

ACTION PLAN OF THE GOVERNMENT OF MONGOLIA FOR 2008-2012

Following the current Parliament (State Great Khural) elections, the newly established Government of Mongolia has developed its action plan to be undertaken for the period of 2008-2012. The action program reflects Mongolia's Millennium Development Goals-based National Development Strategy; action programs of the Revolutionary Party of Mongolia and the Democratic Party, which participated in the electoral race; post-election collaboration agreements between these two parties; some of the action programs proposed by other political parties; proposals of non-government organizations; and some of the documents co-developed with international organizations.

The previous Government has addressed many issues such as implementing major social objectives, capacity building of the civil service, delivering rapid and uncomplicated civil services to the public, supporting private enterprises, and accelerating the economic growth and ensuring its development. In addition, the previous government has established the basis of issues to be addressed in the future. The new Government has maintained the traits of the actions inherited from the previous Government and reflected them in the action program for the period of 2008-2012.

The global financial crisis puts the Mongolian economy and finance in a difficult condition. Placed in such a position, the tasks of our government to overcome the obstacles are to: put efforts in immediately seizing an opportunity to rapidly enhance the economic and social growth based on minerals and raw material resources; swiftly improve the life of citizens by strengthening the capacity for the development of Mongolia and its people; ensure transparency, openness, promptness, fairness, accountability, and good ethics in the public administration; improve the image and reputation of government organizations at all levels; strengthen the social trust; and ensure national security.

Government Action Plan of Mongolia will implement the following key objectives:

- Accelerate the development and reform the legal environment of minerals sector, bring forward a pragmatic solution to commercialize the strategic and major minerals sites, and share the profits with the citizens
- Develop and implement a program and plan on industrialization of Mongolia, and enhance the mining-sector-based productions and the local-raw material-based small and medium production
- Ensure self-sufficiency of the food needs of the population with livestock and crop products such as meat, milk, flour, potatoes, and vegetables
- Apart from providing health, education, employment, and livelihood services for all citizens, put a special emphasis on the training of professional workers

- Ensure transparency, openness, promptness, fairness, accountability, moral values, and work ethics in the public administration, and strengthen the mutual trust between the government and citizens.

One. The goal to improve the quality of life of citizens by implementing appropriate population and social policies

Create a favorable social environment for population growth and improve the quality of life of citizens by executing appropriate policy that supports households, increases the share of the medium-income population, and provides health, education, employment, and livelihood for the population.

1.1. Health policy

1.1.1. Set a standard that enables a healthy lifestyle and healthcare, reduce the disease and mortality rate of the population, and extend the life expectancy.

1.1.2. Provide the population with sufficient supply of healthy, safe, and nutritious food, and prevent them from diseases.

1.1.3. Introduce a permission voucher system in the healthcare service, adhere a preventive healthcare approach, and involve every citizen in a complete, comprehensive, and professional medical examination once a year.

1.1.4. Issue free-of-charge permission vouchers, for low-income citizens, to provide specialized medical care.

1.1.5. Support the involvement of private hospitals in the improvement of access and quality of healthcare for the population in order to increase the competitiveness and reduce the involvement of the government in the health sector. Within the framework of this goal, adopt an individual insurance market reform in the health sector, and establish insurance services in hospitals regardless of the hospitals' ownership status.

1.1.6. Improve and strengthen the healthcare management and monitoring system.

1.1.7. Improve the means of providing health education for the population, especially for adolescences, establish a mobile medical service system for the rural population, and improve the chances to prevent and early detect a disease.

1.1.8. Improve the medical help and services provided during massive outbreaks and poisoning, emergencies, and disasters that result from environmental pollution, and human and natural causes, and strengthen the capacity and resources to take necessary and timely measures.

1.1.9. Take preventive and early precautionary measures from new and revived contagious diseases, and strengthen the current intervention measure system and expand it in aimags and districts.

1.1.10. Establish an advanced diagnostic center in Gobi regions and Orkhon aimag.

1.1.11. Create an electronic information center for population health. By enhancing hospitals' electronic network, and distance diagnostics and treatments, develop

specialized centers with the latest medical research findings and improve the capacity to detect, diagnose, treat and recover from diseases in its early stages in order to provide healthcare for all citizens at the necessary level.

1.1.12. By reforming the medical emergency help system, create a national emergency help network, and improve the emergency help services in the countryside and for the population in isolated regions.

1.1.13. Implement the principle “Healthy child from a healthy mother” at all levels of medical care and services, and consistently reduce the maternal and child mortality rate.

1.1.14. Increase the access to and types of medical care services that correspond to the special medical needs of the elderly and the disabled.

1.1.15. Improve the reliability and safety of pharmaceuticals and its proper usage by improving the quality of laboratories for analysis of pharmaceuticals and medicine raw materials, and expand the pharmaceutical industry.

1.1.16. Modify the health funding system and improve the operations of the medical insurance fund and coordinate them with medical help, service quality and access.
Тусламж, үйлчилгээний чанар, хүртээмжтэй нягт уялдуулан

1.1.17. Continuously improve the knowledge and skills of medical doctors and staff, and enhance their responsibilities and ethics.

1.1.18. Expand the research studies, increase their practical use, and improve their productivity in line with the medical needs of the population.

1.1.19. Develop a public sport development policy, and enhance the management, organizational, research, and finance mechanisms.

1.1.20. Prevent STI, HIV transmission, and risk of AIDS, and control the spread of HIV and AIDS at the current level.

1.1.21. Construct a modern sports center with swimming pools in every district of the capital city.

1.1.22. Create a telemedicine center in Ulaanbaatar city.

1.2. Education, Culture and Science policy

1.2.1. Develop the education for all, improve and bring the national education level close to international standards, develop and implement the national “Education” program, and consistently build up the human resources with intellectual and productive capacities.

1.2.2. Increase the pres-school education enrollment to 70% by building a ger-kindergarten in every bagh and increasing the forms of alternative education.

1.2.3. Shift the basic education schools to 12-year education system, and improve the education access and quality.

1.2.4. Provide the basic education schools with professional teachers and organize in-service training for the teachers.

1.2.5. Improve the literacy rate.

- 1.2.6. Provide, from the government, textbook supplies for basic education students.
- 1.2.7. Proceed with the “School feeding” program, and expand it to “School lunch” program.
- 1.2.8. Increase the number of computers in basic education schools, and provide every schoolteacher with a laptop computer.
- 1.2.9. Reduce the number of shifts in basic education schools, increase the adequacy of students’ dormitories.
- 1.2.10. Construct swimming pools in aimag centers, include a swimming session subject in the gym class curriculum of basic education.
- 1.2.11. Establish a school with an advanced training on math and natural science in every aimag and district and run the school using distance learning.
- 1.2.12. Improve the tertiary education quality and access, and renovate the technologies in tertiary training and production centers by providing them with advanced training bases and laboratories.
- 1.2.13. Improve the quality and competitiveness of higher education. Enhance the quality of higher education to the level comparable to international standards, raise the school assessment criteria, and select few numbers of competitive schools to be supported by the government, disregarding the ownership status of the schools.
- 1.2.14. Increase the share of students majoring in engineering, technology, natural science studies, teacher’s profession, medical doctor, and agriculture. Focus the State Training Fund loans and aids on: the professional fields identified by the government; supporting learning achievement; and providing the isolated regions with necessary professionals including teachers, engineers and technicians, physicians and veterinarians.
- 1.2.15. Triple the number of students studying in highly developed countries.
- 1.2.16. Engage in a policy that supports development of universities through university villages. Improve the training centers and laboratories of state owned colleges and universities, increase the investments, and increase the availability of student dormitories. With the support of private enterprises, establish a higher and tertiary education school village in Erdenet city in the field of geology and mining.
- 1.2.17. Implement the college and university teacher’s capacity building program.
- 1.2.18. Depending on the learning achievements, provide all forms support for students such as tuition discounts, scholarships, and transportation fare discounts.
- 1.2.19. Establish a quality education environment by building and expanding classrooms and dormitories, libraries, and sports gyms, computerizing schools, and linking schools to internet.
- 1.2.20. Support the creation of colleges, universities, and specialized tertiary schools – including their branch schools – in regional and local centers.
- 1.2.21. Develop the legal environment for foreign funding and investment for educational organizations.

1.2.22. Formulate the culture and art development policy, improve its legal environment, endorse and implement the “Culture and Art development master plan for the period of 2009-2012”.

1.2.23. Establish the cultural heritage system, and create a favorable environment to provide quality museum services to the public.

1.2.24. Provide security facilities with modern technologies and equipments, improve the management, and consequently, improve the preservation and security of historical valuables and museum exhibits.

1.2.25. Cultivate and maintain the content and forms of cultural heritage activities, repair and renew the cultural center buildings, provide musical instruments, books, and equipments, and consequently, improve the productivity of cultural services for children, youth, and the population.

1.2.26. Deliver the best art performances of professional art organizations to the countryside audience with the support from the government.

1.2.27. Construct a new National library palace. Annually cultivate the libraries of soums, and increase the number of readers.

1.2.28. Develop the study of Mongolian history, and expand the activities to promote Mongolia.

1.2.29. Extend the involvement of private sectors to improve the competitiveness of research and development in order to meet the market demands, promote research personnel and young researchers through policy support.

1.2.30. Identify the science and technology priorities and intensive development policy, provide government support in introducing and adopting new technologies, and establish at least two fully equipped – medium-level world-standard – research institutes in the fields of biotechnology, nanotechnology, and veterinary.

1.2.31. Identify science and technology priorities and critical technologies in line with the country development stage objectives, and concentrate the resources in these areas.

1.2.32. Develop a legal environment to establish science, technology, and innovation system, - that engages in the study of innovation and technology trends, creation of the innovation infrastructure, production, dissemination, and utilization of knowledge and wealth – and undertake national innovation policy and sector-wide coordination.

1.3. Labor market and employment policy

1.3.1. Increase employments and jobs, create an environment to run a business by supporting one’s initiatives, exercise a policy focused on keeping everyone commercially active and skilled, and reduce the poverty.

1.3.2. Enable a full-scale development of labor market system, create a system that trains workers corresponding to the labor market demands and needs, improves their skills, and provides practical works.

1.3.3. Exercise an employment policy aimed at increasing the salary level of the citizens in order to secure their jobs, enhance their productivity level, and improve their skills, supporting the business environment and stable employment, and promoting social partnership.

1.3.4. Develop and implement a suitable employment support program for population groups, including the socially deprived group, in conformity with the changing age structure of the population.

1.3.5. Reduce the framework of the non-formal sector by conveying the sector's funding, taxation, loan, registration, social and medical insurance to the formal sector.

1.3.6. Coordinate the labor policy with the needs of every household, and create over 60 thousand jobs a year by providing an employment for at least one member of a household.

1.3.7. Provide support in increasing the number of trainees in professional training and production centers, obtaining professions through business company and factory-based intensive trainings, and reduce unemployment caused by mismatches in a profession's need and labour market demand.

1.3.8. Create skills, through professional trainings, that match the labor market demands, provide inclusive support for employment and small and medium enterprises, and consequently, triple the number of trainees in small and medium enterprises by.

1.3.9. Increase the minimum average income of a household up to 1 million tugriks, and increase the share of medium-income citizens.

1.3.10. Increase the salary and pension level by 3 times compared to 2008.

1.3.11. Reduce the unemployment level to 2.5% by the end of 2008.

1.3.12. Improve the quality of labor market information and employment agency services, and establish a labor exchange market.

1.3.13. Refine the herders' labor structure, provide support for stability and expansion of the herders' farming, improve the registration and information of non-formal workers, expand the economic and social services aimed at inducing competitiveness in the market, and facilitate the transition of non-formal workers to the formal sector.

1.3.14. Perceive every herder household as a national manufacturer, improve the traditional cattle herding and breeding, and improve its productivity, organize trainings for herders in tertiary education schools in order to introduce modern herding methods and technologies, and farming management and home production skills.

1.3.15. Provide professional training and a job for at least one member of a household expressing interest in professional training.

1.3.16. Increase the employment rate of the people over the age of 35.

1.3.17. Organize intensive professional training in tertiary training and production centers in order to produce, locally, the professional expertise comparable to the labor force acquired from abroad, and employ Mongolian workers on investment and production projects, such as, road, construction, mining, and factory construction.

1.3.18. Exercise professional training in training and production centers that teach to operate on advanced technologies, in order to employ Mongolian workers on investment and production projects.

1.3.19. Increase the salary level against the labor productivity and the changing living expense by enhancing the labor laws and legislations, and developing social partnership.

1.3.20. Provide jobs that meet work safety and sanitation standards, establish a system with improved production environment, and reduce the injuries caused by production accidents and lack of expertise.

1.3.21. Increase the outsourcing revenue and personnel, to USD150 million and 10,000, respectively to define the knowledge-based economy goal.

1.4. Social welfare policy

1.4.1. Enhance the social welfare service quality and access, and develop proper categories and means.

1.4.2. Establish a social welfare policy matching the interest of the general public, and improve the method and structure of delivery of special programs to target groups.

1.4.3. Ensure the legal environment and finance resources for the provision of MNT 1.5 million for every citizen, from the revenues earned from the strategic and major sites.

1.4.4. Continue providing cash grant and aid for new families, newborns, and all children.

1.4.5. Provide grant in the sum of MNT 300.00-thousand for every third newborn child, MNT 500.00-thousand for every fourth newborn child, and MNT 1.0 million for every fifth newborn child.

1.4.6. Adopt a policy involving private enterprises and social agencies in the improvement of the grant service management and organization.

1.4.7. Execute age strategy responding to the changing age structure of the population.

1.4.8. Improve the legal management to set the minimum labor wages.

1.4.9. Enhance the pension insurance fund management and benchmark it against the market.

1.4.10. Study and execute transition into multilayer pension system, the provision of social insurance for herders, non-formal sector labor force, unemployed, small-scale farmers.

1.4.11. Improve the methods of identifying the livelihood level, create the poverty chart, and establish a comprehensive registration and information center.

1.4.12. Develop and implement the “National household development support program” in order to support the household needs, capacities, and initiatives, and improve the livelihood of at least 50,000 poor households.

1.4.13. Adopt policy on protection of low-income, socially vulnerable citizens from the commodity price increases, provide food and other essential support.

1.4.14. Improve the life and development of the disabled, establish a social environment ensuring their rights, and establish the infrastructure to provide an opportunity to have the same social participation as other citizens.

1.4.15. Provide life skills for children and youth, and support the families and companies encouraging children and youth to avoid bad habits, lead a purposeful and meaningful life, and learn discipline.

1.4.16. In collaboration with non-government organizations and private enterprises, provide standard professional services for children and women in critical conditions.

1.4.17. Provide social and medical insurance coverage for every herder.

1.5. Population policy

1.5.1. Promote healthy family traditions, protection of environment, child growth and development in a safe environment, and enhancement of a child's talent, and enable learning commitment, productivity, responsibility, maturity in children.

1.5.2. Encourage children's healthy growth, education, proper discipline, development in families.

1.5.3. Educate the new households about family relationship values and ethics, and develop new forms of consultative services the new households.

1.5.4. Adopt a policy promoting children to grow in a family, or family environment, and learn proper discipline and morals until they reach the age of 6.

1.5.5. Provide support and assistance in creating jobs for work-capable senior citizens.

1.5.6. Establish sanatoriums and center for seniors intended for improving the health of senior citizens.

1.5.7. Fully implement the United Nation's "Convention of the Rights of the Children".

1.5.8. Provide government attention and care for orphan, half-orphans, and children left without a guardian and supervision, and enhance the services that promote children's rights, and growth in a family environment.

1.5.9. Eliminate the intolerable acts of child trade, forced labor in hazardous conditions, sexual abuse, and other illegal acts.

1.5.10. Develop a policy on children, support the children's opinions and involvement in the decision-making process.

1.5.11. Ensure the rights and education of the children and their parents with Mongolian citizenships, who live abroad, to live in a safe environment, by collaborating with international organization and the government of the respective country.

1.5.12. Develop draft law on ensuring gender balance, build the capacity of national system and human resources, and start producing statistics on gender.

1.5.13. Conduct population and residence count, develop a policy and action program in this area.

Two. Objective to enable economic development and stability by implementing industrialization policy:

To enable progressive economic development by means of: perpetually supporting the industrialization policy by re-ensuring the current economic growth level; dynamically developing mining, process industries, agriculture, and local raw materials-based small and medium enterprises; improving transportation, communication, farming, and public services, and consequently increasing the farming and crop product types and quantity.

2.1. Macroeconomic and financial policy

- 2.1.1. Ensure rapid economic growth by increasing the annual growth of gross domestic product to 12%.
- 2.1.2. Execute a budgetary and monetary policy aimed at increasing real income of the population and access to social services, and driving the real sector by: increasing the economic growth, stabilizing the macro-economy, properly allocating funding resources.
- 2.1.3. Increase the gross domestic product per capita to USD 5,000.00 by enhancing the labor productivity, and diversifying and accelerating the economy.
- 2.1.4. Adopt a policy to annually decrease the total budget expenditure as a share of gross domestic product.
- 2.1.5. Limit the total budget expenditure – spent to develop and approve the budget framework, economic and social development priorities, state budget, and budget revision - to 33% as a share of GDP, restrict unnecessary increases in the current expenditure, unless it entails impact investment and production, establish an appropriate foreign debt indicator.
- 2.1.6. Improve the fiscal and financial accountability in order to ensure macroeconomic stability and strengthen the financial system.
- 2.1.7. Limit the budget expenditure at the appropriate level, improve the investment productivity, and adopt a policy avoids budget deficit.
- 2.1.8. Properly establish financial, raw material, and labor markets, and stabilize their functionality in order to ensure sustainable economic growth and stabilize the market economy. Regulate the conditions and forms government intervention in industry and business activities through legal clauses and laws.
- 2.1.9. Improve the economic structure, and establish a policy to increase the proportion of industry and service sector in gross domestic product.
- 2.1.10. Create favorable economic conditions for private sectors focused on export production and services, and develop export productions by providing taxation and incentive policy support.
- 2.1.11. Create a structure with a balanced production and consumption proportion, and execute a policy to import and adopt advanced technologies, and increase process production.

- 2.1.12. Coordinate the budget, monetary, foreign and domestic trade policies to reduce inflation.
- 2.1.13. Adopt a foreign loan policy that limits the pressure on the economy and the government budget, and engage in a policy that puts more emphasis on grant aid. Ensure the government foreign debt balance and the debt service indicator does not exceed the limit set by the Parliament.
- 2.1.14. Focus on utilizing direct foreign investment to finance major projects and activities, with economic impact, attract foreign investments, and ensure investment stability. Introduce and deliver the “One-window-service” to the citizens, companies, and organizations.
- 2.1.15. Improve the effectiveness of government procurement activities, raise the responsibility of the procurement organizers, refine the conflict settlement system, improve the activity structure to prevent bribery and corruption.
- 2.1.16. Refine the banking and financial system and services, create a favorable business and investment environment by lowering loan interest rates.
- 2.1.17. Ensure the financial sector development, prevent financial crisis risks, and improve the financial sector medium-term policy and coordination that entails economic growth.
- 2.1.18. Support the development of the insurance market, and increase its impact on social life. Create the legal environment for personal life insurance.
- 2.1.19. Support the independent functionality of the social insurance fund, and by introducing new management, establish a legal environment to utilize the loose balance of the social insurance fund capital in long-term investments.
- 2.1.20. Refine and develop official and administrative, and sector’s statistical system and methods.
- 2.1.21. Expand the financial intermediary framework, improve the legal environment to bring the accounting, auditing, asset listing, information, asset appraisal activities comparable to international standards.
- 2.1.22. Refine the securities market law to be compatible with the international financial market standards, and develop the exchange market. Enhance the operations of the stock exchange market to international level.
- 2.1.23. Refine the legal environment of ipotec activities.
- 2.1.24. Create a legal environment for creation of loan guarantee, insurance, and collateral system in order to support small and medium enterprises.
- 2.1.25. Build a center and an incubator to provide consultations and support for small and medium enterprises, and eliminate the government pressure on firms.
- 2.1.26. Transform the business license into electronic form.
- 2.1.27. Refine the legal environment to induce fair competition, inject the awareness and culture of competition into the public mentalities, and create an environment for market competition.

2.1.28. Improve the quality, competitiveness, and use safety of national products and services, ensure ecological safety, and improve the support in the provision of quality and safe products for consumers by setting the necessary standards, measurement controls, and compatibility modes.

2.1.29. Adopt an accurate policy to ensure safety of food and medications.

2.1.30. Provide professional intellectual property services, responding to the social development and international trends, improve the legal coordination and organize activities to raise the awareness and disseminate information on intellectual property.

2.1.31. Create a development bank.

2.2. Industrialization policy

2.2.1. Develop and implement the industrialization of Mongolia.

2.2.2. Reformulate the policies of the geology and mining sectors, from the mining perspective, refine and improve the legal coordination.

2.2.3. Commercialize the strategic and other major sites, initiate the use of Tavan Tolgoi's coal, Oyu Tolgoi's copper-gold, Tumurtei's metal ore, Tsagan Suvarga's copper-molybdenum, Asgat's silver-mixed metal.

2.2.4. Establish a legal environment for research studies, exploration, processing, and augmentation of uranium, increase the secure resources, and collaborate on utilization of Mardai uranium site with the investors expressing commitment to invest in the mining processing.

2.2.5. Set-up a Mongolian brand of process production, and increase the production of internationally competitive final commodities of cashmere, sheep and camel wool, and leather products.

2.2.6. Based on raw materials, ensure the supply of domestically produced construction materials, such as, cement, armature steel wire, and glass.

2.2.7. Establish a small production and technology park matching the distinctive features and needs of aimags, and develop the regional productions.

2.2.8. Implement projects on oil processing, coal diffusion and carbonation, and adopt a policy to initiate the domestic supply of fuel and gasoline.

2.2.9. Conduct comprehensive studies on the use of atomic energy, and develop the technical and economic requirements. Improve the radiation control and safety.

2.2.10. Formulate the norms and standards of geology and mineral research work, in conformity with the international standards, and refine the legal environment to enable conducting researches in protected preserves.

2.2.11. Conduct geological studies of the land and strengthen them, which include geological mapping, geophysics, geochemistry, hydrogeology, geo-ecological as well as other detailed studies to increase funding from the private sector.

- 2.2.12 Combine all geological and mineral resources studies done with private and state funding to create a national database of geological information.
- 2.2.13 Update the cadastre registration system into electronic technology to improve the quality and speed of services provided to the customers.
- 2.2.14 Show support to the introduction of environmentally friendly technology to mining production; rehabilitate the land damaged from mining and include land rehabilitation funds in the government budget.
- 2.2.15 Develop heavy production, and support building of hydrometallurgy, cathode copper, gold melting and other heavy production facilities.
- 2.2.16 Support technology update of Darkhan's metallurgy and Erdenet's copper-molybdenum production facilities.
- 2.2.17 Take measures to improve the technology and production of Baganuur, Shivee-Ovoo mines, to quickly decide the issue of investment, to increase coal mining and export of it. Develop Shivee-Ovoo's coal mine and power station facilities, and aim to export energy.
- 2.2.18 Build a 20 Mega Watt power station at Bayantee coal mine to reduce the loss of power in the western region of the country.
- 2.2.19 Decide the issue of coal supply at Darkhan and Erdenet thermal power stations.
- 2.2.20 Implement the work of supplying the ger/housing district residents with low pollution source of heat for their stoves.
- 2.2.21 Begin the exploration work of methane and natural gas reserves and determine preliminary reserves. Develop the legal environment of the natural gas sector; increase the use of natural gas.
- 2.2.22 Increase the exploration and production work of oil fields and sign a contract for building an oil processing plant. Provide the conditions to purchase oil products from a third party country.
- 2.2.23 Improve the legal environment of the energy sector; improve the market conditions for energy and introduce the model for contract market.
- 2.2.24 Finalize the decision to build power stations, roads and railways in and around strategically important deposits. Build a 220 Kwatt power line through Baganuur-Undurkhaan-Choibalsan-Ulaanbaatar-Mandalgobi-Tavan Tolgoi- Oyu Tolgoi. Make the existing Choir-Mandalgobi 220 Kwatt power line into double circuit.
- 2.2.25 Conduct an intense development of small product production able to compete in the world market and based on the latest technology in the capital city.
- 2.2.26 Intensify the operations of at the free economic and trade zones such as Zamyn Uud, Altanbulag, Tsagaannuur.
- 2.2.27 Provide support to the development of free economic zones and their production through solving the problem of infrastructure and energy supply.
- 2.2.28 Support and develop the production of natural dairy and meat products.
- 2.2.29 Set aside at least 150 billion MNT from the budget, Mongolian Development fund, foreign loan assistance and income tax revenues to support the development of domestic small and medium production.
- 2.2.30 Within the scope of "Chatsargana" project plant chatsargana trees all over the country comprising an area of 20 000 hectares and build their processing plants in the vicinity.

- 2.2.31 Gradually decrease the export of natural resources in its raw form; aim towards developing and exporting finalized products.
- 2.2.32 Implement project at every strategically important deposits. Update and introduce new technology at Erdenet copper-molybdenum and Shivee-Ovoo coal mines with the aim to eventually export finalized products from these mines. Develop Erdenet's copper concentrate facility by building a pure copper producing factory in 2009-2011.
- 2.2.33 Implement the agenda to develop the Gobi region; build mine-metallurgy-energy facilities around Tavan Tolgoi copper, Oyu Tolgoi gold copper and Tsagaan Suvarga copper deposits.
- 2.2.34 Develop strategically important deposits with proven reserves such as Asgat and Burenkhaan in line with surrounding regions.
- 2.2.35 In line with expanding and updating the Darkhan metallurgy factory develop metallurgy facilities based on Darkhan-Selenge metals deposits to completely supply domestic demand and create a new source of exports.
- 2.2.36 Take measures to introduce the latest technology to increase gold production and support building a gold purifying factory.
- 2.2.37 Provide the legal environment to lighten the load on heavy work such as extracting coal and gold by hand and develop them into modern artisan mines.
- 2.2.38 Support small and medium business clusters that follow mine-metallurgy-energy facilities.

2.3 Agriculture, food safety policy

- 2.3.1 Take measures to fully provide local consumption of meat, milk, flour, potato and vegetables.
- 2.3.2 Ensure installation and operation of modern laboratories to control a quality of food products in the capital city and all boarder units, strengthen control and information system to ensure sanitary and security of drinking water and food products.
- 2.3.2 Adopt modern and advanced technologies into food and agriculture sector, gradually increase share of processed food along with increase of production of ecologically clean products, create legal environment for its export.
- 2.3.3 Increase access and supply of drinking water that meets sanitary requirements by adoption of modern equipment and technology, adopt advanced technologies for softening water hardness in soums and settlements where hardness and high mineralization of water observed.
- 2.3.4 Continue implementation of "Agriculture Rehabilitation Program III" to rebuild and restore the crop production, set up irrigated agricultural operations, accelerate the process of technical and technological reform, increase protective soil cultivation; ensure a system in place to introduce new seed and grade reforms, protection of planted vegetation.
- 2.3.5 Develop policy to optimize the structure of land, increase livestock quality and productivity, increase efficiency and adequacy of breeding services.

- 2.3.6 Identify territories for pasture-led and intensive livestock farming, upgrade intensive livestock farming, establish policy to establish a sample / model farms in regions, cooperate with local self management organizations in this regard.
- 2.3.7 Establish a livestock/ production network based on information technology that creates opportunities for local residents to sell their raw materials and other products directly to customers.
- 2.3.8 Create legal environment to allow livestock income tax exempt for herders.
- 2.3.9 Restore and develop production of feed, improve nourishment of feed, increase its supply and access.
- 2.3.10 Refine legal framework for pasture management.
- 2.3.11 Bring into the international level the process of protection of livestock health, improve capability of veterinary diagnosis and research laboratories, support some veterinary clinics, breeding units and bio complexes by increased investment, increase supply and improve a quality of domestically produced vaccines and medicine.
- 2.3.12 Create an adequate legal environment for use of land for agriculture and farming, create a unified land resources and condition information system; implement a complex of measures for pasture production, improvement of irrigation, fighting with insects and rodents.
- 2.3.13 Support with adequate tax policies and credits formation of cooperation in the food and agriculture sector in the form of cooperatives, partnership and groups by joint finance and joints.
- 2.3.14 Increase investment of state funds for construction and maintenance of irrigation systems.
- 2.3.15 Renew tariffs for breeding and veterinary services in order to implement livestock health improvement program.
- 2.3.16 Launch new technology to fight with soil degradation, intensify the activities to rehabilitate abandoned land.
- 2.3.17 Promote green house and fruit and berries farming.
- 2.3.18 Take responsibilities by the state and finance from state budget such prevention measures like livestock cleansing, vaccination

2.4 Infrastructure development, urban development policy

- 2.4.1 Improve Public Private Partnership, ensure adequate coordination of its operation, use of investment from private section for infrastructure construction, allow a possession over certain period, ensure legal environment for transfer/ take over by the state.
- 2.4.2 Coordinate by policy a domestic migration, improve management and planning of sub-cities, regions and region supported centers; intensify infrastructure development, eliminate difference between urban and rural development.
- 2.4.3 Intensify city development based on population and settlement adequate systems; develop and implement the national program “Cities”
- 2.4.4 Support and implement a policy to development of apartment districts with participation of residents in line with improving infrastructure in cities and ger settlements.

- 2.4.5 Improve land management, accelerate land reforms, and organize possession of land by every Mongolian citizen.
- 2.4.6 Introduce GPS technology, complete the second phase of development of GPS network in Mongolia, improve other types of networks.
- 2.4.7 Develop and implement the project for construction of 100 thousand apartments in the capital city and rural areas. Make progress in development of policy to provide apartments to medium and low income families.
- 2.4.8 Improve a quality and accessibility of public services; develop its reform and privatization.
- 2.4.9 Develop a program to bring the Capital city to the international standard of living, ensure its safety and security, and provide adequate level of infrastructure.
- 2.4.10 Intensify civil aviation development, construct a new international airport in Hushigiin valley of Tuv aimag; connect it with Ulaanbaatar city infrastructure.
- 2.4.11 Provide basic infrastructure of capital city regional centers to improve economical and financial capacity to ensure independent development.
- 2.4.12 Develop and start implementation of design work and technical- economical feasibility study of biggest (mega) projects such as construction of international airport and airport city, railway in Gobi region, network of hydro- electrical infrastructure, railway in the eastern region, etc.
- 2.4.13 Renew the public transportation park by procurement of 500 big capacity buses which meet the safety standards of public transportation in Ulaanbaatar and biggest cities, provide support for supply of not less than 2000 natural gas fueled taxis.
- 2.4.14 Improve transit traffic of Mongolian railway, improve quality, and widen its range of route, increase technical capacity by adding 20 locomotives and 2000 freight carriages within the technical and technological improvement framework.
- 2.4.15 Make progress in implementation of “Transit Mongolia” program, improve infrastructure condition and logistics network.
- 2.4.16 Increase private sector involvement in the air transportation sector, increase number of international air routes. Establish international air cargo services.
- 2.4.17 Accelerate progress of “Millennium Road” program, continue construction of paved road network connecting aimag centers with the capital. Construct road UB-Mandalgobi- Umnugobi.
- 2.4.18 Construct road in direction Yarant- Khovd- Ulaanbaishint and Zamin Uud- Ulaanbaatar- Altanbulag road connection to international road network.
- 2.4.19 Repair and extend road network between UB and aimag centers, construct 2 level cross-section, tunnels and bridges and parking spaces.
- 2.4.20 Support activities of entities working on introduction of eco-technology, bringing world class standard in maintenance and construction of all types of road and road foundations.
- 2.4.21 Develop new sources of heating and electrical energy in UB.
- 2.4.22 Establish logistics centers and public transportation and freight terminal entities in UB and regions.
- 2.4.23 Establish soft infrastructure (mailing addresses, codes, bar codes, zip codes) based on Distance information database, improve and bring to the new level efficiency of public services.

- 2.4.24 Renew and extend ICT infrastructure, widen range of information and communication services to reach out each family in the country.
- 2.4.25 Transfer Radio and TV programs to digital technology; provide opportunity to receive TV programs throughout the country.
- 2.4.26 Construct and connect to the central energy supply system the thermal power station in order to provide reliable sources of energy to 5 western aimags.
- 2.4.27 Conduct the feasibility report for connecting western regions with the central energy system, start the operations of the power transmission lines.
- 2.4.28 Study the possibility of building large scale solar and wind energy plants in the Gobi and eastern regions of the country.
- 2.4.29 Expand and update the core network of the postal system; introduce services based on information technology.
- 2.4.30 With the aim to intensify infrastructure development through private sector privatization and increase the capacity of the domestic companies the state will support building of roads, railways, power stations and communication networks on the condition that these facilities will be sold back to the state.
- 2.4.31 Study the possibility of building new railways, increasing the number entry/exit points at the border and building parallel railways and decide on these on a step by step basis.
- 2.4.32 Increase the financial source of building apartments; create the regulations for introducing first and secondary mortgage markets; lower the interest rates on mortgages and increase the lending time up to 25 years.
- 2.4.33 Have the parliament approve the unified land plan which will allow people to buy properties in cities and settlements only through an open auction, except for land to build apartments to house residents of the ger/housing district.
- 2.4.34 Renew the policies on capital city development through an agenda “New Ulaanbaatar-Green Capital”, on reducing air and soil pollution, on improving the infrastructure and on city planning and provide the young people with the right environment to spend their free time.
- 2.4.35 Give the following cities a new National City status: Khovd, Choibalsan, Darkhan, Erdenet, Zamyn Uud and Sukhbaatar; and take drastic measures to develop these cities.
- 2.4.36 Include Khuvsgul Lake into a tourist region and develop its infrastructure as a priority.

2.5. Rural development policy

- 2.5.1 Develop and implement the “Rural Development” agenda.
- 2.5.2 Create “Production Development fund” with no less than 50 million tugriks to support and develop small and medium production facilities at soums.
- 2.5.3 Using a variety of energy sources to provide every soum with constant electricity and improve group electricity supply. Improve the thermal energy supply systems at aimags and soums and increase their capacities.
- 2.5.4 Provide every household with a source of electricity.
- 2.5.5 Improve the main road conditions between aimags used for travel and transport and pave certain sections of these roads.

- 2.5.6 Build new building materials production and processing facilities in the countryside.
- 2.5.7 Develop an adequate allowance system for people living in remote and gobi regions.
- 2.5.8 Provide the conditions for herders to have cell phones and other fast communication systems.
- 2.5.9 Expand, renovate and rebuild college dorms, hospitals and cultural centers.
- 2.5.10 Within the scope of the project “Reclamation of virgin land 3” use unused land for growing crops in aimags, and introduce new related technology to these regions.
- 2.5.11 Implement the agenda “Mongol Ger” to provide households living in gers with comfortable living conditions, who are protectors of the cultural identity.
- 2.5.12 Build a paved road with a route through Bayanhongor-Gobi-Altai regions.
- 2.5.13 Identify 10 projects in 2009 that can change the country’s economic structure, with the potential to be leaders in the infrastructure and require no less than 200 million dollar investments each to attract foreign investors.

Three. The goal to sustain an ecological balance.

In line with keeping an ecological balance provide the right conditions to protect natural resources, adequate use of natural resources, rehabilitation of the mined land and implement tourism policies based on these conditions.

- 3.1. Approve the policies according to the relevant laws which support protection of natural resources, adequate use of these resources based on the nature’s ability to handle and using environmentally friendly mining technologies.
- 3.2. Limit the use and process of raw coal; expand engineering facilities aimed at building apartments for ger/housing district residents; increase the area of greening / gardens in the city; decrease air pollution in UB and other cities by renewal of public transportation by moving to gas fueled transportation.
- 3.3. Decrease pollution of air, water and soil in the cities, provide citizens with healthy environment for living and working.
- 2.4 Introduce new solid waste management in the cities, establish waste recycling factories.
- 2.5 Implement unified state policy on water, establish infrastructure to transfer and use collected sources of water, make adjustments in river streams.
- 2.6 Plant natural vegetation in the area of massive desertification, implement “Water” program, provide balance of eco systems by increase of precipitation, collection of water, creation of water pounds.
- 2.7 Dig wells working on wind power for each of Bags to irrigate pasture in dessert and steppe regions.
- 2.8 Redevelop national program to fight desertification, increase foreign and domestic financing sources.
- 2.9 Develop legal framework for protection of soil, develop and implement Law on soil.

- 2.10 Prohibit any exploration or mining activities in areas with low gold concentration, close to river bank and water basin, forest land, oasis in gobi, special natural landscape areas and its buffer zone and totally banning for any mining activities using technology which harmful to environment and human health.
- 2.4 Reject any program which can not assure environment rehabilitation no matter how big the economic impact.
- 2.5 Following Responsible mining principles establish information database containing information on monitoring of mining production, research program, environment protection, rehabilitation plan, payment of fees for use of natural resources etc, make it transparent and accessible to public.
- 2.6 Move to the process of decision making to issue license for investigation and production of mining deposits based on the Environmental assessment report produced by qualified agency selected through the bidding process.
- 3.14 Widen network of special protected areas which play a significant role in providing balance of eco-system of Mongolia.
- 3.15 Establish sustainable management for forest protection and rehabilitation, support initiative to promote import of wood and wooden materials and production of product to substitute wood.
- 3.16 Improve management of protection and proper use of flora and fauna resources, create favorable environment for natural growth and life.
- 3.17 Based on state policy on land resources, implement integrated program for environment protection and sustainable use of subsoil (mineral) resource and improving current real state and land inventory system by establishing independent structure and renew a land management and land valuation methods and put in force.
- 3.18 Improve legal environment on tourism and increase number of visitors/ tourist through upgrading infrastructure locating on tourism regions.
- 3.19 Improve state control of environment, reinforce roles and responsibilities for protection of natural resources.

**Four. Objective to establish transparent and open governance,
and statehood with rule of law**

Deepen legal reforms, strengthen competency and responsibility of civil services, promote civil society and public partnership in a transparent way, along with taking measures to optimize administrative and territorial structure.

4.1 Legal Policy

- 4.1.1 Deepen legal reform by development of laws and legislations based on principles that scientifically justified and in compliance with law development standards, define the current nature of effective laws and regulations, improve the quality of law by elimination of legislation gap, duplication and contradictions.

- 4.1.2 Analyze in general regulations defining legal authority issued by the state institutions and civil authorities, take measures to cancel legal instruments contradicting with the laws, modify legal environment in this respect.
- 4.1.3 Disseminate the newly passed laws to the rest of the country in an efficient manner, to professionally organize seminars on legal issues and improve their scope of operations, reach, influence and quality.
- 4.1.4 Create the economic and organizational conditions independent of legal entities.
- 4.1.5 Improve the legal conditions of law enforcement agencies.
- 4.1.6 Develop the agenda to increase the level of education and professionalism of law enforcement agency employees, and take measures to create the educational database for it.
- 4.1.7 Introduce a common standard to law school requirements, increase their quality of education, work force of the teachers and conditional standards.
- 4.1.8 Raise the standards of archive use, protection, renewal to that of developed countries and introduce information technology to government works database.
- 4.1.9 Approve and implement a national agenda to fight and prevent corruption.
- 4.1.10 Introduce national laws and regulations to the United Nations convention against corruption.
- 4.1.11 Create the standards for government organization service quality.
- 4.1.12 Create a transparent electronic system for citizens' complaints and the decisions on those complaints.
- 4.1.13 Make changes to the legal system and satisfy the independence of the court systems.

4.2. Policy on fighting crime

- 4.2.1 Improve the system on fighting and preventing crime and keeping social order; and take drastic measures aimed at providing a safe living environment for citizens.
- 4.2.2 Take measures to bring the per capita number of court, prosecution and police agencies closer to international standards.
- 4.2.3 Take steps to provide the police and the army with technology to keep social order.
- 4.2.4 Create a camera system to keep an order in Ulaanbaatar traffic.

- 4.2.5 Take step by step measures to provide a constant post at every police station in order to bring their services closer to the citizens.
- 4.2.6 Create the conditions for analyzing evidence and clues from crime scenes on a scientific basis with latest laboratories and technologies.
- 4.2.7 Take measures to fight new crimes such as terrorist operations, sale and purchase of illegal drugs, human trafficking and pornography.
- 4.2.8 Concentrate on including social organizations and expanding their cooperation with fighting and preventing crime and keeping social order.
- 4.2.9 Take measures to fight and prevent livestock theft by increasing the national, aimag, and soum funds; and support the herders group to fight livestock theft.
- 4.2.10 Improve the national measures taken to prevent alcoholism, alcohol related crimes; strengthen the regulations on production, sale and service of alcohol; study the possibility of having professional organizations to treat alcoholics.
- 4.2.11 Improve the conditions of people who are serving time in prison for their committed crimes, to international standards.
- 4.2.12 Provide the conditions for non-government organizations to help released inmates enter normal social conditions and increase the level of involvement of these organizations.
- 4.2.13 Provide the prisons with the latest technology and renovate the old buildings.
- 4.2.14 Create the system to have officials convicted of corruption charges compensate the state and society with money; strengthen the system to fight and prevent corruption by increasing the penalty for such crimes.

4.3. Border protection policy

- 4.3.1 Introduce the latest technology on protection of the Mongolian border; strengthen the cooperation of law agencies to fight organized crime at the border.
- 4.3.2 Create the regulations to protect the mountainous, forest, desert and plain regions of the border.
- 4.3.3 Transfer the system of border protection by “limited time army service” to a system of contracted specialized border protection force.
- 4.3.4 Take measures to improve the border protection agency, their technology and firearms.
- 4.3.5 Improve the border check operations to the standard of neighboring countries and increase the border capacity.
- 4.3.6 Create a special division to tackle uncommon issues such as disorder and taking hostages at the border, and provide the division with the necessary equipment.
- 4.3.7 Create a water border at the “Buir Nuur” region of the Mongolian and P.R. Chinese border. Improve the protection system of the water border.
- 4.3.8 Improve the working conditions of the organizations that operate at the border.

4.4. Create and strengthen the national registration system

- 4.4.1 Pass a law that will allow a separate registration of people of voting age and give the right to Voting Committee to oversight a voter's registration.
- 4.4.2 Combine all state registration agencies into a single agency and fulfill the necessary conditions to do so by transferring into an electronic registration system.
- 4.4.3 Implement the project "Citizen's smart I.D." which will contain information of that person's health condition alongside with other relevant information. Within the scope of this project study the possibility of creating the citizen's social protection number.
- 4.4.4 In order to improve the registration of foreign country citizens, measures will be taken to improve the legal environment; to create a network of organizations that will be responsible for foreign citizens.
- 4.4.5 Within the scope of the project "Citizen Registration - a unified passport watch network" measures will be taken to include 20 entry points of the border into the network.

4.5. Civil society and state policy

- 4.5.1 In order to enhance civil society participation in the state policy, amend the legal environment of the civil society organizations operations; monitor, advocate, receive support from government agencies; and strengthen cooperation between the government and CSOs.
- 4.5.2 Strengthen democracy and legal environment based on national peace and the country's interest.
- 4.5.3 Amend the laws on all types of voting with citizens participating in government.
- 4.5.4 In order to improve and strengthen the legal environment, make government activities more transparent, the government will improve the network system between all governments, serving the needs of the citizens, without corruption and with responsibility.
- 4.5.5 Increase the level of responsibility of the civil servant with respect for law, intolerance for corruption and provide him with better working environment.
- 4.5.6 Develop the government policy, transparency of activities, legal environment of transparency and increase the effectiveness.
- 4.5.7 Enlarging administrative and territorial units in terms of their economic capacity and population number, provide opportunities for its independent development, promote decentralization, reform and renew its management in consistence with the state structure by identifying its functions on each level in line with scientific development.
- 4.5.8 Develop legal environment for local self-governance and administrative operations, create appropriate level of authority, develop and adopt in real terms the concept of self-governance.
- 4.5.9 Create legal environment for open and free public information.
- 4.5.10 Refine and rationalize state organizational structure, shorten the number of loose and duplicated jobs of civil servants, cut budget expenditures by creation of legal environment for outsourcing of some public functions to NGOs.

4.5.11 Create an efficient and transparent mechanism to hold portfolio manager and civil servants for inefficient use of budget funds.

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| (I) | 4.5.12. Increase level of authority of local self management organizations by amending the Public administration management and finance law, create business favorable environment, eliminate bureaucracy in the state, ensure control over state services by NGOs and civil society, ensure their participation in the State services and planning of budget expenditure and revenue. |
| (II) | 4.5.13 Develop a legal environment for civic monitoring, ensure policy in place to ensure the rights for claims for citizens who's right were violated. |
| (III) | 4.5.12 Policy will be followed to allow citizens exercise their rights to claim for violation of their rights, increase level of authority of local self governance organizations by amending the Public administration management and finance law, create business favorable environment, eliminate bureaucracy in the state, ensure control over state services by NGOs and civil society, ensure their participation in the State services and planning of budget expenditure and revenue. |

Five. National security, foreign policy objectives

Promote activities for deepening political, economic and humanitarian cooperation with region and countries that play significant role in the world, intensify foreign policies for independent, multi-pillar and open cooperation, provide conditions for protection of country and its citizens.

5.1.1. Strengthen a good neighbor partnership with China and Russia, partnership and cooperation with USA, Japan and EU and other countries with diplomatic ties within an open multi-pillar political and economical foreign policy.

5.1.2 To reinforce and confirm independence, sovereignty, reputation, international position of Mongolia, improve institutional democracy, good governance, capacity of state institution, implement policy to obtain support and assistance aimed to accelerate economic development.

5.1.3 Ensure effective participation in the regional political and economical dialogue, work on the membership to the Asia Pacific Economic Cooperation organization.

5.1.4 Concentrate on the Mongolia foreign economic relations, consistently implement policy on protection of rights of a landlocked country, establish favorable environment for transit of products and freights at the territories of China and Russia, engage and cooperate with regional partners on such infrastructure project as road, railway, high voltage transmission lines and communication, identify optimal location for border ports and ensure its continuous operation.

5.1.5 Attract concrete interests of foreign countries into Mongolia, improve economic competitiveness, increase level of investment, improve effectiveness of trade, develop policies on investment into mining and other large projects.

- 5.1.6 Eliminate barriers such as tariff on export of domestic products; take measures to arrange international negotiations on signing agreements to provide ample supply of food and oil products.
- 5.1.7 Develop and implement social agendas on passing laws regarding Mongolian citizens living, working and studying in foreign countries on a long term basis.
- 5.1.8 Consistently protect the rights of Mongolian citizens and legal entities in foreign countries, create funds to assist them, and expand and strengthen the consulate services.
- 5.1.9 Expand the agenda to promote Mongolia to the international community.

5.2. National Defense Policy

- 5.2.1 Improve national defense, international relations, international cooperation and strengthen regional and international military trust.
- 5.2.2 Increase the capacity of the armed forces to be involved in international and UN peace keeping operations.
- 5.2.3 Improve the legal environment of the national defense sector. Improve the policies of the defense resource management, bring defense budgeting up to international standards.
- 5.2.4 Develop and implement the policies from the Mongolian government on protection of rural areas.
- 5.2.5 Develop the strategic preparation of soldiers to accommodate to the standards of keeping national safety.
- 5.2.6 Support and cooperate with government and non-government organizations to instill a greater sense of patriotism in citizens.
- 5.2.7 Provide the regulations to organize war preparations and war resource keeping in rural areas; create the conditions to arrange armed forces drills based on regional armed forces camps.
- 5.2.8 Increase army participation in measures to prevent environmental disasters, increasing forest areas, dealing with desertification and rehabilitation of damaged areas; show support by appointing certain regiments to the task.
- 5.2.9 Improve the organization of the armed forces; take measures to increase their capacity to perform a variety of tasks.
- 5.2.10 Improve the organization, firearms, technology and all other possible factors to fight terrorists and terrorist acts.
- 5.2.11 Develop the agenda to improve salaries of the armed forces.
- 5.2.12 Identify middle and long term goals to modernize firearms and related technologies and implement them on a gradual basis.
- 5.2.13 Take measures to update the weaponry against air attacks.
- 5.2.14 Show financial support to provide the army servicemen with apartments and create the conditions and legal environment to introduce leisure, care, and trade and tax free services. Improve the quality of social services for the army.
- 5.2.15 Take measures to improve the organization and human resource of the national investigation bureau.
- 5.2.16 Improve and update the information technology in line with executive force improvement.

5.3. Policy to strengthen the national capacity to prevent natural disasters and mitigation

- 5.3.1 Improve the legal environment of the preventative measures taken against natural disasters; bring them up to international standards; increase cooperation of such agencies with agencies of the neighboring countries.
- 5.3.2. Improve the capacity the preparedness to natural disasters, rescue work during those occasions, to ensure preparedness for disasters, and its mitigation. Implement policies to introduce scientific knowledge, apply related latest technologies.
- 5.3.3. Create national reserves of necessary products, store them according to standards and improve the quality and speed of the rehabilitation process during times of disaster.
- 5.3.4. Provide professional monitoring organizations with the latest equipments and laboratories, increase their database, improve their human capital.
- 5.3.5. Increase health standards on all facilities producing products and providing services in Mongolia.

Preliminary conditions for the Government Action Plan, implementation principles, methods and risk

Preliminary conditions required for implementation of the Government Action Plan:

- Stable political situation, stable functioning of the State Ikh Hural and Government.

- Commitment, proper structural organization and efficient performance by the public agencies;
- Coordination of social economic guidelines, fiscal and monetary policy and other national programs, their approval and implementation;
- Avoid commitment of big promises with significant social impacts;
- Mutual understanding of private sector and public agencies, create and implement mechanism for social partnership and cooperation;
- Coordination and cooperation between central and local government;
- Prudent allocation of human resources.

Principles of implementation of the Government Action Plan:

- Develop Government – civil society partnership and cooperation by promotion of “Social responsibility” initiative within civil society as well as within the private sector;
- promote high level of responsibility, transparency over allocated resources and funds;
- promote protection of national interests in state regulation, priorities funds and resources allocation, priorities issues to be resolved.

Methods for implementation of the Government Action Plan:

Establish different markets as necessary component of economy, ensure their proper development, create mechanism for stable and consistent operation,

- financial market
- money and stock market;
- labour market;
- raw material market;
- Information technology market ;
- Innovation, knowledge market.

Measures for implementation of GAPlan :

- Training and allocation of human resources by promoting education, particularly accelerating training at vocational education centers;
- Efficient use of assets and financial resources, develop and utilize joint private and state funding system;
- Along with adequate use of mineral and natural resources in accordance with demands of development, select ways for un-harmful impact on living environment of people;

- Constantly introduce innovative technologies into economic, business and all other sectors, select and use the latest and efficient technologies and methods in fulfilling any objectives;
- Efficient use of human resources, intellectual property, financial resources and assets, natural resources, ensure at all levels of state and government organizations effective leadership and management skills.

Possible mid- term Internal and external risks

- Unstable world market, fluctuation and drop of raw material prices, high inflation, deflation;
- Energy resources including price of oil, export tax burden;
- Risks in the agriculture and environment sectors due to climate changes.
- Stagnant condition of governance, causing delays in the functioning of the State Ikh Hural and other state entities, delays in decision-making process.

**The list of new projects and programs required to be newly developed
to implement the Government Action Plan**

1. “Industrialization of Mongolia” program
2. “Cities” program
3. “Housing” program
4. “Education” program
5. “Development of culture and arts” program
6. “National network of ambulances” program
7. “Infrastructure Development in the Gobi region” program
8. “Food supply, nourishment and security” program
9. “Organic Mongolia, ecologically clean products” program
10. “Fighting Desertification” program

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