

Final draft

**Mongolia
Common Country Assessment**

**United Nations Country Team
Mongolia
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Mongolia

Common Country Assessment

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List of Acronyms

ADB	Asian Development Bank
APDEC	Asian and Pacific Economic Development Council
CCA	Common Country Assessment
EGSPRS	Economic Growth Support Poverty Reduction Strategy
CHP	Combined Heat-and Power Plants
GDP	Gross Domestic Product
GDI	Gender Related Development Index
GER	Gross Enrollment Ratio
GNI	Gross National Income
GTZ	German Technical Cooperation Agency
HDI	Human Development Index
HIE/LSMS	Household Income and Expenditure/Living Standards Measurement Survey
HDR	Human Development Report
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HOB	Heat-Only-Boilers
ILO	International Labour Organization
IMCI	Integrated Management of Childhood Illnesses
IMF	International Monetary Fund
IMR	Infant Mortality Rate
MDGs	Millennium Development Goals
MFA	Multi-Fiber Agreement
MMR	Maternal Mortality Ratio
MOESC	Ministry of Education, Science and Culture
MOFE	Ministry of Finance and Economy
MOH	Ministry of Health
MOSWL	Ministry of Social Welfare and Labour
NGOs	Non-Governmental Organizations
NHRCM	National Human Rights Commission of Mongolia
NPCC	National Programme for Combating Corruption
NSO	National Statistical Office
NUM	National University of Mongolia
ODA	Official Development Assistance
PPP	Purchasing Power Parity
PTRC	Population Teaching and Research Center
RHS	Reproductive Health Survey
STI	Sexually Transmitted Infections
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNEP	United Nations Environmental Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNV	United Nations Volunteers
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

Executive Summary

The preparation of both the Country Common Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) are important consultative processes and strategic planning instruments to identify priority areas of UN development assistance. This is the second CCA undertaken for Mongolia, and similar to the first, the United Nations Country Team (UNCT) adopted a participatory and consultative process. Extensive discussions with stakeholders from Government, bilateral and multilateral agencies, experts, academia, private sector and non-governmental organizations, national as well as international, have helped shape the analysis contained in this CCA.

The CCA adopts the national development frameworks articulated in the Development Concept of Mongolia adopted in 1996, draft Policy Recommendation Document (National Development Strategy for 2020); EGSPRS document (Mongolian version of PRSP), the current Government Medium-Term Action Plan 2004-2008 as well as a number of sector development strategies and master plans. A specific focus is made on a need to strengthen Mongolia's development capacity to deliver on the Millennium Development Goals (MDGs) and other national development goals. Specifically guiding the preparation of this CCA is the Parliamentary Resolution of April 2005 that explicitly endorses the Millennium Development Goals (MDGs) with Mongolia specific targets to be achieved by 2015. A significant feature of the Parliament Resolution is the addition of a ninth MDG to "*Strengthen human rights and foster democratic governance*".

Mongolia's development is influenced by a number of special features. A distinctly positive feature is the relatively young population with a high potential to contribute to development. On the other hand, Mongolia is a land-locked country with a small and dispersed population. It has to contend with harsh climatic conditions and the occurrence of regular natural disasters. Ensuring equal and universal access to good quality basic social services becomes a difficult management challenge. Apart from high costs of reaching dispersed populations, the nomadic life style of a third of the country's population calls for innovative ways of reaching and engaging all citizens.

Mongolia has recorded gains in many areas of human development. However, progress has remained deficient, slow and uneven. The CCA identifies six significant features of human development in Mongolia.

- *First*, major demographic shifts are occurring in Mongolia: rising urbanization, imbalances in the distribution of population across the country, increasing internal migration and migration out of the country. Increasing migration in particular points to growing vulnerabilities and limited expansion of local livelihood opportunities.
- *Second*, Mongolia is on track in terms of consolidating its economic position. GDP grew by 10.6 percent in 2004 – up from 5.4 percent in 2003, Key monetary and fiscal policy indicators suggest a reasonable degree of stability. Nevertheless, Mongolia has to improve the quality of economic growth by making it less dependent upon the mining sector and world prices of copper and gold. Despite the economic expansion, income poverty remains widespread with close to 900,000 Mongolians – over 36 percent of the country's population – living below

- the poverty line. More job opportunities need to be generated through a carefully planned process of industrialization that combines improved local business capacity with international expertise and technology.
- *Third*, there have been marked reductions in child mortality and maternal mortality as well as improvements in gender equality. Nevertheless, more needs to be done to extend universal health coverage, improve the quality of education and create more opportunities for women and young people.
 - *Fourth*, the spread of democracy continues. Efforts at strengthening institutions of democratic governance and the practice of democracy are underway. Opportunities for public participation have been steadily increasing. Many of the 4,900 registered non-governmental organizations are beginning to play an active role in development. The press enjoys relatively high degrees of freedom as well. Much less noticeable has been progress in promoting transparency and accountability, in deepening democracy and in the penetration of democratic values in society.
 - *Fifth*, there is increasing recognition of and adherence to human rights standards. Mongolia has signed over 30 international human rights treaties. The National Human Rights Commission of Mongolia has also begun to play an active role in furthering human rights.
 - *Finally*, Mongolia is experiencing a cultural transformation as globalization and urbanization are beginning to have an impact on cultural practices, ideas and the Mongolian way of life. Managing this process effectively has implications for economic growth and employment through the judicious development of cultural tourism, eco-tourism and the crafts industries.

Against this backdrop, the CCA critically examines and analyzes State policies and public action aimed at the attainment of the MDGs adopted by the Mongolian Parliament and poverty-related national development goals. It identifies the following four aspects of the development process that need urgent attention.

Reducing vulnerabilities: Despite the positive trends in economic growth, thousands of Mongolians lead highly insecure lives. The depth and severity of income poverty has worsened since 1995. Human poverty is increasingly manifesting itself in a rising incidence of child labour and street children, alcoholism, domestic violence, STIs and tuberculosis, homelessness trafficking of women and children and above all, in an alarming increase in suicides – problems never encountered by citizens before 1990. Women in particular face a significantly higher incidence of income poverty than men. Factors contributing to people’s vulnerability include Mongolia’s landlockedness, the limited capacity to prevent and manage natural disasters, high rates of unemployment, slow expansion of job opportunities, low and fluctuating earnings combined with limited access to health and educational opportunities, poor skills, limited access to safe drinking water and inadequate food and nutritional security. Among the most vulnerable are unregistered migrants, female headed households, herders and others requiring special care such as the homeless, street children, single elderly and the disabled.

Reducing disparities: Growing disparities between rural and urban areas, and within urban areas, between residents of gers and others are a disturbing feature of Mongolia’s advancement. These disparities are reflected in many dimensions including poor quality access to basic social services in underserved sub-urban and rural areas, in urban housing

and infrastructure, and in access to information. Effective public provisioning in rural areas requires having to cope with long distances, scattered populations and nomadic lifestyles. Rural areas are also severely handicapped in terms of physical infrastructure, access to information, technology and skilled labour that makes enterprise development difficult. Local governance capacity in rural areas is also relatively weak.

Improving natural resources and environmental management: Natural resources are intricately linked in many complex ways to the daily life and healthy survival of Mongolians. In recent years, neglect of both rural and urban environment has led to serious problems of land and pasture degradation, desertification, green mass degradation, biodiversity loss, water degradation and air pollution particularly in urban areas. Effective and adequate mechanisms for preventing and managing natural disasters are also not in place. The State has failed to effectively implement forestry and mining regulations, to ensure environmental impact mitigation, and to guarantee compliance with the law. This in turn has had a profoundly negative impact on the earnings and livelihoods of the poor. The mismanagement of natural resources and environment reflects insufficient capacities of human resources, lack of enabling conditions for civil society participation in environmental governance, lack of accountability of environmental agencies. Lack of adequate resources is another serious constraint. Equally important is the lack of managerial capacity, both within government and in civil society, to deal with many of these complex issues compounded by the absence of community-based organizations that can play an active role in local natural resource management.

Improving responsible and democratic governance: Mongolia is still in the midst of undergoing political transition to democracy. In addition to improving responsible and democratic governance, the country needs to deepen democracy to every level. Five areas need immediate attention. The first relates to enhancing people's participation by improving the electoral process and enhancing the capacity of CSOs to play a more active and meaningful role in the fulfillment of MDGs. The second relates to strengthening decentralization, empowering local communities and local governments through a proper devolution of authority, funds and personnel. The third aspect has to do with promoting greater transparency and accountability. This will require a holistic reform of public administration and a revamping of the country's civil service. The fourth has to do with strengthening the rule of law to instill greater confidence in both the private sector and citizens to invest in the country's development. Finally, steps are needed to improve people's access to justice.

The Government of Mongolia has taken several steps in recent years for the attainment of the MDGs and national development goals. However, the CCA points to seven critical areas for immediate action in order to address these deficiencies.

First, Mongolia needs to more actively and vigorously address issues arising out of its landlocked geophysical status. This is critical for capitalizing on new globalization opportunities and for expanding trade, improving environmental management, and increasing incomes and employment opportunities. Transit transportation assumes enormous significance. This will require initiating more intensive tripartite consultations (between China, Mongolia and Russia) as well as with Japan and South Korea. Such arrangements should be explored with countries of Eastern Europe and the

Commonwealth of Independent States as well. Possibilities of further strengthening cooperation, regionally and globally, need to be examined.

Second, in the coming years, Mongolia must move rapidly towards adopting a rights-based approach to development integral to deepening democracy. Such a commitment is inherent in Mongolia's MDG9 that emphasizes democracy, human rights, and zero tolerance of corruption. Multiple avenues must be created for people to demand their entitlements to a decent life. For this, it is important to strengthen the justice system, empower citizens to demand and obtain remedies for their grievances, and equip institutions to become more responsive to people's demands. A rights-based approach offers the necessary basis for assigning priority to meeting the demands of the poor and the more disadvantaged and eliminating all forms of discrimination.

Third, Mongolia needs to more actively create and promote opportunities public participation in decision-making and policy formulation. The widely dispersed nature of the population, the nomadic life-style of people in rural areas and an old mindset make it difficult to ensure effective participation in public affairs. But the legitimacy and effectiveness of public institutions can only be strengthened if people have access to information on the responsibilities and functioning of these public institutions. The proposed Freedom of Information law opens up possibilities for bridging the gaps between the government, elected representatives and citizens, and for establishing feedback and response channels for government and Parliamentarians to taking note of people's concerns. Civil society organizations need to be more carefully nurtured to connect people's demands to official decisions, especially in rural areas and in aimags and soums. It is equally important for Mongolia to explore partnerships with the private corporate sector for addressing some of the requirements for attaining the country-specific MDGs. At the same time, the State should encourage new mechanisms such as public hearings, participatory planning bodies, focus group discussions, youth assemblies and public consultations in order to enrich the development process.

Fourth, Mongolia needs to urgently promote capacity development – in government, in the private corporate sector and among non-governmental organizations – to more effectively manage the many transformations underway and ensure the attainment of national development goals. Particularly critical at this stage is the need to augment capacity to deal with the many new and emerging challenges posed by changing life styles, joblessness and unfulfilled aspirations that are manifesting themselves in the form of child labor, prostitution, alcoholism, suicide and human trafficking. Prominent among the new skills and capacities to be developed should be emphasis on counseling; vocational training and youth empowerment.

Fifth, Mongolia needs to speed up the process of decentralization and regionalized development reforms especially to ensure effective local development. Local institutions that are located closest to where people live are well positioned to engage people and address their basic needs and the problems of vulnerability of population groups, disparities between regions, mismanagement of natural resources and destruction of the environment. The recently approved Government Programme on the Regional development through setting up regional centers aims to reduce widening disparities in access to health, education, housing, jobs and other opportunities between urban and rural areas and to minimize the one-way migration to urban area. Clear roles and responsibilities need to be assigned for functionaries at sub-national levels along with

efforts to promote devolution of power and fiscal authority to local levels. Besides reducing dependence of local governments on central subsidies and financial transfers, Mongolia needs to develop local investment plans for creating the necessary social and physical infrastructure, and back it up with resources, financial and human, to assure citizens their basic rights to a decent living. A progressive step would be to encourage local governments to develop their own set of localized MDGS against which progress is regularly monitored.

Sixth, Mongolia needs to immediately set up of a nodal policy and planning agency to better steer, coordinate, and monitor national development. Such a nodal agency should also be responsible for allocating public resources based on long-term perspective plans. The establishment of policy-making and resource allocation capacity at centre, and subsequent extension to the regions, should become part of on-going reforms. Effective monitoring should be an integral function of this nodal agency. This will require strengthening research and analysis, further improving information systems at the local and community level, and obtaining specialized data disaggregating by regions and vulnerable groups.

Seventh, given that Mongolia is among the top ten countries most dependent on Overseas Development Assistance (ODA), it is important to ensure better aid coordination and more effective aid alignment to for the attainment of the country-specific MDGs. This will also require a more careful examination of the magnitude and contribution of ODA to Mongolia's development. At the same time, it will be useful to promote south-south cooperation with countries that have established systems for tracking allocations and utilization of external assistance.

Development assistance by the United Nations, in the coming years, will focus on partnerships with government and civil society organizations in Mongolia to fill these gaps and accelerate progress towards the attainment of the MDGs and other national development goals.

Section 1 Background and Context

1.1 Introduction

The United Nations Country Team (UNCT) regards the preparation of both the Country Common Assessment (CCA) and the United Nations Development Assistance Framework (UNDAF) as important consultative processes and strategic planning instruments to identify priority areas of UN development assistance.

This is the second CCA undertaken for Mongolia. Similar to the first CCA prepared in 2001, this time again the UNCT has adopted a participatory and consultative process. Extensive discussions with stakeholders from Government, bilateral and multilateral agencies, experts, academia, private sector and non-governmental organizations, national as well as international, have helped shape the analysis contained in this CCA. A UNCT Retreat in December 2004 discussed and agreed on the overall Action Plan for the preparation of the CCA and UNDAF. Another UNCT Retreat in February 2005 that brought together the Heads of Agencies located in Ulaanbaatar and Beijing further identified key areas for in-depth analysis. Consequently, Working Groups comprising of representatives of UN agencies and different stakeholders were set up for five areas: (1) poverty reduction and social protection; (2) basic services (health and education); (3) rural-urban disparities and regional development; (4) environment and (5) governance. The CCA Working Groups systematically reviewed the many recent assessments of national and sectoral performance commissioned by the Government, bilateral and multilateral agencies, national and international non-governmental organizations. Experts from the Population Training and Research Center of the Mongolian National University interacted with the Working Groups to prepare the first draft of the CCA. During March and April 2005, the Working Groups completed consultations with stakeholders and presented their findings. These findings were consolidated into a draft CCA that was presented and discussed at a Multi-stakeholder Meeting on June 7, 2005. Inaugurating this meeting was H.E. Ts. Munkh-Orgil, Minister of Foreign Affairs who underscored the significance of forging partnerships for development. The CCA has been finalized after incorporating the many comments and suggestions from this intensive and fruitful interaction. This CCA builds on the issues identified in the first CCA and lends continuity of support to on-going collaborations. The first CCA underscored the importance of human development and human rights, good governance, economic growth with equity and environmental sustainability for improving the lives of people.

This CCA has been prepared against the backdrop of the country's distinctive features, commitments by the State and the many positive transformations underway in the economic, social, political and cultural spheres.

Distinctive features: Several distinctive geographical and ecological features characterize the country. Mongolia is a landlocked country sandwiched between Russia and China. Effectively managing this handicap is critical. It has direct implications for shaping the processes of globalization, for expansion of foreign trade and for growth of economic enterprises. Remoteness and distance add substantially to costs of transportation and human hardships. Nearly two-thirds of the country's 2.5 million are scattered over a vast

terrain. Population density is 1.6 persons per square kilometer – one of the lowest in the world. In few countries of the world are nature and environment so intricately connected to the daily lives of people. Mongolia experiences extreme climatic conditions including long snowstorms, short growing seasons, dust storms and droughts. The harsh weather directly affects a third of the country's nomadic population who as herders depend for their livelihood and survival on some 28 million heads of cattle. For example, the *dzuds* - heavy snowstorms - that struck Mongolia between 2000-02 killed over 11 million adult animals and adversely affected the livelihoods of many thousands of herders. The consequence of such a loss is particularly felt by children who, in the absence of adequate psychosocial support, suffer from trauma, and are often prevented from going to school.

In striving to manage these seemingly difficult development disadvantages, Mongolia has one significant advantage, namely, its young population. The country reports a median age of 21.5 years with 41 percent population below the age of 14 years and 77 percent below the age of 35 years. Clearly any development strategy for Mongolia has to strengthen and tap the extraordinary potential of young people to accelerate human progress.

The State's commitments: The Constitution of Mongolia passed in 1992 declares unequivocal support for human rights and freedoms, democracy and human dignity. Its Preamble states:

We, the people of Mongolia: strengthening the independence and sovereignty of the nation, cherishing human rights and freedoms, justice, and national unity, inheriting the traditions of national statehood, history, and culture, respecting the accomplishments of human civilization, and aspiring toward the supreme objective of building a human, civil and democratic society in the country.

These values have been the guiding principle behind many enactments, policy announcements and action plans developed by the Government of Mongolia to advance human development.

Mongolia lacks a long-term development strategy. Nevertheless, the CCA process largely based and referred to a number of the Government's initiatives toward the long and medium-term development frameworks. The Development Concept of Mongolia adopted in 1996 by the Parliament and the current draft Policy Recommendation Document (National Development Strategy for 2020); the current Government Action Plan, the EGSPSR document (Mongolian version of PRSP document) as well as a number of sector-related strategies and master plans.

Specifically guiding the preparation of this CCA is the Parliamentary Resolution of April 2005 that explicitly endorses the Millennium Development Goals (MDGs) and sets Mongolia specific targets. A significant feature of the Parliament Resolution is the addition of a ninth MDG to “*Strengthen human rights and foster democratic governance*”. This goal, to be attained by 2015, calls for upholding the Universal Human Rights Declaration, assuring freedom of media, ensuring People's Right to Information, mainstreaming democratic principles and developing a zero-tolerance towards corruption. The Resolution also emphasizes the importance of regular monitoring and reporting on progress towards the attainment of the MDGs, and calls for concerted resource

mobilization and public action by activating partnerships between government, the private sector and civil society organizations.

Prominent features of Mongolia's development

The country has recorded significant gains in several areas of human development. The transition to a market-based democratic society is well underway. The following section highlights six prominent features of Mongolia's development.

Demographic shifts: Five distinct demographic shifts are occurring in Mongolia. First, the proportion of urban population has been rising, although gradually, from 53.4 percent in 1990 to 57.4 percent in 2000. Second, and largely explaining the shifts in population, is the rising internal migration – from the countryside to aimag centres; from one aimag to another, and from the aimags to Ulaanbaatar. Most people have been leaving rural areas in search of employment and better standards of living; and in the 15-24 years age group, women migrants outnumber men by 5.4 percent. Third, imbalances in the spatial distribution of population are getting aggravated with the concentration of population in a few towns. Ulaanbaatar, the capital city, accounts for 34 percent of Mongolia's population and 60 percent of urban population. On the other hand, between 2000-2004, population has reportedly declined in 13 aimags most notably in Tov, Uvs and Zavkhan. Fourth, fertility rates have been falling and at the same time, there has been a steady increase in the age at marriage among women. Fifth, there has also been a sizeable migration of a large proportion of talented and educated people to countries outside Mongolia in search of better employment and living conditions.

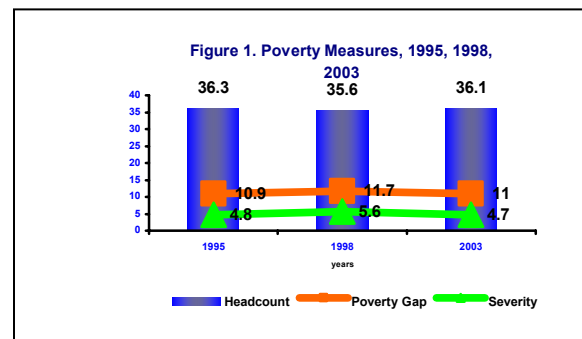
Economic expansion: Mongolia's economic structure has undergone significant transformation over the past 15 years. The first phase of economic transition to a market-based economy is nearly complete with the private sector growing over a span of 10 years from negligible levels to now contributing over 75 percent of the country's GDP. The public sector has also been progressively restructured. Simultaneous and on-going reforms in law, banking, insurance and trade are creating an enabling environment for investments and growth. After the initial turbulence of the early 1990s and a period of economic fluctuation, Mongolia's recent economic performance shows steady improvement. Macroeconomic indicators have improved substantially in recent years. Mongolia's real GDP growth surged to 10.6 percent in 2004, up from 5 percent in 2003. This impressive growth rate in 2004 has been the result largely of the extraordinary expansion (32 percent growth over 2003) in the mining sector that has benefited from sustained increases in international gold and copper prices (by 13 percent and 62 percent respectively over the 2003-2004 period). Good weather conditions have also contributed to the growth of Mongolia's herding sector, livestock industry and agricultural production. Robust expansion continues in the services sector, including transport and construction. In 2004, Mongolian exports increased by 36 percent and imports increased by 22.3 percent. The country's trade deficit declined from 15.7 percent of GDP in 2003 to 10.4 percent in 2004. Combined with sustained remittances from overseas Mongolian workers, these developments led to an almost balanced current account by the end of 2004. With sustained capital inflows, including private investment and official capital inflows, net international reserves rose markedly from USD 129 million at end of 2003 to USD 182 million by January 2005. As a result, Mongolia's freely floating exchange rate appreciated slightly against the US dollar (increasing by 3.5 percent in 2004 to reach MNT 1,209 per USD). A consequence of the economic expansion has been the rise in

Mongolia's per capita income from US\$384 in 1999 to US\$605 in 2004.

Another significant development has been the unprecedented expansion in microfinance. Four years ago, there were no finance companies, only two insurance companies, 20 Savings and Credit Cooperatives. No banks were providing specialized micro-credit products. Less than one percent of Mongolians had access to lending from mainstream financial institutions. Today, it is estimated that 15 percent of the population has an 'active loan' from a formal lending agency. By 2004, there were 17 commercial banks, 100 financial companies, 520 Savings and Credit Cooperatives and 25 insurance companies.

Four aspects of Mongolia's economic expansion, however, need careful attention.

First, despite the economic recovery especially in recent years, large segments of Mongolia's population remain vulnerable and insecure. Close to 900,000 Mongolians – 36 percent of the population – lives below the income poverty line. Poverty levels, however, vary significantly across the country from a low of 27 percent in Ulaanbaatar (where one-third of the population lives) to 39 percent in Hangai and 51 percent in the Western region. One-fourth of the poor live in the western region which accounts for one-sixth of the country's population. Another one-fourth of the poor live in Ulaanbaatar which accounts for one-third of the population. More than a quarter of the poor population lives in Hangai region, one-fifth in the central region, and the remaining 9 percent in the eastern region. Also, very little progress has been made since 1995 in reducing income poverty. On the contrary, the depth and the severity of poverty have increased (See Figure 1).



Second, Mongolia's economic performance is closely linked to environmental factors. In recent years, neglect of the environment has led to serious problems of land and pasture degradation, desertification, green mass degradation, biodiversity loss, water degradation and air pollution particularly in urban areas. It has increased the risks if natural disasters and adversely affected the earnings and livelihoods of the poor.

Third, the economy also remains heavily dependent upon overseas development assistance. Mongolia is highly dependent on development assistance with an estimated average of over \$90 per head of population received every year through soft loans and grants, equivalent to a fifth of per capita GDP in 2002. This high level of international support (among the top ten globally) since the start of the economic transition in 1989/1990 has not resulted in an overall reduction in poverty levels.

Attracted by the onset of economic transition, abundant ODA flowed to Mongolia, elevating it to one of the ten most aid-dependant countries in the world. With a population of 2.5 million, Mongolia received around \$2.5 billion ODA during the 1991 – 2002 period, half of which were debt-incurring loans.

The recent perception that Mongolia might be too aid-dependent has unleashed a debate on aid effectiveness. However, ODA seems to have had a modest impact in terms of growth and poverty reduction.

Easy access to foreign aid has had some negative effects. First, it has reduced the need for domestic adjustment to maintain the balance of payments equilibrium thus exacerbating aid dependency and, second, external debt has accumulated and is approaching unsustainably high levels. The situation calls for prudent lending by donors, effective aid use by the Government, and a change of focus to align aid-funded interventions with poverty reduction targets.

Finally, Mongolia's growth performance remains vulnerable to fluctuations in the world prices of oil, copper and gold. Concerns have also been raised about the low employment potential of the mining sector as well as the possibility of excessive extraction. Clearly, Mongolia needs to adopt a growth strategy that generates jobs and increases productivity especially for the poor and encourages enterprise development that can absorb local workers, not merely a host of foreign workers.

Widening of social opportunities: The State has been making concerted efforts to restore to people the health, educational and social security they enjoyed under the pre-1990 socialist regime. Gains have been recorded particularly in the areas of health, basic education and gender equality.

Improvements in health status are reflected in better conditions of child survival, reductions in maternal mortality and a relatively low incidence of HIV/AIDS. In 2004, Mongolia reported an under-five mortality rate of 29 per 1,000 live births – less than half the levels reported in 1990. This is partly the outcome of a strong immunization programme that has ensured a high immunization coverage rate (above 98 percent for all six EPI vaccines and hepatitis B in 2003), intensive safe motherhood efforts, proper birth spacing and active case management for diarrhoeal and respiratory infections through the effective implementation of 'integrated management of childhood illnesses' (IMCI) interventions.

Similarly, between 1992-2000, Mongolia's maternal mortality ratio (MMR) declined by 20 percent to 158 per 100,000 live births in 2000. The MMR fell further to 98.8 by 2004 due to improvements in the reach of reproductive health services. By 2003, for instance, 96 percent of all women giving birth during the previous five years had received antenatal care and 97 percent of deliveries took place in health facilities with the assistance of professional mid-wives and doctors.

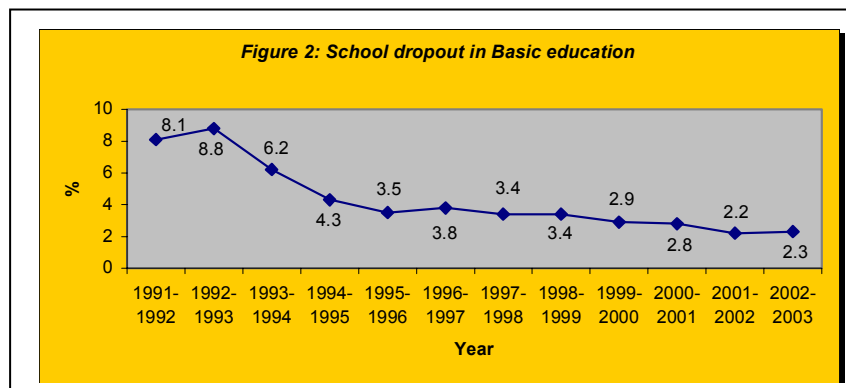
Despite the massive HIV epidemic in the two neighboring countries (China and Russia), Mongolia reported a total of 12 cases of HIV/AIDS and recent sentinel surveillance data revealed zero prevalence in sentinel groups.

Access to health care however is uneven. The high costs and practical difficulties in assuring good quality health care to a small population spread over vast areas have led to serious under-provisioning of health services. Unregistered migrants and temporary residents such as students face constraints in access to health care subsidized by social health insurance schemes. Adolescents aged 10-19 year remain vulnerable to STI/HIV/AIDS, unwanted pregnancies and high-risk behaviours. Although, health

workers provide antenatal care to more than 90 percent of pregnant mothers, lack of diagnostic and treatment facilities in soum and bag health facilities hinder timely management of common conditions such as anaemia and pre existing diseases. Provision of emergency obstetrics care is also not possible in many remote areas due to poor infrastructure, high costs of transportation and adverse climatic conditions. Persistently high levels of abortions remain a serious concern. It is estimated that 13 percent of all maternal deaths are due to abortions. Skilled health workers, for a variety of reasons, prefer to work in urban rather than in rural areas. This leaves fewer skilled health workers in rural areas where the need is greatest.

Mongolia remains extremely vulnerable to the HIV epidemic. Continuous prevention and preparedness for effective management of cases are of paramount importance. Sexually transmitted infections (STIs) in Mongolia are common and increasing both in the general adult population and among vulnerable groups. A nationwide survey revealed a STI prevalence rate of 31 percent among pregnant women. The prevalence of syphilis per 10,000 pregnant women increased from 42.9 in 2003 to 69.5 in 2004. The high incidence and prevalence of STIs could contribute to the rapid spread of HIV/AIDS in the country. Particularly vulnerable to this threat are young people, adolescents and street children as much more needs to be done to change behaviour patterns and offer youth-friendly services.

Mongolia has experienced a steady expansion in educational opportunities especially for children. Net primary enrolment rates among 8-15 years had fallen sharply from 98 percent in 1989 to 82 percent by 1992. Since then, they have gradually recovered to 91.4



percent in 2004-2005. School dropout rates have been falling steadily in Mongolia during the past ten years. Cohort based projections suggest that the primary school completion rate will reach 87

percent by 2005. Enrollment in kindergartens has also been increasing steadily. In 1998, over one-fourth (28.3 percent) of Mongolian children between 2-6 years attended kindergarten. In 2004, some 2,735 children aged 8-15 years were provided with non-formal education. Also, the recent shift from a 10-grade to 11-grade education system has placed greater emphasis on skill-based education. Much more however needs to be done in the field of vocational education especially to correct the growing manpower imbalances created by the increasing demand for university education.

There are however several areas for improvement in education. Basic education needs to be better combined with an improved system of lifelong learning and vocational training to match the supply and demand of skills in the labour market. The coverage of kindergarten needs to be expanded especially to bring into the fold herder's children and children with developmental disabilities. Serious attention needs to be paid to improving the quality and relevance of education. Schools are unable to supply adequate textbooks and educational materials in time and the budget for maintenance and rehabilitation of

infrastructure is insufficient. Other deficiencies in the schooling system that need to be addressed include shortage of professional teachers in rural schools, low salaries and low motivation of teachers, poor physical condition of schools and dormitories, inadequate training facilities and equipment in soum level schools and lack of incentives to improve education quality and efficiency particularly in rural areas.

A disturbing feature of Mongolia's expansion of social and economic opportunities is the growing rural-urban divide in the expansion of social and economic opportunities. There are stark differences in the quality of life of people in rural and urban areas; and the differences are becoming increasingly visible and worrisome. Infrastructure, industries, services and distribution of wealth, capital and resources are mostly concentrated in towns. On the other hand, livestock industry and cropping characterize the rural economy. Services as well as industrial and commercial enterprises operating in aimag and soum centers are typically small and of a subsistence nature with low productivity. In 2002, the urban sector generated 62 percent of the country's GDP and the rural sector 38 percent. Within urban areas, there are disparities in access to services and consumption patterns between residents of gers and others living in apartments and houses. For example, a resident in flats consumes 240-450 litres of water per day while a resident in ger district uses only 8-10 litres of water. Similarly, most of households in ger districts in urban and rural areas have no access to telephone. Box 2 highlights the many dimensions of rural-urban disparity in Mongolia.

Mongolia continues to make steady progress in promoting gender equality. This is reflected in many indicators of gender equality. For instance, in 2003, girls accounted for 50.1 percent of children enrolled in primary, secondary and tertiary schools. Though women remain under-represented, their proportions in different professions are relatively high compared to many other countries. For instance, in the legal profession, women account for 23.5 percent of the Supreme Court Judges and nearly 90 percent of judges of aimag, capital city, district and inter-soum judges. Another study revealed that in 2000, women accounted for 13 percent of governors and heads of local self-governing bodies, 26 percent of directors and executive directors, 31 percent of senior government officials and 35 percent of the leadership in political parties.

At the same time, however, the popular view that Mongolian women are empowered needs to be more carefully examined. For example, the end of the Multi-Fiber Agreement (MFA) could impact women's economic opportunities, possibly causing substantial job displacements in the garment sector mostly made up of women. Also, gender gaps need to be bridged in many areas including ownership of registered private assets, nutrition and sharing of domestic responsibilities as child care remains a woman's responsibility. Increasing demands for unpaid labor for household production limit women's opportunities for income generation and entrepreneurship. Also disturbing is the feature that the women's share of parliamentary representation fell from 23 percent in 1990 to 10 percent in 2000 and even further to 4 percent in the 2004 parliamentary elections when women secured only 5 seats in the 76-member Parliament and only one of the 18 cabinet ministerial posts.

Spread of democracy: A third significant aspect of the country's development has been the steady spread of democracy. Over the past 15 years, Mongolia has resolutely continued to strengthen the practice of democracy. The Constitution guarantees, without distinction, every citizen the right of participation. It also assures citizens the right and

opportunity to participate in the conduct of public affairs. Today, people directly vote for the President and for another 76 Members of Parliament. So far, four Parliamentary and three Presidential elections have been held in Mongolia. The Constitution further guarantees local self-governance through directly elected local assemblies of Citizens' Representatives (Hurals). According to UNDP's Human Development Report 2002, the levels of political freedom, press freedom and participation in Mongolia are relatively high. The Parliamentary Resolution of April 21st, 2005 announcing an additional country-specific MDG 9 on "Fostering Democratic Governance and Strengthening Human Rights" reflects the country's commitment to accelerate responsible and democratic governance. However, Mongolia faces the immediate challenge of enhancing accountability of its new governing institutions and ensuring effective citizen participation in public affairs.

A new phenomenon influencing public policy and public decisions is the emergence and increased participation of non-governmental organizations in Mongolia. Today, there are over 4,900 registered NGOs. More than 90 percent of them are, however, concentrated in Ulaanbaatar. Particularly impressive in recent years has been the increasing participation of adolescents and young people in public affairs. A number of NGOs are playing an important role in the process of guaranteeing and protecting human rights in Mongolia. The emergence of such NGOs opens up several possibilities of partnership with government to address many of the pressing problems of society. The involvement of the private sector in development activities is, however, new and somewhat limited.

Increasing adherence to human rights standards: A fourth feature of Mongolia's development is the country's adherence to human rights standards. Mongolia has ratified over 30 major human rights treaties and protocols (see Annex). It is among the first few countries to have ratified all the eight ILO core conventions that constitute the "Fundamental Principles and Rights at Work". In 2004, Mongolia also passed the Domestic Violence Law. Key fundamental human rights principles have also been incorporated in Mongolian laws. Mongolia has made progress in submitting regular reports required as part of the international obligations. In 2000, Mongolia passed legislation to set up an independent National Human Rights Commission of Mongolia (NHRCM) to deal with the entire spectrum of rights – civil, political, economic, social and cultural – across the nation and across all categorizations by which persons distinguish themselves from others, whether ethnic, religious, political, geographic, or gender. The Commission became fully operational in February 2001 after the appointment of Commissioners.

Cultural transformation: Finally, from a human development perspective, the people of Mongolia are experiencing a major cultural transformation in their lives. It is important for the State to recognize the significance of managing the cultural impact of urbanization and globalization on society. Effectively managing the process of cultural transformation could become vital for economic growth as cultural and eco-tourism as well as the handicrafts sector have a high potential for generating new employment and livelihoods for people. At the same time, increasing exposure of young people to the electronic media and easy internet access are beginning to redefine the balance between culture, environment and economics that is characteristic of Mongolia's nomadic lifestyle and rich social and ethnic diversity.

Summing up, Mongolia's recent development experience suggests many gains in the economic, social and political spheres as well as continuing changes in the daily lives of people. The State has played a major role in ensuring both economic and political stability in the country. Equally significant has been the role of the private sector and non-governmental organizations in promoting economic growth and human development. The country has been no exception to the waves of globalization sweeping the world. As a matter of fact, in the coming years, Mongolia will have to even more carefully manage the process of global integration to ensure that the benefits flow equitably across the country to all segments of society. In managing the process, it is particularly important for Mongolia to assign significance to the aspirations and to the fulfillment of the rights of young people who constitute a majority of the country's population. Nevertheless, an assessment and analysis of these trends and developments (that follow in the next Section) point to critical challenges that need to be urgently addressed.

Section 2 Assessment and Analysis

A closer assessment of Mongolia's human development situation suggests that while the country has advanced in many areas, progress has been deficient, slow and uneven. These trends, if ignored, can potentially dampen and even reverse the pace of progress and offset the many gains recorded by the country. Discussed and analyzed below are four aspects of the development process that require urgent attention.

- 1) Reducing vulnerabilities
- 2) Reducing disparities
- 3) Improving natural resources and environmental management
- 4) Improving responsible and democratic governance

2.1 Reducing vulnerabilities

Income poverty remains widespread in Mongolia (see Box 1). Women in general face a significantly higher incidence of income poverty than men across the country: in the capital city, in aimags, in soums, and in rural areas. In 1998, for instance, for Ulaanbaatar city, the proportion of poor women (44 percent) was more than double the proportion of poor men (21 percent). A similar differential exists in the soums, where 52 percent of women are poor as against only 28 percent of men. Widespread income poverty is closely linked to unemployment and low earnings. The Labour Force Survey completed in 2004 indicate that the estimated unemployment rate is 14.2% by 2003. Dominant features of income poverty are highlighted in Box 1.

Box 1
Features of poverty in Mongolia

- Close to 900,000 Mongolians living in poverty lack the means to purchase enough food and live in dignity.
- Within the single parent-headed household, female headed households comprise fifteen percent of the total households nationwide (HIE/LSMS).
- Three fourth of the residents of ger areas live below the poverty line and 39 percent of them are affected by capability poverty.
- In 1998, for Ulaanbaator city, the proportion of poor women (44 percent) was more than double the proportion of poor men (21 percent).
- In the soums, 52 percent of women are poor as against 28 percent of men.
- In 2002, the unemployment rate among women was 3.8 percent - about 12 percent higher than the national average and 22 percent higher than the unemployment rate among men.
- Five out of 9 poor people live in soum centers and rural areas .
- 24-34 percent of households with 4-5 members fall in the poor category.
- More than 70 percent of rural poor live in gers, 25 percent in residence houses, and 3.6 percent in apartment buildings.

Source: HIE/LSMS 2003.

Compounding the shortfalls in income needed for a decent living are deprivations in health, education, nutrition, housing, water and sanitation that lies at the root of human poverty and vulnerability. People's vulnerability is compounded by the fact that

Mongolia is a food deficit and food-insecure country. The country produces a surplus of meat and milk products, though supply being seasonal is uneven and unstable. However, cereal production is well below the per capita consumption requirements for proper nutrition. In 2004, only one-third of Mongolia's wheat and flour requirements was produced domestically. All shortfalls in grains and vegetables are met by imports. Most of the vulnerable populations face several health hazards and nutritional deficiencies. In other words, ensuring good quality education, improving the health and nutritional status especially of children and women and providing for safe drinking water can help reduce vulnerability and break the inter-generational cycle of human poverty and deprivation.

Rising rural-to-urban migration is another manifestation of growing poverty and increasing vulnerability. Most of those who migrate do so in search of better opportunities – of employment, education and a decent standard of living. Over the last five years, Ulaanbaatar's population has grown, on average, by three percent annually; and almost 70 percent of the growth is represented by net migration.

Among the worst-off in terms of human vulnerabilities are four categories of people. Unregistered migrants remain among the most vulnerable segments of population. Particularly affected by migration are children on the move or those who are left behind whose education in particular is adversely affected. A recent survey points out, for instance, that migrant children are more than three times as likely to be out of school than long-term resident children. According to 2003 Urban Poverty and Migration Survey, for instance, one-third of the children of in-migrant households in the ger areas dropped out of school because of no registration. Another survey revealed that one in eight school aged migrant children were out of school. And close to 5 percent of migrant children had dropped out of school – more than two and a half times higher than the proportion of drop out among children of long-term residents. Female headed households, accounting for 15 percent of all households nationwide, constitute the second set of vulnerable populations. Most women who head households are poor, widowed, divorced or separated. The nexus between unemployment and poverty among women is reflected in severe imbalances in their production and consumption patterns; and their ability to establish command over resources needed for a decent living. Herders with limited (less than 100) livestock are another category of vulnerable populations. In 2002-03, for instance, close to 40 percent of herders were classified as income poor. Natural hazards that keep their incomes low, and seasonal fluctuations in output and earnings severely distort their consumption patterns leading often to both food and nutritional insecurity. In the last category of vulnerable population would be included the homeless, street people, single elderly and disabled – all of whom, for a variety of reasons, need special support and protection.

Many Mongolians have responded to the increasing vulnerabilities by migrating in search of opportunity, working in the growing informal sector, having fewer children, and trying to eke out a living from herding. Herders have responded to the changing circumstances and crises by diversifying income sources, liquidating assets, strengthening kinship and informal networks, and borrowing from informal credit lenders. A new informal sector has grown side-by-side and today offers employment to large numbers of people, especially women, who are well educated and highly skilled. A challenge will be to tap its potential for creating jobs and generating incomes, while at the same time moving along the spectrum towards formal employment and decent work.

The high and persisting poverty and vulnerabilities are manifested in the increasing incidence of child labour, alcoholism and domestic violence, homelessness and street children, trafficking and commercial sexual exploitation of women and children. Indeed, the reportedly recent phenomenon of the rising incidence of suicide in Mongolia can be traced to unemployment, low earnings and loss of face and human dignity arising out of severe deprivations.

The Government of Mongolia has taken several steps in recent years to address the problem of rising vulnerabilities. These are contained in many strategic documents such as the Government Plan of Action 2004-2008, Economic Growth Support and Poverty Reduction Strategy (EGSPRS) and National Millennium Development Goals (MDG) Report. The Government of Mongolia adopted in 2003 a Social Security Sector Strategy Paper and revised the State Population Development Policy (2004-2015). The Ministry of Social Welfare and Labor's Social Security Sector Strategy Paper, the recently developed and adopted National Plan of Action for Decent Work and the Master Plan on Occupational Safety and Health. Similar plans of action have been drawn up for children and other sectors. Nevertheless several challenges remain.

Measures are needed to accelerate economic growth by stimulating additional investments, encouraging industrial and trade expansion and improving infrastructure. Steps must be taken to diversify the production and employment base, and reduce particularly the vulnerability of economic expansion to fluctuations in world prices of gold and copper. The enhancement of the state's capacity for trade negotiations is critical. Deficiencies in the administration of the social protection mechanisms including poor eligibility criteria, reports of bribery, incomplete registration, weak local administration and lacunae in the implementation of laws need to be addressed. Entrepreneurship support and development are needed especially in rural areas. The State needs to adopt a more comprehensive approach to ensuring adequate and universal social protection for its citizens and improving quality of basic social services. Income and employment assurance need to be extended to vulnerable families through a combination of measures that could include employment guarantee schemes, price support measures and subsidized credit and insurance programmes. At the same time, the State needs to strengthen local capacities for public management and empower local governments through the devolutions of functions, funds and functionaries. Finally, more democratic institutions and spaces need to be created for effective participation of communities in local governance.

2.2 Reducing disparities

A disturbing feature of Mongolia's development is the growing disparities between rural and urban areas of the country (see Box 2). Urban and rural disparities are caused by a variety of geophysical, social, economic and governance related factors. They are also a manifestation of unequal access to human development opportunities and differing capacities for self-development. *First*, geographical distances between urban and rural areas are large. This adds to higher petrol and transportation costs and therefore results in higher prices of goods and services provided in rural areas. Large distances also impede access to education and health services particularly by the poor and vulnerable people in rural areas. *Second*, environmental factors such as climate, natural resources and natural disasters influence strongly the extent of rural-urban disparities by adversely affecting the productivity of animals, crop yields and rural incomes. *Third*, rural areas are often

constrained by the absence of basic amenities like electricity and banking services. Rural entrepreneurs also lack adequate access to knowledge, finance, skills and advanced technology. *Finally*, the overall capacity for governance in rural areas is weak, partly because of the failure to attract well-qualified people and partly due to limited say in national resource allocation decisions.

That urban areas do better on many counts than rural areas also reflects the strong urban biases in investments and also in the public provisioning of basic social services. The school infrastructure in rural areas is relatively poor and most rural regions lack adequate number of dormitories and teaching staff. Also, in rural areas and soum centers there is virtually no preschool education service. The rural poor face difficulties in accessing health care due to high cost of transportation and under-the-table payments for drugs and medical supplies. Again, although the network of urban health and hospital services needs reform and renovation, it does not face problems of running water, sanitation, heating and electricity. In rural areas, the infrastructure is typically non-standard and problems with water, sanitation and electricity are common.

Some problems are, however, more pronounced in urban areas. For example, crime and homelessness are more serious urban than rural problems. Similarly, air and water pollution are more serious in urban areas than in rural areas because of over-consumption of organic fuel by ger residents in cities, increasing traffic, ashes from power stations and soil erosion. Ger districts produce 80 percent of air pollution which adversely affects the health of Ulaanbaatar city residents. The amount of carbon in the atmosphere exceeds the permissible level by 1.5-2.6 times and sulphur exposure is as much as 1.3-2.8 times. There is also an interesting distinction between rural and urban school settings. In some of the urban schools, 40-50 children study in the same classroom, almost three children have to share the same desk and some schools run classes in three shifts. The situation is opposite in rural areas where the number of children per class is small and the work load is relatively not so heavy.

Public and community participation in political and social activities differ between urban and rural areas. The last two election results revealed a slightly higher participation among rural voters. However, in general, participation in local elections is less than in parliamentary elections. Also, many rural residents find access to local administration difficult. Many believe that aimag governors are inapproachable. Bagh governors who are closest to people often lack resources and necessary authority to take decisions.

Box 2
Mongolia
Key Indicators of Rural-Urban Disparities

	Rural	Urban
Population total (%) ^a	40.9	59.1
<i>1. Poverty^b</i>		
Headcount	43.4	30.3
Poverty Gap	13.2	9.2
Severity	5.6	4.0
<i>2. Access to education</i>		
Net enrolment in primary education ^b	88.0	89.0
Net enrolment in secondary education ^b	64.0	83.0
Gross enrolment in primary education ^b	109.0	110.0
Gross enrolment in secondary education ^b	68.0	91.0
School drop-outs (%) ^c	5.4	4.5
<i>3. Health services</i>		
Under 5 mortality rate (per 1,000 live births) ^d	32.6	29.1
Infant mortality rate (per 1,000 live births) ^c	31.9	26.4
Maternal mortality (per 100,000 live births) ^d	107.3	138.0
Medical staff (in 1000 population) ^d	108.6	187.8
<i>4. Housing and infrastructure</i>		
Electricity supply ^f :		
- Households living in ger	24.8	84.9
- Households living in house and apartment	68.0	98.5
Improved safe drinking water ^g	34.7	90.9
No access to safe water, sanitation and electricity ^f :		
- Households living in ger	19.1	3.1
- Households living in house and apartment	31.8	1.3
<i>5. Information access</i>		
Telephone use ^f :		
- Households living in ger	1.1	7.5
- Households living in house and apartment	5.8	38.0
Internet users (%) ^h	5	95
Mobile phone users (%) ^h	10	90

Sources:

^a National Statistical Office (2004). Annual Statistics.

^b National Statistical Office (2004). 2002/03 HIES/LSMS

^c Ministry of Education, Science and Culture (2004). Education Statistics: Annual Report.

^d Ministry of Health (2002). Health Sector 2002.

^e National Statistical Office (2004). National Reproductive Health Survey 2003.

^f National Statistical Office (2001). Housing: Analysis based on the 2000 census.

^g www.wssinfo.org. Multiple Indicator Cluster Survey Report 2000.

^h Enkhjargal Kh. (2003). Background paper for the Human Development Report Mongolia 2003

2.3 Improving natural resources and environmental management

Discussed below are aspects of environment neglect most directly affecting the lives of people.

Land degradation including desertification is a serious concern for Mongolia. According to recent estimates, 78 percent of pastureland is degraded and another 20 percent has a tendency towards degradation. This has led to low land productivity, reduced soil fertility and extensive desertification. Natural causes of land degradation and desertification include increased sand movement, loss of vegetation cover and surface fertile soil by strong wind and storms. Human-induced causes include rapid development of farm lands, poor farming and mining practices and overgrazing. Extensive migration of herder families, often driven by poverty, to the urbanized areas has created additional pressures on surrounding pastoral lands. Failure to find effective solutions can also be attributed to the absence of a sound natural resource policy, weak capacity to regulate and implement legislation especially at the community level, fragmented responsibilities between several institutions, lack of coordination, ineffective legislation and the absence of adequate community-based institutions for resource management.

Water Degradation: Water availability in Mongolia is limited by low and unreliable precipitation and high evaporation rates. Some years ago, almost half of the population received water from sources regarded as unsafe, such as unprotected wells, rivers, run-off or snow. In urban areas, only a quarter of the poor had access to piped water from central sources compared to the half of the non-poor. Evidence suggests that the size of lakes and rivers has diminished and water tables have declined in recent years due to excessive irrigation, mining, agriculture and deforestation have contributed to reductions in river flows and water tables have dropped. Moreover, effluents from households, factories, tanneries, processing plants, waste disposal sites and road runoff are polluting many of Mongolia's rivers. Water depletion and degradation, unless properly dealt with, can aggravate desertification, adversely affect people's health and threaten the country's biodiversity and wildlife habitats. These, in turn, are likely to deepen poverty and delay, or even retard progress. Human-induced causes of the water crisis can be traced to population pressure, poor water sanitation management, over utilization of both water (for mining) and forest resources (cutting trees nearby water sources), general degradation of watershed and river basin ecosystems caused by extensive mining activities and illegal logging. In addition, lack of decentralized fiscal and decision-making authority and the poor local administrative capacities makes it difficult to provide adequate drinking water and for implementing policies and programmes for environmental protection and watershed management.

Climate Change: Another area of concern is the climatic change in Mongolia. Statistics confirm that temperatures have been rising in the past decades with distinct colder winters and warmer summers registered in the last three years. Among the many factors contributing to climate change are green mass degradation, absence of energy-efficient strategies, and increase in green house gases from multiple sources such as power stations, heating boilers and household stoves. Coal-intensive energy systems dominate supplying 80 percent of primary energy supply to 90,000 households in Ulaanbaatar. Inadequate development of renewable energy production, poor public awareness, and the total absence of solutions to rural energy demands leaves it entirely dependent on nature (woody mass) are mainly responsible for aggravating the climate change. Failure to tap

advanced technologies for energy efficiency, financial constraints and inefficient use of limited funds have added to the problem. The growing numbers of imported used vehicles have also worsened the air pollution. Other direct sources of air pollution are from combined heat-and-power plants, heat-only boilers, household stoves, refuse burning, road dust, sandstorms, increased waste low public awareness, poor solid waste management and lack of adequate sanitary landfills.

Forest Degradation: Several natural factors have contributed to forest degradation in Mongolia. Direct effects of deforestation include decline of CO₂ absorption process, reduction of surface water sources, and increased desertification. Low humidity, a dry climate, and strong winds in the dry season make Mongolia one of the most fire-prone countries in Asia. Forest fires during dry seasons, and sharp increases in forest pests and diseases following fires have destroyed valuable forest cover. While almost the half the country is considered as a fire-risk zone, 98.5 percent of forests are situated in high fire-risk areas. During the last 10 years, 1,833 steppe and forest fires are estimated to have adversely affected 41 million hectares of pastureland and 7 million hectares of forests. In 2003, 18 heavy snow, sand and dust storms, with speeds of 180-200 miles per hour were recorded in the southwest of Mongolia, extending as far as the Korea, China and Japan. Other factors contributing to forest degradation include extensive illegal logging and industrial mining, inadequate inspection and control mechanisms, poor management and inefficient reforestation. Forest degradation has also resulted from the absence of strong community based forest management organizations, corruption at all levels of management and inspection, and inefficient use of financial resources.

Loss of biodiversity: Mongolia's vast terrain contains a variety of ecotypes found nowhere in the world. The country has the last remaining populations of a number of animal species internationally threatened or endangered. However, its biological resources have been facing increasing threats from the growing population combined with urbanization, industrial and mining expansion and the depletion of land and natural resources. Ineffective control of illegal hunting has further added to the problems. Today, Mongolia has designated 48 protected areas covering around 20.5 million hectares of territory in 19 aimags. Also, some 115 areas encompassing 1.13 million hectares of land are under local protection. More effective management and additional resources are needed to ensure further success of Mongolia's interventions aimed at protecting its biodiversity.

Natural disasters: Mongolia, as pointed out, is prone to a number of natural disasters ranging from dzud, forest fires, animal borne epidemics, flash floods, and earthquakes. Disaster protection and risk reduction mechanisms such as livestock shelters, fodder stockpiles, subsidized veterinarian services and state funded maintenance of water wells have been largely abandoned. New risk reducing mechanisms are required in order to sustain semi-nomadic way of life and the economy.

More generally speaking, the mismanagement of natural resources and environment reflects insufficient capacities of human resources, lack of enabling conditions for civil society participation in environmental governance, poor performance of the central government organization responsible for natural resource management, absence of coordination and liaison among agencies with authorities over various natural resources, and inefficient institutional structures in the environmental sector. As a result, the State has failed to effectively implement forestry and mining regulations, to ensure

environmental impact mitigation, and to guarantee compliance with the law. Lack of adequate financial resources is one of the constraints, but equally important is the lack of managerial capacity both within government and in civil society to deal with many of these complex issues.

Improving natural resource and environmental management calls for actions along multiple fronts. First of all, it is critical to develop and implement appropriate legal, institutional and financial frameworks to guarantee sustainable management of common public goods such as water, land, forests, energy and other natural resources while reducing wastage. This would require setting up appropriate mechanisms for coordination between related ministries and different agencies. It would also be necessary to encourage community and local groups to take over management of particular resources by appropriately defining community rights and management obligations. As part of this effort, steps are needed to expand partnerships with NGOs to promote environmental awareness, ecological education of the public and enforcing environment standards. Simultaneous actions are needed to ensure adequate response and preparedness to natural disasters by improving forecasting of disaster events, instituting disaster mitigation and management systems and enhancing capacity of both national and community level institutions. Also, support must be extended to formulate appropriate policies and technology development in priority resource sectors such as water and sanitation, forest logging and processing, reforestation, renewable and clean energy production and energy efficiency.

Box 3

Mongolia Key Environment Indicators

Land Classification¹

- Agricultural land 73.9%
- Forest resources land 9.4 %
- Reserve land 15.6%
- Water resources land 0.6%
- Cities, villages or other settlements land 0.3%
- Transportation and networks 0.2%

Land Degradation²

- Degraded pastureland 78%
- Tendency towards degradation. 20%
- Total areas of deteriorated land 121.7 million ha
 - Of which 91.7 million ha by wind-water
 - 21.1 million ha by water
 - 1.0 million ha by human activities
 - 7.9million ha by desertification².

Desertification³

- Territory composed of arid and desert areas 40%
- Territory vulnerable to desertification 90%

Deforestation³

- Forest lost between 1990-2000 60,000 ha
- Annual rate of deforestation 1990-2000 0.3%
- Forest affected by fires between 1990-2000 7 million ha

Water and sanitation⁴

- Total households have improved water supply 44.6%
- Total households have improved sanitation 28.2%

Percentage of population with access to safe drinking water³

- Urban population 77%
- Rural population 33%
- Total population 60%

Sources of air pollution³

- Combined heat-and-power plants (CHP) 44%

- Transport 39%
- Heat-only boilers (HOB) 9%
- Household 8%

¹- National Statistical Office 2003

²- Ministry of Nature and Environment

³- World Bank, Mongolia Environment Monitor 2002

⁴- UNDP, Water and Sanitation survey 2004

2.4 Improving responsible and democratic governance

Mongolia is committed to improving accountability and the quality of governance. Discussed below are five aspects of improving responsible and democratic governance that require the State's urgent attention.

Effective public participation: Though Mongolia has been making rapid progress in the advancement of democracy, consolidation of democratic representation is still to be achieved. Effective participation of civil society in public policy is limited. For instance, regular elections have been held in Mongolia. However, participation rates have varied and have even declined more recently. To restore public confidence in democratic institution more vigorous electoral reforms are needed to help Mongolia address some concerns among citizens relating to fairness, open participation without discrimination, campaign financing, and abuse of official position and misuse of public resources. The new Law on Political Parties defines a framework for more accountable party functions and financing. Similarly, whereas the right to assemble peacefully is a fundamental element of democracy, Mongolia's record in this regard has not been exemplary. In recent years, it has been the rule rather than the exception for assemblies to be prohibited. A Reform of the Law on Public Demonstrations based on international human rights standards could go a long way in encouraging openness and enriching the electoral and participation processes so could the proposed law on Non-profit organization. .

In general, the Mongolian government, standing for good governance, should foster development of political, legal and institutional cultures of learning from the experience of civil society actors and their different approaches to the solution of societal issues. Even a very strongly reform-minded government needs strong allies and broad public support of civil societies for sustainable reform. A positive feature, as noted earlier, has been the growing number of civil society organizations that offers a powerful medium for people to express their views and influence public policy. However, many NGOs lack effective management capacity and adequate funding. Government recognition of their significance as well as support is limited. The legal framework for registering and setting up NGOs by the state is straightforward and simple. Hence, there have been mushrooming of NGOs.

Decentralized governance and public administration: The Constitution of Mongolia provides for an integrated system of local self-governance and central government. In reality, the 22 local governmental units (21 aimag-provinces and Ulaanbaatar city) have little power to formulate policies, make decisions and influence budgetary allocations. Most of the local tax revenue is collected by the central government and allocated back to local governments in the form of financial transfers. The central treasury account system, was mainly introduced to achieve better performance levels and improve control over public expenditures. Out of 22 local governments, only Ulaanbaatar has a budget surplus, while all the rest of the aimags (including the cities of Darkhan and Erdenet) are subsidized by the central government. The Government considers centralization of financial management controls as a necessary step to future decentralization. Discussions are on-going to consolidate the 21 aimags into four regions and Ulaanbaatar in order to promote regional economic development, to upgrade service delivery and decentralize decisions to the regional centres, while retaining decisions-making relating to service delivery at aimag and soum levels. However, these discussions and ensuing decisions need to be supported by good quality analysis and a great deal of political trade-offs.

Also, there is a need to urgently address the deficiencies in human capacity of local self-governance institutions. Considerable investments in enhancing public administration capacity and skills will be required at the aimag, soum and bagh levels before responsibilities for the management and delivery of basic services can be effectively devolved.

The civil service offers another forum for people to participate in governance and public service. By law, the recruitment for public servants is to be based solely on the basis of merit and without any kind of discrimination. However, unjust lay-offs of civil servants has been increasing. According to a recent report, for instance, after every local administration, 30-60 percent of civil servants, on average, were dismissed because of political party affiliation. This inefficient practice of hiring and firing of civil servants not on the basis of merit principle is affecting organizational stability which probably undermines the capacity of public institutions. With little pay, the civil service is ineffective and many civil servants engage in activities that allow them to earn additional income, whether legitimate or illegitimate. Appointment of top and medium-level managers at public institutions is more frequently guided by their political alignment, rather than by their professionalism and experience. Appointment of civil servants is often guided by their personal and family links to those in power. Thinking through the establishment of an effective and neutral civil administration system that serves the government of the day will become an urgent requirement as Mongolia intensifies its effort towards the attainment of the MDGs.

Accountability and transparency: An important requisite for strengthening responsiveness, accountability and transparency is to deepen democratic values, practices and principles in every sphere of Mongolian society. And in this respect, Mongolia has much ground to cover. For instance, in the Transparency International's Corruption Perception Index 2004, Mongolia ranked 85th place out of total 146 countries. Again, the recent World Bank report on budget transparency shows Mongolia ranked alongside countries with the lowest levels of fiscal transparency and accountability. The 2002 Public Perception and Attitudes Survey on Corruption identified the five major causes of corruption as poor public accountability, excessive power of bureaucrats, unfair privatization practices, mistrust and lack of confidence in the existing anti-corruption machinery; a decrease in social morality, and decreased living standards. Recent developments testify of renewed political will to create an enabling environment for combating corruption. A National Programme for Combating Corruption (NPCC) was adopted by the Parliament in July 2002. Subsequently, a National Anti-Corruption Action Plan was approved. A new Media Law in 2004 and the draft Law on Access to Information. The political will to address the corruption problem culminates in adoption of MDGs9 which includes zero-tolerance of corruption. However, people in Mongolia need to see tangible results in the fight against corruption. This is essential to reinforce both the confidence of people in democracy and the legitimacy of the government. For this to happen, it is important to conceive of independent and impartial institutions and mechanisms for people to raise concerns and complaints without fear of intimidation. Citizens need to be assured that public and private institutions are fully committed to high ethical and moral standards and are taking steps to make their institution corruption-free. In addition to public institutions, the State needs to assure citizens that action against corruption will be taken in all spheres of activity including the functioning of the private sector as well as CSOs. Formal democratic governing institutions need to be strengthened and effective checks on arbitrary power must be institutionalized. Effective

and independent monitoring agencies such as electoral and human rights commissions and a professional civil service can play critical roles in preventing the abuses of power and deepening democratic values and principles.

Rule of Law: Over the past 15 years, Mongolia has introduced legislation in a number of areas to facilitate the functioning of the private sector, in banking, trade and the social sectors. However, the absence yet of a strong foundation of justice prevents the full guarantee of the rule of law. Again, much more needs to be done to improve people's access to justice. The practical tools for State protection of human security are still weak. The police, for instance, do not have access to appropriate equipment for fighting and solving crime. Enormous challenges are faced by justice administration officials working in rural areas, due to difficulties in reaching the vast, sparsely populated areas. Insufficient infrastructure and equipment as well as shortage of funds compound the problem. International agencies have been partnering with the State to address some of the shortfalls in law enforcement and to ensure that the rights of all persons, both victims of crime and accused persons, are protected as per international treaties and conventions. More intensive efforts in this area will benefit not merely economic expansion but also the inculcation of a sense of fairness and social, equitable and inclusive justice.

Access to justice: Mongolia has been introducing many well-meaning police and judicial reforms to improve people's access to justice. Primary courts have been established in most of soums and intersoum courts have also been set up. However, due to dispersed location of the populations and poor infrastructure, citizens face difficulties in accessing the judicial system. There are other constraints as well including absence of a specialized court with jurisdiction over petitions, protraction of complaints, lack of local courts and bureaucratic procedures. Poor people in particular lack financial and other resources to enjoy their right to access to justice. However, recent surveys on access to justice and legal aid reveal that overall public confidence in the judicial system is low. Some of the most critical constraints include inadequate knowledge of the principles that govern the "new legal framework", absence of effective quality control, lack of transparency in the decision-making process and in the publication of judicial decisions; insufficient facilities; and the absence of a data base on legislation and court decisions. Moreover, lack of adequate resources including the inability to pay reasonable salaries to judicial staff makes the constitutionally enshrined independent judiciary vulnerable to corruption and outside influence. There have been frequent accusations in the press that judges receive bribes in return for dropping a number of high profile cases. A comprehensive review of laws, particularly those relating to criminal offences, is necessary in order to fully reflect access to justice by the poor, vulnerable groups and other indigent persons in the society. There is, also, need for a separate system for juvenile justice in order to protect the rights of children more effectively. More generally speaking, the deficiencies reported in the functioning of the judicial system and in ensuring people equal access to justice are representative of weaknesses in governance and limited capacity to manage transitional society with adequate checks and balances. In response to overt political pressures legal professions should be active and instrumental in initiating campaigns to educate the public regarding the importance of an independent judiciary.

Arbitrary detention and the use of cruel and unusual treatment by the police are reportedly widespread in Mongolia. There have been a number of cases of arrest without warrant. For example, in the year 2000, 36 persons were arrested without warrants and 102 persons exceeding the time limits permitted by law for arrest were released upon

prosecutor's orders. Upon detention, whether warranted or not, personal effects may be stolen by police officers and use of violent tactics against prisoners is not uncommon. In both urban and rural areas, citizen complaints against police treatment and corruption remain uninvestigated or unsolved. Even when allegations of police misconduct are investigated accused police officers are seldom punished.

Although the goals of the penitentiary system are reformation and social rehabilitation of offenders, it is common for these places to serve as sites for punishment and undignified treatment. There are gaps in the way the State deals with acts of torture. Attempts to commit torture are considered criminal offences under criminal law. However, in its training of law enforcement officials, issues related to torture and cruel, inhuman or degrading treatment or punishment are not fully reflected or elaborated. There is still a lack of human rights awareness both within the government officials and among the public at large. Weak institutions including the police and the courts impair effective implementation of human rights standards in practice, including poor conditions in prisons and pre-trial detention centres. Correctional services staff need continuous training programs that improve their awareness of human rights. Development of alternative sentencing like community service should be encouraged. Treatment of alcohol and drug abuses should be placed within the health or welfare system rather than the police system

As stated earlier, the governance challenge facing Mongolia is to ensure proper implementation of the many progressive strategies in place for national development. For this, it will be important to address the following: (i) ability to formulate and implement effective policies to address a number of political, social and economic transformation such as industrialization, urban poverty, housing, rural development access to rural credit; (ii) low awareness and capacity in government and civil society to deal with issues such as human rights, gender equality, child protection and human security; (iii) weak institutional checks and balances; (iv) limited experience in society to engage within a pluralistic and democratic environment; (v) lack of transparency and absence of effective accountability and low awareness and capacity in government and CSOs; (vi) increasing gap between elected representatives and their constituencies; (vii) growing cynicism among youth in public affairs and democratic processes.

Section 3 Looking Ahead

3.1 Strategic areas of cooperation

The CCA serves as the basis for formulating the United Nations Development Assistance Framework (UNDAF) for the period 2007-2011 through consultations among the United Nations agencies and Government of Mongolia. The UNDAF process will provide a mechanism for the UN system and the Government to arrive at a common set of development priorities. The Government of Mongolia has taken several steps in recent years for the attainment of the MDGs and national development goals.

The analysis of Mongolia's human development performance points to seven critical areas for immediate action.

First, Mongolia needs to more actively and vigorously address issues arising out of its landlocked geophysical status. Addressing this issue is critical for capitalizing on new globalization opportunities and for expanding trade, improving environmental management, and increasing incomes and employment opportunities. The MDG Report 2004 under a discussion of MDG8 points to the special needs of landlocked Mongolia. Transit transportation assumes enormous significance and this needs to be addressed through bilateral and multilateral meetings and agreements. For this landlocked country, international recognition of the right to use road transportation to deliver and pick up cargo from neighbouring countries is a critical requirement. Similar arrangements for sea transportation are also being worked out. Forging strong partnerships is critical for success. The way forward for Mongolia is to give priority to strengthening economic ties with its neighbouring countries and with other nations in the region. This will require initiating more intensive tripartite consultations (between China, Mongolia and Russia) as well as with Japan and South Korea. Such arrangements should be explored with countries of Eastern Europe and the Commonwealth of Independent States as well. Possibilities of further strengthening cooperation, regionally and globally, need to be examined through forums in Asia and the Pacific as well as other international bodies.

Second, in the coming years, Mongolia must move rapidly towards adopting a rights-based approach to development as efforts are intensified to accelerate economic growth, ensure better protect of the environment, promote gender equality, and establish a secure childhood for children. Adopting a rights-based framework and approach to development must be seen as integral to deepening democracy. Such a commitment is inherent in Mongolia's MDG9 that emphasizes democracy, human rights, and zero tolerance of corruption. A decent quality of life for all must be seen as legitimate entitlements of citizens. Multiple avenues must be created for people to demand these entitlements. For this, it is important to strengthen the justice system, empower citizens to demand and obtain remedies for their grievances, and equip institutions to become more responsive to people's demands. A rights-based approach offers the necessary basis for assigning priority to meeting the demands of the poor and the more disadvantaged and eliminating all forms of discrimination.

Third, Mongolia needs to more actively create and promote opportunities public participation in decision-making and policy formulation. The widely dispersed nature of

the population, the nomadic life-style of people in rural areas and a traditional mindset make it difficult to ensure effective participation in public affairs. But the legitimacy and effectiveness of public institutions can only be strengthened if people have access to information on the responsibilities and functioning of these public institutions. The proposed Freedom of Information law opens up possibilities for bridging the gaps between the government, elected representatives and citizens, and for establishing feedback and response channels for government and Parliamentarians to taking note of people's concerns. Civil society organizations need to be more carefully nurtured to connect people's demands to official decisions, especially in rural areas and in aimags and soums. It is equally important for Mongolia to explore partnerships with the private corporate sector for addressing some of the requirements for attaining the country-specific MDGs. At the same time, the State should encourage new mechanisms such as public hearings, participatory planning bodies, focus group discussions, youth assemblies and public consultations in order to enrich the development process.

Fourth, Mongolia needs to urgently promote capacity development – in government, in the private corporate sector and among non-governmental organizations – to more effectively manage the many transformations underway and ensure the attainment of national development goals. Particularly critical at this stage is the need to augment capacity to deal with the many new and emerging challenges posed by changing life styles, joblessness and unfulfilled aspirations that are manifesting themselves in the form of child labor, prostitution, alcoholism, suicide and human trafficking. The country could easily slip into a vicious cycle of poverty, social disintegration and violence if appropriate institutions and capacities are not immediately created to deal with these problems. Prominent among the new skills and capacities to be developed should be emphasis on counseling; vocational training and youth empowerment.

Fifth, Mongolia needs to speed up the process of decentralization and regionalized development reforms especially to ensure effective local development. Local institutions that are located closest to where people live are well positioned to engage people and address their basic needs and the problems of vulnerability of population groups, disparities between regions, mismanagement of natural resources and destruction of the environment. The recently approved Government Programme on the Regional development through setting up regional centers aims to reduce widening disparities in access to health, education, housing, jobs and other opportunities between urban and rural areas and to minimize the one-way migration to urban area.

The 2002 Public Sector Management and Finance Law resulted in recentralizing functions that were previously assigned to local governments. But at the same time, it enhanced planning and budgetary capacities, and provided more flexibility to local government decisions on their structure and costs. While a centralized treasury at this stage is necessary, there is a need to examine how to reduce dependence of local governments on central subventions. There is a need to align investment plans and aid flow to meet the basic needs of the people, increase the potential to raise revenues locally and devise a sound system to address vertical and horizontal disparities through inter-regional transfers of revenues.

Besides reducing dependence of local governments on central subsidies and financial transfers, Mongolia needs to develop local investment plans for creating the necessary social and physical infrastructure, and back it up with resources, financial and human, to

assure citizens their basic rights to a decent living. The recently approved Government Programme on Regional Development aims to put in place the regional centers with available physical, human and financial resources to develop the rural areas. The Regional councils as government institutions will be set up. The Regional development programme aims to put in place 4 regions and Ulaanbaatar.

There is a need to strengthen local elected assemblies for more effective oversight, because governors, who are appointed and not elected, at present have a great deal of discretion and local governments have a serious accountability deficit. There is also a need to ensure clear roles for functionaries at sub-national levels and promote devolution of power and expenditure authority to local levels. There is a need to create employment opportunities in the remote and poorest areas. The expectation of the approved Regional Development Programme that larger concentration of population and larger markets would reduce the present disparities could be belied unless steps are taken to create employment opportunities at the grass roots level. In this context, the development of microcredit, rationalization of regulatory regimes for businesses, and technical assistance to identify and exploit new avenues for value addition would be needed. The UN System has an important role to play in promoting balanced regional socio-economic development building entrepreneurial skills of the poor people; promoting small and medium enterprise development and improving access to credit and markets.

These interventions must not lose sight of Mongolia's pledge to attain the country-specific MDGs. A progressive step would be to encourage regional councils and local governments to develop their own set of localized Mongolia MDGS against which progress is regularly monitored.

Sixth, Mongolia needs to immediately consider the setting up of a nodal policy and planning agency to better steer, coordinate, and monitor national development. The most striking feature in Mongolia is the absence of such a central or regional institution to plan, manage and implement policy formulation and programme implementation. Such a nodal agency should also be responsible for allocating public resources based on long-term perspective plans. The establishment of policy-making and resource allocation capacity at centre, and subsequent extension to the regions, should become an integral part of on-going reforms. Effective monitoring should be an integral function of this nodal agency. There is little comparative research and analysis done to understand the efficacy of policy and programme interventions. There is potential for further improvements especially to strengthen such information systems at the local and community level by encouraging quality population registration data and by adequately disaggregating data by regions and population groups. More specialized indicators that focus specifically on the progress made by vulnerable groups - migrants, female headed households, herders, others requiring special care such as the homeless, street children, single elderly and the disabled – are needed.

Seventh, given that Mongolia is among the top ten countries most dependent on Overseas Development Assistance (ODA), it is important to ensure better aid coordination and more effective aid alignment to for the attainment of the country-specific MDGs. This will also require a more careful examination of the magnitude and contribution of ODA to Mongolia's development. At the same time, it will be useful to promote south-south cooperation with countries that have established systems for tracking allocations and utilization of external assistance. Development assistance by the United Nations, in the

coming years, should focus on partnerships with government and civil society organizations in Mongolia to fill these gaps and accelerate progress towards the attainment of the MDGs and other national development goals.

Section 4 Indicator framework

The Parliamentary Resolution passed by Mongolia in April 2005 endorses the Millennium Development Goals and commits the State to “produce every two years the national reports on the progress status of the *Millennium Development Goals* implementation and to table it for discussion at the Spring Sessions of the State Great Hural [Parliament]”. The Resolution also calls upon the National Statistics Office “to establish the statistical indicators for measuring the progress towards the *Millennium Development Goals* in collaboration with the relevant professional organizations, and to create statistical database, and to operate efficiently for provision of information to the relevant organizations.

The CCA shall accordingly adopt the Mongolia-specific set of Millennium Development Goals, targets and indicators that have been developed and appended to the Parliament Resolution. In keeping with the spirit of the Resolution, the UN system shall work closely with the Government of Mongolia to further refine the indicators wherever needed. It shall support national efforts to disaggregate the data so that performance can be tracked at the sub-national levels as well as by different categories of people in society.

Presented below is the indicators framework for Mongolia.

IMPLEMENTATION OF THE MILLENIUM DEVELOPMENT GOALS OF MONGOLIA

GOAL ONE. REDUCE POVERTY AND HUNGER

Target 1: Halve, between 1990 and 2015, the proportion of people whose income is below the national poverty line

Poverty Headcounts:

1990	2000	2003	2015
36	35	36	18

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

Prevalence of Underweight Children:

1990	2000	2015
12	12	0

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.

GOAL TWO. UNIVERSAL PRIMARY EDUCATION

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

Net enrolment ratio in primary education:

1990	2000	2004	2015
98	91	87.5	100

Proportion of pupils starting grade 1 who reach grade 5:

1990	2000	2005	2015
91	84		100

Youth literacy rate of ages 15-24:

1990	2000	2015
99	98	100

GOAL THREE. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

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

Gross primary education enrolment (female/male ratio):

1990	2000	2004	2015
1.01	1.01	1.02	1.00

Gross secondary education enrolment (female/male ratio):

1990	2000	2004	2015
1.12	1.20	1.03	1.00

Female/male ratio of students in higher educational establishment:

1990	2000	2004	2015
1.56	1.72	1.62	1.00

Share of women in wage employment in the non-agricultural sector:

1990	2000	2015
-	47	50

Proportion of seats held by women in national parliament:

1990	2000	2004	2015
4	12	6.6	30

Proportion of female candidates nominated for national parliament:

2000	2004	2008	2012
11.5	13.7	20	35

GOAL FOUR. REDUCE CHILD MORTALITY

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

Under-five mortality rate (per 1000 live births):

1990	2000	2004	2015
87.5	42.4	29.1	29.2

Infant mortality (per 1000 live births)

1990	2000	2004	2015
63.4	32.8	22.8	22.0

Percentage of children vaccinated against measles:

1990	2000	2003	2015
82.5	92.4	97.6	96

GOAL FIVE. IMPROVE MATERNAL HEALTH

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

Maternal mortality rate (per 100.000 live births)

1990	2000	2004	2015
200	158.5	98.8	50

Proportion of births attended by skilled health personnel:

1990	2000	2003	2015
99.9	99.6	99.6	99.8

GOAL SIX. COMBAT STIs/HIV/AIDS AND TB

Target 9: Have halted by 2015 the spread of HIV/AIDS and to reverse other diseases

HIV prevalence among 15-24 old pregnant women:

1990	2000	2004	2015
0	0	0	0

HIV prevalence among 15-24 old pregnant women:

1990	2000	2004	2015
	49.1	45.3	

Number of children orphaned by HIV/AIDS:

1990	2000	2004	2015
0	0	0	0

Target 10: Reverse the spread of tuberculosis by 2015

Prevalence of tuberculosis /per 100.000 persons/:

1990	2000	2004	2015
79	125	177	100

Death rates associated with TB /per 100.000 persons/:

1990	2000	2004	2015
4.9	3.2	2.94	0

Proportion of TB cases detected and cured under DOTS:

1990	2000	2004	2015
	100	100	100

GOAL SEVEN. ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 11: Integrate the principles of sustainable development into country policies and programmes and combat air pollution in urban areas, especially in Ulaanbaatar

Percentage of land area covered by forest:

1990	2000	2003	2015
9	8.2	8.2	9

Percentage of protected land area:

1990	2000	2004	2015
7	13.3	13.5	30.0
			Note: 15.0 per cent out of it shall be under local special protection

Carbon dioxide emission (ton/person):

1990	2000	2004	2015
4.08	4.19	4.00	5.61

Target 12: Protect river and spring sources, undertake rehabilitation measures for their protection

Target 13: Halve, by 2015, the proportion of people without sustainable access to safe drinking water

Proportion of population using improved water source:

1990	2000	2004	2015
30.8	37	44.6	70

Target 14: By 2015, to have achieved a significant improvement in the lives of slum dwellers

Proportion of population using adequate sanitation facilities:

1990	2000	2004	2015
22	25	28.2	50

GOAL EIGHT. DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Target 15: Create favorable conditions for achieving the MDGs through developing trading and financial system

Target 16: In view of special needs of landlocked Mongolia create favorable conditions to access the sea, improve the efficiency of transit transportation through the territory of foreign countries, and increase transit transportation through the territory of Mongolia

Target 17: Develop a debt strategy to ensure sustainability of external and internal debts for long time, study methods applied nationally and internationally to coordinate and resolve debt issues without negative affects on the state budget and economy of Mongolia

Target 18: Development of new information communication technologies, building an information society

GOAL NINE. STRENGTHEN HUMAN RIGHTS AND FOSTER DEMOCRATIC GOVERNANCE

Target 19: Fully respect and uphold the Universal Human Rights Declaration and to ensure the freedom of media and the right of the public to have access to information;

Target 20: Mainstream democratic principles and practices into life

Target 21: Develop a zero-tolerance environment towards corruption in all areas of society.

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Annex A
Mongolia: Statistical Profile

Population¹ 2,533,1000

Age structure (%):

-	0-14	32.6
-	15-64	63.8
-	65+	3.5

Population growth rate (%):

1.2

Median age:

21.6

Death rate:

6.5 per 1000 population

Sex ratio:

98.0

Infant mortality rate:

22.3 per 1000 live births

Life expectancy at birth:

-	Male	61.6
-	Female	67.8
-	Total	64.6

HIV/AIDS adult prevalence rate:

9 cases registered. Adult (15-24) prevalence rate < 0.01²

HIV/AIDS, people living with HIV/AIDS: 9^b

Democratic Governing Institutions

Type of Government:

Parliamentary Democracy

Independence granted:

29 December, 1911 from Qing Dynasty

Administrative division:

- i. Aimag (province) – soum (county) – bag (borough)
- ii. Niislel (in the capital) – duureg (district) – horoo (quartile)

Legal system:

Continental legal system
Prosecutors' Office at the Supreme Court

Suffrage:

Universal

Executive Branch:

Government's Cabinet led by the Prime Minister

- Prime Minister nominated by parliamentary majority with the consent of the President and elected by the parliament
- Ministers nominated by the Prime Minister with consent of the President, and appointed by the parliament

¹ National Statistical Office of Mongolia, 2004. Official data at the end of the year.

² Ministry of Health, 2004. Official data at the end of the year.

Legislative Branch:	Ulsyn Ikh Hural (State Great Hural)
Judicial Branch:	Supreme Court, except for Constitutional Court
Political Parties:	22 parties registered at the Supreme Court, of which 5 have representatives in the parliament: <ul style="list-style-type: none"> - Mongolian People's Revolutionary Party - Mongolian Democratic Party - Motherland Party - Civil Will Republican Party - Republican Party

International organization participation—a variety of organizations, including:

World Bank, ADB, IMF, the whole UN system (UNDP, UNFPA, UNICEF, UNIFEM, UNV etc.), UNESCO, WTO, WHO, IMF, the Asia Foundation, Konrad Adenauer Stiftung, IAEA, ARF, ICAO, OSCE (partner nation), Non-Alignment Movement, International Criminal Court (founding member), Shanghai Cooperation Organization (observer, member).

Civil Society/NGO

Number of NGOs (registered by Ministry of Justice and Home Affairs): 4,900
Major Civil Society Organizations and Groups:

Open Society Forum, Globe International, Altan Gadas Association, Zorig Foundation, Liberty Club, Press Institute, CEDAWatch, Northeast Asian Institute, Political Education Academy, Mongolian Democratic Union, Mongolian Art Union.

Economy

GDP (at price of 1995)³: 1820.0 billion MNT (≅\$1.5b)

GDP composition by sector⁴

- Agriculture, hunting & forestry	20.0%
- Mining	9.5%
- Manufacturing	6.0%
- Wholesale & retail sale, repair of motor vehicle, motorcycle & personal & HH goods	28.8%
- Transport, storage & communication	15.1%
- Others	20.6%

GNI PPP per capita: US\$ 1710⁵

GNI per capita⁶: US\$ 554

Population below poverty line⁷ (%): 36.1

³ National Statistical Office of Mongolia, 2004. Official data at the end of the year.

⁴ National Statistical Office of Mongolia, 2004. Statistical Yearbook 2003. Ulaanbaatar, Mongolia

⁵ UNs, 2005. Population Datasheet 2004.

⁶ National Statistical Office of Mongolia, 2005. *Statistical Yearbook 2004*. Ulaanbaatar, Mongolia

Inflation rate ⁸ (%):	4.7
Labor force ^h (%):	64.4
Labor force by sector (%):	
- Agriculture	41.8
- Industry	11.8
- Construction	3.8
- Transport & Communication	4.3
- Wholesale & Retail trade	14.0
- Others	24.3
Unemployment rate ⁱ (%):	3.6
Debt – external ^j :	US\$ 984.9 million
Economic aid recipient ^h :	US\$ 85 per capita

Communication and Media

Telephones: land lines in use ^h :	135,500
Telephones: cellular phones in use ^h :	319,000
Radio broadcast stations ^k :	
- Nationwide	1
- FM	48
Television broadcast stations:	
- Nationwide	1
- Regional	4
- Major Cable TV	5
Internet hosts ^l :	8
Internet users ^h :	11,200
Newspapers and magazines in print ^h :	995
Newspapers per capita ^h :	7.4

⁷ National Statistical Office of Mongolia, World Bank and UNDP, 2005. *Household Income and Expenditure survey/Living Standards Measurement Survey 2002-2003*. Ulaanbaatar, Mongolia

⁸ National Statistical Office of Mongolia, 2004. *Statistical Yearbook 2003*. Ulaanbaatar, Mongolia

ⁱ National Statistical Office of Mongolia, 2004. Official data at the end of the year

^j Government of Mongolia, 2004. *Economic Growth Support and Poverty Reduction Strategy Paper*. Ulaanbaatar, Mongolia.

^k <http://www.digital-review.org>. Digital Review of Asia Pacific: 2003-2004.

^l Mongolian Telecommunication Sector 2004: (Monthly Report) Mongol Sudalgaa LLC.