H.E Mr. BATBAYAR, Minister of Economic Development,
Members of Parliament,
Vice Minister CHULUUNBAT,
Ladies and Gentlemen,

I am delighted to welcome all of you to the National Forum and Development Dialogue on the Development Policy and Planning Law. In particular a very warm welcome to H.E. Minister Batbayar on your first visit to the UN House. Excellency, your strong ownership of this event also attests to the importance of strategic planning for Mongolia’s development.

UNDP has been organising the Development Dialogues since late 2012 with the aim of sparking discussion and debate on key development issues in Mongolia. Today’s event is organized as a National Forum and Development Dialogue combined in one, in cooperation with the Ministry of Economic Development to introduce and discuss the draft Development Policy and Planning Law. The goal is to help us get an in-depth understanding of the provisions of the draft law and to have an exchange of views on its various aspects.

The draft Law has been discussed at various fora in Ulaanbaatar and in the regions and today’s event will be one final opportunity for all stakeholders to provide inputs into this important piece of legislation before it goes to the Cabinet and Parliament for approval.

Ladies and Gentlemen,

Mongolia has certainly departed from the centralized planning that was practiced in socialist countries until about 25 years ago. But that does not mean that the need for planning has diminished. On the contrary, sound and successful development requires forward planning that includes a vision, concrete goals and action plans on how to achieve those goals. It needs policy coordination and coherence. It needs financial planning as well as benchmarks to measure success.

The difference between the centralized planning of the socialist times and planning efforts today is of philosophy and approach. Socialist, centralized planning was predicated on the assumption that the state knows best. This includes how to allocate resources, what to produce, where to produce it, when and how much. The private sector had no role and there was little (if any) citizen consultation or participation.
The emphasis today is very different. Planning is now less prescriptive. It is also less top down. Governments now limit themselves to setting the larger vision, the broad objectives and sectoral priorities. They also realize that success comes from buy-in on the vision and the objectives across political boundaries. That is why they seek participation of different stakeholders (be it the civil society, the private sector or the local governments) and inclusiveness in shaping their development agenda. It is also why they strive for the right mix of top down and bottom up approaches in their planning processes.

Today, there is also clear recognition that planning is more than just about ‘producing’. In other words, the goals of development and of development planning have changed. Today development planning is not about how many tones of wheat each farm should produce. The goal is Human Development. It is about enhancing the quality of life of all citizens by addressing issues of lack of opportunity, inequality, and poverty. It is about creating jobs, improving access to health or quality of education. It is about making growth inclusive, something we discussed in an earlier Dialogue. It is also about responding to new challenges such as environmental degradation, disasters, global warming and adaptation to climate change. That is why so many countries have made the Millennium Development Goals a part of their national development strategies.

In Mongolia, development planning is especially about how to utilize the revenue from mining for public investments in infrastructure, education, and health, or for “translating natural resources underground into productive assets above ground”.

Ladies and gentlemen,

Let me highlight a few more thoughts and pose some questions to all of you in relation to planning for development:

First is the need for policy continuity. Most countries undertaking strategic planning start with a vision document developed through an extensive consultation process. This vision document outlines the country’s broader development objectives over the next 20-25 years. It is followed by medium-term plans or strategies, which are typically over a 4 to 5 year period. The challenge is how to ensure continuity of the development objectives between this broader, longer-term vision and the medium-term plans or strategies in a way that is less susceptible to changes in government so common in democracies.

Some questions to answer for Mongolia: Is the Comprehensive National Development Strategy that covers priorities till 2021, a vision document? How much are all other ‘development plans’ in the country linked to the NDS? Specifically, how do sectoral plans contribute to the achievement of the CNDS and policy continuity as well as coherence? Where do the Government Action Plans stand within the larger scheme of development planning and how do they ensure policy continuity?

A second topic: public investments need to reflect local priorities. With the start of the implementation of the new Budget Law from January 2012, Mongolia is moving towards greater fiscal decentralization. Local hural now have greater discretion in the use of public funds, which is a step in the right direction. But this also requires stronger emphasis on the
need for accommodating local planning within the overall planning framework. *Is this happening? What needs to be done to ensure it is?*

Three, a plan is only as good as its implementation. For effective implementation, the plan needs to be **properly costed and aligned closely with the budget cycle**. The plan also needs to be **anchored in a results framework**, so everyone knows exactly what to expect as a result and the indicators for success. Otherwise, how can one monitor progress, make mid-course **corrections**, if required? The questions are: Does Mongolia have the systems for results based planning, budgeting and monitoring? How effective are those systems, especially those for monitoring? Are plans evidence based, do they have the data to help the monitoring?

Four, a critical success factor for any planning effort is **cooperation**. How does one ensure **coherence among policies** and **coordination among the different actors** so there is no deviation in achieving the common goals?

Finally, strategic planning, and especially decentralized planning, **requires adequate capacity at all levels**. Here I am referring not only to capacity for various aspects of planning such as evidence-based policy making, plan formulation, project appraisal, implementation, data analyses, and monitoring and evaluation; but also capacity to effectively and constructively contribute (such as that required from the citizens) and capacity to provide oversight (such as that required from local khurals for local planning initiatives). I am glad to note that UNDP is supporting the country on all these aspects.

Ladies and Gentlemen,

It is clear that the topic is huge. There are many angles to discuss. But that is exactly why you are all here today. I congratulate the Ministry for taking on this very important task in reforming the policy, structure and practices around development planning. UNDP is with them in this process and will continue to support to ensure a successful outcome.

Before concluding I would like to thank all the participants today; the British Embassy in Mongolia for being a strong and reliable supporter of the Dialogue series; to the Ministry of Economic Development for hosting today’s event jointly, and especially to Minister Batbayar for his support to the Development Dialogue on this topic. We are looking forward to his strong push for getting a robust Development Policy and Planning Law passed through Parliament.

Thank you.