



MONGOLIA

NATIONAL REPORT



HABITAT II



**THE SECOND UNITED NATIONS CONFERENCE ON HUMAN SETTLEMENTS
ISTANBUL 1996**

PREAMBLE

The Government of Mongolia, implementing tasks to establish humane democratic society, on its behalf and on behalf of Mongolian people highly appreciates UNO's decision to organise Second Conference on Human Settlement in June, 1996 in Stambul, Turkey.

We sincerely believe that this conference will be a great contribution to mitigation of negative impacts of human settlement and urban development, which are in the centre of World attention and to the determination of optimal ways to get over difficulties of social development met by the countries, particularly developing and poorly developing countries, through the combined efforts.

The Government of Mongolia has set up National Working Group to prepare to the Conference on Human Settlement with involvement of concerning ministries and professional organisations, do analysis of urban development current situation in Mongolia and schedule and implement concrete measures on solving urgent tasks of urban development in compliance with tendencies of socio-economic reformation at the national level.

The objectives of Mongolian Government, public, economic enterprises and every individual are becoming to intensify start up of these works and activities and implement decisions made at the Second Conference on Human Settlement, organised by UNO in compliance with peculiarities of traditional nomadic and settled mode of life.



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URBAN DEVELOPMENT TENDENCIES OF MONGOLIA

One. Background

1. *Brief Introduction on Mongolia*

Mongolia is a country in the Central Asia, situated 1580 metres above sea level. It has a harsh continental climate with four seasons a year. Mongolia covers a land area of 1,565,000 square kilometres consisting of mountains, plateaus and deserts. The total population of the country is 2.2 million.

Population has a mode of life, traditions and culture fit to peculiar conditions of nomadic culture.

Mongolians traditionally held nomadic livestock husbandry. Number of livestock in total is over 26 million. Mongolia is a unitary state consisting of 21 provinces known as "aimags" and a capital city. The country has a multiparty parliamentary system of government and the Parliament is known as the State Great Hural.

Mongolia regained her independence with the victory of the National Liberation Movement in 1911 and the Popular Revolution in 1921 and there after a period of renaissance and prosperity followed. During the last 70 years of independence the country experienced an agro-industrial development in the spheres of production of agricultural raw materials, cultivation, processing industries, mineral resources, energy industries, transport, communication and construction. During this period Mongolia's population has tripled. Not only has illiteracy been eradicated, but every fifth adult has acquired higher or specialised secondary education and a resource of national cadres with scientific, cultural and intellectual knowledge and skills has been accumulated.

2. *Brief Introduction on Current Economic and Social Situation in Mongolia*

Mongolia in principle followed a centralised and planned economy since 1940s. Under the centralised and planned economic system there was no encouragement to the private sector, and also for competition and economic freedom. The arbitrarily fixed prices and tariffs had a negative impact on the effective use of the financial human resources, and led the economy to a stalemate.

In the early 1990s Mongolia chose to undertake the democratisation of its political system and the transition to a market economy. This was legally guaranteed by the new Constitution of Mongolia which was adopted in 1992.

Thanks to democratisation and the restructuring of society, favourable conditions are being created for this country to join the common way of a human culture and civilisation.

Mongolia's state and Government regards the basis for development and progress are being a "human" with high potential for creative force, intellect, thinking and vast opportunities and therefore it puts the "human" in the heart of development policy, so ensuring that the rounded development of the man is the main course of social and economic development policy.*

Currently our country carries out programme of economic structural reform with an assistance of international financial, monetary and development agencies and experiences hard transitional period. By the end of 1993 some signs of stabilisation and positive improvements have been noticed in the national economy. A growth in the Gross Domestic Product was achieved in 1994, for the first time in four years. As of 1994 the private sector is already in a position to produce more than half the Gross Domestic Product. Over 80% of the properties marked for privatisation have already been privatised and 90% of livestock was transferred to private owners.

Although the economy of Mongolia is experiencing a hard transitional period, since 1990, 17.6% of the national centralised budget is earmarked for education, about 10% for health and 11.8% for social security.

The process of economic reforms and structural adjustments witnesses a social negative phenomenon such as unemployment, poverty and an emergence of disparity in the living standards of the population.

In connection with objectives of country's socio-economic reform many new problems are being confronted in urban development policy frame.

Two. Urban Development Ways in Mongolia

3. *Peculiarities of Nomadic Culture and Historical Traditions of Urban Development*

Mongolians have been holding nomadic livestock husbandry and living in "ger" houses traditionally since ancient period. At the same time, they have specific principle of "huree" urban development planning developed on the basis of prime mode of settled life reflecting harsh climatic conditions and nomadic culture called "hot ail"**

Capital city Ulaanbaatar has development history of over 350 years. Since its set up it moved over 20 times and got settled in current location only in 1778. This is due to historical development features of political, religious and trading centre of nomadic civilisation.

* National Report of Mongolia, the World Summit for Social Development, Copenhagen, 1995, page 4

** Features of Modern Urban Development of Mongolia by D.Sain-Er, Documentation of 3rd International Congress of Mongolists, volume 2, Ulaanbaatar, 1977, page 151

Architecture, urban development basic design and organisation of ancient capital of Mongolia Harhorum and Ulaanbaatar city centre are based on "huree" planning principle.

Complete structures to spread ancient oriental culture, philosophy and religion were existing and over 700 temples created on religious beliefs, indefatigable labour, mentality and skills of Mongolians were spread over the vast territory of Mongolia. Hence, these are real reflections of civilisation born by the demand of that particular society. These invaluable relics of history, culture, architecture and urban development were destroyed at the tide of social events of 1930-1940s which taught bitter lesson to be repeated never again. The fact that the issues of historical traditions of architecture and urban development were closed initially and experienced enough difficulties afterwards had negative impact on national architecture and urban development.

4. *Current Situation of Urban Development*

Development start-up of aimag centre-towns has been set up in 1930s towards adjustment of administrative structure and over 20 towns and 300 localities have been created further as a result of political stabilisation after World War II and positive changes in socio-economic development of Mongolia. In connection with this process wide range of activities started to be undertaken since 1950s to develop urban areas in accordance with scientific based master plan. Attention has been given mainly to zoned organisation of land use taking into account town conditions, environmental and health requirements and optimal structure of construction and engineering network at an early stage. Since 1970s approach to the urban development matters has taken wider range and new development principle to take into account urban areas development correlations, their position and role at regional level, country's socio-economic tasks, overall territorial organisation and human settlement tendencies has been taken into board.

5. *Urgent Tasks of Urban Development*

New approach to the urban development policy has come into demand with transition of Mongolia into new socio-economic relations since 1990s and following issues are considered important:

- a) Change of centralised investment policy to correlate with tendency of development on private sector and foreign investment and co-financing;
- b) Modification of land use relations and establishment of common principles of market relations;

c) Regulation of construction activities to build housing and industrial facilities fit to the interests of multi-mode property ownership through urban development policy;

d) Creation of optimal structure of management, organisational structure, financing, information and monitoring to rehabilitate entire public services field and provide population by living accommodation;

e) Determination of factors to limit social negative phenomenon such as unemployment, poverty, eliminate disparity in the living standards of the population and create conditions of equal progressive development at urban, regional and national level through urban development policy;

f) Creation of appropriate territorial organisation correlative optimal structure of roads, transport, energy, communications and information which are main factors to support country's socio-economic development and provide balanced development, with combined tendency of traditional nomadic and modern settled mode of human settlement; and

g) Introduction of highly beneficial and wasteless new technology with no bad effect to the environment drawing special attention to environmental protection and ecological balance.

Three. Urban and Housing Basic Indicators of Mongolia

6. *Brief Introduction on Urban and Housing Indicators*

We should note that there were following difficulties in giving perfect optimal answer to Urban and Housing Indicators Programme worked out by UN Centre for Human Settlements Preparatory Committee:

- Due to transition of Mongolia into market economic relations since 1990 investment size has been declined significantly, construction enterprises were privatised and construction works got stagnated and therefore if 1993 is taken as a base year for the indicators urban and housing development general tendency is not clear;

- Although most of industrial and service enterprises were privatised, housing and its infrastructure were not;

- National information structure fit to form of new socio-economic structure is not formed, yet; and

- There was constraint in involvement in urban development and housing international cooperation frame and lack of information.

Taking into account all these considerations National Habitat II Preparatory Committee have prepared urban and housing indicators in the case of Ulaanbaatar and submitted to Habitat II Preparatory Committee in October 1995.

7. *Background Data*

Since urban and housing indicators were considered in the capital city case we have tried to include some additional clarifying indicators of urban and housing development in the National Report.

Land Use

Land Law of Mongolia has been adopted in 1994 and the Environmental Group Law in 1995 respectively and implementation activities started in 1995.

Owing to that, demand has come to consider modification of environmental protection and land use relations in correlation in conformity with above-mentioned laws and cover these in urban development policy.

LAND FUND BALANCE OF MONGOLIA as of 1993*

Land Classification	Area (thousand hectare)	Percentage
Agricultural	118,580.5	75.8
Urban areas	540.1	0.4
Area of special use	11,630.3	7.4
Forest fund	15,177.0	9.7
Water fund	1,631.4	1.0
National Reserve	8,852.5	5.7
TOTAL	156,411.8	100.0

Furthermore, amount of preserved and national protected areas will be increased and there would be no major change in other land classes.

8. *Population*

The population of Mongolia is 2.25 million as of 1994 and more than one fourth of it lives in capital city Ulaanbaatar.

* Physical Plan of Human Settlement and Development of Mongolia, 1995

POPULATION BY SEX AND URBAN AND RURAL
INHABITANCE (1994)*

Total population (mn)	Out of which (%)			
	male	female	urban	rural
2.25	49.6	50.4	54.7	45.3

Population Growth Rate

During last 70 years population health has been improved and as a result of that total population is tripled.

SOME INDICATORS OF POPULATION
GROWTH (1993)*

Total Population (mn)	Annual Growth Rate (%)	Birth Rate (per 1000)	Death Rate (per 1000)	Average Age
2.215	1.8	22	8	62.5

There is a tendency of declining population growth and due to population movement from rural areas into cities constant growth of urban population has become continuous.

9. *Woman Headed Households*

NUMBER OF WOMAN HEADED HOUSEHOLDS*

	end 1994	Percentage
Total	40,819	100.0
Out of which:		
with up to 3 children	15,818	38.8
with 3-5 children	14,606	35.8
with 6 or more children	10,395	25.4

50.2% of women heading households are urban inhabitants.

Statistical Report of Mongolia, 1994
Statistical Report of Mongolia, 1994

Average Household Size

Comparison between total number of households and average size indicators of 1985, 1990 and 1994 shows the tendency of progressive increasing of number of households and decreasing of their size.

NUMBER OF HOUSEHOLDS AND AVERAGE HOUSEHOLD SIZE*

Year	Number of Households	Average Size
1985	357,135	5.2
1990	449,445	4.7
1994	509,264	4.5

10. *Housing types*

In housing fund of Mongolia "Ger" housing, being in use from nomadic civilisation traditions till present, takes considerable percentage. From 1960s urban development master plans started to cover "ger" areas structure, organisation and services within their structure and furthermore, measures to improve "ger" areas infrastructure and services are taken stage by stage.

TYPE OF HOUSING OWNERSHIP AT CITY AND NATIONAL LEVEL (%)

Type of housing ownership	City	National
Private	0.2	0.3
Public	54.6	38.7
Rent free Ger housing	45.2	61.0

Four. Urgent Tasks of Socio-Economic Transitional Period

11. *Gross National Product (by economic sectors)**

	Industr y	Agriculture	Constructio n	Transport	Communi cation	Trade	Other
1960	25	20	10	12	1	30	2
1985	47	15	9	10	1	17	1
1993	51	28	2	7	1	9	2

Average annual growth of GNP reached 6.5% in 1980 but from 1990s economic growth rate started to decline.

* National Report of Mongolia, the World Summit for Social Development, Copenhagen, 1995

12. *Population Education*

The Government of Mongolia is implementing its policy of providing education to its citizens in accordance with the provisions of the Constitution and the law on education through special programmes, projects and concepts.

Since the establishment of the education system in Mongolia more than 70 years ago, considerable gains have been made. Mongolia has become one of those few countries enjoying an almost 100% per cent literacy rate as result of the implementation of series of programmes such as the universal literacy programme of 1921-1940, the universal primary education policy from 1941 and the universal eight year education policy from 1961. The manifestation of the achievements in the education field is the 96% literacy rate among the adult population, 98% primary school coverage, 88% coverage in eight year schooling and 15% in the higher levels.

EDUCATIONAL LEVEL OF THE POPULATION (as of 1989)

	Total		Of these		Rate per 1000 above 10 years of age
	in thousand s	%	Male	Female	
1. literate-total	1273.4	100	647.1	626.3	888
2. high education	100.7	7.9	57.6	43.1	70
3. vocational	113.5	8.9	43.5	70.0	79
4. 10 year education	215.4	16.9	103.7	111.7	150
5. 8 year education	403.7	31.8	229.0	174.7	282
6. Primary education	440.1	34.5	213.3	226.8	307

Source: Population record of 1989, State Statistical Bureau

NUMBER OF PRE-SCHOOL KINDERGARTENS AND SCHOOLS

	1970	1980	1990	1993		1994	
	Public			Public	Private	Public	Private
-Kindergartens	546	617	909	725		696	
-General education schools	503	571	634	663		659	
-Technical and Vocational							
Professional training	28	37	44	36		36	1
Universities & Institutes	19	25	31	36		24	5
	5	7	8	8	31	27	32
TOTAL	1101	1257	1626	1565	31	1442	38

Source: Report of the Ministry of Science and Education

There are in total 482 thousand students in all kind of schools, universities and institutes as of 1994. However, the number of school drop-outs has reached almost 130,000 over the last few years and hundreds of teachers have left schools. Aside from the economic factors, this is largely because of the failures of education system.

In order to keep education level reached with no decline we consider it necessary to increase the budget for education, introduce improved technology and teaching methods at all level of education and introduce optimal informal education system.

13. *Employment*

The socialist system collapsed and the CMEA member-countries fell into social and economic crisis. They had to stop their loans and assistance to Mongolia and because of this our state factories and enterprises began to experience shortages in spare parts and materials and to lose their normal production regime.

This situation had similar impact on urban development and infrastructure sector.

During the period of transition to a market-oriented economy, the structure and organisation of production has been changed greatly. In connection with this, basic changes have been made in employment policy. Although labour resources have increased every year, the number of workers has decreased because of the economic crisis and recession in production and unemployment has also increased.

LABOUR RESOURCES OF MONGOLIA*

(thousands)	1990	1991	1992	1993	1993 1990 (%)
1. Labour resources	965.4	1041.7	1078	1083.7	112.2
2. Working-age Population	942.9	1009.9	1045.5	1053.9	111.8
3. Economically active population	808.4	851.1	860.1	844.7	104.5
4. Total employees	783.6	795.7	806	772.8	98.6
5. Unemployed	45.7	108.2	150.1	185.9	406.8

The above table shows that labour resources of Mongolia have increased by 12.2% during the last four years, but the number of employees has decreased by 1.4% and the number of unemployed has increased four times.

During the three years following the initiation of privatisation, 80% of the total of the state-owned assets marked for privatisation have now been privatised: 50% of assets in the industrial sector, 100% of trade and public services and 90% of livestock. In connection with this, during the last three years the number of employees in the private sector has increased by 4.3 times, the number of self-employed people by 5.8 times and the number of agricultural workers (mainly cattle-breeders) by 40 thousand.

STRUCTURE OF EMPLOYMENT*

(thousands)	1991	1992	1993	1993 1991 (%)
Total employees, of which:	795.7	806.0	772.8	97.1
State and budget organisations	461.7	350.4	282.3	61.1
Cooperatives	266.4	259.5	207.1	77.7
Private organisations	32.4	111.1	140.2	432.7
Self-employed	22.0	76.3	127.6	580.0
Mass organisations	5.8	7.0	6.2	106.9
Religious organisations	1.5	1.7	2.0	133.3
Contracted workers abroad	5.9	13.3	24.5	415.2

Until 1989 there was, in general, no unemployment in Mongolia. But during the last years unemployment has increased sharply and reached sharply and reached 8.3% of the economically active population in 1994.

As of 1st January 1995 the number of unemployed people registered at labour exchanges had reached 74.9 thousand, an increase of 4.1% from the same date of the previous year.

* National Report of Mongolia, the World Summit for Social Development, Copenhagen, 1995

The main reasons for such a sharp increase in unemployment in Mongolia over the last few years are, firstly, a deep economic crisis and recession in production; secondly, redundancies incurred during the privatisation process; thirdly, the cessation of investment previously based mainly on loans and assistance. As of the end of 1993, 53.8% of those unemployed were women, 75.0% of those unemployed were young people under the age of 35.

The Mongolian Government's employment and labour market policy for the transition period is based on the following:

- providing conditions for increasing employment opportunities and reducing the level of unemployment by ensuring economic growth at the macro level: implementing mutually consolidated finance, currency, price and exchange rate policies, decreasing the inflation rate and keeping the exchange rate of the tugrig at a comparatively stable level;
- encouraging the creation of work placements as much as possible by investing in economic entities which can work effectively, by making use of the economic resources of Mongolia and its comparative advantages and by supporting small and medium-size enterprises;
- encouraging self-employment and the creation of associations and cooperatives that can make effective use of the loans and assistance provided by donors and elaborating and implementing concrete "projects"
- designing and implementing special programmes designed to support the restoration of production, using, as far as possible, local resources and potential and the increase of jobs;
- improving the employment system, supply and demand in the workforce and the availability of information on labour statistics in cities and provinces;
- undertaking measures to create labour exchanges, to improve their working capacity and to connect them with an integrated computer network;
- providing legal, social and economic conditions for coordinating labour relations at the macro level, for securing equal rights for the participating sides by creating a mechanism of labour relations that correspond to the conditions of multifaceted property;
- making the most efficient use of tripartite and bilateral mechanisms of contracts in order to enhance the role of labour contracts and collective bargaining at the macro level of management;
- instituting widespread use of different economic and organisational mechanisms in order to decrease unemployment, such as establishing a system of training qualified workers, improving their vocational skill which

correspond to the market conditions, organising training and retraining in order to support those workers who have been made redundant and to create jobs.

14. *Poverty and Poverty Alleviation Policy and Actions*

During this period of transition poverty has become an acute social problem in Mongolia. Lately the emerging poverty in Mongolia Has shown specific features and influencing conditions.

The collapse of the socialist system, the termination of the Soviet Union's financial assistance, the decline of the economy, the budget deficit, inflation, price rises and the increase of unemployment are the root causes of the emergence of poverty in Mongolia, having a negative impact on personal income, and the quality as well as coverage of education and health and social services. Also, the "feed me" mentality of the population dating from the old system and the lack of the skills needed to adapt to life under the prevailing new circumstances are contributing factors.

In Mongolia the main indicator of poverty is the level of income and family consumption. To establish the minimum level, the basis requirements for everyday life are taken into consideration, such as food, clothing, shelter and toiletries for rural and urban areas for population groups.

Those people whose income leaves them below the poverty line, but able to meet their basic needs within the constraints of what is available to them are considered comparatively poor. Those whose per capita income is less than 40% of the minimum level, or who are not in a position to meet even the food requirement are considered very poor.

According to the State Statistical Bureau there were 460.3 thousand poor people of 99.8 families as of 1994. There are 66.7 thousand families with very low income which is the two third of poor families.

Members of large and low income families, female-headed households, disabled people, orphans, children in single parent households and the elderly with no-one to take care of them are those most seriously affected.

Numerical indicators of poor families (1994):

Total number of families (at national level)	-	509,264
Number of poor families	-	99,814
Female-headed households	-	40,819
Number of poor families with very low income	-	66,700
Number of female-headed households with very low income	-	20,979

In terms of Mongolian tradition, poverty could be defined materially, intellectually, psychologically and morally.

The root cause of poverty is different in rural and urban areas. In urban areas most are those affected by decline in production and unemployment, whilst in rural areas cattlebreeders with few or no cattle are becoming the targets of poverty, mainly due to the poor development of infrastructure, lack of market and the low productivity of the livestock. Lack of social care and services in rural areas also has a negative impact.

With the emergence of privately owned livestock, many cattlebreeders face a shortage of labour which results in an increasing number of school drop-outs. There is clear evidence that intellectual poverty is emerging alongside material poverty resulting in increasing number of illiterate and uneducated people.

If poverty remains at the present level, or worsens transition progress into market economic relations will become slower and there can be a lot of negative impacts on policy and measures of reform.

The Government of Mongolia takes initial steps towards implementation of "Poverty Alleviation National Programme" in order to elaborate and implement optimal policy on elimination of poverty cause and overcoming.

15. State Policy on Population Health Care

One of the main targets of the state policy on social protection is population health protection. Mongolia adopted its Health Insurance Law in 1994 and today about 92.4% of the population is covered by health-insurance.

According to the Health insurance law, following medical services are provided to Mongolian citizens free of charge:

- Medical check up by family doctors, visits and analyses at state owned hospitals and clinics;
- Services connected with hygiene and epidemiology, immunisation and disinfection;
- Medical care and analysis during pregnancy and pre- and post-natal care;

- Medical treatment of TB, brucellosis, AIDS, cancer and some mental disorders;
- Treatment of victims of natural disasters, spread of infectious diseases;
- Trauma caused by self-defense, or saving another's life or preventing massive damage.

According to the Health Insurance Law, the Government bears 100% of the health insurance premium for the vulnerable section of society (pensioners, children, etc.) and 50% for cattle-breeders.

At present there are 26,6 doctors, 75,4 specialised health workers, 106 hospital beds per 10,000 people.

Although Mongolia has advanced sufficiently in the medical infrastructure the indices of health care for the rural sector are lower than those of urban areas because of its vast territory and scattered population. Thus, in rural areas the number of doctors per 10,000 people is less by 3,1 times, the number of health workers and hospital beds - by 1,5 times, and the number of people per one doctor is more by 3 times.

The Government of Mongolia has been successfully cooperating with the World Health Organisation, the United Nations Population Fund and other international organisations and donor countries in the field of women's and child health care, the implementation of the National Programme of Action for the Development of Children up to the year of 2000, and National Programmes in immunisation and a number of projects of specialised medical assistance, and these projects have already achieved concrete results.

During the last 20 years the maternal and child mortality rates have been decreased by 8-15 per cent, and the life expectancy became 63 and 62 for women and men respectively.

INFANT MORTALITY RATE AND CHILD (UNDER FIVE) MORTALITY RATES PER 1000 LIVE BIRTHS

Year	Infant mortality rate	Child (under five) mortality rate
1980	68.0	-
1985	63.2	-
1991	62.0	82.0
1994	46.8	67.8

Source: Statistics of Ministry of Health

Five. Current Situation in the Infrastructure Field

16. Energy

There are 1038.3 km long transmission line of 220 kV, 2088.2 km long line of 110 kV and 326 km of 35 kV in use to provide urban and rural consumers by electricity as of 1993.

The Central Energy System currently covers Ulaanbaatar, territories of 10 aimags, 57% of country's population and about 20% of entire territory.

17. Road Transport

Under the circumstances of a country with vast territory and less population where small size industries dominate and local market is limited, the road transport proved to be the most successful and universal mode of transport and this position is likely to continue furthermore.

Shares of Different Types of Transport in the Passenger Transportation

Transport Mode	1960	1970	1980	1990
Road Transport	97.4	98.2	98.44	98.53
Railway	2.3	1.4	1.15	1.12
Air Transport	0.3	0.4	0.41	0.35

Source: Road Transport of Mongolia, 1995

Compared to 1990 the total number of vehicles increased by 19.5% including trucks by 14.9% and cars 1.7 times. The number of private owned vehicles has increased 3.5 times for the last 5 years reaching 25.0 thousands. Due to the fact, that road network development is not following the growth of the number of vehicles, the adverse impacts on environment are increasing through the number of earth trucks formed on relatively dry and vulnerable ground. Under these circumstances one of the important objectives of urban development is to establish optimal road network fit to peculiarities of Mongolia in compliance with human settlement and location of urban areas.

Road Network
(as of 1990)

Types of Road Network	Length (km)	Percentage
Paved road	1,300	3.07
Gravel road	2,931	6.90
Earth road	38,187	90.03
TOTAL	42,418	100

Source: Road Transport of Mongolia, 1995

18. *Telecommunications Sector*

a) Present Situation

There are 3,950 km analogue microwave links, over 30,000 km open wire lines connecting all aimag centres with somons and 308 switching stations with a total capacity of 100,535 telephone lines in the public telephone network. International telecommunication services are handled through 94 voice channels of satellite systems including Intelsat, Intersputnik and Asiasat. Installation of the Intelsat earth station in 1993, with the donation of Japan, allows for international direct dialing in Ulaanbaatar.

In fact Today's real picture of the national telecommunication network can be described as follows:

Beginning in 1991 digital telephone exchange E-10B were installed in Ulaanbaatar and in 1993 a digital international and transit exchange NEAX-61E were commissioned in Ulaanbaatar as well. However the remainder of the national and local network comprises the olden type obsolete and fault-prone analog equipment, installed since 1950s and the network has suffered from various difficulties for operation and maintenance and cause to be urgently upgraded.

b) Telecommunications Development Activities

A Telecommunications Master Plan covering the period up to 2010 has been prepared with the assistance of the ADB. On the basis of an evaluation of the current situation and sector demand forecasted in the Master Plan covers all aspects concerning the transformation of the existing network into digital technology and improvement of the management and institutional structure of the sector. In accordance with the Master Plan the following on-going projects will be implemented during 1994-1998 with the assistance of ADB, Nordic Development Fund, KfW, NORAD and Norway Government.

- installation of 16,000 telephone exchange lines
- 48,500 outside plant lines in Ulaanbaatar, Darhan, Erdenet and construction of digital microwave systems connecting these 3 cities
- replacement of 46 trunk transmission radio power (solar) supplies
- establishment of 400 public telephones
- corporate and human resources development plan

Even if these projects are completed successfully, it can not satisfy even today's telephone demands. On completion of the said projects, more than 21,000 waiting lists in the projected areas are going to be still left in pending condition.

C. Policy

The future policy of telecommunications sector is directed towards modernising (digitising) and expansion of the existing telecommunications network, improving quality of services as well as network performance indicators which can meet international recognised standard levels and introducing new services based on demands.

These goals will be realised in the following levels:

- in the capital area
- in National backbone network
- in rural areas

as follows:

1. removing unbalance in the network not only in the capital but also in all province centres
2. replacing and expansion of national analog backbone network (Transmission links, switching and outside cable plant) with digital technologies, aiming to build nation wide integrated digital network (IDN) down to province centres
3. Setting up satellite network which replace and extend existing rural open wire network with VSAT and DOMSAT technologies, i.e all villages and small administrative units in rural areas can be connected with their province centres as well as the capital by satellite links

The following aspects are to be main goals in the telecom sector management:

- ◆ continuing and expanding the on-going sector reforms
- ◆ introducing efficient and effective management systems
- ◆ restructuring and consolidating the research and development organisations in Mongolia so that they can elaborate and design themselves the future network development and management plans in the sector.

19. Housing Fund, Level of Engineering Network Provision

Development of urban areas in accordance with master plan initiated from 1960s and from 1970s housing areas were intensively organised into microregions and provided by engineering network in a centralised way in bigger towns and aimag centres. From that period significant achievements were gained in complex construction of new industrial settlements, centres of some state farms and resort camps together with engineering network.

Housing Fund
(as of the end of an year, housing areas, thousand sq.m)

Types	1940	1960	1980	1990	1993	1994
Total housing fund	84.7	766.4	2,670.0	5,530.4	5,976.3	6,061.9
Of which:						
1. State and cooperative owned	84.7	543.9	2,274.8	4,069.5	4,311.0	4,346.1
- in cities	84.7	543.9	1,763.6	3,143.8	3,373.1	3,408.1
- in provinces	-	-	511.2	925.7	937.9	938
2. Private owned	-	222.5	395.2	1,460.9	1,665.3	1,715.8

Note: Ger (traditional felt tent) is not included.

Housing Construction Rate (thousand sq.m)

	1971	1976	1981	1986	1991	1992	1993	1994
Actual living space	645.0	1207.9	1513.7	2265.8	298.6	241.3	104.0	120.4
Of which:								
1. State and cooperative owned	610.5	1154.3	1419.9	1836.4	180.4	151.6	51.3	56.8
2. Private owned	34.5	53.6	93.8	429.4	118.2	89.7	52.7	63.6
Dwelling space	449.9	790.2	944.6	1534.2	204.8	166.4	74.7	85.6
Of which:								
1. State and cooperative owned	420.0	741.2	863.9	1176.4	111.9	100.2	29.4	35.1
2. Private owned	29.9	48.6	80.7	357.8	92.9	66.2	45.3	50.5

Source: Statistical report, 1995

The national level of housing engineering network provision at percentage compared to total number of families is as follows:

Electricity	100%
Fresh water	39.0%
Sewage treatment	39.0%
Telephone	15.7%

Sixty per cent of total number of families is provided by drinking fresh water and 25.8% of families that are supplied by carried water is provided by ground water met health requirements.

Fresh water is carried to the families living in houses that are not connected to the centralised water supply network or in gers. The rate of fresh water per person living in gers in towns or in rural areas is comparatively low and price for carried water is relatively high. Since 1992 there were several projects on improvement of water supply of city ger areas and rural settlements and determination of appropriate balance

between the prices of centralised water supply and water carriage worked out with the help of donor countries, World Bank and Asian Development Bank and some of them are being carried out.

20. *Environmental Regulations*

The bases for solution of environmental protection and mitigation issues to be regulated by urban development policy are determined in the urban development master plan on the basis of ecological complex assessment of that particular landuse.

Contamination of urban areas' environment is displayed through air pollution by fuel (usually coal) burning of power station, steam boilers and fire ovens of gers, open disposal of solid waste, soil contamination by gers' improper sewage holes and water pollution due to troubles in sewage treatment procedure.

Furthermore, for the implementation of environmental group laws adopted in 1995 actions are being taken to establish inventory, information and monitoring structure and update legislations, standard and normative documentations.

Moreover, the matter of close interconnection of methods and mechanisms to achieve physical results in stopping existing adverse impacts of national, regional and towns' level projects, restoration of the environment and keeping ecological balance with recalling and keeping Mongolian ancient traditions to put mountains, rivers and land under taboo and protect them, is considered important.

Five. General Tendencies of Urban Development Policy of Mongolia

21. *Development Stages of Urban Development*

With the first Master Plan of Ulaanbaatar capital city development worked out in 1954 and master plans of aimag, somon centres and other localities elaborated since then scientific development of urban areas went through following stages:

- a) Although draughts of towns' locations and buildings distribution started to be drawn in 1960-1965 there was no capability yet to carry out full engineering investigations. From this period the start has taken up to train national personnel of various urban development professions.
- b) Since 1965-1975 master plans of urban areas such as cities, aimag and somon centres started to include land mapping and cost benefit analyses on the basis of full engineering geological investigations.
- c) Taking into account new tendency in international urban development practices during 1975-1985, there has been transition to the development stage of elaboration and implementation of national policy, methodology and normative documentation fit to peculiarities of Mongolian landscape, nature, climate and traditional nomadic and settled modes of human settlement.

- d) During 1985-1990 national qualified personnel has been trained in the field of design and urban development to replace a lot of foreign specialists worked in the field before and capability has been generated to carry out independantly all type of design works in compliance with Mongolian conditions.
- e) Due to socio-economic reforms and transition to the market economic relations after 1990 new principal tendency in urban development policy has been established and need has come to update legislation and normative documentations as a whole.

22. *New Requirements of Urban Development*

1. To review failures and achievements of urban development policy during socialist period and determine development tendencies and concepts fit to common principles of market relations;
2. To modify land relations on the basis of common requirements of environmental protection; and elaborate and implement mongol faced urban development policy fit to peculiarities of Mongolian landscape, nature, climate and traditions of nomadic culture, taking into account interests of multi-mode enterprises; and
3. To cover and implement strategy and objectives to keep environmental balance, recognise a leading role of cities in social progress, consideration of future concepts of bigger cities' development at the level of regional balanced development in compliance with international, regional and continental urban development policy tendencies.

23. *Conclusions on Urban Development Progress*

a) Main Achievements

- The fact of improvement in population health, population growth, relative achievements in education and science fields and qualified personnel working in all sectors of national economy had due effects on urban development;
- Start has been put to investigate country's natural resources and mineral materials and due steps were taken to develop industrial, construction, road transport, communications and energy sectors, design and construct urban areas on a scientific basis.
- Conditions were set to shift to a settled mode of life from sole nomadic mode, leading role of cities in social progress has increased, tendency of population centralisation in urban areas going after industrialisation, public service, housing and cultural level became common.

- Although it was relatively late some important tasks were put in terms of social security and starting 1970 establishment of housing areas as a full set together with public services and cultural centres and engineering network has become intensive.
- As a result of increase in the roles of capital city and aimag centres in country's socio-economic development, adequate share of central budget investment, resulted in their comfort, their current peculiar and modest image of European and Asian combined type in terms of architecture and urban development was formed.

b) Historical Lessons

- The fact that urban development concepts were not correlated by regulatory policy throughout Mongolia and at the regional level from very beginning served as a cause for centralisation of main industrial, educational, scientific enterprises in the capital city only, population movement towards it and creation of excess centralisation;
- Due to allocation of budget by the principle of giving something to everyone ("sharing cake principle") during centrally planned economy basic infrastructure network, i.e main axles of road transport, communications and energy, is not formed as such till the date.
- Legislative structure to implement urban development policy was not set up and therefore, sectorial interests were prevailing and many multi-sided and correlated issues, regulated by urban development policy were left behind, which was one of the main reasons of investment benefit not being increased.
- One-sided tendency of industrialisation was prevailing in bigger cities' development and human factor was assessed not properly. Due to this housing, public and cultural services were underdeveloped.
- Due to lack of national qualified personnel foreign specialists were working in the field and therefore mongol mentality and requirement to take in board mongolian peculiarities were left behind. Besides that national characteristics of architecture and urban development is not formed properly because of typical design of urban areas' construction with no account on local features.

24. *Relative Advantages and Disadvantages of Urban Development in Mongolia*

a) Relative advantages of urban development in terms of social progress are:

- vast territory,
- relatively untouched land,
- continental climate with four seasons,
- natural and mineral resources,
- relatively constant population growth,

- labour resources, its recoverability,
- prevailing portion of population is youth,
- population sex balance is equal, and
- education level is relatively high.

Also the advantage is the availability of comparatively rich mapping materials of various scales and materials of engineering geological investigations worked out at national, regional and local levels specially for urban development.

Capital city and other urban areas were developed from very beginning in accordance with master plans evolving development perspectives. There are territorial and organisational projects worked out for some aimags and regions.

b) Relative disadvantages of urban development are:

- population density is porous,
- urban areas are spread over a vast territory,
- part of population holding livestock husbandry of dominating role in country's economy lives by traditional nomadic mode of life,
- level of population migratory movement is relatively high and as a result of that one fourth of population is centralised in the capital city.

Also disadvantages are:

- ground is elevated high above the sea level,
- severe climatic conditions,
- frequent droughts and severe winters,
- relatively vulnerable nature,
- urban development engineering geological concerns such as perma frost in the ground, high seismic points, rarity of reliable water supply resources in gobi area and some urban areas.

25. *Basic Concepts of Urban Development Policy*

Integral part of the State Policy within socio-economic development is an urban development matter.

Principal statement in the Constitution of Mongolia "The State shall regulate the economy of the country with the view to insure the nation's economic security, development of all modes of production and social development of the population." serves as a basis for State Policy on urban development.

In this relation the conducted concepts are the to assess ecological and social impacts of urban development activities and insure balanced socio-economic development throughout the entire territory of the country and at the regional level.

Special attention is paid to the matters of creating ecologically balanced and favourable life environment and improving housing conditions in order to create basic conditions for social development with "human" in the centre alongside with the above concepts.

Implementation of urban development projects is based on Government investment and state financial possibilities but besides that it is based on the assistance from international funding agencies, investments of donor countries and broadening of cooperation with them. These projects are aimed to expand road transport, energy and modern telecommunications and information networks and to improve engineering networks in the capital city and provincial towns.

26. *Urban Development Policy Implementation Activities*

Legal acts and normative documentation within urban development and housing policy are being updated with the view of the requirements of new socio-economic structure.

The activities are organised to make ways of elaboration and implementation of national urban development and housing policy and strategy in compliance with international, regional and continental concepts efficient and sophisticated.

With the aim to implement urban development and housing policy within concrete projects the Master Scheme of Human Settlement and Development of Mongolia has been worked out. Steps are taken to neutralise population migration from provinces towards urban areas and break population over centralisation in the capital city through the intensive development of main axes of infrastructure and regional base centres, create conditions for regional balanced development, work out national housing programme and solve housing problems of vulnerable group of population at first instance.

Tendency of constructing multi-storied uniformal buildings for housing purpose has been reconsidered and the measures are taken to encourage construction of private houses with garden, improve conditions of traditional "ger" housing, i.e level of engineering network provision, comfort and public services.

With the purpose of improving level of living conditions in remote areas and provincial towns and all type of public services special attention is paid to the development of the centre of the group towns, taking into account adequate frame of public services.

27. *International Cooperation*

Concerning documentation of "HABITAT-1" conference held in 1976 in Vancouver, Canada has found due reflection in urban development of

Mongolia and given great benefit to determination and actual implementation of urban development and housing national strategy and concepts.

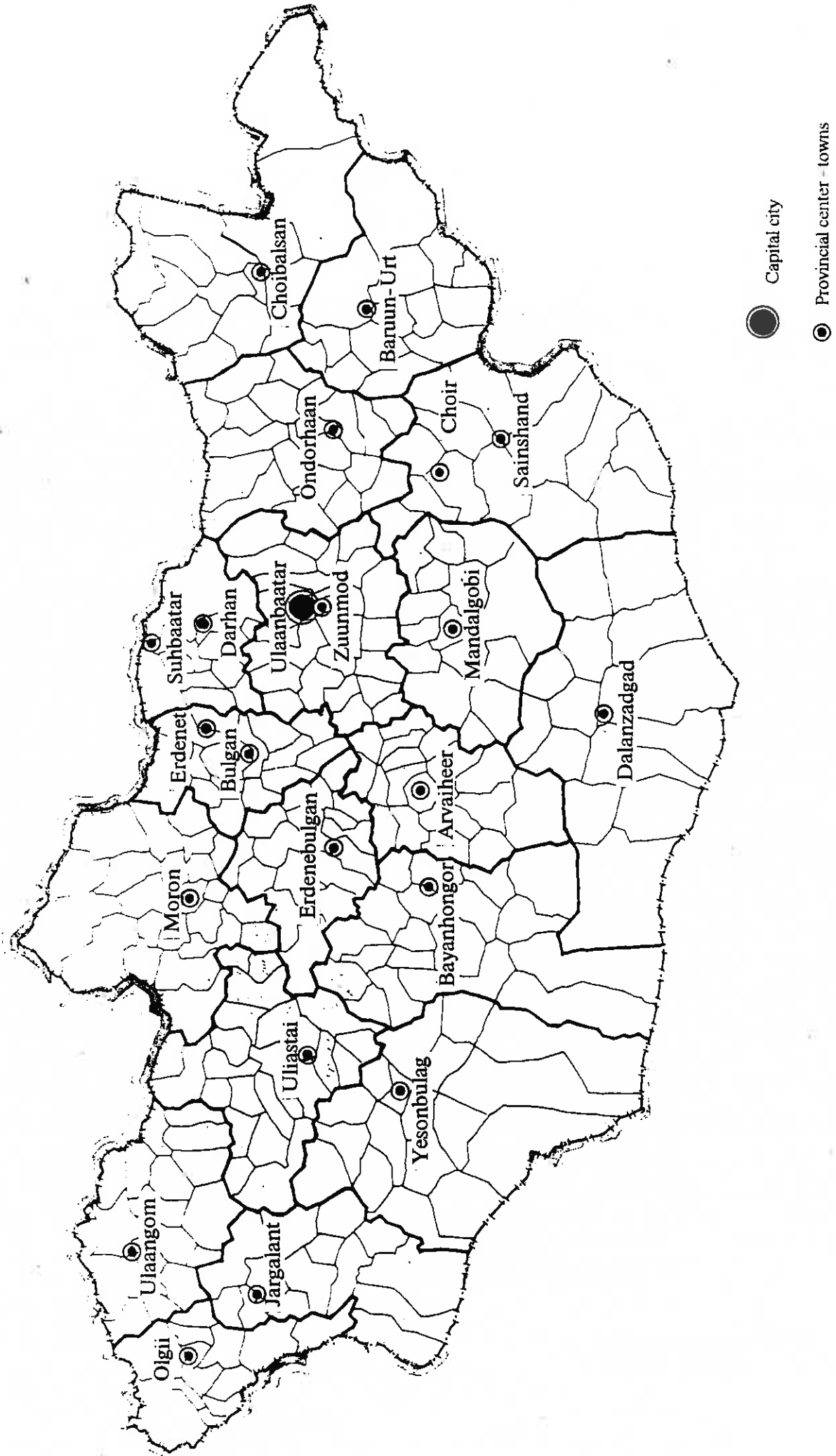
We are grateful for the assessment of urban development level in Mongolia and valuable recommendations on future development made in "Human Settlement Survey of Mongolia" by Human Settlement Centre of UNO in 1992.

Major documents like "World Urbanisation Tendencies" published in 1993 in New York and "World Development Report" issued by the World Bank in 1994 render due support and orientation to our activities.

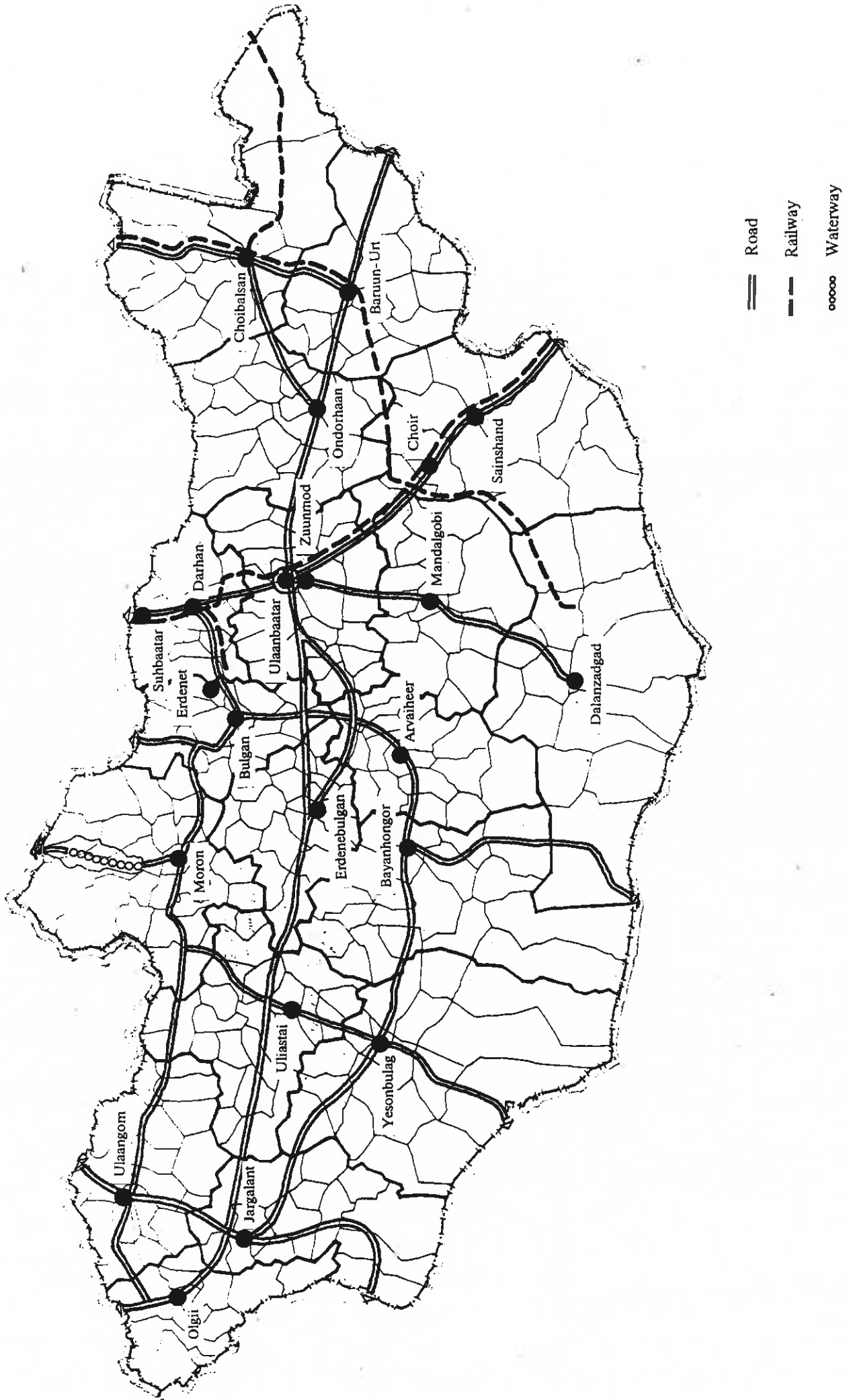
Documentation of the Conference of the Ministers responsible for Urban Development matters of Asia and Pacific countries held in 1993, The 3rd Conference of the Capital Cities of the World held in Tokyo, Japan, the International Conference on "Population and Development" held in Cairo in 1994, the World Summit on Social Development held in Copenhagen in 1995 and the 4th World Women's Conference held in Beijing have a principal significance to a solving of urgent tasks of the urban development in Mongolia and determination of future development perspectives.

We receive considerable amount of information and documents of great significance during preparatory stage to a HABITAT-II, UNO. We appreciate that this period coincides with important period of re-determining urban development concepts in compliance with requirements of socio-economic reconstruction of Mongolia. Therefore, Governmental and Non-Governmental organisations in charge of Urban Development matters are awaiting for decisions to be made by HABITAT-II and being anxious to implement those decisions with the view of the national peculiarities of Mongolia.

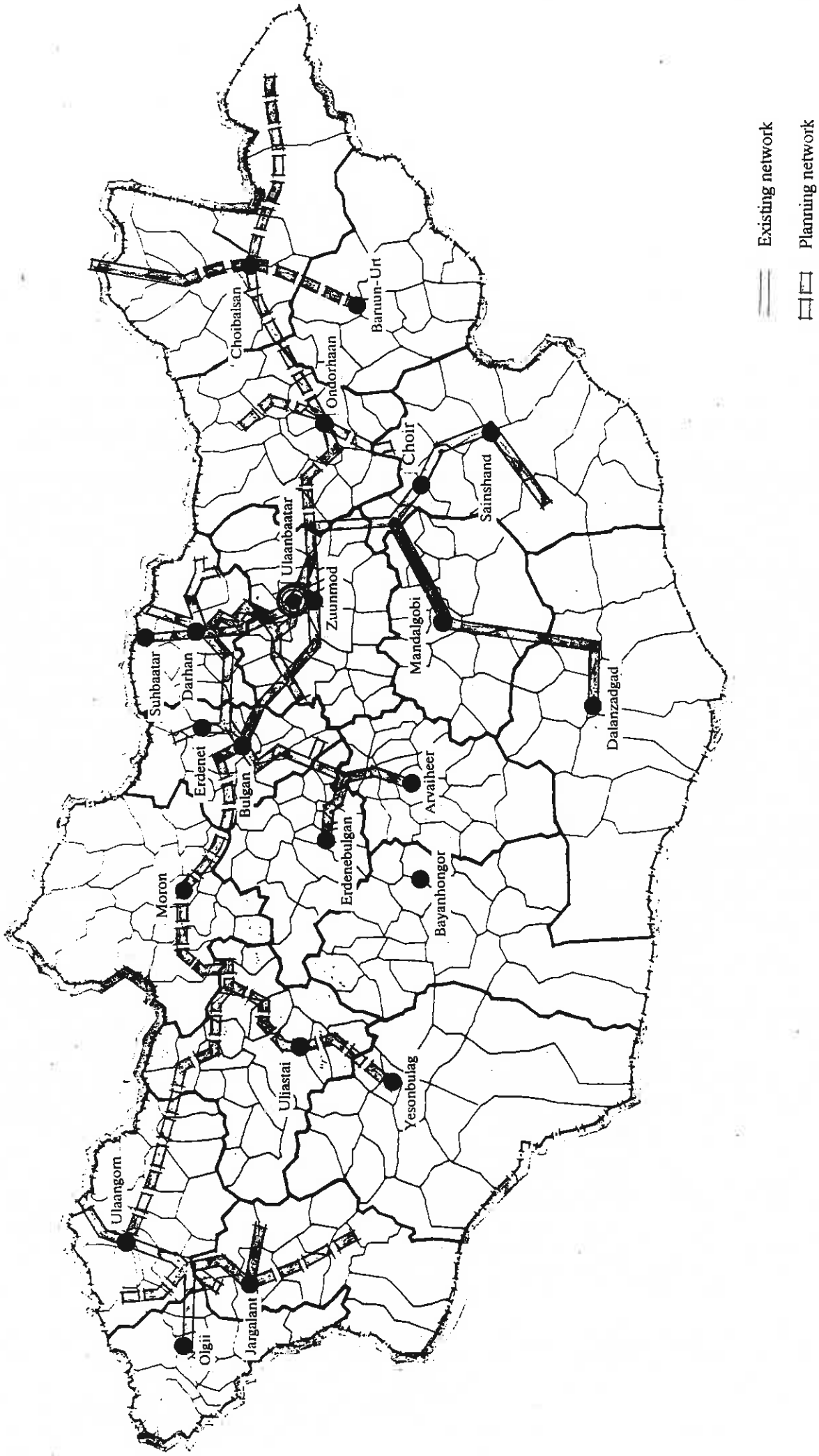
The Mongolian city layout



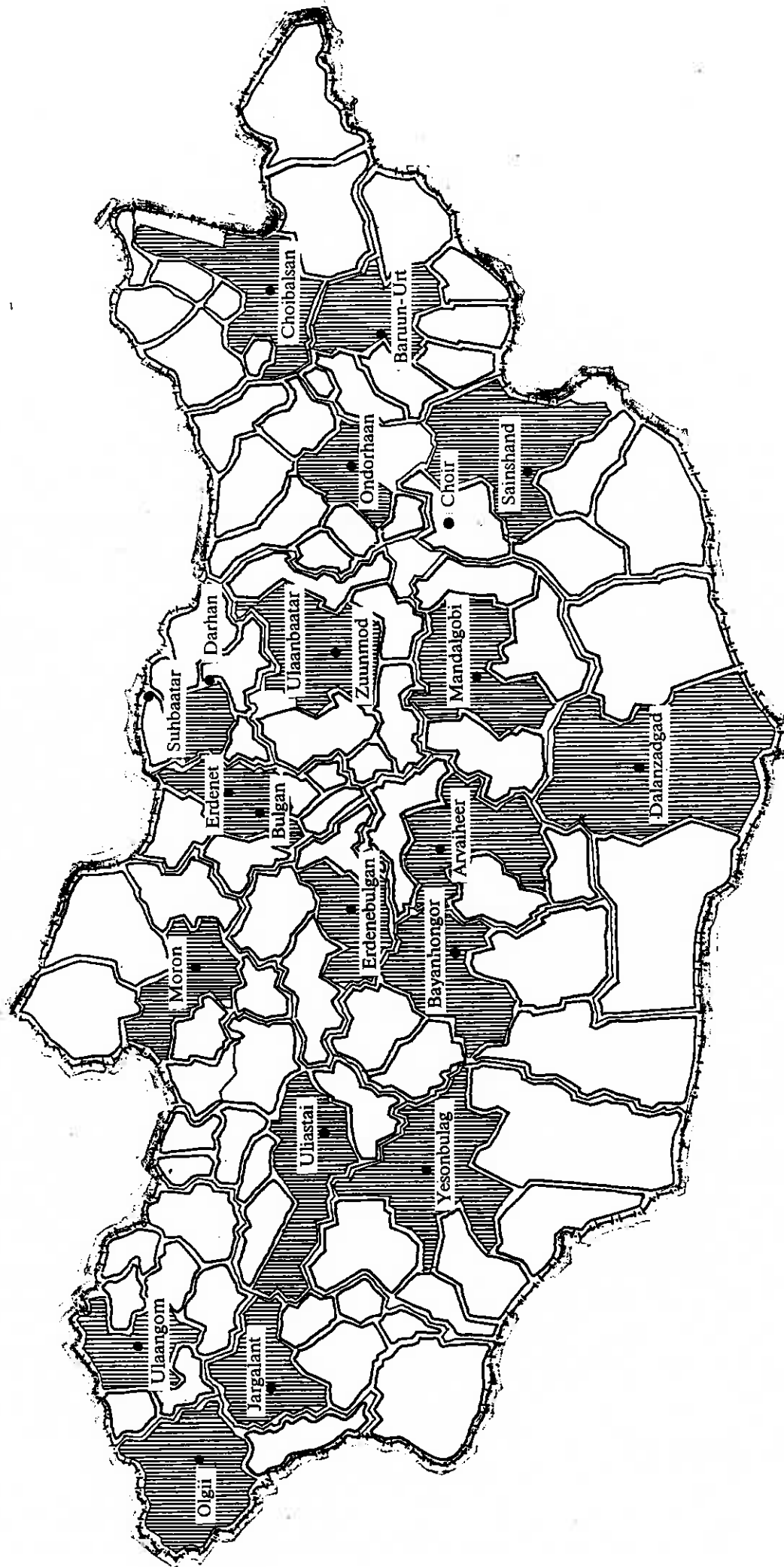
The road and transport network



The electricity network



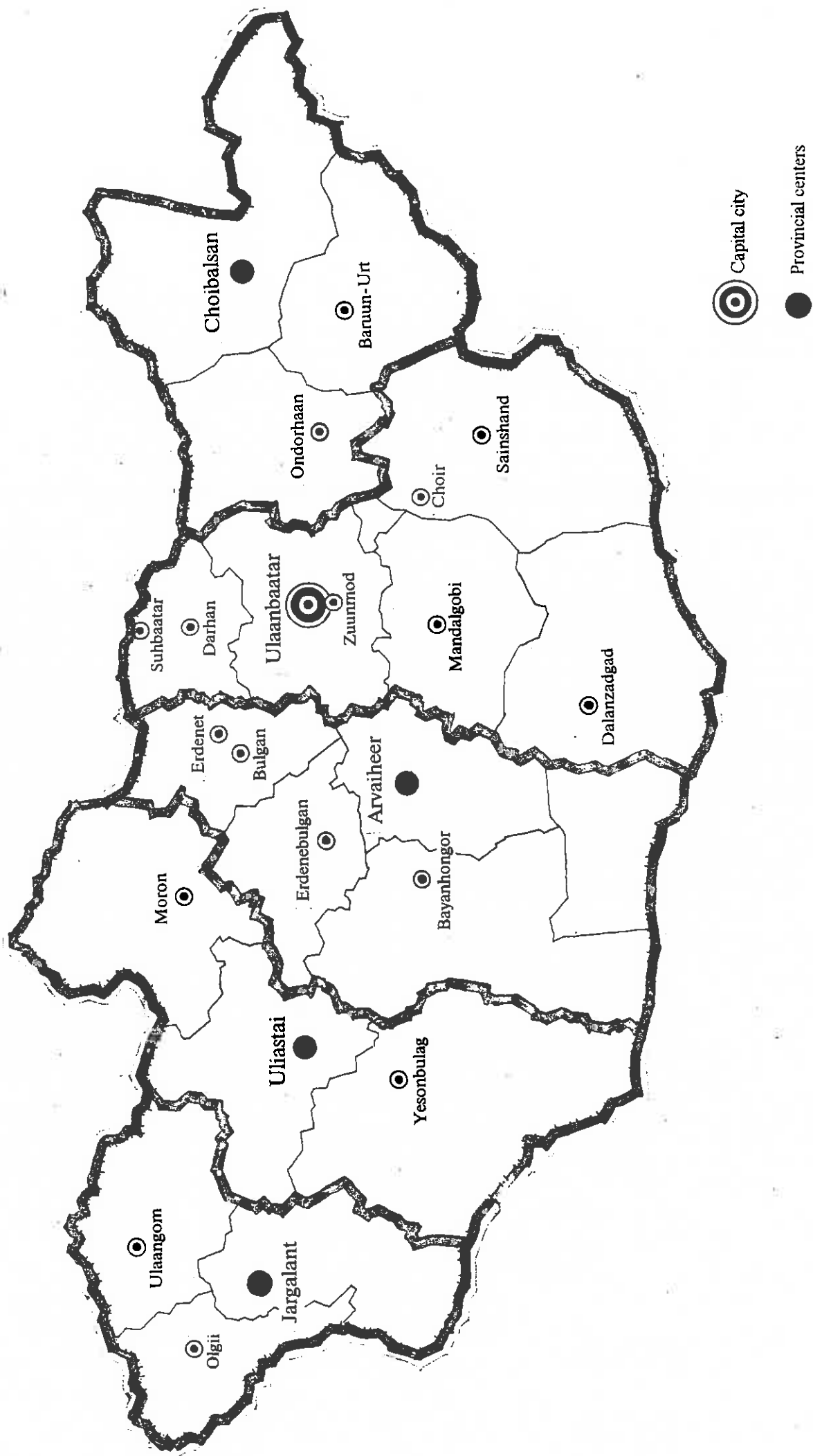
Regional and group systems of settlements



● Settlement center

▨ Outline of adjacent settlements

Settlement and regional planning



**ACTION PLAN FOR IMPLEMENTATION OF
URBAN DEVELOPMENT POLICY OF MONGOLIA
(1996 - 2000)**

1. Updating of Urban Development and Housing Policy Legal Acts in relation to New Social and Economic Structure 1995-1998.

Purpose: Regulation of legal relations of urban development management, organisation, planning and supervision in compliance with new Constitution and in relation to concerning provisions of Land Law and Environmental Group Laws of Mongolia in order to provide legal guarantee for implementation of urban development policy.

1.1. Approval of Bills on Construction Law and Urban Development Law by the Parliament. 1996.

1.2. Elaboration of rules, guidelines and other documentation related to an implementation of the Construction and Urban Development Laws. 1996-1997.

1.3 Approval of Bills on Housing Privatisation, Housing Financing and Housing Policy laws by the Parliament. 1996.

1.4 Elaboration of rules, guidelines and other documentation related to an implementation of the group laws on housing. 1996-1997.

1.5 Updating of technical normative and standards on urban development and housing design. 1996-1998

2. Elaboration of National Policy and Strategy on Urban Development and Housing. 1995-1996

Purpose: Evaluation of current level of urban development and housing, difficulties, negative effects of it and determination of prospective development orientation in compliance with common principles agreed internationally and regionally, national interests and features.

2.1 Common Basis

a) Documentation of UN HABITAT-II Conference at the international level;

b) Documents on urban and housing development agreed at continental and regional level within Asia and Pacific region;

c) National Development Conceptions, peculiarities of traditional nomadic culture and outcomes of research works at the national level.

2.2 Basis for Interconnection:

a) At the international level:

- Documents of international conference on "Population and Development" held in Cairo in 1994;
- Documents of World Summit meeting on Social Development Issues held Copenhagen in 1995;
- Documents of 4th World Women's Conference held in Beijing in 1995;

b) At the national level:

- "Human" National Programme of Mongolia;
- National Programme on poverty and unemployment reduction;
- Concerning documents of NGOs and Political Parties;

c) At the level of local municipalities:

- Advanced practices, technical and technological progress being implemented physically at local initiatives;
- Development programmes being implemented locally and giving physical results.

3. National Projects to Fulfill Urban Development and Housing Strategic Directions. 1995-2000.

Purpose: - Determination of basic factors of country development within urban development policy in compliance with traditions of nomadic culture, peculiarities of Mongolian landscape, nature, climate and socio-economic development tendencies;

- creation of conditions for balanced development of remote regions and progressive decentralisation of population in the capital city through establishing appropriate interrelations between nomadic and settled modes, formation of optimal infrastructure network and establishment of base centres of regions on the basis of common principles of environment and ecological balance within Human Settlement and Development Physical Plan.

3.1 At national level:

a) Approval of the Human Settlement and Development Physical Plan of Mongolia by the Parliament and determination of implementation sequences. 1996

b) Approval of the Tourism Development Master Plan of Mongolia by the Parliament and determination of implementation sequences. 1995-1996.

c) Drawing up and implementation of concrete projects in the field of tourist and national parks. 1996-1998.

d) Drawing up and implementation of concrete projects of optimal infrastructure network. 1995-1998.

e) Drawing up and implementation of projects on Commercial Free Economic Zones. 1996-1998.

2.2 At regional level:

a) Drawing up projects identified within Human Settlement and Development Physical Plan. 1995-1997.

b) Drawing up definitive projects of regional infrastructure network. 1995-1997.

c) Drawing up and implementation of project on regional centre towns. 1996-1997.

3.3 At the level of local municipalities:

a) Identification of methods to improve competitive ability and provide relatively balanced development on the basis of land and natural resources, mineral materials and all agricultural resources in connection with urban development projects to be carried out at national and regional levels. 1996-1997.

b) Drawing up and implementation of project on development of group locality centres and towns having leading role in socio-economic development of the given aimag and identified in relation with appropriate frame of all type services for rural population. 1996-1998.

c) Improvement of land use and modification of land evaluation and inventory and monitoring system in compliance with Environmental and Land Laws. 1996-1998

d) Updating and implementation of Master Plan for Towns Development taking into account interests of multi-type ownership on the basis of evaluation of land used by every given town. 1996-1999.

e) Achievement of physical results in stopping negative effects to the environment, mitigation measures, poverty and unemployment reduction and creation of new job places within the framework of above-mentioned urban development strategic conceptions. 1996-2000.

4. Implementation Means of Urban Development and Housing Policy

Purpose: Elimination of failings resulted in under development of infrastructure network due to budget allocation by "sharing cake" principle during centrally planned economy and urban development policy being limited in professional frame only; activation of measures to make urban development policy of public knowledge and implement it through encouraging public initiatives to achieve desirable outcome.

4.1 Reformation and modification of management and organisational structure. 1996-1997.

a) Establishment of professional unit to implement, regulate and monitor the urban development and housing policy in aimags and towns, provision of them by professional staff, organisation of staff's training and re-training. 1996-1997.

b) Organisation of national conferences, seminars, meetings and training courses at the level of Government and Local Governments and through NGOs in order to make urban development and housing policy and activities of public knowledge. 1996-1997.

c) Organisation of systematic works to advertise urban development policy through mass-media for public knowledge. 1996.

d) Establishment of information system on urban development policy implementation, regulation and monitoring. 1996.

e) Expansion of mutual, international and regional multi-lateral cooperation activities in urban development and housing field; bringing information exchange, personnel training and gaining of experiences up to a new stage. 1996-1998

4.2 Primary objectives of urban development and housing and financing

a) At the Government level:

- Investment into formation of main axes of infrastructure (road, transport, energy, communications), which is contributory factor to the country's socio-economic development, as a priority.
- Appreciation of assistance from international financing agencies and donor countries and encouragement of initiatives of public, NGOs and private enterprises.
- Determination of a proportion of capital to be accumulated at the Government budget based on the aimag and region influences on socio-economic development.

b) At the regional level:

- Investment for development of regional base centres and creation of infrastructure network influential to a socio-economic development of given region as a priority.
- Basis on resources of aimags, that make up region by their territorial and socio-economic conditions, in this field.
- Encouragement of activities of volunteer unions getting active during last years by the initiative of population felt advantages of regional organisation in transition period to market economy.

c) At aimag level:

- Construction of engineering network in aimag centre and group settlements and ensuring of reliable functioning of them.
- Establishment of services and industry capable to support relatively independent development based on local resources and features.
- Construction of houses using local building materials and resources.
- Creation of urban development and housing funds to finance above activities and encouragement of private sector and public involvement.

5. International Cooperation

Purpose: Improvement of benefits of investments through international cooperation activities for implementation of urban development and housing policy, their regulation, interconnection and utilisation.

5.1 Modification of grounds to apply for an international financial assistance and procedural organisation

- a) Identification of directions in urban development and housing for international assistance taking into account their physical input in solving urgent tasks, public understanding and affordability.
- b) Putting interconnection of international projects being implemented or to be implemented in the field of urban development, infrastructure and public services with urban development national strategy.
- c) Increasing of Mongolian party's responsibilities and organisation of its involvement in projects to be implemented through international cooperation.

5.2 Assurance of Projects to be implemented by International Assistance

- a) Establishment of a system to assure basic data and reflect local peculiarities and peculiarities of Mongolia in feasibility study for the projects to be carried out within international assistance.
- b) Establishment of a system to assure project interim and final reports, register them in urban development information base and advertise them to a public.
- c) Creation of a system to receive project outcome, ensure fulfillment of bilateral and multi-lateral obligations, and reliable functioning of implemented measures, facilities and network at a national level.
- d) Creation of a national structure to evaluate project benefit not by investment amount and type of installed facilities but by perceptible results and practical steps towards socio-economic development, environmental protection, improvement of health and living standard level, creation of job places and poverty reduction.
- e) Determination of loan repayment conditions at very beginning of project under feasibility study and further updating on the basis of total expenditure incurred during project implementation stage, detailed estimation of full repayment terms and public advertisement of it.

6. Creation of Monitoring Structure of Urban Development and Housing Policy. 1995-1996.

Purpose: Creation of monitoring and information structure of urban development and housing policy implementation within the programme of urban development and housing indicators elaborated by UN HABITAT.

6.1 At national level:

a) Establishment of central information base on urban development and housing in relation to Environmental Group Laws, Land Law and Bill of Urban Development Law. 1995-1996

b) Interconnection of Urban Development and Housing Information Base with National Statistical Information. 1995-1996.

c) Interconnection of Urban Development and Housing Information Base with UN HABITAT at international level and urban development and housing information structures of Asia and Pacific Region. 1996-1997.

6.2 At regional level:

a) Identification of regional indicators for urban development and housing national information base structure. 1996.

b) Establishment of urban development and housing information network at a regional level. 1996-1997.

6.3 At the level of local municipalities:

a) Identification of urban development and housing indicators at aimag level. 1996.

b) Identification of urban development and housing indicators at the centre of group settlements and somons level by aimags in turn.

c) Establishment of system to identify detailed indicators of environmental protection, land use and indicators at smaller localities level by somon. 1996-1997.