MEDIUM-TERM DEVELOPMENT POLICY PLANNING FOR SUSTAINABLE DEVELOPMENT AMID COVID-19

SUZANNA SUMKHUU
Acting Director General of the Development Policy and Planning Department

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PANDEMIC AND ECONOMIC GROWTH

GDP growth between 1982-2020
% YoY real growth

Economy in transition
-9.3 -1.3 -4.6
COVID-19 pandemic
1.4

Economy is performing 3.1% lower than its potential

Source: National Statistical Office

Countries are undertaking various policy measures to recover economy during pandemic

Source: Ministry of Finance

2020
SINGAPORE
PANDEMIC LAW
2020
ITALY
SOSTEGNI BIS
2020
SOUTH KOREA
KOREA NEW DEAL
INFLATION RATE IN MONGOLIA

Inflation, compared with the same period of the previous year /2021.12/

MAINLY CONTRIBUTED GROUPS /compared with the same period of the previous year/

**Food group**
- Meat, meat products: 24.2%
- Non-alcoholic beverage: 11.9%
- Non-food group: 12.2%

**Non-food group**
- Clothing, cloth and footwear: 6.6%
- Medicine and medical service: 7.5%
- Housing, water, electricity and fuels: 15.3%
- Transport: 21.6%

Source: National Statistical Office
IN 1995, MINING SECTOR COMPOSED 65.5% OF TOTAL EXPORT, WHEREAS IN 2020, IT REACHED 93%.
CONSTITUTIONAL AMENDMENT REGARDING DEVELOPMENT POLICY, PLANNING AND BUDGET

Constitutional Law:

25.1.7. Identify core directions for state finance, credit, tax, monetary policy, state economic and social development policies and approve the Government Action Program, state budget and its performance report formulated in accordance with development and national security policies;

Development policy and planning shall be consistent and stable.

Law on Development Policy, Planning and Management:

- Ensured the comprehensiveness and coherence of development policy documents;
- The rights and responsibilities of stakeholders in development policy and planning have been clarified;
- The National Development Agency is responsible for providing integrated management and coordination;
- Increased responsibility for stakeholders in development policy and planning.

- Ensure cohesion of the state and local budget planning with development policy planning;
- Provide required capital and financial sources to implement goals and targets set forth in the long-term development policy, Five-Year General Guideline for the Development of Mongolia and Targeted Development Programs;
- Supervise budget and capital sources of actions reflected in the State Annual Development Plan and provide required capital and financial sources for their implementation.
**Sub-Committee on SDGs of the Parliament**

**National Committee for Sustainable Development** headed by the Prime Minister

**National Statistics Office** to develop methodologies for the national SDG targets and indicators and coordinate data collection

**Ministry of Economy and Development** to ensure cross-sectoral coordination and localization of the SDGs through integrated development policy and planning

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**Principles for shaping and implementing development policies:**

- “Whole of Government”
- “Whole of Society”

- Mainstreaming the SDGs into medium and short-term development policies.
- Systems thinking approach and integration methodologies introduced into development policy and planning processes.
- Climate, land, energy, water issues accounted into modelling of the agriculture sector medium-term development.
- Multi-stakeholders trained on integrated planning for economic, social and environmental sectors.
POLICY ENVIRONMENT

**Vision-2050**

**2050**

**Targeted Development Programs**

**2030**

**Five-Year General Guideline for the Development of Mongolia**
- Public Investment Program of Mongolia, 2021-2025

**Government Action Program**
- Action Plan, 2020-2024

**State Annual Development Plan**

**2025**

**2024**

**2022**

**SUSTAINABLE DEVELOPMENT GOALS**

**NATIONALLY DETERMINED CONTRIBUTION TARGET WITH THE AIM TO CONTRIBUTE TO THE PARIS AGREEMENT**

1. **Mongolia emission reduction targets**
   - Energy sector: 8.34 million tons
   - Agriculture: 5.28 million tons
   - Industry: 1.28 million tons
   - Transportation: 1.05 million tons
   - Construction: 830 thousand tons
   - Waste: 106.1 thousand tons

2. **Adaptation targets**
   - Water resources
   - Animal husbandry and Pastureland
   - Natural disaster
   - Livelihoods and Social safeguard
   - Public health
   - Biodiversity
Millennium Development Goals
2000 – 2015

Sustainable Development Goals
2015 - 2030

Interdependent and coherent pillars for sustainable development

“LEAVING NO ONE BEHIND”
FINANCING MECHANISMS

- Align state budget planning with development policy and planning processes
- Introduce and use innovative financing tools
- Strengthen the capacity to build financing mechanisms for SDG

MONITORING AND EVALUATION

VOLUNTARY NATIONAL REVIEW OF MONGOLIA 2019

- Current snapshot of the SDGs
- Bottlenecks
- Way forward

Presented at the UN HLPF on Sustainable Development.

NATIONAL SDG TARGETS AND INDICATORS

- Formulate Sustainable Development Goals, targets and its indicators in accordance with national context and development trends
- Strengthen the cooperation with international organizations and other countries by focusing development policies into Sustainable development
NEW RECOVERY POLICY

1. PORTS
2. ENERGY
3. ULAANBAATAR TRAFFIC CONGESTION
4. INDUSTRIALIZATION
5. NATURAL RESOURCE
6. GOVERNMENT PRODUCTIVITY

Create enabling condition for effective implementation of “Vision-2050” long-term development policy

Resolve binding constraints and expand the economic base

Reduce the negative economic impacts of Covid-19 pandemic

Ensuring macro-economic stability and structural transformation based on the active participation of CITIZENS, BUSINESS ENTITIES, AND INVESTORS

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<th>RECOVERY OF OPERATIONS OF BORDER PORTS</th>
<th>THE ENERGY RECOVERY</th>
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<th>URBAN AND RURAL RECOVERY</th>
<th>RECOVERY THROUGH GREEN DEVELOPMENT</th>
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The hard and soft infrastructure of the border ports shall be further developed, their freight and passenger capacity and exports shall be increased.

Border ports will be fully connected by railway and paved roads, their freight and logistics competitiveness will be improved, freight traffic will be enhanced, and the basic conditions for turning them into a transit hub will be created.

Improvement of the management and use of Mongolia’s airspace and airways, increase in the number of transit flights, establishment of a freight forwarding hub.

Increase in the trade turnover through the phased establishment of free economic zones and inland “dry” ports.

Port capacity 3 times
National railway network length 3 times
Active airport 3 times

Dry ports:
- Altanbulag
- ZaminUud
- Sainshand
- Ulaanbaatar
NEW RECOVERY POLICY: ENERGY RECOVERY

Thermal power plant expansion projects:
Thermal power plant III, thermal power plant II, Choibalsan thermal power plant, Amgalan thermal power plant; stoves and gas heat sources of the thermal power plant IV which are the dispersed source of heat supply of Ulaanbaatar city;

New energy source construction projects:
Tavan Tolgoi thermal power plant, Erdeneburen hydropower plant, Egiin-gol hydropower plant, central source the 5th source of energy supply in the Central region; Baganuur thermal power plant;

Sub-plants and aerial transmission lines construction projects:
Erdeneburen-Myangad-Uliastai, Tavan Tolgoi thermal power plant - Oyu Tolgoi, Sainshand-Tsagaansuvarga, Baganuur-Undurkhaan, Baganuur-Choir, Mandalgobi-Arvaikheer, Baganuur-Nalaikh-Ulaanbaatar;

Environmentally friendly, science-based and high-tech energy projects:
Nuclear, green-hydrogen, natural gas and renewable energy projects

Build new energy sources
Develop renewable energy
Transfer into an independent financial and economic system
Connect with the Northeast Asian integrated energy grid
The construction of a natural gas pipeline

Increase energy source
Build a transmission lines
Provide households with sufficient electricity and heat.
NEW RECOVERY POLICY: INDUSTRIAL RECOVERY

Oil refining projects:
Petroleum prospecting and exploration, oil refinery, pipeline and ancillary facilities building;

Projects for comprehensive development of Tavan Tolgoi and other coal deposits:
Coal preparation and enrichment, water supply, project to introduce the best technology for open pit mining, underground mining;

Projects to fully develop the Erdenet, Oyu Tolgoi and other copper deposits and increase copper processing:
Copper concentrate processing plant, cathode copper production from the oxidized ore;

Projects for construction of industrial and technology park complexes:
Steel plant construction, mining-metallurgy-chemical production, production and technology park;

Projects to improve animal husbandry, agriculture, crop production and domestic food supply:
Darkhan tannery construction, meat processing, technical renovation project at the meat processing complex with a quarantine facility

DEVELOP VALUE-ADDING HEAVY AND INCREASE EXPORTS

INCREASE OF THE PROVEN OIL RESERVES

DEVELOP AGRICULTURAL PRODUCTION BASED ON ADVANCED TECHNOLOGIES AND INNOVATION

INTRODUCTION OF THE ADVANCED TECHNOLOGY, BLOCKCHAIN AND ARTIFICIAL INTELLIGENCE
**NEW RECOVERY POLICY: RECOVERY OF URBAN AND RURAL**

MITIGATE THE URBAN CENTRALIZATION by way of supporting citizens and businesses who have migrated from Ulaanbaatar to rural areas, through realization of a relevant comprehensive policy.

AIMAG CENTERS shall be developed as independent cities and financial and economic opportunities for local governments shall be supported to generate their budget revenues independently.

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**High mountain ecosystem zone** with multi-ethnic customs, traditions and cultural specifics

**Mixture of pastoral, intensive agriculture, culture and tourism industrial zone**

**International transport logistics, economic and business center**

**Green development zone based on historical heritage tourism**

**Production, service, paleontological sites and rare wildlife zone based on mining and advanced technology**

**Green development and recreation zone based on natural resources, culture and tourism**

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NEW RECOVERY POLICY: RECOVERY THROUGH GREEN DEVELOPMENT

In last 80 years, average temperature has risen by 2.4 degree

Desertification and land degradation 76.9%
Recurrence of disasters in the last 20 years 2 TIMES

Greenhouse gas emissions per capita are above the world average 2.7 times

80% of Water body is in 30% of the total area
Forested area 7.9%
Recycled waste 10%
### NEW RECOVERY POLICY: RECOVERY THROUGH GREEN DEVELOPMENT

#### “1 BILLION TREES” NATIONWIDE MOVEMENT
- 600 thousand hectare will be forested.

#### “KHUKH MORI” PROJECT
- Orkhon-Ongi project
- Kherlen-Toono project

#### PROJECT OF CENTRALIZED ECO-FACILITY FOR SIMPLE WASTE
- Recycled waste

#### Other Measures
- 40% of total waste will be recycled.
- 4% of the strong desertified land will be rehabilitated.
- Greenhouse gas will be reduced by 30-40 thousand tons per year.
- Measure household and industrial water needs in the Gobi region.
Some government functions shall be delegated to the private sector.

- Optimal government structure
- Increase the Corruption Perception Index into double digits.
- State property legal entities: Governance institution will be increased.
- Transparency will be ensured.
- Efficiency will be increased.
- Support business entrepreneurs
- Improve Mongolia's credit rating

Number of permissions: 2 times
Building Forward Better: Macroeconomic Model for Mongolia

**Economy**
- Inflation
- Debt
- Production
- Value added
- Government expenditures
- Infrastructure
- Consumption

**Environment**
- Deforestation
- Waste disposal
- Average temperature
- GHG emissions
- Climate change
- Air quality
- Pollution
- Waste disposal
- Deforestation
- Average temperature
- GHG emissions
- Climate change
- Air quality
- Pollution

**Society**
- Social security
- Education
- Public health
- Poverty
- Labor force
- Human development
- Social protection

**Macroeconomic Model Policy Scenarios**

**Reaching Emission Reduction Targets:**
- Pricing carbon emissions;
- Investing in renewable energy infrastructure;
- Improving livestock management.

**Broadening Export Capacities:**
- Reducing reliance on coal exports;
- Investing in livestock supply chain infrastructure.
**VISION-2050 FIRST-10-YEAR POLICY TARGETS**

- **GDP**: $3.6x$ increase
- **GDP PER CAPITA**: $3x$ increase
- **POVERTY RATE**: $2x$ decrease
- **LABOR FORCE PARTICIPATION RATE**: $65\%$
- **UNEMPLOYMENT RATE**: $7\%$
- **GREENHOUSE GAS EMISSIONS**: $22.7\%$ decrease
- **FOREST AREA**: $9\%$
- **RECYCLED WASTE**: $5x$ increase
- **SCIENCE AND TECHNOLOGY RESEARCH AND PILOT FUNDING as a share of GDP**: $17x$ increase
- **HUMAN DEVELOPMENT INDEX**: $0.85$
- **MIDDLE AND UPPER CLASS**: $85\%$
- **MANUFACTURING INDUSTRY as a share of GDP**: $14.6\%$
- **HEALTH INSURANCE COVERAGE**: $95\%$
In the **LONG TERM**, the primary conditions for **RESILIENT GROWTH CONDUCIVE TO SUSTAINABLE DEVELOPMENT** will be ensured.

Strive for equitable, inclusive and sustainable development through the implementation of the first phase of “Vision 2050”.

Reduce the negative impact of Covid-19 pandemic and increase resilience to crisis.

Multi-stakeholder participation in the implementation of the **Sustainable Development Goals** will be ensured and social, economic and environmental policy coherence will be maintained.
THANK YOU FOR YOUR ATTENTION

Suzanna Sumkhuu
Acting Director General, Development Policy and Planning Department, Ministry of Economy and Development
Suzanna.s@med.gov.mn