



STATE GREAT HURAL OF MONGOLIA

# **MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030**

Ulaanbaatar  
2016



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**MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030**  
(Unauthorized translation from Mongolian)

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# CONTENTS

	MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030 ..... 7
	LAW OF MONGOLIA ON DEVELOPMENT POLICY PLANNING ..... 35





## STATE GREAT HURAL OF MONGOLIA RESOLUTION

5 February 2016

No 19

Ulaanbaatar city

### RE: APPROVING MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030

Pursuant to Paragraph 43.1 of Section 43 of Mongolian Law on Parliament, the Parliament RESOLVES hereby:

1. To approve "Mongolia Sustainable Development Vision 2030" as attached.
2. To assign to the Government of Mongolia (Saikhanbileg.Ch) the duty to take the following actions in pursuant with the approval of Mongolia Sustainable Development Vision 2030:

1/ Implement Mongolia Sustainable Development Vision 2030 in phases by incorporating the Vision into the medium term development policies, Government action plan, annual socio-economic development guideline and the state budget;

2/ Do monitoring and evaluation on whether national, sectoral and cross-sectoral policies approved by the Parliament and the Government have coherence and coordination to the Vision in 2016 and reformulate the policies found necessary to be renewed;

3/ Establish a permanent structure and system to organize the activities to implement, monitor and evaluate Mongolia Sustainable Development Vision 2030;

4/ Monitor and evaluate the implementation of Mongolia Sustainable Development Vision every two years and report the findings to the relevant Standing Committees of the Parliament;

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

4. In pursuant with the approval of the resolution, the Mongolian Parliament Resolution No. 26 dated May 3, 1996 on the approval of "Mongolia's Development Vision," and the Mongolian Parliament Resolution No. 12 dated January 31, 2008 on the approval of "Millennium Development Goals (MDGs)-based Comprehensive National Development Strategy of Mongolia" shall be nullitied.

SPEAKER  
STATE GREAT HURAL OF MONGOLIA

Z.ENKHBOLD



**MONGOLIA  
SUSTAINABLE  
DEVELOPMENT  
VISION 2030**





*Annex to State Great Hural  
Resolution No 19, 2016*

## **MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030**

By 2030, Mongolia aspires to be amongst leading middle-income countries based on per capita income. It hopes to be a multi-sector stable economy, and a society dominated by middle and upper-middle income classes, which would preserve ecological balance, and have stable and democratic governance.

Mongolia would achieve the following through implementation of the Mongolia Sustainable Development Vision 2030:

1. Increase its GNI per capita to USD 17,500 and become an upper middle-income country based on its income per capita.
2. Ensure average annual economic growth of not less than 6.6 percent through 2016-2030.
3. End poverty in all its forms.
4. Reduce income inequality and have 80 percent of the population in the middle and upper-middle income classes.
5. Increase the enrollment rate in primary and vocational education to 100 percent, and establish lifelong learning system.
6. Improve the living environment of the Mongolian people to lead a healthy and long life; increase life expectancy at birth to 78 years.
7. Be placed among first 70 countries on the ranking of countries by the human development index.
8. Preserve ecological balance and to be placed among first 30 countries on the rankings of the countries by the Green economy index in the world.
9. Be ranked among first 40 countries by the Doing Business Index and among first 70 countries by the Global Competitiveness Index in the world.
10. Build professional, stable and participative governance, free of corruption that is adept at implementing development policies at all levels.

## ONE. INDICATORS FOR MONGOLIA SUSTAINABLE DEVELOPMENT VISION 2030

The following 20 key results indicators will be used to assess the performance and implementation of Mongolia Sustainable Development Vision 2030.

#	Indicator	Measuring unit	Base level (2014)	Target level (2030)
1	Annual average economic growth	percent	7.8	6.6 <sup>1</sup>
2	Gross national income per capita	USD	4,166	17,500
3	Human development index	rank	90	70
4	Life expectancy	years	69.57	78
5	Poverty rate	percent	21.6	0
6	Global competitiveness index	rank	104	70
7	Doing business index	rank	56	40
8	Environmental performance index	rank	111	90
9	Share of the population with social insurance coverage in the total economically active population	percent	84.4	99
10	Gini coefficient of inequality	score	36.5	30
11	Infant mortality ratio per 1,000 live births	ratio	15.1	8
12	Maternal mortality ratio per 100,000 live births	ratio	30.6	15
13	Number of students in a class at high school (national average)	number	27.3	20
14	Area of the land with disease free status for international trade certified by World Animal Health Organization	percent	0	60

<sup>1</sup> (average in 2016-2030)

#	Indicator	Measuring unit	Base level (2014)	Target level (2030)
15	Area of desertified land	percent	78.2	60
16	Area of specially protected land	percent	17.4	30
17	Number of foreign tourists travelling in Mongolia	million person	0.392	2.0
18	Share of the households using reliable electricity	percent	89	100
19	Share of the processing sector exports in total exports	percent	17	50
20	Share of main fuel products supplied from domestic production	percent	0	100

## TWO. SUSTAINABLE DEVELOPMENT OBJECTIVES OF MONGOLIA

### 2.1. SUSTAINABLE ECONOMIC DEVELOPMENT

A sound macroeconomic policy will be implemented and the economy will be diversified in order to meet the 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.

#### Macroeconomic policy principles:

- Sustain long-term average economic growth at no less than 6.6 percent;
- Achieve zero overall budget deficit, and reduce the share of budget deficit (exclusive of mining revenue) in Gross Domestic Product to 15 percent by 2020 and 10 percent by 2025;
- Strictly maintain appropriate budget balances, reduce the share of total budget expenditure in Gross Domestic Product (inclusive of state budget and Development Bank financing) to 35 percent by 2020 and 30 percent by 2030;

- Strictly comply with the debt-ceiling requirements, maintain an appropriate debt level and implement policies aimed at constantly improving Mongolia's credit rating;
- Implement policies to hedge the country from international market and commodity price fluctuations and create a sovereign wealth fund and accumulate the funds;
- Diligently accumulate foreign exchange reserves at the proper amount;
- Keep the external trade/balance free of deficits; maintain the stability of the Tugrug; and maintain the inflation stable and at low levels;
- Ensure long-term sustainability, credibility and accountability in the banking and financial sectors, and implement proper credit and interest rate policies coherent with the development policy goals;
- Cooperate with international economic cooperation organizations, join their initiatives, sign agreements on economic cooperation and free trade, and implement major regional projects;
- Promote public private partnership, utilize international cooperation funds and long-term concessional loans, cooperate with international financial organizations, and coordinate policies in order to implement the sustainable development Vision.

**Principles for sectoral development:**

- Adopt advanced technologies with high productivity in each sector, and encourage new products, production and services adopting innovations;
- Encourage production methods that is natural resource-efficient, i.e. low in green house emissions and pollution;
- Strictly comply with the principles of efficiency and effectiveness in all economic and social sectors.

### 2.1.1. Agriculture sector

**Objective 1: Preserve the gene pool and resilience of pastoral livestock breeding that is adept to climate change, increase productivity; create proper flock structure of livestock in line with grazing capacity, reduce the grazing and land deterioration and rehabilitate, adopt international standards in animal disease traceability, inspection and maintenance technology, and develop livestock sector that is competitive in international markets.**

**Phase I – (2016–2020):** Ensure appropriate numbers and flock structure in the total livestock, have no less than 10 percent of Mongolia’s territory as disease free, for trade and quarantine, confirmed by the World Organization for Animal Health, develop veterinary services that are compliant with animal health standards for the export of livestock and livestock products to the neighboring countries, and improve the national veterinary system.

**Phase II – (2021–2025):** Ensure appropriate numbers and flock structure in the total livestock, have no less than 30 percent of Mongolia’s territory as disease free for trade and quarantine, confirmed by the World Organization for Animal Health, increase opportunities to export livestock and livestock products, improve veterinary services that are compliant with animal health standards; and improve the national veterinary system, to be in line with the international benchmarks.

**Phase III – (2026–2030):** Ensure appropriate numbers and flock structure in the total livestock; have no less than 60 percent of Mongolia’s territory as disease free for trade and quarantine, confirmed by the World Organization for Animal Health, increase opportunities to export livestock and livestock products; and improve the national veterinary system to meet international standards.

**Objective 2. Develop intensive livestock farming based on the population concentration and market demand; increase the manufacture of meat and milk products; and develop the supply, storage and transportation network for raw materials and raw products.**

**Phase I – (2016–2020):** Increase the share of animals and livestock having ‘high output potential’ in the total animal and livestock population to 3 percent, increase the head of pure breed cattle to hundred thousand in intensive livestock farming, increase the number of pigs and chicken in livestock, reduce imports of livestock products, and establish the supply, storage and transportation of raw materials and goods at the Aimag and Soum levels.

**Phase II – (2021–2025):** Increase the share of animals and livestock ‘having high output potential’ in the total animal and livestock population to five percent, increase the pure breed cattle heads to 150 thousand in intensive livestock farming, increase the number of pigs and chicken livestock farming, reduce imports of livestock products, and develop the supply, storage and transportation network of raw materials and goods at the Aimag and Soum levels.

**Phase III – (2026–2030):** Increase the share of animal and livestock ‘having high output potential’ in the total animal and livestock population to eight percent, increase the pure breed cattle heads to 200 thousand in intensive livestock farming, increase the number of pig and chicken farming, and reduce imports and develop national supply, storage and transportation network of raw materials and goods.

**Objective 3. Increase the fertility of soil, reduce land deterioration, adopt economical and efficient advanced agro-technical and irrigation technology to repair soil, and develop intensified farming in order to meet the domestic demand for grains, potato and vegetables.**

**Phase I – (2016–2020):** Increase the use rate of zero-tillage farming technology to 70 percent in grain fields, adopt new and efficient irrigation technologies, increase the area of irrigated arable land to 65 thousand hectares, increase the supply of fertilizer demand to 50 percent, raise the supply of high quality local seeds to 75 percent, increase the fertility of farmlands, and reduce soil degradation and erosion.

**Phase II – (2021–2025):** Increase the use rate of zero-tillage farming technology to 80 percent in grain fields, adopt new and efficient irrigation technologies, increase the area of irrigated arable lands to 100 thousand hectares, increase the supply of fertilizer demand to 70 percent, raise the supply of high quality local seeds to 90 percent, increase the fertility of farmlands, and reduce soil degradation and erosion.

**Phase III – (2026–2030):** Increase the use rate of zero-tillage farming technology to 90 percent in grain fields, adopt new and efficient irrigation technology, increase the area of irrigated arable land to 120 thousand hectares, increase the fertilizers demand to 100 percent, raise the supply of high quality local seeds to 100 percent, increase the fertility of farmlands, and reduce soil degradation and erosion.

**Objective 4. Support the business and economics of herders and herder groups, and small and medium sized farmers; provide modern techniques, technologies and electricity; and create a financial, economic and legal environment for sustainable production.**

**Phase I – (2016–2020):** Provide up to 50 percent of herders and farmers with electricity, techniques and technologies capable of supporting household businesses, and support them financially through leasing, concessional loans and other financial instruments.

**Phase II – (2021–2025):** Provide up to 75 percent of the herders and farmers with electricity, techniques and technologies capable of supporting household businesses, support them financially through leasing, concessional loans and other financial instruments, and create a prudent system for herders and farmers to supply their products to the markets.

**Phase III – (2026–2030):** Herders and farmers would have a permanent business income.

## 2.1.2. Tourism sector

**Objective 1. Mongolia would become the international destination for nomadic culture and tourism.**

**Phase I – (2016–2020):** Improve the infrastructure and the service quality of major natural and cultural heritage sites and exhibitions, create Mongolia's unique tourism image in the international platforms, develop eco-tourism regions and products compliant with environmental and health requirements, and increase the number of foreign tourists to one million annually.

**Phase II – (2021–2025):** Join the international tourism corridor regionally, improve the quality of infrastructure and services, develop eco tourism regions, products and services compliant with environmental and health requirements, diversify and develop seasonal tourism, consistently improve the promotion of Mongolia's nomadic culture and tourism, and increase the number foreign tourists to 1.5 million annually.

**Phase III – (2026–2030):** Develop eco tourism regions, products and services compliant with environmental and health requirements, promote Mongolia's nomadic culture and tourism brand globally, increase revenue from tourism, and increase the number of foreign tourists to two million annually.

### 2.1.3. Industrial sector

#### **Objective 1. Develop the industrial sector based on advanced methods, technology and innovations, and increase productivity.**

**Phase I – (2016–2020):** Increase the share of production and processing sector in total exports to up to 15 percent, improve the agricultural products exchange network, develop export-oriented processing industry clusters that deploy advanced technologies, and increase the share of processed produce in leather, wool and cashmere to up to 60 percent in the total raw material produced.

**Phase II – (2021–2025):** Increase the share of production of the production and processing sectors in total exports to up to 25 percent, develop export-oriented processing industry clusters that deploy advanced technologies to increase productivity, and increase the share of processed produce in leather, wool and cashmere to up to 70 percent in the total raw material produced.

**Phase III – (2026–2030):** Develop export-oriented processing industry clusters that deploy advanced technologies, and increase the share of processed produce in leather, wool and cashmere up to 80 percent in the total raw material produced.

#### **Objective 2. Introduce advanced technology in food industry, improve the competitiveness, increase domestic supply in main food products, and ensure that citizens are supplied with healthy and safe food products.**

**Phase I – (2016–2020):** Ensure full supply of grains, potatoes and vegetables from domestic production, develop agriculture, and food processing industry clusters in cities and urban settlements, and ensure that the domestic production meets at least 30 percent of the meat demand and 40 percent of the milk demand in the country.

**Phase II – (2021–2025):** Provide healthy and safe food products to the population; introduce advanced technologies, export “Mongol brand” food products to the international markets, and ensure that the domestic production meets at least 50 percent of the meat demand and 60 percent of the milk demand in the country.

**Phase III – (2026–2030):** Provide healthy and safe food products to the population, diversify the export of “Mongol brand” food products in the international markets,



and ensure that the domestic production meets at least 70 percent of the meat demand and 80 percent of the milk demand in the country.

### **Objective 3. Develop the chemical industrial sector, and supply the main types of fuel products meeting international standards from local production.**

**Phase I – (2016–2020):** Meet up to 20 percent of the national demand for main fuels from domestic production meeting the Euro-4 standards, and create conditions for smelting copper and purifying gold, processing petroleum, natural gas, oil shale and coal, and acquiring manufacturing prowess in chemical fertilizers and other chemicals.

**Phase II – (2021–2025):** Meet up to 70 percent of the national demand for main fuels from domestic production meeting the Euro-5 standards, develop industries for smelting copper and purifying gold, processing petroleum, natural gas, oil shale and coal, and acquiring manufacturing prowess in chemical fertilizers and other chemicals.

**Phase III – (2026–2030):** Meet up to 100 percent of the national demand for main fuels from domestic production meeting the Euro-5 standards, develop industries for smelting copper and purifying gold, processing petroleum, natural gas, oil shale and coal, and acquiring manufacturing prowess in chemical fertilizers and other chemicals.

## **2.1.4. Mining sector**

### **Objective 1. Support geological sector development.**

**Phase I – (2016–2020):** Strengthen the capacity to undertake all types of comprehensive research in geology, geochemistry and geophysics, update research methodologies, guidelines and procedures conjunct with internationally accepted methods, draw a full map of Mongolia with a 1:200,000 scale, and draw geological maps on 1:50,000 scale for 40 percent of the territory, with ore zones and banks with mineral resources for general exploration.

**Phase II – (2021–2025):** Create a geological information data base, create a favorable environment for investment in the mineral exploration sector, and draw geological maps of 1:50,000 scale for 50 percent of the territory, with ore zones and banks with mineral resources for general exploration.

**Phase III - (2026–2030):** Conduct in-depth explorations at all sites with mineral resource deposits, and draw geological map of 1:50,000 scale for 60 percent of the territory, with ore zones and banks, with mineral resources for general exploration.

**Objective 2. Encourage transparent and accountable extractive industry, and improve the competitiveness of the mining sector.**

**Phase I - (2016–2020):** Ensure stable investment environment for the mining sector, develop environment-friendly infrastructure and transportation network, and establish high-capacity power plant in Gobi region.

**Phase II - (2021–2025):** Implement projects on reliable water supply sources, and ensure full functionality of large mining projects.

**Phase 3 - (2026–2030):** Start development of large mining projects, and develop the infrastructure.

### 2.1.5. Energy and infrastructure sector

**Objective 1. Ensure stable, reliable and full supply of energy domestically and export energy.**

**Phase I - (2016–2020):** Meet up to 85 percent of the national energy demand from domestic supply.

**Phase II - (2021–2025):** Meet up to 90 percent of the national energy demand from domestic supply..

**Phase III - (2026–2030):** Meet 100 percent of national energy demand from domestic supply, and become an energy exporting country.

**Objective 2. Increase the share of renewable energy in the consumption of total energy, and seek for new energy sources.**

**Phase I - (2016–2020):** Increase the share of renewable energy in the consumption of total energy to 20 percent, and initiate preparation for a nuclear power plant.

**Phase II - (2021–2025):** Increase the share of renewable energy in the consumption of total energy to 25 percent, and complete the preparation for a nuclear power plant.

**Phase III (2026–2030):** Increase the share of renewable energy in the consumption of total energy to 30 percent, and begin to use energy from nuclear power plant.

**Objective 3. Expand and develop roads and transportation logistics network to enable economic growth.**

**Phase I - (2016–2020):** Build transportation and logistics centers at Zamiin-Uud, Khushigiin Khundii and Altanbulag, extend asphalt roads for international and domestic travels by 1600 km, build and use the railroad from Ukhaa Khudag to Gashuun Sukhait, initiate construction of railroads from Erdenet-Ovoot to Bogd khaan, and develop transit transportation.

**Phase II - (2021–2025):** Build and use transportation and logistics centers to serve the agricultural, industrial and mining sectors, develop new forms of transportation; extend the domestic asphalt roads length by 800 km, complete the construction of railroads from Erdenet - Ovoot to Bogd khaan, and initiate the railroad construction work in the regions.

**Phase III - (2026–2030):** Develop new transportation and logistics centers, extend asphalt roads for international and domestic travels by another 470 Km, and complete the construction of railroads in the regions.

**Objective 4. Expand and develop all types of economically efficient, safe, and comfortable transportation services that meet customers' demand.**

**Phase I - (2016–2020):** Reduce transportation costs of international and domestic trade, reduce transportation time, develop airports in Aimags and large Soums, further develop general air transportation, and complete the construction of Khushig Khundii international airport.

**Phase II - (2021–2025):** Further reduce the costs of international and domestic trade, reduce transportation time, build a national reserve airport, support free competition in air transportation, develop Khushig Valley airport as the regional hub center, and create a new modern public transportation system in Ulaanbaatar city.

**Phase III - (2026–2030):** Further reduce transportation costs of international and domestic trade, reduce transportation time, expand national air transportation network, and develop a regional air transportation transit center.

**Objective 5. Improve the legal environment for urban and land development based on the extant population settlements and residential systems.**

**Phase I - (2016–2020):** Develop the “The general plan for Mongolian population settlement, residential development”, implement the amendments to “The general development plan of Ulaanbaatar City- 2020” in phases, and make amendments to the general development plans of province centers and state in regard to land.

**Phase II - (2021–2025):** Determine the leading regions of industrial development, develop and enforce general urban development plans and partial general plans of cities and settlements, create infrastructure for national geo-location information systems, and develop and implement master plans for land usage at the state, province, capital city, soum, and district levels.

**Phase III - (2026–2030):** Continue developing and enforcing the general and partial plans for urban development.

**Objective 6. 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.**

**Phase I - (2016–2020):** 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 percent.

**Phase II - (2021–2025):** Enforce the green development standards for urban development, build infrastructure that meets the green development model in cities and urban settlements, and reduce the heat-loss in buildings by 25 percent.

**Phase III - (2026–2030):** Further enforce the green development standards for urban development, develop cities and urban settlements that meet with international standards on health, safety and comfort, and reduce heat-loss in buildings by 40 percent.

**Objective 7. Expand information technology and telecommunications coverage, install and increase the use of high-speed networks in rural areas, and launch a national satellite.**

**Phase I - (2016–2020):** Provide high-speed internet connection for 70 percent of the population, enforce the same price/tariff across all territories, and increase the information flow speed running through the high-speed network connecting Asia and Europe by 10 times.

**Phase II - (2021–2025):** Provide high-speed Internet connection for 90 percent of the population, ensure that at least 70 percent of the rural populations use broadband Internet services, and digitize no less than 50 percent of public services.

**Phase III - (2026–2030):** Provide high-speed Internet connection for 95 percent of the total population, digitize no less than 85 percent of public services, and launch and use a national satellite.

## 2.1.6. Macroeconomic policies

**Objective 1. Implement sound planning of the state budget revenues and expenditures, and ensure efficient, effective and proper expenditure management.**

**Phase I - (2016–2020):** Ensure that the state budget deficit is at less than 2 percent of the Gross Domestic Product.

**Phase II - (2021–2025):** Plan and implement the state budget with no deficit.

**Phase III - (2026–2030):** Plan the state budget with no deficit, and create a wealth fund.

**Objective 2. Establish sound development finance and financial market system that would help promote stable economic growth; increase the role of non-bank financial institutions in the financial markets; and stabilize the different financial institutions: commercial banks, stock exchange and insurance companies.**

**Phase I - (2016–2020):** Improve the regulations of financial market, increase the share of stock exchange to 10 percent, reduce the share of commercial banks to 90 percent, and increase the share of insurance market in the financial market.

**Phase II – (2021–2025):** Further improve the regulations of financial market, increase the share of stock exchange to 12 percent, reduce the share of savings invested in commercial banks to 86 percent, and further increase the share of insurance market in the financial market.

**Phase III – (2026–2030):** Continue to improve the regulations of financial markets, increase the share of stock exchange to 16 percent, reduce the share of commercial banks to 82 percent, and continue to increase the share of insurance market in the financial market.

**Objective 3. Establish development finance system, and improve and implement a proper foreign and domestic debt system.**

**Phase I – (2016–2020):** Establish a sound development finance system, restructure and settle debts without adversely affecting the economy and the balance of payments, ensure that the foreign debt is less than 58.6 percent of the Gross Domestic Product, and maintain proper debt and other financial thresholds.

**Phase II – (2021–2025):** Strengthen the development finance system, develop a sound debt management system, implement proper foreign debt management, strictly comply with debt ceilings, and ensure that foreign debt is less than 50 percent of the Gross Domestic Product.

**Phase III – (2026–2030):** Strictly comply with debt ceilings, and ensure that the foreign debt is less than 40 percent of the Gross Domestic Product.

### 2.1.7. Favorable business environment

**Objective 1. Improve trade and services, develop transportation and logistics network of import and export goods, simplify the system for special license issuance, digitalize and improve tax payments and state registration systems, and establish a favorable business environment.**

**Phase I – (2016–2020):** Develop trade and services infrastructure, coordinate the activities of the border control organizations and reduce the number of days for foreign trade /exports/ to 25 days, and decrease the costs and expenses related to trading and related activities.

**Phase II – (2021–2025):** Simplify the system for special license issuance, digitalize and improve tax payments and state registration systems, reduce the number of

days for foreign trade /exports/ to 18 days, and decrease the costs and expenses related to trading and related activities.

**Phase III - (2026-2030):** Develop infrastructure and logistics networks of trade and services to improve competitiveness of export goods, reduce transportation costs and expenses of imported goods, reduce the number of days for foreign trade /exports/ to 25 days, and decrease the costs and expenses of trading and related activities.

## 2.2. SUSTAINABLE SOCIAL DEVELOPMENT

The objective of the sustainable social development will be to ensure gender equality, improve the quality of and access to health care services, create a healthy, safe living environment for the citizens, improve public awareness on health education, provide equal education of high quality to every citizen, build a national system for lifelong education, end all forms of poverty, and increase the share of middle-income classes sustainably and consistently.

### Principles for achieving the sustainable social development:

- Human development must be the core measure for development;
- Civil and lifelong education system must be open, accessible and of high quality;
- Impart high quality health care services accessible to all and protect from financial risks. It should be based on the equal participation of the populace at large;
- Ensure equal participation of working age populations in the labor markets, and keep the employment rate high;
- Introduce a labor market system that values Mongolian workers' labor based on productivity;
- Provide social welfare services for the target population in an equitable and inclusive manner;
- Plan state budget investment expenditure for social services in accordance with the needs of the population;
- Ensure gender equality in social development, and create a pleasant environment for equal participation in social welfare;
- Ensure equal participation for citizens with physical disabilities, and provide opportunities to be employed.

## 2.2.1. Ensuring social equality through inclusive growth

### Objective 1. End all forms of poverty.

**Phase I – (2016–2020):** 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.

**Phase II – (2021–2025):** Provide vocational training for the poor and vulnerable populations, improve the system for advancing their work skills, improve the benefits of social welfare services, and reduce the poverty rate to a single digit.

**Phase III – (2026–2030):** Increase the availability and accessibility of jobs, end all forms of poverty, and expand the middle classes in the society to 80 percent of the population.

### Objective 2. 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.

**Phase I – (2016–2020):** Promote employment, raise the working-age population's economic activeness to 66 percent, reduce unemployment rate to 6 percent 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 100 billion tugrugs.

**Phase II – (2021–2025):** Promote employment and increase the working-age population's economic activeness to 68 percent, reduce unemployment rate to 4 percent in the laborforce, increase the participation in decent work, and continue increasing the small and medium enterprise support fund to at least 200 billion tugrugs.

**Phase III – (2026–2030):** Promote employment, raise the working-age population's economic activeness to 70 percent, reduce unemployment rate to 3 percent in the laborforce, and continue increasing the small and medium enterprise support fund to at least 300 billion tugrugs.



**Objective 3. Develop a social security system that takes into account the national characteristics and the changes in the population's age structure to improve the quality of life.**

**Phase I - (2016-2020):** Implement social insurance system reform (pension, accident, employment, welfare and health insurance), improve the management and governance of funds and ensure transparency in expenditure and financial management of the funds.

**Phase II - (2021-2025):** Put in place a multi-layer social insurance system, have the entire population covered by social insurance, and keep the rate of social insurance flexible for it to be in conjunction with the market conditions.

**Phase III - (2026-2030):** Implement sound management of social insurance funds, ensure that funds do not run into deficit, and ensure that the social insurance system is fully independent, accountable and transparent.

## 2.2.2. An effective, high quality and accessible health care system

**Objective 1: Create national disease preventable system, increase the access to diagnosis services and increase life expectancy of the population.**

**Phase I - (2016-2020):** Reform the health insurance system, ensure early diagnosis and urgent responses to preventable and predominant diseases, improve the capacity of investigation, establish early diagnosis systems and laboratories, and increase life expectancy of the population to 71 years.

**Phase II - (2021-2025):** Increase access to treatment and services covered by health insurance, ensure early diagnosis of predominant diseases, create a national long-distance health network covering all Soums, reduce the risk factors of sickness and death, and increase life expectancy of the population to 74 years.

**Phase III - (2026-2030):** Create proper share of insurance, state budget and personal finance in the medical insurance service, promote and ensure a healthy lifestyle of the population, ensure that every citizen fully receives first aid and primary health care services, create a national long-distance health network covering all Soums and increase life expectancy of the population to 78 years.

**Objective 2. Reduce factors affecting preventable maternal and child mortality by improving the quality and accessibility of reproductive health care services, and decrease maternal and child mortality and malnutrition.**

**Phase I – (2016–2020):** Reduce maternal mortality ratio (in 100,000 live births) to 30, under-5-child mortality ratio (in 1,000 live births) to 15, and infant mortality ratio (in 1,000 live births) to 13.

**Phase II – (2021–2025):** Reduce maternal mortality ratio to 20, under- 5-child mortality ratio to 12, and infant mortality ratio to 11.

**Phase III – (2026–2030):** Reduce the factors of preventable maternal and child mortality, and reduce maternal mortality to 15, under-5-child mortality to 9, and infant mortality to 8.

**Objective 3. Reduce the main non-communicable diseases, reduce health risk factors, and preventable deaths through an active and inclusive partnership of individuals, families, communities and organizations.**

**Phase I – (2016–2020):** Reduce pernicious habits in the population, improve the living environment, strictly enforce standards for food products and decrease deaths per 10,000 populations caused by cardiovascular diseases and cancer respectively, to 17.4 and 10.5.

**Phase II – (2021–2025):** Improve the quality of and access to health care services and decrease deaths per 10,000 populations caused by cardiovascular diseases and cancer respectively, to 16 and 9.

**Phase III – (2026–2030):** Decrease deaths per 10,000 populations caused by cardiovascular diseases and cancer respectively, to 14 and 8.

**Objective 4. Decrease the spread of communicable diseases through prevention, early detection of communicable diseases, and preparedness to treat them, through improving the capacity of health services for fast response actions, and ensuring access to extremely necessary vaccines for everyone.**

**Phase I – (2016–2020):** Increase the rate of scheduled vaccination to 98.5 percent, and reduce the prevalence of hepatitis and tuberculosis in 10,000 populations respectively, to 3 and 14.4.

**Phase II – (2021–2025):** Increase the rate of scheduled vaccination to 99 percent, and reduce the prevalence of hepatitis and tuberculosis in 10,000 populations respectively, to 2.5 and 14.

**Phase III – (2026–2030):** Increase the rate of scheduled vaccination to 99.8 percent, and reduce the prevalence of hepatitis and tuberculosis in 10,000 populations respectively, to 2 and 13.

### 2.2.3. Knowledge-based society and a skillful Mongoli

**Objective 1. Ensure that every child is enrolled at pre-school education facilities, meeting the standard requirements and providing the basis for learning the Mongolian language and culture.**

**Phase I – (2016–2020):** Expand the types and forms of the pre-school education system, improve their quality, and build an environment in which 70 percent of all pre-school age children are enrolled at pre-school education facilities.

**Phase II – (2021–2025):** Further advance the pre-school education system, improve the quality of the system, decrease the number of children per pre-school teacher to 25, and build an environment in which 80 percent of all pre-school age children are enrolled at pre-school education facilities.

**Phase III – (2026–2030):** Decrease the number of children per pre-school teacher to 20 and build an environment in which 90 percent of all pre-school age children are enrolled at pre-school education facilities.

**Objective 2. Improve the general education system to the international benchmark levels to educate Mongolian citizens and ensure impartation of quality education.**

**Phase I – (2016–2020):** Arrange for the preparations to be evaluated by the Program for International Student Assessment (PISA), build an environment to ensure that all general education schools have two shifts, develop and implement an education program that (also) fits the traditional nomadic lifestyle, and assure that every child with high school education has a professional orientation.

**Phase II – (2021–2025):** Have the evaluation carried out by the PISA, decrease the number of general education schools having two shifts by up to 30 percent, and decrease the national average of students in a class to no more than 25 per class.

**Phase III – (2026–2030):** Improve the rank in the PISA score by five places, supply all schools with laboratories, equipment and technical facilities, decrease the number of general education schools having two shifts by up to 50 percent, and decrease the national average of students in a class to no more than 20 per class.

**Objective 3. Improve vocational education and training system conjunct with development priorities, and equip the graduates with strong professional skills.**

**Phase I – (2016–2020):** Strengthen the teaching capacity of the vocational education and training system on the basis of social partnership, expand its technical capacity, and increase the number of students to 60 thousand.

**Phase II – (2021–2025):** Improve the vocational education and training system based on demand and increase the number of students in this line of training.

**Phase III – (2026–2030):** Meet the national workforce demand fully from the national pool of skilled and professionally trained persons.

**Objective 4. Advance the tertiary education system to meet the sustainable development goals, and improve the lifelong education system.**

**Phase I – (2016–2020):** Establish a tertiary education system matching international standards built on a ‘training-research-industry’ cooperation model, which would provide equal, inclusive and quality tertiary educational services.

**Phase II – (2021–2025):** Build a science and technology cluster and park in accordance with priority development areas, and ensure that no less than four Mongolian universities are ranked among Asian top universities.

**Phase III – (2026–2030):** Establish a tertiary education system capable of turning out educated and skilled graduates, capable of competing in the international labor markets.

**Objective 5. Ensure the coordination and coherence of science and industry, and develop a knowledge-based society.**

**Phase I – (2016–2020):** Expand the cooperation for science organizations and industry to promote and adopt innovation, and increase the expenditures for financing of science, technology and research to 2 percent of the Gross Domestic Product.

**Phase II – (2021–2025):** Further increase the expenditures for financing of science, technology and research to 2.5 percent of the Gross Domestic Product.

**Phase III – (2026–2030):** Continue increasing the expenditures for financing of science, technology and research to 3 percent of the Gross Domestic Product.

## 2.3. ENVIRONMENTAL SUSTAINABILITY

The objective of environmental sustainability is to ascertain inclusive economic growth and sustainable social development, and provide the fundamentals of improving the quality of people's lives by efficiently using natural resources, preserving the sustainability of the ecosystem, and creating opportunities to benefit from natural resources in the long-run.

### The principles of environmental sustainability:

- Promote participation of local residents and people at large to ensure environmental sustainability;
- Use resource efficiently and effectively;
- Support clean technology and encourage low-waste and sustainable production and consumption;
- Develop and enforce environmental rehabilitation at international standard level;
- Encourage environment-friendly attitude and appropriate behavior.

### 2.3.1. Integrated water resource management

#### Objective 1. Protect water resources and prevent water shortage.

**Phase I – (2016–2020):** Protect at least 50 percent of the water resources, river streams and water sources under special protection, build at least two national level large water tanks to collect waters from precipitation and surface flows, and draw a medium-scale hydrology map for 15 percent of the territory.

**Phase II – (2021–2025):** Scientifically conserve at least 55 percent of water resources, river streams and water sources under special protection, implement complex water projects on water preservation from large rivers such as Kherlen, Orkhon and Selenge, build more water tanks to reserve surface waters, and draw a medium-scale hydrology map for 23 percent of the territory.

**Phase III – (2026–2030):** Scientifically conserve at least 60 percent of water resources, river streams and water sources under special protection, and draw a medium-scale hydrology map for 30 percent of the territory.

**Objective 2. Increase drinking water supply that meets health standards, and improve the availability of sanitation and hygiene facilities.**

**Phase I – (2016–2020):** Ensure that 80 percent of the population is supplied with safe drinking water, and 40 percent of the population uses improved sanitation and hygiene facilities.

**Phase II – (2021–2025):** Ensure that 85 percent of the population is supplied with safe drinking water, and 50 percent of the population uses improved sanitation and hygiene facilities.

**Phase III – (2026–2030):** Ensure that 90 percent of the population is supplied with safe drinking water, and 60 percent of the population uses improved sanitation and hygiene facilities.

### 2.3.2. Coping with climate change

**Objective 1. Establish national capacity to cope with climate change, and strengthen the system to prevent from meteorological hazard and natural disaster risks.**

**Phase I – (2016–2020):** 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.

**Phase II – (2021–2025):** Implement pilot projects to cope with climate change, implement the best practice projects, and organize national level activities on disaster risk and vulnerability reduction on a regular basis.

**Phase III – (2026–2030):** Reduce the impacts of the climate change and land deterioration, and reduce the loss from disaster risks.

**Objective 2. Adopt environment friendly advanced technologies, and reduce the emission of carbon dioxide from production and consumption.**

**Phase I – (2016–2020):** Reduce the greenhouse emissions by two percent from the current levels by promoting renewable energy sources, introduce advanced technologies in liquefying and carbonating coal and shale, encourage the introduction

of MNS ISO 14001 package standards of environmental management, and double the number of companies possessing 'standards certificates'.

**Phase II - (2021-2025):** Judiciously implement activities to mitigate the negative impacts of climate change, reduce the greenhouse emissions by seven percent from the current levels, encourage the introduction of MNS ISO 14001 package standards of environmental management, and increase five-fold the number of companies possessing 'standards certificates'.

**Phase III - (2026-2030):** Increase the manufacturing of products using high technologies and innovation in the economic structure, reduce greenhouse emissions by 14 percent from the current levels, encourage introduction of MNS ISO 14001 package standards of environmental management, and increase the number of companies possessing 'standards certificates' by 10-fold.

### 2.3.3. Ecosystem balance

**Objective 1. Preserve the natural landscape and biodiversity, and ensure sustainability of the ecosystem services.**

**Phase I - (2016-2020):** Mitigate desertification; increase the area of specially protected areas to 25 percent, and raise the forest cover to 8.5 percent of the country's total territory.

**Phase II - (2021-2025):** Continue mitigating desertification, increase the area of specially protected areas to 27 percent, and raise the forest cover to 8.7 percent of the country's total territory.

**Phase III - (2026-2030):** Continue mitigating desertification, increase the area of specially protected areas to 30 percent, and raise the forest cover to 9.0 percent of the country's total territory.

**Objective 2. 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.**

**Phase I - (2016-2020):** Increase the area of green facilities in urban areas and settlements to 15 percent of the total area, increase the amount of recycled waste to 20 percent of total waste, and have no air pollution in Ulaanbaatar city.

**Phase II – (2021–2025):** Increase the area of green facilities in urban areas and settlements to 25 percent of the total area, and increase the amount of recycled waste to 30 percent of the total waste.

**Phase III – (2026–2030):** Increase the area of green facilities in urban areas and settlements to 30 percent of the total area, and increase the amount of recycled waste to 40 percent of the total waste.

## 2.4. GOVERNANCE FOR SUSTAINABLE DEVELOPMENT

The fundamental condition to successfully implement the Sustainable Development Vision is to ensure stable and sustained governance. Ensuring stable and sustained governance is aimed to ascertaining the country's independence, sovereignty and security, strengthening the capacity of defense, fostering foreign relations and international cooperation by all means, and guaranteeing economic independence and development with ecological balance, in accordance with the National Security Concept, the Foreign Policy Concept and the Military Doctrine.

### Principles for governance for sustainable development:

- Ensure implementing stable state policies through consistent activities and strengthening inter-sectoral coordination;
- Judiciously complying with the principle of 'rule of law';
- Ensuring transparency in administration;
- Decentralizing and ensuring the participation of all stakeholders in decision making;
- Judiciously enforcing ethics in the public sector and eliminating corruption.

**Objective 1. 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.**

**Objective 2. Improve the leadership of civil service organizations at all levels, and develop transparent and accountable governance at the national and local levels, based on public participation and public-private partnership.**



**Objective 3. Judiciously enforce laws and procedures on ethics for politicians and civil servants, and eliminate all forms of corruption.**

**Objective 4. Actively participate in international cooperation, aimed at achieving the Sustainable Development Goals.**

**MAY MONGOLIA ALWAYS DEVELOP AND PROSPER.  
MAY EVERY CITIZEN OF MONGOLIA BE HEALTHY, EDUCATED  
AND LIVE A HAPPY LIFE.**

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**LAW OF MONGOLIA  
ON DEVELOPMENT  
POLICY PLANNING**





## LAW OF MONGOLIA

26<sup>th</sup> November 2015

Ulaanbaatar

### ON DEVELOPMENT POLICY PLANNING

#### CHAPTER ONE

#### GENERAL PROVISION

##### **Article 1. Purpose of the Law**

1.1. The purpose of this Law is to determine stages of planning, implementation, monitoring and evaluation of the Development Policy of Mongolia, to set out guiding principles, to outline rights, duties and responsibilities of the engaged parties and to build up a unified development policy planning system.

##### **Article 2. Legislation on Development Policy Planning**

2.1. Legislation on Development Policy Planning shall consist of the Constitution of Mongolia [1], the Law on the Government of Mongolia [2] a, the Law on the Budget [3], this law, and other laws and legal acts adopted in conformity with these.

##### **Article 3. Scope of the Law**

3.1. This Law shall regulate relations that rise in connection with drafting, approval, implementation, monitoring and evaluation, reporting and publishing of the development policy documents and managing the Development policy planning.

## Article 4. Definition of terms used in this Law

4.1. The terms used in this Law shall be understood to mean the following:

- 4.1.1. **"General Guidelines for Socio-Economic Development for Aimag, Capital city, Soum and District"** means a policy document which determines goals, objectives and measures to be implemented in a given year within the framework of the Governor's Action plan and the Sub-programmes;
- 4.1.2. **"Development Vision for Aimag and the Capital City"** means a policy document which developed on the basis of the Regionalized Development Policy and determines goals and objectives of economic and social development by taking into account the local specifics and environmental sustainability;
- 4.1.3. **"Regionalized Development Policy"** means a policy document which developed on the basis of the Development Concept of Mongolia and defines the ways of achieving goals, objectives and measures to be implemented in order to support local economic and social development by ensuring consistency of regional and urban planning and environmental sustainability;
- 4.1.4. **"Sub-Programme"** means a policy document which determines activities to be carried out in order to implement objectives set forth within the Governor's Action Plan";
- 4.1.5. **"Governor's Action Plan"** means a policy document which developed on the basis of the Regionalized Development Policy and the Development Vision for Aimag and the Capital city and reflects the Platforms of the political parties and coalitions that received the majority of votes in local election and defines the goals, objectives and measures to be implemented for local development within medium-term;
- 4.1.6. **"Government Action Plan"** means a policy document which developed on the basis of the Development Concept of Mongolia and the State Policy, developed within framework of the Platforms of the political parties and coalitions that received the majority of votes in Parliament election and defines the goals, objectives and measures to be implemented for development within medium-term;
- 4.1.7. **"Development Concept of Mongolia"** is a policy document aims at strengthening the independence and sovereignty of Mongolia, bringing economic and social development of the country to advanced levels by

reflecting the global development trends to specifics of the Nation, conserving the environmental sustainability, and ensuring the human development.

- 4.1.8. **"State Policy"** means a policy document which developed on the basis of the Development Concept of Mongolia and determines the goals, objectives and measures to be implemented for sectoral and inter-sectoral development within the priority areas stated in the Development Concept of Mongolia;
- 4.1.9. **"Public Investment Program"** means a document which provides a comprehensive plan for investment projects and activities included in the Government Action plan and the National Programme in conformity with respective budget, financial calculations and funding sources.
- 4.1.10. **"The State General Guidelines for Socio-Economic Development"** means a policy document which determines actions necessary for achieving goals and objectives set forth within the framework of the Government Action plan, the National Program, and the Public Investment Program;
- 4.1.11. **"National Program"** means a document which determines actions to be taken in order to implement objectives set forth within the State Policy and the Government Action Plan;
- 4.1.12. **"Development policy document"** means a policy documents specified in provision 4.1.1- 4.1.11 of this Law that determines long, medium and short term goals, objectives, implementation measures, results to be achieved, and criteria at national, sectoral, inter-sectoral, regional, aimag and capital city levels.

## **Article 5. Basic principles in development policy planning**

- 5.1. The following principles shall be observed in development policy planning:
  - 5.1.1. must conform to the national genuine interest;
  - 5.1.2. shall be unified, comprehensive and harmonized;
  - 5.1.3. must maintain continuity and consistency of the State policies;
  - 5.1.4. must be based on research and analysis;
  - 5.1.5. must be matched with available resources and potentials;
  - 5.1.4. must be ensuring public participation.

## CHAPTER TWO. DEVELOPMENT POLICY DOCUMENTS

### Article. 6. Types of development policy documents

6.1 Development policy documents shall be of the following types depending on the goals and objectives set forth within them:

- 6.1.1. Long-term;
- 6.1.2. Medium-term; and
- 6.1.3. Short-term.

6.2. A Long-term policy, or development policy document to be implemented for a period of 15-20 years, shall be the Development Concept of Mongolia.

6.3. Medium-term policies, or development policy documents to be implemented for a period of 8-10 years, are:

- 6.3.1. State Policy;
- 6.3.2. Regionalized Development Policy, and
- 6.3.3. Development Vision for Aimag and the Capital city.

6.4. Medium-term policies, or development policy documents to be implemented for a period of 3-5 years, are:

- 6.4.1. Government Action plan;
- 6.4.2. Governor's Action Plan;
- 6.4.3. National Programme and Sub-programme; and
- 6.4.4. Public Investment Program.

6.5. Short-term policies, or development policy documents to be implemented for a period of 1 year, are:

- 6.5.1. State General Guideline for Socio-Economic Development
- 6.5.2. General Guideline for Socio-Economic development for Aimag, Capital city, Soum and District
- 6.5.3. State and local budgets planned in conformity with the General Guidelines stated in provision 6.5.1 of this Law.

6.6. The General provisions for drafting the development policy documents shall be approved by the Government of Mongolia.



## **Article. 7. Development Concept of Mongolia**

7.1. Development concept of Mongolia shall take into consideration the goals, objectives, and outcomes directed towards ensuring the Concept for National Security, the Concept for Foreign Policy and sustainable economic, social and environmental development and inclusive growth, in conformity with resources and financial sources, and based on a Development Model.

7.2. The Government shall issue the Guideline on developing the Development concept of Mongolia in accordance with the directions given by the State Great Hural, and shall organize the work of drafting it.

7.3. The Government shall ensure the participation of the State central and local administrative bodies, non-governmental organizations, research institutions, professional associations, private sector and individuals in developing the draft Development concept of Mongolia.

7.4. The State Great Hural shall discuss and approve the Development concept of Mongolia that submitted by the Government.

7.5. The State Central Administrative Body shall conduct monitoring and evaluation to the Development concept of Mongolia within the scope of its functional responsibilities for every two years and deliver a report thereof to the Central Authority of State Administration responsible for Finance and Budget matters.

7.6. The State Central Administrative Body Responsible for Finance and Budget Matters shall consolidate the reports stated in provision 7.5 of this Law and submit it for the Government discussion.

7.7. The State Central Administrative Body Responsible for Finance and Budget matters shall organize an external auditing to the implementation of the Development concept of Mongolia every four years.

7.8. The Government shall present an independent audit opinion on the implementation of the Development Concept for Development thereof to the State Great Hural.

7.9. Candidates for Presidential election and Political parties and coalitions that participates the election of the State Great Hural and Citizens' Representative Hural of Aimag, capital city, soum and district, shall develop their platforms in conformity with the Development Concept of Mongolia.

7.10. The National Audit Office of Mongolia shall review the compliance of the Platforms of candidates for Presidential Election, Political Party(s) and Coalition(s) participating in the Election of the State Great Hural and Citizens' Representative Hural of Aimag, capital city, soum and district with the Development concept of Mongolia and shall submit the assessment report thereof to the General Election Commission.

## **Article 8. State Policy**

8.1 The State Policy shall observe directions, basic principles and continuity of the State policies to implement priority areas of the Development concept at sectoral and inter-sectoral levels in holistic way within the medium-term.

8.2. The State Central Administrative Body Responsible Finance and Budget matters shall develop the State policy to be implemented at the inter-sectoral level jointly with respective State Central Administrative body.

8.3. The State Central Administrative Body shall ensure the participation of the State central and local administrative bodies, research institutions, and professional associations in drafting the State Policy.

8.4. The State Central Administrative Body shall draft a State policy under its area of responsibility and shall submit the draft for approval to the Government discussion.

8.5. The State Central Administrative Body shall draft, approve and implement an Action Plan for State policy under its area of responsibility.

8.6. The State Central Administrative Body shall conduct monitoring and evaluation to the implementation of the State Policy once in two years and organize external auditing to the implementation of the Development concept once in four years, and the reports thereof are shall be submitted to the Government discussion.

## **Article 9. Government Action Plan**

9.1. The Government Action Plan shall be aimed at ensuring macroeconomic stability, promoting financial and real sector growth, increasing competitiveness, ensuring human development and strengthening inclusive social development, ensuring environmentally friendly economic development, and improving livelihood of population.

9.2. The Cabinet Secretariat of the Government shall finalize the draft Government Action Plan by reflecting proposals submitted by the State central and local administrative body and get the final draft discussed at the Government discussion and submit it to the State Great Hural within the deadline specified in provision 26.7 of the Law on the Government of Mongolia.

9.3. The Cabinet Secretariat shall approve an work plan towards implementation of the Government Action Plan.

9.4. The State Central Administrative Body shall conduct monitoring and evaluation to the implementation process of the Government Action Plan once in two years under its area of responsibility and deliver audit opinion thereof to the Cabinet Secretariat.

9.5. The Cabinet Secretariat of the Government shall organize external auditing to the implementation of the Government Action plan and shall submit external audit opinion and relevant reports stated in provision 9.4 of this Law to the Government discussion.

9.6. The Government shall report on the performance of Government Action Plan to the State Great Hural within the deadline specified in provision 46.1 of the Law on the State Great Kural of Mongolia.

## **Article 10. National Programme**

10.1. The National Programme shall plan out measures and actions for achieving goals and objectives set forth within the State Policy and the Government Action Plan in comprehensive manner.

10.2. The Government shall approve the list of National programmes, to be newly developed and to be continued under the framework of priority goals and themes of previously approved National Programmes together with the plan specified in provision 9.3. of this Law.

10.3. The State Central Administrative Body shall be responsible for drafting the National programme included in the list specified in provision 10.2 of this Law under the area of its responsibility, getting approval from the State Central Administrative Body Responsible for Budget and Finance matters, and submission to the Government discussion for approval.

10.4. The State Central Administrative Body Responsible for Budget and Finance Matters shall draft the inter-sectoral National Programme jointly with the relevant State Central Administrative Body.

10.5. The financing of the National Programmes shall be included in the State budget and the Public investment plan.

10.6. The State Central Administrative Body shall develop, approve and implement the Action plan for National Programmes under the areas of its responsibilities.

10.7. The State Central Administrative Body conduct monitoring and evaluation to the implementation of the National programmes every year, if necessary, shall organize an external auditing and submit the reports thereof to the Government discussion.

#### **Article 11. Public Investment Program**

11.1. The Public Investment Program shall be consistent with key macroeconomic indicators and development policy documents to be implemented for medium-term.

11.2. Sources of financing for recurrent and capital expenditures for projects specified in the National Programme shall be included in the State budget and Budget amendments for each year.

11.3. Provision 28 and 29 of the Law on the Budget shall be imposed when planning and getting approval of the National Investment Program.

11.4. The State Central Administrative Body Responsible for Finance and Budget matters shall conduct monitoring and evaluation to the implementation of a National Investment Program once in two years.

#### **Article 12. The State General Guidelines for Socio-Economic Development**

12.1. The State General Guidelines for Socio-Economic Development shall be drafted on the basis of actions planned for the specified year to implement the Government Action Plan, the National Program, and the Public Investment Plan.

12.2. The State General Guidelines for Socio-Economic Development shall include the relevant provisions, objectives, measures, expected levels to be attained, criteria, responsible bodies, budget and financial estimations and funding sources specified in the Long and Medium-term Development policy documents;

12.3. The Local Administrative Body shall submit his/her proposal on the projects and measures that not exceed the budget ceilings set forth within the policy actions at national level and the Public Investment Plan to the State Central Administrative Body Responsible for Finance and Budget matters in order to include in the State General Guidelines for Socio-Economic Development by 15<sup>th</sup> of February of each year.

12.4. The State central and relevant body shall finalize the draft State General Guidelines for Socio-Economic Development by reflecting proposals presented by the Local Administrative Bodies under the areas of his/her responsibility and submit it to the State Central Administrative Body Responsible for Finance and Budget matters by 1<sup>st</sup> of March of every year.

12.5. The total amount for public investment requested by the State Central or Local Administrative Body to be included in the State General Guidelines for Socio-Economic Development shall not exceed maximum expenditure limit for the particular Sector specified in the midterm Fiscal Framework Statement.

12.6. The State Central Administrative Body Responsible for Finance and Budget matters shall consolidate proposals from the State Central or Local Administrative Body to include in the State General Guidelines for Socio Economic Development and finalize the draft in compliance with the Public Investment Plan and the Fiscal Framework Statement and submit it to the Government by 1<sup>st</sup> of April of each year.

12.7. The Government shall review the draft State General Guidelines for Socio-Economic Development and submit it to the State Great Hural by 1<sup>st</sup> of May of each year.

12.8. The State Great Hural shall discuss and approve the State General Guidelines for Socio-Economic Development by 1<sup>st</sup> of June of each year.

12.9. The State Central Administrative Body Responsible for Finance and Budget matters shall draft budget proposal for the particular year on the basis of the State General Guidelines for Socio Economic Development.

12.10. The Government shall submit the Annual Implementation Report of the State General Guidelines for Socio Economic Development by the deadline specified in provision 46.1. of the Law on the State Great Hural of Mongolia.

### **Article 13. Regionalized Development Policy**

13.1. Regionalized Development policy shall be aimed at regulating population migration, decentralization, narrowing gaps development gaps between aimags and regions, and accelerating economic and social development of Mongolia on the basis of optimal use of natural resources and reserves of raw products of agricultural origin.

13.2. The State Central Administrative Body Responsible for Finance and Budget matters shall administer formulation of the Regionalized Development Policy in cooperation with the relevant state administrative bodies.

13.3. The Regionalized Development Policy shall be developed in accordance with the Development Concept of Mongolia, the Law on the Regionalized Development Management and Coordination [4], and the Law on the Urban Development [5].

13.4. The Regionalized Development Policy shall be developed on the basis of research and analyses and shall determine goals, objectives, criteria and stages of implementation that ensure the regional development.

13.5. The State Central Administrative Body Responsible for Finance and Budget matters shall draft the Regionalized Development Policy on the basis of the proposals submitted by the State Central and Local Administrative Bodies and shall submit it to the Government discussion for an approval.

13.6. The State Central and Local Administrative Body shall conduct monitoring and evaluation to the implementation of the Regionalized Development Policy once in two years and shall organize external auditing once in four years and submit audit opinion and reports thereof to the Government.

### **Article 14. Development Vision for Aimag and the Capital city**

14.1. Guided by directions given by the Citizens' Representative Hural, the Governor shall formulate the Development Vision for Aimag and the Capital city in compliance with the Regionalized Development Policy and it shall be approved by the Citizens' Representative Hural.

14.2. Science and research organizations and professional federations may be involved in the process of formulation of the Development Vision for Aimag and the Capital city.

14.3. The Citizens' Representative Hural shall observe provision 21 of this Law when amending the policy documents on the basis of the performance and results of the Development vision for Aimag and the Capital city and proposals presented by the Governor.

14.4. The Governor of the Aimag or the Capital city shall ensure the coordination and implementation of development policy documents at soum and district levels.

14.5. Medium-term policy to promote economic and social development at soum and district levels that reflects specifics of the locals may be existed.

14.6. The Local administrative body shall conduct monitoring and evaluation to the implementation of the Development Vision once in two years and organize external auditing once in four years and shall ensure its discussion at the Citizens' Representative Hural and shall submit the audit opinion and report thereof to the Government.

### **Article 15. Aimag, capital city, soum and district Governor's Action Plan and Sub-programmes**

15.1. The Governor's Action Plan shall be linked to the Regionalized Development Policy and the Development Vision for aimag and the capital city and shall determine policy directions, goals and objectives to be reached, measures to be implemented, budget and financial sources and criteria and indicators for medium-term economic and social development of respective aimag, capital city, soum and district.

15.2. The Governor shall formulate a Governor's Action plan and the list of sub-programmes to be implemented on the basis of the Development Vision for Aimag and the Capital city and the Government Action plan and shall ensure its approval by the Citizens' Representative Hural of respective level.

15.3. The Local Administrative Body shall follow the provision 9 of the Law on the Budget when estimating the budget and financial sources required for implementation of the Governor's action Plan.

15.4. The Citizens' Representative Hural of respective level shall discuss and evaluate the progress and outcomes of the implementation of the Governor's Action Plan every year.

15.5. In the Governor's Action plan, it is prohibited to include matters that are not within the Governor's area of authority and aims and measures that are without definite financial sources and legal justifications.

15.6. The Local administrative Body shall conduct monitoring and evaluation to the implementation of the Governor's Action plan once in two years and present the report thereof to a Citizens' Representative Hural and deliver the reports to the Cabinet Secretariat by 20<sup>th</sup> of February of each year.

15.8. A Citizens' Representative Hural shall conduct evaluation to the implementation of the Governor's Action plan once in two years, if necessary, shall organize external auditing to the implementation of the Sub-programmes.

**Article 16. General Guidelines for Socio-Economic development for aimag, capital city, soum and district**

16.1. The General Guidelines for Socio-Economic development of aimag, capital city, soum and district shall determine objectives, measures, expected outcomes, criteria, responsible bodies, budget and financial calculations and financial sources within the areas of economic and social development of the particular year on the basis of the Governor's Action Plan and Sub-programmes.

16.2. The Local administrative body shall formulate the draft Guidelines for Socio-Economic Development and shall submit it to the Citizens' Representative Hural for approval by 5<sup>th</sup> of October each year and the Citizens' Representative Hural shall approve the Guideline thereof.

16.3. The Citizens' Representative Hural shall discuss and evaluate the previous year performance and current year progress of the General Guidelines for Socio-Economic development.

16.4. The Budget proposal for the particular year shall be prepared on the basis of the approved General Guidelines for Socio-Economic Development.

16.5. The Local Administrative Body shall present monitoring and evaluation report thereof on the performance of the Guidelines for Socio-Economic development to the Citizens' Representative Hural and shall deliver report thereof to the Cabinet Secretariat by 20<sup>th</sup> of February.



### CHAPTER THREE. STAGES OF DRAFTING THE DEVELOPMENT POLICY DOCUMENTS, GENERAL REQUIREMENTS AND FINANCING

#### **Article 17. Stages of drafting the Development policy documents, general requirements and financing**

17.1. Development policy documents shall be drafted in accordance with the sequence specified in the provision 17.1.1-17.1.5 of this Law:

- 17.1.1. Determine justification of formulation of the Development policy documents, identify the scope of problems and difficulties, and analyze the relevant qualitative and quantitative information and data.
- 17.1.2. Determine the solutions for resolving problems, develop policy options to reach at expected outcomes and impacts on the basis of Economic and Social development models and assumptions.
- 17.1.3. Policy options shall be assessed by the following criteria and the most appropriate version shall be chosen.
  - 17.1.3.a. shall address specifics of the own country development taking into consideration the global and regional development trends and cooperation;
  - 17.1.3.b. shall be aimed at ensuring sustainable development on the basis of economic, social and environmental sustainability;
  - 17.1.3.c. shall meet the public interests;
  - 17.1.3.d. shall be inclusive and accessible;
  - 17.1.3.e. shall be of realistic policy results and robust justification for implementation.

17.1.4. Development policy documents shall be drafted on the basis of the most appropriate policy versions and shall be planned in comprehensive manner including goals and aims, the results to be attained, criteria and indicators, methods and stages of implementation and required resources.

17.1.2. The State Central Administrative Body responsible for Finance and Budget matters shall examine the consistency between draft development policy and long and medium-term policy documents and shall review its budget and financial calculations, financial resources and shall issue clearance to the Government discussion and submission to the State Great Hural.

**Article.18. Financial source**

18.1. Development policy documents implemented for medium and short-term shall include detailed budget, financial calculations and funding sources.

18.2. Implementation of the development policy documents shall be financed from the following sources:

- 18.2.1. State or local budgets;
- 18.2.2. Foreign loans and aids;
- 18.2.3. Foreign and domestic investments;
- 18.2.4. Foreign and Domestic Government bonds;
- 18.2.5. Concession Agreement; and
- 18.2.6. Other sources.

**Article 19. Ensuring public participation and transparency**

19.1. The respective State Central or Local Administrative Body shall organize printing and publishing, dissemination and advocacy, public consultation and feedbacks concerning the draft Development Concept, the State Policy, the Regionalized Development Policy, and the Guidelines for Socio-Economic Development of Aimag and the capital city.

19.2. The State Central and Local Administrative Body may conduct public consultations stated below when drafting the Development policy documents as specified in provision 19.1 of this Law:

- 19.2.1. among parties, whose lawful rights and legitimate interests are interfered;
- 19.2.2. among professional communities such as researchers and experts;
- 19.2.3. within a certain territories; and,
- 19.2.4. among state administrative bodies and non-governmental organizations.

19.3. The respective State Central and Local Administrative Body shall incorporate the feedbacks received as a result of public consultations as specified in provision 19.2 of this Law for the inclusion in the draft Development Policy documents and shall notify the public thereof openly and transparently.

## CHAPTER 4 MISCELANUOUS

### **Article 20. Monitoring and evaluation to the implementation of Development policy documents**

20.1. The administrative body responsible for implementing the Development policy documents shall ensure the inclusion of external auditing to the implementation of Development policy documents to the yearly action plan and inclusion and approval of the required expenditures within the state and local budgets.

### **Article 21. Amendments to the Development policy documents**

21.1 Amendments to the long and medium term development policy documents shall be allowed in the following cases;

21.1.1. if the monitoring and evaluation to the development policy documents has found that amendments and adjustments are necessary and compulsory;

21.1.2. if the state economic, social, budget and Financial situations of the country have changed due to external and internal impacts and factors; and

21.1.3. if an emergency matter have occurred as specified in the provision 25.2 of the Constitution of Mongolia

21.2. Amendments to the Midterm Policy for Development shall be made in conformity with the Development Concept of Mongolia.

21.3. The results of the Election of the President and Parliament of Mongolia and the Local election shall not constitute a ground for making amendments in the Long and medium-term Development policies.

21.4. The relevant bodies and authorized officials shall be responsible for strengthening the implementation of Development policy documents, making amendments, and taking necessary actions on the basis of the conclusions and recommendations of the Monitoring and evaluation.

## **Article 22. Publication of Development policy documents creation of integrated database and provision of methodological guidance**

22.1. The State Central and Local Administrative Body responsible for the particular matters shall be responsible for organizing publicity, publications and advocacy of the approved Development policy documents.

22.2. For the purpose of ensuring continuity of the State policies for the particular sector, the State Central Administrative Body shall produce a brochure by collating reviews on the implementation of previously implemented policies and measures to be taken in the future and shall notify the public openly and transparently thereof.

22.3. The State Central Administrative Body responsible for Finance and Budget matters shall create, operate and maintain an integrated database of development policy plans to coordinate development policies.

22.4. The State Central Administrative Body Responsible for Finance and Budget matter shall approve the regulations on producing and publishing a brochure as specified in provision 22.2 of this Law and operating and maintaining the integrated database specified in provision 22.3 of this Law, respectively.

22.5. The State Central Administrative Body Responsible for Finance and Budget matters shall provide support to the relevant bodies in determining directions to be observed in development policy planning, ensuring overall management of formulation of the development policy documents, and providing the methodological advice and strengthening the capacity.

22.6. The State Central Administrative Body Responsible for Finance and Budget matters may run a Policy research institution.

## **Article 23. Sanctions for violations of the legislation**

23.1 In the event of breaches of Law on the Development Policy planning, sanctions shall be imposed by the Law on the Public Service [6], Law on the Budget and other relevant Laws.

## **Article 24 Entry into Force**

24.1. This Law shall come into force on the 1<sup>st</sup> of January of 2016.

SPEAKER  
STATE GREAT HURAL OF MONGOLIA

Z.ENKHBOLD



## STATE GREAT HURAL OF MONGOLIA RESOLUTION

26 November 2016

No 105

Ulaanbaatar city

### **RE: ACTIONS TO BE TAKEN IN PURSUANT TO THE ADOPTION OF THE LAW ON DEVELOPMENT POLICY PLANNING**

Pursuant to paragraph 43.1 of article 43 of the Law of Mongolia on the Parliament, the Parliament RESOLVES hereby:

1. To assign to the Government of Mongolia (Ch. Saikhanbileg) the duty to take the following actions in pursuant to the approval of the Law on Development Policy Planning:

- 1/ To harmonize the existing resolutions, procedures, guidelines on development policy planning implemented at the government and local level in line with the Law on Development Policy Planning and to formulate respective guidelines and procedures set forth in the Law within the Second Quarter of 2016;
- 2/ To organize monitoring and evaluation on existing development policy documents approved by the Parliament within 2016 and report the findings to the Parliament;
- 3/ To provide support to the State central and Local administrative bodies by means of providing overall management and methodological advice on formulating the development policy planning documents and strengthen the institutional capacity;

2. To assign to the Standing Committee of State Structure of the Parliament (A.Bakei) the duty to oversee the implementation of this resolution.

3. To comply with this resolution from the effective date of the Law on Development Policy Planning.

SPEAKER  
STATE GREAT HURAL OF MONGOLIA

Z.ENKHBOLD

