



THIRD NATIONAL REPORT THE MILLENNIUM DEVELOPMENT GOALS IMPLEMENTATION

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The Millennium Development Goals Implementation Third National Report

2009

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List of abbreviations

ADB	Asian Development Bank
AIDS ДОХ	Acquired Immunodeficiency syndrome
AU	Agriculture University
CCMO	Capital City's Mayor's Office
CDLIE	Center for Distant Learning and Informal Education
CRC	Communications Regulating Committee
CRH	Citizens Representative Hural
CSO	Civil society organizations
EBRD	European Bank of Restoration and Development Bank
ECIS	Europe and Commonwealth of Independent States
EO	Enterprises and organizations
IE	Informal education
FDI	Foreign direct investment
FI	Foreign investment
FSW	Female sex worker
GAP	Government Action Programme
GBA	General Budget Administrator
GDP	Gross Domestic Product
GEC	General Election Committee
GNI	Gross National Income
GO	Governor's Office
GoM	Government of Mongolia
HDI	Human Development Index
HI	Health insurance
HIV	Human immunodeficiency virus
IACC	Independent Agency for Anti Corruption
ICT	Information and communications technology
ICT	International conventions and treaties
IDA	International Development Association
IE	Informal education
IFAD	International Fund for Agricultural Development
ILO	International Labour Organization
IO	International Organizations
IPCTA	Information, Post, Communication and Technology Agency
Ltd	Limited liability
MCRC	Mother and Child Research Center
MDG	Millennium Development Goal
MECS	Ministry of Education, Culture and Science
MFALI	Ministry of Food, Agriculture and Light Industry
MJHA	Ministry of Justice and Home Affairs
MM	Mass media

MNET	Ministry of Nature, Environment and Tourism
MoH	Ministry of Health
MSM	Man having sex with man
MSWL	Ministry of Social Welfare and Labour
NAMHE	National Agency for Meteorological, Hydrological and Environment
NCGE	National Committee for Gender Equality
NDIC	National Development and Innovation Committee
NDS	National Development Strategy
NGO	Non governmental organization
NHRC	National Human Rights Commission
ODA	Official development assistance
PRC	People's Republic of China
PSE	Preschool education
RF	Russian Federation
RH	Reproductive health
RoK	Republic of Korea
SGH	State Great Hural(Parliament)
SHS	Share holding society
SIDA	Swedish International Development Agency
SPSIA	State Professional Standard Inspection Agency
SS	Secondary school
STF	State Training Fund
STI	Sexually transmitted infections
STU	Science and Technology University
UB	Ulaanbaatar
UBEDS	Ulaanbaatar Electricity Distribution System
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Education, Science and Culture Organization
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund
USA	United States of America
VCA	Voluntary Consultation and Analysis
VTPC	Vocational Training and Production Center
WB	World Bank
WHO	World Health Organization
WTO	World Trade Organization

Symbols

Km	Kilometer
Gbps	Gigabyte per second
E	Electron
M	Meter
Mbps	Megabyte per second
tn	Ton
Mcg	Microgram
Kw	Kilowatt
Kv	Kilovolt

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Foreword



It has now become customary for nations around the globe, guided by their support for the poverty reduction goals in the new millennium as declared by the United Nations, to submit reports to the UN General Assembly assessing and evaluating their progress in the implementation of the Millennium Development Goals. Following this tradition Mongolia is now presenting its third National Report.

One year has elapsed since Mongolia termed its development vision by adopting the MDGs-based Comprehensive National Development Strategy and set out to implement it. The timing for the third National Report's release is thus momentous. It is taking place at an important historical juncture for Mongolia, at a time when the country has defined its long-term development concept. The National Report gives an analysis of the current state of the MDGs implementation through extensive use of official statistical data, sources and information. It assesses the progress made towards achieving the MDGs, makes conclusions, identifies the challenges and puts forward short and mid-term policies and strategies to reach the goals.

In the future, in order to ensure the attainment by Mongolia of its MDGs, we will have to link

closer the implementation of the goals with the sources of financing, strengthen the MDGs monitoring and evaluation system and the impact of MDGs' localization, and enhance the participation of governmental and non-governmental organizations, civil society and the general public in activities such as awareness raising and advocacy.

In order for Mongolia to achieve the MDGs by 2015, we shall also provide greater opportunities to every individual, family or a to ownship in solving their problems on their own and enable them to act as creative stakeholders in the process, and by doing so attain progressive development for the country as a whole. The Mongolian state shall assist the jobless in getting jobs and the employed to maximize their productivity. It will undertake large scale projects and development works that are conducive to fostering the economic growth and improving the livelihoods of the people. Most importantly, Mongolia shall spare no effort in order to ensure that a fair share of the yield from national mining and infrastructure sectors reaches all citizens. In doing so, the rights of the people shall be supreme and the principle of mutual benefits shall underlie our efforts.

Today, the global problems facing the international community, such as environmental failure, outbreak of epidemic diseases, disasters, terrorism, threat posed by nuclear weapons, transcontinental crime, money laundering, human rights violations, crises and global warming make it imperative for the world nations to set aside their narrow self-interests and cooperate for the common good. Mongolia, strives to be an active member of the international community and will take a proactive stance on regional and global issues. I would like to express my sincere gratitude to the UNDP Country Office in Mongolia for the support in the preparation of the third National Report and hope that the relationship of fruitful collaboration that we enjoy today will continue to expand further.

Taking this opportunity, I wish to warmly thank the international organizations and donor countries for their assistance to Mongolia's development efforts. Mongolia will inject new meaning into its traditional foreign policy and will continue to steadfastly pursue it. My gratitude also goes to the governmental and

non-governmental organizations for their active participation in the preparation of the report. May your work for the development and well-being of your country flourish evermore.



Tsahia Elbegdorj
President of Mongolia

Message



I wish to congratulate the Government of Mongolia for completing the third National Report on progress toward the achievement of the Millennium Development Goals (MDGs). While the MDGs are the product of international consensus on the minimum standards of development to be ensured for all nations, each country must find its own way to reach them. This report analyses Mongolia's status in the achievement of the MDGs, focusing on changes that have taken place since the Second National Report which was published in 2007.

One important stride on the path leading to the MDGs achievement has been the establishment of the National Development and Innovation Committee, overseeing and coordinating all planning initiatives related to the MDGs in Mongolia. Another significant step was the approval and implementation of a nation-wide MDGs advocacy strategy. Moreover, some aimags and some districts of the capital city have identified their own, local level MDG targets and priority interventions to achieve them.

Compared to the previous reporting period, this report has benefitted from wider availability of MDG-consistent statistics and concerted monitoring efforts, more active participation of relevant stakeholders and deeper analysis of the situation within the global economic

context. However, despite the progress made, Mongolia still needs rigorous and targeted interventions to meet its most challenging goals, especially in relation to halving poverty, ensuring environmental sustainability and promoting gender equality at the decision-making level.

For Mongolia to succeed, "business as usual" will not be enough. The government, the private sector and civil society, all need to come together to develop a shared vision for a society without poverty and inequalities. For this, a committed and sustained partnership between the public and private sectors is crucial, mobilizing the will and the resources needed to advance human development and foster economic growth. The United Nations in Mongolia remain committed to support this vision.

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

Debora Comini
UN Resident Coordinator,
UNDP Resident Representative

Acknowledgements



Great efforts are being exerted by the world nations in order to implement, in line with national specificities, the Millennium Development Goals – goals designed to improve the living conditions of the mankind as a whole. Mongolia, on its part, shares the MDGs in the global context and is working to implement the MDGs at the national level, while also putting forward objectives that reflect our national specificities. A clear example of this approach was the SGH (Parliament)'s resolution No.13 of 2008. Mongolia, accordingly, adopted and is now implementing a wider set of objectives containing 9 goals, 24 targets and 67 indicators,. The goals set out in the resolution share the substance of the global goals, targets and indicators as declared in the Millennium Declaration, however, they also differ from their global equivalents insofar as national specificities are reflected therein. The emphasis on the MDGs Monitoring and Evaluation System in the country has proven to produce significant results. The MDG 9, is also a notable distinction - this goal aims at fostering democratic governance and does not have an equivalent in the global MDG context. Furthermore, the adoption by the SGH of a long term development policy - the MDGs-based Comprehensive National Development Strategy - and its execution, constituted a significant step towards greater policy consistency in, and ensuring the implementation

of the MDGs. The MDGs-based National Development Strategy was also instrumental in enhancing the sources of numerical data used with indicators developed to evaluate the MDGs implementation.

Likewise, the work undertaken through the 'Support to Poverty and MDGs Monitoring and Assessment System' joint project between the Government of Mongolia and the UNDP, on identifying the indicators to be used in monitoring and evaluation of the progress toward the achievement of the MDGs, development of relevant monitoring and evaluation methodology in line with international standards, and the eventual establishment of a database encompassing 1990-2008 using the DevInfo 5.0 program played an important role for it MDGs Monitoring and Evaluation.

The National Development and Innovation Committee served as the coordinator of the preparation of the Third National Report and I would like to express my gratitude to Ms. Debora Comini, UN Resident Coordinator, for the professional advice and assistance provided to us through the UNDP funded 'Support to Poverty, MDGs Monitoring Assessment' pilot project, to the inter-sectoral management council, to all members of working groups to the organizations and to everyone who gave their valuable inputs during the preparation of this report.

May good deeds flourish.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a long horizontal stroke.

Ch.Khashchuluun
Chairman
The National Development and Innovation
Committee

EXECUTIVE SUMMARY

Executive summary

The Third National Report on the Implementation of Millennium Development Goals (MDG) in 2007-2008 is a policy and recommendation document which analyses and summarises the current social and economic situation of the country and makes recommendations on measures to further intensify the implementation in accordance with State Great Hural (SGH) Resolution No. 25 of 2005 and SGH Resolution No.13 of 2008.

The Third National Report aims to monitor and evaluate the implementation of each target in line with policy recommendations and conclusions that were reflected in the previous Second National Report. The Report has been developed at the government level and was shared with representatives of nongovernmental organizations (NGO), civil society and academia to consult and reflect their views and positions.

This Third National Report is unique in a way that it has assessed the MDG implementation within the frame of 67 indicators, approved by SGH Resolution 13, 2008, and estimated 12 selected indicators at aimag and soum level in accordance with poverty mapping methodology based on the 2000 Population and Housing Census and 2002-2003 Household Income and Expenditure Survey with Living Standard Measurement Survey Feature (HIES+LSM).

Mongolia has entered into the determining phase set for full attainment of MDGs. Hence, the report presents the implementation progress of nine national (9) goals along with assessment, achievements, concerns and recommendations.

The Third National Report consists of 5 chapters. The first chapter focuses on implementation status and trend of each of the Millennium Development goals and targets substantiated by 2007-2008 statistical data and regional level estimates. It further presents the government policies, programmes and projects aimed at attaining targets by 2015 and introduces a package of challenges and priorities. The second chapter deals with the link between MDG needs assessment and financing and the third chapter handles MDG implementation and advocacy at local level. The fourth and fifth chapters

present poverty mapping of Mongolia and MDG monitoring and evaluation, respectively.

The report is largely based on 2004 and 2007 National Reports on MDGs implementation¹ and was prepared under the leadership of the National Development and Innovation Committee (NDIC) with the financial support of the United Nations Development Programme (UNDP). The NDIC in collaboration with the National Statistical Committee (NSO) has updated all data and information in the report using Dev Info-5.

Achievement and progress

The weaknesses that were mentioned in the previous second report of 2007, such as inconsistency between some MDGs and corresponding targets, lack of indicators for some targets and indicators or their apparent falsity have been removed. Accordingly, SGH Resolution No.25 was amended and the number of MDG indicators was increased from 24 to 67 pursuant to SGH resolution No.13, 2008.

This measure has proven to be of great importance in not only facilitating policy implementation assessment but also laying out a basis for MDG defining at local level.

Within the scope of the local implementation of MDGs Govi-Altai, Dornod, Dundgovi and Huvsgul aimags and Songinohairhan and Nalaih districts of the capital city defined their specific local MDGs and produced their first reports. They have now started working out the costing and needs assessment.

The breadth of MDG defining at local level, supported by the pilot project, has expanded to cover Bayan-Ulgii, Uvs and Hovd aimags and Ulaanbaatar city. These new project target aimags and the city have produced their first reports. MDG defining at local level has proven itself useful in development of short, mid and

¹ National Report on MDG implementation, Ulaanbaatar, President Office of Mongolia, Ministry of Foreign Affairs and UNDP country team., 2004; Mongolia's Millennium Development Goals Implementation, Second National Report, Ulaanbaatar, Ministry of Finance, 2007.

long-term development policies and plans.

MDGs have been mainstreamed into short, mid and long-term policy documents such as the MDGs-based Comprehensive National Development Strategy (NDS) approved by the SGH, the Mid-Term Budgetary Framework, annual socio-economic development guideline and annual budget and general plans by sectors. In addition, the following policy and organizational measures have been taken with a view to intensify the MDG implementation:

- Updating MDG implementation costing assessment is under way.
- “MDG information and advocacy strategy” for public awareness of MDGs has been developed and approved.
- General structure of MDG monitoring and analysis has been drafted and approved by the Cabinet meeting.

Problems and challenges

Global financial and economic crisis had an impact on the economic development of Mongolia. The economic growth fell to 8.9% in 2008 compared with the previous year - a drop of 1.3 point. The negative impact of the financial and economic crisis on the implementation of the MDGs was particularly notable since mid-2008. The surge in prices of some food items and oil in 2007-2008 hit the low-income people and led to an increase in poverty levels. The inflation rate rose to 15.1% in 2007 and 22.1% in 2008. This resulted in the poverty level not falling in real terms, a growing trend in unemployment and an overall negative impact on the economic stability.

More efforts are needed to intensify the implementation of some targets. The percentage of people with income below the national poverty line or with income levels insufficient to buy essential food reached 35.2% in 2008, or representing a drop of only 1.1 point compared with the baseline level. This is a clear example of significant challenges lying ahead on the path to attain the target to reduce poverty level to 18% by 2015.

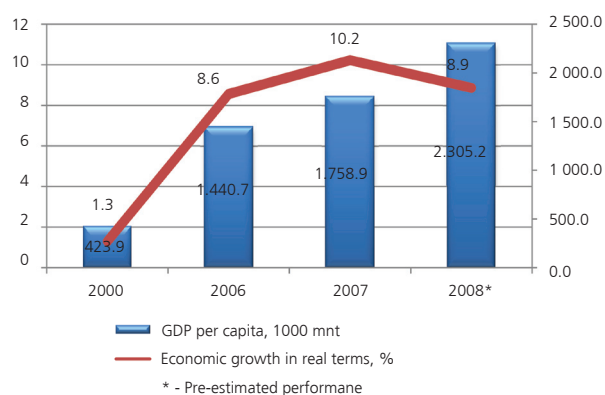
Economic and social development context

Economic growth and gross domestic product (GDP). Estimated economic growth in real terms was 8.9% in 2008 representing a drop of 1.3 point over 2007 figures. Compared with 1996, however, there has been a slight increase of 0.2 point. The stagnant growth of the economy was mainly caused by the contraction in the construction sector estimated at - 8.7% and difficulties associated with the first stage of the global economic downturn.

Even though the real GDP growth was lower in comparison with the previous year, an estimated GDP volume in current value reached 6,130.3 billion MNT (excluding the estimate by the end of 2008) and 3,620.5 billion MNT in 2005 current value. This is an increase of 8.9% or 294.6 billion MNT compared with 2007.

GDP per capita in current value amounted to 2,305.2 thousand MNT in 2008, which represents an increase of 31.1% or 546.3 thousand MNT over 2007 and 60.0% or 864.6 thousand MNT over 2006.

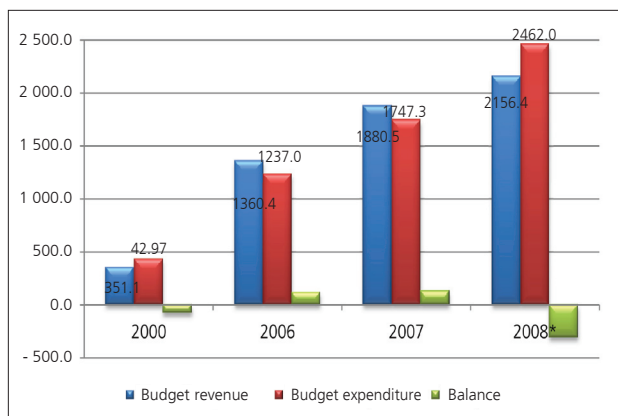
Graph 1. Economic growth and GDP per capita, th. MNT



National consolidated budget. The amount of national consolidated budget revenue and grants reached 2,170.4 billion MNT, which takes up 35.4% of GDP. This represents an increase of 289.9 billion MNT or 15.4% compared to 2007, 810.0 billion MNT or 99.4% from 2006 and 1,805.4 billion MNT or 6.1 times increase over the 2000 figure. The national budget expenditure and reimbursable net loan amounted to 2,466.8 billion MNT by the end of 2008, accounting for 40.2% of GDP. Compared with 2007, 2006 and

2000, this reflects a growth of 719.5 billion MNT or 41.2%, 1229.8 billion MNT or 99.4% and 2,037.1 billion MNT or 5.7 times, respectively.

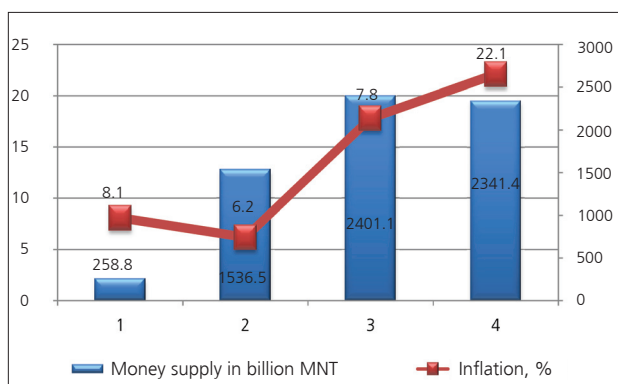
Graph 2. Budget revenue, expenditure and balance



Rising prices of our main export raw materials on the world market such as gold, copper and other minerals, which lasted until the fourth quarter of 2007-2008, has been a major factor leading to increase in budget revenue. While the previous two years showed a budget surplus in Mongolia, it witnessed the opposite picture or budget deficit in 2008 mainly because of the sharp fall in prices of raw materials on the world market since March 2008.

Money supply. According to the statistics of Mongol Bank, money supply reached 2,318.9 billion MNT in 2008, down by 82.4 billion MNT or 3.4% than in 2007. Compared with 2006 and 2000, however, money supply in 2008 rose by 782.4 billion MNT or 50.9% and 8 times, respectively. In recent years, the banking sector has boomed with the growing role of commercial banks in the financial market and increasing amount of credits. As a result, signs of economic overheating have been observed.

Graph 3. Money supply and inflation

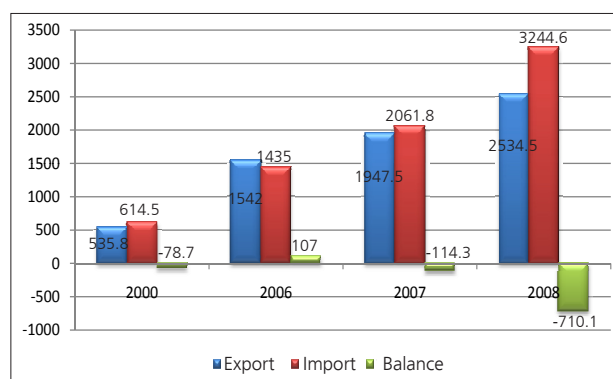


Changes in prices and values. Increases in world prices of wheat, some food commodities and oil in 2008 led to rising prices of consumer goods, services and tariffs and annual average inflation rate reached 28.0%. However, in the last quarter of 2008, goods and service prices slid slightly and the overall price level stood at 22.1%. Compared with 2007 and 2006, inflation rose by 4.3 points and 15.9 points in 2008.

Exchange rate of national currency to foreign currency. Average exchange rate of tugrug to U\$ remained stable at 1,090-1.150 in 2000-2008. Although tugrug exchange rate to foreign currencies fluctuated little in 2008, tugrug exchange rate to U\$ soared up to 1268 MNT by the end of the year. The main reasons were the reduction in the foreign currency reserve by over 360 billion MNT, followed by higher demand for foreign currencies and dropping tugrug savings.

Foreign trade. Mongolia traded with over 110 countries in 2008 with total foreign trade turnover reaching 5,779.0 mil U\$, representing a growth of 1,769.7 mil U\$ or 44.1%. Foreign trade balance had a deficit of 710.0 mil U\$. Foreign trade deficit in 2008 is associated with rapid import growth and drastic fall in key export commodities.

Graph 4. Foreign trade, mil U\$



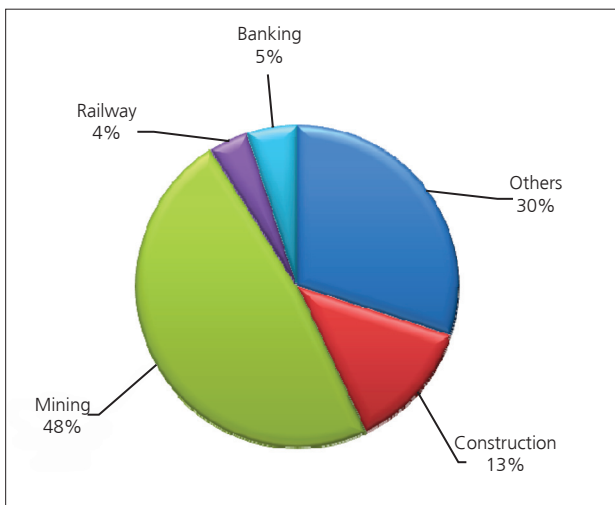
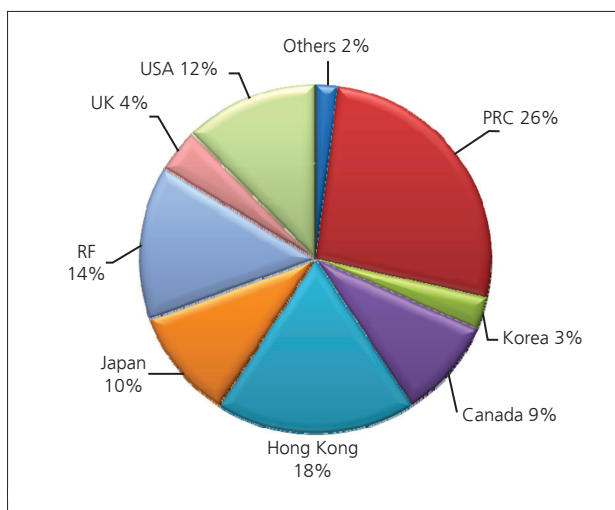
Export. In 2008, the export amounted to 2,534.5 mil U\$, representing an increase of 587 mil U\$ or 30.1%, 992.5 mil U\$ or 64.4% and 1,998.7 mil U\$ or 4.7% compared to 2007, 2006 and 2000 in respective order. Of the total export commodities, 60.3% is comprised of mineral products including 33.0% for copper concentrate.

Import. In 2008, the import reached 3,244.5 mil U\$, which was higher by 1,182.7 mil U\$ or

57.4% than in 2007. Compared to 2006 and 2000, it grew by 1,809.6 mil U\$ or 2.3 times and by 2,630.1 mil U\$ or 5.3 times, respectively.

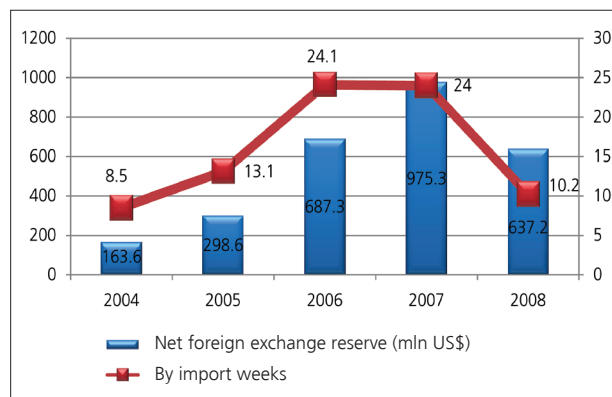
Foreign direct investment (FDI). FDI in net value rose 1.9 times to reach 682.5 mil U\$. Of FDI, 48% was invested into mining sector and 13% into construction sector. China accounts for 26% of FDI when it is estimated by countries.

Graph 5. Foreign direct investment, by countries and sectors, 2008



Official foreign exchange net reserve. The volume of official foreign exchange net reserves reached 972.4 mil U\$ in 2007, which is enough to meet import needs of 23.9 weeks. In 2008, the volume shrank to 637.2 mil U\$ which is adequate to meet the needs of 10.2 weeks of import. Shrinking official foreign exchange net reserve was influenced by foreign trade deficit.

Graph 6. Official foreign exchange net reserve (mil U\$), import weeks



Social situation

Population. Government actions to provide money support to family development and children are stimulating a higher birth rate in Mongolia. In 2008, the population growth reached its peak since 1990. The total population reached 2,683.5 thousand in 2008 representing a growth of 1.8% over the preceding year. The population is projected to reach around 3,044.9 thousand by 2015.

Employment. Government set the target of generating 80 thousand new jobs in 2008. As a result, 73.9 thousand employment places were created in 2008 with distribution over sectors 11.9% in agriculture, hunting and forestry, 6.9% in mining and extraction industry, 13.6% in manufacturing, 1.2% in electrical power industry, 16.0% in construction, 21.7% in wholesale and retail trade, 5.3% in hotel and catering services, 3.5 % in warehouse, communications and transportation, 2.2% in public administration and defence, 4% in education, 2.2% in health and social protection and 11.5% in other social and personal services. Of newly created jobs, 49.7% or 36.8 thousand have been generated in rural areas. The total workforce is 47.5% female and 52.5% male.

Social welfare. In 2008, a total of 51.3 thousand people from vulnerable social groups, such as people not eligible to receive pensions, lonely and impoverished older people, persons with disabilities, single parent families with many children were allocated welfare benefits worth 23.1 billion MNT financed by the Social Insurance Fund.

The unit amount of conditional cash benefit allocated in accordance with Social Welfare Law has been increasing year to year in line with the changes in the poverty line level, inflation, pensions and benefits and has reached 24 thousand MNT.

In 2008, 19.7 thousand people in need of social welfare and assistance received allowances and conditional cash benefits totaling to 2.6 billion MNT. 87.8 billion MNT was disbursed to 1.3 million people within the population development framework. This includes child money of 32.8 billion total distributed to 952.5 thousand children and disbursements of one-off grants of 6.3 billion MNT to new borns and 17.3 billion MNT to 34.6 thousand newly married couples.

Education. With improving quality of and access to education of all levels in 2008, secondary schooling was shifted to 12 year schooling system and 6 year old children were enrolled into Grade 1. Legal environment has been laid out to regulate relations regarding pre-school education of young children and a policy on pre-school education training has been approved. "Lunch" programme for pupils of Grade 1-5 at secondary schools has been in place since 2006. Under the programme 16.5 billion MNT was spent covering 239.8 thousand pupils during the academic year of 2007-2008.

In response to the labour market demands, attention is being paid to training of qualified workers in mining and manufacturing industries. To this end, the number of students to be enrolled in vocational training and production centers (VTPC) has been set and the curriculum has been updated. With monthly stipends of 45.0 thousand MNT to each student the enrolment in VTPCs shot up. In accordance with the General education development plan of Mongolia for 2006-2015 a policy to increase the number of engineering and technology students through a system of economic incentives, rebates and job placement, as well as provision of student loans from the State Training Fund to three in every four students majoring in above disciplines and one in four students majoring in other disciplines, is now being pursued. As a result, the number of freshman year students majoring in engineering and technology reached

23.3 thousand in 2008, which is by 0.7 point higher than the preceding year.

Compared with previous years, the investment volume in scientific laboratories and testing fields has dramatically increased. This allowed establishment of specialized laboratories for shared use by research and training organizations. With a view to building technological infrastructure, the work has started on establishing an incubator center at Academy of Sciences (AS), agricultural technological park, extension center and biotechnological incubator at Agricultural University (AU) and a food technology incubator at Science and Technological University.

Health. A National Programme for a Healthy Mongolian has been implemented with primary medical examination provided in all aimags covering 83.6% of population over the age of 15. With a view to ensuring early detection and treatment of the infectious and non-infectious diseases most commonly found among the general population and raising awareness about healthy lifestyle, protection of risk factors, prevention from diseases and protection of health a Healthy Mongol electronic database has also been established at national level.

Maternal and infant healthcare equipment, tools and medicines have been distributed to aimag and soum health organizations within the programme of reproductive health implemented in cooperation with the UNFPA.

In accordance with the strategy for development of a health management information system, step-by-step measures are being taken to establish an inter hospital information network. Web based database has been put in operation with a view to providing information necessary to maintain proper relations between the public and private sectors, foster partnership and ensure transparency and efficiency of the licence and import permits allocation process.

In 2007-2008, all soum hospitals were provided with diagnostic tools necessary for blood and urine analysis and diagnosis of some infectious diseases. This measure was aimed at ensuring access qualified diagnostic service and treatment for people in rural areas.

MDGs financing

In 2006, the Government of Mongolia for the first time defined necessary policy measures and assessed required financial resources for MDGs attainment. Development of a financing strategy in close correlation with midterm national investment plan in future will allow financial sources for MDG implementation reflected in annual budget and harmonized with financial support and assistance of international organizations and donors.

Key policy documents such as MDGs-based NDS, which defines long term economic and social development objectives, Government Action Programme (GAP) and annual socio-economic development guideline have incorporated targets and measures directed at MDG attainment.

However, policy measures reflected in the MDGs needs assessment were too minor and fragmented and were not linked to financial sources and principles of financing, hence impeding the cost assessment of implementation and disallowing budget and financial monitoring. Therefore, it is crucial to review and integrate needs assessment costing and interventions in sectoral policy documents.

General conclusion

Since the previous report period, a progress has been made in MDGs implementation status nationwide during the years of 2007-2008. However, the role of state, government and private sector is crucial in attainment of all targets by 2015. Varying levels of MDG implementation by local areas necessitates local specific policy and planning in order to enhance the implementation.

As mentioned in the previous report, an official structure is essentially required to improve policy

liaisoning and make regular monitoring, analysis and evaluation of the implementation.

With amendment to the SGH Resolution 25 and adoption by the SGH of Resolution 13 in 2008, the consistency among goals, targets and indicators has improved. Nonetheless, no consolidated statistical data source has been set up yet.

To attain MDGs by 2015, the following measures should be taken as a matter of priority:

- Address disparities in regional development - allocate greater capital and financial resources to regions and local areas where poverty level is higher than the national average;
- Increase the productivity of the agricultural sector;
- Intensify the pace of the education and health sector reforms - reform the education sector through effective management and sound financial coordination. In particular, attach serious attention to low primary school enrolment and higher rate of school dropout among boys;
- Reduce gap in financing - mobilize domestic resources, increase employment opportunities and within the framework of economic improvement and people empowerment and pursue a policy for equal distribution of wealth and income;
- Ensure civil service transparency and accountability;
- Increase public and private partnership;
- Improve target clusters, databases and monitoring and assessment.

Chapter 1.

MILLENNIUM DEVELOPMENT GOALS IMPLEMENTATION:

Current Status, Trend, Facilitating
Environment, Challenges and Priorities



GOAL 1

REDUCE POVERTY AND HUNGER

Goal 1 REDUCE POVERTY AND HUNGER

Target 1: *Halve, between 1990 and 2015, the proportion of people whose income is below the minimum living standard*

Current status and trend

The Mongolian economy has been growing in recent years. However, the growth is not translated into significant reduction of poverty. According to the 2007-2008 Household Socio-

Economic Survey, the poverty level stands at 35.2% in Mongolia. This means a total of 930,000 people live in poverty and 35 out of every 100 persons cannot afford to buy basic food and non-food bundle (Table 1).

Table 1. Poverty level, poverty depth, consumption and GDP per capita

Indicators	1990	2000	2006	2007	2008	2015
1 Poverty headcount (percent)	36.3 ^a (1995)	35.6 ^a (1998)	32.2 ^a	29.3 ⁶	35.2 ⁶	18.0 ^a
2 Poverty gap ratio (percent)	10.9 ^a (1995)	11.0 ^a (2002)	10.1 ^a	8.8 ⁶	10.1 ⁶	6.0 ^a
3 Share of poorest quintile in national consumption	-	7.5 ^a (2002)	6.3 ⁶	6.4 ⁶	7.2 ⁶	11.0 ^a
4 Per capita Gross domestic product (at current prices, thousand tugrug)	5.1 ^a	426.2 ^a	1440.7 ^a	1758.9 ⁶	2305.2 ⁶	6800.0 ^a

Source: a. Parliament Resolution #13 dated in 2008: About Approval of MDGs Mongolia
6. HSES, NSO, 2009

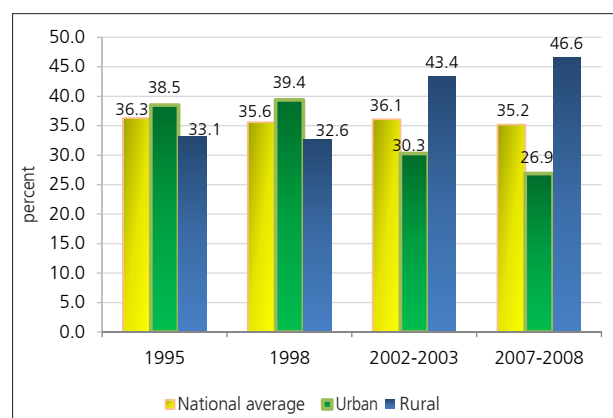
The poverty level was reduced from 30.3% down to 26.9% in urban areas. At the same time it increased from 43.4% to 46.6% in rural areas (Graph 7). The estimate of poverty level shows a reduction in the western and the central regions by 4% and 3.7%, respectively, as opposed to an increase in the khangai and the eastern regions by 7.9-12.2%.

Poverty depth, which estimates the deficit in consumption relative to the poverty line, declined to 8.8% in 2007 compared to 2006 and regressed back to 10.1% in 2008. Thus, there hasn't been a significant reduction in poverty and inequality, and the poverty level slightly fluctuates.

If this trend continues further, achieving the goal of poverty reduction will be seriously challenged.

Inequality persists according to an increase in Gini Coefficient (Table 2). Inequality rose across all regions implying that well-off people benefit most from the economic growth.

Graph 7. Poverty Level in Mongolia, %



The share of population with minimum consumption (lowest quintile: 20%) is 7.2% in 2007-2008. According to 2008 estimate, GDP per capita in current value reached 2,305.200 MNT, an increase of 31.1% over 2007. Per capita consumption in real terms rose by 8.7%

between 2002-2003 and 2007-2008. The consumption rose by 16.5% in Ulaanbaatar, by 13.6% in the central region and by 4.8% in the western region while it reduced by 7.4-8.2% in the hangai and eastern regions.

Table 2. Poverty level (headcount), depth (gap), inequality and consumption per person, 2003, 2008

	Poverty headcount %		Poverty depth		Gini coefficient		Per capita consumption, th/MNT	
	2002-03	2007-08	2002-03	2007-08	2002-03	2007-08	2002-03	2007-08
National average	36.1	35.2	11.0	10.1	0.33	0.36	92.8	100.9
location: Urban	30.3	26.9	9.2	7.7	0.33	0.36	101.9	115.5
Rural	43.4	46.6	13.2	13.4	0.31	0.32	81.5	81.0
Ulaanbaatar	27.3	21.9	8.1	6.3	0.33	0.36	108.6	126.5
Aimag center	33.9	34.9	10.5	9.9	0.32	0.34	93.9	97.7
Regions: Western	51.1	47.1	14.6	12.8	0.31	0.30	75.1	78.7
Hangai	38.7	46.6	12.3	13.6	0.32	0.32	86.9	80.4
Central *	34.4	30.7	10.1	8.4	0.31	0.35	92.9	105.5
Eastern	34.5	46.7	12.4	14.9	0.32	0.34	89.1	81.8

* excludes Ulaanbaatar.

Source: HIES+LSM 2002-2003, NSO and HSES 2007-2008, NSO, 2009

Facilitating environment

The overriding goal of Mongolia's key policy documents: MDGs-based NDS (2007-2015) and the Government Action Programme lies in poverty reduction and improvement of the people's livelihood. They prioritize poverty reduction activities and fully support poverty reduction activities.

With support of international organizations Mongolia is implementing the following projects and programmes targeted at poverty reduction. These include National Programme for Household Livelihood Capacity Support (GoM, ADB), Sustainable Livelihood Project (GoM, IDA/WB), Poverty Research and Employment Facilitation Project (MoSWL, SIDA/UNDP), Sustainable Rural Poverty Reduction (MoG/IFAD), Informal Economy, Poverty and Employment Project (MoSWL, ILO).

Laws on social welfare, social protection of people with disabilities and employment facilitation have been updated and enforced. As a result of the one-off grants for new born and newly married couples, allocated since 2006, and the implementation of the Child Money Programme since 2007, the cash income of the population is increasing. The grant constitutes an important investment for the newly married to start off their living as a family.

As a result of Government anti poverty actions, some investment has been made into halting over-expansion of the poverty ranks, generation of temporary jobs through social infrastructure development, support of pre-school and basic education, improvement of health services and mobilization of people motivated to work and improve their livelihood into income generation activities. These, in turn, have led to creation of conditions favourable to fostering expansive public and private partnership, cooperation and support, increased efficiency in programme investments and meeting local needs.

However, these anti poverty actions had weaknesses that diminished their effectiveness. In taking the actions, specific needs, capacities and uniqueness of the target households and people were not taken into account; households were not targeted as a unit. Moreover, household members were targeted separately from each other. All these resulted in a waste of resources and time. The underlying reason for that may have been the failure to recognize the need to support greater responsibilities, participation and initiatives of households and household members and to plan and implement necessary measures based on that recognition.

In order to better understand the poor and their needs, poverty monitoring-analysis-assessment system needs to be established. Therefore, administering the 2010 Population and Housing Census using a questionnaire that would help estimate the population livelihood levels and in particular could be used for poverty mapping purposes, will be of great importance in many aspects. The poverty mapping that was made at aimag and soum levels for the first time in 2008-2009 using the 2000 Population and Housing Census and 2002-2003 Living Standard Measurement Survey will be a powerful tool in developing poverty alleviation policies and actions². The poverty reduction at local level has become a main responsibility for local administrations. However, the shortfalls in resources and human resources and capacity distract them from their responsibilities to address this important challenge.

Challenges

The poverty level in Mongolia has reduced by a mere 1.1 point over the last nineteen years. Halving the number of people living below the poverty line in the remaining time is thus expected to present a major challenge.

Although the economic growth has not translated into significant poverty reduction, it offers opportunities for poor people to mobilize their main resource - labour. International experience shows that sufficient job generation is one of the factors leading to poverty reduction. One of the reasons why the growth of Mongolian economy is not translated into

poverty reduction is the prevalence of low employment intensity growth, which does not allow for substantial creation of new jobs.

Therefore, in order to improve the social security of the population, measures aimed at delivering through effective mechanisms the funds allocated to health, education and social welfare services to the vulnerable and target groups, as well as reform of the social welfare system and employment generation, need to be accelerated.

Priorities

Short term³:

- Adopt a "National Programme for Household Development". Implement the programme while ensuring that situation, resources and capacity of households are determined with participation of the household members and the joint development of needs-driven and tangible development plans;
- Increase employment by channelling investment into industries that promote economic growth, particularly labour intensive industries;
- Assist unemployed and poor people in gaining a profession, work skills, experience and job placement, as well as obtainment and increase of sources of income;
- Create a system of economic incentives for enterprises and industries that generate a large number of jobs;
- Increase employment through establishment of a specialized business incubator within as part of implementation of the Law on Small and Medium-Sized Enterprises, micro loans and greater use of workplace and apprentice training;
- Improve the registry, information and organization of informal employees and increase their opportunities to access to social services in cooperation with government organizations, civil society and professional associations;

² Harold Columb, Thomas Otter, Poverty Mapping based on Population Census Data: Regional, Aimag and Soum Levels NSO, UNDP 2009

³ Short term: 1-2 years

- Expand economic and business support to increase the market competitiveness of informal employees;
- Implement rural employment policy capitalizing on local development, and in this framework, develop processing industries of animal products;
- Reform the social welfare system and optimize the targeting of welfare services to target groups, create and institute an effective and appropriate structure to deliver social welfare services to rural and remote areas;
- Develop and implement a programme aimed at identifying the employment needs of population and social groups such as women, elders, herders and people with disabilities and provide support.
- Create a legal and economic environment which motivates highly qualified and educated Mongolian citizens working and living abroad to return home and promote initiatives for creating jobs according to their qualifications;
- Pursue a policy to promote genuine and sustained income growth for the population and elimination of unequal income distribution;
- Update the legislation to expand social insurance coverage and promote employers to ensure social security of their employees;
- Lay out the legal environment for developing a multi-tier pension system;
- Draft a law on social insurance of herders and self-employed;
- Develop a strategy on using the pension insurance account fund resources in in long-term investments and develop the necessary legal framework for the fund management.

Mid term:⁴

- Support export oriented production and increase employment;
- Ensure that skills and capacity of the workforce meet the labour market needs and requirements by defining state policy on vocational education and training and enhancing private sector participation;

⁴ Mid term 3-5 years

Target 2: *Reduce by six times, between 1990 and 2015, the proportion of people who suffer from malnutrition*

Current status and trend

Malnutrition (iron deficiency and anemia, iodine deficiency disorders, vitamin A and D deficiencies and zinc deficiency) is common among the Mongolian population, especially children and women, and vulnerable groups.

The proportion of underweight children reduced from 12.0% in 1992 to 6.3% in 2006, indicating an annual drop of 0.44% (Table 3). In order to attain the target for 2015, priority attention should be attached to the western, hangai and eastern regions, all of which have higher proportions in underweight children than the national average.

Table 3. Proportion of under five malnutrition (underweight, stunting and wasting)

	Indicators	1990	2000	2006	2007	2008	2015
5	Prevalence of underweight children under age five (percent)	12.0 ^a (1992)	12.7 ^a	6.3 ^a (2005)	6.3 (2005)	6.3 (2005)	2.0 ^a
6	Prevalence of stunting (height for age) children under age five (percent)	-	25.0 ^a	21.0 ^a (2005)	21.0 (2005)	21.0 (2005)	13.0 ^a
7	Prevalence of wasting (weight for height) children under age five (percent)	-	5.5 ^a	2.2 ^a (2005)	2.2 (2005)	2.2 (2005)	1.0 ^a

Source: a. Parliament Resolution #13: Approval of Mongolia’s MDGs, 2008
 First National Survey on the Nutrition Status of Population, 1992, MoH
 The Nutrition Status of Children and Women in Mongolia, Third National Survey, PHI, MoH and UNFPA 2004

Stunting, main indicator of chronic malnutrition, reduced from 26.0% in 1992 down to 19.6% in 2004 whereas the survey conducted by the National Statistical Office (former name) with the support of UNICEF estimated it to have increased to 21.0%⁵ in 2006. In order to achieve the target of reducing the proportion of stunted children down to 13% by 2015, 0.9 % decline should be maintained each year and more intensive efforts should be made in the western (28.0%) and the eastern (26.9 %) regions.

The proportion of wasting, another acute form of malnutrition, reduced from 5.5% in 2000 to 2.2% in 2005. If this decline rate is maintained, Mongolia can achieve the target of reaching 1% by 2015. The proportion of wasting in Ulaanbaatar is 2.5% which exceeds the national average.

Prevalence of anemia among young children declined from 48.5% in 1999 to 21.4% in 2008. For the same years, the prevalence of vitamin A deficiency reduced from 19.8% to 12.0% while

vitamin D deficiency increased from 32.1% to 41.0%.

Facilitating environment

Food supply and food security. The Government of Mongolia has been taking step-by-step actions to enforce policy for updating the legal environment, revival of industrial production and improvement of food supply and living standard of population within the framework of increasing food supply and production. The government is implementing national programmes such as Food Security (2009-2016), Crop Industry Campaign III-Farming Development (2008-2010), Ecologically Clean Products (2006-2015) and Promoting Intensified Animal Husbandry (2003-2015). The programmes are yielding due results.

Nutrition and vitamin. In the framework of supporting the nutrition status of children and mothers of poor and vulnerable groups, the Government of Mongolia developed and approved a sub programme for nutrition support of vulnerable populations in 2008 and has

⁵ Child Development Survey-2005, NSO and UNICEF, 2007

started the implementation with the support of ADB. The programme aims to establish a mechanism whereby low income people buy basic food items at stable prices, provide temporary shelter and once-a-day-meal for homeless and unemployed people and people with no resident registration with the respective local administration.

The legal environment to regulate the distribution of age-appropriate children's dietary supplements rich in nutrients, minerals and vitamins and ensure quality and safety of mother's milk substitutes, has been set up. National Programme for Improving Child Development and Protection (2002-2010), and Strategy for Prevention of Vitamin and Micronutrient Deficiencies of Mothers and Children have been approved and set to implementation. More attention is being paid to provide vitamin A to young children, promote breastfeeding, create a system for monitoring child growth, improve food safety and hygiene, improve the capacity of health workers, and conduct advocacy to raise awareness of parents and caretakers and increase public access to information.

The government has started the implementation of the "School Lunch Programme" at secondary schools. The programme had achieved by 2008 a full coverage of all children in grades 1-5. The programme aims, among others, at boosting the nutritional value and food safety of school lunches, and at increasing the calcium intake of children through ensuring that no less than 60% of the food ingredients are milk and milk products.

Many international and domestic organizations such as UNICEF, UNFPA, WHO, ADB, World Vision, Action Against Hunger (French humanitarian organization) and Tavan Bogd Group are actively supporting the activities targeted at improving the nutrition status of mothers and children in Mongolia and providing them with vitamins.

Challenges

The surge in world food and consumer goods prices that was taking place during the reporting period had an adverse effect on the nutrition and livelihood of vulnerable groups of the population.

Action needs to be taken in order to improve households' food supplies and food micronutrient contents, increase the per capita average calorie intake from food consumption and variety of food products, and to ensure better supplies and greater availability of food products in general.

Intersectoral cooperation in dealing with food and nutrition issues should be supported and effective food production and trade need to be enhanced. At the same time, abrupt fall down in import prices and unfair competition which hamper the viability of producers should be avoided.

Priorities

Short term:

- The Government should take special care of issues of ensuring access by target groups to dietary supplements and vitamins for mothers, children and senior citizens and protection against malnutrition, and take necessary actions;
- Establish and develop a new system to serve target groups vulnerable to malnutrition (particularly poor and vulnerable);

Mid term:

- Increase production of animal and crop-derived food;
- Develop by region pastoral and intensive animal husbandry, direct it at producing high quality, safe raw materials and products, which meet domestic market demands, and increasing export capacity;
- Develop a common methodology for determining food safety standards in Mongolia, and develop and implement policies on food balance, assistance to malnourished poor people and households, food supply and food security;
- Establish an internationally recognized non-profit independent national laboratory for verification of food quality and safety control.

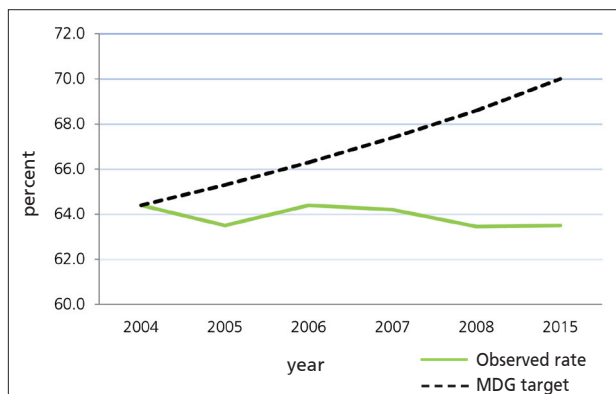
Target 3: *Increase employment rate of population, reduce youth unemployment rate who are newly entering to the labour market*

Current status and trend

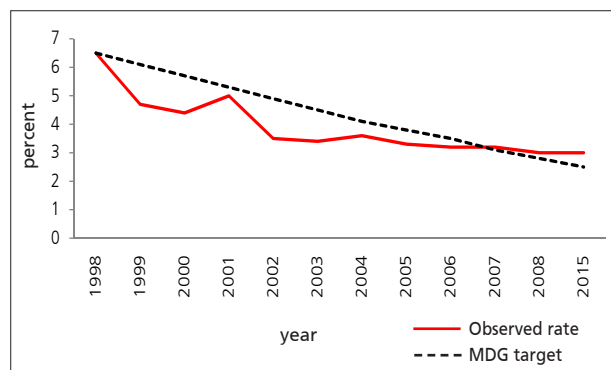
The total population of Mongolia reached 2,683.5 thousand in 2008 with breakup of 1,688,7 thousand people of working age and 1,071.5 thousand economically active people. 2007-2008 Population Employment Survey estimates that youth of 15-24 years make up 21.7% of the total population and 21.0% of total employed.

In 2007, national labour force participation rate was 64.2% and unemployment rate of population aged 15-24 was 3.2%. In 2008 labour force participation rate declined to 63.5% and unemployment rate dropped to 3.0% both representing a reduction of 0.7 and 0.2 point in corresponding order (Graph 8-9). Despite the decline, youth unemployment rate still exceeds the national average. Youth aged 15-24 comprise 22.8% of the unemployed registered with employment office.

Graph 8. Labour force participation rate



Graph 9. Unemployment rate of population aged 15-24, 1998-2008, 2015



When labour force participation rate is estimated by regions, all regions experienced a decline of 0.8-2.1 points except for Ulaanbaatar, which had an increase of 0.6 points. According to 2007 survey, regional disparity in labour force participation rate was 0.5-16.6 in 2007. The disparity reduced to 0.4-14.4 as estimated by 2008 survey (Table 4).

Table 4. Labour force participation, unemployment of population aged 15-24, by regions, 2004-2008

	Labour force participation rate (%)						Unemployment rate of population aged 15-24, %					
	2000	2004	2005	2006	2007	2008	2000	2004	2005	2006	2007	2008
National average	62.9	64.4	63.5	64.4	64.2	63.5	4.4	3.6	3.3	3.2	3.2	3.0
Western region	75.2	73.2	72.9	72.7	72.6	71.5	-	4.3	3.7	3.7	2.9	3.1
Hangai region	77.6	73.2	73	72.8	73.1	71.1	-	4.5	4.0	3.7	3.9	3.8
Central region	66.5	65.8	65.6	65.8	66.1	65.3	-	2.8	2.5	2.6	2.4	2.3
Eastern region	63.5	61.5	61.3	61.6	60.8	58.7	-	3.9	3.9	4.8	3.5	4.7
Ulaanbaatar	46.2	55.9	54.4	56.8	56.5	57.1	-	2.8	2.7	2.2	3.1	2.3

Source: Annual report of population employment, NSO, 2008

Facilitating environment

The Government declared the year of 2007 as the “Year of Grand Development and Employment Generation” and took measures to create a large number of jobs to contribute to improvement of living standard and living conditions of people. As a result, 80.0 thousand new jobs were created in 2007, and additional 73.9 thousand new jobs were created in 2008. Of the total new jobs, 23% are taken by youth aged 15-24.

The Government is also implementing a National Programme for Youth Employment to prepare students for entry into labour markets after school, support them in engaging in entrepreneurial work and setting up small businesses in line with their college specializations and develop business incubator environment. With a view to facilitating employment generation action is being taken to provide loans to university students in their senior year or new graduates within the first year after graduation by the time of their application for a loan, to start a business.

Challenges

It is required to reflect the changing trend in the age structure of the population in employment policy, and in particular, make an effective use of the demographic window.

The education, knowledge and skills of the young people entering the job market are not adequate to find jobs right away or start private businesses. Some are interested in high income jobs abroad, but it often proves difficult to find a job commensurate with their training and qualification. Accordingly, preparing workers with professions and skills that live up to requirements of modern businesses, enterprises and organizations is needed.

There is a noticeable excess of labour force brought about by the combined effect of very low absorbing capacity of the economy and the “Population Window” of Mongolia. Therefore, a shortage of jobs for young people entering the job market and resulting need for overseas job placement have a tendency to persist in the forthcoming years. In this context, it is important to develop manufacturing industries generating large numbers of jobs for young

people, place greater emphasis on development of cooperatives in labour management and enhance opportunity for overseas employment based on labour contract.

Youth employment depends to a great extent on economic growth and labour market conditions. Economic and sectoral policies are required for laying out conditions to make decent and effective employment available. It is necessary to expand opportunities and enhance the capacity for today’s young people to grow into future workers, business entrepreneurs, parents, active citizens and leaders and give a second chance to those young people who have made a wrong choice.

Challenges

Short term:

- Provide skills which are on demand in labour markets and increase competitiveness in labour markets;
- Provide assistance to self-employed and low educated young people in engaging in private production of goods and services;
- Promote young people’s business entrepreneurship through better information on business training, microcredits, youth network, national campaigns and business activities and support to youth employed in informal sector;
- Promote youth employment and apprenticeship in high growth sectors such as manufacturing, construction and energy;
- Create through public works jobs for young people who were unemployed for extended periods of time, including young people in rural areas, and increase their opportunities and access to training and employment;
- Support the efforts of employers’ federations and trade unions to find appropriate forms the job training and support employers employing school dropouts and new graduates through economic incentives.

Mid term:

- Mainstream into development policy and planning specific goals of creating highly productive and decent jobs for young people;
- Determination and reporting by companies and organizations in working in environment, information, communications and technology, mining and tourism sectors on their current and forthcoming projections on employment of young people;
- Develop a national programme for vocational education and training and expand the cooperation of employers and vocational education and training organizations;
- Provide support to young people returning after overseas employment;
- Operate business incubators for young herders so as to allow them to run their own businesses, organize training and provide business support services.

Box 1. Student employment

Every year 16% of all students or 200 thousand students major in social, humanitarian, environmental, agricultural, technical and medical sciences and obtain tertiary and vocational education. Of them 73.2% submit their claims for employment to aimag and district labour and welfare service divisions.

However, about 70% of orders on employment at employment offices are requesting general majors and technical/ vocational education. The overall status of the labour market reveals that the supply of tertiary educated and ordinary workers outnumbers the demand by 20% while the demand for technical workers stands lower than supply by over 30%.

In this context, a plan for student employment promotion has been set to implementation to create conditions for preparing students for entry into the labour market and allow them to receive skills training and generate income during their leisure time.

In the first phase of the plan, student employment promotion service centers were established in selected universities. The centers are working to provide advisory, training and informative services for decent entry into labour market, register students willing to work and run business during leisure time and mediate through 'Student Labour Exchange', grant access to loan programmes, make studies on job availability for graduates and mediate for apprenticeships and internships at enterprises and organizations. Within the aforementioned plan, student loan programme is being implemented jointly with Khas Bank in order to support student-run business and student entrepreneurship.

Source: MSWM

Target 4: *Reduce negative effects of population concentration and migration, provide migrants with basic social services*

Current status and trend

Population growth, especially population distribution and density in regions have undergone a significant change over the last decade. People of ages 15-44 or working age are part of the migration process, in particular, young people between 15-24 years old were the age group that had the highest rate of migration to and settlement in Ulaanbaatar. Although the share of the working-age population of Ulaanbaatar is increasing as a result of migration inflows, thus creating a positive demographic climate for economic growth, not all people of working age can become economically active. Nevertheless, employment opportunities are relatively better in Ulaanbaatar than in rural areas.

Compared with migrants' origin areas, GDP per capita was 2.1-2.2 times higher in destination areas in 2007. While origin areas remain relatively more dependent on government subsidies, destination areas have higher rates budget contribution to national budget.

Proportion of non-qualified teachers among full-time teaching staff of secondary schools and percentage of unfilled teachers' vacancies are higher in origin areas when compared with the national average and destination areas. Meanwhile, number of persons per physician in origin areas outnumbers the national average by 17 times and 1.7-1.9 times in destination areas. The explanation for this disparity lies in relatively lower availability of physicians in rural areas. Better quality of education and health services in large urban areas and centers are one of the push factors for stimulating migration in rural areas.

In addition, adequate access to and availability of public amenities, communication services and transportation and intensive construction activity are what attracting rural people to move to Ulaanbaatar. Whereas, according to the 2000 Macro Level Internal Migration Survey, the common problem for migrants in Ulaanbaatar was lack of employment, the 2008 Survey on Trend and Impacts of Population's Internal Migration showed that registry and registration-related difficulties, land issues, low qualification and financial difficulty have become the most common

problems for migrants in the capital city.

It can be concluded from the above that the key cause for migration is not movement closer to markets, but the search of opportunities to benefit from and be closer to development. The school performance of children from migrant families improves in the city. Employment is by far the biggest advantage for migrants, they also come closer to education and health services. As of now, no data is available to show the progress made on this target by the percentage of unregistered people among the total population of urban areas.

Facilitating environment

The 1992 Constitution of Mongolia guarantees people's right to choosing a place of residence. This right is reflected in policy documents such as the MDG-based NDS, Regional Development Concept, State Policy of Population Development and National Programme for Human Rights.

Registration and human rights of migrants are regulated under the Law on Civic Registration, Law on Administrative and Territorial Units of Mongolia and Their Governance, and Law on the Legal Status of the Capital City and relevant by laws.

Comprehensive approach is required to address the issues of reflection of migration trends in development policies and planning of all sectors, equal delivery of social services to migrants, setting up of a flexible system to make decision on necessary expenditures, and development of counselling services to help would be migrants make an informed choice before setting on a migration.

Challenges

Social and economic reasons for population migration have not changed since 2000 according to the survey results⁶. In particular, lack of employment and poor quality of social services are leading factors contributing to

⁶ Current situation and trend of migrations 2008, MSWL, UNFPA, Training and Research Center, NUM

continuous migration. Increased migration is accompanied by negative effects such as overconcentration of population in urban areas, higher unemployment and poverty rates and rising incidence of thefts, robberies and other crimes. Migrants usually reside in the remote and unsafe parts of the city. Expansion of ger districts has led to escalation of demand in the housing and land sectors and increased air and environmental pollution.

The most pronounced problem for migrants is unemployment. A majority of rural migrants have no profession; therefore, they are engaged in low paid temporary employment in conditions that do not meet work safety standards. They often have their rights violated working overtime and not receiving the full compensation for the work performed. Migrants are also more prone to face discrimination based on age, sex, economic capacity and capabilities. Unregistered migrants face more issues when getting a job. Thus, it is of utmost importance to give migrants a stable source of income by ensuring their registration, protecting their rights and providing jobs.

Priorities

Short term:

- Improve the infrastructure and social protection for population residing in the outskirts of the city;
- Determine the areas and zones which are unsafe for living within the frame of urban planning policy and prevent migrants from living in those areas and zones;
- Ensure registration of migrants;
- Make necessary changes in the rules governing migration registration and reporting;
- Incorporate the findings of migration studies into national development policy and planning;

- Steer national development policy and planning and budget systems towards regional development and stimulate decentralization;
- Enhance the participation of government and non-governmental organizations in supporting rural people to learn skills, join and establish cooperatives and partnerships, and expand the operation of Employment Promotion Fund in this direction;
- Take actions to prepare native residents to participate in migration, protect them from migration associated risks and organize information sharing and advocacy work.

Mid term:

- Study the possibility of establishing a trade network that would bring together the interests of rural and urban areas and enhance their interdependence as a main tool to accelerate the urban and rural development and integrate the findings into policy and planning;
- Develop and implement a local development strategy reflecting local specifics and advantages and give the spending power over financial resources;
- Study possibilities of establishing schools, kindergartens and household hospitals in settlements with high rates of migrant residents and implement such measures;
- Provide government support to individuals in improving their capacity and acquiring profession, mobilizing resources, engaging in employment, being proactive and working for self-development, enhance citizens' accountability and commitment, expand public works which provide massive employment and mobilize private sector.



GOAL 2

ACHIEVE UNIVERSAL PRIMARY EDUCATION

Goal 2 ACHIEVE UNIVERSAL PRIMARY EDUCATION

Target 5: Provide primary education for all children by 2015

Current status and trend

Net enrolment ratio in primary education has remained relatively stable in the recent years. In 2006-2007, the ratio increased from 91.4% to 92.7% and dropped back to 91.5% in 2008 (Table 5). This indicator brings Mongolia close to the global average and is higher by 3.5 points compared to other developing nations. However,

it is lower by 2.5 points compared with the average in East Asia (North Korea, South Korea, Hong Kong, PRC, Macao, Mongolia). The drop in enrolment ratio in the academic year of 2008-2009 is associated with 6 year old children starting primary school in conformity with the programme of shifting secondary schooling to 12 year schooling system.

Table 5. Primary school enrolment, pupils in 1-5 grades, literacy rate

Indicators	1990	2000	2006	2007	2008	2015
11 Net enrolment ratio in primary education	97.5 ^a (1995)	95.0 ^a	91.4 ^a	92.7 ^c	91.5 ^c	100.0 ^a
12 Proportion of pupils starting grade 1 who reach grade 5	91.0 ^a	83.6 ^a	86.8 ^a	89.9 ^c	92.8 ^c	100.0 ^a
13 Literacy rate of 15-24 year-olds	99.0 ^b (1989)	97.7 ^b	97.7 ^b (2000)	97.7 (2000)	97.7 (2000)	100.0 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
 b. NSO, MoESC, 2008
 c. Mongolian population and housing census, 1989, 2000

Poor household livelihood negatively impacts on children's education attainment. Besides, sparse distribution and low density of rural population are confronting the target to increase net enrolment ratio in primary education. Of the total primary school pupils, 44.2% are from poor households which split up into 22.7% for male and 21.6% for female. Monthly expenditure of primary schooling per pupil in rural areas equals to 4,000 MNT for poor households, which is twice as little as the monthly expenditure of primary schooling per pupil for other households⁷. School drop out and grade repetition in primary education particularly in Grade 1-2 are not falling down. There are about 37 thousand children left outside school thereby limiting the potential to fully achieve universal education for all girls and boys by 2015. Accordingly, necessary step-by-step measures

should be taken immediately.

The proportion of pupils who enroll in Grade 1 and reach Grade 5 was estimated at 86.8% in 2006. The proportion rose to 92.8% in 2008. The comprehensive actions taken by the Government of Mongolia have resulted in increased enrolment ratio in preschool education (PSE) by 14.2% and enrollment ratio in kindergarten by 13.2%. Nationwide, 42.1 thousand pupils live in 502 dormitories during the academic year. The capacity of dormitories is 37.8 thousand beds; however dormitories accommodate pupils outnumbering their capacity by 11.2%.

Unofficial records state that the number of illiterate people of 15 years and above was 11.7 thousand in 2007. The number of illiterate people aged 15 and above was 11.1 thousand with a break up of 6.3 thousand for male and 4.9 thousand for female in 2008. Three series of

⁷ Household socio-economic survey 2007-2008

first level literacy course books and 20 next level literacy course materials were developed and distributed. A total of 6,254 persons or 56% of the total illiterate population attended a literacy course.

Having determined the types of education upgrading trainings which are conducted at informal education (IE) centers and the number of persons who attended the trainings, a new indicator "Illiterate persons" was added into Mongolia's National Atlas which was produced by a Decree of the President of Mongolia.

Box 2. New schooling system

Research has proved that to start schooling at the age of six is a precondition for making progress and achievements in further stages of schooling. Therefore, Mongolia should prioritize the access of quality preschool education in order to enroll all children in primary education as set forth in national Millennium Development Goals by 2015.

Resolution 89 by State Great Hural in 2006, states to shift secondary schools to 12 year schooling system and enroll children of 6 years in schools. Accordingly, secondary schools have been shifted to 12 year schooling system and a total of 35,659 children have been enrolled in schooling. This measure has opened a new page in the education history.

With shifting secondary schools to 12 year schooling system, secondary education documents will be unanimously recognized and accepted and problems encountered to Mongolian secondary school graduates to enroll in overseas universities will be eliminated. As well, consistent with the international standard of enrolling 6 year old children in school, the aforementioned school structural change will be of exclusive importance in providing rights of young children to learn and develop at early ages characteristics of their fast and intensive development.

Source: MECS

Every year CDLIE releases the results of a survey on the literacy level of population according to which the number of illiterate has been dropping by 2.0-3.0 thousand per annum.

Facilitating environment

Projects and programmes with technical and funding support from Save the Children UK, IDA, ADB and Nordic Development Fund have been implemented to promote and motivate the interest of children who have never enrolled in or dropped out of school in learning and studying, increase preschool education service access, lay out normal and safe standards for school environment and improve the supply of textbooks. The projects and programmes are making important contributions to increase the number of classrooms and dormitory beds in kindergartens, improve the learning and living environment for children, lay out technical and technological conditions for new technology introduction and reduce school dropout.

Preschool education law was endorsed by SGH in 2008 within the framework of establishing access and safety standard of preschool education services. A National Programme "Lunch at Secondary Schools" has been implemented since 2006. By the end of 2008 the programme covered 239.8 thousand pupils of Grades 1-5. Within the framework of the project "Computer for Every School Child" computers were distributed to pupils and teachers of Grades 2-5 with accompanying training programme on how to use a mobile computer. A total of 6,900 computers were allocated to rural areas and 12,800 computers were distributed in the capital city.

With the support of the WB, a project "Initiative Partnership for Immediate Results" was implemented in 2008 covering 21 soums in 20 aimags. Reaching out to every soum, a total of 150 ger kindergartens were built and fully equipped with the unit cost of 4000U\$. As a result, 3,750 children in rural areas who couldn't attend kindergarten are now enrolled in preschool education.

Textbooks for all grades of 11 year schools which meet new education standard were updated during the years of 2005-2008. Likewise, all textbooks for Grade 1 and 2 of 12 year schools have been updated and textbooks for primary education have been fully supplied. 40% of secondary education textbooks have been loaned to students through school libraries free of charge.

Within the framework of improving dormitory access and promotion of pupils' interest in studying in rural areas, 3 new dormitories with 340 beds were put into operation in 2008. This was done with funds from the government budget allocated to the education sector. 22 secondary schools were built and capital renovation was done at 21 dormitories using a loan from ADB and grants from Save the Children UK and WB.

"National Programme for Literacy", "National Programme for Mongol Script-2" and "National Programme for Distant Learning" are being implemented in the education sector. Research has been made in some aimags, within the UNESCO Literacy Assessment and Measurement Programme, in order to develop criteria for measuring the literacy level in conformity with international standards.

Challenges

School drop out and repetition rates are not decreasing in Grades 1 and 2. This might hamper not only attaining the target to reduce the number of illiterate people but also achieving the goal of universal primary education within the set schedule.

Information system is missing to make accurate enumeration of the number of illiterate population.

A lack of management information system to control, monitor and regulate the school drop out and school change serves a basic reason why net enrollment ratio in primary and secondary education is not significantly increasing. Persistent shortage of textbooks is adversely affecting the training quality.

Enrolling young children from herder households in remote areas is one of the challenges faced in

the education sector. The access to and service of school dormitories in rural areas fail to meet standards and remain overloaded.

Priorities

Short term:

- Eliminate disparity in education services of urban and rural areas and urban central and suburban areas;
- Continue measures to supply every pupil with textbooks.

Mid term:

- Update mapping of secondary school structure, profile and location;
- Increase the effectiveness of teacher proficiency training;
- Upgrade the management and methodological skills of management and staff in education and culture departments of aimags and capital city.

Long term:

- Take comprehensive measures to enhance the capacity of education organizations;
- Increase reliability and accuracy of education information;
- Introduce new methodology and technology of data collection, processing and use;
- Form education quality assessment and evaluation system.



GOAL 3

**PROMOTE GENDER EQUALITY AND
EMPOWER WOMEN**

Goal 3 PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

Target 6. *Achieve appropriate sex ratio in primary and secondary education preferably by 2009, and in all levels of education institutions no later than 2015*

Current status and trend

Creating an environment which fosters equal participation of men and women in the country's development and their equal benefits from social wealth is crucial to improve the quality of life of population and eliminate negative social phenomena.

The economic transition during the beginning of 1990s negatively impacted on the education sector. However, the situation is likely to improve in the recent years.

Sex ratio in primary education was 1.01 in 2000 and 0.97 in 2008, while sex ratio in secondary education stood at 1.2 and 1.08 for these years, respectively, showing a trend to reach a relatively equal ratio. Gender disparity increases at senior grades and remains persistent in tertiary education (Table 6).

A total of 150.3 thousand students studied in public and private universities, institutes and colleges in the academic year of 2007-2008. This number increased to 161.1 thousand in the academic year of 2008-2009. The number and share of male students in tertiary education is on the rise.

Table 6. Sex ratio in secondary and tertiary education

Indicators	1990	2000	2006	2007	2008	2015
14 Ratio of girls to boys in primary education	1.03 ^a (1995)	1.01 ^a	0.98 ^a	0.97 ⁶	0.97 ⁶	1.0 ^a
15 Ratio of girls to boys in secondary education	1.33 ^a (1997)	1.2 ^a	1.03 ^a	1.09 ⁶	1.08 ⁶	1.0 ^a
16 Ratio of female to male students in tertiary education	1.56 ^a	1.72 ^a	1.53 ^a	1.57 ⁶	1.54 ⁶	1.0 ^a

Source: a. SGH Resolution #13, Approval of Mongolia MDGs, 2008
b. NSO, MECS, 2008

Among the students enrolled in tertiary education in 2000, 36.8% were male and this proportion rose to 39.5% in 2005 and to 39.9% in 2008. The proportion of female students was 60.1% in 2008. Of the total students, 90.1% are studying in bachelor's degree courses (undergraduate), 5.9% in master's degree courses, 1.4% in PhD courses and 2.6% in diploma courses. By mode of learning, day course students constitute 90.5% and evening course students comprise 3.9%. Students on correspondence course comprise 5.6%.

Females took up 65.5% of all graduates of universities and colleges in the academic year of

2007-2008. Out of total tertiary level graduates in 2007, 35.5% became employed.

Facilitating environment

The Government is attaching significant attention to forming a legislative environment to secure gender equality. The Constitution of Mongolia guarantees the equal right of every citizen to learning and education and the state provides free secondary education for all.

Education is regulated by Education Law, Law on Primary and Secondary Education, Law

on Tertiary Education and Law on Vocational Education and Training.

The Government of Mongolia approved a National Programme for Teen and Young Population Development (2007-2015) and is pursuing a principle for establishing a conducive environment, wherein choices of teen and young people are respected and they are treated in an equal and non-discriminatory manner.

The government has put in place the legal environment to regulate the government funding of a tuition cost of one child of civil servants who study in domestic and foreign universities, and allocate government grants and loans to students at domestic and foreign universities and colleges. The financing source for these purposes is reflected in the national public budget and channeled through the State Training Fund.

Challenges

Demand for qualified workers dominates the Mongolian labour market. By 2004, out of total graduates, 71.4% had completed university and college education and 28.6% had finished vocational and technical schools. By profession, 59.0% majored in social and humanitarian sciences, such as law, journalism, economics and finance and only 3.0% specialized in agriculture. This was notwithstanding the structure of the Mongolian economy, which derives 23.3% from agriculture, 50.1% from services and 26.6 from manufacturing.

The current way of preparing national professional staff is not always consistent with labour demands, economic structure and

characteristics. Therefore, a strategy should be implemented as an important component of the national strategy for sustaining economic growth to activate state participation and regulation in promotion of vocational education schools and ensuring that they better meet the labour market demands. This will also be conducive to support of the national production and technology and strengthening of the national economy. Nowadays, the employment rate of university graduates is estimated at 35.5%. Attention should be paid to the fact that among the graduates, 34.2% are not interested in being employed according to their profession and that 25.2% of the total poor population are people with tertiary education.

Priorities

Short term:

- Increase domestic and foreign investment, loans and assistance to improve learning environment at universities and institutes specialized in engineering, technology, natural science, teaching and agriculture;
- Improve policy for expanding the open opportunities to study in developed countries and repaying the loans;
- Optimize the structure of the enrolled in universities and institutes;
- Improve legal environment for loan system of the State Training Fund;
- Expand the scope of services giving discounts to students.

Target 7. *Ensure gender equality in wage employment*

Current status and trend

The ratios of women and men in non-agricultural wage employment are comparable. However, the implementation of this target is not steady as the indicator was estimated at 53.0% showing an increase of 1.9 percentage point over 1990

and a drop of 0.1 point when compared to 2007. Although the target set for 2015 is attained, gender equality can be disrupted if this trend continues to expand (Table 7). Western and central regions have lower numbers than the national average by this indicator.

Table 7. Percentage of women in non agricultural wage employment, 2003-2008

	Percentage of women in non agricultural wage employment					
	2003	2004	2005	2006	2007	2008
National average	51.1	53.1	53.1	53.9	53.1	53.0
Western region	50.6	51.5	51.4	53.0	52.5	51.1
Hangai region	52.7	52.4	53.6	52.9	52.8	52.2
Central region	50.9	50.8	52.3	51.6	52.3	51.7
Eastern region	52.9	53.6	52.8	54.0	53.5	52.4
Ulaanbaatar	50.6	54.1	53.4	54.9	53.3	53.7

When percentages of women and men in non-agricultural employment are estimated by economic sectors, women are dominantly found in education, health, hotel and catering, wholesale and retail trade, household maintenance and repair sectors, while men are predominantly employed in public administration, defence and mining and extraction. Men are paid more in sectors where women prevail in employment because men there are in high level positions, while women are in executing positions⁸.

According to 2006-2007 Labour Force Survey, an average of labour force participation rate is 67.8% for men and 58.3% for women at national level. The unemployment rate among women and men is 11.4% and 11.2%, respectively, demonstrating slightly higher employment opportunities for men.

Job places and employment training for women lag behind as newly generated jobs are more targeted at men.

Inadequacy in data and information on number of women employed in the informal sector is becoming an obstacle to make accurate assessment of women participation in labour market (Table 8).

Facilitating environment

The issue of employment generation for the population is integrated into formal employment policy, employment promotion law and national programme for employment promotion all of which are in effect.

Gender equality is also mainstreamed into the National Programme for Gender Equality, State Policy on Population Development and Policy on Family Development, which have been approved and set to implementation.

⁸ Sustainable development and gender center, "Analysing Mongolia MDGs from gender perspective" survey report, 2008

Table 8. Percentage of men and women in non agricultural employment, by economic sectors, 2008

	Total	Men	Women
Activities of International organizations	0.6	0.6	0.6
Household business employment	1.2	1.3	1.0
Social and personal care services	3.0	3.2	2.8
Health and social welfare	6.4	4.4	8.1
Education	10.0	6.9	12.7
Public administration, defence and social insurance	7.7	9.3	6.2
Real estate, rent and business	1.8	1.9	1.8
Financial transactions	3.0	2.5	3.4
Transport, warehouse and communications	7.0	9.7	4.6
Hotels and catering	5.2	3.8	6.4
Wholesale and retail trade, household maintenance and repair	25.5	21.4	29.2
Construction	10.1	12.2	8.1
Electricity, gas production and water supply	4.5	5.8	3.4
Manufacturing	7.0	7.3	7.0
Mining and quarrying	7.0	9.6	4.7

Source: Main Report on Results of Labor Force Survey, 2008

Challenges

At a glance, the employment rate of women is high, as a large number of women are employed in agriculture, trade, service and social sectors. But with deeper insight, women are found to be having lower income than men. Thus, conducive environment characterized by high wages, favourable conditions and flexible times needs to be set in mining, tourism, cashmere, banking and financial sectors so that women can be employed and appropriate sex ratio is maintained in sectors where women are overwhelming.

Employment opportunities vary depending on education level. It is common that high educated women either do not work according to their profession and qualification or work in low paid sectors.

Conventional notion of associating housework and child care with women's indispensable duties remains predominant in our country and on-the-job discrimination towards women occurs in a hidden way.

Generalized feature of sex disaggregated data and shortfall of accurate data impede the assessment of results of gender equality targeted actions.

Priorities

Short term:

- Introduce hour-based work system while generating employment for women;
- Increase opportunities for women with low levels of education to work in sectors that are on demand on the labour market, provide training to obtain skilled professions and promote jobs that require advanced technology and special skills;
- Assist women in obtaining specialized technical training, train teachers and apprenticeship trainers in support of providing professional education for women and bring training and

apprenticeship technique and facilities to levels that satisfy market demands;

- Provide methodological and expertise support for engendering statistical data.

Mid and long term:

- Change public approach stereotypes about sex ratio;
- Develop and implement a gender sensitive legal environment and statutory framework.

Target 8. Increase participation of women in politics and decision-making levels

Current status and trend

During the transition years, women's participation in economic, social and political life has increased. But the share of women in decision-making and management positions has not undergone significant increase.

With a view to eliminating the setback in women's representation, National Programme for Gender Equality sets targets to increase the proportion of women in political and decision

making levels as well as in high government positions. Despite this, women's participation is still low at all political decision-making stages.

Although more women are acquiring higher education than men, they are still underrepresented in management and decision-making positions. The percentage of women candidates for national parliament election (SGH) was 8.0% in 1992 with subsequent increases to 13.7% in 2004 and 18.5% in 2008 (Table 9).

Table 9. Percentage of women in national parliament and parliament election candidates

		1990	2000	2006	2007	2008	2015
18	Percentage of women in national parliament (SGH)	24.9 ^a	11.8 ^a	6.6 ^a (2004)	6.6 ^b	3.9 ^b	30.0 ^a
19	Percentage of women candidates for national parliament elections	7.7 ^a (1992)	10.9 ^a	13.7 ^a (2004)	13.7 ^b (2004)	18.5 ^b	30.0 ^a (2012)

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
b. GEC, NSO, 2008

Women accounted for 3.9% of the parliament members elected in 1992 and the percentage went up to 9.2% in 1996 and 11.8% in 2000. However, this upward trend regressed down since 2004, when women parliamentarians held 6.6%, and further down to 3.9% in 2008. Results of parliamentary elections between 1992 and 2008 show an increasing percentage of women candidates and decreasing percentage of women, elected parliamentarians.

Facilitating environment

The amendment was made by the SGH into the Election Law by adding a new article, establishing a quota of 30% for women candidates among all the candidates running for election. However, the SGH itself repealed this

article, thus making a huge step back in fulfilling its duty to ensure gender equality.

As witnessed by the results of the last two elections to the SGH, there is a long way towards creating an environment which fosters women's participation in decision-making. This is an evidence that gender-sensitive approaches and attitudes in the social and psychological mindsets have not yet matured.

A separate law on gender equality in order to ensure the equality in political, economic and social relations is thus required. The existing relevant legislation needs also be engendered.

A study of the experience of many countries that guaranteed quota systems in their election laws with a view to eliminating the gap between men

and women at decision-making level should be undertaken and its findings implemented.

Challenges

Some administrative statistical indicators need to be defined in order to allow estimation of the level of gender equality based on an internationally accepted and practiced measurement method. These include proportions of men and women in management positions, proportions of men and women in professional and technical staff and others.

The cancellation of the quota on women candidates in parliamentary elections might have a potentially disruptive effect on the attainment by 2015 of the target to increase women's participation in politics and decision-making.

Women's participation is not adequate in political and economic sector policy-making at national and local levels. Policy support should be given to partnership of government organizations and non-governmental organizations to correct the system deficiencies in candidate selection and election campaigns that are beyond women's control.

It is necessary to improve voters' education and nurture a culture of support for women candidates.

Priorities

Short and mid-term:

- Conduct surveys on men and women in management positions;

- Support the initiatives from civil society to reverse the negative attitude prevailing in social mentality towards women's political participation and cooperate in realization of the initiatives;
- Improve statistics on employment especially on employment at decision-making level;
- Integrate gender equality perspective in human resource policies and establish a database (roster) on women capable to work at decision-making level;
- Create the means and mechanisms for promotion of women's participation in election process and political activities;
- Institutionalize measures on strengthening knowledge, skills, position and capacity of women appointed or elected to management positions;
- Advocate achievements of leading women.

Long-term:

- Fine-tune the legal environment and statutory framework for promotion of women's participation in political and decision-making levels;
- Actively use advocacy and awareness-raising activities at all levels on the importance of opening up the opportunities for women to influence political, social and economic decision-making and processes.



GOAL 4

REDUCE CHILD MORTALITY

Goal 4 REDUCE CHILD MORTALITY

Target 9. *Reduce by four times, between 1990 and 2015, the under-five mortality rate*

Current status and trend

Infant and under-five mortalities in Mongolia have been steadily decreasing since 1990. Under-five mortality per 1,000 live births stood at 88.8 and infant mortality was 64.4 in 1990. These figures significantly dropped down to 23.2 and 19.1, respectively, in 2006, having achieved the targets before 2015. In order to reinforce the achievement, Mongolia set a new target to reduce under-five mortality to 21.0 and infant mortality to 15.0 by 2015. (Table 10).

However, the statistics for the last two years indicate fluctuating results. Under-five mortality per 1,000 live births reduced to 21.7 in 2007 and then increased to 23.2 (by 1.5 percentage point) in 2008. Similarly, infant mortality per 1,000 declined to 17.6 in 2007 and went up to 19.4 (by 1.8 percentage point) in 2008. (Graph 10-11). Nonetheless, between 1990 and 2008, under-five mortality dropped 3.8 times and child mortality fell 3.3 times. This downward trend indicates the potential of achieving the goal by 2015.

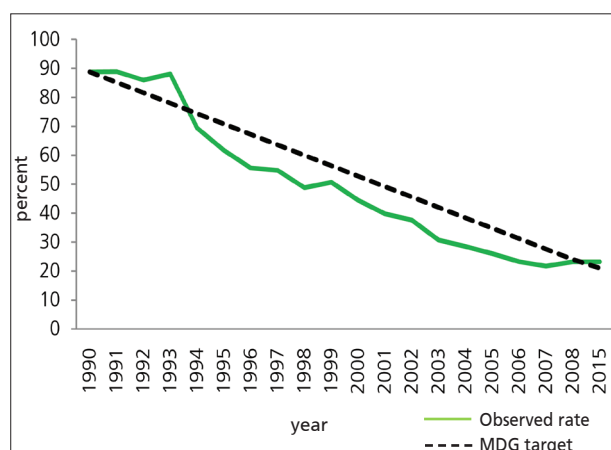
Table 10. Infant and under five mortality, vaccination

Indicators	1990	2000	2006	2007	2008	2015
20 Under-five mortality rate (per 1000 live births)	88.8 ^a	44.5 ^a	23.2 ^a	21.7 ^b	23.2 ^b	21.0 ^a
21 Infant mortality rate (per 1000 live births)	64.4 ^a	32.8 ^a	19.1 ^a	17.6 ^b	19.4 ^b	15.0 ^a
22 Proportion of children immunized against measles	82.3 ^a (1991)	92.4 ^a	98.9 ^a	98.4 ^b	96.9 ^b	99.0 ^a

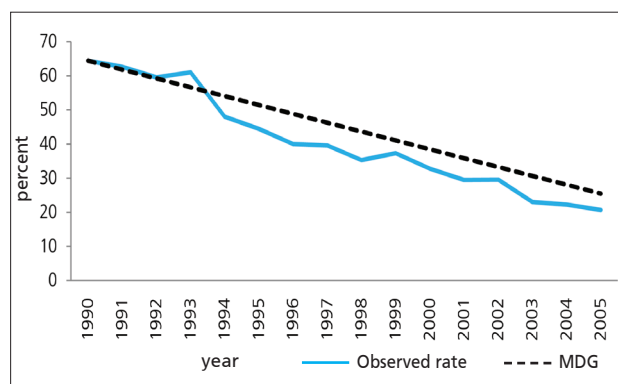
Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
b. NSO, MoH, 2008

All the regions excluding the central region and Ulaanbaatar have infant and under-five mortality rates higher than the national average. Morbidity and mortality of children in rural areas and prevailing mortality in poor households and ger districts raise concerns. Relatively higher infant mortality rate in the western region, which is not linked to the unified power grid and has poor infrastructure, is explained by late delivery of health aid and services. Late access to antenatal and postnatal care and poor knowledge and skills of doctors and nurses in rural areas also contribute higher mortality.

Graph 10. Under five mortality rate



Graph 11. Infant mortality rate



Facilitating environment

In 2007 and 2008, a forum was organized involving child health experts from all aimags and districts in order to make detailed analysis and conclusion on causes of child mortality and take necessary measures. Less than five morbidity and mortality have been discussed in detail and local specific action plans have been developed and implemented.

Information and advocacy activities have been organized at district level to raise the health awareness of parents and care takers. Summer wellness camps for children have been operating in some aimags and districts. Children from vulnerable groups have been enrolled in the camps along with their mothers who participated in trainings on child feeding and care taking. This measure is now producing positive results.

“Pregnant Mother’s Care Guide” is being implemented nationwide for the purpose of improving the quality of ante- and prenatal care services and preventing infant mortality.

A National Strategy for Infant Feeding (2008-2015) was developed in accordance with the international standard and put to implementation.

Having located the funding source, 20 rotational medicine funds were established in 20 soums in 2008 with the purpose of providing a reliable supply of 13 essential medicines for children. This measure is contributing to reduction of the gap in health aid and services between urban and rural areas.

Box 3. Cooperation

“A Healthy Mongolian” programme is underway and measures are being taken to increase the participation of partners in provision of essential medical equipment and tools for soum hospitals. For instance, 300 soum hospitals have been allocated 10 types of complex equipment for laboratory analysis in line with soum hospital structure and operations standard and laboratory workers have been trained, hence increasing the soum level capacity of making qualified diagnoses.

Within the framework of WHO, UNFPA supported projects and Health Sector Development -2 Programme, 78 soum hospitals in Dornod, Khentii, Zavkhan, Bayankhongor and Uvurkhangai aimags have been supplied with equipment and tools to make 46 types of laboratory analysis. 11 soum hospitals have been upgraded into model hospitals and reproductive health aid tools have been provided.

Donors are rendering assistance in increasing the diagnostic and treatment capacity in rural areas. With assistance of “Sante Sud” from France, all soums of Selenge aimag have been provided with basic medical equipment. Likewise, GTZ and World Vision supported in providing bag doctors with essential medical tools. A total of 414 doctors and nurses have attended the training on delivery of new services and use of equipment at hospitals covered by the projects and improved their skills.

An action to provide children under 3 years with mutli micronutrients in Selenge and Darkhan aimags with support from World Vision proved its effectiveness and has thus been extended to some other aimags where infant mortality is high. With the assistance of UNFPA and World Vision, the work to supply under-five children and breastfeeding mothers with vitamin A, iron and mutli vitamin feed was continued in 2007-2008 and its coverage extended.

Source : MoH

Challenges

Child mortality rate varies by regions and aimags. The rate in Uvs, Zavhan, Govi-Altai, Arhangai, Uvurhangai, Umnugovi, Dornogovi, Suhbaatar and Hentii aimags is higher than the national average. Immediate challenges are to enhance actions targeted at reduction in urban and rural disparity in health aid and services, prevention from prenatal disorders, respiratory system disorders and born abnormal disorders- the leading mortality causes, and early diagnosis and increase of human resource and technical and technological capacity of health organizations at all levels.

Mortality caused by prenatal disorders and born abnormal disorders has risen sharply. Compared to 1998, mortality caused by prenatal disorders increased by 27% and mortality caused by born abnormal disorders by 12 %. This indicates the need to bring the fetus and newborn diagnosis and treatment to an advanced level and establish a prenatal center.

Priorities

Short-term:

- Promote breastfeeding through a policy aimed to that end and intensify the implementation of Child morbidity complex management, increase consumption of vitamin, mineral and fortified products, continue and invigorate awareness raising measures of healthy

child feeding, healthy consumption and healthy food;

- Enhance participation of not only local health organizations but also participation of administration, government organizations and non-governmental organizations, individuals and communities in strengthening the capacity of human resources, medicine and medical tools and technology at local health organizations in aimags where child mortality rate is high;
- Provide all soums with essential medical assistance equipment and tools by 2010, build the capacity of infantology at the MCRC and improve diagnostic and treatment quality of fetuses and newborns.

Mid and long-term:

- Improve the quality of medical services and assistance and reduce urban and rural gap in medical services and assistance;
- Improve health of women of reproductive age and increase the quality of ante and prenatal care services in order to implement the principle "Healthy Mother to Healthy Child";
- Establish a prenatal center and bring the fetus and newborn diagnosis and treatment quality closer to international level.



GOAL 5

IMPROVE MATERNAL HEALTH

Goal 5 IMPROVE MATERNAL HEALTH

Target 10: *Provide access to all individuals of appropriate age to required reproductive health services and reduce by four times, between 1990 and 2015, the maternal mortality ratio*

Current status and trend

Maternal mortality is closely interrelated with reproductive health (RH) and related to mother's age, birth spacing, and education and health services. Maternal mortality per 100,000 live births reached its peak at 259 in 1993, which was the highest level. However, during 1990-

1995, it went down to 187 on average and further climbed down to 162 in 1996-2001 and 96 in 2002-2007. Maternal mortality rate stood at 48.6 in 2008 indicating a drop of 2.5 and 1.8 times compared to 1990 and 2007, respectively (Table 11). The finding for the last three year proposes further downward trend in maternal mortality (Graph 12).

Table 11. Maternal mortality, birth deliveries attended by skilled medical care staff

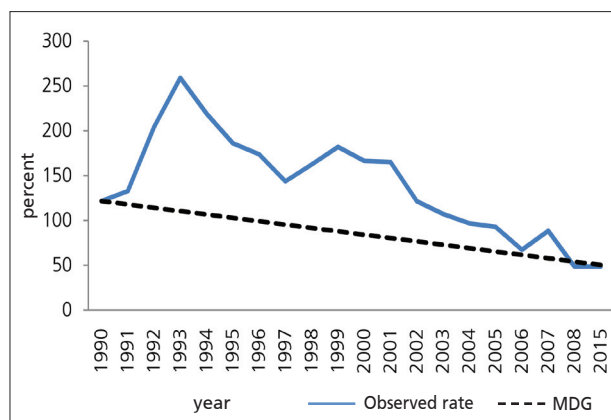
Indicators	1990	2000	2006	2007	2008	2015
23 Maternal mortality ratio (per 100,000 live births)	200.0 ^a (1992) 121.6 ⁶	166.3 ^a	67.2 ^a	88.3 ⁶	48.6 ⁶	50.0 ^a
24 Proportion of births attended by skilled health personnel	100.0 ^a	99.6 ^a	99.7 ^a	99.8 ⁶	99.8 ⁶	99.8 ^a

Source: a.SGH Resolution #13, Approval of Mongolia's MDGs, 2008
6. NSO, MoH, 2008

Maternal mortality rate differs by regions and remains high in some aimags. Bayan-Ulgii, Govi-Altai, Hovd aimags in the western region, Bayanhongor, Orhon and Uvurhangai aimags in the khangai region and Umnugovi aimag in the central region have maternity rates in the range of 101.0-439.0 which is substantially higher than the national average.

In the meantime, maternity rate is 89.8-112.0 in Ulaanbaatar, eastern and western regions, particularly in Dundgovi, Zavhan and Hentii aimags, and is thus higher than the national and regional average.

Graph 12. Maternal mortality



According to the 2008 Reproductive Health Survey jointly implemented by NSO and UNFPA, median timing of accessing to antenatal care was 3.7 months in 1998 and moved to 3.3 months in 2003 and 2.9 months in 2008, indicating early access to pregnancy care services. The percentage of mothers with prenatal care within 42 days after delivery was 62% in 2003 and 65% in 2008. Of pregnant mothers with access to antenatal care, 68% were covered by HIV test.

The survey comes up with very positive findings, whereby almost all women, including married women and their husbands, are aware of pregnancy prevention means and methods. When the current survey finding is compared with the finding of the 1998 survey, the use of any pregnancy prevention means and advanced methods has grown among women, but has declined when compared with 2003.

The percentage of birth deliveries at maternity houses was 94.1% in 1998 and subsequently increased to 94.1% in 1998 and 97.3% in 2008. The 2003 survey estimates 234 abortions per 1,000 live births. In 2008, the number of abortions per 1,000 live births declined to 169. As estimated in the survey conducted by PHI in 1998, 9% of girls aged 15-19 delivered a child, while this figure dropped to 7.4% under the 2008 survey. In 2008, the percentage of 15-19 year old girls delivering a child increased by 0.8% to reach 8.2%.

Facilitating environment

Population development policy is defined in and integrated into the State Population Policy of Mongolia and the MDGs-based NDS. As a result of pronatalist actions, births have increased in the recent years. In 2007, there were 56 thousand newborns and the number increased to 63.8 thousand in 2008. The upward trend in births is likely to continue in future.

The implementation of National Reproductive Health Programme and Strategy for Reducing Maternal Mortality is resulting in improved quality and access of ante and prenatal care and reduced maternal mortality.

Programmes and projects such as RHP (2007-2011) supported by UNFPA and Safe Delivery Project (2008-2009) supported by UNICEF and

WHO, are contributing to making progress in the goal attainment.

An NGO network was set up to carry out RH activities and has been engaged in organizing mother and child health training, advocacy and research. Private organizations are making concrete inputs, as well.

MoH, UNFPA, UNICEF, WHO and ADB have established a memorandum of understanding on improvement of child and mother health with governors of western remote aimags where maternal and child mortality rates remain high.

Project "Telemedicine" for distant diagnosis of mother and newborn diseases is being implemented with the grant from the Luxemburg government. Likewise, with the soft loan from the Italian government, the resource base and operation of MCRC are being improved. Diagnostic and treatment equipment and tools are being provided for maternity houses in the capital city with the support of UNFPA.

Challenges

The population birth rate has gone up by 15.0%-18.0% over the last two years. But the number of maternity houses, beds, medical staff and doctors and the budget have not risen. Increased births in Ulaanbaatar are causing higher infection density per mother and newborn in maternity wards and houses and higher infection risk. Mothers should stay for some time in a maternity house after delivery. However, it has become widespread that they have to leave the maternity house within few hours after delivery because of bed shortages.

A policy is being pursued to place pregnant mothers with expected normal deliveries at soum maternity houses and send pregnant mothers with high risks to be under care of specialized doctors at maternity wards of aimag hospitals. However, with increased births in aimag centers, maternity wards and houses are heavily loaded.

Rural areas are in short supply of advanced tools and equipment for diagnosis and treatment of ante, pre and postnatal complications and newborn and fetal disorders. In addition, the availability of specialized doctors is insufficient.

Priorities

Short-term:

- Immediately construct and put into operation a maternity house in the capital city, meeting international standards, and plan and organize optimal actions in a timely manner to provide it with necessary human resources, tools and equipment;
- Increase the capacity of maternity wards and houses of aimag general hospitals and build new maternity houses with 50 beds in aimags with high birth rates;

- Provide rural and urban maternity wards and sections with advanced equipment and facilities and train and retrain doctors and staff;
- Take measures to enroll all soum and family doctors in short-term training and workshops on RH and safe delivery.

Mid-term:

- Organize RH training and advocacy among the general population, especially among teenagers, and expand activities to positively change their behaviour.



GOAL 6

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

Target 11: *Limit and prevent the spread of Human Immunodeficiency Virus (HIV)/ Acquired Immune Deficiency Syndrome (AIDS) by 2015*

Current status and trend

Out of 52 HIV/AIDS cases reported since 1992, 11 were detected in 2007 and 16 in 2008. All reported cases were infections transmitted through sexual intercourse among which 17 were likely to have been infected while working in RF, PRC and Korea and 4 from having sex with foreign citizens in Mongolia.

As of now, 8 persons have been detected with AIDS and treated with anti retrovirus and 8

persons died from AIDS. Of the people infected with HIV/AIDS, 40 are male and 12 are female. Among males with HIV infection, 84.2% are men having sex with men (MSM) and 54.2% of the women are female sex workers.

In 2007, 84.6 thousand people of 15-29 years were covered by HIV tests and 3 were found HIV positive. In 2008, 153.9 thousand young people underwent HIV tests, as a result of which 3 were found HIV positive. (Table 12). In 2007 and 2008, 1 and 3 persons died of AIDS, respectively.

Table 12. HIV prevalence among pregnant mothers and population of 15-24 years, %

	Indicators	1990	2000	2006	2007	2008	2015
25	HIV prevalence among pregnant women (percent)	-	-	0.004 ^a (2005)	0.001 ⁶	0.0 ⁶	<0.1 ^a
26	HIV prevalence among population aged 15-24 years (percent)	-	-	-	0.0007 ⁶	0.0005 ⁶	<0.1 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
b. NSO, MoH, 2008

In 2007 and 2008, 42.8 thousand and 69.1 thousand pregnant women, respectively, were tested for HIV finding 3 positive cases. These pregnant mothers were ART treated to prevent mother to child transmission and as a result, their children were born non-infected.

The number of reported STIs was 30.5 thousand in 2008, indicating 1.7 times increase over 2007. The syphilis incidence per 10,000 populations was 18.7, while gonococcal and trichomoniasis incidences stood at 23.1 and 24.6, correspondingly. High prevalence of STIs might increase risk to HIV/AIDS infection.

Facilitating environment

National Committee under the auspices of the Government for regulating HIV/AIDS combating and

prevention has been reconstituted and its aimag and ministerial branches have been established.

Policy and guideline for HIV/AIDS and STIs combating and prevention has been developed and a national strategic plan up to 2015 has been drafted.

Fourth National Assembly "We will Lead and Promote Partnership" was held for the purpose of activating the cooperation for HIV/AIDS combating and enhancing the participation of government, international organizations, civil society, private sector and individuals.

National Programme "Voluntary Counseling and Analysis" has been implemented to improve detection of HIV/AIDS and STIs and VCA centers have been established in all aimags, districts of the capital city and Zamiin Uud border port.

STI symptom diagnosis has been introduced into all soum and family hospitals and the diagnostic capacity of aimag and district HU and STI cabinets and laboratories of clinics was enhanced.

Box 4. Working with high HIV/AIDS risk groups

NGOs such as ‘Hamtdaa’, ‘Itgel Naidvar’ and ‘Bolomj’ are working with risk groups of sex workers (FSW), men having sex with men (MSM), mobile population and injection drug users to increase their social participation and leadership and provide assistance services and information for them.

Programme for 100 % condom use is being implemented in all aimags, Harkhorin, Zamiin Uud soums and 9 districts of the capital city. Within the programme, regional study tour-training have been organized and condom selling automatic machines have been installed at entertainment places in aimags and capital city. A center ‘Setgeld Amar’ has been established in 3 districts of the capital city and Khuvsugul aimag to share information with sex workers and provide health services for them.

A to reduce born syphilis is under implementation in Darkhan-Uul and Orhon aimags. Similarly, a project to provide one stop service for pregnant mothers and women of high risk groups is now being implemented in 8 aimags.

Information, training and advocacy targeted at high risk population groups are being stimulated and a two stage advocacy monitoring campaign ‘We Will Be Leading’ has been held. Various awareness raising activities have regularly been taken such as TV and radio programme broadcasting, a ‘doctor’s advice’ corner in daily newspapers, posters, manuals, warnings and informative journals for target groups. A web page and reliable telephone reference service are operating to contribute to HIV/AIDS and STIs prevention and promote risk free behavior.

Source: MoH

AIDS Project supported by Global Fund is playing an important role in HIV/AIDS and STI combating and prevention. The project with duration from 2002 to 2014 is implementing the following sub programmes: HIV/AIDS and STI aid services, HIV syndrome diagnosis and treatment and 100% condom use.

In order to increase condom supply and availability, AIDS Project supported by UNFPA and Global Fund and Mary Stoppes in Mongolia are organizing condom distributing actions.

Challenges

Although Mongolia is seen as low HIV prevalent, it is one of the high risk countries because of neighbouring China and Russia, where HIV spread is high. Following the increasing informal and formal trade in regions along the borders commercial sex is on the rise with the effect of creating a condition for HIV spread. Therefore, it is immediately required to improve the quality of HIV control and medical services, in particular, enhance the diagnostic capacity of primary and secondary level hospitals, provide them with necessary equipment and diagnostic tools and train medical staff, staff aimag AIDS and STI cabinets with 2 to 3 doctors and create conditions for soum and family hospitals to make simple and rapid diagnosis.

Government should prioritize and take appropriate actions with regards to HIV/AIDS and STI risk factors such as poverty, unemployment, alcoholism, commercial sex, mobility of injection drug users and people working and studying abroad for extended periods of time.

There is a shortage of financing to carry out activities to prevent, combat and control HIV/AIDS and STIs.

Priorities

Short-term:

- Create a legal environment which enables the financing of STI diagnostic and treatment service costs from the HI fund in order to fill in a gap in the national budget;
- Take nationwide actions to prevent blood transmitted HIV infection and secure the safety of blood and blood products;
- Expand information, advocacy and training on HIV/AIDS and STIs prevention; and deliver information in an easy and comprehensible way;
- Expand the surveillance system of HIV/

AIDS and STIs and improve the system ensuring diagnosis reliability and quality control;

- Change today's research practice focusing on intercourses of patients with STI, introduce optimal and up-to-date methods and means and identify sex partners in case of detected infection cases, invite them to treatment and keep their confidentiality.

Mid and long-term:

- Increase the funding source, especially the share in national budget to fund the cost of combating, preventing and surveillance HIV/AIDS and STIs;
- Halt and prevent HIV/AIDS, STIs and improve the quality of RH service and aid;
- Integrate the cost of clinic treatment of patients with STIs into insurance.

Target 12: Reverse the spread of tuberculosis by 2015

Current status and trend

Tuberculosis holds 9.6% of total infectious diseases across the country. 4223 new tuberculosis incidences and 1838 new pulmonary smear positive incidences were registered in 2008 indicating a drop of 138 cases or 3.2% in the former case and a drop of 18 cases in the latter case compared with the previous year (Table 13).

All reported new TB incidences divide into 58.7% for pulmonary TB and 41.3% for non-pulmonary TB. Ulaanbaatar accounts for 54.5% of new TB reported incidences out of which temporary residents from rural areas make up 2.7% and homeless people comprise 1.2%. TB incidence in Selenge, Dornod, Darhan-Uul, Hentii and Suhbaatar is higher than the national

average. By age and sex disaggregation, total TB patients divide into 10.1% for children of 0-15 years, 71.6% for people of 16-44 years and 53% for male.

Detection of TB cases has improved and cases are cured as a result of using Directly Observed Treatment and Short Courses (DOTS). Since 1995 Mongolia has been successfully implementing "International Diagnosis and Treatment Standard" within National Programme for Combating TB. Having introduced this standard, treatment rate rose from 31.4% in 1994 to 85.0% in 2008.

The number of deaths associated with TB is relatively going down. In 1990-1995 about 119 persons died from TB while the number dropped to 101 in 1996-2001 and further down to 78 in 2002-2007.

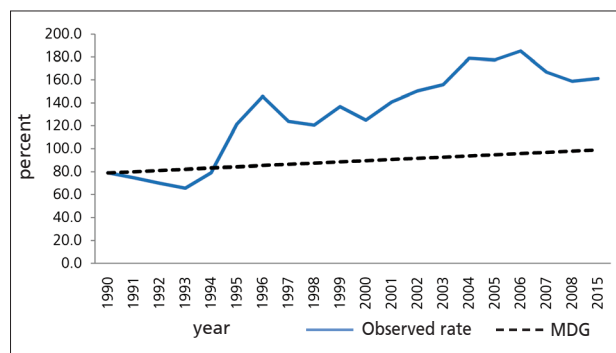
Table 13. TB prevalence, TB incidence, death rate associated with TB and percentage of TB cased diagnosed and treated

Indicators	1990	2000	2006	2007	2008	2015
27 Prevalence of tuberculosis (per 100,000 population)	435.5 ^a	60.0 ^a	84.8 ^a	72.6 ^b	72.0 ^b	82.0 ^a
28 Incidences of tuberculosis (per 100,000 population)	79.0 ^a	124.8 ^a	185.3 ^a	166.8 ^b	158.8 ^b	100.0 ^a
29 Death rates associated with tuberculosis (per 100,000 population)	4.8 ^a	3.2 ^a	2.9 ^a	2.4 ^b	2.7 ^b	2.0 ^a
30 Proportion of tuberculosis cases diagnosed and treated with international standard diagnostic and treatment methods (DOTS)	31.4 ^a (1994)	80.9 ^a	82.1 ^a	83.8 ^b	85.0 ^b	100.0 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008

b. NSO, MoH, 2008

Graph 13. TB incidence rate



Facilitating environment

Within the goal attainment, Directly Observed Treatment and Short Courses were introduced jointly with an NGO for the first time. This measure has significantly contributed to introducing new methodology in TB combating, enhancing preventive activities and improving treatment quality.

Introduction of monitoring system of smear quality in aimag and district laboratories has yielded a substantial result.

Following the international experience of mobilizing public figures in information, training and advocacy and delivering key message through them, E.Badar-Uugan, Olympic Champion and Labour Hero of Mongolia is assigned as an Envoy for Combating TB.

Over the recent years, the funds allocated to TB combating have grown and TB care and services are delivered to population free of charge and the cooperation of partners has been increasing at local level.

Target 13: *Reverse the spread of caries among children*

Current status and trend

Low population awareness of the right choice of food products and sensible consumption has brought to increased consumption of sweet and carbonated beverages by 2-3 times and reduced consumption of dairy products by 40%. As a consequence, dental caries and osteoporosis are on the rise.

Sample survey conducted within the Programme for Combating Dental Diseases among Population by the Ministry of Health estimates the spread of dental caries at 80.1% (Table 14). Current rate of this dental disease is unavailable since the survey on this issue has not been carried out in the recent years.

In order to raise the awareness and behavior among people to take care of their oral health

Challenges

Challenges are to increase the capacity of early detection of TB cases; full treatment and treatment of multi drug sensitive TB, enhance private sector participation and intensify the fight against TB through decentralized medical services.

Priorities

Short-term:

- Strengthen the capacity of hospitals to make early detection of TB cases and treat them fully as well as treat multi drug sensitive TB;
- Create a legal environment that enables funding TB services and care with the use of health insurance fund to fill in a gap in national budget;
- Introduce short course methodology in diagnosis of multi drug sensitive TB.

Mid and long-term:

- Update 2010-2015 National Strategy for Combating TB;
- Improve social and community attention and care towards TB patients and eliminate discrimination against them;
- Enhance household and private sector participation in TB combating actions.

and prevent from dental caries, a dental examination of "primary tooth or sixth tooth" was conducted and 670 teeth of 226 children of young ages have been treated with dental fillings.

Dental and Craniofacial Research Center (DCC) took measures to fully treat oral health of 128 full and semi orphan children from orphanage centers. In addition, a prophylactic examination of 4-12 year old children with development difficulties was conducted and the children were given dental care counseling.

DCC held examination involving 120 children from kindergarten 97 in Bayangol district and 80 children from kindergarten 28 in Han Uul district and organized oral health training and advocacy for 90 children of 9-16 years from school 52 in Han Uul district.

Table 14. Spread of child dental caries among children

	Indicators	1990	2000	2006	2007	2008	2015
31	Prevalence of caries among children aged 5-6 years	-	-	80.1 ^a (2004)	80.1 (2004)	80.1 (2004)	75.0 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008

b. NSO, MoH, 2008

There are 748 schools and 765 kindergartens nationwide and as of 2008 341 and 208 physicians and doctors worked at schools and kindergartens, respectively. School and kindergarten doctors play an important role in preventing child diseases and monitoring child health as well as promoting healthy lifestyle among young and teenage children. Thus, employment of full-time physicians at schools and kindergartens and provision of enabling condition for their long-term service is very important for protection of child health.

Facilitating environment

The Government of Mongolia is working towards creating a conducive environment for improving control and screening of dental caries and its risk factors and promoting healthy behaviours among people to control and improve their oral health. A National Programme "Oral Health" 2006-2015 is being implemented in 2 phases with the goal of reducing dental caries among population through improved access to and quality of oral health aid and services.

Preparatory actions are underway to implement a project on establishment of "child dental cabinets" in 8 regional centers and 6 districts of the capital city with the grant of the PRC under the goal of preventing and treating dental disorders which are common among young children and teenagers and improving the capacity of dental staff.

In cooperation with "Bolovsrol" Television, an animated film has been produced to advocate and promote on how young children should wash their teeth and what are the tooth-friendly food products. Various manuals, colour displays and tooth-friendly meal recipes have been published in order to raise people's awareness of oral hygiene and distributed through health organizations and hospitals.

Challenges

Since the indicators of the target are estimated by surveys, it is hard to make estimates and assessment on annual basis.

Full time physicians need to be employed to protect and strengthen the health of school and kindergarten children.

Although the activities of the oral health programme have become regular, incidences of dental diseases are not falling among young children, especially rural children. In response, dental cabinets for children should be established in regional centers and districts of the capital city.

Concrete measures are needed in order to reduce incidence of dental caries and osteoporosis. For example, prohibition of sale of carbonated beverages to young children at secondary school canteens and cafeteria and awareness raising on reduction of consumption of carbonated beverages.

Priorities

Short term:

- Take possible measures for annual estimation of indicators of the target;
- Establish dental cabinets in rural areas, regional centers and every district of the capital city. Launch the operations of the dental and intensify their work;
- Organize step-by-step advocacy and training measures aimed at promoting knowledge, attitude and skills among people to improve their oral health, prevent from common diseases and reducing the consumption of carbonated beverages among young and teenage children.



GOAL 7

ENSURE ENVIRONMENTAL SUSTAINABILITY

Goal 7 ENSURE ENVIRONMENTAL SUSTAINABILITY

Target 14: *Integrate and implement the principles of sustainable development into country policies and programmes, reduce air pollution in urban areas, especially in Ulaanbaatar*

Current status

Forest areas. In 2008, a total of 9,512.0 ha of areas were rehabilitated. Out of these areas, 7,757.0 ha was rehabilitated using funds allocated from the central budget, 191 ha was rehabilitated with funds from local budgets, 1,403 ha by individuals and EOs, and 161.4 ha using grants and assistance from foreign countries. Within the framework of National Programme “Green Belt”, 39 enterprises and organizations (EO) in 15 aimags established

green belts covering an area of 535 ha in 2008. The establishment of 265 ha of these green belts was funded by the central budget and 270 ha of areas by donations and projects. As of 2008, forested areas accounted for 7.7% of the total territory (Table 15). With a view to intensifying the reforestation process, work has started on procurement of larch seeds in Bulgan, Hentii, Selenge and Tuv aimags, branches of deciduous trees in Bayan-Ulgii, Dornogovi, Umnugovi and Tuv aimags and establishment of an elite seed plantation in Selenge, Tuv and Hentii aimags.

Table 15. Forested areas and national protected places, per capita dioxide and mean content of sulphur oxide in air

	Indicators	1990	2000	2006	2007	2008	2015
32	Proportion of forest area	7.8 ^a	8.5 ^a	8.1 ^a	7.7 ⁶	7.7 ⁶ 8.7 ^b	9.0 ^a
33	Proportion of special protected area	3.6 ^a	13.1 ^a	13.76 ^a	13.4 ⁶	13.4 ⁶ 14.0 ^b	30.0 ^{*a}
34	Carbon dioxide emissions per capita (ton/person)	11.52 ^a	6.57 ^a	5.75 ^a (2002)	-	-	4.0 ^a
35	Average daily concentration of nitrogen dioxide in the atmosphere of Ulaanbaatar in winter period (mkg/m ³) ^{**}	30.5 ^b	32.0 ^a	33.0 ^a	38.0 ⁶	34.0 ⁶ 36.5 ^b	30.0 ^a
36	Average concentration of sulphure dioxide in the atmosphere of Ulaanbaatar in winter period (mkg/m ³) ^{**}	9.8 ^b	16.0 ^a	22.0 ^a	20.0 ⁶	26.0 ⁶ 23.5 ^b	20.0 ^a

Note: * of which 15.0% will be in special protected place in local areas.

** estimated mean content during the winter months.

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008

b. NSO, 2008

Desertification. Researchers and scientists of the Geo-Ecological Institute have updated the desertification map capturing arid lands in our country. According to the map, the extent of desertification in arid lands has increased by 3.4% (Table 16). With the use of standardized methodology, researchers carried out a desertification survey capturing all territory of Mongolia finding that a total of 77.2% of

the land was affected with low, medium and strong degrees of desertification by 2007⁹. Key underlying factors leading to desertification are global warming, which increases aridity and frequency of droughts that in their turn thin out vegetation and increase areas of barren and eroded lands, and harmful effect of practices

⁹ Geo-Ecological Institute, 2007

by enterprises and individuals that damage the soil. Global warming is also leading to rising air

temperatures and adversely affects biological diversity and ecological balance.

Table 16. Desertification degree, %, 1990, 2004, 2007

Desertification degree	Land area coverage, %		
	1990	2004	2007
Low degree	76.0	34.9	16.5
Medium degree	20.0	38.7	37.2
Strong degree	3.0	16.1	34.0
Very strong degree	1.0	1.8	7.0
Extremely arid deserts	-	8.5	3.8
Desertification coverage in arid lands	41.3	44.7	44.7

National protected places. A total of 323.4 thousand ha of lands (areas around Goojuur Hurhree, near Bayanzurh mountain in Sagil soum in Hovd aimag, Jigleg pass in Horidol Saridag mountain range, Darhad Depression in Huvsgul aimag and near Ikh Bogd Mountain in Bayanhongor aimag) were newly taken into special state protection. Thus, 61 sites covering 21.9 million ha or 14.0% of the entire territory of Mongolia are now included in the network of areas under state special protection. An updated map showing the geographic coordinates of the newly added sites was produced.

The registry of local special protected areas was also updated. 911 sites covering 16.31 million ha are now under local special protection, which equals to 10.3% of total territory of the country.

Air pollution. Air pollution in Ulaanbaatar and other major towns has been increasing to surpass the standard level with the adverse effect on the population's health and well-being as well as environmental balance. Air pollution in Ulaanbaatar is caused by a multitude of factors. The pollutants in the city are combined into a complex compound including almost everything from gas, smoke, dust, odor, noise and to radiation. Major pollutant source of air pollution in Ulaanbaatar is 3 coal-run large power plants

(PP) followed by 1,178 small and medium coal-run boilers, coal use of families and diesel and petrol-run vehicles. Of the total vehicles in Mongolia, 67% or 119,290 are in Ulaanbaatar. Some of these automobiles are outdated and do not meet ecological and traffic safety standards. In addition to these major sources of air pollution, soil erosion, land degradation, open garbage and insufficient greenery levels are contributing factors to some extent.

Energy industries in the capital city have been proven by a survey to be polluting air, soil and ground and underground water through solid fuel combustion products, technological waste, used water and noise. Three coal-run PPs in Ulaanbaatar consume over 2.52 million coal to produce 2,509.6 million kw energy releasing 10-20 tons of smoke into the air every hour (Table 17). Combustion of organic fuel results in release of solid particles of ash, fuel under combustion, sulphur, nitrogen and vanadium acid. Therefore, equipment for cleaning smoke gas and controlling ash and dust particles in gas is being installed in PPs in the city within the framework of equipping PPs with internal air pollution control and analysis equipment and establishing environmental management units at the plants.

Table 17. Annual volume of coal consumed by power plants and amount of pollutants released into air, ton/year

	"PP-2"Ltd	"PP-3"Ltd	"PP-4"Ltd	Total
Volume of coal used in 2006 ton/year	181,800.0	888,000.0	2,434,349.0	3,504,149.0
Volume of ash, ton	31,815.0	157,562.0	227,649.9	417,026.9
Nitrogen acid No _x	1,313.9	6,418.0	9,681.2	17,413.1
Sulphur acid SO ₂	1,277.7	6,241.0	10,579.5	18,098.2
Carbon monoxide CO	180.8	880.0	3,215.4	4,276.2

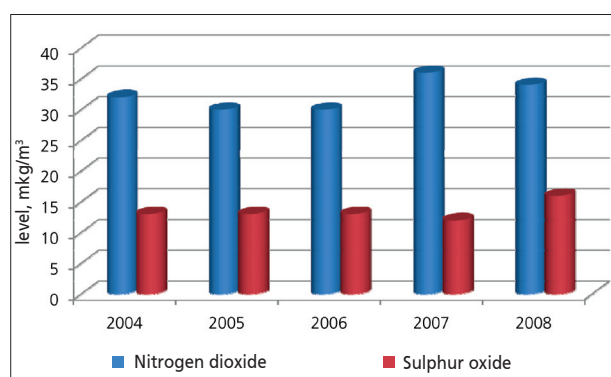
Source: MMRE, 2007

Anti-air pollution actions which have been taken in the recent years have not yielded concrete results. According to air quality research and analysis in Ulaanbaatar and other major towns the content of pollutants is frequently found to be exceeding the standard level with adverse effect on the population's health. Five air quality monitoring stations located in Submicrodistrict 3 (UB-1) in Han-Uul district, Western Crossroad in Bayangol district (UB-2), Microdistrict 1 in Songinohairhan district (UB-3), Microdistrict 13 in Bayanzurh district (UB-4) and Road Ring 32 in Suhbaatar district measure the samples of sulphur oxide (SO₂), nitrogen dioxide (NO₂), carbon monoxide (CO) and dust (PM10).

Content of carbon monoxide is measured by automatic analyzing device at UB-1, UB-2 and UB-5 stations. Monthly mean content of carbon monoxide is 1,480-11,968 mkg/m³ (standard level is 10,000 mkg/m³) and it is the highest at Ringroad in Sukhbaatar district reaching 68,000 mkg/m³, which is 6.8 times higher than the standard level. 13.8% of total monthly observations recorded the surpass of the tolerable level.

Annual mean content of sulphur oxide and smoke is 19 mkg/m³, which exceeds the standard level (10 mkg/m³) by 1.9 times and the annual mean content of nitrogen dioxide (standard level is 30 mkg/m³) is higher by 1.2 times. In comparison with 2007, annual mean content of sulphur oxide increased by 6 mkg/m³, while the annual mean content of nitrogen dioxide remained the same as in 2007 (Graph 14).

Graph 14. Content of air pollutants: sulphur oxide and nitrogen dioxide in air, 2004-2008



Mean content of nitrogen dioxide per day was (standard - 40 mkg/m³) 20-39 mkg/m³, which is at the standard level. Its highest content was 80 mkg/m³, which is 2.9 times higher than the standard level. 30.5% of all monthly observations have been found to have higher content than the tolerable level.

According to measurement of dust content with less than 10 micron at UB 1 and UB 5 stations, mean daily content (standard level 100 mkg/m³) was 70-1,093 mkg/m³ in December and the highest content was 2,930 mkg/m³, exceeding the standard by 29.3 times. Of the total monthly observations 63.6% were found with content higher than the tolerable level.

Fuel and energy. Production of coking fuel and its supply to ger districts is the most realistic way to address within short time the smoke pollution released by ger districts during the winter, which causes most of the air pollution in the city.

Therefore, a coking fuel factory - "Togrog Nuur Energy" Ltd - is being set up with the financial support from the city mayor's office.

With a view to improving energy use and promoting the use of electric heaters at night time the 110/10 kW Western sub-plant was expanded and 10,314 households, who previously had no access to electricity, were connected to the power grid. This work was done by UBEDS in cooperation with the city mayor's office served the purpose of securing the transmission and distribution of electricity in Ulaanbaatar. As of now, the construction of the expansion to the 110/35/10 kW sub-station in Hailaast ger district area is underway.

Pollutants emitted from vehicles account for a large percentage in air pollution. Therefore, replacing diesel and petrol with gas fuel is the most advanced means to reduce air pollution by vehicles. Mongolia imported 2,200 tons of liquefied fuel in 2005, this number shot to 6,000 tons in 2007. The number of consumers of combustible gas reached 18.0 thousand in 2007 in local areas and 7.6 thousand in Ulaanbaatar. 3 stations distributing combustible gas fuel are in operation in Ulaanbaatar and the number of gas fuel-run vehicles reached about 1000 in Ulaanbaatar.

A research on carbonating and reducing the smoke contamination level of the Mongolian lignite by using a heating method was commissioned in the RF, PRC and Japan. The result was that smoke is drastically reduced and heat value is increased when the coal is carbonated. Research work is underway to establish a standard for coking fuel which meets the requirements and create trade network. Similarly, JICA international organization is conducting research to facilitate the introduction of coking fuel into household energy use, study the potential of clean fuel in heating boilers with capacity of consuming over 1 million tons of coal per year, offer options on lower smoke techniques and technology and reduce smoke pollution of power plants.

Facilitating environment

Forest areas. Law on Forest was amended in 2007 to improve legal regulation of protection, sensible use and rehabilitation of forest resources and eliminate illegal forest harvesting. Adoption of rule for empowering local communities

and groups to access, protect and use specific natural resources has been an important move in mobilizing people in protection of forest resources.

National Forest Programme and Green Belt Programme are continuing their implementation with the purpose of planting trees in 250.0 thousand ha of land over 30 years. Temporary rule has been approved for buying planted forests into the national pool so that the quality of work on planting and growing trees improves and people are motivated to care and protect trees for three years after planting.

The RoK signed a memorandum of understanding with Forest Agency and MNET in 2006 on a grant of 10 years starting from 2007 onwards with the budget of 1 million U\$ each year to support the Green Belt Programme.

Desertification. Mongolia ratified the UN Convention on Combating Desertification in 1996. It approved the National Programme for Combating Desertification and established the National Committee for Combating Desertification in 2003. The country has been working toward harmonizing desertification related activities with policies and directions of international organizations and other countries.

Projects such as Sustainable Land Management funded by UNDP, Global Environment Fund and the Government of Netherlands, which started in 2006, and coping with Desertification, funded by Swiss Agency for Cooperation and Development (SDC), which commenced in 2007, and Combating Sources of Yellow Dust Storms funded by a Japanese organization "J-Green" are making important contribution to combating desertification. SDC is providing financial assistance of 13.2 million Swiss francs for halting desertification in territories of Bayanhongor and Govi-Altai aimags.

Specially protected areas. Special protection of beautiful landscapes of Mongolia and promotion of sustainable use of these lands are important to develop tourism and increase their contribution to the country's economy. Therefore, policy directed at sensible use and protection of protected areas is being pursued.

Air pollution. Newly revised law on air has been drafted with a view to concretizing the role and responsibilities of government and local

organizations, civic society and EOs in prevention and reduction of air pollution and introducing advanced technique and technologies.

In 2007 air quality standard MNS4585 was updated and put in effect. Standards for some pollutants in smoke released by boilers in PPs and national standard for some chemical toxics in air have been updated and approved.

4 fixed and 1 mobile air quality stations for measuring air pollution by 6 indicators and complex equipment of monitoring and analysis have been installed. In 2007, sources of air pollutants in Ulaanbaatar were assessed and a unified database was established.

A total of 1.2 billion MNT was spent in 2008 to strengthen the capacity of organizations specializing in air quality.

Fuel and energy. In response to initiatives by domestic and foreign EOs to produce coking fuel from heat method-based processing of coal, policy support was provided in an added paragraph on production of coking fuel into Mongolia's list of priority sectors. Hence, such EOs have become eligible to an income tax discount in compliance with Article 19.2 in Law on Official Income Tax of Enterprises.

Electricity tariff was amended and in 2008 in order to improve financial capacity of energy companies, facilitate in price and tariff innovations (update hour wise differentiated tariffs, develop living standard-based tariffs and price regulation) and operate contract-based electricity market.

VAT and customs duty were lifted from gas fuel and gas equipment to promote the consumption of liquefied gas fuel. Government of Mongolia has initiated an action for generating gas fuel sources from domestic mineral resources.

A majority of vehicles in Ulaanbaatar is outdated and diesel-run. Law was approved to free hybrid vehicles from excise taxes and a law was approved in 2007 whereby excise tax is charged according to years of operation and cylinder capacity.

Challenges

Although re-forestation work has been systematically organized, it has so far produced rather poor concrete results. Combating illegal logging has not yielded desired results either.

Irrigation of arid and dry lands, and building dams and reservoirs for rain and snow water collection are needed in combating desertification.

It is necessary to increase the coverage of areas under local protection and systematize the legal regulation in place.

Much has been discussed about reduction of air pollution in Ulaanbaatar; however, no results have been made so far. Actions aimed at intensifying the construction of convenient housing to replace ger districts, starting the operation of the low-smoke fuel production factory and supplying the ger districts with smoke free, high-quality fuel are immediately required to reduce air pollution. It is crucial to take systematic measures for elimination of air pollutant sources in the capital city, improve technical conditions of old sources and establish new sources as far as possible from the capital city.

Transmission capacity of the energy grid system is insufficient for providing enough energy to ger dwellers for electric heating. Therefore, step-by-step measures should be taken in order to enhance the technical capacity of the power distribution system.

Priorities

Short term:

- Intensify re-forestation and increase community participation and expand foreign and domestic sources of financing for tree growing;
- Change current practices and approach of combating illegal tree cutting and bring it a new level;
- Build dams and reservoirs for rain and snow water collection;
- Intensify irrigation of pasture lands, regions and crop lands;
- Intensify the construction of modern housing in ger districts;
- Organize actions geared at complying the level of toxic smoke released by vehicles with the standard level;
- NAMHE and air quality monitoring organizations should direct their attention to systematization and production of

data and information on air pollution in Ulaanbaatar;

- Intensify the establishment of coking fuel production, create conditions fostering the private sector participation and advocate and advertise about advantages of consuming coking fuel.

Mid-term:

- Learn and introduce experiences of combating desertification in other countries;
- Systematize the existing rules on special local protection of lands and increase

the territorial coverage of local special protected areas;

- Enhance the capacity of energy supply in outskirts districts and expand and ensure the reliability of engineering facilities;
- Form conducive legal and investment environment for production of liquefied gas fuel based on domestic mineral resources in response to economic inefficiency of using liquefied gas fuel in public transport and boilers. The inefficiency is resulting from rising prices of imported liquefied gas, which in turn is following the rise in oil product prices.

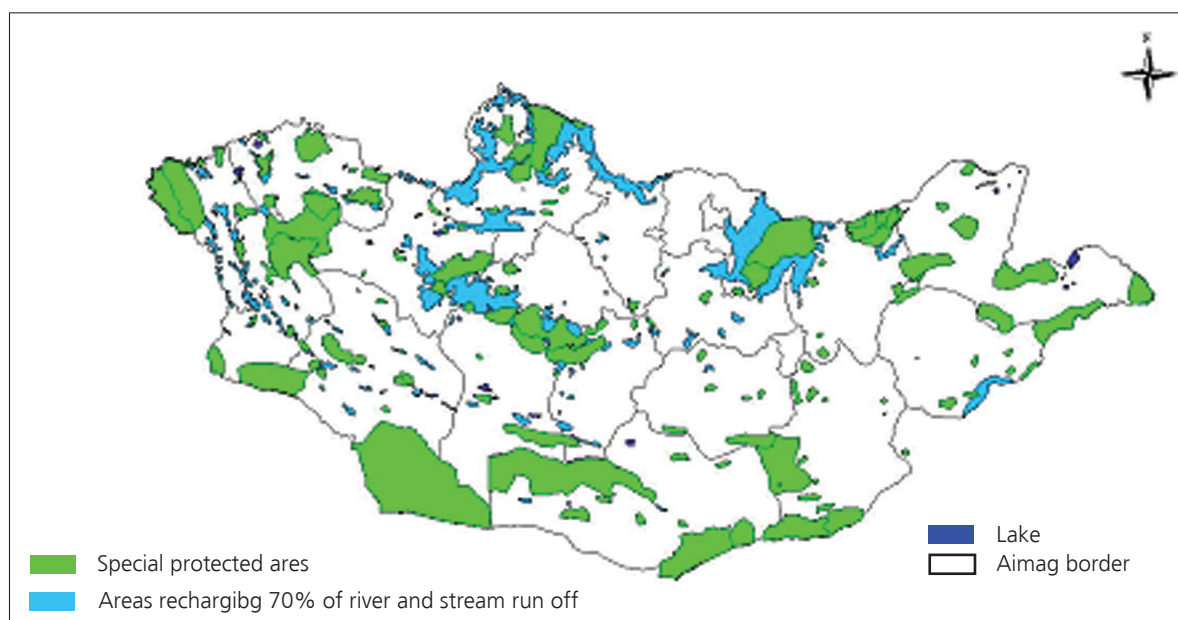
Target 15: *Reduce the shrinking process of rivers and streams by protecting and rehabilitating their sources*

Current status and trend

Surface runoff in Mongolia is comprised of rainfalls, melt snow, ice and glaciers. The share of water feeding in rivers and lakes varies depends on physical and geographical locations, wind directions in mountainous valleys as well as altitude levels. Melt snow, glaciers and ice make up 50%-70% and rain water comprise 50-10% of annual water runoff of rivers in mountainous range of the Mongolian Altai, while rain water in river and lake basins flowing from Huvsgul, Hangai and Hentii mountain ranges constitute 56-75% of annual runoff.

Water feeding of bed soil makes up 15-40% of river runoff and this share shrinks as it moves closer to upstream in water catchment areas and increases in water downstreams. There is now a need in Mongolia to effectively use water sources in balance with their replenishment capacity and protect water resources and environmental conditions based on preservation needs of water basin eco system (Graph 15). This can be achieved through inclusion of Altai, Hangai, Huvsgul and Ih Hyangan mountains, ranges which collect 70% of water resources into the network of special protected areas and protection of upstreams of river basins.

Graph 15. Special protected areas, areas of 70% run off collection



Upstream of these river basins account for 30% of the total Mongolian territory and specially protected areas cover the areas where 70% of water resource is collected, however, these areas need to be increasingly put under protection (Table 18).

There are 126 observation and monitoring units out of which 110 are located at rivers and 16 at lakes to make observation and research. Only 15 boreholes are under observation of underground water level and temperature. Total runoff of

rivers in Mongolia reaches 69.6 cubic km and reduces to 23 cubic meter in years with low precipitation.

In 2007, contracts were established to maintain and fence 33 springs and streams for protection in 15 aimags excluding Tuv, Bulgan, Selenge, Sukhbaatar, Govisumber and Orhon aimags. Of these springs, 26 have been protected. In 2008, 156 springs and 5 hot springs were maintained. (Table 19).

Table 18. Proportion of runoff discharge of rivers under protection

	Indicators	1990	2000	2006	2007	2008	2015
37	Proportion of protected surface water sources	-	40.0 ^a	50.0 ^a	30.0 ⁶	44.0 ⁶ 53.0 ⁸	80.0 ^a
38	Number of protected and rehabilitated water sources	-	-	229 ^a	26.0 ⁶	163 ⁶	1000 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
6. NSO, MNET, 2008
b. MNET

Water census enumerated 5168 rivers and streams, of which 852 dried out, and 9306 springs, of which 2277 dried out, 3747 lakes and ponds, of which 1181 dried out, and 429 mineral springs, of which 60 dried out. In 2008, there were a total 5205 rivers all across the country and 4563 of them were flowing. 642 rivers and streams have either dried out or cut off. Compared with the previous years, in 2008, 77 rivers and streams emerged. This shows the impact of climate change and higher precipitation levels on water resources and quality.

Out of 9320 springs enumerated in Mongolia by 2008, 7441 had water flow. In 2003, 3638 lakes were accounted for among which over 760 had dried out, while in 2007 the number of springs totaled to 3747. In 2008 there were 3781 springs with 2835 having water flow.

As with aimags in govi and steppe zones, a large number of small lakes and ponds formed from rain and snow water was enumerated. The reason is that both the census year and preceding years had abundant precipitation and adequate surface water runoff. Big disparity in numbers is attributed to the fact that a group of lakes was enumerated as one in some cases and rain-fed lakes and ponds were enumerated. 2008 census of lakes and ponds separated a group of lakes into each unit for enumeration in order to establish geographical locations and produce a small scale map.

Professional organizations have found a disparity in numbers because most of the small lakes and ponds without feeding source other than rain water have dried out in the recent years.

Table 19. Naturally restored water sources, 2008

	Number	Area km ²	Water resource km ³	Number of dried out rivers, lakes, ponds and springs (by 2008 census)	Number of water sources and springs protected with fencing
Rivers	5121	2.4%; 3840 km ²	34.6 km ³	887	0
Hot springs	422			54	5
Springs	7441			1879	156
					2
					Total:163
Lakes and ponds	3732	1%; 1.500 km ²	500 km ³	1166	
Glacier/ice cap		0.4%; 600 km ²	62.9 km ³		
				** Ice coverages of Harhira and Turgen Uul reduced by 37.5% and 21.4% and ice coverage of Tsambagarav mountain shrank by 13.4% in 1992, by 28.8% in 2000 and 31.9% in 2002 in comparison with 1940s.	
Total		3.8%; 6050 km ²	609.5 km ³	2107	

** Increase and decrease of ice rivers, Environmental State Report 2006-2007

Source: Water Authority

In conformity with Water Law, an inspection was made on production technology activities in 16 aimags and Ulaanbaatar city and produced expert conclusions on water resource use for 185 sites and objects of 113 enterprises (Table 20).

An underground water exploration for urban

water supply was made with financing from the budget of Mongolian Development Fund in 2008. In the same year, water exploration for population supply was conducted in Bogd and Hujirt soums of Uvurhangai aimag and a water-well was built.

Table 20. Production areas which use water resources, numbers, 2008

Production areas	Number
1 Gold mining	94
2 Copper molybdenum	1
3 Coal mining	3
4 Iron ore	1
5 Fluorspar concentrate	2
6 Tin and wolfram concentrate	2
7 Agalmatolite	1
8 Sand, gravel and clay quarrying	2
9 Mixed and rare metals	2
10 Zinc	1
11 Oil exploration and mining	2
12 Water supply and treatment	8
13 Food	1
14 Seabuckthorn planting	1
15 Electricity and heat supply	1

Source: MNET, 2008

Hydro geological research of mining was made in regional urban centers: Darhan, Hovd, Choibalsan and Zuunmod. Water exploration has been also conducted covering free trade zone of Nogoonnuur soum in Bayan-Ulgii aimag, water supply in Harhorin, hangai regional urban center, area at Sevhil toirom in Zamiin Uud for water supply, free trade zone of Zamiin Uud soum, Gunii Hooloi at Oyu Tolgoi Project in Hanbogd soum of Umnugovi aimag, Jargalant soum of Dundgovi aimag, Beren area in Tuvshruuleh soum of Arhangai aimag and area near Bagal Ulaan lake in Hanhogor soum of Umnugovi aimag. Pre-assessment of technical and economic feasibility for establishment of a water complex on the Tuul River has been completed and the available resource capacity has been validated by scientific and technical council for water issues.

Facilitating environment

As stipulated by water law, the measure is being taken to approve regimes for special and ordinary protection and hygiene zones of water reservoirs and water sources. This is of crucial importance in protection of sources of large river runoff collection.

Activities are being carried out to increase domestic and foreign investment into intensifying water policy revision, protecting river basins, introducing sound use, increasing the use of ground water, expanding underground exploration and building large water reservoirs.

Within the framework of enforcement of Water Law in Mongolia, a draft water ecological and economic evaluation was discussed by a Cabinet Meeting and Programme for Water Supply for Population meeting hygiene standards has been endorsed. Likewise, a rule for water auditing has been drafted and discussed. In order to implement Article 19.2.1 in Water Law, a draft proposal for establishment of Tuul river basin council was made and distributed to CRH in aimags and the capital city. As a follow up, Tuul and Selbe river basin councils were established by Resolution 78 and 261 by CRH Presidium of the capital city. Based on Article 2.1 of Rule of River Basin Council, river and river basin councils which are transboundary in territories of more than two aimags are being established.

A programme for protection of Selbe river 2008-2010 is being prepared in cooperation with GO of Chingeltei district as part of action to afford Selbe river a special local protected area status.

Challenges

Water exploration by EOs for industrial use is weak to comply with water law and the control over their exploration is poor.

Drying out of rivers and springs caused by climate change, desertification and manmade effects remains to be of special concern. Protection of river and water sources is extremely poor and the legal environment in this area is weak.

Work on preservation of rivers and river basins, which provide key source of water supply for the capital city, and exploration of underground water remains slow.

There is inadequate advocacy of protection of river and water sources among people, and accordingly, people's awareness remains poor. There is no responsibility taken by local administration.

Priorities

Short term:

- Improve legal environment by amending laws on water, springs and fees for using water and spring resources and law on vegetation and plants;
- Establish water management council of rivers which are transboundary in more than two aimag territories and implement protection measures;
- Develop and enforce a special law banning production activities at upstream of rivers and water streams;
- Advocate among all people about the value of protecting river and water sources and raise their awareness;
- Include an article in the law which would tighten the responsibilities of local administrations for protection of sources and upstreams of rivers, springs and lakes in their respective territories and make

annual monitoring and evaluation by central public administration organization in charge of water issues;

- Support initiatives of individuals who have been proactive in river and water source protection and remunerate them.

Target 16: *Reduce, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation*

Current status and trend

Water resources in Mongolia account for 0.00004% of the global water resources and 1.63% of river resources. Water resource distribution is unequal. For instance, water resource per capita in govi region is 10 times less than the global average, while it amounts to 45.0-55.2 thousand cubic meter in Hentii, Huvsgul and Bulgan aimags, which is 4-5 times higher compared to the global average.

People in 115 soums of 17 aimags consume water which does not live up to standard requirement. Among them, people in 94 soums consume water rich in magnium. Water available in 102 soums is hard, while water in 64 soums is mineralized. People in 22 soums consume water rich in phosphate. Accordingly, actions are being taken to soften and purify water in the aforementioned soums.

Each member of households with access to central water pipeline system is estimated to

consume 270-340 litres of water, while this figure is only 8-10 litres for each person in households in ger districts in the outskirts of the capital city and aimag centers.

According to 2007-2008 Household Socio-Economic Survey, four in nine persons have access to sanitation, which meets hygiene requirement, three in four persons have access to electricity and one third of the population have access to both of these services (Table 21).

Three quarters of urban population in urban areas and one third of rural population have access to sanitation, which meet hygiene standards.

A majority of population with no access to improved water supply, sanitation and electricity is poor compared with the population, who have access to all these services.

This trend is observed in both urban and rural areas, however with little discrepancy in the latter.¹⁰

Table 21. Water supply, improved sanitation, by poverty headcount, urban and rural areas, national average, 2007-2008

	Poverty headcount			Proportion in the population		
	Urban	Rural	National average	Urban	Rural	National average
Water supply: central, hot and cold water	5.2	22.6	6.2	28.0	2.4	17.1
Central, cold water	17.3	21.7	18.4	3.6	1.7	2.8
Protected well	33.3	42.6	37.9	22.6	29.7	25.6
Unprotected well	44.2	43.3	43.4	1.8	17.9	8.6
Mobile ¹	36.9	50.0	38.3	42.6	7.2	27.6
Others ²	53.5	52.7	52.7	1.5	41.2	18.3
Improved water supply ³ : Yes	37.7	49.8	44.0	45.8	66.3	54.5
No	17.7	40.1	24.8	54.2	33.7	45.5
Improved sanitation ⁴ : Yes	44.4	51.2	48.8	26.9	65.1	43.1
No	20.4	38.0	25.0	73.1	34.9	56.9

Note: 1/ places where mobile water is reserved are included. 2/ spring, river, snow, ice and others, 3/ share of population living in housing with access to central water supply, access to protected wells and springs,. 4/ sanitation facilities include share of households with access to private and public holes for sewage extraction.

Source: HSES Results 2007-2008, page 94. NSO, WB. 2009

¹⁰ Results of Household Socio-Economic Survey 2007-2008, NSO, WB, Ulaanbaatar, 2009.

Facilitating environment

Within the master plan of clean water and sewage of Ulaanbaatar city, a model has been developed for supplying clean water and removal of sewage in ger districts up to 2020. Stage-by-stage measures to conduct construction in ger districts is allowing to decrease the number of households without access to central clean water and sewage pipeline system.

Challenges

Ger districts, which accommodate most of the population, as well as camps, hospitals and schools in settlement areas and recreation sites and tourism camps in remote areas, use open-pit latrines as they have no sewage removal system, hence contributing to a large extent to soil, water and environmental pollution.

There are no monitoring laboratories to measure the treatment level in treatment facilities in all places except for Ulaanbaatar, Baganuur, Darhan-Uul, Orhon, Zuunharaa and Hutul.

The results of analysis in waste water from skin tanning factories reveal 5-20 times higher content of oxygen than the acceptable level in central treatment facility network. Furthermore, there are sulfate and sulphite found in waste water. All of these are leading to a situation where the technological; regime in central treatment facility in Ulaanbaatar city is disrupted.

Drop in water levels in Tuul, Haraa and Yeruu rivers, pollution in river basins and deterioration in forests, vegetation and soil, are resulting in reducing ground water recharge. In this situation, the activities to assess and reassess drinking water resources for Ulaanbaatar and other towns and exploration should be enhanced.

There are issues that need to be addressed immediately, such as improvement of natural water restoration capacity, effective use of resources, improvement and renewal of operation and services of central pipeline system, introduction of sound consumption, reduction of water loss, improvement of institutional arrangement of organizations in charge of water supply and services, introduction of new techniques and

technologies, enhancement of the activities of treatment facilities, connection of ger districts to clean water and sewage pipeline and use of small scale treatment facilities.

Priorities

Short-term:

- Improve legal environment and norms for water supply;
- Intensify water source exploration, make resource assessment and reassess underground water resources with the purpose of ensuring the population access to water that meets hygiene standard;
- Expand and renovate water supply and treatment line network, equipment and construction and introduce advanced technology to secure reliable operation;
- Improve institutional arrangement of organizations in charge of water supply and treatment and strengthen private and public partnership;
- Establish clean water and sewage quality monitoring laboratories and improve monitoring system;
- Install water softening and purification equipment in places in need;
- Link private housing, ger districts and hospitals, schools and kindergartens to clean water and sewage central pipeline system;
- Treat sewage water of urban areas and recycle for industrial uses;
- Install low scale, efficient and environmentally sound treatment facilities with high treatment level at places which have no link to central pipeline system.

Mid-term:

- Implement water exploration for urban areas;
- Research and introduce technology for processing sluices from treated water and recycling grey water;

- Ensure that skin tanning factories establish pre-treatment facilities;
- Pursue price and tariff mechanism which conforms with the purchasing power of population;
- Enable increased participation of enterprises and organizations engaged in public amenity services, individuals and private sector in using water supply facilities;
- Upgrade the system of preparing, training and retraining human resources in the sector.

Target 17: *Improve, by 2015, the housing condition of population*

Current status and trend

The total population divide into 46% living in ger, one third in houses, and one fifth in residential apartments (hereinafter referred as comfortable housing). By location, two in five persons live in a house, three in ten persons in comfortable housing, and three in ten persons in gers. In rural areas, two third of population live in gers, one fourth in houses and the remaining percentage in comfortable housing (Table 22).

Poverty level varies by ger dwellers, house dwellers and dwellers in comfortable housing.

Almost half of the ger dwellers are poor regardless of whether they live in urban or rural areas, while this is true for about 7% and 22% of dwellers in comfortable housing in urban areas and rural areas, respectively. Hence, ger dwellers are likely to be more affected by poverty with more than three in five persons living in poverty.

Table 22. Poverty profile by housing types, urban and rural areas, 2007-2008

	Poverty headcount			Proportion in the total population		
	Urban	Rural	National average	Urban	Rural	National average
Total	26.9	46.6	35.2	100.0	100.0	100.0
Ger	46.7	50.1	48.8	28.8	68.6	45.7
Comfortable housing	6.7	22.0	8.5	30.9	5.3	20.0
Houses	27.9	42.4	32.6	39.8	25.7	33.8
Others*	46.1	41.3	44.3	0.5	0.4	0.5

* others include student dormitories, dormitories for company workers and other buildings not designated for household living.

Source: HSES Results 2007-2008, page 94. NSO, WB, 2009

About 30% of the population in Ulaanbaatar and aimag centers is poor. Half of the poor live in gers, while this percentage is 6.7% among the people living in comfortable housing. Distribution of poverty by housing type in rural areas is similar to the total population distribution. In other words, three in four persons live in gers and the remaining percentage live in houses.

has been under rapid development with expansive construction and urban construction. A total of 31,550 family housing units has been put into operation with government bonds, foreign investment and resources of enterprises and organizations, non-governmental organizations and individuals. Among them, over 15 thousand are residential flat houses with engineering systems.

Facilitating environment

Since the implementation of government programme "Housing for Forty Thousand Households" the construction sector in Mongolia

Within the implementation of the programme, measures have started to be taken to establish new microdistricts and townships through building residential flat houses in central part of

the city with engineering pipeline system and setting up housing infrastructure on reserve lands of outskirts of the city, and re-plan lands in ger districts to link households with clean water and sewage disposal pipeline system and improve their housing conditions.

National Programme for Development of Ger Districts into Housing District in Ulaanbaatar was approved by Government Resolution 27, 2008, in order to nationalize some lands possessed by some organizations located at the main wind direction and build houses on them. Within the programme, activities such as development of partial plans of ger districts, establishment of infrastructure and trading of lands possessed by individuals for housing based on their initiative are being undertaken.

Challenges

Despite the implementation of the government programme and projects to provide housing for the population, concrete results are invisible with regard to low and middle income people.

Per square meter price reached 850U\$ because of market price growths of fuel and construction materials and higher demand and lower supply of housing. As a consequence, low and middle income people remain unable to afford to immediately buy housing or pay housing loans with monthly interest rates.

Proportion of population living in proper hygiene conditions is unavailable for annual estimate as this data is produced by population and housing census.

Priorities

Short-term:

- Implement projects and programmes "Housing for 100,000 Households" and "Housing";

- Develop and implement a programme for intensifying housing construction, which is currently hard hit by financial and economic downturns;
- Solve debts and bank loans accumulated in the housing construction sector;
- Support with government policy rural people to build and live in private houses and gain access to long-term loans;
- Take loans and assistance from other countries and international organizations for provision of housing to the people and allocate those funds for the purpose of allowing them to build their private housing;
- Amend housing law;
- Implement laws on real property mortgages and secured transactions;
- Access reliable and accurate information on housing put into use.

Mid-term:

- Put together the funding for long-term mortgage loans;
- Create unified database of urban planning and construction;
- Establish a system of rental housing built with national and local investment;
- Promote private investment into establishment of new microdistricts and townships.



GOAL 8

DEVELOP A GLOBAL PARTNERSHIP
FOR DEVELOPMENT

Target 18: *Create favorable condition for achieving the MDGs through developing trade and financial system*

Current status and trend

Trade. The ratio of exports has comprised 46%-49.6% of GDP over the last decade . It accounted for 49.6% in 2007 and 48.3% in 2008 (Table 23).

Our country trades with more than 110 countries. As a result of trade liberalization policy, foreign trade turnover has risen with positive changes in types and structure. In 2008 total foreign trade turnover reached 5,779.1 million U\$, which divide into 2,534.5 million U\$ for export and 3,244.6 million U\$ for import. Foreign trade balance showed a deficit of 710.1 million U\$.

In 2008, compared with 1996, 2000 and 2004, total foreign trade turnover increased 3-6 times, compared with 2007, it experienced an increase of 44.1%. Although foreign trade turnover has been increasing, the gap in balance has been

widening. The factors such as few types of export products, dominance of raw materials in export and drastic increase in world market oil prices, which comprise a high share of import products in Mongolia, had their influence on the widening the trade deficit. Of the 30.1% or 587.0 million U\$ increase in total export that was recorded in 2008 over 2007, 50.9% is related to price growth and 49.1% is tangible growth.

Foreign trade turnover with China comprises 43.6% of total foreign trade in our country followed by the RF, both countries play a crucial role in our foreign trade. The RF makes up 30.0% of import.

In 2005, Mongolia acceded to the European Union (EU) Generalized System of Preferences (GSP+). By 2008, the country's trade with EU member countries reached 725.5 million U\$, which comprised 12.6% of total foreign trade.

Table 23. ODA, ratio of export in GDP, financial deepening

		1990	2000	2006	2007	2008	2015
42	Proportion of Official Development Assistance (ODA) provided to help build trade capacity	-	1.63 ^a (2003)	5.3 ^a 0.021 ⁶	0.0138 ⁶	0.0063 ⁶	10.0 ^a
43	Proportion of ODA to basic social services	-	6.92 ^a (2003)	3.28 ^a 22.0 ⁶	28.5 ⁶	32.5 ⁶	5.0 ^a
44	Percentage of export in Gross domestic product (GDP)	34.7 ^a 28.0 ⁶	56.6 ^a 49.2 ⁶	49.0 ^a	49.6 ⁶	48.3 ⁶	70.0 ^a
45	Financial deepening (ratio of money supply to GDP)	18.5 ^a (1995) 46.4 ^b	25.4 ^a 22.1 ^b	41.4 ^a	52.2 ^b	37.8 ^b	65.0 ^a

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008
6. Ministry of Finance, 2008
b. Mongol Bank, 2008

Finance. Global financial crisis had both direct and indirect impact on the financial sector development in our country. The drastic fall since the mid of 2008 in prices of copper concentrate

and zinc, main export commodities of the country, has negatively affected the budget revenue.

In comparison with 2007, the balance of current accounts grew by 2.7% and savings by 2.9% in 2008, hence bringing the total banking sector assets to 3.6 trillion MNT by the end of the year 2008, which is 10.7% higher than the previous year's assets and equals 59.2% of GDP. The growth in total assets of the banking sector has led to increased credit and financing to the private sector. The banks allocated credits worth 49.6 million U\$ in 2000 and issued credits worth 2,715.0 billion MNT in 2008, which represent 54,7 times growth.

With improved loan management of commercial banks and increased financial skills and accountability of EOs and individuals, the share of nonperforming loans decreased from 23.5% in 2000, to 7.1% by the end of 2008. However, this represents an increase of 3.9 points compared with 2007, demonstrating a negative impact of international financial and economic downturn.

Although the quality of assets of non-bank financial institutes (NFFI) remains adequate, their role is still limited in financial intermediary services and they have lower competitiveness than banks.

Stock market transactions declined by 40.2 billion MNT between 2007 and 2008, demonstrating reduced confidence of people in the financial sector. During the years of 2006-2008, shares were dominantly sold at the stock exchange, comprising 70% of total transactions in 2006 and 97% of total transactions in 2008. Stock Exchange Top 20 Indices underwent steady increase from 2006 to September 2007 and started significantly fluctuating between September 2007 and March 2008, thus experiencing the financial and economic crisis in the stock market.

In 2008, the insurance sector collected premiums totaling to 21.5 billion MNT, which was 1.27 times higher than 2007, indicating that insurance companies are active and introducing new products and people are more appreciative of the importance of insurance and increasingly buy insurance to respond to risks.

Facilitating environment

Trade. Having acceded to World Trade Organization (WTO) in 1997, Mongolia is

carrying out a policy of liberalization of foreign trade by tariff and non-tariff means. Mongolia joined Asian Cooperation Development (ACD) in 2004 and ASEAN Amity and Cooperation Treaty in 2005.

Since joining Pacific Economic Cooperation Council in 2000, Mongolia is taking action to join APEC, which aims to join the developed nations in the region by 2010, and the developing countries by 2020, in an open trading and investment system.

Mongolia has experienced concrete advances in bilateral trade terms with its two neighbouring countries over the last years. Programme for Trade and Economic Cooperation Development between Russia and Mongolia 2006-2010 was concluded in 2007 and Mid-Term Programme for Trade and Economic Cooperation Development between Mongolia and China was concluded in 2008. Protocols on quarantine and veterinarian and hygienic requirements for some commodities were signed with China in 2008 within the framework of diversification of export commodities and increase of agriculture product export.

Negotiations on trade preferences are yielding results. EU has become our third largest trade partner and issued a decision to continue giving preferential tariff terms for Mongolia during the years of 2009-2011.

Negotiations on Transparency in Free Trade have commenced between Mongolia and the United States of America (USA). Mongolia now has an opportunity to export tax-free handcrafts and other 14 types of products.

Finance. Development of a mid-term financial sector programme is underway. The goal is set forth in the financial sector to improve legal environment, infrastructure, risk management and regulation of activities and strengthen the basis for sustainable development so that sustainability of activities by NBFIs and savings and credit cooperatives is ensured, the scope and access of financial intermediary services is expanded, and new financial products and services are promoted.

Attention is being paid to development of stock markets through improved legal environment for stock markets, improved monitoring of activities by participants and increased issuance of securities.

Challenges

Even though goods turnover has visibly improved, betterment of foreign trade terms remains to be an issue of concern. In 2007, the ratio of export to import was 1U\$ to 1.05U\$, while it reached 1 U\$ to 1.28U\$ in 2008. Even though higher import value against export value of 1U\$ is associated with import price growth, export products, production and sales have not experienced a substantial progress. Activities geared at maintaining import goods prices at profitable levels, reducing import prices and promoting export, are insufficient.

The costs borne by participants in foreign trade is significantly increasing because of not only tariff and quota limits, but also from represented by existence of multi-tiered, duplicated and complicated processes of border control, administrative rules and red tape in export, import and transit transportations.

In this critical stage of Mongolia's social and economic development the financial sector is required to play a leading role.

Priorities

Trade sector:

- Develop a national strategy and programme for export development and request international organizations to provide financial assistance for implementation of the programme;
- Approve by SGH a package of laws on trade and improve the legal environment;
- Strengthen the working interrelations and cooperation among all organizations that participate in foreign trade;
- Improve the control and inspection equipment of government organizations at border posts, carry out control and inspection at a single site, and create an information exchange system for them;

- Reduce the number of administrative rules on trade and make the information accessible and transparent to business entrepreneurs;
- Develop sale of services, prioritize particularly banking, financial and tourism sectors.

Financial sector:

- Improve the capital markets laws and legal environment, develop the capital market, and draft and implement a relevant programme;
- Regulate the relations regarding the issue of new securities in correlation with the duties and responsibilities of participants in securities markets;
- Provide accurate and reliable data for investors in a timely manner, create opportunities for risk assessment and establish unified information network in support of improvement of monitoring over the activities of participants in the financial sector;
- Lay out a legal framework for development of secondary market for mortgages;
- Introduce a mandatory insurance system and new insurance products in accordance with international standards and lay out the regulatory framework;
- Improve and increase the quality of control and oversight and upgrade the quality of accounting and reporting system;
- Improve risk management through introducing recommendations and standards by international banks and financial organizations;
- Enroll micro finance organizations in lump sum loan services issued by international banks and financial institutions.

Target 19: *Address special needs of Mongolia as a landlocked country through negotiation for favourable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries and increase transit transportation through the territory of Mongolia*

Current status and trend

The Mongolian railroad is included in the first transportation corridor within the Railroad Cooperation Organization, headquartered in Warsaw, and container transportation and transit transportation are managed by this corridor. International container train “Mongolski Veter” travels in destination of Brest-Ulaanbaatar along this corridor. In 2007, 25 trains transported 646 TƏU (20 tn containers).

A container train tour was organized in 2007 travelling from the PRC to the Czech Republic on Shinjian-Erlian-Zamiin Uud-Naushki destination.

A cooperation protocol has been established with “Russian Railroad”, a joint stock company

in the RF and the Ministry of Railway of the PRC within the framework of expanding transit transportation via the territory of Mongolia.

As a result of joint meetings organized with railway administrations from China, Mongolia, Russia, Belarus, Poland and Germany held in Beijing, Moscow and Berlin in 2008, 184 TƏU have been transported by two container trains through the territories of the aforementioned six countries between Beijing in China to Hamburg in the FRG.

The volume of transit transport via the RF sharply reduced in 2008, and was 49.2% less than in 2006. It is explained by the cessation of transport of crude oil from the RF to the PRC (Table 24).

Table 24. Transit transportation, thousand tons, 2003-2008

	2003	2004	2005	2006	2007	2008
RF to PRC	3,453.4	4,648.0	5,028.4	4,003.0	2,944.7	1,970.2
PRC to RF	191.4	176.0	364.9	463.1	528.6	366.9
Total	3,644.8	4,824.0	5,393.3	4,466.1	3,473.3	2,337.1

Source: a. MRTT, 2008

Funded by the national budget and Mongolian Development Fund (MDF), 734 km long paved road, 46.8 km long gravel road and wooden and concrete bridges are being constructed along the horizontal axis of the Millennium Road. In addition, the national budget and Mongolian Development Fund are financing the investment into the construction of 160 km long paved auto roads along the vertical axis in the western region.

Building of the 387 km long paved auto road “Choir - Sainshand - Zamiin Uud”, which is point AH 3 of international auto road network is underway, and is financed by the soft loans of ADB and Exim Company from the RoK. Furthermore, main eastern road of the Millennium Road Project or 58.9 km long paved

auto road between Baganuur and Undurhaan has been built with the grant of the Japanese Government.

Facilitating environment

A National Committee for Facilitation of Trade and Transport has been established and a National Programme “Transit Mongolia” initiated by the Committee is under implementation.

Actions are being taken to start negotiations on Transit Transport between the governments of Mongolia, the PRC and the RF and make amendments to the agreement on auto transport between the governments of Mongolia and the PRC.

A Project for railroad network in the eastern region and national railroad network has been drafted to open new opportunities of access to the sea. The main line of Suhbaatar and Zamiin Uud reaching the Trans-Siberian railroad in the north and the railroad of the PRC in the south, is closer by 1135 km and 1600 km than Southern Baikal-Manchuria and Central Asia-Zuun Gar (Silk Road), respectively, for transit transport between Europe and East Asia.

A policy on sea transportation by Mongolia is reflected in MDG-based NDS and National Programme "Transit Mongolia". An agreement on Mongolia's transit transportation via the territory of the RF and access to the sea, which was established between the governments of the RF and Mongolia in 1992, includes an article allowing the use of all sea ports in the RF. To start with, Mongolia has submitted a proposal to the RF on use of a sea port of the city of Vladivostok.

In response to important requirements of studying common problems faced to landlocked countries and producing policy recommendations, Mongolia put forward an initiative to establish an international think-tank for landlocked developing countries. The initiative was supported by UN and other stakeholders. During his mission to Mongolia in July 2009, UN Secretary Ban Ki-moon attended an opening ceremony of the think-tank and expressed his willingness to support the activities of the center within the UN system.

Challenges

Closely cooperate with related authorities of the RF to increase transit transport via Mongolia and enhance the participation of Mongolian Rail Road in increasing the volume of transit transport between two neighbouring countries.

Enhancing the transit capacity of railroads, intensification of the renovation of the rolling stock and improving technical conditions for

fostering auto transit transport is now needed. It is crucial to increase investment in the road and transportation sector and improve transshipment facilities.

Priorities

- To finalize in the near future the tripartite intergovernmental talks on transit transport;
- Cooperate with transport organizations and transporters in neighbouring countries to increase the volume of transit transport;
- Address the issues of investment into the road and transportation sector with participation of private and public sectors;
- To include provisions on flexible tariff policies in the cooperation agreements and memorandums concluded with the two neighbouring countries with a purpose to improving the competitive edge of Mongolia in the region, increasing the transit transport volumes and expanding export markets;
- Taking into consideration the low volume of transports from Europe to Asia, include provisions on facilitation of transportation in documents on trade and cooperation to be concluded with European countries with a view to increasing the transit transport through Mongolia;
- Increase competitiveness in the road and transport sector;
- Cooperate with neighbouring countries in reduction of prices, tariffs and delays of outbound transit transport;
- Support the financial, research capacity and international standing of the international research center (think-tank) for landlocked developing countries.

Target 20: *Develop a debt strategy to ensure sustainability of external and internal debt for long term, study methods applied nationally and internationally to coordinate and resolve debt issues without negative affects on the state budget and economy of Mongolia*

Current status and trend

Mongolia’s foreign debt amounted to 1.6 billion U\$ or 2.0 trillion MNT by the end of 2008, which equaled to 21.5% of GDP (in current value). Table 25 illustrates the debt sustainability indicators of the Government of Mongolia. Mongolia is under relatively low risk of falling into debt unsustainability in mid-term.

During 2006-2008, the Government of Mongolia took loans totaling 248 million U\$ from donor countries and international financial institutions. 52% of it was used in the infrastructure sector, 14% in social welfare, poverty reduction and health sectors and the remaining 34% in other sectors (Graph 16).

Table 25. Government debt sustainability indicators, %

Indicators	2008	thresholds**	comments
Debt*/GDP	21.5	40.0	Sustainable
Debt*/Export	44.3	150.0	Sustainable
Debt*/Government revenues	52.9	250.0	Sustainable
Debt servicing/export	2.4	20.0	Sustainable
Debt servicing/Government revenues	2.9	30.0	Sustainable

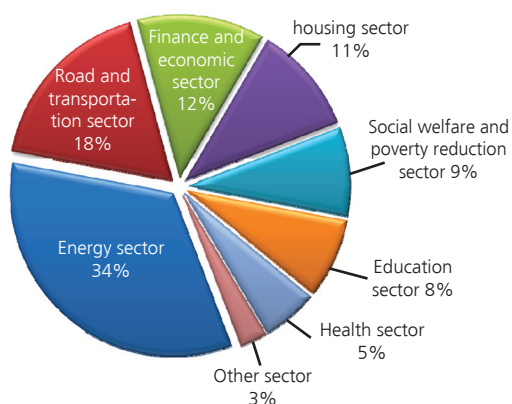
Source: Debt * - Debt outstanding in its present value (2008 expected performance)
thresholds** - indicators set by IMF, WB

Source: Ministry of Finance, 2009

Among the total foreign outstanding debts by Government of Mongolia, 62% was received from international financial institutions and the remaining 38% from bilateral donor countries. By outstanding foreign debt currency packages, special loan right comprises 61%, Japanese yen makes up 22% and other currencies hold the remaining 17%.

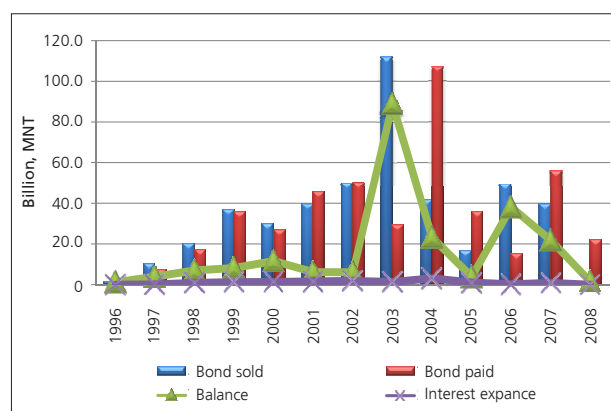
The government has been issuing government bonds to compensate for budget deficit. Between 1996 and 2008 Government of Mongolia issued and sold bonds worth 448.6 billion MNT, among which bonds worth 447.3 billion MNT was monetized. 15.6 billion MNT was paid as interest. (Graph 17).

Graph 16. Foreign loan use, by sectors, 2006-2008



Source: Ministry of Finance

Graph 17. Government domestic debt, 1996-2008



Source: Ministry of Finance

Selling government bonds to the public has played an important role in reducing debt unsustainability that stifles economy, balance the budget in a fast and flexible way, and allocate funds in time.

Facilitating environment

A mid-term debt strategy was endorsed in 2007. The strategy document correlates with the main socio-economic development guidelines and the mid-term budgetary framework and aims to keep the debt sustainability of the government and support budget and monetary policies. The main goal of the mid-term debt strategy is to reduce government debt service costs and reduce risks of the total debt package. Besides, government bond transaction is directed at promoting domestic markets and activation of their operations.

Challenges

The global financial and economic crisis has had an adverse impact on the budget, finance and

Target 21: *Development of new information communication technologies and building an information Society*

Current status and trend

Since 2004, an expansion of 5,997 km has been made in the main network and high speed fibre cable network has increased 5 fold to reach 11,073 km. A total of 139 soums and settlements have been linked to the high speed fibre cable network.

With the steady increase since 2000, the number of landline phones reached 178.6 thousand in 2008, higher by 15.3% compared to 2007 (Graph 18). The number of landline telephones tend to increase in 2008 as a result of implementation of the policy measure to promote competitiveness in landline telephone services and make the use of the main network non-discriminative and easy and introduction of digital subscriber line in rural areas (ADSL).

Since 2000, the number of cellular phone users has been continuously growing. AMPCT CRC and cellular operator companies jointly implemented a project "Access of cellular phones to soums". The project has resulted in linking all soum centers

economy of the country. Mongolia is engaged in negotiations to take loans from bilateral and multilateral sources in order to overcome the crisis. This might show a negative effect on the foreign debt sustainability indicators. The capacity of staff of the debt management unit should be strengthened. It is crucial to reduce ineffective loans and debts.

Priorities

Short-term:

- Restructure the debt management unit according to international standards;
- Improve the registration and control of projects funded by soft loans and conduct regular debt research and analysis.

Mid-term:

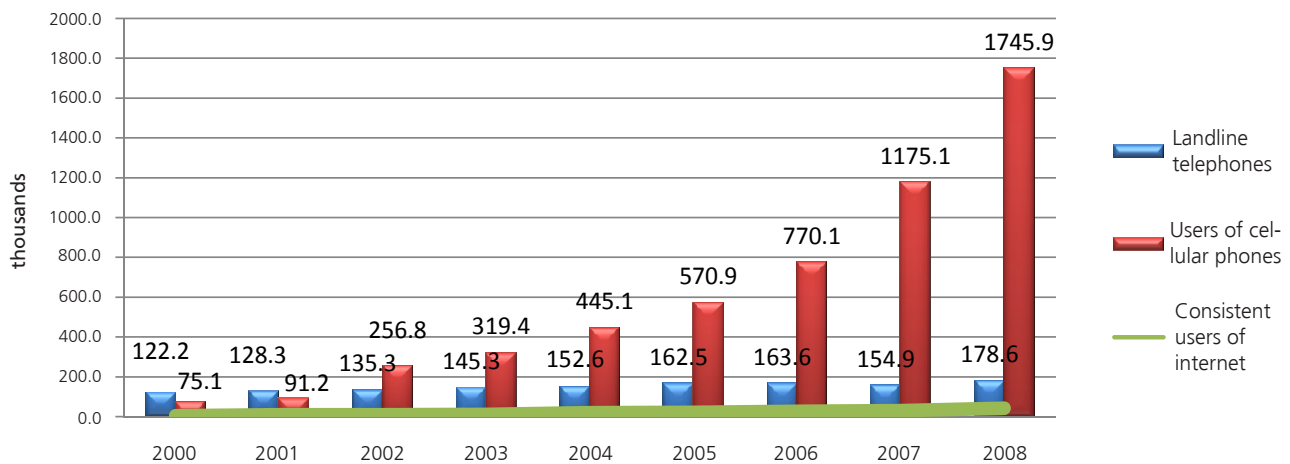
- Identify optimal foreign debt package and match the outstanding foreign debts with exchange reserves of Mongolia using the raised financial means.

and settlements to cellular phone network in 2008. The number of cellular phones rose from 1,175.1 thousand in 2007 to 1,745.9 thousand in 2008, an increase of 48.5%.

With regular innovation of technique and technology expansion and expansion of the scope of network and users, the number of users is on the regular rise. Service types and networks have been expanding with declining prices and tariffs.

Consistent internet users amounted to 42.0 thousand in 2008, which was double the number in 2004. The growth in number of consistent internet users is likely to continue. AMPCT in cooperation with Ulaanbaatar Railway updated technology for accessing international internet flow and introduced additional flow of 1.2 gbps based on DWDM new technology into operation in 2007. The speed and capacity of international internet flow quadrupled in comparison with 2004 while rent cost of 1 mbps internet flow and price and tariffs for end users reduced by 4 times.

Graph 18. Number of landline phone, cellular phone and internet users, thousands pcs



Source: NSO

Facilitating environment

Under the goal of productive introduction of information and communications technology (ICT) into all social and economic spheres, the Government of Mongolia announced ICT as a priority sector and paid extensive attention to promote market competitiveness in the sector, introduce new advanced technology and technique, improve legal environment and develop necessary infrastructure.

The communications sector underwent structural change with distinct service and network boundaries in 2007 so that IT access for customers is made open and equitable.

Privatization and restructuring in the communications sector has allowed to rent main network to licensed EOs, establish new network and make double investment.

Competitiveness evolved in the services of landline telephone and opportunities have arrived to provide landline communications services based on new technology internet protocol in and between towns.

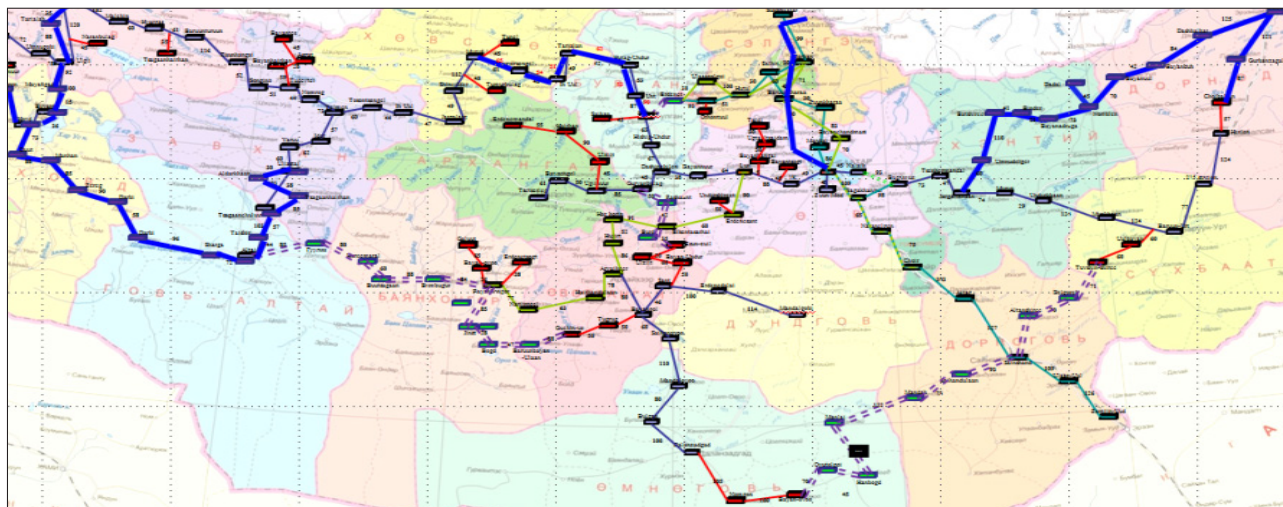
Within the expansion of information and communication main network, 1,615 km fibre cable network was installed covering 33 soums in 2007. 1,705 km reserve network was installed in 2008. (Graph 19).

Digital education for all. Projects such as “Computer for Every Child” and “Digital Room” were implemented in 2007-2008 in order to build resource base and conditions that promote information and technology education for all.

A National Committee for Informed Society has been established in cooperation with UNESCO National Commission in Mongolia.

Coding and unified database. With a view of forming a national coding system in Mongolia, the APCT numbered the coding by prioritization. “Postal Zip code” was introduced, a survey has been made to compare nationally and internationally used postal index with other types of indices and codes and a methodology has been developed. Regional codes have been introduced in Mongolia.

Graph 19. Soums with optical fibre cable connection, 2008



Challenges

Cooperation and support by participating organizations are required to efficiently develop information and communications new technology.

A legal environment has not been formed yet to develop digital governance and digital use, secure the information and regulate public and private partnership.

Issues related to investment and financing are not fully addressed yet to implement projects "Post Box for Every Household", establishment of digital archive database at Civic Registration and Information Center, "Smart civic certificate" and "Addressing".

Priorities

Short-term:

- Develop a package law of information and communications and information security for regulating digital governance and digital relations;
- Develop and implement recommendations on infrastructure, technique, technology, standards, unified codes, software and management system and structure required upon shifting to unified registration and information system;

- Put the center for national portal information into operation and link central public administration organizations and agencies to the basic network;
- Develop and implement projects "Post box for every household", e-shopping, e-medicine, e-knowledge, e-training, smart civic certificate and addressing;
- Conduct a study on internet use and train outsourcing experts;
- Provide and implement technical solution to broadcast and receive ten television channels;
- Establish digital archive database at the Civic Registration and Information Center;
- Install high speed network based on internet protocol (IP/MPLS) technology in 21 aimag centers.

Mid-term:

- Concentrate communications, post and internet services at one stop service;
- Establish a network for transfer and distribution of files based on internet protocols in 310 soums;
- Provide conditions for efficient information and communications access to herders;

- Create addresses, codes, bar codes and zip codes based on distance database and increase the efficiency of the public services;
- Introduce 4th generation of mobile communications;
- Increase the access and delivery of post in local areas and introduce services based on information technology.

Box 5. Digital Mongolia Programme

National Programme “Digital Programme” with a vision of forming knowledge-based society is under implementation covering the period of 2005-2012. Within this programme, 14 sub-programmes are planned, among which the ones of development of information communications and promotion of digital use are now successful.

Under the sub-programme for computerization for all, computer trading in two stages between 2005-2006 was organized all across the country and the required legal environment was laid out. In addition, cheap computers were sold through leases and loans depending on use level and trade fairs were organized in local areas.

Project “National portal data center” is being implemented by the Government of Mongolia with the grant from the RoK.

Project for Improvement of Information and Communications Infrastructure has been implemented with budget of 11.2 million US\$ funded by World Bank. Within the project actions have been taken to improve legal environment for information and communications, increase the quality of communications regulation, promote digital governance with the principle of public and private partnership and form the framework of national information security.

A radio wave management and monitoring system has been newly introduced and policy documents on radio wave and numbering have been developed.

Since 2005, project for worldwide web access and e-mail for the civil service has been implemented. Within the project, technical and software solutions and regulation have been worked out to establish a unified web portal of the government, build domains and web pages of organizations and create e-mail addresses for civil servants.

Source: APCT



GOAL 9

**STRENGTHEN HUMAN RIGHTS AND
FOSTER DEMOCRATIC GOVERNANCE**

12 national indicators for assessment of progress and results were approved by SGH Resolution #13 in 2008. The current chapter is based on 2008 data and information in absence of the data for previous years.

Methodological support was needed for the organization assigned with defining and assessing indicators for MDG 9 for the first time. Definition for each of the indicators was developed at the initiative of UNDP Project "Support in achieving MDG-9 on human rights and democratic governance in Mongolia" and in cooperation with relevant organizations. Development and

piloting of a methodology for surveying and data collection was useful in production of the data for each of the indicators.

It has been agreed to integrate a module of three indicator survey into "Household Socio-Economic Survey" (HSES) carried out by the NSO and annually conduct the module attached to the survey covering one adult member from each of 3,744 households that comprises one third of the sample households of HSES. In this way, the indicators will be periodically assessed at national level.

Target 22: *Fully respect and uphold the Universal Declaration of Human Rights, ensure the freedom of media and provide the public with free access to information*

Current status and trend

Mongolian Human Development Index (HDI) is increasing at national and regional levels from year to year. Rise in average life expectancy of population by 2 years in 2005-2008 and growth in GDP per capita by 919.1 U\$ were main factors leading to increase in HDI. (Table 26).

Since 1921 Mongolia has established about 3,000 bilateral and international agreements and acceded to 180 multilateral treaties¹¹. Out of human rights treaties and conventions that Mongolia has acceded to, fundamental conventions which have direct relevance with inalienable human rights have been chosen for assessment.¹² (Table 27).

As seen in the table, the overall rating for compliance of the Mongolian legislation with international human rights conventions is 3.4. This means that the country is in medium ranking by this indicator and thereof, its legislation needs to be updated. The above rating is important in a way that it serves a basic measurement of the current status of Mongolian legislation with international conventions and treaties that the country has ratified, and determines the level to reach by 2015.

¹¹ Special issue of state information, UB, 2004, Side 1.

¹² NHRC was responsible for development of questions on compliance of legislation in Mongolia with international human rights treaties and conventions, having these questions assessed by experts and development of assessment methodology. Doing so, NHRC cooperated with human rights experts, other researchers, civil society. UNDP Project "Support in achieving MDG-9 on human rights and democratic governance in Mongolia" provided assistance.

Table 26. MDG 9 implementation monitoring and analysis indicators

Indicators	1990	2000	2006	2007	2008	2015
56 Human Development Index	0.652	0.669	0.691 (2004) 0.720 ^{6*}	0.731 ^{6*}	0.738 ^{6**}	0.83 ^a
57 Expert evaluation of conformity of Mongolian laws and regulations with international human rights treaties and conventions (percentage)	-	-	-	-	3.4	-
58 Percentage of implementation/enforcement of judicial decisions	-	-	66.2 ⁶	68.2 ⁶	73.4 ⁶	-
59 Number of attorneys that provide services to citizens who are not able to pay for such services	-	-	476 ⁶	517 ⁶	293 ⁶	-
60 Public perception of political, economic, and financial independence of mass media	-	-	-	-	28.5	-
61 Number of state organizations that regularly place reports of their budgets and expenditures on their websites	-	-	-	-	55.6 ^{***}	-

Note: *Purchasing power parity of countries was estimated in 2005 within WB international cost comparison, therefore, the performance for 2005-07 was changed.

** Expected performance

Source: a. SGH Resolution #13, Approval of Mongolia's MDGs, 2008

b. NSO, MJHA, 2008

*** - %

The level of court decision enforcement steadily rose to reach 73.4% during 2004 and 2008. (Graph 20).

By the end of 2008, 29 centers (29 lawyers) provided free legal aid for over 700 crime

suspects who were unable to make payment, provided first legal instance counseling to 3,000 people and organized informal training on laws for 2,600 people. The number of lawyers appointed by the request of legal organizations and individuals went down in 2007-2008.

Table 27. International treaties and conventions

Treaties and conventions	Assessment scores by experts
International covenant of economic, social and cultural rights	3
International covenant on civil and political rights	3.7
Convention against torture and other cruel, in human or degrading treatment or punishment	3.2
International convention on elimination of all forms of racial discrimination	4
Convention on child rights	3
Convention on elimination of all forms of discrimination against women	3.9
Expert assessment about compliance of the Mongolian legislation with international treaties and conventions on human rights (%)	3.4

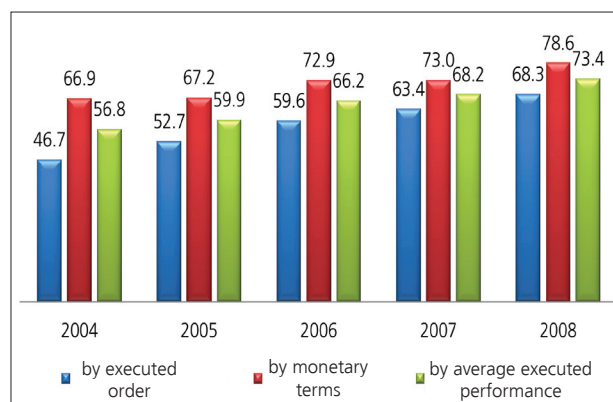
Source: NHRC, 2008

According to 2008 Household Socio-Economic Survey conducted by the NSO, 80% of the respondents claim that press and media relatively enjoys freedom from politics, economy and finance. In the meantime, they think that even though Mongolians freely express their views and opinions (63.6 score), press and media are politically and economically dependent (28.9 and 28.1 score) (Table 28). The average total score of the media independence of political, economic and financial interests is 28.5 (0-100 score ranking).

The survey finds that the highest trust is given to public television and media (93.7% on average), relatively high trust to private televisions and radio (80.1 on average) and very low trust to daily and yellow press (47.4%). Overall, the respondents assessed the activities of public media as good (87.0 on average).

Budget and budget expenditure transparency. In the first half of 2008, there were 4037 organizations funded by the state budget excluding state-owned business organizations. There were 32 general budget managers (GBM) there along with 54 general budget managers including aimag and capital city governors.

Graph 20. Level of court decision enforcement, 2004-2008



Source: MOJHA, 2008

Among 54 budgetary organizations under general budget managers, there were 2 organizations that have placed full reports of their budgets, 23 had reports from previous years, 20 had no reports on budgets on their websites, and 9 organizations did not have websites. All in all, there were 45 organizations at the national and local level that had websites and 9 organizations without websites.

Table 28. People's perception on press and media freedom, percentage of the population which trust in press and media, national average, %

	Never comply/ never trust	Do not comply/ do not trust	Medium	Comply /trust	Fully comply/ trust	Do not know	Sum ¹ /trust indicator ²	Information level ³
PM freedom from politics	10.5	30.9	21.7	15.8	1.1	20.0	28.9	80.0
PM freedom from economy and finance	8.5	29.3	21.8	13.8	1.0	25.6	28.1	74.4
Mongols freely expressing their views	5.3	18.5	31.0	35.0	6.7	3.6	63.6	96.4
National radio	1.5	3.9	19.4	57.7	12.3	5.3	93.0	94.7
FM radio (short wave)	2.3	8.3	29.4	33.6	4.2	22.3	78.3	77.7
Mongolian national public television	1.2	3.5	17.4	58.2	18.7	1.0	94.3	99.0
Private television	1.5	9.4	31.3	43.2	6.1	8.5	81.9	91.5
Local television	2.0	6.4	23.6	33.8	4.5	29.8	82.1	70.2
Daily press	3.0	13.3	33.0	33.1	4.1	13.5	69.5	86.5
Yellow press	10.9	30.3	27.7	12.0	1.9	17.2	25.2	82.8

Note: 1/ Sum indicator is standardized indicator deducted from positive ranking (1-100 score)

2/ Information level is percentage of respondents answered the question

3/ Trust indicator equivalent to standardized indicator deducted from positive ranking (1-100 score)

Source: HSES, module "Democratic governance, NSO, 2009

25 organizations or 55.6 % of organizations with websites had placed reports on their budgets¹³. Meanwhile, the Ministry of Finance opened webpage “Budget Transparency” and regularly place budget plan and execution by each of GBMs.

Facilitating environment

The NSO estimates HDI in detail at national and regional levels every year. Mid and long term policy and legal environment aimed at supporting the population health, education and incomes are mainstreamed in MDG based NDS and other programmes and laws.

A policy and legal environment has been formed in Mongolia to respect and abide by Universal Human Rights Declaration and ensure human rights and freedom. Sub Committee for Human Rights at SGH, National Human Rights Commission (NHRC) are in operation in Mongolia. In addition, about 150 NGOs work to deal with human right issues.

A national programme for providing legal aid to people unaffordable to make payment is in place.

A legal environment for press and media freedom has been laid out and a number of PM of private ownership and NGO status are actively working in parallel with the national public television and radio.

A legal environment for ensuring budget transparency has been formed and an opportunity has arrived for civil service organizations to establish web page and locate and update regularly the budget information on webpage.

Priorities

Nevertheless, there is no mechanism yet for using PM in policy and decision making and implementation stages. HDI is closely linked with other indicators of MDGs and contain feature to accommodate basic potentials for implementation of all of the goals. This special feature should be considered during the assessment of the implementation.

¹³ Quantative data of this indicator has been produced by experts of Project MDG 9 and specialists from the Ministry of Finance.

Complying contents and terms of laws with ITCs is weak and involving experts and research organizations and integrating their comments and feedback is insufficient. The Constitution of Mongolia reflects the content and concept stipulated in the international treaty. However, some sectoral laws such as Criminal Code and Criminal Inspection and Punishment Code and others do not adequately reflect concept and contents of international treaties and conventions. This is a main reason for not implementation of respective conventions.

Government of Mongolia inadequately performs its duty of reporting to UN Committees and Expertise Committee of IDAs on implementation of ITAs in Mongolia. It continues to act sluggishly and ignore the implementation of recommendations of UN committees that have been provided as a feedback to the Government reports.

Inadequacy in official translation and publication of ITCs impede their implementation by judicial and legal organizations in Mongolia. At the same time, public advocacy and awareness raising about international treaties Mongolia has ratified is insufficient and unified study and data base on them is missing at organizations in charge of implementation of ITCs.

Activities of court decision enforcement organization capture all the territory of Mongolia and interact with many subjects. However, the work condition and the availability of technique, information and communications technology and vehicles at the organization are poor.

Credibility of certification by horoo governors about unaffordability of individual to make payment is questionable and false certificates and inadequately compiled documentation often come across. There are flaws existing such as appointed lawyers not participating in all stages of lawsuit, the quality and effects of legal aid services being poor and shortage of time for lawyers.

A lack of law to regulate the issues related to information freedom necessitates the updating of legal environment.

Civil service organizations are not proactive to make budget information transparent and act poorly in placing draft budget on webpage for taking and integrating citizens’ comments.

Priorities

Short term:

- Develop methodology and method to estimate the correlation between estimates of indicators and HDI and use it in assessment of MDG implementation;
- Provide official translation of ITCs in timely manner and provide official scientific and legal explanatory notes to articles and paragraphs of ITCs to facilitate their use and abiding by court and judicial organizations;
- Link court decision enforcement organization to fibre cable and efficiently and timely produce statistics of court decision enforcement;
- Improve legal environment for activities to recompensate victims;
- Take policy and organizational measures to conduct regular training and retraining of lawyers from legal aid centers, provide with capable lawyers and ensure that only qualified lawyers work;
- Regularly place the data on budget and

budget execution of aimag and capital city's GO and data during the budget processing on web page.

Mid term:

- Establish a concrete mechanism whereby HDI is used as main information source and means in national, regional and local policy making and implementation;
- Submit reports on ITCs on time, take specific actions by respective organizations in response to recommendations of UN committees and create an optimal and ongoing mechanism for this purpose;
- Create and access to public a unified data base on international treaties and conventions;
- Enable to make public PM budget and expenditure report transparent and inform about financial resources open to the public;
- Create a mechanism to monitor and evaluate on whether public PMs provide accurate information for the public and access the information equitably.

Target 23: *Mainstream democratic principles and practices into life*

Current status

Public perception of activities of state organizations. The survey respondents gave a higher satisfaction rate to social insurance and social care organizations (90 average) whereas the Parliament received the lowest score of 20. The citizens believed that state democratic institutions including national and local assemblies had failed to implement their relevant functions. (Table 29).

Trust in civil service organizations is assessed covering SGH, Government and President, as representative civil service organizations (Table 30). The results based on two indicators: activities assessment and trust assessment show that the activities of state organizations are slightly better than the medium. The average score of indicator on public perception of activities of state organizations is 53.3 (0-100 score ranking).

Table 29. People's perception about activities of civil service organizations, national average

	Very poor	Poor	Medium	Good	Very good	Do know know	Assessment indicators ²	Information level ³
President	4.0	10.2	34.1	43.4	4.7	3.6	77	96.4
SGH	10.1	25.9	45.2	15.1	0.8	2.9	31	97.1
Government	6.9	18.4	39.7	28.4	1.9	4.7	55	95.3
Political parties	12.3	32.1	37.7	10.6	0.5	6.9	20	93.1
Civic society organizations (NGOs)	6.4	19.9	37.2	20.1	1.1	15.3	45	84.7
Capital city/aimag CRH	5.2	15.2	33.5	19.7	0.8	25.6	50	74.4
District/soum CRH	7.1	17.5	35.5	21.9	1.0	17.0	48	83.0
Bag/horoo CRH	10.0	17.9	32.4	22.6	1.7	15.5	47	84.6
Capital city/aimag governors	4.7	13.0	34.9	29.0	2.3	16.2	64	83.9
Soum/district governors	6.0	15.7	35.4	28.9	2.2	11.8	59	88.2
Bag/horoo governors	7.2	15.6	31.7	35.9	3.5	6.1	63	93.9
Supreme court	4.4	9.0	21.8	12.3	1.7	51.0	51	49.0
Capital city/aimag court	3.6	9.8	23.4	13.4	1.0	48.9	52	51.1
District/inter soum court	3.6	10.8	24.5	13.4	1.1	46.7	50	53.3
Court decision enforcing office	3.2	9.7	22.4	16.0	1.7	46.9	58	53.1
Traffic police	4.5	11.6	29.2	35.4	2.9	16.4	70	83.6
Criminal police	4.0	12.4	31.3	27.1	2.4	22.8	64	77.2
Social order police	4.7	12.9	31.1	31.8	3.7	15.8	67	84.2
Anti corruption agency	11.1	16.2	23.3	11.1	1.2	37.2	31	62.8
Standard Inspection Agency	6.4	14.3	26.8	25.0	2.0	25.5	57	74.5
Auditing offices	2.2	7.7	20.3	19.2	2.0	48.6	68	51.4
Customs offices	5.4	11.7	23.7	17.2	1.1	40.9	52	59.1
Land offices	11.2	16.5	28.1	17.9	1.2	25.2	41	74.8
Tax offices	3.1	8.4	25.6	35.9	3.5	23.5	78	76.5
Social welfare organizations	1.2	5.2	24.5	53.2	5.9	10.1	90	89.9
Social welfare organizations	1.3	5.7	22.4	53.7	7.5	9.3	90	90.7
Public schools	1.5	6.1	30.9	47.8	6.7	7.1	88	92.9
Private schools	2.5	10.4	26.8	27.4	3.9	29.1	71	70.9
Public hospitals	4.4	12.3	30.9	43.6	5.2	3.6	75	96.4
Private hospitals	1.7	4.9	23.9	41.5	6.6	21.5	88	78.5

Note: 1/ Assessment indicator is expressed by standard indicators resulting from deduction of negative assessment from positive assessment (1-100 rating)

Source: HSES 2007-2008, Module "Democratic Governance", NSO, 2009

Participation of civil society organizations that have officially expressed their views in the process of developing and approving the state budget. This is measured by the number of civil society organizations which have

officially expressed their views on draft budget to the Ministry of Finance, Government and SGH during September 15 to December 15, when a draft budget has been submitted to Government and SGH for debate and approval.

Table 30. Percentage of people who trust in civil service organizations

	Never trust	Do not trust	Medium	Trust	Fully trust	Do not know	Trust indicator ²	Information level ³
SGH	7,1	23,2	41,4	25,3	1,3	1,7	46,8	98,3
Government	4,6	15,8	39,3	34,6	2,6	3,0	64,6	97,0
President	4,0	10,4	31,3	45,3	6,9	2,2	78,5	97,8

Note: 1/ Trust indicator is expressed by standard indicator resulting from deduction of negative assessment from positive assessment (1-100 score)

2/ Information level is the percentage of people who answered the questions

Source: HSES, Module "Democratic governance", NSO, 2009

People's participation in selection of candidates for bag and horoo governor's position. This indicator can be measured after local election and re-election which is held every 4 years in conformity with the law¹⁴. Since the last local election was held in spring of 2009, it was not possible to measure the indicator and include the result in the current report.

Facilitating environment

A legal environment for civil service activities has been laid out and specific progress has been made in civil services facilitated by the approval of revised civil service law.

State policy and legal environment have been formed to ensure budget transparency. An opportunity is open to access to draft budgets and people and CSO have been showing an increasing attention to them. Cooperative effort is being made to ensure the participation of people and civic society in national budget making, debate and approval processes.

Despite conflicting views of politicians and researchers about policy and legislation, old article has been in effect supported by the authority decision. Household and population registration data has relatively improved.

Challenges

People remain dissatisfied and show low trust in activities of state organizations, particularly SGH and CRH, institutions which are formed with influence from political parties and their operations.

¹⁴ The indicator is compiled and measured by local division of GS and Secretaries of CRH at all levels of aimag and the capital city.

Although national budget making, debate and approval process is generally open, it is not accessible and comprehensible to people. At the same time, CSOs tend to prioritize lobbying through their connections and people in high positions rather than submitting their formal comments on budget to the relevant authorities.

People are not active to participate in bag and horoo CRMs. It is quite often to re-announce CRMs due to low attendance rate. Candidates running for bag and horoo governors' position quite often call people who are supporting them to win votes and in case of inadequate number of their supporting attendees, cause intended chaos and commotion to cancel meetings.

Priorities

Mid term:

- Establish a mechanism whereby people's perception survey about the activities of civic society organizations is regularly carried out and civic society organizations frequently use the findings in their activities;
- Enhance the participation of CSOs in budget making and approval process and direct exclusive attention of authorities to promotion of initiatives from CSOs.

Mid term:

- Take measures for improvement of effectiveness of civil service organizations, intensify civil service reform and reinvigorate people's trust in civil services and civil servants;

- Shift to the system which Improves the national budget planning system, make budget debate and approval process transparent and enhances civic society participation;
- Put relations regarding the selection and appointment of candidates for bag and horoo governor's position on right legal track and increase the responsibilities of CRH.

Target 24: *Develop a zero-tolerance environment to corruption in all spheres of society*

Current status and trend

Corruption. WB governance indicators shows that Mongolia's score in corruption control¹⁵ fell from -0.49 in 2006 to -0.61 in 2007 (+2.5 and -2.5 score range), indicating a decline of 0.12 units. As per Corruption Perception Index measured Transparency International¹⁶ Mongolia continuously scored 3.0 in 2007 and 2008. These international surveys witness that there wasn't a significant change in corruption status in Mongolia.

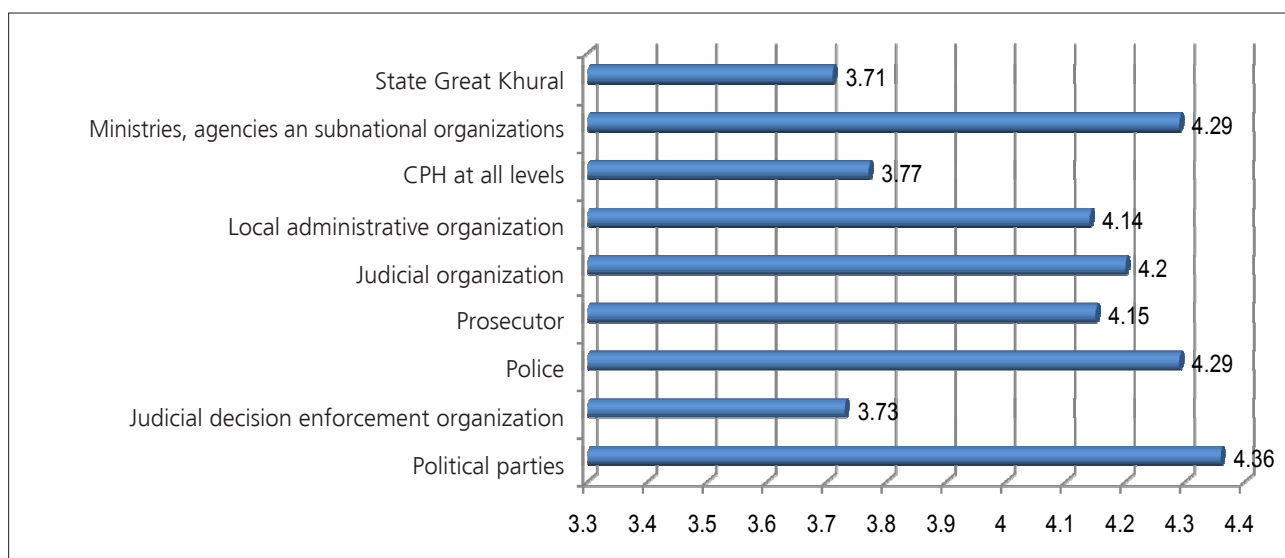
According to Asia Foundation surveys¹⁷, the number of respondents who answered that they would not give bribe when demanded was increasing. The result of the survey dated

in September, 2009 is 42%, the same as in the survey in 2006.

The Index of Corruption (a composite index that reflects forms, magnitude, and causes of corrupt practices and shows the corruption variance over time) equals 0.64 (scale between 0 to 1-being the highest positive value and "0" being the lowest value).

Perception of corruption in political, judicial and law enforcement institutions. The score is 4.09 as measured by UNDP project supported perception survey on corruption among political, judicial and law enforcement organizations¹⁸.

Graph 21. Magnitude of corruption, by organizations and sectors, 2008



¹⁵ http://info.worldbank.org/governance/wgi/mc_chart.asp
¹⁶ http://www.transparency.org/policy_research/surveys_indices/cpi.
¹⁷ Mongolian Corruption Benchmarking Survey, Asia Foundation, September 2008, page 4.

¹⁸ First effort to develop methodology and method for perception survey by experts has been made jointly with Project "Support in achieving MDG-9 on human rights and democratic governance in Mongolia", supported by UN Democratic Fund and UNDP. Questionnaire was designed with 13 questions and 87 indicators and assessment has been made by experts. The assessment used 5 ascending scores (1 never (no corruption) - 5 corruption is prevalent) to measure by average indicator.

Low level of social and economic development, lack of intolerance of corruption in the society, lack of transparency and accountability, red tape, patronage and nepotism by politicians, inadequate civil service system, weak capacity of government institutions, evasion of responsibility by persons who have engaged in unlawful practices and unethical behavior, poverty and failure of law enforcement were cited by the experts as corruption factors.

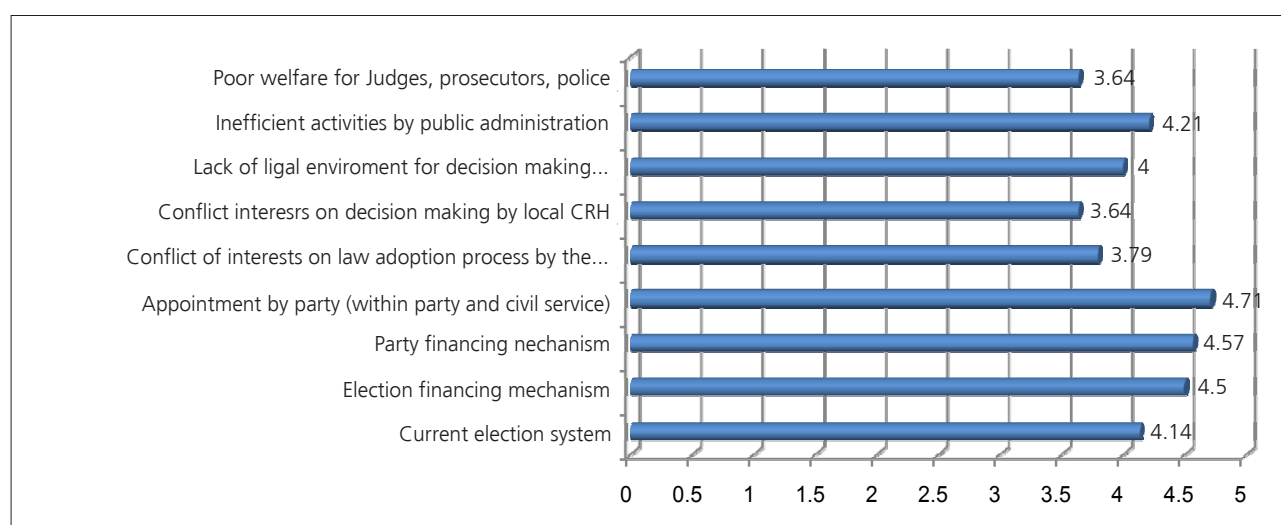
As shown in Graph 21, average score is 4.7 for administration and sectors and organizations

susceptible to corruption thereby illustrating high spread of corruption among them.

Appointment by political parties, party financing and election financing mechanism and election system score 4.6 on average by corruption assessment factors, which is higher than other factors. Therefore, it is necessary to make reform in this area (Graph 22).

Experts gave a score of 4.7 having perceived that politicians largely influence appointment of work positions.

Graph 22. Factors influencing the corruption, 2008



Corruption among public administration and public service organizations. According to Household Socio Economic Survey 2008¹⁹ corruption is relatively less in access to health services and getting documents from local governor's office, all of which are most common services for the survey respondents. The survey finds tender selection (1.28 score), customs duty lifting or rebating (1.23 score) and law suits (1.10 score) are most corruptible.

Furthermore, the survey finds relatively low corruption in public administration and services which is ranked at 30.8 (the scale from 0-100).

Facilitating environment

A policy and legal basis on combating corruption has been defined and an independent agency has been established since 2 years ago.

Research work is underway to define corruption level and develop corruption index. Project "Support in achieving MDG-9 on human rights and democratic governance in Mongolia" funded by UN Democratic Fund and UNDP and Project "Governance Support" funded by WB are actively contributing to development of methodology for defining corruption index.

Challenges

Determining corruption index and developing its method and methodology is in slow process.

Shortfall of feasible and objective information about corruption, inadequacy in unified

¹⁹ 11 work and services which might be most susceptible to corruption and people's perception has been compiled by ratio of observed cases of corruption to non observed cases during the access to public services over the last 12 years data. The method was used to estimate based on the ration of 0-2 in ascending order.

corruption concept and perception and strong social belief that corruption is overwhelming cause some extent of complications to survey conducting and data collection on corruption.

Similarly, insufficient skills and experience as well as qualified staff to conduct surveys and research are causing difficulties to effectively implement surveys.

The notion is widespread among public that people in position in civil services have conflict of interest thereby entailing various assumptions and suspicion in the social psychology.

A lack of legal regulation on conflict of interest limits the opportunities of selecting and appointing citizens in civil service positions and making them accountable.

Priorities

Short term:

- Carry out continuous actions to prevent corruption, make public advocacy of social harms caused by corruption and raise people's awareness of corruption and introduce anti corruption approaches in EOs;
- Develop a national methodology for corruption index assessment;
- Determine methodology and methods of surveys such as researchers' perception survey about corruption among political and judicial organizations and public perception survey about corruption at public administration and service organizations and use the surveys as data source;
- Improve the financial principle of political parties, and in this connection, concretize state support and its indicator with regards to financing, update the law on political parties in this direction;
- Take actions aimed at improvement of the legislation on procurement of goods and services with the public fund and ensure the transparency in procurement process;
- Upgrade and implement a mechanism whereby judges, prosecutors, case recorders, inspectors and court decision

Box 6. Anti corruption measures

Activities such as public advocacy of social damages caused by corruption, national training and advocacy for nurturing zero tolerance of corruption, preparation and broadcast of series of programmes in cooperation with mass media and campaign "Let's Join Our Anti Corruption Voices" have been organized.

Concrete and step wise actions have been taken to create anti corruption NGO network at national level in support of local NGOs, periodically produce and distribute free of charge "New Page" newsletter to the public, initiate and run "Reward for Justice-2008" and other various measures involving government and non governmental organizations, employers and business entrepreneurs.

IAAC has delivered to civil service organizations the recommendations on reducing bureaucracy, increasing efficiency and transparency in civil services, improving the availability of information for prevention of corruption, making activities open and enhancing people's participation. The implementation has been examined for each organization with accompanied recommendations and instructions provided.

Within the framework of prevention from corruption and corruption crimes and awareness raising a cooperative action plan for corruption prevention and awareness raising was approved by Decree of Prime Minister and ethic code of civil services in public administration has been updated. As well actions have been taken for improvement of legal environment for collection of fees and premiums from people, reduction of control and licences and establishment of ethical control at government organizations with high bureaucracy and development and implementation of concrete plans and programmes at ministry and agency level.

A law reflecting the reduction of rank of civil servants for capital and income declaration, improvement of declaration content, opportunities for detection of conflict of interests and compliance with the law on individual confidentiality has been drafted and submitted to SGH.

Source: IAAC

enforcers take responsibilities for their ethical and operational misbehaviours;

- Develop and implement actions to substantially improve wages and social wellbeing of employees in judicial organizations and provide adequate work conditions.

Mid term:

- Create new values in social psychology through betterment of legislative environment for combating corruption and establishing justice and advocating among public;
- Increase the information and research capacity of IAAC;
- Upgrade the quality and effectiveness of anti corruption actions with the use of corruption index;
- Evaluate the implementation of Anti

Corruption Law in Mongolia and comply the anti corruption national legislation with UN Convention;

- Analyse the legislation which regulate relations which might instigate corruption among political, judicial and large business ranks and make necessary amendments;
- Improve position appointments in civil services, follow the principle whereby appointments are made on the basis of skills, ethics, work experience and knowledge and make civil service immune to political influence;
- Develop a law on administration process, incorporate articles on ensuring transparency in the process and protection of legal rights and interests of people and communities;
- Develop and implement a law on conflict of interest.

CHAPTER 2.

SYNERGY OF MDG AND MID AND LONG TERM DEVELOPMENT POLICY PLANNING AND FINANCING

Current status

The priority in execution of MDG financing is to align financing with economic expansion without drastic impact on economy rather than sharply increasing the expenditures to disturb macroeconomic balance.

Developing MDG financing strategy in close correlation with mid-term investment programme enables inclusion of MDG financing source in annual national budgets and harmonization with funding support and assistance of international organizations and donors.

Some part of national public investment budgeting is planned for MDG attainment. In 2008, 24.0%, 19.0% and 12.0% of the total national budget expenditures were allocated in capacity of package expenditures to Minister of Education, Culture and Science, Minister of Social Welfare and Labour and Minister of Health, respectively. This has been an important input in MDG attainment. Social welfare expenditures have increased even though social welfare system has not undergone changes. Resource expenditure for grants to new born went up by 8.6% in 2008 over the previous years. Investment in health sector rose by 8.4% in 2008 in comparison with 2007. Likewise, investment in education sector has risen.

Policy liaising

MDG target “reduce poverty and hunger” is well mainstreamed into major national and sectoral documents.

Mongolia’s NDS sets forth an education goal as follows “Developing education for all will be social deeds and national education system will be upgraded to the international level, and regular and adequate provision of high mental, productive and capable human resource will be ensured”. Within this goal, ten measures are planned in areas of pre-education, primary

and informal education and spread into policy documents such as General Plan of Education Sector, GAP, annual SEG, National Programme for Promotion of English Language, Second National Programme for Mongol Script, National Programme for Distant Learning and National Programme for Training and Retraining Primary and Secondary School Teachers.

4.2 in Mongolia’s NDS document defines a goal for gender equality as follows : to develop a separate law on gender equality, make education curricula at all school levels gender sensitive, ensure equal participation in ownership and employment relations and increase women participation in decision making.

A National Committee for Gender Equality chaired by Prime Minister and its secretariat office are operating with duties to reflect gender approach in sectoral policies and programmes and regulate and coordinate the implementation of gender related targets of MDGs and National Programme for Gender Equality. Within the framework of attainment of MDG gender related targets, a law on gender equality has been drafted.

National Programme for Combating Family Violence is in effect with endorsement of Government Resolution 225, 2007.²⁰ The responsibility to manage and assign the programme implementation is given to National Committee for Gender Equality and governors at all levels.

As with health, MDG based NDS sets the goal of comprehensive development of capacity to protect mother and child health and improve mother and child protection system. In line with General Plan of Health Sector, a Strategy for Maternal Mortality, Basic and Additional Package of Aid Services, National Programme for Child Development and Protection, National Programme for Healthy Mongol, Third National Programme for Reproductive Health and Soum

²⁰ Law on family violence was approved by SGH, in May 2005 and updated in 2007.

Hospital Development Programme are in place.

Within the improvement of policy coordination for environment protection and forest resource, law on forest has been updated and Forest Agency has been newly established

In line with policy to foster human rights and democracy, rule of law and government institution policy has been mainstreamed.

Actions proposed in the MDG needs assessment are small, fragmented and uncorrelated with financial sources and financial principles with the effect of impeding the implementation and disabling the budget and expenditure monitoring.

For instance, 34 actions are defined to achieve three targets within the goal of improving mothers' health, however, with no financing options. It is difficult to make differentiated estimates of financing of primary and secondary medical services for mothers and children. This necessitates the improvement of financial planning, budgeting, register and information system.

At the same time, public management and financing law is not adequate to facilitate the condition to take basis on the country's short, mid and long-term development policy planning and make continuous and complementary planning of specific levels.

The process and timing of development, approval, implementation and reporting of national public budget correspond with action plans of ministries. Therefore, it will be more useful to mainstream interventions which were defined by the needs assessment into these action plans of ministries relevant to MDGs.

Facilitating environment

International organizations and donor countries are rendering a large amount of loans and assistance in support of short, mid and long-term sectoral policy and programme implementation in Mongolia.

Although these projects and programmes are not specifically designed to attain MDGs, they reflect the contribution to MDG attainment within the sectoral development support.

International organizations and donors have been supporting the funding sources for attainment of some of the health targets of MDGs. In 2007-2008, national budget allocated concrete amount of funding sources.

Lack of public and private sector partnership in Mongolia is resulting in lower participation of private sector in MDG attainment. Nevertheless, the moves are being made in this direction. "Tavan Bogd" Ltd provided the support of 50 mil MNT in establishment of monitoring and evaluation system within the goal of reducing malnutrition.

Challenges

It is required to improve a methodology for assessing MDG costing needs and make target specific financing needs. Although the total amount of resource needs for MDG attainment was estimated in 2006, "Financing Strategy" for its realization is still missing. This hinders the full assessment of MDG implementation. National budget and investment policies should be directed to MDG implementation in a comprehensive way. In other words, a system should be created whereby funding sources of MDGs are distinctively reflected in budget and plan by types and categories and the implementation is evaluated in correlation with the expenditures every year. Public and private partnership should be introduced in attainment of MDGs. Particularly, close cooperation should be maintained with private sector through promoted investment and raised social accountability of companies.

Priorities

The following should be prioritized in order to support financing activities, which are much important in MDG implementation:

- Develop MDG financing strategy and align investment with midterm programme;
- Introduce public and private sector partnership and actively work towards private sector attainment of MDGs;

- Identify target and action wise MDG financing needs and integrate in financing strategy;
- Assess the costing of MDG implementation at pilot aimag, capital city and district level;
- Address donors and international organizations to fill up in a gap in funding sources based on results of MDG costing needs;
- Assess potential financial risks in MDG attainment by 2015 and reflect in Financing Strategy.

CHAPTER 3.

MDG IMPLEMENTATION, ADVOCACY AND PUBLIC PARTICIPATION AT LOCAL LEVEL

Current status

MDG implementation at local level has been supported by UNDP “Pilot project to support the National Poverty and MDG Monitoring and Assessment System” since 2007. Taking into account of human development level and socio-economic context, one aimag from each region was selected as the project target aimag (Dornod, Dundgovi, Govi-Altai and Huvsgul and Nalaih and Songinohairhan districts of the capital city) and in December 2007, the Ministry of Finance, selected aimag and district governors and UNDP signed a Memorandum of Understanding to start the pilot project.

In order to expand local level MDG implementation, UNFPA funded projects were set to implementation in Hovd, Uvs and Bayan-Ulgii aimags in 2008 and a report on implementation progress of these projects is being prepared. Ulaanbaatar City Mayor’s Office initiative to produce first MDG report was supported within the frame of UNDP technical assistance project. To sum, 7 aimags and 2 districts of the capital city covered by MDG pilot project have been successfully carrying out planned activities.

As MDG implementation differs by the capital city and aimags, activity, budget and financial framework should be concretely set to attain MDGs.

Local initiatives

Defining local specific MDGs and making action plan and programmes directed to their implementation is the most challenging issue. Within the framework of establishing a system whereby local administration, other stakeholders and citizens engage in consultation based development and monitoring of MDGs, a first report “MDG implementation and challenges” capturing Dundgovi, Dornod, Govi-Altai and Huvsgul aimags and Songinohairhan and Nalaih District was produced and disseminated to public.

This first report on aimag and district MDG implementation and challenges²¹ is a policy document which reviews and assesses the current status of MDG implementation of the aimags and districts and identifies a package of priority issues. The report is a joint product of Policy Committee established by CRH Presidium Resolution of the project target aimags and districts, thematic work groups, soum and local officers, officers of Ministry of Finance, UNDP and NGOs.

Project target aimags and districts are implementing local specific MDGs and indicators which have been determined in line with 2015 targets and endorsed by their respective CRHs. Preparation is being made to develop, update and implement MDG based local development documents that have considered current MDG implementation progress and challenges.

MDG awareness raising training and advocacy have been organized for local people, policy makers, sectoral experts, employers and CS organizations.

MDG implementation and challenges in pilot aimags, districts and Ulaanbaatar city

Dornod aimag. 2007 Aimag Survey on Household Needs estimates that an average of 29% of households live in poverty or have low consumption. Main causes of poverty are loss of animals to natural disasters such as droughts and heavy snow falls, laziness, passiveness, alcoholism and gambling.

Malnutrition among young children is relatively low while higher prevalence of underweight is associated to immigration of rural households that lost animals, and unemployment and alcoholism.

²¹ Full Report “Aimag and district MDG implementation and challenges” is placed on website www.mongoliam-dg.mn

The labour force participation rate has been reduced significantly and by the end of 2007 the rate was 18 points lower than the national average.

Net enrolment rate in primary schools in the aimag increased to 96.5% in 2007. According to this indicator aimag has higher enrolment rate comparing to national as well as regional average.

Under five mortality rate in the aimag reduced significantly in 2007, for instance comparing to 1990 it has reduced by 4 times, and comparing to 2000 it has reduced by 50%.

The aimag level, maternal mortality ratio has not reduced sustainable, and it is rather has fluctuated for time being. Percentage of contraceptive method usage among rural women especially those who live remote areas and isolated from residential areas, and poor women, herding family women is comparatively low.

For last five years, the STDs prevalence takes about 42.1% of total infectious/transmittable/communicable diseases. Since 2000, as a result of measures taken by the Reproductive Health Programme, the National Prevention Center for Communicable Diseases and Global Fund to offer treatment medical services and free medicines and injections the number of STDs prevalence and incidents among youth aged 15-24 has decreased by 31.6% in 2007 comparing to of 2003 and by 23.8% comparing to of 2005. Rates of death and TB incidences show much high compared to the national level.

Dundgovi aimag. According to the Living Standards Measurement Survey (LSMS), 2007, about 30 % of Dundgovi population are considered as poor and extreme poor. This rate is lower by 2.5 percentage points than the national average poverty level.

Employment opportunity is low due to extreme climate and low infrastructure condition. The proportion of underweight, stunting and wasting children under five is lower than national average.

In terms of the level of net enrolment ratio in primary education, Dundgovi aimag is ranked as the 19th place, which is 4.4 points lower than the national average.

In 2007, infant mortality rate per 1000 live births was 12.7 and under five mortality rate dropped to 13.7, both of which are being lower than the national average. As a result of the implementation of maternal mortality reduction strategy, maternal mortality rate was estimated to be 2 times less than the national average and 1.4 times less than the central region.

Prevalence of STIs accounted for 33.1% of total infectious diseases in 2000, whereas it dropped to 27% in 2007. In future, risk reducing actions should be intensified and detailed study needs to be conducted on risk groups.

Govi-Altai aimag. Of the total population, 30.4% live below poverty line. Assistance is not reaching targeted low income and poor people, and poor people remain low skilled and low educated. Unemployment rate was 3.9% in 2007.

Higher underweight rate among children under five in comparison with the national average and regional average is attributed to higher incidences of rachitis and anemia in the aimag.

Net enrolment ratio in primary education was 95.7% in 2007, lower than the national and regional averages.

Under five mortality rate per 1,000 live births was estimated at 36.2% in 2007, indicating a 2 times decrease since 1990. However, this figure exceeds the national and regional averages. 84.2% of early infant mortality is caused by late poisoning of pregnancy, ineffectiveness of treatment and premature births. Over the last five years, 73.6% of all infants were born underweight or unable to survive. Among mothers whose infants died, 73.9% were herders and unemployed, 60% of them were uneducated. Low access to antenatal care and prenatal complications are deteriorating the risks.

Maternal mortality rate per 100,000 live births which was 228.7 in 1990, tend to stabilize and reduce between 1999 and 2006. However, it soared back to 411.9 in 2007, which is 4.5 times higher than the national average. As a consequence, Govi-Altai aimag has the highest rate of maternal mortality. Among the causes for maternal mortality, 18% is related with postnatal infection, 18% is associated with ectopic pregnancy and the remaining percentage

is attributed to uterus filled with liquid and congenital disorder as well as liver hardening.

Although tuberculosis incidence rate remains lower than the national and regional averages, it tends to increase in the last seven years. By 2007, pulmonary TB and non-pulmonary TB occupied 44.4% and 55.6% of total TB cases, respectively.

Until 1990, small animals made up 90% of total herd population with a ratio of 1 goat to 2 sheep. By 2007, the ratio was reversed with 1 sheep to 2 goats and small animals constituted 95% of total herd structure. This change in herd structure is negatively influencing meat production, which is a main cash animal husbandry product and disturbing the ecological equilibrium. The international experience shows that uncontrolled growth of goat population leads to aggressive increase of desertification. This situation necessitates the growth of animals of elite and productive breed which is accustomed to climate and pasture conditions.

Huvsgul aimag. Poverty is not undergoing a significant reduction. One third of the total population have income below the poverty line. The underlying reasons are increasing inequality, poor development indicators of ethnic minorities such as tsaatan with direct bearing on the aimag's poverty indicators, inadequate poverty measurement methodology and existing difficulty in making accurate counting of incomes at aimag level.

People are vulnerable to various diseases because of malnourishment. Unemployment rate is decreasing at aimag level, but it stays higher by 0.4 percentage point than the national average and by 0.9% than the regional average.

Even though the enrolment rate is increasing, the aimag ranked 17th in the country list. School enrolment is low among children of reindeer herding tribal group (tsaatan). The school dropout is high in primary education particularly in grades 1, 7 and 8 in all soums.

Long distance to regional diagnostic center impedes soums with high child mortality rate to access specialized medical services.

Two HIV/AIDS positive cases were registered in the aimag since 1992. Among people with STIs, 40% are unemployed, 5% are economically unviable and 10% are commercial sex workers.

Songinohairhan district. In 2006, 35.9% of population had income below the poverty line reflecting an increase of poverty by 14.7 percentage point compared to 1996. In the same year, poverty depth stood at 21.6% which is associated with unemployment and increasing number of rural migrants.

Non-working people of work age accounted for 12.9% of total district population in 2004. This figure rose to 18.6% in 2005 and 20.9% in 2007, indicating increasing number of non-working people of work age by years. People with no working capability made up 3.2% and 2.8% of total district population in 2004 and 2007, respectively.

Net enrolment ratio in primary education was estimated at 95.1% in 2000 and dropped to 91.3% in 2007. Most of rural migrants move into the district territory inflating the mechanic growth of the population and overloading the schools. On the other hand, most of migrants are poor and very poor whose children are not enrolled and drop out of school. The percentage of pupils who enroll in Grade 1 to reach Grade 5 increased from 85.7% in 2000 to 89.2% in 2007.

The percentage of wasting and underweighted children is high because of inappropriate child feeding and care, mothers' low nutrition and low nutritious food intake.

In comparison with the national average, the district has higher spread of tuberculosis. The incidence rate of registered tuberculosis per 100,000 population rose from 163.9 in 2000 to 243.7 in 2007. Of tuberculosis patients, 16-44 year olds account for 70% among and unemployed and poor people make up more than 60%.

Water distribution points are being built and linked to safe water pipe system. Despite these efforts, the access and availability of drinking water have not improved because of increasing number of newly arriving migrant households.

As a result of ger distribution, the percentage of homeless households reduced from 1.2% in 2006 to 0.3% in 2007.

Nalaih district. Among the total population, 63.1% had incomes below poverty line in 2000 and declined to 22.36% in 2007. The last two years have seen a drop in population

with income below the poverty line. However, shortage of jobs, seasonality of job availability and poor labour safety (coal mine) are main leading factors to poverty. Poverty level was 11.8 percentage point lower than the national average, however, it exceeded the poverty level of Ulaanbaatar city by 5.4 percentage point.

The underweight rate among children under five was 28.3% in 1997 and reduced to 1% reflecting a drop of 27.3 percentage point. But there are persisting problems such as shortfall of child fitness and wellness activities, low parental knowledge about young child care and poor availability of family doctors and specialized pediatricians.

The district had unemployment rate at 1.6% in 2006 and evidenced an increase to 2.6% in 2007 due to many reasons such as increased motivation of unemployed people to get registered with employment services, shortage of qualified workers to live up to requirements of employers, low work experience, increasing number of rural migrants to inflate the number of economically active population.

By 2001, Nalaih district had 18.3% of total migrants as in-migrants and 81.7% as out-migrants whereas these figures changed their places in 2007. Of the total migrants in that year, 81.2% were in-migrants and 18.7% were out-migrants. Increasing in-migration is entailing the need to increase the access of schools, kindergartens and hospitals,

Net enrolment ratio in primary education remains higher than the national ratio and the ratio of Ulaanbaatar city. The survey on school dropout children finds 80% of them having left school at primary grades.

In 2007, 23.8% of under five mortality was caused by early infant mortality, 14.3% by diarrhea, 9.5% by pneumonia, 14.3% by burns and 38% by other reasons. Lower maternal mortality rate is attributed to closer access to maternity houses in Ulaanbaatar to have safe delivery.

Although the tuberculosis incidence rate has been falling down with years, the death rate associated with tuberculosis remains higher than the national average.

Leaving mine holes unfilled cause land sliding and collapse and dropping garbage in mine

holds are contributing to increased soil pollution. Soil cover ripping off by 6-7 brick factories which operate nearby the mine and coal mining by over 200 artisanal miners per year are causing negative impact on environment.

Specially protected places account for 41.1% of the total territory of the district. Tourism companies operating in these places are providing local people with temporary jobs. However, every tourism camp is constructing own water wells hence negatively influencing the precipitation rate and climate conditions and lowering underground water table.

Ulaanbaatar. First report on Ulaanbaatar city's MDG implementation was produced at the beginning of 2009. Based on this assessment report, the evaluation was made using 40 indicators of 9 goals and 24 targets. As the results show, 7 (17.5%) of national were early achieved, 19 (47.5%) were potential to achieve, 7 (17.5%) were slow to achieve and 7 (17.5%) were regressed in achievement.

At the present level, Ulaanbaatar city is likely to achieve 65% of national targets by 2015. For example, poverty level reached 21.9% in 2008, which was lower compared with 1990 and 2000, and poverty depth and poverty severity were 6.3% and 2.6%, lower than the national average.

The likelihood of Ulaanbaatar to attain most of MDGs is explained by relatively higher access to and quality of basic social services than rural areas and better conditions for education, health, living environment, and nutrition supply and information exchange.

Attention should be drawn to the fact that 37.0% of migrants in Ulaanbaatar live in poverty. Out of migrants 72.7% have settled without permission in areas which are outside the land plan for settlement in territories of Bayanzurh, Songinohairhan and Chingeltei districts. Environment and population livelihood related issues have accumulated into challenging problems in the capital city as a consequence of migration and over concentration of population. Unemployment rate is relatively higher in outskirts and remote districts and horoos and economic capacity of ger dwellers is lower in comparison with dwellers in modern housing. While 45.0% of ger dwellers is poor, this percentage is 15.0% for dwellers in modern

housing. Compared with Nalaih district, 18.9% of total households in Sukhbaatar district is poor, which is lower by 18.1%.

Secondary schools in the capital city run classes in three shifts and average class filling amounts to 45-50 on average, hence outnumbering the set norm for primary grade by 15-20 pupils. In addition, per pupil space is too small to meet hygiene norm and air pollution in classroom has risen to adversely affect pupils' health and causing them to fall sick by various diseases. The same is true with kindergartens which are overloaded with potential increase of risk to infectious disease outbreaks. High malnutrition among children under five is impairing children's healthy growth and at the same time witnessing a lack of policy implementation to address this issue.

In response to these challenges, government should take actions to ensure full coverage of population in social basic services, improve the quality of services and living conditions and improve the implementation of poverty reduction and social target programmes. The city administration, giving a priority to population residence, is working to implement policy measures to comprehensively address the aforementioned problems. The participation of public and citizens is essential in implementation of these policy measures, which will make specific contribution to accelerated economic and social development of Ulaanbaatar city.

Training and advocacy

In 2008 training and advocacy actions were organized for all soums, bags and horoos of project target aimags and districts in order to inform and advocate on MDGs and MDG implementation progress among local people and promote participation and initiatives of professional organizations, NGOs and individuals. During the advocacy 11 series of documentaries on Mongolia's MDGs were shown to public and publications were distributed on Millennium Declaration, Global MDGs, Mongolia's MDGs and their indicators, results and lessons learnt of Second National Report: MDG Implementation and local level MDG action.

Advocacy and training in local areas were designed with differentiated social targeting

of groups and communicated in simple and comprehensible language, and lectures, discussions and meetings were organized. The result was very positive and people particularly in remote areas highly welcomed and actively participated in training, advocacy and information work.

The advocacy work also included the public dissemination of short version of Second National Report on MDG Implementation, statistical reference, quarterly newsletter, posters and calendars about MDG based Comprehensive National Development Policy and MDGs. Advocacy was directly made through local media and documentary on MDG implementation was broadcast via all local televisions.

Pilot aimag and district MDGs and indicators of goal attainment by 2015 were endorsed by respective CRH. In connection with the release of report on current aimag and district MGD implementation and challenges, an opening ceremony was held in collaboration with local administration and UNDP. The opening ceremony was attended by aimag and district governors, representatives of Ministry of Finance and UNDP, local people, professional organizations, civil society and media.

Local administration attached high importance to the first local report of MDGs and proposed to develop MDG based local development documents at aimag and district level. For instance, Huvsgul aimag developed "Huvsgul Aimag Socio-Economic Development Programme 2008-2015 and Govi-Altai aimag produced Govi-Altai Aimag Comprehensive Development Plan 2008-2021. Dundgovi and Dornod aimags are updating their aimag development documents.

Civil society and private sector participation

One of the necessary measures to organize MDG implementation is to ensure participation of civil society, establish partnership between government, nongovernmental organizations and private sector, promote their effective cooperation and mobilize people. With a view of identifying civil society position as to whether the Government of Mongolia can attain Mongolia MDGs by 2015 and making independent assessment on effects of government policies and programmes on people's livelihood, an

open tender was announced for production of NGO report (thematic report) which captures three targets: MDG 1, Target 1: “Halve, between 1990 and 2015, the proportion of people whose income is below the minimum living standard, MDG 7 and target 16: Reduce, by 2015, the proportion of people without access to safe drinking water and MDG 8 and Target 18: Create favorable condition for achieving MDGs through developing trade and financial system. Monitoring Center NGO, Research Team of NUM and Mongolian Environmental Development Association started their proposal.

Box 7. Employers and business entrepreneurs participation

In cooperation with Mongolian Employers’ Federation, Poverty and MDG Monitoring and Assessment System Project team produced a manual “Employers and Business Entrepreneurs Participation in MDG Implementation in Mongolia” and distributed it to public. This advocacy manual intends to provide consistent understanding of MDGs in Mongolia for employers and business entrepreneurs and instigate cooperation through mobilizing them and using their resources in implementation of MDGs in frame of goal attainment by 2015. At the same time, the manual proposes participation, roles, approaches and means for employers, business entrepreneurs, employers; organizations, professional associations and serves a main guideline for complying with MDG based comprehensive national development policy and its due actions and increasing the role and input of private sector.

The advocacy manual states that Mongolia MDGs aim to address actual social challenges such as poverty reduction, employment generation, population’s living standard improvement and real income source generation for population and further mentions in detail that all the aforementioned actions will be the result of vibrant cooperation among government organizations, employers, business entrepreneurs and private sector. On the other hand, the manual is expected to significantly contribute to maturing socially responsible employers.

Source: MONEF

CHAPTER 4.

POVERTY MAPPING IN MONGOLIA

Short introduction

Until recently most monetary and non-monetary poverty indicators have been computed based on household level surveys. While those surveys have permitted the construction of poverty profiles and the computation of MDGs indicators at national and regional levels, they have been of limited use to policy-makers and planners. Good poverty alleviation policy implementations required more disaggregated figures, ideally at aimag and soum levels, in the case of Mongolia. Such local-level database should permit better targeting for anti-poverty interventions, and therefore having more effects for a given amount of resources.

Having such aimag and soum levels database would help fulfilling one of the goals set forth in Government Action Plan of Mongolia, which is to improve the methodology of estimating living standard, construct poverty maps and establish a standardized social protection database.

With support from UNDP, the MSWL and the NSO have estimated a series of poverty indicators at aimag and soum levels for the first time ever. The monetary poverty figures (poverty headcount and poverty gap indexes) were computed using the data from both the 2000 Population and Housing Census and 2002-2003 Living Standard Measurement Survey²².

Furthermore, the 2000 Census database was also used to compute a series of eleven MDG indicators, all the ones that could be calculated using the 2000 census database²³. Some indicators were also broken down by gender.

Maximizing the expected effects of any projects or programmes should be a worry for any policy makers. In doing so, the design of those projects

or programmes are very important but as crucial is the availability of the right indicators link to the sought after objectives. In particular, appropriate data are both necessary before hand in order to achieve a better targeting as well as afterward to measure whether the objectives were actually reached or not. Obviously determining the best targeting indicator to be used would depend on the specific objective. In the case of government-sponsored poverty alleviation policies it might be appropriate to target the groups most deprived in terms of monetary poverty, although in many cases narrower indicators linked to other Millennium Development Goals (MDGs) might be preferred.

Poverty Map

Although the poverty mapping methodology is rather complex and demanding in terms of data, the investment is worthwhile as it had permitted to compute poverty figures for all 21 aimags, the Capital and 340 soums found in Mongolia. Since the statistical methodology use ensure that the results of the poverty map are fully consistent with figures from household-survey poverty profile, the poverty map could be seen as an extension of the poverty profile. Hence, it is a way to operationalize the poverty profile results. Furthermore, it is possible to show that poverty map figures are statistically reliable and should be used with confidence.

MDG Maps

Poverty being a multi-dimensional phenomenon, poverty map results should be complemented by MDG indicators. A total of 67 indicators are used in evaluation of MDG implementation progress²⁴. A majority of indicators are estimated at national level to identify their trends. However, aimag and soum level disaggregated data is essential in poverty reduction monitoring and analysis,

²² Coulombe, Harold and Thomas Otter, 2009, Mongolia Census-based Poverty Map: Region, Aimag and Soum level results, Ulaanbaatar, NSO and UNDP

²³ Coulombe, Harold, 2009, Millennium Development Goals and Geographical Targeting in Mongolia, Ulaanbaatar, UNDP

²⁴ SGH, 2008, Mongolian MDGS, Ulaanbaatar

future projections and appropriate policy making and implementation.

Aimag and soum level MDG indicators are developed consistent with policies to be implemented in local areas. Some indicators as such as ratio of female members in parliament could only be counted at national level. Apart from the two monetary poverty already computed in the context of the poverty map, eleven indicators have been constructed at aimag and soum level based on 2000 Population and Housing Census.

It is highly desirable to complement the poverty mapping results, particularly since that most MDG are not correlated with monetary poverty.

Table 31 presents the comparison of 12 national level indicators estimates with those at aimag and soum level. All indicators are estimated to have similar value except for unemployment indicator which was counted by a different methodology. Unemployment rate of population of 15-24 years was 3.2% in 2000, when it was estimated using the statistical data of formally registered unemployed. This indicator in poverty mapping was estimated by different methodology, which complies with standard methodology of International Labour Organization. Four indicators presented in Table 31 have also been estimated at aimag and soum level with gender disaggregate. Appendix 5 illustrates mapping of these indicators at aimag and soum levels

Contrary to the poverty map, the computation of the different MDGs from census database is rather straightforward and simple.

Geographical Targeting

However interesting those results, they would acquire their full potential only if they are used. How? Amongst others, those results can be used to design budget allocation rules to be applied by the different administrative levels toward their subdivisions: the central government toward the regions, and the regions toward their aimags and soums. That map could become an important tool in support of the decentralization process currently undertaken in Mongolia.

Many targeting mechanisms are available to policy-makers and its choice should be based on a series of criteria, in particular the nature

Box 8. Experience of poverty mapping use in other countries

Nicaragua's example demonstrates that poverty mapping is an important tool to implement national and international projects and programmes aimed at poverty reduction. Based on poverty mapping, Nicaragua has managed to plan and effectively spend the resources of 1.1 billion U\$ under concrete goal and in frame of poverty reduction strategy for five years (2001-2005).

Poverty mapping allows targeting the national budget expenditures to neediest population. For instance, Guatemala redistributed millions of U\$ (576 mil U\$ during the fiscal year of 2002), which had been inefficiently spent every year, to target groups with the help of poverty map and made structural change in national investment to address the neediest.

The case of Kwazulu in Natal region of South Africa is another example how new poverty mapping methods with more detailed data was used to implement emergency aid and food aid programmes. In order to develop a strategy for halting the outbreak of cholera, poverty survey data was merged with sanitation and clean water supply data. Having implemented this strategy, the number of deaths from cholera infection fell at the fastest rate ever had been before (0.22%). Cambodia used poverty map to identify the poorest region in order to access the neediest target groups to resources of 50 mil U\$ (2001-2003) within World Food Programme supported Project "Food for Working".

The experience of many countries shows that poverty mapping with high precision estimate is of much value to national and local level decision making. Minas Gerist, large region in Brazil, redistributed over 1 billion U\$ generated from tax revenue to neediest and poor regions using the poverty map. This move has significantly contributed to population health, education, hygiene and environment protection.

Source: *Norbert Henninger and Mathilde Snel. Where are the Poor? Experiences with the Development and Use of Poverty Maps. 2002. World Resources Institute, Washington, DC*

of the interventions, the groups to be targeted and the easiness of implementation of the chosen targeting mechanism. Availability of supporting data is also very important. Targeting mechanisms can be divided into three groups: geographical, individual and community.

Geographical targeting is based on information at the different administrative levels of a country such as aimag or soum in the case of Mongolia. In geographical targeting, each administrative area receives a transfer based on an underlying poverty indicator. That transfer can be then distributed equally to its populations or be used for public infrastructure. Community targeting based on local knowledge is also a possibility. Geographical targeting is usually based uniquely on census database for easy-to-compute indicators (e.g. school enrolment or access to electricity) or on census-based Poverty Map²⁵ for monetary-based indicators. Such targeting indicators have already been computed.

The Way Forward

Economists, scientists, researchers, policy makers, civil society and private entrepreneurs worldwide have started using poverty maps.

Poverty mapping has allowed to expand the use of census data from primary purpose to other purposes such as usability in various research and analysis, potential policy alternatives and choice of best alternative. Accurate data based mapping, estimate and analysis make substantial contribution to better policy and programme rationales, assessment of their existing or potential weaknesses and effectiveness in implementation.

Accurate data at aimag and soum levels as a result of poverty and MDGs mapping allows activating local participation and promoting their initiatives in implementation of poverty reduction goal that is integrated in Mongolia's mid and long term strategy and policy.

Poverty mapping plays an important role in targeting and properly managing the projects and programmes to aimags and soums with high poverty level through optimized budget planning and, especially planning and budgeting the resources in alignment with goal of poverty reduction and population livelihood and wellbeing improvement.

It is extremely important to make substantial moves in using poverty map in policies. At the same time, many issues need to be dealt as to

what would be timing of poverty mapping, how to enrich and improve the quality of data sources and what to be done to strengthen national level capacity, human resources and arrangement. Mongolia is about to conduct its next population census, which is held every ten years requiring large costs and resources. It is important to enhance the collaboration and coordination of concerned stakeholder organizations to create possibilities for collection of data within the census that enables the estimation of living standard of the population and social service efficiency indicators.

Building national capacity and institutes to make mapping, estimate and analysis is equally important, as well. Administrative data base should be formed and improved within this framework.

As a result of all these, it will be possible to spot low development areas and locations of population that are in more need of investment and government services and target resources to these areas and locations.

Construction and dissemination of poverty maps give rise to more transparent government policies and decisions to reach target groups, active national and local debates on poverty reduction and promotion of civil society participation in decision making. With using poverty map in decision making, political pressure can be avoided during resource planning and distribution.

Selected MDG mapping based on population census: Aimag and soum level results

A total of 67 indicators are used in evaluation of MDG implementation progress²⁶. A majority of indicators are estimated at national level to identify their trends. However, aimag and soum level disaggregated data is essential in poverty reduction monitoring and analysis, future projections and appropriate policy making and implementation.

Aimag and soum level MDG indicators are developed consistent with policies to be implemented in local areas. Some indicators as such as ratio of female members in parliament should be counted at national level. Two MDG

²⁵ Coulombe, Harold and Thomas Otter, 2009, *Mongolia Census-based Poverty Map: Region, Aimag and Soum Level Results*, Ulaanbaatar: NSO and UNDP

²⁶ SGH, 2008, *Mongolian MDGs*, Ulaanbaatar

indicators “poverty level” and “poverty depth” have been estimated based on 2000 Population and Housing Census and 2002-2003 HIES with LSM feature²⁷, and selected 11 indicators have been counted at aimag and soum level based on 2000 Population and Housing Census. Since poverty measurement is multi variable, the aforementioned 11 indicators can be used to supplement poverty map.

Table 31 presents the comparison of 12 national level indicators estimates with those at aimag and soum level. All indicators are estimated to have similar value except for unemployment

indicator which was counted by the different methodology.

Unemployment rate of population of 15-24 years was 3.2% in 2000 when it was estimated using the statistical data of formally registered unemployed. This indicator in poverty mapping was estimated by different methodology which complies with standard methodology of International Labour Organization. 4 indicators presented in Table 31 have been estimated at aimag and soum level with gender disaggregate. Appendix 5 illustrates mapping of these indicators at aimag and soum levels.

Table 31. Estimated aimag and soum level indicators compared with national level indicators, 2000

Code	Indicators	MDGs	2000 population and housing census		
		2000	All	Male	Female
1	Poverty headcount (%)	35.6 ²⁵			
8	Labour force participation rate (%)	62.9	64.9	71.3	58.8
9	Unemployment rate of population of 15-24 years (%)	3.2	24.3	24.8	23.7
11	Net enrolment ratio in primary education (%)	95.0	90.4	88.7	92.0
13	Literacy rate of population of 15-24 years (%)	97.7	97.8	97.1	98.4
14	Ratio of girls to boys in primary education	1.01	1.06	*	*
15	Ratio of girls to boys in secondary education	1.20	1.40	*	*
17	Proportion of women employed in non agricultural sector	50.4	48.9	*	*
39	Proportion of population without access to safe water (%)	60.8 ²⁶	64.9	*	*
40	Proportion of population with no access to improved sanitation (%)	73.4 ²⁷	76.3	*	*
41	Proportion of population living in housing with engineering pipe system (electricity, water, sewage and heating) (%)	22.7	22.7	*	*
53	Number of landline telephone units (per 1000 persons)	46.6	38.1	*	*

Note: * impossible to count

²⁵ 1998 data

²⁶ 2006 data

²⁷ 2006 data

²⁷ Columb, Otter, 2009, Census based poverty mapping: regional, aimag and soum level results, Ulaanbaatar. NSO, UNDP

CHAPTER 5.

MDG MONITORING AND EVALUATION

Current status

The Government of Mongolia has produced Third National Report: MDG Implementation for 2007-2008. The government in cooperation with UNDP developed a methodology of counting MDG indicators within "Pilot project to support the National Poverty and MDG Monitoring and Assessment System".

In accordance with the aforementioned methodology, some indicators have been added into Dev Info System which is an MDG database and formed a database capturing all 67 targets. The data base is accessible on internet to facilitate policy makers and users.

A part time National Committee will be established to nationally regulate and coordinate MDG monitoring and evaluation of concerned ministries, agencies and offices and ensure MDG planning and implementation.

Mongolia's MDG plan and implementation monitoring and evaluation system is expected to make regular monitoring and evaluation of MDG implementation, reflect the findings in planning, inform policy makers, government, civil society and citizens about MDGs and support them in implementation of activities as mentioned below:

- Mainstream MDGs into development policy, plan and programme at national, sectoral and local levels,
- Integrate funding which is associated with MDG implementation into budget distribution and planning,
- Improve intersectoral management and coordination of MDG,
- Increase transparency and accountability of organizations and units which are implementing policies, programmes and projects.

MDG monitoring and evaluation system will be of three levels: policy, coordination, planning, monitoring and analysis, evaluation, data collection, storage, analysis, interpretation and dissemination to public. Data disparity was prevailing when Second National Report: MDG Implementation was prepared. To respond to this problem, a number of measures were taken in 2007-2008, however, it has not been fully solved yet.

In response to poor link and synergy among MDG indicators to measure goals and targets, 43 new indicators have been newly developed to improve synergy. As of now Mongolia is implementing a total of 9 goals, 24 targets and 67 indicators which were endorsed by SGH Resolution 13, 2008.

When the years required for attainment of goals, targets and indicators are estimated by the trend analysis and assessment methodology, 6 out of all 9 goals or 66.7% are likely to be achieved by 2015 if the current trend is maintained further. As with targets, 18 out of 24 are likely to have been achieved by 2015 if the current trend persists in future. The implementation of all targets is evaluated at 66.6%.

Provided the current trend goes on further, 35 out of 67 indicators are likely to be attained by 2015. The implementation of the indicators is 66.0% when 14 indicators are excluded the desired level of which for 2015 is not defined yet.

The MDG implementation is estimated at 66.3% by the methodology approved by Government Resolution 51, 2006 which assesses the performance of the key guideline.

According to the matrix analysis findings, out of 24 targets 1 (4.2%) requires defining legislation and environment and 3 need actions and implementation (12.5%). Comprehensive policy and action measures have been undertaken to attain the remaining 20 targets (88.3%).

Facilitating environment

A document on establishment of MDG monitoring and evaluation system has been drafted and the synergy and link among MDGs and targets have been improved with concrete indicators.

Database of intermediate indicators and data for each of 9 goals, 24 targets and 67 indicators have been established and integrated into Dev Info System.

Although there is no independent MDG monitoring and evaluation system established yet, related ministries, agencies and offices have agreed to produce periodic data on MDG implementation and submit to NSO for compilation and processing.

One of the challenges mentioned in Second National Report was to eliminate data disparity. To respond to this challenge, "Poverty and MDGs Monitoring and Assessment System" Project supported through its subprogramme, the establishment of joint data user and producer teams by each area and organized public discussions to share views on data disparity. Based on their comments, "Standardized methodology" was developed and endorsed by

Resolution 182 issued by Chairman of NSO in 2008.

Challenges

There are still a number of pending issues regarding the improvement of MDG implementation monitoring and evaluation although some of the challenges mentioned in the previous report have been dealt with. MDG implementation monitoring system needs to be established along with implementation structure with full time staff. Furthermore, MDG indicators should be estimated in detail and the coverage of pilot aimags needs to expand. As well local level implementation should be integrated and coordinated at national level.

Priorities

- Integrate some indicators into Dev Info data base;
- Address the issue of establishing MDG monitoring and evaluation system;
- Establish local MDG monitoring and evaluation system.

ANNEXES

Key macroeconomic indicators of Mongolia, 2005-2008

	2005	2006	2007	2008
Resident population by the end of year, th.persons	2562,4	2 594.8	2 635.2	2683.5
Economically active population, th. persons	1001.2	1 042.8	1054.0	1071.5
Of which: Employed	968.3	1 009.9	1024.1	1041.7
Registered unemployed, th.persons	32.9	32.9	29.9	29.8
GDP, current value, billion MNT	2779.6	3715.0	4599.5	6130.3*
GDP, 2005 constant value, billion MNT	2779.6	3017.3	3325.9	3620.5*
GDP per capita, current value, MNT	1091.0	1440.7	1758.9	2305.2*
GDP per capita, current value, U\$	905.2	1221.4	1502.8	1971.5*
Investment, current value, billion MNT	716.3	881.4	1252.8	1980.4
Foreign trade, million U\$				
Export	1063.9	1 542.0	1947.5	2534.5
Import	1177.3	1 485.0	2061.8	3244.5
Foreign trade balance, million U\$	-113.4	57.0	-114.3	-701.0
Consolidated national budget, current value, billion MNT				
Revenue	837.9	1 360.4	1880.5	2170.4
Expenditure	764.6	1 237.0	1747.3	2466.8
Budget balance, billion MNT	73.3	123.4	133.2	-296.4
Percentage of budget revenue to GDP	30.7	36.6	40.9	35.4
Percentage of budget expenditure to GDP	27.5	33.3	38.0	40.2
Percentage of budget balance to GDP	3.2	3.3	2.9	-4.8
Annual fluctuation of consumer price index, %	9.5	6.2	17.8	22.1
Annual exchange rate, 1 U\$=MNT	1205.3	1 179.6	1170.4	1169.3

Source: NSO, Mongol Bank, Ministry of Finance, 2008

* - estimated

2 Methodology used for assessing the progress of MDG implementation

One. Trend analysis and assessment methodology

For assessing the progress in achievement of MDGs and MDG indicators, the methodology which has been used for UN Regional Report²⁸ has been applied. UN Regional Report assessed the progress in achieving MDGs in Central and East European countries as well as in Commonwealth countries. This methodology is a simple one and for each indicator the progress observed is compared with the progress needed to meet the target (assuming that linear progress is required).

In this report the year of 1990 (if 1990 data is not available one may take 2000 as a baseline) was taken as a baseline, the progress in achieving MDGs by 2015 assessed as of 2008.

The time gap for each indicator was calculated as follow:

$$TG = T_{rem} - T_{req}$$

T_{rem} - the remaining time
 T_{req} - the required time

$$T_{rem} = t_3 - t_T$$

t_3 - target year (or 2015)
 t_T - reference year (or 2008)

The remaining time is 7 years

$$T_{req} = t_3 - [t_{c+} (t_3 - t_c) \times (Ri - Bi) / (Ti - Bi)]$$

Ri - Reference value of the indicator
 Bi - Baseline value of the indicator
 Ti - Target value of the indicator

The time gap for an individual indicator is calculated as a difference between the time remaining to the target year and the time needed to achieve the target. If the value of time gap is positive or equal to 0, an indicator

will be assessed as "early achievable" or "likely to achieve the goal". If the value of time gap is negative, an indicator would be assessed as "there is a time gap". If the ratio of the time gap and the time remaining to the target lies between 0 and -0.25 the progress is assessed as "there is a probability of an achievement". The value beyond the above interval is assessed as "there is a less probability of an achievement".

Moreover, some value of the indicators may limit previous trends, or may reverse the trend. For instance, "36. The indicator of the winter average of carbon dioxide emission in atmosphere of Ulaanbaatar (mkg/m³). The value of this indicator was targeted to be 20 by 2015, while it was reported 9.8 for 1999, 16 for 2000, 22 for 2006, 20 for 2007 and 26 for 2008. For the targets formulated as "Reverse the trend..." baseline and target values of the related indicator correspond to the coefficients describing linear trend (it is assumed that in the target year the value of this coefficient should be equal zero). Accordingly, if look at value of above indicator for 2007 one may assess as "likely", while for 2008 one may assess as "less likely".

In the second MDG Implementation Report published in 2006 was assessed as "slow achievement" if the time gap is higher than the time remaining, if the time gap is negative the progress was assessed as "reversed". Thus, this assessment method was used for this period too and shown in the assessment part.

The general methodology of assessment for targets with multiple indicators is shown in the below. The time required to achieve the target is defined using the following equation:

$$T_{req,t} = \sqrt{\frac{\sum_{i=1}^n ((t_3 - t_T + TD_i))^2}{n}}$$

TD_i - time difference for each target

²⁸ Annex 3 "Assessing Progress Towards Nationally Adapted MDGs; UNDP Regional Bureau for Europe and the CIS (2006), Europe and the CIS Regional MDG Report, Bratislava, Slovakia.

The time required is defined using the following equation for a target with multiple indicators:

$$T_{req} = \sqrt{\frac{\sum_{i=1}^n T_{req_i}^2}{n}}$$

T_{req_i} - the time difference for each target

The followings are specific features of above assessment methods which used for the third MDG implementation report.

1. Re-estimation of the Official Development Assistance (ODA) made by the Ministry of Finance does not fit with the targets set for 2015. It seemed impossible to assess the indicators "46. Proportion of Official Development Assistance in Gross National Income", "43. Proportion of Official Development Assistance to Basic Social Services" without making relevant revisions in 2015 targets sets.
2. The methodology would not work well for those indicators where target sets are not clear.
3. For those values of the indicators of which 1990 or baseline value of the indicators were negative to beyond 2000 value of the indicators, we took 2000 value of the indicators as baseline to assess target achievement by 2015. For instance, "28. Incidences of Tuberculosis (per 100,000 population) and 49. Proportion of Government external debt in export.

Assessment summary:

1. By 2015, indicators 7 and 9 of the Goal 1 assessed as "likely to achieve the goal", the remaining indicators and Target 1, 2, 3 assessed as "less likely to achieve the goal". If one assume the current trend would continue, 13.7 years would be needed to achieve the Goal 1.
2. All indicators of the Goal 2 assessed as "less likely to achieve the goal", 60.4 years would be needed to achieve the Goal 2.
3. Indicators 14 and 15 of the Goal 3 assessed as "likely to achieve the goal", the remaining indicators and target 6 and 7 assessed as "less likely to achieve the goal". 66.7 years would be needed

to achieve the Goal 3, for instance, "18. percentage of women elected in Parliament", "16. The female to male ratio with high education".

4. 2.3 years would be needed to achieve the Goal 4.
5. Goal 5 assessed as "early achieved".
6. Goal assessed as "early achieved". To achieve the target 13 and indicator 31 would be needed 9 years, thus, it is assessed as "less likely".
7. Required years to achieve the Goal 7 are 83.1 years, thus, "less likely to achieve the goal".
8. The indicators 48, 49, 51, 52, 55 of the Goal 8 assessed as "early achieved". Indicator 54 assessed as "likely", the remaining indicators assessed as "unlikely to achieve the goal". To achieve the Goal 8, would be needed 12.9 years.
9. Goal 9 "56. Human Development Index" assessed as "likely to achieve the goal". There are no definite targets set for the remaining indicators, thus, it was impossible to assess.

Two. Methods used for assessing the local MDGs implementation

The overall assessment was done based on the values of the 10 indicators which can be estimated at local level out of 76 indicators, 25 targets and 9 goals adopted by the Parliament Resolution #13 of the year 2008. The aimags ranking was done using the values of these 10 indicators.

It should be noted that these 10 indicators will not fully capture the local MDGs implementation at aimag level.

Using these 10 indicators, the aimags MDGs implementation level was assessed to be about 77.8 %. As compared to estimations stated in the previous report it was increased by 17.8 %.

Among all 21 aimags, MDGs implementation is high in Selenge and Huvsgul aimags. 8 aimags were assessed as "likely", 11 aimags assessed as "slow" to achieve the goal.

Assessment methodology can be described as follow:

1. 2008 expected level was estimated by subtracting from baseline value of the indicators (1990) the target value of the indicators (2015) and divided by 25 years. It would show the average annual growth/decline for the period till 2015. To estimate 2008 target, the above result was multiplied by 18 (1990-2008 is 18 years) and added/subtracted by 1990 data.

Note:

Add - If 2015 target for specific indicator observed to be grown from baseline (1990) value of the indicator

Subtract - If 2015 target for specific indicator observed to be decrease from baseline (1990) value of the indicator

2. Implementation of each indicator can be estimated following the recommendations set by the Government Resolution #51 of the year 2006:

$$P_i = \frac{T_g}{T_p} \cdot 100 ;$$

P_i - i percentage of implementation of the indicator

T_p - expectation (estimated target for 2008)

T_g - outcome (actual for 2008)

3. Implementation level of Aimag or each indicator was calculated summing of implementation percentages divided by total number of indicators.

Evaluation and trend analysis in implementation of MDGs

Goals/Targets/Indicators	Baseline				Progress			Target	Required years (As per Annex 4)	Gap in years (required years - remaining years)	Ratio of gap in years to remaining years	Assessment
	1990	2000	2006	2007	2008	2015						
Goal One. Reduce poverty and hunger												
Target 1. Halve, between 1990 and 2015, the proportion of people whose income is below the minimum living standard												
1. Poverty headcount ratio (%)	36.3	35.6	32.2	29.3	35.2	18.0	23.5	(16.5)	(2.4)	<-0.25; low likelihood of achieving		
2. Poverty gap ratio (%)	10.9	11.0	10.1	8.8	10.1	6.0	20.9	(13.9)	(2.0)	<-0.25; low likelihood of achieving		
3. Share of the poorest quintile in national consumption		7.5	6.3	6.4	7.2	11.0	16.3	(9.3)	(1.3)	<-0.25; low likely to achieve		
4. Per capita GDP (at current prices, thousand MNT)	5.1	426.2	6.3	1758.9	2,305.2	6,800.0	16.5	(9.5)	(1.4)	<-0.25; low likelihood of achieving		
Target 2. Reduce by six times, between 1990 and 2015, the proportion of people who suffer from malnutrition												
5. Prevalence of underweight children under age five	12.0	12.7	6.3		6.3	2.0	10.8	(0.5)	<-0.25; low likelihood of achieving			
6. Prevalence of stunting (height for age) children under five		25.0	21.0		21.0	13.0	10.0	(3.0)	(0.4)	<-0.25; low likelihood of achieving		
7. Prevalence of wasting (weight for height) children under five		5.5	2.2		2.2	1.0	4.0	3.0	0.4	likely to achieve		
Target 3. Increase employment rate of population, reduce unemployment rate who are newly entering to the labour market												
8. Labour force participation rate (%)		62.9	64.4	64.2	63.5	70.0	13.8	(6.8)	(1.0)	<-0.25; low likelihood of achieving		
9. Unemployment rate of 15-24 year-olds (%)		4.4	3.2	3.2	3.0	2.5	3.9	3.1	0.4	likely to achieve		
Target 4. Reduce negative effects of population concentration and migration, provide migrants with basic social services												
10. Proportion of unregistered people in urban population										target set for 2015 unclear		
Goal Two. Achieve universal primary education												
Target 5. Provide primary education to all children by 2015												
11. Net enrolment ratio in primary education	97.5	95.0	91.4	92.7	91.5	100.0	85.0	(78.0)	(11.1)	<-0.25; low likelihood of achieving		

Goals/Targets/Indicators	Baseline				Progress				Target	Gap in years (required years - remaining years)	Ratio of gap in years to remaining years	Assessment
	1990	2000	2006	2007	2008	2015						
12. Proportion of pupils starting grade 1 who reach grade 5	91	83.6	86.8	88.9	92.8	100.0	20.0	(13.0)	(1.9)	<-0.25; low likelihood of achieving		
13. Literacy rate of 15-24 year-olds	99	97.7	97.7		97.7	100.0	57.5	(50.5)	(7.2)	<-0.25; low likelihood of achieving		
Goal Three. Promote gender equality and empower women												
Target 6. Achieve appropriate sex ratio in primary and secondary education preferably by 2009 and in all levels of education institutions by 2015												
14. Ratio of girls to boys in primary education	1.03	1.01	0.98	0.97	0.97	1.00	(25.0)	32.0	4.6	likely to achieve		
15. Ratio of girls to boys in secondary education	1.33	1.2	1.03	1.09	1.08	1.00	6.1	0.9	0.1	likely to achieve		
16. Ratio of female to male students in tertiary education	1.56	1.72	1.53	1.57	1.54	1.00	24.1	(17.1)	(2.4)	<-0.25; low likelihood of achieving		
Target 7. Ensure gender equality in wage employment												
17. Share of women in wage employment in the non agricultural sector	51.1	50.4	53.9	53.1	53.0	50.0	68.2	(61.2)	(8.7)	<-0.25; low likelihood of achieving		
Target 8. Increase participation of women in politics and decision making level												
18. Proportion of seats held by women in the State Great Hural (Parliament)	24.9	11.8	6.6	6.6	3.9	30.0	127.9	(120.9)	(17.3)	<-0.25; low likelihood of achieving		
19. Proportion of women candidates in Parliamentary election	7.7	10.9	13.7		18.5	30.0	12.9	(5.9)	(0.8)	<-0.25; low likelihood of achieving		
Goal Four. Reduce child mortality												
Target 9. Reduce by 4 times, between 1990 and 2015, the under five mortality rate												
20. Under five mortality rate (per 1000 live births)	88.8	44.5	23.2	21.7	23.2	21.0	0.8	6.2	0.9	likely to achieve		
21. Infant mortality rate (per 1000 live births)	64.4	32.8	19.1	17.6	19.4	15.0	2.2	4.8	0.7	likely to achieve		
22. Proportion of children immunization against measles	82.3	92.4	98.9	98.4	96.9	99.0	3.1	3.9	0.6	likely to achieve		
Goal Five. Improve maternal health												
Target 10. Provide access to all individuals of appropriate ages to required RH services and reduce by 4 times , between 1990 and 2015, the maternal mortality ratio												
23. Maternal mortality rate (per 100,000 live births)	121.6	166.3	67.2	88.3	48.6	50.0	(0.5)	7.5	1.1	early achieved		
24. Proportion of birth attended by skilled health personnel	100.0	99.6	99.7	99.8	99.8	99.8	0.0	7.0	1.0	early achieved		
Goal Six. Combat sexually transmitted infections, Human immunodeficiency virus (HIV) Acquired Immune Deficiency Syndrome (AIDS), Tuberculosis and reverse others diseases												

Goals/Targets/Indicators	Baseline		Progress				Target	Required years (As per Annex 4)	Gap in years (required years - remaining years)	Ratio of gap in years to remaining years	Assessment
	1990	2000	2006	2007	2008	2015					
Target 11. Limit and prevent the spread of Human Immunodeficiency Virus (HIV) Acquired Immune Deficiency Syndrome (AIDS) by 2015										early achieved	
25. HIV prevalence among pregnant mothers (%)			0.004	0	0	<0.1				early achieved	
26. HIV prevalence among population aged 15-24 years (%)					0.0005	<0.1				early achieved	
Target 12. Reverse the spread of tuberculosis by 2015											
27. Prevalence of tuberculosis (per 100,000 population)	441	60.4	85.4	72.6	72.0	82.0	(0.7)	7.7	1.1	early achieved	
28. Incidence rate of TB (per 100,000 population)	79.0	124.8	185.3	166.8	158.8	100.0	35.6	(28.6)	(4.1)	<-0.25; low likelihood of achieving	
29. Death rate associated with TB (per 100,000 population)	4.8	3.2	2.9	2.4	2.7	2	6.3	0.8	0.1	likely to achieve	
30. Proportion of TB cases diagnosed and treated with international standard diagnostic and treatment methods (DOTS)	31.4	80.9	82.1	83.8	85.0	100.0	5.5	1.5	0.2	likely to achieve	
Target 13. Reverse the spread of dental caries among children											
31. Prevalence of caries among children of 5-6 years (per 100,000 children)			80.1	0	80.1	75	9.0	(2.0)	(0.3)	<-0.25; low likelihood of achieving	
Goal Seven. Ensure environmental sustainability											
Target 14. Integrate the principles of sustainable development into country policies and programmes, eliminate air pollution in urban areas, especially in Ulaanbaatar											
32. Proportion of forest areas	7.8	8.5	8.1	7.7	7.7	9.0	27.1	(20.1)	(2.9)	<-0.25; low likelihood of achieving	
33. Proportion of specially protected areas	3.6	13.1	13.8	13.4	13.4	30.0	15.7	(8.7)	(1.2)	<-0.25; low likelihood of achieving	
34. Carbon dioxide emission per capita (ton/person)	11.5	6.6	5.8			4.0					
35. Average daily concentration of nitrogen dioxide in the atmosphere in Ulaanbaatar in winter period (mkg/m3)	30.5	32.0	33.0	38.0	34.0	30.0	200.0	(193.0)	(27.6)	<-0.25; low likelihood of achieving	
36. Average concentration of sulphure dioxide in the atmosphere in Ulaanbaatar/mkg/m3/	9.8	16.0	22.0	20.0	26.0	20.0				low likelihood of achieving	
Target 15. Reduce the shrinking process of rivers and streams by protecting and rehabilitating their sources											
37. Proportion of protected and rehabilitated water sources		40.0	50.0	30.0	44.0	80.0	13.5	(6.5)	(0.9)	<-0.25; low likelihood of achieving	
38. Number of protected and rehabilitated water sources			229.0	26.0	163.0	1000.0	9.8	(2.8)	(0.4)	<-0.25; low likelihood of achievement	
Target 16. Reduce, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation											
39. Proportion of population without access to safe drinking water sources		28.4	60.8			40.0					

Goals/Targets/Indicators	Baseline		Progress				Target	Gap in years (required years - remaining years)	Ratio of gap in years to remaining years	Assessment
	1990	2000	2006	2007	2008	2015				
40. Proportion of population without access to improved sanitation facilities		22.8	73.4			60.0				
Target 17. Improve, by 2015, the housing condition of population										
41. Proportion of population living in houses and apartments with connection to engineering services networks (electricity, water, sewage and heat)		22.7	21.4			30.0				
Goal Eight. Develop a global partnership for development										
Target 18. Create favorable condition for achieving MDG through developing trade and financial system										
42. Proportion of Official Development Assistance (ODA) provided to help build trade capacity		1630.0	0.021	0.014	0.006	10.0	(10.9)	(1.6)	<-0.25; low likelihood of achieving	
43. proportion of ODA to basic social services		6.9	22	28.5	32.5	5.0			ODA re-estimated by MoF	
44. Percentage of export in Gross Domestic Product (GDP)	34.7	49.2	49	49.6	48.3	70.0	(8.4)	(1.2)	<-0.25; low likelihood of achieving	
45. Financial deepening: (Ratio of money supply to GDP)	18.5	22.1	41.4	52.2	37.2	65.0	(7.9)	(1.1)	<-0.25; low likelihood of achieving	
Target 19. Address special needs of Mongolia as a landlocked country through negotiation for favourable terms for access to the sea, improve the efficiency of transit transportation through the territories of foreign countries and increase transit transportation through the territory of Mongolia										
46. Proportion of ODA in Gross National Income	25.0	23.3	6.3	4.5	3.6	20.0			ODA re-estimated by MF	
47. Proportion of transit freight in railway transportation	6.7	16.5	30.2	24.7	16.0	40.0	(11.0)	(1.6)	<-0.25; low likelihood of achieving	
Target 20. 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										
48. Proportion of Government external debt in GDP	44.5	90.3	51.9	39.2	33.3	30.0	1.3	0.2	early achieved	
49. Proportion of Government external debt in export	24.3	159.4	90.6	80.9	80.3	40.0	1.9	0.3	early achieved	
50. Proportion of external debt in Government revenue	138.0	265.6	121.7	96.9	94.0	60.0	(3.9)	(0.6)	<-0.25; low likelihood of achieving	
51. Government external debt services as a percentage of exports of goods and services	27.4	4.4	2.9	2.7	2.8	3.9	8.2	1.2	early achieved	
52. Proportion external debt services in Government revenue	1.6	7.4	4.0	3.2	3.3	7.5	(10.8)	(1.5)	early achieved	
Target 21. Development of new information communications technologies and build of an information society										
53. Telephone lines (per 1000 population)	30.8	46.6	60.3	57.2	57.0	100.0	(8.5)	(1.2)	<-0.25; low likelihood of achieving	

Goals/Targets/Indicators	Baseline		Progress				Target	Ratio of gap in years to remaining years	Assessment
	1990	2000	2006	2007	2008	2015			
54. Internet users (per 1000 population)		2.2	10.0	11.5	15.8	30.0	(0.7)	likely to achieve	
55. Cellular subscribers (per 1000 population)		31.2	296.8	449.4	656.5	350.0	21.4	early achieved	
Goal Nine. Strengthen human rights and foster democratic governance									
Target 22. Fully respect and uphold the Universal Declaration of Human Rights, ensure freedom of media, and provide the public with free access to information									
56. Human Development Index					0.7	0.8	(1.6)	likely to achieve	
57. Expert evaluation of the conformity of Mongolian laws and regulations with the international human rights treaties and conventions (%)								target set for 2015 unclear	
58. percentage of implementation/enforcement of judicial decisions					73.4			target set for 2015 unclear	
59. Number of attorneys that provide services to citizens who are not able to pay such services					293.0			target set for 2015 unclear	
60. Public perception of political, economic, and financial independence of mass media								target set for 2015 unclear	
61. Number of state organizations that regularly place reports of their budgets and expenditures on their websites								target set for 2015 unclear	
Target 23. Mainstream democratic principles and practices into life								target set for 2015 unclear	
62. Public perception about activities of state organizations and law enforcement institutions								target set for 2015 unclear	
63. Number of civil society organizations that have officially expressed their views in the process of developing and approving the state budget								target set for 2015 unclear	
64. percentage of voters that have participated in nominating governors of soums and bags								target set for 2015 unclear	
Target 24. Develop a zero tolerance environment to corruption in all spheres of society								target set for 2015 unclear	
65. Index of corruption								target set for 2015 unclear	
66. Perception of corruption in political organizations, judicial and law enforcement institutions								target set for 2015 unclear	
67. Public perception of corruption in public administration and public services								target set for 2015 unclear	

Selected key MDG indicator defined values, 2008 (ranking by aimag and capital city)

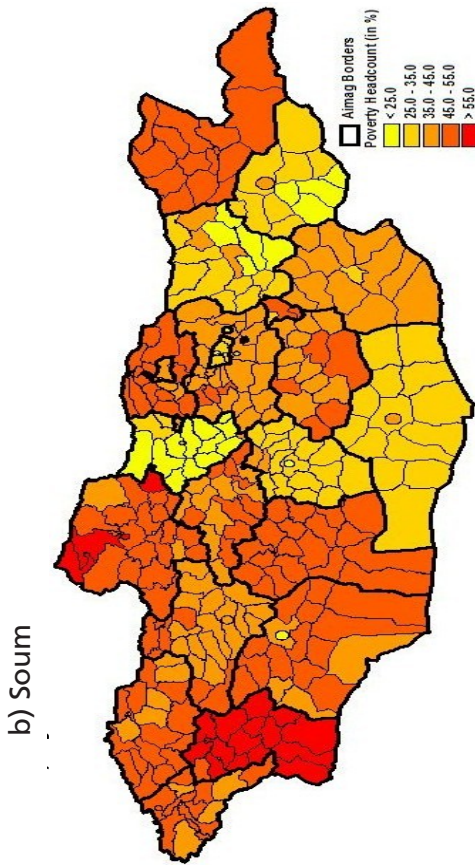
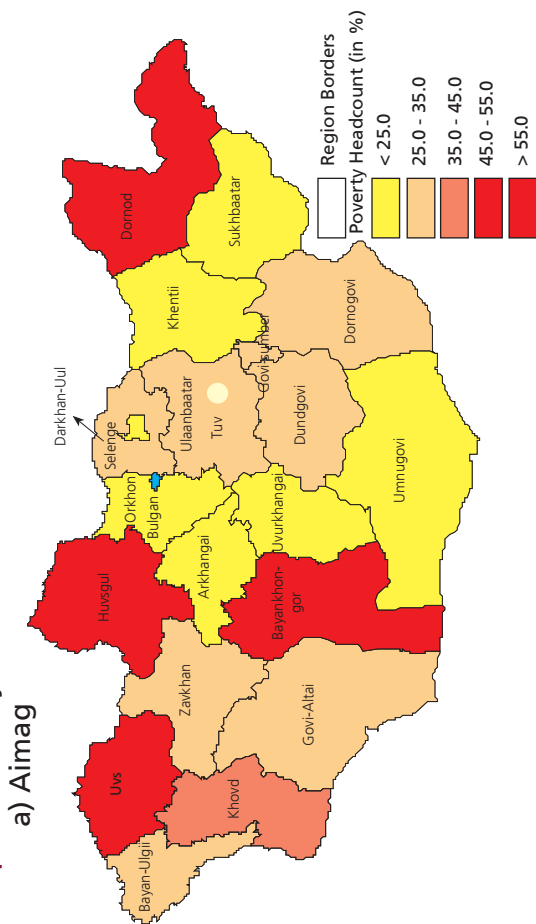
Aimags	Goal 2		Goal 3		Goal 4			Goal 5		Goal 6		Goal 7		Attainment by aimag (%)
	Net enrolment ratio in primary education	Proportion of pupils starting Grade 1 who reach Grade 5	Ratio of girls to boys in primary education	Share of women in wage employment in the non-agricultural sector	Under five mortality rate (per 1000 live births)	Infant mortality rate (per 1000 live births)	Maternal mortality ratio (per 100,000 live births)	Incidence of TB (per 100,000 population)	Death rates associated with TB (per 100,000 population)	Proportion of forest areas				
1 Arhangai	8	12	5	22	15	16	1	10	13	18	84.4			
2 Bayan-Ulgii	19	16	8	6	10	8	18	2	12	11	64.7			
3 Bayanhongor	2	4	2	1	16	19	14	4	15	2	74.2			
4 Bulgan	21	7	20	17	3	3	1	11	1	17	80.2			
5 Govi-Altai	10	22	2	2	22	20	1	8	9	1	72.7			
6 Dornogov	9	8	9	5	20	21	19	14	11	4	75.3			
7 Dornod	5	5	17	19	9	7	16	22	22	9	96.3			
8 Dundgovi	20	18	13	21	4	5	20	9	1	5	57.7			
9 Zavhan	15	14	20	18	12	11	21	1	8	14	74.4			
10 Uvurhangai	13	10	12	12	21	22	10	5	9	16	72.9			
11 Umnugovi	4	6	5	20	14	15	1	6	1	15	61.2			
12 Suhbaatar	14	20	19	11	11	12	1	17	1	5	54.7			
13 Selenge	6	11	14	16	2	2	13	21	17	20	105.3			
14 Tuv	22	15	14	7	1	1	1	16	20	22	66.5			
15 Uvs	11	17	2	3	13	13	11	3	1	13	58.5			
16 Hovd	17	9	10	13	7	6	12	7	14	12	66.9			
17 Huvsgul	16	13	5	10	19	18	9	13	19	9	112.5			
18 Hentii	12	21	17	14	18	14	22	19	16	19	95.7			
19 Darhan-Uul	3	19	1	8	5	4	15	20	7	3	88.7			
20 Ulaanbaatar	18	2	11	15	8	9	17	18	18	21	92			
21 Orhon	1	3	14	9	6	10	1	12	21	5	98			
22 Govi-sumber	7	1	22	4	17	17	1	15	1	5	59.9			
Attainment by target indicator (%)	93.5	92.7	95.5	104.1	59.3	69.1	43.5	30.1	77.8	112.9	77.8			

Note

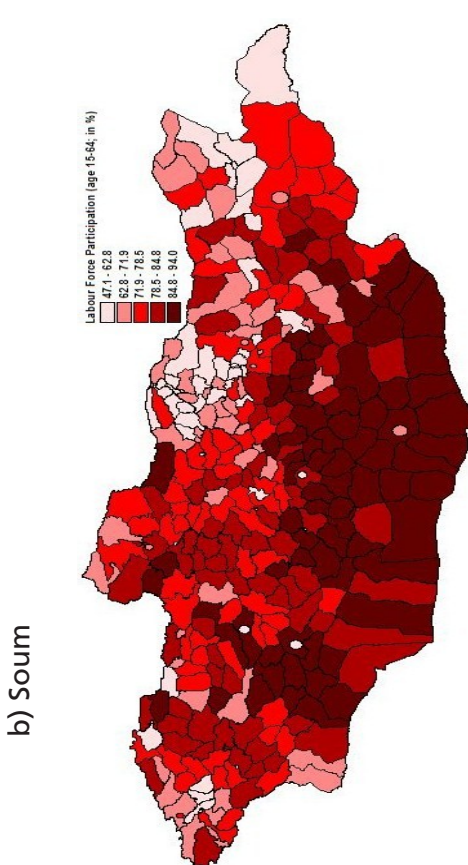
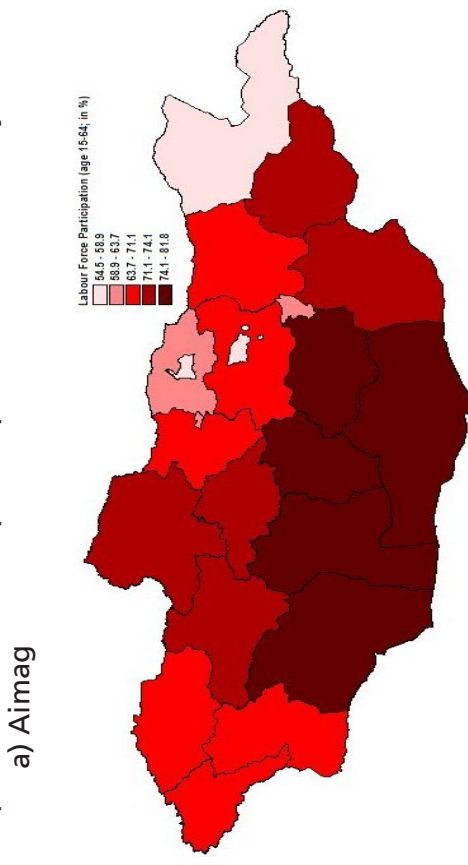
1 Achieved	100.0>	100.0>	1.0=	50.0=	29.2<	22.0<	50.0<	100.0=<	0.0=	2.0<	99.0>
2 Likely to achieve	95.0-99.9	93.0-99.9	1.02<1<0.98	47.0>49.9; 50.1>52.0	29.2>33.0	22.1-26.0	50.1-68.0	100.1-142.0	0.1-1.9	0.1-1.9	75.0-98.0
3 Slow	91.4-94.9	86.8-92.9	1.04>1.02; 0.96>0.98	45>47; 52.1>54	33.1-38.1	26.1-32.7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

Selected MDG maps based on 2000 Population Census data: Aimag and soum level results

Map 1: Poverty headcount (%)

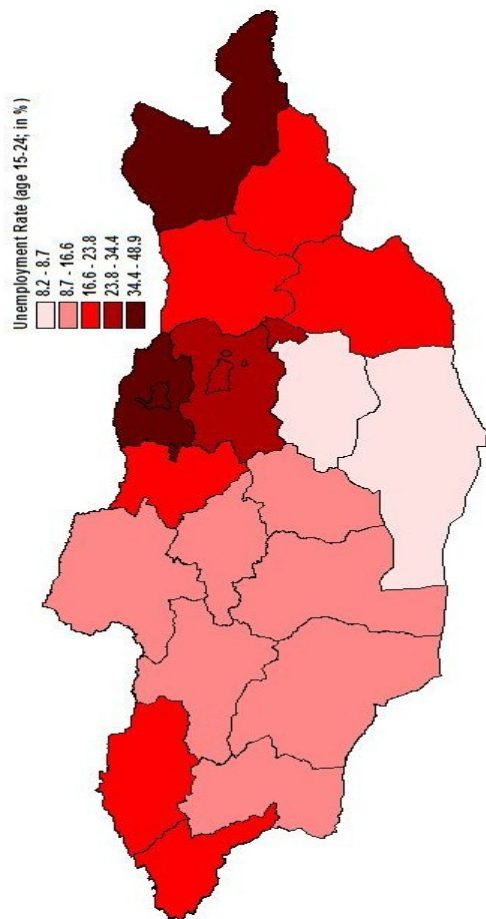


Map 2: Labour force participation rate, 15-64 years (%)

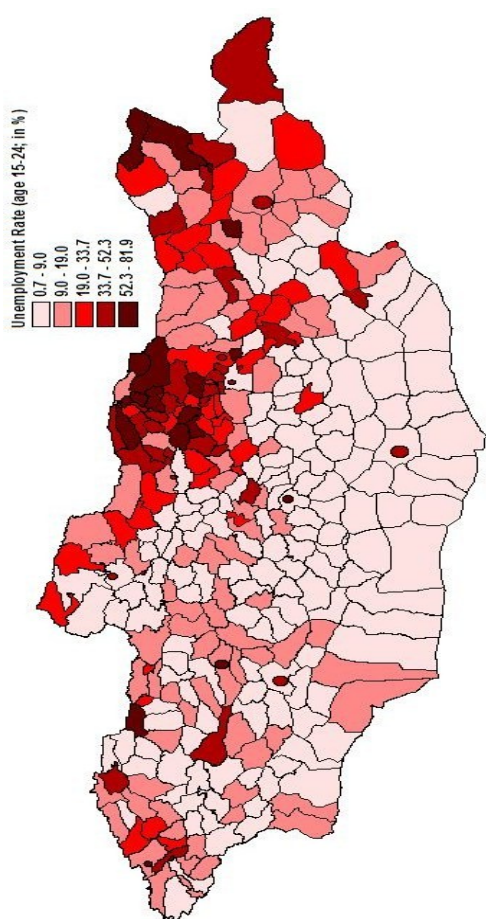


Map 3: Unemployment rate of population aged 15-24 (%)

a) Aimag

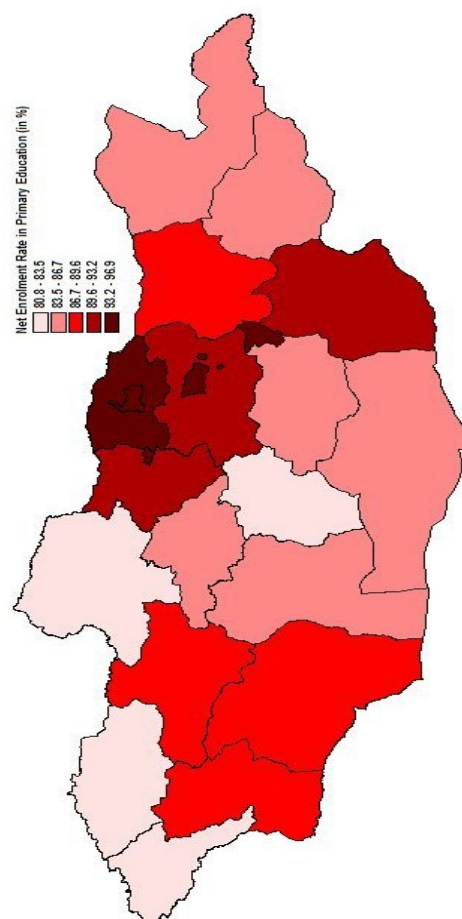


b) Soum

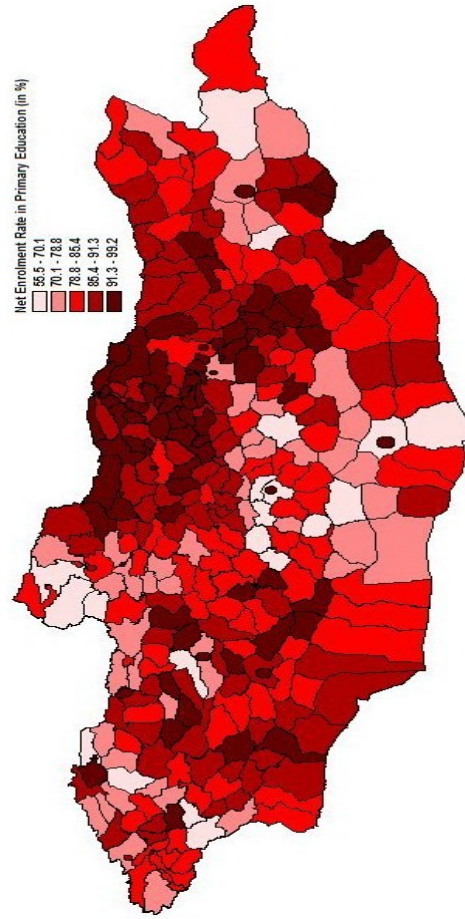


Map 4: Net enrolment ratio in primary education (%)

a) Aimag

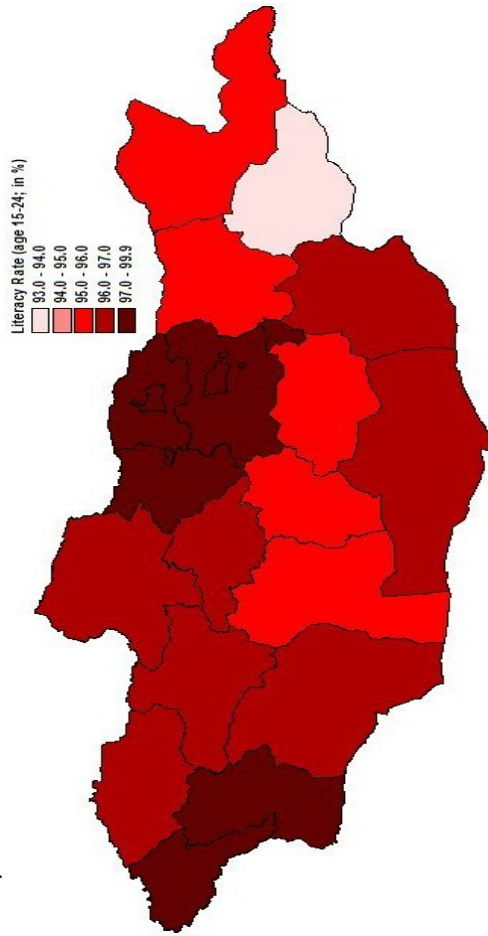


b) Soum

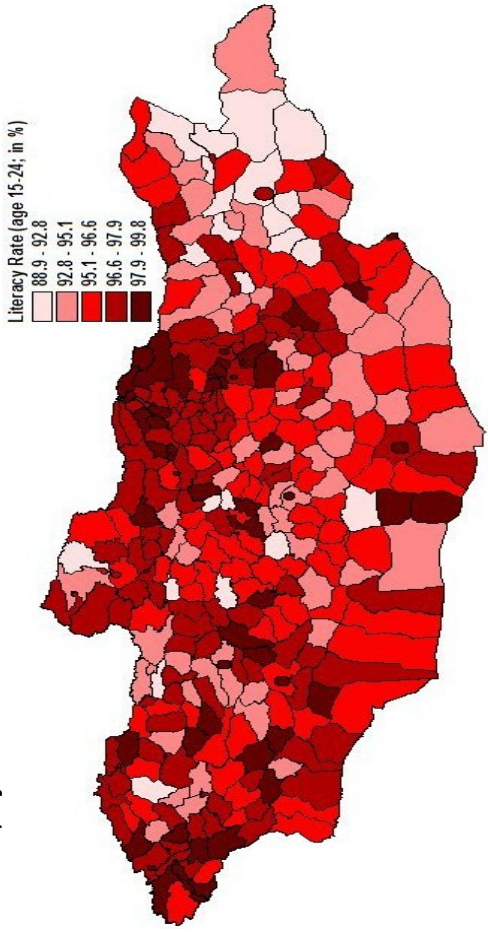


Map 5: Literacy rate of population of 15-24 years (%)

a) Aimag

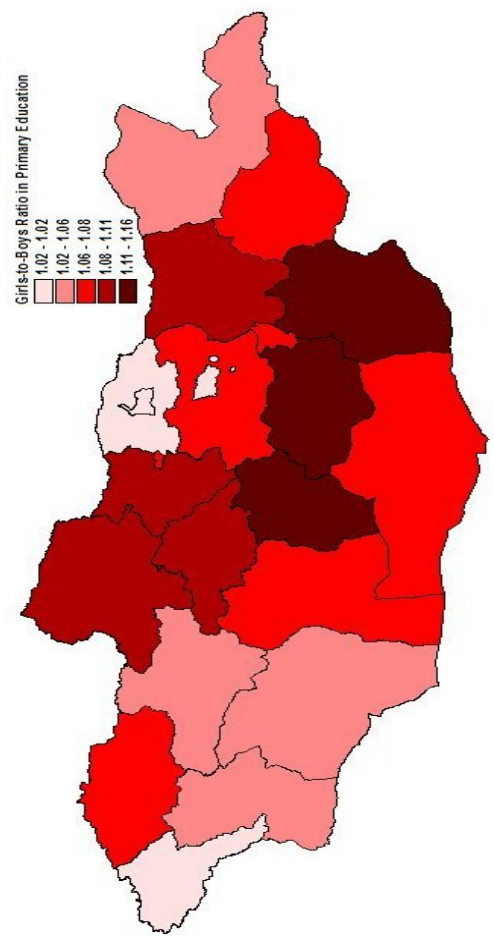


b) Soum

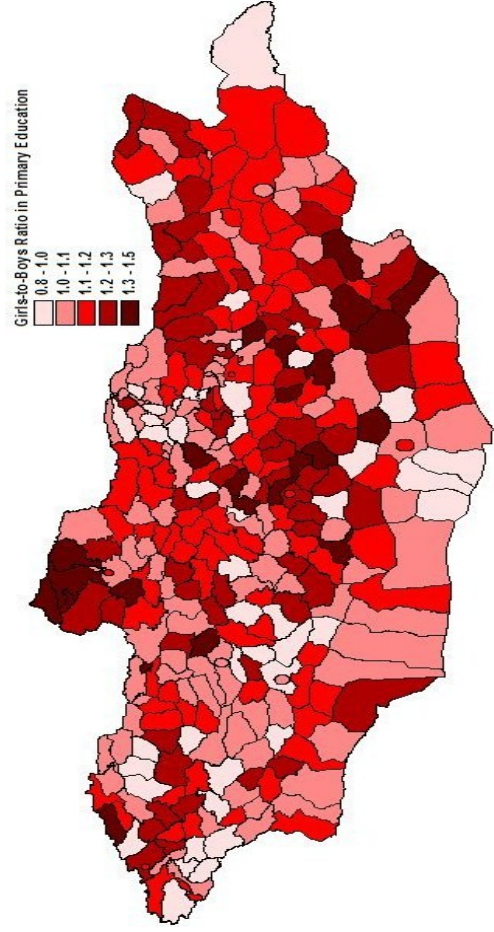


Map 6: Ratio of girls to boys in primary education

a) Aimag

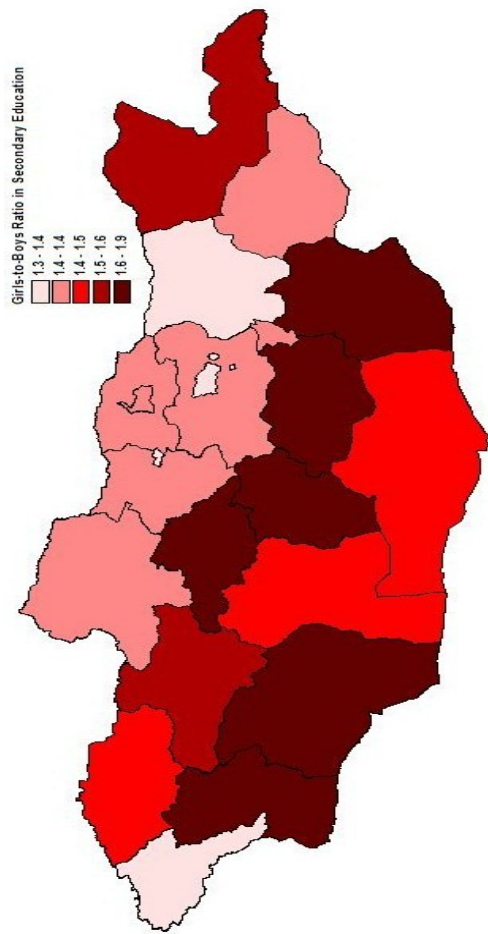


b) Soum

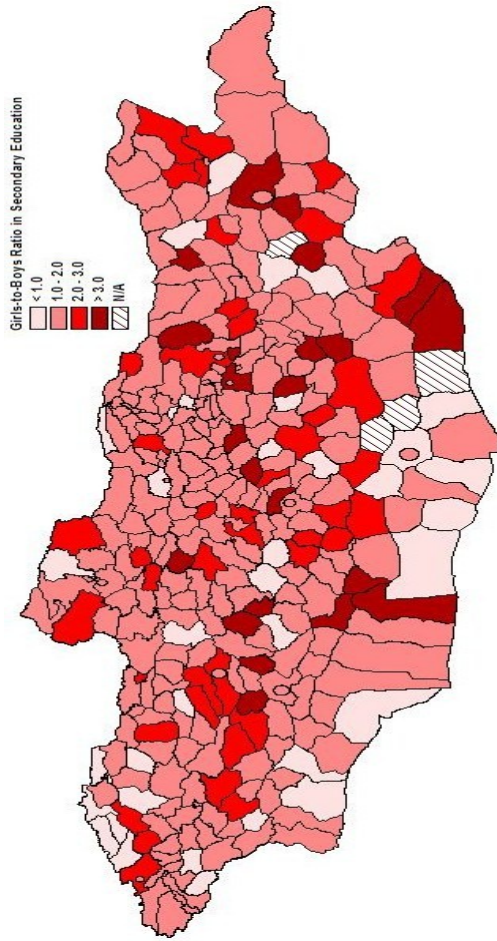


Map 7: Ratio of girls to boys in secondary education

a) Aimag

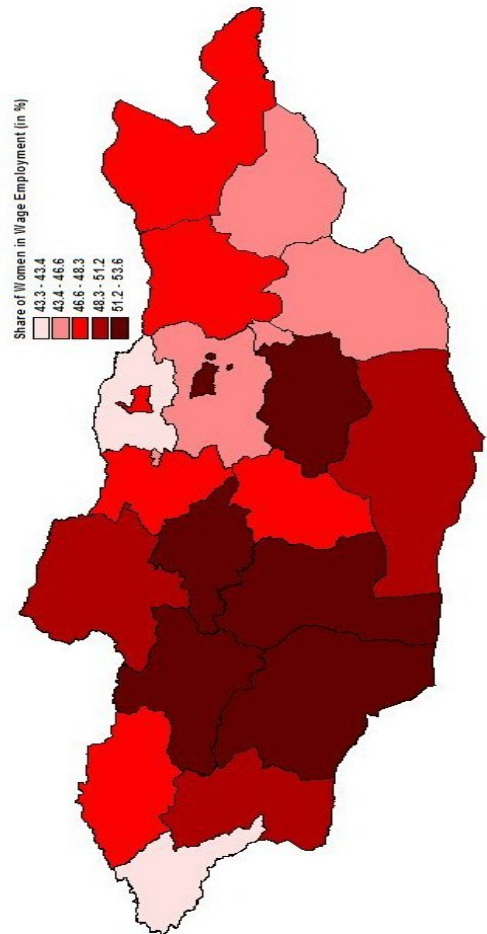


b) Soum

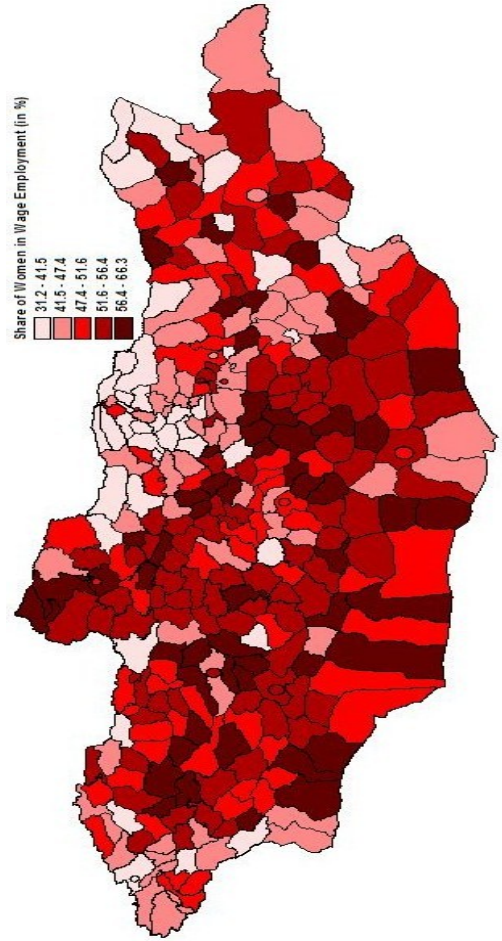


Map 8: Percentage of women employed in non agricultural sectors

a) Aimag

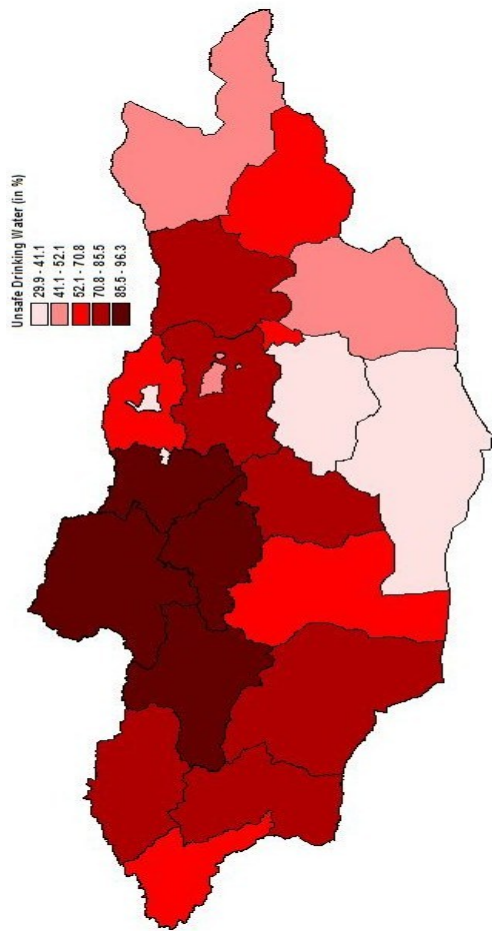


b) Soum

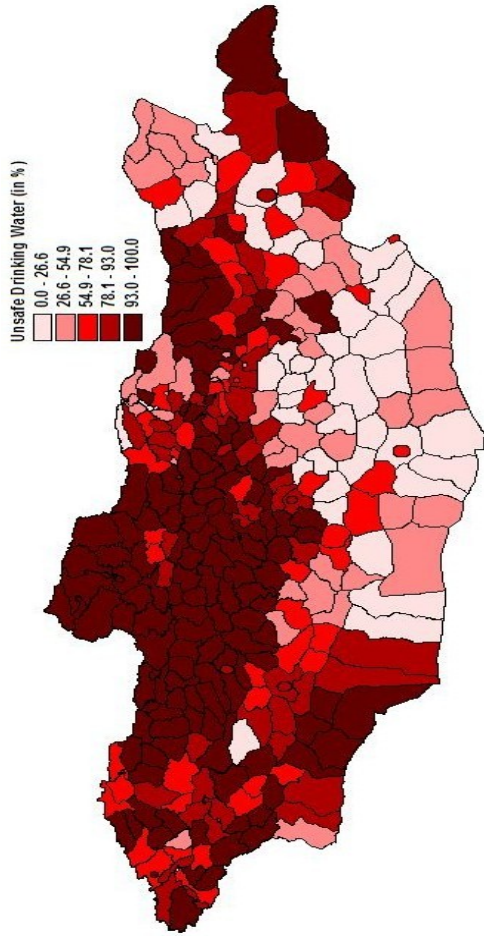


Map 9: Proportion of population without access to safe water (%)

a) Aimag

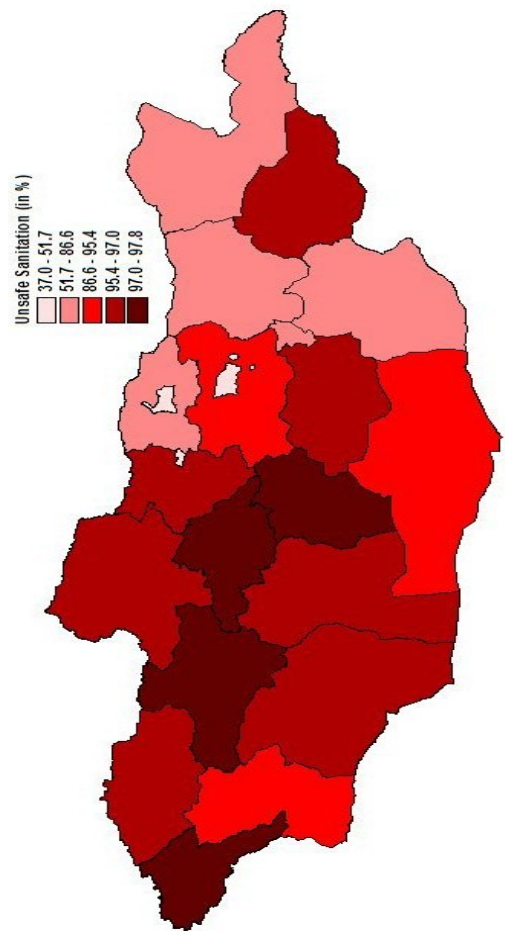


b) Soum

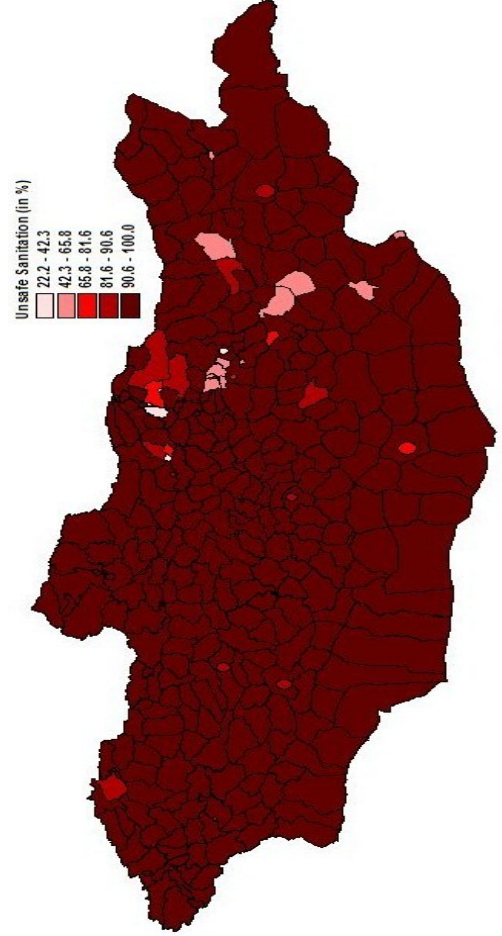


Map 10: Proportion of population without access to improved sanitation (%)

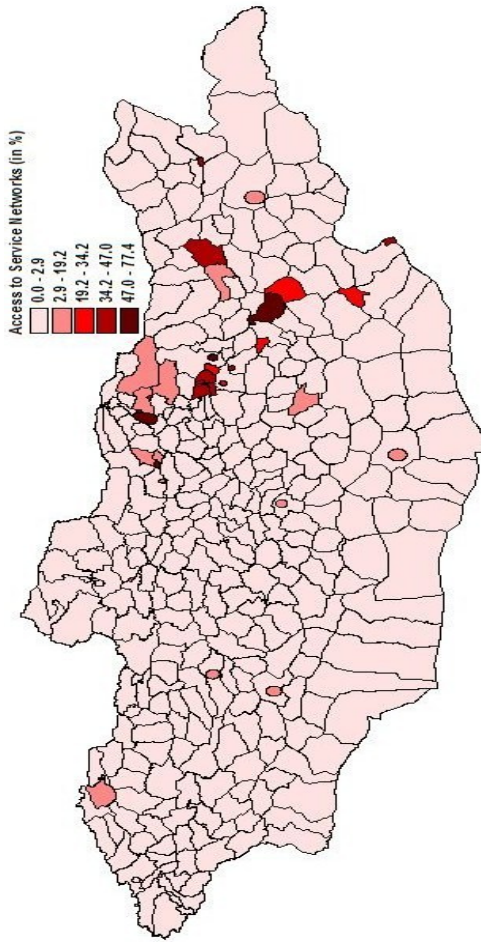
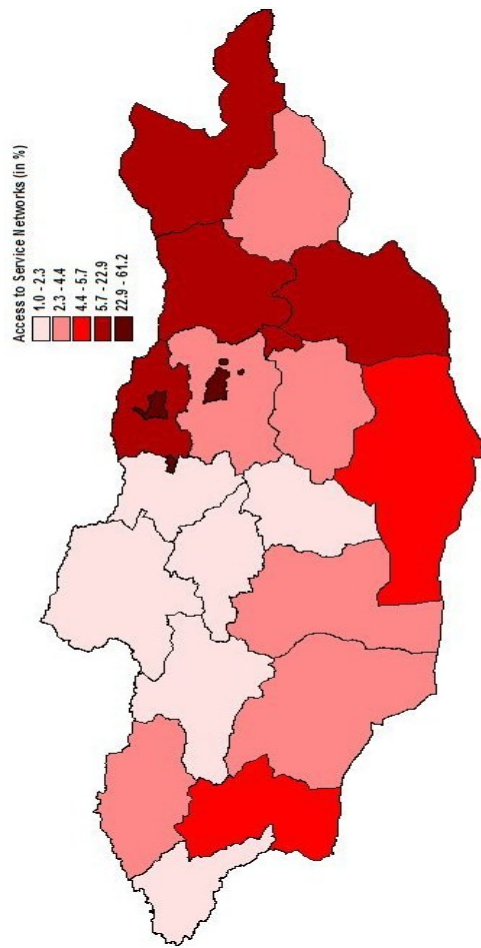
a) Aimag



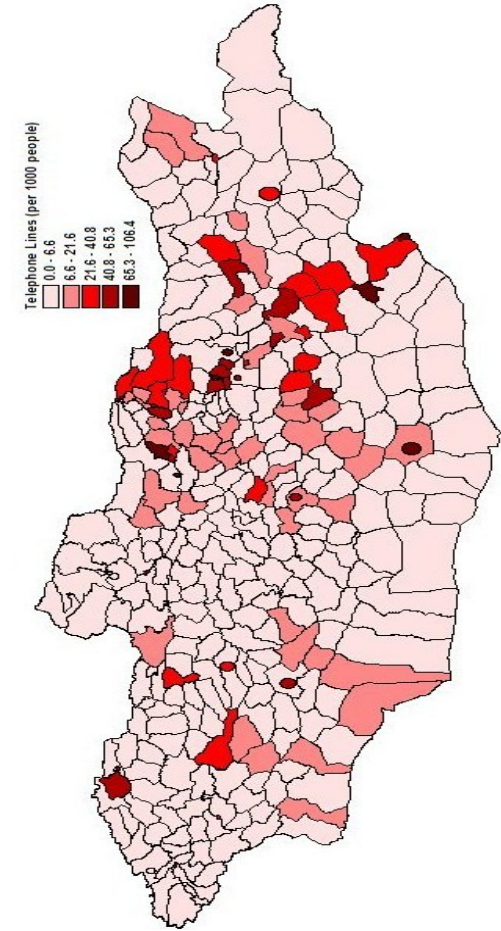
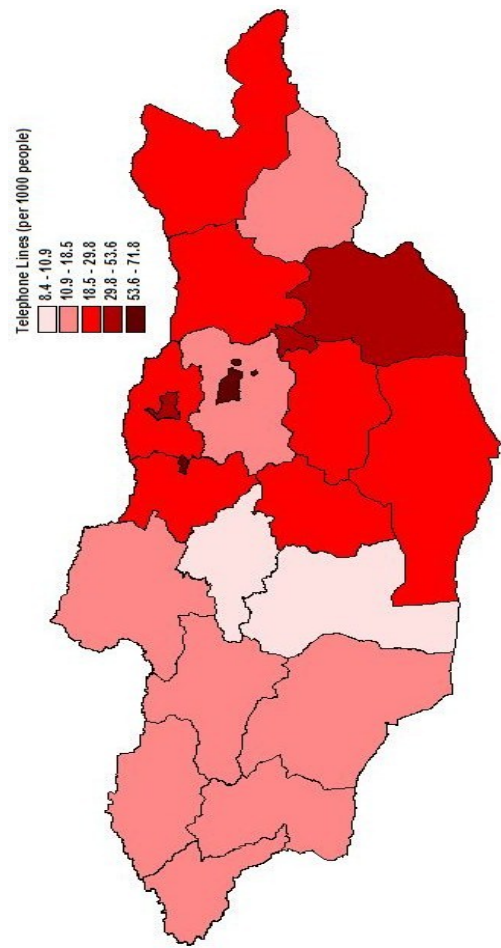
b) Soum



Map 11: Proportion of population living in housing with engineering pipe line system (electricity, water and heating) (%)
 a) Aimag b) Soum



Map 12: Number of land line telephone units (per 1000 population)
 a) Aimag b) Soum



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