long-term development. The example of the health sector provides forward-looking directions for strengthening the alignment between policies, program classification and budgets with the SDGs.

SDG progress monitoring, evaluation and reporting system is established. The review of MSDV-2030 on a two-yearly basis is the foundation for the monitoring and evaluation of SDG implementation. However, it is impossible to assess SDG progress without approved national level SDG targets and indicators.

To address these challenges, eight Sub-Working Groups were established to identify national SDG indicators and targets by the Chief of the Cabinet Secretariat's Decree No. 29 of 2019. This process sets the foundation for results-based monitoring of SDG targets and indicators. In addition, the

INDICATORS	Review date (year, month)			
	NOV.2015	MAR 2016	OCT 2017	DEC 2018
Not Applicable to Mongolia	13	13	11	11
Readily available	45	60	113	118
Available after additional estimation	92	11	0	0
Not available	43	157	120	115
Total number of global SDG indicators reviewed	224	241	244	244

Source: NSO, 2019, www.sdg.gov.mn

National Statistical Office has conducted four readiness assessments on against the global SDG indicators.

At the present, the two main data sources are official statistics by the NSO and administrative records from ministries. It is necessary to broaden the data sources by including new information sources such as information from academia, research institutes, NGOs and geo-spatial data for tracking SDG progress.

Building Multi-stakeholder Participation and Partnership, while "leaving no one behind". Participation is required at all levels of government. Reaching a common understanding on the broader scope of the SDGs and recognize that the SDGs are not just national-level responsibilities. Local participation is key, as SDG implementation will largely depend on activities to be carried out locally. Taking this into consideration, it is important to establish a permanent mechanism to ensure participation in the development process.

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DEVELOPMENT CHALLENGE IN FOCUS: AIR POLLUTION

The Report features the issue of “Air pollution” as an example of a complex, multifaceted development challenge that would benefit from a comprehensive analysis through a sustainable development lens to develop effective solutions. There is growing consensus that air pollution is a visible development challenge. In terms of outdoor pollution levels, Mongolia is ranked 6th out of 73 highly polluted countries and Ulaanbaatar was ranked 5 out of 62 capital cities assessed on ambient air quality (PM_{2.5} concentration – 58.3µg/ m³), in 2018. During the long winter periods, on some days, temperatures drop as low as -40° Celsius, necessitating indoor heating of homes and other buildings for almost eight months a year, resulting in an increased demand for energy.

National Efforts Undertaken to Reduce Air Pollution.

Mongolia has taken several steps to counter air pollution through policy and regulations. For instance, since the 2010, the government has implemented many policies, programs and projects like supplying residents with improved stoves and fuel, discounted electricity and heating. The government has also undertaken measures to strengthen construction standards, introduce clean technologies, and redevelop ger areas. During 2008-2016, Mongolia spent ₮ 260 billion (equivalent to \$ 160 million) on air pollution reduction from external loans, \$ 50 million from grants, and an additional ₮ 156 billion allocated from the state budget as current and investment expenditures. In total, 550 billion was spent on air pollution reducing efforts.

However, issues related to air pollution needs to be inves-

tigated within the economic, social and environmental dimensions of sustainable development. So far, linkages of actions covering policies and targets for air pollution reduction have been narrowly considered. They have not been assessed in combination poverty, inequality, incomes, jobs, serious concerns for human health, energy, infrastructure, urban development, responsible production and consumption, climate change, water, land and governance.

This chapter proposes a systemic approach that can:

- (i) present the underlying contributors – drivers and causes;
- (ii) pull together the adverse human impacts that could motivate change and remain on course for the medium to long run;
- (iii) examine the major steps taken so far; and (iv) identify specific bottlenecks.

Direct drivers of air pollution includes coal burning by ger areas, vehicular emissions. All of these direct drivers are triggered indirectly by economic, environmental and social factors. Similar to this, direct consequences of air pollution are felt on people’s health and education. Adverse impacts are also observed on state revenues, expenditures, consumption behavior and the environment. Identifying the range of adverse consequences helps to build consensus among the stakeholders on the possible solutions and further actions.

The systems approach developed in the process of the VNR report preparation has identified the following four categories of bottlenecks in tackling air-pollution:

- i. Weak policy coherence and coordination;
- ii. Poor policy implementation;
- iii. Insufficient capacities; and
- iv. Lack of effective participation and knowledge among stakeholders.



AIR POLLUTION & SOLUTION

25 times higher than a recommended standard of the WHO
12 times higher than national standard

Total territory's
99.7%
LOCAL AREA

54%
Total population's
MIGRATION

GER DISTRICT
Household's
55.7%

Area's
75%

APARTMENT
Household's
44.3%

Area's
25%

Total territory's
0.3%
Total population's
46%
ULAANBAATAR CITY



The following actions were identified as short-term air pollution reducing actions:

- Create an initiative led by stakeholders to oversee policy actions on pollution reduction;
- Strengthen analytical approach to understanding the impact of air pollution and mitigate its impacts and improve effective means avoidance;
- Restrict the households burning raw coal and solid waste;
- Strengthen institutional capacities;

- Increase public awareness by improving communications about air pollution.

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CONCLUSIONS AND RECOMMENDATIONS

There is significant potential for sustainable development. Human development related indicators, such as high literacy rates and human development index, have created a sound foundation for ensuring future sustainable development in Mongolia. The VNR has contributed to improving multi-stakeholder dialogue and building consensus among stakeholders.

Deepening inequality, heavy dependency on one sector and the overall fragility of economic development may jeopardize the existing foundation for SDG achievement. Mongolia recognizes the criticality of “all-of-government” and “all of society” approaches in achieving sustainable development and the importance of creating a more inclusive and transparent development policy and planning system that ensures multi-stakeholder participation. While Mongolia is a country with high-medium-level human development, the increasing unemployment, poverty and inequality have become a hindrance to development and hence some of the population’s vulnerabilities to development are becoming one of the main challenges for the country. Therefore, it is necessary to pay attention to the determination and implementation of rights-based development policies in accordance with the principles of “leave no one behind”.

In order to do this, it is important to focus on the following issues in an integrated manner:

1. Developing and Implementing Comprehensive, Coherent Policies while Ensuring their Continuity and Sustainability

The Government needs to systematize its policy documents by reviewing them for policy coherence. It is necessary to

update the medium-to-short term policies, ensure their coherence and develop medium and short term development strategies reflecting full SDG localization and defining medium and short term targets. In doing so, the country needs to develop and implement an economic diversification policy that creates productive employment, eliminate discrimination, and provides better opportunities for people living especially in rural areas.

2. Strengthening the Institutional Framework

A major obstacle in ensuring institutional excellence is political instability associated with frequent changes in the government. Over last 28 years the average term of a government was 1.5 years, which affects the stability of the civil service and causes loss of institutional memory. The public service reform underway is an opportunity to address this challenge also.

Thus, the law on development policy planning needs to be amended, with provisions to establish a state authority in-charge of policy coherence and coordination and reform the current structures of ministries and their functions.

3. Creating Implementation Mechanisms

SDG implementation has been slow at both national and sub-national levels. The implementation needs to be accelerated by institutionalizing coordination mechanisms with defined roles and responsibilities and performance-based monitoring and evaluation systems. In the implementation of development policies, the availability of resources and capacities, public awareness, and the extent of multi-stakeholder participation, especially of the most disadvantaged sections, needs to be strengthened.

4. Establishing a Monitoring and Evaluation Framework

Even after the adoption of a longterm development policy, monitoring indicators and targets have not been defined yet for the SDGs. Work has been defining SDG national indicators



and targets for Mongolia, but more efforts to localize and define them at local levels are needed.

Enhancing and institutionalizing performance-based monitoring, and strengthening accountability mechanisms for the civil servants are other important areas.

5. Developing a Financing Strategy for Implementing Priority Measures Towards Achieving SDGs

To achieve long-term development goals, a sound financing strategy is critical. This strategy needs to include estimated cost requirements, allocations aligned with policy priorities, defined sources of funding from public and private sources, and resource mobilization strategies.

6. Ensuring Multi-Stakeholder Participation and Partnerships

It is important to strengthen SDG awareness among all actors. Inadequate awareness and knowledge of development policies, and the absence of a relevant legal environment can be impediments for policy implementation, monitoring, accountability, and transparency. Transparency of information not only helps improve monitoring, but also contributes to creating awareness among the public.

Strengthening anti-corruption and fair competition policies, transparency and public oversight are also essential. Ensuring disclosure of information to the public not only leads better monitoring, but is also vital for changing public perception and attitudes. Supporting the development of civil

society organizations as agents of equitable development, promoting a rights-based approach, community mobilization, advocacy and capacity building, and reflecting these initiatives policy and legal documents are also essential ingredients for inclusion.

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