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### **General and complete disarmament: Mongolia's international security and nuclear-weapon-free status**

## **Mongolia's international security and nuclear-weapon-free status**

### **Report of the Secretary-General\*\***

#### *Summary*

Pursuant to General Assembly resolution 57/67, Member States were invited to continue to cooperate with Mongolia in taking the necessary measures to consolidate and strengthen Mongolia's independence, sovereignty and territorial integrity, the inviolability of its borders, its economic security, its ecological balance and its nuclear-weapon-free status, as well as its independent foreign policy.

In the same resolution, the Secretary-General and relevant United Nations bodies were requested to continue to provide assistance to Mongolia in taking the necessary measures in this regard.

The present report contains an account of new developments and the assistance accorded to Mongolia by the Secretariat and relevant United Nations bodies since the issuance of the last report on this subject in 2000 (A/57/159). During the reporting period, the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific held a series of informal consultations on ways and means whereby Mongolia could achieve recognition of its nuclear-weapon-free status at the international level. In this regard, the following options have been identified by Mongolia: (i) conclusion of a legal instrument on Mongolia's nuclear-weapon-free status with its two immediate neighbours — China and the Russian Federation — with a separate protocol to be signed by the five nuclear-weapon States; and (ii) international recognition and institutionalization of its nuclear-weapon-free status through the creation of an international custom on the status.

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\* A/59/150.

\*\* The document was submitted late to the conference services without the explanation required under paragraph 8 of General Assembly resolution 53/208 B, by which the Assembly decided that if a report is submitted late, the reason should be included in a footnote to the document.

During the reporting period, the Department of Economic and Social Affairs and the United Nations Development Programme (UNDP) undertook two studies, respectively, on the economic vulnerabilities and human security in Mongolia and on the ecological vulnerabilities and human security in Mongolia. The findings of these studies are contained in the present report. Furthermore, the Office for the Coordination of Humanitarian Affairs and UNDP have been engaged in assisting Mongolia to improve its capacity to respond to natural disasters.

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## **I. Introduction**

1. By its resolution 57/67 of 22 November 2002, entitled “Mongolia’s international security and nuclear-weapon-free status”, the General Assembly invited Member States to continue to cooperate with Mongolia in taking the necessary measures to consolidate and strengthen Mongolia’s independence, sovereignty and territorial integrity, the inviolability of its borders, its economic security, its ecological balance and its nuclear-weapon-free status, as well as its independent foreign policy. It requested the Secretary-General and relevant United Nations bodies to continue to provide assistance to Mongolia in taking the aforementioned necessary measures. It also requested the Secretary-General to report to the Assembly at its fifty-ninth session on the implementation of the resolution. The present report is submitted in compliance with that request.

## **II. Activities related to Mongolia’s nuclear-weapon-free status**

2. Since the submission of the last report of the Secretary-General on this subject (A/57/159), the United Nations Department for Disarmament Affairs, through its Regional Centre for Peace and Disarmament in Asia and the Pacific, has continued to provide Mongolia with assistance to take the necessary measures in consolidating and strengthening its nuclear-weapon-free status.

3. In that connection, the Centre held a series of consultations with Mongolia, the five nuclear-weapon States and other interested States on ways and means to strengthen Mongolia’s nuclear-weapon-free status. To further international recognition and institutionalization of its nuclear-weapon-free status, the following options were being considered by Mongolia: (i) conclusion of a legal instrument on Mongolia’s nuclear-weapon-free status with its two immediate neighbours — China and the Russian Federation — with a separate protocol to be signed by all five nuclear-weapon States; and (ii) international recognition and institutionalization of its nuclear-weapon-free status through the creation of an international custom on the status.

4. Mongolia believes that the first option is the most suitable and practically implementable. In this respect, Mongolia presented, in February 2002, the draft “Basic Elements of a Treaty between Mongolia, the People’s Republic of China and the Russian Federation on Mongolia’s Nuclear-Weapon-Free Status”. China responded positively to the idea of concluding a treaty among the three States. On the occasion of the visit of the President of Mongolia to China on 6 July 2004, the two countries signed a joint statement which, inter alia, stated, “... the two sides believed that Mongolia’s nuclear-weapon-free status was useful for strengthening regional stability. The Chinese side expressed its support for Mongolia’s efforts to secure this status ...”. Russia also expressed informally its readiness to resume consultations on the issue of concluding a trilateral legal instrument on Mongolia’s nuclear-weapon-free status.

5. Another option to be pursued by Mongolia in parallel with the first option will be to seek to have its nuclear-weapon-free status recognized and institutionalized at the international level. Mongolia believes that a new international custom on its nuclear-weapon-free status could be created through continued and consistent references made by international organizations in support of such a status in their

relevant documents. In this respect, Mongolia feels that it is important to develop, in collaboration with legal experts and analysts, the exact wording and form of reference to be used in such documents that would serve as a proof of the emergence of a new international custom on its nuclear-weapon-free status.

### **III. Non-nuclear aspects of Mongolia's international security**

6. In response to a request from the Government of Mongolia, the Department of Economic and Social Affairs, with the support of the United Nations Resident Coordinator and the United Nations Development Programme (UNDP) Mongolia Country Office in Ulaanbaatar, undertook a scoping mission to Mongolia in June 2002 with the objective to map out the process of developing the proposed studies on economic and ecological vulnerabilities and to outline their possible content. A consultative meeting with the Permanent Mission of Mongolia to the United Nations, UNDP, the Department of Economic and Social Affairs, the United Nations Environment Programme (UNEP), the Department of Public Information, the Department of Political Affairs, the United Nations Office for the Coordination of Humanitarian Affairs and the International Atomic Energy Agency was organized in January 2004 by the United Nations Regional Centre for Peace and Disarmament in Asia and the Pacific. It was agreed that the Department of Economic and Social Affairs and UNDP would assist Mongolia in strengthening its international security by undertaking the two studies on economic vulnerabilities and ecological vulnerabilities.

#### **Economic vulnerabilities and human security in Mongolia**

7. The Department of Economic and Social Affairs undertook a mission to Mongolia from 24 May to 5 June 2004 in order to prepare a study entitled "Economic vulnerabilities and human security in Mongolia". The mission held meetings with, among others, the United Nations Resident Coordinator and representatives of the UNDP Mongolia Country Office in Ulaanbaatar, the Ministry of Foreign Affairs, the Economic Standing Committee of Parliament, the Ministry of Finance and Economy, the Ministry of Industry and Trade, the National Security Council, the National Statistical Office, the Central Bank of Mongolia, the Mongolian National University, the Mongolian Academy of Science, opposition leaders, representatives of the United Nations Population Fund, the World Bank and research institutes and non-governmental organizations.

8. The study covered: (i) the macroeconomic performance of Mongolia; (ii) relevant institutional aspects; (iii) Mongolia's competitiveness; (iv) poverty and inequality in Mongolia; (v) disparities in urban and rural development; (vi) environmentally sound approaches to Mongolia's development, (vii) prospects for subregional and regional integration; and (viii) the Mongolian model of economic development. While the ecological and environmental challenges of Mongolia were examined in detail in a UNDP companion study, the Department of Economic and Social Affairs study examined economic challenges and vulnerability from a sustainability angle, which subsumes effects of economic activity on the environment, and the concern for ensuring that natural endowments are not depleted but remain for the use of future generations. The core purpose of this study therefore was to document and analyse in depth and in a holistic way the economic, social, human, environmental and related vulnerabilities in Mongolia.

9. The major findings and recommendations of the study are as follows:

*Growth and sustainable development*

- The most important vulnerability issue for Mongolia is how the economic, social and environmental vulnerabilities will evolve with the high growth rates projected by the Government, based on an expansion of copper, gold and cashmere production — in particular, what that expansion means for employment, income distribution, and the environment
- A key economic vulnerability of Mongolia is the price volatility of gold and copper as well as cashmere, which will affect the future growth of gross domestic product. In the study, it was argued that it is important that the prosperous times, generated by exports of such commodities as gold and copper, are used as an opportunity to provide the kind of economic and social investments, rather than consumption, whose benefits can stretch well into the future
- There is a need to devise a further contingency strategy for the eventuality of a commodity price collapse. The windfall increase in government revenue from a commodity price increase should be treated as an opportunity to set aside funds in a reserve rather than as an assured growth in national revenue or a platform for current consumption
- National disaster preparedness is a clear response to the many natural vulnerabilities that Mongolia faces and is the subject of considerable international cooperation. As a domestic response, the National Disaster Management Agency (NDMA) was created in January 2004. This can be regarded as a positive development, in a move away from civil defence to disaster preparedness and management, including how to deal with the dzud (a Mongolia-specific winter disaster caused by a combination of summer drought and early and heavy snowstorms with temperatures falling further below average)
- The Government and the new NDMA, in particular, may wish to consider for inclusion in their top national priorities the use of technologies for emergency shelters and supplies for human beings and animals in the event of another dzud. Creation of an international disaster fund for dzud relief might be considered

*Development finance*

- Official development assistance (ODA) has served as a shock absorber and has taken up some of the burden that was borne by Mongolia prior to 1990, with the assistance received from the former Soviet Union
- Servicing ODA provides a well-remunerated occupation for educated Mongolians and is likely to be so for the immediate future. The secondary benefits that accrue from learning about ODA and the procedures and management styles of donors can help Mongolia to develop its own advisory services in ODA and project management
- The study flags three important issues related to domestic savings which the Government may wish to examine further: (i) the need for accurate reporting

of savings in kind; (ii) the need to mobilize private savings in rural areas; and (iii) the spread between lending and borrowing rates, which is usually biased against the small savers

#### *Industrial development*

- Mongolia may wish to compensate its deindustrialization, the closure of many of its industrial enterprises as a result of foreign competition, with new productive activities outside the primary sector, because the primary sector is ecologically fragile and cannot in the long term easily support the 6 per cent or higher growth rates required to attain the Millennium Development Goals
- Mongolia may wish to make full use of its quota-free access to the textile markets of the United States and the European Union. Incentives should be provided, within the rules of the World Trade Organization (WTO), to cashmere producers to enable them to compete with foreign producers who enjoy lower interest rates
- Mongolia may wish to make full use of the flexibility it currently enjoys under WTO rules to impose selective protective tariffs for industries in which it is competitive and to maintain them low or eliminate them for products in which it has no local industry or in which it could not be competitive

#### *Service sector development*

- Mongolia may wish to make use of its highly qualified workforce to develop “weightless” information and knowledge-based industries. These industries can absorb a greater number of young workers who are otherwise absorbed in servicing ODA
- With proper incentives, Mongolian engineering and consultancy firms should be able to compete for international contracts
- The study considers that the Government would need further assistance and support in strengthening its negotiating capacity to deal with the international trade and financial institutions, inter alia, the World Bank, the International Monetary Fund and WTO

#### *Mongolia in international groupings*

- Pursuing South-South cooperation and seeking assistance from new ODA donors can prove to be very important avenues for international cooperation for Mongolia. The Government may wish to utilize the landlocked developing countries category of the United Nations for this purpose and to strengthen economic and technical cooperation links with developed landlocked countries
- Foreign direct investment increases Mongolia’s security by providing a greater variety of international partners with an economic stake in the progress of the country
- Mongolia may also wish to develop world-class environmental standards, with the help of UNEP and counterpart environmental agencies in the home countries of major investors

- This study has flagged the need to improve sustainable forestry management to counteract the deforestation that has occurred since the 1990s
- With respect to issues related to transit countries, the trilateral agreement among Mongolia and its neighbours, China and Russia, which is currently negotiated actively by Mongolia, with the advisory services of various United Nations entities, including the United Nations Conference on Trade and Development and the Economic and Social Commission for Asia and the Pacific, is one that can prove to be a model to other landlocked developing countries

10. The analysis of the present study has confirmed that, on balance, the economic, social and environmental vulnerabilities in Mongolia have increased significantly since 1990, notwithstanding all the policy reforms undertaken. There is good legal and administrative infrastructure in place to deal with these vulnerabilities. Facing those challenges, as it is widely appreciated, is a task primarily for the national Government. However, the international community needs to maintain its strong commitment to partnering with Mongolia and not using the recent rise in economic growth rates as a reason to turn their interests and financing elsewhere. As it has been pointed out, the growth is based on a fragile economic, social and environmental base that requires careful attention from policy makers and their international partners. It is only with the joint national and international approach exemplified by the Millennium Development Goals and the Monterrey Consensus that Mongolia will be able to address successfully its many vulnerabilities and eventually achieve human security for all Mongolians.

#### **Ecological vulnerabilities and human security in Mongolia**

11. UNDP has undertaken close cooperative efforts with the Government to review and address the economic and ecological vulnerabilities of Mongolia, pursuant to the current UNDP Country Cooperation Framework for Mongolia (2002-2006) as well as General Assembly resolution 57/67.

12. Fully taking into account Mongolia's political and economic transition and also its unique geographic and environmental status, UNDP has focused on democratic governance, economic transition and poverty reduction, and sustainable natural resource management in the aforementioned Country Cooperation Framework. These three main thrusts are intertwined so as to promote equitable and sustainable development of the country and assist in achieving the Millennium Development Goals by 2015.

13. Regarding democratic governance, UNDP has assisted in programmes aimed at improving the accountability, transparency and responsiveness of the Government and other parties so that the improved governance will ensure equitable economic development and prudent management of natural resources. Main UNDP projects from 2002 to 2004 include support to the Government's Good Governance for Human Security programme, capacity development of the National Human Rights Commission of Mongolia and strengthening of the Parliament. Based on the discussions at the donors' Consultative Group Meeting, held in Tokyo in November 2003, a new programme for aid coordination has been developed as well.

14. In the area of economic transition and poverty reduction, UNDP has focused on strengthening the analytical capacity of the Government through the

establishment of a Poverty Research Group in the Ministry of Finance and Economy, gender-sensitive budgeting and HIV/AIDS prevention. UNDP also supported the Government in launching the 2003 National Human Development Report, which sheds light on deepening inequalities and disparities between urban and rural areas and thereby advocates pro-poor growth and balanced development. The UNDP study on Mongolia's ecological vulnerabilities suggested that more investment is needed by the Government, municipalities and donors to reduce urban poverty. In order to help exchange experiences of and acquire comparative perspectives on important lessons learned in transition economies over the past two decades across the regions, UNDP invited the delegation of the Mongolian Government to the high-level International Policy Conference on Transition Economies, organized by UNDP in Hanoi on 31 May and 1 June 2004, which was attended by some 200 participants, including senior officials, professors, policy makers, representatives of the mass media and researchers from Asia, the countries members of the Commonwealth of Independent States and countries of Central and Eastern Europe.

15. Sustainable natural resource management has been the biggest portfolio of the UNDP Country Office in Ulaanbaatar. Since Mongolia's recent economic growth and sources of livelihood for the poor have been drawn primarily from natural resource extraction, UNDP has concentrated its assistance on institutional building and research aimed at providing the basis for policy formulations and implementations regarding natural resource management. UNDP biodiversity programmes undertaken in the eastern steppes, Gobi and Altai-Sayan regions cover the three ecological zones of Mongolia. The Sustainable Grassland Management project intends to improve pastureland management for better breeding of pastoral livestock, which has been Mongolia's principal and traditional agricultural sector. The energy-efficiency housing project is intended to protect Mongolia's environment through advocating both to public and private sectors innovative technology and construction methods to reduce carbon dioxide emission. Furthermore, to assist with tackling extraordinary development challenges that Mongolia faces owing to its climate and topography, particularly to reinforce its preparedness against the dzud, UNDP has initiated a disaster management project.

16. The study on "Ecological Vulnerabilities and Human Security in Mongolia" was conducted, funded and supported by the UNDP Mongolia Country Office in Ulaanbaatar. The study was chiefly undertaken by an international expert in collaboration with a national consultant. The team had extensive consultation and discussion with a number of line ministries, local governors, university professors, researchers, bilateral and multilateral donors and civil society organizations. The team further conducted site-visits to pastoral areas, gold mine areas, forests and reforested areas, solid waste disposal sites, ger (nomadic dwelling) neighbourhoods, and various other locations throughout the country.

17. The study has identified ecological security issues that affect Mongolia's present and future. Those natural resource and environmental management concerns range from air and water pollution to solid and hazardous waste, harsh climate and recent climate change, natural disasters, deforestation and desertification, loss of biodiversity, land degradation and the lack of Government's capacity effectively and efficiently to formulate, implement and enforce ecological regulations and policies. The report relates Mongolia's ecological vulnerability concerns to the pressure on the natural environment created by the Mongolian economy. Continuation of the



traditional reliance on dispersed animal husbandry based on the fragile natural grassland and the recent surge in mining activities may not be compatible with environmental sustainability.

18. The recommendations to the Government proposed in the study include the establishment and operationalization of a legal and financial framework to guarantee sustainable management of water, pasture, land, forests and other natural resources, implementation of the “polluter pays” principle, regional and international cooperation on climate change, environment-friendly mining, an improved response to natural disasters, raising awareness about energy conservation and proper management of waste. This report was refined, incorporating feedback from a wide range of stakeholders, domestic and international, as well as from other United Nations agencies, including the Department of Economic and Social Affairs and UNEP.

### **Natural disaster response capacity of Mongolia**

19. Mongolia is prone to a variety of natural disasters, i.e. the dzud, flash floods, sand and snow storms and earthquakes. The effect of these disasters is exacerbated by the extreme climate in the country, i.e. winter temperatures reaching  $-40^{\circ}$  C in Ulaanbaatar — where more than one third of the country’s population resides. The Office for the Coordination of Humanitarian Affairs and UNDP have been engaged in assisting the Government of Mongolia to improve its capacity to respond to natural disasters. Of note is the UNDP project which assisted in the enactment of a new disaster management law in June 2003 and the creation of the National Disaster Management Agency (NDMA) earlier this year. After NDMA was established under the Office of the Prime Minister, the Government of Mongolia requested the Office for the Coordination of Humanitarian Affairs to send a United Nations Disaster Assessment and Coordination (UNDAC) team to analyse the entire disaster response system in the country and recommend ways of improving it. The 10-member UNDAC team, composed of emergency management experts from the Office for the Coordination of Humanitarian Affairs, China, Japan, the Netherlands, the Philippines, Sweden, Switzerland and the United Kingdom, was in Mongolia from 27 June to 10 July 2004 and met with representatives of all concerned government departments, United Nations agencies, the Mongolian Red Cross, non-governmental organizations, the World Bank, donors, such as the Japan International Cooperation Agency and the United States Agency for International Development as well as the city government of Ulaanbaatar. It also made field visits to the aimags (provinces) of Darkhan, Bulgan, Uvs, Uvurkhangai and Bayanhongor.

20. The UNDAC team observed that though much attention was given to the incidence of the dzud in Mongolia, the most problematic natural disaster conceivable would be an earthquake in Ulaanbaatar in winter in which the power plants supplying the city would be damaged. Owing to the extremely low temperatures ( $-40^{\circ}$  C) and Mongolia’s very limited capacity for urban search and rescue activities, a large number of casualties is possible. Such a scenario would require rapid and immediate international assistance, especially from international urban search and rescue teams. To prepare for such an eventuality, Mongolia needs to be involved with the International Search and Rescue Advisory Group (INSARAG) Asia-Pacific regional group as soon as possible (the Office for the Coordination of Humanitarian Affairs is the secretariat for INSARAG). Before the UNDAC team left Mongolia it submitted a report entitled “UNDAC Mission to

Mongolia, Assessment of National Disaster Response Capacity, 27 June-9 July 2004” to the Government of Mongolia and the United Nations Resident Coordinator, which covers the entire spectrum of disaster management in Mongolia. In the report, the UNDAC team had discussed the national legal and governmental framework for disaster response, the National Disaster Management Agency, national and local disaster response capacity, disaster contingency planning, monitoring, damage assessment and needs analysis capacity and public awareness and education. The report contained 33 specific recommendations and a suggested time frame for their implementation. In a letter to the Under-Secretary-General for Humanitarian Affairs and Emergency Relief Coordinator dated 20 July 2004, the Prime Minister of Mongolia expressed his appreciation for the UNDAC mission and the report. He stated, furthermore, that the recommendations contained in the report were “well thought through and practical” and that the Government of Mongolia looked forward to implementing them “at the earliest”.

#### **IV. Conclusion**

**21. As described above, Mongolia’s nuclear-weapon-free status, as well as its other efforts to strengthen its international security, have met with wide international support. In this connection, the United Nations has extended its assistance to Mongolia for the promotion of its international security and its nuclear-weapon-free status. The Secretary-General hopes that the assistance provided by the United Nations will greatly contribute to the consolidation and strengthening of Mongolia’s nuclear-weapon-free status at the international level. The United Nations will continue to assist Mongolia in ensuring its nuclear-weapon-free status to be effective and recognized at the international level. Furthermore, the United Nations system as a whole in Mongolia will continue to assist the country in coping with economic and ecological vulnerabilities, especially those identified in the recent United Nations-led studies. The Secretary-General also hopes that the assistance provided by the United Nations will contribute to achieving sustainable development and balanced growth in Mongolia under political and economic transition, reinforcing Mongolia’s efforts at achieving the Millennium Development Goals. The Secretary-General welcomes support from the international community to strengthen the non-nuclear aspects of international security in Mongolia. The Secretary-General would also encourage Member States to utilize the INSARAG mechanism to assist Mongolia in building urban search and rescue capacity in Mongolia.**

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