Sustainable and Inclusive Urbanization in Mongolia
A Human Development Approach

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Urbanization

Key Trends & Analysis
Trends

- Urbanization is very high: 69% of the population lives in urban areas.
- Population growth of UB was 5.74% over the period, 2000-10
- Over 80% of the GDP sourced from urban areas, UB alone accounts for 65% of the total GDP.
- UB centric GDP growth heavily depends on mining causing migration
- Greater vulnerabilities even as income poverty decreases.
- Ger area development and differential access to social services.
Urban Economic Sustainability

- The emergence of ‘Growth Poles’:
  - Ulaanbaatar
  - The mining regions of south Gobi
  - The mining areas in the north, Darkhan and Erdenet

- Law on Urban Development assigned the Govt. to prepare *Regional Development Concept* and *Urban Development and Planning Policy*

- *Aimag Centre's Competitiveness and Local Economic Development* emerging as *important policy concerns*
**Human and Social Capital Development**

**Poverty: 2007/8-2012**
- Sharp overall decline in poverty $\rightarrow$ 39.2% to 27.4%
- Rural poverty declined significantly $\rightarrow$ 46.6% to 35.5%
- **Urban poverty declined slightly** $\rightarrow$ 26.9% to 26.6%
- Poverty in Ulaanbaatar rose slightly between 2007/8 and 2011* $\rightarrow$ 21.9 to 23.5%.

**Urban Inequality**
- Intra urban **inequality moderately high** $\rightarrow$ UB Gini is 0.34 (2004)
- Intra urban differentials in employment are high $\rightarrow$ **high unemployment** rates (over 50%) relative to Ulaanbaatar apt areas (21%).
- Significant range in access to infrastructure and services $\rightarrow$ access to ‘complete infrastructure’ stood at 21.3% in Nalaikh compared to 74.2% in Bayangol
- **Gender wage gap high** $\rightarrow$ women earn up to 15% less than men
Democratic Governance

- Equal access to civil and political rights as well as social and economic rights remain challenges for migrating communities to urban settlements in Ger in and around Ulaanbatar.
- Scarcity of land, corruption in land allocation at the urban level, expansion of satellite cities without proper planning and delivery of services, especially in Ulaanbatar are critical problems.
- Participatory urban governance low with weak institutional mechanisms for involvement of civil society organizations, women, youth, and migratory populations; top down decision making.
- High corruption levels with the Anti Corruption Commission trying to impact on transparency and accountability in municipality operations.
- Unclear and competing lines of governance and responsibility between central government agencies, Ulanbatar municipality, and aimag centers.
Reliance on coal for energy has made Mongolia one of the most GHG-intensive economies in the world.

Urban air pollution is a serious environmental issue that needs to be tackled in UB.

Groundwater pollution is closely related with Ger area sanitation.

In urban areas floods and storms are the most frequent occurring natural disasters.

Green Cities and Smart Cities are on the policy agenda!
UNDP’s Urban Development Strategy
Global Strategy

Sustainable Urban Development

- Poverty Alleviation (pro poor growth, livelihoods, access to assets and services)
- Urban Institutional Reform and Capacity Development (local government, national government departments, civil society, capacity at individual, organization, and systemic levels)
- Urban Governance (Institutions, actions, results/principles)
- Urban Environmental Sustainability (shelter, energy, climate change adaptation, waste water management)
- Crisis Prevention and Recovery (economic revitalization, state building, disaster risk reduction, dispute resolution)
A Mongolia in which urbanization process is managed in a more sustainable way that results in continuous improvements to economic prosperity, equity, quality of life and well-being for all people living and working in cities and towns.

Urban areas (cities and towns) characterized by greater economic equality, resilience, effective local governance, delivering improved services to the urban poor

FOUNDATION: UNDP Mongolia Programme
UNDP Mongolia Urban Development Strategy

Urban Economic Sustainability

**Strategic focus**

- Support the Govt. of Mongolia in preparing, updating, and implementing the *Regional Development Concept* and the *National Urban Development and Planning Policy*;

- Accelerate local economic development through providing technical support toward the preparation and implementation of *UB City Development Strategy*.

- Support secondary cities’ development by fostering *aimag centres’ competitiveness*.
UNDP Mongolia Urban Development Strategy
Human and Social Capital

Strategic focus

- **Poverty and Inequality Statistics:** Develop capacity to track multi-dimensional urban poverty and inequality, including vulnerability of social groups;

- **Ger upgrading:** support formulation and implementation of integrated and citywide ger area upgrading and renewal strategies and programmes in UB, its satellite towns (Baganuur, Bagakhangai and Nalaikh), and Aimag centres.

- **Boosting employment:** employment generating activities, especially for youth, drawing on successful practices from across the region.
UNDP Mongolia Urban Development Strategy
Governance for Inclusive Urbanization

Strategic focus

- Support the delivery of better urban development through the establishment of transparent and accountable system of *Participatory Urban Governance* in urban settlements at all levels

- Address the problems of policy coordination, policy inequities and policy accountability through establishing an efficient system of Metropolitan Governance with clear delineation of responsibilities between the different levels of government

- Improve *Gender Responsive Urban Governance*, including women’s representation, political participation and leadership in decision-making within the society and government
Strategic focus:

- **Climate Adaptation**: Making urban centres more climate resilient, by protecting the resource bases on which the cities depend, e.g. ground and river water, upstream watersheds and surrounding landscapes.

- **Climate Mitigation**: Making energy use more efficient to reduce air pollution from transportation, heating and other fuel uses, and to reduce energy consumption and CO2 emissions.

- **Water use and water pollution**: Address groundwater contamination and overextraction of groundwater. Support the National Water Programme and Programme on Sanitation Facilities and look particularly at the water cycle for peri-urban ger settlements (water extraction, treatment, use, wastewater disposal and processing).
Conclusion

Proposed strategy helps UNDP develop a cross-cutting programme that builds upon and draws from existing UNDP poverty, environment, and governance portfolios in partnership with the Government of Mongolia, civil society and international partners.