

Unofficial translation from Mongolian

LAW OF MONGOLIA

May 7, 2020 State Palace, Ulaanbaatar

ON DEVELOPMENT POLICY AND PLANNING AND ITS MANAGEMENT

/Revised version/

CHAPTER ONE

GENERAL PROVISIONS

Article 1. Purpose of the Law

1.1. The purpose of this law is to ensure sustainability and consistency of development policy making and planning process of Mongolia, establish underlying principles development policy and planning nationwide, develop, plan and effectively implement development policy, carry out monitoring and evaluation, inform, build integrated and clear system, define rights and roles of stakeholders in policymaking, and planning processes, ensure proper partnership of stakeholders in development policy making and planning, coordinate regulating relations related to types and forms of policy and planning documents and strengthen development policymaking and planning, its management and structure.

Article 2. Legislation on Development Policy and Planning and Its Management

2.1. The legislation on development policy and planning and its management shall comprise the Constitution of Mongolia, Law on National Security, Law on the Government of Mongolia, Budget Law, Law on Regionalized Development Management and Coordination, Law on Administrative and Territorial Units and Their Governance, this law and other legal acts enacted in conformity with the former.

Article 3. Scope of Application of the Law

3.1. This law regulates relations related to development, adoption, planning, implementation, monitoring and evaluation and reporting of the development policies of Mongolia, establishment of an integrated system of the development policy and planning, and management.

Article 4. Definitions

4.1. The terms used in this law shall be understood as follows:

4.1.1. "development policy" means a document adopted by competent authority which incorporated measurable goals and objectives aim to make a progress with regard to certain development issues in a long, mid and short term at state, sector, regional and local level, their base level, expected results, implementation activities, budget confirmed by source of finance and benchmarks to monitor implementation;

4.1.2. "development planning" means a process to develop plan determined to implement measurable goals and targets of the development policymaking in stages and a certain period of time;

4.1.3. "development planning phases" mean activities to identify development needs, determine and evaluate resources, define top priorities, plan in a long, mid and short-term at state, sector, regional and local level, carry out monitoring and evaluation and reporting;

4.1.4. "long-term development policy of Mongolia" means a document incorporated long-term goal, objectives, expected results, activities and benchmarks aim to strengthen the independence and sovereignty of Mongolia, pairing common global development trends with nation's specifics, maintaining environmental balance, ensuring human development and advancing social and governance development;

4.1.5. "Development target program" means a mid-term policy document incorporated activities, quantity and quality parameters which conformed to sector, regional and local specifics, based on resources and confirmed by source of finance to implement certain targets and actions addressed in a long-term development policy of Mongolia at state level;

4.1.6. "Five-year development guideline of Mongolia" means a mid-term integrated planning document includes activities, quantity and quality parameters which aim to implement the long-term development policy of Mongolia, aligned with the Development target program, ensured state, sector, regional and local coherence, planned goals, targets, expected results and source of finance in a greater detail;

4.1.7. "Five-year development guideline of aimag, capitol and city" means a mid-term planning document reflected local characteristics based on the Five year development guideline of Mongolia and Development target program;

4.1.8. "Action plan of Government" means a planning document conforms to goals and targets incorporated in the long-term development policy of Mongolia and aims to implement 5-year development guideline of Mongolia;

4.1.9. "Action plan of Governor" means a planning document aims to implement 5-year development guideline of Mongolia and action plan of the Government at local level;

4.1.10. "Investment program of state" means an attachment document planned investment projects and actions required for implementation of the 5-year development guideline of Mongolia in conformity with their budget, estimation and source of finance in a greater detail;

4.1.11. "annual development plan of state" means a planning document includes projects and actions reflected budget and source of finance to implement goals and targets addressed in the 5-year development guideline of Mongolia in the given year;

4.1.12. "annual development plan of aimag, capital and city" means a planning document based on annual development plan of the state and includes projects and actions to implement in a given area which reflected budget and source of finance;

4.1.13. "development policy and planning monitoring and evaluation" means a comprehensive evaluation carried out on consistence with the principles set out in this law, performance of functions and cooperation by stakeholders in development policymaking and planning process and implementation process and outcome of development policy and planning documents in preparing the development policy and planning documents;

4.1.14. "goal of policy" means achievable positive changes which ensured coherence between state, sector, regional and local development policymaking and planning processes;

4.1.15. "targets of policy" means set of process in compliance with policy goals and ensured coherence of state, sector, regional and local development policymaking and planning;

4.1.16. "policy impacts" means a positive change to be created within the scope of human development, society, environment, economy and governance as a result of policy implementation;

4.1.17. "alternative policy" means at least two alternatives of policy offered to solve problems based on situation analysis and preliminary impact assessment;

4.1.18. "base level" means quantity and quality parameters of project development process;

4.1.19. "activite" mean a process aims to achieve policy goals and targets, finest, measurable and achievable in certain period of time;

4.1.20. "indicator" mean quantity and quality parameters specified in project to measure changes to be made in each phase of development policy and planning implementation;

4.1.21. "target level" means quantity and quality parameters of criteria determined changes expected during and after the policy implementation in a project;

4.1.22. "policy coherence assessment" means analysis, evaluation and recommendation of consistency of the policy documents having goals, objectives and activities with other long, mid and short-term sector development policy and planning documents and their overlapping, gaps and non-compliance;

4.1.23. "general data" means a determination of human, social, environmental and economic development level and governance status of project preparation stage to perfectly determine policy;

4.1.24. "situational analysis" means studies to apply to the development of alternative policy which determined problem causes and impacts based quantity and quality data along with its scope;

4.1.25. "preliminary impact assessment" means an assessment of impacts on socio-economic development, pristine environment and balance, legal environment and governance system, resulted in policy implementation.

CHAPTER TWO

Principles of development policy and planning AND

TYPES OF development policy and planning DOCUMENTS

Article 5. Principles of development policy and planning

5.1. Development policy and planning shall be based on the following principle:

5.1.1. ensure protection of national interest;

5.1.2. be consistent with global development trend;

5.1.3. ensure integration, completeness and interrelation;

5.1.4. be steady, consistent and coherent;

5.1.5. be well balanced;

- 5.1.6. be reserve and source-based;
- 5.1.7. be transparent and participatory;
- 5.1.8. be study and research-based;
- 5.1.9. ensure measurability of goals and targets;
- 5.1.10. ensure compliance of parameters with objectives;
- 5.1.11. ensure outcome-based planning;
- 5.1.12. ensure balanced top down and bottom up approaches of planning;
- 5.1.13. ensure involvement of all stakeholders;
- 5.1.14. ensure proper Public-Private Partnership;
- 5.1.15. principle of stakeholders' responsibility.

5.2. The principles of development policy and planning set out in Article 5.1 of this law shall be understood as follows:

5.2.1. "Principle of protection of National Interest": Development policy and planning documents adopted by Parliament and acts of Government implementing them shall be aimed to strengthen the independence and sovereignty of Mongolia;

5.2.2. "Principle of consistency with global development trend": Global development goals and trends shall be reflected in development policy and planning documents ensuring its consistency with national specifics;

5.2.3. "Principle of integration, completeness and interrelation": Structure, activities, statistics and approaches of the development policymaking and planning system shall be integrated and coherent and policy planning, drafting, implementation, reporting, monitoring and evaluation shall be unified.

5.2.4. "Principle of steadiness, consistency and coherence": In drafting, planning, adopting and implementing development policy and planning documents, ensure policy steadiness and base on implementation outcome and evaluation of the development policy and planning documents previously adopted;

5.2.5. "Principle of balance": Human and socioeconomic development and environmental balance shall be ensured in determining the goals, objectives and activities of development policy and planning documents;

5.2.6. "Principle of reserve and source basis": Natural resources, raw materials, funding, finance, technology, science, innovation, skilled labor-force and other required resources shall be incorporated within the limited scope determined pre-determined budget and assumption when drafts, adopts, plans and implements development policy and planning documents;

5.2.7. "Principle of transparency and openness": Except confidential information contains state and office secrets protected by law, development policy and planning documents shall be transparent to public and officially published;

5.2.8. "Principle of study and research basis": Reserve limitation and risks shall be taken into account in determining goals, targets and expected result of the development policy and planning documents and goals and objectives implementable within the period agreed, real and measurable shall be set up;

5.2.9. "Principle of measurable goals and targets": Achievement of objectives of the development policy and planning documents shall be assessable and measurable using criteria with certain quantity and quality parameters during policymaking and planning phases;

5.2.10. "Principle of compliance of criteria with objectives": Performance of the development policy and planning documents shall be monitorable using quantity and quality parameters;

5.2.11. "Principle of outcome-based planning": Expected outcome as a result of implementation of the development policy and planning documents shall be determined and its goals, objectives and activities shall be planned in accordance with certain arrangement and priority;

5.2.12. "Principle of balanced top down and bottom up approaches of planning": Top down planning or inclusive goals and objectives shall be proposed and implemented in sector and regions and bottom up planning or views by Public-Private investment programs and projects shall be combined and integrated goals and objectives shall be determined and planned;

5.2.13. "Principle of participation of all stakeholders": Development policy and planning documents shall be prepared ensuring participation of relevant government and non-government organizations, scientific and research institutes, professional associations, private businesses, individuals and interested parties;

5.2.14. "Principle of proper Public-Private Partnership": Proper involvement of private businesses in the development policy and planning activities;

5.2.15. "Principle of stakeholders' responsibility": Development policy and planning stakeholders shall perform their

lawful obligation in the development policy and planning relationship.

5.3. Candidates of presidential election of Mongolia and political parties and coalitions to participate in parliamentary and Citizens Representative Hural elections of aimag, capitol, soum and district shall prepare their action platforms in conformity with the concept of national security and development policy and planning documents adopted by the Parliament.

5.4. The National Audit Office shall review whether action platforms of candidates of presidential election of Mongolia and political parties and coalitions to participate in parliamentary and Citizens Representative Hural elections of aimag, capitol, soum and district are consistent with the documents set out in Article 5.3 of this law and submit its conclusion to the General Elections Committee.

5.5. Development policy and planning documents adopted by the Parliament in conformity with the principles set out in this law shall be implemented in a long run and newly formed Parliament and Government shall continually implement the said documents.

Article 6. Types of development policy and planning documents

6.1. Development policy and planning documents shall have the following interconnected types aim to achieve goals and targets established:

6.1.1. long-term;

6.1.2. mid-term; and

6.1.3. short-term.

6.2. Vision to implement in up to 30 years of period shall be a long-term development policy document of Mongolia.

6.3. The long-term development policy document of Mongolia shall be the basis of mid and short-term policy and planning.

6.4. Development plan of population's distribution and settlement and city's master plan shall be based on the long-term development policy document of Mongolia.

6.5. Development policy documents to implement in mid-term or 10-year period of time shall be the following Development target program which has activities confirmed by goals, targets and sources of finance aim to implement the long-term development policy document of Mongolia and to be measured by quantity and quality parameters:

6.5.1. target program of human development;

6.5.2. target program of social development;

6.5.3. target program of economic and infrastructure development;

6.5.4. target program of environment;

6.5.5. target program of governance;

6.5.6. target program of regional development;

6.5.7. target program to increase national competitiveness.

6.6. In case, agency which directly reports to the Parliament drafts documents applicable to the Development target plan set out in Articles 6.5.3 and 6.5.5 of this law, it shall draft them based on recommendation by the State Central Administrative Authority in charge of national development policy and planning issues and submit the draft to relevant Standing Committee.

6.7. A mid-term development planning documents or documents to implement in 5-years of period of time shall be the 5-year development guideline of Mongolia and 5-year development guideline of aimag, capitol and city.

6.7.1. A 5-year development guideline of Mongolia shall meet the following requirements:

6.7.1.a. to be actions which based on the reserve and reflected in detail by its source of finance within the scope of achievement of goals and objectives of the long-term development policy and prioritized actions to be measured by quantity and quality parameters and to implement in the given 5-year;

6.7.1.b. to ensure sector coherence aims to improve human and socio-economic development, environmental balance and governance;

6.7.1.c. to develop targets and actions by sector, region, location, source of finance and annual breakdown;

6.7.1.d. to attach state investment and other required programs.

6.7.2. A 5-year development guideline of aimag, capitol and city shall meet the following requirements:

6.7.2.a. to be conformed to the 5-year development guideline of Mongolia and ensure actions reflected in the said be directed to the aimag, capitol and city-wide implementation;

6.7.2.b. objectives and actions incorporated in the 5-year development guideline of Mongolia should be prioritized

actions which planned in a greater detail, taking into account local characteristics, confirmed by source of finance, measured by quantity and quality parameters and to implement in the given 5-year;

6.7.2.c. to attach program required for implementation of 5-year development guideline of aimag, capitol and city.

6.8. Development planning documents to implement in a short-term or 4-year period of time shall be action programs of Government and Governor:

6.8.1. Action plan of the Government shall meet the following requirements:

6.8.1.a. to ensure targets and actions reflected in the 5-year development guideline of Mongolia be completely incorporated;

6.8.1.b. to corresponds to projects and actions set out in the Development target program;

6.8.1.c. to ensure sector coherence aims to improve human and socio-economic development, environmental balance and governance;

6.8.1.d. to develop targets and actions by sector, region, location, source of finance and annual breakdown.

6.8.2. Action plan of Governor shall meet the following requirements:

6.8.2.a. to select suitable approaches to effectively achieve objectives and actions incorporated in the 5-year development guideline of aimag, capitol and city and action plan of Government;

6.8.2.b. to plan to implement projects and actions set out in the Development target program at local level;

6.8.2.c. to be cohered to state, regional and local development targets aim to improve the regional human and socio-economic development, environmental balance and governance;

6.8.2.c. to develop targets and actions by source of finance and annual breakdown;

6.8.2.d. to strengthen cooperation and coherence between regional administrative and territorial units and ensure their interrelated development.

6.9. Development planning documents to implement in a short-term or a year includes an annual development plan of the state, state budget, annual development plan of aimag, capitol and city and local budget.

6.10. Development planning documents to implement in a year shall meet the following requirements:

6.10.1. targets and actions reflected in the 5-year development guideline of Mongolia, 5-year development guideline of aimag, capitol and city, action plans of Government and Governor should be intended to be implemented;

6.10.2. should be a detailed list of projects and actions to implement in a given year, that has guaranteed source of finance, responsible person and its feasibility study and design approved;

6.10.3. state budget should be aimed to implement annual development plan of the state;

6.10.4. to ensure that local budget aims to implement the annual development plan of aimag, capitol and city.

CHAPTER THREE

SYSTEM OF DEVELOPMENT POLICY AND PLANNING AND RIGHTS AND ROLES OF ITS STAKEHOLDERS

Article 7. System of development policy and planning

7.1. System of development policy and planning consists of a State Central Administrative Authority in charge of national development policy and planning issues at national level, State Central and State Administrative Authorities at sectoral level and Development Policy and Planning Unit set up by aimag, capitol, soum and district Governor at local level.

7.2. A State Central Administrative Authority in charge of national development policy and planning issues led by Deputy Prime Minister of Mongolia shall manage development policy and planning issues at national level and line minister and chairman of State Administrative Authority at sectoral level and aimag, capitol, soum and district Governor at local level.

7.3. A National Development Institute aims to support the development policy and planning activities shall work under supervision of the State Central Administrative Authority in charge of national development policy and planning issues.

Article 8. Stakeholders of development policy and planning

8.1. The following stakeholder shall participate in the development policy and planning of Mongolia:

8.1.1. President of Mongolia;

8.1.2. Parliament of Mongolia;

8.1.3. Government of Mongolia;

- 8.1.4. State Central Administrative Authority in charge of national development policy and planning issues;
- 8.1.5. State Central Administrative Authority in charge of finance and budget issues;
- 8.1.6. State Central Administrative Authorities;
- 8.1.7. National Statistical Office;
- 8.1.8. National Audit Office;
- 8.1.9. Central Bank;
- 8.1.10. aimag, capitol, soum and district Governor;
- 8.1.11. aimag, capitol, soum and district Citizens Representative Hural;
- 8.1.12. National Development Institute, university, institute and research institute;
- 8.1.13. political party; and
- 8.1.14. private company.

8.2. Apart from those set out in Article 8.1 of this law, State Administrative Authority, central scientific research institute, state-owned joint stock company, fund, Development Bank, executive agencies of the government, professional associations, civil societies and private legal entity shall participate in the development policy and planning activities as specified in applicable legislations.

Article 9. Rights and roles of stakeholders of development policy and planning

9.1. A President of Mongolia shall participate in the development policy and planning by exercising his/her prerogative powers set out in Article 33.1 of the Constitution of Mongolia.

9.2. Mandate of the Parliament:

9.2.1. to approve financial and credit, official taxation, monetary policies, development policy and planning documents of the State ensuring their alignment as specified in Article 25.1.7 of the Constitution of Mongolia;

9.2.2. to adopt the documents set forth in Articles 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.10 and 4.1.11 of this law as submitted to the Government in conformity with Articles 6.2 and 25.1.7 of the Constitution of Mongolia, respectively;

9.2.3. to adopt action plan of Government, state budget and its performance report in conformity with the concept of national security and documents set out in Articles 4.1.4, 4.1.5 and 4.1.6 of this law under Article 25.1.7 of the Constitution of Mongolia;

9.2.4. to discuss and approve draft Development target program submitted pursuant to Article 6.6 of this law;

9.2.5. to have external evaluation carried out on the long-term development documents of Mongolia and Development target program and provide conclusion, and provide direction to the Government in term of amendments to development policy and planning documents based on relevant studies, researches, progress and final evaluation;

9.2.6. to adopt annual development plan of the state and annual budget in conformity with the 5-year development guideline of Mongolia;

9.2.7. to discuss the implementation of long-term development documents of Mongolia, 5-year development guideline of Mongolia Development target program, annual development plan of the state and action plan of Government and when necessary, provide direction to the Government and suggest a Prime Minister to impose liability on relevant officials;

9.2.8. to assess activities of the Government and provide conclusion depending on the performance outcome of development policy and planning documents and when required, suggest dismissing a Prime Minister as specified in Article 43 of the Constitution of Mongolia;

9.2.9. to follow the principle of sustainability of development policy and planning described in Article 25.1.7 of the Constitution of Mongolia, the Parliament shall not discuss and approve draft development policy and planning documents which non-conformed to the principles and failed to meet the requirements set out in this law.

9.3. Mandate of the Government:

9.3.1. to implement the documents adopted by the Parliament and described in Articles 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.10 and 4.1.11 of this law under Articles 6.2 and 25.1.7 of the Constitution of Mongolia;

9.3.2. to draft a long-term development policy of Mongolia, Development target program, 5-year development guideline of Mongolia, action plan of Government and annual development plan of the state and submit to the Parliament within the period established in law;

9.3.3. to manage nationwide implementation of the development policy and planning documents and be in charge of

implementation monitoring and evaluation, performance evaluation and reporting at state level;

9.3.4. to present the implementation of long-term development policy of Mongolia, Development target program, 5-year development guideline of Mongolia and annual development plan of the state to the Parliament within the period specified in this law;

9.3.5. to determine sustainable development top priorities of society, environment, economy and governance and priority of common development targets and activities;

9.3.6. to ensure consistency and compliance of development policy and planning documents and eliminate overlapping, gap and non-compliance;

9.3.7. to adopt a regulation on drafting, reviewing, planning, implementation, monitoring of the implementation of development policy and planning documents, conduct of outcome monitoring and evaluation and performance evaluation;

9.3.8. to approve a regulation of preparation of implementation report of the development policy and planning documents and report template;

9.3.9. to advise and provide direction to the State Central Administrative Authority in charge of national development policy and planning issues in terms of any development policy and planning issues;

9.3.10. others stated in law.

9.4. Functions of the State Central Administrative Authority in charge of national development policy and planning issues with regard to development policy and planning:

9.4.1. to manage the development policy and planning activities at state, sector, regional and local level and provide with integrated management, methodology and coordination;

9.4.2. to draft the documents set out in Articles 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.10 and 4.1.11 of this law in accordance with the direction provided by the Government by following principles and requirements specified in this law and submit the drafts to the Government;

9.4.3. to directly manage sector macro-economic policy and development policy and planning issues and provide approval with respect to whether draft state budget consistent with the long-term development policy of Mongolia, 5-year development guideline of Mongolia and annual development plan of the state;

9.4.4. to determine funding and source of finance required for the achievement of goals and targets of the long-term development policy of Mongolia, 5-year development guideline of Mongolia, action plan of Government and Development target program;

9.4.5. to require government organizations of all levels and other relevant agencies to submit statistics and studies required for the development policy and planning and their comments, recommendations and draft plan with regard to certain development issues of the sector;

9.4.6. to draft a regulation required for the development policy and planning activities with the support of line ministries, agencies and local administrations and submit to the Government for review and discussion;

9.4.7. to ensure involvement of government organizations of all levels, scientific and research institutes and private businesses in the drafting of development policy and planning documents and allow participation of universities, institutes, professional associations, NGOs and individuals;

9.4.8. to train and building capacity of specialized and expert human resources of development policy and planning;

9.4.9. to adopt a recording regulation of the development policy and planning documents and regulation of nationwide integrated database of the development policy and planning;

9.4.10. to create, sort and maintain an integrated database, create, update and review database, circle data and manage other activities related to the database;

9.4.11. to determine direction to follow with regard to development policy and planning and offer integrated management and specialized consultation for the preparation of development policy and planning documents;

9.4.12. to supply funding, equipment, finance and personnel required for researches and processing of the National Development Institute;

9.4.13. others stated in law.

9.5. Functions of the State Central Administrative Authority in charge of finance and budget issues with regard to development policy and planning:

9.5.1. to link state and local budgeting with development policy and planning;

9.5.2. to provide funding and source of finance required for the achievement of goals and targets of the long-term development policy of Mongolia, 5-year development guideline of Mongolia, action plan of Government and Development target program;

9.5.3. to control budget and sources of finance of actions reflected in the annual development plan of state and provide funding and source of finance required for their implementation.

9.6. Functions of the State Central Administrative Authority with regard to development policy and planning:

9.6.1. to participate in the drafting, planning and implementation of documents set forth in Articles 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.10 and 4.1.11 of this law, performance evaluation and reporting and monitoring and evaluation within its authority;

9.6.2. to submit its comments to include in the documents in Article 9.6.1 of this law to the State Central Administrative Authority in charge of national development policy and planning issues and within its authority, promptly prepare and submit statistics, surveys and data required for the drafting, adoption and planning of development policy and planning documents within the period established in law;

9.6.3. within its authority to prepare incorporated comments and estimates of relevant government and non-government organizations operating and submit to the Government and State Central Administrative Authority in charge of national development policy and planning issues and implement at sectoral level after the adoption of development policy and planning documents;

9.6.4. within its authority to carry out monitoring and evaluation on the implementation of development policy and planning documents and submit its report and recommendation to the Government and State Central Administrative Authority in charge of national development policy and planning issues within the period established in law;

9.6.5. others stated in law.

9.7. Functions of the National Statistical Office with regard to development policy and planning:

9.7.1. to prepare, time after time, official statistics required for drafting the development policy and planning documents, planning policy, evaluating performance, conducting monitoring and evaluation on the implementation and submit to the State Central Administrative Authority in charge of national development policy and planning issues and other State Administrative Authorities;

9.7.2. to offer methodology and specialized consultation required for determination and establishment of parameters, their sources and estimation methods necessary for the drafting of development policy and planning documents to the State Central Administrative Authority in charge of national development policy and planning issues and other State Administrative Authorities;

9.8. Functions of the National Audit Office with regard to development policy and planning:

9.8.1. to audit the development policy and planning documents under the State Audit Law and submit the audit report to the Parliament;

9.8.2. to send the auditor's recommendation, conclusion together with the audit report of development policy and planning documents to the State Central Administrative Authority in charge of national development policy and planning issues.

9.9. Functions of the Central Bank with regard to development policy and planning:

9.9.1. to ensure macro-economic and financial sustainability in drafting, planning and implementation of the development policy and planning documents;

9.9.2. to comment on development policy and planning activities;

9.9.3. others stated in law.

9.10. Functions of aimag and capitol Governor with regard to development policy and planning:

9.10.1. to draft a 5-year development guideline of aimag, capitol and city, action plan of Governor and annual development plan of aimag, capitol and city in conformity with the 5-year development guideline of Mongolia and submit along with comments by the State Central Administrative Authority in charge of national development policy and planning issues to a Citizens Representative Hural of the concerned level;

9.10.2. to submit its comments on the drafting of long-term development policy of Mongolia and Development target program to the State Central Administrative Authority in charge of national development policy and planning issues;

9.10.3. to submit implementation reports of the long-term development policy of Mongolia and Development target program to the Government and State Central Administrative Authority in charge of national development policy and planning issues and of 5 -year development guideline of aimag, capitol and city, action plan of Governor and annual development plan of aimag, capitol and city to a Citizens Representative Hural of the concerned level, respectively within the period established in law;

9.10.4. Governor shall ensure coherence of the development policy and planning documents, manage activities and monitor implementation at soum and district level;

9.10.5. Governor shall obey this law in implementing the functions set forth in Articles 9.10.1, 9.10.2, 9.10.3 and 9.10.4 of this law.

9.11. Functions of aimag, capitol, soum and district Citizens Representative Hural with regard to development policy and planning:

9.11.1. to discuss, adopt or return 5 -year development guideline of aimag, capitol and city, action plan of Governor and annual development plan of aimag, capitol and city submitted by Governor of the respective level, taking into consideration the recommendation by the State Central Administrative Authority in charge of national development policy and planning issues about whether the said documents are consistent with the long-term development plan of Mongolia, 5 -year development guideline of Mongolia and Development target program.

9.12. Functions of the National Development Institute with regard to development policy and planning:

9.12.1. to support development of the nationwide development policy and planning techniques, perform researches and studies required for preparation, planning, implementation and monitoring and evaluation of the development policy and planning documents;

9.12.2. to produce policy studies, pre-feasibility study and feasibility study of programs and projects reflected and to reflect in the development policy and planning documents pursuant to direction provided by the State Central Administrative Authority in charge of national development policy and planning issues;

9.12.3. to survey population and labor force resources which are the foundation of economic development, raw materials from animal origin, water and natural resources reserve which will be economic circulation in greater detail by their location and determine optimal approaches for use of population, assumption of labor force resource and reserves;

9.12.4. to study experience and development trends of the world countries, develop and introduce a development model appropriate for characteristics of its country;

9.12.5. to develop norms, normative and standards required for the development policy and planning with the support of sectoral scientific research institutes and submit to the State Central Administrative Authority in charge of national development policy and planning issues;

9.12.6. to team up with globally accepted development research institutes, train and build capacity of human resources of the nationwide policy and planning, apply advanced technology and devices, and organize joint research activities;

9.12.7. to offer a specialized support for creation and updating of an integrated development policy and planning database in accordance with direction provided by the State Central Administrative Authority in charge of national development policy and planning issues;

9.12.8. to work according to direction provided by the State Central Administrative Authority in charge of national development policy and planning issues and report its performance.

9.13. Whilst the Parliament discusses and approves a draft long-term development policy of Mongolia, Development target program and 5-year development guideline of Mongolia, a political party shall officially submit to the Parliament its comments or views related to the said drafts prior to initial discussion of the drafts.

CHAPTER FOUR

PREPARATION PHASES, TIMELINE OF AND AMENDMENTS TO DEVELOPMENT POLICY AND PLANNING DOCUMENTS

Article 10. Preparation phases of development policy and planning documents

10.1. Development policy and planning documents shall be prepared in accordance with the following sequences:

10.1.1. to perform a situation analysis which determines nationwide development policy and planning problems;

10.1.2. to draft model, assumption, impacts and expected results of the development, reserve study, amount and sources of finance to resolve the problems determined by the situation analysis and prepare an alternative policy;

10.1.3. to carry out preliminary human and socio-economic development evaluation, preliminary environmental impact assessment and evaluation of consistency with long, mid and short-term development policymaking process on alternative policies and preliminary estimates of effectiveness;

10.1.4. to select an alternative policy based on Article 10.1.3 of this law and by virtue of the principles set out in Article 5 of the same;

10.1.5. to determine goals and targets of the policy documents by their sequences and phases;

10.1.6. to determine sources of investment and finance required for the implementation of actions and policy based on

the goals, targets, criteria, base and target levels of the policy documents.

Article 11. Requirements for preparation of development policy and planning documents

11.1. Drafting of the development policy and planning documents set out in Article 6 of this law shall be based on the principles set out in Article 5 of this law.

11.2. Goals, targets, criteria, base and target levels, implementing methods and phases, expected results, socio-economic and environmental impacts and risks, sources of finance, monitoring and evaluation plan and responsible agencies shall be incorporated in the draft development policy and planning documents set out in Article 6 of this law.

11.3. Drafting of the development policy and planning documents shall be ensured involvement of stakeholders and final draft shall be subject to public discussion.

Article 12. Long-term development policy documents timeline

12.1. The Government shall submit the progress report of the implementation of long-term development policy documents to the Parliament every 5 years and performance report 2 years before the expiry date.

12.2. Based on the evaluation of implementation progress, the Parliament may provide guidance to the Government about drafting amendments to the long-term development policy documents of Mongolia and submitting to the Parliament.

12.3. The Government shall draft a long-term development policy documents of Mongolia within a year and submit it to the Parliament.

12.4. The Parliament shall adopt the long-term development policy documents 6 months before the expiry date of the preceding policy documents.

Article 13. Development target plan timeline

13.1. The Government shall submit the progress report of the implementation of development target plan to the Parliament every 5 years and performance report 2 years before the expiry date of the given documents.

13.2. A State Central Administrative Authority in charge of national development policy and planning issues shall determine funding and resources required for implementation of the draft development target plan.

13.3. A State Central Administrative Authority shall prepare, adopt and implement an implementation plan of the development target plan within its authority.

Article 14. Five-year development guideline timeline of Mongolia

14.1. The Government shall present an implementation evaluation to the Parliament one year before the expiry date of the five-year development guideline of Mongolia.

14.2. Based on the said evaluation, the Parliament may provide guidance to the Government regarding the preparation of succeeding five-year development guideline.

14.3. With the involvement of National Development Institute, research institutes, universities, institutes, other State Central Administrative Authorities, professional associations and private legal entities, a State Central Administrative Authority in charge of national development policy and planning issues shall draft a five-year development guideline of Mongolia and present it to the Government.

14.4. The Government shall submit the draft five-year development guideline of Mongolia to the Parliament six months before the expiry date of the preceding guideline documents.

14.5. The Parliament shall adopt the five-year development guideline of Mongolia three months before the expiry date of the preceding guideline documents.

Article 15. Five-year development guideline timeline of aimag, capital and city

15.1. With the support of Administrative Authority in charge of development policy and planning issues of the given aimag, capitol and city, aimag and capitol Governor shall draft a five-year development guideline of aimag, capitol and city based on the five-year development guideline of Mongolia an year before the expiry date of the previous plan document.

15.2. Aimag and capitol Citizens Representative Hural shall adopt the draft five-year development guideline of aimag, capitol and city submitted by the aimag and capitol Governor six months before its effective date, taking into account the recommendation by State Central Administrative Authority in charge of national development policy and planning issues.

Article 16. Action plan timeline of Government

16.1. Implementation of the Government action plan shall be submitted to the Parliament by 1#zereg#st of April of each year.

16.2. The Government shall submit its implementation plan to the Parliament within the period agreed in the Law on

Government of Mongolia.

16.3. The Government shall adopt implementation plan of the Government's action plan.

Article 17. Action plan timeline of Governor

17.1. Aimag and capitol Governor shall present implementation of their action plan to Citizens Representative Hural of the given level within the period specified in law.

17.2. Aimag and capitol Governor's action plan shall incorporate comments by a State Central Administrative Authority in charge of national development policy and planning issues and shall be prepared within a month after the appointment of Governor.

17.3. Soum and district Governor's action plan shall incorporate comments by Unit in charge of development policy and planning issues set up by the aimag and capitol Governor and shall be prepared within a month after the appointment of Governor.

17.4. Aimag and Capitol Citizens Representative Hural shall adopt an action plan of Governor within 45 days after the appointment of Governor.

17.5. A Governor of the given level shall adopt and implement an implementation of the Governor's action plan.

Article 18. Annual development plan timeline of state, aimag, capitol and city

18.1. Within the scope of their authority, a State Central Administrative Authority and relevant State Administrative Authority shall integrate points by budget and local administration, state-owned and private economic entities operating and submit it to the State Central Administrative Authorities in charge of national development policy and planning and finance and budget issues by 1#zereg#st of March of each year.

18.2. A State Central Administrative Authority in charge of national development policy and planning issues shall draft an annual development plan of the state with the support of National Development Institute, research institute, university, institute, other State Central Administrative Authorities, professional associations and private legal entities by 25#zereg#th of April of each year.

18.3. Government shall submit the implementation of annual development plan of the state and draft plan of the coming year to the Parliament by 25#zereg#th of May of each year.

18.4. Annual development plan of the Parliament shall be adopted by 1#zereg#st of July.

18.5. Aimag and capitol agencies in charge of development issues shall draft an annual development plan of aimag, capitol and city based on draft annual development plan of the state by 1#zereg#st of September.

18.6. Aimag and Capitol Citizens Representative Hural shall adopt a draft annual development plan of aimag, capitol and city by 10#zereg#th of December of each year.

Article 19. Amendments of development policy and planning documents

19.1. Unless otherwise stated by this law, long and mid-term development policy and planning documents may be amended in the following cases:

19.1.1. necessity for amending the development policy and planning documents according to the monitoring and evaluation carried out, audit report and recommendation should be proved;

19.1.2. socio-economic status, budget and financial position of the state should be changed depending on external and internal impacts and factors;

19.1.3. extraordinary circumstances specified in Article 25.2 of the Constitution of Mongolia should be arisen.

19.2. Proposed amendments to the mid-term development policy and planning documents shall be consistent with the long-term development policy of Mongolia.

19.3. Results of Mongolia's presidential, parliamentary and local elections shall not be the basis to amend the long and mid-term development policy and planning documents.

19.4. Relevant agency and official shall be responsible for the implementation facilitation and amendments of the given development policy and planning documents and required actions based on the monitoring and evaluation findings and recommendation

Article 20. Sources of finance

20.1. Budget, financial projection and sources shall be detailed in the development policy and planning documents to implement in mid and short term.

20.2. Sources of finance of the development policy and planning documents shall be as follows:

20.2.1. state and local budget;

- 20.2.2. international loans and aids;
- 20.2.3. international and domestic investment;
- 20.2.4. foreign and local securities of Government;
- 20.2.5. concession agreements;
- 20.2.6. other sources.

CHAPTER FIVE

IMPLEMENTATION MONITORING AND EVALUATION OF DEVELOPMENT POLICY AND PLANNING DOCUMENTS

Article 21. Implementation monitoring and evaluation of development policy and planning documents

21.1. The Government shall carry out monitoring and evaluation on the implementation of development policy and planning documents and provide conclusion.

21.2. The purpose of implementation monitoring and evaluation of development policy and planning documents is to carry out the quality assessment on planning and implementation of documents as well as on effectiveness of activities implemented and decisions made and assess its impacts.

21.3. Phases of the monitoring and evaluation to perform on development policy and planning documents are as follows:

- 21.3.1. to collect, sort and integrate data;
- 21.3.2. to evaluate outcome of objectives' achievement;
- 21.3.3. to assess implementation impacts;
- 21.3.4. to assess impacts of internal and external factors;
- 21.3.5. to assess relationship between planning and implementation;
- 21.3.6. to evaluate implementation level;
- 21.3.7. to suggest certain points to improve planning and implementation of the policy documents.

21.4. The Government shall approve a regulation of conducting monitoring and evaluation and providing conclusion.

21.5. Every year a State Central Administrative Authority in charge of sectoral development issues shall submit an achievement report of development policy and planning targets to the Government at sectoral level within the period agreed.

21.6. Aimag and capitol Governor shall submit local achievement progress and impact report of development policy and planning targets to the Government within the period agreed.

21.7. The Government shall present to the Parliament about the implementation of development policy and planning documents and its progress within the period agreed and submit to the State Central Administrative Authority in charge of national development policy and planning issues for adding to the integrated database of development policy and planning.

CHAPTER SIX

INTEGRATED DATA SYSTEM OF DEVELOPMENT POLICY AND PLANNING

Article 22. Integrated database of development policy and planning

22.1. The State Central Administrative Authority in charge of national development policy and planning issues shall create and maintain an integrated database for the purpose of coordinating development policy and planning.

22.2. An integrated database shall be created by development policy and planning documents adopted by competent bodies, relevant reports, studies, researches, calculation, finding and recommendation using advanced technology.

22.3. Information in the integrated database of development policy and planning shall be confirmed by relevant legal act, report, finding, research, survey and facts.

22.4. Relevant agency and official shall file accurate and reliable information to include in the integrated database of development policy and planning to the State Central Administrative Authority in charge of national development policy and planning issues in a timely manner.

22.5. The State Central Administrative Authority in charge of national development policy and planning issues shall approve a regulation of maintaining the integrated database and manage category, collection, record, storage, security and programming of the database as well as development model draft and update.

Article 23. Publication and publicity of development policy and planning documents

23.1. The State Central Administrative Authority in charge of national development policy and planning issues and local administration shall be responsible for public dissemination and publicizing of the adopted policy and planning documents.

23.2. To ensure the consistency of sectoral policymaking, a State Central Administrative Authority shall make and publish implementation assessment of the policy previously implemented and additional policies and actions participatory and transparent for the public them.

23.3. Copies of published information set out in Article 23.2 of this law shall be submitted to the concerned State Central Administrative Authority and State Central Administrative Authority in charge of national development policy and planning.

CHAPTER SEVEN

Penalties for breach of legislation on development policy and planning and its management

Article 24. Prohibitions and penalties

24.1. Political parties and coalitions which fail to prepare its action platforms in compliance with the mid-term development policy and planning documents prepared and adopted to reach targets of the long-term development policy of Mongolia shall not participate in an election.

24.2. The Parliament shall not adopt action plan of Government which fails to be directed to implementation of the long-term development policy of Mongolia, Development target program and 5-year development guideline of Mongolia.

24.3. In preparing its action plan, the Government shall follow the principles set out in Article 5 of this law and Article 6.5.1 of the same.

24.4. Failure to maintain smooth sector performance reflected in the planning documents set out in Articles 4.1.6 and 4.1.10 of this law shall be the reason to dismiss a Cabinet member and failure to maintain smooth local performance reflected in the planning documents set out in Articles 4.1.7 and 4.1.12 of this law shall be the reason to dismiss Governor of aimag, capitol, soum and district.

24.5. Unless a breach of this legislation by public officer, official and legal entity constitutes a criminal offense, they shall be subject to liabilities set out in the Public Service Law, Infringement Law and other applicable legislations.

Article 25. Coming into force

25.1. This law shall come into force from the date a Parliament set up by the 2020 parliamentary election holds its first session.

SPEAKER OF THE PARLIAMENT G. ZANDANSHATAR