



Mongolia

Voluntary National Review
for Implementation of

NEW URBAN AGENDA

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FOREWORD



In 2016, the UN General Assembly adopted a "New Urban Agenda" to support the implementation of the "Sustainable Development Goals" through urban development policies. UN member states commit to implementing this agenda effectively and in a timely manner, monitoring its progress and reporting on results and implementation every four years. Mongolia fulfills its obligations as a member state and presents a report on the implementation of the program for 2017-2020.

Mongolia submitted Habitat 1 and Habitat 2 implementation reports, replaced by the "New Urban Agenda" to the UN-Habitat in 1996 and 2016, respectively. As part of the implementation of these programs, we actively participated in UN-Habitat's "World Urban Forum", international and regional relevant conferences, meetings and events with representatives of governmental and non-governmental organizations, organized the "National Urban Forum" every two years since 2012, and have successfully implemented many projects, programs and initiatives.

The 20-year urban development policy for 2016-2036, the "New Urban Agenda" is important for our country as it provides the key guidance and concept in supporting the implementation of the "Sustainable Development Goals" through urban development policy.

The "New Urban Agenda" serves as a guide for the documents of urban development policy of Mongolia, including the "Human Settlements Development Plan of Mongolia", "Ulaanbaatar City Master Plan until 2040", the "Rental Housing Program" as well as projects, programs and action plans for re-planning, redevelopment and land readjustment in the Ger area, expansion of green spaces, public areas and roads, disaster risk reduction and adaptation to climate change.

Mongolia's development policy and planning document provides for the phased establishment of the city "New Zuunmod", which will reflect the objectives of the "New Urban Agenda" in its development. The construction of the city will be planned and implemented with public participation.

We extend our heartfelt gratitude to the UN-Habitat Mongolia for supporting the preparation of the National Progress Report on the implementation of the "New Urban Agenda" for 2017-2020, as well as governmental and non-governmental organizations, scholars, researchers, and the members of the Working group and Consulting team, who actively participated in the preparation of this report.

MINISTER OF CONSTRUCTION AND URBAN DEVELOPMENT

A handwritten signature in black ink, consisting of stylized, flowing lines that form the name B. Munkhbaatar.

B.MUNKHBAATAR

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ABBREVIATION

ADB	Asian Development Bank
AEDN	Agency for Electricity Distribution Network
AG	Agriculture
ALACUD	Agency for Land affairs, Construction and Urban Development
ALAMGaC	Agency for Land Administration and Management, Geodesy and Cartography
BD	Regulation of Construction
BNbD	Construction Normative and Regulation
CCACD	Capital City Culture and Arts Department
CCGO	Capital City Governor`s Office
CIT	Corporate Income Tax
CRKh	Citizens` Representative Khural
CSD	The concept of Sustainable Development
CSG	Cabinet Secretariat of Government of Mongolia
EBRD	European Bank for Reconstruction and Development
ECRC	Economic Policy and Competitiveness Research Center
EPF	Employment Promotion Fund
FRG	Federal Republic of Germany
GDP	Gross Domestic Product
GHG	Greenhouse Gas emissions
GIZ	German Agency for International Cooperation
GO	Governor`s Office
GoM	Government of Mongolia
HP	Hydropower plant
ILDF	Integrated Local Development Fund
INFF	Integrated National Financing Framework
IO	International Organization
IOM	International Organization for Migration
JCM	Joint Crediting Mechanism
JICA	Japan International Cooperation Agency
LDF	Local Development Fund
LLC	A Limited Liability Company
LOE	Loccally Owned Enterprise
MA	Mayor`s Office
MCUD	Ministry of Construction and Urban Development

MDDC	Ministry of Digital Development and Communications
ME	Ministry of Energy
MED	Ministry of Economy and Development
MES	Ministry of Education and Science
MET	Ministry of Environment and Tourism
MFA	Ministry of Foreign Affairs
MFALI	Ministry of Food, Agriculture and Light Industry
MH	Ministry of Health
MJIA	Ministry of Justice and Internal Affairs
MLSP	Ministry of Labour and Social Protection
MNUMS	Mongolian National University of Medical Sciences
MoF	Ministry of Finance
MRTD	Ministry of Road and Transport Development
MULS	Mongolian University of Life Science
MUST	Mongolian University of Science and Technology
NCPH	National Center for Public Health
NDA	National Development Agency
NEMA	National Emergency Management Agency
NGO	Non - Governmental Organization
NSO	National Statistics Office
NUM	National University of Mongolia
PBC	Pillar Bridge Construction
PM	Parliament of Mongolia
RF	Russian Federation
ROC	Republic of China
ROK	Republic of Korea
ROY	Royalties
SDC	Swiss Agency for Cooperation and Development
SDG	Sustainable Development Goals
SIP	Social insurance premiums
SOEs	State-Owned Enterprises
SRB	Special Road Bus
ST	Science and Technology
UDA	Urban Development Agency of Capital city
UN	United Nations
UNDP	United Nations Development Programme

UNFCCC	United Nations Framework Convention on Climate Change
USA	United States of America
WB	World Bank

SUMMARY

Introduction

The “New Urban Agenda” approved by the UN General Assembly resolution in 2016 is important not only as a guideline for sustainable urban development in developing countries, but also important for supporting integrated implementation and localization of the “Sustainable Development Goals - 2030” and Goal 11 “ensuring inclusive, safe, resilient and sustainable development of cities and towns”.

In order to implement the “Sustainable Development Goals - 2030”, the Parliament of Mongolia approved the “Mongolia’s Sustainable Development Vision - 2030” in 2016. The goals and objectives of this concept are reflected and implemented in the action programs, guidelines, action plans, projects and programs of the Government of Mongolia and the Governors of the capital city, aimags, soums and districts, and the NGOs and business entities. In particular, large scale development programs, projects and measures are being implemented in stages for realisation of Objective 11 “Ensure inclusive, safe, resilient and sustainable development of cities and towns”, for example an improving the legal environment of Mongolia's urban development and land management; Develop and submit to the Parliament the “Human Settlements Development Plan of Mongolia” and the “Ulaanbaatar City Master Plan until 2040; “Rental Housing Program” in order to provide the population with housing; re-planning and redevelopment of Ger area, land readjustment in Ger area; demolition and reconstruction of apartment buildings that do not meet operational requirements; “Infrastructure Center”, “New Soum Center” and “Soum Center Renovation”; expansion of green areas, public roads and areas; other projects, programs and measures to reduce disaster risk and adaptation to climate change; and large-scale construction projects, such as the construction of new apartment complexes and districts.

The Government of Mongolia has given priority to housing, cutting the annual interest rate on new mortgages from 8% to 6% in 2020. As a result, the borrower's monthly repayment rate and the household income threshold for the loan fell by 18.3%, increasing the chances of low-income households to access mortgage loans, increasing household income and reducing credit risk. Within the framework of the program which has been implemented since 2015 to provide target groups with affordable rental and leasing housing, 4,007 rental apartments from “State housing fund” were allocated to the target group.

In 2019, Parliament approved some amendments to the Constitution of Mongolia, namely Article 25.1.7 of the Constitution states that “...development policies and planning shall be sustainable”. Revised version of the “Law on Development Policy and Planning and its management”, approved in 2020 in line with the constitutional amendments, allows for the establishment of a new system for ensuring the sustainability and continuity of Mongolia's development policy and planning; defining principles to be followed in development policy and planning nationwide; establish a consistent and effective system of monitoring, evaluation and reporting to develop, plan and effectively implement development policy; ensuring an appropriate partnership between development policy and planning stakeholders; strengthen development policy, planning, management and organization, and develop and approve long, medium and short-term development policy and planning documents of Mongolia to ensure consistency and conformity.

Moreover, in accordance with the concept of amendments to the Constitution of Mongolia, in 2019-2020 the revision of the Law on Administrative and Territorial Units and their Management

and other basic laws have been newly approved. In order to ensure the implementation of the "New Urban Agenda", the main principles of the "Sustainable Development Goals - 2030" and the "New Urban Agenda" were included in the revised draft of the Law on Urban Development.

In order to harmonize the legal regulation of land relations with the amendments to the Constitution of Mongolia and other relevant laws, a draft of the revised General Law on Land, a draft of the revised Law on Ownership of Land by Citizens of Mongolia, a draft of the revised Law on Cadastre, a draft of the revised Law on Geodesy and Cartography and a draft of the revised Law on Land Fees and new draft laws on Land Acquisition for Necessary Public Needs, and the National Spatial Infrastructure are being developed and submitted to the Parliament. As population growth, migration, social, economic, consumption changes and climate change increasingly threaten the safety and security of energy, water and land resources in cities and towns, considering the limited natural resources such as water, energy and land use in a systematic way in relation to the social and economic needs and requirements, the Revised Law on Urban and Town Legal Status, the Revised Law on Housing, the Revised Law on Urban Water Supply and Sewerage, Law on Energy, Law on Renewable Energy, Law on Environmental Protection and other relevant laws are being drafted for amendments.

The "Mongolia's Sustainable Development Vision-2030" states "Implement sound planning of the state budget revenues and expenditures, and ensure efficient, effective and proper expenditure management" and the "Action Program of the Government of Mongolia for 2016-2020" sets an objective "Within a short period of time, develop a program to overcome the economic difficulties and stabilize the economy", "Decrease the budget deficit by improving fiscal discipline, limit unnecessary spending and taking necessary austerity measures", "Make disbursement of local development funds more efficient, open and transparent to the public". Within the framework of these objectives, in recent years during periods of economic activity the Government of Mongolia has stabilized the economic fluctuations by reducing the budget deficits and since 2019 has been implementing a "digital, transparent and efficient" budget policy aimed at supporting economic growth, improving the budget and financial environment, and strengthening financial disciplines. The "Economic recovery program" approved by the Parliament Resolution No. 71 of 2016 was successfully implemented for 1.5 years, and as a result of this program, macroeconomic stability was ensured and economic growth was increased to 7.2% in 2018.

The fast-growing urban economy, including the service sector, has an important role to maintain the high economic growth of Mongolia. At the national level, in 2019, the service sector accounted for 39.0% of the GDP, the industrial sector for 39.1%, the agricultural sector for 11.0%, and other sectors for 10.9%. Although the share of the industrial sector has increased in the economy over the last decade, the other hand, total industrial production tends to be heavily dependent on mining and quarrying.

The goal of coordinated and balanced development of environment, society and economy, three main pillars of sustainable development, has been defined in the documents "Mongolia's Sustainable Development Vision - 2030" and "Green development policy". Comprehensive and large-scale tasks and measures are being undertaken to realize the objective of "Action Program of the Government of Mongolia for 2016-2020" to "Implement green growth policies designed to introduce advanced and effective technology friendly to environment and human health, to save resources and ensure their reuse and recycle".

At the "National Urban Forum" held in 2019, the "New Urban Agenda" was presented to the public and the program was distributed as a brochure in English and Mongolian. Within the framework of this forum, relevant trainings and seminars were organized to share the content of

the “New Urban Agenda” and capacity building for delegates and governors of 21 aimags, mayors, DLACUD of aimags and the capital, as well as relevant governmental and non-governmental organizations, citizens and the public such as companies and organizations authorized to develop city planning documents.

Due to political circumstances such as the parliamentary elections in June 2020, the formation of a new government in July 2020 and the presidential elections in June 2021 in Mongolia, as well as the rigorous situation of the coronavirus infection (COVID-19) pandemic, National progress report 2017-2020 on Implementation of the "New Urban Agenda" was not submitted on time.

Stakeholders and cooperation

To achieve the “Sustainable Development Goals-2030”, goals and objectives of the "Mongolia’s Sustainable Development Vision - 2030" approved by the Parliament in 2016 have been incorporated in activities, guidelines, action plans, projects, and programs of the Government of Mongolia, Governors of the capital city, aimags, soums and districts, government and NGOs and private business entities, and these are being implemented in cooperation with citizens and the public. For Mongolia, it is important to address many development issues based on cross-sectoral coordination, arrangement, multilateral stakeholders’ participation and cooperation in order to implement the “Sustainable Development Goals -2030” and the “New Urban Agenda”.

The Working group and the Consulting team, established by Decree No.87 of the Minister of Construction and Urban Development in 2022, jointly developed the 2017-2020 National Progress Report on the Implementation of the “New Urban Agenda” in accordance with UN-Habitat guidelines and methodologies. The Working group was chaired by the State Secretary of the MCUD and consisted of an advisor to the Minister of Construction and Urban Development, representatives of the Cabinet Secretariat, relevant ministries, implementing agencies, some local government agencies and NGOs. The Working group is responsible for providing information, enquiry, management and organization for the development of the national progress report (List of Working group and Consulting team members on Attachment). The draft Progress Report was presented to the Cabinet meeting with comments from Cabinet members.

Responses to the coronavirus (COVID-19) pandemic

Mongolia's economy was recovering from the 2016 recession when the coronavirus (COVID-19) began. The public health impact of the coronavirus infection (COVID-19) pandemic has intensified and has had a significant impact on Mongolia's economy and people's livelihoods. Consequently, a new operational environment has emerged and thus some fundamental challenges to Mongolia's development have been raised. Mongolia faced dual challenges of providing emergency care, responding to health sector challenges and mitigating the negative economic impact in short-term, and overcoming the crisis and building a more sustainable, inclusive and resilient economic recovery that addresses key development challenges and issues.

The Government of Mongolia has taken consistent actions to stimulate the economy and support the livelihoods of its citizens during the coronavirus (COVID-19) pandemic. The Parliament passed the Law on Prevention, combat, and mitigation of social and economic impacts of the COVID-19 in April of 2020. In addition, the Government of Mongolia approved and implemented resolutions such as the Government resolution no. 139 on the “Measures to be taken on education to prevent COVID-19”, the Government Resolution no. 167 “Some social

protection measures to enhance the economy and support citizens' livelihood during the COVID-19 pandemic" and the Government Resolution no. 168 "Some measures for budget regulations during the COVID-19 pandemic" in 2020, and spent MNT 2.4 trillion from the state budget to combat pandemic.

At the national level, the economy grew by 5.2% in 2019, with budget revenue reached MNT 10.9 trillion, and the general budget deficit was 2.5 times lower than the approved amount. The economy shrank by 9.7% in the first half of the year due to the global coronavirus (COVID-19) pandemic. However, the rate slowed to 5.3% in 2020 and has slowed over the past six months as the government implemented a range of policies to protect citizens' health and incomes, support businesses and stimulate the economy.

Sustainable Development Goals

"Mongolia's Sustainable Development Vision - 2030" was approved by the Parliament Resolution No.19 of February 5th, 2016. Based on the constitutional amendments in 2019, the revised version of the Law on Development policy, planning and its management" and other relevant laws, the "Vision 2050 long-term development policy of Mongolia" was approved by the Parliament Resolution No.52 of May 13th, 2020. The resolution annulled Parliament's Resolution No.19 of 2016 on "Approval of the Mongolia's Sustainable Development Vision - 2030" since the indicators reflect the results of the "Mongolia's Sustainable Development Vision - 2030" and the content of the Mongolian sustainable development goals are encompassed in the appendix to the Parliament's Resolution on "Approval of Vision-2050 long-term development policy of Mongolia" (Resolution Nr.52 of May 13th, 2020). The policy document "Vision 2050 long-term development policy of Mongolia" has not been introduced in the National Progress Report 2017-2020 on the implementation of the "New Urban Agenda", as the document will be presented with the next phase report.

PART I. TRANSFORMATIVE COMMITMENTS FOR SUSTAINABLE URBAN DEVELOPMENT

1.1. Sustainable urban development for social inclusion and ending poverty

1.1.1. Social Inclusion and Ending Poverty

1.1.1.1. Eradicate poverty in all its forms

In the “Mongolia’s Sustainable Development Vision-2030” objectives to “end all forms of poverty, and to create an economic and legal environment for the poor to have a permanent source of income, direct the social welfare system to the target group, and reduce the poverty rate to 18 percent in 2016-2020” were aimed. Furthermore, in the “Action Program of the Government of Mongolia 2016-2020”, objectives to “create conditions that allow every citizen to be healthy, educated, employed and have income, to support families, reduce poverty and unemployment, and increase the share of the medium-income households and upgrade the livelihood of the population” were set out. “State policy on Population Development (2016-2025)” was approved by the Government Resolution with no. 261 in 2016 with aims to have homeless, unemployed, and poor able-bodied people trained in vocational education trainings, have them permanent jobs and income, reduce income inequality, and to bring the poverty rate to single digits.

Mongolia's economy has been growing steadily owing to their mining sector, but this growth has been volatile and not accessible to all. The benefits of recent growth in the mining sector were not shared by the poor, especially the low-wage workers of unskilled labor. Mongolia's poverty rate decreased from 28.4% in 2018 to 27.8% in 2020, with a decrease of 0.6 percent, and 903,400 people fall under the poverty line (See Table 1). 1 in 3.3 people in rural areas lives in poverty, and 1 in 3.7 people in urban areas are living below the poverty line. As of 2020, the number of people living below the poverty line in rural areas decreased by 0.4% and by 1.3% in the aimag centers, while people living below the poverty line in the capital city of Ulaanbaatar has increased. 41.8% of total population of the capital city of Ulaanbaatar lived below the poverty line in 2018, and by 2020, it was increased to 43.5%, with an increase of 1.7% (See Table 2). A NSO and WB joint Poverty Update report of 2018 states that 15% of the population lives slightly above the poverty line and is at risk of poverty in the event of a sudden crisis in their lives.

Table 1. Minimum subsistence level of population (per capita per month)

Unit: thousand MNT

Region	2017	2018	2019	2020
Western	166.5	178.0	190.7	203.4
Khangai	173.5	182.6	194.3	206.0
Central	166.2	175.6	187.1	198.3
Eastern	165.7	174.0	187.6	201.7
Ulaanbaatar	185.3	198.6	217.9	230.0

Source: Mongolia Statistical Yearbook 2020

Table 2. Comparison of Poverty Indicators

Region/Indicators	Poverty headcount (%)		Poverty gap (%)		Poverty severity (%)		Poor population (thous. people)		Share of poor population (%)	
	2016	2018	2016	2018	2016	2018	2016	2018	2016	2018
National average	29.6	28.4	7.7	7.2	2.9	2.7	907.5	904.9	100.0	100.0
Urban	27.1	27.2	7.2	7.2	2.8	2.8	563.8	574.6	62.1	63.5
Rural	34.9	30.8	8.8	7.2	3.2	2.4	343.7	330.3	37.9	36.5
Region										
Western	36.0	31.8	9.7	7.8	3.7	2.8	150.1	133.2	16.5	14.7
Khangai	33.6	30.8	8.2	7.3	2.9	2.5	189.6	179.6	20.9	19.8
Central	26.8	26.1	7.0	6.6	2.7	2.4	127.6	131.0	14.1	14.5
Eastern	43.9	37.4	12.5	10.0	4.8	3.7	97.1	82.8	10.7	9.2
Ulaanbaatar	24.8	25.9	6.4	6.7	2.5	2.6	343.1	378.2	37.8	41.8
Location										
Ulaanbaatar city	24.8	25.9	6.4	6.7	2.5	2.6	343.1	378.2	37.8	41.8
Aimag centers	31.8	30.1	8.8	8.2	3.4	3.2	220.7	196.4	24.3	21.7
Soum centers	32.3	28.9	8.5	7.0	3.2	2.4	173.4	166.6	19.1	18.4
Countryside	38.0	32.9	9.2	7.4	3.2	2.4	170.4	163.6	18.8	18.1

Source: Mongolia Statistical Yearbook 2020

The significant gap between urban and rural development can be seen from inadequate access to basic social service, information, comfortable housing and infrastructure, as well as from their poor quality and unequal distribution in suburban and rural areas. People are moving to the capital, Ulaanbaatar, and other cities in search of better conditions and opportunities. In the capital city of Ulaanbaatar, 38% of the Ger area population are poor. The poorest households are households with unemployed household heads, low-educated, living on social benefits, and are working in the informal economy. As of 2020, 55.9% of the average monthly income of low-income households is coming from pensions and benefits, and the poor are heavily dependent on government benefits and have no other source of income. Developing high-capacity sectors, promoting youth employment, and directing public policy to ensuring gender equality are key ways to reduce poverty.

The Government is implementing “Child Money Program”, “Food Stamp Program”, “Paid Mother Program”, “Benefits for Seniors”, “Livelihood Support Allowance”, “Conditional Cash Assistance” and other welfare and protection measures as part of the welfare policies. The Government provides 72 types of social welfare allowances and benefits covering more than 800,000 people a year, which means that one in four people receives some type of benefit. As welfare becomes widespread, there will be negative consequences such as people becoming reluctant to get education or job, becoming irresponsible, and adopting addictive behavior such as alcoholism. This further results in negative impacts by spawning benefit reliant, inactive citizens, rather than active participants in social and economic development. MLSP is drafting revisions of the Law on Social Welfare and its concept to determine the types of social welfare pensions, benefits and services accurately, consolidate some benefits and assistance, and to

introduce an effective welfare system. The Parliament approved and a Law on Amending the Law on Pensions and Benefits Provided by the Social Insurance Fund in 2017.

COVID-19 pandemic has affected the livelihoods of households due to the stagnation of trade and economic activity in Mongolia, which is a landlocked and located on the regional transport corridor, since 2020. According to the analysis of the impact of COVID-19 pandemic on the implementation of the "Social Welfare Program" developed by the Research Institute of Labor and Social Protection, if the pandemic had not been spread, the poverty rate would have been reduced by 4.1% to 24.3%. According to this analysis, it would have been possible to decrease poverty rate by 3.7% in urban areas and by 4.9% in rural areas. Poverty rate fell slightly in 2020 from 2018, but it would have been possible to fell by about 3 percentage if it was not for the pandemic. This suggests that the pandemic has slowed the pace of poverty reduction.

The Government implemented measures in stages to stimulate the economy and improve the citizens' livelihoods during the COVID-19 pandemic. For example, in order to revive the economy during the pandemic and to implement measures to improve the social protection of the vulnerable, monthly allowance of MNT 20,000 for every child aged 0-18 has been increased to MNT 100,000 from April 1, 2020. As of 2019, more than 1 million children were covered by the "Child Money Program" for children with MNT 229.6 billion allocated. As of 2020, 1.2 million children were covered by the program, an increase of 186,000 children compared to the same period of the previous year, and MNT 1,053 billion was spent on the program, with an increase of MNT 823.4 billion compared to the same period of the previous year. When an analysis was made on impact of the increase of children's cash benefits, it showed that the poverty rate had dropped to 24.9%. Therefore, from the analysis increase in children's cash benefits alone reduce the impact of pandemic on poverty, it can be concluded that children's cash benefits were one of the best social protection tools in the event of COVID-19 pandemic.

The "Food Stamp Program" was launched in 2012 in accordance with the Social Welfare Law of Mongolia to support the most vulnerable groups, and this program prevents low-income people from suffering from malnutrition and provides them with the calories required per day. As of 2020, 264,000 people were covered by food and nutrition program and MNT 55.4 billion were spent. A food stamp worth MNT 16,000 per month provided to 122,300 adults of low-income families who need social welfare support was increased to MNT 32,000 for 8 months and MNT 8,000 provided to 118,200 children was increased to MNT 16,000 for 5 months. Unemployment rate among the working age population receiving food and nutrition assistance is related to these people's low professional skills. Therefore, there is a need to intensify information exchange between employers and employment offices, and to have these citizens trained in vocational trainings.

As of November of 2018, 154,500 mothers who are caring for their children aged 0-3 were covered by the "Paid Mother Program", and a total of 83.9 billion MNT was disbursed. 3,600 elderly people, 42,000 people with disabilities, 116 dwarves, 16,500 children who receive survivors' pensions, and single parents with more than 4 children under the age of 18 who receive MNT 188,000 monthly welfare pensions from the Social Welfare Fund was increased by MNT 100,000 and became MNT 28,000 for 5 months.

It is clear that the Government's multifaceted social welfare and protection measures to reduce negative impacts of the COVID-19 pandemic on the livelihoods of households have played an important role in curbing deepening poverty. In 2017, 119 people of 65 households were provided with housings from 427 people of 181 households in Ulaanbaatar who were homeless and living in non-purpose housings. A state-owned rental housing fund of 1512 households

housing was established for the target group of people who could not afford to buy housings (apartment units).

The “National Program to Reduce Unemployment and Poverty” was approved and being implemented by the Government Resolution with no. 159 in 2019. In scope of the the “Program for Employment Preparation and Employment Skills” funded by the “Employment Promotion Fund”, 4,877 people took part in on-the-job and vocational trainings in 2017, and MNT 963 million was funded from the “Employment Promotion Fund”.

1.1.1.2. Reduce inequality in urban areas by promoting equally shared opportunities and benefits

In the “Sustainable Development Goals” 10: Reduced Inequalities and the “Mongolia’s Sustainable Development Vision- 2030”, objectives to “ensure gender equality, provide quality and accessible health care services and education to all citizens, reduce income inequality and have 80 percent of the population in the middle and upper-middle income classes”, and to “reduce Gini coefficient of inequality score 36.5 of 2014 to 30 by 2030” were reflected.

For Mongolia, a country with vast territory, abundant mineral and agricultural resources, and unique historical and cultural heritages, the “Regional Development Policy” is to ensure balance of urban and rural development, distribute the benefits of economic growth fairly and equitably, improve livelihoods of the people, and improve quality of and access to education and health services.

In 2001, the Parliament approved the “Regional Development Concept of Mongolia”. According to this document, the Law on Management and Coordination of Regional Development, the “Medium-Term Regional Development Strategy”, and the “Development Programs for the Western, Eastern, Khangai, Central, and Ulaanbaatar Regions” were approved and implemented. Two pillar cities were selected in each of the four economic regions to further develop them to promote urbanization, which plays a leading role in regional development. These regional development documents were expired by 2015, and the Government of Mongolia is working to determine new economic regions to implement development policies more effectively. In addition, “Human Settlements Development Plan of Mongolia” is being developed with purpose of performing the comprehensive assessment of negative impacts of urban development over natural conditions, resources and state of ecological balance within entire territory of Mongolia, should be aligned closely with the objective to ensure social development of the population, establishment of the optimal regional structures, town and village systems that would enable optimal framework for service access from main infrastructure networks which are required to nourish social and economic development.

Mongolia's economy has been growing steadily in recent years, with GDP per capita rising from MNT 9 million at current prices in 2017 to MNT 11.6 million in 2020, but living standards have not improved and poverty has not decreased. According to the Household Socio-Economic Survey of 2018, one in five employed people falls into the category of working poor. In addition, poverty is increasing in urban areas, where two-thirds of Mongolia's population live. As of 2018, 6 out of 10 people living in poverty are in cities and towns, and 4 out of 10 people are living in the capital city of Ulaanbaatar. Mongolia's economic benefits being not accessible and effective in reducing poverty and improving living standards of the people indicates that social equity is poor.

When inequality in population was measured by the Gini coefficient nationwide, it was 0.35% in 2017 and 0.32% in 2020, with very little change indicating no improvement in tackling inequality in Mongolia (See Table 3). The monthly per capita income of the richest households

(20%) is 6 times higher than the monthly per capita income of the low income households (20%), while the average consumption still being 5 times higher than that of the poorest households indicates that consumption inequality is not decreasing. Mongolia's Human Development Index increased from 0.751 (2017) to 0.774 (2020) by 0.023 points, while the inequality-adjusted Human Development Index increased from 0.66 (2017) to 0.7 (2020) and increased by 0.04 points. The inequality-adjusted Human Development Index being 0.7 in 2020, 9.6% lower than the overall Human Development Index, is due to inequality in education, health, and income (See Table 3).

Table 3. **Human Development indicators, Gini coefficient**

Indicators	2017	2018	2019	2020
Human Development Index	0.751	0.758	0.762	0.774
Human Development Index inequality-adjusted	0.66	0.67	0.67	0.7
Gender Inequality Index	0.282	0.288	0.274	0.286
Gini coefficient	0.35	0.32	0.33	0.32

Source: Mongolia Statistical Yearbook 2020

While the population is growing year by year, employment rate is declining and it shows that the country is not able to meet the employment needs of its working age population. In 2020, the number of businesses that temporarily closed or completely shut down due to the spread of the COVID-19 and lockdown increased by 13,000 from the previous year. The Labor force participation rate (LFPR) reached 58.8% in 2020 and has decreased since 2017 (61.1%). The level of education of women is higher than that of men, but as of 2019, the LFPR for women is 53.4% and lower than men's LFPR (68.3%). The Gender Inequality Index was 0.286 in 2020. This highlights gender gaps in women's employment opportunities and in terms of pays and incomes. Furthermore, women are underrepresented in politics and decision-making.

One in four workers is employed in the relatively low-productivity and low-wage agricultural sector, while labor intensive and high investment sectors like mining and construction lacks employment. People's interest in work is declining due to extremely low pay in Mongolia. There is a risk of people falling under the poverty line even if they work and what they earn cannot provide for the necessities of their lives, and their expenditures exceed the incomes. According to the NSO's "Income and Consumption Inequality Report", the median monthly salary per household being lower than the average salary by MNT 120,000-170,000 tells that the distribution of wages is equal and there are few people with high salaries and many people with low salaries in the society. Therefore, it is necessary to create quality, accessible, stable, and well-paid jobs with good working conditions.

Within the framework of employment promotion aimed at decentralizing the population and supporting regional development, employment support programs and projects approved by aimag, capital city and district employment councils in accordance with Government's decision were implemented in 5 aimags since 2018 with a funding of total of MNT 470 million and 117 new jobs were created.

The priorities of the "Targeted Project for the Needs of Aimags and Capital City" was approved and being implemented by the Resolution no. 03 of the National Employment Council in 2017 to promote local participation and decentralization, and to create new jobs. 29 local target projects were selected and 900 new permanent jobs were created based on a tripartite agreement entered into with the project implementing body and the aimag or district governors with the provision of MNT 3.8 billion in repayable fundings. By the resolution no. 1 of the National

Employment Council of 2018, it was approved to implement targeted projects for the needs of aims and the capital city. In scope of the project, MNT 3.3 billion was funded from the “Employment Promotion Fund” for the micro, small and medium enterprises in 2018.

Besides income inequality, there are capital inequality, educational inequality, and unequal distribution of power are widespread in Mongolia. For example, as of 2019, 1% of all depositors accounted for more than 60% of total deposits, while the remaining 99% of depositors accounted for about 40% of total deposits. Educational inequality is related to differences in access to education, and children from the lowest income group (20%) are 20 times less likely to enroll in higher education institutes than children from high-income groups. In the future, there is a need to implement measures against inequality by enforcing effective revenue distribution policy, providing equal opportunities to citizens, increasing access to education and health services, making economic growth more inclusive, and by making the tax system fairer.

The green economy prioritizes the decision-making that reflects voices of people from all social strata, especially those who are discriminated against. The Economic Policy and Competitiveness Research Center, a member of the Green Economy Association from Mongolia, has successfully launched the “Our Participatory Solutions” campaign since 2018 to bring the voices of poor people, workers and informal businesses to policy makers and it has become a good practice nationally.

1.1.1.3. Achieve social inclusion of vulnerable groups

In the paragraph 33 of the “New Urban Agenda” has stated that “We commit ourselves to stimulating the supply of a variety of adequate housing options that are safe, affordable and accessible for members of different income groups of society, taking into consideration the socioeconomic and cultural integration of marginalized communities, homeless persons and those in vulnerable situations and preventing segregation. We will take positive measures to improve the living conditions of homeless people, with a view to facilitating their full participation in society, and to prevent and eliminate homelessness, as well as to combat and eliminate its criminalization”.

Furthermore, in the “Action Program of the Government of Mongolia for 2016-2020”, objectives to “create “Elders’ Advice Service” and organize the work on imparting their experiences and professional skills to children and youth”, “ensure gender equality and increase representation of women at decision-making level”, “pursue the policy to ensure due participation of people with disabilities in social life”, and to “provide priority housing to young families as well as to families with 4 or more children under 18 years of age and implement gradually the accounting system based on transferring the house lease payment as an advance deposit” were set out.

Women: As of 2020, 49.1% of Mongolia's population was male, and 50.9% was female. The Human Development Index for women was 0.765, higher than men's (0.731), and the Gender Development Index (GDI) was 1.046. A total of 1.2 million people are employed nationwide in 2020, of which 659,900 (52.8%) are men and 590,700 (47.2%) are women. In terms of gender and employment, women participate less in the labor market and make full use of their knowledge, education and skills than men, even though women have higher level of education than men. Although there are highly qualified and skilled women, managerial and executive positions of public or private organizations tend go for men. In addition, the average pay for women is lower than that of men, with a gender pay gap of 12.5%. There are problems such as inadequate childcare services and the perception that women should care for her home and children.

Gender-based violence and domestic violence due to alcohol abuse is on the rise. The NSO's Gender-Based Violence Survey Report of 2017 reported that 14.7% of women aged 15-49 and 12.7% of women aged 15-64 had experienced physical or sexual violence in the past 12 months. Calls for domestic violence increased by 16% in 2020, with the police receiving an average of 150-200 domestic violence calls per day and more than 50,000 domestic violence calls a year. As of 2020, the maternal mortality rate was 23. As for reproductive health, adolescent pregnancy and abortion increase risks for young women and adolescents.

The National Committee on Gender chaired by the Prime Minister of Mongolia was established by the Government Resolution with no. 27 in 2017. To implement the objectives of the Law on Gender Equality and the "Action Program of the Government of Mongolia for 2016-2020", the "National Program on Gender Equality (2017-2021)" was approved and is being implemented by the Government Resolution with no. 129 of 2017. In framework of the program, to promote human resources, products and services of the construction and urban development sector through gender-sensitive policy planning, implementation, monitoring and evaluation, the Gender Policy document of the sector was approved in 2017 by the order of the Minister of Construction and Urban Development. Furthermore, the "National Program on Maternal, Child and Reproductive Health" was approved and is being implemented by the Government Resolution no. 78 in 2017. With the adoption and implementation of the revised Law on Combating Domestic Violence in 2016, a legal environment for prevention, early detection and combat of domestic violence, and regulating public structure and mechanism to ensure the safety of victims, the involvement of government organizations and officials, their roles and responsibilities, and coordination of these organizations' activities comprehensively was created.

Youth: As of 2020, there are 1 million young people aged 15-34 in Mongolia, accounting for 30.7% of the total population and 45% of the population aged 15 and over. The main challenges young people living in urban areas face includes lack of stable employment, adequate pays, housing, and access to public facilities such as gyms, swimming pools, libraries, and parks.

In 2017, the Parliament passed the Law on Youth Development and established a Family, Child and Youth Development Agency. The law promotes the development of young people in 5 areas: personal development, education, culture, arts, sports and scientific development, health, employment, and safe living and developing environment. The "State Policy on Population Development" (2016-2025) was approved by the Government Resolution no. 261 of 2016. Moreover, the "Youth of the Capital City" sub-program was approved by Resolution no. 158 of the Presidium of the Citizens' Representative Hural of the Capital City in 2017 and is being implemented. As of 2018, more than 180 youth development councils were established in 21 aimags, 8 districts and 155 soums.

The Government of Mongolia approved the "Regulation on Ownership of Rental Apartments" by Resolution no. 138 of 2019, and was made possible for young families to pay 30% of the total price of their rental apartment in installments over a period of 5 years to make a down payment, and qualify for a mortgage loan with an annual interest rate of 8%.

In 2017, the "Best Start-Up Support" event was organized, and more than 1,270 young people submitted their business proposals. 5 business proposals were selected, and a total of MNT 130 million was provided to support the start-ups. In scope of job referral services, 2,684 people were provided with temporary jobs and 843 people with permanent jobs, 919 people were trained, 6 people were given soft loans, 25 people took part in programs, and 8 people were provided with welfare services.

The “Procedure for creating and maintaining a database for young people” was approved by a joint order of the NSO, the Family, Child and Youth Development Agency, and the General Authority for State Registration in 2019.

There is a need to implement projects and programs and take measures of sustainable and comprehensive policies and purposes to prepare the youth to be educated, knowledgeable, of profession, physically and mentally healthy, patriotic and responsible citizens, and to provide them with stable jobs, income, housing and property in Mongolia. It is very important to increase young people’s political and social participation, improve governance, and to develop active and responsible citizens as 50% of young people aged 18-25 did not participate in the 2016 parliamentary elections.

The elderly: As of 2020, there are 143,700 elderly people aged 65 and over in Mongolia, of which 39% (56,000) are men and 61% (87,700) are women, accounting for 4.3% of the total population. 45% of the elderly people live in Ulaanbaatar city. The number of single seniors is growing every year, with about 72% of them female and the rest are male. According to the NSO’s renewed 2015-2045 population projection, Mongolia’s population will increase to 5 million by 2045, and the elderly aged 65 and over will account for 9% of the total population and will increase 2.1 times compared to figures of 2020.

The Government is implementing policy measures to actively involve the elderly in social life, guarantee their rights, create a favorable legal environment to support their development, and to improve the quality of their lives. For example, the Law on the Elderly, Law on State Allowances and Benefits for the Elderly with State Merit, and the Law on Pensions and Benefits Provided by the Social Insurance Fund have been revised and being implemented related to the elderly. Pensions and multiple benefits for supporting elderly people’s livelihoods and protecting their health are provided from the Social Insurance Fund and the Social Welfare Fund for all elderly people.

In scope of the “National Program for the Development and Protection of the Elderly” approved and implemented by the Government Resolution with no. 389 in 2019, local administrative organizations and non-governmental organizations are working together to establish and operate elders’ palace, house, or center in their towns, organize physical culture, sports, cultural and art events for the elderly, and to establish and support the activities of interest groups and clubs. Nationwide, there are 21 elders’ palaces, 188 elders’ houses, 18 elders’ centers, and 232 halls, a total of 441 places are operated for the elders.

To promote a healthy and long life of the elderly and not to reduce income security, benefits for the elderly aged 65 and over have been provided twice a year since 2017, with MNT 22.2 billion funding in 2019. The “Elderly Expert Advisory Services Development Program” is being implemented to increase labor participation of the elderly experts based on their requests, create a database and pass on their knowledge and work experience, and to raise the income of the elderly and promote employment of youth by providing opportunity for the elderly to advise using the knowledge and technology to the youth, and a total of 1,092 experts have been involved in the program with funding of MNT 1.1 billion, and 1,027 new jobs have been created.

“Reform Program for Specialized Care Services for the Elderly and People with Disabilities” is being implemented. There are 8 state-funded and 4 private nursing homes nationwide that provide care, rehabilitation and nursing services for the elderly, and more than 450 elderly and disabled people are being cared for in these nursing homes. For rehabilitation care, MNT 110,000 per person benefit is provided from the “Health Insurance Fund”. As of 2019, a total of MNT 3.8 billion was spent on rehabilitation services provided in 28 local and 26 capital city health care

facilities, and 34,326 insured people were covered. For the elderly people, discounted vacation vouchers, assistance in paying apartment rental for elderly people who are single and without caregivers and an honored donor elderly people, monetary assistance for fuel purchase, discount on standard prices for prostheses, orthopedics and special equipment, reimbursement of transportation expenses and vouchers for staying at accredited domestic spas, and reimbursement of one-way transportation expenses for the elderly who permanently resides in a place 1000 km or more away from the capital city come to the capital city and get medical inspection and testing are provided. Moreover, elderly people also have the right to free public transportation regardless of their local affiliation. The “Housing for the Elderly” program covered elderly people, people with disabilities, deprived people, people who have lost their homes due to natural disasters, and people in need of social support with conditions to live on a lease agreement only to cover their operating costs. Initially, 300 apartment units were commissioned.

In some countries, there are organized support groups for the elderly providing services such as voluntary day care and home care services for them, however, there are not much these type of services and activities in Mongolia.

Persons with Disabilities: As of 2020, there are 108,399 persons with disabilities in Mongolia, that accounts for 3.2% of the total population, and 32.8% of persons with disabilities live in Ulaanbaatar. According to the 2020 Population and Housing Census, 55.4% of all PWDs are male and 44.5% are female. According to the census, there are 32,900 (33.4%) of the population with disabilities aged 15 and over considered as a work force, of which 20,000 (60.9%) are men and 12,900 (39.1%) are women. The majority of the workforce of PWDs (46.5%) are of age 25-44.

The Parliament passed the Law on Human Rights of Persons with Disabilities in 2016 with a purpose to recognize and ensure the equal right of persons with disabilities to education, health, employment, social and psychological services, and to encourage their full participation in social relations and equal participation in cultural, artistic and sports events. Additionally, by defining the responsibilities of and measures to be taken by public and private organizations and citizens, a Law on Accessibility is being developed to create an accessible environment for the elderly and people with disabilities to ensure their participation in social relations with necessary facilities and infrastructure. The Minister of Education, Culture, Science and Sports issued an Order A/292 in 2019 to implement the “Procedure for equal enrollment of children with disabilities in secondary schools”.

The Government established the General Agency for the Development of Persons with Disabilities as a government implementing agency within the structure of the state central administrative body in charge of persons with disabilities in 2018, and it was a significant progress in intensifying taking measures for people with disabilities, bringing governmental organizations and NGOs partnerships to a new level, and developing and implementing policies, projects, and programs for people with disabilities. In addition, within the framework of the Law on Human Rights of Persons with Disabilities, the “National Program on the Rights, Participation and Protection of Persons with Disabilities” was approved by the Government Resolution with no. 321 in 2017, and MNT 170 million was budgeted and 18 measures were implemented in 2018.

The National Employment Council approved the “Employment Support Program for People with Disabilities” by the order no. 1 in 2017, spent MNT 5.4 billion for the program implementation in 2017-2019, covered 121,700 citizens, and created 2,103 jobs in 2018-2019. Since 2018, in cooperation with the ADB’s “Project for Ensuring Inclusiveness and Service Delivery for Persons with Disabilities”, Development Center for Children and People with Disabilities was established

in 6 aimags. In Ulaanbaatar, Center for the Development of Children with Disabilities and Rehabilitation Center for Children with Disabilities were opened.

Works are underway to reflect provisions ensuring unimpeded access of persons with disabilities in the Law on the Rights of Persons with Disabilities, Law on Urban Development and the Construction Law, and road and construction designs are being developed in accordance with relevant norms and normative documents. The entrances and exits of the newly built residential complexes, apartment villas in Ulaanbaatar city with wheelchair ramps, installment of braille keyboards in elevators, parking space for persons with disabilities at 3% of entire parking area, paved roads and paths in between building with tactile for blind persons, and handles for persons with disabilities in the corridor of the first floor of buildings are mandatorily planned, and planning and construction are monitored.

The “Regulation for provision of rental apartment to target group of population” approved by the order 26 of the Minister of Construction and Urban Development in 2017 stipulates that the quote for persons with disabilities in the rental apartment will be 5%. For the past period, out of 2,484 rented apartments, 129 persons with disabilities had rented apartments, which was 5.2% of entire tenants.

Out of 1,207 public transport vehicles registered, only 56 (4.6%) have low floors and stairs designed for people with disabilities. The “Program for Air Transport Essential Services” has been approved and implemented by the Government Resolution No. 283 in 2019. The program included the provision to “ensure conditions for the target group citizens (the elderly, people with disabilities, people in need of emergency care, and children under 18 years of age) to travel at a discounted rate on local flights”, and it created a legal environment for discounted air travel for people with disabilities, the elderly and children to receive emergency care and services.

Migrants: As of 2020, 69% of Mongolia's population lives in urban areas and 31% lives in rural areas. 68.9% of the urban population lives in the capital city of Ulaanbaatar alone. According to a study conducted by the International Organization for Migration (IOM) published in 2018, Mongolia's internal migration has been mainly from rural areas to Ulaanbaatar, local population declined, and the capital city, especially the ger areas had overconcentrated over the past 30 years.

According to the 2020 Population and Housing Census, 68.3% of Ulaanbaatar's population were migrated to Ulaanbaatar. Orkhon aimag has the highest number of migrants (7.6% of its population), while Darkhan-Uul aimag has 5.8%, Selenge aimag has 3.9%, and Tuv aimag has 2.9% of migrants. Since 1990, 692,000 people have migrated to the capital from rural areas, increasing share of migrants in the capital city's population from 24.8% to 47.6%. As of today, about 60% of Ulaanbaatar's population lives in ger areas. Most of the migrants have come to the capital city to look for jobs, to improve their living conditions, seek educational opportunities and better health care, or to live with their family members. Due to concentration in urban areas and intensification of mining sector in rural areas, there is an opposite flow where women are migrating to urban areas and men are migrating to rural areas.

The main factors for migration include people's wish to provide better education and health care for their children. “The Project for Formulation of National Comprehensive Development Plan” implemented jointly by MCUD and JICA in 2019-2021, has established that there are ‘push’ factors, and ‘pull’ factors for migration. The push factors prompting migrants to leave their place of origin, may be considered negative factors impacting their livelihood and well-being, and these include the impact of Dzud and loss of livestock, loss of grazing areas, climate change, and financial hardships, or illnesses and health issues. The pull factors which attract the migrants to

move to a new destination, usually a city and particularly the capital, Ulaanbaatar, may be access to jobs and income, education for children, health care, and compounded family reasons such as joining family members who are already at destination, or illnesses. The qualitative survey indicates that the migrants are comparatively self-aware and skilled in self-management, which may also be traits attributed to ‘nomadic lifestyle.’

Efforts are being made to ban migration to the capital city from 2017 to restrict migration to the city which is increasing demands of housing and social services, and to stop illegal settlements and land ownership. Nonetheless, instead of stopping or reducing the flow of migrants to Ulaanbaatar, this has led to the emergence of “illegal” migrants on the outskirts of the city, further expanding ger areas.

One of the long-term negative consequences of internal migration is decline of rural population. On the other hand, more educated and active people are migrating to foreign countries. Thus, potential efforts and contributions for the national and local economy of these people are being lost. IOM and SDC recommend to improve conditions in the country, and ensure return of these people in the future with the skills, experience and knowledge they have acquired.

Policies addressing the issue of migrants, especially for newcomers to Ulaanbaatar, are still being developed. According to the “Migration Management Capacity Building Program” in Mongolia, there is a lack of a comprehensive migration policy that integrates internal migration into policies, sectoral and national development plannings, and serious economic, social and environmental problems are emerging in rural and urban areas of Mongolia.

1.1.1.4. Ensure access to public spaces including streets, sidewalks, and cycling lanes

Within the framework of the objectives set forth in Paragraphs 37 and 100 of the “New Urban Agenda”, the “Mongolia’s Sustainable Development Vision-2030” states “To build a healthy, safe and comfortable living environment for citizens, to develop urban development in a sustainable way in line with world-class green development”, for 2016-2020 “to develop green urban development standards, to create infrastructure in line with green development model, and to increase the percentage of green areas to 15%”, “The Action Program of the Government of Mongolia for 2016-2020” sets objectives to “Pursue a policy to increase three-fold the green areas of Ulaanbaatar city and aimag centers”, “Implement “Street” and “Bicycle Road ”sub-programs in line with the general development plan of Ulaanbaatar city”, “Within the framework of improving Ulaanbaatar city’s clean water supply it is envisaged to increase the flow level of the Tuul, Selbe and Dund rivers and create along the shore comfortable areas for cultural and recreation activities”, and “Install cameras in streets and squares of Ulaanbaatar city, aimag centers and other large settlements and improve the protection of citizens from criminal attacks and violations”.

Within the framework of implementing the above objectives, we are working to improve other relevant laws, norms and normative documents such as the Law on Urban Development, the Law on Housing, the Land Package Law, and the “City and Town’s Planning and Construction Norms and Rules”. In addition, the share of green space should be increased to 15-20% in the capital city, aimag and soum center general development plans or Master plans, detailed Master plans and construction area detailed project urban development documents, while infrastructure should allow the accessibility of people with disabilities and also sidewalks, bicycle roads, parking lots, lighting and fountains are planned and reviewed by experts.

Due to the rapid urbanization of Mongolia over the last 20 years, the number of green areas in the capital city Ulaanbaatar and other cities and towns has decreased as green space of the capital city Ulaanbaatar has been destroyed during the construction activities and no renovation activities have been done after construction of roads, buildings, and underground utilities. Urban landscaping activities focus only on the maintenance, and rehabilitation of existing green spaces, while new green spaces do not meet the growing needs of the population. In addition, these works have been not sufficient due to a lack of professional organizations for regular maintenance of green spaces, dedicated funding, capital resources and management.

During the implementation of the “Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030”, a total of 1,852.68 hectares of green spaces are planned to be created in Ulaanbaatar city. As of 2020, 40.4 hectares of land for public use, 122.4 hectares for maintenance, 1.2 hectares for special needs, 16 hectares for green spaces and a total of 180 hectares for the greenery have been newly increased, bringing the per capita green spaces to 5.1 m². The Ulaanbaatar city Mayor’s office is supporting ger area households to plant trees and establish greenery in their backyards, and aims to increase the amount of green spaces per capita to 8 m² by 2025. According to the Resolution of the Capital City Citizens' Representative Hural of 2019, the “Ulaanbaatar City Green Planning and Gardening Master Plan -2030” has been approved and implemented. We are working to build a network of the green zone along the Tuul River, which flows through Ulaanbaatar city, and the Selbe, Uliastai and other small river valleys. Areas unsuitable for living and protection of rivers and streams are being cleared of existing settlements, and trees and forests are being planted to establish gardens and natural green areas. With the introduction of the ISO 9001: 2016 quality management system standard in urban landscaping and greenery management for the first time, planning, execution and control have become a part of the daily activities of contracted enterprises and organizations.

Within the framework of landscaping works on public lands in the capital city, a total of 916 landscaping planning assignments and 468 landscaping design drawings were approved for 2017-2020 in response to requests from citizens, businesses and government agencies. An 84 hectares “Tuul River Recreation Complex” was designed to create a comfortable and proper environment for citizens to relax, go for a walk and spend their free time.

A survey on the micro-landscaping with groves was conducted in 157 locations in 9 districts of the capital city where no landscaping and greenery are built, soils are loose and degraded by human footprints, and rainwater is largely collected and made micro-landscaping with groves at 38 locations. Within the framework of creating conditions for physical education and sports for the citizens of the capital city, 59 new sports grounds, 228 sports and fitness areas, 31 micro-parks with green areas, 10 bicycle paths and 69.4 km of walking lanes are being built.

To increase the share of urban green spaces to 15%, new national and city, district and microdistrict parks have been built in cities and towns, for example, in the capital city Ulaanbaatar, the “National Park” was established covering more than 320 hectares (<https://park.ub.gov.mn/>) and 10 existing parks and gardens, and the “Nairamdal” park in Choibalsan, the center of the Eastern region, and “Galba” park in Dalanzadgad, the capital of Umnugovi aimag and “My Mongolia” park (44.5 ha) in Darkhan city, the center of Central region were renovated.

In the territory of the 19th khoroo of Chingeltei district of the capital city, the culture, sports, recreation and tourism complex “Erdmiin Tsetserlegt Khureelen” was established. This is a large-scale construction development with 80,000 hectares of green areas with more than 70,000 trees and shrubs of more than 30 species. In the future, a wide variety of trees will be continued to be planted in the part which will be developed into a Botanical Garden with awareness-raising value

for children and youth (See Figure 1).

Figure 1. Erdmiin Tsetserlegt Khureelen



As part of landscaping work, fountains, recreation areas, sidewalks, and sports grounds are being renovated while creating bicycle roads and installing cameras as well as lights and outdoor areas are being improved, and cemeteries are being planted in steps every year. By the Decree of the President of Mongolia in 2010, the second Saturday of May and October of each year has been declared as “The National Tree Planting Day”.

Figure 3. Roads built in aimag centers



Figure 2. Old and new streets of Zuun ail area in Ulaanbaatar

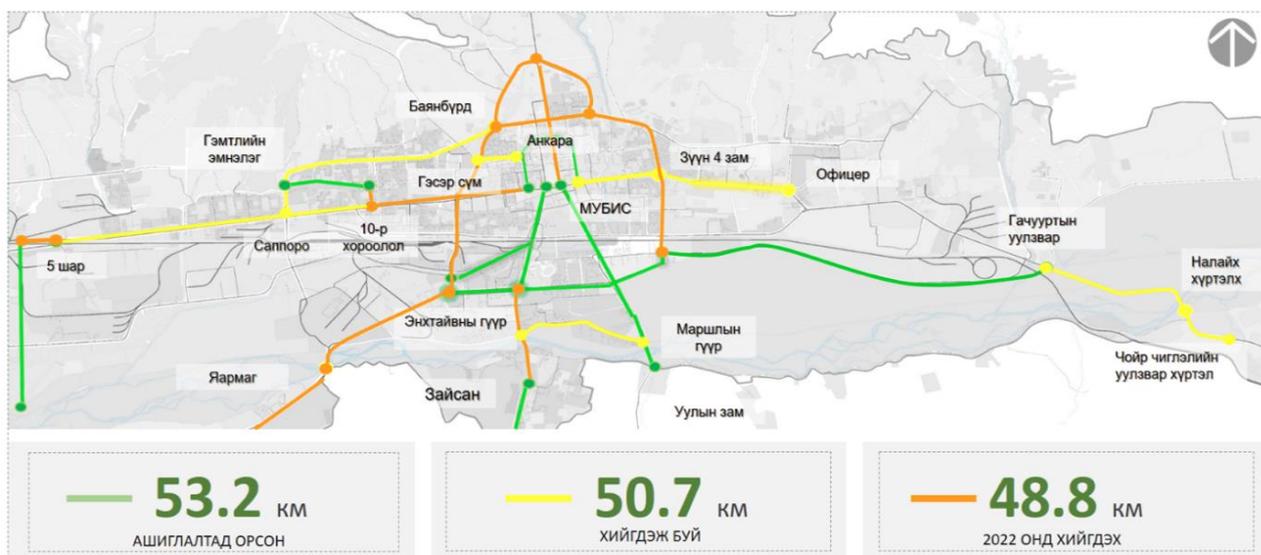


According to the Government Resolution No. 196 of 2016, the “Street” project implementation unit was dissolved and transferred to the “Development Guide-Infrastructure” project. Within the framework of this project, “Border Port”, “Aimag Center” and “Street” sub-projects are being implemented by the funding of the government securities, foreign loans, aid and other sources. Within the framework of the “Street” sub-project, the remaining work of the “Street Project” and the construction of the Tuul Expressway needed to be completed, and the

ger district road network “Ikh Toiruu” program, the ger area improvement project near Gandan Tegchinlen Monastery, “Green Ulaanbaatar” program and “Improvement of Tuul and Selbe areas” project are being implemented. (<http://diip.mn/gudamjtusul>)

Within the framework of the “Bicycle Road” sub-program, a bicycle road design was developed in the downtown of Ulaanbaatar city and along the Selbe and Tuul rivers. 53.2 km of bicycle roads were built in Ulaanbaatar city and commissioned in 2020, and 50.7 km of bicycle roads are under construction (See Figure 4).

Figure 4. **Bicycle road in Ulaanbaatar**



According to the Decree of the Governor of the Capital City, a working group was established to eliminate the obstacles that block the movement of pedestrians on public streets, roads and squares, and a detailed study of the locations that obstruct pedestrian traffic was conducted. For more information on good practice of these projects and programs, see Appendix 136.

1.1.2. Access to adequate housing

1.1.2.1 Ensure access to adequate and affordable housing

Mongolia is aiming to implement Paragraph 33 of the “New Urban Agenda”, which stated that “we commit ourselves to stimulating the supply of a variety of adequate housing options that are safe, affordable and accessible for members of different income groups of society, taking into consideration the socioeconomic and cultural integration of marginalized communities, homeless persons and those in vulnerable situations and preventing segregation. We will take positive measures to improve the living conditions of homeless people, with a view to facilitating their full participation in society, and to prevent and eliminate homelessness, as well as to combat and eliminate its criminalization”.

3.7% of 897.4 thousand households live in apartment buildings with connections to engineering infrastructure, 29.1% live in housings without engineering infrastructure, and 38.2% of the households live in gers according to the 2020 Population and Housing Census.¹ Ger is Mongolian traditional dwelling. One of the distinguishing features of our cities and towns is their “ger areas/districts”. Mongolian ger was registered as an architectural heritage of Asia in 2010. The ger is designed to be suitable for nomadic lifestyle, and we are working to find the best solution to integrate them in urbanization (See Figure 5 and 6).

Figure 5. Apartment and ger areas of Ulaanbaatar city



Figure 6. Mongolian ger



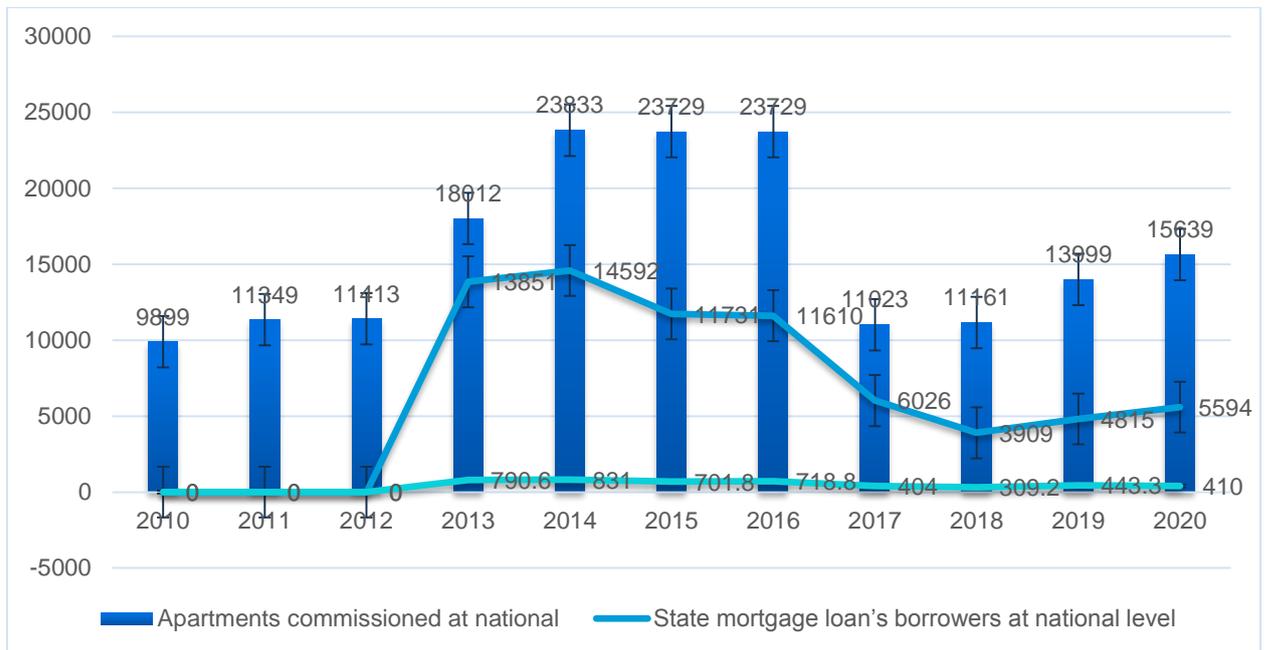
About 15,415 households' apartments were constructed a year from 2017-2020 at national level which was decreased by 20.2% from 2016.² It is directly linked to the reduced mortgage

¹ Population and housing census of 2020

² Mongolian Statistics Yearbook 2020

financing in 2016 due to economic decline. Consequences of COVID-19 pandemic, shortage of construction materials due to border closing, price rise, and slowing of construction, are also associated with this problem. However, the number of apartments to be constructed is expected to increase with the government's initiatives to increase mortgage financing.

Graphic 1. **Number of apartments commissioned at national level (2010-2020)**



Source: Housing and Finance Division of the MCUD

Although many apartments are being constructed and put into use, there is a shortage of affordable housing for low and middle-income people. Therefore, considering the need of temporary housings for people with disabilities, the elderly without a person to care for them, orphaned children and young people, people who left homeless due to natural disasters, young families who are starting their lives together, and students and young people who are temporarily working and studying in new cities and towns, the “Rental Housing Program” and the action plan to implement the program were approved by the Government Resolution with no. 248 in 2015 and are being implemented for the period of 2015-2021 to establish the “Rental Housing Fund” and to improve housing supply and conditions. Revisions were made to the program conditions such as rental housing for one family owned by the state and local government shall meet the requirements of building codes and norms, provide an accessible environment for people with disabilities, have a complete engineering infrastructure supply, and shall be an apartment unit of up to 70 m² space with a living room, bedroom, kitchen, and bathroom by the Government Resolution with no. 169 in 2016. For private owned rental housings, a limit of apartment unit area shall not be set, and the minimum area shall not be less than 30 m².

In addition, the “Regulation for Owning Rental Housing” which prohibits transferring the apartment units which are put into use in scope of the program to others or pledging them in other forms which are not regulated by the regulations of subleasing or owning the rental housing was approved by the Government Resolution with no. 138 in 2019. The regulation sets different quota for young families, civil servants, employees of private sector, single parent households with four or more children aged from 0-18, retired seniors, people with disabilities, and people affected by natural disasters to live in rental housings in Ulaanbaatar and local cities and towns.

Figure 7. “Khangai” apartment town



Figure 8. “Buyant-Ukhaa-2” housing district



According to the Government Resolution with no. 216 in 2019, in addition to the rent, the tenant will pay for the apartment units built with the state and local budgets and the “Local Development Fund” in installments for a period of up to 5 years, and for apartments built by foreign and domestic loans, grants, and by private sector for a period of up to 15 years on monthly basis to purchase and own their rental apartments.

In Ulaanbaatar, 44% of apartments units of 223 household “Khangai” apartment town and 564 household apartments in “Buyant-Ukhaa-2” housing district were commissioned for rent, 56% were commissioned for rent to own purposes, and 57.6% of 736 household apartments in 6 aimags were commissioned for rent, and 42.4% of the apartments units were commissioned for rent to own purposes (See Figure 7 and 8).

To implement provisions of the “Action Program of Government of Mongolia for 2016-2020” to develop an integrated policy aiming to meet the population’s housing needs and implement the national program on “Affordable Housing”, and improve scope and accessibility of the mortgage loans, by easing its terms and conditions, and adopting the policy for multi-choice loan programs, the Government of Mongolia approved the “State Policy on Construction Sector” in 2019. In accordance with the objective “Improve environment and conditions for citizens to live comfortably by increasing the supply and quality of housing, public utilities and engineering infrastructure” set out in this document, relevant projects, programs and actions are being implemented.

In scope of a goal to improve housing supply and conditions for the target groups in need of state support, the “Nogoonnuur -1,008 household apartment” project, “Solongo-1” and “Solongo-2” projects, the “Bayangol valley” project, and the construction of housing districts for a total of 10,000 households in the sub-centers are being implemented in Ulaanbaatar.

In recent years, many apartments are being constructed and put into use, but there is a shortage of affordable housing for low and middle-income people. To tackle this issue, the National program “150 thousand households-Housing” national program has been approved by the Government Resolution with no. 202 in 2019 and is being implemented to offer apartments connected to full engineering infrastructure that meet the purchasing power of majority of households living in urban areas, suitable for Mongolia’s climate, and meet hygiene and safety requirements. Objectives to improve housing financing system and legal environment, intensify activities aimed at developing housings into comfortable ger, detached or public housing housings

connected to environmentally friendly and low-cost engineering infrastructure through participatory re-planning of ger districts in accordance with the city and town's Master plan and detailed Master plans, promote supply of natural resource-efficient, low-emission and green housings, and to improve housing supply and conditions for the target groups in need of state support are stipulated in this program to be implemented from 2019-2023.

1.1.2.2 Provide access to sustainable housing finance options

In the Paragraph 46 of the "New Urban Agenda" has stated that "we commit ourselves to promoting the role of affordable and sustainable housing and housing finance, including social habitat production, in economic development, and the contribution of the sector to stimulating productivity in other economic sectors...". The objective to "improve scope and accessibility of the mortgage loans, by easing its terms and conditions, and adopting the policy for multi-choice loan programs" was set out in the "Action Program of Government of Mongolia for 2016-2020".

There are many people who want to buy an apartment on the demand side of the housing market, and on the supply side, new apartments are being built to meet their needs. Average salary in Mongolia is about MNT one million, and households do not have the financial capacity to purchase an apartment worth an average of MNT 100 million. People buy apartments with mortgage loans, commercial banks' housing loans, as well as individual leases offered by construction companies in Mongolia.

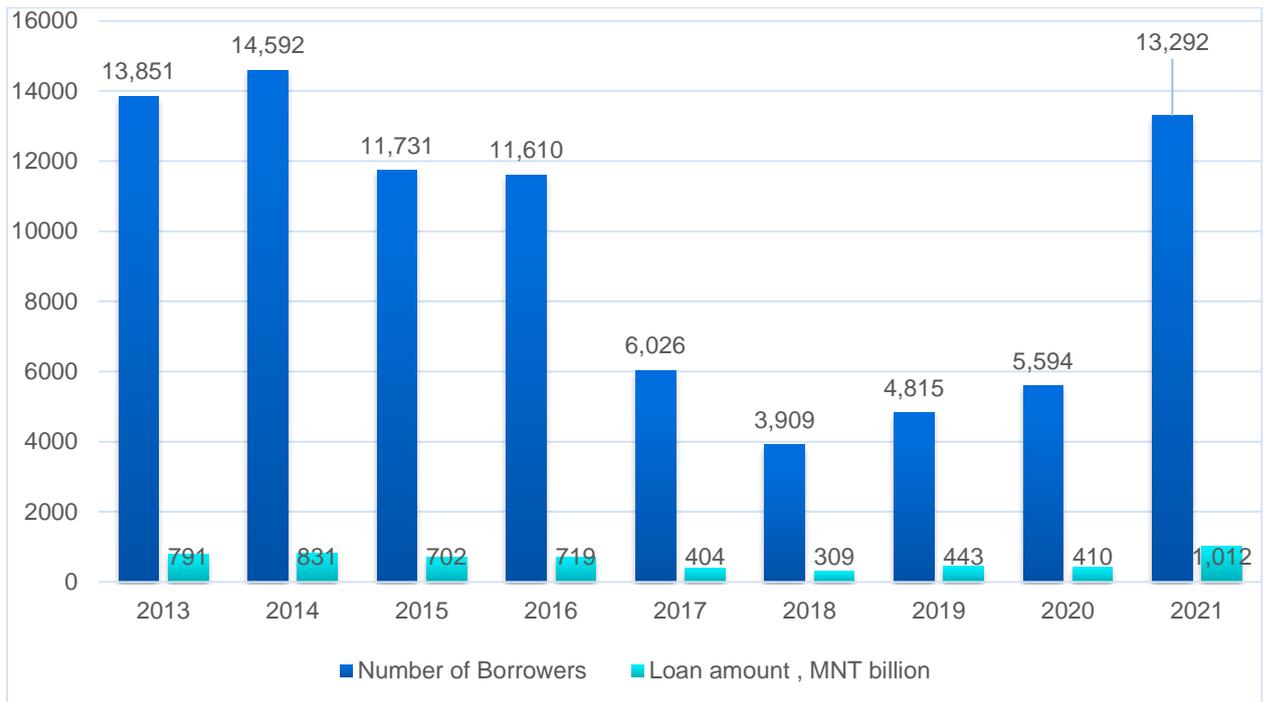
Mortgage loan: The Bank of Mongolia and the Government jointly implemented the "Program for Creating Sustainable Housing Financing System" since June of 2013. In the past, a total of about 100,000 households have been covered by the program in duplicated numbers, and a total of MNT 5.4 trillion has been allocated for the program. During the implementation of the program, a total of 25,000 households that lived in ger areas purchased apartment units with mortgage loans, 15,000 households moved into apartments in local cities and towns, and 11,000 households' loan interest payments were decreased with a decrease of MNT 290,000 on average for monthly payment. The Government has given priority to housing citizens and has been taking relevant decisions, one of which was reducing the interest rate of mortgage loans from annual interest of 8% to 6% by the Order A-392 of Governor of the Bank of Mongolia in 2020. As a result, borrower's monthly repayment and the minimum household income required by the loan requirement decreased by 18.3% respectively, more access to low-income households for mortgage loans was ensured, debt burden in times of pandemic was reduced, household livelihoods were improved, and credit risk was reduced. In Mongolia, lending mortgage loans has been increasing, but there still is a need to increase the number of people qualifying for mortgage loans or household income. On average a year, about 20% of households that moved into a new housing received mortgage loans, and the remaining 80% had housing through other means of financing. General conditions and requirement of mortgage loans were amended as follows: ³

- Interest rates for mortgage loans issued before October 1, 2020 is 8% per annum,
- Mortgage loan term is up to 360 months,
- Down payment is not less than 30%,
- The area of apartment unit to be purchased shall not exceed 80m²,
- Mortgage loan amount shall not exceed MNT 100 million,

³ "Regulation on mortgage financing" approved by the Order A-295 of the Governor of the Bank of Mongolia in 2016

- Interest rates for mortgage loans issued after October 1, 2020 shall be 6% per annum⁴.

Graphic 2. **Mortgage loan lending from 2013 to 2021**



Source: Housing and Finance Division of the MCUD

Commercial banks' housing loans: Commercial banks offer a wide range of loans, including loans for purchasing simple and luxury apartments, and for purchasing and building houses and detached houses with land. Most banks require at least 20-30% of the price of the apartment to be paid in advance, and provides loans for 10-20 year terms. The Government has decided to reduce the mortgage interest rate to 6%, and the Bank of Mongolia and commercial banks have issued MNT 814.6 billion in loans to 11,043 borrowers by the end of 2020.

Construction companies' leasing: If the borrower has additional income coming from a business or other sources, they can buy an apartment on a lease offered by the construction companies. However, this type of loan has a high monthly repayment rate and requires a down payment of 30-50% making most households unqualified. Loans can be a smart investment if people can calculate their financial income and expenses in advance and prevent risks.

New type of mortgage loans for civil servants: The Parliament approved a resolution on measures to ensure financial and economic stability, prevent risks, and make digital transition for public services during the COVID-19 pandemic in 2020. In accordance with the Objective "in scope of launching a new mortgage loan product for civil service and special servants, develop and implement a rent-to-own program and increase access to mortgage loans" set out in the resolution, a total of 1,177 civil servants were provided with apartments worth of MNT 99.9 billion in 2020-2021, of which 1,025 were in the capital city and 152 in rural areas according to Government Resolution with no. 185 of 2020.

⁴ "Regulation on mortgage financing" approved by the Order A-392 of the Governor of the Bank of Mongolia in 2020

Table 4. Newly commissioned apartment buildings

Indicators	2017	2018	2019	2020
Apartment buildings commissioned at national level (number of households)	11023	11161	13999	15639
Borrowers who received state mortgage loan at national level	6026	3909	4815	5594
Mortgage loan given at national level (billion MNT)	404.00	309.20	443.30	410.00

Source: Housing and Finance Division of the MCUD

In 2017, the Bank of Mongolia conducted a study on “Mortgage loan system: Comparisons of international practices”, compared Mongolia's mortgage loan and financing with other countries’, and measures such as providing government support for mortgage loans through subsidies for interest for short-term, directing incentives to low-income households, bringing interest rates to market level by changing the terms of loan products, introducing a medium and long-term contract savings system, developing the rental market, and introducing mortgage insurance were recommended to address the issue of sustainable financing of mortgage loans in Mongolia based on international mortgage terms and best practices.

Within the framework of above measures, 4,007 rental apartments of the “State-owned Housing Fund” which was established in scope of the program implemented since 2015 to provide affordable rental and rent-to-own scheme housing were provided to the target groups. In the future, measures such as developing/increasing the fund, developing rental housing market, increasing housing opportunities for target groups, and intensifying land acquisition for ger area redevelopment and other development measures need to be implemented.

1.1.2.3 Support security of tenure

Within the framework of the objective set forth in the paragraph 35 of the “New Urban Agenda” that “We commit ourselves to promoting appropriate level of government, including subnational and local government, increased security of tenure for all, recognizing the plurality of tenure types, and to developing fit-for-purpose and age, gender, and environment-responsive solutions within the continuum of land and property rights, with particulare attention to security of land tenure for women as key to their empowerment, including through effective administrative systems”, the “Mongolia’s Sustainable Development Vision-2030” states “Improve the legal environment for urban and land development based on the extant human settlements systems” and the “Action Program of the Government of Mongolia for 2016-2020” states “Create general land policy framework and improve the legal regulation of land utilization, possession and ownership”, which are detailed in the Action plan to implement the program that “Establish an electronic system of services and inquiries on land administration”, “Transform the aimag and capital city land cadastre database into a high-reflectivity integrated system, connect it to the state cadastre information system and introduce it into the service” and “Increase the range of services provided by the government in electronic form” and “Improve the legal regulation of land relations and create conditions for turning land into economic asset”, and these are being implemented.

In order to improve the legal environment of land relations and to harmonize it with the amendments of the Constitution of Mongolia and other relevant laws, a working group has been established by the Order of the Minister of Construction and Urban Development in 2019 to draft

the revised Law on General Law on Land, revised Law on Land Fees, revised Law on Geodesy and Cartography, revised Law on Cadastre, revised Law on Ownership of Land by Citizens of Mongolia and Law on the National Spatial Infrastructure and Law on Land Acquisition for Social Needs respectively.

For 2016-2020, “The National Program for Mapping Mongolia”, “The National Program for Land Status and Monitoring”, “The National Program for Land Management to Support Sustainable Territorial Development”, “The National Program for Establishing a Multi-Purpose Cadastre System in Mongolia”, “The National Program for Implementing Government Electronic Archives and Services” and “The National Program for Establishing National Spatial Data Infrastructure” have been implemented. In addition, the “National Land Management Plan of Mongolia” was revised and approved by Government Resolution No. 384 of 2018 for implementation.

The “National Land Management Plan of Mongolia” is being revised and approved by the Government Resolution No. 384 of 2018. According to the plan, a total of 11 goals, 86 activities and 526 products were planned. MCUD and ALAMGaC are managing and implementing an integrated electronic land cadastre information system covering 21 aimags and 330 soums to map and register parcels related to land ownership, possession and use rights, and certify on behalf of the government to maintain the values. By placing a backup of the Integrated Land Management System in the “National Data Center” and connecting it to the “DAN” identification and access system, citizens, business entities and organizations, regardless of space and time, can use the information on their land or cadastral maps, contracts, certificates, and ordinances verified with a QR code and made available electronically, and digital signatures have been introduced for use in land cadastre databases.

A system with the same standard data as the “Land Cadastre Database” data was established and connected to a national network. The software of the database provides an opportunity to receive and resolve more than 401 types of applications, issue more than 60 types of reports and information, automatically conduct 15 types of inspections and issue land ownership, possession and use rights by the general land management plan and handle applications on time.

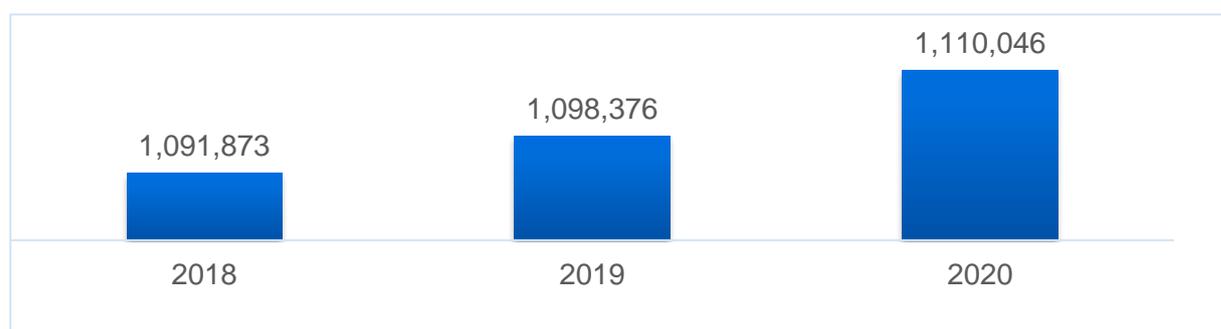
In order to digitalize public services and develop e-governance, the government has organized the activities to connect products and services of the land sector to the integrated portal system www.e-mongolia.mn. As a result, citizens have access to certified information and inquiries related to land from a variety of sources, regardless of space and time. As a consequence of the nationwide introduction of the “Integrated Land Cadastre Database” and the development of an electronic public information system (egazar.gov.mn), citizens can obtain all types of land-related information from a single proven source and a total of 618,265 accesses were registered by 2020. The “Procedure on the Operation of the Integrated Land Cadastre System” approved by the Order A / 181 of the Chairman of ALAMGaC in 2020 is being followed by the aimag LaCUDD, land officers of 330 soums and LMDs of the the capital city and districts. As of 2020, 138,370 new parcels and 20,637 buildings have been registered in the “Land Cadastre Database”.

To bring closer land administration products and services to the citizens, a mobile application called “egazar” was developed on Android and iOS platforms and launched in November 2020. Using the application, citizens have the opportunity to receive services starting from voting for the general land management plan for the year to getting 18 types of services without going to the local land office in person. A total of 5,304 users have been using the application since its launch.

ALAMGaC organizes an auction for land ownership and possession, and a tender for land possession projects nationwide in accordance with the “Procedure for conducting auctions for land ownership, possession and use” and “Procedure for selecting land possession, use and projects”, approved by Government Resolution No. 10 of 2016, “On land valuation districts, grades (zones), baseline valuation and land fee”, approved by Government Resolution 182 of 2018 and “Methodology for Determining the Initial Auction Price of Land Possession and Use Rights”, approved by Order No. 208 of the Minister of Construction and Urban Development in 2018.

As of 2020, a total of 7981268.27 hectares of land nationwide has been allocated to citizens, business entities and organizations for ownership, possession and use. Of this, 65836.28 hectares are owned, 7573997.47 hectares are possessed and 313970.73 hectares are in use. In addition, Mongolian citizens, business entities and government organizations who are using the land owned by others use 27.463.79 hectares of land..

Graphic 3. Number of land owners, possessors and users (2018-2020)



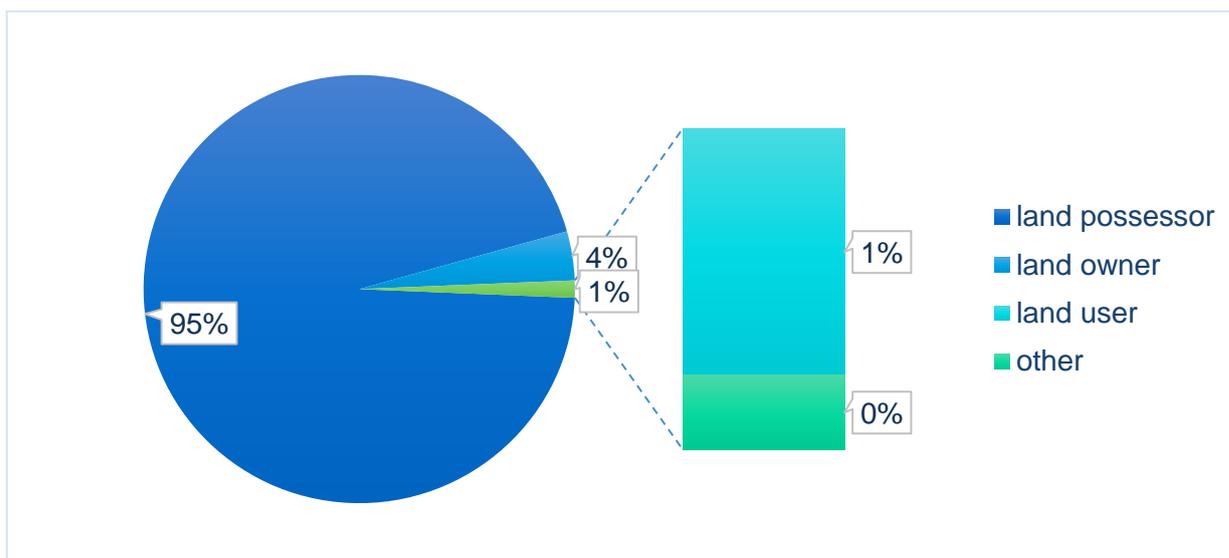
Source: ALAMGaC

As of 2020, there are 1,110,046 land owners, possessors and users nationwide. 177,344 citizens, legal entities and organizations own, possess and use land in agricultural land, 932,484 in cities, villages and other settlements, 3,133 in roads and networks, 4,444 in forest lands, 68 in water lands and 1,573 in state special needs lands. Of these, 4,920 land rights were used as security for the mortgage loan from banks and financial institutions. According to the GASR survey, 32,612 Mongolian citizens used their land as security for the loan of banks and financial institutions, and a total of 37,532 parcels of land (land possession and ownership rights) or 4.7% of all parcels were used as security for the loan of banks, financial institutions, citizens and legal entities.

Though the term of the Law on Ownership of Free Land for Family Use to Mongolian Citizens expired on May 1, 2018, the Parliament of Mongolia decided to extend the Law for 10 years. In 2018-2020, land possession rights of 11,851 citizens for 669.4 hectares of land were transferred ownership rights for family use in 9 districts of the capital city.

The establishment of an “Integrated Land Management System” has been underway since 20 to transfer the activities of the ALAMGaC to an electronic system.

Graphic 4. Number and percentage of land owners, possessors and users



Source: ALAMGaC

1.1.2.4 Establish slum upgrading programmes

Within the framework of the objectives set forth in Paragraphs 25, 27 and 28 of the “New Urban Agenda”, the “Mongolia’s Sustainable Development Vision- 2030” sets an objective to “Develop the autonomy of cities and towns, implement major urban development projects and programs, build roads and engineering infrastructure, create a healthy, safe and comfortable living environment for citizens, and sustainably develop urban development in line with world-class green development trends” for 2016-2020 “... Redevelop Ulaanbaatar and other cities and settlements, ...”, while the “Action Program of the Government of Mongolia for 2016-2020” sets an objective to “Create conditions to reduce air pollution level by renovating buildings, implementing projects and programs under the re-planning of ger areas within the framework of the development strategy of Ulaanbaatar and other major cities”.

The Law on Urban Development and the Law on Urban Redevelopment define “Ger area” as settlements with gers and houses in urban areas that are not fully provided with engineering and infrastructure. The term “Slum” included in the “New Urban Agenda” is similar to the “Ger area” in Mongolia.

Although a new legal framework for urban development and land relations has been in place in Mongolia since the 1990s, the expansion of Ger areas in urban areas has been largely unplanned due to the neglect of urban redevelopment and land reorganization. In particular, in the last 20 years, 15 new ger districts have been created in unplanned areas of the capital city Ulaanbaatar since 2000 due to the migration from rural to urban areas. The number of households increased by 19,796 in 2005-2010 and 29,465 in 2010-2015 but decreased by 1,380 in 2016 and 865 in 2017, reaching 215.2 thousand households, which is 55.7% of the total population of Ulaanbaatar. Of the 215.2 thousand households living in Ger areas, 102.9 thousand live in Mongolian gers (yurts), and 110.1 thousand live in hand-built houses without designs and engineering facilities (See Figure 9). (Source: Economic and social situation of the capital city of Mongolia- 2017, Capital City Statistics Office)

Figure 9. The general condition of Ger areas in Ulaanbaatar

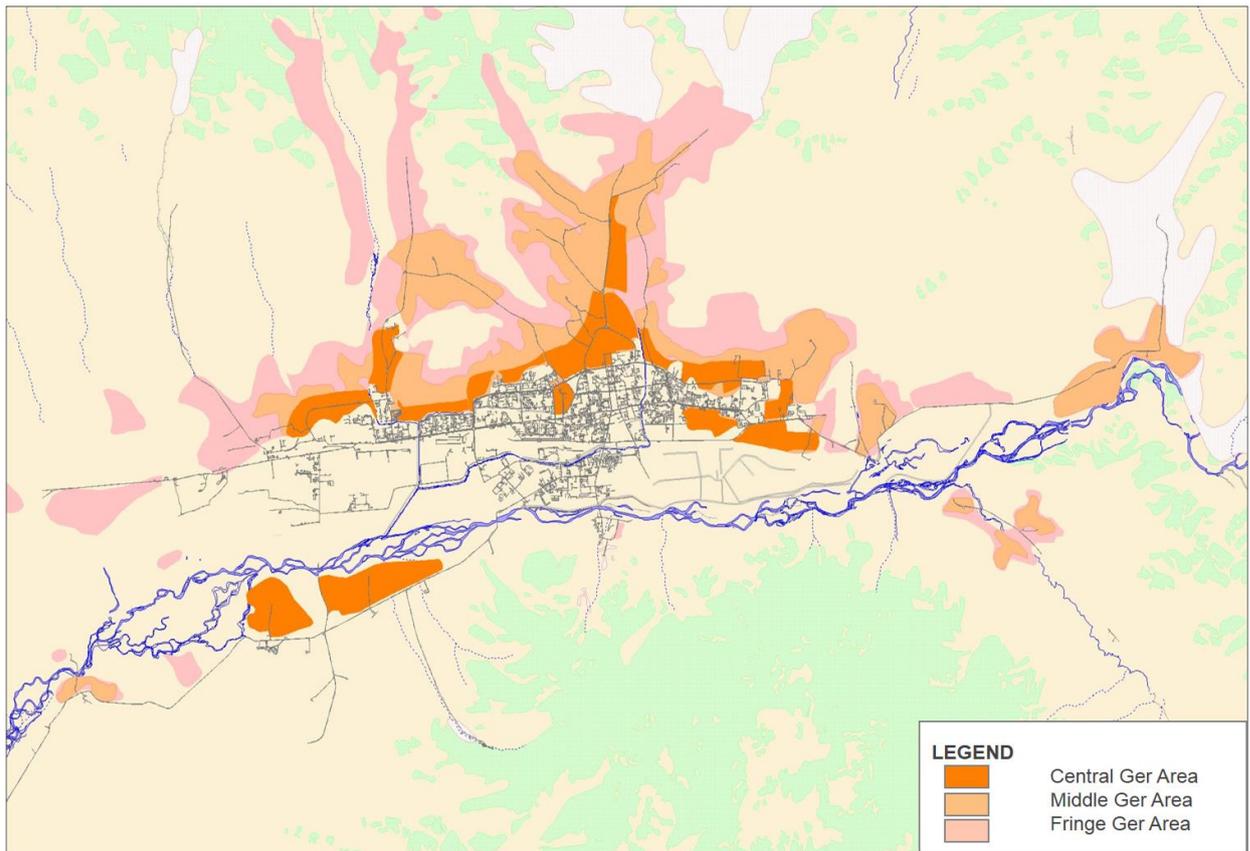


In urban areas, environmental pollution is increasing year by year, for example, in Ulaanbaatar, about 60% of the population lives in Ger areas, the majority of households are not connected to central water and heating systems, and the air, soil, and underground water pollution impacts on water quality and environmental safety, which adversely affects human health. As a result, the human right of Ger area residents to live in a healthy and safe environment has been violated, the risk of natural disasters has increased, access to social and infrastructure services has been uneven, and the quality of services has been inadequate.

In 2015, the Parliament adopted the Law on Urban Redevelopment. The purpose of the law is to ensure that the right of Mongolian citizens to live in a healthy, safe and favorable environment is based on the principle of “public interest and public participation”. As the law states, for the project implementation, stakeholders participate in project planning and decision making and consult with land and real estate owners and possessors, while for the urban redevelopment activities, it regulates relations arising in connection with re-planning and redevelopment of built-up areas and public lands, demolishing buildings that do not meet operational requirements and building new ones and land readjustment in Ger areas. To implement this law, “Procedure on Compensation for Urban Redevelopment” and the “Procedure for sharing the lands by owners and possessors to redevelop Ger areas” were approved by the Government Resolutions No. 222 and 341 of 2018 and “Land Valuation Constituency, Rank (Zone), Baseline Valuation and Land Fee” by the Government Resolution No. 182. By the Order of the Minister of Construction and Urban Development for 2016-2020, more than 10 rules, regulations, models and methodologies, such as “Tripartite agreement template for urban redevelopment project participants”, “Procedure on Ger area re-planning and redevelopment”, “Procedure on Ger area’s land readjustment”, and “Valuation methodology for land and real estate compensation” were approved and enforced.

Within the framework of the “Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030” approved by the Parliament Resolution No. 23 of 2013, Ger areas can be classified as central, middle and peripheral areas. Redevelopment of the central Ger areas that can be connected to the central engineering network has been planned with high and medium-rise constructions while middle Ger areas with low-rise constructions, connecting to the partial engineering networks and peripheral Ger areas are planned to be reorganized with independent infrastructure by stages (See Figure 10). We also plan to develop suburban khoroos, remote districts, satellite cities and towns in a balanced and intensive manner, establish new settlement zones, decentralize Ulaanbaatar city and reduce the size of Ger areas.

Figure 10. Three zones of Ger areas of Ulaanbaatar



Source: Ulaanbaatar Design Institute, 2013

In the central part of the Ger area, ger area re-planning and redevelopment project; in the middle zone “Infrastructure Center” project to introduce partial and independent engineering supply to 200-300 households; projects and programs to introduce renewable energy and new advanced technologies in peripheral areas; Ger area’s land readjustment project; and projects and programs of international organizations are being implemented. For more good examples of projects, such as Ger area re-planning and redevelopment project, and Ger area’s land readjustment project, see Appendix 136.

As of the end of 2020, 1,889 households have been freed of their lands for housing, infrastructure, engineering and road construction, and 10,287 apartments have been commissioned in the central region as part of Ger area redevelopment projects launched in 2013 in Ulaanbaatar. Of these, 1,484 households moved into apartments from ger districts 192 households lived in rented apartments and 185 households in temporary housing, and 30 households sold their land and real estate. In the middle zone, the “Infrastructure Center” project to connect the central infrastructure network to ger area households has been implemented in three locations, connecting more than 600 households. As part of the ger area redevelopment project, external utilities were constructed in 30 units in 18 locations in the six central districts. From the state and capital city budgets, MNT 121.4 billion was spent in 2013-2016 and MNT 50 billion in 2017-2020 to finance external engineering networks (Ulaanbaatar Housing Infrastructure Department, 2020, [http://www.hia.ub.gov.mn./](http://www.hia.ub.gov.mn/)).

The “Ulaanbaatar Ger Area Development and Investment Promotion Program” project is being implemented with a total investment of USD 106.1 million in 2017-2022 with funding from the Government of Mongolia, ADB and the European Bank for Reconstruction and Development and in 2017-2020, “Bayankhoshuu sub-center” and, “Selbe sub-center” buildings, a kindergarten

for 240 children, Business incubator, Vocational training and production center, Flood protection canal work, Heating plant and pipe extension, road and engineering network construction works were completed. Funded by ADB, Climate Green Fund, the “Ulaanbaatar Green Affordable Housing and Resilient Urban Renewal Project” (AHURP), aimed at developing a total of 100 hectares of land in Ulaanbaatar's ger districts into 20 "Eco-districts" and providing housing for 10,000 households was launched in 2020.

Within the framework of implementing the Government Resolution No. 214 of 2016 on “Measures to be taken in connection with electricity tariff discounts for ger area households in the capital city”, the Ministry of Energy and the Ulaanbaatar Electricity Distribution Company are implementing projects to gradually introduce European standard equipment to substations and transfer electricity distribution networks to automatic systems or smart grids.

To reduce soil erosion in ger areas, the ADB-funded “Eco-Sanitation Project for Households” was implemented by the Ministry of Environment and Tourism in 2017-2020. Within the framework of the project, a total of 3000 eco-sanitary facilities were installed in the 12th khoroo of Chingeltei district, 27th khoroo of Bayanzurkh district, 6th, 7th and 40th khoroo of Songinokhairkhan district, and 27th khoroo of Bayanzurkh district.

As a result of the ger area redevelopment project launched in the aimags within the framework of “150 thousand households-Housing” national program approved by the Government Resolution No. 202 of 2019, a total of 664 public apartments and 30 private apartments were commissioned in 2020. “Ger area reorganization project implemented in 50 locations and connecting 13,500 households with full engineering facilities” was implemented in 39 locations in the aimag level, and achieved a total of 2,526 households to be accessible to the engineering infrastructure. Within the framework of the “Support for soft loans and foreign investment for project implementing companies in the implementation of ger area redevelopment projects”, the Development Bank of Mongolia (DBM) has issued a total of MNT 246.6 billion in loans for housing projects, of which MNT 206.9 billion has been disbursed to businesses.

1.1.3. Access to Basic Services

1.1.3.1. Access to safe drinking water, sanitation and solid waste disposal

The following objectives are set forth by the “Mongolia’s Sustainable Development Vision - 2030”: I) “Increase drinking water supply that meets health standards and improve the availability of sanitation and hygiene facilities”; II) “Ensure that 80% of the population is supplied with safe drinking water, and 40% of the population uses improved sanitation and hygiene facilities in 2016-2020”; III) “Improve the planning of cities and urban settlements, enhance the quality of and accessibility to infrastructure facilities, advocate scientific and clean-living habits among the populace, and improve the quality of the environment and waste management systems”; IV) “Increase the area of green facilities in urban areas and settlements to 15% of the total area, increase the amount of recycled waste to 20% of total waste in 2016-2020”. “Action Program of Government of Mongolia for 2016-2020” planned to “Protect water resources, implement integrated management to prevent their depletion and support the introduction of wastewater recycling technology”, “Intensify the work on protecting sources of rivers, streams and springs, collect water from rivers, rain, snow and ice and create water reservoirs and pools to increase water supply” and “Implement step-by-step measures to protect drinking water sources in the capital city and other urban areas and to provide the population with safe drinking water”.

In the framework of efforts to increase the share of the population provided with safe drinking water to 80%, following activities were conducted: As of 2016, the share of the population

provided with safe drinking water was 33%, while in 2017 it reached 50%, in 2018 52%, in 2019 82.9%, and in 2020 83.5%. At the national level, 80.4% of the population has access to adequate water supply services, and 52% of the population has access to safe drinking water connected to the central engineering network.

In Ulaanbaatar, 99.5% of the population has access to adequate water supply services, hence ranking first in the country. 36.8% of the total city population has access to the centralized water supply system, the remaining 25-75% receives water from the water kiosk which are partly connected to centralized drinking water supply system and up to 15% get water from protected wells and portable services. The annual water consumption of all citizens is about 500 million m³. Consumption and usage of water tends to increase with population and economic growth. Currently, more than 80% of water consumption and use in the population, social and economic sectors is provided by groundwater and less than 20% by surface water. Worldwide, the daily water consumption is around 100-105 liters per person, while the average daily water consumption living in apartments in our country is 230-280 liters per person, which is twice as much as the daily consumption in developed countries. Ger area consumers, on the other hand, use 5-10 times less than the world average, or 6-8 liters of water per day.

According to the “Multiple indicator cluster survey” of 2018, 38% of all households in Mongolia are provided with improved, accessible, safe and reliable drinking water, while 31% are not provided with basic sanitation services. According to the WHO and UNICEF Joint Monitoring Program (JMP) in 2019, 23% of all schools do not have basic access to hand washing with soap, making it difficult to maintain hygiene during a coronavirus infection (COVID-19) pandemic. 74% of schools have access to safe drinking water and 63% have access to sanitation.

The following measures were implemented in 2016-2020 to increase the share of the population provided with safe drinking water. These include: I) Groundwater exploration to determine the source of drinking water supply for the population was conducted in 32 soums and districts of Ulaanbaatar and 14 aimags and attested the extent of water resources; II) 22 river basin councils have been established for Kherlen river, Uvs Lake-Tes river, Euruu river, Selenge river, Buir lake-Khalkhyn river, Ongi river, Orog lake-Tuin river, Taats river, Kharaa river, Shishkhed river and Khuisiin Gobi-Tsetseg lake, which create possibilities to monitor the implementation of the regime of special and ordinary protection of water reservoirs, water sources and sanitary zones; III) Expansion and construction of about 200 km of water pipelines were carried out in the aimag centers of Bayankhongor, Uvs, Tuv, Khentii, Sukhbaatar, Bayan-Ulgii, Darkhan-Uul, Gobi-Altai, Umnugovi, Dornod, Khovd, Govisumber and as well as Bayanzurkh, Songinokhairkhan and Bagakhangai districts of Ulaanbaatar; IV) Within the framework of the project “Soum Center Renovation”, deep water wells, reservoirs, 81.2 km of water pipeline, 57.1 km of sewage pipelines, pump stations and sewage treatment plants were built and commissioned into operation in 16 soum centers of 16 aimags; V) Expansion and renovation of water supply and sewerage networks and facilities in 6 soum centers of Dornogovi and Umnugovi aimags are being implemented with a grant from ADB, and in Gobi-Altai aimag center a project is being implemented with the assistance of Austria to treat surface water and use it for drinking purposes. A compact agreement on water was signed with the US Millennium Challenge Corporation in 2018 to implement a program to increase water supply in Ulaanbaatar.

Table 5. **Water supply, status: the first half of 2018**

Type of water supply/ Region	Ulaanbaatar	Central	Eastern	Western	Khangai
Number of water kiosks	696	469	121	164	403
Number of water dispensers	74	41	32	17	38
Number of households using portable water	210079	72013	32608	51738	100649

Source: NSO, 2018

In the framework of efforts to reach the goal to provide 40% of the population with improved sanitation, following activities were conducted: As of 2020, the achievement of the above target is 37.3%. The proportion of the population that has access to adequate sanitation services nationwide is 41.1%. The share of population connected to the complex sewage treatment plant was 27% in 2016, 31% in 2017, 34% in 2018, 69% in 2019 and 69.2% in 2020. In Ulaanbaatar, 51.8% of the population has adequate sanitation, 48.2% has substandard sanitation, 36.8% has access to sewerage, and 4.4% has no access to sanitation facilities.

In 2016-2020, projects and measures to renovate and expand the network such as about 50 km of wastewater and sewerage pipeline network, 130 diversified types of equipment, bottles and reagents for water and sewage analysis were supplied with state budget investment. As an outcome, 107.5 million m³ of water was distributed through 3.2 thousand km of pipelines and 93.4 million m³ of sewage disposed through 1.4 thousand km sewage lines per day and treated. The following projects are being implemented with funding from foreign banks and financial institutions. These include: I) the Wastewater treatment plant expansion project in Erdenet (France); II) the construction of new soum treatment plants in 12 soums of 10 aimags, including Umnugovi, Dornogovi and Darkhan-Uul aimags (ADB); III) Ulaanbaatar Central Wastewater Treatment Plant, and the Zamyn-Uud Infrastructure Improvement Project (PRC); IV) "Mo-Mo" project in Darkhan-Uul aimag (Germany); new wastewater treatment plants in 5 aimag centers, including Bayan-Ulgii and Govisumber aimag (Poland). Total of 192.7 l/s water resource was attested and commissioned by groundwater survey, which has been carried out to determine the drinking and domestic water supply sources.

The project "Reduction of soil pollution by improving sanitary facilities in the Ger area" was implemented and a total of 1,500 improved sanitation facilities were commissioned. 71.0% of soum health centers have outdoor toilets, most of which do not meet MNS 5924:2015 standards and 43.0% do not have separate toilets for outpatients. 44.0% of aimag general hospitals and regional diagnosis and treatment centers are not equipped with toilets for elderly and disabled customers (MOH, 2019).

41.6% of Mongolia's adult population (95%CI: 39.3-43.9) and 40.4% of scholars (95%CI: 39.9-41.7) have regular and proper hand washing practice (MOH, National Center for Public Health, 2020). This suggests changes need to be made as around 60% of the adult population and children lack adequate hand washing skills. Projects and programs are funded by international organizations to encourage the general population to wash their hands regularly and properly with soap and water. There remains a challenge and need to implement projects and programs to provide universal hand washing facilities, carry out situation study, to develop plans for skill building and to develop policy documents and standards for public places such as offices and schools, as well as funding, monitoring and evaluation.

Increase waste recycling to 20% of total waste: The Law on Waste was approved and came in force since 2017 to conform the Law on Environmental Protection, the Law on Environmental Impact Assessment, the Law on Toxic and Hazardous Chemicals, the Law on Air Pollution Charges, the Law on Air, the Law on Water Pollution Charges, the Law on Water, the Law on Hygiene, and the Law on Urban Water Supply and Sewerage.

For the first time in Mongolia, citizens, business entities and organizations engaged in the field of ordinary and hazardous waste are registered on the website www.eic.mn in the form approved by the Minister of Environment and Tourism in 2018. The registration number of the Generators is issued electronically. As part of the implementation of the “Regulation on the System, Composition and Data Collection of the National Waste Database” approved by order of the Minister of Environment and Tourism in 2018, producers of hazardous and ordinary waste are being registered.

With rapid economic and population growth and rising incomes, the structure of waste is changing and the amount of waste per person is increasing. Population growth, rapid urbanization and industrialization are contributing to the increase in waste, which in turn is likely to increase greenhouse gas emissions. The amount and composition of waste per person per day shall be examined every 4 years, and the normative amount of waste generated from sources will be updated and determined. The annual hazardous waste report has been registered since 2019.

In 2018, a total of 3.4 million tons of waste was transported and disposed of at 390 permitted landfills nationwide. 1.5 million tons of recyclable waste has been generated out of the total waste. In terms of type of waste, household waste accounts for 91.8% and industrial waste 8.2% of total waste disposed of.

1.1.3.2. Access to safe and efficient public transport system

The “Action Program of the Government of Mongolia for 2016-2020” set the goal of “further develop road, transportation and logistics networks that sustain economic growth, consistent with social needs and demands, provides safe and comfortable services”. The transport sector is one of the main drivers of the country's economic growth, and in Mongolia with its vast territory, road transport plays a dominant role in this sector. According to Freight and Passenger Transport performance, more than 65% of the country's freight traffic and 98.7% of its passenger traffic is handled by road.

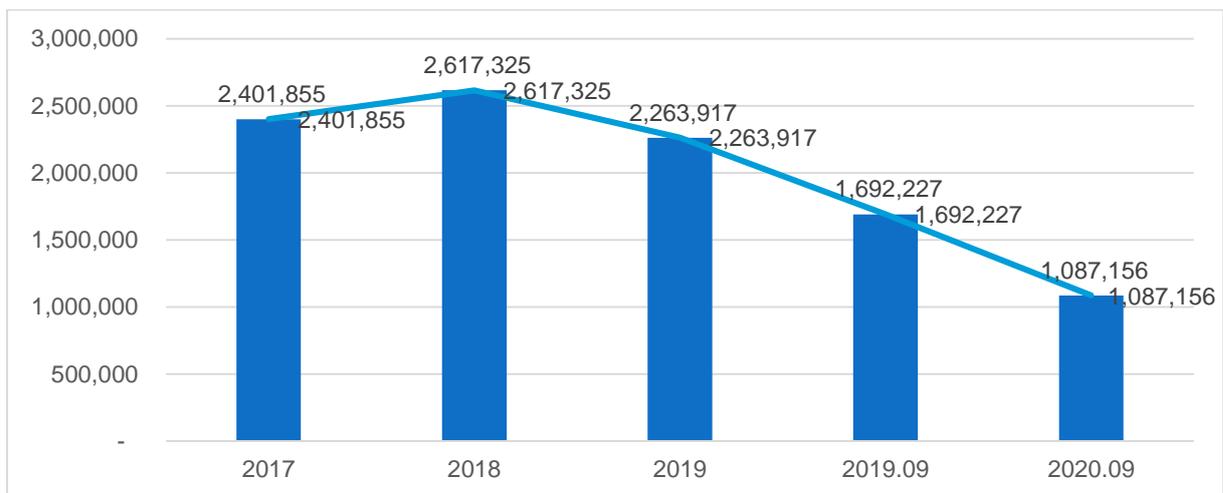
The public transport services in Ulaanbaatar account for the largest share of the total passenger traffic with their double registration number. In 2020, a total of 126.5 million people were transported by all modes of transport, of which 1.97 million were transported by rail, 124.1 million by road and 450,000 by air. Compared to the previous year, total passenger traffic fell by 26.8%, including rail traffic by 33.2%, road traffic by 26.3% and air traffic by 72.2%. In 2020, 31,158 passengers were transported by water, 204 more passengers than in the previous year. Of the total passengers, 31,037 were locals and 121 were foreigners. Total passenger turnover was 3,406.2 million passengers - km, of which 579.3 million passenger - km by rail, 2,178 million passenger- km by road, 648.9 million passenger- km by air and 0.4 million passenger- km by water. Compared to the previous year, total passenger traffic fell by 52%, of which railway by 47.8%, road transport by 25.5%, air traffic by 79.1%, and water transport by 33%.

Public transport accounts for 1 percent of all vehicles on the road but serves 65% of all passengers. Ulaanbaatar's public transportation system is served by about 20 companies and more than 1,000 buses on 66 routes for about 630,000 people per day. 58% of public transport buses are now more than eight years old. 49.5% of all passengers paid the service fee, and the

remaining 50.5% received the service free of charge at the state discount. Compensation for 83,000 elderly people and 34,000 people with disabilities was paid directly to citizens' own accounts. 113,000 students received free public transport. The cost of these discounts is reimbursed by the state. In addition, the capital city budget has allocated MNT 53 billion annually to compensate those entitled to free public transport services in Ulaanbaatar.

Long-distance public transportation services are provided by 67 companies and organizations in 60 directions with 897 vehicles and 1,863 qualified drivers. As of August 31, 2020, 1,087,142 passengers were carried, a decrease of 33% compared to the previous year. Long-distance transport has not been carried out due to the Coronavirus (COVID-19) pandemic conditions (See Graphic 5).

Graphic 5. Number of Long-distance commuters



Source: <https://www.transdep.mn/post.php?p=934>

Ulaanbaatar is connected to other settlements in its region by a public transport network, and based on the number of residents and related surveys and calculations, express omnibuses and minibuses, and trains are deployed to run continuously at regular intervals.

Activities to fulfill the following concepts of supporting the city structure based on public transport and developing high-efficiency public transport are currently under implementation. These include: the construction of a road for BRT; construction of an overhead bridge line (LRT); renovation of the big-size bus fleet for public transportation and addition of a new routes; improving transport network planning and introducing modern technical and technological achievements in services; introducing smart transportation system that meets demand and is environmentally friendly.

As part of the goal of converting public transport to gas operation and improving access to public transport, CNG buses are being piloted in public transport. In the future, we want to convert all public transport buses to environmentally friendly natural gas and electric vehicles.

1.1.3.3. Access to modern renewable energy

“New Urban Agenda” notes that the principle of “promoting the use of renewable energy ...” shall be used as guidelines (Paragraph 14-c) and commits to “promote equal and affordable renewable energy for all” (Paragraph 34). It is noted that “address environmental issues and improving resources, opportunities, and availability through the use of renewable and affordable energy. Reducing the renewable energy cost give cities and human settlements an effective tool to lower energy supply costs (Paragraph 54)”. The “Action Program of the Government of

Mongolia for 2016-2020” set forth the objectives “to develop renewable energy production in proper ratio, commence the construction work of Eg river hydropower plant”, “Complete the connection of soum centers to the centralized electricity grid, and gradually undertake measures to build centralized engineering facility based on renewable energy and clean technology, such as heating, water supply and sewage networks. The “Implementation Plan for Action Program of the Government of Mongolia for 2016-2020” provides for “developing renewable energy generation, introducing new technologies for coal processing and supporting the industries and enterprises that decrease GHG emissions within the framework of international cooperation”.

Mongolia can be a major player in the region based on its abundant solar and wind resources. Solar and wind energy resources in the Gobi region are estimated at 2.6 terawatts. This shows that there are enough solar energy resources and that it is possible to dramatically increase the production of renewable energy based on this resource to support the economy and thus fully recover from energy dependence. Mongolia has the second largest solar energy reserves in the world after the Sahara. It has 270 days of sunshine a year, which is an advantage over other countries.

Since the adoption of the Mongolian Law on Renewable Energy by the Parliament in 2007, a total of 120 MW of solar and wind power plants have been commissioned and connected to the grid. The Renewable Energy Law, revised in 2019 has introduced new regulations such as: I) the maximum purchase tariff for 1 kWh of electricity generated and supplied by a solar generator connected to the transmission grid shall be up to 12 US cents; II) the maximum tariff for purchasing electricity generated by wind energy shall be up to 8 US cents; III) attention has to be paid to technical issues, price competition or announcing the bidding for the implementation of renewable energy projects; IV) Business entities and organizations implementing projects must have financial capacity.

A system of prices, tariffs, and incentives has been established in response to the increasing use of low-capacity renewable energy sources by households, businesses, and organizations in recent years. The revised Law on Renewable Energy has made it possible to expand renewable energies in an appropriate ratio to the installed energy output. In addition, the following possibilities have arisen: I) Development and implementation of a plan on where and what capacities will be indicated for the construction of solar and wind sources and the amount of electricity to be purchased; II) With the advent of competition, project developers will focus on reducing costs and creating real market value for the technology, reducing project costs and tariffs; III) The subsidy tariffs included in the consumer prices will not be increased due to changes in the prices and tariffs for solar and wind energy.

The “Bidding regulation for construction of renewable energy generators” approved by the Decree No.100 of the Minister of Energy in 2020, regulates the selection process for the construction of renewable energy generators in accordance with the principles established by the Mongolian Law on Renewable Energy. This regulation applies to legal entities that build solar power plants, wind turbines, hydropower plants, hydroelectric plants, energy storage and other renewable energy sources with an installed capacity of more than 1 megawatt, at their own expense. “Regulations for feed in of electricity, generated from consumer renewable energy sources, into the distribution network,” approved by Decree No.159 of the Minister of Energy in 2020, regulates the relations of citizens and legal entities in relation to the connection of renewable energy generators to the distribution network and the feed in of excess electricity into the distribution network.

The focus is on improving reliable and sustainable electricity services for the new projects related to Mongolia's growing energy consumption. In 2018, the WB supported renewable energy

production through the installation of the country's first large capacity 10MW solar power plant, with USD 42 million concessional grant from the International Development Association and a USD 12.4 million grant from the “Strategic Climate Fund”. Affordable and clean energy would be produced if the western region of Mongolia, which currently imports 70% of its electricity, is supplied by solar energy. More reliable access to electricity improves people's livelihoods and helps them develop their businesses. We support the government's goal of increasing renewable energy use to 30% by 2030 and are working to make renewable energy investments more efficient and effective to take full advantage of vast solar and wind energy resources. As part of the goal to use renewable energy, a 50-mW wind farm was commissioned in 2012 in Salkhit Mountain, Sergelen soum, Tuv aimag, saving 180,000 tons of carbon dioxide, 122,000 tons of coal combustion and 1.6 million tons of clean water annually.

The planned project to build water resources complexes with 100 MW HEP and a 50 MW wind farm at Tuul and Songino has not yet commenced. "Everyday Farm" LLC, a joint venture of Japan and Mongolia, has commissioned the 10 MW solar power plant "Monnaran" at full capacity in 21st Khoroo of Songinokhairkhan District in Ulaanbaatar. Salkhit 50-mW wind power plant (Tuv aimag), 10-mW solar power plant (Darkhan), Taishir and Durgun hydropower plants are now in routine operation. 50-mW wind farms in Tsogtsetsii and Sainshand and 10-mW wind farm in Songinokhairkhan district are now under the implementation. The Energy Regulatory Commission (ERC) has issued licenses to build 13 solar power plants and 6 wind farms that shall conjoin into the renewable energy sector, which shapes the global trend.

Korean-made streetlights that run on renewable energy and are equipped with a wireless internet device are currently being tested. The lighting is equipped with a 300W vertical wind turbine (Darius and Savonius blades), a 300W solar generator, a 12V 100Ah battery, a 40W LED light and an internet transmission device up to 500 m. The lighting has an energy-saving adjustment sensor that detects the movement of people and vehicles and illuminates at 50% brightness in a 10-meter radius and at 100% brightness in a 5-meter radius. During the day, solar and wind energy will be stored in batteries, and at night, streets and squares will be lit by wind and battery storage. Wind turbines with low-noise generators (less than 10dB) have the advantage of generating power even at low wind speeds (above 0.6 m/s).

1.2. Sustainable and inclusive urban prosperity and opportunities for all

1.2.1 Inclusive Urban Economy

1.2.1.1. Promote productive employment for all including youth employment

Objectives to “support employment, train the younger generation with proper knowledge and skills to have a decent work and run a private business, and reduce the unemployment rate” and to “promote employment, raise the working-age population’s economic activeness to 66%, reduce unemployment rate to 6% in the laborforce, impart skills and vocational training to the workforce including youth based on labor market demand in the agriculture, industry, services and infrastructure projects, improve registration and updates on informal jobs, and increase the small and medium enterprise support fund to at least MNT 100 billion in 2016-2020” were aimed in the “Mongolia’s Sustainable Development Vision-2030”. In relation to these objectives, in the “Action Program of the Government of Mongolia for 2016-2020”, objectives to “raise the income of the population by increasing the number of skilled and qualified workers in conformity with labor market demands, expand middle income group, and improve social protection of citizens” and to “reduce population concentration, implement employment policies in support of regional

development and encourage local initiatives, develop a system of training workers in line with labour demands, required skills and qualifications based on the labour market research, and to train and provide Mongolian youth with work places while decreasing foreign workforce by over 50%” were set out.

As of 2020, 2.29 million of Mongolia's population were of working age or were 15 years old or over, which was accounting for 68.1% of the total population. Moreover, there were 1,030,700 people aged 15-34, accounting for 30.7% of the total population and 45% of the population aged 15 and over (See Table 6).

Table 6. Age Structure Change of the Population (2017-2020)

Age group	2017		2018		2019		2020	
	thousand people	share						
0-14	976.9	30.7	1002.1	31.0	1038.0	31.5	1070.0	31.9
15-34	1072.1	33.7	1063.1	32.8	1044.8	31.7	1030.7	30.7
35-64	1006.2	31.7	1045.4	32.3	1078.5	32.7	1113.1	33.1
65 and over	122.7	3.9	127.9	3.9	135.6	4.1	143.7	4.3
Total	3177.9	100.0	3238.5	100.0	3296.9	100.0	3357.5	100.0

Source: Mongolia Statistical Yearbook 2020

In 2020, there were 15 and over 1,250.600 labor force in Mongolia, 1,162,900 (93%) of which were employed and 87,700 (7%) were unemployed (See Table 7). A total of 1,250.600 people are employed nationwide, 659,900 of which (52.8%) are men and 590,700 (47.2%) are women. As of 2020, 56.9% of the workforce was working in the service sector, 23.8% in the agricultural sector, 7.7% in the manufacturing sector, and 4.4% was working in the mining sector. 1.1 million people were employed in Mongolia, 269,500 of which were informally employed, which was 24.5% of the total number of employed in 2019. 65.7% of the labor force lives and works in urban areas, whereas 34.3% lives and works in rural areas. As of 2020, the national labor force participation rate reached 58.8%, which was a decrease by 2.3% points from the rate of 2017. According to the Population and Housing Census of 2020, the labor force participation rate was 58.2% in urban areas, which was 4.8 percent lower than that of rural areas (63.0%). The national employment rate is 54.6%. The employment rate for women is 9.5 points lower than men’s, and the employment rate in urban areas is 10.1 points lower than that of rural areas.

Table 7. Employment Indicators (2017-2020)

Indicators	2017	2018	2019	2020
Labor force (thousand people)	1375.4	1358.6	1273.9	1250.6
Number of employed (thousand people)	1238.3	1253.0	1146.2	1162.9
Number of unemployed (thousand people)	119.1	105.6	127.7	87.7
Labor force participation rate, percent	61.1	61.0	60.5	58.8
Employment rate, percent	55.8	56.3	54.4	54.6
Unemployment rate, percent	8.8	7.8	10.0	7.0

Source: Mongolia Statistical Yearbook 2020

Mongolia's economic growth has been unstable due to sharp fluctuations in mineral prices and over-dependence on the mining sector, and the economic growth has not been a significant

factor in increasing employment. The unemployment rate fell slightly from 8.8% in 2017 to 7.0% in 2020 nationally. According to the “Implementation of the Sustainable Development Goals: Mongolia Voluntary National Review Report 2019”, one in four working people and one third of working people aged 15-24 fell under the category of “working poor”.

As of 2020, 34,714 (39.6%) of the total unemployed people (87,696) were living in Ulaanbaatar (See Table 7 and 8). According to the Population and Housing Census of 2020, 99.0% of the unemployed were educated, 98.9% of men and 99.3% of women of which had some level of education.

Table 8. Number of unemployed people aged 15 and over (2017-2020)

Region	2017	2018	2019	2020
Total	119092	105614	127736	87696
Western	20851	17231	19542	15530
Khangai	27845	20019	21327	16266
Central	19351	17811	16625	13468
Eastern	9657	8259	11773	7718
Ulaanbaatar	41388	42294	58469	34714

Source: Mongolia Statistical Yearbook 2020

According to the 2018 statistics, most of the unemployed were young people in terms of the age structure, especially newcomers in the labor force. 56.1% of the unemployed were of age 15-34, and 19.5% them were of age 20-24, the newcomers in the labor force. 23.9% of those who sought jobs but were unable to find are living in Ulaanbaatar and the rest (76.1%) are living in rural areas. High number of unemployed young people in rural areas is directly related to availability of jobs. The reasons for unemployment were could not find a job (30.0%), could not find a suitable job (17.7%), currently studying (9.5%), and due to low pays (7.1%). According to a study by the Labor and Social Protection Research Institute, the national unemployment rate is 7.0%, which is two times higher than unemployment rate of young people, and 58% of unemployed young people have a profession. There are 34,400 unemployed people registered with employment agencies, 57.1% of which are young people of age 15-34 according to the report for the first three quarters of 2019. The influx of young people coming to cities in search of better opportunities is one factor for increasing the number of unemployed in urban areas. The unemployment rate for urban youth (15-24 years old) is 17.9 points higher than the national average.

MLSP is developing a revised version of the Labor Law to regulate labor relations and to improve the legal environment. In addition, the “State Policy on Employment” was approved and is being implemented by the Government Resolution no. 320 in 2016. In 2017, the Parliament passed the Law on Youth Development and established a Family, Child and Youth Development Agency.

In order to provide jobs for the unemployed and provide them with income, the Employment Promotion Fund (EPF) has been implementing programs such as the “Program for Employment Preparation and Employment Skills”, “Employment Support Program”, “Youth Employment and Start-Up Support Program”, “Herders' Employment Promotion Program”, “Employment Promotion Program for Persons with Disabilities” and the “Elderly Expert Advisory Services Development Program”. In 2017, 48,659 unemployed people were provided with job orientation, advisory and information services, and 35,686 people were provided with job referral services. In 2018-2019, MNT 65.5 billion was spent on implementation of the above mentioned programs, a

total of 104,300 people were covered by the programs in duplicate numbers, and 12,394 permanent and 40,997 temporary jobs were created.

In scope of the “Youth Employment and Start-Up Support Program”, measures such as “Support Measures for Start-up businesses”, “Repayable Financial Support Measures” and “Sales and Workplace Rental Support Measures” were implemented, and the “Entrepreneurship Skills Training” were organized. The best start-ups were selected to develop startup ideas, compete the ideas, make them work in teams, and to implement promising ideas with the help of a business consultant (mentor), and financial support of MNT 10.0 million with 100% repayment conditions in 2 years was provided, and 945 young people were covered and provided with financial support for their selected projects in 2017. For the purchase of necessary equipment and tools for young people graduated from vocational education and training institutions who are working individually and in groups to create jobs, 588 graduates were provided with financial support of MNT 1194.5 million with a 100% repayment condition in period of 2 years - a financial support of MNT 3 million per graduate and up to MNT 10 million per group. Vocational education and training institutions have entered into a tripartite agreement between employers and businesses and schools and students, and working together. 13,825 students of 46 Vocational Training and Production Centers, which train skilled workers in the construction sector, are trained and interned in private construction companies during their studies annually.

As part of efforts to support businesses that provide new graduates with permanent jobs, employers who provided stable employment to 296 young people who registered as unemployed in 2017-2019 and had not been able to work for more than 6 months were rewarded with MNT 935.3 million, which was an important measure in providing jobs for young people.

1.2.1.2. Support the informal economy

Mongolia is working to implement the Paragraph 59 of the “New Urban Agenda”, which calls “we commit ourselves to recognizing the contribution of the working poor in the informal economy, particularly women, including unpaid, domestic and migrant workers, to the urban economies, taking into account national circumstances. Their livelihoods, working conditions and income security, legal and social protection, access to skills, assets and other support services, and voice and representation should be enhanced. A progressive transition of workers and economic units to the formal economy will be developed by adopting a balanced approach, combining incentives and compliance measures, while promoting preservation and improvement of existing livelihoods”. The “State Employment Policy” set the goals that the share of informal employment will be increased to 14.1% in 2020 and 11.7% in 2025, the number of social insurance payers will be increased to 1129.3 thousand in 2020 and 1220.1 thousand in 2025. In addition, the “State Policy on Pension Reform for 2015-2030” set the goal improving social security for herders, self-employed and informal workers, as well as the “Guidelines for Mongolia's Development for 2020-2025” set the aim to improve registration and information of informal employment.

In Mongolia as of 2019, 1.1 million people are employed, of which 269.5 thousand are informal workers, which is 24.5% of the total number of employees, most of whom do not have decent working conditions, are highly mobile, have unstable incomes, and have insufficient social security. Therefore, working conditions and social protection of informal workers are in need to be improved. Currently, more than 188,000 people are covered by social insurance voluntarily, but about 70% of herders and about 45% of the self-employed are not covered by social insurance. Based on international experience, it is necessary to clarify the categories and groups of informal workers, improve detailed registration, increase their social insurance coverage and

improve their protection by making the conditions for paying social insurance contributions more flexible and differentiating pensions accordingly.

Outcomes of the “Mongolian Informal Employment Status Survey” conducted by the Labor and Social Welfare Research Institute in 2021 shows that 49.7% of informal workers are in Ulaanbaatar, 50.3% in rural areas, of which 44.0% are men and 56.0% are men. 7.3% are in the informal sector, 42.2% are self-employed, and 50.5% are employers. The average length of informal employment is 11.8 years, and 64.8% have worked at least 8 years. Informal sector workers face a lack of demand for products and services, pressure from government organizations. They also have limited opportunities to federate, a lack of productive sources such as financial resources and new techniques and technologies, a lack of business development services, uncertain risks, and a lack of social protection.

In terms of education level, 9.9% of informal workers have basic or lower education, 51.4% have secondary education, 9.8% have technical and vocational education, and 28.4% have higher education. 32% of women and 25% of men have completed higher educational institutions.

Informal employment persists in Mongolia due to insufficient economic diversification, a lack of decent jobs in the formal sector, excessive requirements for formalization of the informal sector, and insufficient enforcement of legislation. In terms of gender, 45.4% of men and 30.8% of women surveyed are informally employed due to difficulties in finding employment. 53.7% of informal workers are in wholesale and retail trade, car and motorcycle repair and service, 19.7% are in manufacturing, 7.4% are in transportation and warehousing, 6.3% are in service sector, and the rest are employed in hotel, catering, and other sectors.

Table 9. **Informal workers by sectors of economic activity and by region (percentage,%)**

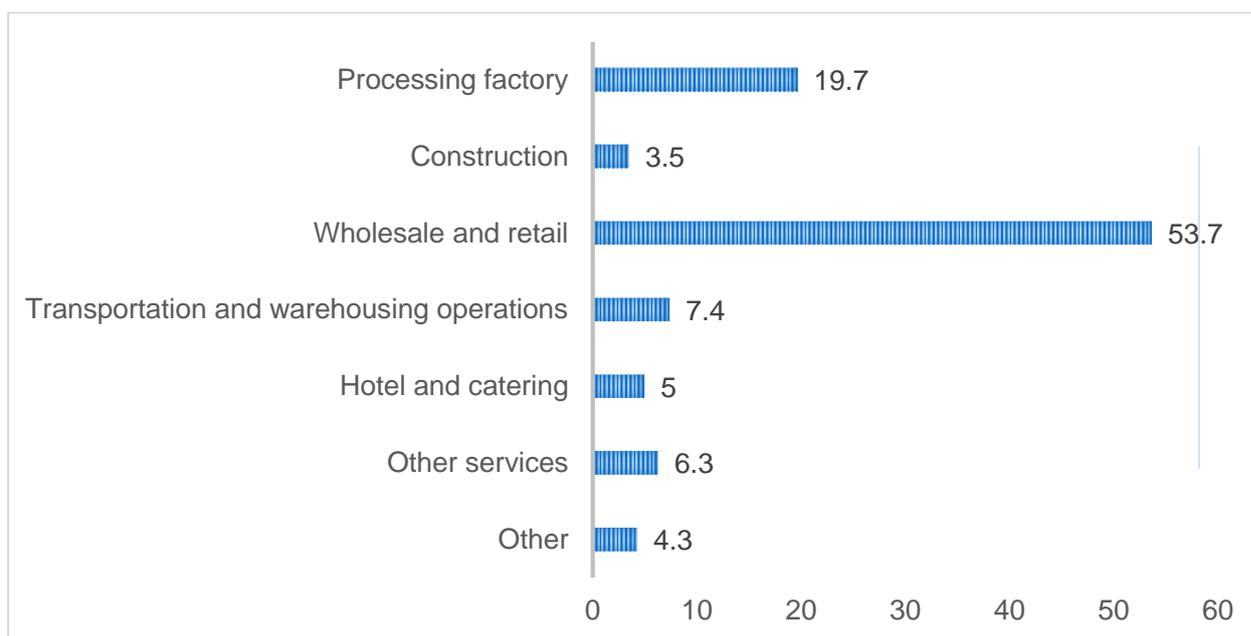
Sector of economic activity/ Region	Western	Khangai	Central	Eastern	Ulaanbaatar	Share in total
Manufacturing	21.7	20.5	17.2	18.5	19.9	19.7
Construction	2.6	2.4	3.2	1.3	4.4	3.5
Wholesale and retail	55.3	54.2	52.0	55.0	53.6	53.7
Transportation and warehousing	7.1	5.8	11.9	7.5	6.6	7.4
Hotels and restaurants	5.6	5.8	6.6	8.3	3.8	5.0
Other services	5.8	7.9	5.0	7.8	6.1	6.3
Other	1.9	3.4	4.2	1.6	5.6	4.3
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Labor and Social Welfare Research Institute

In 2019-2020, The National Employment Council have implemented projects and programs such as “Employment preparation and employment skills”, “Support for working place”, “Support for youth employment and start-up business”, “Support for herder’s employment”, “Job support for people with disabilities” and “Development of Senior Professional Advisory Services”. The project “Supporting formal employment in the context of diversifying the economy and ensuring inclusive growth” was implemented in 2019-2021 and funded by the International Labor Organization. The project aimed to improve the working and living conditions of workers and

business entities operating in the informal economy and to give them a say in decision-making processes affecting their interests by encouraging workers and business entities operating in the informal economy to switch to the formal economy.

Graphic 6. **Percentage of informal employment in the sector of economic activity**



Source: Institute of Labor and Social Welfare

1.2.1.3. Support small and medium-sized enterprises

In the “Mongolia’s Sustainable Development Vision-2030”, objectives to “support employment, train the younger generation with proper knowledge and skills to have a decent work and run a private business, and reduce the unemployment rate”, and to “increase small and medium enterprise support fund to at least MNT100 billion in 2016-2020” were aimed. Moreover, objectives to “implement the Industrialization Program “21:100” and create favorable taxation, legal and business environment for priority export-oriented sectors to substitute imports as well as for small and medium-size enterprises, cooperatives, trade and services and increase the share of the value-added products in the GDP”, “implement flexible long-term investment and loan policy for light industry, small and medium-size enterprises and cooperatives”, “develop capacity-building, training and re-training system for light industry and small and medium enterprises and implement a “Qualified Worker” program”, and to “promote putting up “development model” factories in light industry, small and medium enterprises through franchising and adapting foreign industries with advanced technologies” were set out in the “Action Program of Government of Mongolia for 2016-2020”.

Ensuring development of small and medium enterprises significantly contributes to reducing poverty and unemployment, reducing income inequality, promoting social stability, and ensuring private sector development.

As of 2020, there are 94.4 thousand legal entities registered on the business registration database of the NSO, of which 63.1 thousand (66.9%) are small and medium enterprises. There are 785 thousand employees employed in currently operating/active enterprises, of which 198.9 thousand (25.3%) are employees of small and medium enterprises. The number of operating small and medium enterprises by region were 43.9 thousand (69.6%) in Ulaanbaatar, 6.3 thousand (10%) in the Central region, 5.5 thousand (8.7%) in the Khangai region, 5.2 thousand

(8.2%) in the Western region, and 2.2 thousand (3.5%) in the Eastern region. In terms of economic activities of small and medium enterprises, 34.3% of the SMEs are operating in the wholesale sector, 21.7% in the service sector, 18.9% in the retail sector, 10.5% in the construction sector, 9.0% in the manufacturing sector, and 5.6% are operating in the agricultural sector. The sales revenue of small and medium enterprises and service providers is MNT 8.6 trillion or 11.2% of the total sales revenue of all enterprises.

To ensure a favorable environment for small and medium enterprises, the Parliament and the Government of Mongolia are revising and enforcing relevant laws, rules and regulations within the framework of the policy for SME sector. The Parliament approved the revised Law on Supporting Small and Medium Enterprises and Services in 2019. The “National Program to Support Small and Medium Enterprises”, the “National Program on the Development of Cooperatives”, and the “Utility Services Program” were approved by the Government Resolutions with no. 156, 362 and 418 in 2019, and other relevant legal documents have been approved and are being implemented. An implementing agency of the Government “Small and Medium Enterprises Development Department” was established in accordance with Government Resolution with no. 49 in 2020.

COVID-19 pandemic has led to small and medium-sized enterprises and service providers shutting down their businesses, their employees losing jobs, losing incomes, running out of cash, and defaulting on their loans. According to a survey conducted by the Association for the Wealth Creators, 50% of small and medium enterprises went bankrupt and 30% had to lay off their workers. The government has taken steps to encourage small and medium enterprises to continue their businesses including direct cash assistance and temporary deferral of tax payments, and measures such as 90% tax exemption for SMEs with income not exceeding MNT 1.5 billion and deferral of loan repayment. Government Resolution no. 211 on reducing electricity and heating bills to alleviate the impact of the COVID-19 pandemic was one of the major measures to support businesses.

To exempt small and medium-sized enterprises' equipment and spare parts from customs duties until 2019, the Parliament passed the amendments for the Law on Customs Duty Exemption in 2017. With the passing of this law, SMEs owners imported equipment worth of MNT 42.3 billion and had customs tax exempted worth of MNT 3.2 billion in 2017-2018.

“Priority areas for Small and Medium Enterprises” was approved by the Government Resolution with no. 190 in 2019, and “Procedure for issuing, selecting, on-lending, repaying and monitoring soft loans from the Small and Medium Enterprise Development Fund” was approved by the Government Resolution with no. 113 in 2020. In 2017, a total of MNT 49.8 billion was lent to 154 borrowers, 124 factories were expanded, 30 new factories were established, 2,811 new jobs were created, and 1,373 jobs were saved. The Small and Medium Enterprise Development Fund and the Sum Development Fund provided MNT 99.9 billion in soft loans to 409 companies resulting in creation of 1,450 new jobs and saving of 1,489 jobs in 2018. In 2020, 249 projects of the “Micro Loan Package” category of long-term soft loans to support small and medium enterprises were funded with MNT 22.9 billion, and it saved 811 jobs and created 1,449 new jobs. 252 projects were covered by Credit Risk and Real Estate Insurance in 2020.

The Credit Guarantee Fund issued MNT 26.5 billion loans and provided MNT 13.7 billion credit guarantees to 72 companies in 2020. In scope of the Economic Diversification and Employment Project jointly implemented with the ADB, the Fund provided credit guarantees of MNT 43.6 billion for MNT 77.2 billion loans to 231 businesses and individuals which resulted in creation of 1,460 new jobs and saving of 2,499 jobs.

Within the framework of the “Industrialization 21:100” program, 55 new factories were established in 2018-2019, 451 enterprises were supported with equipment upgrades, and development of 20 factories are underway. Of these numbers, 33 factories were newly established, 8 factories are being expanded and upgraded to have increased capacity, and more than 2,000 permanent and temporary jobs were created. In addition, 39 construction materials plants were newly established in the capital city and aimags to increase share of value-added products in GDP. As part of the “Development Model” initiative to develop plants, a plant for producing and exporting bio-fertilizer worth 11.8 million euros using 8,400 tons of raw sheep wool and a plant for producing gelatin processing 400 horse hides per day were put into operation in 2018. In 2019, a new bone processing plant was established with a capacity of processing 96 tons of raw materials per day and producing 24 tons of bone meal and 17 tons of animal fat. This plant has become a model for development by reprocessing waste bones, producing 7-8 types of quality products such as organic edible and technical oils, fertilizers, bone meal and soap, and exporting 70% of its products.

“Made in Ulaanbaatar” sub-program was implemented in Ulaanbaatar city where 68.5% of small and medium enterprises and service providers are operating. A total of 5,557 individuals and entities engaged in production in the capital city were covered in the census, production priorities were determined for each district, and nine outlets were set up for local producers to sell their products by factory price. Amar E-commerce LLC created an online shopping site, www.avlaa.mn, and increased sales by 5% by posting and selling more than 4,000 products of the manufacturers on the website. From 2017-2020, 18 business entities and individuals operating consistently in the capital city were rewarded, 73 enterprises participated in international expositions and 1,362 enterprises participated in domestic expositions, and 127 new mobile jobs were created and more than 400 private enterprises and service providers were provided with tangible support for their activities.

In scope of the EBRD's Project for Improving Access to Financing for Small and Medium Enterprises and the “BEST” program implemented by the “Development Solutions” NGO, in addition to capacity building of small and medium enterprise owners and conducting business diagnosis, there are many professional associations and organizations that provide business consulting services. Furthermore, works to create a unified database for small and medium enterprises was organized in cooperation with the EBRD's Project, and it is aimed to create a unified database of 63,131 small and medium enterprises operating nationwide and to ensure their classification and types are meeting international standards.

However, the condition is limited for carrying successful production, trade and services due to different business statistics and data in use, insufficient technical knowledge, and lack of coordination between scientific organizations, universities and the private sector. A small number of small and medium-sized enterprises meet international quality and safety standards, and produce products for international markets, but their competitiveness in international and regional markets is weak. According to results of the surveys conducted by the MFALI for small and medium enterprises and the Bank of Mongolia's “Small and Medium Enterprise Financing Survey”, small and medium enterprises and service providers answered it was necessary to improve public services, create a favorable tax environment, protect domestic production, and to create a stable source of funding.

1.2.1.4. Promote an enabling, fair and responsible environment for business and innovation

Mongolia is aiming to implement Paragraph 60 of the “New Urban Agenda” which states “... sustaining and supporting urban economies to transition progressively to higher productivity through high-value-added sectors, by promoting diversification, technological upgrading, research and innovation, including the creation of quality, decent and productive jobs, including through the promotion of cultural and creative industries, sustainable tourism, performing arts and heritage conservation activities, among others”.

Promotion of a fair and responsible business environment: “Mongolia’s Sustainable Development Vision - 2030” has set the goal that “to create a favorable business environment, to develop trade and service infrastructure, to improve quality, to coordinate and simplify the activities of border organizations, and to reduce the time spent on foreign trade to an average of 25 days in order to reduce trade cost and expenses”. Relevant projects, programs and measures are being implemented in accordance with the following objectives set forth in the “Action Program of the Government of Mongolia for 2016-2020”. These include: "Supporting businesses by extending deadlines set by authorities to pay interest, fines, penalties and basic tax refunds imposed on national companies and reopening closed accounts"; "Long-term, soft loans are provided to support light, small and medium-sized enterprises that have been operating continuously for at least 5 years and have created new permanent jobs."; "Implement a 'Regional facilitation' policy to support entrepreneurship in rural and remote areas"; "Provide business start-up support to young people and provide equipment leasing and micro-loans to graduates of universities, vocational training and production centers"; "Improve the legal framework for the economy, business, trade, property and finance, and amend laws and decisions that violate property rights guarantees"; "Gradually improve the registration system and create conditions for equal access to government, e-business and online banking services by implementing the One Citizen - One Registration program"; "Reduce public service fees and charges" and "Reduce the number of licenses issued by the state to businesses by three times, extend their validity, and eliminate duplication of inspections and bureaucracy".

In Mongolia, small and medium-sized enterprises were established in the form of market conditions for the first time since 1990, and many of them were established in 1993-1994. Most private companies take the form of LLCs.

In order to create a fair and responsible business environment, the Parliament approved revision of the General Tax Law, the Corporate Income Tax Law and the Personal Income Tax Law in 2019.

The Mongolian National Chamber of Commerce and Industry and Business School of National University of Mongolia have jointly conducted a nationwide “Mongolian business environment survey” in 2017 and 2020 and disseminated the survey outcomes to the Parliament, Government, ministries and agencies, and expressed their willingness to further develop public-private partnerships and intensify policy advocacy to improve the business environment⁵.

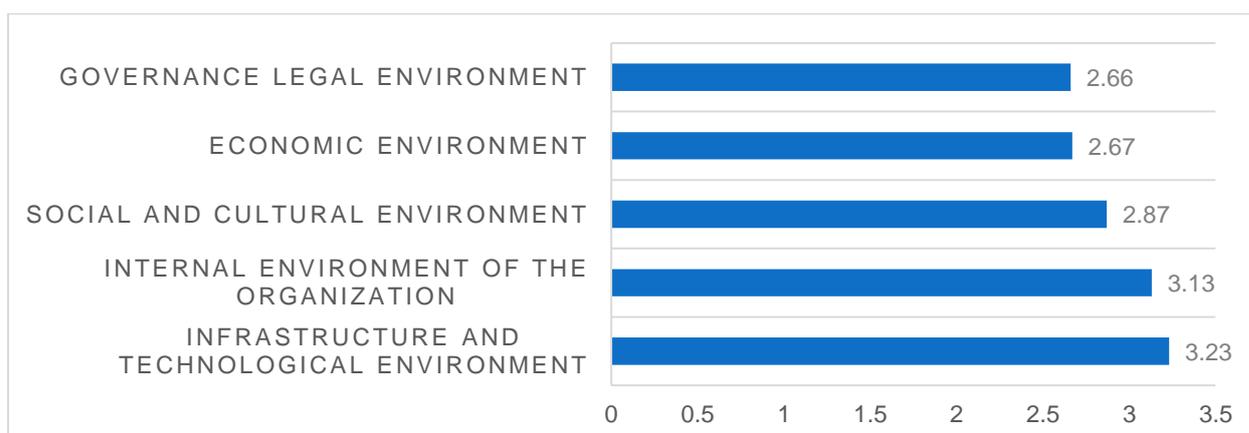
The overall rating of the Mongolian business environment was 2.91 or “average” by scoring the business environment from 1 to 5 points based on 5 general and 12 sub-indicators such as economy, governance, legislation, infrastructure, technology, social and culture, and internal organizational environment.

⁵ <https://www.mongolchamber.mn/>

In general, the score was 2.66 for governance and legal environment, 2.67 for economic environment, 2.87 for social and cultural environment, 3.23 for infrastructure and technological environment and 3.13 for internal organizational environment (See Graphic 7). Compared to the outcomes of the 2017 survey, the average score increased by 0.46 points and improved slightly. Among the business environment factors, the most positive changes over the past 3 years were the increase in the infrastructure and technology environment by 0.69 points, the internal organizational environment by 0.50 points, the social and cultural environment by 0.49 points. Although the economic environment and governance and legal environment were rated the lowest, they increased by 0.27 and 0.38 points compared to 2017, respectively.

At the national level, 48.3 to 83.5% of respondents positively rated the measures taken by the government of Mongolia to reduce the economic impact of the coronavirus infection (COVID-19) pandemic in 2020, and 27.6 to 33, 2% as very effective. It was concluded that the measures taken by the government such as the Law on exemption from social insurance premiums, the Law on Corporate Income Tax Exemption for Business Entities with a total taxable income of less than MNT 1.5 billion in the previous tax year, decision of the Bank of Mongolia on loan deferral (mortgage and consumer loan deferral, etc.) and the government's decision to allocate MNT 200,000 to support employees of companies which have retained their jobs have supported businesses across the country, in urban and rural areas, in all business sectors and regardless of the scale of their activities. In particular, social insurance premium reductions and corporate income tax exemptions had a significant impact on businesses (77.5-83.5%).

Graphic 7. Business Environment Assessment (as of 2020)



Source: “Mongolian Business Environment Survey”, 2017 and 2020

Promotion of a fair and responsible environment for innovation: The following objectives have been set in the “Mongolia’s Sustainable Development Vision - 2030”: “Develop the industry based on advanced techniques, technologies and innovations, increase productivity, and increase the share of processing industry in total exports to 15% in 2016-2020”; “Improve the network of agricultural exchanges, develop export-oriented processing clusters based on advanced technology, increase productivity, and increase the full processing of raw materials such as leather, wool and cashmere to 60%”; and “Ensure the interaction of science and industry, develop a knowledge-based society, support innovation, expand cooperation between scientific organizations and industry to support innovation and introduce it into production, and increase funding for scientific and technological research and testing to 2% of GDP in 2016-2020”.

The “Action Program of the Government of Mongolia for 2016-2020” set forth the following objectives: “Increase the efficiency of livestock production, improve economic turnover, carry out advanced technical and technological innovations, introduce innovations, as well as intensify the

implementation of the 'Mongolian Livestock` national program"; "Increase government funding for research, development and innovation"; "Improve the legal environment for science, technology and innovation, and develop a state policy on innovation"; "Adhere to the policy of developing the national innovation system, develop innovation, start-up business and intellectual production, and increase exports"; "Support the creation of infrastructure and laboratory facilities that meet international standards in the fields of science, technology and innovation"; "Establish a mutual investment fund based on the Investment Fund Law, aimed at private sector participation, and create a favorable structure for financing innovation projects and activities."; and "Pursue a policy to develop human resources in science, technology and innovation".

Relevant projects, programs and activities are being implemented in accordance with the above objectives. These include: I) The "State Policy on Science and Technology" and "State Policy on Innovations" have been approved by the Government Resolution No. 295 of 2017 and No. 233 of 2018 respectively and being implemented in order to support and develop innovation activities in Mongolia; II) "List of equipment required for the production of innovative products exempt from customs and value added tax" was approved by the Government Resolution No. 234 of 2018. The implementation of the Resolution has provided manufacturers of innovative products with equipment and opportunities to replace imports that contribute to the country's economic development, create new products for export-oriented markets, create new jobs and increase tax revenues.

The Science, Technology and Industry Association "Science Park Administration" has been established by the Government Resolution No. 19 of 2017.

With the passage of amendments to the Law on Innovation in 2019, the attributions of rights and obligations of innovation activities, infrastructure and stakeholders were clarified, and the legal framework was created to ensure equal stakeholder participation, optimize government funding, and expand the public-private partnerships and cooperation in innovation activities. Opportunities have also been created for multifaceted resources to support innovation activities, and to establish consulting companies at research institutes and universities as well as introducing and economization of new knowledge and innovations that arise in start-up companies, research institutions and universities, in production and services. "National Innovation System Development Program" and "Priorities for innovation activities" (Government Resolution No.33 and No.95 of 2020, respectively) "Human Resource Development Program for Science, Technology and Innovation" and "Procedure for registration of innovation projects" (Government Resolution No.162 and No.392 of 2019, respectively) have been approved and is being implemented. In addition, the draft Law on the legal status of science parks, the draft Law on research universities, and the draft Regulation on defining and amending Mongolia's scientific and technological priorities and core technologies are under preparation for approval.

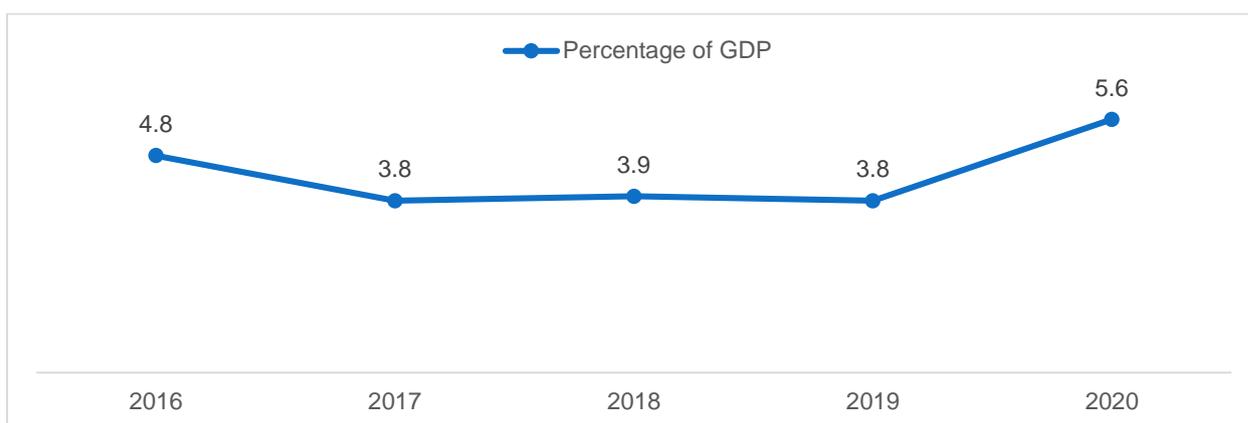
20 priority and core technology projects were funded and implemented to support research and experimental work within the priorities of universities and research institutions, to provide financial support for research and development aimed at developing high-tech sectors, to ensure economic growth, and to mobilize resources and resources efficiently. Five innovation grants and 35 technology test projects are currently underway. In 2020, 52 young researchers submitted their projects to the innovation grants competition, which was conducted under the name of the Minister for Education, Culture, Science and Sport. From these, 10 young researchers were selected for their creative ideas to introduce innovative products and services into production and services, and each of them was awarded a grant of MNT 10 million.

The projects "Implementation of incubator operations and development of information servers in Mongolia" and "Establishment of a platform for technology transfer centers" are being

carried out in cooperation with the Ministry of Science and Technology of the People's Republic of China.

As of 2020, 315 science and technology projects will continue to be implemented, and 236 new projects are planned to be launched. Out of a total of 526 projects to be implemented, 198 are basic research projects, 95 contract projects, 4 core technology projects, 5 innovation projects, 36 pilot projects, 119 joint venture projects and 69 grants. This shows that basic research accounts for 35.6% of all research work, applied research 17.5%, technological research 12.8%, joint venture research 21.6% and the grant project 12.5%. The average funding per project is around MNT 19.8 million. In 2017, 0.2% of GDP was spent on science, 0.2% in 2018, 0.11% in 2019, and 0.13% in 2020 (See Graphic 8).

Graphic 8. The share of science in GDP



Source: <https://cdn.greensoft.mn/>

State-of-the-art research laboratories that meet international standards are being established in state-owned universities and research institutes within the framework of public investment, international cooperation, loans and assistance. These include laboratories with modern high-capacity equipment such as “Nucleus Laboratory” at the National University of Medical Sciences, “Food Research Center” at the University of Science and Technology, “Central Laboratory for Monitoring and Evaluation of Agricultural Products” at the University of Agriculture, and “Laser Research Laboratory” at the National University of Mongolia.

1.2.2. Sustainable Urban Prosperity

1.2.2.1. Support the diversification of the urban economy and promote cultural and creative industries

Paragraph 60 of the New Urban Agenda describes that “We commit ourselves to sustain and supporting urban economies to transition progressively to higher productivity through high-value-added sectors, by promoting diversification, technological upgrading, research and innovation, including the creation of quality, decent and productive jobs, including through the promotion of cultural and creative industries, sustainable tourism, performing arts and heritage conservation activities, among others.” To achieve the goal of sustainable economic development, the “Mongolia’s Sustainable Development Vision-2030” states that “A sound macroeconomic policy will be implemented and the structure of the economy will be diversified to meet objectives of sustainable economic development. The development of agriculture, industry especially light and food industry, construction materials, copper processing, coal, fuel-chemicals, lead processing plants, tourism, mining and extractive industries will be as the highest priority and energy and infrastructure sectors will be developed as the lead sectors”. “Action Program of the

Government of Mongolia for 2016-2020” sets objectives “To follow a policy to continuously expand the economy through overcoming economic difficulties in short period of time, ensuring macroeconomic stability, diversifying the structure of the economy, reducing vulnerability from commodity price fluctuations, easing balance-of-payments pressures, lessening debt burdens in the medium term and creating economic resilience.” and “To keep national and classical arts, as well as nomadic civilization under the state protection, improve accessibility of public cultural services, promote cultural tourism, design products and services that advertises Mongolian traditional arts and culture abroad and develop Mongolian contents.”

The Government of Mongolia has been focusing on the development of the agricultural sector as a part of its economic diversification policy, increasing the number of workplaces and incomes of citizens through the promotion of intensive animal husbandry near cities and towns, establishment of a logistics network, increase of investments, introduction of advanced technologies, development of industries and enhancement of competitiveness of agricultural raw materials to increase the share in the total export, ensuring macroeconomic stability and implementing economic recovery policy measures in steps. To stabilize the economy, we plan to implement major projects and programs such as the Oyu Tolgoi underground mine, Tavan Tolgoi coal mine, Gatsuurt Gold Mine, Tavan Tolgoi Power plant, and expansion of Power plant no.3 of Ulaanbaatar city to activate the economy.

Although the mining sector is expected to remain a major part of the Mongolian economy in the coming years, it aims to develop the agriculture, manufacturing, and tourism sectors, increase their shares in GDP, and create a structure of the economy that is resilient to global market changes. One of the major measures taken by the government to diversify the economy is the “Industrialization 21: 100 National Programme (2018-2021)” approved by Government Resolution No. 36 of 2018. The goal of the program is to introduce advanced technologies based on local features and resources, to develop value-added and sustainable productions that meet international quality standards and the needs of a competitive market, and to increase the number of jobs, foreign and domestic trade turnover, and economic growth.

The European Bank for Reconstruction and Development (EBRD) has been implementing the “Support for Mongolia Economic Diversification through SME Access to Finance” program since 2016. The EBRD plans to work more closely with donors, partner banks, financial institutions, and government agencies to further expand co-financing and direct investment activities and is informed to implement the new program “Building Crisis-resilient SMEs in Mongolia post COVID-19 Pandemic” to support the green economy.

The “Ulaanbaatar City Economic Development Strategy” document was approved by the City Council Resolution No. 26/08 of 2015. To ensure the comprehensiveness of the strategy, the current and future development of Ulaanbaatar's economic development, progress, finance, taxation, infrastructure, transportation, education, health, culture, tourism, and intergovernmental issues will be considered from many angles. The focus is on attracting value-added, high-yield production and services. This is important to ensure the future stability of the city's economy and to develop and expand its competitive advantage.

The “Economic Development Strategy of Ulaanbaatar” document was approved by the Resolution No. 26/08 of 2015. To ensure the comprehensiveness of this strategy, the current and future development of Ulaanbaatar's economic development, progress, finance, taxation, infrastructure, transportation, education, health, culture, tourism, and intergovernmental issues will be considered from many angles. The focus is on attracting value-added, high-yield production and services. This is important to ensure the future stability of the city's economy and to develop and expand its competitive advantage

There are six types of economic activities in Ulaanbaatar: wholesale and retail trade, open and underground mining, low and medium value-added production, transportation and warehousing, real estate, finance, and insurance. These activities account for more than 64 percent of the country's value-added GDP. Over the past five years, Ulaanbaatar's economy has grown at an annual rate of 9.5 percent, while the city's population has grown at an annual rate of 4 percent. Compared to the city's long-term development goals and other growth and requirements, such as improving public services and infrastructure, this population growth has not kept pace with GDP growth per capita. Therefore, it is important to make efforts to diversify the economy, increase productivity and investment, and move towards higher value-added production.

The global market for cultural and creative industries is \$ 2.2 trillion, providing jobs for about 30 million people, and the world's total exports are \$ 253 billion, three times the size of the coal market. According to an international study, cultural production will account for 10% of world GDP shortly. In Mongolia, 33,000 jobs were created in the market of MNT 481.4 billion or 1.3% of GDP. There are 11,000 registered businesses in the sector, of which 6,500 are active. Human resource policy, budget, finance, investment management, sound government policies, and cross-sectoral coordination are important for the further development of this sector.

Mongolia acceded to the 2005 UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions in 2007. In 2008, with the support of the Korea Trust Fund, Mongolia implemented the project.

Countries around the world, based on copyright and innovation in products and services that incorporate their national heritage, customs, and cultural characteristics, expand cultural production in international and national markets with the support of business and investment and recognize its real economic and social benefits. and its importance is growing with increasing support. Our country has taken measures to restore, protect, put into economic circulation, introduce to the world and promote the rich heritage, customs, cultural features, unique natural image, and cultural influence of our country and nation, and build cultural facilities based on our country's resources and opportunities. There is a need to develop production. Based on these circumstances and requirements, the Government Resolution No. 509 of 2015 approved the National Program on "Cultural Production" and is implementing it in two stages until 2020.

To implement the "Cultural Production" national program nationwide, the Presidium of the Capital City and 21 aimags 'Citizens' Representative Khurals approved and implemented the "Cultural Production" sub-programs in 2017-2018, taking into account local specifics. For example, in the framework of this sub-program, a wave of "Respect for Intellectual Property" and "Respect for Copyright" was launched on social media in the capital city Ulaanbaatar by 2020, and the law on copyright and related rights was promoted. In addition, 12 types of standards to be followed by cultural and arts organizations have been developed for cultural service providers. The "Ulaanbaatar City Cultural Industry and Cultural Tourism Electronic Forum" was organized. More than 2,000 professional associations, entrepreneurs and In addition, a survey of creative cultural entrepreneurs was conducted in 9 districts, and a unified registry database was created and posted on the website of the CCACD. The implementation of the "Cultural Production" sub-program is 70% complete.

The Mongolian National Commission for UNESCO and the Department of Culture and Arts has been implementing the project "Creating a Practical Environment for Culture-Based Creative Industry in Mongolia" since 2016 with the support of the Trust Fund established between UNESCO and the Government of the Republic of Korea in Mongolia, Vietnam, and Uganda. "Strengthening the sustainability of cultural and creative industries of diverse cultural expression"

project. The project aims to create a capacity, strategy, and practical framework to support the development of local creative industries through the introduction of new forms of cultural expression in new forms.

Support the “Creative Cultural Production” in our country and introduce the Mongolian heritage to the world, it is possible to develop a cultural brand of culture and art that incorporates unique natural features and rich cultural heritage and put it into economic circulation and opens up a wide range of opportunities for publicity. As the pandemic-stricken world re-enters the fast-paced digital transition, cultural and artistic management has shifted in the direction of technology and has become more international. The arts and culture sector continues to seek solutions through discussions on the development policy of cultural and creative industries, the economic impact of cultural and creative industries, and trends in the development of cultural and creative industries. Ministry of Culture has been formed 24 years later in 2020 brought positive changes in the sector and Mongolia has access to the world's art through the government's policy to support culture and the arts, and the development of creative cultural industries in collaboration with artists and businesses.

1.2.2.2. Develop technical and entrepreneurial skills to thrive in a modern urban economy

In the Paragraph 56 of the “New Urban Agenda” has stated that “we commit ourselves to increasing economic productivity, as appropriate, by providing the labor force with access to income-earning opportunities, knowledge, skills and educational facilities that contribute to an innovative and competitive urban economy. We also commit ourselves to increasing economic productivity through the promotion of full and productive employment and decent work and livelihood opportunities in cities and human settlements”. The objectives to “develop capacity-building, training and re-training system for light industry and small and medium enterprises and implement a “Qualified Worker” program”, “develop a system of training workers in line with labour demands, required skills and qualifications based on the labour market research”, “develop a system for training and retraining manufacturing workforce”, and to “involve managers and teachers of the vocational education sector in capacity-building trainings on a regular basis” were set out in the “Action Program of the Government of Mongolia for 2016-2020”, and the following measures were implemented.

The Law on Vocational Education and Training is being revised to provide vocational education and to organize professional development training in accordance with the needs of the labor market and the employer, and it is being studied to reflect amendments related to ensuring teachers to conduct research, high technology and innovative activities, and creating a technology-based learning environment in the revision of this law. The Law on Supporting Teacher Development was approved in 2019, and the “National Program for the Development of Vocational and Technical Education” (2016-2021) was approved and implemented by the Government Resolution with no. 304 in 2016.

The “Ulaanbaatar City Economic Development Strategy” was approved and is being implemented by the resolution no. 26/08 of the Capital City Citizens' Representative Meeting of 2015. In this strategic document, objectives such as becoming a smart city with competitive, multi-pillared and diversified economy, becoming a financial and business center of Northeast Asia by creating a stable business, investment and legal environment, establishing satellite cities with appropriate planning and land management that ensure economic development, developing business sector and increase employment of highly educated and skilled workers, and supporting

the economy by transitioning from informal sector to formal business sector by encouraging small and medium enterprises were reflected.

As of 2020, population of Ulaanbaatar, Erdenet, and Darkhan, the largest cities in Mongolia, accounts for 77% of the total urban population and 71% of country's GDP. Value-added production and clusters should be developed, and economic competitiveness of cities should be improved to create more jobs by developing mining-related services in the capital city is Ulaanbaatar, and the regional centers, Erdenet and Darkhan, by establishing and developing high quality, independent research institutions, universities and colleges, and preparing a highly skilled workforce to use advanced technologies.

There is a need to increase efficiency of investments invested in the sector from labor productivity or unit labor, introduce advanced technologies, and increase labor productivity by improving knowledge and skills of workers at all levels. It is also important to increase labor productivity and maintain it for long term by using various technologies of the Fourth Industrial Revolution such as robots, artificial intelligence, nanotechnology, quantum computing, biotechnology, Internet of Things, 3D printers, and automation etc.

"Procedure for Admission of Students to Vocational and Technical Education Institutions" was approved by the Order A/187 of the Minister of Labor and Social Protection in 2019. In the first half of the 2019-2020 academic year, 22,648 new students were enrolled. Studies are underway to define Mongolia's leading economic sectors and determine the number of jobs needed in the short and medium term (2017-2020). Regulations were drafted to determine the number of students need to be enrolled in universities and vocational education institutions based on labor market research, conduct labor market research, and to provide necessary information.

A system for training and retraining light industry workforce is being developed, and a "Qualified Worker" program is being formulated and publicly discussed. As of 2019, 7,353 people were covered by the "Program for Employment Preparation and Employment Skills" and 941 people were employed. Studies are being conducted to implement measures to increase the number of workers who are qualified for the human resource needs requirements of the light and food industries. In addition, a proposal was prepared to amend the "Course of the School of Industrial Technology" of the Mongolian University of Science and Technology. Shima Seiki, a Japanese company, organized an advanced training course on APEX 3-3 design systems at the Shima Seiki Training Center of the Mongolian University of Science and Technology (MUST) by the funding of the World Bank's Export Promotion Project, and more than 50 designers from 25 factories took part in the course and improved their knowledge and skills.

The National Council for Vocational Education and Training approved the "Procedure for training and employing industrial trainers in enterprises and organizations." in 2019. 434 people took part in short-term vocational trainings, and 83 people took part in trainings of basic labor and business knowledge and skills through Vocational Training Centers and Polytechnic Colleges. In the 2018-2019 academic year, 2,415 students of 14 interdisciplinary fields/specializations graduated from 47 state and non-state vocational education and training institutions, and received professional certificates. Within the framework of the "Vocational Education and Training Teachers' Development Program", 1,629 teachers' capacities were developed to prepare teachers and methodologist teachers in 86 education institutions and regional methodological centers in the 2017 academic year. In addition, 469 teachers were provided with professional and methodological advice and information, and 273 teachers and methodologists took part in field trips to gain experiences. Plus, a total number of 209 managers, methodologists, and specialists from 5 regional methodological centers were trained an in-service teacher training.

Within the framework of ADB's "Project to support to Mongolia's Technical and Vocational Education and Training Sector" and GIZ's "Partnership based Technical and Vocational Education and Training Project" in 2019, capacity of more than 3,000 teachers and staff in duplicated numbers were developed and improved in the areas of specialization, new technologies, innovations, pedagogy, and skills and competencies-based training and assessment methodology. From 2016-2019, more than 41,6 thousand citizens received vocational education and training in the capital city, and 1,056 citizens were trained in 13 different vocational and retraining programs of the "Program for Employment Preparation and Employment Skills" in 39 institutions.

1.2.2.3. Strengthen urban-rural linkages to maximize productivity

"Action Program of the Government of Mongolia for 2016-2020" set forth the objectives to "implement a `Regional Discount` policy to support entrepreneurship in rural and remote areas" and "develop gradually a general plan for population settlement and urban development of Mongolia, by properly defining regional and communal structures" as part of implementing the goal provided in the Paragraph 50 of the "New Urban Agenda" to encourage urban-rural interactions and connectivity by strengthening sustainable transport and mobility, and technology and communications networks and infrastructure, underpinned by planning instruments based on an integrated urban and territorial approach, in order to maximize the potential of these sectors for enhanced productivity, social, economic and territorial cohesion, as well as safety and environmental sustainability".

For Mongolia, a country with vast territory, abundant mineral and agricultural resources, and unique historical and cultural heritages, the "Regional Development Policy" is to ensure balance of urban and rural development, distribute the benefits of economic growth fairly and equitably, improve livelihoods of the people, and improve quality of and access to education and health services.

In 2001, the Parliament approved the "Regional Development Concept of Mongolia". According to this document, the Law on Management and Coordination of Regional Development, the "Medium-Term Regional Development Strategy", and the "Development Programs for the Western, Eastern, Khangai, Central, and Ulaanbaatar Regions" were approved and implemented. Two pillar cities were selected in each of the four economic regions to further develop them to promote urbanization, which plays a leading role in regional development. These regional development documents were expired by 2015, and the Government of Mongolia is working to determine new economic regions to implement development policies more effectively. In addition, "Human Settlements Development Plan of Mongolia" is being developed with purpose of performing the comprehensive assessment of negative impacts of urban development over natural conditions, resources and state of ecological balance within entire territory of Mongolia, should be aligned closely with the objective to ensure social development of the population, establishment of the optimal regional structures, town and village systems that would enable optimal framework for service access from main infrastructure networks which are required to nourish social and economic development, to create comfortable working and living conditions where the population resides and reduce migration.

The Law on Corporate Income Tax and the Law on Personal Income Tax The law were amended and approved by the Parliament in 2019. According to the revised version of the Law on Corporate Income Tax "a business entity operating in a remote area shall be entitled to discount for tax at 50% if it locates at a distance of more than 500 km away from the capital city Ulaanbaatar, and at 90% if it locates at a distance more than 1000 km away from the capital city

Ulaanbaatar” and according to the revised Law on Personal Income Tax “residential citizens of Mongolia, who are living in remote aimags/soums located at a distance of more than 500 km from Ulaanbaatar city, entitled to discount for tax on their income, at 50% for aimags/soums located at a distance of more than 500 km from Ulaanbaatar city and at 90% for aimags/soums located at a distance of more than 1000 km from Ulaanbaatar city”.

As of 2020, 47.6% of Mongolia's total population lives in the capital city of Ulaanbaatar, 21.4% in the centers of 21 aimag, and the remaining 31.0% in 309 rural soums. One of the main reasons for the inflow of people to the capital city is the concentration of all social, economic, cultural, educational, health, industrial, administrative, and transportation hubs in the capital city.

Due to the lack of clear classification criteria for administrative units, towns and settlements, there are still larger baghs than soums, larger soums than aimags, larger khorroos than districts, and larger towns than cities in terms of population. As a result, the quality and access to education, health, and public services remain poor. This is because the quality of services is poor due to the lack of qualified human resources in administrative units with few inhabitants, and inadequate access to public services in overcrowded units.

As part of urban development policy for developing areas, cities, settlements and border areas based on mining deposits, historical and cultural monuments and natural beauty, general development plans are being developed and implemented in stages for the towns and settlements such as border crossing of Shiveekhuren and Hangimandal (Umnugovi aimag), Zamyn-Uud (Dornogovi aimag) and Bichigt (Sukhbaatar aimag); Tsogttsetsii, Gurvantes and Khanbogd soum centers (Umnugovi aimag), which are developing on the basis of mining; areas by Terkhiiin Tsagaan Nuur, Tariat soum (Arkhangai aimag) and Tsagaan Suvarga, Ulziit soum (Dundgovi aimag) which are developing tourism.

Table 10. Population changes in large cities and towns (1990-2019)

№	Name of city and settlement	Population			Growth
		1990	2010	2019	2019/1990
1. Mining-based cities and settlements					
1.	Gurvantes – Ovoot tolgoi coal, Umnugovi	2652	4968	5129	193.3
2.	Khanbogd – Oyutolgoi copper and gold, Umnugovi	1929	4115	8718	450.1
3.	Tsogttsetsii – Tavantolgoi coal, Umnugovi	1695	3938	8111	478.5
4.	Erdenet – copper deposit, Orkhon aimag	48526	87367	105987	218.4
5.	Tumurtei zink deposit – Baruun-Urt - Sukhbaatar	18604	15607	21861	117.5
6.	Nalaikh - coal deposit	22833	31458	37715	165.1
7.	Baganuur - coal deposit	13669	26905	28474	208.3
8.	Matad – Tamsagbulag oil, Dornod	2298	2311	3243	141.0
9.	Bat-Ulzii – gold, Uvurkhangai	4279	5722	7506	175.4
10.	Uyanga – gold, Uvurkhangai	5950	8661	9437	158.6
11.	Bumbugur – gold, Bayankhongor	2063	2601	3302	160.0
12.	Zaamar – gold, Tuv	3695	4868	5809	157.2
Total		130120	182146	245292	188.5
2. Cities and settlements along the railway axis and border crossings					

1.	Sainshand - Dornogovi	31477	20526	26048	0.82
2.	Sukhbaatar	25346	20830	22505	0.8
3.	Choir - Govisumber	7367	9699	12553	170.3
4.	Darkhan-Uul (Darkhan city)	63211	74195	85066	134.5
5.	Zamiin-Uud - Dornogovi	1332	13402	18740	1406.9
6.	Altanbulag - Selenge	3714	4769	4776	128.5
7.	Bulgan - Khovd	8545	8570	9632	112.7
8.	Erdenezagaan – Bichigt - Sukhbaatar	4826	6035	6786	140.6
9.	Chuluunkhoroot - Dornod	2326	1515	1844	0.77
10.	Khankh - Khuvsgul	1192	2284	2809	235.6
Total		149336	161825	190759	127.7
3. Cities and settlements with tourism centers					
1.	Kharkhorin - Uvurkhangai	11404	11589	12026	105.4
2	Khatgal - Khuvsgul	5897	2973	3418	0.57
Total		17226	15855	15434	0.89
4. Cities and settlements centered on agricultural production					
17 cities and settlements of Tuv, Selenge aimag		61764	58432	68700	111.2
1.	Ulaanbaatar	548393	536594	1469151	267.9
Total (including Ulaanbaatar)		886557	1694071	1989336	224.3
Total (excluding Ulaanbaatar)		338164	464071	520185	153.8

Source: “Human Settlements Development Plan of Mongolia”, CDC

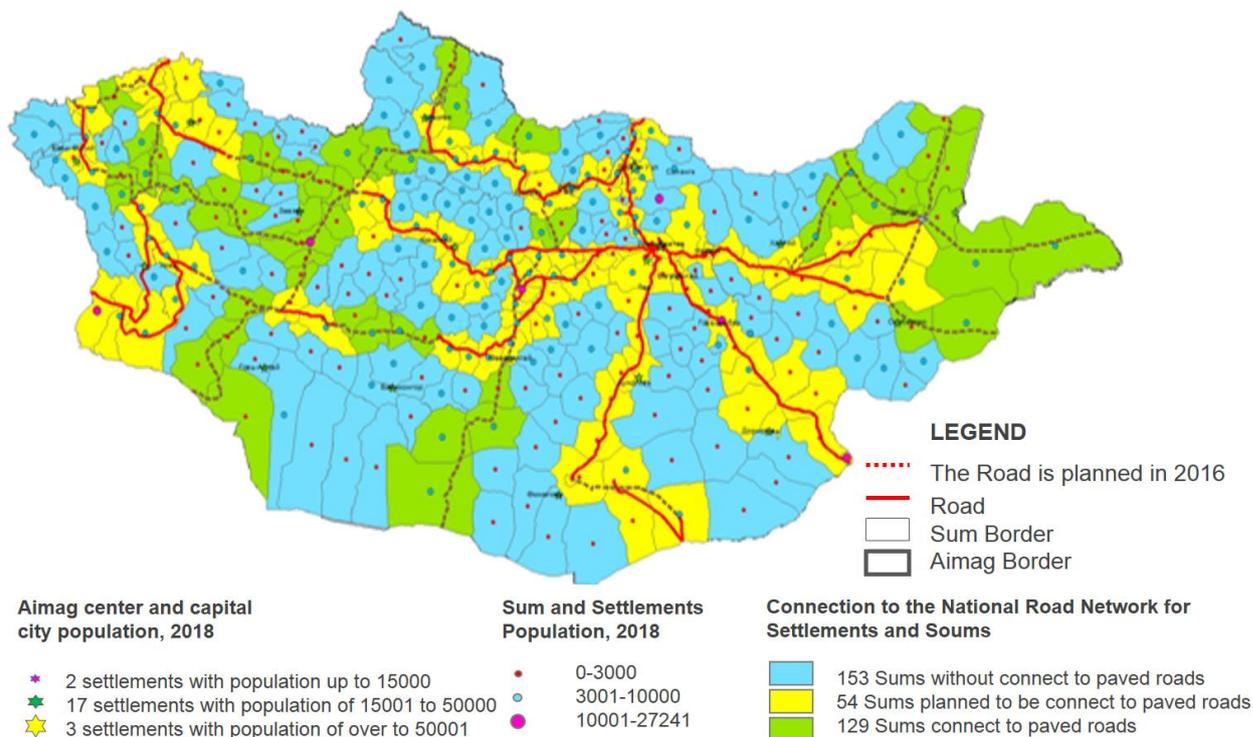
Labor productivity in all sectors of Mongolia, especially agriculture and services, lags behind. Although a third of the economically active population works in agriculture, productivity and wages in this sector are low and seasonal work predominates. Jobs are scarce and there are large numbers of people with tertiary education, indicating a discrepancy between skills and labor market demands. Mongolia is weaker than other countries in attracting skilled workers. Although women's enrollment in colleges and universities is higher, their labor force participation is lower due to the high burden of unpaid caregiving and housework, as well as early retirement. 64.3% of women were officially employed in 2006, but in 2019 that number dropped to 53.4% (whereas 68.3% of men are employed). Since the outbreak of the coronavirus (COVID-19) pandemic, female employment has fallen again by 1.6% in 2020 (vs. 1.2% for men). Youth unemployment is 24.2%, more than double the national average.

There are 129 cities and settlements with paved roads passing through the territory of the soum or settlement nationwide (See Table 10, Figure 11) and most of them are in the Central region. Whereas 54 cities and towns planned to build paved roads and 43 cities and towns that railway network passes through, which were objectives of the “Millennium Road” project approved by the Parliament in 2001.

Emerging social and economic attraction that accompany large cities and towns require shifting the predominant form of administrative responsibility into the combination of an economic and business roles, and the development of rural micro-centers with health, schools, cultural and banking, finance, wholesale facilities and construction of a small-scale primary processing plants of animal origin in the center of a settlement group. A proposal for a system of 90 settlements groups is being developed within the framework of the “Human Settlements Development Plan of Mongolia”, referring to the average annual population growth, percentage of urban population in 2010-2019, number of students per 100 school age people, number of inpatients per 100 people,

other social infrastructure, location of administrative center and average distance to other cities and towns.

Figure 11. Connection of cities and settlements to the road network



Source: “Human Settlements Development Plan of Mongolia”, CDC

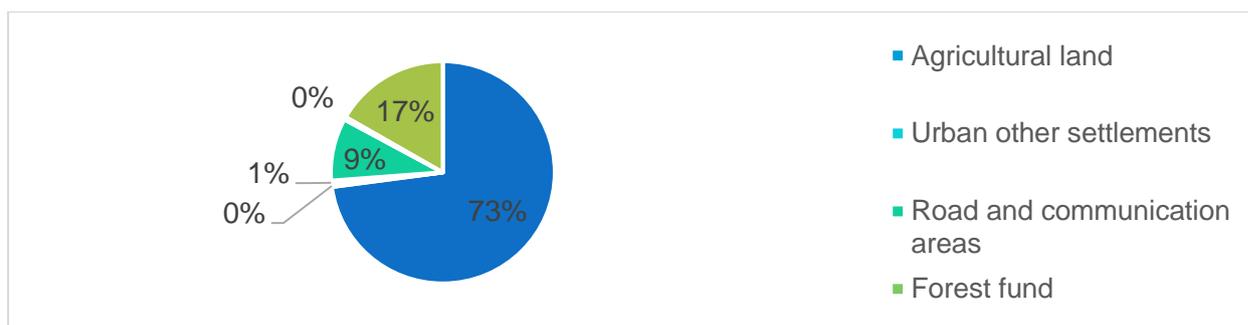
1.3. Environmentally Sustainable and Resilient Urban Development

1.3.1. Resilience, Mitigation, and Adaption of Cities and Human Settlements

1.3.1.1. Address urban sprawl and loss of biodiversity

By the end of 2020, the Mongolian Land Unified Fund consists of 114041.8 thousand hectares or 72.9% of agricultural land, 917.6 thousand hectares or 0.6% of urban and other settlements, 474.8 thousand hectares or 0.3% of roads and communication areas, 14255.9 thousand hectares or 9.1% of forest fund lands, 660.9 thousand hectares or 0.4% of water fund lands, and 26060.7 thousand hectares or 16.7% of the state special needs lands respectively (See Graphic 9).

Graphic 9. Land Unified Fund of Mongolia (by 2020)



Source: ALAMGaC, <https://www.gazar.gov.mn>

From the reports of the Land Unified Fund 2020, compared to 2019, 694.9 thousand hectares of agricultural land, 81.1 thousand hectares of forest fund land and 24.9 thousand hectares of water fund land were reduced, and 10.8 thousand hectares of urban, rural and other settlements and 790.2 thousand hectares of the state special needs land increased respectively.

At the national level, the population per square kilometer is 2.1 in 2020, while in the capital city, large aimags and soums, this number has increased. For instance, the area of Ulaanbaatar is 4.7 thousand m² or 0.3% of the total area. As of 2020, more than 40% of the country's population is residing in the capital city, and the population density or population per unit area is 339.8.

Since the 1990s, when Mongolia began its transition from a centrally planned economy to a market economy, the percentage of people living in the capital city Ulaanbaatar and other cities and towns has risen to 52.9% in 1996, 62.8% in 2006, 68.1% in 2013, and 67.9% in 2018, and 69.0% in 2020 due to migration from rural areas to the urban settlements. The following factors contributed to the migration. This includes:

- Prior to 1990, population migration was tightly controlled by the state, but it was released by the beginning of 1997. Migration has intensified due to the increasing number of people who were interested in living in cities and towns with more access to social and cultural services.
- Due to the dzuds of 1999-2001 and 2009-2010, many herders lost their livelihoods, and the number of migrants from the countryside to the capital city Ulaanbaatar and other major cities increased dramatically.
- During the transition years, the number of unemployed people increased sharply due to the collapse of large state-owned enterprises, bases and cooperatives in rural areas. Due to the lack of jobs in rural areas, people are moving to larger cities and towns in search of more opportunities.

In particular, the population of Ulaanbaatar, Darkhan, and Erdenet has risen sharply, with the majority of rural migrants living in ger areas. The uncontrolled and rapid expansion of Ger areas due to the introduction of free land ownership only once for family use, as well as a sharp increase in the number of vehicles, has had a negative impact on the city's environment.

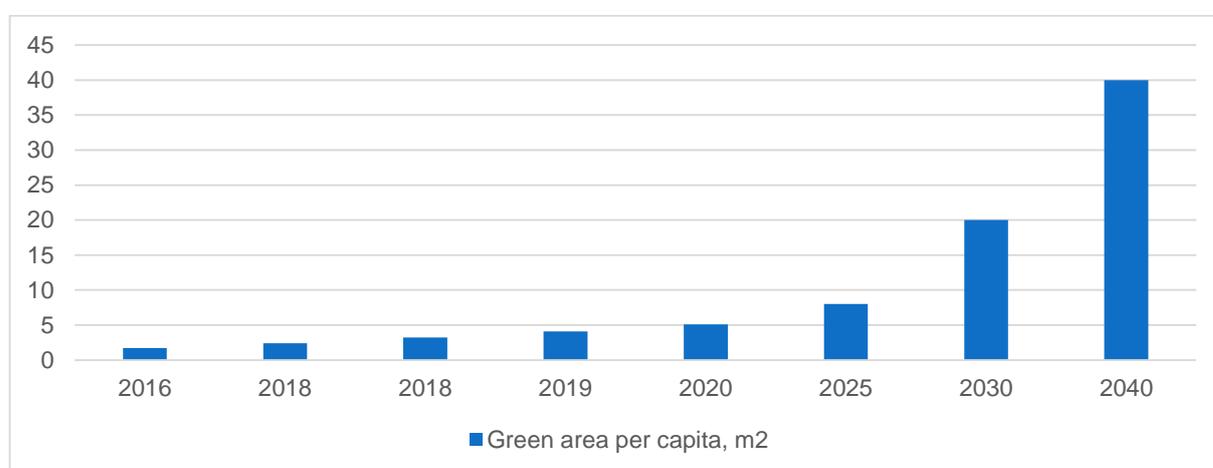
In recent years, with the growth of the mining sector, in addition to strategic deposits such as Oyu Tolgoi, Tavan Tolgoi and Tsagaansuvraga, other deposits and mines have been opened and new settlements have emerged. Especially, with the development of mining, the movement of people into mining areas has increased rapidly in recent years to find jobs in the mining regions of Umnugovi Aimag, such as Tsogttsetsii and Khanbogd, has led to unplanned expansion. Unplanned urbanization, resulting in construction, environmental pollution, climate change, road traffic, and infrastructure continues to pose a threat to nature, land, and biodiversity.

The total length of the green zone border in Ulaanbaatar is about 350 km, 70 km from north to south, 75 km from west to east, and the forest area of the green zone is 19,626.4 thousand cubic meters, of which 3,473.7 thousand cubic meters are forest areas of the Strictly Protected Area, 4,630.2 thousand cubic meters are forest areas of the National Park, 11,522.5 thousand cubic meters are forest areas of the green zone. The forest area of the capital city increased from 110.6 hectares in 2000 to 116.2 hectares in 2020. However, due to the expansion of Ulaanbaatar, the ecological balance is becoming more serious due to the depletion of forest areas and increasing air, water pollution and soil erosion. This indicates the need for additional plans and methods to protect forest biodiversity from urbanization.

Due to climate change, precipitation has declined and dehydration has been increasing. In 2018, there are 48 rivers and streams in the capital city, 1 of which has dried up, 9 of 120 streams have dried up, one of out 14 springs needs water protection, and one of 8 lakes and ponds has dried up.

Based on the “Amendment to the Ulaanbaatar City Master Plan 2020 and Development Approaches until 2030”, the Capital City Citizens' Representative Khural's Resolution No. 21/05 of 2019 approved and implemented the “Ulaanbaatar Master Plan for City Greenery and Gardening”. The “Ulaanbaatar Master Plan until 2020” estimates that the city's green space per capita will be 15 m² in 2010 and 20 m² in 2020, but this objective has not been achieved. As a result of active efforts to increase green space, the amount of green space per capita in Ulaanbaatar has increased to 1.7 m² in 2016, 2.4 m² in 2017, 3.2 m² in 2018, 4.1 m² in 2019, and 5.1 m² in 2020 (See Graphic 10). In 2020, Ulaanbaatar will have 5.1 m² of green space per capita, which is 4-5 times less than that of international cities.

Graphic 10. Amount of green space per capita in Ulaanbaatar



Source: UDA, <https://home.uda.ub.gov.mn/>

In order to expand the residential area, reduce the risk of depletion of forests and water resources, and protect the capital city's green zone, the Capital City Citizens' Representative Hural is taking under special protection local areas with green groves, river valleys, wildlife distribution and nomadic forests. There are 43 protected areas in the capital city, of which 3 are national, 6 are local and 34 are district protected areas. It is prohibited to possess, use or allocate land in these locations, and in case of violation or citizens and legal entities who are engaged in activities prohibited by the resolution of the Capital City Citizens' Representative Hural shall be evicted from the protection zone. However, there are still violations of land allocation in forest areas and illegal land tenure by individuals and legal entities.

Amendments to the Law on Forest and other relevant laws to increase accountability for illegal loggers, increase public participation in combating illegal logging, establish voluntary groups, identify sources of funding for incentives, and provide incentives to citizens and officials were approved. As of 2019, the amount of illegal logging decreased by 53.9% to 150.0 cubic meters.

In connection with the adoption of the Law on Amendments to the Law on Water Pollution Fees by the Parliament in 2019, the “Amount of water pollution fee” and “List of business entities and organizations to be exempted from water pollution charges and procedure for determining discount rates” were approved by the Government Resolution No.316 of 2019.

1.3.1.2. Climate Change mitigation and adaptation actions

In 2016, Mongolia ratified the UNFCCC Paris Agreement on Climate Change. Regarding the terms of the agreement that member states define and implement national targets for reduction and resilience to greenhouse gas emissions (GHG), Mongolia has developed its Nationally Determined Contribution (NDC), which was approved by the Government Decree No.407 of November 2019, with the aim to contribute to the Paris Agreement. The document outlines measures to reduce greenhouse gas emissions in key sectors of the economy, such as energy, agriculture, transportation, construction, industry, and waste, in line with the Government of Mongolia's goal of adaptation to climate change and reducing greenhouse gas emissions. Mongolia is targeting to reduce its greenhouse gas emissions by 22.7% by 2030. In addition to GHG reduction, eight targets for climate change adaptation have been identified in the areas of animal husbandry, agriculture, forestry and water, disaster risk reduction, public health, biodiversity, livelihoods, and social protection. Targets have also been set to mitigate and adapt the adverse impacts and risks of climate change.

Mongolia's greenhouse gas emissions account for 0.09% of the world's total, but per capita greenhouse gas emissions are 2.7 times higher than the world average. In 2014, Mongolia produced a total of 34.4 Mt CO₂-eq. without LULUCF. Out of that 50.08% was from energy, 48.51% from agriculture, 0.95% from industry, and the remaining 0.46% from waste. According to the national development process for 2010-2030, greenhouse gas emissions in 2030 are estimated at 74.2 Mt CO₂-eq., compared to 25.8 Mt CO₂-eq. in 2010, with an expected increase of 2.76 times. Therefore, with the current policies, the target of reducing greenhouse gas emissions could be achieved by 22.7% by 2030.

Policy documents such as “Mongolia’s Sustainable Development Vision - 2030”, “State Energy Policy”, and “Green Development Policy” contain goals, policies, and programs aimed at mitigating climate change. For instance, as part of the “Green Development Policy”, Mongolia wants to increase the share of renewable energies to 20% by 2020 and to 30 percent by 2030 and reduce the share of greenhouse gas emissions in this sector. There have been some positive results in the energy sector as a result of efforts to mitigate climate change. In particular, the Renewable Energy Law was amended in 2019 to regulate the implementation of renewable energy projects through competitive bidding in accordance with international standards, which made it possible to lower the price of renewable energy supplies. The law provides an important incentive to attract foreign and domestic investors, and as a result, the number of solar and wind power plants has increased in recent years. (<http://www.ccrcc.mn/stat/file/u/ndcmongolia.pdf>) The share of renewable energy in total electricity generation increased to 4.25% in 2017 and 7.08% in 2018.

Projects and programs are carried out in cooperation with international organizations as part of the targets for reducing greenhouse gas emissions. For example, “Methodology for estimating greenhouse gas emissions of buildings” and “Procedure for counting, registering and reporting greenhouse gas emissions of buildings” are being developed and approved within the implementation of "National Measures to Reduce Greenhouse Gas Emissions in the Construction Sector of Mongolia" in 2017-2020 funded by UNDP. In accordance with these guidelines, the baseline of GHG emissions from energy consumption in the construction sector was determined and the first electronic web-based inventory system was developed. (https://cdm.unfccc.int/methodologies/standard_base/2015/sb147.html)

In addition, 6 pilot projects have been implemented to reduce greenhouse gas emissions by more than 48,000 tons. More than 420 employees have been trained to help strengthen the sector's human resource capacity. More than 50 new jobs in the field of energy saving were

promoted. The MET and the JICA jointly carried out the "Capacity Building for the National Greenhouse Gas Inventory System" project in 2017-2022.

The "Action Program of the Government of Mongolia for 2016-2020" embraces specific targets to implement comprehensive measures to "reduce air, water and soil pollution and implement appropriate waste management in cities and other urban areas". "The National Program for Reducing Air and Environmental Pollution" was approved and being implemented by Resolution No.98 of 2017 with the aim of reducing air and environmental pollution and create a healthy and safe environment through planning of cities and settlements that provide healthy and safe living conditions for citizens; reducing sources of pollution by increasing the quality and accessibility of infrastructure, fostering healthy living practices among the population.

Amendments to the Air Law, the Government Special Funds Law and the Air Pollution Charges Law were approved by Parliament in 2018 to establish "Air Pollution Fund" and it has been operating in the field of air pollution prevention and reducing emissions since 2019.

Resolutions on "Measures to Reduce Air Pollution" (Government Resolution No.43 of 2018), "Exemption of Air Purifiers and Energy Saving Heaters from Customs and Value Added Tax" (Resolution No.157 of 2018) and "Prohibition of Raw Coal Use" (Resolution No.62 of 2018) have been approved and are being implemented. Resolution No.62 of 2018 bans the use of raw coal for household consumption in 6 central districts of Ulaanbaatar city from 2019.

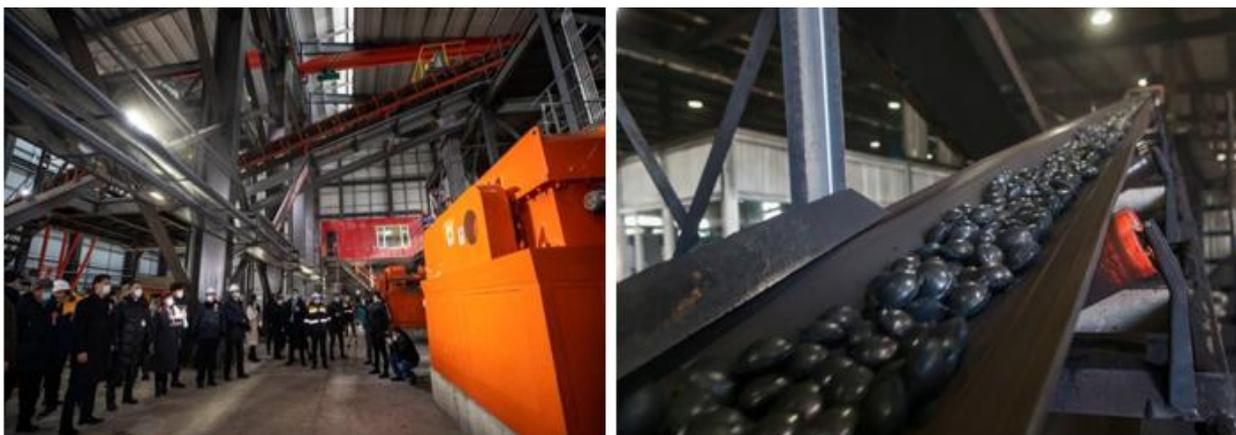
With the ban on raw coal use and the introduction of refined coal briquettes, fine particulate matter was reduced by 55% in PM2.5 and 38% in PM10 compared to the 2018 heating season. In addition, MNT 1.3 billion has been disbursed to 8 companies for setting up a wood briquette factory under the "Forest Cleanup" program, and six factories have been contracted to produce briquettes seasonally.

"National Program for Community Participatory Disaster Risk Reduction" for 2015-2025 was approved by the Parliament Resolution No.303 of 2015 and being implemented within the framework of the objectives "Establish national capacity to cope with climate change, and strengthen the system to prevent from meteorological hazard and natural disaster risks" ("Mongolia's Sustainable Development Vision - 2030") and "Elaborate and implement strategies on diminishing and adapting to the effects of climate change, establish an environment and climate fund and strengthen national capacity" ("Action Program of the Government of Mongolia for 2016-2020").

The MET and the UNEP jointly implementing "National Adaptation Plan" (NAP) process to strengthen climate-resilient development, with support from the Green Climate Fund (GCF) since 2019. The curriculum and content of the "Climate Change and Adaptation" course are being developed.

Community participation is important in mitigating climate change and preventing disaster risks. The "National Program of Education for Sustainable Development" approved by Government Decision No.209 of 2018 provides citizens with knowledge on climate change adaptation and disaster prevention through a lifelong education system. In order to impart disaster prevention knowledge and skills to schoolchildren, young people and children via the school curriculum, the "Disaster Prevention Management Fundamentals" course has been taught at universities, technical colleges and vocational training centers since the 2017-2018 academic year. In addition, the topic of "Safe Living" included in the curriculum of primary and secondary schools.

Figure 12. Refined coal briquette Plant, “Tavantolgoi Tulsh” LLC, Eastern Region



Legal and economic incentives to support green, resource-efficient, clean technologies, products, production and services have been initiated, and according to Government Decision No. 290 of 2017, the Green Organization certificate has been issued to companies that offer products and services that enable reduction of environmental impact, and the "Eco" label has been awarded to products and services that use raw materials to reduce negative impacts on the environment.

On January 8, 2013, cooperation document signed between the governments of Mongolia and Japan on establishing a “Low Carbon Development Partnership” to mitigate climate change and reduce greenhouse gas emissions, opening cooperation opportunities between the two countries to implement Joint Credit Mechanism (JCM) to support the efforts by the international community and countries to reduce greenhouse gas emissions. Since the implementation of the JCM in Mongolia, a total of 17 research projects have been implemented, of which 5 projects have been officially registered under the JCM, 1 project has applied (application for registration from 2021), 3 methodologies have been approved, and 2 external expert bodies have been registered and approved.

The “Action Program of the Government of Mongolia for 2016-2020” set forth the object “to enable the utilization of the recycled wastewater and soil water in industrial technology needs”. Within the framework of this object, the project “Wastewater Recycling for Industrial Use” is being implemented to reduce the use of groundwater by thermal power plants and to build wastewater recycling facilities. In addition, standards such as “Instruction package for use of treated water for irrigation” MNS ISO 16075-4:2018, “Treated water reuse. Technical requirements” MNS 6734: 2018 have been approved and being enforced.

1.3.1.3. Develop systems to reduce the impact of natural and human-made disasters

Objectives to “establish national capacity to cope with climate change, and strengthen the system to prevent from meteorological hazard and natural disaster risks”, and to “develop and implement a strategy to cope with climate change, strengthen disaster risk management capacity, improve the environmental observation capacity, establish early detection and early warning systems of natural hazard and possible disasters, and educate citizens on coping with climate change through a framework of lifelong education in 2016-2020” were aimed in the “Mongolia’s Sustainable Development Vision-2030”. In the “National Security Concept of Mongolia”, objectives to “undertake a risk assessment of each disaster caused by natural or human factors or technological failures and take actions to minimize the risks”, “strengthen the disaster management system, take actions at the national level to reduce vulnerabilities, create conditions

to encourage participation in the efforts by central and local governments, specialized organizations, private entities and citizens and increase their capacities”, and to “systematically prepare the equipment, human resources, research means and forecast technology and ensure continuity of a network for monitoring and evaluation of natural calamities and potential disasters, improve ways and means for prompt delivery of information to customers and establish a disaster early-warning system” are specified. Furthermore, in the “Action Program of the Government of Mongolia for 2016-2020”, objectives to “improve the legal environment and management of disaster prevention, carry out disaster prevention, disaster risk reduction and early warning activities on a scientific basis, broaden public participation and enhance the disaster management capacity” and to “set up the environmental research and analysis center, increase the capacity of environment research and monitoring, establish a single environmental data pool and improve information quality and outreach to the public” are set out respectively.

In 2017-2021, 4,327 natural disasters occurred in Mongolia, more than 235 people were killed, and damage of MNT 54 billion was incurred (See Table 11). A significant percentage of disasters occurring in our country are due to people’s negligence, lack of discipline, irresponsibility, and failure to comply with laws, rules, and regulations.

Table 11. **Disasters and caused damages**

д/д	Disasters and damages	2017	2018	2019	2020	2021	Total	Average of 2017-2021
1	Number of disasters occurred	4194	4373	4990	4006	4075	21638	4328
2	Deaths caused by disasters	203	206	203	248	319	1179	236
3	Livestock loss (thousand heads)	539	1417	26.1	80.9	163.7	2226.7	445.3
4	Damages caused by disasters (billion MNT)	96.7	81.9	35.8	31.3	25.9	271.7	54.3

Source: NEMA

The number of disasters occurred over the past decade has increased, and about 80% of disasters and damages are property, forest and steppe fires, and the remaining 20% are other disasters and damages. More than 90% of the identified forest and steppe fires are caused by humans or triggered due to human negligence, about 6% are due to natural causes (lightning, electricity etc), and the rest are related to technical causes (sparks from machinery pipes etc).

The Government of Mongolia has taken consistent actions since the first case of the COVID-19 infection recorded in Mongolia in March 2020. For example, the Parliament passed the Law on Prevention, Combat, and Mitigation of Social and Economic Impacts of the COVID-19 in April of 2020. In addition, the Government of Mongolia approved and implemented resolutions such as the Government Resolution no. 139 on the Measures to be taken on education to prevent COVID-19, the Government Resolution no. 167 “Some Social Protection Measures to Enhance the Economy and Support Citizens’ Livelihood during the COVID-19 pandemic” and the Government Resolution no. 168 “Some Measures for Budget Regulations during the COVID-19 pandemic” in 2020, and spent MNT 2.4 trillion from the state budget to combat pandemic.

The Parliament approved a revised version of the Law on Disaster Protection in order to improve the legal environment for disaster protection and prevention in 2017. Furthermore, stipulations such as regulations for urban development activities in state of emergency situations such as extraordinary events and disaster were newly added in the revisions proposed for the Law on Urban Development submitted to the Parliament in 2020. Mid-Term Strategy to Implement the “Sendai Framework for Disaster Risk Reduction in Mongolia (2017-2030)” was approved by the Government Resolution with no. 355 in 2017, and the “National Programme for Community Participatory Disaster Risk Reduction (2015-2025)” was approved by the Government Resolution with no. 303 in 2015, and are being implemented.

Hardware and software updates for MSS data processing systems was funded by the World Meteorological Organization, the "Ontsgoi" application which is available for citizens to see and use weather and daily meteorological information on their mobile phones was developed in cooperation with NEMA and UNDP, and the “Anhaar” application to deliver disaster warnings was launched. As part of works to establish an internet-based disaster spatial information system, a database was created on the network of the National Data Center. A total of MNT 14.7 billion was invested from the state budget in the construction of fire and rescue units buildings in some cities and towns in order to increase the role and capacity of the disaster management organization and to provide public services to citizens in an accessible and efficient manner. Moreover, to receive, assess and evaluate information on disasters and catastrophes, provide these operations with operational management and coordination, and to improve disaster warning activities, equipment of the Information and Early Warning Center of Ulaanbaatar has been improved, and the Emergency Management and Early Warning Centers have been established at some aimag emergency departments and regional centers with the investment of MNT 800.0 million from the state budget. The “Lifelong Learning” program and the “Fundamentals of Safe Living” course designed for providing disaster protection knowledge and skills to preschool and secondary school children are set to be included in all levels of curricula and plans, and the “Fundamentals of Disaster Management” course will be taught at universities and colleges.

In scope of disaster risk reduction, “Project for Establishing Earthquake Early Warning System, Project for Improving Disaster Preparedness and Disaster Capacity Building in Ulaanbaatar” funded by the European Union and the Red Cross Society of Finland, JICA’s “Project for Creating Internet-Based Disaster Spatial Information System”, “Project for Strengthening the National Capacity of Earthquake Disaster Protection and Prevention in Mongolia (2016-2020)”, “Project for Strengthening Local Level Capacities for Disaster Risk Reduction, Management and Coordination in Mongolia (MON/13/301)” implemented jointly with the UNDP and Government of Luxembourg, and the Project for Strengthening Community Resilience to Dzungar and Forest and Steppe Fires by the financing of Japan Fund for Poverty Reduction were implemented. In scope of these projects, an “Information and Early Warning Center” was established, works to inform the public about possible disasters with new equipment and technology that meet international standards in the most effective and appropriate manner, develop and approve “Methodology and indicators for risk assessment for different types of disasters in Mongolia”, create a spatial information-based and web-based database on disasters, hand over the equipment for sending disaster warning messages to the emergency management departments and meteorology and environment monitoring departments of 319 soums of 21 aimags, and to install earthquake sensor at the “Capital City Disaster Protection Training and Methodology Center” have been conducted.

1.3.1.4. Build urban resilience through quality infrastructure and spatial planning

Mongolia is aiming to implement the Paragraph 77 of the “New Urban Agenda”, which states “to strengthen the resilience of cities and human settlements, through the development of quality infrastructure and spatial planning in line with the Sendai Framework for Disaster Risk Reduction 2015-2030 and by mainstreaming holistic and data-informed disaster risk reduction and management. Promote the development of infrastructure that is resilient and resource efficient and will reduce the risks and impact of disasters, including the rehabilitation and upgrading of slums and informal settlements. Promote measures for strengthening and retrofitting all risky housing stock, including in slums and informal settlements, to make it resilient to disasters, in coordination with local authorities and stakeholders”. Relevant projects, programs and activities are being implemented in accordance with the “Action Program of the Government of Mongolia for 2016 - 2020”, which states that "Gradual measures will be taken to re-assess the frequency and intensity of seismic activity in cities and towns, to incorporate the findings into the construction planning, and to plan and implement measures to improve the strength and reliability of existing buildings and structures" and "improve the legal framework and disaster management system, organize science-based disaster prevention, risk reduction and early warning activities; as well as improve public participation and strengthen disaster management capacity”.

Earthquake risk: Approximately 75% of our cities and towns located in seismically active zones with an earthquake magnitude of 7 or greater and 12 soums in zones greater than 9 on the Richter scale. In recent years, the number and frequency of earthquakes around the capital city Ulaanbaatar and nationwide has increased. Plans, guidelines and procedures have been approved as part of earthquake risk reduction and prevention objectives such as: The “Earthquake disaster prevention and risk reduction action plan”, by the Government Resolution No.282 of 2016; “Procedure for issuing and certifying construction commissioning certificates”, by the Decree No.78, of 2017, of the Vice Prime Minister of Mongolia; “Guidelines for disaster risk assessment” by Decree No.125 of 2018, of the Vice Prime Minister of Mongolia; “Procedures for demolition of non-compliant public housing and its construction”, by Decree No.126, of 2016, of the Minister of Construction and Urban Development; “Norms and rules for the use of seismic micro-region maps” by Decree No.178 of the Minister of Construction and Urban Development. In addition, the “Building norms and rules for planning buildings in earthquake zones” have been updated and put into effect, and “Norms and rules for urban and town planning and construction” are currently being revised.

Since 2012, the “Engineering-geological, hydrogeological, seismic and technical studies aimed at mapping seismic micro-regions and determining earthquake risks in the territories of aimags, soums and settlements” have been carried out by the Institute of Astronomy and Geophysics and “IngGeoTech” LLC by the order of the MCUD. As part of this study, engineering-geological conditions and hydrogeological surveys were conducted on 173,259 hectares of land in 12 aimag centers, and seismic surveys were conducted on 119,895 hectares of land. In addition, 1: 10000 scale seismic micro-region mapping and survey of 79,028 ha area of Ulaanbaatar city, Nalaikh, Baganuur and Bagakhangai districts were carried out. To ensure transparency and accessibility of information, survey results were published on the ALAMGaC’s “Spatial Data Infrastructure” at <https://geoportal.nsd.gov.mn/gzbgzzg/home/>. In 2013-2017, the ALAMGaC established an “Engineering and Geological Database” containing 34 types of information on mineral resources, soil moisture, permafrost, historical and archeological monuments, seismic conditions, and weather in all areas of Mongolia, providing basic information on earthquake risk reduction.

Since 2011, nationwide seismic safety assessments of buildings and structures have been carried out. As of 2018, there are 349 public housing buildings in the capital and 702 in rural areas that do not meet operational requirements and are not earthquake resistant. Of these buildings, 234 are in the capital city and 221 in rural areas, the use of which is prohibited by a professional inspection agency. As of June 2019, in Ulaanbaatar, total of 27 apartment buildings for 531 households were demolished and 9 apartments for 875 households were built and commissioned, in accordance with the Law on Urban Redevelopment, and the “Procedure for demolition and construction of new housing that do not comply operational requirements”, which have been in force since 2015. At the aimag and local level, 6 apartment buildings, 1 school, 2 classrooms, 2 cultural centers and 1 orphanage buildings are being demolished and rebuilt.

In 2017-2020, a total of 138 buildings underwent earthquake risk assessment of buildings and structures and issued a professional certification report. For example, in the capital city of Ulaanbaatar, an earthquake risk assessment was conducted for 43 buildings in 2017, 19 buildings in 2018, 76 buildings in 2019, and 48 buildings in 2020.⁶

Flood risk: Since 1990, intensive construction work has been carried out in major cities and towns, and ger districts have been settled along river beds, mountain slopes and hills. At the same time, the risk of flooding is increasing, since the number of migrants from rural areas is increasing sharply and settling in flood-prone areas. According to the flood risk assessment conducted using statistical data, the total number of households living in the flood risk zones in 6 central districts of Ulaanbaatar increased 7.5 times from 1.864 in 2011 to 13.920 in 2016. The existing drainage system, built in 1970-1980, is outdated and of insufficient capacity. The situation needs to be changed as mud, garbage and waste from the ger area clogs the rainwater pipes, causing water overflows as well as ger area expands on mountain slopes and 70% of the roads in the ger area are without drainage.

Flood risk levels were mapped using the figures of 2016 district population, elderly and people with disabilities. The “Flood protection facility development program of Ulaanbaatar city until 2020” was approved by Resolution No.224 of the Capital City CRH in 2014 and in implementation. Since 2019, preparations have been made to develop a “Master plan for engineering preparations in Ulaanbaatar”. The plan is being developed by a consulting service provider selected in 2021. In the future, there is a need to develop an integrated topographic map of Ulaanbaatar and implement measures such as the gradual construction of Tuul River adjustment dike.

Fire risk: Problems such as lack of access for fire engines and ambulances in case of disaster, insufficient hydrant and fire water storage for reliable operation of fire water supply system, high risk of utility network failures and supply disruptions exist due to urban planning, land allocation and land use discrepancy, violation of the distance norm between buildings and structures. And reducing the distance between buildings leads to mutual overshadowing of buildings, as well as greater damage from collapses and fires in the event of natural calamity and disasters.

With the increasing threat of disasters caused by climate change, local governments, the private sector and citizens are working together to increase the number of green spaces in cities and communities and to set up fountains, parks and green zones. The MCUD is also working to improve urban planning, construction norms and normative documents. Furthermore, there is a need to integrate and implement international advanced techniques, technologies, innovations

⁶ Implementation of the Action Plan for 2016 - 2020, of the Mayor of Ulaanbaatar and the Governor of the Capital City

and other measures of disaster prevention, protection and reduction in general urban development plans, partial general plans, construction projects and construction designs. One of the examples is planning an "H" area for a helicopter to land in a tall building.

In 2019-2020, a general assessment was conducted to identify potential types of disasters using the General Disaster Risk Assessment Indicator methodology in 9 districts of the capital city. According to the assessment, earthquake risk is "high" in 30 Khoroos of 9 districts of the capital, flood risk is "high" in 16 Khoroos, and risk of property fires is "high" in 14 Khoroos. Evacuation and temporary resettlement sites were planned at 31 locations in the event of a potential disaster in the capital, and the size, ownership and use of the sites were specified in detail.

General development plans for the capital city and other cities and settlements have been updated, amended and newly developed since 2010. Terms of references of the plans contain the requirements such as increasing the share of green space to 15-20%, installations of a fountains, containment of disaster risk reduction and engineering preparation measures. These requirements are reviewed and implemented through design expertise. Although many measures are taken to prevent and respond to disasters, the implementation of earthquake, flood and fire prevention measures is still insufficient. The scale of construction works, one of the important risk mitigating factors, is not sufficient and the implementation of the measures outlined in the plan is not appropriate. Further, there is a need to increase citizen's participation in risk reduction, strengthen stakeholder capacity, improve disaster management, and enhance management and organization.

1.3.2. Sustainable Management and Use of Natural Resources

1.3.2.1. Strengthen the sustainable management of natural resources in urban areas

"Mongolia's Sustainable Development Vision - 2030" has set objective of "Providing greater independence to urban areas and settlements, build roads and transportation, and engineering infrastructure, create a healthy, safe and comfortable living environment for citizens, and improve urban planning in line with world-class green development model". The "Green Development Policy" has set objectives of "Offering comfortable living and working environments for the locals by developing self-sufficient 'green' and 'smart' cities and towns that are compatible with the carrying capacity of the environment and climate change trends, in order to prevent the overpopulation in urban cities" and "Increasing the share of green space in the urban area by 15% by 2020, and by 30% by 2030 through the redevelopment of Ulaanbaatar and other urban settlement areas" .

Mongolia has a forest covered land of 14255.9 thousand hectares or 9.1% of the total territory. As of 2020, according to the Desertification Assessment, 76.9% or 120.3 million hectares of the total territory had been degraded, of which 4.7% severely and 18.6% heavily. 50-70% of the total territory of Dornogovi, Dundgovi, Umnugovi, Govisumber, Gobi-Altai, Bayankhongor, Uvurkhangai and Tuv aimags are affected by desertification and land degradation. Therefore, the government adopts policies and programs to increase reforestation and combat desertification with the aim of creating a healthy, safe and comfortable living environment for citizens and increasing urban green spaces. For instance, to combat desertification and increase forest cover across the country, total 103 hectares of forest strips have been newly established in Khovd, Bayan-Ulgii, Uvs, Sukhbaatar, Khentii, Zavkhan, Dornogovi, Dundgovi, Bayankhongor and Govisumber aimags. Nature regeneration activities were carried out on 160 hectares in Zavkhanmandal Soum and 25 hectares in Tosontsengel Soum of Zavkhan Aimag, 60 hectares in Khatgal Town of Khuvsgul Aimag, 80 hectares in Bulgan Soum of Arkhangai Aimag and 150

hectares in Green Zone of Ulaanbaatar. In 2018, for protecting the basins and sources of major rivers, rehabilitation was carried out on an area of 1.260 hectares of 15 soums in 11 aimags and the green zone forests of Ulaanbaatar and afforestation on an area of 930 hectares.

Since 2010, Mongolia announced the second Saturday of May and October each year a public "Tree Planting Day" and actively plant trees, bushes, shrubs and greenery in cities and towns. According to international standards, a megacity requires 24 m² of green space per person. In the capital city Ulaanbaatar, home to more than 40% of the total population, or 1.5 million people, (as of 2020) the average green area per capita is 5.1 m², which is five times less than the world average.

11.8 hectares of public roads and squares were newly gardened, 3.241 conifers and 250.000 ornamental deciduous trees and shrubs were planted and cared for by professional associations as part of the implementation of the "Ulaanbaatar City Green Planning and Gardening Master Plan -2030", approved by the Resolution No.21/05 of 2019 of the Capital City Council. A total of 180 hectares of area, of which 40.4 hectares public land, 122.4 hectares of maintaining, 1.2 hectares of limited and 16 hectares of special needs area were planted with greenery.

In order to reward citizens, business entities and organizations that have planted trees and created green areas, in 2018-2020, the capital city's Governor's Office and MUB initiated the "My quarter - My Street" campaign which encourage households and organizations to green their backyards.

1.3.2.2. Promote resource conservation and waste reduction, reuse, and recycling

Mongolia is implementing the Paragraph 74 of the "New Urban Agenda" that states "We commit ourselves to promote environmentally sound waste management and to substantially reducing waste generation by reducing, reusing and recycling waste, minimizing landfills and converting waste to energy when waste cannot be recycled or when this choice delivers the best environmental outcome". "Mongolia's Sustainable Development Vision- 2030" indicates to "Improve urban planning, increase the quality and accessibility of infrastructure, foster good living practices for the population, and improve environmental quality and waste management" and sets an objective "To increase waste recycling to 20% of total waste" for 2016-2020. In the "Action Program of the Government of Mongolia for 2016-202" includes to "Implement green growth policies designed to introduce advanced and effective technology friendly to the environment and human health, to save resources and ensure their reuse and recycle", "Reduce air, water and soil pollution in urban areas and implement proper waste management", while the "Green Development Policy (2014-2030)" document states to "Promote the efficient waste management by supporting efficient and cost-effective technologies and providing the population with knowledge and practices of hygienes, waste processing and reuse, production of value-added products, and reduction of solid wastes by 20% in 2020 and 40% by 2030". Within the framework of these objectives, the Government has been revising the relevant laws, regulations and procedures on waste, as well as improving the operation of the central landfill sites and establishing waste recycling plants.

The Law on Waste, revised in 2017, aims to regulate relations on reduction and prevention of the negative impacts of waste on human health and the environment, inclusion of waste into economic activities, conservation of the natural resources, and education of citizens on wastes and waste management activities including sorting out, collecting, transporting, storing, reusing, recycling disposing of and exporting and importing with transboundary movement of hazardous

waste. In order to implement this law, relevant rules, regulations, instructions and methodologies have been approved and enforced in 2017-2018.

The Government Resolution No. 298 of 2014 approved the “National Program for Improving Waste Management”. The second phase of the program is being implemented in 2017-2022 and is aimed at intensifying the rehabilitation of waste-induced environmental degradation, fostering a culture and social responsibility of green consumption, establishing a proper waste management system and creating a clean and healthy environment.

The Government Resolution No. 168 of 2017 was approved the exemption from customs duties of 15 types of resource-saving and environment-friendly equipment to promote resource conservation, reuse and recycle wastes, reduce air, water and soil pollution within the framework of green development policy. In accordance with the Government Resolution No. 290 of 2017, “Eco-marks” are issued for products and services used and produced to reduce the negative impact on the environment.

In our country, most of the collected waste is disposed of in the central landfill sites. In 2020, a total of 2,260.9 thousand tons of waste was transported and disposed of at 381 permitted waste collection points nationwide, of which 2,016.1 thousand tons were destroyed. Looking at the structure of the total waste as of 2019, 41.4% of business entities and organizations' waste, 50.7% of household waste, 7.9% of waste collected for reuse and recycling, and 0.1% of waste imports. Less than 10% of the total waste is recycled. As a result of the implementation of national policies and programs, the amount of reused and recycled waste nationwide increased from 234.6 thousand tons in 2018 to 250.6 thousand tons in 2019 and 285.2 thousand tons in 2020.

As of 2020, a total of 28 waste recycling plants are operating in the capital city of Ulaanbaatar. In 2015, the Mayor's Office of Ulaanbaatar initiated a project to establish an “ECO Park” to support the waste treatment industry. The project plans to construct 19 recycling plants for 13 types of waste, 4 waste sorting plants, one garage, maintenance and disinfection center, and an ash landfill facility. Within the framework of the project, the construction of a landfill for ash at the Tsagaan Davaa waste disposal site, and the construction of a maintenance, and storage facility were completed in 2020. A consortium composed of 23 companies and organizations, willing to establish waste plants has been established to provide general management. Of these, 10 companies have begun construction of a recycling plant.

A waste sorting plant at the Narangiin Enger, one of Ulaanbaatar's central landfill sites receives an average of 1,400 tons of waste per month, with an average of 6,400 kg of plastic containers, 980 kg of dirty plastic, 554 kg of cans, 690 kg of thick plastic bags, and 250 kg of thin plastic bags, 2000 glass bottles, 50-60 kg of alloys, 40-50 kg of metal, 70-75 tons of cardboard. The plant was operating on a seasonal basis, but an extension has been made with a grant from the Korea International Cooperation Agency (KOICA) to increase its capacity and allowed it to operate continuously throughout the year. In addition, EBRD-funded projects have been implemented 2019 to increase the capacity of the Moringiin Davaa waste point in Ulaanbaatar and to build a solid waste landfill site or a Landfill facility (See Figure 13).

By connecting Moringiin Davaa and Tsagaandavaa landfill sites to the Internet and introducing a waste registration system, it has become possible to record and sort out 100% of the waste data coming to the central landfill in Ulaanbaatar.

In our country, not only ordinary waste but also hazardous industrial, household and hospital waste, such as heavy metals and toxic chemicals from mining operations, chemicals that don't meet quality requirements, pesticides, their packaging, used oil, batteries, measuring instruments containing mercury, sewage sludge of wastewater are also increasing and being accumulated.

With exception of a partial census and survey conducted in 2009, the general registration and control of hazardous waste nationwide have been almost completely missed out. Citizens, business entities and organizations operating in the field of ordinary and hazardous waste nationwide are being registered through www.eic.mn using the form approved by Orders A/21 and A/444 of the Minister of Environment and Tourism of 2018.

Figure 13. **Landfill facility and construction waste crushing and sorting plant**



A contract of MNT 9.9 million with “KHBDT” LLC for a consulting service for the design and budgeting of a temporary storage facility for hazardous waste was signed. According to the agreement, the construction of hazardous waste storage facilities has started in Darkhan, Khuvsgul, Selenge, Bulgan, Zavkhan, Arkhangai, Uvurkhangai, Dundgovi, Dornod, Dornogovi, Tuv and Ulaanbaatar. Within the framework of the medical waste management improvement project of the ADB funded “Health Sector Development Programme-5”, the Waste facilities of the Regional Diagnostic and Treatment Center of Umnugovi, Darkhan-Uul, Orkhon, Selenge, Uvs, Khentii and Khovd aimags, and the General Hospital of Dornogovi aimag were built and put into operation at a total cost of MNT 371.0 million.

A contract was made with “SICA” LLC, which was selected from the tender for consulting services on waste management in the road and transportation sector, research, normative development, collection, storage, transportation and recycling of dead car batteries. Based on the results of the study, the Chairman of the Mongolian Agency for Standards and Metrology, approved by Order No. 43 in 2019, “Collection, storage, transportation and recycling of lead-acid batteries. General requirements MNS 6783: 2019” the national standard was approved and enforced. The “Capital City Emergency Management and Coordination Center” was established to reduce, reuse and recycle waste, to change people’s attitudes, raise public awareness, and to increase the social responsibility of citizens, businesses and organizations. The center is working to receive complaints, comments and requests from citizens, businesses and organizations about waste.

1.3.2.3. Implement environmentally sound management of water resources and coastal areas

“Action program of the Government of Mongolia for 2016-2020” has set forth the objectives to implement “Protect water resources, implement integrated management to prevent their depletion and support the introduction of wastewater recycling technology”, “Intensify the work on protecting sources of rivers, streams and springs, collect water from rivers, rain, snow and ice and create water reservoirs and pools to increase water supply” and “Implement step-by-step measures to protect drinking water sources in the capital city and other urban areas and to provide the population with safe drinking water”.

Mongolia needs to address its challenges as it is one of the countries in the world with limited water resources and the small resources available are distributed unevenly across the

territory, with weak control and management, a not well-developed legal environment and water supply, inadequate access and capacity of sewage and treatment facilities and lack of personnel and human resources. On the other hand, facing intensifying desertification due to climate change and drought, Mongolia is challenged to take measures to mitigate negative impacts, conserve natural resources, determine the optimal lifestyle and form of doing business, and meet the needs for sustainable economic growth and comfortable living.

The total water resources of Mongolia are 564.8 km³, of which 98% are surface water. But more than 70% of all water consumption or 416 million m³/year is covered by groundwater. The average annual rainfall is 250 mm, and in 2019 457 rivers and streams recovered and 1266 dried up, in 2020 74 recovered and 682 dried up. More than 60% of Mongolia's rivers flow across the border into Russia and China. In the southern part of the territory, only groundwater is used due to the lack of surface water resources. Desertification affects 76.9% of the total area, most of it in the steppe and Gobi regions where surface water is scarce.

Improving the legal environment for collecting surface water and supporting its use will be useful to increase water resources, maintain runoff during drought period, reduce the risk of floods. Hydroelectric power generation will reduce greenhouse gas emissions and reduce the area affected by desertification and reduce the risk of sandstorms.

30.5% of the total population uses water from the central water distribution network, 35.8% from portable water transport services, 24.6% from water kiosks and wells, and 9.1% from springs, streams and rivers. Water consumption varies, with an average of 230-350 liters per day for residents in urban settlements with utility and an average of 5-10 liters per day for residents in rural, local and ger areas. Water consumption is expected to increase year by year, and improving access to water and sanitation in cities and settlements is an important development factor.

Although water use fees are paid in some form, in some sectors it is important to add value to the water and ensure payments are used properly and in accordance with the law. As of 2018, MNT 46.7 billion were collected from water use fees in state and local budgets. 96 percent of this amount derived from mining sector, which accounts for 17% of water use. Other users, who make up 83%, are exempt from paying. According to the Law on Water, 35% or MNT 16.3 billion of this fee should be spent annually to restore water and water environment, increase resources and reduce pollution, but only half or MNT 8 billion has been spent for this purpose.

Inadequate nationwide controls over water use and consumption, as well as regulatory frameworks and integrated information and monitoring systems that are not yet in place, make detailed monitoring and management of water use and consumption information difficult.

Further required measures are: Development and implementation of a comprehensive management plan consistent with the integrated use and protection of water and other natural resources; Developing an integrated water resources management plan for Mongolia and identifying potential water resources that can be utilize from rivers with high load on water use and consumption; Developing foreign relations of the water sector and increasing the efficiency of projects funded by international organizations and foreign states in the field of water resources, use and protection; Participate as much as possible in regional and international conferences, forums and councils, expressing the country's position and collaborate; and Carry out independent water resource management, holistically review relevant water laws and regulations, improve the legal environment to regulate multilateral relationships in the water sector.

1.3.2.4. Adopt a smart-city approach that leverages digitization, clean energy and technologies

In support of Paragraph 44, 66 and 121 of the “New Urban Agenda” Mongolia has incorporated the goals and objectives for the implementation of the “Smart City” approach based on digitalization, clean energy and technology into its national policies and plans.

“Mongolia’s Sustainable Development Vision - 2030” set forth the objectives to “Provide greater independence to urban areas and settlements, build roads and transportation, and engineering infrastructure, create a healthy, safe and comfortable living environment for citizens, and improve urban planning in line with world-class green development model” and “develop the green development standards for urban development, build infrastructure that meets the green development model, and redevelop Ulaanbaatar city and other urban areas and settlements, and reduce heat-loss in buildings by 20%” for 2016-2020. In support of green building financing as part of the implementing the objectives, soft loans are provided by environmentally and greenhouse gas reduction-oriented international donors such as the “Climate Change Fund”, the “Green Environment Foundation” and “Global Green Growth Institutes” through the Mongolian Banking Association and commercial banks. In the construction sector, loans are also granted for energy-efficient devices that reduce energy consumption by up to 20%, as well as for the insulation of old buildings and energy-saving products. The project “Safe Street - Bright Street” which uses LED lighting with 40-60% less energy consumption is being implemented in Ulaanbaatar, Darkhan and Erdenet.

The Government approved the “The National Energy Conservation Program 2018-2022” by Resolution No.274 of 2017 to support energy conservation. As part of the implementation of the program, increasing the share of renewable energy in energy supply, improving energy supply structure, using renewable energy technologies for heating, lighting and hot water in households in the Ger area to reduce air pollution are undertaken.

The main source of energy in our country is raw coal. The government has implemented some projects and programs to increase the untapped potential of renewable energy and hydropower capacity. As a result, between 2013 and 2019, 7 independent power producers were (three 152 MW wind farms and four 45 MW solar power plants) commissioned and connected to the central power grid in a short period of 6 years. As of 2019, the share of renewable energy in the total installed power system capacity has reached 18.1%.

The “Procedure for rewarding citizens, business entities and organizations that have introduced environmentally friendly advanced methods and technologies” was approved by the Government Resolution No.290 of 2017. To ensure the implementation of the regulation, the working group set up by the Decree No. A/122 of the Minister of Environment and Tourism in 2018 decided to issue “Eco label” and “Green certificates” to citizens and business entities who have introduced environmentally friendly advanced methods and technologies.

Ulaanbaatar is one of the coldest and most polluted cities in the world. About 80% of air pollution in the capital city comes from the use of charcoal in traditional stoves in the ger areas. Government Resolution No. 62 of 2018 bans the use of raw coal for domestic use in 6 districts in central Ulaanbaatar from 2019, aiming to reduce air pollution by up to 50%. As part of this task, supply of refined coal briquettes, replacing heating stoves with advanced technology and supporting the use of electric heating were organized.

In accordance with the objective of the “Action Program of the Government of Mongolia for 2016-2020” to “implement e-government in a transparent, efficient, accessible, paperless and

unbureaucratic manner through the gradual introduction of digital signatures in public services and their transition to electronic format”, and based on the "State Policy on Electronic Signatures in Mongolia", the “National Data Center” SFE was given the role of a state certification authority, enabled the collection of digital signatures by entering into registration unit agreements with government agencies. Digital signatures are being introduced in public services.

Since 2017, the state information exchange system “KHUR” has been established, in which a total of 74 web services have been developed, and 29 government organizations and 19 private organizations are connected and share their information. A directory of 176 public services to be connected to the state electronic information exchange system and 320 types of public services to be provided electronically using the state electronic information exchange system was approved by the Government Resolution No.259 of 2018. With the goal of digitizing and providing prompt access to public services, government agencies have been fully connected to the electronic information exchange system, and about 320 public services reach citizens electronically, and fast, paperless, open and unbureaucratic public services are being created.

According to the City Council Resolution No.16/11 of 2014, Smart Ulaanbaatar Program was approved to be implemented in three phases: first phase “Electron UB” (2014-2016), second phase “Digital-UB I” (2015-2018) and phase three “Smart-UB” (2016-2020). But, since 2016 the program could not be implemented as no specific budget was approved for the implementation of the program and the Steering Committee to oversee the implementation of the program and to provide unified management was dissolved due to the 2016 election result, and the “Smart Ulaanbaatar” Sub-committee was liquidated by the City Council Resolution No.15/04 of 2018. However, the “Action Plan of the Mayor of Ulaanbaatar, the Governor of the Capital for 2016-2020” includes tasks to support the “Smart city” approach based on digitization and technology.

Since 2017, the MRTD and ADB has been jointly implementing the technical assistance project “TA-9131 MON Policy development and implementation plan for Mongolia's intelligent transport system”. The launch of a ticketing service via TVM (ticket vending machines) by facilitating the purchase of passenger tickets and providing discounts on transportation fares is underway.

In addition, GPS tracking devices, driver information panels, card readers at exit and entry doors, and surveillance cameras have been installed on 1.250 buses and trolleybuses operating in the city and suburbs. To reduce pollution, DPF soot particulate filters were installed on public transport buses in Ulaanbaatar, resulting in a 20-30% reduction in air pollution from mobile sources.

Reducing traffic congestion is considered one of the indicators for implementing a smart city approach based on digitization, clean energy and technology, set out in the “New Urban Agenda”. This indicator is measured by the number of street crossings with traffic lights connected to the city's road management system. The daily journeys and traffic of the capital's population are mainly done by car using the road. A total of 839 km of roads and 420,000 - 450,000 vehicles pass through the built-up area of Ulaanbaatar every day. The Ulaanbaatar Traffic Management Center is responsible for organizing traffic in the capital city. The center effectively manages the city's traffic through traffic lights and ensures reliable operation of servers, software and hardware that regulate and control traffic. As of 2020, 155 traffic lights are being used in Ulaanbaatar to regulate road intersections and pedestrian traffic.

Due to the continental climate in our country, the consumption of heat and energy by consumers increases in winter. Therefore, development of energy efficiency standards and norms in the construction and energy sector, classification, control and labelling, construction of energy-

efficient buildings, establishment of an incentive system for energy-efficient consumers; promoting public awareness of energy efficiency are required. It is also important to develop 'green' heat supplies, namely low-emission solutions for coal stoves and the use of geothermal heat pumps, solar panels and electric boilers.

PART II. EFFECTIVE IMPLEMENTATION

2.1 Building Governance Structure: Establishing a supportive Framework

2.1.1. Decentralization to enable subnational and local governments undertake their assigned responsibilities

In the Paragraph 90 of the “New Urban Agenda” has stated that “We will, in line with countries’ national legislation, support strengthening the capacity of subnational and local governments to implement effective local and metropolitan multilevel governance, across administrative borders, and based on functional territories, ensuring the involvement of subnational and local governments in decision-making and working to provide them with the necessary authority and resources to manage critical urban, metropolitan and territorial concerns”. Defining “decentralizing and ensuring the participation of all stakeholders in decision making” as a principle for governance for sustainable development in the “Mongolia’s Sustainable Development Vision-2030” ensured basic conditions for long-term sustainable implementation of decentralization policies and activities.

As for administrative and territorial units of Mongolia, there are the capital city Ulaanbaatar and 21 aimags. The capital city is divided into 9 districts, and the aimags is divided into total of 330 soums. The “Regional Development Concept” approved by the Parliament in 2001 defined four economic regions in Mongolia: Western, Khangai, Central and Eastern, and stated that the capital city of Ulaanbaatar would be developed as an independent region. Each of the economic region will have two pillar cities, total of eight cities, in order to establish and develop large social and economic centers in the regions.

As a result of Mongolia's active decentralization policy implemented from 1992 to 1996, local governments managed to become more independent from 1996 to 2002, but decentralization policies were not sufficiently implemented due to the lacking capacity of local governments. Between 2002 and 2013, power was re-centralized, and the autonomy, structure, organization and budget of local government were weakened. Therefore, in recent years, measures such as increasing efficiency, quality and accessibility of public services in new conditions of democracy and market economy, decentralizing, strengthening local governments, eliminating duplication of functions and gaps, decentralizing budget allocations, and ensuring citizens participation in decision-making have been implemented in stages.

The “State Policy on Decentralization” was approved by the Government Resolution with no. 350 in 2016. Objectives to “achieve political decentralization through increasing participation of citizens and civil society organizations in policy formulation and decision-making processes of local governing bodies”, “achieve administrative decentralization by improving organizational structure and system of government organizations, re-allocating functions and implementing sustainable human resource policy”, “achieve fiscal decentralization through increasing independence of local economy and finance”, and to “achieve economic decentralization through developing the public-private partnership, assigning some functions of central and local government organizations to private sector, professional associations and civil society organisations on contractual basis and continuing social sector privatization” were set out in this document. The policy is aimed at addressing inefficient allocation and spending of public funds, and is based on the principles of good governance and transparency, openness and accountability in the decision-making process. Within the framework of this policy, the

“Procedures for re-allocating functions of central and local government organizations” was approved and being implemented by the Government Resolution with no. 22 in 2018. With the adoption of the procedure, conditions for decentralization, improving the efficiency of budget spending, re-allocation of some functions between government agencies and sectors, and assigning some functions of government organizations to private sector were created through conducting comprehensive analysis of functions of government agencies.

Amendments proposed for some of the laws governing the vertical governance of government organizations and local governments have been submitted to Parliament. In particular, the draft laws proposed transitioning to horizontal system for social insurance, social welfare, auditing, meteorological and environmental analysis, taxation, state registration and statistics organizations. With the adoption of these draft laws, appointments made by the state central administrative body of the sector will be made by aimag, capital city and district governments, power of local governments will be increased, their governance capacity will be improved, and quality and accessibility of local public services will be increased. The “Project for Supporting Decentralization Policy (2015-2019)” implemented by the Cabinet Secretariat under an agreement made between the Government of Mongolia of the Swiss Confederation provided technical and methodological assistance for the development of these policies, procedures and draft laws.

Local governments need to have the power to control their own sources of revenue in order for the decentralization process to be effective. The main source of budget revenue is concentrated in Ulaanbaatar city, Orkhon, Darkhan-Uul aimags and some other aimags with mineral resources where population, industries, trade and services are concentrated. Apart from the capital city, 5 aimags finance their expenditures with their sources of revenue, and other aimags receive financing from the state budget in Mongolia. The local budget is mostly spent on administrative expenses of aimag and sum, particularly salaries of administrative staff, and the rest are only enough to cover the operating costs (heating, electricity etc.) of the local government building. Budgets are very insufficient and lacking for aimags and sum governments in terms of investments to implement their legal roles and responsibilities and to contribute to the local development, and funding to be spent on the recurrent expenditures. The share of capital expenditures being low in the local budget shows that local investments need to be increased, new jobs need to be created, and further local autonomy needs to be strengthened to support local development. Most of revenues of local budget come from a few types of taxes, such as mining royalties, personal income taxes, and real estate taxes. Re-allocation of certain percentage of revenues from mineral license payments, oil license fees and air pollution taxes for raw coal use centralized in the state budget for local budgets since 2019 made it possible for the local government to spend fundings independently on measures such as environmental protection, rehabilitation, afforestation, and air pollution reduction.

As a result of effective allocation of funds, it will be possible for local governments to solve local social and economic issues on their own, number of steps required to do so will be reduced, efficiency, quality and accessibility of public services will be improved, and accountability will be increased. It was aimed to increase the share of local budget expenditure in total state budget expenditure to at least 32% in 2016-2020 and 35% in 2020-2024, assign at least 20% of roles and functions of central and local government organizations to private sector, professional associations, and non-governmental organisations on contractual basis in 2016-2020, bring public services closer to citizens in 2020-2024 by transferring government functions to aimags and sum governments (primary administrative units), and to make the share of local government employees at least 60% in the total number of public sector employees (see Table 12 and 13).

Table 12. **Share in the state budget**

Indicators	2016	2017	2018	2019	2020
Share of local budget revenues	37.2	30.6	27.5	24.5	30.9
Share of local budget expenditures	24.5	27.0	29.4	25.1	22.7

Source: Mongolian Statistics Yearbook 2020

Table 13. **Share of employees paid from the state and local budgets**

Indicators	2016	2017	2018	2019	2020
Shares of salaries in state budget expenditure	16.7	20	20.3	19.3	19.0
Shares of salaries in local budget expenditure	32.8	32	30.5	35.2	38.7
Shares of salary expenditures of the local budget in the state budget expenditure	48.2	43.4	44.2	45.7	46.3

Source: Mongolian Statistics Yearbook 2020

As of 2020, the share of local budget expenditure in total state budget expenditure is 22.7%, which is lower than the target 32%, and the share of salaries expenditures of local budgets in total state budget salaries expenditures is 46.3%, which is lower than the target 60%.

According to the UNDP study “Mongolia's Fiscal Decentralization Process and Ways to Increase Local Economic and Financial Independence”, measures to improve policies for strengthening local governments in line with sectoral policies to ensure effective decentralization, implement flexible tax and investment policies aimed at ensuring local economic independence, expand tax authority of local governments, allocate sufficient funds for central and local government organizations to carry out their statutory functions, ensure coordination of activities of central and local governments, strengthen capacity at all levels, and to ensure citizen participation are necessary.

2.1.2. Linking urban policies to finance mechanisms and budgets

Within the framework of the objectives set forth in Paragraphs 131 and 132 of the “New Urban Agenda”, “Mongolia’s Sustainable Development Vision-2030” states “Implement sound planning of the state budget revenues and expenditures, and ensure efficient, effective and proper expenditure management”, and the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Decrease the budget deficit by improving fiscal discipline, limit unnecessary spending and taking necessary austerity measures”.

Since 2019, the Government of Mongolia has been implementing a “digital, transparent and efficient” budget policy aimed at stabilizing economic fluctuations by reducing the budget deficits, as well as supporting economic growth, improving the budget and financial environment, and strengthening financial disciplines. According to the Budget Law, the General Budget of Mongolia consists of the state budget, local budget, future heritage fund, and social insurance fund budget.

As of 2020, 81.5% of the state budget revenues is tax revenue, 9.1% is non-tax revenue, 8.8% is future heritage fund revenue, and 0.6% is stabilization fund revenue.⁷

In the last 4 years, local budget revenues accounted for 27-33% of the state budget and expenditures for 22-29%, which shows that the share of local budget expenditures in total state budget expenditures was reduced to 22.6% (See Table 14).

Table 14. Percentages of revenues and expenditures of the local budget revenue in the general state budget (2017-2020)

Unit: MNT billion

	Types	Balanced income	Total expenditure
2017	General budget	7,274.9	9,017.3
	Local budget	2,437.2	2,437.0
	Percent	33.5	27.0
2018	General budget	9,225.9	9,222.9
	Local budget	2,769.4	2,716.4
	Percent	30.0	29.4
2019	General budget	10,905.5	11,661.7
	Local budget	2,947.6	2,904.7
	Percent	27.0	24.9
2020	General budget	9,421.6	13,960.8
	Local budget	3,146.8	3,157.2
	Percent	33.4	22.6

Source: <https://www.1212.mn>

State policy on decentralization is being implemented in several ways such as allocating the financial resources required to implement redistribution at the local level based on the relevant budget, deciding on adding types of revenues for the local budget, solving the gap between the funds required to implement local functions and local revenues by a balanced budget method and improving the current system of financial support and inter-budget revenue distribution.

The Law on Development Policy and Planning, which came into force in 2016 (a revised version of the Law on Development Policy, Planning and Management was adopted in 2020) regulates urban development, social and economic development planning, and the necessary investment sources. According to the law, development policy and planning such as sectoral policy documents and national programs are divided into short-term, medium-term, and long-term by terms, and national, subnational, aimags, and capital city by geographical areas. For example, for the capital city Ulaanbaatar, the Action Program of the Governor (2016-2020) is the main planning document that defines the goal and policies of the city development and becomes the basis for the economic and social development of Ulaanbaatar city in that year while the main direction of the economic and social development includes goals, objectives, measures and financial estimates and sources for that year to be implemented within the framework of the public investment.

It is essential to revise the concept of regional development to define diversification forms of aimags depending on education, resources and density of the population, to update them based on their spatial development, and further re-define development policies of aimags and the capital city and to develop basic policy documents such as the Human settlements development

⁷ Public Finance-2020, NSO

plan and the National Program on the location of industrial development, etc. In this regard, the “Mongolia’s Sustainable Development Vision-2030” sets the policy goal of “Improving the legal environment for urban development and land relations based on the extant human settlements systems” and the “Regional Development Concept and Regional Development Policy for 2016-2020” and “Human Settlements Development Plan of Mongolia” are being developed by the MCUD and the NDA (formerly, but currently the MED).

The Law on Urban Development clearly states the funding sources for developing urban development documents shall be from the state and local budgets. Within the framework of this law, the “Urban Planning and Design Institute” was established in accordance with the objective to “Develop the Draft Human Settlements Development Plan of Mongolia in steps to determine the optimal system of regions and groups of settlements for 2016-2020”. Moreover, MNT 2,412.4 thousand was provided to amend the Master plans of Zavkhan, Khentii, Arkhangai, Uvurkhangai, Orkhon, Darkhan-Uul and Sukhbaatar aimags in 2017-2020 and to develop detailed Master plans for border crossing areas, MNT 72,400.0 thousand to develop feasibility studies, design plans and budgets for projects and activities to be implemented in the following years by the state budget in 2020, and MNT 247,000.0 thousand to develop Master plans for 6 soum centers in 2020-2021.

2.1.3. Develop legal and policy frameworks to enhance the ability of governments to implement urban policies

Mongolia aims to implement the objectives set in Paragraphs 41, 89, and 90 of the “New Urban Agenda”: “The Government of Mongolia will develop a legal and policy framework that expands the opportunity to implement the urban development policy”. “Mongolia’s Sustainable Development Vision-2030” sets the objective to “Improve the legal environment for urban development and land administration based on a proper system of human settlement”. The “Action Program of the Government of Mongolia for 2016-2020” sets objectives to “Create a legal environment for Ulaanbaatar city development”, “Continue, improve and ensure the coherence of the policies being implemented in every sector in order to preserve the continuity of the state policy”, “Improve the legal regulation of land relations and create conditions for turning land into an economic asset”, “Improve the legal guarantee for intellectual rights and rights to own moveable and immovable properties of citizens and legal entities and enhance the legal environment”, “Improve the content and compatibility of laws and other legal documents through detection and elimination of duplication and contradiction of some provisions in the laws and other legal documents and using the integrated legal database in drafting of new laws”, “Implement a program of legal education for all” and “Create legal environment for providing free of charge legal assistance to citizens of targeted groups”.

In 2019, the Parliament approved amendments to the Constitution of Mongolia and in the Article 25.1.7 states that ... Determine the state finance and credit, official taxation and monetary policy, and the main directives for the national economic and social development, and to approve the Government Program of Action, the State budget, and their performance reports; Development policy and planning shall be sustainable ... ”.

In line with the amendments to the Constitution, a revised version of the Law on Development Policy, Planning and Management was adopted in 2020, which provided the basis for a new legal framework for the Master plan for the development of the capital city Ulaanbaatar and other cities and towns. The purpose of this law is to ensure the sustainability and continuity of Mongolia's development policy and planning, to define the principles to be followed in development policy and planning at the national level, to prepare, effectively implement, monitor

and inform a development policy, and create an integrated and rational system, define the rights and responsibilities of participants in policy and planning, ensure proper partnership of development policy and planning participants, regulate relations concerning types and forms of policy and planning documents, and strengthen development policy, planning, management and organization. The law specifies the types, categories, and timing of development policy documents to be followed at the local and national levels, improving their coordination in order to implement projects and programs more efficiently, funded by the state and local budgets, foreign loans and private sector funds, to reduce wasteful expenditures, and to improve the efficiency of public spending.

Moreover, in accordance with the concept of amendments to the Constitution of Mongolia, the Law on Administrative and Territorial Units and Their Management was revised in 2020, which defines the legal status of each administrative and territorial unit and functions appropriate to the legal status and the financial and economic basis for its implementation. The law states the principles to be followed in developing the Master plans of the capital city and other cities and settlements, the activities to be included, and the scope of financial and capital issues.

In accordance with the amendments to the Constitution of Mongolia and other relevant laws, a draft of the revised Law on Urban Development was submitted to the Parliament in 2020 and supported to be discussed at the autumn session of the Parliament. In order to ensure the implementation of the “New Urban Agenda”, a draft of the revised Law on Urban Development includes the “Sustainable Development Goals-2030” and the main principles of the program, as well as the following new regulatory principles:

- Master plans and detailed Master plans of cities and towns, construction projects, urban zoning and its requirements have been stated in more detail than the existing regulations, and cities and settlements to develop and implement “Urban zoning rules” in accordance with their specifics;
- New regulations related to the development, demolition and relocation of new cities and settlements;
- Roles of citizens, legal entities and other government agencies involved in urban development activities are regulated in detail. In addition, roles of the state administrative bodies, soum and district Citizens 'Representatives' Hural, city and town governors, aimag and soum governors, and other government agencies involved in urban development were added, and regulations on a city neighborhood and protection of historical and cultural sites of architecture, construction, as well as planning of support activities are included;
- Creation of a system for scientifically based research and studies of activities in the field of urban development, in particular, human settlement, regional development, urban planning, architecture, professional research and analysis of urban development, and preparation of urban development documents, projects and programs, information and recommendations and regulations on the Institute of Regional and Urban Planning and its functions are included;
- Control over urban development activities is regulated by the Law on State Inspection;
- Infrastructure and conditions for easy access to public buildings for people with disabilities, meeting infrastructure needs, as well as issues related to the registration, protection and restoration of historical and cultural monuments and buildings of architecture as cultural heritage;
- Aimags and the capital city will have the Department of Urban Development, soums and districts have an officer in charge of this issue, as well as the roles of the Mayor

and Chief Architect, the functions of other government agencies involved in urban development activities and the authorities in charge of urban development monitoring are included.

The draft law also includes relevant provisions on public participation in urban development activities and the roles of citizens and legal entities implementing urban development activities. State inspection over urban development activities, regulations on emergency conditions or force majeure, incidents and disaster management, urban development budget, financing, implementation of urban development activities, monitoring and evaluation are newly regulated in detail.

To implement the Law on Urban Redevelopment approved by the Parliament in 2015, “Procedure on Compensation for Urban Redevelopment” approved by the Government Resolution No. 222 of 2018 and “Procedure on sharing land by owners and possessors to reorganize ger areas” approved by the Resolution No. 341 of 2018 and the “Tripartite Agreement template” and other relevant rules and regulations, approved by the Minister of Construction and Urban Development for 2016-2020 are being followed. Adoption and enforcement of the Law on Urban Redevelopment and its accompanying rules and regulations ensure the participation and cooperation of residents and citizens in urban development, and improve the monitoring system, on the other hand, they protect the rights of land and real estate owners, and the built-up areas, public lands, ger districts, and substandard buildings are included in the integrated policies and planning, and increase investment efficiency.

In 2016, the Parliament of Mongolia approved a revised version of the Construction Law, one of the basic laws for implementing the Master plan for the development of the capital city Ulaanbaatar and other cities and towns. The law regulates the planning and construction of buildings in accordance with green development policy and green building requirements. Adoption of the revised Law on Construction and its accompanying 34 rules and regulations in 2016-2018 fully define the legal environment for construction activities, consider the accountability system of stakeholders at each stage, and create a “PEOPLE” centered sector system.

In order to harmonize the legal regulation of land relations with the amendments to the Constitution of Mongolia and other relevant laws, a draft of the revised General Law on Land, a draft of the revised Law on Ownership of Land by Citizens of Mongolia, a draft of the revised Law on Cadastre, a draft of the revised Law on Geodesy and Cartography and a draft of the revised Law on Land Fees and new draft laws on Land Acquisition for Necessary Public Needs, and the National Spatial Infrastructure are being developed and submitted to the Parliament.

As population growth, migration, social, economic, consumption changes and climate change increasingly threaten the safety and security of energy, water and land resources in cities and towns, considering the limited natural resources such as water, energy and land use in a systematic way in relation to the social and economic needs and requirements, the Revised Law on Urban and Town Legal Status, the Revised Law on Housing, the Revised Law on Urban Water Supply and Sewerage, Law on Energy, Law on Renewable Energy, Law on Environmental Protection and other relevant laws are being drafted for amendments.

2.1.4. Strengthen the capacity of local and subnational governments to implement local and metropolitan multilevel governance

This section will be presented in the next report.

2.1.5. Promote participatory, age- and gender-responsive approaches to urban policy and planning

Paragraph 41 of the New Urban Agenda states “We commit ourselves to promote institutional, political, legal and financial mechanisms in cities and human settlements to broaden inclusive platforms, in line with national policies, that allow meaningful participation in decision-making, planning and follow-up processes for all, as well as enhanced civil engagement and co-provision and co-production”. To ensure the participation of citizens and the public in policy-making and decision-making in Mongolia, the relevant laws such as the Law on Public Hearings (2015), the Law on Legislation (2015), the General Administrative Law (2015), the Law on Public Consultation (2017), Law on Glass Accounts (2014), Revised Law on Development Policy, Planning and Management (2020), Revised Law on Urban Development (2008), Law on Urban Redevelopment (2015) have been adopted and are being implemented. In particular, the Law on Public Hearings provides for public participation in government decision-making, establishes public control system, organizes public hearings of general control, budget control, assignment, administrative and planning, and local hearings, and ensures citizens’ participation in governance. (<http://forum.parliament.mn/>)

Articles 17 and 18 of the revised Law on Urban Development approved by the Parliament in 2008 reflect the general regulations on ensuring public participation in urban development activities, and the “Procedure on public discussion of the draft Master plan for cities and towns” approved by the Order of the Minister of Roads, Transportation, Construction and Urban Development of 2012 is followed. The Law on Urban Redevelopment, adopted in 2015, regulates the principles of public interest and public participation in urban development, and ensures the participation of citizens in the implementation of urban development projects.

Within the framework of an objective to modify the legal environment, the MCUD has developed a revised version of the Law on Urban Development and submitted it to the Parliament in 2020 and supported for further discussion. The draft law regulates in more detail the relationship between public participation in urban planning and urban development. Particularly, “upholding the public interest in urban development, ensuring the rights of persons with disabilities, public participation and equality of stakeholders; and adhere to principles that urban planning activities are based on research and analysis, and that transparent and open government and public oversight are possible” etc. The draft law also provides for public education, publicity and information on urban planning and urban development, and ensures public participation in the implementation, monitoring and evaluation of urban development activities.

About 80% of the draft laws submitted to the Parliament are initiated by the Government. In connection with the adoption of the law, the legal acts and programs to be followed are developed by the government agencies, and public rules and procedures include more detailed social relations. Public consultation on draft policy documents is organized in a variety of ways, including through a website, discussions with affiliated organizations, NGOs, and the general public, and through the media. For instance, the revised draft of the Law on Urban Development was discussed with representatives of Design companies and organizations licensed to develop urban planning documents, the Department of Land Affairs, Construction and Urban Development of 21 aimags, and the Mongolian Association of Architects and the draft law has been posted for a certain period of time. (<https://mcutd.gov.mn/a/432>)

To implement the objectives of the Law on Gender Equality and the “Action Program of the Government of Mongolia for 2016-2020”, the Government Resolution No. 129 of 2017 approved the “National Program on Gender Equality” (2017-2021) and is implementing. In this regard, to

support human resources, products and services in the construction and urban development sector through gender-sensitive policy planning, implementation and monitoring, the “Gender Policy” document was approved in 2017 by the Order of the Minister of Construction and Urban Development and implemented. The policy aims to improve the national capacity for gender-sensitive planning in the construction of cities, towns and buildings to meet the sector's gender policy objectives. Within the framework of these objectives, a set of gender-sensitive indicators and basic standards of quality of life for a healthy and safe living environment for urban residents was indicated, introduced and promoted in the activities of industry stakeholders, and it also includes measures to improve the capacity and opportunities for women and men and social groups to participate in the planning and construction of cities, towns and buildings.

Urban development activities are implemented by urban planning and construction norms and normative documents, such as “Instructions for developing urban development documents” and “Urban and town planning and construction norms and rules” approved by the Order of the Minister of Construction and Urban Development. The needs and size of land for 1000 people for the public and civil engineering are planned in accordance with the “Urban and Town Planning and Construction Norms and Rules” and depend on the specifics of population, age and gender. In the future, we aim to develop an urban development policy and planning that takes into account age, gender and other related issues of the population in accordance with international standards by the participatory approach and study and introduce the experience of other countries in this field to improve existing norms and regulations.

At the initiative of “Songolt Design” LLC, in cooperation with the local council of Gurvansaikhan soum of Dundgobi aimag in Ulaanbaatar city, starting from 2014, a total of MNT 4.3 billion has been collected from international projects, programs and “Local Development Fund” and invested to develop the Master plan for Gurvansaikhan soum center of Dundgobi aimag with the public participation and implementation was started. This was a national level good practice that shows that soum center residents changed their attitudes, improved their living environment with their own participation, and developed their communities. Based on the experience of the soum center, other aimag and soum centers are being developed with the public participation (see Appendix 136 for more information).

2.1.6. Promote women’s full participation in all fields and all levels of decision making

Mongolia is aiming to implement Paragraph 90 of the “New Urban Agenda”, which states that “... to promote women’s full and effective participation and equal rights in all fields and in leadership at all levels of decision-making including in local governments”. The “Action Program of the Government of Mongolia for 2016-2020” set the following goals: “to ensure gender equality and increasing women's participation in decision-making” and “to improve the implementation of the Law on Ensuring Gender Equality and increase women's participation in decision-making”.

The Mongolian Law on Gender Equality clearly sets out quota-level arrangements such as “representation of any gender among appointed Government political officials shall not be less than 15% in the Government, aimags and the capital city; 20% in districts; 25% in soums and 30% in khoroos” (Article 10.1.1), “representation of any gender among senior public administration officials shall not be less than 15% in State secretaries of ministries, heads of government agencies; 20% in heads of other central organizations; 30% in heads of ministries and departments; 40% in Heads of aimag, capital city, soum and district Governor's Offices, heads of divisions and units” (Article 10.1.2) and “ensuring a 40:60 ratio in the event of a clear predominance of one gender in a senior civil service official” (Article 10.1.4).

According to the annual Gender Equality Report estimated by the World Economic Forum Mongolia was ranked 79th out of 153 countries in the gender gap index (GGI = 0.706) at the end of 2019 which is above the world average (0.69) but receded 21 places compared to the previous year. This indicator is measured by four main dimensions: economic participation, education, health, political power and participation. Mongolia ranks 29th in terms of economic participation (0.751), 71st in terms of education (0.993), and 1st in terms of health (0.980), but ranks 120th place (0.102) in terms of political power and participation. In Mongolia, women's participation in politics and decision-making still remains low despite their higher level of education compared to men. In 2020, there are 205 thousand people (38.3% are male and 61.7% are female) or 16.4% are civil servants out of a total 1,250.6 thousand employed people.

In the election years, the proportion of women candidates for parliament has increased, as has the proportion of women elected to parliament. For example, the proportion of women members of parliament was 5.3% (4 women) in 1992 and 17.1% (13 women) in 2020, which is still lower than the world average of 24.9%. Although the number of women candidates and elected members of parliament has gradually increased, there has not been female Speaker of parliament yet. Out of 23 candidates nominated in the 8 presidential elections of Mongolia, 1 was a woman (election year of 2013).

According to the Civil Service Law, the Prime Minister of Mongolia, members or ministers of the Government of Mongolia, the Deputy Prime Minister, the Chairman and Deputy Ministers of the Cabinet of Ministers shall be political officials appointed to the Government. As a result of the 2020 parliamentary elections, the gender ratio of political officials in the newly formed government structure is 16.1: 83.9%, which meets the quota set by the law. At the level of cabinet members and ministers, the gender ratio is 17.6: 82.4%, which also meets the quota. However, the gender ratio of deputy ministers is 14.3: 85.7%, which does not meet the quota set by the law.

Table 15. Number and gender ratio of political officials in government structure, 2016-2020 (female : male)

Government political official		Minister	Vice minister
2016-2017	Total	16	13
	Number	2:14	3:10
	Percent	12.5 : 87.5	23.9 : 76.1
2017-2020	Total	16	13
	Number	2:14	5: 8
	Percent	12.5 : 87.5	38.5 : 61:5
2020	Total	17	14
	Number	3:14	2:12
	Percent	17.6 : 82.4	14.3 : 85.7

Source: Assessment of the Implementation of the Law on Gender Equality of Mongolia, 2021

As of 2016, the gender ratio of political officials in aimags and the capital city was 7.6: 92.4%, while in 2019, the proportion of women increased to 8.4: 91.6%. However, the quota stated in Article 10.1.1 of the Mongolian Law on Gender Equality that “representation of any gender among appointed Government political officials shall not be less than 15% in the Government, aimags and the capital city” has not met yet. But the gender ratio in deputy governors of aimag and capital city is 17.9: 82.1%, which has met the quota for this position.

Table 16. Number and gender ratio of political officials in aimags and the capital city, 2016-2019 (female : male)

Government political official		Chairman of the Citizens' Representatives Khural	The governor	Deputy Governor
2016-2017	Total	22	22	35
	Number	0:22	0:22	6:29
	Percent	0:100	0:100	17.1 : 82:9
2017-2020	Total	22	22	37
	Number	0:22	0:22	5:32
	Percent	0:100	0:100	13.5 : 86.5
2020	Total	22	22	39
	Number	0:22	0:22	7:32
	Percent	0:100	0:100	17.9 : 82.1

Source: Assessment of the Implementation of the Mongolian Law on Gender Equality, 2021

The share of women in senior public administration officials is 7.7% at the level of State Secretaries of ministries, 3.3% at the level of heads of agencies, and none at the level of chairmen of aimag and capital city CRHs and governors.

Table 17. Gender ratio of senior public administration officials and public political officials in aimags and the capital city 2016-2019 (female : male)

Position	2016		2017		2018		2019	
	Num	Per	Num	Per	Num	Per	Num	Per
State Secretaries of Ministries	1:12	7.7:92.3	1:12	7.7:92.3	1:12	7.7:92.3	1:12	7.7:92.3
Head of the Agency	0:27	0:100	0:27	0:100	1:29	3.3:96.7	1:29	3.3:96.7
Chairman of aimag and capital city CRH	0:22	0:100	0:22	0:100	0:22	0:100	0:22	0:100
Governors of Aimag and capital city	0:22	0:100	0:22	0:100	0:22	0:100	0:22	0:100
Deputy Governors of aimags and the capital city	6:29	17.1:82.9	5:32	13.5:86.5	5:32	13.5:86.5	7:32	17.9:82.1

Source: Assessment of the Implementation of the Mongolian Law on Gender Equality, 2021

The share of women in the chairpersons of CRH is 33.3% in districts and 14.2% soum level, but there are no women CHR chairpersons at the capital city and aimag level. The share of women representatives in CRH is 27.1%.

The share of women in the civil service is 81.3% in health organizations, 76.7% in education institutions, 51.2% in ministries and agencies, 54.3% in courts, prosecutors and forensic organizations, and 53.7% in culture and arts organizations.

43.6% of the employees of the MCUD and 28.5% of the heads of departments and divisions of the Ministry are female, which does not meet the requirements set forth in Article 10.1.2 of the Mongolian Law on Gender Equality. 47% of the employees of the ALMGaC and 43.1% of the

employees of the state-owned enterprise “Construction Development Center” are female. With the aim of ensuring the equal participation of women and men in decision-making processes, 4 women and 5 men work on the sub-council of the Civil Service Council under the MCUD; 3 women and 2 men on the Public Service Ethics Board under the MCUD; 7 women and 6 men on the MCUD Non-Staff Gender Sub-Council; 9 women and 15 men in the non-staff council for professional development and awarding qualification degrees for workers of construction sector. “Gender Policy in the Construction and Urban Development Sector (2018-2025)” was approved by the Order No.208, 2017 of the Construction and Urban Development’s Minister and now it is in implementation. This policy document is focused on ensuring people-centered, socially responsible governance and gender equality at all levels and developing gender-sensitive human resources, policies, products and services in the sector. Hereof, policies, products and services in construction, urban development, housing, public utilities and engineering infrastructure are being implemented to meet gender-sensitive, women's and girls' health and other common needs. The MCUD, the ALAMGaC, the CDC, and the LACUDDs of 21 aimags and the capital city are implementing the relevant provisions against discrimination and sexual harassment in their internal regulations. The organization's internal regulations include relevant provisions on non-discrimination, sexual harassment and prevention.

As part of its efforts to implement the Mongolian Law on Gender Equality and increase women's participation in decision-making, the Civil Service Council of Mongolia, UNDP and the Mongolian Liberal Women's Intellectual Foundation are implementing the Women's Leadership Program in stages since 2021. More than 200 female civil servants have been involved in the program.

2.2. Planning and Managing Urban Spatial Development

2.2.1. Implement integrated, and balanced territorial development policy

Within the framework of the objective set forth in the “New Urban Agenda” that “We commit ourselves to support territorial systems that integrate urban and rural functions into the national and subnational spatial frameworks and the systems of cities and human settlements, thus promoting sustainable management and use of natural resources and land, ensuring reliable supply and value chains that connect urban and rural supply and demand to foster equitable regional development across the urban-rural continuum and fill social, economic and territorial gaps”, the “Mongolia’s Sustainable Development Vision-2030” indicates “Improve the legal environment for urban and land development based on the proper system of human settlement”, and for 2016-2020 to develop “Human Settlements Development Plan of Mongolia”, implement the “Amendments to the Master Plan for Ulaanbaatar City Development until 2020” step-by-step, and to amend the Master plans of aimag centers and the National land management plans of the state and aimags, and the “Green Growth Policy” document states that “human settlements will be planned and developed in accordance with climate change, the region's natural resources and renewable capacity”, while the “Action Program of the Government of Mongolia for 2016-2020” states “the Human Settlements Development Plan of Mongolia will be developed step by step in order to rationalize the system of regions and group settlements”.

In 2001, the Parliament approved the “The Regional Development Concept of Mongolia” and the policy documents such as the Law on Regional Development Management and Coordination, the “Medium-Term Regional Development Strategy”, and the “Western, Eastern, Khangai, Central, and Ulaanbaatar Regional Development Programs” were approved and implemented. In order to support urbanization, which plays a leading role in regional development, it was decided to select two pillar cities in each of the four economic regions and to develop them

further. The implementation period of these regional development documents expired in 2015, and the Government of Mongolia is working to establish a new economic zone to implement development policies more effectively. The mission of the “Regional Development Concept” is to dismantle the current inappropriate concentration of population and industry based on the use of Mongolia's land, resources, agricultural and livestock raw material resources, and intellectual capacity in accordance with the environmental capacity, to reduce rural development gaps, inequalities and imbalances between aimags and regions, to bring the levels of development closer, and to create a favorable internal and external environment to accelerate national economic and social progress.

The Law on Urban Development, revised by the Parliament in 2008, states that “The Human Settlements Development Plan, a key document for urban development in Mongolia, meets the requirements of creating an optimal regional structure and urban-rural system, based on the comprehensive assessment of natural conditions, resources, ecological balance and negative urban development consequences in Mongolia, in line with the goal to ensure the social development of the population and in accordance with the appropriate scope of the main network of infrastructure to support social and economic development”. The National Committee chaired by the Deputy Prime Minister of Mongolia to manage the development and approval of the “Human Settlements Development Plan of Mongolia” was established by the Government Resolution No. 05 of 2017, the development of the “Human Settlements Development Plan of Mongolia” was started in 2018. Within the framework of developing the project, the “Construction Development Center” State-owned enterprise conducted a comprehensive study of the current situation and urban development, develop planning solutions and as of 2020, the completion rate was about 70%. It is expected to be submitted to the Government and Parliament in December 2022.

The MCUD, the NDA (former name) and the JICA jointly implemented the “Project for Formulation of National Comprehensive Development Plan” in 2019-2021. Within the framework of this project, the necessary research was conducted to develop the “Human Settlements Development Plan of Mongolia” and the “Regional Development Concept and Regional Development Policy”. In order to co-ordinate the above policy documents, the “Joint Coordinating Committee” was established by the Decree No. 32 of the Prime Minister of 2019 to coordinate inter-sectoral activities.

In certain areas, population is growing, density is increasing, and the population of small towns and settlements along roads and railways tends to rise. In terms of population growth over the last 10 years, the population of 260 soums has increased while the population of 70 soums has decreased. Soums and settlements with declining populations mostly include soums and settlements in the western and Gobi regions. In densely populated soums and cities, population growth is highest, while in smaller soums and settlements, it is decreasing. Significant declines in the population of soums close to aimag centers and other major cities and towns indicate a spatial relationship with outward attraction.

The Capital City is implementing the Action plan for 2016-2020 to implement the “Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030” approved by Government Resolution No. 174 of 2016. The document aims to establish sub-centers, community centers, new residential areas, satellite towns and villages, and decentralize the city to develop the areas of Ulaanbaatar city in a balanced way, decompose urban density, intensify redevelopment and create new residential areas. Decree No. A/197 of the Governor of the capital city of 2017 sets the boundaries of residential areas, supports construction inside the

urbanization promotion area of Ulaanbaatar and implements measures to limit urban development activities in the urbanization control area.

According to the “Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030” document, the development priorities of 15 satellite cities and towns, population, social infrastructure and job demand were identified in detail, and Master plans for 11 remote cities and towns (Baganuur district, Nalaikh district, Bagakhangai district, new Aerocity city, Tuul village, Bio-Songinotosgon, Argalant-Emeelt, Terelj village, Gachuurt village, Khonkhor village) have been developed and implemented. As stated in the Master plans, a heavy industry and technology park in Baganuur district and a construction materials production and technology park in Nalaikh district are being initiated to increase the number of jobs in satellite and remote towns and villages and support businesses. In addition, the Master plans of aimag centers and the Land management plans of some aimags are being amended and implemented.

The “National Land Management Plan” was updated and approved by the Government Resolution No. 384 of 2018. It plans to implement 98 measures under a total of 11 objectives (See Table 18).

Table 18. Objectives and measures of the National Land Management Plan (as of 2020)

No	Objectives	No of activities	Implementation, (percentage)
1	Improve land resources, integrated database management, policy, planning, and legal environment	4	50.0
2	Provide the population with safe and healthy water	7	62.5
3	Provide water to the agricultural sector	6	100
4	Provide water to industry, mining and energy sectors	10	70
5	Provide environmental balance and protect water resources	8	91.8
6	Develop agricultural sector	24	39
7	Develop cities, towns and other settlements	170	78.1
8	Planning and implementation of forest lands	7	85
9	Planning and implementation of road and network land	50	79.3
10	Develop infrastructure	58	35.2
11	Planning and implementation of state special needs land	15	81.7
	TOTAL		59.5

Source: ALAMCaG

2.2.2. Integrate housing into urban development plans

Mongolia is aiming to implement the Section 105 of the “New Urban Agenda” which states that “... fostering the progressive realization of the right to adequate housing as a component of the right to an adequate standard of living. We will develop and implement housing policies at all levels, incorporating participatory planning and applying the principle of subsidiarity, as appropriate, in order to ensure coherence among national, subnational and local development strategies, land policies and housing supply”.

In 1999, the Parliament approved the "State Housing Policy of Mongolia". The constitutional provision that a citizen of Mongolia has the right to live in a "healthy and safe environment..." is a prerequisite for livable housing. The housing policy of the Mongolian government serves to implement this requirement. Housing is an important indicator of the country's development and social standard of living, as well as the basic requirement for the health, well-being and productive work of the population.

Housing planning is reflected in urban development documents such as the "Human Settlements Development Plan of Mongolia", the regional development projects, Master plans of urban settlements development and the detailed Master plans, based on relevant laws, norms and normative documents such as Law on Urban Development, Law on Construction, Law on Housing, "Guidelines for Urban Development Documentation", "Norms and rules for city and settlement planning and building construction".

The Housing Act, approved in 1999, provides political support for the planning and construction of housing estates, micro-districts and their infrastructure, and regulates greater private sector involvement and the development of ger districts into well-built neighborhoods. The revised Urban Development Law in 2008 states that plans must meet the basic requirements for creating a healthy and safe living environment in urban and rural residential and public areas; to design buildings and facilities for housing, education, culture, entertainment, science, hospitals, recreation, sports, trade, catering, utilities, transport and communication in accordance with the relevant norms and rules of natural lighting; and to prohibit the designing of buildings and structures that may adversely affect life and safety. In addition, compliance with the "Guideline for development of the urban development documents" is sought, which stipulates that a residential area must be planned within the area specified in the urban planning and building norms, and plans should also meet the standards of the housing supply, the type of housing (Ger, low, medium and high-rise apartments), the living space per capita, the number of inhabitants and the building density.

It is planned to increase the size and quality of housing and its infrastructure, and to create conditions for providing the population with comfortable housing that meets sanitary and safety requirements, in accordance with the requirement that the population density per hectare of living space should not exceed 450 person/ha prescribed by the "Norms and rules for city and settlement planning and building construction". In recent years, the construction sector has developed rapidly, and in order to implement the general development plans of the capital and other cities and towns, new residential towns and districts and many public and private residential buildings have been built.

With a limited plot of land for housing in the capital city of Ulaanbaatar, a policy of building new residential areas, cities and districts in satellite towns and settlements is being implemented within the framework of decentralization and reducing traffic congestion, air, soil, water and environmental pollution, and activities such as the planning of cities and districts with dense residential areas and apartment buildings, the redevelopment and reorganization of Ger areas, demolition and new construction of buildings unsuitable for residential accommodation are carried out. With the rapid development of the construction sector, the landscaping, planning and quality of the housing construction has improved. Luxurious towns and districts with independent shopping and service centers are being built and choices are existing for citizen. Nevertheless, there are still violations of norms and normative documents that social infrastructure such as kindergartens and schools in new towns are not planned and built according to the specifications. Therefore, care is taken to ensure that the detailed master plan of the residential districts and towns includes social and other service buildings, green areas, public roads and squares, and

efforts are made to update documents of housing legislation, norms and normatives, and the capacity strengthening and monitoring system improvement.

2.2.3. Include culture as a priority component of urban planning

Mongolia is aiming to implement Paragraphs 38, 45, 60 and 97 of the “New Urban Agenda”, which stated that “we commit ourselves to the sustainable leveraging of natural and cultural heritage, both tangible and intangible, in cities and human settlements, as appropriate, through integrated urban and territorial policies and adequate investments at the national, subnational and local levels, to safeguard and promote cultural infrastructures and sites, museums, indigenous cultures and languages...”, “...building on endogenous potential, competitive advantages, cultural heritage...”, “...to sustaining and supporting urban economies to transition progressively to higher productivity ... through the promotion of cultural and creative industries...”, “we will promote planned urban extensions and infill... while preserving cultural heritage and preventing and containing urban sprawl”.

The objectives to “improve the legal environment of culture sector and reform cultural development policy, its financing, management and organization” and to “improve the legal environment for urban development and land affairs” were set out in the “Action Program of the Government of Mongolia for 2016-2020”. The Government of Mongolia has been implementing the “State Policy on culture” which was approved by the Parliament Resolution with no. 52 in 2012, reestablished the National center for Cultural heritage (<http://ncch.gov.mn/>) in 2018, and established the Ministry of Culture (formerly was part of the Ministry of Education, Culture, Science and Sports) in 2020. (<https://moc.gov.mn/>, <https://www.facebook.com/moc.gov.mn>)

The Law on Cultural Heritage Protection was revised in 2016-2021, and some of the amendments made were as the follows. For example, 37.6. Aimag and capital city governors shall set height limits for new buildings and structures to be built around historical and architectural monuments in cities and towns in order to ensure their view and visibility. The criteria for setting height limits shall be approved jointly by the members of the Cabinet in charge of urban development and culture, 45.1. The Government shall establish protection zones to ensure integrity, security, and view and visibility of immovable historical and cultural monuments. Criteria for demarcation for protection zones shall be approved jointly by the members of the Cabinet in charge of urban development and culture, and 45.5. New buildings and structures may be constructed and used for research and promotion purposes without compromising the original appearance and integrity of the immovable monuments located in the protection zone of historical and cultural monuments to improve the preservation and protection of the monuments.

In the revision of the Law on Urban Development adopted in 2008, the Article 12.4.1 regulates that “Master plan of towns and villages development shall ... planned to create ecologically and hygienically friendly conditions, and shall meet the ...historical and cultural memorial structures and architecture-urban development requirements”, and the Article 23.1.1 “In the zone of specially protected areas and historical and cultural memorial places the urban development activities shall be restricted”. In recent years, these provisions were violated on many occasions due to intensification of construction and land use in cities and towns.

Map of “Categories and locations of historical and cultural monuments and complexes” and the “Planning for the protection of historical and cultural monuments” are developed taking the following conditions into account since 2010 in the terms of reference to update, amend and newly develop Master plans for the capital city of development Ulaanbaatar and other cities and towns, and are reviewed by expertise. The conditions are: Restoration, renovation, and development of construction historical and cultural monuments, and supply of necessary engineering equipment

should be reflected in the urban planning; The zoning of historical and cultural monuments, strictly protected areas and natural protected areas in the city and its surrounding areas shall be determined considering buildings and structures, architectural complexes, monuments, features of the landscape, historical, archeological and architectural artifacts.

Proposals on preservation and protection of historical and cultural monuments were reflected in the “Ulaanbaatar Development Master Plan until 2040” developed in 2020-2021, and a current map of “Archeological, historical and cultural monuments” at national level and a projection map of “Environmental, historical and cultural monuments” were developed for the “Human Settlement Plan of Mongolia” which is being formulated for the Ministry of Construction and Urban Development. Moreover, location and condition of historical and cultural monuments under state and local protection are being classified according to their territorial jurisdiction, types and areas/categories, and different areas of use such as taking in for a conservation, setting protection zones, renovating, and restoring as a national heritage are considered.

Provisions on following the principles of protection of historical and cultural monuments and heritages in urban development activities, and preserving and protecting environmental, architectural, historical, and cultural monuments and buildings in cities and towns, and detailed provisions related to planning, urban development zoning and procedures to ensure their proper activities were added and reflected in the draft of revision of the Law on Urban Development which was submitted to the Parliament in 2020. In addition, the “Norms and Codes for Planning and Construction in Cities and Towns” (Construction Code of Mongolia 30-01-03) is being revised.

Within the framework of the “Preliminary Feasibility Study for the Ulaanbaatar City’s Ger Area Cultural Heritage, Tourism and Community Development Project” implemented in 2016-2017 with the technical assistance of the Cities Development Initiative for Asia (CDIA), conditions and possible opportunities were studied to identify cultural heritage in Ulaanbaatar city’s ger areas that can be protected and restored, improve people's livelihoods, and to develop tourism. As a result of the project, 5 sub-projects were proposed to be implemented. These included: the corridor from the Botanical Garden to the Dari Ekh temple, Gandantegchinlen Monastery, ger areas land reorganization, Geser temple and Tasgany ovoo, Dambadarjaalin Monastery complex and community development, Khambyn Ovoo, Gunjiin Nuden Nuur, brick factory, and Bayankhoshuu Monastery and its surrounding areas (See Figure 14).

The MCUD and the JICA implemented a “Pilot Project for Strengthening historical and cultural buildings and structures” in 2019-2021 under the “Project for Formulation of National Comprehensive Development Plan”. In scope of this pilot project, proposals to conduct relevant studies on and update the current legislation, norms and procedures related to the earthquake resistance and safety of historical and cultural monuments of Mongolia, and to develop and rank a list of historical and cultural monuments were prepared. Furthermore, Procedure for strengthening historical and cultural monuments, Evaluation guidelines for determining historical and cultural monuments, and Procedure for identifying historical and cultural monuments were developed and approved. Earthquake resistance assessments of Chojin Lama Temple Museum building and MONG-EM LLC hospital building were conducted in scope of the pilot project.

Projects, programs and activities need to be implemented to re-establish the protection zones of historical and cultural monuments in accordance with urban development codes and norms as stipulated in the Law on Cultural Heritage Protection, strengthen capacities of all stakeholders of cultural heritage protection, including urban planners, engineers, citizens, communities and government agencies, prepare human resources, improve the coordination and cooperation of works of relevant organizations, and to study and introduce international experiences to protect and promote cultural heritages and share knowledge. Budget for the

protection and restoration of historical and cultural monuments/buildings is always insufficient and this issue should be addressed jointly by the government, local administrative organizations and private sector.

Figure 14. **Gandantegchinlen Monastery complex located in Ulaanbaatar**



Source: Capital City Department of Urban Planning and Development, <https://home.uda.ub.gov.mn/>

2.2.4. Implement planned urban extensions and infill, urban renewal and regeneration of urban areas

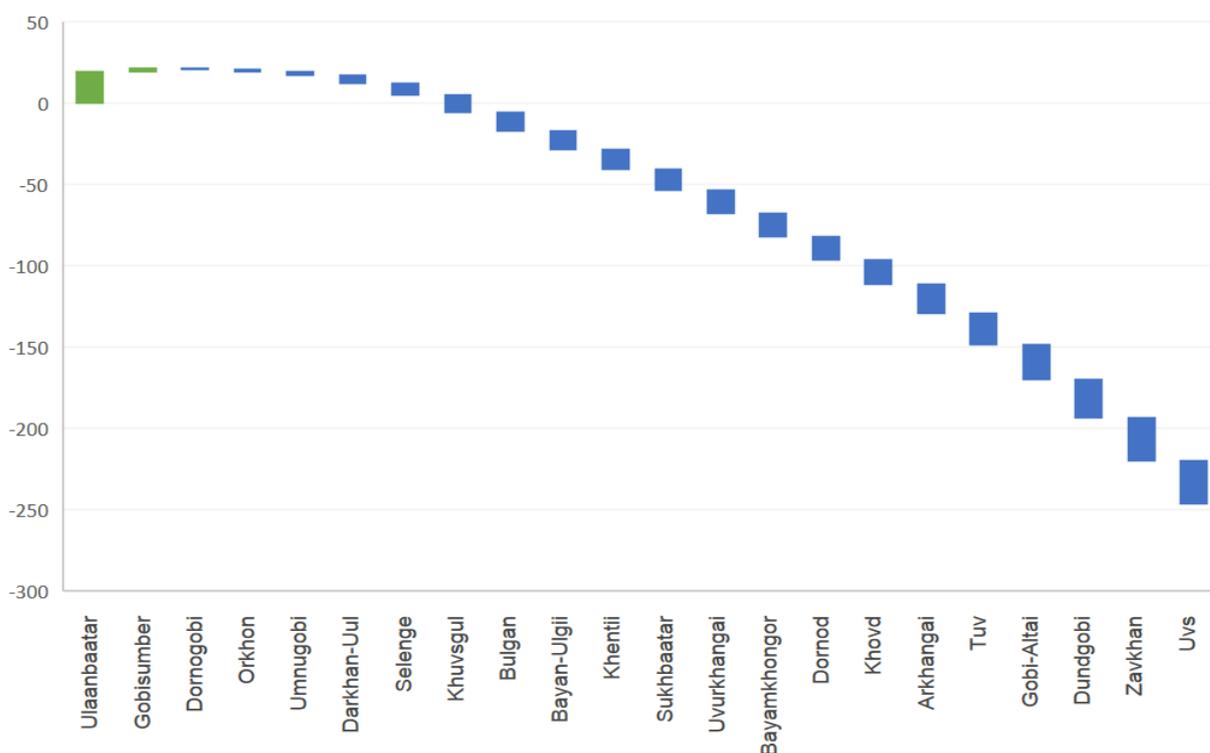
Under the objective of the Paragraph 52 of the “New Urban Agenda” “We encourage spatial development strategies that prioritize urban renewal by planning for the provision of accessible and well-connected infrastructure and services, sustainable population densities, preventing urban sprawl” following objectives are set to implement in the “Mongolia’s Sustainable Development Vision-2030” , including: “Provide greater independence to urban areas and settlements, build roads and transportation, and engineering infrastructure, create a healthy, safe and comfortable living environment for citizens, and improve urban planning in line with world-class green development model”, “... redevelopment plan for Ulaanbaatar city and other urban

areas and settlements...”, and in the “Action Program of the Government of Mongolia for 2016-2020”, including: “Create conditions to reduce air pollution level by renovating buildings, implementing projects and programs under the re-planning of ger areas within the framework of development strategy of Ulaanbaatar and other major cities”.

Population migration: Between 1990 and 2020, Mongolia's population increased 55% from 2.0 million to 3.3 million, especially urban population increased 2.5 times from 1.0 million to 2.5 million, and a 2.8 fold increase from 0.5 million to 1.4 million in the capital city Ulaanbaatar. Basically, the population growth during this period consists of the population of the capital city. Due to the large influx of population, the load and carrying capacity of the capital city's infrastructure, social and public services have increased, which has a negative impact on the sustainable development of the city. If we compare the number of migrants in the last 20 years to the population of aimags, 462.000 people have migrated from the countryside to Ulaanbaatar on average, which equal to the population of 8 aimags.

In terms of population migration estimates for 2010-2020, capital city Ulaanbaatar and Govisumber aimag are dominated by migrants, where in other aimags emigrants were dominant (See Graphic 11 and 12).

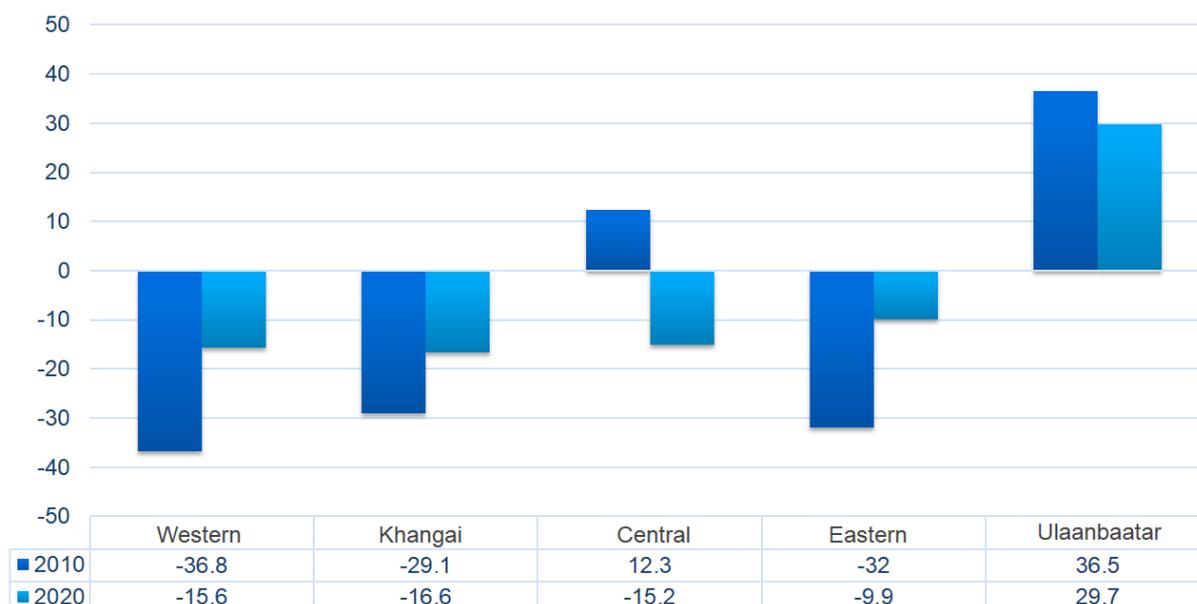
Graphic 11. Net population migration, per 1.000 people (average of 2010-2020)



Source: <https://www.1212.mn>

The capital city, Ulaanbaatar, has a positive net migration rate, that is immigrants higher than emigrants, with a decrease of 6.8 per thousand. In other regions, net migration rate is negative, the number of emigrants was higher than the number of immigrants, decreasing by 22.1 per thousand in the Eastern region, 21.2 per thousand in the Western region, and 12.5 per thousand in the Khangai region. The net migration coefficient of the central region decreased from 12.3 to 15.2 (See Graphic 12).

Graphic 12. Net migration rate



Source: <https://www.1212.mn>

Decentralization of the capital city population: The capital city Ulaanbaatar hosts all services and industries, including government, finance, business, markets, economy, commerce, services, industry, culture, arts, religion, sports, education, health, defense, roads and transportation. The presence of a national center is a key condition for attracting population. Therefore, some of the main drivers of migration, higher education and some administrative functions, need to be relocated to satellite and secondary cities.

In line with the “New Development” Medium-Term Target Program approved by the Parliament in 2010, the objectives are set to reduce the influx of people from rural areas to Ulaanbaatar, and to reduce urban concentration and chaotic sprawl, including: I) Comprehensive development of Ulaanbaatar city, and regional centers, aimags and soums; II) Create a legal environment for the settlement of citizens settling in Ulaanbaatar; III) Reduce the number of students moving to the capital by establishing new campuses in key regional centers and reducing the number of universities and colleges in Ulaanbaatar; IV) Create a legal environment to provide regional allowances to citizens of remote and underdeveloped regions and aimags, and support them with banking, financial, tax and credit policies. The government is gradually introducing such measures, but with insufficient results.

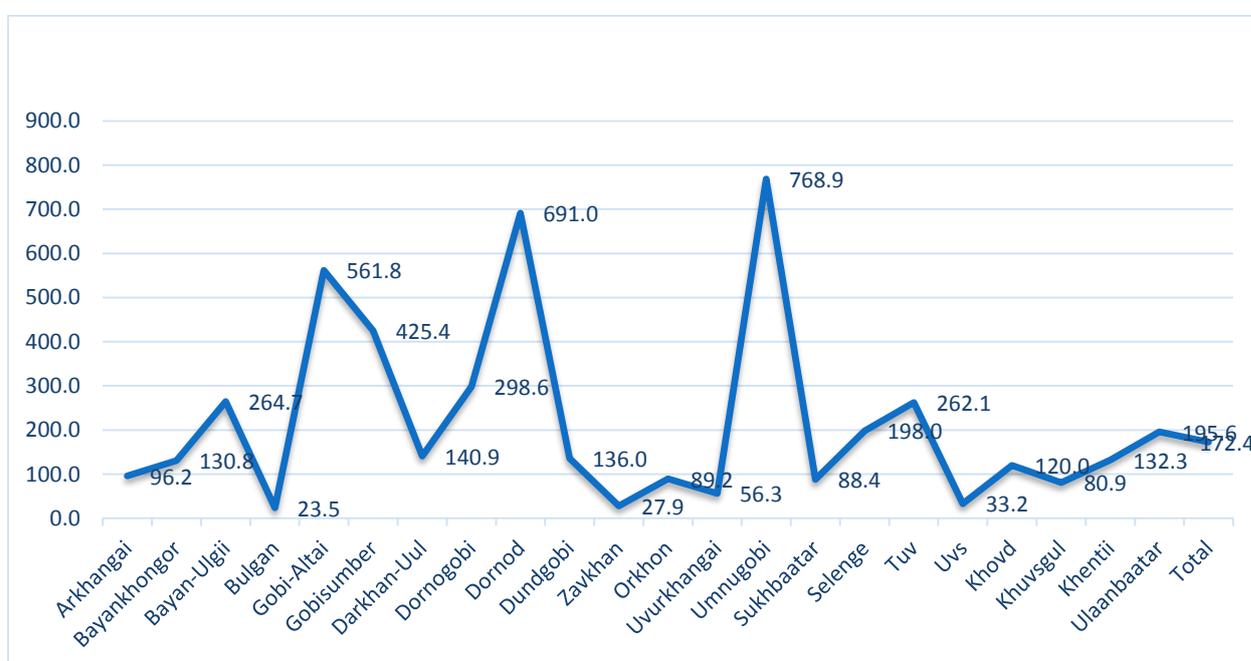
A shift from a single-center to a multi-center city and decentralizing the central part: The “Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030” approved by the Parliament Resolution No.23 of 2013 aims to decentralize public administration, trade, services, banking and finance of the city core. The goal is shifting from a single-centre city to a multi-centre city and creating a healthy, safe and comfortable environment through equal and comprehensive investment in all sectors in order to decentralize and disperse public administration, trade, services, banking and finance within the city. In accordance with the plan to establish 6 sub-centers for balanced development of Ulaanbaatar, ADB-funded “Ger area development investment promotion program” has been implemented since 2014, and the basic “Infrastructure” for sub-centers has been implemented. The establishment of subcentres in Bayankhoshuu, Tolgoit, Selbe, Denjiin Myanga, Sharkhad and Dambadarjaa and the upgrading and construction of main roads and basic urban services will transform the face of Ulaanbaatar's

ger districts and open up new opportunities for industry, commerce and services, and reduces travel needs from the outskirts to the city center.

Expansion of residential zones of urban settlements: Over the past 20 years, urban sprawl has expanded due to population growth, rural-urban migration, and rapid urbanization. The size of cities, towns and other settlements increased 2.2 times between 2003 and 2021, but the land boundaries of aimag center cities have not changed since the 1990s, leading to land disputes with neighboring soums. For instance, over the past 20 years, land use and affiliation disputes have increased as urban areas in the Tsetserleg, Zuumod, Ulgii, Bulgan, Darkhan, Uliastai, Erdenet, Sukhbaatar, Murun and Khovd cities have expanded into neighboring soums. Therefore, according to the “National Land Management Plan”, it is necessary to expand residential areas and resolve boundary disputes in line with the growth of cities' population in 2020-2040.⁸

In Ulaanbaatar, Umnugovi, Dornod, Dornogovi, Govisumber, Gobi-Altai, Bayan-Ulgii, Tuv and Selenge aimags, where industry, infrastructure and urbanization are thriving, the built-up area of cities and towns has increased 2 to 7 times in 2003-2021 (See Graphic 13).

Graphic 13. Growth of built-up area in 2003-2021, percentage



Source: Report on Integrated Land Fund, ALAMGaC, 2022

2.2.5. Improve capacity for urban planning and design, and training for urban planners at all levels of government

According to the revised version of the Mongolian Law on Construction approved by the Parliament in 2016, a non-staff council for professional development and conferment of professional degrees at the public administration authority is responsible for the continuous professional development, conferment, extension and revocation of professional degrees for construction workers. The scope of activity and the requirements for the specialist, the degree and the duration of the qualification are specified in detail in the "Rules for the retraining and qualification of construction workers". The Mongolian Law on Construction stipulates that professional development and awarding of professional degrees to construction workers may be

⁸ National Land Management Plan, 2018

contracted out to non-governmental and professional organizations. Relevant rules and regulations such as "Procedures for organizing records keeping, updating, database entry, provision of information of construction professionals and legal entities" and "Procedures for issuing licenses to legal entities engaged in construction design, construction works, production of building materials, manufacture, installation and maintenance of lifting equipment and parts thereof, determination of service fees and their supervision" have been revised and approved by the Decrees of the Minister of Construction and Urban Development in 2016-2020.

The number of licensed legal entities in the field of construction, urban development and geodesy, and number of registered professional engineers and technicians as of 2020 is shown in Table 19.

Table 19. **Number of licensed legal entities, engineers and technicians (as of 2020)**

No	Field of work of licensed and professional organizations	Number of legal entities	With a degree of consultant	With a professional degree	Total with a qualification degree	Total E&T
1	Construction	5659	1609	5251	6860	25187
2	Design	831				
3	Lifting mechanism	194				
4	Construction materials manufacturing	596	Note: Only the number of registered legal entities was obtained from the website of the NGO - "Association of Construction Material Manufacturers".			
5	Geodesy	291	62	399	461	1000
6	Land management	284				
	Total	7855	1189	3937	7321	31687

Source: ALAMCaC

The revised version of the current Law on Urban Development stipulates that state central administrative body in charge of urban development, the MCUD regulates the exercise the full power to "authorize business entities and organizations to develop urban development documents". As of 2020, the number of enterprises and organizations authorized to develop urban planning documents reached 110, with a total 1.036 employees. That is 85 entities more than in comparison to the first quarter of 2012 (300 people in 25 entities) and the number of employees increased by 736 people. Of the total number, 54 are urban architects and economists with consulting and 165 with professional qualifications/degree. (<http://opendata.gov.mn/dataset/>; <http://barilga.gov.mn/>; <http://license.mcis.gov.mn/>; <https://gazar.gov.mn/>)

The "Action Program of the Government of Mongolia for 2012-2016" set the goal to implement the "e-Governance" program and implement the devolution of some government functions to non-governmental organizations and professional associations. Accordingly, NGOs such as the Mongolian Association of Architects, the Mongolian Association of Civil Engineers, the Association of Designers, and the Mongolian Association of Builders are now in charge of organizing capacity building training for the sector.

The revised draft of the Law on Urban Development, which was submitted to the Parliament in 2020 and supported to the Parliament's debate, includes the following provisions in order to improve the capacity of urban planning and design at all levels of government, and to improve the training system for urban planners. For example, requirements, rights and obligations of professional organizations; authorization to develop urban planning documents; registration of legal entities and specialists working in the field of urban development and entering them into a

unified electronic database; ethics, qualification degree, training requirements and requirements for urban planners. Further details are also provided on the liability of legal entities, non-governmental organizations, clients, contractors and investors of urban development documents operating in this sector and on the document control system.

MCUD, UB Mayor's Office and JICA have been successfully collaborating in the field of urban development since 2007, particularly to strengthen the human resource capacity of the sector. For example, the document "Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030" was developed on the basis of the "Master Plan of Ulaanbaatar city and Study for Urban Development Program" project conducted in 2007-2009. The document was approved by the Parliament in 2013. "The Project on Capacity Building in Urban Development Sector in Mongolia - Phase 1" was implemented in 2010 - 2013, and as a result, the Law on Urban Redevelopment was developed and passed by the Parliament in 2015. As part of Sub-Project 1 of "Improvement for planning and implementation skills of Ulaanbaatar Master plan" conducted since 2014, "Changes to Ulaanbaatar Master plan to 2020" and "Action plan for 2016-2020 to implement the "Amendments of the Ulaanbaatar 2020 Master Plan and Development Approaches for 2030" were developed and were approved by Government Resolution No.174 of 2016. In addition, as part of the 2015-2018 "The second phase of the project on capacity development in the urban development sector in Mongolia", rules, regulations and instructions accompanying the law on urban regeneration were developed and adopted, as well as related training courses and seminars were organized and 34 trainers have been trained to strengthen the capacity of urban redevelopment matters. Capacity building of stakeholders involved in the development of the "Regional Development Policy" and the "Human Settlements Development Plan of Mongolia" was organized under the "Project for Formulation of National Comprehensive Development Plan" conducted in 2019-2021.

In addition, the improvement of human capacity in urban planning and design, the training of urban planners at all levels of government, and the introduction of new techniques and technologies are carried out within the framework of projects, programs and activities carried out in cooperation with other international organizations such as KOICA, GIZ, ADB and World Bank.

"Capacity building for aimag, capital city, and city Chief architects" was organized in 2018 in Erdenet and 2019 in Ulaanbaatar in collaboration with the MCUD, ALAMCGC, the Center for Construction Development, and the local Departments of LACUDD. Integrated training courses were organized in the cities of Ulaanbaatar and Darkhan in 2017, 2018 and 2019 to intensify efforts to increase the use of electronic city cadastral systems, and specialists from the departments of land affairs, construction and urban development of 21 aimags were trained.

In recent years, with the rapid development of urban development and the construction industry, the expansion of construction and urban development, and the introduction of new techniques and technologies in the construction process, there is an urgent need to improve training systems and activities as the demand for skilled workers in this sector is growing. During the transition to a market economy, the existing traditional system of training, education and development of the workforce in the sector was completely dismantled and the need for urban planning personnel is now justified. Further, there is a need to implement measures such as: Studying at foreign and domestic universities and colleges requires state political support in the implementation of the policy of personnel training in the field of urban planning; Training of specialists in developed countries and gaining experience and learning; Sectoral support for training and internships for university teachers working in the field of urban planning; Training engineers and technicians and improving their skills; and Increasing the participation and

responsibility of business entities and organizations in professional human resources development.

2.2.6. Strengthen the role of small and intermediate cities and towns

“Mongolia’s Sustainable Development Vision-2030” set forth the following objectives: “Provide greater independence to urban areas and settlements, build roads and transportation, and engineering infrastructure, create a healthy, safe and comfortable living environment for citizens, and improve urban planning in line with world-class green development model” and “Establish and strengthen an accountable and proficient governance structure to formulate, implement, monitor and evaluate sectoral and local development policies, for giving shape to the Sustainable Development Vision”.

As part of the implementation of the above objectives, in line with the concept of amendment to the Constitution of Mongolia, the Parliament passed the Law on Administrative and Territorial Units and Their Governance in 2020, which has been in force since January 1st, 2021. The law defines the legal status of each administrative and territorial unit, the functions corresponding to their legal status, and the financial and economic basis for their implementation.

In addition, the Cabinet Secretariat drafted a revised version of the Law on the Legal Status of Cities and Towns and submitted it to the Parliament in 2020. Amendments to the Constitution of Mongolia have established a legal basis for the classification of cities with state and local ranks and the transferring of certain powers and functions of administrative and territorial units. The purpose of the draft law is to determine the functions of cities and towns in the administrative and territorial units of Mongolia, their economic basis, self-governance, principles of operation, plenary powers, organization, and transferring some administrative and territorial units and their management functions to cities and towns, and to regulate the relations arising in connection therewith.

The revised draft of the Law on the Legal Status of Cities and Towns includes the following changes: Article 4.1 “a city shall be classified with a state or local rank, depending on its role in the economic and social life of the state, its impact, and the specifics of its own and administrative functions”; Article 4.2 “a city of state rank is a self-governing settlement of at least 100001 inhabitants, mostly engaged in industry and services, with urban infrastructure, and is of special importance for the social and economic development of the country”; Article 4.3 “a city of provincial rank is a self-governing settlement with inhabitants of 20001-100000, mostly engaged in industry and services, and with urban infrastructure”. In addition, changes are made: The self-governing body of a city and village would be the city or village council elected by the residents on the basis of direct, free and secret ballots; A political party shall not nominate a member to the council that exercise its powers for a period of 5 years; A citizen who has obtained support of at least 100 residents in a village and of at least 500 residents in a city can nominate himself/herself for a member of the city or village council. Legislative changes will expand the right of primary administrative units and organizations to set tax rates and increase their and increase their economic capacity.

Article 62.2 of the Constitution of Mongolia states that “If law and decisions of respective superior state organs do not specifically deal with definite local matters, local self-governing bodies can decide upon them independently in conformity with the Constitution”. This is essential to ensure the independence of local government by empowering local self-governing bodies. In order to improve fiscal management since the transition to a market economy, the Budget Law of 2013 regulates local budget relations, which include the relationship between the local budget, its composition, local budget income and expenditure, and the budget hierarchy. In addition, in

accordance with the “State Policy on Decentralization” approved by the Government Resolution No.350 of 2016, a flexible tax and investment policy aimed at ensuring the independence of local economies is being implemented.

The “Human Settlements Development Plan of Mongolia” currently under development provides planning solutions such as: transferring of some higher education and administrative functions to satellite and secondary cities; establishing classification and ranking of cities and towns and increase their capacity for independent development, efficiently organize administrative and territorial division changes, and establish appropriate local population and market concentration.

The current structure of administrative and territorial units was first developed in 1931 with the participation of former Soviet scientists. At that time, in order to bring education and health services closer to the soum residents, a distance was considered that allows traveling to and from the settlement on horseback in the same day. Each administrative unit was established with economic development functions in animal husbandry, agriculture, food processing, timber, roads, transportation hubs, travel, tourism, trade, mining, and manufacturing. At present, however, most of these units have lost these functions, leaving only livestock, government, education and health services. Therefore, taking into account the improved road and traffic conditions and the fact that the population of small soums close to neighboring cities and towns with high social and economic attractiveness has declined the most in the last 20 years, the “Human Settlements Development Plan of Mongolia” to consolidate 25 soums with few inhabitants and close to the Aimag center of 4-40 km and 18 soums with a distance of 6-30 km from each other⁹ (See Figure 15).

Figure 15. **System of settlement groups (proposal)**



Source: Final Report-1 of the “Human Settlements Development Plan of Mongolia”, MCUD, CDC, 2022

⁹ Final Report – 1 of the “Human Settlements Development Plan of Mongolia”, MCUD, CDC, 2022

2.2.7. Implement sustainable multimodal public transport systems including non-motorized options

The UNSDP has set the goal of “Supporting sustainable infrastructure, production and innovation”. Under this goal, countries must “expand their integrated transport network, provide safe, fast and convenient transport services, and develop environmentally friendly techniques and technologies”. The “Mongolia’s Sustainable Development Vision - 2030” defines the development goals of the road and transportation sector as “develop road, transportation and logistics networks to ensure economic growth, expand customer-friendly, cost-effective, safe and convenient transportation services”.

“Action Program of the Government of Mongolia for 2016-2020” has set the goal that “The Government will further develop the road, transportation and logistical network that sustains economic growth, is consistent with social needs and demands, and provides safe and comfortable services”. To achieve this goal, the “renewal of urban and suburban transport service fleets with vehicles using natural gas and LPG, electricity and other environmentally friendly sources and their combined use” will be carried out.

As part of reducing traffic congestion in the capital Ulaanbaatar and launching a variety of public transport services to develop the public transport sector, it is planned to operate in three main areas: cable car, electromagnetic train and BRT, to modernize public transport services, improve quality, increasing diversity and accessibility and reducing traffic congestion. Cable car routes such as “Bayankhoshuu - Khanii material - end of 3rd and 4th micro districts” and “7 Buudal - Dari Ekh - Sansar” are planned. The capacity is 3,000 passengers per hour, the carriage of 8-10 people per cabin, the waiting time is 3-5 minutes, and the travel time on these routes is 16 minutes.

The electromagnetic train will initially run from Amgalan to Tavan Shar on a 12.2-kilometer route along Peace Avenue with 14 bus stops. It is estimated that this will reduce traffic congestion on Peace Avenue by 68%. The train will have a capacity of up to 210,000 passengers per day, with a waiting time of about 3-5 minutes, and is expected to run on the Ikh Toiruu lane in the future.

BRT is to be built initially with 15 bus stops between Niseh - Doloon Buudal. The next BRT will be a circuit lane around the city with about 60 bus stops. With the introduction of this service, traffic congestion will be reduced by 20-30%, thereby increasing the speed of the main road by 2-3 times. However, the implementation of these goals and plans is extremely insufficient.

Since 2018, the “UBIKE” bike rental project has been implemented with a total of 700 bikes at 10 locations in Ulaanbaatar. The project will be implemented in three phases, with 2,000 bikes with 150 bike stops in 2018-2020, 2,500 electric bikes with 250 bike stops in 2021-2026 and 5,000 electric bikes will be used for service in 2027-2033. As part of this task, it is planned to continue the implementation of the bicycle road construction program in Ulaanbaatar.

2.3. Means of implementation

2.3.1. Mobilization of Financial Resources

2.3.1.1. Develop financing frameworks for implementing the New Urban Agenda at all levels of government

Within the framework of the financing system for the implementation of the “New Urban Agenda”, “Mongolia’s Sustainable Development Vision-2030” states “Establish an appropriate

system for development finance”, and the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Develop a short-term economic recovery and stabilization program”.

The fast-growing urban economy, including the service sector, has an important role to maintain the high economic growth of Mongolia. At the national level, in 2019, the service sector accounted for 39.0% of the GDP, the industrial sector for 39.1%, the agricultural sector for 11.0%, and other sectors for 10.9%. Although the share of the industrial sector has increased in the economy over the last decade, the other hand, total industrial production tends to be heavily dependent on mining and quarrying. For instance, total industrial production increased by 11.2% or MNT 3.0 trillion in 2019 from 2018, and 54.7% or MNT 1.6 trillion of the total economic growth was dependent on the output of the mining and quarrying sector.¹⁰

The “Economic Recovery Program” approved by the Parliament Resolution No. 71 of 2016 was successfully implemented for 1.5 years, and as a result of this program, macroeconomic stability was ensured and economic growth was increased to 7.2% in 2018 (See Table 20).

Table 20. Economic growth by sector (2017-2020)

By sector/ Year	2017	2018	2019	2020*
Economic growth (%)	5.3	7.2	5.2	-5.3
Agriculture	1.8	4.5	8.2	6.2
Production	0.7	7.4	2.9	-6.2
Mining	-5.5	5.7	-0.4	-9.4
Processing	19.9	15.7	10.9	1.3
Electricity	5.0	8.2	5.3	2.0
Construction	11.4	2.4	8.0	-7.4
Service	7.7	5.0	5.8	-7.1
Trade	6.8	3.4	7.9	-11.1
Transportation	14.2	7.6	2.0	-20.1
Information and communication	13.3	7.8	7.5	0.4
Others	5.4	4.8	5.6	-0.8
Net of tax	18.5	20.1	5.4	-9.8

Source: NSO

Although the economy contracted by 9.7% in the first half of 2020 due to the coronavirus (COVID-19) pandemic, the government has implemented a series of policy measures to protect public health and income, support businesses, and stimulate the economy, which caused the 2020 performance to reach 5.3% and the economic downturn has slowed down in the second half of the year.

As the country develops, the service sector expands, and the share of value-added services in the GDP increases, but in Mongolia, the scope of the service sector has reduced and its share in the GDP in 2019 has decreased to 39.0% or 5.8 percentage points from 2010. Conversely, the share of the industrial sector in the GDP reached 39.1% in 2019, or 5.9 percentage points from

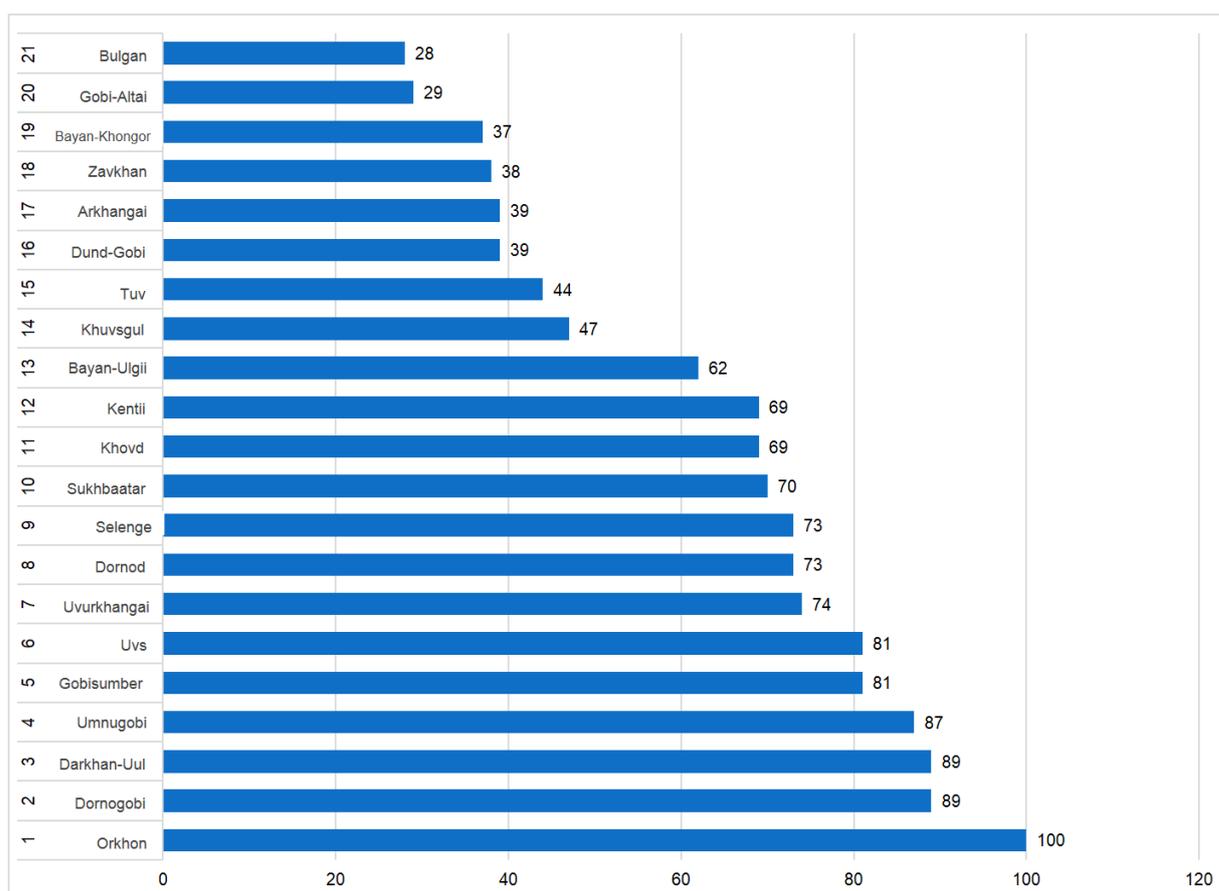
¹⁰ “Mongolia's development at the international level, comparative study” 2020

2010, while the share of the agricultural sector in the GDP decreased to 11.0% or 0.7 percentage points from 2010.¹¹

It is impossible to ensure sustainable social and economic development without a close relationship between urbanization and economic development. Currently, only Ulaanbaatar city, Orkhon, and Umnugovi aimags account for more than 72 percent of the GDP which indicates the high economic impact of urbanization. Since 2012, the Economic Policy and Competitiveness Research Center has evaluated the aimag competitiveness annually. It has been comparing the levels of development of 21 aimags of Mongolia, comprehensively determining the competitiveness of aimags and development strengths and weaknesses of each aimag, assessing competitiveness opportunities and capacity, and establishing a comprehensive database that can be used to develop sustainable and long-term development policy.

There have been no significant changes in the aimag competitiveness index over the past three years and as of 2020, Orkhon, Dornogovi and Darkhan-Uul aimags had the highest rates in 2020, while Bayankhongor, Gobi-Altai and Bulgan aimags had the lowest. According to the Competitiveness Index, the economic and infrastructure development of the aimags is uneven and there are differences in local development (See Graphic 14).

Graphic 14. Aimags's overall competitiveness index (as of 2020)



The competitiveness of the aimags is assessed using about 180 indicators of 4 groups: economic strength, governance efficiency, business efficiency, and infrastructure.¹²

¹¹ “Mongolia's development at the international level, comparative study” 2020

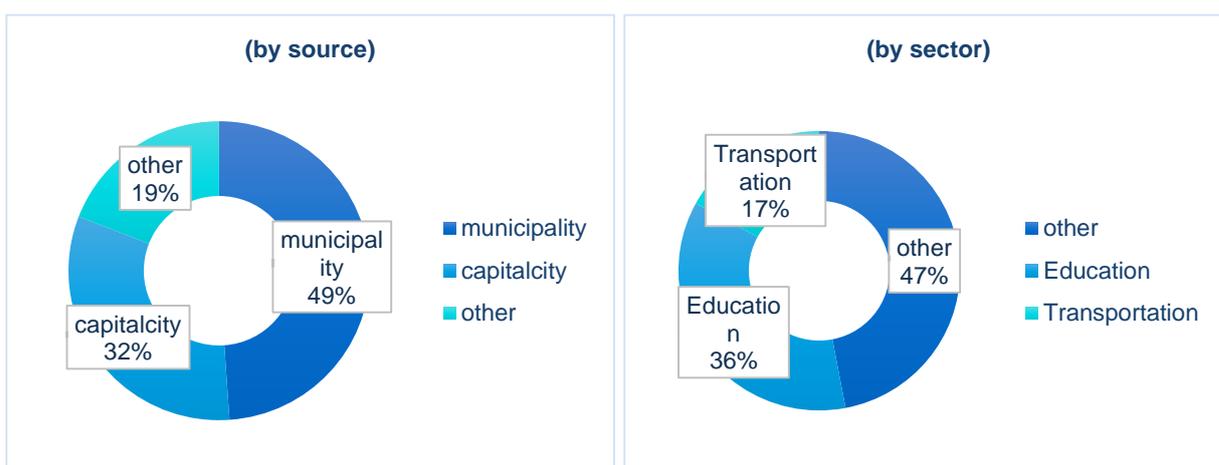
¹² Economic Policy and Competitiveness Research Center

To stop off-budget financing and increase efficiency by ensuring financial integrity, the “Mongolia Investment Program for 2018-2021” was developed in line with the International Monetary Fund’s Extended Fund Facility, the Budget Framework Statement of Mongolia, financial forecast, loan, and grant limits and the repayment schedule of the concession agreement with repayable terms from the state budget and approved by the Government Resolution No. 140 of 2018.¹³

A total of MNT 12.1 trillion was approved for the state budget in 2013-2022. In terms of economic classification of the state-funded projects, 88.2% accounts for the construction projects required to comply with government obligations for infrastructure and public service delivery, 7.5% for new social sector projects and equipment needed to increase access and quality of public services, and 4.3% for the renovation cost of the buildings to increase the lifespan of the construction and expenditure related to prepare feasibility studies and budgets for projects implementing by the public investment.¹⁴

In detail, 48.9% of the total public investment in 2020 is planned to be implemented in rural areas, while 32% in the capital city or 36.2% for the education, 17% for the road and transportation, 13.7% for the construction and urban planning and 33.1% for other sectors (See Graphic 15).

Graphic 15. **Financing to be implemented in 2020 by the state budget investment, by sources and sectors**



As the revised version of the Law on Development Policy, Planning and Management, approved by the Parliament in 2020, specifies the types, categories and timing of development policy documents to be followed at the local and national levels and improves their coherence, projects and programs to be implemented with funds have become more efficient, wasteful expenditures have been eliminated, and the efficiency of budget expenditures has been improved.

The MoF of Mongolia, with the support of UNDP, initiated the “Development Finance Assessment” in 2018 to lead development finance to the sustainable development and recommended introducing the “Integrated National Financing Framework” (NSF) aimed at

¹³ The program was amended and approved by Government Resolution No. 290 of 2019.

¹⁴ <https://publicinvestment.gov.mn/>

establishing the integrated financial management to meet the long-term development goals in the assessment.¹⁵

In connection with strengthening the institutional framework for achieving the “Sustainable Development Goals”, Mongolia is working to plan development policy, ensure implementation coordination, and establish that system. To implement the SDGs, the Subcommittee on Sustainable Development Goals, responsible for overseeing the implementation of the SDGs and the “Mongolia’s Sustainable Development Vision-2030”, has been established under the Standing Committee on Social Policy, Education, Culture and Science. The National Committee for Sustainable Development, chaired by the Prime Minister of Mongolia, was established in 2017 to adopt SDGs and establish the related systems. The NDA (formerly, but currently the MED) is responsible for providing professional and methodological support to the Government in implementing long-term, medium-term and short-term policies with the coordination of the SDGs. The NSO is responsible for compiling data and information to monitor the implementation of the “Sustainable Development Goals”.

2.3.1.2. Mobilize endogenous (internal) sources of finance and expand the revenue base of subnational and local governments

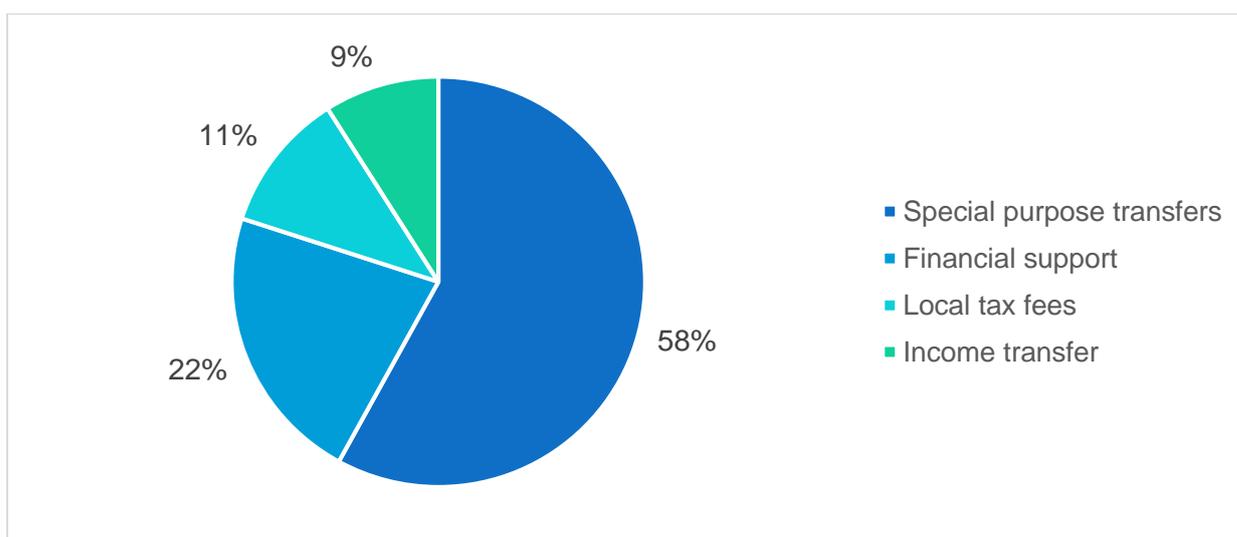
Within the framework of the objectives set forth in paragraph 136 of the “New Urban Agenda”, the “Mongolia’s Sustainable Development Vision-2030” states “Implement sound planning of the state budget revenues and expenditures and ensure efficient, effective and proper expenditure management” and the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Decrease the budget deficit by improving fiscal discipline, limit unnecessary spending and taking necessary austerity measures”.

The “State Policy on Decentralization”, approved by the Government Resolution No. 350 of 2016 includes directions to implement a flexible tax and investment policy to ensure local economic independence, improve the LDF system, allocate sufficient funds to the central and local governments to carry out their statutory functions, establish a mechanism for taking common or specific individual measures promptly when necessary to ensure coordination between central and local governments and closely coordinate the implementation of functions with a step-by-step monitoring and accountability system.

Article 62.2 of the Constitution of Mongolia states that “... If the law and decisions of relevant higher organs of the State do not specifically prescribe regarding the decision-making on definite matters of local life, the local self-governing organs may make autonomous decisions in conformity with the Constitution”, which is a key condition to ensure the independence of local government by establishing the powers of local self-governing bodies. To improve the financial management after the transition to the market economy, the 2013 Budget Law regulates relations of local budgets and newly indicates the local budget, its composition, local budget revenues, expenditures, and relations in the budget hierarchy.

¹⁵ This assessment is illustrated by the example of the health sector. In the coming years, additional education, employment and vocational education programs will be included, along with gender-sensitive budget planning.

Graphic 16. Local budget structure 2020 (by percent)



Local budgets consist of a basic local budget comprising local tax revenues, financial support from the State budget, special purpose transfers from the state budget, LDFs and “the Soum Development Fund” allocated from the state budget.

Tax revenue accounts for 81.5% of the general state budget revenue, while tax revenue accounts for 43.7% of the local budget revenue and non-tax revenue for 56.3% in 2019, and tax revenue for 39.3% and non-tax revenue for 60.7% in 2020. More than 80% of non-tax revenue comes from the financial support allocated from the State budget, transfers from the Integrated Local Development Fund (ILDF) and special purpose transfers. The adoption of the Budget Law changed the structure of local revenues and expenditures, established the directions to be implemented by local tax and non-tax revenues and local budgets, and created a legal environment to provide the financial support to aimags that have budget deficits and collect revenues from aimags that have profits to the State budget. In 2017-2019, local budget revenues increased by an average of 6.3%, while expenditures increased by about 5.9%, and in 2020, MNT 175.3 billion was transferred from the local budget to the State budget (See Table 21).

Table 21. Revenues from local budgets to the state budget

Unit: MNT million

Aimags and Capital city	2016	2017	2018	2019	2020
TOTAL	90,681.2	195,414.8	289,228.4	368,270.3	175,344.6
Khangai Region	9,702.6	13,683.7	12,016.8	16,300.9	29,220.1
Bulgan	-	290.4	-	-	-
Orkhon	9,702.6	13,393.2	12,016.8	16,300.9	29,220.1
Central Region	16,748.7	30,263.9	68,682.7	61,135.7	37,824.8
Gobisumber	-	155.2	-	-	-
Darkhan-Uul	-	270.3	458.9	3,010.2	1,824.1
Dornogobi	-	600.0	2,124.1	124.1	-
Umnugobi	16,748.7	29,238.4	66,099.7	58,001.4	36,000.7
Eastern Region	-	-	-	1,686.8	199.7
Dornod	-	-	-	1,686.8	199.7
Ulaanbaatar	64,229.9	151,467.3	208,528.9	289,146.9	108,100.0

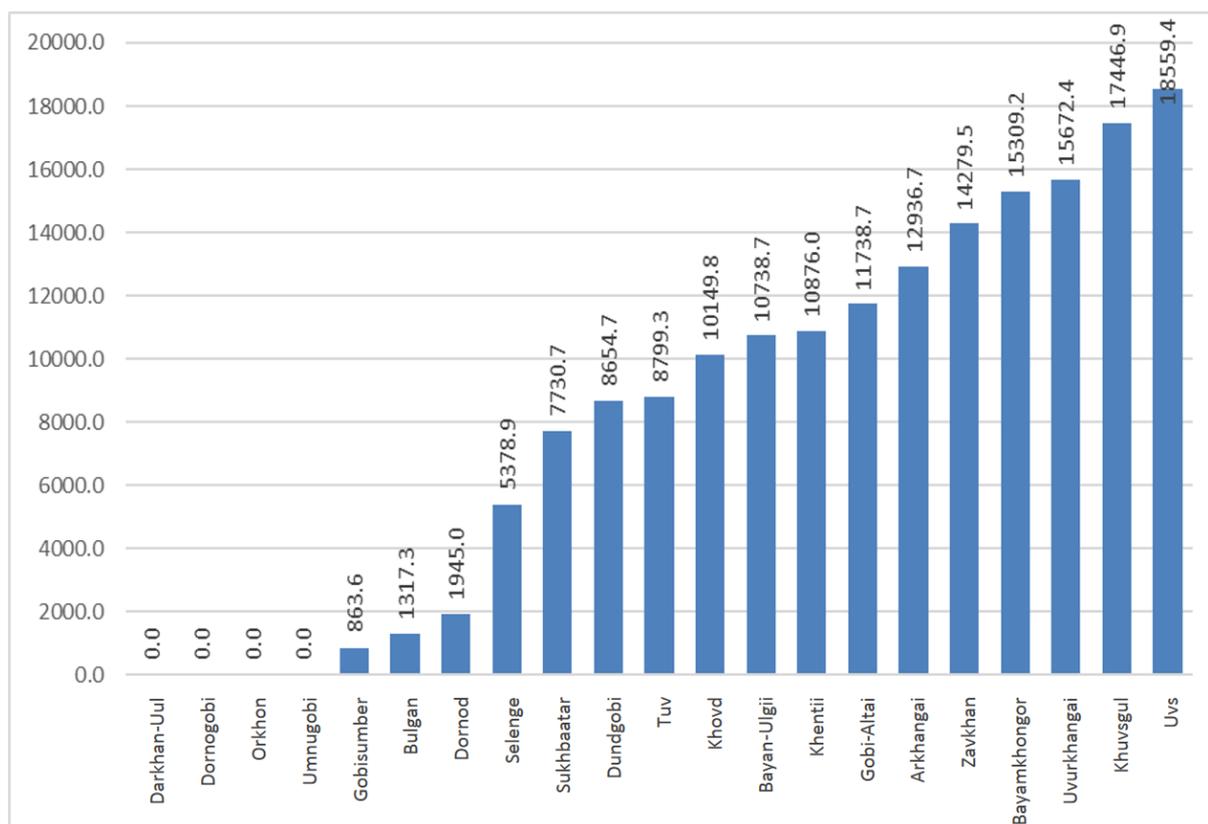
Source: Statistical Yearbook of Mongolia, 2020

Budget revenues are accumulated in the capital city Ulaanbaatar and resource-rich aimags such as Orkhon and Umnugovi aimags with high population density and the more developed industries, trades and services and the amount of production in Ulaanbaatar, Orkhon, and Umnugovi aimags alone account for 72% of the GDP of Mongolia. Due to the population growth, the scope of public services and inflation, the amounts of basic local income and expenditure are increasing every year, and the amount of financial support provided to aimags is growing as well. In 2013, the capital city Ulaanbaatar and 3 aimags did not receive the financial support from the state budget but covered their expenditures with their income and in 2019 and 2020, in addition to the capital city of Ulaanbaatar, 5 aimags (Darkhan-Uul, Dornogovi, Orkhon, Umnugovi and Dornod) were self-sufficient covered their expenditures by their income.

The number of aimags receiving financial support from the state has not been decreasing, as it is not possible to increase local revenues in line with the increase of expenditures due to the limited amount of local budget revenues, especially tax revenues. Looking at the average financial support provided from the State budget to local budgets over the last 4 years, Uvs aimag received the highest support but Govisumber aimag received the least support (See Graphic 17).

Graphic 17. **Financial support from the state budget to local budgets, by aimags (averages of 2017-2020)**

Unit: MNT million



Source: <https://www.1212.mn>

As the “Action Program of the Government of Mongolia for 2016-2020” states “Domestic production will be supported by customs and tax policies”, the following 3 main tax changes have been made in the last two years. These are: Regional preferential tax (aimag and soum centers which are 550 km away from the capital city Ulaanbaatar will be exempted from 50% of tax while aimag and soum centers more than 1000 km away from the capital city exempted 90% of the tax, effective from 2017); 1% income tax will be imposed on small and medium enterprises and service providers with an annual income of not more than MNT 1.5 billion (A 90% of tax reduction has

been introduced to cover four sectors: food production, textile industry, construction materials production and agricultural production including animal husbandry); and equipment and spare parts for small and medium enterprises are exempted from customs tax (according to Government Resolution No. 168 of 2017, equipment and spare parts for small and medium enterprises are exempted from customs tax until 2019). The tourism sector is not covered by this tax reduction.

2.3.1.3. Promote sound systems of financial transfers from national to subnational and local governments based on needs, priorities and functions

Within the framework of the objectives set forth in paragraph 135 of the “New Urban Agenda”, the “Mongolia’s Sustainable Development Vision-2030” states “Implement sound planning of the state budget revenues and expenditures, and ensure efficient, effective and proper expenditure management” and the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Ensure the integrated nature of the budget, stop off-budget spending and increase efficiency through improved public investment policy and planning”. “Mongolia’s Sustainable Development Vision - 2030” defines “decentralizing and ensuring the participation of all stakeholders in decision-making as fundamental principle governance for sustainable development”. Therefore, it is important to ensure transfers to the local budgets are sufficient to finance expenditures to achieve the “Sustainable Development Goals”.

For the purpose to cover local budget deficits, the financial support transfers are calculated based on the total amount of the local budget revenues, basic revenues and expenditures, including activities to be implemented by the basic expenditures as stated in the Budget Law. In order to finance the resources required to carry out some government functions at the local level, aimag and capital city budgets include special-purpose transfers in accordance with specially defined purposes, conditions and requirements. Depending on these regulations, aimag and capital city budgets are transferred according to the categories of financial support provided from the State budget, transfers of the Integrated Local Development Fund, special purpose transfers, and income transfers and on average, more than 50 percent of the total local budget revenue comes from assistance or aid revenue, while the rest from recurrent revenue (See Table 22).

Table 22. Financial support from the state budget and other transfers (2016-2020)

Unit: MNT million

Types	2016	2017	2018	2019	2020
Total income	2,169,797.0	2,437,177.0	2,769,434.0	2,947,580.0	3,146,849.0
Financial support from the State budget	150,987.3	146,162.0	180,700.9	161,002.2	201,721.3
Revenue from special purpose transfers	995,259.3	1,066,089.4	1,119,094.6	1,140,457.1	1,333,947.9
Revenue transferred from the Integrated Local Development Fund	120,267.7	53,013.5	88,555.0	138,644.6	165,671.8
Amount of aid revenue	1,266,514.3	1,265,264.9	1,388,350.5	1,440,103.9	1,701,341.0
Percentage in the total revenue	58.4	51.9	50.1	48.9	54.1

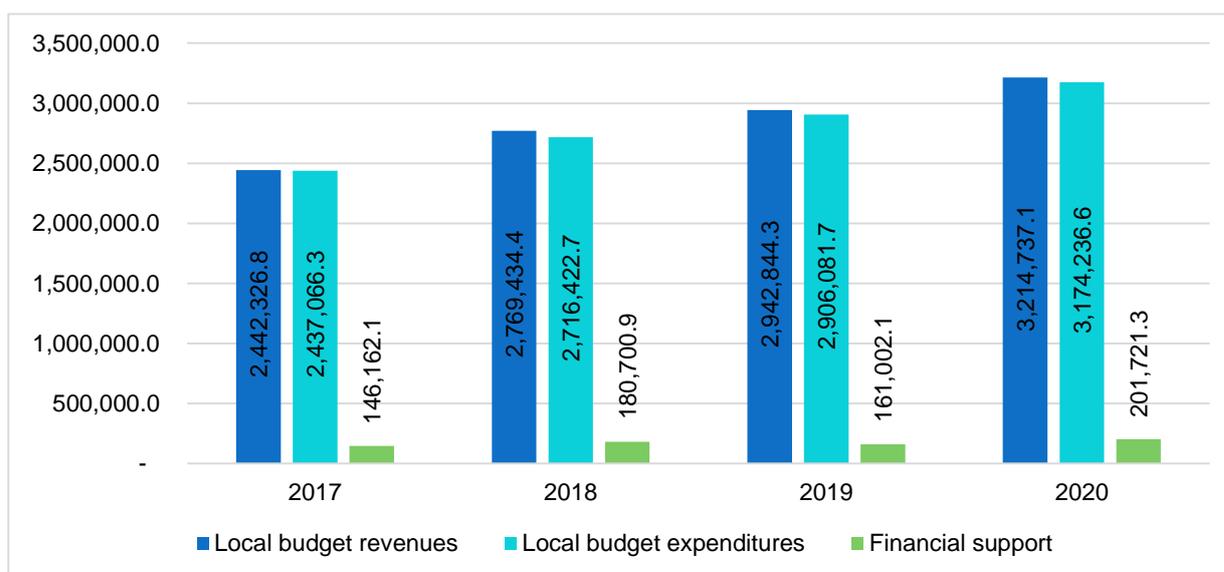
Source: <https://www.1212.mn>

Approximately 80% of total aid revenue comes from special-purpose transfers, and the following functions are performed locally (See Table 22). These include recurrent expenditures for preschool and general education, primary health care, land administration, child protection services, public physical education and cultural services. Aimag and capital city governors

represent the local government, and local governments receive and manage the expenditures required to implement these functions from the State budget.

The Budget Law defines the activities to be implemented by local tax and non-tax revenues and local budgets and creates the legal environment to provide financial support to aimags with budget deficits and collect revenues from the profitable aimags to the State budget. From 2013 to 2019, local budget revenues increased by an average of 6.3% while expenditures by about 5.9%, and the total amount of financial support provided to aimags from the State budget in 2020 increased by MNT 201.7 billion or 24.7% compared to the previous year (See Graphic 18).

Graphic 18. **General local budget indicators (2017-2020)**



Source: <https://www.1212.mn>

To address the unequal distribution of budgets, a problem of local budgets, starting from the 2019 budget year we have implemented a pilot project to test a methodology for allocating budget support and transfers based on local specifics and needs, established a system for local government to allocate the expenses for the operation of special purpose transfers such as local schools, kindergartens and soum hospitals, and all expenses for public sports and cultural organizations, and transferred the required expenditures to the local budgets. More than 80% of total local expenditures are recurrent expenditures, and about 50% of recurrent expenditures are spent on salaries and which indicates that they are the main expenditure for the local government activities. Further, it is important to increase the expenditures of other goods and services needed by the local government, increase local investment to support local development (small share of capital expenditures in the local budget), create new jobs, and thus increase local independence.

The following measures have been implemented within the framework of the Budget Law. These include: Amending the Budget Law in 2018 to generate 50% of the revenue from mineral exploration license fees in the 2019 budget year, 100% from the 2020 budget year, as well as 50% of mining license fees to the LDF; in 2020, a new Law on Livestock Tax was approved and transferred the tax income to the LDF; and in 2020, the Budget Law was amended to transfer 40% of corporate income tax to aimag and capital city budgets and land fees and real estate taxes to soum and district budgets.

According to the amendment to Article 46 of the Budget Law in 2017, "Procedure on budget expenditure savings and spending, reporting, recording in the accounting and monitoring of additional operational income" was approved and implemented by Order No. 74 of the Minister of

Finance in 2019. As stated in the procedure, the calculation of cost-efficiency shall be made after analyzing the budget allocations for infrastructure, social welfare, health and education sectors.

2.3.1.4. Mobilize and establish financial intermediaries (multilateral institutions, regional development banks, subnational and local development funds; pooled financing mechanisms etc.) for urban financing

Within the framework of the objectives set forth in paragraphs 139 and 145 of the “New Urban Agenda”, the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Make disbursement of local development funds more efficient, open and transparent to the public”. The Integrated Local Development Fund (ILDF) is a form of income transfer made within the framework of the decentralization policy. As stated in the Budget Law, the accumulated resources of the fund are distributed to the “Local Development Fund” (LDF) of aimags, the capital city, soums, and districts based on indicators such as population, remoteness, size of the territory, a tax initiative, and local development index. In addition, each aimag, capital city, soum and district has its LDF. To determine the general level of local development and to plan the public investment based on the actual level of aimag and local development, the “Methodology for calculating the Local Development Index” approved by the Government Resolution No. 20 of 2018 is used to determine the amount of transfers or the limit for allocation from ILDF to local budgets for the year.

Table 23. Changes in the legal environment since the establishment of the LDF (2016-2019)

Revenue transfers	2016	2017	2018	2019	2020
Domestic VAT	10%	5%	5%	5%	5%
Fees for Exploiting Mineral Resources (Royalty)	5%	5%	5%	5%	5%
Fees for Exploiting Oil Resources	30%	30%	30%	30%	30%
Redistribution from aimags and the capital city (from the balance sheet profit)	The portion of the balance sheet profit equal to the base expenditure shall be retained in the budget of that level and the remainder shall be transferred to the GLDF.	(Transfer to a higher level budget, not to LDF)			Performance-based incentives provided by the Sustainable Livelihoods Project will provide incentives up to 25 percent of the approved budget execution to the soum for the year that meets the criteria.
Mining Royalty (except mega)	-	10%	10%	10%	100%
Minerals Exploration license	50%	50%	50%		50%
Minerals Exploration and Mining licenses	30%	0%	0%	0%	10%
Incentives from international projects (based on performance)	-	Eligible soums will be allocated the amount equal to 25 percent of the share of GLDF.			
Support from international projects (in co-efficient)	-	-	The amount of project resources will be allocated according to the basic GLDF methodology.		

Source: MoF

Although the LDF was created to support local development and ensure regional stability, the above table shows that the legal environment has been unstable due to the financial and economic situation of the country. In accordance with the Budget Law, the ILDF provides revenue transfers to aimag and capital city LDFs from the above resources (See Table 23).

The LDF is a tool to solve investment project financing for aimags, the capital city, soums and districts with local participation. In accordance with the “Methodology for calculating revenue transfers from the “Integrated Local Development Fund and Local Development Fund” approved by the Government Resolution No. 230 of 2017, the funding is distributed annually to aimags, the capital city, soums and districts. A comprehensive information system on investment, programs, projects, and events planned and implemented by LDFs has been established in 2013, and the system has been constantly developed to ensure open and transparent information to citizens and the public. The LDF programs, projects and activities implemented by each aimag, capital city, soum and district are regularly reported on the websites <http://shilendans.gov.mn> and www.tusuv-oronnutag.mn, and people can leave their comments in the additional space given in the detailed information section of each event. This information is regularly posted monthly in the “By Performance and Measures of Local Development Fund” section of the glass account of the Ministry of Finance.

Because of the decrease in resources of the LDF year by year since its establishment and also difficulties that occurred in the implementation of the LDF, the Sustainable Livelihoods-3 Project, funded by the WB and the Swiss Agency for Development and Cooperation (SDC) was started in 2015 with the aim of planning and implementing priority investments in rural areas of Mongolia, and improving governance and public participation. Within the framework of the project, the “Good Governance-Results-Based Incentives Program” was implemented and allocated results-based financing and additional financial and investment funds to the soums that implemented LDF activities under the “Good Governance”. For example, MNT 6.2 billion incentives were provided in 2017-2019 and MNT 26.9 billion in 2018-2019 to support local development and increase public participation. To allocate results-based funding to soums, an external assessment of LDF activities has been conducted annually, and LDF incentives for the best performing soums were introduced in 2017. 165 soums in 2017, 154 soums in 2018, and 222 soums in 2019 met the requirements to receive the incentives. To increase LDF resources and support the local development of soums, a total of MNT 10.6 billion was provided by the project to 330 soums.

Within the framework of the “Sustainable Livelihoods-3” project jointly implemented by the MoF, the WB and the Swiss Agency for Development and Cooperation, “Annual performance evaluation” on soum LDF activities have been conducted since 2016, based on a total of 34 indicators of 6 groups: “public participation”, “planning”, “transparency”, “implementation”, “monitoring and evaluation”, and “ownership”. By providing financial “support” and “incentives” to soums, citizens have been able to identify local issues, ensure their participation in budget planning, and improve the quantity, size, quality, and efficiency of investments. The “Management Information System” and public portal site for the LDF have been revised and launched. In line with this, a virtual training was organized for the relevant specialists on how to use the system and enter information, and the required data for the LDFs of aimags and soums for 2018-2020 has been entered into the system.

Within the framework of the “Extended Financing Program” jointly implemented by the Government of Mongolia and the International Monetary Fund, the MoF has developed a “Procedure and methodology for evaluating, prioritizing and selecting public investment projects” and approved by Order No. 295 of the Minister of Finance in 2018. For the first time, the

methodology to include projects in the draft budget plan based on the analysis, evaluation, and prioritization of projects, implemented by the public investment was developed and approved, and this methodology allows the projects which are economically efficient and socially significant to implement with public investment.

2.3.2. Capacity Development

2.3.2.1. Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

Mongolia considers the provisions of Paragraph 96 and 146 of the “New Urban Agenda” as an important obligation and promise to effectively implement city-to-city cooperation.

Internationally, city-to-city cooperation activities consist of sister city (twin town) relationship, membership in international town associations, forums, conferences, and trainings. The legal status of becoming sister cities and cooperation with international organizations are regulated by the relevant decree of the Ministry of Foreign Affairs. At the national level, city-to-city cooperation has been aimed to support local government activities, create opportunities for mutual exchange of experience, build human resources, exchange urban solutions, and promoting unity and mutual learning. Since 1996, Mongolia has supported the World Healthy Cities trends and concepts, and the cities of Ulaanbaatar, Darkhan and Erdenet launched the first initiative to implement the local program “Healthy City” according to their local specifics. NGOs are active in promoting urban cooperation and building smart, healthy and sustainable cities.

The NGO "Association of Mongolian Cities" was founded in 2003 on the initiative of the mayors of Mongolian cities in accordance with the government's human settlement policy and with consideration of global trends. Successive governors of Ulaanbaatar have led the association and supported city development and cooperation. The NGO promotes urban development and mutual learning, strengthens human resources, expands city-to-city cooperation and brings urban development issues to the level of public policy. The capital city Ulaanbaatar cooperates with more than 40 international cities.

The NGO “Healthy Cities Program Capacity Building Center” (Mongolian Network of Healthy Cities www.healthycity.weebly.com) works to create a healthier environment in cities and towns and to promote healthy urban development. Although it was founded in 2017, the NGO signed a memorandum of understanding with 18 cities and is working to strengthen cooperation at national and international levels and to increase the number, expand the scope and strengthen the capacity of cities and local governments that support the "Healthy City" initiative in Mongolia. As part of this cooperation, a series of discussions, training sessions, meetings and seminars were organized in Ulaanbaatar, Darkhan and Choibalsan to exchange good practices of cities supporting the Healthy City Initiative and how to overcome common problems in cities. Moreover, lobby trainings and seminars were organized among city authorities to promote the Smoke-Free City's policies and activities in cities, and 11 cities joined the Smoke-Free City Initiative and signed a memorandum of understanding. As part of the Smoke-Free City initiative, about 350 organizations and companies in 11 cities joined the smoke-free workplace and 4.680 people from 628 organizations were interviewed and evaluated on smoking conditions. Chingeltei district of Ulaanbaatar, Sainshand and Arvaikheer cities have joined the Asia-Pacific Association of Smoke-Free Cities.

Training sessions and seminars on urban health promotion were organized in collaboration with the Ministry of Health, the WHO Regional Committee and the National Institute of Public Health, strengthening the capacity of aimag, capital and city governments and relevant officials.

In 2018, a training seminar on “Urban greenery and landscaping” was organized in cooperation with the MCUD. The training on urban, rural and local partnerships, support city-to-city cooperation mechanisms, urban governance, cities learning from another city was jointly organized by the Mayor's Office of the Mandalgobi and Ulaanbaatar in 2019. In addition to disseminating city-to-city collaboration and best practices nationwide, mayors and relevant officials attend meetings and training sessions to expand collaboration with similar international cities and learn from healthy city good practices. Within the framework of international cooperation, the Mongolian Healthy Cities Network collaborates with Turkish Association of Local Governments, CITINET International, Association of Smoke-Free Cities, City Lighting Organization, Association of Smart Cities, National Network of International Federation of Healthy Cities, "Association of Local Governments for Sustainability" and Taiwan's Cheng Kung National University.

With the support of the WHO and the Ministry of Health, the National Program “Urbanization and Health” was launched, and the “Urban Equality Assessment” survey were conducted in 2019 according to WHO methodology. In Mongolia, activities on healthy city governance, cooperation and coordination have been implemented. For instance, each district and aimag made significant progress in implementing a healthy city initiative. Further, comprehensive activities need to be implemented such as to establish private sector partnerships for support healthy city initiatives; establish a stable funding mechanism to support health through sustainable urban development; develop a cross-sectoral action plan for co-financing.

2.3.2.2. Promote the capacity development as a multifaceted approach to formulate, implement, manage, monitor and evaluate urban development policies

This section will be presented in the next report.

2.3.2.3. Build capacity at all levels of government to use data for evidence-based policy formulation including collecting and using data for minority groups

This section will be presented in the next report.

2.3.2.4. Strengthen the capacity of all levels of government to work with vulnerable groups to participate effectively in decision-making about urban and territorial development

In the Paragraph 148 of the “New Urban Agenda” indicated that “We will promote the strengthening of the capacity of national, subnational and local governments, including local government associations, as appropriate, to work with women and girls, children and youth, older persons and persons with disabilities, indigenous peoples and local communities, and those in vulnerable situations, as well as with civil society, academia and research institutions in shaping organizational and institutional governance processes, enabling them to participate effectively in decision-making about urban and territorial development”.

In recent years, the following laws and legislative documents have been adopted and are being implemented to enable the citizens participation in policy- and decision-making in Mongolia such as Law on Public Hearings, the Law on Legislation, the General Administrative Law, the Law on Consultative Polls, the Law on Glass Accounts, revised Law on Development Policy and Planning Management, revised Law on Urban Development and the Law on Urban Redevelopment. For example, the Law on Public Hearings includes clauses on public participation in government decision-making and the establishment of a civilian oversight system. Hearing types such as general monitoring, budget monitoring, appointment, administrative

normative and planning, and on-site hearings shall ensure public participation in governing the state. (<http://forum.parliament.mn/>)

In the Articles 17.1, 17.2 and 18.1 of revised draft of the Urban Development Law of Mongolia approved by the Parliament in 2008 stated that “Participatory based planning principles shall be applied and reflected in urban development actions and activities”, “Governors of all levels shall be entitled to organize open meetings for implementation of urban development, and obtain opinions and proposals from citizens and related professionals and shall reflect right and reasonable proposals in urban planning” and “Central governmental administrative organization in charge of urban development issues, Citizens` Representatives Hural of aimags and capital city, aimag Governor`s Office, City Mayor`s Office shall be entitled to disseminate information in due course to the public about decisions made within framework of this Law”. MCUD has drafted a revised version of the Law on Urban Development and submitted it to the Parliament in 2020 as part of its goal to improve the legal environment in the sector. The draft law regulates public participation in urban planning and urban development in more detail.

Article 5 of the Mongolian Law on Urban Redevelopment, which was approved by the Parliament in 2015, regulates the principles of public interest and public participation in urban development. In the Article 14.2 indicated that “...in charge of developing and acquiring an approval for the Detailed Master Plan in the designated area according to the Urban Development Law by reflecting the interests of the affected citizens, legal person, and those who can be affected”, Article 14.7.1.d “Introduce the project plan to land and property owners/possessors in the designated area and get at least 80% approval from them”, Article 14.7.1.e “Establish a Residents Representative Organization”. Within the framework of this law and its corresponding rules and regulations, more attention is being paid to ensure public participation in the implementation of urban redevelopment projects in the capital city of Ulaanbaatar and other cities and towns, especially to reflect the views of vulnerable groups.

Within the framework of the second phase of the technical assistance II stage project “Mongolian Urban Development Sector Capacity Building” implemented by JICA in 2015-2018 in cooperation with the MCUD and MOUBC, relevant trainings and seminars were organized to strengthen the stakeholder`s capacity in urban redevelopment. Manuals and video presentations were made on each of the 3 types of urban redevelopment activities. Promotion activities were taken for the Law on Urban Redevelopment and its corresponding rules and regulations and trained 34 trainers for urban redevelopment.

The “Procedure for public hearing of the draft Master plan for city and town`s development” approved by the Minister of Roads, Transportation, Construction and Urban Development Order No.183 of 2012 is being followed in order to ensure public participation in urban planning activities.

Representatives of the Mongolian National Council for Persons with Disabilities included as a member of the working group for the development of the “National Housing Program” approved by the Government Resolution No.202 of 2019. Representatives of the NGO “National Association of Wheelchair Users” are working as a member of the Minister`s Council according to the Order No. 19 of the Minister of Construction and Urban Development in 2019, and as well working as a Board member of the “Foundation of Construction Norms and Normatives” by the Ministerial Order No.153.

The representatives of the NGO “Protection of the Rights of Persons with Disabilities” are regularly invited into the state commission for the Commissioning Structures and Buildings, in accordance with the “Rules for Commissioning of Buildings and Structures” approved by the Government Resolution No. 317 of 2018. Representatives of NGOs protecting the rights of people

with disabilities are being included to the members of the "Organization and working group to organize the commissioning of roads and road facilities" in accordance with the "Procedure for commencement, implementation and commissioning of the construction of roads and road facilities", approved by Decree No. 49 in 2018 of the Minister of Road and Transportation with the aim of increasing the social participation of people with disabilities and improving their access to infrastructure.

With the technical assistance of the "Swiss Center for Democracy Studies", the "Support for Public Participation" project has been implemented since 2016 with the aim of creating a legal environment for the introduction of new participation mechanisms that are important in ensuring the right of citizens to participate directly in public affairs. In order to ensure equal participation of vulnerable people in decision-making processes related to urban planning, urban development and territorial development, activities aimed at increasing their legal knowledge, disseminating information and advocacy, building capacity and involving and training social workers need to be organized. It is also important to introduce international experience in this field and implement international projects and programs.

2.3.2.5. Support local government associations as promoters and providers of capacity development

Paragraph 90 of the "New Urban Agenda" has noted that "in line with countries' national legislation, support strengthening the capacity of subnational and local governments to implement effective local and metropolitan multilevel governance, across administrative borders, and based on functional territories, ensuring the involvement of subnational and local governments in decision-making". "Mongolia's Sustainable Development Vision - 2030" defines that "decentralization and full participation in decision-making are key principles of governance for sustainable development" and this is the prerequisite for long-term sustainable implementation of decentralization policies and activities.

Targeted activities were carried out to build the capacity of local civic organizations. Elected representatives in aimag, capital, soum and district CRHs were empowered through leadership training and given opportunities to participate more effectively in policy-making. During the training, their skills and confidence were enhanced by leading a variety of initiatives, forming a lobby group with like-minded groups, and working in harmony with the local population. Some of these initiatives have included activities such as monitoring public utility services; organizing information-sharing meetings to raise public awareness of government agencies' decisions; and advocacies aimed at the approval of waste management plans by local councils. In order to develop an inclusive and responsible city, a community-based organization was established to ensure the participation of local people in the decision-making, planning and implementation of local government's local development programs. The organization focuses on addressing the specific needs of women, children, people with disabilities and local businesses.

Within the framework of the project "Strengthening Mongolia's representative organization" implemented since 2017 following trainings were carried out for representatives of the Citizens' Representative Khural, including Basic capacity building training for Citizens' representatives at all levels, Leadership training, Women's capacity building training, Training for chairpersons of bagh public meetings, Training of national trainers. A total of 20,000 representatives were involved in these training sessions.

According to the survey, about 60% of the more than 8,000 CRH representatives elected in local elections every four years are first-time elected, which requires continual basic capacity-building training. A new provision stating that "the budget of the Khural shall include the expenses

of the delegates' activities and capacity building activities" included into the revised draft of the Law on Administrative and Territorial Units and Their Management, creating opportunities for continuous capacity building of delegates.

The "Strengthening the Representative Organization of Mongolia" project announced an annual grant program to increase the CRH's oversight and capacity, and awarded grants to a total of 73 CRHs and 23 local government NGOs in 2017-2020. The grant has resulted in increased participation of women and youth in the CRH, improved oversight for environmental restoration and local budget spending. The website www.khural.mn has been developed and is now actively operating. It covers 21 aimags, 330 soums and 9 districts, to increase citizens' knowledge and skills about Citizens' Representative Khural and to spread the representatives' good experiences.

2.3.2.6. Promote capacity development programmes on the use of legal land-based revenue and financing tools

Paragraph 90 of the "New Urban Agenda" has noted that "We will promote capacity-development programmes on the use of legal land-based revenue and financing tools, as well as on real estate market functioning for policymakers and local public officials, focusing on the legal and economic foundations of value capture, including the quantification, capturing and distribution of land value increments".

Land fees are collected through a shared database in accordance with the amendments to the Law on Land Fees of Mongolia, "On Determining Land Valuation Districts, Ranks (Zones), Baseline Values and Land Fees", approved by the Government Resolution No.182 of 2018, "Methodological guidelines for imposing land fees" approved by the Order No.187 of the Chairman of ALAMGaC of 2018 and "Regulation on information exchange" and "Information Exchange Agreement" approved by the joint Order of ALAMGaC and GIA in 2019. As of 2020, a total of MNT 726,837 million has been collected from land fees to local budgets since the implementation of the Law on Land Fees.

According to the Land Law, Law on Land Fees, and the amendments to the General Tax Law, land fees are collected by tax offices from January 1, 2020 and Land offices create appropriate land fees and invoices, generated from the "Integrated Land Cadastre System" (egazar.gov.mn egazar app, and e-mongolia.mn), send to shared information system, and tax offices forwards the invoices to the taxpayers (etax.mta.mn and ebarimt app) for tax collection.

Land fees and tax system were introduced nationwide by the Order No. 1/05 of Chairman of ALAMGaC of 2020 and LACUDDs of 21 aimags, LMDs of the capital city and 9 districts, and land officers of 330 soums are using in their daily activities. As of 2020, MNT 126,334 million was imposed on 333,279 parcels of land nationwide, invoices of MNT 110,054 million were sent to the tax system and a total of MNT 108,085 million were collected from land fees and transferred to the local budget. The implementation of the plan on land fee revenue is 86.4%.

Significant progress has been made with the introduction of land fees and tax system. An example of this is that a year ago, people used to go through many steps to pay their land fees and spend 3-8 hours at the bank, but today they can pay their land fees and taxes electronically in one minute.

The ALAMGaC Introduced an electronic land exchange system (www.mle.mn) organize auctions and project tenders for land ownership, possession and use rights in an expeditious and transparent manner in electronic form, register land for mortgage security and lease, collect land market price data and create an integrated database and serve citizens with products, services

and statistics. The system is used by the LACUDDs of 21 aimags, district land management departments and 330 soum land officers.

Citizens and legal entities can participate in auctions and project tenders for land ownership, possession and use rights, regardless of location, and have access to a multi-step, fast and efficient service. As of 2020, a total of 6,746 land auctions and 431 land possession projects were organized in the electronic system of the Land Market, and 19,425 land pledges and 36,699 real estate market data were registered. The average annual budget for land ownership, possession and use auctions and project tenders was MNT 4 billion, but since the introduction of the system, it has increased every year, and by the end of 2020, MNT 10.5 billion has been transferred to the state budget.

The Ulaanbaatar City LMD is responsible for reclaiming the land possessed and owned by citizens and legal entities on the basis of large-scale state development and urgent social needs, providing compensation by the Decree of the Ulaanbaatar City Governor, and land acquisition. In 2017-2020, a total of 277 construction works were implemented and MNT 106.5 billion was spent on compensation (See Table 24).

Table 24. Amount of funds provided for compensation (2017-2020)

Year	No of construction works	Amount of funds provided for compensation (billion MNT)
2017	79	10
2018	105	47.7
2019	53	26.0
2020	40	22.8
Total	277	106.5

Source: ALAMGaC

As of 2020, a total of 1,083 employees are working in the land administration sector, and annual training and seminars on capacity building for human resources are organized. For example, in 2017, “Sustainable Land Management and Territorial Development Plan” training, in 2018, “Aimags, Capital City and City General Architect Training”, and in 2019, “Introduction of Urban Cadastre Database nationwide”, “ArcGIS Desktop”, “ArcGIS Pro” and “Urban Manager” software capacity building and specialization trainings were organized. In addition, training for capacity building for human resource in the field of land fees and tax system were organized 3 times, and a total of 166 specialists were trained including land officers of the LACUDDs of 21 aimags, the capital city and districts, and soum land officers. In 2020, land use monitoring points were identified in 21 aimags by cities, settlements, forests, agriculture, water lands and pastures, detailed work plans were developed and capacity-building training was organized virtually for land officers of the LACUDDs using the “Zoom” platform.

2.3.2.7. Promote capacity development programmes of subnational and local governments in financial planning and management

Within the framework of the objectives set forth in paragraph 149 of the “New Urban Agenda”, the “Mongolia’s Sustainable Development Vision-2030” states “Implement sound planning of the state budget revenues and expenditures, and ensure efficient, effective and proper expenditure management” and the “Action Program of the Government of Mongolia for 2016-2020” sets an objective “Ensure the integrated nature of the budget, stop off-budget spending and increase efficiency through improved public investment policy and planning”.

Defining the rights and responsibilities of local self-governing bodies, such as approving the medium-term development policy document of the capital city, aimags, soums and districts, the main directions of economic and social development for the year, the budget for its implementation, and report of the budget performance is an important step in the decentralization, and some activities are being implemented to ensure the stability of the legal environment and improve the capacity of local government officials to increase the authority of the local administration.

In the framework of the “Budget and Financial Management Transparency and Efficiency Project” implemented jointly with the Ministry of Finance and ADB, a training on “State Budget Investment Efficiency” was organized in 2015, focusing on public investment planning, implementation, efficiency and challenges and the issues and concerns to be taken into account in the future, as well as the methodology for projects and activities to be implemented with public investment approved in the year approved by the Budget Law of Mongolia, was introduced for the capacity building. For example, in 2020, for the first time, virtual training on “State Budget Investment Efficiency” was organized through the state budget investment information system www.publicinvestment.gov.mn involving more than 180 staff in charge of financing, monitoring and reporting.

In addition, within the framework of the “Extended Financing Program” jointly implemented by the Government of Mongolia and the International Monetary Fund, the Ministry of Finance has developed for the first time a “Procedure and methodology for evaluating, prioritizing and selecting public investment projects” and approved by Order No. 295 of the Minister of Finance of 2018. In connection with the implementation of this methodology, more than 170 officials in charge of planning, implementation and financing of ministries, agencies and local budget investments participated in training, seminars and discussions organized in 2019.

Figure 16. Training on “State Budget Investment Efficiency”



To ensure the stability of the legal environment and strengthen the capacity of local government employees to increase the authority of local governments, a total of 1,043 employees, including Heads and Officers of Finance and Treasury Departments of 21 aimags, Heads of Financial Departments of soums, Treasury Specialists, LDF Specialists, Investment and Development policy Specialists of aimags and representatives of the aimag capacity building team participated in the series of training, organized by the Ministry of Finance in 2018.

Figure 17. The “Capital City Investment Guide”



To integrate the public investment planning process of the capital city Ulaanbaatar to the prioritization of public-private partnership projects, take into account climate change issues, increase the transparency and objectivity of the process, and strengthen the financial capacity of the capital city, the “Capital City Investment Guide” was developed in 2018 with the technical assistance of the World Bank. The guide intended for decision-makers and professionals at all levels of government in the capital city and districts includes practical recommendations for the Ulaanbaatar city government on how to improve investment planning and financing.

2.3.2.8. Increase cooperation and knowledge exchange on science, technology and innovation to benefit sustainable urban development

This section will be presented in the next report.

2.3.3. Information Technology and Innovation

2.3.3.1. Development of user-friendly, participatory data and digital platforms through e-governance and citizen-centric digital governance tools

"Mongolia's Sustainable Development Vision - 2030" aims to "expand the coverage of information technology and communications, introduce high-speed networks in local areas, increase their consumption and launch national satellites", in accordance with the program set out in Paragraph 160 of the "New Urban Agenda". The action plan to implement the “Action Program of the Government of Mongolia for 2016-2020” sets the goal of “Developing and approving the National e-Government Development Program”. “State Policy on Information and Communication Development-2025” approved by the Government Resolution No.47 of 2017 states that “Develop e-governance by increasing the productivity and efficiency of government organizations, promoting democratic, open, non-bureaucratic, transparent and accountable governance, supporting innovation in government activities and enhancing e-governance development”.

Mongolia implemented the “e-Mongolia National Program”, the “National Program to Establish a Unified Registration System”, and the “e-Government National Program” between 2005 to 2016. The separation of information and communication networks and services, the establishment of a universal service obligation fund, the liberalization of the telecommunications sector, the development of information and communication infrastructure, the connection of information and communication networks to international Internet traffic and universal computerization were all carried out within the framework of the e-Mongolia National Program.

2005, Mongolia's external Internet gateway capacity was 78Mbps with 22,000 internet users, 3,251km of broadband fiber optic cables and 551,000 mobile phone users. In 2012, the external gateway capacity increased to 22 Gbps, the number of Internet users to 654,009, the length of broadband fiber optic cable to 18,123,8 km, and the number of mobile users to 3,409,005. As of 2020, the external gateway capacity is 45 Gbps, the number of Internet users is

3,579.800, the length of broadband fiber optic cable is 18,156 km, and the number of mobile users is 4,363.900.

The establishment of the “National Data Center” under the “National program for establishing a unified registration system” has led to the improvement of civil status registration, state registration of property rights, state registration of legal entities, and ensured property exchange and updated the registration, database and system of the governmental organizations involved in the unified registration system. In 2010, a nationwide re-registration procedure was launched, and electronic ID cards were issued to citizens.

More attention is paid to the development of information systems and databases within the framework of the “National e-Government Program” Converting public services into electronic form, processing of citizen applications and complaints in electronic form, delivering public services through fast service kiosks, disaster warning, development of a glass account and a value-added tax system are being carried out under the program. Public services that can be converted to electronic form have been identified and 25 services are being delivered through public service electronic kiosks, 18 services that citizens consider to be the most difficult and time-consuming are being delivered through the unified public service portal www.ezasag.mn. A total of 2.2 million people accessed the service through service kiosks in 2018, saving 1 hour and 40 minutes per service.

The following activities must be carried out in the future: Organization of hard and soft infrastructure for e-governance development within integrated policy and planning; Ensuring the integrity and security of the state database by transferring public services into electronic form; Creation of an open database and promotion of its use; Ensuring citizens' electronic participation in government decision-making and supporting human development; Increase the range of public services that can be delivered electronically, anytime, anywhere, using smart devices.

“National e-Governance Program” has been approved and by the Government Resolution No.73 of 2019 and being implemented for introducing information technology in the economic and social sectors through a unified policy and planning, and developing a citizen-centered e-governance in order to create a transparent, competitive, highly productive and responsible government.

Activities carried out under the program are: Improvement of the management system and organization for e-governance development; Expanding cloud computing infrastructure for government information exchange; Development and improvement of the government information exchange system “KHUR”; To connect the integrated electronic payment system to the government information exchange system “KHUR”; Re-engineering the business process to introduce information technology in the activities of government organizations; Increase the number of unified public service centers by transferring the center to the operator mode and delivering some government services to citizens and legal entities in electronic form; Improvement of the unified public services portal; To create conditions to receive services from the unified public service portal using mobile communication technology; To increase the number and types of services to be provided by the government to citizens in electronic form; Gradual introduction of digital signatures in public services.

Mongolia's e-development index cannot transcend the world average and has been declining for some years. In connection with this situation, the “Information and Communication Policy Council” was established and the head of the Cabinet of Ministers was appointed its chairman by decree of the Prime Minister of Mongolia in 2018. The council works to provide one-

stop, citizen-centered access to public services, implement e-transition goals, and support public-private partnerships and information technology companies.

In accordance with the objective of the "Action Plan of the Government of Mongolia for 2016 - 2020" to "implement e-government in a transparent, efficient, accessible, paperless and unbureaucratic manner through the gradual introduction of digital signatures in public services and their transition to electronic format", and based on the "State Policy on Electronic Signatures in Mongolia", the "National Data Center" SFE was given the role of a state certification authority, enabled the collection of digital signatures by entering into registration unit agreements with government agencies. Digital signatures are being introduced in public services.

Since 2017, the state information exchange system "KHUR" has been established, in which a total of 74 web services have been developed, and 29 government organizations and 19 private organizations are connected and share their information. A directory of 176 public services to be connected to the state electronic information exchange system and 320 types of public services to be provided electronically using the state electronic information exchange system was approved by the Government Resolution No.259 of 2018.

The government has declared 2019 the "Year of Citizen-Centered Public Services" and aims to digitize public services and reach citizens immediately. As part of this task, efforts are being made to fully connect government agencies to the electronic information exchange system, to provide about 320 public services to citizens electronically, and to create fast, paperless, open and bureaucratic public services. For example, within the framework of a comprehensive national policy document on e-government - "E-MONGOLIA Program", an electronic land management system or mobile phone application with the aim of gradually digitizing all government services related to land relations and delivering them to citizens and legal entities through a single window was developed and launched to the public use. (<https://e-mongolia.mn/home>; <http://www.e-mongolia.mn/>; <https://www.facebook.com/emongolia>)

According to a survey by Communications and Information Technology Agency (former name), there were 3.8 million mobile phone users in Mongolia in 2019 (duplicate count), of which 2.4 million were smartphone users and 2.9 million were internet users. As of 2019, the number of Facebook users in Mongolia is 2.2 million, of which 2.1 million are mobile users. This is a very high number compared to Mongolia's 3.3 million inhabitants.

According to a study, 1.7 million people are currently using the "E-barimt" electronic tax system introduced in 2016, and 500.000 people log in regularly every day. In other words, about 85% of the 2.1 million adults in Mongolia use the electronic tax system, which means that Mongolians already have access to government services online. Participation and activity of citizens to the use of online public services is high. For example, as of 7th December 2020, or within 2 months after the launch of the service, about 250 thousand users received government services from e-service system - "E-MONGOLIA", and in just one day the number of citizens who received the e-service system reached 4.957. During the outbreak of the coronavirus pandemic (COVID-19), citizens received government services electronically and their required documents such as ID cards, passports and driver's licenses delivered to their homes by mail.

Within the framework of a comprehensive national policy document on e-government - "E-MONGOLIA Program", an electronic land management system or mobile phone application with the aim of gradually digitizing all government services related to land relations and delivering them to citizens and legal entities through a single window was developed and launched to the public use. As a result, citizens and businesses can initially get 8 types of land-related services within 2 minutes.

2.3.3.2. Expand the use of leading technologies and innovations to balance urban and regional development and prosperity

This section will be presented in the next report.

2.3.3.3. Use of digital tools, including geospatial information systems to improve urban and territorial planning, land administration and access to urban services

Within the framework of the objectives set forth in Paragraphs 156 and 157 of the “New Urban Agenda”, “Mongolia's Sustainable Development Vision-2030” includes “... create infrastructure for national spatial information system ...”, “Action Plan to Implement the Action Program of the Government of Mongolia for 2016-2020” sets objective to “Draft Law on Spatial Data Infrastructure” and the “Government Policy on Information and Communication Development (2017-2025)” approved by the Government Resolution No. 47 of 2017 to “Use of geo-spatial information infrastructure will enable government organizations and citizens to conduct spatial analysis and intelligent planning based on accurate and precise information” and “Guidelines for economic and social development of Mongolia in 2020” to “Introduce the database of organizations that compile data and information through geoportals and for use”, and “State policy on construction sector”, approved by the Government Resolution No. 70 of 2019 to “implement the objectives and measures for the development of the construction sector in accordance with the land policy and planning based on the national spatial information infrastructure”.

As information technology develops, possibilities to create infrastructure that contains large amounts of information, such as big data, open data, and geoportals become available. According to a study conducted by the WB in 2019, if Mongolia builds and uses a spatial data infrastructure, its revenue will be less than its expenditure in the first two years, but the benefit will be 2.6 times more in the next 10 years.

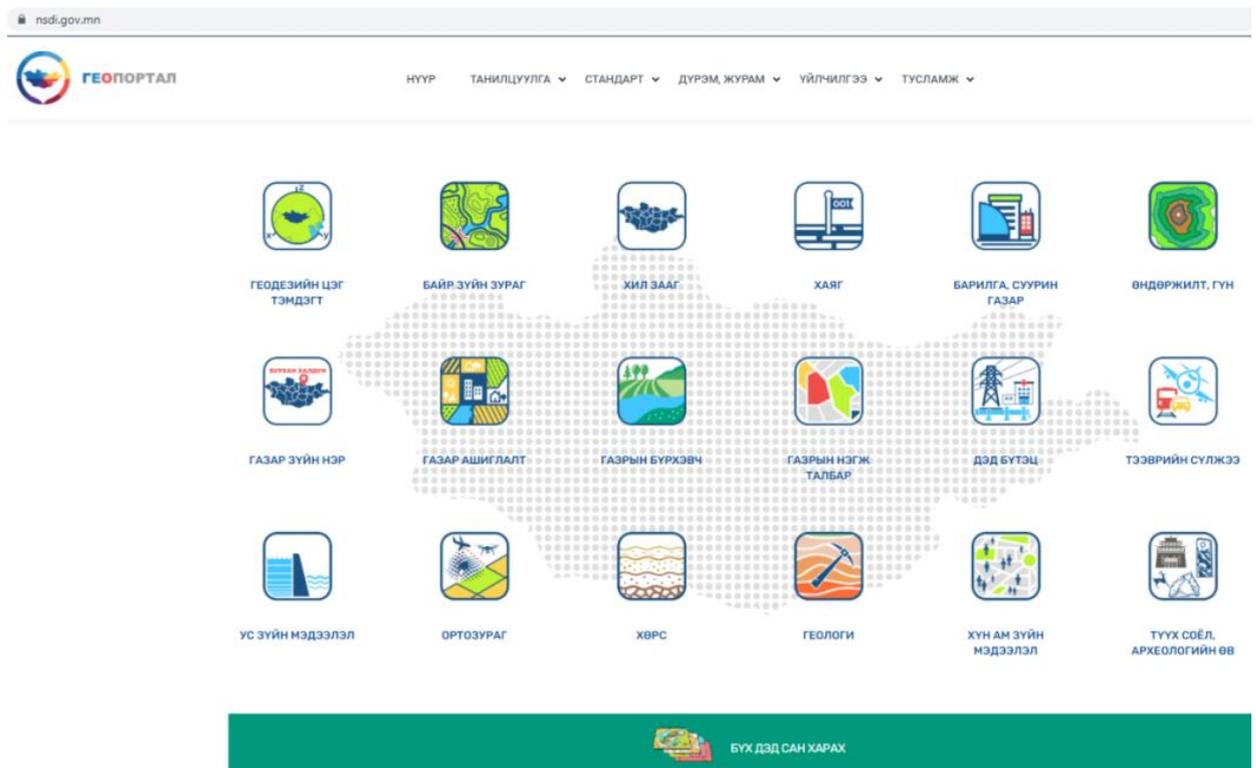
In 2018, the eighth meeting of the UN Committee on Spatial Information Management Advisors in New York, USA, approved the “Integrated Spatial Information Framework”. In order to implement this document, the Advisory Committee selected six developing countries in Africa, Asia and the Pacific region, including Mongolia, to implement the project “Strengthening the Spatial Information Management Capacity of Developing Countries to Implement the 2030 Agenda for Sustainable Development”, which was the beginning of the work to build the structure and expand the use of spatial information.

An international conference on “The Role and Importance of Spatial Data Infrastructure in Achieving the Sustainable Development Goals” was held in Ulaanbaatar in 2018, and the United Nations is working to classify spatial data and information according to a list of 14 basic spatial data. In addition, national spatial data and databases are integrated in accordance with common standards, and web services are introduced through geoportals and also a project “Strengthening the Spatial Information Management Capacity of Developing Countries to Implement the 2030 Agenda for Sustainable Development” has been implemented in cooperation with the UN Committee on Global Spatial Information Management.

In 2018, the concept of the draft Law on Spatial Data Infrastructure was approved within the framework of the “National Program to Build National Spatial Data Infrastructure”. Eighteen new standards have been adopted to ensure the integrity of the compilation, processing, storage, protection, distribution and use of spatial data and information. The establishment of a national GEOPORTAL electronic system, ensuring inter-agency coordination, and compiling and using spatial data in accordance with common standards ensured budget duplication, novelty and

reliability of the information. ALAMGaC identified 18 basic spatial data, including a geodetic backbone network, topographic map, boundaries, address, building, settlement, height, depth, geographical name, land use, land cover, parcels, infrastructure, transportation network, hydrology, orthography, soil, geology, history, and cultural heritage. There are 3 types of access rights: open, paid, and closed, depending on the spatial data, information content, degree of confidentiality, and importance, and there are types only to view spatial information (GIS service), access to the server (view, add, modify, delete), download (download open information from the system with permission) (See Figure 18).

Figure 18. The appearance of geoportal data

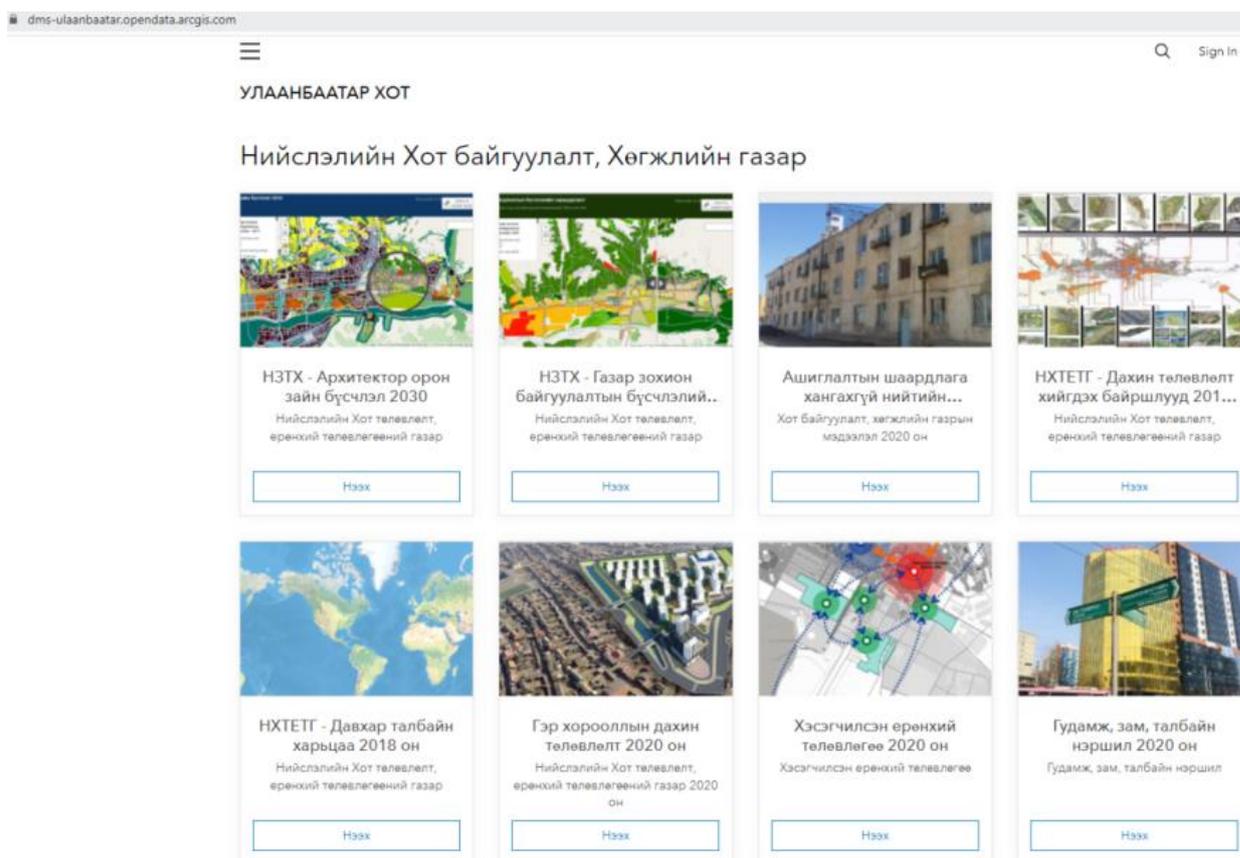


Source: www.ncdi.gov.mn

In 2017, one sub-database of the National Spatial Data Infrastructure, the “Social and Economic Database”, was linked to information, spatial data or images consisting of 2,532 sub-indicators of 642 key indicators of 27 social and economic sectors and the creation of a database that allows government agencies to enter and update their information regularly was completed and geoportal started developing a web application that has online access regardless of time or space, and share it with all levels of government and also can be used by citizens and the public through <https://geoportal.ncdi.gov.mn> In addition, a successful introduction of the “Integrated Land Cadastre Information System” to 21 aimags and 330 soums creates an electronic “Land Cadastre Database”, making it available to the public (See Figure 19). In the same year, the ALAMGaC used a special fiber-optic cable to establish VPN with the Land Departments of the Capital city and 9 districts, and the LACUDDs of 21 aimags, and introduced high-speed internet service. By creating a virtual private network (VPN) for 330 soum and settlement land officers using ger internet devices, and connecting them to a single network within the sector, it provides an opportunity to access various systems directly from soums and districts and securely update data and information.

In order to accelerate the development of the urban development sector, to provide information necessary for scientifically based urban planning, to provide access to location-based

Figure 20. The appearance of the Ulaanbaatar City Urban Development Database



Source: <https://dms-ulaanbaatar.opendata.arcgis.com/>

2.3.3.4. Strengthen capacities at all levels of government to effectively monitor the implementation of urban development policies

This section will be presented in the next report.

2.3.3.5. Support all levels of governments in the collection, disaggregation, and analysis of data

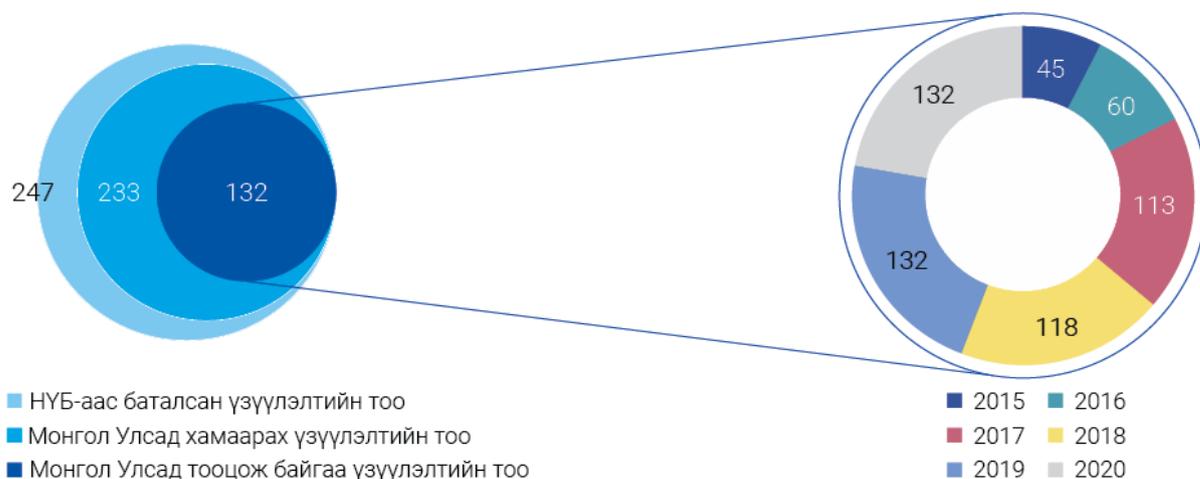
In 2017, the NSO developed a “Data analysis handbook”¹⁶. The main purpose of the handbook is to improve the skills of local statistics and development policy staffs on the characteristics of digital information, basic principles of sampling, working with digital data, analysis and the ability to use simple statistical tools. The manual contains a description of data collection and use, information that can be generated from the data, the selection of the most efficient data processing methods, the processing of the collected data and the generation of the necessary information based on this.

The NSO has developed the technical configuration and sub-coding of the system development through digital signatures, mobile phone numbers and national electronic mail using the "DAN" authentication system of the "National Data Center" (NDC). The system's "Population and household information" (registration.nso.mn) has been developed so that citizens can check it themselves.

¹⁶ www.nso.mn

247 indicators are identified to assess the implementation of the World Sustainable Development Goals (SDGs). Of these, 132 out of 233 indicators related to Mongolia are estimated, enriching Integrated SDGs Monitoring System (sdg.gov.mn).

Figure 21. Information on SDG indicators



Source: Statistics Activity Report of 2020

In 2020, a total of 324 materials such as 54 inventories, 112 survey, 21 annual brochures, 26 monthly social and economic reports of Mongolia, collection of statistics for 1960-2000, books and journals were released on the Unified Statistical Database (<https://www.1212.mn>).

Information technology has been broadly used in the collection and processing of inventories, surveys and official statistics, and 11 programs have newly been developed and 10 programs have been modified. The Telephone Survey (CATI) module using the Statistical Production System (SPS) made it possible to carry out telephone surveys and for the first time the data collection for the Social Indicator Cluster Survey (SPS+ 2020) was successfully conducted by telephone.

As part of the World Bank's "Smart Government Project" 6 server computers, 1 storage server, 41 network switches (SAN-switch and managed-switch) and 33 firewall devices were purchased, server preparation, organization, configuration and installation were carried out, and local statistical offices were provided with the necessary equipment.

PART III . FOLLOW UP AND REVIEW

3.1. Explanation on system, policy, methodology developed for monitoring and reporting on the implementation of the “New Urban Agenda”

In order to implement the “Sustainable Development Goals-2030”, the Parliament of Mongolia passed the “Mongolia’s Sustainable Development Vision - 2030” in 2016. The goals and objectives of this concept are reflected and implemented in the action programs, guidelines, action plans, projects and programs of the Government of Mongolia and the Governors of the capital city, aimags, soums and districts, and the NGOs and business entities, ensuring public participation. At present, no clear system, policy, methodology and guidelines have been developed to monitor and report on the implementation of the “New Urban Agenda”.

Consideration of founding a multi-stakeholder NGO, independent of the government restructuring, based on international experience, is constituted by the Working Group, established by the Decree No.87, 2022 of the MCUD for providing information, studies and in charge of management and organization for the preparation of the 2017-2020 National Progress Report on the implementation of the “New Urban Agenda” and the members of the Consulting Team who prepared the Report. The NGO would have the responsibility to promote the “New Urban Agenda”, prepare a report on the next phase of implementation, organize a “National Urban Forum” for consultation and discussion of stakeholders and citizens, and maintain open and transparent electronic information for the Publicity. So, the Working group and Consulting team brings the proposal to establish NGO and hold discussions on the National Progress Report on the implementation of the “New Urban Agenda” at the biennial “National Urban Forum” and also ensure public participation at national, regional and local level.

Resolution No.19 in 2016 of the Parliament of Mongolia, which approved the “Mongolia’s Sustainable Development Vision- 2030” states:

"Establish a permanent structure and system to organize the activities to implement, monitor and evaluate Mongolia’s Sustainable Development Vision 2030" (Part 2, Paragraph 3),

"Monitor and evaluate the implementation of “Mongolia’s Sustainable Development Vision-2030” every two years and report the findings to the relevant Standing Committees of the Parliament” (Part 2, Paragraph 4), and

"To assign to the Standing Committee of State Structure of the Parliament the duty to oversee the implementation of the resolution" (Part 3).

The “General Procedure for Monitoring and Evaluating the Implementation of Policy Documents and the Activities of Administrative Organizations” was approved by the Government Resolution No.89 in 2017 in accordance with the “Law on Development Policy and Planning” and the above-mentioned Resolution. This procedure has been updated and approved by the Government Resolution No.206 of 2020 in connection with the adoption of the revised version of the Law on Development Policy, Planning and its Management and the "The Vision - 2050 long-term development policy of Mongolia". The procedure regulates in detail the implementation of policy documents, laws, resolutions; timing and manner of reporting on the organization's activities; monitoring and evaluation organization, organizations receiving the report and reporting organization; timing and frequency.

Therefore, we believe that it is quite possible that the Government of Mongolia and the Governors of the capital, aimags, soums and districts, business entities, organizations and NGOs

will incorporate the goals and objectives of the "Sustainable Development Goals-2030" and the "New Urban Agenda" into their programs, guidelines, action plans and projects, and to organize monitoring and reporting of the implementation within the framework of the above laws and regulations. For Mongolia, it is important to address many development issues based on cross-sectoral coordination, arrangement, multilateral stakeholders' participation and cooperation in order to implement the "Sustainable Development Goals - 2030" and the "New Urban Agenda".

Further, the relevant parties must pay more attention and collaborate to present the indicators of the "New Urban Agenda" at the level of cities and towns in Mongolia. It is also required that MCUD, ALAMGaC, CDC, the LACUDD of 21 aimags, UDA, LMD of the capital and other relevant organizations compile statistics on cities and towns, create an integrated database and organize regular activities based on international practices.

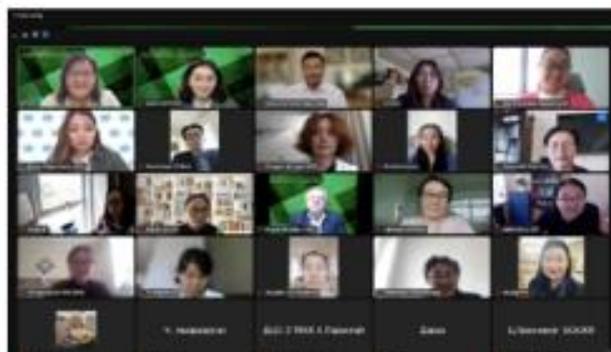
ATTACHMENT

GOOD PRACTICES

1.1.1.2. Reduce inequality in urban areas by promoting equally shared opportunities and benefits

The green economy prioritizes the decision-making that reflects voices of people from all social strata, especially those who are discriminated against. The Economic Policy and Competitiveness Research Center, a member of the Green Economy Association from Mongolia, has successfully launched the “Our Participatory Solutions” campaign since 2018 to bring the voices of poor people, workers and informal businesses to policy makers and it has become a good practice nationally.

The campaign aims to identify problems faced by residents of the Ger area, improve neighborhood watch, generating a real-life experience that show how neighbors’ collaboration helps solving their problems and engage with policymakers. For instance, in 2018, 54 households in the 9th khoroo of Chingeltei district of the capital city were surveyed using an open interview method to create a mind-map of the problems faced by citizens and to identify the causes, consequences and connections of the problems.



Web site:

<https://ecrc.mn/>

<https://www.nogoonhutuch.mn/a/82>

<https://www.facebook.com/Ursulduhchadvar/>

<http://www.aimagindex.mn/>

1.1.1.4. Ensure access to public spaces including streets, sidewalks, and cycling lanes (Some examples are given)

Uliastai city - Zavkhan aimag center

As part of “Street” project implemented in Uliastai, the Zavkhan aimag center, trees were planted and landscaping were carried out along Yaruu Street and in the park of Bogd Gol Bagh.



Arvaikheer city – Uvurkhangai aimag center

2019 was declared as the “Year of landscaping and greenery” for Uvurkhangai aimag by the aimag's Citizens' Representative Hural Resolution Nr.4 of 2018. By the decision of the Aimag Governor, a Working Committee was established to manage and organize the actions for the “Year of Landscaping and Greenery” at the aimag level, and the action plan was approved and implemented. During this time, 79,300 new trees and shrubs of 13 species were planted, resulting in an increase of 13.8 hectares of green space in the aimag center in one year. This is a 40% increase from the 2016 baseline. Newly established parks and street in Uvurkhangai aimag: 8.7 hectares of “Khunbobsa”, “Delgerekh Garden” and “Green Grove” parks along Delgerekh River in Aimag center city; a park named after L.Gombosuren, a labor hero in Kharkhorin soum; “Arts

Gurvan Bogd shuteen” park in Bogd Soum; new parks in Bayangol, Taragt, Zuunbayan-Ulaan soums and Bayanteeg bagh of Nariinteel Soum; and new streets in Khujirt, Baruunbayan-Ulaan, Khairkhandulaan and Bayangol soums.

Gandan street



T.Namnansuren street



“Hunbobsa” park



In 2018-2019, with the investment of “Local Development Fund”, children's playgrounds in Ger areas and parks were newly built and established for the leisure of Bagh residents.

Playground in Ger areas



Web site:
<https://fliphtml5.com/cwftv/pquv/basic>

1.1.2.1 Ensure access to adequate and affordable housing

The “Regulation for Owning Rental Housing” which prohibits transferring the apartment units which are put into use in scope of the program to others or pledging them in other forms which are not regulated by the regulations of subleasing or owning the rental housing was approved by the Government Resolution with no. 138 in 2019. The regulation sets different quota for young families, civil servants, employees of private sector, single parent households with four or more children aged from 0-18, retired seniors, people with disabilities, and people affected by natural disasters to live in rental housings in Ulaanbaatar and local cities and towns.\

According to the Government Resolution with no. 216 in 2019, in addition to the rent, the tenant will pay for the apartment units built with the state and local budgets and the “Local Development Fund” in installments for a period of up to 5 years, and for apartments built by foreign and domestic loans, grants, and by private sector for a period of up to 15 years on monthly basis to purchase and owner their rental apartments.

In Ulaanbaatar, 44% of apartments units of 223-household “Khangai” apartment town and 564-household apartments in Buyant-Ukhaa 2 khoroolol were commissioned for rent, 56 percent were commissioned for rent to own purposes, and 57.6% of 733 household apartments in 6 aimags were commissioned for rent, and 42.4% of the apartments units were commissioned for rent to own purposes.

“Buyant-Ukhaa 2”, “Khangai” town



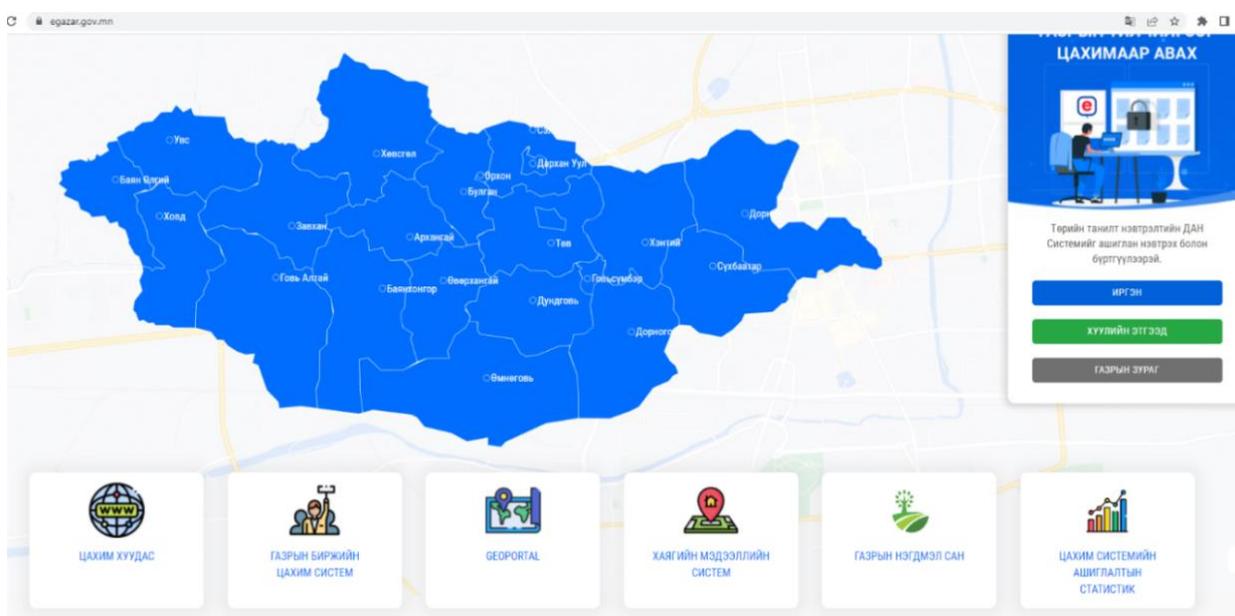
Web site:
<https://tosk.gov.mn/>

1.1.2.3 Support security of tenure

In order to digitalize public services and develop e-governance, the government has organized the activities to connect products and services of the land sector to the integrated portal system www.e-mongolia.mn. As a result, citizens have access to certified information and inquiries related to land from a variety of sources, regardless of space and time. As a consequence of the nationwide introduction of the “Integrated Land Cadastre Database” and the development of an electronic public information system (egazar.gov.mn), citizens can obtain all types of land-related information from a single proven source and a total of 618,265 accesses were registered by 2020. The “Procedure on the Operation of the Integrated Land Cadastre System” approved by the Order A / 181 of the Chairman of ALAMGaC in 2020 is being followed by the aimag Land Management, Construction and Urban Development Department, land officers of 330 soums and Land Management Departments of the the capital city and districts. As of 2020, 138,370 new parcels and 20,637 buildings have been registered in the “Land Cadastre Database”.

To bring closer land administration products and services to the citizens, a mobile application called “egazar” was developed on Android and iOS platforms and launched in November 2020. Using the application, citizens have the opportunity to receive services starting from voting for the general land management plan for the year to getting 18 types of services without going to the local land office in person. A total of 5,304 users have been using the application since its launch.

Appearance of the land database



Web site:
<https://e-mongolia.mn/>
<https://egazar.gov.mn/>
E-Mongolia application
egazar application

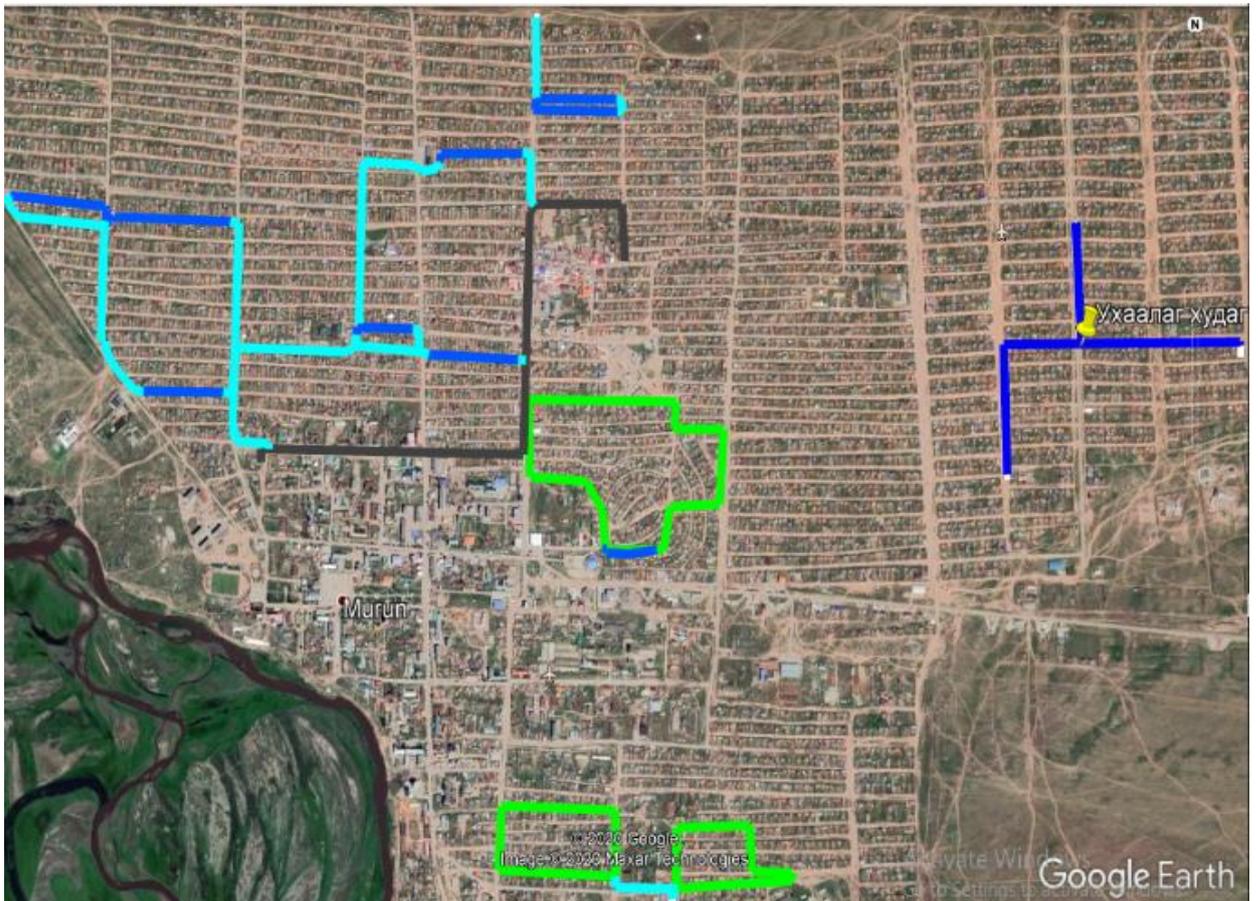
1.1.2.4 Establish slum upgrading programmes (Some examples are given)

Works, implemented in the ger district of Choibalsan city, Dornod aimag center



Roads, sidewalks, lighting, fitness and children's playgrounds have been built in the Ger district of Choibalsan city, Dornod Aimag center to create a healthy, safe and comfortable living environment for residents.

Works implemented in Ger area, Khuvsgul aimag center



A total of 858 households connected to 8 km of water main and 158 km branch pipeline, and 622 households are connected to the 6 km sewage main and 12.4 km branch pipeline as part

of the implementation of the “Ger Area Engineering Facility Project” with a total budget of MNT 13.74 billion in Murun city, Khuvsgul aimag center in 2011-2021.



25 households were connected to an independent source of heat and water supply and sewerage line with a total budget of MNT 1.7 billion as part of the implementation of the “Pilot Street” project in the Bagh Nr.2 and Bagh Nr.3 in 2020.

2.1.5. Promote participatory, age- and gender-responsive approaches to urban policy and planning

Gurvansaikhan soum of the Dundgovi aimag was founded in 1924 and has 637 households and 2,149 inhabitants. Although 20% of all households live in the soum center and 80 percent live in the countryside, the majority of rural households own a plot of land with a house in the soum center.

Since 2012, the Government of Mongolia launched the "New soum" project in 19 soums of 18 aimags. Gurvansaikhan soum of the Dundgovi aimag not involved in this government-run project. Nonetheless, the Soum Council has managed to attract foreign and domestic investment and has been rehabilitating the soum with the participation of its residents since 2014. The experience of re-planning and re-development of the soum center turned into a good experience and other similar projects are being implemented in other aimags and soums.

The Master plan of Gurvansaikhan soum's center was carried out by "Songolt Design" LLC, reflecting the opinions of local authorities and the residents, and first phase of the action plan to be implemented with their participation has been identified. As a next step, representatives of the government, aimag and soum administrations, foreign and domestic investors were invited to international urban development meetings and seminars where local authorities presented their Soum and Master plan. A total of MNT 4.3 billion was raised by ADB, UNDP, the Turkish ICDA, JICA, local mining companies, "Soum development fund" and residents, and commenced the construction works. Initially, soum center households replaced their wooden fences along the streets with lattice fences on block base. In addition, water, sewage and heating pipelines, sewage treatment plant and 3 km of paved roads with street lighting were built and commissioned.

Gurvansaikhan soum, before construction begins



Gurvansaikhan soum, during construction



Newly built road, street lighting and greenery



Small and medium sized enterprise park



In order to improve the Soum Center's landscaping and create a healthy and safe living environment for its citizens, fertile soil was transported from the Delgertsogt Soum area to replace the Soum Center's barren soil, and trees and shrubs were planted and nursed. New public buildings such as a cultural and sports complex, a secondary school, a kindergarten, apartments for 12 families, a laundry and a bathhouse were built and connected to the central heating network, water and sewage pipes. With the donation of MNT 1 million from each herding families with 1,000 livestock in the soum, the "Myangat" fund was established and with the help of the fund, the "Small- and Medium Enterprise Park" was built and commissioned. The "Soum re-development" has become a good national practice demonstrating that soum's residents can change their attitudes, improve their living environment through their own participation and develop their communities.

Cultural ad sports complex



Public participation and cooperation



Web site:
http://ldi.nda.gov.mn/?province_id=11®ion_id=188
<https://www.montsame.mn/en/read/180839>
<http://eagle.mn/r/44992>

2.3.2.1. Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

The Government of Mongolia supported the “Healthy City” approach and concept since 1996 and launched the “Healthy City” program in the capital city of Ulaanbaatar and other major cities such as Darkhan and Erdenet. Established in 2017 within the National Network of the International Association of Healthy Cities in Mongolia, the “Healthy City Program Capacity Building Center” is actively working at international and national levels to expand cooperation between cities that support the Healthy City initiative. The network actively supports the Healthy City initiative in Mongolia to create a healthy and safe working and living environment for its residents. Accordingly, a Memorandum of Understanding has been signed with 18 cities and cooperation has begun. National and regional trainings, seminars, workshops and other events have been successfully organized to help cities learn from each other and share good practices.

The Healthy Cities Network works with International City Networks and Local Government Associations to provide Mongolian cities the opportunity to learn about “Healthy City” approach from international cities, join the association, and participate in activities. In addition to strengthening cooperation and capacity building in cities, research and evaluation on factors affecting human health have been conducted: for example, “Assessment on Interaction and Impact of Urban Environment and Human Health: Mongolian case” (2017) and “National Program on Urbanization and Health” and assessment on Urban equity (2019) with the support of the WHO and the Ministry of Health.

During the coronavirus infection (COVID-19) pandemic, cities around the world are pursuing their efforts to prevent the infection, enable the management and organization. In this regard, the National Network for supporting and organizing “Healthy City” initiatives in Mongolia is a good example of city collaboration and leadership.

Training on Promotion of behavioral change for health, Ulaanbaatar, 2019



**Meetings and seminars to share good practices of “Healthy cities”,
Choibalsan city, 2020**



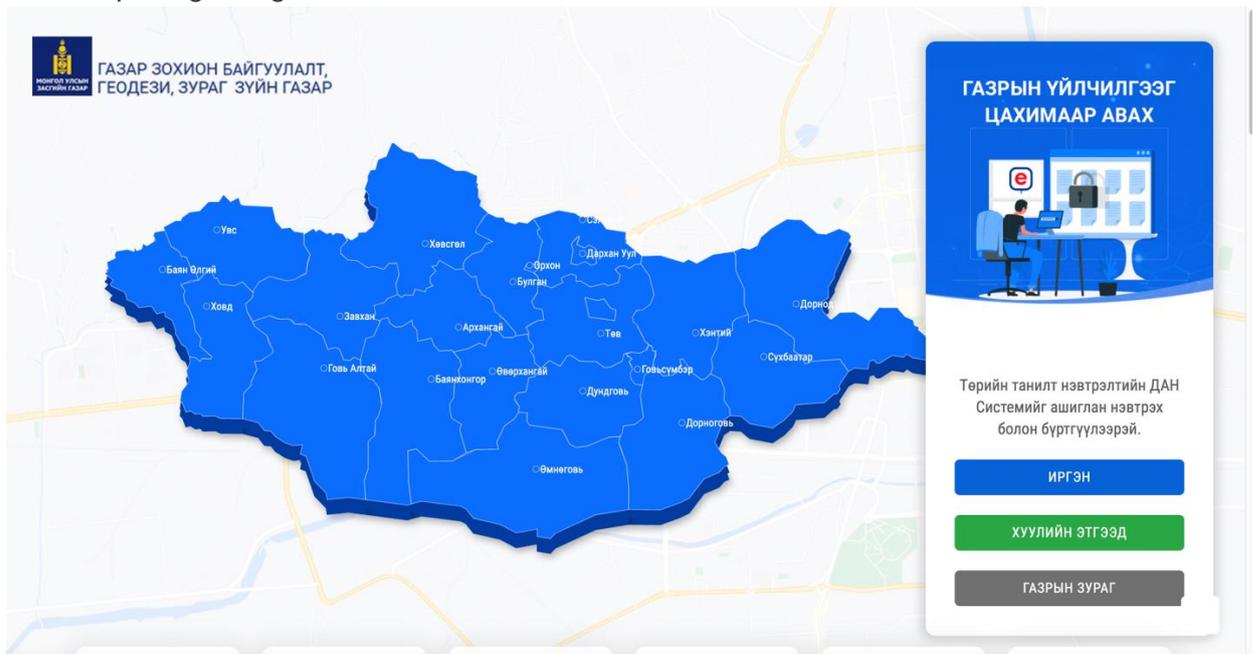
Web site:
www.healthycity.weebly.com

2.3.2.6. Promote capacity development programmes on the use of legal land-based revenue and financing tools

According to the Land Law, Law on Land Fees, and the amendments to the General Tax Law, land fees are collected by tax offices from January 1, 2020 and Land offices create appropriate land fees and invoices, generated from the “Integrated Land Cadastre System” (egazar.gov.mn, egazar app, and e-mongolia.mn), send to shared information system, and tax offices forwards the invoices to the taxpayers (etax.mta.mn and ebarimt app) for tax collection.

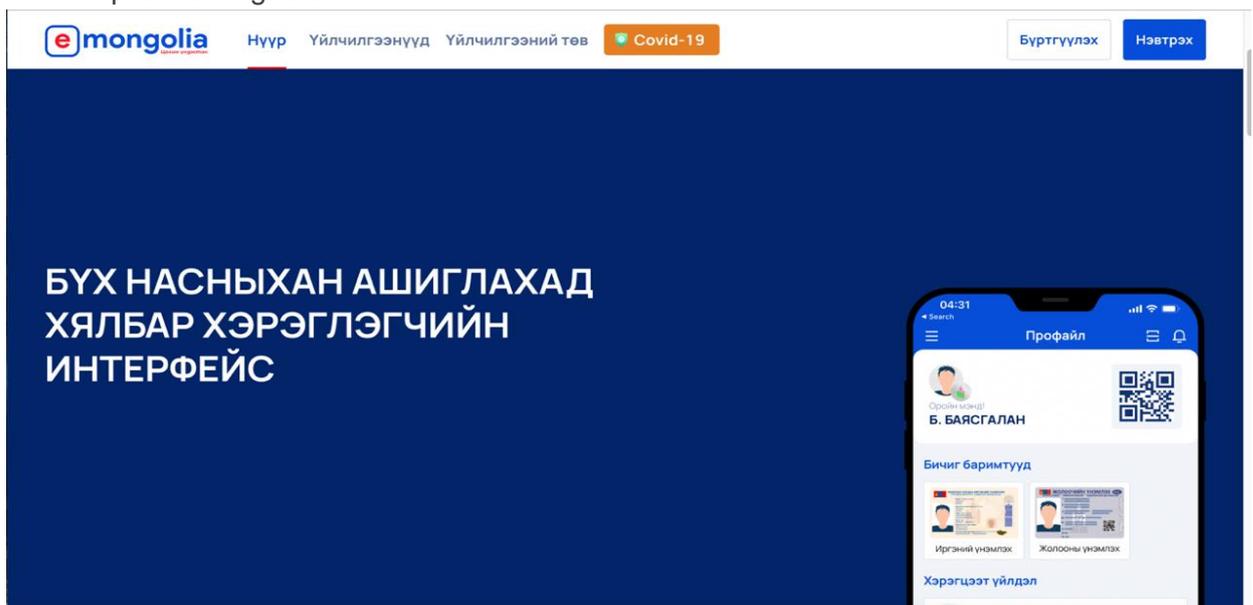
Web site:

<https://egazar.gov.mn>

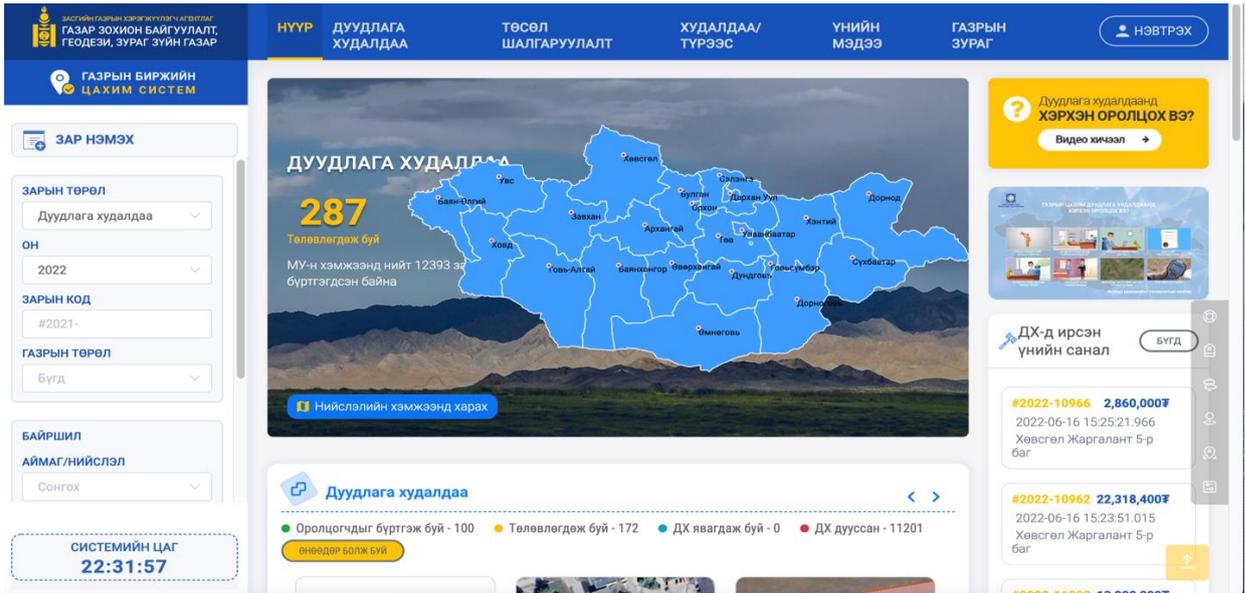


Web site:

<https://e-mongolia.mn/home>

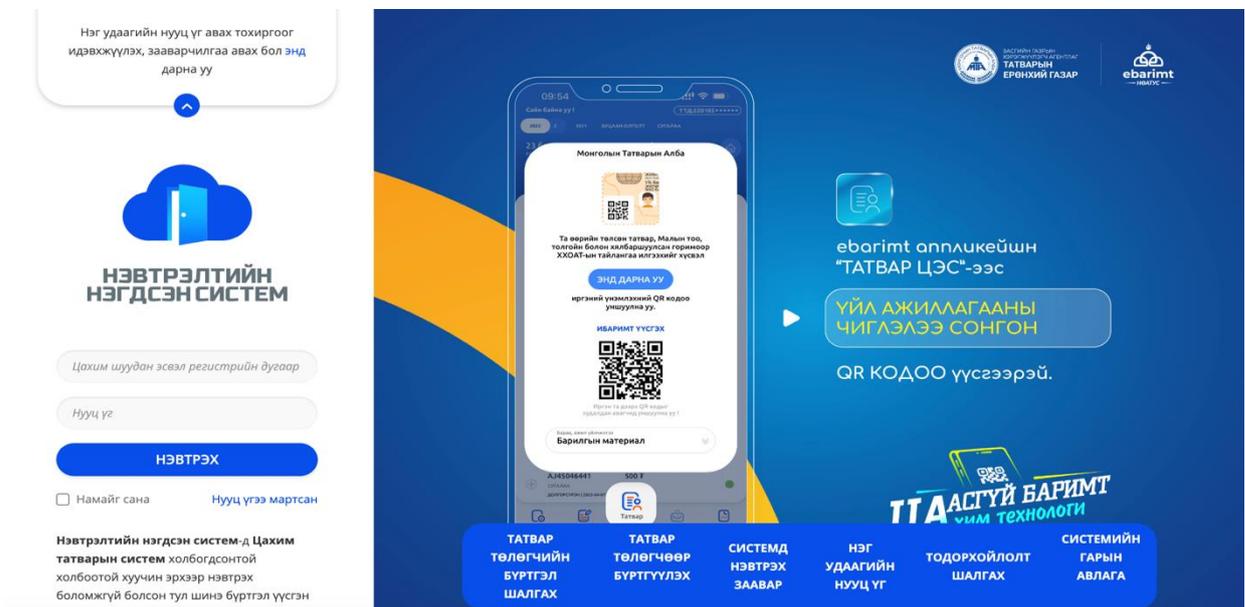


Web site:
<https://mle.mn/home>



Significant progress has been made with the introduction of land fees and tax system. An example of this is that a year ago, people used to go through many steps to pay their land fees and spend 3-8 hours at the bank, but today they can pay their land fees and taxes electronically in one minute.

Web site:
<https://auth.itc.gov.mn/auth/realms/ITC/protocol/openid-connect/>



The ALAMGaC Introduced an electronic land exchange system (www.mle.mn) organize auctions and project tenders for land ownership, possession and use rights in an expeditious and transparent manner in electronic form, register land for mortgage security and lease, collect land market price data and create an integrated database and serve citizens with products, services and statistics. The system is used by the LACUDDs of 21 aimags, district land management departments and 330 soum land officers.

Web site:
<https://ebarimt.mn/> вэб сайт

САНГИЙН ЯАМ
ТАТВАРЫН
ЕРӨНХИЙ ГАЗАР
ГААРЬ, ТАТВАР, ГЭ МЭТРИЙН
ИХЭМЖЛЭЛИЙН ГЭСЭЛЭРИЙН 17th
OF CUSTOM, TAXATION AND FINANCE

ebarimt
НӨАТУС

Цахим төлбөрийн баримтын систем

Баримт шалгах | Онлайн туслах
Бүртгэл шалгах

Хувь хүн / Бизнес эрхлэгч:

Хэрэглэгчийн код эсвэл имэйл

Нууц үг | Нууц үг мартсан

Нэвтрэх

<https://www.youtube.com/watch?v=Sgv3vQ9UTxg>

Цахим төлбөрийн баримтын систем нэвтрэлтийн нэгдсэн системд нэгдлээ.
2.0 Шинэчлэгдсэн хувилбар тун удахгүй.
ИЛҮҮ ХЯЛБАР
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БАРИМТЫН СТАНДАРТ, ЕРӨНХИЙ ШААРШЛАГА
КАССЫН ТӨХӨӨРӨМЖ, СИСТЕМД ХӨЛБӨГЛӨХ
БАРАА, ҮЙЛЧИЛГЭЭ БҮРТҮҮЛЭХ
ТАТВАРЫН УДИРДЛАГЫН НЭГДСЭН СИСТЕМ

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NEW URBAN AGENDA INDICATORS

PART I. TRANSFORMATIVE COMMITMENTS FOR SUSTAINABLE URBAN DEVELOPMENT

1.1. SUSTAINABLE URBAN DEVELOPMENT FOR SOCIAL INCLUSION AND ENDING POVERTY

1.1.1. Social Inclusion and Ending Poverty

1.1.1.1. Eradicate poverty in all its forms

1. Proportion of population below the international poverty line, by sex, age at national urban level (urban/rural)

This indicator is not available due to a lack of statistical data.

1.1.1.2. Reduce inequality in urban areas by promoting equally shared opportunities and benefits

10. Unemployment rate by sex, aimags, and the capital city

Table. Unemployment rate by sex, aimags, and the capital city, Percentage

Aimag	2016		2017		2018		2019		2020	
	All	Female								
All	10	8.2	8.8	7.8	7.8	7.1	10.0	8.9	7.0	6.7
Bayan-Ulgii	9.3	11.7	12.4	16.1	12.6	17.9	24.2	27.5	20.9	21.4
Govi-Altai	10.1	9.3	8.6	8.7	6.0	6.1	10.7	11.8	9.2	8.7
Zavkhan	11.4	12.6	4.4	5.3	4.3	4.2	5.0	6.2	1.6	0.7
Uvs	14.2	14.5	13.0	14.6	10.2	9.2	6.6	8.5	11.2	14.2
Hovd	15.1	14.4	13.5	13.3	8.4	8.0	11.3	8.5	7.4	3.1
Arkhangai	5.0	4.0	5.4	5.4	5.2	4.8	4.8	5.1	3.3	1.5
Bayankhongor	11.2	11.2	5.6	5.8	7.3	8.4	7.3	8.7	6.0	6.8
Bulgan	8.2	7.9	10.7	10.9	7.4	7.1	5.7	5.1	6.8	6.8
Orkhon	22.4	17.7	23.5	21.8	12.7	16.1	11.7	8.7	7.0	9.0
Uvurkhangai	8.9	9.0	7.6	6.1	5.3	5.2	6.3	6.6	6.7	6.2
Khuvsgul	8.5	6.7	8.5	6.9	6.4	5.7	12.4	9.4	8.9	10.3
Govisumber	18.1	12.9	7.8	7.8	11.7	11.8	10.0	11.7	9.9	9.7
Darkhan-Uul	15.4	11.0	14.2	11.0	19.6	16.9	18.7	18.0	12.6	9.3
Dornogovi	9.9	7.1	6.1	4.8	5.3	4.7	3.9	5.2	4.1	2.9
Dundgovi	5.1	3.4	4.4	2.8	5.0	4.7	4.9	7.5	3.1	3.3
Umnugovi	14.3	12.1	16.4	13.5	7.3	5.9	6.0	6.1	5.6	3.9
Selenge	8.1	5.3	6.6	7.5	5.6	5.1	4.7	3.4	10.9	9.7
Tuv	2.7	1.8	3.2	1.9	2.6	1.7	4.1	5.4	2.8	1.7
Dornod	11.2	11.2	10.1	11.8	6.3	5.4	20.9	20.5	14.0	10.2
Sukhbaatar	9.9	9.1	10.9	7.7	8.5	7.9	7.6	6.2	5.3	6.5
Khentii	12.9	8.3	10.3	8.5	11.3	10.3	7.1	8.8	4.0	5.1
Ulaanbaatar	9.1	6.3	7.5	5.9	7.6	5.9	11.0	8.2	6.3	6.2

Source: Mongolia Statistical Yearbook 2020

33. Gini coefficient, by year (Gini coefficient at national/city/urban levels)

Table. Gini coefficient (by year)

Region	2016	2017	2018	2019	2020
Western	0.34	0.32	0.28	0.31	0.3
Khangai	0.33	0.32	0.31	0.32	0.32
Central	0.36	0.33	0.32	0.31	0.3
Eastern	0.35	0.36	0.35	0.37	0.35
Ulaanbaatar	0.35	0.37	0.32	0.33	0.33
National averages	0.35	0.35	0.32	0.33	0.32

Source: Mongolia Statistical Yearbook 2020

1.1.1.3. Achieve social inclusion of vulnerable groups

4. Presence of Women's recognized legal right to property inheritance and ownership

Article 9.3 of the Law on Gender Equality states "Gender discrimination shall be prohibited in relations between citizens and legal entities related to material and non-material wealth regulated by the Civil Code".

34. Presence of national legislation forbidding discrimination in housing, access to public facilities and social services on the basis of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth or other status

Article 14 of the Constitution of Mongolia states "No person shall be discriminated against on the basis of ethnic origin, language, race, age, sex [gender], social origin and status, property and assets, employment occupation and official position, religion and conscience, conviction and opinion, and education. Every human being shall be a legal person".

1.1.1.4. Ensure access to public spaces including streets, sidewalks, and cycling lanes

19. Average share of the built-up area of cities that is open space for public use for all, by sex, age and persons with disabilities

This indicator is not available due to a lack of statistical data.

35. Percentage of road length that has dedicated bike lanes (excluding motorways)

This indicator is not available due to a lack of statistical data.

36. Percentage of road length that has dedicated sidewalks (excluding motorways)

This indicator is not available due to a lack of statistical data.

1.1.2. Access to adequate housing

1.1.2.1 Ensure access to adequate and affordable housing

31. Median amount of money spent on housing and transportation per household as a percentage of the median annual household income of tenants

As of 2020, the average household spends 28.1 percent of the annual household income for payments related to housing and 22.0 percent on transportation (Source: <https://1212.mn/>).

32. Ratio of the median free-market price of a dwelling unit and the median annual household income

The ratio of the average market price of a dwelling unit and the average annual household income is 6.8 years (Source: Housing, Finance Division, MCUD).

As of 2020, price per square meter of the apartment is 2.2 million togrogs and average market price of the apartment is 110 million togrogs (price $2.2 \times 50 \text{ m}^2 = 110$). Annual household income is $1,343.4 \times 12 = 16.1$ million togrogs. $110:16.1 = 6.8$ years (Source: http://hmc.mn/pdf/4__Tenkhleg_zuuch.pdf)

38. Percentage of people living in unaffordable housing

This indicator is not available due to a lack of statistical data.

1.1.2.2 Provide access to sustainable housing finance options

37. Mortgage debt relative to GDP

As of 2020, mortgage loan to GDP is 7.9 percent (Housing, Finance Division, MCUD).

1.1.2.3 Support security of tenure

2. Proportion of total adult Population with secure tenure rights to land with (a) legally recognized documentation; and (b) who perceive their rights to land as secure, by sex and type of tenure.

This indicator is not available due to a lack of statistical data.

1.1.2.4 Establish slum upgrading programmes

39. Proportion of cities with slum upgrading programmes

Since the adoption of the Law on Urban Redevelopment by the Parliament in 2015, capital city Ulaanbaatar, 21 aimag centers and some soum centers, including Orkhon, Darkhan-Uul, Bulgan, Govisumber, Uvs, Khuvsgul, Uvurkhangai, Dornod and Zavkhan, Ger area redevelopment project and Ger area's land readjustment project are being implemented within the framework of the Master plans, Land management plans and detailed Master plans.

40. Number of cities having annual budget allocations addressing any of the 5 slum deprivations and inclusive public spaces in known slum areas

The capital city Ulaanbaatar, 21 aimag centers, and some soum centers receive annual funding from the state and local budgets for Ger area redevelopment and Ger area's land readjustment projects, and public land redevelopment projects. For example, within the framework of ger district land redevelopment project, MNT 121.4 billion were allocated for 2013-2016 and MNT 50 billion for 2017-2020 from the state and capital city budgets to finance the construction of infrastructure in 30 units of 18 locations in 6 central districts. (Source: Capital City Housing Infrastructure Department, 2020, <https://hia.ub.gov.mn/>)

1.1.3. Access to Basic Services

1.1.3.1. Access to safe drinking water, sanitation and solid waste disposal

5. Proportion of population using safely managed drinking water services

As of 2016, the share of the population provided with safe drinking water was 33%, while in 2017 it reached 50%, in 2018 52%, in 2019 82.9%, and in 2020 83.5%. In Ulaanbaatar, 99.5% of the population has access to adequate water supply services, hence ranking first in the country.

6. Proportion of population using safely managed sanitation services, including a hand-washing facility with soap and water.

The proportion of the population that has access to adequate sanitation services nationwide is 41.1%. The share of population connected to the complex sewage treatment plant was 27% in 2016, 31% in 2017, 34% in 2018, 69% in 2019 and 69.2% in 2020. In Ulaanbaatar, 51.8% of the population has adequate sanitation, 48.2% has substandard sanitation, 36.8% has access to sewerage, and 4.4% has no access to sanitation facilities.

18. Proportion of Municipal solid waste collected and managed in controlled facilities

Waste recycling rate reached 20% in 2016-2020 compared to 2014.

1.1.3.2. Access to safe and efficient public transport system

44. Percentage of commuters using public transport

Table. Number and percentage of commuters using public transport (2019 and 2020)

Indicators	2019 (million)	2020 (million)	Compared to the previous year (%)
Total number of commuters	173.02	126.51	-26.3
Rail transport	2.95	1.97	-33.2
Motor transport	168.44	124.1	-26.3
Air transport	1.62	0.45	-72.2
Waterway	0.03	0.03	+0.6

Source: <https://mrttd.gov.mn/i/2599>

1.1.3.3. Access to modern renewable energy

7. Renewable energy share in the total final energy consumption

Table. Renewable Energy system production (2019-2020) As of 5th Jan. 2020

№	Organization	Measurement unit		2019		Jan. 2020		2020
				Performance	Plan	Performance	(%)	Growth
1	Durgun HP	electr.	ths.kWh	5,960.3	4,552.0	7,504.9	164.9	55,500.9
2	Taishir HP	electr.	ths.kWh	3,787.3	1,488.0	1,501.6	100.9	22,837.7
3	Guulin HP	electr.	ths.kWh	-	-	-	0.0	615.9
4	Bogd river HP	electr.	ths.kWh	-	-	-	0.0	2,783.3
5	Tosontsengel HP	electr.	ths.kWh	22.2	15.0	19.3	128.8	1,261.3
6	Khungui HP	electr.	ths.kWh	-	-	-	0.0	73.7
7	Galutai HP	electr.	ths.kWh	-	-	-	0.0	161.5
8	Bayantooroi, Altai soum	electr.	ths.kWh	33.3	25.0	40.5	162.2	356.3
9	“Salkhit WP” LLC	electr.	ths.kWh	12,706.6	13,020.5	15,863.8	121.8	138,313.9
10	Tsetsii WP” LLC	electr.	ths.kWh	12,642.2	17,269.9	18,388.4	106.5	152,203.0
11	Nar SP” LLC	electr.	ths.kWh	871.4	314.9	989.5	314.2	15,737.4
12	Monnaran SP” LLC	electr.	ths.kWh	709.9	258.5	908.9	351.6	15,002.7
13	Gegeen WP	electr.	ths.kWh	2,017.2	1,114.5	2,129.3	191.0	24,650.3
14	Sainshand WP	electr.	ths.kWh	11,996.7	14,326.3	18,485.3	129.0	160,651.5
15	Sumber SP	electr.	ths.kWh	958.2	345.2	1,275.6	369.5	16,521.2

16	Buhug SP	electr.	ths.kWh	1,768.1	1,130.9	1,909.6	168.8	23,961.5
	Summary	electr.	ths.kWh	53,473.2	53,861.1	69,016.9	128.1	630,632.2
Total for Energy system		Energ.	GCal	1,425,869.9	1,465,795.8	1,550,930.4	105.8	9,279.501.1
		Electr.	м.кВтц m.kWh	651,405.9	625,169.9	679,473.4	108.7	6,254.282.9

Source: <http://www.energy.gov.mn/c/1211>

1.2. SUSTAINABLE AND INCLUSIVE URBAN PROSPERITY AND OPPORTUNITIES FOR ALL

1.2.1 Inclusive Urban Economy

1.2.1.1. Promote productive employment for all including youth employment

8. Annual growth rate of real GDP (per employed person)

This indicator is not available due to a lack of statistical data.

11. Proportion of youth (aged 15-24 years) not in education, employment or training

Table. **Unemployment Rate of young people aged 15-24 (percent)**

Year	Unemployment Rate of young people aged 15-24 (percent)
2016	25.1
2017	22.7
2018	20.4
2019	25.3
2020	17.9

Source: <https://www.1212.mn>

1.2.1.2. Support the informal economy

9. Proportion of informal employment in non agriculture employment, by sex

As of 2020, a total of 133,478 men (63.6%) and 76,399 women (36.4%) are engaged in informal employment in non-agricultural employment. (Source: <https://www.1212.mn/>)

1.2.1.3. Support small and medium-sized enterprises

45. Small and medium-sized enterprises percentage share of GDP

Table. **Share of Small and Medium Enterprises in GDP (2016-2020)**

Year	Share in GDP (%)
2016	4.8
2017	3.8
2018	3.9
2019	3.8
2020	5.6

Source: MoFALI

1.2.1.4. Promote an enabling, fair and responsible environment for business and innovation

26. Number of days to register a new business in the country

New businesses are registered within 14 working days.(Source: <https://mta.mn/c/view/11600>)

1.2.2. Sustainable Urban Prosperity

1.2.2.1. Support the diversification of the urban economy and promote cultural and creative industries

12. Manufacturing employment as a proportion of total employment

In Mongolia, 33,000 jobs were created in the market of MNT 481.4 billion or 1.3% of GDP. There are 11,000 registered businesses in the sector, of which 6,500 are active. (Source: Ministry of Culture, <https://moc.gov.mn/>, <https://moc.gov.mn/>)

46. Employment in cultural and creative industries of as the proportion of total employment

Table. **Employees in the arts and cultural industries, by type of organizations (2016-2020)**

Organizations	2016	2017	2018	2019	2020
Total	7140	7005	7041	7202	7318
1 Female	3902	3922	3920	4017	4004
2 Theatres, circus	2886	2563	2566	2701	2678
3 Museums	699	724	639	658	671
4 Public libraries	548	808	482	500	509
5 Cultural centers	2578	2339	2385	2603	2611
6 Film production organization	429	571	913	666	646
7 Others	-	-	56	74	203

Source: Mongolian Statistics Yearbook, 2020

1.2.2.2. Develop technical and entrepreneurial skills to thrive in a modern urban economy

47. Annual number of vocational and technical education individuals trained

Table. **Students of Technical and Vocational education and training institutions (2016-2020)**

Education Institution categories	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
Technical education	6,329	4,771	6,833	6,362	4,649
Vocational education	26,946	30,181	28,551	30,492	35,142
Vocational training	6,859	879	1,655	952	374
Total	40,134	35,831	37,039	37,806	40,165

Source: Mongolian Statistics Yearbook, 2020

1.2.2.3. Strengthen urban-rural linkages to maximize productivity

20. Does your country have a National Urban Policy or Regional Development Plan that (a) responds to population dynamics, (b) ensures balanced territorial development, and (c) increase in local fiscal space.

In 2001, the Parliament approved the “Regional Development Concept of Mongolia”. According to this document, the Law on Management and Coordination of Regional Development, the “Medium-Term Regional Development Strategy”, and the “Development Programs for the Western, Eastern, Khangai, Central, and Ulaanbaatar Regions” were approved and implemented. Two pillar cities were selected in each of the four economic regions to further develop them to promote urbanization, which plays a leading role in regional development. These regional development documents were expired by 2015, and the Government of Mongolia is working to determine new economic regions to implement development policies more effectively. In addition, the “Human Settlements Development Plan of Mongolia” is being developed in order to establish an optimal regional structure, system of cities and towns based on proper functioning of the main network of infrastructure to support social and economic development in accordance with the goals of social development and comprehensive assessment of natural conditions, resources, ecological balance and adverse effects of urban development over the entire territory of Mongolia.

1.3. ENVIRONMENTALLY SUSTAINABLE AND RESILIENT URBAN DEVELOPMENT

1.3.1. Resilience, Mitigation, and Adaption of Cities and Human Settlements

1.3.1.1. Address urban sprawl and loss of biodiversity

15. Ratio of land consumption rate to population growth rate

The development criterion “Ratio of Land Use Rate to Population Growth Rate” stated in 11.3.1 of the “Sustainable Development Goals 2030” is currently not available in Mongolia due to a lack of data sources.

48. Proportion of land under protected natural areas

Table. **Classification, number and size of protected areas in Mongolia (2018)**

Identification	Classification	Number of places	Area (ha)	Percentage of Specially Protected Areas in the territory of Mongolia
	Specially Protected Area	20	12,411.057.44	7.9
	National Park	32	11,884.605.59	7.6
	Nature Reserve	36	3,528.824.17	2.3
	Memorial Area	14	128.962.78	0.09
TOTAL		102	27,953.449.98	17.8

Source: MNET, Environmental Status Report of Mongolia, 2017-2018

1.3.1.2. Climate Change mitigation and adaptation actions

3. Mortality rate attributed to household and ambient air pollution

Table. **Prevalent cause of the population mortality (2017-2020)**

Disease group	2017	2018	2019	2020
Total	15,812	17,331	17,205	15,922
Respiratory disease	1,155	752	1,173	593

Source: <https://www.1212.mn>

In the last 10 years, the mortality rate from pneumonia per 10,000 population has been relatively constant (1-2), but this indicator in children under 5 years old is still high (3-8). It peaked at 8 in 2011, but has since fallen to 3 in 2018, 1 less than 5 years ago and 2 less than 10 years ago.

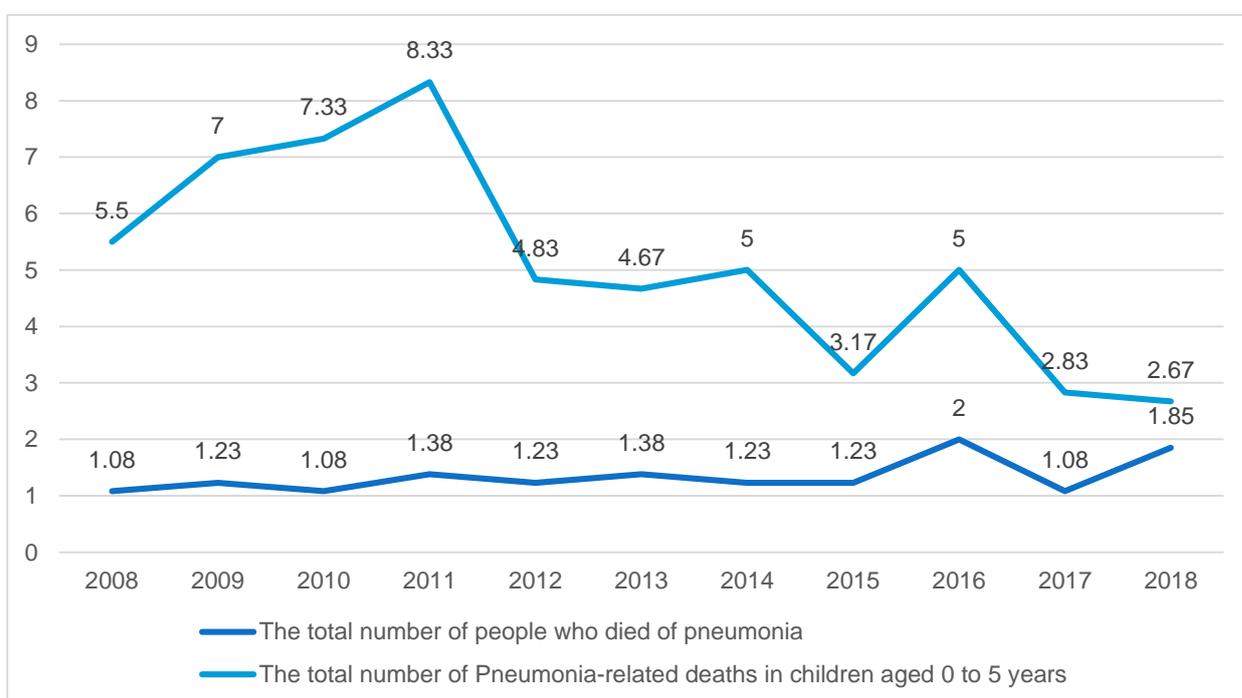
30. Annual mean levels of fine particulate matter (e.g. PM2.5 and PM10) in cities (population weighted)

This indicator is not available due to a lack of statistical data.

50. Percentage subnational/local government budgets dedicated to climate change mitigation and adaptation actions

This indicator is not available due to a lack of statistical data.

Graphic. The total number of pneumonia mortality and the number of pneumonia mortality among children under 5, per 10.000 residents in Ulaanbaatar (2008-2018)



Source: Outdoor Air Pollution and Health in Ulaanbaatar, National Statistical Office, 2019

1.3.1.3. Develop systems to reduce the impact of natural and human-made disasters

52. Does the country have a multi-hazard monitoring and forecasting system?

Mongolia has disaster risk monitoring and forecasting system.

53. The number of cities that have / percentage of urban population that is covered by multi-hazard early warning systems

Hardware and software updates for MSS data processing systems was funded by the World Meteorological Organization, the "Ontsgoi" application which is available for citizens to see and use weather and daily meteorological information on their mobile phones was developed in cooperation with NEMA and UNDP, and the "Anhaar" application to deliver disaster warnings was launched. Therefore, it can be assumed that all cities, settlements and the population are covered by the multi-hazard warning system, and the coverage is 100%.

1.3.1.4. Build urban resilience through quality infrastructure and spatial planning

49. Percentage of local governments that adopt and implement local disaster risk reduction strategies in line with national strategies

“Medium-Term Strategy for Implementing the Sendai Framework for Disaster Risk Reduction in Mongolia” (by the Government Resolution No.355 of 2017), “Phase II action plan to implement the medium-term strategy of the Sendai Framework for Disaster Risk Reduction” (Vice Prime Minister's order No. 51 of 2021) and nationwide disaster protection plans for 21 aimags and 9 districts of the capital city (as of 2020) have been approved and being implemented.

51. Percentage of cities with multi-hazard mapping

All cities and towns in Mongolia have a multi-hazard maps (100%).

1.3.2. Sustainable Management and Use of Natural Resources

1.3.2.1. Strengthen the sustainable management of natural resources in urban areas

21. Material Footprint, material footprint per capita, and material footprint per GDP

This indicator is not available due to a lack of statistical data.

22. Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP

Table. Consumption of domestic materials, consumption of domestic materials per capita, consumption of domestic materials per GDP

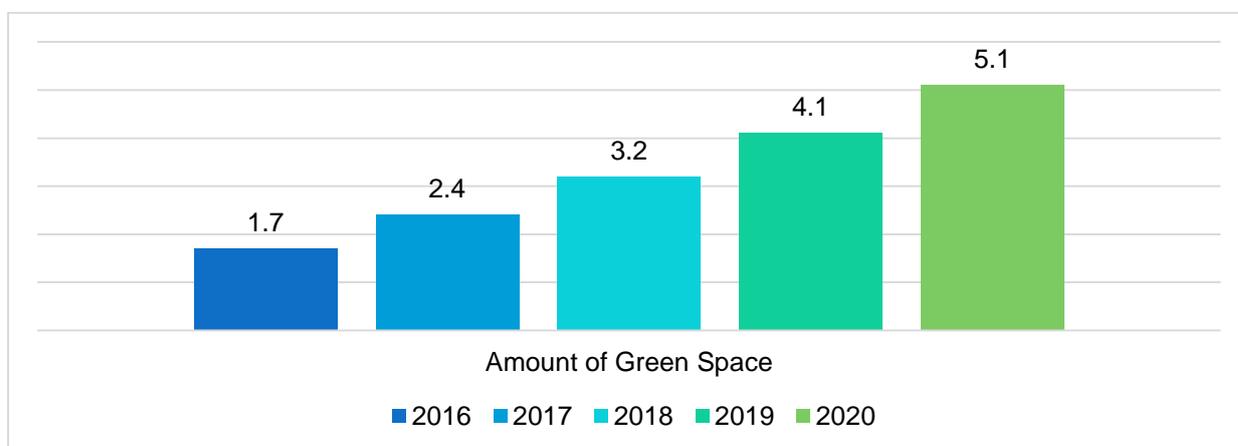
Classification	2017	2018	2019	2020
SDV 12.2.2 Domestic consumption of materials per capita (tons)	76	74.4	74.9	74

Source: <https://www.1212.mn>

27. Green Area Per Capita

The size of green space per capita in the capital city increased to 1.7 m² in 2016, 2.4 m² in 2017, 3.2 m² in 2018, 4.1 m² in 2019, and 5.1 m² in 2020.

Graphic. Green space per capita in Ulaanbaatar (m²)



Source: Implementation of the Action Plan for 2016 -2020 of the Governor of the capital city and Mayor of Ulaanbaatar

1.3.2.2. Promote resource conservation and waste reduction, reuse, and recycling

23. Recycling rate, tons of material recycled

The amount of reused and recycled waste increased from 234.6 thousand tons in 2018 to 250.6 thousand tons in 2019 and 285.2 thousand tons in 2020.

Table. Reused and recycled wastes, by type

Unit: thousand tons

Reused and recycled wastes, by types	2018	2019
Ordinary waste	235.2	250.6
Paper and paper products	69.3	74.3
Glass	16.4	17.6
Metal	58.6	62.6
Plastics	28.0	28.2
Construction debris	9.0	9.7
Food waste	2.9	3.1
Electronics	0.1	0.1
Car parts	1.0	1.1
Other wastes	49.9	53.9

Source: NSO, Solid waste account 2018-2019

1.3.2.3. Implement environmentally sound management of water resources and coastal areas

54. Existence of an enforced coastal and/or land management plan in the country

In accordance with the Law on Land of Mongolia, “National Land Management Plan” was revised and approved by Government Resolution No. 384 of in 2018 and implemented.

1.3.2.4. Adopt a smart-city approach that leverages digitization, clean energy and technologies

55. Percentage reduction in annual final energy consumption in homes using smart monitoring systems

This indicator is not available due to a lack of statistical data.

56. Share of street junction with traffic lights connected to traffic management systems

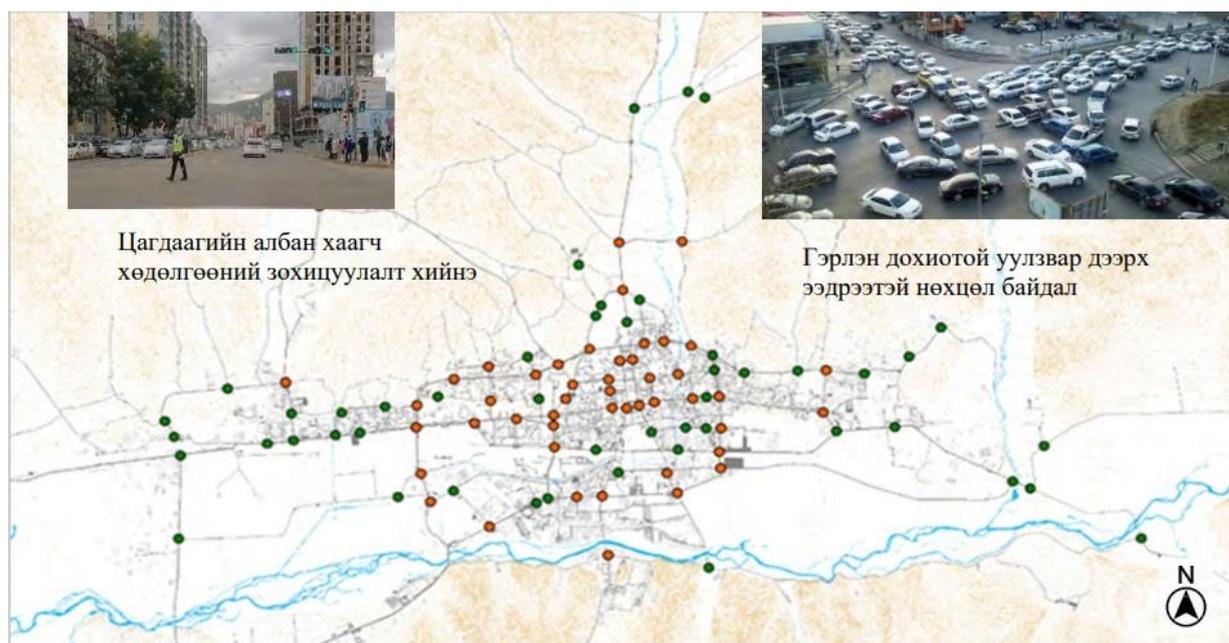
Table. Number of traffic lights connected to the traffic control system (2016-2019)

No	Device	2016	2017	2018	2019	Total
1	Traffic lights	141	150	152	155	155

Source: Summary Report, Ulaanbaatar Traffic Management Center 2016-2020

As of 2019, there are a total of 408 intersections in Ulaanbaatar, of which 155 have traffic lights.

Figure. Road intersections in Ulaanbaatar



Source: “Baseline Study on Strengthening Ulaanbaatar traffic Infrastructure”, Ulaanbaatar Traffic Management Center, JICA, 2022

PART II. EFFECTIVE IMPLEMENTATION

2.1 Building Governance Structure: Establishing a supportive Framework

2.1.1. Decentralization to enable subnational and local governments undertake their assigned responsibilities

57. Do local authorities exercise their authority and fulfil their responsibilities in accordance with such procedures and in such cases as provided for by the constitution or by law

Relevant information is provided in the section “2.1.1. Decentralization to enable subnational and local governments undertake their assigned responsibilities”.

58. Percentage of the total budget that the local / sub-national government have discretion over to decide on priorities (financial autonomy)

Table. Centralized revenue from local government budget to central government, by aimags and the Capital

Unit: MNT million

Aimags and the Capital	2016	2017	2018	2019	2020
TOTAL	90,681.2	195,414.8	289,228.4	368,270.3	175,344.6
Khangai region	9,702.6	13,683.7	12,016.8	16,300.9	29,220.1
Bulgan	-	290.4	-	-	-
Orkhon	9,702.6	13,393.2	12,016.8	16,300.9	29,220.1
Central region	16,748.7	30,263.9	68,682.7	61,135.7	37,824.8
Gobisumber	-	155.2	-	-	-
Darkhan-Uul	-	270.3	458.9	3,010.2	1,824.1
Dornogobi	-	600.0	2,124.1	124.1	-
Umnugobi	16,748.7	29,238.4	66,099.7	58,001.4	36,000.7

Eastern region	-	-	-	1,686.8	199.7
Dornod	-	-	-	1,686.8	199.7
Ulaanbaatar	64,229.9	151,467.3	208,528.9	289,146.9	108,100.0

Source: Mongolian Statistics Yearbook 2020

59. Percentage of the local/sub-national government's financial resources generated from endogenous (internal) sources of revenue

Table. **Share of revenue and expenditure of local government budget to the central government budget, (2017-2020)**

Unit: MNT billion

	Types	Balanced income	Total expenditure
2017	General budget	7,274.9	9,017.3
	Local budget	2,437.2	2,437.0
	Percent	33.5	27.0
2018	General budget	9,225.9	9,222.9
	Local budget	2,769.4	2,716.4
	Percent	30.0	29.4
2019	General budget	10,905.5	11,661.7
	Local budget	2,947.6	2,904.7
	Percent	27.0	24.9
2020	General budget	9,421.6	13,960.8
	Local budget	3,146.8	3,157.2
	Percent	33.4	22.6

Source: <https://www.1212.mn>

2.1.2. Linking urban policies to finance mechanisms and budgets

59. Percentage of the local/sub-national government's financial resources generated from endogenous (internal) sources of revenue

Table. **Share of revenue and expenditure of local government budget to the central government budget, (2017-2020)**

Unit: MNT billion

	Types	Balanced income	Total expenditure
2017	General budget	7,274.9	9,017.3
	Local budget	2,437.2	2,437.0
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	Percent	27.0	24.9
2020	General budget	9,421.6	13,960.8
	Local budget	3,146.8	3,157.2
	Percent	33.4	22.6

Source: <https://www.1212.mn>

2.1.3. Develop legal and policy frameworks to enhance the ability of governments to implement urban policies

60. Quality of law

The purpose of the Law on Legislation, which was amended and approved by the Parliament in 2015, is to respect and honor the state laws through improvement of rationale and quality of initiating and drafting laws and other parliamentary decisions, ensuring public participation, defining requirements for draft legislation, and assessing the effectiveness of application of laws. In accordance with this law, laws drafted in line with methodology for drafting legislation approved by the Government; method for anticipating needs and requirements; methodology for impact assessment; methodology for estimating costs related to the implementation and application of the laws; methodology for monitoring and evaluation of the implementation of laws and methodology on assessment of implementation effects of the laws. The quality of legislation is being improved by organizing public consultations and reflecting their comments in the laws.

2.1.4. Strengthen the capacity of local and subnational governments to implement local and metropolitan multilevel governance

61. Published performance delivery standards at the sub-national level

This indicator is not available due to a lack of statistical data.

2.1.5. Promote participatory, age- and gender-responsive approaches to urban policy and planning

16. Proportion of cities with a direct participation structure of civil society in urban planning and management that operate regularly and democratic

Proportion of cities with a direct participation structure of civil society in urban planning and management is 100%. (Source: Housing Finance Division, MCUD)

2.1.6. Promote women’s full participation in all fields and all levels of decision making

24. Proportions of positions (by sex, age, persons with disabilities and population groups) in public institutions (national and local legislatures, public service, and judiciary) compared to national distributions

Table. Female candidates nominated and elected in the Parliamentary elections

Election year	Total number of candidates	Number of female candidates, %		Number of elected women, %	
1992	293			3	3.9%
1996	302			8	10.5%
2000	602			9	11.8%
2004	244	40	16,3%	5	6.6%
2008	356	66	18,5%	3	3.9%
2012	544	174	32.0%	11	14.5%
2016	498	129	26.0%	13	17.1%
2020	606	151	24.9%	13	17.1%

Source: The General Election Commission of Mongolia, 2020

Table . Results of the Citizens' Representatives Khural, by sex (2016-2020)

Administrative unit	2016		2020	
	Male	Female	Male	Female
The capital	77.7%	22.3%	82.3%	17.7%
Districts	71.4%	28.6%	70.7%	29.3%
Aimags	84%	16.0%	84.4%	15.6%
Sums	71.5%	28.5%	71.4%	28.6%

Source: National Committee on Gender Equality, 2020

Table. Gender ratio of civil servants (Female: Male)

Year	Total	Number	Percent
2010	155,679	88,690 : 66,989	57 : 43
2011	161,612	96,014 : 65,598	59 : 41
2012	162,769	97,971 : 64,798	60 : 40
2013	169,448	101,330 : 68,118	60 : 40
2014	183,601	108,545 : 75,056	59 : 41
2015	186,458	110,775 : 75,683	59 : 41
2016	188,974	112,269 : 76,705	60 : 40
2017	192,475	115,293 : 77,182	60 : 40
2018	193,557	116,908 : 76,649	60 : 40
2019	198,463	120,864 : 77,599	61 : 39

Source: Civil Service Council

2.2. Planning and Managing Urban Spatial Development

2.2.1. Implement integrated, and balanced territorial development policy

20. Does your country have a National Urban Policy or Regional Development Plan that (a) responds to population dynamics, (b) ensures balanced territorial development, and (c) increase in local fiscal space.

In 2001, the Parliament approved the “Regional Development Concept of Mongolia”. According to this document, the Law on Management and Coordination of Regional Development, the “Medium-Term Regional Development Strategy”, and the “Development Programs for the Western, Eastern, Khangai, Central, and Ulaanbaatar Regions” were approved and implemented. Two pillar cities were selected in each of the four economic regions to further develop them to promote urbanization, which plays a leading role in regional development. These regional development documents were expired by 2015, and the Government of Mongolia is working to determine new economic regions to implement development policies more effectively. In addition, “Human Settlements Development Plan of Mongolia” is being developed with purpose of performing the comprehensive assessment of negative impacts of urban development over natural conditions, resources and state of ecological balance within entire territory of Mongolia, should be aligned closely with the objective to ensure social development of the population, establishment of the optimal regional structures, town and village systems that would enable optimal framework for service access from main infrastructure networks which are required to nourish social and economic development.

62. Number of countries, regional governments and cities in which plans and designs are publicly accessible to residents (online) and can be consulted at all times

This indicator is not available due to a lack of statistical data.

2.2.2. Integrate housing into urban development plans

13. Proportion of urban population living in slums, informal settlements or inadequate housing

As of 2020, 38.2% of the country's total urban population live in Ger areas, informal settlements or housing without utility service. (Source: <https://1212.mn/>)

41. Percentage of cities that have integrated housing policies and regulations in their local development plans

The percentage of cities which reflected housing policies and its coordination in their development plans is 100%. (Source: Housing and Finance Division, MCUD)

42. Total investment in housing (in both formal and informal sectors in the urban area), as a percentage of gross domestic product

As of 2020, the shares of construction sector and real estate activities in GDP was 4.2% and 5.4% respectively. (Source: Housing and Finance Division, MCUD)

43. Percentage of government expenditure dedicated to housing and community amenities

Table. Housing investment budget (2018-2020)

Unit: MNT

Year	Housing budget	Investment budget execution of Minister of Construction and Urban Development portfolio	Share, %
2018	23,009.500.000.0	67,408.352.272.0	34.13
2019	19,084.574.447.0	138,491.617.718.0	13.78
2020	14,832.280.802.0	138,491.617.718.0	10.71
TOTAL	56,926.355.249.0	344,391.587.708.0	19.54

Source: Housing and Finance Division, MCUD

2.2.3. Include culture as a priority component of urban planning

17. Total expenditure (public and private) per capita spent on the preservation, protection and conservation of all cultural and natural heritage, by type of heritage, level of government, type of expenditure and type of private funding. (Source: Introduction of Culture and arts sector, NSO-2019)

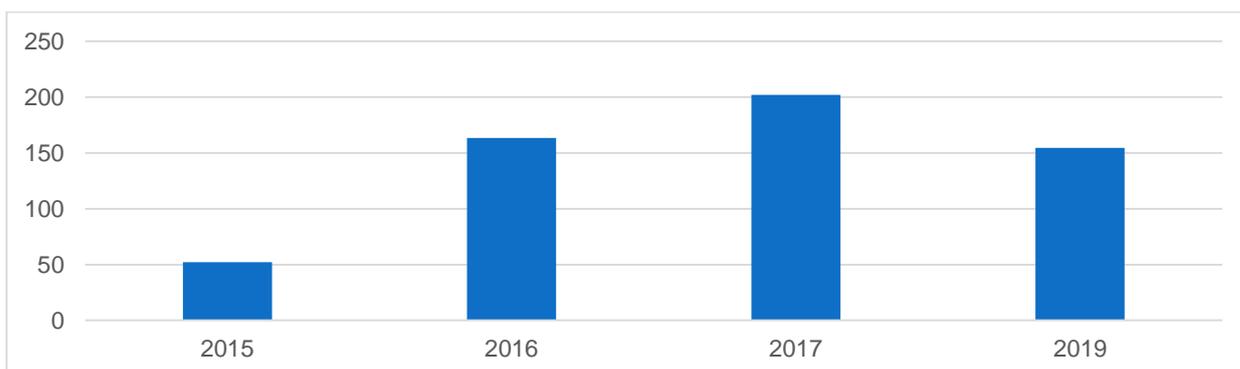
Indicator 11.4.1 of the "Sustainable Development Goal" 11 to "make cities and human settlements inclusive, safe, resilient, and sustainable" is total per capita expenditure on the preservation, protection and conservation of all cultural and natural heritage. This indicator illustrates how financial efforts/actions made by public authorities, both at the local, national and international levels, alone or in partnership with civil society organizations and the private sector.

As seen in estimates of 59 countries as of 2019, most countries have information for estimating costs for the indicator 11.4.1 of the SDG, however, availability of detailed data and

sources of information that can be used to estimate the indicators are significantly different, and collection and compiling of information on the private expenditures on heritage and culture are limited.

According to the results of surveyed countries, 71.0% have a single source of information on expenditures of social heritage or are unable to obtain information on the expenditures of private organizations on the protection of heritage and culture. Only 29.0% informed that they had access to information on private enterprises' expenditures on protection of heritage and culture.

Graphic. Expenditure per capita spent on the preservation, protection and conservation of national cultural and natural heritage (MNT thousand)



Source: Estimates of the Ministry of Education, Culture, Science and Sports

The National Statistics Office of Mongolia estimates the SDGs indicators of each sector using official and administrative statistics.

A set of indicators for compiling income and expenditure data of cultural and arts organizations reflected in the official statistical data sheets revised and approved in 2018 has become a source of data to calculate the above indicators.

The Ministry of Culture (formerly Ministry of Education, Culture, Science, and Sports) is responsible for calculating the indicators, and they have compared the sum of the budgets spent on the protection of historical and cultural monuments and the budgets of the World Heritage and Orkhon Valley Cultural Landscape administration with the annual settled population of the NSO for the expenditure category of cultural sector measures.

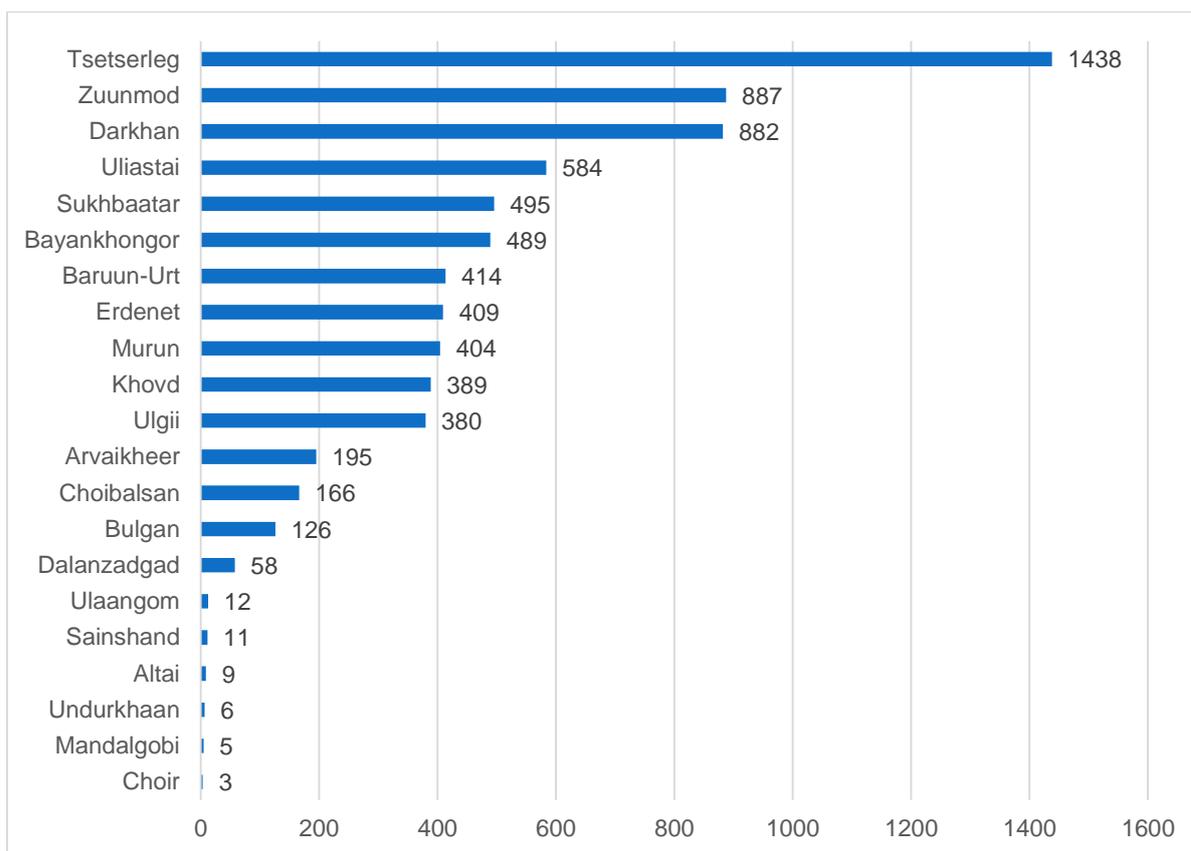
According to the recent 5 years' data on the above indicator, the total per capita expenditure for the preservation and protection of national cultural and natural heritage has been on the rise since 2015, but decreased in 2019 to MNT 154.5 thousand, which was a decrease by MNT 47.4 thousand (23.5%) when compared to 2017's.

2.2.4. Implement planned urban extensions and infill, urban renewal and regeneration of urban areas

28. Population density

The population density of the residential area of the capital city Ulaanbaatar is 4,260 inhabitants per square kilometer area. The population density of the 21 aimag center cities is shown in the figure below.

Graphic. Population density in Aimag center cities, person/km2 (2020)



Source: <https://www.1212.mn>

29. Land-use mix

Article 13 of the revised Law on Urban Development states that “the following zoning system shall be delineated and in the territories of cities and towns in accordance with norms and rules”. These include: I) residential and public zone; II) industrial zone; III) engineering supply network, road and transportation zone; IV) greenery, recreation and tourism zone; V) agricultural zone; VI) summer housing zone; and VII) special-purpose zone. According to this, residential, public and industrial zones locate side by side and the land is used in a mixed way.

63. Number and percent of new population “accommodated” in a plan or city extension

New settlements with total of 385,000 new residents, such as “Shine Zuunmod” city (35,000 residents by 2040), Zuunmod satellite city (100,000 residents by 2040), “Shine Kharkhorin” (100,000 residents by 2040) and new settlement zones which are reflected on expansion of 21 aimag centers (150,000 residents by 2040) are planned as part of the “Human Settlements Development Plan of Mongolia”. It accounts for 11% of the country's total population and 15% of the urban population. (Source: MCUD, CDC, Final report-1 of the “Human Settlements Development Plan of Mongolia”)

2.2.5. Improve capacity for urban planning and design, and training for urban planners at all levels of government

64. Number of urban planners per 100,000 persons

As of 2020, the number of enterprises and organizations authorized to develop urban planning documents reached 110, with a total 1,036 employees. In our country with a population of 3.3 million, there are 31 urban planners per 100,000 persons.

2.2.6. Strengthen the role of small and intermediate cities and towns

No indicators

2.2.7. Implement sustainable multimodal public transport systems including non-motorized options

No indicators

2.3. MEANS OF IMPLEMENTATION

2.3.1. Mobilization of Financial Resources

2.3.1.1. Develop financing frameworks for implementing the NUA at all levels of government

65. Existence of national structure or office or committee for implementing the New Urban Agenda

Currently, there is no national body or committee officially established to implement the “New Urban Agenda”. The information is included in the report.

2.3.1.2. Mobilize endogenous (internal) sources of finance and expand the revenue base of subnational and local governments

58. Percentage of the total budget that the local/sub-national government have discretion over to decide on priorities (financial autonomy)

In 2019 and 2020, in addition to the capital city of Ulaanbaatar, Orkhon, Dornogovi, Dornod, Darkhan-Uul and Umnugovi aimags finance their expenditures with their sources of revenue and not receiving the financial support from state budget.

Table. Revenues from local budgets to the state budget
(by aimags and the capital city, 2016-2020)

Unit: MNT million

Aimags and Capital city	2016	2017	2018	2019	2020
TOTAL	90,681.2	195,414.8	289,228.4	368,270.3	175,344.6
Khangai Region	9,702.6	13,683.7	12,016.8	16,300.9	29,220.1
Bulgan	-	290.4	-	-	-
Orkhon	9,702.6	13,393.2	12,016.8	16,300.9	29,220.1
Central Region	16,748.7	30,263.9	68,682.7	61,135.7	37,824.8
Gobisumber	-	155.2	-	-	-
Darkhan-Uul	-	270.3	458.9	3,010.2	1,824.1
Dornogobi	-	600.0	2,124.1	124.1	-
Umnugobi	16,748.7	29,238.4	66,099.7	58,001.4	36,000.7
Eastern Region	-	-	-	1,686.8	199.7
Dornod	-	-	-	1,686.8	199.7
Ulaanbaatar	64,229.9	151,467.3	208,528.9	289,146.9	108,100.0

Source: Statistical Yearbook of Mongolia, 2020

59. Percentage of the local/sub-national government's financial resources generated from endogenous (internal) sources of revenue)

Table. Share of revenue and expenditure of local government budget to the central government budget, (2017-2020)

Unit: MNT billion

	Types	Balanced income	Total expenditure
2017	General budget	7,274.9	9,017.3
	Local budget	2,437.2	2,437.0
	Percent	33.5	27.0
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	Local budget	2,769.4	2,716.4
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	Percent	27.0	24.9
2020	General budget	9,421.6	13,960.8
	Local budget	3,146.8	3,157.2
	Percent	33.4	22.6

Source: <https://www.1212.mn>

2.3.1.3. Promote sound systems of financial transfers from national to subnational and local governments based on needs, priorities and functions

66. Stable existence of “transfer formula” in the last 5 years, without major changes, meaning reductions of more than 10%

Table. Financial support from the state budget and other transfers (2016-2020)

Unit: MNT million

Types	2016	2017	2018	2019	2020
Financial support from the State budget	150,987.3	146,162.0	180,700.9	161,002.2	201,721.3
Revenue from special purpose transfers	995,259.3	1,066,089.4	1,119,094.6	1,140,457.1	1,333,947.9
Revenue transferred from the General Local Development Fund	120,267.7	53,013.5	88,555.0	138,644.6	165,671.8
Amount of aid revenue	1,266,514.3	1,265,264.9	1,388,350.5	1,440,103.9	1,701,341.0
Rise and fall -; + (%)	-5.9	-2.7	23.6	-10.9	24.7

Source: <https://www.1212.mn>

2.3.1.4. Mobilize and establish financial intermediaries (multilateral institutions, regional development banks, subnational and local development funds; pooled financing mechanisms etc.) for urban financing

67. Existence of at least one municipal finance or infrastructure fund available for local governments

According to Article 59 of the Budget Law, the “General Local Development Fund” provides revenue transfers to aimag and capital city “Local Development Fund”s from the resources as shown in the table below (See Table). In accordance with the Article 59, 60 of the Budget Law and the “Methodology for calculating revenue transfers from the General Local Development Fund and Local Development Fund” approved by the Government Resolution No. 230 of 2017, the funding is distributed annually to aimags, the capital city, soums and districts.

Table . Changes in the legal environment since the establishment of the LDF (2016-2019)

Revenue transfers	2016	2017	2018	2019	2020
Domestic VAT	10%	5%	5%	5%	5%
Fees for Exploiting Mineral Resources (Royalty)	5%	5%	5%	5%	5%
Fees for Exploiting Oil Resources	30%	30%	30%	30%	30%
Redistribution from aimags and the capital city (from the balance sheet profit)	The portion of the balance sheet profit equal to the base expenditure shall be retained in the budget of that level and the remainder shall be transferred to the GLDF.	(Transfer to a higher level budget, not to LDF)			Performance-based incentives provided by the Sustainable Livelihoods Project will provide incentives up to 25 percent of the approved budget execution to the soum for the year that meets the criteria.
Mining Royalty (except mega)	-	10%	10%	10%	100%
Minerals Exploration license	50%	50%	50%		50%
Minerals Exploration and Mining licenses	30%	0%	0%	0%	10%
Incentives from international projects (based on performance)	-	Eligible soums will be allocated the amount equal to 25 percent of the share of GLDF.			
Support from international projects (in co-efficient)	-	-	The amount of project resources will be allocated according to the basic GLDF methodology.		

Source: MoF

68. Percentage of local/sub-national government’s financial resources generated from financial intermediaries such as multilateral institutions, regional development banks, subnational and local development funds, or pooled financing mechanisms

The Sustainable Livelihoods-3 Project, funded by the World Bank and the Swiss Agency for Development and Cooperation (SDC) was started in 2015 with the aim of planning and implementing priority investments in rural areas of Mongolia, and improving governance and public participation. Within the framework of the project, MNT 6.2 billion incentives were provided in 2017-2019 and MNT 26.9 billion in 2018-2019 to support local development. Also to increase LDF resources and support the local development of soums, a total of MNT 10.6 billion was provided by the project to 330 soums. In the last three years, the level of soum governance has been assessed on an annual basis, and eligible soums have been provided with a bonus equal to 25% of the LDF.

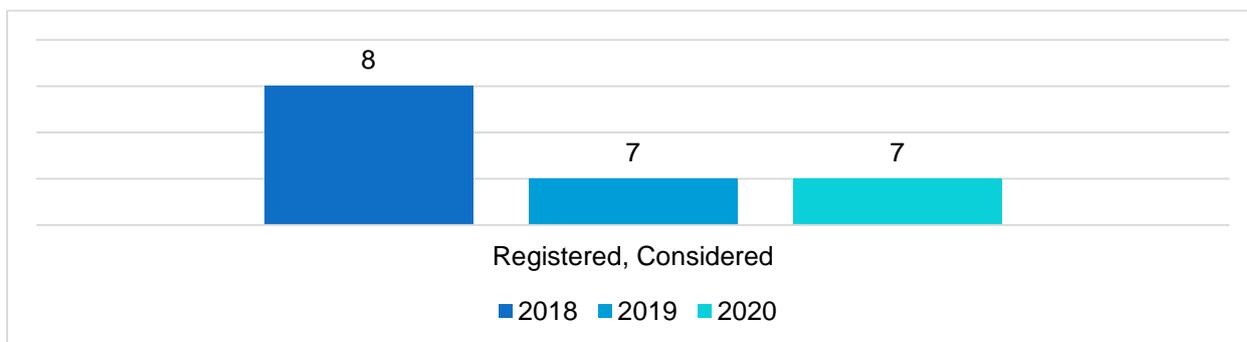
2.3.2. Capacity Development

2.3.2.1. Expand opportunities for city-to-city cooperation and fostering exchanges of urban solutions and mutual learning

69. Number of cities participating in city-to-city partnership programmes

The capital city Ulaanbaatar and other major cities, aimags and soums have joined in and expanding their cooperation with international organizations that support urban cooperation such as “International Association of Healthy Cities”, CITYNET International, World Association of Smart Cities, Association of Local Governments for Sustainable Development and Association of Smoke-Free Cities.

Graphic. **Cooperation agreement between cities and organizations, completed, verified and registered in Mongolia, 2018-2020**



Source: Ministry of Foreign Affairs, “Blue Book” of Mongolia's Foreign Policy, 2017-2020

2.3.2.2. Promote the capacity development as a multifaceted approach to formulate, implement, manage, monitor and evaluate urban development policies

No indicators

2.3.2.3. Build capacity at all levels of government to use data for evidence-based policy formulation including collecting and using data for minority groups

No indicators

2.3.2.4. Strengthen the capacity of all levels of government to work with vulnerable groups to participate effectively in decision-making about urban and territorial development

No indicators

2.3.2.5. Support local government associations as promoters and providers of capacity development

No indicators

2.3.2.6. Promote capacity development programmes on the use of legal land-based revenue and financing tools

No indicators

2.3.2.7. Promote capacity development programmes of subnational and local governments in financial planning and management

74. Percentage of cities/subnational staff trained in financial planning and management

This indicator is not available due to a lack of statistical data.

2.3.2.8. Increase cooperation and knowledge exchange on science, technology and innovation to benefit sustainable urban development

No indicators

2.3.3. Information Technology and Innovation

2.3.3.1. Development of user-friendly, participatory data and digital platforms through e-governance and citizen-centric digital governance tools

25. Fixed Internet broadband subscriptions per 100 inhabitants, by speed

Table. **Number of Internet users, by speed (2020)**

№	Speed	Number of Internet users
1	10 Mbit/s дээш	250419
2	5-10 Mbit/s	20100
3	2 Mbit/s-5 Mbit/s	97858
4	1-2 Mbit/s	9907
5	512-1024 Kbit/s	1294
6	256-512 Kbit/s	146
7	256 Kbit/s	3
	TOTAL	379727

Source: Communications Regulatory Commission (<http://crc.gov.mn/>)

2.3.3.2. Expand the use of leading technologies and innovations to balance urban and regional development and prosperity

No indicators

2.3.3.3. Use of digital tools, including geospatial information systems to improve urban and territorial planning, land administration and access to urban services

No indicators

2.3.3.4. Strengthen capacities at all levels of government to effectively monitor the implementation of urban development policies

No indicators

2.3.3.5. Support all levels of governments in the collection, disaggregation, and analysis of data

No indicators

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