

Resolution on Approval of the Action Plan of the Government for 2008-2012

21.11.2008

№35

State house.Ulaanbaatar city

Taking into consideration of the paragraph 1.7 of the Article 25 of the Constitution of Mongolia and paragraph 7 of the Article 26 of the Law on the Government of Mongolia the State Great Hural resolves to:

1. Approve the Action Plan of the Government of Mongolia for 2008-2012 as attached.
2. Charge the Government of Mongolia /Mr. S. Bayar/ to take the measures as follows in connection with the approval of the Action Plan of the Government of Mongolia:

1/ approve the plan for implementation of the Government Action Plan for 2008-2012, ensure fulfillment of all measures stated in the Action Plan and submit the implementation report annually within the first quarter to the State Great Hural;

2/ implement the main objectives stated in the Action Plan of the Government of Mongolia for 2008-2012 in the annual budget scope notification as well as directions of economic and social development and state budget;

3/ develop the general plan and feasibility study of the biggest projects to be implemented as stated in the Action Plan of the Government of Mongolia for 2008-2012 within the first half of 2009;

3. Charge the Government /Mr. S. Bayar/ to create sufficient funding for 1.5 mln togrogs to be allocated per person of Mongolia from the revenue generated by exploration of the strategic and large mining deposits and charge the Mongol Bank /Mr. A. Batsukh/ and Financial Regulatory Committee /Mr. D. Bayarsaihan/ to promote and support creation of this fund respectively;

4. Charge the Mongol Bank President and directors of other state authorities which report directly to the State Great Hural to coordinate their activities with the Government for implementation of the Action Plan of the Government of Mongolia for 2008-2012.

SPEAKER OF THE STATE

GREAT HURAL

D. DEMBEREL

Annex to the resolution 35,

ACTION PLAN OF THE GOVERNMENT OF MONGOLIA FOR 2008-2012

The new Government of Mongolia, formed as a result of the parliamentary elections, has defined its Action Plan for 2008-2012 on the Millennium Development Goals-based National Development Strategy of Mongolia and respective election platforms of the Mongolian People's Revolutionary Party and the Democratic Party, as well as on consensus reached between these two parties after the elections and some objectives of the election platforms of the other parties, proposals made by NGO's and documents agreed with international organizations.

The previous Government of Mongolia has laid foundation to further development and resolved a number of urgent issues by achieving substantial social goals, upgrading civil service standard, delivering smooth and speedy service to public, promoting private sector, intensifying economic growth and securing development. The new Government aims at securing the outcomes of actions taken by previous Government and reflected some of them in the Action Plan for 2008-2012.

The main objective of the Government at present when Mongolia faces challenges dictated by the global financial crisis having an impact on its economy and finance is to strive for taking opportunities for intensive economic growth based on Mongolia's mineral resources and social development in an urgent and complete manner, build needed capacity for Mongolia and human development, substantially improve living standard, ensure transparency, openness, speedy and fair treatment, accountability and ethics in public administration, improve visibility of state and government organizations of all stages and safeguard the national and state security.

The Action Plan of the Government has the following main objectives:

- speed up the development of the mining sector, renew its legal environment, turn strategic and large mining deposits into economic circulation and grant parts of the revenue generated by mining sector to citizens;
- develop and implement Mongolia's industrial program, plan and develop mining-based industry, small and medium enterprises based on local raw materials;
- fully cover domestic needs in agricultural products, in particular, meat, milk, flour, potato and vegetable;
- create a condition where every citizen could be healthy, educated, employed and able to have income and pay special attention to the training of professional workers;
- ensure transparency, openness, speedy and fair treatment in service delivery and accountability in public administration and strengthen mutual trust between the state and citizens.

One. Objective to improve the quality of life of citizens by conducting decent policy on population and society

The citizen's life quality will be substantially improved by creating favorable social environment for human development and population expansion on the basis of conducting a policy on family support, increase of middle-income population and creation of conditions for everyone to be healthy, educated, employed and able to generate income.

Healthcare policy

- 1.1.1. Foster decent behavior and healthy mode of life to protect one's own health, reduce cases of disease and mortality rate and prolong the life expectancy;
- 1.1.2. Provide the population with healthy, uncontaminated and nutritious food in an even and sufficient manner, protect their health and prevent sickness;
- 1.1.3. Introduce a voucher system in the healthcare system, adhere to prevention principles and grant an annual complete health check to every citizen;
- 1.1.4. Grant a voucher to low-income citizens who are living under the poverty line to get free medical assistance;
- 1.1.5. Foster competitive capability of the healthcare sector, lessen state interference and promote private medical establishments for expansion of health care service and upgrade the medical service quality; within the framework of this goal: to promote private health insurance system, equally cover hospitals with health insurance services regardless of public or private ownership.
- 1.1.6. Upgrade and strengthen the healthcare administration, management and treatment control system;
- 1.1.7. Upgrade the form of healthcare education for population, in particular for teenagers and youth, create mobile medical unit system in rural areas, and increase the possibility to prevent diseases and diagnose them at earliest stage;
- 1.1.8. Build resource capacity to take urgent measures and grant medical assistance in case of environmental pollution, natural and human caused disasters, epidemic diseases, contamination and force major;
- 1.1.9. Strengthen the present system for timely prevention of new or newly spread infectious diseases and widen at the level of aimags and capital city districts;
- 1.1.10. Create a modern medical and diagnostic centers in Gobi regions and Orhon aimag;
- 1.1.11. Create population medical database. Expand medical networks, distant diagnosis and treatment and build the capacity for early diagnosis, treatment and recuperation on the basis of specialized centers with modern medical methods in order to provide citizens with proper medical service;

- 1.1.12. Renovate urgent medical aid system, create a national aid network and improve urgent medical aid access for rural population living in remote areas;
- 1.1.13. Pursue the principle of having a healthy baby being a healthy mother in all stages of medical service and reduce the sickness and mortality rate among mothers and children;
- 1.1.14. Expand healthcare, treatment and service types for elderly and disabled persons meeting their special needs;
- 1.1.15. Build capacity of laboratory for testing drugs and drug raw materials, expand national pharmacologic industry, ensure safety of medicaments and promote decent use of them;
- 1.1.16. Renovate healthcare financing system in connection with quality and sufficiency of medical assistance and service and upgrade medical insurance fund activities;
- 1.1.17. Upgrade knowledge and skills of medical doctors and other personnel constantly and improve their ethics and accountability;
- 1.1.18. Expand research and surveys meeting the population health needs and upgrade practical outcomes;
- 1.1.19. Define policy on public physical training and sport and upgrade the mechanism of administration, organizational structure, research, survey, economy and finance;
- 1.1.20. Prevent sexually transmitted diseases, HIV infection and AIDS risk and keep the present rate of HIV infection and AIDS spread;
- 1.1.21. **Build** up a modern sport complex with swimming pools in the districts of the capital city;
- 1.1.22. Set up a **telemedical** center in Ulaanbaatar city;

1.2. Educational, cultural and scientific policy

- 1.2.1. Develop public education **as harmonizing** the national education with the international standard, develop and implement the national program "Education" and increase the creative and intellectual human resource **permanently**;
- 1.2.2. **Set up ger-type kindergartens in every bag** and enroll 70% of pre-school children in the kindergartens by 2012 through offering differential training programs and forms;
- 1.2.3. Turn the present secondary schools into a 12-year system and improve educational quality and enrollment;
- 1.2.4. Provide the secondary schools with trained teaching staff and improve their skills;
- 1.2.5. **Increase** the literacy rate;

- 1.2.6. Provide the secondary school pupils with textbooks funded by the state;
- 1.2.7. Continue the program “the noon tea” and expand to “the lunch” program;
- 1.2.8. Increase the number of computers at secondary schools and provide all teachers with lap-top computers;
- 1.2.9. Decrease shift numbers at secondary schools and increase number of dormitories;
- 1.2.10. **Build up** swimming pools at aimag centers and include swimming classes in the physical training curriculum for pupils;
- 1.2.11. Set up schools with intensified teaching of math and natural sciences in every aimag and district of the capital city using distant teaching methods;
- 1.2.12. Upgrade vocational training quality and sufficiency, provide the vocational training centers with modern training facilities and laboratory and apply newest technology;
- 1.2.13. Improve the competitiveness and quality of higher education. Bringing the higher educational quality, standard and requirements to higher educational establishments closer to the international standard, conduct accreditation of institutes and universities and support a few highly competitive higher educational establishments from the state regardless of the types of ownership;
- 1.2.14. Increase the portion of students majoring in engineering, technology, natural sciences, teacher training and agriculture. Provide the state-funded loan and aid to those who are to work in remote areas after graduation or who are excelled in learning to become specialists favored by the government, in particular teachers, engineers, technical workers, medical doctors and veterinarians;
- 1.2.15. Increase the number of students to be trained in developed countries three-fold;
- 1.2.16. Pursue a policy to develop universities as camps. Improve the training facilities and laboratories of state-owned universities, institutes and colleges, increase investment and provide students with a sufficient number of dormitories. Set up a university and vocational training camp specialized in geology and mining industry in the Erdenet town with the support of the private sector;
- 1.2.17. Implement programs to upgrade skills of university and college lecturers;
- 1.2.18. Promote students who are excelled in their learning by freeing or exempting from tuition fees, granting stipend or providing free use of public transport;
- 1.2.19. Create favorable environment for learning and training, construct or expand school buildings, dormitories, libraries, sport halls, computerize schools and connect them to the Internet;
- 1.2.20. Promote creation of universities, institutes and vocational training centers and their affiliates in regional centers and local towns;

1.2.21. Upgrade the legal environment for funding and investing in the educational establishments by foreign organizations;

1.2.22. Define the policy on development of culture and arts, upgrade legal environment, develop and implement the Master Plan on development of culture and arts for 2009-2012;

1.2.23. Upgrade the cultural heritage system and create favorable conditions for delivery of high-quality service to public;

1.2.24. Provide with modern security equipment and tools, improve the management and upgrade storage and protection of historical and cultural values and museum exhibits;

1.2.25. Expand content and forms of activities at soum cultural centers, renovate cultural center buildings, provide with necessary musical instruments, books and facilities and improve cultural service to children, youth and entire population;

1.2.26. Provide state support to cultural service delivery of best performance by the best professional actors to rural population and further widen this service;

1.2.27. Construct a new complex of national library. Enrich book supply of soum libraries annually and increase the number of local readers;

1.2.28. Expand Mongolia's history research and disseminate information about Mongolia among foreigners;

1.2.29. Expand involvement of private sector in order to meet the market needs and requirements for upgrading competitiveness in research outcomes and processing quality, to support young scholars and researchers;

1.2.30. Pursue the policy to make science and technology to be a top priority, provide state support in introducing and acclimatizing new technology and set up not less than two research institute of biotechnology, nanotechnology and veterinarian service equipped at world's medium standard;

1.2.31. Define the top priority of science and technology and kernel technology in line with country's developmental phase objectives and allocate sufficient resources;

1.2.32. Study the latest trends in innovation and technology, create innovative infrastructure, upgrade the legal environment for creation of innovation system, science and technology containing knowledge and wealth production, dissemination and application.

1.3. Labor market and employment policy

1.3.1. Increase work places and employment, create favorable business environment encouraging people's initiative and creativity, conduct a policy to make everyone to be economically active and able to work and reduce poverty;

- 1.3.2. Develop labor market system in complex, train officials and workers in line with market demand, improve their practical skills;
- 1.3.3. Protect citizen's right to work, increase their wage by upgrading the creativity and skills, promote business environment and stability of work places and conduct a policy aimed and social partnership;
- 1.3.4. Develop and implement a program to promote employment of social groups among population, in particular vulnerable part of the society in connection with changes in population age structure;
- 1.3.5. Reduce the portion of informal sector turning into formal one using methods and means of finance, taxation, money and loan, registration as well as social and medical insurance;
- 1.3.6. Adjust employment policy with family needs and create every year not less than 60 thousand work places enabling not less than a person per family be employed;
- 1.3.7. Increase the number of students in vocational training centers, encourage on-site intensive vocational training programs at economic entities and industrial plants and reduce the causes of being unemployed due to lack of professional skills;
- 1.3.8. Enable skills to meet requirements of labor market through vocational training programs and increase the number of trainees three-fold through integrated policy to conduct vocational training and promote employment and small and medium enterprises;
- 1.3.9. Increase the average family income to more than one million togrogs and increase the number of citizens receiving middle income;
- 1.3.10. Increase the wage, pension and benefit three-fold in comparison with the rate of 2008;
- 1.3.11. Reduce the unemployment rate by 2.5% at the end of 2012;
- 1.3.12. Upgrade the quality of labor market service and related information dissemination and set up a labor exchange;
- 1.3.13. Improve herders' labor organization, promote stability and expansion of their labor, upgrade registry and data filing on those who are engaged in the informal sector, expand economic and social services enabling them to be competitive on the labor market and assist to be engaged in the formal sector;
- 1.3.14. Consider every herder's family as domestic producer, conduct training programs designed for young herders on traditional and modern ways of nomadic cattle breeding, breeding techniques, higher productivity technology, farming and home-based enterprise management at vocational training centers;
- 1.3.15. Train a person per herder's family who is willing to be trained and get employed;
- 1.3.16. Increase the volume of employed persons above 35 years;

1.3.17. Train professional workers to replace those who are hired from abroad and conduct short-term intensive programs at vocational training centers in order to hire domestic workers for road building, construction, mining and industrial building projects;

1.3.18. Revise labor legislation and increase wage adjusting to productivity growth and change of living cost through social partnership development;

1.3.19. Create a system aimed at providing labor safety and work places meeting hygiene requirements and standard and improving industrial environment and reduce cases of industrial accident and occupational sickness;

1.3.20. Increase the outsourcing sales to US\$ 150 mln. and number of those who engaged on outsourcing to 10 thousand in order to make clear the objective to build knowledge-based economy;

1.4. Social welfare policy

1.4.1. Increase the quality and accessibility of social welfare services and modify their types and forms;

1.4.2. Ensure that a social welfare policy is consistent with interests of the entire population and enhance the methodology and arrangements for ensuring that special programmes and measures cover target groups appropriately;

1.4.3. Create and implement a legal environment and financial resources for allocation of 1.5 mln. togrogs to every citizen from the revenue generated by strategic and large mining deposits;

1.4.4. Continue to allocate financial aid and welfare to newly-weds, children and new-born babies;

1.4.5. To grant a one-time welfare of 300 thousand togrogs to a family with a third new-born baby, 500 thousand togrogs to mothers having the second grade of the Mother's Honor Order and one mln. togrogs to mothers having the first grade of the Mother's Honor Order;

1.4.6. Improve the arrangement and management of welfare services and pursue a policy of engaging the private sector and civil society;

1.4.7. Pursue a strategy on aging that reflects the changes taking place in the age structure of the population;

1.4.8. Modify legal regulations to determine the minimum of wages;

1.4.9. Modify the management of the pension insurance fund;

1.4.10. Introduce a multi-layer system of pensions, study and resolve the issue of bringing herders, informal sector employees, unemployed persons and small business owners under social insurance;

1.4.11. Modify the methodology to determine the living standard rate, create a map showing poverty-affected areas and establish a consolidated register and database of social welfare;

1.4.12. Raise the living standards of not less than 50 thousand low-income households formulate and implement the “National Programme on Family Development Support” to promote household needs, capacity and initiatives and;

1.4.13. Pursue a policy of protecting low-income citizens and the most vulnerable part of the population from price increases and provide them with food and other dire necessary aid;

1.4.14. Increase opportunities for disabled persons to live in comfort and develop their skills, create a social environment where their rights are respected and build an infrastructure that provides conditions and opportunity to take part in social life on the equal basis as other citizens;

1.4.15. Support in all aspects initiatives by households, businesses and organizations aimed at promoting a healthy way of life among children and the youth, keep them away from any kind of harmful and unhealthy habits and bring up in them the sense of purposefulness;

1.4.16. Jointly with NGOs and private sector, bring the services provided to children and women living under hard conditions in line with the professional level and standard requirements;

1.4.17. Provide social and medical insurance for every herder.

1.5. Demographic policy

1.5.1. Create conditions that are conducive to family durability, respect for customs and traditions, nature protection, skills development, a safe environment for children to grow fit and healthy, as well as to raising children into creative and responsible persons who are eager to learn and are masters of their fate;

1.5.2. Promote the creation of an environment that enables parents to grow healthy children and give them proper education and upbringing;

1.5.3. Develop new types of services aimed at educating and advising on upholding the values and ethics of relations within a family which is the primary unit of the society;

1.5.4. Pursue a policy aimed at ensuring that until the age of six children grow and receive a good upbringing in a family or in an environment commensurate with it;

1.5.5. Provide assistance and support for the creation of jobs suitable for elderly persons able to work;

1.5.6. Establish hospitals, sanatoriums and retirement homes (recreation centers) for the purpose of improving the elderly's health;

1.5.7. Implement and enforce in full the UN Convention of the Rights of the Child, to which Mongolia is a party;

1.5.8. Protect the rights of homeless children, orphans and children with one parent, children left without supervision by putting them in state care, and develop services aimed at creating conditions for their upbringing in a family environment;

1.5.9. Eliminate intolerable forms of child labor, such as trafficking of, forced labor in dangerous conditions, sexual exploitation of children and their exploitation in other illegal activities;

1.5.10. Promote children's actual involvement in policy making and decision making with regard to children's affairs;

1.5.11. Cooperate with the government of a particular country and international organizations based there in ensuring the right of Mongolian nationals and their children residing abroad to receive education and live in a safe environment;

1.5.12. Formulate a draft law on ensuring gender equality, build capacity of national personnel, issue statistical data on gender issues;

1.5.13. Conduct a census of the population and housing, develop and implement in this regard a policy and program of action.

TWO. Goal to achieve economic growth and sustainable development by implementing industrialization policy

Rapid economic growth shall be achieved in the following ways: securing the present level of economic development; consistent support for the industrialization policy; intensive development of the mining and processing industry, agriculture, small and medium-size production based on local raw materials; enhancing transportation, communication, public utility services; increasing the types and volume of crop and livestock production.

2.1. Macroeconomic and financial policy

2.1.1. Increase the average economic growth to the level of not less than 12 percent per year and create conditions for rapid economic development;

2.1.2. Increase the population's actual income and access to public services, and implement a budget and monetary policy aimed at fostering real sector development in the

following ways: ensuring economic growth, consolidating macroeconomic balance and ensuring optimum allocation of financial and capital sources to the priority areas of development;

2.1.3. Increase the per capita GDP to 5000 USD through increased labor productivity, diversification of the economy and intensified economic growth;

2.1.4. Pursue a policy of reducing annually the share of the consolidated budget expenses in the GDP;

2.1.5. The following policy is to be pursued while formulating and approving a budget statement, basic guidelines for economic and social development, state budget and [supplementary budget](#) thereto: ensure that total expenses of the state budget do not exceed 33% of the GDP; not to increase expenses that are not of dire necessity if other than expenses related to investment and infrastructure; ensure the proper ratio indicators of foreign debt;

2.1.6. Modify a legal environment for budget and financial accountability for the purpose of ensuring macroeconomic stability and strengthening the financial system;

2.1.7. Pursue a policy of confining budget expenses to the appropriate level, increasing investment returns and avoiding budgetary deficit;

2.1.8. Create, in an appropriate way, a financial, raw materials and labor market in order to ensure sustainable economic growth and build a proper market economy system. Conditions and forms of state involvement in business and commercial activities shall be regulated in detail by legislation.

2.1.9. Pursue a policy of improving the economy structure and increasing the share of manufacturing and service sectors in the GDP.

2.1.10. Create a favorable economic development environment based on the private sector and the dominance of export-oriented industry and services, stimulate export-oriented production through taxation and incentives policy;

2.1.11. Pursue a policy of creating a structure that features the proper ratio of production and consumption, importing and adapting to local conditions advanced technologies and techniques, and increasing the processing industry;

2.1.12. Pursue an inflation reduction policy where budget, finance, foreign and domestic trade issues are coordinated with one another;

2.1.13. Pursue a foreign loan policy that places no burden on the national economy and state budget and seek to receive grant aid rather than loan. The outstanding foreign debt and debt service indicators of the Government must not exceed the levels approved by the State Great Hural (Parliament).

- 2.1.14. Promote the wide use of foreign direct investment in funding economically viable projects and measures, attract foreign investment, and provide a stable environment for investment. Introduce “One Window Service” to serve individuals, entities and investors;
- 2.1.15. Enhance the efficiency of government procurement and accountability of its organizers, innovate a dispute settlement mechanism and improve government procurement’s organization and structure in the area of corruption and bribery prevention;
- 2.1.16. Create a favorable environment for investment and business activity by modifying the banking and financial system and services and cutting interest rates;
- 2.1.17. Ensure financial sector development, **prevent from** risks of a financial crisis, and modify the financial sector mid-term policy and regulations to foster economic growth;
- 2.1.18. Increase the insurance market’s impact on social life by fostering its development. Create a legal environment for life insurance for individuals;
- 2.1.19. Create a legal environment that will allow to use the remainder of the social insurance fund for long-term investment purposes by supporting the independent functioning of the social insurance fund and introducing a new management;
- 2.1.20. Modify the official, administrative and sector statistics system and methodology;
- 2.1.21. Modify the legal environment by expanding the scope of financial brokerage and bringing activities related to accounting, audit, property register, information and capital evaluation in line with international standards;
- 2.1.22. Modify the law on securities market to adjust it to general requirements of the international financial market and develop capital stock exchange and elevate the activities of the stock exchange to the international level;
- 2.1.23. **Improve** the legal environment for mortgage system;
- 2.1.24. Create legal environment to set up a system for providing loan security, loan insurance and collateral **in order to support small and medium sized enterprises**;
- 2.1.25. Establish centers for consultancy to owners of small and medium enterprises and supporting incubators and eliminate all kind of red tapes at state authorities;
- 2.1.26. Introduce e-licensing system for getting an authorization or permission to run **business** activities;
- 2.1.27. Upgrade the legal regulatory system for support of fair competition, formulate proper understanding and culture on competition among the public and create competitive market environment;
- 2.1.28. Upgrade quality and competitiveness of domestic products, works and services, improve safety of consumption, create ecologically-friendly conditions and substantially improve support in terms of standardization, metrology and etalon in order to supply the end-users with high-quality and safe products;

2.1.29. Conduct a proper policy on standards in order to ensure food and medicaments safety;

2.1.30. Deliver professional service in relation to intellectual property, upgrade a legal regulatory system in line with social development and international trends and take measures to educate public and disseminate information concerning the intellectual property rights;

2.1.31. Create a development bank.

2.2. Industrialization policy

2.2.1 Develop and implement an industrialization program of Mongolia;

2.2.2. Revise and renovate a policy on geology and mining sector on the basis of accountable mining and upgrade a legal environment;

2.2.3. Turn into strategic and biggest mining deposits into economic circulation and start to **exploit** Tavan Tolgoi coal mine, Oyu Tolgoi copper and gold mine , Tomortei iron ore mine, Tsagaan Suvarga copper and molybdenum mine and Asgat silver and mixed metal mine;

2.2.4. Create a legal environment for search, geological surveys, exploration and **enrichment** of uranium, increase the guaranteed resource and start to **exploit** the mines such as Mardai and others jointly with strategic investors who are interested to invest in such deposits;

2.2.5. Create a Mongolian brand of processing industry and increase the volume of production to manufacture cashmere, camel and sheep wool, leather products capable to compete on the world market;

2.2.6. Create a possibility to supply domestic demand in construction materials such as cement, metal frames and glass;

2.2.7. Set up small enterprises and industrial and technological parks to meet the demand of aimags and expand local industry and manufacturing capacity;

2.2.8. Implement projects on oil processing, coal liquefying and gasifying and conduct a policy to supply domestic demand in petrol and fuel;

2.2.9. Conduct a comprehensive research for use of nuclear energy, develop technical and economic feasibility study and improve radiation control and safety;

2.2.10. Develop standards, norms and normative **acts** for geological and mineral surveys in line with international standard and upgrade a legal environment for conducting surveys in national parks;

2.2.11. Conduct territorial geological and natural resource surveys and make a comprehensive assessment and intensify surveys on geological mapping, geophysical,

hydro-geological, geo-ecological and other thematic surveys and increase the private sector investment;

2.2.12. Process unified results of all kind of geological surveys funded by state budget and private sources and create a national geo-database;

2.2.13. Introduce an automated cadastral registry system and offer smooth and speedy service to customers;

2.2.14. Encourage application of eco-friendly technology and technical appliances for mining industrial purpose, rehabilitate land under erosion and draw the required amount for rehabilitation in the state budget account;

2.2.15. Develop heavy industry and encourage construction of complexes of hydro-metal works, cathode copper processing, gold melting, coke-chemistry and ferrous metal processing;

2.2.16. Promote technological renovation of the Darhan steel plant and Erdenet ore dressing plant;

2.2.17. Upgrade technical facilities, technological and economic capacity of the Baga Nuur and Shivee Ovoo mines, resolve investment issues, take measures to increase coal exploration and export products and widen the power station capacity of the Shivee Ovoo coal mine in order to export electric energy;

2.2.18. Set up a power station of 20 mwt. At the Bayan Teeg coal mine in order to reduce deficit of western power transmission line;

2.2.19. Resolve issues related to coal supply to power generation stations in Darhan and Erdenet;

2.2.20. Take measures to supply ger dwellers with less smoke-generating fuel;

2.2.21. Launch surveys to seek for methane gas of coal layer and natural gas and determine the approximate resource and upgrade a legal environment of gas fuel in order to widen gas fuel consumption;

2.2.22. Intensify the surveys for search of oil and increase oil exploration on the basis of concluding contracts on oil product sharing and create a possibility for purchase of oil from the third countries;

2.2.23. Upgrade legal environment and market model of energy sector and introduce the model of contractual market;

2.2.24. Resolve issues related to power supply, road and railway building for strategically important mining deposits, construct air power transmission line of 220 kwt connecting Baga Nuur – Undurhaan – Choibalsan and Ulaanbaatar – Mandalgovi – Tavan Tolgoi – Oyu Tolgoi and build two circuit power line of 220 kwt between Baga Nuur – Choir and Choir – Mandalgovi;

- 2.2.25. Give a top priority in the capital city to manufacturing of highly competitive on the market small-sized products and delivery of services based on new technology;
- 2.2.26. **Intensify** economic and free trade zones in Zamiin Uud, Altanbulag and Tsagaannuur areas;
- 2.2.27. Promote development of free trade zones and industrial parks through resolving the infrastructure and energy problems;
- 2.2.28. Promote and support the production of ecologically pure milk and milk products, meat and meat products;
- 2.2.29. Allocate no less than 150 billion tugrics amount of money from such sources as the state budget, **the** Development Fund for Mongolia, foreign aid and assistance, and citizen income taxes to support the industry, small and medium enterprises and employment;
- 2.2.30. Implement “Chatsargana”/sea-buckthorn/ project: plant sea-buckthorn on 20 hectares of land nationwide and set up sea-buckthorn processing farm at first stage;
- 2.2.31. Reduce the export of the raw minerals on step-by-step basis, improve processing quality of the export products and increase the number of the value-added tax products;
- 2.2.32. Develop and implement projects for each strategically significant mining deposit. At the initial stage improve the processing productivity at Erdenet copper-molybdenum mining plant and Baganuur and Shivee-Ovoo coal mine through technical renovation and promoting manufacturing of final products. Set up a pure copper processing plant at Erdenet **between** 2009-2011.
- 2.2.33. Formulate a Gobi **regional** development project (including Umnugobi, Dornogobi, Dundgobi and Gobi-Sumber), launch construction of the mining-metallurgical- energy complex based on Tavan Tolgoi coal, Oyu Tolgoi copper-gold and Tsagaan Suvraga copper mines.
- 2.2.34. Promote the mining and exploration of the strategic coal mines with estimated reserves such as Asgat and Burenkhaan consistent with the regional development;
- 2.2.35. Expand and renovate the Darkhan steel plant and set up a ferrous metal processing complex in Darkhan-Selenge region to supply fully the domestic demand and create a new source for export;
- 2.2.36. Increase the gold reserve, promote the gold production by introducing new technologies and support an establishment of national gold processing plant;
- 2.2.37. Create a legal environment to alleviate the manually done coal, gold and other minerals exploration and develop modern micro-mines;
- 2.2.38. Encourage **establishment** of a cluster of small and medium sized enterprises engaged in providing mining-metal processing-energy complexes with supply, service, food and agricultural production.

2.3. Agricultural and food safety policy

2.3.1 Take **coordinating** measures aimed at fully ensuring supply of primary foodstuff, meat, milk, flour, potato and vegetables to meet the domestic demand;

2.3.2. Install modern laboratories for testing quality of foodstuff in the capital city and border crossing **check** points; upgrade the data and monitoring system to ensure hygiene of food items and safety of drinking-water;

2.3.3. Introduce modern and latest technology in the food and agricultural sector, increase the percentage of manufactured foodstuff in a consistent manner and encourage production of ecologically pure products and promote a legal environment for export of these products;

2.3.4 Increase supply and accessibility of safe drinking-water in line with hygienic requirements introducing modern technology and technical facilities, and continue the installation of water softening equipments to improve the quality of potable water in *soums* and settled areas where water is hard and rich in minerals;

2.3.5. Continue Third National Crop Rehabilitation Drive to revive domestic agricultural production, formulate a policy on land cultivation with irrigation system and intensify technological upgrade and increase the volume of protected soil for sowing; and establish a system for sowing new breeds of plants, renovate seeds and breeds and protect growing plants;

2.3.6. Conduct a policy to improve quality and productivity of cattle, improve breeding activities, service sufficiency and outcomes and keep proper composition of flock of herds;

2.3.7. Promote intensive animal husbandry determining the boundaries between regions for pastoral and intensive animal husbandry, conduct a policy to establish a regional model of farming and work together with municipal authorities in these areas;

2.3.8. Establish an IT-based exchange and trade network that would enable rural people to sell their agricultural products and raw materials directly to end-users;

2.3.9. Create a legal environment to exempt herders from personal income taxes;

2.3.10. Restore the animal fodder production, improve nutrition and calories of fodder and increase supply and sufficiency;

2.3.11. Enhance the laws and regulations on pasture land ownership and utilization

2.3.12. Take measures to protect the animal health in accordance with the international standards, promote the capability of diagnosis and research laboratory at the veterinary hospital, support financially through investment the veterinary hospitals at soums, the breeding units and the Biocombine, improve the quality and increase the supply of the domestic veterinary drug products and vaccines;

2.3.13. Develop the legal environment for agricultural plot land utilization, create an information database on land and land resources, take comprehensive measures to protect, improve the productivity of and irrigate the pasture land, and to combat harmful rodents;

2.3.14. Promote the initiatives for cooperation and joint investment, formation of cooperatives and partnerships through loan and taxation policy;

2.3.15. Increase the amount of the state budget allocated for maintenance of the current and building of new water and irrigation systems;

2.3.16. Implement livestock sanitary programs, and update the price tariffs on the veterinary and breeding services;

2.3.17. Introduce new technologies to combat soil erosion and degradation and thus intensify the restoration of the abandoned/derelict lands;

2.3.18. Promote and support greenhouse industry for growing vegetables, fruits and berries;

2.3.19. Provide fund from the state for the preventive measures such as livestock washing, use of laxatives and vaccination;

2.4. Infrastructure and Urban Development Policy

2.4.1. Promote the state and private partnership, promote private sector investment in construction industry, and create legal environment for regulating the transfer the properties from the private to the state ownership after a certain period of time;

2.4.2. Regulate the domestic migration at policy level, improve the planning and management of and develop the infrastructure of the regions, the regional centers and subordinated cities, reduce the differences in urban and rural areas;

2.4.3. Improve the urban planning based on the population migration and settlements develop and implement national program on “Cities”;

2.4.4. Improve the infrastructure development in *ger* areas within the urban areas, develop and implement the proper housing policy with the support and participation of the local residents;

2.4.5. Improve land use, intensify land reform and take measures aimed at granting land ownership to every citizen of Mongolia;

2.4.6. Introduce GPS technology, launch the second phase of establishment of GPS network and upgrade the altitude network;

- 2.4.7. Develop and implement the projects to build apartment complexes for 100 thousand families in the capital city and rural areas and make a notable progress in providing low and middle income persons with houses and apartments;
- 2.4.8. Upgrade the quality and accessibility of public utilities and services and take measures to privatize and reform the public utilities and services;
- 2.4.9. Develop the capital city to meet the international standard and develop and implement projects to turn the capital city into a healthy, clean, safe city with comfortable environment and reliable infrastructure;
- 2.4.10. Advance the civil aviation development, build an international airport in the Hoshigt Valley in the Central *aimag* and connect with the Ulaanbaatar city infrastructure;
- 2.4.11. Create a basic infrastructure to build economic and financial capacity for the capital city and regional areas to develop independently;
- 2.4.12. Develop mapping and feasibility study and implement mega projects related to building an international airport, airport town, railways in the Gobi region, construction of water, power and infrastructure networks, and railways in the eastern part of the country;
- 2.4.13. Transform the public transportation system of the capital city and other major settled areas with 500 buses which meet traffic safety requirements and encourage by allocating required budget from the state to provide the city with not less than 2000 taxi cabs which use natural gas;
- 2.4.14. Increase the transit traffic capacity of the Mongolian railway, improve service quality and scope and add 20 locomotives and 2000 railway carriages within the technological reform;
- 2.4.15. Achieve a considerable progress in the implementation of the “Transit Mongolia” program and upgrade substantially the infrastructure conditions and logistical networks;
- 2.4.16. Increase the private sector involvement in the air traffic, expand international flights and create international air cargo service;
- 2.4.17. Advance “Millennium Road” project and connect the *aimag* centers with the capital city by paved road and build a road between Ulaabaatar, Mandalgobi and Umnugobi;
- 2.4.18. Build highways between Zamyn Uud Ulaanbaatar and Altanbulag which will be linked to the international highway network and build a paved road connecting Yarant, Hovd, Ulgii and Ulaanbaishint;
- 2.4.19. Renovate and expand road networks of Ulaanbaatar and *aimag* centers and construct two-level cross-roads, bridges, tunnels and parking lots;
- 2.4.20. Support operations of companies and enterprises which use international standards and eco-friendly technologies in road paving and repair of roads;
- 2.4.21. Construct a paved road between Bayanhongor and Gobi-Altai;

- 2.4.22. Build new sources of heat and electric energy in the capital city;
- 2.4.23. Create passenger and cargo terminals and logistics centers in the capital city and other regions;
- 2.4.24. Develop soft infrastructure /addressing, coding: bar code, zip code/ based on aerial database, upgrade public service to a new level and make it more efficient;
- 2.4.25. Expand information and communications infrastructure, broaden communication services and increase accessibility for all families;
- 2.4.26. Transfer radio and TV broadcasting to digital system and enable broadcasting of all TV channels nationwide;
- 2.4.27. Build a power station to supply the five western *aimags* with reliable energy source or connect with the central power generating system;
- 2.4.28. Conduct feasibility studies to connect the central power generating system with the western power system and put the power transmission lines into service;
- 2.4.29. Implement the national program on renewable energy, study the possibility to build a large power station based on modern technology using wind and solar power and construct them in the Gobi and eastern *aimags*;
- 2.4.30. Expand the postal network and introduce the services based on information technologies;
- 2.4.31. Promote the private sector involvement in infrastructure development intensification and encourage building and expanding the auto road, railway. energy and communication networks by private companies upon conditions of repayment of related costs by the state;
- 2.4.32. Build the parallel railway line, increase the border crossing points, conduct a feasibility study to construct pair power lines and connect to central power system and implement these projects in certain phases;
- 2.4.33. Increase the funding for housing construction, develop a system of primary and secondary market for mortgages, decrease the interest rate of mortgage and determine the repayment period to be 25 years;
- 2.4.34. Submit the integrated land use plan to the State Great Hural (Parliament) for approval and launch a system to sell land at the open auction except those land which are taken for housing construction to replace *ger* areas in the capital city and other settled areas;
- 2.4.35. Revise and adopt an urbanization and city planning policy launching a program “New Ulaanbaatar–Green city” aimed at initiating capital city renovation, decreasing air pollution and land degradation in the capital city, resolve complex infrastructure issues, and set up green parks in every district for youth leisure and entertainment;

2.4.36. Grant towns such as Hovd, Choibalsan, Darhan, Erdenet, Zamyn uud and Suhbaatar a status of national cities and take comprehensive measures on city planning;

2.4.37. Make the Huvsgul Lake as tourist attraction region and upgrade its infrastructure as a top priority;

2.5. Rural Development Policy

2.5.1. Formulate and start implementing the “Rural development” program;

2.5.2. Establish “Industrial Development Fund” with not less than 50 million tugrugs to encourage small and medium-sized enterprises in *soums*;

2.5.3. Make all *soums* to have permanent power supply using different power generators, improve *bag*'s power supply and heat supply in *aimags* and local areas upgrading their capacity;

2.5.4. Support all rural families to have power generating source;

2.5.5. Improve the auto road for inter-*aimag* traffic, transport and main tourist attraction lines and pave some parts of the roads;

2.5.6. Set up in local places construction material producing and processing plants or enterprises;

2.5.7. Establish a proper system to pay compensation for living in the remote places or Gobi areas;

2.5.8. Create conditions for herders to use cell phones and mobile communications services;

2.5.9. Build or repair school dormitories, hospitals and cultural centers in rural areas;

2.5.10. Start using agricultural land partially not used before within the framework of the Third National Crop Rehabilitation Drive and upgrade agricultural machinery and technical facilities;

2.5.11. Develop and implement the program “Mongol *ger*” in order to create comfortable living for those who live in *gers* and preserve national heritage and culture;

2.5.12. Announce about 10 projects which require funds not less than US\$ 200 million in 2009 nationwide in order to diversify national economy and attract foreign and domestic investments for priority infrastructure development and construction;

THREE. Objectives to Promote Environmental Sustainability

Conduct a complex policy on tourism industry based on preserving natural resources needed to keep ecological balance, using natural resources rationally and conserving the nature and creating stable environment for development;

3.1. Conduct a policy to preserve natural resources within the natural restoration and capacity scope, use them rationally and promote eco-friendly clean technologies in line with related laws and regulations;

3.2. Reduce the air pollution in Ulaanbaatar and other cities through restriction of burning raw coal, expansion of engineering installments for apartment building replacing the *ger* areas, widen the green belts, renovate the public transportation system adding gas fuel-operated vehicles;

3.3. Reduce the air, water pollution and land degradation in cities and other settled areas and create healthy and comfortable living conditions for citizens;

3.4. Introduce new waste management in cities and other settled areas and set up waste recycling plants;

3.5. Conduct unified state policy on water, coordinate flow of big rivers and construct an infrastructure needed for transfer of accumulated water reserve for utilization;

3.6. Re-plant indigenous plants in Gobi regions and scarcely vegetated areas where desertification spreads, increase precipitation, accumulate water, set up man-made lakes and ponds in order to keep ecosystem balance and implement a project "Water";

3.7. Dig up a well which uses wind and solar power for operation in every *bag* in order to irrigate pastoral land in the Gobi and scarcely vegetated areas;

3.8. Reformulate the national program against desertification and increase foreign and domestic funding to decrease the desertification;

3.9. Upgrade the legal basis for protection of soil and adopt and implement the law on soil;

3.10. Prohibit geological surveys for natural resources and exploration in area with limited reserve of gold deposits, watershed area, river basin area, forestry, Gobi oasis area, natural scenery area and national parks and restrict use of technologies harmful to the nature and human health for the mining purpose;

3.11. Refrain from any profitable projects if there is no guarantee to restore the nature and environment;

3.12. Create a database on mining and exploration control, survey programs, protection of the nature and restoration plan, assignments and payment settlement for use of natural resources and make it transparent and open to public access;

3.13. Introduce procedures to issue a decision upon the comprehensive assessment of impact on the nature and environment made by the professional authority selected by certain criteria in order to grant a permission for surveys and exploration of mining deposits;

- 3.14. Expand local network of specially protected areas crucial in preserving ecosystem balance in Mongolia;
- 3.15. Create a stable management for forest resource and its restoration and encourage initiatives to use imports for domestic demand in wood replacing products and wooden materials;
- 3.16. Improve the management of protection of flora and fauna and rational use of them and create favorable conditions for their natural raise and rehabilitation;
- 3.17. Pursue an unified policy on protection of the nature and environment, land, wealth beneath ground and rational use on the basis of the national policy on land and unified land fund planning in Mongolia, create an independent body replacing the present land and real estate registry authorities and renovate the methodology on land value determination;
- 3.18. Upgrade the legal environment for tourism industry and increase the number of tourists visiting Mongolia through the improvement of related infrastructure;
- 3.19. Tighten the state control over the nature and environment and strengthen the responsibilities and liabilities for keeping natural resources safe and secure.

FOUR. Objective to Strengthen Rules of Law and to Make Governance Transparent and Open

The measures aimed at improving the structure of the administrative and territorial units of Mongolia will be developed and implemented; the partnership of civil society and public administration, the stability, transparency, capacity and accountability of civil service will be strengthened; the legal reform will be deepened.

4.1. Legal Policy

- 4.1.1. Deepen the legal reform in consistence with the principle whereby the drafting of legislation is scientifically based and adequately meets with the drafting requirement, to improve laws by eliminating existing loopholes, duplications and discrepancies through undertaking research on the nature of the legislation of Mongolia in force;
- 4.1.2. Make a thorough assessment of all legal acts and norms approved by the state authorities and officials, take measures to terminate those legal act contradicting with legislation and improve a regulatory framework in this field;
- 4.1.3. Deliver approved legislation to central and local places in timely manner, expand the scope, sufficiency, quality and effectiveness of the provision of informal legal training programs on professional basis;

- 4.1.4. Ensure an economic and organizational condition for independency of judicial authorities;
- 4.1.5. Update the regulatory framework on activities conducted by law enforcement authorities;
- 4.1.6. Develop a program to upgrade the knowledge, professional and [qualification](#) skills of law enforcement officials and take measures to improve the training facilities and teaching materials;
- 4.1.7. Ensure that an unified standard of professional education is pursued by all law schools and improve the quality of teaching, teachers and environment standard to a new level;
- 4.1.8. Bring utilization, storage, safety, filing, inquiry and data capture conditions of documents in archive to the standard of developed countries and introduce an information technology in archives and document filing of state authorities;
- 4.1.9. Approve and implement a mid-term program to prevent corruption and fight against corruption;
- 4.1.10. Adjust domestic legislations to the concept of the UN Convention against Corruption;
- 4.1.11. Introduce and implement a service standard for state authorities;
- 4.1.12. Establish an electronic and transparent system in order to monitor the settlement of [petitions](#) and complaints filed by citizens;
- 4.1.13. Conduct a judicial system reform and ensure the independence of court disciplinary committee;

4.2. Policy on Fight against Crime

- 4.2.1. Improve effectiveness of the activities concerning fight against crime, crime prevention and public order safeguarding and undertake comprehensive measures to provide safe living environment for citizens;
- 4.2.2. Make the number of the people to be served by an official of the police, prosecutor's offices and courts comparable with the international level;
- 4.2.3. Provide the police and domestic military personnel with designated technical tools and devices necessary for the safeguarding the public order;
- 4.2.4. Set a tele-camera system to control road traffic movement in Ulaanbaatar;
- 4.2.5. Organize in stages, and complete, construction of permanent police watch posts (koban system) under all divisions and sections of the police for the purpose of making their service more accessible to the citizens;

4.2.6. Create conditions to ensure accurate, independent and scientifically proven conclusion by use of the laboratory techniques, methods and tools of advanced technology for examination and inspection of traces of crime and physical evidence;

4.2.7. Pay greater attention to the fight against new types of crimes such as terrorism, purchase, acquisition and use of illicit drugs, inducement to lewdness and human trafficking;

4.2.8. Pay special attention to **involve** citizens and civil society organizations in prevention of crime and securing the public order and expansion of their cooperation;

4.2.9. Provide on an annual basis financial support to the national, aimag and soum funds for prevention from livestock theft from the state budget and take measures to encourage activities of herders' groups for livestock protection;

4.2.10. Intensify implementation of the national program on alcoholism prevention and control, accelerate progress of the work toward reduction of the harmful effects of alcoholism, tighten the control over the production, sale and service of alcoholic beverages and solve the issue of ensuring treatment of alcohol addicted persons by professional organizations;

4.2.11. Organize in specific stages the transfer of the types and regimes of prisons to the open and closed systems and provide the prisoners with conditions complying with the requirements stated by law and international standards;

4.2.12. Ensure conditions and opportunities for non-governmental organizations to increase their participation in socialization of former;

4.2.13. Renovate cells for detainees and provide sentinels of prisons and detention centers with modern equipment and technical devices;

4.2.14. Make the monetary damage caused by state officials to the state and society as a result of the crimes of corruption be compensated, intensify the fight against corruption and tighten the penal policy;

4.3. Border Protection Policy

4.3.1. Introduce modern technology to border protection of Mongolia, improve the cooperation of the law enforcement authorities in the field of fight against transnational organized crimes and ensure an integrated system of border protection;

4.3.2. Create regional (areas of mountains, forests, deserts and steppes) protection system for the state border;

4.3.3. Modify the current system whereby the state border is protected by "the fixed-term military servants" and transfer it in a staged manner to a new system whereby the border protection management is administered by professional organizations and border protection duties are carried by specialized border officers on a contractual basis.

4.3.4. Implement comprehensive measures to renovate border protection authorities' communication system and technical facilities and the supply of arms for border protection;

4.3.5. Upgrade the activities of border crossing check points to the level of neighboring countries and increase the capacity of border crossing points;

4.3.6. Create special units and posts and provide them with special devices and tools to take special counter operations in such cases of emergency as public disorder or hijacking of passengers and means of transport at the border crossing points and border lines or border zones;

4.3.7. Mark water border-lines in the part of the "Buir Lake" at the border of Mongolia and the People's Republic of China and upgrade the water border protection;

4.3.8. Ensure normal working conditions for officials of such agencies as police, border, customs, immigration and professional inspection agencies working at the border crossing points.

4.4. Creation and Strengthening of the Unified National Registry System

4.4.1. Introduce a procedure to separately register the population eligible to vote in the work of the authority in charge of national registry and legalize the function to control the registration of voters under the General Elections Committee;

4.4.2. Create conditions to provide one-spot service for legal registration (of citizens, legal persons and real estate) through combined organization of the authorities in charge of national registry (the State Center of Civil Registry and Information, the State Authority of Real Estate Registry and the State Registry Office under the General National Taxation Authority) and transfer the registration and information service to an electronic form;

4.4.3. Implement the "Smart ID" program in stages. The Smart ID card shall contain citizen's identity data and other kinds of information. The issue of creating social security numbers for citizens shall be studied and resolved within the framework of the program;

4.4.4. Upgrade the organizational structure and legal environment of the authority in charge of immigration, naturalization and foreign citizens in order to improve registry and control of foreign nationals residing in Mongolia;

4.4.5. Take appropriate measures to connect 20 border crossing [check](#) points to the unified network of civil registration and passport control within the framework of the relevant project.

4.5. Civil Society and Public Administration Policy

4.5.1. Revise the legal environment for activities of civil society organizations in order to ensure participation of the civil society in public administration and strengthen and develop

the partnership of the state and civil society in all aspects and mutual trust between the state and citizens through control of state authorities, influence, getting of support and assignment;

4.5.2. Strengthen the legal basis for political relations based on national harmony and fundamental interests of the nation and deepen the democracy;

4.5.3. Revise the legislation on all stages of elections to ensure participation of citizens in public administration, provision of rights to vote and to be elected and strengthened system of free, general, equal and direct elections;

4.5.4. Improve the legal basis for development of the competent and responsible civil service free of corruption and bureaucracy to provide coordinated activities of all state central administrative and local administrative authorities, make the civil service transparent, speedy and free of bureaucracy and increase the responsibility of the civil service;

4.5.5. Build the capacity of the civil service through improvement of ethics and accountability of civil servants, setting the sense and culture of respecting rule of law and not tolerating corruption and provision of appropriate working conditions and guarantees;

4.5.6. Upgrade the legal environment for state policy and action monitoring and increase the analyzing capability and effectiveness;

4.5.7. Enlarge the administrative and territorial units depending on their economic capability and population density, provide them with an opportunity to develop relatively independently, decentralize the powers, determine functions of the units at each stage and upgrade their administration in line with the state governance system based on the scientifically proven ground;

4.5.8. Upgrade the legal environment for the activities of local self-governing and administrative authorities, set up a proper balance of power sharing and develop local self-governance in its genuine meaning;

4.5.9. Upgrade the legal environment for provision of the public media freedom;

4.5.10. Make the state organizational structure compact, reduce the number of civil servants eliminating overlapping and vacant positions, create the legal environment for delegating some state responsibilities to non-governmental organizations and substantially decrease state budget expenses;

4.5.11. Make liable general budget administrators and civil servants who wasted budget money and create transparent and speedy mechanism for control;

4.5.12. By amending the Law on Administration and Financing of the State Budget Organizations, to increase the powers of the local self-governing authorities, create favorable business environment, eliminate bureaucracy in the state activities, and create control by non-governmental organizations and civil society over the state activities to

monitor and discuss the activities of state authorities, state budget expenditures and revenue collection planning;

4.5.13. Create the legal environment for civil control and conduct a policy to ensure rights of those citizens whose rights were violated to complain and [claim](#);

FIVE. Objectives related to National Security and Foreign Policy

The Government shall deepen political, economic and humanitarian relations with states of regional and global influence, actively pursue independent, multi-pillar and open foreign policy and provide conditions for better strengthening of the security of the nation and people and defense matters.

5.1. Foreign Policy

5.1.1. Keep on developing good neighbors' partnership relations with the Russian Federation and People's Republic of China, comprehensive partnership relations with the USA, Japan and the EU and friendly relations and cooperation with other countries;

5.1.2. Pursue a policy aimed at strengthening the independence, sovereignty, reputation and position of Mongolia within the United Nations and other international organizations and getting concrete assistance and support to build democratic institutions, good governance and public administration capacity as well as to intensify economic growth;

5.1.3. Efficiently participate in the regional political and economic relations and strive for acceding to the Asia Pacific Economic Cooperation (APEC);

5.1.4. Pay greater attention to Mongolia's foreign economic relations and consistently pursue a policy to protect interests of landlocked states, including creation of favorable conditions for transit of goods originated in Mongolia through the territories of the Russian Federation and the People's Republic of China, start implementation of infrastructure projects concerning road building, railway construction and construction of high power and communication lines, and effectively determine location of border crossing points in order to make them permanent;

5.1.5. Pursue a policy to create concrete interests of foreign countries in Mongolia, upgrade the economic competitiveness of the country, make trade efficient, increase investment and involve foreign investment in proper ratio for implementation of mining and other large projects;

5.1.6. Increase the number of regions and countries to export goods originated in Mongolia at the preferential rate applied with no tariff and non-tariff restrictions and take measures to regulate the supply and safety of food and oil products through conclusion of international treaties and agreements;

5.1.7. Develop, adopt and implement programs and laws on issues concerning rights and social problems of Mongolian nationals working, studying and living in foreign countries for a long period of time;

5.1.8. Consistently protect legal interests of Mongolian nationals and legal persons abroad, create a fund to assist Mongolian nationals and expand consular activities;

5.1.9. Expand activities aimed at increase of visibility of Mongolia abroad and among the international community;

5.2. Defense Policy

5.2.1. Extend foreign relations and cooperation in the field of defense and strengthen the military trust in the region;

5.2.2. Increase capacity of the armed forces to take part in the UN and international peace-keeping operations;

5.2.3. Upgrade the legal environment for the defense sector, improve the policy on defense resource management and coordination and make the defense budget structure closer to the international standard;

5.2.4. Implement the policy on local place defense pursued by the state in a staged manner;

5.2.5. Upgrade the military strategic training system in line with the objectives of ensuring the national security;

5.2.6. Encourage activities of the state and non-government organizations which aim at formation of sense patriotism in the minds of the citizens of Mongolia and actively cooperate with them;

5.2.7. Upgrade the system of local recruitment of personnel and mobilization of resources, and create conditions to conduct regional training programs based on the armed forces units and branches located in regional centers;

5.2.8. Increase participation of alternative military service in the activities of ecological disaster prevention, fight against desertification, tree re-plantation and natural restoration and promote engagement of some military units in these activities;

5.2.9. Upgrade composition and organizational structure of the armed forces and increase its capacity to perform multi- task operations;

5.2.10. Upgrade the organizational structure, composition, arms and equipment of the special task military units specialized in counter terrorist operations and liquidation of consequences and damages caused by terror acts and improve the mobility of such military units.

5.2.11. Develop a program on revision of the performance indicators of armed forces and military personnel and creation of a new insurance system for them;

5.2.12. Elaborate and carry out phased implementation of the mid-term and long-term policies on renovation of arms and military equipment;

5.2.13. Initiate renovation of military equipment against attacks by air;

5.2.14. Improve the social welfare and services for military personnel through implementation of a program on military personnel housing by allocation of resources from the state budget and creation of legal basis to introduce tax-free network of relaxation centers, sanatoriums, sale of goods and services for the military personnel;

5.2.15. Upgrade the legal basis and organizational structure and strengthen human resource capacity of the Central Intelligence Agency to match with its main function;

5.2.16. Renovate the system of intelligence and communication means in coordination with the objective to develop registration and information system and develop communication and information technology;

5.3. Policy on National Capacity Building in Disaster Prevention and Damage Liquidation

5.3.1. Upgrade the legal environment of the disaster management and approximate it to the international standards and expand cooperation with the same function authorities in the neighboring countries;

5.3.2. Improve the national capacity of disaster prevention, rescue, preparedness, management and damage liquidation, and implement in phases the policy of introducing latest scientific and technological achievements and modern equipment and machinery;

5.3.3. Supply the state reserves with reliable goods and materials, preserve them in conformity with storage standards and improve their capacity of immediate restoration in case of a disaster;

5.3.4. Provide under the specialized inspection authority with a general laboratory equipped with modern technology and devices and improve the authority's resource base and human resource capacity;

5.3.5. Raise the hygienic requirements set for the production, services and business activities conducted in the territory of Mongolia.

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Preliminary Conditions, Implementation Principles, Methods and Risks of the Government's Action Program

Preliminary Conditions Required for Implementation of the Government's Action Program:

political stability and stable functioning of the State Great Khural and Government;

commitment of the state authorities, their prompt actions and proper organization;

adoption and implementation of the main strategy for economic and social development, budgetary and monetary policy and other national programs in close and coordinated manner;

waiver of any new social oriented commitments;

creation and encouragement of the mutual understanding, social partnership and co-operational mechanism between the private and public sectors;

close and coordinated activity between the central and local governments;

proper distribution and deployment of existing human resource capacity;

Principles for Implementation of the Action Program:

promotion of partnership and cooperation between the Government and civil society through fostering the initiatives on "Social responsibilities" by the civil society, in particular by the private sector;

encouragement of the cooperation with and support of foreign partners in implementation of the policies and programs;

observation of the principles of transparency, accountability and responsibility in allocating and spending of funds and resources;

focus of the state governance on the respect of national interest and resources on priority areas and solution of the issue in a staged manner.

Main Means of Implementation of the Action Program:

To form the appropriate market necessary for the country's economy, develop it in a proper way and create its permanent working mechanism, which will include:

financial market: monetary and stock market;

labor market;
raw materials market;
technology and information market;
knowledge and innovation market.

Ways of Implementation of the Action Program:

preparation of adequate and sufficient work force by support of education with particular attention to vocational training and proper deployment of the work force;
rational use of the country's capital and financial resources, development and use of joint funding system of the state and private sectors;
rational use of minerals and natural resources to meet the development needs and choice of the way that would not cause harm to human life environment;
choice of the most appropriate, progressive and effective ways and technology to achieve any goals and introduce new technology and innovation in all economic, business and social branches in a constant manner;
effective and efficient use of the national human resources, intellectual capacity, capital, finances and natural wealth and development of leadership and administrative skills and capability at every stage of state authorities.

Potential External and Internal Mid-term Risks:

instability on the world market, sharp fluctuation and fall of raw materials prices, inflation increase and occurrence of deflation;
price of energy sources, including oil, and extra burden caused by export duties;
risks which might emerge in agricultural and environmental sector due to weather and climate changes;
stagnation at the level of governance, deadlock in activities of the State Great Khural and other state authorities and lack of possibility to resolve issues with no delay.

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List of Projects and Programs Required to be Newly Developed during the Implementation of the Action Program of the Government of Mongolia

- “Industrialization of Mongolia” Program;
- “Towns” Program;
- “Housing” Program;
- “Education” Program;
- “Development of Culture and Arts” Program;
- “National Ambulance Service Network” Program;
- “Gobi Area Infrastructure Development” Program;
- Program on supply, nutrition and safety of food;
- Program on organic Mongolia and ecologically clean products;
- “Combating Desertification” Program.

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