

**Presentation on developments in the urban development and construction sector  
At a roundtable on “Infrastructure development in the Southern region”**

Under the framework of implementing the Regional Development Strategy adopted under Parliament Resolution No. 57 of 2001, development strategies for regions have been outlined with relevant revisions in the infrastructure master plan for respective sectors.

A general plan for land management was adopted upon the Ministry of Construction and Urban Development’s order and aims at defining development prospects for the Galbyn Gobi micro-region. The micro-region’s planning bears on mineral wealth of Tsagaan suvarga, Oyutolgoi, and Tavantolgoi deposits and covers the territory of Tsogttsetsiy, Manlai, Bayan-Ovoo soums, Umnugobi aimag and Mandakh soum, Dornogobi aimag. Futhermore, an advisory contractor was selected in 2007 to develop a project titled “Regional Development Strategy and Urban Development Plan for the Tavantolgoi, Oyutolgoi, and Tsagaan suvarga mining deposits in the Gobi region” and the work is in progress. The project also includes the territory of Khatanbulag soum, Dornogobi aimag.

Findings of surveys conducted in Gobi region aimags (Dundgobi, Umnugobi, Dornogobi, and Gobisumber) under the above projects indicate that the approved regional development strategy failed to cover the Gobi region development. For instance, Zuunmod town is chosen to be the pillar town of the Gobi region. In addition, development of the road network in Dundgobi and Umnugobi aimags is not reflected in the Millennium Road project and a reliable power supply to the Umnugobi aimag center has not been addressed yet. It is proposed to revisit these issues and reconsider the Gobi region’s development.

Settlement areas will be formed in the future as the development of the Oyutolgoi copper-gold deposit, Tavantolgoi coal deposit, and Tsagaan suvarga copper-molybdenum deposit in the Gobi region come on stream. The issues that must be solved in the region pertain to infrastructure development such as energy, railways, roads, airports, communications and information technology. Furthermore, a “new town” will be established to bear on the Tavantolgoi and Oyutolgoi deposits and become the Gobi region’s pillar city and a provincial town on the Tsagaan suvarga deposit. It is projected that development of Tsogttsetsiy soum near the Tavantolgoi deposit and Khanbogd soum near the Oyutolgoi deposit will be significantly facilitated.

- **Population prospects**

Within the framework of the Galbyn Gobi project, population prospects are projected for each soum and soum center by year 2010, 2015, and 2020. The proposed Galbyn Gobi micro-region now has a population of 10,500 people. The region is expected to experience a significant from-the-center-to-Gobi migration versus from-Gobi-to-the-center migration. Thus it is projected that region’s population will soar 10-14-fold to 100,000-140,000 people.

Khanbogd soum is experiencing an influx of people as the development of the Oyutolgoi copper-gold deposit is expected to commence. The population will mainly settle in Khanbogd town and, by 2020, its population will reach 40,000 people.

A large settlement area will be established in Tsogttsetsiy soum center as more people migrate to the Tavantolgoi deposit area with its development.

The center of workforce at the Tavatolgoi coal deposit will be in Tsogtsetsiy soum center and, by 2020, the soum center's population is projected to stand at 37,500.

The Bayan-Ovoo soum center will become a trade and services center and have a population of 4,100 people by 2020.

Manlai soum, Umnugobi aimag will support the establishment of farming operations to meet the food demand of residents and workers in the Tsagaan suvarga, Oyutolgoi, Tavantolgoi projects. By 2020, the soum's population will stand at 6,200 and another 2,800 people will be residing the countryside.

Mandakh soum, Dornogobi aimag will become a third large settlement areas of the micro-region as the development of Tsagaan suvarga copper-molybdenum deposit comes of stream. During the projection period, the soum's population will reach 7,500, and other 13,500 people will reside in Tsagaan suvarga area.

The Galbyn Gobi micro-region, by 2020, will become a large area with a population of 121,500 people. The population will be concentrated in Tsogtsetsiy, Khanbogd, and Mandakh soums.

- **Prospects of town and settlement area development**

Within the framework of the Galbyn Gobi project, during the projection period, it is planned to establish three centers: (1) *Tsogtsetsiy* comprising settlement areas in Tavantolgoi, Tsogt-Ovoo, and Nomgon soums; (2) *Khanbogd* comprising Oyutolgoi, Manlai, and Bayan-Ovoo soums; and (3) *Tsagaan suvarga* comprising Khuvsgul, Tsagaansuvarga, and Mandakh soums.

*The Tsogtsetsiy center* will comprise Tavantolgoi, Tsogt-Ovoo, and Nomgon soums and have a population of 51,100 people. The center will support the establishment of extraction, coking, chemical, and agricultural production, poultry farming, and SMEs in building materials.

*The Khanbogd center* will comprise Oyutolgoi, Manlai, and Bayan-Ovoo soums and have a population of 57,200 people. Khanbogd town will be the nexus of air transport, international railway network, and national road network. The soums will support the establishment of agricultural farming and livestock husbandry.

Bayan-Ovoo soum will host border trading and services, customs and border protection authority, emergency office, professional inspection, and law enforcement agencies. Warehouse business, packaging, printing, and fruits farming will be established in Bayan-Ovoo and Tsagaantsav.

Manlai soum will support the establishment of greenhouse farming for early harvest vegetables, irrigated crop production, meat factory, tree reproduction facility, ecological testing, research, and monitoring unit and air navigation office.

*The Tsagaan suvarga area* will comprise Tsagaantsav, Mandakh, and Khuvsgul soums and be a home and work place for 23,300 people. Extraction, processing, and transporting plants as well as SMEs will operate here. Tsagaantsav aimag will support the establishment of farmers to engage in vegetables, fruits, and fodder production. It is also planned to build a textile as well as work uniform and woolen items factory.

- ***Housing and social infrastructure prospects***

Within the framework of the Galbyn Gobi project, 30 percent of the population of Tsogttsetsiy soum, Umnugobi aimag will reside in single house areas with complete engineering facilities and another 30 percent in double houses with complete engineering facilities.

A mining vocational training centers will be established to support the Tavantolgoi coal deposit. During the projection period, general education institutions with capacity of 7,700 students and kindergarten facilities for 3,800 children will be established.

In addition, a health institution with 180 beds, ambulance station with four vehicles, family-based practice and out-patient dispensary with various specialization areas will be established.

Overall investment needs for social infrastructure is estimated at MNT 296,934.0 million.

During the projection period, 25 percent of the population of Bayan-Ovoo soum, Umnugobi aimag will reside in single and double house areas with complete engineering facilities. School facilities for 860 students and kindergartens for 410 children will be established. Health centers as well as out-patient dispensary and family-based practices will be operating. Overall investment needs for social infrastructure is estimated at MNT 12,710.8 million.

80 percent of the population of Khanbogd soum, Umnugobi aimag will reside in single and double houses with complete engineering facilities. Subsidiaries of colleges and universities in the field of mining, technical sciences, and agriculture will be established. In addition, vocational training centers will be set up. During the projection period, a hospital building with 370 beds will be built. In addition, health centers with various specialization areas as well as out-patient dispensary and family-based practices will be operating. Overall investment need for social infrastructure is MNT 248,191.8 million.

By 2020, 25 percent of the population of Manlai soum, Umnugobi aimag will reside in single and double houses with complete engineering facilities. During the projection period, general education institution with capacity of 1,570 students will be established. A soum hospital, health center, family-based practice, and out-patient center will serve the soum and local residents. Overall investment need for social infrastructure is MNT 15,117.7 million.

During the projection period, 50 percent of the population of Mandakh soum, Dornogobi aimag will reside in single and double-houses with complete engineering facilities. General education institutions will be established in the soum center. A soum hospital, health center, family-based practice, and out-patient center will serve the soum and local residents. Overall investment need for social infrastructure is MNT 83,485.0 million.

Social sector: Total investment needs are estimated at MNT 656,439.3 million in the Galbyn Gobi micro-region.

- **The region's infrastructure investment**

It is planned to build a 470 km long paved road on the Tsagaan suvarga-Oyutolgoi-Tavantolgoi route and a railroad on the Zuunbayan-Tsagaan suvarga-Oyutolgoi-Tavantolgoi route.

Energy supply will be solved by the construction of a 220 kV high-tension gridline on the Ulaanbaatar-Mandalgobi-Manlai-Oyutolgoi-Tavantolgoi route.

It is planned to build an international airport in Khanbogd (referred to as the town) soum.

It is estimated that investment needs for infrastructure development during the projection period is MNT 507.7 billion.

- **Suggestion**

- There is a need to adjust the coordination between, results, and timeframe of the World Bank technical assistance project on developing an infrastructure strategy for Mongolia's Southern region and regional development strategy for four Gobi aimags.
- Identification of an optimal infrastructure network that represents a key factor to the development of large deposits and Gobi region development, particularly the launching of initial portion of the railroad has become a pressing issue.