

REGIONAL AND LOCAL DEVELOPMENT

INFRASTRUCTURE

TOURISM

SUSTAINABLE AGRICULTURE

GOAL 8. Pursue a competitive and relatively well-balanced regional and local development, aligned into the regional economic integration, through respect for national culture, sustainable settlements, preserved nature and eco-balance to be inherited by future generations, and the coherent green production with combined economic diversification and specialization.



INFRASTRUCTURE

OBJECTIVE 8.1. Prepare fundamental conditions for rapid economic growth by fully connecting to the regional economic integration through an integrated infrastructure network.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to connect the leading economic regions and sectors with infrastructure.

1. Prepare the necessary conditions for participating in trade and economic cooperation by constructing a main horizontal axis road connecting the East-West countries and certain vertical axis road connecting the neighboring countries in the north and south.
2. Identify and gradually connect promising settlements to the main vertical and horizontal axis road networks.
3. Create conditions to increase export of mining products through building railways connecting strategic mineral deposits with border points.
4. Gradually establish an integrated international and regional transport and logistics network and connect it to the networks of neighboring countries.
5. Gradually establish two-way information and communication complexes in aimags and high-risk soums to provide herders with local news and early warning for harsh weather to ensure their preparedness.
6. Improve the airfields of some aimags as complex international airports with 4C airfields and passenger services, and promote the development of tourism and foreign trade.
7. Establish free trade and economic zones and cargo logistics centers nearby the international airports.
8. Renovate facilities and upgrade equipment for free zones and border points and increase their entrance capacity in line with international standards.

STAGE II (2031-2040)

The period to fully connect to neighboring countries and international economic integration through an integrated infrastructure network.

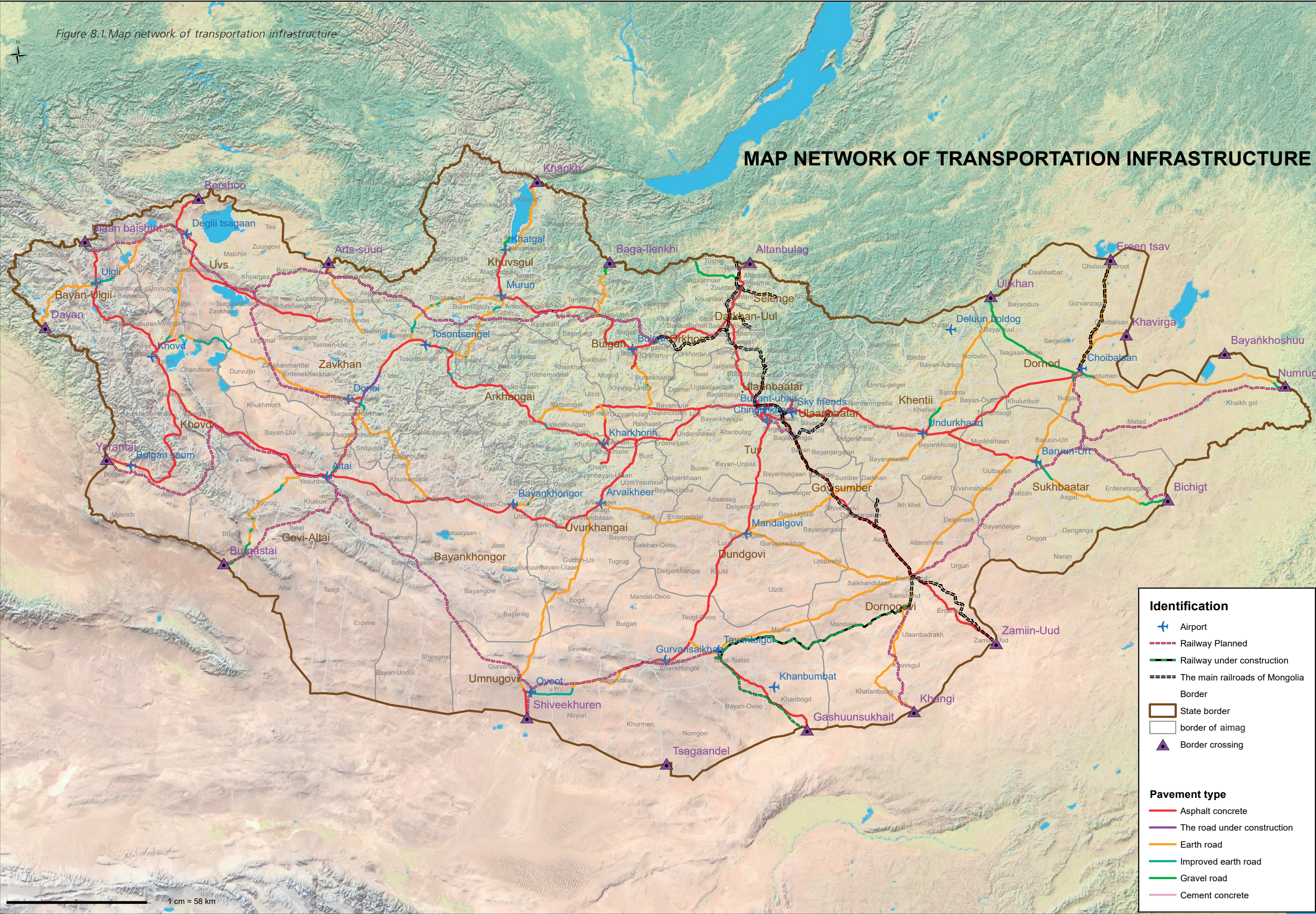
1. Complete the vertical roads connecting the northern and southern neighbors, and create the basic conditions for participation in trade and economic cooperation of neighboring countries, and the Central and the Northeast Asia.
2. Identify and gradually connect promising settlements to the main vertical axis roads connecting neighbors in the north and south.
3. Build the Ulaanbaatar-New capital city express railway and the western vertical railway, and establish an integrated network.
4. Gradually establish unified local transport and logistics networks and connect them to international and regional transport and logistics networks.
5. Develop airport complexes with airfields and passenger services for the aimags.
6. Renovate facilities and equipments of border checkpoints to meet international standards, and increase their entrance capacity.
7. Connect all soums and settlements with modern high-speed information networks.

STAGE III (2041-2050)

The period to support economic development through modern smart infrastructure networks.

1. Build road networks that are compatible with modern technology-based vehicles.
2. Connect all settlements with national and regional roads.
3. Connect densely populated centers with high economic attractiveness to railway networks.
4. Introduce a modern smart transportation and logistics network accessible to every consumer.
5. Establish airport complexes with aerodromes and passenger services in promising settlements.
6. Become an energy exporter by establishing an independent integrated energy system, and by transposing to a smart system for the diverse use of renewable energy sources.

Figure 8.1 Map network of transportation infrastructure



ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

8.1.1. Establish the following international, regional and local roads:

- The rear intersection "Khovdyn Myangad"—"Zavkhany Zagastain davaa";
- "Ulgii" - "Khokh ereg boomt";
- "Battsengel" — "Khanuin guur";
- "Khovd" — "Ulaangom";
- "Zavkhany Songino" — "Tes" — "Arts suuri boomt";
- "Esunbulag" — "Uliastai";
- "Baga Ilenkhi" — "Teshig" — "Khutag-Undur";
- "Bulgany Orkhon" — "Khishig-Undur" — "Gurvanbulag";
- "Altanbulag" — "Darkhan-Uul" — "Ulaanbaatar";
- "Choibalsan" — "Baruun-Urt";
- "Bayandalai" — "Shiveekhuren boomt".

8.1.2. Identify and connect promising settlements to national and regional road networks.

8.1.3. Build the following railways that connect strategic deposits to border points:

- "Tavantolgoi" — "Zuunbayan";
- "Zuunbayan" — "Khangimandal";
- "Nariinsukhait" — "Shiveekhuren";
- "Tavantolgoi" — "Gashuunsuhait";
- "Sainshand" — "Baruun-Urt" — "Khoot".

8.1.4. Build 3 international transport and logistics centers, 6 regional transport and logistics centers, and 33 local transport and logistics centers.

8.1.5. Create complex international airports with 4C airfields and passenger services in the new capital city and Dornod, Umnugovi, Khovd, Uvs, Zavkhan, Khuvsgul aimags.

8.1.6. Establish free economic zones and cargo logistics centers in Khushigiin khundii and Govisumberiin Bayantal.

8.1.7. Complete the construction of the Zamyn-Uud, Altanbulag and Tsagaannuur free zones.

8.1.8. Increase the entrance capacity of border checkpoints, including Khavirga, Gashuunsukhait, Shiveekhuren, Bulgan, Borshoo, Artssuuri and Baga Ilenkhi points.

8.1.9. Establish 33 agricultural production and technology parks in promising settlements on the basis of regional specifics and nomadic animal husbandry.

8.1.10. Establish two-way information and communication complexes in 18 aimags and 13 high-risk soums to provide herders with local news and early warning for harsh weather to ensure their preparedness.



TOURISM

OBJECTIVE 8.2. Develop regional and local tourism based on leading economic sectors and location advantages.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period of development.

1. Develop a regional tourism on the basis of natural ecology, archeology, paleontology, nomadic heritage, history, culture, recreational resources and local community.
2. Gradually establish agricultural production and technology parks with supply chains in promising settlements, taking into account regional specifics and nomadic pastoralism.
3. Select the location of a new capital city in the Orkhon valley, develop a feasibility study and general development plan, and commence construction work.
4. Decentralize Ulaanbaatar, gradually meet the standards and norms of social services provided by the state fit to the size of regional and local population, and create a healthy, safe and comfortable working and living environment for citizens.

STAGE II (2031-2040)

The period to develop economic relations and cooperation.

1. Increase access and revenue of the tourism sector through the introduction of modern advanced technology.
2. Integrate the local agricultural production and technology parks and their supply chains into the international value networks.
3. Start the phased relocation of state administrative organs and some social services to the new capital city.

STAGE III (2041-2050)

The period to independently develop regional and local economies.

1. Introduce Mongolian brand products to the world market.
2. Make the new capital city a UNESCO-registered city of cultural creativity.

ZONING FOR DEVELOPING TOURISM BASED ON

GEOGRAPHICAL, NATURAL AND CULTURAL SPECIFICS

ZONES OF FRESH WATER AND
NATURAL LANDMARKS

CITY ZONE

ZONES OF HISTORICAL HERITAGE OF
CHINGGIS KHAN

Region 1

Region 6

Region 5

Region 2

Region 3

Region 4

ZONES OF HIGH MOUNTAIN
ECOSYSTEM WITH ETHNIC AND
CULTURAL SPECIFICS

ZONE OF HISTORICAL AND
CULTURAL HERITAGE

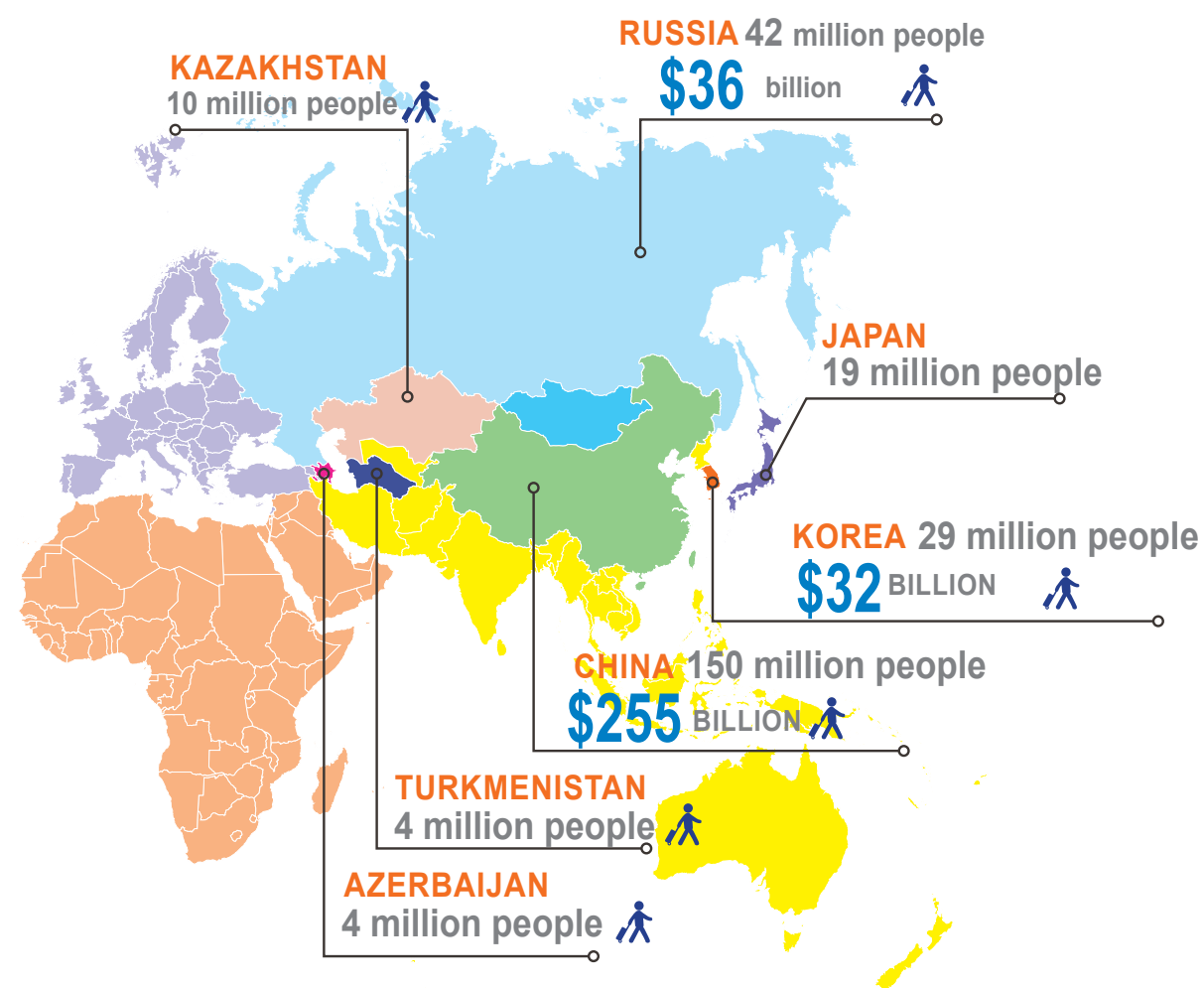
ZONES OF UNIQUE NATURAL,
PALEONTOLOGICAL SITES AND
RARE WILD LIFE



Figure 8.2 Zoning for Developing
Tourism Based on Geographical, Natural
and Cultural Specifics



NUMBER OF TOURISTS TRAVELLING ABROAD BY YEAR AND EXPENDITURES



AIMS OF TRAVEL AND TYPES OF TRANSPORTATION

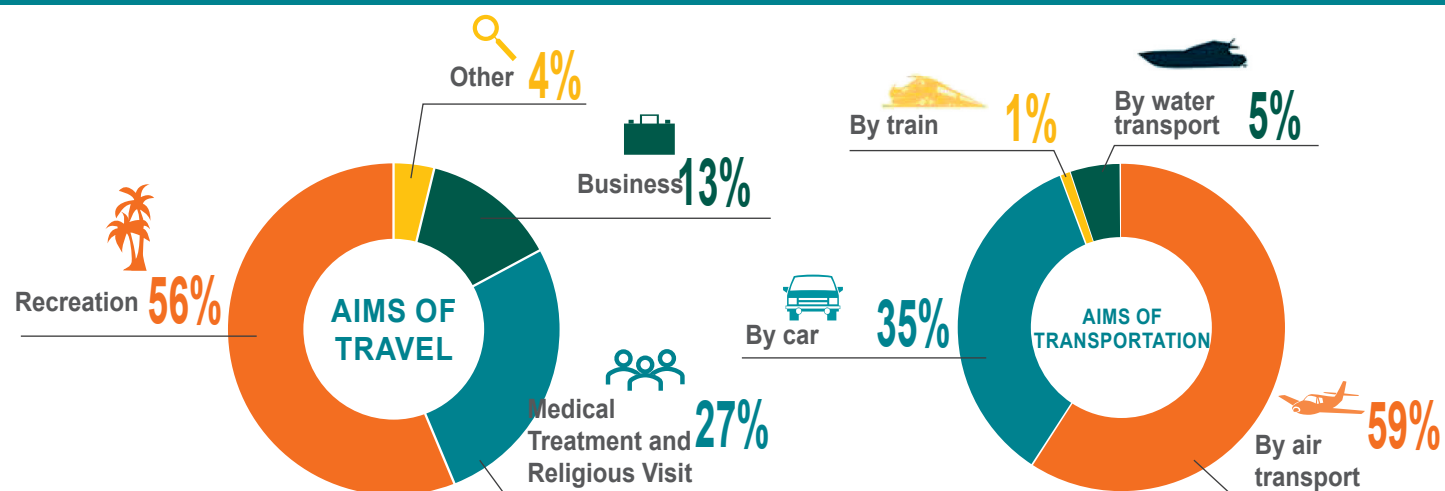
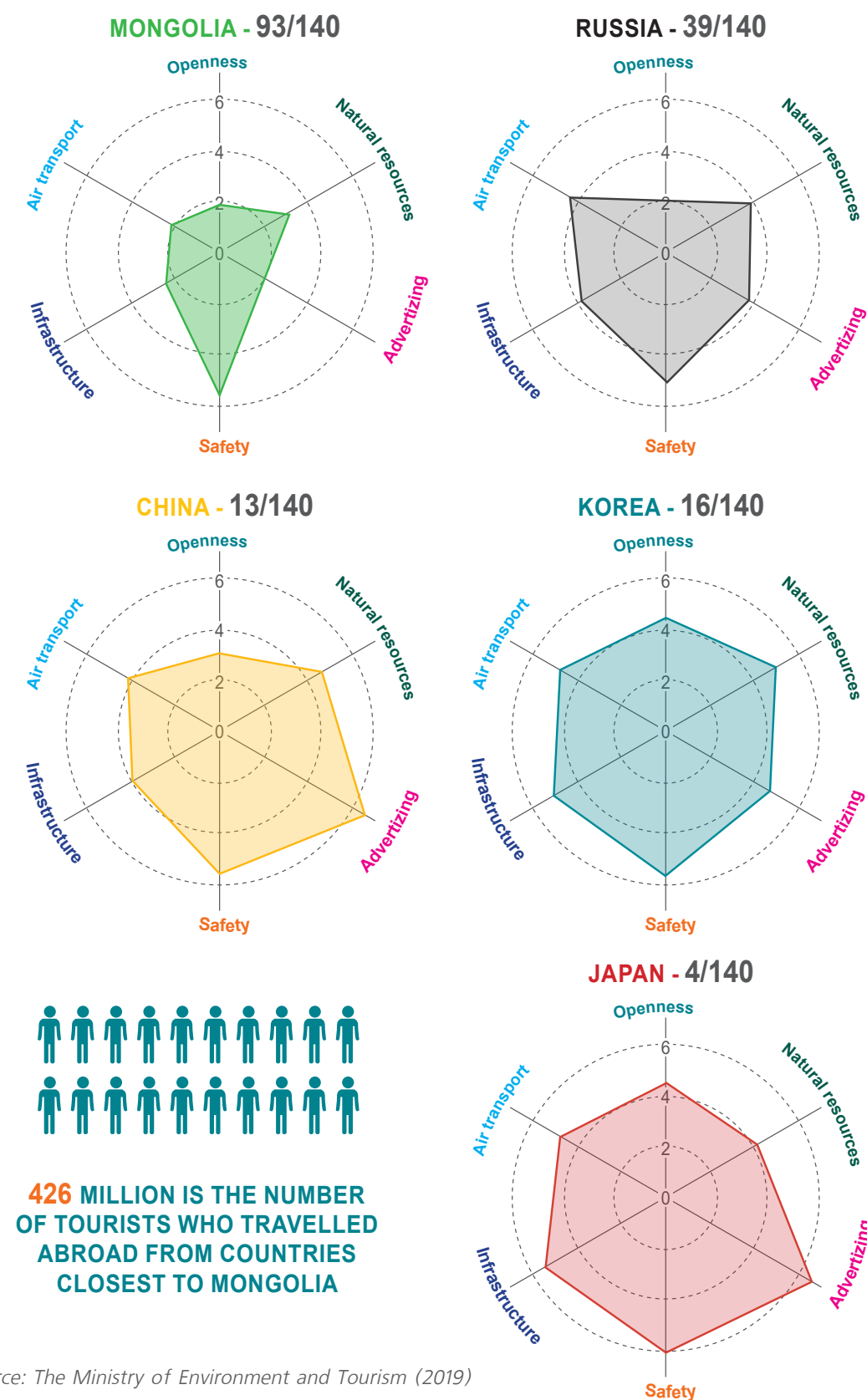


Figure 8.3 Tourism

COMPETITIVE INDICATORS OF TOURISM 2020



Source: The Ministry of Environment and Tourism (2019)

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 8.2.1. Establish tourism complexes in the western aimags on basis of high mountain ecosystems, natural and geographical features of the Great Lakes Valley, and multi-ethnic live, culture and heritage.
- 8.2.2. Establish cultural tourism complexes based on Lake Khuvsgul, the Khangai Mountain Ecosystem, major river basin adventures and the Orkhon Valley Monuments.
- 8.2.3. Establish recreation and recovery tourist complexes based on paleontology and rare animal parks, historical, religious and cultural heritages, natural landscape and spa resort in the Gobi aimags.
- 8.2.4. Support Khalkh River, Buir Lake and border tourism in Dornod aimag.
- 8.2.5. Establish "Chinggis Khaan Tourism Complex" in Khentii aimag on the basis of the historical heritage of Mongolian statehood, nomadic culture and traditional way of life.
- 8.2.6. Support border tourism based on historical and cultural heritage in Sukhbaatar aimag.
- 8.2.7. Develop business tourism in the central and Ulaanbaatar regions.
- 8.2.8. Select the location of a new capital city in the Orkhon valley, develop a feasibility study and general development plan, and start construction work.
- 8.2.9. Decentralize Ulaanbaatar by meeting the standards and norms of social services provided by the state to the regions and localities.



SUSTAINABLE AGRICULTURE

OBJECTIVE 8.3. Develop agriculture as a leading sector of the economy that is environmentally friendly, adaptable to climate change, resilient, responsive to social development trends, needs and requirements, responsible, highly productive and sustainable.

THE OBJECTIVE'S STAGES OF IMPLEMENTATION AND EXPECTED RESULTS

STAGE I (2021-2030)

The period to aggravate the resource utilization and commercialization of the agricultural production and transform the sector from quantity to productivity and quality.

1. Comply to the principles of green economy in agricultural production, strengthen capacity to adapt to climate changes and risks, and develop smart systems based on insurance, registration and information.
2. Sustainably develop ecologically friendly and organic livestock while preserving the traditional nomadic heritage, diversify intensive agricultural production, and develop and improve cluster, logistics and leasing services.
3. Prepare and reinforce human resources in the agricultural sector, increase the value of their labor, ensure their stable employment, and improve their living conditions and social security.
4. Evaluate, record, sustainably use and protect livestock genetic resources, improve livestock reproduction, breeding and selection, and transform livestock production from quantity to quality and productivity.
5. Protect the livestock and animal health, meet hygiene and sanitation requirements of animal raw materials and products, protect the public health and promote free trade.
6. Improve the utilization of the total crop rotation fields, ensure the main cultivated crops to fully meet domestic demand and increase the production of other functional crops.
7. Develop specialized markets, supply chains and value chains for agricultural raw materials and products, and boost their economic potential and effectiveness.
8. Provide and stabilize the population with food supply from agricultural production and supply the processing industry with high-quality raw materials.

STAGE II (2031-2040)

The period to fully utilize agricultural resources and compete for sustainable production, efficiency and productivity.

1. Develop agricultural production with a science and knowledge-based approach to sustainable development, develop knowledge as consumption, introduce advanced technologies and innovation, and strengthen cooperation.
2. Establish quality evaluation for agricultural raw materials and products, strengthen the exchange trading system, and improve and expand the capacity utilization of resource-based processing plants.
3. Expand foreign markets for agricultural raw materials and products, and reject imports and increase exports of some raw materials and products.
4. Reform value chain financing and increase investment in agricultural production, increase exports of organic livestock products that contribute to the development of nomadic pastoralism around the world.

STAGE III (2041-2050)

The period to develop a "smart" agriculture.

1. Support and develop science-based green production, business and agricultural tourism.
2. Renovate the agricultural research and development system and expand biotechnology production aimed at full utilization of biological resources.
3. Increase export through production of more competent, organic and branded products and create new sources of income in the economy.

ACTIVITIES TO BE IMPLEMENTED IN 2021-2030 OF THE OBJECTIVE

- 8.3.1. Create conditions for intensive commercialization of agricultural raw materials and products and increase the production of agricultural products in the production of gross domestic product.
- 8.3.2. Strengthen the ability to adapt and reduce risks in agricultural production, improve the insurance system in agriculture, and reduce economic losses and risks that may arise from unforeseen risks.
- 8.3.3. Clarify the legal environment regulating relations with respect to using, improving and protecting pastureland, establish an integrated pastureland management system, and reduce pastureland degradation and desertification.
- 8.3.4. Set maximum ceilings for livestock numbers, types and structures in conjunction with nature ecology and pasture capacity, control pasture rodents and insects, increase livestock pasture, hay, fodder, water supply and sufficiency, and to reduce livestock risks.
- 8.3.5. Dominate pastoralism that preserves traditional heritage, develop intensive regional farming based on advanced technology and techniques in urban areas, utilize resources sustainably and rationally, and develop green economy-oriented livestock.

- 8.3.6. Increase the competitiveness and value of Mongolian crops grown on fertile soils, increase their exports, and develop smart technology-based agriculture.
- 8.3.7. Zone and diversify the activities of intensive agricultural producers, stabilize the food supply and distribution of the centralized population, and reduce imports and support exports of some products.
- 8.3.8. Gradually implement technical and technological innovations in intensive agricultural production and develop cluster, logistics and leasing services.
- 8.3.9. Improve the conditions for human resources in the agricultural sector to work steadily and increase knowledge, increase the value of their labor, and prepare their successors.
- 8.3.10. Improve the living and working conditions and social security of agricultural workers in the local areas.
- 8.3.11. Develop tourism with nomadic culture, civilization and traditions based on herders' livelihoods and increase their income and profits.
- 8.3.12. Support initiatives of agricultural workers to expand agricultural production and cooperatives by state policies, and maintain their sustainable employment.
- 8.3.13. Encourage cooperatives, eco-initiatives and investment in agriculture, and increase resource utilization.
- 8.3.14. Establish an enterprise system and activities for recording, assessing, registering, sustainable utilization, protection and research of livestock genetic resources.
- 8.3.15. Carry out animal genetics, selective breeding and selection in accordance with science-based breeding strategies, and improve livestock breeding, productivity and quality.
- 8.3.16. Protect the genetic resources of national breeds and strains, produce breeding products, widely introduce advanced biotechnological methods into production, and reduce the economic losses of livestock reproduction.
- 8.3.17. Improve the capacity of livestock breeding, its technological work and services, bring mobile services to international standards, and develop a unified national registry and database of animal genetic resources.
- 8.3.18. Reduce the spread of livestock and animal diseases and ensure the infectious disease safety at the regional and local levels.
- 8.3.19. Introduce modern diagnostic and testing methods and technologies in veterinary laboratories and improve their diagnostic capacity.
- 8.3.20. Create conditions for the use of highly active, safe and quality guaranteed veterinary drugs and bio-preparations for treatment, and promote the rational use of drugs.

- 8.3.21. Support from the state the provision of professional, prompt, independent and comprehensive veterinary services and of improving the quality and availability of veterinary services.
- 8.3.22. Increase the cultivation and production of strategic food and other crops, meet domestic demand, develop greenhouses, create new types of crop production and reduce their imports.
- 8.3.23. Fully introduce zero and downsizing technologies in crop production, promote the use of environmentally friendly fertilizers, and protect and improve soil fertility.
- 8.3.24. Improve the supply of fresh vegetables.
- 8.3.25. Grow and introduce new varieties of drought, disease and pest resistant crops, and fully meet domestic demand for seeds of certified varieties.
- 8.3.26. Improve the use of agricultural parks, domestically assemble some types of spare parts and equipment for the repair and maintenance of machinery and equipment, and introduce advanced irrigation techniques and technologies with low water consumption.
- 8.3.27. Implement comprehensive ecological friendly plant protection measures against the spread of diseases, weeds, pests and rodents of cultivated plants, and introduce good practices.
- 8.3.28. Establish an effective system for quality control and certification of agricultural raw materials and products, and improve the coordination of agricultural exchanges, national processing plants and suppliers.
- 8.3.29. Provide an investment and incentive support for concentrating and primary processing agricultural raw materials and products in accordance with the standards and supplying them to the market.
- 8.3.30. Fully utilize the capacity of processing plants in accordance with the resources of agricultural raw materials and products, and bring the level of processing of products to international standards.
- 8.3.31. Rationally utilize the livestock resources in the region, increase the range of export products, and reduce imports and support exports of some products.
- 8.3.32. Support the rational utilization of livestock resources in remote areas, and explore and implement opportunities to increase the range of export products.
- 8.3.33. Improve food nutrition, promote rational food consumption, ensure sustainable and balanced food supply, and increase food distribution.

- 8.3.34. Stably meet the needs of the population in strategic and staple food products through domestic production, and reduce the seasonal dependence of meat and milk.
- 8.3.35. Create an optimal institutional system to ensure the safety of raw materials and products at all stages of the food chain.
- 8.3.36. Increase the utilization of processing facilities, improve their competitiveness and develop export-oriented industries sustainably.
- 8.3.37. Protect domestic production through tariff and non-tariff regulation and improve state support and investment.
- 8.3.38. Fully satisfy the domestic demand for vegetable seeds.



LIVESTOCK



9 MILLION
LIVESTOCK



20.8 THOUSAND
PIGS

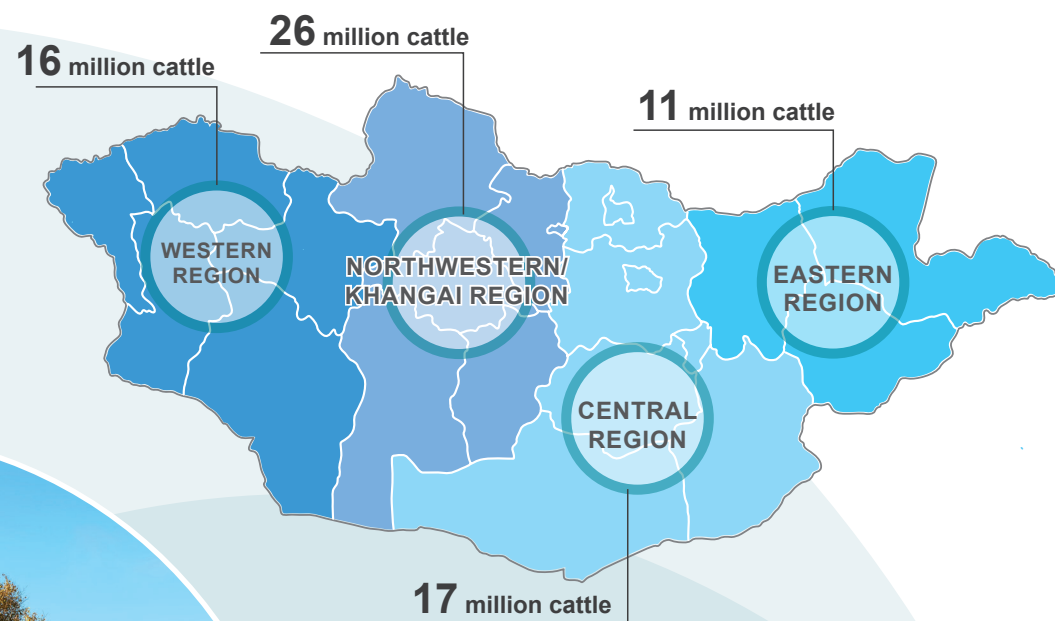


675.8 THOUSAND
LAYING BIRDS



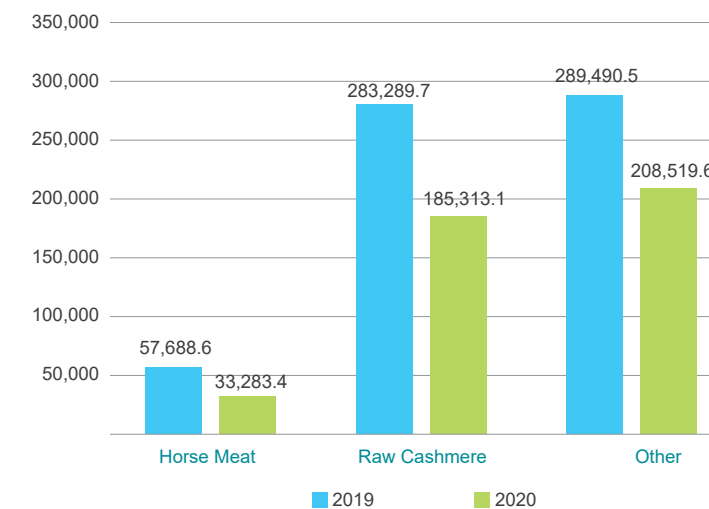
10.8 THOUSAND
BEE FAMILY

LIVESTOCK, HERDING HOUSEHOLDS, BY REGIONS

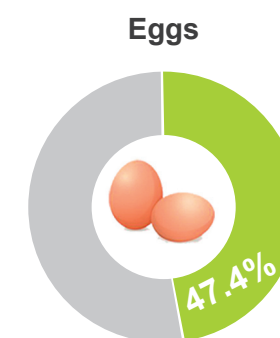
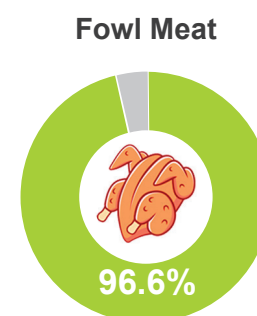


TOTAL 285000 HERDERS	
34 THOUSAND	EASTERN REGION
61 THOUSAND	CENTRAL REGION
70 THOUSAND	WESTERN REGION
119 THOUSAND	NORTHWESTERN KHANGAI REGION

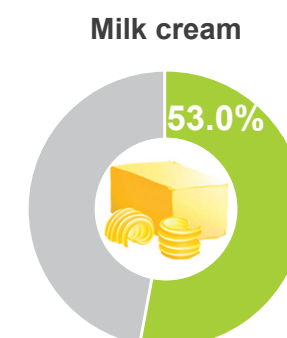
EXPORT VOLUME IN USD THOUSANDS



Percentage of imports in consumption



EGG IMPORTS: \$10.7 million



OTHER PRODUCTS OF ANIMAL ORIGIN: \$76.8 million



Total Exports
2019
630,468.8

Total Exports
2020
427,116.1

AGRICULTURE - 2019



SHARE IN GDP
10.7



SHARE IN EXPORT
8.2

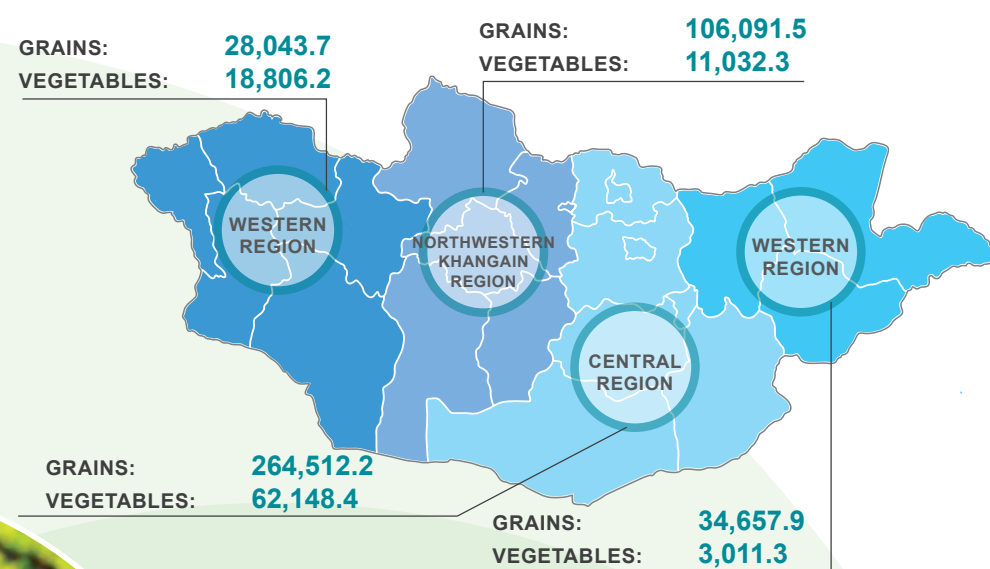


SHARE IN TOTAL
EMPLOYMENT **25.5**

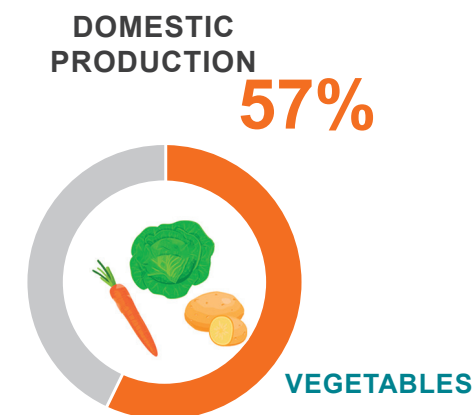
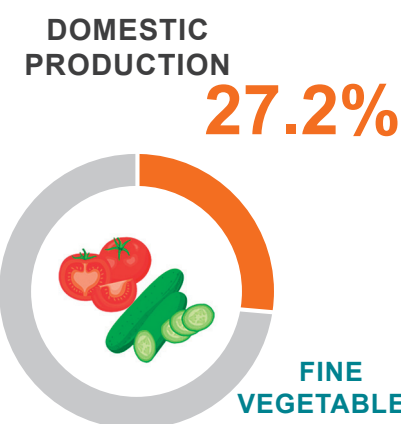


SHARE IN LOCAL
ECONOMIES **85**

AGRICULTURE BY REGION (TONN)



TOTAL:
GRAINS:
433,305.4
VEGETABLES:
99,546.5



WORKPLACE



AMOUNT OF IMPORT

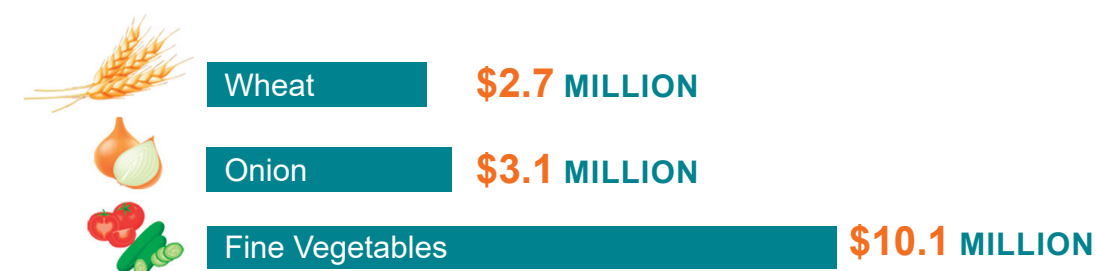


Figure 8.5 Agricultural

Source: National Statistical Office (2019)



CREATING MARKET NETWORKS AND ENSURING PRODUCT SAFETY



INTEGRATED REGISTRATION AND INFORMATION SYSTEM



RESULTS

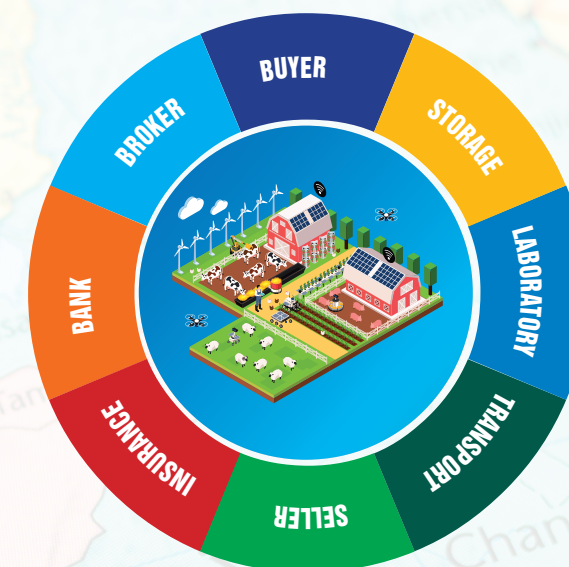


BUDGET INCENTIVE
COMPENSATION SYSTEM

VETERINARY SYSTEM

SUPPLIER SYSTEM

DIGITAL REFORM OF AGRICULTURAL EXCHANGE



INTEGRATING SECTOR PARTICIPANTS IN AN E-SYSTEM

Total Investment
43.5
billion MNT

Soft Loans for
Businesses
15.0
billion MNT

Agricultural exchange
infrastructure
28.5
billion MNT

RESULTS

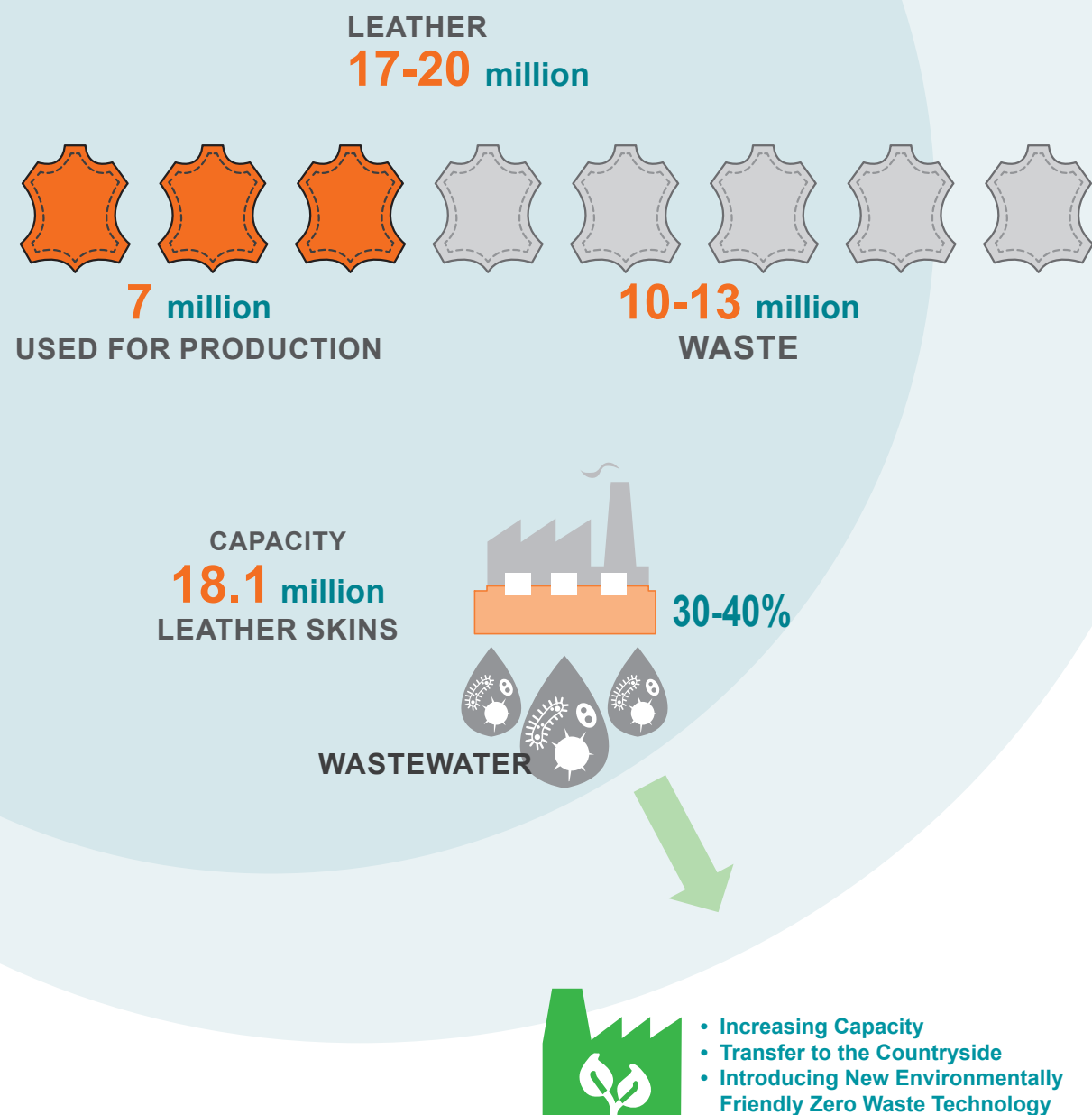


Figure 8.6 Product Safety
Source: Ministry of Food, Agriculture and Light Industry (2020)

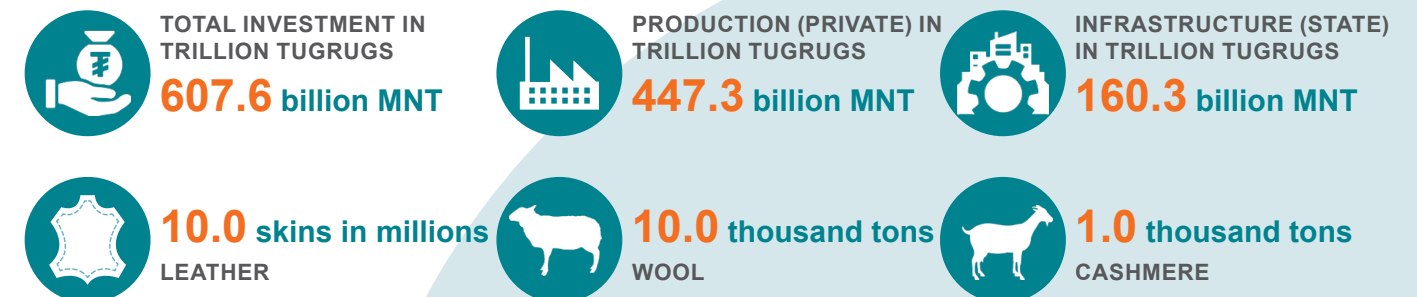
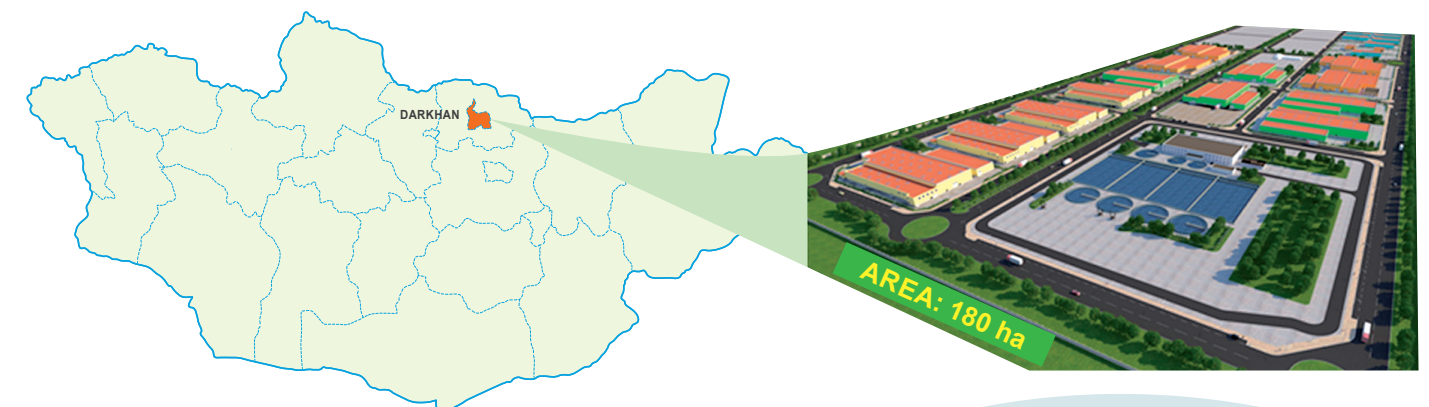


INCREASING LIVESTOCK SECTOR EXPORTS

CURRENT SITUATION



DARKHAN LEATHER COMPLEX



RESULTS



WORKPLACE
30.9
thousand

INCOME
\$265.8
millions

EXPORT
\$232.7
millions

Figure 8.7 Livestock Sector Exports

Source: Ministry of Food, Agriculture and Light Industry (2020)