

Special Feature:

From 'Brown' to 'Green': Sustainable Economic Development Principles for Mongolia

Below is an extract from the Mongolian National Chamber of Commerce and Industry's 2010 GREEN PAPER, a publication which provides a roadmap for Mongolian businesses to adopt the '3C' approach.

T o d a y in Mongolia, environmental problems are rising in line with strong economic growth, climate change and increased human activity. Poorly managed industry, the inefficient use of materials, low household incomes and over-expenditure from some parts of society are additional factors to these problems. Any given day, it can be clearly seen how our precious environment is continually tested and affected by human activity, how many rivers and lakes are dry due to nearby mining activity, and how many people are hospitalized due to a lack of clean and secure food.

This paper aims to attract attention from officials and citizens alike to these problems, and point to some possible solutions. Such solutions incorporate cleaner production principles, carbon trade possibilities (within CDM), wider use of energy efficient technologies and renewable energy.

A Development Dilemma

In Mongolia, over the coming years, we are facing a 'development dilemma': traditional natural resource-based development versus a green development agenda backed by a sustainable resource-based development program. Environment policy must be a major priority of the country's future development policy.

As Mongolia goes through massive economic and social transformations, dangers to its fragile ecosystems and natural resources are mounting. Like everywhere on Earth, Mongolia's environment is threatened by a number of interrelated problems that are on the brink of growing much



larger very fast. Similar to other transition economies in the former Soviet block, Mongolia's switch to a free market led to initial economic hardship and triggered such problems as over-hunting of endangered species, over-cutting of forest, overgrazing of pastureland and mining without environmental control. A decline in water resources also presents a significant issue.

The "3C" Initiative

These problems could be addressed through the framework of the '3C' initiative (Clean Environment – Clean Production - Clean Food).

Within the framework of implementing the Mongolian National Action Plan on Food Security, and the purpose of drafting a national action program which prioritises cleaner production practices, safer food, sustainable and clean products, the Mongolian National Chamber of Commerce and Industry (MNCCI) initiated the "GREEN-LABEL" and "GREEN BAR CODE" concept. The green label and bar code are issued to select products, which are manufactured to strict eco-friendly standards. The initiative aims to promote awareness of best technology practices, production processes, and to instill healthy food consumption practices amongst consumers and businesses.

In the 21st century, economic development is defined increasingly by its commitment to sustainable

development whilst protecting an ecological balance. Recognizing the importance of this movement, the MNCCI has initiated the Green Credit Guarantee Fund. In the last 2 years the Green Credit Guarantee Fund has

issued a total of 415.5 million Tugrik in loans to 8 business entities in the areas of fuel and energy efficiency, water purification, waste reduction, and recycling for a three-year period. Of these loans, 20-80% were offered through collateral guarantees of the fund's own assets. In addition, the Green Credit Guarantee Fund obtained 1 billion Tugrik in loans from the Government of Mongolia at a discounted loan rate in 2007, and has issued the loans to 13 SMEs on a preferential basis with a particularly low loan repayment rate.

Raising Public Awareness

The main objective of this green paper is to raise public awareness of environmental problems caused by the combination of fast economic growth, climate change and unregulated human activity. It also aims to highlight new sustainable business practices and industry policy that can address these growing concerns, while additionally presenting business opportunities in itself. Implementing a 3C approach, Mongolia can overcome such environmental problems while continuing to emerge as a strong free-market economy into the 21st century and beyond.

Editor's Note: A full copy of the 2010 GREEN PAPER is available upon request. Please contact the MNCCI for more information through e-mail at chamber@mongolchamber.mn