

GOVERNMENT PLATFORM 2012-2016 (unofficial translation)

UNITED IN THE EFFORTS TO REFORMS COVERING ALL SOCIAL AND ECONOMIC SECTORS OF THE COUNTRY FOR THE DEVELOPMENT AND PROSPERITY OF DEMOCRACY, HUMAN RIGHTS AND FREEDOM, AND OF DEVELOPMENT AND PROSPERITY OF OUR MOTHERLAND, THE DEMOCRATIC PARTY, THE CIVIL WILL AND GREEN PARTY, AND THE “JUSTICE” COALITION OF THE MONGOLIAN PEOPLE’S REVOLUTIONARY PARTY AND THE MONGOLIAN NATIONAL DEMOCRATIC PARTY JOINTLY:

- reaffirming our vision towards an accountable society where the national interests are valued, the individuals and households are esteemed, and where the majority of citizens are wealth creators, enjoy freedom and are the middle income earners,
- deeming such fundamental values as natural human rights, the right to own a private property, the restricted state involvement, the state’s open system subjected to citizens scrutiny, an open civil society and the gender equality as the main criteria,
- honoring the continuity of the Mongolian state policy,
- based on opinions and initiatives by citizens and the public,
- declaring that this is the time to ensure economic security and fair democratic system, and pay greater attention to fair distribution of wealth;
- based on the “A Mongolian” election program of the Democratic Party with reflection of some of specific proposals contained in the “Life” election program of the Civil Will and Green Party as well as the “Five Revolutions to save Mongolia” election program of the “Justice” Coalition of the MPRP and the MNDP,

HEREIN PRESENTING THE ACTION PROGRAM OF THE REFORM GOVERNMENT TO BE IMPLEMENTED THROUGH THE YEARS 2012-2016.

ONE. A MONGOLIAN WITH A JOB AND INCOME

The key objective of the macroeconomic framework is to implement a budget, finance and monetary policy directed to form an economy that is to sustainably meet the public’s basic needs, that is self-sufficient and able to compete at the world market.

To provide jobs to labor age population, where wages and salaries are sufficient for their lives, and renounce the large scale social welfare policy by providing support only to the needy children, the elderly and the disabled persons is also one of the key objectives.

To take the public-private partnership to a new level and establishment of a business enabling environment is one of the priority objectives.

In order to achieve the above objectives, the following reforms will be implemented:

- The 2nd stage of tax reforms shall be implemented for the business promotion purposes.
- The credit interest shall be reduced to a single digit rate.
- A housing loan system shall be reformed.
- A program to create jobs shall be implemented.

- Non-inflation-led, but a regulatory system shall be introduced.
- Construction materials shall be manufactured domestically.
- A single window policy for exports shall be launched to promote exports.
- Border port modernization shall be done.
- The stock exchange shall be modernized.
- Efforts to establish banking and finance, stock exchange, information technology, recreation and airport hubs shall be launched.

The following principles shall apply to activities aimed to achieve the above goals:

- Legalize the principle of not increasing the budget expenditure and budget deficit stipulated in the draft budget proposal submitted by the Government;
- Ensure that the MNT's purchasing power is stable, and the inflation is kept within a single digit target.
- Restrict the state budget spending, and keep it up to 40% of the Gross Domestic Products (GDP);
- Ensure that the budget deficit does not go beyond 2% of GDP;
- Apply a new principle of planning investments on five-year basis;
- Impose liability on the management of state owned enterprises operating with losses and restructure such enterprises in a way to operate profitably;
- Introduce a 100% e-procurement system for budget procurements of goods and services with the aim of eradicating procurement related controversies and eliminating bribery and corruption, conduct procurements transparently under the public scrutiny, and replace the current client decision processes with contractor decision processes.
- Mobilize as much as possible cheap sources from foreign markets and utilize them exclusively for financing developmental projects.

In conformity with the above key objectives and principles, the Reform Government shall carry out the following activities:

- Increase the salary and pension in line with inflation rate and the labour productivity;
- Increase the salary and pension sector by sector without due notice in order to prevent from price hike for consumer goods ;
- Ensure that the focus of monetary policy is to support the real economy;
- Carry out a policy allowing state regulation of the prices of basic products which have impacts on prices of fuel, petroleum, electricity and other goods and products;
- Increase the amount of soft loans provided by the Developmental Bank for the purposes of supporting infrastructure and manufacturing industry;
- Strengthen the local government power on budget, finance and appointment of personnel decelerating centralization ;
- Renew or invalidate double taxation agreements with other countries in line with the interests of Mongolia;
- Refund 90% of corporate income taxes paid by economic entities with annual sales revenue of not exceeding MNT 1.5 billion who are engaged in businesses in all sectors excluding mining, minerals, import of petroleum products, crude oil export, cellular service providers, alcohols, spirits and tobacco.
- Give priority to bring into operation the auto road connecting Ulaanbaatar with Zamiin-Uud, and reduce artificial rise of inflation by enhancing the capacity of the Zamiin-Uud border port;

- Require economic entities supplying goods, works and services procured by the budget fund to provide no less than 30% of total sales from their own activities;
- Adopt regulations to restrict investments to be made by foreign state owned companies;
- Conduct a regular business forum in collaboration with the private sector for the purposes of finding proper solutions to particular problems;
- Provide policy support to sectors with high labor capacity in order to reduce poverty;
- Pay attention on making the food and agriculture sector self-sufficient
- to end their reliance on few foreign countries and strengthen their competitiveness;
- Support activities of the Stock Exchange to attract investment from the individuals and the private sector;
- Provide support to small businesses through the “Loan Guarantee Fund”.

The following policy shall be implemented in regard to the development of the mining sector of Mongolia:

- Support the policy to sustainably develop the mining sector through the increasing on an annual basis the budget investment for territorial geological mapping, explorations and prospecting, enriching the geo database, and increasing the reserve of the minerals;
- Cover 40% of the total territory by 2016 in the 1:50 000 scale geological map and general exploration work funded by the state budget with the purposes of prospecting the territorial geological formations, the distribution characteristics of mineral elements and their future prospects;
- Establish a new Mongolian National Geology Department within the framework of efforts to further moderate the organizational structure of the geological sector; and
- Achieve the following objectives by further improving the legal environment of the minerals sector:
 - Obtain local residents’ opinion in the processes of issuance of mineral licenses;
 - Introduce a practice of issuing exploitation licenses on the basis of the Government’s resolutions;
 - Put certain limitation on the number of mineral licenses to be issued to economic and legal entities;
 - Mining exploration license shall be issued only for those areas which are authorized by the state;
 - Ensure that the mining extractive plants supply their products at market prices initially to domestic manufacturing factories.
 - Mongolia shall be entitled to own up to 51% of a company established to exploit strategically important deposits explored with financing from the state budget;
 - Pursue the principle not issue permits to mines which are identified economically non-viable by feasibility studies, and entail greater environmental damages;
 - Grant the right to exploit a deposit to economic entities that have provided a financial guarantee certifying the concerned entity is able to do the restoration works in line with the applicable standards.
 - To further elaborate the definition of “strategically important deposits” stipulated in the Minerals Law on the basis of a survey, and implement a special policy in regard to energy and coxing coal, copper, iron ore and rare earth elements after including them in the list of strategically important deposits.

- Pursue a policy to exploit deposits with geologically combined formation comprehensively and in a consolidated manner.
- Implement a policy of an integrated “Single Window” services for minerals exports;
- Create a legal environment to enable the national economic entities to have preferential supplier or sub-contractor right in the projects implemented in the mining sector;
- Renew the list of strategically important deposits and intensify the processes to put the large deposits into economic circulation. Consolidate the state ownership of strategically important deposits in line with a corporate structure, and in accordance with provisions of the Law on Human Development Fund, provide citizens with preferred shares;
- Ensure that the extraction, storage and trading of gold is transparent;
- Further elaborate the regulations to extract minerals through micro mining processes and improve the control on enforcements ;
- Facilitate application of principles and standards of “The Extractive Industries Transparency Initiative” and “The Responsible Mining Initiative”.
- Ensure compliance with the Law to Prohibit Mineral Exploration and Mining Operations at River Headwaters, Protected Zones of Water Reservoirs and Forested Areas, and develop environmentally friendly mining;
- Renew the economic statistical data of natural resources, and establish a system that allows competent authorities to collaborate on a systemized assessment methodology to assess the impacts of the minerals industry on the country’s economic and financial sectors;
- Take step by step measures to reduce export of minerals as raw materials in order to ensure the economic growth stability, gradually upgrade the processing level of export products in line with international standards, and increase the export volume of value added mining products;
- Establish a complex metallurgical plant with modern techniques and technology relied on iron ore deposits located in the Darkhan and Selenge region;
- Cooperate with foreign direct investors on mutually beneficial basis. After recouping the initial investment put into Oyu Tolgoi developments, continue talks to renew the investment agreement on mutually beneficial terms for both the sides;
- The Tavantolgoi coal deposit shall remain under the state ownership. In order to exploit the deposit, attract domestic and foreign investment to economic entities and companies to carry out extractive operations. Subsequently, take measures to sell the Tavantolgoi shares at the domestic and foreign stock exchanges in accordance with the State Great Khural Resolution;
- Ensure transparency of license trading;
- Provide support to efforts to introduce environment friendly, and leading techniques and technology in mining operations, count the number of degraded areas due to mining, involve the responsible subjects in rehabilitation processes, and allot the rehabilitation expenses in the state budget account;
- Pursue a policy to add value to mining raw materials, manufacture semi-processed or final products for export purposes, and support the manufacturers engaged in value added final products by offering tax concessions.

The key economic policy objective of the Government is the reduction of dependency on the mining sector, achievement of a long term sustainable development and creation of a competitive and diversified economy.

In order to achieve the above key objective, the economic diversification policy shall cover the following seven areas:

1. Industrialization policy

Activities to be undertaken within this policy are:

- For the purpose of processing mining products, establish the first ever industrial park in Sainshand town, Dornogobi aimag;
- Re-modernize the metallurgical factory in Darkhan city and launch ore concentration;
- Complete construction of the comprehensive infrastructure facilities of “Zamiin-Uud” free economic zone and “Altanbulag” and “Tsagaannuur” free trade zones;
- Launch the first phase of the infrastructure facilities of “Choir” and “Bagakhangai” logistics centers;
- Develop the construction materials industry, and pursue a policy to domestically supply such products as cement, metal structures for buildings, glass products and insulation materials;
- Improve the centralized heating and water supply systems for the people living in aimag centers in order to ensure that they live a comfortable life;
- Promote the renewable energy sector through a tax policy, and lay down favorable conditions to attract domestic private sector investment;
- Construct the thermal power station No 5 and expand the installed capacity of the thermal power station No 4 by 100 MBs in order to provide energy basic infrastructure that is able to lead to economic growth;
- Construct mid-level power stations with a capacity of 60-100 MB relied on the coal deposits of the western region; and
- Take measures to enable the country to be self-sufficient in terms of power supply and eventually become a power-exporting country.

2. Policy in regard to wool, cashmere and raw leather

- Increase the credit fund for cashmere up to MNT 300 billion, the credit fund for raw leather up to MNT 300 billion, the credit fund for wool up to MNT 50 billion and the credit fund for meat production up to MNT 100 billion respectively;
- Promote processing of animal derived raw materials, cashmere, wool and raw leather, and take measures to offer to the market processed products;
- Pursue a policy to support establishment of raw leather processing factories outside of Ulaanbaatar and Darkhan which is an environment friendly and able to fully absorb their wastes;

3. Policy in regard to traditional livestock rearing, meat and milk production

- Register and insure the livestock according to international standards by enabling the index-based livestock insurance to be covered by a duplicate insurance;
- Provide proper support to establishment of high-productive cattle farms with dual-purposes (milk and meat) in the Khangai region as well as sheep and goat farms in the Gobi & steppe region, and develop crop farms with advanced technology in the agrarian regions;
- Establish an agricultural stock exchange with the purpose of preparing animal derived raw materials and products, and supplying the markets with them;
- Take necessary measures to keep the sources of the Som Development Funds not less than MNT 150 million, not less than MNT 3 billion for the Support Fund for Small and Medium Enterprises in aimags and districts, and not less than MNT 500 billion for the Support Fund for Small and Medium Enterprises;

- Launch a credit fund with not less than MNT 50 billion to support entities running intensified livestock breeding, hog breeding and poultry businesses;
- Provide support to establishment of dry milk processing industry in the agrarian and farming regions, and butter and dairy products factories in aimags; and
- Rearrange the meat supplying system in order to keep the meat prices stable.

4. Policy to develop the tourism sector

- Pursue a regionally diversified tourism policy in the forms consistent with sustainable development principles including in particular the special interest, natural and cultural tours;
- Legally restrict mining operations in the Khangai region which is the Mongolia's valuable natural wealth in order to develop it into a tourism region by keeping its natural scenario;
- Develop tourism related infrastructure and facilities in line with unique characteristics and available sources of the concerned area;
- In order to improve competitiveness of the tourism sector, provide necessary support to efforts to establish national parks, museums, and recreational facilities in line with market demands through the public-private partnership and joint investment initiatives;
- Provide necessary support to creation of temporary lodges with public sanitary facilities as well as overall service providing sites along the main tourism route;
- Increase twice the frequency and courses of international flights to Mongolia;
- Establish an infrastructure connecting the Gobi tourism region with the tourism regions of the Orkhon Valley and the Khuvsgul Lake;
- Develop a tourism program based on unique local features of aimags and the regions;
- Establish a complex dinosaur museum and a paleontology laboratory in Ulaanbaatar and aimags in the Gobi region with involvement of public and private institutions;
- Establish local "Tourism Centers" and use it as the main source to advertise the local tour sites, the businesses and the brand products; and
- Continue the efforts to establish a sports palace with indoor swimming pool in all the aimags, the capital city and its districts, and implement a comprehensive set of activities in order to provide opportunities for the population to be engaged in sports exercises and to create a healthy living environment in towns for various organizations, communities and households by constructing new bicycle and running lanes as well as ice skating rings.

5. Policy in regard to advanced technology, bio technology, nano technology and information technology

- Introduce a higher education system that supports advanced technology, increase the number of students taking advanced technology programs and widen the opportunities to exchange teachers/professors with foreign countries;
- Provide financial support from the science and technology fund to the higher education establishments and science organizations through an open bidding processes in order to support creative works of the science and introduce them to the potential markets;
- Develop cooperation among foreign and domestic higher education establishments in the fields of information, communications, nano and bio technology, and train up to 300 students in leading world universities through student exchange programs; and
- Introduce the latest advanced technology for execution of all payments and registration related activities despite of the involved time and space.

6. Policy to support production of import-substitute and export products

- Encourage domestic production of import products including potato, vegetables, milk and eggs;
- Restructure the activities of the crop production support fund as a corporation with involvement of the private sector actors;
- Promote crop production in the western region and take measures to enable the region to be self-sufficient in terms of flour;
- Make the planting and harvesting of vegetables mechanized, direct combined efforts of the public and private partnership in erection of proper warehouses for the vegetable, and take measures to become self-sufficient in regard to vegetables;
- Enhance the growth of root vegetables to become self-sufficient;
- Restore and support irrigated crop lands in aimags;
- Establish an industry to domestically process the country's minerals and crude oil products, and give high-priority to their supplies to other domestic industries;
- As stated in the state policy document with a target of the crude oil sector till the year 2017, construct an industry to process the crude oil, and rationally determine the state stake in the industry as well as the location of the targeted industry;
- Ensure sustainability of the supply of crude oil products;
- Change the system that entitles tax concession to wholesale trade of petroleum products, and pursue a policy to stabilize the retail price;
- Develop a state policy to be pursued in regard to coal sector;
- Intensify the processes to extract gas and liquid fuel from coal reservoirs, and carry out surveys to develop coal-based chemical plant; and
- Create legal environment to ensure safety of gas fuel products, and improve the application of standards and norms in transportation, storage, distribution and marketing of such products.

7. Policy to support services businesses

Support shall be provided to professional associations in the services sector, and the right to approve the standards applicable in the services sector, the code of ethics, the service rankings and tariff regulations shall be transferred to such associations.

In order to ensure economic growth and its sustainability, the following policy shall be pursued in regard to development of infrastructure and urbanization as well as aimags and soums:

- Identify the priority development areas of the industry and the ecology;
- Construct the railway line that is stated in the "New Developments" program approved by the State Great Khural and in the state policy document in the railway sector;
- Complete the efforts to connect the aimag centers with Ulaanbaatar through a tarmac auto road;
- Completely renovate the tarmac auto roads of Ulaanbaatar;
- Shift Ulaanbaatar's auto road network to a circular auto road network system, and construct flyovers and two-level intersections where needed;
- Build expressways through Altanbulag-Ulaanbaatar-Zamiin Uud in order to boost transit shipment flow;

- Complete construction of the auto roads connecting Ulaanbaishint-Ulgii-Khovd-Yarant and Khovd and Ulaangom;
- Give priority to completion of the auto road connecting Ulaanbatar-Zamiin Uud, and reduce the artificial inflation by increasing the handling capacity of the border port located in Zamiin Uud;
- Pursue a state policy to develop the aerial communications as a priority economic activity considering the fact that Mongolia is a landlocked country;
- Put efforts to make the international airport facilities planned to be erected in the Hushigt Valley as an internationally competitive passenger and cargo handling center;
- Take steps to gradually liberalize the air transportation sector until the year 2016, and support public private partnership in this regard;
- Grant the national air carrier status to “MIAT” Company, and the state’s stake in the company shall be not less than 51%;
- Further develop the registration and control of means of transports, and found a center to perform nationwide control over the means of transports by applying the latest information technology means;
- Establish in Zamiin Uud, Altanbulag and Ulaanbaatar a modern terminal in line with international norms;
- Take measures to implement modernization in the “Ulaanbaatar Railways” joint cooperative as stipulated in the state policy document of the railways sector, and complete the survey launched to determine the basic structure of the railway lane (total length is about 3600 km) to be constructed in the third stage of the developmental efforts.
- Launch maritime transportation operations in collaboration with leading maritime countries, and take necessary measures to have the local professionals and specialists employed in the maritime sector;
- Develop new urban plans within the framework of the “New Ulaanbaatar” project, apply an integrated policy in the processes related to creation of an engineering infrastructure, and construct eleven new micro districts with all the necessary amenities;
- Provide policy support to development of remote districts of Ulaanbaatar and the neighboring towns, and expand the size of zones fit for living;
- Develop aimag centers as cities meeting international eco-city standards;
- Take measures to grant a city status to all aimag centers and settlements with population above 15000;
- Take measures to have all the towns and settlements to develop and apply rules to make relevant decisions open to the population and with community participation;
- Carry out re-planning of the urban areas with community involvement, and implement housing programs by providing centralized solutions to ger district electricity, drinking water and auto road related issues, and other infrastructure elements either making them independent or in installments;
- Pursue a policy to enable all employed population to access the housing loan, and implement in all towns, aimags and soums programs aimed to provide housing to ger district population and develop the infrastructure;
- Implement the “Housing for 1000 households” project in all of the aimags;
- Renew the construction standards in line with international standards, introduce Canadian style standards in the construction sector, and include solutions that are economical in terms of power consumption and operations costs;
- Create wireless internet zones in aimag centers for use by the institutions that deliver public services to the citizens;
- Fully complete the land privatization processes, and enable the citizens to access to financial sources by using their private land as a collateral;

- Introduce a practice to issue certificate to public use lands;
- Depending on the economic efficiency, build centralized or independent heating supply systems in towns and settlements;
- Carry out technological renovations in water supply, drainage and sanitation facilities of towns. Take measures to enforce the Law on Water Supply and Sewer Use in Towns and other Settlements;
- Double the green areas in aimag and som centers;
- Take measures to change the general markets in aimags into trading centers that comply with the hygienic standards and in line with good business practices;
- Establish a comprehensive service centers including cinema and swimming pool in each of the aimag centers;
- Provide the aimag hospitals with modern diagnostics centers;
- Start implementation of the “Renovation of Som Centers” program;
- Introduce low heat loss building technology, and develop an industry to produce insulation materials using the Mongolian sheep wool; and
- Support activities to provide soms with proper infrastructure, and establish comprehensive utilities centers in soms.

Employment Policy

- Integrate into a single structure the currently separate functions such as employment, professional education and small and medium industries;
- Implement “A Mongolian with a job and income” program, and generate 150 000 new jobs;
- Within the framework of efforts to provide jobs to young people as well as those over the age of 40 and having difficulties in finding jobs, carry out the following measures:
 - Support the economic entities who have provided them with jobs;
 - Retrain the individuals who are looking for employment;
 - Provide all types of support to ideas to create cooperatives and partnerships; and
 - Provide necessary support to those who migrated from towns and settlements to work in rural areas.
- Integrate the government special funds with aims to create employment; and
- Introduce in all the soms and districts a labor intermediary online network to directly connect the job-seekers with their potential employers.

Social Security Policy

- Create and implement an economic and legal environment enabling the mother /father/ to take physical care of their birth child up to the age of 2 or 3 for twins;
- Introduce a multilayered pension system;
- Lay down a legal environment to make up for the years spent unemployed for individuals who were not able to work due to reasons beyond their control or were in a position not to work between the years 1990-1995;
- Eliminate the differences in the pensions of those who became eligible for pension prior to 1995 or who became a pensioner on the basis of years of employment and the salaries received during those years;
- Implement a social welfare policy aiming the target groups;
- Establish rehabilitation centers for developmentally disabled children in aimags and districts, take the education and health services to such population to a new level and increase the welfare aid targeting them;

- Create a “National Network” of senior specialists of Mongolia with the purpose of providing opportunities to various organizations to learn from their advices and employ them on a temporary basis. The overall objective of this program is to let the senior specialists to pass on their knowledge and experiences to the younger generation;
- Provide support to private sector ideas to establish elderly care centers;
- Re-distribute the “Money for Children”;
- Make legitimate decisions in regard to transfer of the rights or the ownership issues associated with buildings and other facilities erected for development of children and youth including the property accumulated for this purposes to the central state body in charge of children, and take measures to improve their management to the level which is able to meet the interests and demands of both the youth and the children;
- Increase annually the amount of pension to be paid from the social welfare fund in line with the inflation rate, the wage growth and the minimum subsistence level;
- In order to deliver social protection services to citizens efficiently and without any red-tape, introduce new financial services and advanced information technology tools in the social as well as health insurance services, and develop an open information database for the stakeholders; and
- Provide necessary infrastructure for the disabled persons in apartment buildings, schools and other service delivering offices.

TWO. A HEALTHY AND STRONG MONGOLIAN

The key objective of the health sector is to provide opportunity for each individual citizen to receive medical diagnostics, treatment and services of the highest quality based on fair competition and selectivity.

In order to achieve the above key objective, the Government shall pursue and implement the following policies and reforms:

- Reform the citizens’ health insurance system;
- Provide every opportunity to receive quality diagnostics and treatment in the country’s medical institutions;
- Support the low income population to access the health insurance coverage;
- Carry out reforms to ensure safety of imported drugs and food; and
- Reduce the health risk exposure of Mongolian citizens.

The following activities shall be undertaken to achieve results by carrying out the above reforms:

- Increase the investments towards medical equipment and improvement of the emergency aid network by 5 times by the year 2016, and supply the hospitals and health centers at all levels with modern medical equipment and techniques;
- Make independent the health insurance scheme, and transfer the insurance financing to a single buyer system;

- Provide financing from the health insurance fund to both the public and private medical institutions regardless of the tariffs applied and on the basis of the diagnostics and treatment quality control assessments;
- Launch a household-based health insurance scheme in order to improve responsibility of individual families for their health;
- Take measures to separate the health sector employees from the civil service structure, ensure the financial independence of the general hospitals and national centers, and introduce a salary and benefits system based on workload and skills of doctors and nurses;
- Frame a liability insurance scheme for health sector employees;
- Arrange measures to issue an E-ID hospital card for citizens and create an integrated and individualized health database, and provide opportunities for citizens who are covered by the health insurance to receive medical aid and services in any of the hospitals located outside of his/her area;
- Create a national telemedicine network and expand the coverage of distance diagnostics;
- Create a general medical emergency aid network by laying down the conditions to mobilize all types of vehicles for remote emergency services, and increase the capacity of the mobile and intensive care units;
- Equalize the number of patients per nurse with the international standards, and improve the nursing quality and accessibility to patients;
- Further develop the medical undergraduate and postgraduate education system as well as the system to prepare specialized types of doctors through domestic and international training institutions;
- Improve the quality and accessibility of medical aid and services targeting the mothers, children, the elderly and disabled persons;
- Establish a large diagnostics center with public and private investments in order to provide opportunities for citizens to domestically access a full scale of diagnostic services;
- Improve the quality and benefits of treatment and nursing services by combining the traditional medicine with the latest progresses of the modern medicine, and render an integrated professional and methodological management to sanatoriums;
- Develop a modern national pharmaceuticals industry, and expand production of traditional herbal medicines;
- Take measures to allow the health insurance covered citizens to receive a complete medical diagnostics services every three years; and
- Formulate and implement a “Health in the City” program.

THREE. AN EDUCATED AND KNOWLEDABLE MONGOLIAN

The key objective of the education sector is to educate and prepare Mongolians who are the future of the country’s further development by providing them with an opportunity to domestically receive an education characterized by unique features of Mongolia, in line with international standards and entailing the highest chances of versatility, and to find an employment that suits his/her acquired knowledge and professional skills.

Efforts shall be made to appropriately develop the Mongolian traditional culture, tradition, heritage, the sports and physical training in order to enable Mongolia to proudly stand up on the world arena.

To achieve results in this regard, the following activities shall be carried out:

- Give priority to improvement of not the quantity but the quality of university education, and improve their quality by bringing into practice new education standards;
- Renew the system to send students to developed countries for education;
- Take measures to establish direct connections between the vocation training centers and the potential employers;
- Pursue a policy to develop each individual child in the general education system, and introduce a new national standards;
- Implement an “Authentic Mongolian Child” program that contains the elements of unique way of living and special characteristics of Mongolians; and
- Provide opportunities to independently develop to such sectors as the culture, art, sports and tourism that contributes significantly to raise Mongolia’s reputation internationally, and create a special Mongolian brand.

The following specific activities shall be undertaken in order to achieve and implement the above objectives and reforms:

- Create a comfortable environment to educate and raise children by increasing the number of schools and kindergartens;
- Formulate and implement a program called the “Authentic Mongolian Child” aimed to bring up children who are patriotic and able to cope with life. Within the framework of this program, introduce education standards which lay down the conditions for kindergarten and school-age children to live the values of Mongolia and show respect to the national culture and tradition;
- Promote collaboration between the management of the schools and kindergartens with parents through application of specific rules for such cooperation and provision of methodological guidance;
- Organize activities to open ger-kindergarten in needy rural bags in order to increase the coverage of pre-school education services;
- Enhance the quality of the “School Lunch” program;
- Increase the number of school toilets and wash areas while improving the overall conditions;
- Encourage an extended use of information technology in the education environment, and promote the use of related textbooks, video lessons and informative websites;
- Create an information database on management of education establishments, and based on this, establish an online information system which allows the teaching staffs to connect with each other to exchange information as well as experiences and which is conducive to develop their professional skills;
- Conduct fair assessment among teachers through application of a pay and benefits system based on their skills, productivity and performance, raise their professional reputation and values, and implement a “Teacher” program with aims to provide opportunities for teachers to live a satisfactory life and purchase housing with their salary;
- Upgrade the level of requirements and standards applicable to teacher training schools while raising the bar for admission eligibility;
- Integrate activities of vocational training and other education institutions with the labor market demand and supply trends, set criteria to admit students in line with contracts or orders placed by potential employers in order to enable the graduates to have jobs;
- Motivate and support the students of vocational training centers by not decreasing the scholarship amount paid to them;

- Reduce the number of low quality universities, transfer the current education system to a new system where the academic, research and practical trainings are integrated and which prepares only those manpower who are in high demand at the market. Additionally, the state shall provide support to universities that are nurturing a high-tech company and attempting to introduce their creations to the market by establishing a research, production and experimental incubator within their structure;
- Support the idea to establish in Mongolia a less than one branch of the world's leading engineering and technology universities;
- Intensify the processes related to creation of a compromised campus of Mongolian universities;
- Attach special attention to training of teachers and engineers, and provide necessary support to successful students;
- Introduce principles of being community participation based, democratic, independent and open to the governance, organization and management of education and science institutions;
- Establish a national fund to support education sector aimed to promote developments, ideas and initiatives related to education technology;
- Implement "A Competitive Mongolian" program. In line with survey results, renew the list of priority professions to lead Mongolia to development, and send 300 students for overseas leading universities;
- Provide the disabled students with tailor made textbooks and equipment, and increase their chances to continue their education in colleges and universities;
- Develop the Mongolian traditional culture in line with the world's cultural advancements in order to make the national culture and art known to the international audience, improve the cultural impacts of Mongolia and have its uniqueness confirmed by the world;
- Increase the number of children and youth engaged in grand sports by pursuing a policy to provide financial and other life guarantees to sportsmen/women who made the country's name heard at Olympic and other world competitions;
- Encourage introduction of multiple property forms as well as fair and free market competition in the cultural and art sector, promote public and private cooperation in this regard, and ensure equal participation of families and individual citizens in cultural events;
- Introduce proper standards to buildings and facilities of cultural organizations, and construct new premises for museums and theatres depending on necessity;
- Give priority to storage and protection of historical, paleontological and archeological artifacts;
- Establish a World Mongolian Culture Research Center and the state shall provide a special support to its activities;
- Strengthen the national capacity to explore, study, store, protect, restore and publicize the country's cultural heritage;
- Take the integrated registry and information system of cultural heritages to a new level, and integrate it with the systems of the border protection, the customs, the police and the specialized inspection departments;
- Improve the organizational matters and funding issues of physical training and sports events by providing support to activities of sports associations, and take necessary arrangements for organizing such events as the Grand Student Festival in 2013, the 14th Sports Festival of Mongolians in 2014 and the Children's Sports Festival in 2016 respectively;
- Set up a structure to handle the matters related to sports researches and studies in order to apply scientific findings in development of physical training and sports activities; and
- Renew the physical training curriculum for use in all level education establishments, increase the time to deliver such subjects, refund the fees paid to special extracurricular

sports classes and support the use of specialized active coaches in physical training in such classes.

FOUR. A MONGOLIAN IN A SAFE ENVIRONMENT

In addition to ensuring economic growth, the key objective of this framework is to offer an ecologically balanced safe environment for the population to live and work comfortably by integrating the economic and development policy with the green development policy by living in harmony with the nature, sustainably using the natural resources, rehabilitating them and protecting the environment.

The activities to be implemented towards this objective are:

- Make the green development policy as one of the fundamental development policies of the country;
- Change the Ministry of Environment as a functional ministry;
- Pursue a comprehensive reform policy to fight against Ulaanbaatar city's smoke, garbage and traffic jam;
- Implement the "Private Housing" program;
- Carry out land relations reforms;
- Implement a program to turn the aimag centers into cities;
- Take measures to use proper address system;
- Increase the renewable energy production; and
- Implement a "Tuul River" program.

The following activities will be implemented to achieve the above objectives and reforms:

- Lay down the basis of the green development, formulate a concept and program on "Green Civilization" and offer related modules in this regard;
- Take to a new level the system of cooperation on environment protection among local civic organizations and citizens' partnerships;
- Reduce the use of radioactive and chemical toxic substances which adversely affect the human health, the environment, the livestock and the animals, and heighten the control on sale, use, transportation, storage and import of extremely hazardous substances;
- Create water reservoir by making adjustments to the flow of large rivers in order to supply the regions with enough water. Add ponds and pools to natural landscape;
- Take riverbeds for state special protection, and implement a comprehensive water management policy;
- Expand the coverage of state special protected areas;
- Intensify activities aimed to protect the forests from forest fire, poisonous insects, various forest diseases and illegal preparation of timbers, encourage rational use of the forest and introduce forest alternative technology;
- Reinforce the activities to protect animals and plants with high risk of extinction by conserving their habitats and through re-planting processes;
- Introduce 'substitute protection' mechanism in mining rehabilitations;
- Create a system to provide incentives to citizens who have provided substantiated information on damages to environment;
- Foster establishment of a mechanism to link the mining and other large project funding banks with the country's green development policy;

- Introduce a technology to treat and reuse industrial and household waste water;
- Classify and recycle solid waste;
- Pursue a comprehensive water policy in order to prevent from desertification and reduce pasture deterioration; and
- Establish a centralized network to control the desertification process /intensity/, and increase investment by generating green jobs to curb desertification in affected areas.

Defense Policy

Activities under this policy include deepening of the reforms in the Armed Forces and taking the sector to a new development stage which is characterized by professionalism and competency. This shall be achieved through strengthening the unified structure that is able to safeguard the country, taking active part in operations to keep security in the international and regional levels with aims to deepen trusts between various armed forces personnel, and implementing long and midterm programs and projects.

- Based on the principle that is safeguarding the motherland is duty of all, review the state policy on defense;
- Increase the share of defense budget in the Gross Domestic Products (GDP);
- By ensuring that the Armed Forces remains unitary, take necessary measures to have a modern Armed Forces composed of professional military personnel;
- Revise the border protection policy, and promote use of modern weaponry and equipment in national border protection efforts;
- Strengthen the capacity of the Armed Forces to take part in peacekeeping operations, and establish a of national permanent forces structure;
- Reinforce civilian-military relations. Create an environment for the military personnel to learn the ways to commit to patriotism, be disciplined, and to mature mentally and physically;
- Improve the legal and social guarantees for the military personnel; and
- Take measures to mobilize military personnel to various activities related to innovative developments.

Foreign Policy

Mongolia shall pursue a foreign policy which is in harmony with peace, open, independent and multi pillared, and shall upkeep the continuity and unity of the foreign policy, promote friendly cooperation with other countries in political, economic and other sectors, strengthen its position within the international community, take part in the regional collaboration in a reasonable manner, firmly protect interests of overseas Mongolians and legal persons, take measures to ease international travel conditions for the country's residents and intensify internationally the promotions and publicity on Mongolia.

- Be committed to the principles such as the unity of the state's foreign policy and interconnectedness of the foreign policy and foreign relations exercised by government organizations;
- Further reinforce strategic and comprehensive partnership relations with the Russian Federation, the People's Republic of China and third neighbors and alliances;

- Actively continue the collaborations with the United Nations and its Agencies, expand the involvement in UN peace keeping operations, and achieve tangible results in efforts to protect interests of landlocked developing countries;
- Fulfill the Chairmanship role of the Community of Democracies with dignity, and keep up the active engagement in activities to create awareness on democratic education;
- Establish a fund with aims to share Mongolia's practices and experiences on democracy, human rights and market economic relations with other developing countries;
- Take measures to adopt the European Union's common principles, norms and standards for use in Mongolia;
- Make necessary arrangements to ease the international travel conditions for Mongolians, safeguard the interests of overseas Mongolians and improve efficiency and accessibility of consular services;
- Foster measures to communicate, advertise and publicize Mongolia's developments, the national language, culture and traditions to the world community, and intensify measures to promote Mongolian studies;
- Foster near border trading, and increase opportunities for the local citizens to temporarily cross the border for trading purposes;
- Provide support to activities of voluntary unions and associations established by Mongolian citizens residing abroad;
- Provide opportunities for Mongolians who have acquired foreign citizenship to visit their native land, learn the mother tongue and culture, and get employment in Mongolia; and
- Extend state support to the activities undertaken to teach Mongolian language and culture to the offspring of Mongolians residing abroad.

Social Safeguarding Issues

- Improve the supply of personnel and equipment as well as human resources capacity of organizations in charge of social safeguarding issues;
- Raise the involvement of safeguarding organizations in efforts to ensure security of Mongolia's economy and ecology, provide specific information support in the processes to make policy decisions, and implement comprehensive measures to activate fights against any adverse affects and activities;
- Carry out comprehensive measures to lay down legal environment for cyber security and towards enhancement of related technical supplies;
- Found a system to prevent from drought and zud, and renew the volume of preparedness reserves. Modernize the capacity, technical supply and technology of the organization in charge of earthquake, and other disaster information delivery and research organizations;
- It is prohibited to bury nuclear waste in the territory of Mongolia;
- Ensure and legalize that the production of the nuclear energy industry does not go further than the "yellowcake" in the territory of Mongolia;
- Promote consumption of food products that meet standards requirements, and support measures to arrange transportation and warehouse networks including related logistics ensuring food safety;
- Within the framework of the issue related to fights against livestock theft, establish an online system and call center with permanent operations, and reward the citizens who have provided substantiated information;
- Train specialists to work on drugs, human and weapons trafficking crimes, learn from experiences of other countries in this regard, and streamline activities of law enforcement agencies; and
- Develop and implement "An Alcohol Free Mongolian" program:

- Heighten the state control on production of spirits;
- Intercept alcoholism inducing opportunities, and provide support to non government organizations working against alcoholism;
- Provide legally prohibition to sale of alcohols and alcoholic beverages with the budget money;
- Support initiatives to unveil “Healthy and Active Livelihood Club” in aimags, soms and districts;
- Pursue a policy to lower the strength of alcoholic beverages as well as the size of their bottles; and
- Raise the rate of excise tax levied on high strength alcoholic beverages in a phased manner.

FIVE. A FREE MONGOLIAN

The mission in this regard is to make the state and government activities open and transparent to the public, constitute accountability and control as fundamental principles of state affairs, alienate state services from excessive bureaucracy and corruption, fundamentally change the civil service and its services by re-organizing them as public service and public services respectively, ensure rule of law and enable every single citizen to live an equal and better life in their motherland as well as in their respective aimags and towns.

The following reforms shall be accomplished to achieve the above mission:

- Carry out comprehensive activities to make the public services open and transparent;
- Reform the civil service as public service;
- Apply a reformative approach in efforts towards maturity and development of political parties in line with overall public development principles;
- Introduce a mechanism to ban activities of political parties that acted against fundamental interests of Mongolia as a nation and the people of Mongolia and to hold accountable the concerned politicians and political parties including those who failed to fulfill their election promises;
- Drastically reduce the number of licenses and permits;
- By establishing a “Single Window” services, enable single citizen to have access to public services from single public servant through a single window. For all other steps, the government organizations shall cooperate with each other to enable the citizen to access all other necessary public services;
- Introduce a new principle of “Silence is Consent” meaning the approval is automatically granted if there is no action from the government organization;
- Simplify stages involved in issuance of permits and licenses;
- Issue permit to products that meet the European Union, the USA and ISO standards without any burdens;
- Reduce the paper-based procedures by 50% through introduction of IT system;
- Re-structure the registration operations, and ensure that businesses and properties are registered within one week;
- Implement the “E-Government” program;
- Carry out dramatic reforms in fights against corruption and excessive bureaucracy; and
- Implement structural reforms in the courts and law enforcement agencies;

To achieve the above mission and reform, the following activities shall be undertaken:

- Change the functions and organizational structure of the Ministry of Justice by eliminating its current internal affairs-dominated functions, and direct the legal policies towards human rights and judiciary reforms;
- Revise the legal policy granting powers to government officials, take measures to safeguard citizen's legitimate rights, and reform the civil service as a public/citizen service;
- Within the framework of legal reforms, take measures to enable the citizens to take part in state affairs through all potential means;
- Adopt a law on law, and launch actions to assess the needs, demands and enforcement of laws;
- Further clarify terms of reference of government employees at all levels, and shall introduce a system to hold them responsible on the basis of achievement of the applicable TOR;
- Establish a system to protect witnesses and victims;
- Consider involvement in activities for human rights as the key criteria to assess the lawyers' performance and professionalism;
- Develop and adopt a contemporary Criminal Code that meets principles of a democratic society and needs of the country's developmental priorities;
- Assign the duty to exercise control over citizens' basic rights to the Constitutional Court in order to improve guarantee of the citizens' basic rights;
- Further develop the legal professional and civic education system in order to upgrade the legal education;
- Strengthen capacity of the lawyers' self-governing institution;
- Re-organize the civil service as a public service, and create an internet-based "citizens' service" providing daily services to citizens;
- Further accelerate measures to curb corruption and conflicts of interests, and transform the public service to conduct its businesses in a transparent, non-discriminatory and fair manner as well as free from red tape attitude.
- Establish an Appeals Committee in order to impose parliamentary oversight on elements of direct democracy;
- Legalize the open hearing forms of the State Great Khural and the Government;
- Enhance the State Great Khural's oversight functions, and reform the independent bodies that exercise parliamentary oversight duties including the Audit, Human Rights, Statistics, the Public Service and the Corruption by integrating them with the oversight by the public;
- Change the Management Academy as an institution providing continuous training for government employees;
- For the policy aimed to ensure youth development, establish a National Government Committee charged with duties to formulate the relevant policy, implement and exercise oversight over its fulfillment;
- Improve the quality and accessibility of services by introducing a means to integrate the performance productivity with the public service wage and benefits scheme;
- Adopt a law on activities good for the society, and create new financing alternatives for civil society organizations;
- Take necessary measures to make real the delegation of some of the state's functions to nongovernmental organizations and professional associations;
- Lay down a legal environment allowing to make claims representing the public interests, and provide all necessary support to strategic defenses to file complaints with the court and

policy on issues such as environment protection, child rights, public health, public property and infrastructure;

- Make the higher education institutions and policy institutes as the focal point of related researches and analysis;

Establish a professional oversight institution for the legal sector;

- Make sure that courtroom activities are transparent and make the information related to court decision enforcement accessible to the public;
- Introduce a new district court system and take necessary measures to align the prosecuting, defense and investigative activities with the new system;
- Establish a structure of an investigative stages judge in the court system in order to improve guaranteed human rights;
- Segregate the court's administrative and procedural operations, and make the General Courts' Council a full time body;
- Establish a special task force charged to forcefully enforce the court decision to bring the accused persons under the court and the judge protection, protect the witnesses and the victims, track down escapees from the court procedures as well as from prisons and carry out armored operations, and use different methods for enforcement of court orders for criminal cases and civil cases;
- Transfer to the court the prosecutor office's human rights and dispute resolution functions related to the executive control and processes;
- Set up an integrated registration database for administrative and criminal cases, and introduce risk management system in operations of the patrol policy, the border offices, the tax department and other specialized inspection agencies;
- Re-organize the investigative and criminal police department as an investigative department by changing its functions and organizational structure. Also, a court examination body shall be set up under the investigative department;
- Set up a specialized task force with duties to fight against family abuse in the police department;
- Make arrangement to place the public order police under the local government jurisdiction, and ensure that the public oversight mechanism is laid down;
- Make transparent the equity share and income earned by the mass media organizations, improve their independency, and guarantee their freedom to publish; and
- Regulate distinctly cases involving bribes and rewards, and legalize the circumstances to exempt and mitigate criminal liability of the bribe-giver.

The Reform Government shall arrange the above activities in a reformist way in conformity with principles described in the present Government Platform through the years 2012-2016, and by achieving the objectives and goals of the program, shall provide every support to the Mongolian who has legitimate rights to have a job, earn an income, be educated, be healthy, be free and live in a safe environment.

LET MONGOLIA PROSPER AND THRIVE!