



# Integrated Country Strategy

---

---

## Mongolia

FOR PUBLIC RELEASE

**Table of Contents**

1. Chief of Mission Priorities ..... 2

2. Mission Strategic Framework ..... 4

3. Mission Goals and Objectives ..... 6

4. Management Objectives..... 11

## 1. Chief of Mission Priorities

Mongolia is a key partner in the Asia-Pacific region, and our shared priorities with Mongolia are fully aligned with the Administration's Indo-Pacific strategy. Mongolia's continued and enhanced sovereignty is in our national interest. We are strengthening Mongolia's independence through supporting its continued democratic development; facilitating strong, sustainable, inclusive economic growth; and strengthening our bilateral defense cooperation.

Formerly a de facto Soviet satellite, Mongolia chose in 1990 to become a democracy and embrace free-market economic principles. Its achievements since then have been impressive, but in a tough geopolitical neighborhood with alternative political models, Mongolia is under constant pressure to deliver positive results from reform efforts to its citizens. While voter turnout has declined from a peak of 98 percent in the 1990 presidential election that followed the "choice for democracy," Mongolia enjoys orderly transitions of power and electoral processes that are largely considered free and fair. Democracy continues to persevere in this unique country sandwiched between China and Russia -- the 2017 presidential elections saw not only the first electoral run-off but also the birth of a protest movement that called on citizens to submit a "white [blank] ballot." Although Mongolia's relatively young democratic political landscape, not yet 30 years old, continues to evolve, it is not without its problems, such as institutional weaknesses and widespread corruption. Mongolia is playing an ever more positive role on the international stage and we encourage the continued sharing of its experiences with other emerging democratic states. Ensuring Mongolia's democracy thrives for the benefit of its people and as a model for other countries is one of our top priorities.

Although its economy has stabilized due to the International Monetary Fund-led package and rising coal prices, Mongolia must continue to reform its economy, improve its business climate, and mitigate the impact of commodity-based cycles. Mongolia has the opportunity to serve as an economic model for other countries -- and we recognize the impact of its fiscal health on other shared goals. To reach its economic potential, Mongolia must continue to attract foreign direct investment and finance needed infrastructure, both of which would be advanced by adhering to international best standards and practices. We aim to help bolster growth and strengthen Mongolia's sovereignty by promoting reforms that will give Mongolia more economic choices. We will continue to encourage and support Mongolian government and private sector initiatives to improve the business, regulatory, and legal environment, expand U.S.-Mongolia trade and investment ties, and diversify the economy beyond Mongolia's vast mineral resources.

Militarily, Mongolia has proven a valuable partner that has assumed an outsized share of the burden for our common security goals. Its peacekeeping troops are universally respected and are deployed in some of the world's toughest spots, including South Sudan, and the government has pledged still greater support for UN peacekeeping operations. Mongolia has been an important contributor to coalition operations in Iraq, where it was with us almost from the start, and Afghanistan, where we welcome its continued presence. Strengthening Mongolia's peacekeeping capacity and working with the Mongolian Armed Forces to further military reform, education, and professionalism are other priorities.

The Mongolian people are receptive to U.S. values, messages, and practices, including in the military, education, and business spheres. A widespread demand for English language training and instruction demonstrates Mongolians' inclination to look beyond their two neighbors for new ideas in line with their democratic system and provides an opportunity for increased public diplomacy interaction with the population. A strong and active U.S. alumni network harnesses genuine sentiments of goodwill toward the United States among and beyond participants in U.S. exchange and educational programs. For our part, we are committed to utilizing U.S. government and private sector resources to strengthen Mongolia's democracy, enhance its economic vitality, and bolster its contributions to regional and global peace and security.

## 2. Mission Strategic Framework

**Mission Goal 1:** Support continued development of democratic institutions, governance capacity, and like-minded partners in Mongolia.

**Mission Objective 1.1:** Increase rule of law and governance capacity to strengthen democratic government institutions and counter malign influence.

**Mission Objective 1.2:** Broaden exposure to U.S. democratic systems and values to foster like-minded partnerships and advance American influence.

**Mission Goal 2:** Enhance the investment climate and expand bilateral trade and investment to facilitate strong, sustainable, inclusive economic growth and create American jobs.

**Mission Objective 2.1:** Improve Mongolia's investment climate for U.S. businesses through increased transparency, reduced corruption, and adherence to international-standard regulatory, environmental, and business best practices.

**Mission Objective 2.2:** Amplify commercial opportunities, improve market research and advocacy, and facilitate market entry to spur U.S. exports and investments in Mongolia and promote American job creation.

**Mission Goal 3:** Strengthen U.S.-Mongolia political, security and defense cooperation to protect the U.S. homeland and citizens, combat transnational threats, and advance shared goals for regional and international peace and security.

**Mission Objective 3.1:** Bolster political and economic sovereignty to enable Mongolia's partnership in a free and open Indo-Pacific.

**Mission Objective 3.2:** Enhance defense interoperability and capacity to advance American interests worldwide.

**Mission Objective 3.3:** Strengthen Mongolia's capacity to comply with best practices and standards to facilitate safe, lawful international travel and protect the U.S. homeland.

**Management Objective 1:** Leverage the results of the NEC alternative analysis for resources to provide a safe and healthy working environment and an appropriate platform for the interagency.

**Management Objective 2:** Strengthen the management platform through creation of a critical FTE and recruitment of quality candidates to enable the Mission to focus on longer-term management objectives.

### 3. Mission Goals and Objectives

**Mission Goal 1 Support continued development of democratic institutions, governance capacity, and like-minded partners in Mongolia.**

**Description and Linkages:**

The National Security Strategy (NSS) encourages aspiring partners like Mongolia to champion American values to create a world that supports American interests and reflects our values which make America more secure and prosperous. Mongolia is an aspiring partner aligned with U.S. interests that is committed to tackling its economic and political challenges and shares our respect for sovereignty and rule of law. Therefore, the mission will help Mongolia realize its potential as a prosperous and sovereign state accountable to its people. Furthermore, the mission will empower reform-minded governments, people, and civil society to respond to mutual threats.

The Joint Strategic Plan (JSP) also calls for our partner countries' defense, law enforcement, and justice sectors to build and strengthen their institutional counterterrorism and other related capabilities, while reinforcing critical stabilization goals that make such efforts sustainable. Specifically, the JSP endeavors to use the U.S. Department of State's comprehensive anti-corruption programs to build the capacity of foreign law enforcement to combat corruption.

**Mission Objective 1.1 Increase rule of law and governance capacity to strengthen democratic government institutions and counter malign influence.**

**Justification:** Mission support of the continued development of democratic institutions, governance capacity, and like-minded partners will strengthen Mongolia's burgeoning democracy, increase rule of law, and enhance its investment climate, which in turn will bolster Mongolia's national sovereignty. Improvements to Mongolia's democracy will not only improve the lives of its citizens, thereby sustaining support for democracy, but also serve as an inspirational role model for other newly democratic states.

**Mission Objective 1.2 Broaden exposure to U.S. democratic systems and values to foster like-minded partnerships and advance American influence.**

**Justification:** The continued growth of bilateral people-to-people ties among decision-makers and thought-leaders will bolster shared values of democracy, rule of law, and human rights and help ensure Mongolia's long-term commitment to democracy. USG-funded exchange and study programs, such as USAID democracy and governance programs, as well as Peace Corps programs play a critical role in enhancing values that are in line with U.S. policy. Department of

Defense-funded school building projects help strengthen the Mongolian education system and promote a continued favorable orientation towards the United States. Public diplomacy tools and techniques are essential to the creation of a Mongolian public that understands U.S. values and policies, and thereby appreciates the benefits of partnering with the United States in a range of areas.

**Mission Goal 2 Enhance the investment climate and expand bilateral trade and investment to facilitate strong, sustainable, inclusive economic growth and create American jobs.**

**Description and Linkages:**

The National Security Strategy (NSS) promotes free, fair, and reciprocal economic relationships. The Joint Strategic Plan (JSP) calls for advancing bilateral relationships to secure commercial opportunities and foster investment and innovation to contribute to U.S. job creation. Moreover, the JSP seeks to support market-oriented economic and government reforms in partner countries, including the protection of intellectual property. The NSS also calls for partner countries to reduce barriers and attain universal energy access, which, as highlighted in the JSP, will increase energy security and access to diversified, affordable, and reliable energy sources. To combat corruption, the NSS and JSP call for strengthening partner countries' anti-corruption capacities and increased anti-corruption training and anti-corruption measures.

Recognizing U.S. global leadership on agriculture, the JSP promotes inclusive and sustainable agricultural-led economic growth. The Department also encourages improvements to corporate governance, technology sharing, capital formation, and abuse-resistant financial systems to help small business and high-growth potential entrepreneurs grow and integrate into international markets. Moreover, the JSP seeks to promote U.S. pollution control technologies to support innovative approaches to climate resilience and work to increase the availability and sustainable management of safe water and sanitation.

**Mission Objective 2.1 Improve Mongolia's investment climate for U.S. businesses through increased transparency, reduced corruption, and adherence to international-standard regulatory, environmental, and business best practices.**

**Justification:** Volatile global commodity prices and successive governments' policy missteps have significantly undermined Mongolia's economic growth and weakened its investment climate, leading to a collapse and limited revival of foreign direct investment (FDI). Significant improvements in transparency and technical capacity will serve to rebuild investor confidence and attract U.S. and other FDI needed to support economic diversification, sovereignty, and improvements in education, infrastructure, and social programs. Technical assistance will be



targeted at professionalizing the Mongolian government and providing a welcoming commercial environment for U.S. businesses.

**Mission Objective 2.2 Amplify commercial opportunities, improve market research and advocacy, and facilitate market entry to spur U.S. exports and investments in Mongolia and promote American job creation.**

**Justification:** Despite significant mineral resource endowments and its proximity to growing regional markets, Mongolia has suffered from weak economic growth. Foreign direct investment of capital and technical know-how is critical to diversify the Mongolian economy, overcome its reliance on the mining sector, and create the jobs and wealth that in turn will stimulate demand for U.S. goods and services. To attract this investment, Mongolia needs to improve its infrastructure, achieve its goal of energy security, and develop its financial sector, all in a way that intelligently balances economic development with environmental protection. Increasing capital investment needs, growing and unmet consumer demand, and a natural inclination to buy American goods make for commercial opportunities for U.S. firms. Shaping the legislative, investment, and business climates will protect U.S. interests, foster free-market solutions and regional economic connectivity, and bolster Mongolia's economic sovereignty.

**Mission Goal 3 Strengthen U.S.-Mongolia political, security, and defense cooperation to protect the U.S. homeland and citizens, combat transnational threats, and advance shared goals for regional and international peace and security.**

**Description and Linkages:**

The Joint Strategic Plan (JSP) aims to increase capacity and strengthen resilience of our partners and allies to deter aggression, coercion, and malign influence by state and non-state actors. The National Security Strategy (NSS) identifies defending the homeland by countering the proliferation of weapons of mass destruction, including by addressing porous borders. Furthermore, the JSP and NSS also call for work with partner countries to detect and contain bio threats at their source and to build partner countries' capacities to address transnational organized crime and dismantle transnational criminal organizations (TCOs). Specifically, the JSP states law enforcement capacity building programs are the bedrock on which we strengthen partnerships to counter TCOs. The Department of State seeks to improve partner countries' capability to track and report financial flows. In addition, the JSP seeks to significantly increase international cooperation to secure stable cyberspace and strengthen partner country capacity to detect, deter, rapidly mitigate, and respond to international cyber threats and incidents. To project American values and leadership, the JSP calls for preventing the spread of disease and providing humanitarian relief.

The JSP identifies the Global Health Security Agenda as a multilateral and multi-sectoral approach to strengthen capacities to prevent, detect, and respond to infectious threats and public health emergencies of international concern. The JSP also calls for working with partner countries to counter wildlife trafficking.

**Mission Goal 3 advances both the NSS priority to secure U.S. borders and territory and JSP objectives to strengthen U.S. border security and protect U.S. citizens abroad.**

**Mission Objective 3.1 Bolster political and economic sovereignty to enable Mongolia's partnership in a free and open Indo-Pacific.**

**Justification:**

Following the identification by the Financial Action Task Force's Asia/Pacific Group in 2017 of Mongolia's deficiencies in overseeing its financial system, Mongolia has exerted significant effort to improve its capacity to combat money laundering and terrorism financing. Mongolia is increasingly intent on improving its health security, particularly given the threat of trans-boundary animal and plant diseases. It is also intent on securing its borders to prevent the illicit transit of goods, animals, and people, while allowing for legitimate travel and trade. Finally, Mongolia is increasingly aware of how its susceptibilities to cyber attacks creates vulnerabilities to transnational actors. Bolstering the government's capacity in these areas is in line with our own national interests of safeguarding U.S. borders.

At the same time, Mongolia is prone to natural disasters such as earthquakes, droughts, and floods. Its remote location, size, lack of infrastructure, and extreme weather exponentially complicate any disaster response activities. The Mongolian Armed Forces (MAF) play a key role in Mongolia's overall disaster response strategy. The National Emergency Management Agency (NEMA) manages daily disaster preparedness and is the government's lead for coordinating interagency disaster response activities, while MAF general staff has been designated as the interagency lead for national defense. While the agencies coordinate well in the provinces, the coordination among headquarters elements still requires improvement. Continued support for training and exercises that strengthen the interagency process and incorporate more multinational participation will improve the government's overall capability to respond effectively to national crises. Bolstering MAF and NEMA specialized humanitarian assistance and disaster response capabilities will be important components of this effort, as the MAF has an almost non-existent airlift capacity and limited engineering and medical assets. Building a strong domestic capacity is critical, as any international response to a disaster likely will be slow to arrive.

**Mission Objective 3.2 Enhance defense interoperability and capacity to advance American interests worldwide.**

**Justification:** In 2015, the Mongolian government expanded its defense infrastructure to make four organizations part of the State Military Establishment: Mongolian Armed Forces (MAF), General Authority for Border Protection, National Emergency Management Agency (NEMA), and MAF Reserve Forces. Together, these organizations protect Mongolian sovereignty and territorial integrity while responding to disasters, terrorism, and other threats. Because Mongolia is a proven exporter of security through United Nations peacekeeping and various U.S. Coalition operations since 2003, investments in Mongolian defense interoperability and capacity directly improve U.S. security. The MAF use peacekeeping operations to keep their forces trained and experienced, which translates to a stronger overall defensive capability. Cooperation to develop peace support operations, institutions and personnel, air mobility, and humanitarian assistance and disaster relief, will significantly improve Mongolian defense capacity which can be used internationally to further U.S. objectives.

**Mission Objective 3.3 Strengthen Mongolia's capacity to comply with best practices and standards to facilitate safe, lawful international travel and protect the U.S. homeland.**

**Justification:** Reducing visa overstays and visa application fraud, ensuring the integrity of foreign travel documents, prosecuting human smugglers and traffickers, reducing the prevalence of child kidnapping, promoting intercountry adoption as a viable option for orphans and other vulnerable children, and securing the U.S. homeland are all top administration priorities.

## 4. Management Objectives

**Management Objective 1 Leverage the results of the New Embassy Compound (NEC) Alternative Plan analysis for resources to provide a safe and healthy working environment and an appropriate platform for the interagency.**

**Justification:** Embassy Ulaanbaatar requires an appropriately safe, healthy, secure, visible, and operationally capable facility from which to operate. The current facility does not meet all of these requirements. In January 2018 the Bureau of Overseas Building Operations (OBO) agreed to place Ulaanbaatar into the NEC Alternative Plan program. Post provided OBO with robust, contextual, and detailed information so that it could conduct a thorough analysis of all options available (NEC, commercial lease, stay in place, etc.) and provide a written recommendation.

**Management Objective 2 Strengthen the management platform through creation of a critical Full Time Equivalent (FTE) position and recruitment of quality candidates to enable the Mission to focus on longer-term management objectives.**

**Justification:** Mission staff continues to increase, above and beyond the 40 percent over the past five years listed in the previous ICS, and the management platform put in place more than 10 years ago has not kept pace. The Management Officer position cannot appropriately carry out the daily activities of the Financial Management section, which has a budget of more than \$7 million; the Human Resources section, which serves 45 U.S. Direct-Hires (USDH), three Eligible Family Members, 175 Locally Employed staff, and a large and constant cadre of long-term Temporary Duty personnel; and the Management section, which oversees the activities of the Community Liaison, General Services, Facilities Maintenance, the Health Unit, and Information Resource Management offices. The embassy's strategy continues to be to add at least one additional USDH Financial Management/Human Resources Officer (FMO/HRO) to support current and projected staffing needs, and to better guard against waste, fraud, and mismanagement.

Additionally, the Mission must recruit skilled and appropriately experienced personnel to fill its non-entry-level positions in the Management section. By combining full transparency in the recruiting process – both at the post and bureau levels – with uniquely qualified candidates for the specific positions at this challenging post, the Management Officer will gain the ability to delegate more appropriately and to focus on the section's long-term planning.