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

![Graph showing population growth from 2005 to 2020. The population in million is indicated for each year, with 2.4 million in 2005, 2.7 million in 2010, 3.0 million in 2015, and 3.25 million in 2020. The trend line is upward, indicating a steady increase in population.]
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

Unemployed, thousand people

- SMEs
- Infrastructure, big deposits
- Private business, technology

Year:
- 2005: 200
- 2010: 150
- 2015: 110
- 2020: 50
GDP per capita US$, decrease unemployed (thous)
Reduce poverty

To achieve MDG target

Percent

2005 2010 2015 2021

36,0 28,0 18,0 6,0

MDG target
Target growth, percent

GDP (billions tugriks)

Real GDP growth (%)

GDP per capita: 4700$

GDP per capita: 2200$
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

   - 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

Public health

Capacity building

Technology, vaccination

Mortality reduction

Improved service delivery

Extended life Expectancy
**NDS preparation plan**

**Working Group**

- MDG-based NDS (draft-2)

**President**

- MDG-based NDS (draft-3)

**Open competition results**

- Academics, public

**Open discussion findings**

- Public, parties, NGOs...

**MDG needs assessment, costing**

- Government TTFs

**Parliament**

- MDG-based NDS (draft-4)

**Academics, public**

**Public, parties, NGOs...**

**Government TTFs**

- MDG-based NDS
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 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!