



NATIONAL DEVELOPMENT STRATEGY

**Government of Mongolia – External Partners
Second Technical Meeting**

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Need for National Development Strategy (NDS)

- Weak coordination of policies
- Need to implement the country's social policies in a comprehensive approach
 - Unemployment
 - Poverty
 - Education
 - Health
 - Migration, etc.
- Based on achievements of the MDG there is a need to pursue long term policies/strategies

Consequences of adoption of NDS

- Decreased a number of policy papers approved by the Parliament
- Enhanced policy sustainability
- Improved policy coordination among sectors
- Shared vision and understanding on Mongolia's future development

NDS contents

I. Human development

- Education
- Health
- Reduce unemployment
- Social welfare

II. Governance

- Transparency
- Participatory policy-making
- Political stability
- Enhancing legal environment

III. Economy

- Support private sector
- Ensure economic growth
- Industrial policy
- Investment policy
- Budget policy

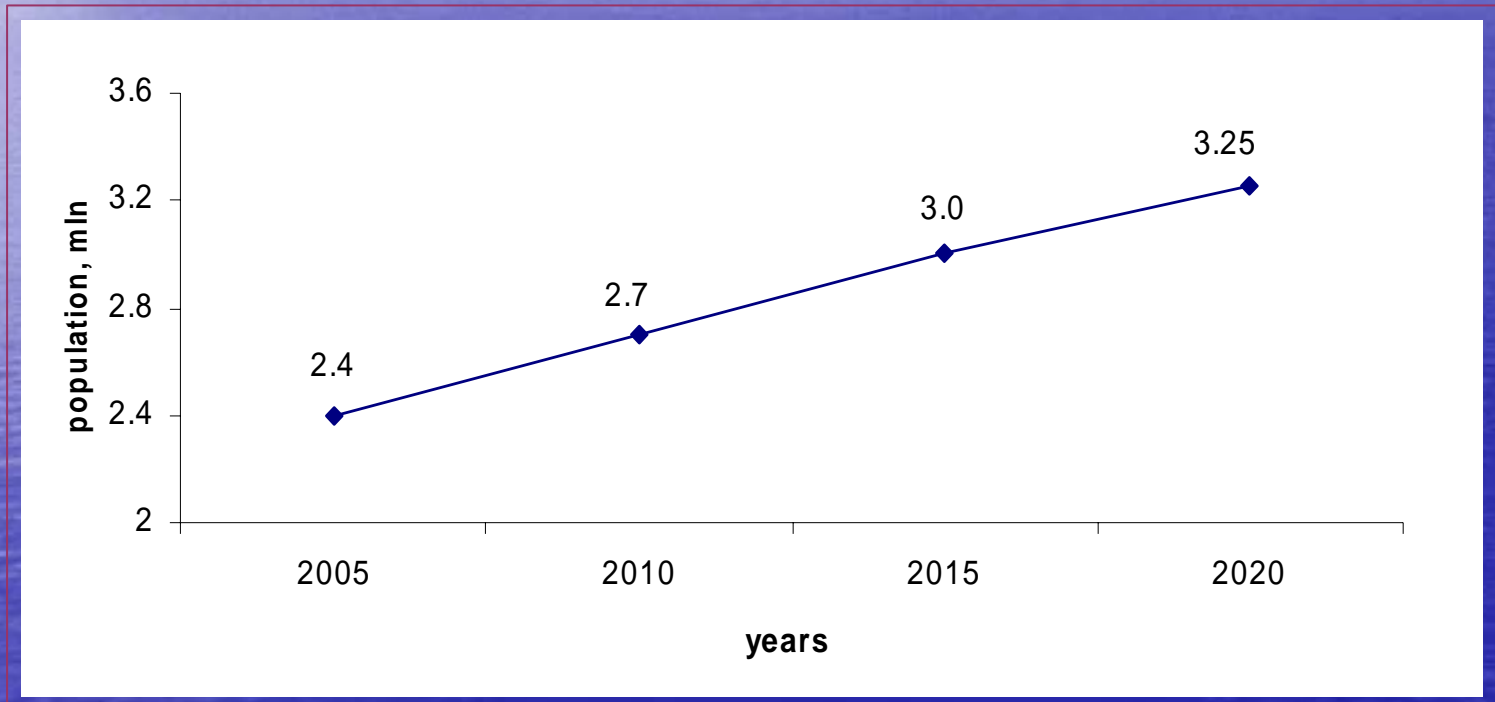
IV. Environment

- Natural degradation, forestation
- Urban air pollution
- Biological species
- Deforestation

Policy priorities

- **Medium term objectives (2015)**
 - to reach MDGs and enhance development and progress of Mongolia's people
- **Long term objectives (2015 – 2021)**
 - Eliminate poverty, convert the country into the one of the leading country in the region in terms of human development, create knowledge-based economy
- **Vision (2021 - further)**
 - Contribute creatively to the global economy through technological advancement. Create a society based on its human capacity

Population, million



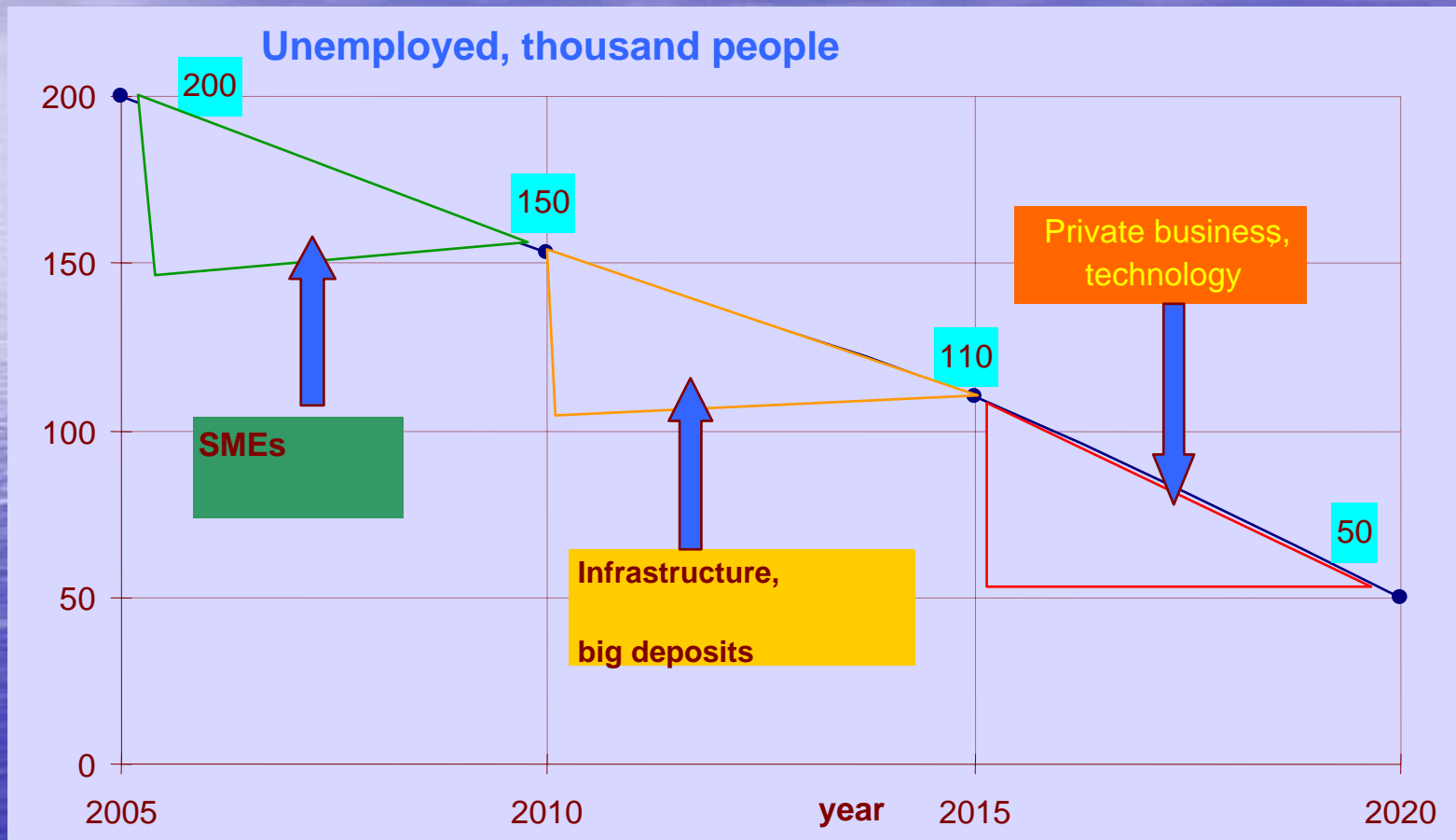
Increase employment

- Increase private investment
- Support vocational training
- Enhance training contents, standards
- Support SMEs

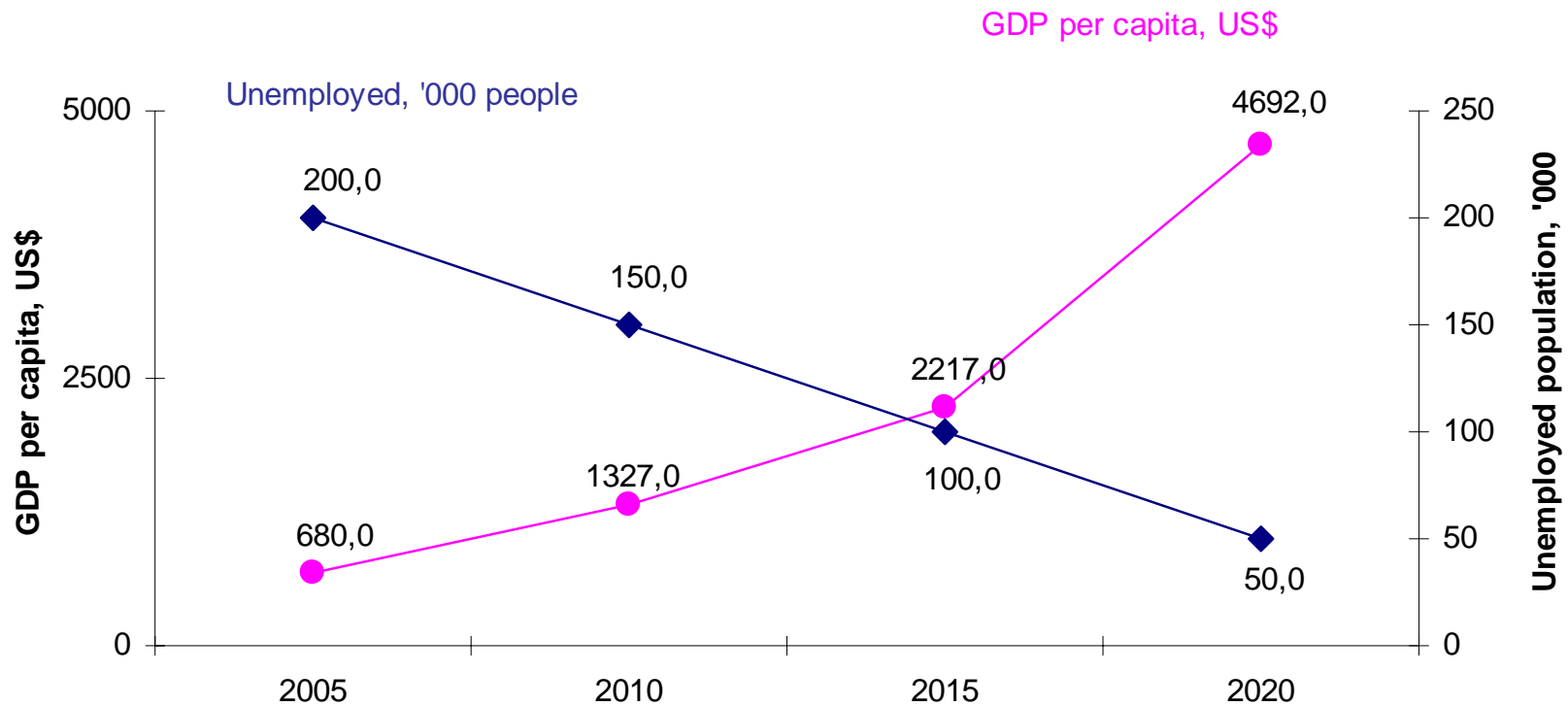
Expected outcomes

- Employment participation – 75% (2015), 80% (2021)
- Generate jobs for 40.0 thous (2007-2015) per year
- Generate jobs for 30.0 thous (2015-2021) per year
- Eliminate from poverty 60.0-70.0 thous per year

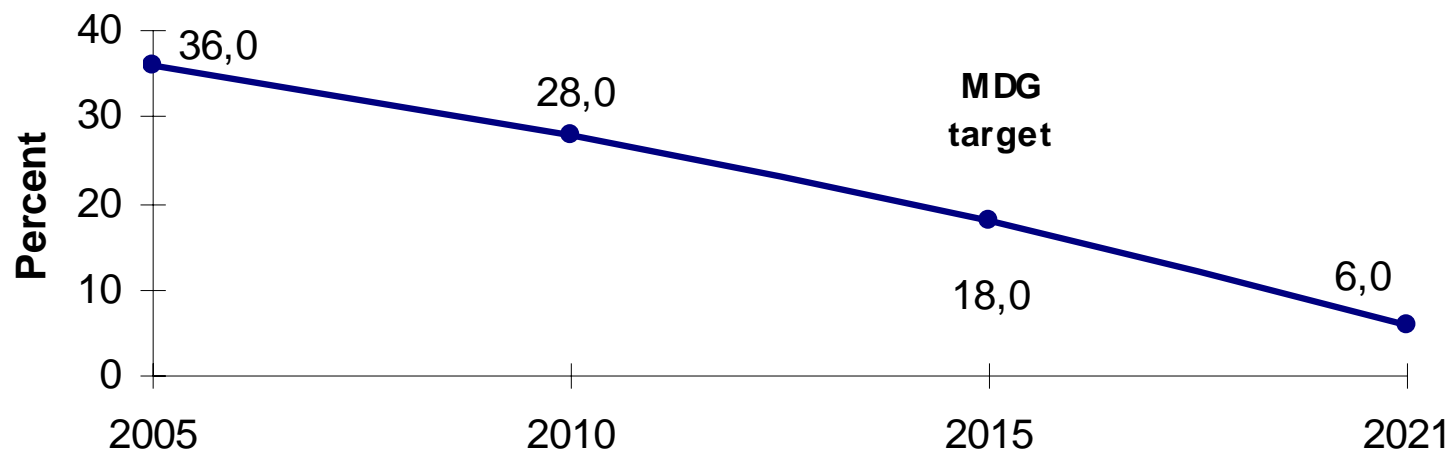
Policy to reduce unemployment



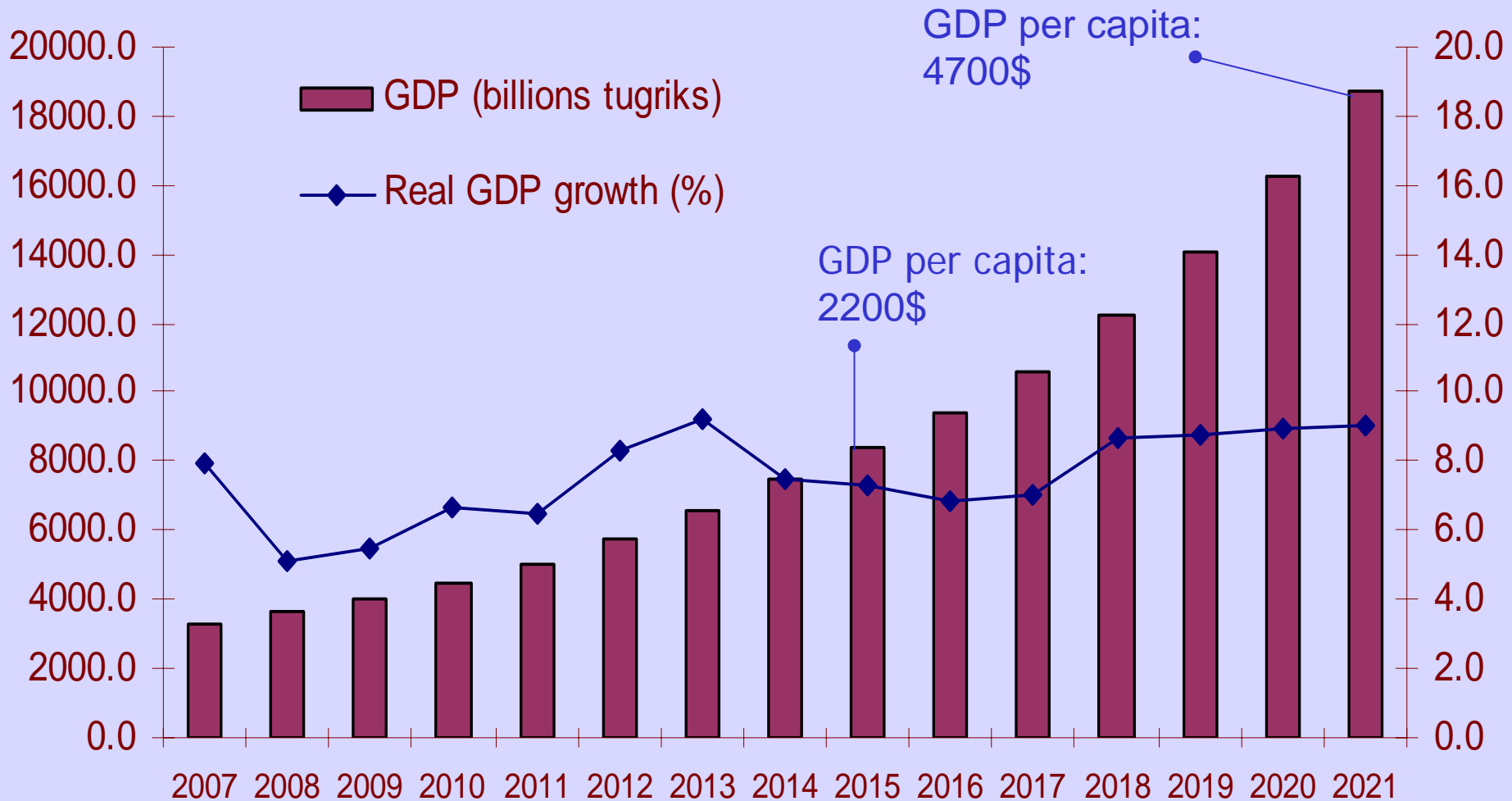
GDP per capita US\$, decrease unemployed (thous)



Reduce poverty



Target growth, percent



Economic growth strategy

1. SMEs support (2005-2010)

2. Industrial development (2010-2015)

- Ensure energy supply by domestic producers
- Full supply by energy and export of excess
- Start oil processing
- Put into operation big mining enterprises and enhance processing stages
- Establish industrial parks

3. Knowledge-based industry and service expansion (2015-2021)

- Introduce new technology
- Prepare skilled workers

Factors to reach economic growth target

- **To reach stable and higher economic growth**
 - Develop infrastructure
 - Presence of favorable investment environment
 - Reduce transportation cost
 - Keep public investment at 8-10 % of GDP
 - Keep price level increase (at 3-5 %)
- **Expected Outcomes**
 - Increased private investment growth at 9-10% per year
 - Generated job according to the investment growth
 - Enhanced investment opportunities

Investment program policy

- Sources:

Domestic

- public investment (8-10% of GDP)
- private investment (16%)

ODA

- Loans (5-8% of GDP)
- Grants

- Priority sectors:

- Education
- Health
- Infrastructure
- Energy
- Information technology

- Issues

- Improved investment climate
- Improved service delivery and its quality in education, health
- Expanded information, information channels

Education sector policy

1. 2005–2010

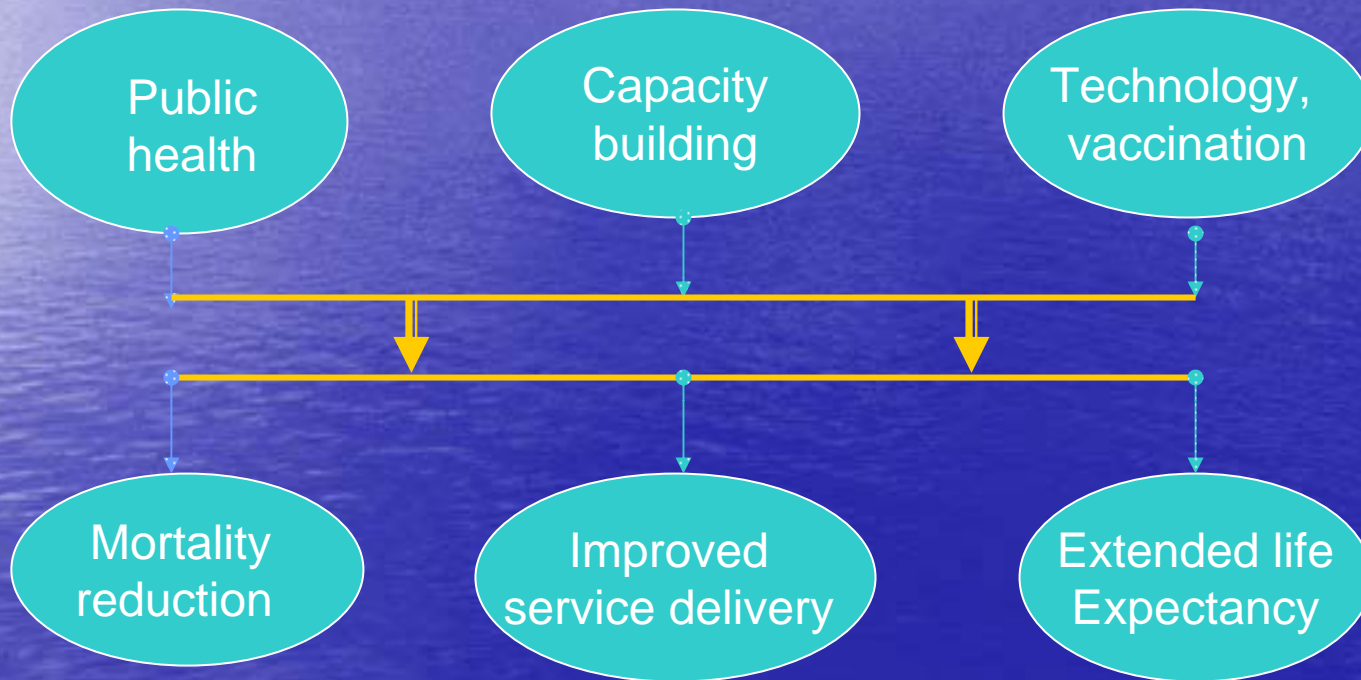
- Ensure facilities (schools, text-books, etc) supply
- Specialists training program: US\$ 10-15 mln per annum

2. 2010–2015

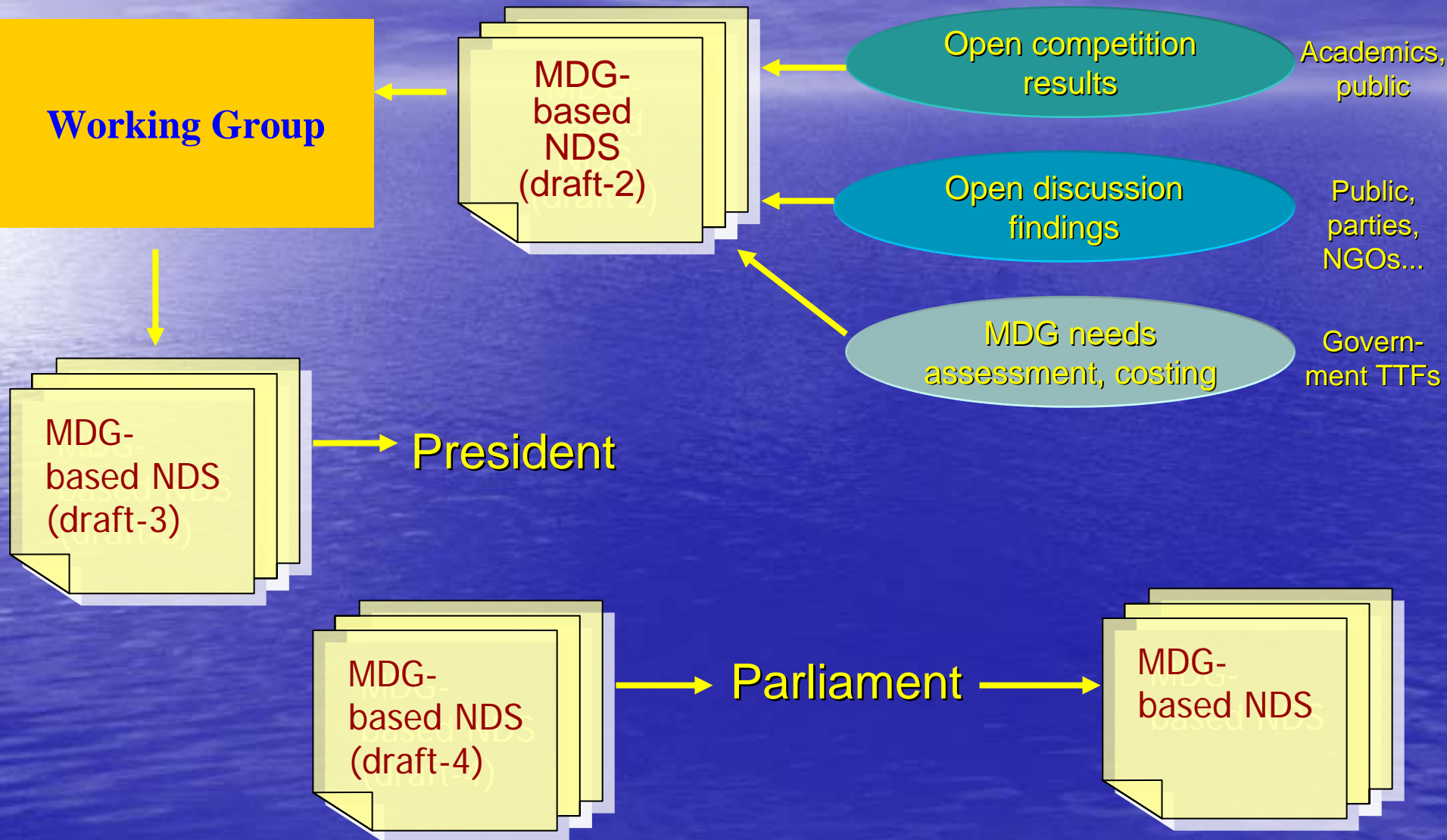
1. Expand education basic standard on

- Health
- Ecological knowledge
- Technology advancement

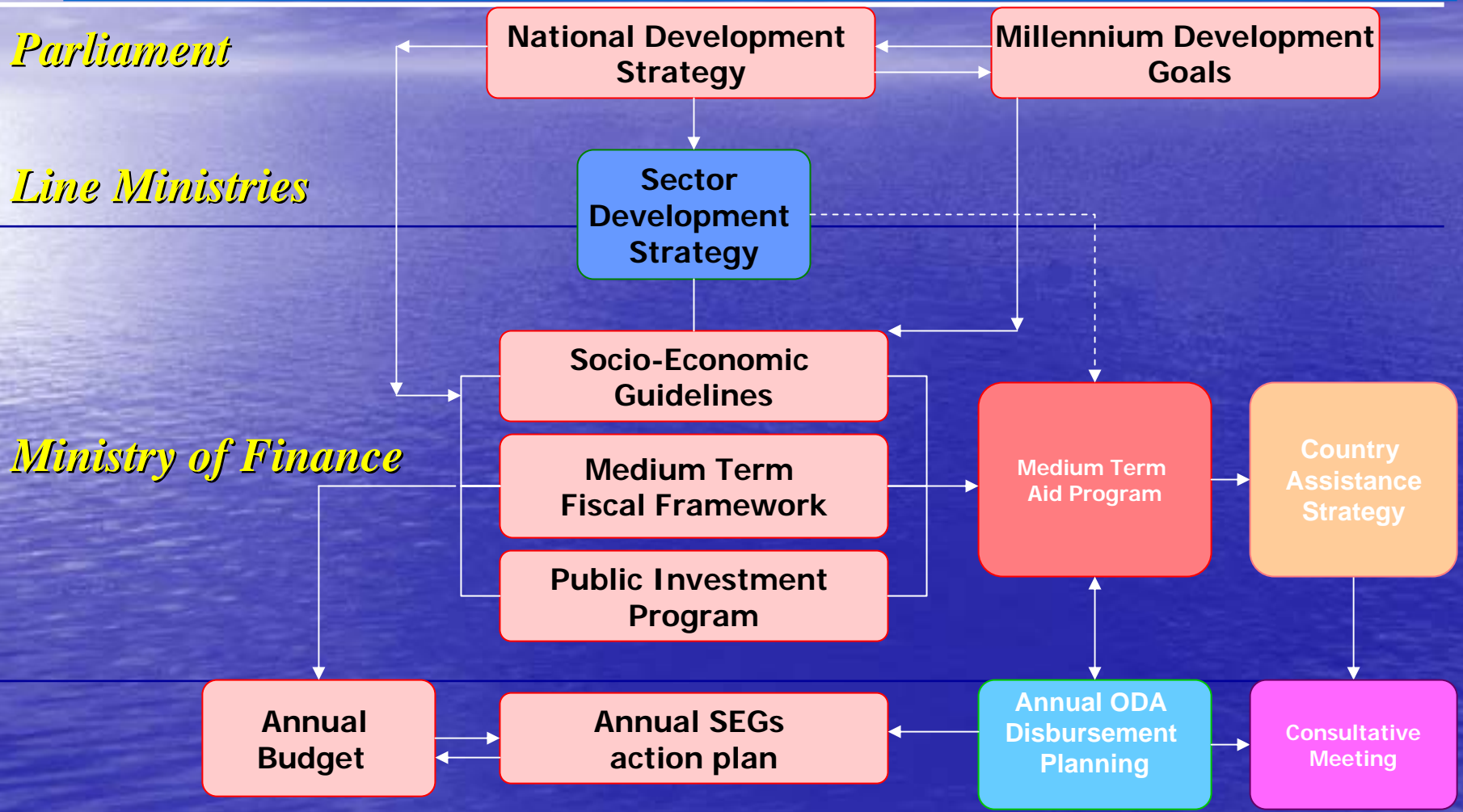
Health sector policy



NDS preparation plan



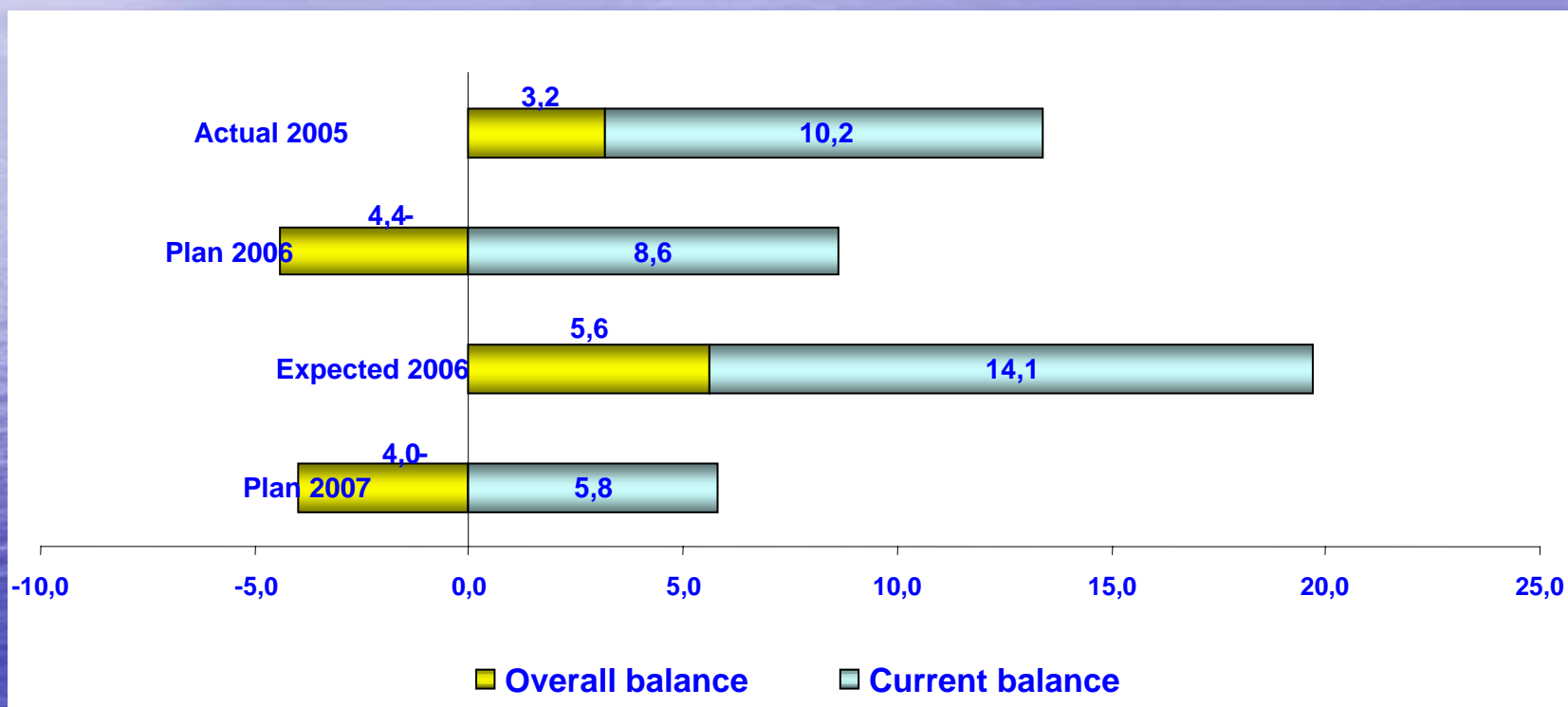
Government Policy Harmonization



Main objectives of SEGs

- Enhance business environment, promote foreign and domestic investment, and sustain economic growth
- Resolve issues faced by health and education sector (20.8% of investment)
- Prepare and start use big mining deposits
- Accelerate use of renewal energy
- Continue implement social programs included in Government Action Plan
- Cover 1-4 grades by School Lunch program

Budget Outcomes



Budget policy priorities

- Ensure economic growth
- Ensure fiscal sustainability
- Optimal allocation of domestic and external resources
- Increase real income of population
- Expand access to public services
- Support real sector

Linkage SEGs objectives and budget

- Link is established (SEGs ↔ Budget)
- Increase investment for sectoral programs considered as priorities
- Provide financial support to industries with advanced technology
- Enhance investment into infrastructure
 - Roads – 15.3%
 - Energy – 26.9 %



Thank you for your attention!