RELATIONSHIP
BETWEEN MONGOLIA AND EUROPEAN UNION
TABLE OF CONTENTS

1. Introduction ...........................................................................................................................................3

2. Relations between Mongolia and European countries during the Cold War

   2.1. Relations between Mongolia and Socialist European countries...............................10
   2.2. Relations between Mongolia and the Western countries .............................................22

3. Relations between Mongolia, European Union and EU member states since 1989

   3.1. European Union ......................................................................................................................28
   3.2. Reforms in Mongolia ...............................................................................................................31
   3.3. Mongolia’s foreign policy reform and new concept.........................................................33
   3.4. Relations between Mongolia and European Union .........................................................37
   3.5. Relations between Mongolia and EU member states ......................................................48

4. Conclusion ............................................................................................................................................66

5. Bibliography .........................................................................................................................................68
1. Introduction

History of Mongolia proves the continuous efforts to revive its independence and to be sovereign and prosperous during the early 20th century. Moreover, Mongolia gives more importance to be recognized by foreign countries and to establish multilateral friendly relations and cooperation with them.

Mongolia has established foreign relations since 1921 with more than 150 countries at the embassy level through its institution in charge of foreign relations. During the 70 years of socialist system or until 1990, Mongolia implemented its foreign policy relaying on the policy of the Soviet Union. It is clear in its history of foreign relations that Mongolia has never been in lack of determination, wisdom and capacity to cooperate with foreign countries.

During the hostility between two different ideological systems of the World War, Mongolia developed its foreign policy under the influence, policy, actions and assistance from the Soviet Union.

Not long after the World War II, since the Berlin Wall was demolished in 1947 and during years of the continuation of the Cold War until 1989, the whole world was divided into two camps like the capitalist countries led by the USA and other countries and the socialist countries headed by the Soviet Union. Those nations competed with each other by their politics, economies, ideologies and weapons. They divided other countries, which are under their influences, to implement their foreign and domestic political strategies.

During the Cold War, the American political commentator and author said that “

“Two indications defined each country’s foreign strategy trend and its position: “Who of these two great countries has more rockets? What countries and whose side it is?”

However, Mongolia was not a closed country which had relations only with the Soviet Union. It joined the United Nations in 1961 and started developing diplomatic relations in 1950s with other socialist nations and having cooperation with developed nations in trade and other sectors. Mongolia’s major and leading foreign policy strategy was to retain its friendly relations with the Russian Federation despite of developing the close cooperation with China in the trade and economic sectors.

---

What is the Neighbor?

“As one put it” we do not choose our neighbors, but our soul mates”. By this historical fate, Mongolia is located between Russia and China and 80 years have passed since developing the cooperation with its neighbors after gaining the independence.

As a result of its accession to the United Nations, Mongolia added a new significant aspect to its foreign policy in order to strengthening its international status and expanding its activities. To note here, Mongolia which has the limited possibility to foster the significant mutual relations has been provided with opportunities to develop cooperation with the world nations in a great extent for the peace and development issues within the scope of this international organization. By using this opportunities, Mongolia participates in the activities which are organized by the United Nations as effectively as possible.

In the early 1990s, there was a new emerged situation in the foreign relations of Mongolia and it brought changes. Democratic revolution won in Mongolia as a result of the end of the Cold War and degradation of the socialist system. Thus, Mongolia rejected the old model and ideology of development and selected open, relatively independent and multilateral foreign policy in compliance with the common interest of the Mongolian people.

With Mongolians establishing a new equal ground for relations with its neighbor states, joining the community with other democratic countries and international economic and financial institutions, forming new relations with powerful and developed states, and sharing its common interest with other developing states, its foreign relations for development has expanded dramatically and the capacity in foreign relations reached the high level that never existed before, all of which can be substantiated through the facts considered above. Thanks to this, Mongolia ensured its national security and the solid basis from the perspective of foreign relations. It can be concluded that the foreign policy activities of the beginning of the democratic revolution or the 1990s’ account for all of that.

Why is the Third Neighbor’s foreign policy important?

While Mongolia is located in the northeast region of East Asia, its “third neighbor” foreign policy is poised to allow Ulaanbaatar to boost bilateral and multilateral diplomatic relations with other countries. As it is landlocked between two politically, economically, and militarily powerful nations — Russia and China, Mongolia’s third neighbor policy by no means will exclude these neighbors. Instead, the strategic policy framework intends to use a
soft-power approach to international relations as a *modus operandi* to tackle developing vital sectors such as education, science and technology, mining, and energy infrastructure.

Following Mongolia’s democratic revolution in 1990, the MPR was dissolved and a democratic Mongolia established. At this point, Mongolia’s foreign policy adapted quickly to the international reality, with an eye to ensuring the country’s continued independence and sovereignty. With the fall of the Soviet Union, Mongolia could distance itself from Moscow, but still had to tread carefully in its relationship with China. Recognizing that economic and political dependence on Moscow had cost Mongolia the ability to make autonomous policy decisions, Mongolia released its first *Concept of Foreign Policy and National Security Concept* in 1994\(^2\) with a distinct focus on balancing the influence of its two physical neighbors by developing deeper relations with other leading global powers. This policy has become widely known as the “Third Neighbor Policy”.

The term “Third neighbor” was first used by then U.S. Secretary of State James Baker in 1990, while commenting on the potential for U.S.-Mongolian relations.\(^3\) The term was almost immediately picked up by the Mongolian foreign policy elite, and re-worked to refer to a larger strategy on the part of Mongolia to balance the influence of its two real neighbors, the Russian Federation and the People’s Republic of China. Today the third neighbor policy has evolved and undergone significant changes, highlighting Mongolia’s adaptability. While the core concern is diversification of partners, the policy has undergone at least four distinct adaptations: democratization, proactive diplomacy, peacekeeping commitments, and economic interests.\(^36\) By closely cooperating with countries outside of its immediate geography, Mongolia seeks to diversify its allies, partners, investors, donors, and economy to ensure that it is not faced with a choice of only Russia and/or China. While the “third neighbor policy” may have started with the beginning of the National Democracy Mongolia had developed a new “Multi-support” foreign policy concept in 1994. The core of the “Multi-support” foreign policy will be the balance. It had implemented the foreign policy with equal distance with its neighbors like PRC and RF and other western big countries. In 2011 Mongolia made some micro regulation in its foreign policy concept implemented over the 20 years and accepted the western countries including the E.U and USA as “Third neighbor”.

---

\(^2\)See 1994 Concept of Mongolian Foreign Policy.

Deepening of ties with the United States, it ended with Mongolia cultivating relations with a far wider array of regional and extra-regional players.

Mongolia’s “Third Neighbor Policy” has proven to be the defining cornerstone of Mongolian foreign policy and security objectives. Mongolia’s foreign policy was later updated in 2010 further developing Mongolia’s multi-lateral and multi-directional policy. Specifically, the most recently released Concept of Foreign Policy, mentioned Japan, South Korea, India, the U.S., and various E.U. member countries (especially Germany, France, and the Czech Republic) as countries Mongolia was most eager to cooperate more fully with. Most notably, all of these countries have one important thing in common: they are all established and recognized democracies.

The year 2015 marked increasing diplomatic engagement for Mongolia in East Asia, the Persian Gulf, and even the Americas. Last year, the Mongolian Ministry of Foreign Affairs (MFA) turned the third neighbor policy into bilateral dialogues and agreements with a number of nations, including but not limited to Hungary, Iran, Brazil, the United States, and Japan.

How can a small country ambitiously participate in the international? What is the outcome of such participation?

Since 21st century has came, globalization has been expanded more and more, science and information technology has been rapidly developed, political and economic integration has broadened and interrelation between the countries has been improved a lot. International relations have changed dramatically in the second half of the last century. New development centers have created and their impact in the international relations tends to increase.

On the other hand, speed and level of development of countries increased more, while poverty, unemployment have not reduced in the countries with poor economies. Efforts of having nuclear weapons in certain countries and regions are still continuing. As well as the threats and challenges are increasing such as climate change, environmental degradation and international terrorism, human and drug trafficking, and infectious disease outbreaks. While Mongolia has been developing as the country with the market economy, which respects

---

4Vaishali Krishna (India). Mongolian Foreign Policy Implications for Russia and China. 71. (file:///C:/Users/mongol/Desktop/406-Article%20Text-1592-1-10-20150207.pdf)
5See 2010 Concept of Foreign Policy, Section II, Article 12b.
democracy, human rights and freedom, foreign affairs and cooperation has been expanded even more and number of people working and studying abroad has increased rapidly.

Mongolia is on the intensive development path to improve economic capacity using natural resources, increase employment and improve the living standards of the population.

Middle East crisis has deepened more and this crisis consequences spread out from the regional scope and number of the refugees reached more than the number during the World War II. It caused a bigger humanitarian crisis, embroiled the countries by causing political conflicts and it became one of the factors to build the foundation of increasing the threats of the terrorism.

World economic crisis is influencing in the social and political instability of the countries, therefore an effective and balanced economic development new model is required that fits current geo economic practical condition globally.

The trend of decomposing of some old integration structures and seeking a new integration structure is increasing. For instance, in one hand, actions being occurred in the framework of the European Union, regressing of some countries from the multilateral partnership, on the other hand, new development concepts such as new Silk Road, BRIKS, Eurasian Economic Association are developed and it approves it that they are running in the stage of active implementation.

New direction of international economic relations, which could bring a turnover in the world trade and economic relations, linked the East and West with the infrastructure called “One region-One road”, in this context the ideology of expanding world trade and economic relations, strengthened. There new financial institutions such as Silk Road Foundation, Asian Infrastructure Investment Bank are created to fund this work, and they started their activities. Thus many countries focused on it and some investment stream looks like to create new opportunities for the countries. Also Regional bigger countries such as India and Pakistan became members of the Shanghai Cooperation Organization /SCO/ and the scope of this organization expanded. The SCO has been working to strengthen regional economic cooperation in the scope of widening the realistic cooperation and it trends to expand more in the future.
Mongolia is pursuing the following direction in the implementation of the foreign polictical policy. Maintaining friendly relations with the Russian Federation, People's Republic of China shall be a priority directions of Mongolia's foreign policy activity.

Mongolia created a very favorable condition to strengthen the balanced relation in the foreign relations with its two neighbors, because Mongolia created a new mechanism to collaborate in the state leaders’ level based on the trilateral cooperation along with deepening the bilateral relations with its neighbors of RF and PRC.

Mongolia approved the Development Road program to reduce the road and transportation costs and it has been working to link it with bigger initiatives of the regional infrastructure. In this scope, the parties agreed to implement the Program to establish economic corridor of Mongolia-Russia-China.

However growth of the current positive and negative processes running in the worldwide in the foreign environment of Mongolia influencing directly and indirectly to it, but foreign relations is running in a positive environment. Our country had built diplomatic relations with 36 countries in the last 5 years, currently it has diplomatic relations with 186 world countries and the scope of the foreign relations expanded a lot whilst it linked with the third neighbor policy that is one of the priorities of foreign relations.6

Mongolia is able to make its contributions in the common interest of the regional and neighbor countries as a country with less direct impact on the world geopolitical and geo-economic current conflicts.

It said that in its foreign policy Mongolia shall uphold peace, strive to avoid confrontation with other countries and pursue a multi-base policy. While always championing its national interests, it will at the same time respect the legitimate interests of other countries and its partners. Mongolia will not interfere in the disputes between its two neighboring countries unless the disputes affect Mongolia’s national interests. It shall pursue a policy of refraining from joining any military alliance or grouping, allowing the use of its territory or air space against any other country, and the stationing of foreign troops or weapons, including nuclear or any other type of mass destruction weapons in its territory.

Therefore Mongolia shows that it is ready to develop diplomatic relations and consular relations with the principle of not joining any coalition, improve its relations level with the

---

influential countries, activate its activities in the international organizations and make contributions in solving global hot problems. Thus there are real needs to refresh the multilateral negotiation on the safety of Northeast and Southeast Asia, territorial conflicts of some regional countries, especially regarding the military, political and nuclear weapons issues of the Korean Peninsula, stop the arms-race issues in the region and eliminating the density.

From them important goal of our foreign policy is to ensure the safety and peace of Korean Peninsula, made an initiative “Ulaanbaatar Discussion” and performed many activities involving many regional countries. It also initiated many works in relation to becoming a member in the APEC (Asia-Pacific Economic Cooperation).

Also Mongolia organized a Summit of ASEM in 2016 in Ulaanbaatar city and it is big contribution of Mongolia at the world platform.\(^7\)

One more important direction of foreign policy of Mongolia is to collaborate with international financial institutions such as the UN and its affiliated organizations, International Monetary Fund, World Bank, Asian Development Bank. Therefore it is the priority of our foreign policy for Mongolia to send its armed forces to the peace-building activities of the UN and make contributions in the works of ensuring peace and safety.

In connection with this Mongolia made a ‘Memorandum of Understanding’ with the UN, and by fulfilling its responsibilities very well since 2002 and our 15000 soldiers performed their role excellent.

It shows that how small country such as Mongolia can play in the foreign environment from its initiatives and many activities implemented by Mongolia itself.

\(^7\) https://www.aseminfoboard.org/events/11th-asem-summit-asem11
2. Relations between Mongolia and European countries during the Cold War

Not long after World War 2, since Berlin Wall had breakdown in 1947 and during years when Cold War continued till 1989 then the whole world had divided into two camps such as the capitalist led by USA and another, the socialist led by Soviet Union, and they were competing with their politics, economy, ideology and weapons. These great countries had divided other countries under their influence to execute their own foreign and internal/local political strategy. During “Cold War” a famous American politician, journalist Tomas Freedman wrote?

“Two indications defined each country’s foreign strategy trend and position: “Which one of these two great nations has more number of rockets? What countries and whose side it is? “.  

However, Mongolia had already recognized to be under the Soviet Union’s influence in 1921 to have support for its independence, defense and security.

2.1. Relations between European countries of the socialist system during the Cold War

The world countries were divided into the socialist and capitalist countries when the Second World War ended and the atmosphere of the Cold War settled in the international relations. The western countries headed by the United States established the Northern Atlantic Council while the socialist nations led by the Soviet Union set up the Warsaw Treaty Organization to resist each other. The developing nations had adhered to the non-aligned policy but were unable to influence the above two groups. Answers by the western and eastern researchers from the XXI century would be “Both or all concerned” to the question “Is the United States or the Soviet Union guiltier for the Cold War which deprived the world of mutually beneficial cooperation and peace for decades. This new approach is of important to substantially understand the features, obstacles and challenges of the foreign policy of Mongolia in 1960–1990 or for 30 years.

The Mongolian People’s Republic (MPR) developed broad range of relations and cooperation with seven socialist European countries since the mid 1950 until 1990 in the politics, ideology, foreign relations, economics, science, technology, education and specialists exchange.

---

As well, the MPR relations with each European socialist country were observed as having its own distinctive features. The MPR established the diplomatic relations with Albania in 1950, with Czechoslovakia on April 25, 1950; with Germany in April 1950; with Romania on April 29, 1950; with Hungary on April 28, 1950; with Poland on April 14, 1950; and with Bulgaria in April 1950, respectively. It is obvious that the MRP Ambassador to the Soviet Union had first launched to establish relations with the above countries under the instructions and recommendations of the heads of the government and political parties.

Let’s see the diplomatic note by the Mongolian side on the establishment of diplomatic relations with Poland as an example: The note sent on April 13, 1950 by the Mongolian Ambassador in Mongolia to the referrer of the Polish Ambassador reads that “I have this opportunity to inform the below to you and to the Government of Poland through you. I hereby express the will to establish the diplomatic relations between the MPR and Poland by adhering to the principle of developing the close relations between these two nations… .It also went on to say that “The MPR Government deeply believes that the establishment of diplomatic relations between our two nations will help to strengthening thesincere friendly relations between our two nationsand develop the friendship and democratic camp led by our sincere nation - the Soviet Union”.”

The establishment of diplomatic relations with the world socialist countries and expansion of its political ties opened a wide-ranging opportunities to the MPR to develop cooperation in all the sectors including politics, economy and culture. By the early 1960s, the MPR’s cooperation with all socialist countries was based on such agreements.

The mutual visits of Enver Hoxha, the First Secretary of Albanian Party of Labor to Mongolia in 1956, and Umjaagyn Tsedenbal, the Chairman of the Mongolian People’s Revolutionary Party to Albania in 1957 expresses that the MPR wanted to develop close relations with Albania which was at the same level development.

However, relations with Albania, which was the first country which established the diplomatic relations from the European countries, have been stagnant since 1970s. It was caused by the clash between the socialist countries. In modern time, the Ministry of Foreign Affairs of Mongolia concluded intergovernmental agreements with Albania on mutually

---

9 Central archive of the Mongolian foreign ministry fund.13.p.side.0.3., 110.
supporting investments and avoidance of double tax and delivered an initiative to Albania to start mutually beneficial and factual cooperation.\textsuperscript{10} Other socialist countries have been expanding their cooperation with Mongolia since the 1990 reforms.

\textbf{Political relations}

The Mongolian People`s Republic political relations with the European socialist countries

The MPR established friendship and cooperation agreements in 1957 with Czechoslovakia and the German Democratic Republic. Then after a gap of eight years, it established the cooperation agreements with the Republic of Hungary in 1965, with Bulgaria in 1967 and Poland in 1975, respectively, due to certain reasons.

In the early 1960s, there were disagreements among the socialist countries on the issues of international relations except the ideological disagreements. For instance: the position of the Soviet Union which wanted to be the leader for the communist movements and international relations; the positions of Poland and the German Democratic Republic against the Soviet Union to develop close relations with the USA and the German Federal Republic in order to sign the nuclear non-proliferation agreement; the positions of Poland and Romania which support China to have the atomic weapon and the positions of the Soviet Union and the MPR against it etc issues.\textsuperscript{11}

Moreover, the Chinese leaders opposed the Soviet Union, the United States and Great Britain which supported the Treaty on the Prohibition of Nuclear Weapons. Besides, the Soviet Union supported the MRP’s accession to the Warsaw Treaty Organization but Romania and Poland were in the opposite state. Especially the proposal by Poland reads that “If the MPR joined the Warsaw Treaty Organization at this period of time, the political consequences would be doubtful and risky. It will negatively affect not only its security but also the security of the European socialist countries. The reason is that Beijing will exert pressure on

\begin{itemize}
  \item \textsuperscript{10} http://www.mfa.gov.mn/?p=43651/2019.03.18/
  \item \textsuperscript{11} Malcolm Mackintosh, Military aspect of the Sino-Soviet dispute, Bulletin of the Atomic Scientists, Oktobar 1965
\end{itemize}
The Romanian side considered that if Mongolia joined the Warsaw Treaty Organization, it would be a Soviet-Chinese conflict tool.13

Furthermore, the Soviet Union – China relations even the MPR- China relations deteriorated during the Cold War or mid 1960s. This situation was not appreciated by Albania, Romania and Yugoslavia. Most of the historians explain the reason of the worsened conflicts between the socialist countries as the ideological reasons.

Some western experts, especially military experts explained the conflicts as the fight between nationalistic nations for power.14 In addition, the position of the Soviet Union and Poland covered the following three main issues: whether to let the MPR join the Warsaw Treaty, whether to conclude a treaty on non-proliferation of nuclear weapons between the Soviet Union and the United States, and whether to deduct China from the communist movement by convening a meeting of the communist workers’s parties.

Thus, the Soviet Union refused its proposal on letting the MPR become the eastern border of the Warsaw Treaty Organization.

From today's perspective, it should be noted that the position of Romanian and other socialist countries is in line with the noble interests of Mongolia. Their views suggest that Mongolia has been prevented from making military warfare.

From today's view, it should be note that how the positions of Romanian and other socialist countries meet the noble interests of Mongolia. It is concluded that their proposals prevented Mongolia from being a war field.

In 1963, the Mongolian People's Republic supported the Treaty on the Non-Proliferation of Nuclear Weapons which was joined by the Soviet Union, the United States and the United Kingdom. It met the national interest of Mongolians and the mutually agreed position of the great nations to establish the United Nations for non-proliferation of nuclear weapons. As a result of the accession to this Treaty, the MPR voted for the decline of the conflicts between the world two systems not for the narrow interest to let China have atomic weapons and to arm the socialist camps. It also contributed towards ending the Cold War.

13 Cold War International Project, Bulletin issue 14/15, p.441, Wilson center.org/
In my opinion, because of this voting, the United Kingdom, Finland and Austria recognized the MPR and established diplomatic relations with it in 1963 and most of the western European countries also established diplomatic relations in 1960-1970.

The MPR could not stand off the disagreements within the socialist system at that time. In the early 1960s, the Soviet Union ceased its assistance and political relations with Albania when China and Albania started having relations. China also linked its aid to the MPR depending on its relations with the Soviet Union and India because India-China relations were deteriorating at that time. In this context, the MPR leaders and foreign affairs organizations aimed at developing with the aid and support of the socialist countries by giving the priority to its security and prosperity. **In other words, the MPR’s foreign policy for that period of time was the means of solving its internal problems.** That's why the MPR selected the Soviet Union and European socialist countries as its partners. The MPR’s relations with Albania, which was the first European country that established diplomatic relations, turned into the stagnantsituation.

Multilateral cooperation was crucial for the political relations between the MPR and European socialist countries apart from the form. For example: In order to exchange its views on the international relations, the Mongolian People's Republic regularly participated in the consultative meetings of the communist parties, the first Kremlin Meeting of the Leaders of Socialist Countries, 1971−1973 Kremlin multilateral meetings and the multilateral meetings which were regularly organized since 1974. These meetings discussed the initiatives aimed at strengthening the security of European countries and the MPR resolutely supported this issue.

The relations between the western and eastern countries improved and shifted to the anticlimax as a result of the active foreign policies of the socialist countries, which directed towards strengthening the security of Europe, under the initiative of the Soviet Union in 1968 and effective participation of the German Democratic Republic. Thanks to it, in 1975, the final documents of the consultative meeting on European security and cooperation were signed by the representatives of 33 countries such as the USA and Canada.

It helped to soften the Cold War’s atmosphere and established the international peaceful situation. Moreover, the MPR supported the foreign policy of the European socialist countries and expressed its position from the platform of the international community such as the United Nations. For instance: In 1973, the MPR supported strongly and voted for

---

25 [https://www.osce.org/helsinki-final-act?download=true/2019.03.18/](https://www.osce.org/helsinki-final-act?download=true/2019.03.18/)
the German Democratic Republic and German Federal Republic when they joined the United Nations.

European socialist countries supported the UN Declaration on the Peaceful Coexistence of States and the Initiative on the Convention of Non-Invasion and Non-Application of Force between Asia and the Pacific countries which were initiated by the MPR. There are many other examples of the mutual support of the European socialist countries at the same level.

American scientist and political expert Zbignev Bzezinski noted that the political and economic relations between the socialist countries are inseparably linked with each other. 16 Political and economic relations and cooperation between the socialist countries replace and get developed from each other because of their political parties had centralized administrations. Therefore, it is clear that the closer the political relations of the socialist countries greater their economic and trade relations will be.

**Economic and Development Cooperation**

The main mechanism which regulates the relations and cooperation between the MPR and socialist countries were the intergovernmental economic, scientific and technical commissions. Economic, education and scientific sectors dominated in the cooperation between the MPR and European socialist countries. The MPR was the first country which tried to have the economic and financial support prior to the Eastern European socialist countries. One of its proofs is that Tsedenbal.Yu, highlighted that “Aid from the Soviet Union and China has not been insufficient” in 1960 at his meeting with the Hungarian Ambassador to Mongolia.17 The reports of the Hungarian Embassy in Ulaanbaatar noted that “Other Mongolian leaders requested the Hungarian officials to build a 8-10 store building in Ulaanbaatar. Besides, they requested to have modern neon lighting in Ulaanbaatar etc as much help as possible”.18

Aid and support by the former socialist countries were of the great significance to the MPR development. As a result of the MPR’s accession to the In 1962, the People's Republic of China joined the Council for Mutual Economic Assistance, it deepened its relations and cooperation with the Eastern European socialist countries. **Thanks to their soft loans and**

17 /Gabor Bur Hnugaria. Diplomacy and the Non-alignment movement in the Cold War, coldwar.hu/
18 /Tsedenbal’s Mongolia and communist aid donors: a reappraisal. Research report. iias.hl/
technical assistance, the MPR had successfully implemented its industrialization policy and had become an industrial and agricultural sector not only an agricultural country.

The MPR used to receive loans and financial aid, which are equivalent to one third of its GDP, every year from the Soviet Union and the Council for Mutual Economic Assistance. Some of the socialist countries did not fully support the MPR’s industrialization policy. They used to think the MPR as an agricultural country first of all. Therefore, the MPR leaders had adhered to a determined policy and made them aware of it to get financial and economic assistance. It is clear that the socialist countries were more concerned for their national interest, however, they talked about solidarity and cooperation.

Socialist countries provided various financial aid and support to the MPR to become an industrialized country and gave long-term loans. In particular, the Eastern European socialist countries gave not only various support but also long-term loans to the MPR. Please see below for the brief introductions of the loans and financial aid which were given by the Eastern socialist countries.

**Czechoslovakia** was one of the first three countries (Czechoslovakia, Poland and Hungary) which joined the **Organization of Economic Cooperation Development** (OECD) and the first country which rendered economic and development aid. This traditional economic and trade cooperation was rapidly developed until 1989. Moreover, Czechoslovakia was the second largest partner of the MPR after the Soviet Union. The MPR received a long-term soft loan of 77.5 million convertible rouble from Czechoslovakia between 1962 and 1989 and of which over 60 million roubles were spent on building the State First Hospital, Darkhan cement plant, Ulaanbaatar shoe factory, mechanical repair shop and Bayan-Ulgii thermal power plant.

Besides, three big geological expeditions from Czechoslovakia worked in Mongolia since 1963. The Mongol czechoslovak metall plant was put into operation in 1980 with the purpose of conducting geological exploration and mining and processing of some kinds of minerals and raw materials. The Bayan Mod and Khujikhaan tin deposits were put into operations in Khentii Province and the Chuluut Tsagaan del fluorspar deposit was put into use in Tuv Province. These mines were operated at its full capacities and played important roles to the economic development of Mongolia. Unfortunately, the cooperation by Czechoslovakia to the above mines has almost been ceased since 1989.
Poland was one of the first three countries (Czechoslovakia, Poland and Hungary) which joined the OECD. Poland gave a loan of a total of 57 million convertible rouble to the MPR between 1961 and 1990 and of which 40.6 million roubles were spent on construction, enlargement and reconstruction of the brick and lime factories in Darkhan and Cjoibalsan and lightweight concrete factory, wood processing factory, glueworkshop and non-woven items factory.\(^\text{19}\)

Hungary is the next country which joined the OECD. The trade and economic cooperation between the MPR and Hungary was implemented in 1961–1990 by a way of exchanging raw materials and consumer goods under the five-year agreement or long-term regulation. Hungary granted long-term loans of 41.3 million roubles to the MPR between 1956–1990.\(^\text{20}\) The loans were spent on building the biological factory in the Songino area, Darkhan meat processing factory, Arkhangai basalt fold factory, Ulaanbaatar hunting factory and Khongor medicinal plants processing factory, extending the Kharkhorin flour mill, drilling 375 wells, and combating the livestock contagious diseases.\(^\text{21}\)

In 1964–1990, Hungary gave a non-refundable aid of 23.3 million roubles to Mongolia. The aid was spent on the pastureland irrigation, purchase of radio, electronics, combustible materials and lubricants, renewal of the genetic laboratory, building food stores, participation in the international geological expedition, supply of geological equipment, construction of the garment industry, preparation of tailors and underground drilling experts, and supply of medical equipment and tools.\(^\text{22}\)

The cultural and scientific relations between the MPR and Hungary began in 1953 and the first cooperation agreement between them was signed in 1957. The agreement was renewed in 1974, 1987 and 1996, respectively. According to the agreement, since 1957, more than 250 Mongolians studied in Hungarian higher schools and other 190 people graduated from the technical and vocational college in the fields of technology, mining plant and garment factory.\(^\text{23}\)


\(^{20}\) [https://mof.gov.mn/article/entry/Hungary/2019.03.19/](https://mof.gov.mn/article/entry/Hungary/2019.03.19/)


The trade and economic cooperation between the two countries have been developed since 1990 under the free market principle. The bilateral cooperation tends to revive in the recent years although it was stagnant for a while.

The MPR established diplomatic relations with Bulgaria in 1950 and the bilateral relations were rapidly developed in all sectors until 1990. The intergovernmental trade agreement was first established in 1956. The MPR imported equipment, food products, tobacco and beauty products from Bulgaria and exported gold, meat, wool and cashmere products. In the end of 1980, Bulgaria was one of the leading foreign trading partners of the MPR following the Soviet Union, Czechoslovakia and the German Democratic Republic.

In 1965–1985, the MPR took a loan of 28.2 million convertible roubles from Bulgaria and used the money for building meat processing factory in Choibalsan, sheepskin processing factory in Darkhan, pork farm and vegetable greenhouse in Ulaanbaatar, the Shariin Gol fruits and vegetables farm in Orkhon Province, livestock wells in Uvurkhangai Province and brick factories in Gobi-Altai Province. In addition, the Government of Bulgaria gave non-refundable aid of 100,000 lev to the MPR to combat with the livestock contagious diseases, donated 27 kinds of food and consumer products, radio, electronics and construction ceramic items laboratories, and granted an aid of 75,000 rouble to build the Food Store-1.

Collaboration between the MPR and Bulgaria was also in the education, culture and scientific sectors. The cooperation was established in 1956 and the bilateral cooperation in culture and scientific sectors were developed since 1977 with five-year plans. The first Mongolian student studied in Bulgaria in 1957 and so far about 450 people graduated from higher schools with academic degrees. Mongolian students had studied in Bulgaria since 1973 for the higher educational degrees with non-refundable aid but Bulgaria informed in the early 1990 that it was impossible to enroll new students. The two countries started making mutual initiatives to restore their traditional relations in 1994 although the bilateral relations were stagnant due to their transitional periods to the democracy and market economy.

The relations between the MPR and Romania – the two countries established their diplomatic relations on April 29, 1950. In 1963, Mongolia opened its embassy in Bucharest in 1963 and Romania opened its embassy in Ulaanbaatar in 1965. In 1957, the Chairman of the MPR Ministers Council, Tsedenbal Yu paid his first historic visit to Romania in 1957 but the visit by the Romanian side was paid late or in 1971.
During the socialist period, Romania made a specific contribution towards the MPR development. In 1960-1990, the MPR took loans and financial aid of 44 million roubles from Romania and built the facilities such as the furniture cardboard factory and the central circus. More than 100 workers, engineers and technicians were free of charge prepared in Romania to work in those factories.\textsuperscript{24}

In addition, Romania prepared more than 150 Mongolian foreign language, architecture and technical professionals by letting them free of charge study in its higher schools. Since 1967, more than 10 people defended academic degrees. Besides, Romanian experts worked in the rural and urban farming and bee-farming of Mongolia. The relations between the two countries have been restored after being stagnant since 1990.

In addition, the Government of Yugoslavia granted a loan of USD 11 million to build a leather shoe factory in Ulaanbaatar and put it into operation in 1988. As a result of taking the soft loan of USD 12 million convertible roubles from the German Democratic Republic between 1976–1980, many number of factories such as a meat processing factory were built in the MPR.

During the last two decades or from the late 1960 until early 1980, more than 100 factories and economic enterprises were established in the MPR with the help of the European socialist countries. Industrial centers were established not only in Ulaanbaatar but also in Baganuur, Choibalsan, Darkhan and Erdenet. The MPR studied over 500 minerals deposits with the technical, economic and professional assistance from CMEA and it explored the future development source of the current Mongolia.

As observed in the experiences of other countries, the industrial sector is gradually developed for dozens or hundreds of years under the market law. In the MPR, it was established and developed in a short-term under the planned government policy and it is of important experience even for today.

The Eastern European socialist countries prepared hundreds of the highly educated and skilled experts in Mongolia since 1955. A total of 1500 Mongolian people had higher education in European socialist countries and specialized mainly in engineering and technical fields. As well, employees and workers of the factories and industrial enterprises, established with the help of these countries, were trained or produced in the relevant country and in

\textsuperscript{24}Khaisandai.L: European Union and Mongolia: Official development assistance and benefits\textsuperscript{154}.  

19
Mongolia. In 1960-1980, thousands of people worked in the newly established factories and the living standard of the Mongolian people improved. Over 15 thousand Eastern European experts used work in the MPR by late 1980. The Soviet Union’s experts, who are equal to one-quarter of the total experts who worked abroad, were sent to the MPR under employment agreements.  

Direct relations between citizens were promoted in order to develop the ties between the MPR and European socialist countries. The Mongolian–Bulgarian, Mongolian–Hungarian, Mongolia–Czechoslovakian, and Mongolia–Romanian friendship societies were established starting from the mid–1950. Those societies made valuable contribution towards developing their friendly and direct relations. Agricultural cooperates named after friendship were established. For example: Mongolian – Polish Bayan Soum of Tuv Province and Mongolian - Hungarian Erdene Soum of Tuv Province. Furthermore, the factories and enterprises established with the help of the European socialist countries were memberstates of the friendship societies.

During the economic cooperation with the abovementioned countries, the MPR was affected with the common disadvantages of the socialist system such as poor efficiency, no free competition, was backward from the technological development of the relevant period’s developed nations for saving raw materials and manpower, and being overdependent on foreign aid. The main disadvantage was that those countries paid more attention to the industrial sector and left the animal husbandry. As a result, in the early 1980, the MPR and all other socialist countries faced with economic crisis especially food crisis due to the lack of the financial capacity and natural disasters. There was also deficiency in the housing supply and consumer goods. It was the beginning of an unfavorable economic trend occurred in the Soviet Union and in all other socialist countries.

This economic situation deeply influenced on the internal and external relations of the socialist countries and become the rationale to make political and economic reforms. In the early 1980, it was involved in the political crisis occurred in some European countries.

In 1880–1981, a political crisis was emerged in Poland by the ‘Solidarity’ Trade Union which criticized the Polish political parties and government officials and organized a strike. In fact, it was the first signal of the poor future of the socialist social institution. At that time, the leaders of the political parties of the European socialist countries and the Soviet Union

---

considered this event as the Action for elimination of the socialism. Military general Yaruzieski planned to repress of the solidarity by promoting the state of emergency. In December 1981, leaders of the Soviet Union’s political party provided information about Poland and introduced about the position of the Soviet Union to the leaders of socialist countries through the country’s Ambassadors\(^{26}\) of the Soviet Union requested the MPR leader Tsedenbal.Yu to comment on the circumstances of Poland, support the General Yaruzelski who set the state of emergency in his country, and render political, moral and economic support to him.\(^{27}\) Therefore, the MPR leaders recognized the circumstances of Poland as against the socialists and supported the decisions by the Soviet Union’s leaders.

The traditional relations and cooperation between the MPR and European socialist countries began to develop in the early 1990s based on the new legal basis and free market and democratic principles. Those countries had had good lessons and experiences from this traditional relationship. However, none would argue that the traditional long-term relations have become the foundation of the modern multilateral relations. At the scientific conference held in Ulaanbaatar in 2005 for the 55th anniversary of the establishment of diplomatic relations between the MPR and East European countries, the Bulgarian Ambassador to Mongolia, N.Martin said that "The relations between our countries were stagnant for a while but today we have more opportunities to boost our relations. It is the result of our 55-year collaboration. We would not have been able to develop our relations rather than the relations between Mongolia and western European countries without the 55-year cooperation. This agreement is the sole treaty which was concluded by Bulgaria with Asian countries."\(^{28}\) This speech may apply to the MPR and all the Eastern European socialist countries and the traditional relations based cooperation has been expanding day by day in modern time.

### 2.2. The relations between Mongolia and the Western European countries during the Cold War

The Mongolian People's Republic established diplomatic relations with the developed western European countries late or after the socialist European countries. It is directly related to the division of the world countries into socialist and capitalist after the World War and the

\(^{26}\) Cold War International History Project, e-Dossier Series, Poland and the Sino-Soviet Rift, 1963-1965, Douglas Selvage, WWW. Wilsoncenter.org/index

\(^{27}\) New Evidence from Central and East European Archives on the Cold War in Asia, vietnamihabru.hu/budapest_conference.

\(^{28}\) История Монголии, с.245.
Cold War atmosphere was set in international relations. The MPR diplomatic relations with the western European countries were limited by political and mutual visits, so the cooperation in the trade, economic and military sectors could not be developed like the collaboration with the socialist European countries. Therefore, I would like to briefly point out how and why diplomatic relations were established for each country.

The first international legal foundation which states the Mongolian People’s Republic as the independent and plenipotentiary country was approved at the Yalta Conference held in February 1945 which was meeting of the heads of government of the United States, the United Kingdom and the Soviet Union. This leaders stated to keep the status-quo of Outer Mongolia (current status)\(^{29}\) and it was very much important to get Mongolia recognized as an international independent legal subject.

The western countries started officially recognizing the MPR and establishing diplomatic relations and other ties after its accession to the United Nations in October 1961. The United Kingdom of Great Britain and Northern Ireland, which a great western country and a full member of the United Nations, established official relations with the MPR in 1963.

The note to the MPR Ambassador in Beijing on January 7, 1963 reads that "By having this opportunity, I would like to state that the United Kingdom’s Government is willing to discuss with the Government of the Mongolian People’s Republic about the issue on the establishment of diplomatic relations between the two countries if the MPR wishes to do so. The charge de`affaires of the Her Majesty the is authorized to discuss the matter with the Ambassador”.

On December 20, 1962, the MPR Government proved the receipt of the note by sending a reply note that reads “The MPR Government appreciates the willingness of the United Kingdom to discuss about the establishment of diplomatic relations between the two countries and accepts the establishment of diplomatic relations as it to make a valuable contribution towards strengthening their goodwill and mutual understanding based on the principle to mutually respect plenary powers”. As a result of exchanging the notes, the official news about the establishment of diplomatic relations between the two countries and the agreement on appointment of ambassadors and diplomats were published on January 23, 1963.\(^{30}\) The UK

\(^{29}\) February 11, 1945 Yalta Conference Agreement.

\(^{30}\) Central archive of the Mongolian foreign ministry affairs. Ф.28., х.н.10.
Embassy was opened in Ulaanbaatar in 1963 and the Mongolian Embassy was opened in London in 1969.

The UK was the first western country which recognized Mongolia as an independent country in 1963 and opened its embassy in Ulaanbaatar in 1965. Mongolia also made the first trade agreement with the UK at the governmental level in London and opened its embassy in London in March 1973. The intergovernmental agreement was signed by the British Deputy Minister of Foreign Affairs, A.Royal, Deputy Minister of Industry, Lord Limerick and the Extraordinary and Plenipotentiary Ambassador of Mongolia, Dambadarjaa.S.31

This intergovernmental agreement, concluded after the 8-year talks, was the first agreement made by the MPR with a big western country at the government level and is considered as a new treaty in the history of Mongolia's foreign relations and diplomatic history.

Furthermore, the process of establishing diplomatic relations with France, one of the great western countries and full member of the United Nations Security Council, was also initiated by France. The French Ambassador to Moscow, F.Bode held a meeting with the Mongolian Ambassador Luvsanchultem.N on February 19, 1965. After the meeting, the diplomatic relations were established between the two countries.

The UK Embassy was opened in Ulaanbaatar in 1965 and the French Embassy was opened in Ulaanbaatar in 1966. Mongolia opened its embassies in London and Paris in 1969 under the resolution No. 37 issued by the Political Bureau of the MPRP's Central Committee. During that period, Mongolia did not have any embassy with regular activities.

Therefore, the Mongolian Ambassador to Sofia, Baljinnyam was appointed as the Ambassador to the UK at the same time. His Excellency Ambassador presented his letter of credentials to Her Majesty the Queen. The Mongolian Ambassador to Prague, Jargalsaikhan.B presented his credentials in Paris in 1966.32

The main role of the Mongolian Embassy in the UK was to implement the goals set up for the foreign policy at the 15th Congress of the MPRP. For this purpose, the MPR had resolutely adhered to the peaceful foreign policy and international relations for its relations with the UK and Northern European countries and direct the activities of its embassies to study the foreign and domestic policies of those countries. The policy also aims at

---

31Dambadarjaa.S.: Ерөнгө́й дэшүү: Монгол угсаат нь Улаанбаатар 1999, 84. {Relationship between Mongolia and Great Britain} 
32Dambadarjaa.C: Relationship between Great Britani and Mongolia 87.
maintaining or developing the bilateral relations based on the principles of equality, mutual respect, non-interference in each other's internal affairs and peaceful coexistence in accordance with the interest of the commonwealth; observing and providing the applicable information about changes in the world market prices and currency-financial system because London is a major international trade and financial center; studying the possibilities to develop efficient trade and economic relations with the UK and Northern European countries for the establishment of socialism in the MPR in order to observe their economic, scientific and technical successes which may come into use.33

The MPR established diplomatic relations with other western European country during the Cold War. It was the German Federal Republic.

Germany was divided into countries after the World War II due to the consequences of the Cold War. The German Federal Republic was established on September 7, 1949 in the territory of the United States, England and France and it became one of the world's most influential countries by implementing the determined democracy and market economic policy.

Source of the diplomatic relations between the Mongolian People's Republic and the German Federal Republic was related to the orientalism orostpolitik by the Federal Chancellor and statesman Willy Brandt. Willy Brandt refused from his principle of "The sole country to represent all Germany", signed the agreements between the German Federal Republic and the Soviet Union and the German Federal Republic and the Republic of Poland, and recognized the immunity of the borders in Europe within it the borders between Oder (Frankfurt)–Neis and between the German Federal Republic and German Democratic Republic as immune. The agreement became effective on June 3, 1972.

The German Federal Republic established diplomatic relations with Czechoslovakia, Bulgaria and Hungary and concluded an intergovernmental agreement with four countries on the issues of West Berlin. In 1973, two Germanies occupied their equal and legal positions at the United Nations and it was the main result of Ostpolitik. Furthermore, the Helsinki final document on the European security and cooperation was signed by the state heads of 33 European countries (except Albania), the United States and Canada by mutually accepting the border of Europe and proving its immunity.34 Willy Brandt was awarded with the Nobel Peace Prize for the By successful implementation of this Eastern Policy while the Soviet Union’s

33 Dambadarjaa. C: Relationship between Great Britani and Mongolia 23.
34 CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE FINAL ACT HELSINKI 1975.
leader L.I Brejnev was awarded with the Lenin Prize under the decision by the Political Bureau of the Central Committee of the Soviet Union’s Communist Party. On the other hand, in 1971, the MPR established diplomatic relations with China after its accession to the United Nations. The German Federal Republic pursued its policy to have diplomatic relations simultaneously with China and the MPR under the Eastern Policy.

Positive atmosphere of the international relations in Europe has created a favorable condition to establish diplomatic relations between Mongolia and the German Federal Republic on January 31, 1974. However, it is of important to note that the proposal and initiative to have the diplomatic relations were made by the German side. This process was the result of the talks of six times which began in London in May 1975.35

The relations between Mongolia and Italy began in the 13th century. The medieval Italian diplomat John of Plano Carpini and his son of a vendor of Venice, Marco Polo played important roles to the bilateral relations. Later on or in 1907, Italian Prince Scipione Borghese passed through Mongolia while taking part in the car race which continued 16000 km car race vehicle from Beijing to Paris.

Luigi Barzini, a member of the race team and correspondent of the Daily Telegraph and the Corriere della Sera, published a book titled "From Beijing to Paris in 60 days”. The book became the best seller in Europe and then was published for several times. The book says that “Mongolians were very interested in the Italian model cars when we reached Ulaanbaatar. Most of them were Buddhist monks in yellow and red uniforms. Mongolian women wore interesting shaped hats which look like horns and it is impossible to see their hair from the horn shaped things”. He also added that he met a Mongolian herdsman who is fluent in German and it was surprising.36

Diplomatic relations between the two countries were established very late or in June 1970. However, the Italian government voted for the MPR when it joined the United Nations and it expresses that it had officially recognized independence of Mongolia in 1961.

The Italian side initiated the initiative to activate the bilateral relations and Bruno Korti, the Deputy Minister of Foreign Affairs of Italy, paid a visit to Mongolia in 1986. During the visit, the Mongolian side raised the issues regarding to developing the bilateral

36Compilation of the foreign relations documents of the MPR. Volume I (1921-1961), Ulaanbaatar 1964, 40.
relations, especially cultural cooperation. In return to the visit, Deputy Minister of Foreign Affairs of Mongolia, Olzvoi.Kh visited Italy in the late 1988 to exchange views on the bilateral relations and collaboration issues. There were no legal relations and other kinds of relationship documents between the two countries until 1990 except the cultural ties established in 1973 during the Cold War. The bilateral traditional trade relations have been continued successfully since 1990.

The diplomatic relations between the Mongolian People's Republic and Austria were established in 1963. Austria is the second western country which recognized the independence of the MPR. Austria always adhered to the neutral position, so it developed the broadest range of political and commercial relations with the MPR from the western countries even during the Cold War. For instance: Minister of Foreign Affairs, Dugersuren.M visited Austria in 1979 and the Minister of Foreign Minister of Austria, Dr. B. Paar was the minister who paid an official visit to the MPR in 1982.37

**The MPR established diplomatic relations with Finland on July 15, 1963.** Since 1964, the ambassadors of the two countries were mutually in charge of the affairs from Moscow. In 1985, representatives of the Finnish Parliament visited Mongolia in 1985 and representatives of the People’s Hural (Assembly) of Mongolia visited Finland in 1987.38

The trade between the two countries has been developed in 1966 through the trade unions and firms and the intergovernmental trade agreement was concluded in 1974 but it was invalidated in 1995 as a result of the accession of Finland to the European Union.

The Mongolian People's Republic established diplomatic relations with European countries such as Switzerland and Sweden in 1964, Greece in 1967, Norway in 1968, Denmark in 1968, Belgium in 1971, and the Netherlands in 1972. These European democratic countries could not develop the relations due to many factors such as political reasons and geographical locations.

---

37 Khaisandai L: *European Union and Mongolia: Official development assistance and benefits* 81.
38 [http://www.mfa.gov.mn/?page_id=19084#1489748209914-661a59cc-3da5/2019.03.22/](http://www.mfa.gov.mn/?page_id=19084#1489748209914-661a59cc-3da5/2019.03.22/)
3. Relations between Mongolia, European Union and EU member states since 1989

3.1. European Union

This Chapter describes about the cooperation between Mongolia and the European Union (EU). It will also include the facts of the European Union and its structure as well as the renovations, foreign policy reform and new concepts of Mongolia. It will also explain about the relations between the European Union and Mongolia and cooperation between the EU member states.

As a result of the establishment of this large-scale political and economic union which integrates 28 European countries, those countries united back after getting divided for 60 years due to the World War II.

The Prime Minister of Great Britain, Winston Churchill was one of the first persons who had initiated the establishment of the European institution. He made this proposal in 1943 when it was clearly needed to consolidate the powers of those countries in resolving several goals after the war. In 1946, W. Churchill appealed to France and Germany to establish the United European States in 1946 when he gave a speech during his visit to Zurich.\(^\text{39}\) This initiative by Churchill was somehow related to oppose the Soviet Union’s impacts which were very powerful at the time.

The former French Foreign Affairs Minister Robert Schuman set up the first coalition of the European Union. He made a statement on May 9, 1950 and proposed to bring the production of coal and steel in France and Germany up to the open and united organization. It became the basis of the establishment of European Coal and Steel Community in 1951. The community was joined by six countries namely Germany, Belgium, France, Italy, Luxembourg, and the Netherlands.

In 1955, the Ministers of Foreign Affairs of the above-mentioned six countries analyzed the profitability of the Coal and Steel Community and prepared a report on the European Economic Community and Nuclear Power Community. Based on this report, the Treaty of Rome was signed on March 25, 1957 to confirm establishment of the European Economic Community (Common Market) and the European Union in charge of atomic energy issues.\(^\text{40}\) In 1958, the Executive Commission of Common Market was established in 1958 in Brussels and it became the foundation of the current European Commission. In 1973, the European

\(^{39}\)Winston Churchill, speech delivered at the University of Zurich, 19 September 1946

Community was joined by Denmark, Ireland and the United Kingdom. Besides, Greece joined it in 1981 and Spain and Portugal joined in 1986, respectively.

Finally, the historical period started and the Maastricht Treaty on the European Union was signed in order to ensure the economic and social progresses. It aims to create a domestic united space and to establish an economic community which uses the same currency.

Austria, Finland and Sweden joined the European Union in January 1995. The accessions of Hungary, Cyprus, Latvia, Lithuania, Malta, Poland, Slovakia, the Czech Republic and Estonia were accepted in 2004. Bulgaria and Romania joined it on January 1, 2007 and Croatia joined it in 2013.

The issue of extending the European Union with Central and Eastern European countries was discussed in 1993 at the Copenhagen Summit. In with this connection, an issue was arisen regarding to reforming the EU governing body and adoption of a unified legislative documents. The European Union`s Constitution was signed on October 29, 2004. The ceremony to sign was held in the same hall where the Treaty of Rome on establishment of the European Union was signed in 1957. The Constitution was signed by the government heads of 25 memberstates of the European Union.

According to the GPD evaluation, 7.3% of the world's population or 510 million people belong to the the European Union which occupies 26.45% of the world economy. Economy and businesses are open and free for the EU memberstates. In other words, 28 European countries enjoy the opportunities to supply their products to the European market with tax relief and their workforces have possibilities to travel freely.

In general, the EU's goal is to ensure the free supply turnover of goods, services, workforces and capitals as well as economic growth at the domestic market. Thanks to their right to represent its memberstates, the European Union participates regularly in the UN, WTO, G8 and G20 talks and negotiations.

The European Union`s official currency Euro was presented to the public on January 1, 2000. Currently, 19 countries use this currency.

**Treaty of Lisbon.** The Treaty of Lisbon was entered into force on December 1, 2009 in order to amend the constitutional basis of the European Union.

---

41 the Treaty on European Union, as signed in Maastricht on 7 February 1992.
Under the Treaty of Lisbon, there is a position of the EU chairperson who is elected for the duration of 2.5 years. The Treaty does not amend the procedure of the EU member states to semi-annually appoint the chairman but now the heads of member states are in charge of the EU internal affairs. The principle to be united for the foreign policy, defense, tax policy and social sector remains in the Treaty of Lisbon. If 55% of the member states which represent 65% of the EU’s population voted, the relevant resolution will be considered as approved.

This Treaty states that it is compulsory for the EU member states to have the jointly responsibility. It also has the right to define a regulation model in link with the economic policy.

The Treaty also defines the EU as the union of European states which closely cooperate in Europe and exercise the equal powers by maintaining their national identities. The EU symbols were included in the Treaty. The EU flag consists of a circle of twelve five-pointed yellow stars on a blue field and the emblem of the Beethoven's Ninth Symphony.

The European Union's political office is the European Council. According to the Treaty of Lisbon, the European Union Council has been expanded into an institution of the European Union. The Council of European Union is committed to provide the EU with general management and to exert a strong influence on its future development. It is not entitled to draft a law.

The Council of the European Union consist of the government heads of the EU member states, President of the European Council, President of the European Commission, and top foreign and security policy delegates. The European Council convenes its meeting twice every six months. The meeting is chaired by the President of the European Council. The Secretariat assists in managing the day-to-day work of the European Council. The Secretariat includes the General Authority of Politics, the Legal Department, the Environment, Translation, Ceremonial and the Media Departments.

The European Union's legislative body is Euro-Parliament and has 786 members. A member of the Euro-Parliament is elected for the duration of 5 years. Members of the Euro-Parliament may join by their political views.
The judiciary is the European Court which is located in the Hague and is consisted of a team of specialized lawyers, judges, and prosecutors who were appointed from each country. The European Court resolves disputes arisen between the EU member states, between the EU member states and other countries, and regarding to the international organizations. In addition, the Europol is located in the Hague, the Netherlands. The institution aims at improving the cooperation between law enforcement agencies in combating and preventing internationally organized serious crimes.

The European Union includes the European Central Bank, European Investment Bank, European Settlement Center, European Development Fund, Economic and Social Committee and Regional Committee.

3. 2. Reforms in Mongolia

Principle changes started in Mongolia, its external environment and foreign relations in 1990s as a result of the reform policy and imitative which were implemented by M.S. Gorbachev who became the Soviet Union’s leader in 1985. This new foreign policy, named as the new political thinking, laid the foundation to release the fights of the socialist and capitalist countries and to recover the international relations.

On one hand, this new policy, which was imitated and implemented by M.S. Gorbachev, created a positive attitude towards the international relations but on the other hand, it opened the way of disintegrating not only the Soviet Union but also the socialist commonwealth group, and ended the Soviet-style socialist experiments. The reason is Warsaw Treaty Organization, which was the military and political headquartering of the group of countries, which was called the socialist commonwealth, was dissolved on June 28, 1991.

Moreover, the Soviet Union, which was the main force of the socialist regime, was itself dissolved and become no more the subject of international relations on December 25, 1991. Its rulership and their obligations were passed on to the Russian Federation. Thus, the whole socialist system had collapsed in the world. Following this, the Cold War ended after parting the world countries for over 40 years and a new era of international relations began.

In any case, this policy had overturned the principle of the socialist countries which treated their foreign relation for the interest of class and gave the first priority to the principle of
esteeming the values of mankind. As a result, opportunities were opened for the countries which belonged to the socialist commonwealth within them for Mongolia to implement a policy by esteeming their national interest.43

Thus, democratic processes with revolutionary features started in the political and economic system of Mongolia and covered all aspects of social life. Thank to it, the Political Bureau of the MPRP Central Committee which the sole leader of Mongolia, was completely resigned in March 1990 and the state and government heads were replaced. Then, new political parties and the multi-party system have been established, respectively.

In July 1990, the first democratic public election was held in Mongolia with the participation of political parties and forces. New political forces took 15.6% seats of the People's Great Khural (Parliament), taking up their positions at the highest ruling level.

In this new situation, a new government was established with the participation of these new political forces in order to esteem the national solidarity. The Mongolian People's Revolutionary Party (MPRP), which confirmed its ruling power as a result of the election, reached mutual negotiations with the new political parties that the theoretical and political tendencies of Mongolia's future development is to build up a democratic society and the economic policy basis is to transmit into the free market system. In brief, the formation of a new political and social system was firmly set up in Mongolia.

This fundamental change of the internal and external environments of Mongolia emerged the requirements to reform its foreign policy content and introduce new methodologies.

3.3. Mongolia's foreign policy reform and new concept

Mongolia adopted its new Constitution early in 1992. The Article 10 of it states the foreign policy basis of Mongolia that “Mongolia adheres to the universally recognized norms and principles of international law and pursues a peaceful foreign policy”.44 This article is of great significance to remove the one-party system and ideology which was followed for many years and open the common ways of the international relations. Furthermore, many important foreign relations documents were developed and approved.

The Parliament of Mongolia approved the foreign policy concept of Mongolia with five chapters on June 30, 1994. This concept became a guidance document which

44 Mongolian constitution. Chapter 11, Section 11.
introduced the tendency of modern international relations. The document states that "Mongolia will adhere to the open, non-aligned and multilateral foreign policy". It reflects three important contents of the foreign policy reform of Mongolia. In the past, Mongolia's foreign policy was "closed" by the narrow group of socialist commonwealth and had only one pillar called the Soviet Union. Therefore, significance and innovations of this document would be understood at the better level.

**Open policy** means to be open to all the social sectors such as politics, trade, economics, science, technology, and culture and humanitarian. Along with this, Mongolia reflected the mutually beneficial and open cooperation in the foreign policy regardless of the social structure, ideology, religion, and location of any country by giving the first priority to its national interest. It has been an important focus of Mongolia’s foreign policy till today.

**In order to declare the non-alignment policy**, Mongolia gave more importance not to be with any of its neighbor countries in the military-political relations or not to engage in any such relations with other countries and not to take part in any activity against the neighbors as well as focusing on the policy on a broad range. This is a vital point because Mongolia is located between Russia and China which are the two leading countries in terms of politics and economy.

Implementation of the multilateral policy is directly linked with the opportunity given to Mongolia as a result of the end of the Cold War and collapse of the socialist commonwealth.

The multilateral policy means the major functions of foreign policy. Their significance may vary in different conditions, but they need to be under the constant attention of the government policy because of its pillar features. This policy was described in detail in the Introduction. **Therefore, it will be described below in brief.**

There are six pillars of the foreign policy for the transitional period and those were included in the foreign policy concept in the following manner:

1. Having the friendly relations with the Russian Federation and China is the leading goal of Mongolia's foreign policy. It emphasizes the importance of broad cooperation and good neighborhood by maintaining the balanced relationship.
2. Develop friendly relations with western and eastern developed nations such as the United States, Japan and the German Federal Republic.

---

*Foreign policy concept of Mongolia. Ulaanbaatar 1994.*
3. Strengthen its position in the Asian Region and to optimally participate in the political and economic integration.

4. Cooperate with the United Nations and its specialized agencies, the International Monetary Fund, the World Bank, and the Asian Development Bank etc financial and economic institutions.

5. Develop friendly relations with the socialist commonwealth states and confederation of independent states.

6. Maintain its friendly relations with the developing nations and cooperate with them within the scope of its capacity.\textsuperscript{46}

The foreign policy concept of Mongolia, which was approved in 1994, became a very important concept of the foreign relations and achieved results not only in the development of foreign relations but also in all development stages such as economy and politics.

Mongolia does not have any border disputes with its neighbors – the Russian Federation and China but adheres to the policy on prevention from any territory expanding policy and not to support or join the military coalition of any country. This policy is definitely required for Mongolia which is a developing and landlocked country and is sandwiched between two most powerful nations.

Since the adoption of this concept of foreign relations, Mongolia has expanded its foreign relations, strengthened its international position, raised its reputation, removed the label of "closed state", and shifted into the open and democratic country. In the past, main changes had been achieved in the guideline, goals, principles, decision-making mechanism and legal reform of the foreign relations of Mongolia. Those changes had become the fundamental stone of the foreign relations. Thus, this concept had played its historical role.

Major changes had been achieved in the international relations and new challenges have been emerged worldwide since 2010. Along with this situation, the external and internal environments of Mongolia have been changed also and the external environment and market system have become the reality. At the same time, the foreign relations have been expanded and the number of Mongolian citizens living abroad has been increased substantially. On the other hand, in 2011, Mongolia approached a new stage of the rapid development which requires using large mining deposits, expanding the infrastructure network and establishing an

\textsuperscript{46}Foreign policy concept of Mongolia. Ulaanbaatar 1994.
industrial complex. In with this connection, the concept of foreign relations was required to update it with the economic development.

In line with the abovementioned changes and new approaches, the Ministry of Foreign Affairs developed a draft concept of the foreign policy of Mongolia and got it adopted by the Parliament on February 10, 2011. It does not mean Mongolia changed its foreign policy but amended its foreign policy documents in accordance with the present situation.

The major changes in the revised concept of foreign policy are described below in brief.

The foreign policy concept for the year of 1994 states that "Mongolia adheres to the open, non-aligned and multilateral policy" but the newly revised concept was extended that "Mongolia adheres to the peaceful, open, independent and multilateral foreign policy". 47

The foreign policy of Mongolia, which joined the newly adopted concept of foreign relations, is the policy which focuses on settling the disputes between states in a peaceful or congruity manner with talks not by force under the international legal standards and ensure the national security and interest of Mongolia in accordance with the political and diplomatic means. It is a policy not to join any military operation if not threatened by other state, not to get used its territory or air space, and no to let a foreign military force enter, stay and pass through its territory. It is of very important policy for Mongolia because it is located between two powerful and armed nations.

Besides, this policy aims at promoting Mongolia to take part in the operations against the mass destruction weapons, support the nuclear weapon non-proliferation and disarmament, and combating international terrorism, organized crime, and participate in international peacekeeping operations.

The new foreign policy concept states that Mongolia will participate in resolving the following regional and international pressing issues as a member state of the world commonwealth:

- Strengthen democracy and ensure the human rights and freedom:

---

- Take part in the operations against the mass destruction weapons, support the nuclear weapon non-proliferation, combating international terrorism and organized crime, and participate in the UN and other international peacekeeping and reconstruction operations.

- Support the international community's efforts to adapt to the climate change, reduce its negative consequences, protect the environment from degradation and prevent the spread of epidemic diseases.

The following trend of political foreign policy is described to expand the partnership relations and cooperation within the Third Neighbor policy related to the western and eastern countries such as the United States, Japan, the European Union, India, the Republic of Korea, and Turkey. Such reflection of the third neighbor's policy in the foreign policy concept is the major improvement in the foreign policy of Mongolia. The third neighbors are not to be limited by the abovementioned countries because it is the policy focused on developing the friendly relations and cooperation with the two neighboring countries and the regional influential states. That is why the fifth one of the 1994 foreign policy concept was deducted in connection with the accession of the Eastern European countries to the European Union and it was decided to expand the bilateral cooperation within the framework of third-neighbor policy.

The issue on providing the economic support was clearly reflected in the renewed foreign policy concept. The purpose of the economized foreign relations policy and its implementation process was updated in context of the current national economic goals and development perspectives. Main objective of the economic foreign policy include the issues in ensuring the sustainable economic development and economic security and improving the impacts of foreign relations for raising the living standard of the. Two chapters named ‘Policy on protection of the human rights of Mongolians abroad’ and "Foreign promotions and public relations policy’ were added in 2011 to the revised foreign policy concept. As a result, this policy document consists of seven chapters.

3.4. Relations between Mongolia and European Union

Political cooperation

The foreign policy concept of Mongolia, which was revised in 2011, the Third Neighbor Policy. One of the priorities in the foreign policy is to expand all bilateral partnerships and cooperation related to the European Union under the above policy.
Mongolia established diplomatic relations with the European Union on August 1, 1989. In 1992, Mongolia opened its representative office at the European Union. The European Union in Beijing started being in charge of Mongolia in May 1991. The trade and economic cooperation agreement between Mongolia and the EU was signed in 1992 and adopted in 1993. The agreement includes many numbers of important provisions on holding a meeting of the joint European Union and Mongolia Committee, promoting the bilateral trade and economic ties, increasing the export, and protecting the human rights.\textsuperscript{48}

The European Union has rendered the financial assistance of millions of euro to Mongolia since 1992 and supported to transit to the democratic and market economy. The cooperation between Mongolia and the European Union has been developing based on the following agreements:

- In 2003, agreement on trade and economic cooperation concluded in 1993,
- In 1995, agreement on sales of knitted and textile products made in 1995,
- In 1997, general agreement on cooperation with the European Investment Bank,
- In 2000, member of the European Reconstruction and Development Bank,
- In 2009, agreement on air relations,
- On April 30, 2013, agreement on partnership and cooperation,
- In April 2013, financing agreement on the project for improvement of the standardization system of Mongolia,
- On June 3, 2015, memorandum on the commencement of long-term program to be implemented within the scope of the development cooperation.\textsuperscript{49}

The Vice President of the European Commission, F. Andriessen visited Mongolia in 1992 as the beginning of the bilateral political cooperation. The top government officials paid visits to the EU at the time. The former President Elbegdorj.Ts visited Strasbourg and made a presentation about Mongolia's transition to democracy and the EU role as a partner in the region. During this event, the President Elbegdorj held a meeting with the President of European Commission Jean-Claude Juncker.

President of the European Commission, Jose Manuel Barroso visited Mongolia in November 2013. K. Ashton, the Vice President of the European Commission and the vice representative in charge of the EU foreign policy and security issues paid a visit to Mongolia


\textsuperscript{49} http://www.mfa.gov.mn/?page_id=41777#1489557943101-a9bbce96-2977/2019.03.29/
in April 2013. During his visit, the vice representative K.Ashton signed a partnership and cooperation agreement. The agreement became a legal basis for the expansion of the EU-Mongolia relations and opened opportunities to collaborate in the political dialogue, trade, development assistance, agriculture, local development, energy, climate change, research and innovation, education and cultural sectors.50

Donald Tusk, President of the European Council, Jean-Claude Juncker, President of the European Commission, and F.Mogerini, the vice representative in charge of the EU foreign policy and security attended the 11th ASEM Summit held in Ulaanbaatar in July 2016.

Meetings of the joint Cooperation Committee, parliamentarians and ambassadors are regularly organized, for instance, a meeting of Mongolia-EU Joint Committee is held annually. The Joint Committee was established in 1993 in accordance with the trade and economic cooperation agreement between Mongolia and the European Community. Currently, the joint committee became an important mechanism to exchange information and views on politics, foreign policy and economy and to express the cooperation trends. The 17th session of the Joint Committee was held in Ulaanbaatar in March 2017. Besides, a group to communicate with the European Parliament has been set up in the Parliament of Mongolia. The Group to communicate with the Central Asia and Mongolia has been working in the European Parliament. The 10th regular meeting of the Mongolian and European Parliaments was held in Ulaanbaatar in February 2015 and representatives of the Group to communicate with the Central Asia and Mongolia visited Mongolia.

The European Union and its member states has been organizing the annual meeting of the Ambassadors since 2009 and has been regularizing it as the mechanism of the bilateral relations. Ambassadors of 27 member states led by the EU Ambassador to Mongolia Hans Dietmar Schweisgut attended the 8th meeting of the Ambassadors held in November 2016.51 It expresses the development of the political relations between the EU and Mongolia at the top level.

Economic and trade cooperation

The trade relations between the European Union and Mongolia are regulated by the trade and economic cooperation agreement which came into force in 1993. The agreement states to

50 https://eeas.europa.eu/delegations/mongolia/14771/mongol-ulss-ba-eh_mn/2019.03.29/
51 http://www.mfa.gov.mn/?page_id=41777#1489557940850-f4787a77-bbec/2019.03.29/
have the most favorable partner status on the exports of the two parties and to increase the trade and economic relations. Moreover, one of the important provisions is the establishment of a joint committee. The joint committee holds an annual meeting and the two sides analyze the results of their annual activities. The two sides also reach an agreement on the plan of further activities as a regular mechanism. Therefore, they agreed to regularly held high-level meetings of the joint committee in Ulaanbaatar or in Brussels.

The EU and its member states made considerable amount of investment to Mongolia. Therefore, those states are considered as the largest investors. According to the investments made in 1990-2003, each one company of France and Portuguese invested Mongolia in 1993 and in 1994, respectively. Then, companies of Switzerland, Bulgaria, Italy, Hungary and Belgium started their businesses in Mongolia in 1995.

In September 2002, 540 delegates from 44 countries participated in the Investment Forum which was jointly organized by the Government of Mongolia with the World Bank, and 55 of the attendants were members of the European Union.

As of 2007, 90 companies with EU investments were registered in Mongolia and the total investment amounted to US$ 36 million. It was over 9% of the total foreign investments made to Mongolia. The following list shows the countries which invested to Mongolia. China ranks the first place (40%), the United States ranks the second place (10%), Canada takes the third place (14%), and the European Union ranks the fourth place (9.5%). As of 2005, the first 16 countries which invested in Mongolia includes the UK ranking the 8th place (US$ 28 million), Bulgaria at the 9th place (US$ 27 million) after joining the European Union in 2007, Portugal ranking at the 12th place (US$13 million), Italy at the 14th place (US$ 10 million), and the German Federal Republic ranking at the 16th (US$ 8 million).52

As of 2017, a total of 835 companies from the EU member states invested US$ 5.7 billion to Mongolia and 83.8% of the investment was spent on the mining sector, 8.7% - on the trade and public catering service, and 2.1% in the banking and finance sectors.53

The European Union is one of the major trading partners of Mongolia. The trade relations between Mongolia and the EU is regulated by the trade and economic cooperation agreement which was entered into force in 1993. The two sides agreed to have the most attractive export partner status and to promote the trade and economic relations. This

53Mongolian Foreign Policy Blue Book. Улаанбаатар 2017, 37.
agreement is very effective for Mongolia. In addition, the EU generalised scheme of preferences (GSP) provides reduced tariffs to small, underdeveloped and vulnerable economies, especially to the landlocked countries.

The European Commission approved the guideline in July 2004 to implement the EU GSP for the period of 10 years or between 2006–2015. The procedure on the GSP implementation will be approved by the Council for the period of three years.

The partnership and cooperation agreement was established in 2010 between Mongolia and the European Union54 and a legal environment has been created to intensify the bilateral relations and cooperation and to extend those ties in new other sectors. This document states that "The Parties shall take measures focused on developing the mutually beneficial trade exchange and increase the number of types.55 It shows that there is a favorable trade and economic opportunities. This partnership and cooperation agreement were re-approved in 2013 and 2017, respectively.

The total trade volume between the EU and Mongolia reached 403 million euro in 2015 and of which exports from Mongolia to the EU amounted to 84 million euro and from the EU to Mongolia were 319 million euro. The main export products from Mongolia to the EU include raw materials and textile products (especially cashmere) while the EU’s main export products to Mongolia are machinery, chemicals and food products. In 2015, the EU occupied 9% of the total foreign trade of Mongolia and became the third largest trading partner.56 Mongolia is ranked at the 137th place in the EU trading partner list. Furthermore, in 2017, the trade turnover of Mongolia with the European Union reached US$ 1.2 billion and of which exports were US$ 727.0 million and imports were US$ 471.6 million. It expresses that 11.3% of the total foreign trade of Mongolia in the EU.57

In May 2017, Mongolian Minister of Foreign Affairs, Munkh-Orgil.Ts, held a meeting with the EU’s deputy trade commissioner Maria Asenius and members of the group to communicate with the Central Asia and Mongolia during his official visit to the European Union. At the meeting, they discussed and agreed to put particular agricultural goods of Mongolia into the economic circulation, to effectively use GSP + tariff by a way of advertising them at the EU market, to conclude free trade agreements and trade and investment

55 Partnership and Cooperation Agreement between EU and Mongolia. Chapter IV, 2.
agreements at the international level, to strengthen the capacity to hold talks and to study the EU’s experiences.\textsuperscript{58} It expresses the importance of GSP + reduced tariff system for the trade and economy of Mongolia.

This agreement creates a legal environment to cooperate in the environmental, educational, scientific, financial, legal, statistical, standardization etc sectors without restricting the bilateral ties only in the trade and economic sectors.\textsuperscript{59} Mongolia is one of the few Asian countries that concluded partnership and cooperation agreements with the European Union. This agreement gives a big impetus to develop close relations and cooperation with this highly developed political and economic institution which comprises 28 European countries and more than 500 million people.

**Development cooperation**

Development assistance is an important pillar to the relations between the EU and Mongolia and renders support to the Government of Mongolia and other civil society organizations with the ultimate purpose of strengthening the sustainable development and achieving the Millennium Development Goals.

The bilateral relations, which cover the development cooperation between the European Union and Mongolia, became the foundation of collaboration between the European Commission and Mongolia under the agreement concluded in 1996.

The EU accepted positively the UN appeal to reach 0.7\% of the gross domestic products in order to let the developed states render assistance to the developing states at the international conference on the development financing which was organized in 2002 in Monterrey, Mexico. The EU pledged to spend 0.51\% of its GDP on the official development assistance by 2010.\textsuperscript{60}

Furthermore, 17 out of the 29 major donor countries in the world are European Union’s member states. Therefore, the EU donates more than half of the total development financing worldwide. The European Council made a number of decisions and made covenants on rendering assistance in order to promote the political and economic reforms in Mongolia. The documents are as below:

- Between 2002-2006, Mongolia-European Community: Strategy Paper

\textsuperscript{58} Mongolian Foreign Policy Blue Book. 2017,39.
\textsuperscript{59} Mongolian Foreign Policy Blue Book. 207-2011, 38.
\textsuperscript{60} Report of the International Conference on Financing for Development. Monterrey, Mexico, 18-22 March 2002.
Between 2002-2003, TACISs national Indicative Programme

- Between 2007-2013, Mongolia - European Community: Strategy Paper
- Between 2011-2013, Development cooperation instrument Mongolia mid-term review National Indicative Programme
- Between 2014-2020, Multiannual Indicative Programme (MIP) for Mongolia
- EC development assistance to Mongolia under ALA programme (2004-2006)

Those are the development cooperation documents between the EU and Mongolia.

The CSP 2002 to 2006 focused on rural development, support to the private sector and alleviation of the social consequences of the transition to a market economy.\textsuperscript{61} The CSP 2007 to 2013 principally concentrated on “poverty alleviation through sustainable rural development”, which included environmental, social, trade and gender issues as well as human rights.\textsuperscript{62} The rest of the focus was on other complementary actions, mainly in the fields of education and vocational training and/or trade and economic cooperation.\textsuperscript{63}

The EU gave Mongolia EUR 29 million for the implementation of the CSP 2007 to 2013. These actions have been supported by other regional programmes and thematic budget lines, such as the Erasmus Mundus scheme, the SWITCH ASIA programme and the TEMPUS programme.\textsuperscript{64}

The Multi-Annual Indicative Programmes (MIPs) highlight the limited number of focal areas which will be adhered to while implementing each CSP. The latest MIP from 2011 to 2013 allocated nearly EUR 15 million to funding projects supporting Mongolia’s democratic institutions and their effectiveness, including the adoption of EU norms and standards as well as funding for vocational training projects.\textsuperscript{65} Implemented in line with the

\textsuperscript{64}Embassy of the Czech Republic, Ulaanbaatar, Development Cooperation between Mongolia and EU.
government priorities set out in the National Development Strategy (NDS), the MIP supports the Mongolian government’s poverty reduction strategy, emphasising rural development.66

The EU began to involve Mongolia in 1994 in the TACIS (Technical Assistance to the Commonwealth of Independent States). This program was initiated by the European Union in 1990 to giving non-refundable aids to the commonwealth independent states for their economic changes and reforms for the transitional period. Purpose of this program was to assist the states, which were combined in the former Soviet Union and communist system, in overcoming the challenges faced during the transiton to the democracy and market economy.67

Mongolia made a decision to join the TACIS starting from January 1994. Mongolia received the financial aid of a total of 70 million euro from the European Union from 1994 to 2003 and 50 million euro of which were spent under the TACIS program.68 General programs were approved for Mongolia on each occasion under the TACIS program and the programs focus on the following issues:

- Between 1994–1995, the General Program includes human resources development, small and medium enterprises, agricultural processing plants and energy issues,

- Between 1996–1999, structural reforms, industrial and financial development, infrastructure development /during this period, the financial aid for Mongolia reached 8.9 million euro or the highest amount among the other states which received financial aid under the TACIS

- Between 2000 and 2003 helped support rural development, private sector support, economic development and the elimination of social consequences of transitional period.69

Implemented number of projects under the Mongolia - European Union Democracy Programs since 1995. The objective of main importance at the time was implementing human rights, protecting minorities, developing civil society organizations and implementing democratic practices. Additionally, within this aid activities such as public administration reform, theoretical and practical knowledge about democracy, knowledge of pluralistic society, support of non-governmental organizations, sharing experience and knowledge with

---

democratic principles, and law-based associations were included. To name a few of these projects:

**Supervisor training program**- The main focus of this project was on the management of sustainable development. The project gave senior and middle supervising staff the opportunity to gain experience through training. The supervisors were introduced to EU level modern leadership issues, concepts, as well as recent political and economic developments.

**Institutional Strengthening Partnership Program**- General objective was to improve the institutional structure through cooperation and partnership development assistance between non-governmental organizations, local, regional governments or nonprofit organizations. This project is the continuation of local and regional partnership programs. The above programs continued for six and eight years respectively. With over 269 projects, 600 organizations participated.

**LIYEN** of TASIS is a program aimed at establishing connection with European NGOs. This program was funded by the European Commission in order to support the development of new independent countries and the development of Mongolian NGOs. The LIYEN program provided aid to the poorest of the population based on international partnerships between NGOs in the social sector. To name some of the work, set up a communication, information and training center for vulnerable children and young people, set up ophthalmology and eye health centers, to reduce the violence against women and children, strengthened anti-violence national centers.

**Partnership between Cities**- Supported the establishment of a long-term partnership between the European Union and the Mongolian cities by conducting a meeting for the people related to the TASIS program.

**Tempus**- This program was developed based on the conception that the contribution of higher education institutions played an important role for the transition in Mongolian. The Tempus program has supported over 20 projects with the purpose of reforming the higher education sector. These projects help improve the structure and organization of educational institutions, facilitates communication and collaboration between the EU higher education institutes as well as with their partners in Mongolia.

As mentioned above, an important provision in the 1993 trade and cooperation agreement was to establish a bilateral joint committee. I have mentioned that the joint
committee agreed to hold a committee session yearly in order to evaluate the work done from both sides and develop a plan for further action.

**ALA program** - Based on the fact that EU has agreed that the TASIS program implemented between 1994 and 2003 has shown progressive results, they came to the conclusion to move forward with a long-term development strategy and program. Thus, at the request of the Government of Mongolia, Mongolia has been enrolled in the European Union's ALA (Asian and Latin American) program from January 2004. Additionally, Mongolia was able to join and benefit from Asian multilateral programs directed at supporting NGOs.

Projects under the ALA program provides a wide range of activities and a broad range of functionality, offering great flexibility and advantage over long term. By becoming part of the ALA non-governmental organizations as well as NGOs and the private sector were able to receive formal funding from the European Union. Even then it is quite competitive to receive funds from the ALA as the countries involved in the program must offer well-designed and timely proposals.

In the framework of the ALA program, the National General Program has been approved in cooperation with Mongolia in 2004–2006. In regards with the program the main goals and priorities of further cooperation was identified as the development of Mongolia's agricultural produce and increase in export of agricultural products. For this purpose, the "Healthy livestock and Livestock Market" project was approved. The total cost of the project is 9.8 million euros and it has been implemented since January 2008.

The European Commission’s Humanitarian Aid Office (ECHO) has frequently supplied emergency relief to assuage the effects of harsh winter and droughts as well as to assist Mongolia in disaster preparedness. For example, when Mongolia was hit by a serious drought during the summer of 2000, there was a huge risk of food shortages. The Commission therefore decided to extend an existing food distribution project in Uvs, which is one of the worst affected regions, at a cost of EUR 575,000. The project, implemented by a Danish non-governmental organisation (NGO) partner, targeted about 38,000 vulnerable people.

From 2007 to 2013, the main EU projects focused on supplementary actions. The supplementary actions included improving the livelihood security of livestock owners in

---

Arkhangai, reducing poverty through agricultural development in western Mongolia, reinforcing small enterprise opportunities by promoting tourism, providing social care services to the most vulnerable people, empowering women in rural Mongolia and supporting minorities and the media. One project assisted women in the setting up of bakery shops and another supported a Mongolian NGO in its promotion of gay and lesbian rights. External evaluations on the focal areas and rural development projects concluded that the results so far are globally satisfactory and that continued involvement in this sector should be envisaged.\textsuperscript{72}

The priorities and the financial framework of the new CSP 2014 to 2020 for Mongolia are currently under negotiation with the Mongolian government, civil society as well as the main stakeholders.\textsuperscript{73} The DCI for the CSP 2014 to 2020 was discussed at the 15th Joint Committee meeting, in which the EU expanded on its reasoning for focusing on two areas; “improved governance of revenues from extractive industries for inclusive and sustainable growth” and “vocational training for better employment opportunities”.\textsuperscript{74} It was also revealed this month that development assistance from the EU to Mongolia will double for the period 2014 to 2020, 40 to about EUR 60 million. Close cooperation is similarly envisaged between different levels, including administrations and civil society. Nevertheless, the exact areas to be targeted for EU development assistance and the projects to be administered will not be fully identified until the new CSP is published in mid-2014.

**Education and Science Cooperation**

Education, Science and Research innovation cooperation is an integral part of co-operation between EU and Mongolia.

The TASIS program has successfully implemented 20 projects in the higher education sector. For example, to improve the structure and structure of the National University of Mongolia, to develop and implement the strategic plan of the school, to develop a revenue source, to plan a distribution system, to support the development of a curriculum, and to establish a European language training center.

**3.6. Relationship between Mongolia and European Union member states**

\textsuperscript{73} KATERYNA ROLLE. THE PAST, PRESENT AND FUTURE OF EU-MONGOLIA DEVELOPMENT COOPERATION. EUROPEAN INSTITUTE FOR ASIAN STUDIES 2013, 7.
\textsuperscript{74} KATERYNA ROLLE. THE PAST, PRESENT AND FUTURE OF EU-MONGOLIA DEVELOPMENT COOPERATION 7.
The European Union is a large political and economic union with 28 European country member states. Mongolia is expanding its relations with the European Union and its member countries are expanding continuously with each passing day. Since 1950, Mongolia has had friendly relations with former Soviet socialist countries as well as highly developed countries such as United Kingdom, Germany and France. Therefore, the contribution of European countries to the development of Mongolia is significant. Since 1990, the political and economic support and assistance of EU member states has played an important role. With the integration of traditional ties with Central and Eastern European countries, the export market has opened and new sources of investment were established.

This part will briefly take example of some of the leading EU countries - Germany, United Kingdom, France, Hungary and, Czech Republic. As these countries have had many years of friendly relations with Mongolia, most of the development loans and grants coming into Mongolia came from the above mentioned countries.

In addition, Germany, France and the United Kingdom are the world's leading economic, political and defense leaders. As for Hungary and the Czech Republic, they have had fraternal relations between 1960 and 1990 and have been developing traditional relations with Mongolia since 1990. Specially, since the beginning of 2015 Hungary and Mongolia has begun new phase of their relations in education and culture, and has granted scholarship to 200 students at the Hungarian government’s expense.

**The German Federal Republic.**

The Mongolian Foreign Policy Concept and the Government Action Plan considered the German Federal Republics a major partner in Europe. Furthermore, the development of relations and cooperation between Mongolia and one of the leading economies of the world, was important for Mongolia's political and democratic processes and market economy development. As a large nation with political policy and economic development that has global influence, Germany has supported Mongolia during its democratic changes not only in bilateral relations but also in the international arena. Mongolia-Germany partnership is focused on six sectors as the following:

1. Political relations
2. Defense relations
3. Economic relations
4. Cooperation in Development Assistance
5. Cooperation in Education and Culture

6. Humanitarian and Social Cooperation.\(^{75}\)

The Technical Cooperation Agreement between German Federal Republic and Mongolia was made in 1992. Today, it is one of the biggest donor countries to Mongolia after South Korea and Japan and the most important EU partner.

Since 1991 official visit of the Foreign Affairs Minister of Mongolia to Germany, high-level visits between the two countries have been carried out regularly. In 1995, the former president of Mongolia Ochirbat. P, visited German Federal Republic to sign the declaration on the role of Mongolian-German relations, which became the basis for long-term sustainable development in all sectors.\(^ {76}\) Henceforth, the visit to Mongolia was paid in 1998 by Hertsog. P, and the visir by the president of German Federal Republic were also significant.

As mentioned above, the German Federal Republic has directed to include Mongolia in projects not only within their bilateral relations but also on multi-lateral level within the framework of the European Union, the United Nations Development Program, the International Monetary Fund, the donor countries in Mongolia and financial institutes, the G8 Group.

Between 1991 and 2003 the German Federal Republic government has donated through official development assistance total 201.49 million euros to the Mongolian government. From the donor countries of Mongolia, Germany comes after Japan per the amount of assistance per person.

---

\(^{75}\)http://www.mfa.gov.mn/?page_id=18989#14895581866652-d8a4bc8d-74fe/2019.04.04/


<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Cooperation</td>
<td>15</td>
<td>10</td>
<td>14</td>
<td>17</td>
<td>12</td>
<td>15</td>
<td>15</td>
<td>25+17</td>
<td>20+8</td>
<td>10</td>
<td>95,90</td>
</tr>
<tr>
<td>Technical cooperation</td>
<td>9</td>
<td>5</td>
<td>11</td>
<td>11</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>25+3</td>
<td>20+6</td>
<td>10+1</td>
<td>78,49</td>
</tr>
<tr>
<td>Total</td>
<td>24</td>
<td>15</td>
<td>25</td>
<td>28</td>
<td>25</td>
<td>29</td>
<td>30</td>
<td>70</td>
<td>54</td>
<td>21</td>
<td>174,39</td>
</tr>
<tr>
<td>Technical assistance in other fields</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>27,10</td>
</tr>
<tr>
<td>Sumtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>201,49</td>
</tr>
</tbody>
</table>

Source of Ministry of finance

According to the Development Cooperation Protocol between Mongolia and the German Federal Republic of September 12, 2002, German Federal Republic agreed to issue 21 million euros to Mongolia between 2002 and 2003. More than half of total disbursements are financial and technical assistance grants. Till 2002 the cooperation of the two countries involved almost all sectors of Mongolia. As they mostly cooperate in only one sector, it shows that the German Federal Republic had a great support for our country.

The main source of technical cooperation in both countries is the “Agreement on Technical Cooperation between Government of the Mongolian People’s Republic and Federal Government of Germany” made on 29th January, 1992.77

The German Technical Cooperation Projects are jointly implemented by the “German Technical Cooperation Association” and the Financial Cooperation Projects are implemented jointly with the “German Rehabilitation Bank” respectively.78

77 http://www.mfa.gov.mn/?page_id=18989#1489020303943-b1244b0a-1381
**Technical cooperation**

Within the framework of Technical Cooperation between the two countries, 14 projects were financed by the German Federal Government. The projects are:

- Support the State Inspection Committee
- Encourage organized self-help activities in rural areas
- Establish a financial system in rural areas
- Counseling for small and medium-sized enterprises
- Support for the reproductive health sector
- Give legal advice based on economic rights
- Protection of environmental and development of its surrounding areas
- Use renewable energy sources
- Promoting vocational education
- /WTO/ Cooperate within the international trade policy
- Training power station staff
- Provide aid for blizzard
- Promoting privatization of veterinary services
- Research and expert funds

**Financial Cooperation**

Out of the 95.5 million euros for total of 24 projects the government of Germany has granted the government of Mongolia, 17.8 percent is grants and the rest 82.1 percent is discounted loans. To sort the grants and discounted loans given to Mongolia by the German Rehabilitation Loan Bank:

- Discounted loan of EUR 13.3 million through goods
- A soft loan of EUR 39.7 million for the energy sector (including renewable energy)

---

78 Haisandai.L.: EU and Mongolia: *Official Development Assistance and Benefits* 42.
- A soft loan of EUR 2.25 million for healthcare
- Support for SMEs /along with support programs for small lending organizations/ EUR 13.8 million of loans and grants

Out of the loans granted by the German Rehabilitation Loan Bank, 31.2 percent was for renewal of communication and development, 31.2 percent was for the Energy Development, 12.5 percent was for the project to support small and medium and the rest 25 was issued through goods.

**DISCOUNTED LOANS ISSUED BETWEEN 2000 AND 2002**
**BY THE GERMAN REHABILITATION LOAN BANK**

<table>
<thead>
<tr>
<th>Name of Project</th>
<th>Ratification Date</th>
<th>Implementing organization</th>
<th>Main currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choibalsan city thermal power station/additional loan/</td>
<td>2001.02.12</td>
<td>MOF</td>
<td>Euro</td>
<td>6000.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.067.751.29</td>
</tr>
<tr>
<td>Communication II /additional loan/</td>
<td>2001.04.13</td>
<td>MOF</td>
<td>Euro</td>
<td>3.400.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1.738.392.40</td>
</tr>
</tbody>
</table>

---

80 Haisandai.L.: EU and Mongolia: *Official Development Assistance and Benefits* 44.
In 2008 bilateral relation of Mongolia and Federal Republic of Germany is brought in a new phase. Horst Köhler, President of Federal Republic of Germany and Chancellor Angela Merkel visited Mongolia in 2011. During this visit of the President Köhler, the parties agreed to develop "Comprehensive Partnership" relationship.\(^{81}\) According to this, the permanent mechanism to improve the comprehensive partnership relationship is created through organizing consultative meetings in the areas of foreign policy, defense, economic relation, cooperation and cultural cooperation. In connection with this, state visits have been organized by both parties. For instance, Parliament speaker, Prime Minister and Foreign Relations Minister visited FRG during 2009–2010, A.Merkel, Chancellor of FRG visited Mongolia in 2011. Her visit became very important visit that is implemented in the presidential level first time in the history of foreign relations.

\(^{81}\) *Mongolian Foreign Policy Blue Book*. 2016,39.

<table>
<thead>
<tr>
<th>Loan Description</th>
<th>Date</th>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communication III + additional loan</td>
<td>2001.06.13</td>
<td>MOF</td>
<td>Euro 1.000.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>511.291.88</td>
</tr>
<tr>
<td>SME Credit Program II</td>
<td>2002.04.24</td>
<td>MOFE, Bank of Mongolia</td>
<td>Euro 7.000.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>3.579.043.17</td>
</tr>
<tr>
<td>Energy Sector Program I</td>
<td>2002.04.24</td>
<td>MOF</td>
<td>Euro 15.500.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>7.925.024.16</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>Euro 32.900.000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>16.831.502.90</td>
</tr>
</tbody>
</table>
In the framework of this visit, the negotiation to collaborate in the areas of mineral resources, industry and technical science was made in the governmental level.\textsuperscript{82}

In addition, Germany has provided 4 million euros (€ 4 million) to the newly established German-Mongolian Institute of Technology (GMIT) to prepare highly skilled engineers and technicians in Mongolia for the mineral resources sector and the oil production industry.\textsuperscript{83} FRG has implemented projects and programs aimed at protecting Mongolia's unique biodiversity. German Society for International Cooperation (GIZ) has contributed to protecting Mongolia's unique biodiversity over the last 25 years. In addition, it is providing a lot of support in strengthening forest ecosystems through introducing a more sustainable forest management practice and organizing professional training for the forest workers.

Since 2011, Germany has provided 11.5 million euros grants for the efficient management of specially protected areas. Relevant organizations may request funding for implementation of the management plans of specially protected areas. This innovative approach reinforces the system of specially protected areas in Mongolia and protects the biodiversity of certain ecosystems and enhances the livelihoods of those living in the region.\textsuperscript{84} Turnover of the two countries was approximately 110 million US dollar in 2010. As of 2010, 156 companies run the activities with single and joint investment of Germany in Mongolia and made an investment of 26.8 million US dollar.

German Government issued as official grants of totally 270 million US dollar between 1991 and 2009. From this, about 110 million euros are soft loans, while 100 million euros are the grants. Also it issued 27.5 million euros for the humanitarian aid and training costs of the NGOs.\textsuperscript{85}

The regular bilateral agreement on Development Policy Cooperation between Mongolia and the Federal Republic of Germany was made in 2016 and the funding of 53.85 million euros was approved issue to Mongolia through this agreement, which was the biggest grant in this sector.

Total trade stood at $163.6 million between Mongolia and Germany as of 2016. From this $43.3 million of exports from Mongolia and $120.3 million imports. Germany imported

\textsuperscript{82}http://berlin.embassy.mn/index.php?moduls=12/2019.04.04/
\textsuperscript{84} PARTNERS FOR A BETTER FUTURE: The EU and its Member States’ cooperation with Mongolia 15.
\textsuperscript{85} Mongolian Foreign Policy Blue Book. 2007-2011,40.
mainly the cashmere and leather products from Mongolia, while Mongolia imported mainly industrial equipment, food products, consumer goods, cars and its parts.\textsuperscript{86}

In 2017, the Ministry of Foreign Affairs of the two countries organized a consultative meeting in Ulaanbaatar. They exchanged views on strengthening bilateral economic relations and cooperation and establishing mechanisms for mutual consultation on consular matters. In that year, trade turnover of the two countries stood at $139.9: $128.3 million import and $11.6 million export.\textsuperscript{87}

\textbf{France}

As mentioned above, Mongolia has established diplomatic relations with France on April 27, 1965. Since 1990, relations and cooperation between France and Mongolia has been developing smoothly at all levels. Legal documents, which are the basis of good relations and cooperation, have also been adopted. These are:

\begin{itemize}
  \item Intergovernmental agreement on the exchange of diplomatic agents (03.30.1965)
  \item Intergovernmental agreement on Friendly Relations and Cooperation (It is signed on 04.18.1996 and validated on 11.01.1997.)
  \item Intergovernmental Agreement on Avoiding Double Taxation of Income and Property Taxes and Prevention of Taxes Avoidance (It is signed on 04.18.1996.)
  \item Intergovernmental Agreement on Promoting Investment and Mutual Protection (It is signed on 11.08.1991 and validated on 12.22.1993.)
  \item Intergovernmental agreement on cooperation in culture, science and technology sectors (It is signed on 05.25.2005.)
  \item Intergovernmental agreement on cooperation in civil aviation sector
  \item The Intergovernmental agreement on cooperation in nuclear energy sector (10.14.2010)
  \item Agreement on the Exemption of Diplomatic Passports for Visa Requirements (2013.10.26)
  \item Agreement between the Government of Mongolia and the Government of the French Republic on Education, Culture, Science and Technical Cooperation (2015.11.19).\textsuperscript{88}
\end{itemize}

\textsuperscript{86} Mongolian Foreign Policy Blue Book. 2016,31.
\textsuperscript{87} Mongolian Foreign Policy Blue Book. 2017,40.
\textsuperscript{88} http://www.mfa.gov.mn/?page_id=17860#1489020303943-b1244b0a-1381/2019.04.04/
Since French President Valery Giscard d'Estaing visited Mongolia in 1986 with the invitation of the People's Revolutionary Party, state high-level visits were made on a bilateral basis regularly. France is one of the main EU member states, which provide development assistance to Mongolia. France issued the grants of US $ 10.73 million to Mongolia between 1992 and 2004.

**Main areas of the official development grants issued from France to Mongolia**


**Humanitarian aid.** A total of 550 thousand francs including 3 times have been provided to help the herders to overcome the dzud and fire losses in Mongolia. In addition to the flood victims in August 2003, 10 thousand euros were transferred to Mongolia.

An important aspect of assistance in the humanitarian sector is Food aid. In February 2002, the French government assistance agreement was signed by Foreign Minister Erdenechuluun and J.O. Manan, Ambassador of France to Mongolia. Therefore 25,000 tons of wheat was supplied to Mongolian government during 2003–2005. The "French Food Fund" was created by the sale of groceries and implemented projects aimed at providing food fodder in rural areas and providing food security to the very poor.\(^89\)

**Health sector.** French NGOs have contributed significantly to the development of this sector. "World doctors" NGO contributed 32 tonnes of medicines and medical supplies, costs $ 454 thousand in May 1995. Additionally, the measures were organized such as doctors visited rural areas for making examination and surgery.\(^90\) In addition, partnerships between cities and regions of France and Mongolia helped to create mutually beneficial cooperation. One example is cooperation in rural areas of Uvurkhangai province and the Allier (Auvergne region). In the framework of this cooperation, more than 10 surgeons from Mongolia were invited to France to study French women's abdominal cavities and other internal organs. Of these, three have graduated with European professional degree. With the support of the French Government, the World Health Organization (WHO) and the local government of Allier, these surgeons trained other physicians and nurses in Mongolia and improved the quality of pre-delivery treatment in remote provinces in Uvurkhangai and Ulaanbaatar. In

\(^{89}\) D+C, Development and Cooperation, international journal, 2006, No 1, 403.
\(^{90}\) Haisandai.L.: EU and Mongolia: Official Development Assistance and Benefits 70.
addition, France assisted in improving the epidemiology of emergency medical services at the Central Clinical Hospital of Ulaanbaatar.\textsuperscript{91}

\textbf{Infrastructure.} In the framework of this sector, the project for renovating telephone station of Ulaanbaatar city is implemented with Alkatel company from France during 1989-1998. Also the project for installing and repairing 48500 pairs of pipelines in Ulaanbaatar, Darkhan and Erdenet city was implemented.

During 1999–2001, the project for replacing of the water supply equipment and facilities was implemented with the grants of the Government of France and the investment of $ 0,83 million was made totally.

Also through the lines of the Ministry of Infrastructure, water treatment system is installed in Sukhbaatar and Dundgobi provinces with the capacity of treating 5m3 water per hour.\textsuperscript{92}

\textbf{In the military sector.} Togoo.Ts, Major General, Head of the General staff of the Armed Forces of Mongolia made official visit in France in 2004 and met army general Anry Bentejea and exchanged their views on developing military cooperation of the two countries, for instance training the peace enforcement military specialists and exchange the experiences and teaching French to Mongolian soldiers.

In 2011 Deport.V, Head of General staff of the Armed Forces of France visited and expanded the cooperation in the areas of defence and emergency sectors.

\textbf{Environmental sector.} It can be considered most efficient sector to promote. During 1992-1997, the program for introducing wild horse in Mongolia jointly with scientists of Biological Institute of the Academy of Science, French and American scientists.

In the other directions of nature conservation, it provided the grants in rehabilitating the woods affected in the fire in 1996 and during 1997–2000 it issued the grants to replace water supply system equipment and facilities.\textsuperscript{93} In 2009, French Government provided 1.6 million euros soft loan for the project for establishing mobile and permanent laboratory for making air quality surveillance of Ulaanbaatar city and 8.7 million euros soft loan to the project for expanding water treatment plant of Erdenet city in 2009.\textsuperscript{94}  

\textsuperscript{91}PARTNERS FOR A BETTER FUTURE: The EU and its Member States’ cooperation with Mongolia 10.  
\textsuperscript{92}Haisandai.L.: EU and Mongolia: Official Development Assistance and Benefits 70–71.  
\textsuperscript{93}Haisandai.L.: EU and Mongolia: Official Development Assistance and Benefits 73.  
\textsuperscript{94}Mongolian Foreign Policy Blue Book. 2007-2011,41.
Science. During 1994–2001 France supported and actively participated in multiple archeological excavation of Mongolia and as a result of this, they could excavate a lot of historical shell heap, which belong to different ages such as BC and in our era.

We can name some of the fascinating findings that are found in the Mongolian territory such as king’s tomb, which is found from Gol Mod area, rock painting of Altai’s cave and the scull aged 28000 years found from Cyberia border.

As a result of efficient cooperation for more than 20 years between French and Mongolian specialists, these two countries could strengthen the cooperation in the scientific, particularly in cultural area.

Total trade turnover stood at approximately USD60 million in 2010, USD27,1 million in 2016: $7,6 million from export and 19,5 million from import. But total trade turnover reached $38,1 million in 2017: $5,7 million from export and 32,4 million from import

Great Britain.

Since 1990, it created the favorable condition to contribute and develop the democracy and reform processes made in Mongolia and expand the cooperation between the two countries. It supported democratic and reform processes, which are selected by Mongolia from the start, it mentioned about the achievements made in politics, economics of Mongolia in the statement of the meeting of “G-7”, which was held in London in 1991 and called for supporting it further. In the foreign policy concept of Mongolia and Action Plan of the Government it is specified that Mongolia should develop the relations and cooperation with Great Britain, which is one of the main countries that establish the UN, permanent member of the Security Council and the country with active policy and high influence in the European Union.

There are many agreements made between the two governments. These include:

- Intergovernmental Inter-governmental Cooperation in Education, Science, Culture, Technology and Economics (1990)


Memorandum of Understanding between Intergovernmental Memorandum of Understanding between Customs Administration (1998)

Agreement on the Use of Air routes (2002)\(^5\) has been established between intergovernmental documents.

One feature of the bilateral relations is Round table meetings, which have been organized by two countries since 1987. This measure is initiated first in 1987, and then it was organized in 1991, 1996 and 2002 in Ulaanbaatar and in 1989, 1993, 2000, and 2004 in London, totally 8 times.

First time “Marley Engineering” company made a direct investment in 1991 in Mongolia, since that totally 118 companies run their activities during 1991-2011 in Mongolia and made an investment of $54 million.

In 2009, the United Kingdom and Mongolia Chamber of Commerce and Industry was established with the participation of British and business representatives, including initiatives to develop infrastructure, mining, tourism, investment, banking and financial projects, exchange experiences, business, company and business a variety of measures to connect with entrepreneurs.\(^6\)

The world's leading companies, banks and financial institutions such as London-based Rio Tinto, the European Bank for Reconstruction and Development, and the London Stock Exchange are working closely with Mongolia. Examples Rio Tinto has invested in the Oyu Tolgoi project, the largest mining deposit in Mongolia.

In the education sector, there is also a great deal of cooperation. In 2013-2016, many projects were implemented getting funds over 2.2 million euros from the Government of the United Kingdom in health, education and cultural sectors. For example, a prestigious

\(^5\) http://www.mfa.gov.mn/?page_id=19017#1489020303943-b1244b0a-1381/2019.04.04/

\(^6\) http://www.mongolianbusinessdatabase.com/base/eventsdetails?id=44/2019.04.05/
Chevening Scholarship program provides full scholarship about 15 Mongolian students each year to get Master's degree in education.\(^{97}\)

As of 2004, trade turnover reached $141.9 million: $137.5 from export and $4.4 million from the import.

British companies buy precious metals, mineral and raw materials mainly such as cashmere and sheep wool, minerals, and even unprocessed gold from Mongolia, while Mongolian companies import mostly stocks, printers, machines, textile fibers, consumer electronics, wholesalers, wholesalers, telecommunications equipment, mining equipment, pharmaceuticals, chemicals, whiskeys and vodka.

Furthermore, trade turnover reached almost $90 million in 2010: $70 million from export and $20 million from import, while in 2016 the trade turnover reached $395.9 million: $362.2 million from export and $26.7 million from import, 93.4 percent of total exports are unprocessed or semi-processed gold, which equals 75 percent of Mongolia's total gold exports, while 28% of imports are the cars.\(^ {98}\) In 2017, this figure has risen sharply to $ 689.9 million.

**Hungary**

Since the two countries have made transition to democracy and the market economy in 1990, the political, economic and educational and cultural cooperation has continued to grow day by day. As a member of the European Union, Hungary is our "third neighbor", which has a friendly and cooperative relationship Since 1990, Hungary and Mongolia have been divided into three main areas of cooperation and relations. It is a political, economic and humanitarian relations.

Because the two countries have long-standing traditional relations, especially the economic relations, there are great opportunities for the cooperation in any sector. Since 1991, there were made many high level state visits (in the level of the President, Parliament Speaker, Prime Minister and Foreign Affairs Minister) between them, so it is obvious that it will open the door for further cooperation in many fields.

The intergovernmental commission on cooperation in trade, economic and science-technical cooperation established in 1966 to coordinate and develop Mongolia-Hungary

---

97 PARTNERS FOR A BETTER FUTURE: The EU and its Member States’ cooperation with Mongolia 11.

98 Mongolian Foreign Policy Blue Book. 2016,32.
economic cooperation has played an important role in 1988 and stagnated from 1989-1994. The Commission was re-established in 1994 to meet new conditions and requirements. The first meeting was held in Budapest in 1995, second meeting in Ulaanbaatar in 1997 and third meeting was held in Budapest in 1998.

In connection with Hungary has joined the European Union, this commission was changed as Joint Commission for Economic Cooperation and first and third meetings were held in Ulaanbaatar in 2005 and 2010, while the second and fourth meetings were held in Budapest in 2007 and 2013. The fifth meeting was organized in September of 2015 in Ulaanbaatar.99

We are focusing on cooperation in the field of investment, trade and disaster protection in Mongolia and Hungary. As of 2004, Hungary's 0.1 percent investment ($ 1.5 million) Invested in US dollars. There are 7 companies with Hungarian investment in Mongolia. From this perspective, the investment and the size of the trade are not much. Most of the Mongolians from Hungary were buying food products, medicines, shoes, equipment and machinery for small factories.100

In 2004, Hungary became a member of the European Union and provided development assistance to developing countries. Hungary then decided to officially present its development assistance and sent its representative to the Donors' Conference held in Tokyo at the end of 2003. The Hungarian side implemented the projects for a total of $ 300,000 during 2004–2007. The projects are: In 2004, Hungarian Government paid the tuition of one Mongolian student to study in Hungary, in 2005 provided the scholarship to one more Mongolian student additionally, supplying consumer electrical meter to the households, organizing Study Tour in promoting the employment, in the agricultural and food sectors, I and II phase projects top replace fire laboratory in the disaster prevention area during 2006-2007 /135 000 euros/,101 Study Tour in promoting the employment, in the agricultural and food sectors in 2007, the project for establishing Strictly Protected Area of Khar Us Lake /$ 28500/, project for renewing Agrochemical soil analysis laboratory in Darkhan, /$12500/ and the project for revising Water Master Plan /$12500/ and receive Mongolian specialists in Hungary.

100 Haisandai, L.: EU and Mongolia: Official Development Assistance and Benefits 127.
In 2016, Hungary's Prime Minister, Victor Orban, established the "Intergovernmental agreement on the General Program for Financial Cooperation" during his visit made to Mongolia and agreed to make a comprehensive renovation of the state-owned Biocombinat, State-owned enterprise with Hungarian government soft loan of $ 25 million.\textsuperscript{102}

By implementing this project, a modern biotechnology plant, which meets the requirements of manufacturing Europe's goods and products in Mongolia and it will be a manifestation of the long-term Hungarian historical cooperation.

As of 2017, trade turnover of the two countries stood at $12.3 million: $12.2 million from import and $129 million from export.

Another important sectors of Hungary-Mongolia relations are educational and cultural sectors. The Ministry of Education, Culture and Science of Mongolia and the Ministry of Human Capacities of Hungary have signed a cooperation agreement between 2015–2017. According to the agreement, every year from 2015, 100–200 students will be trained in Bachelor's, Master's and PhD degree courses at the universities of Hungary.\textsuperscript{103}

In addition, it is important to mention that the Faculty of Mongolian and Asian Studies of ELTE University in Hungary and Center for Mongolian Studies became a very big cultural bridge between the two countries.

**Czech Republic**

Trade and economic cooperation between the two countries has stagnated since 1990, but it has been developing in recent years. Traditional and friendly cooperation exists at the level of communication. Since 1990, several documents have been signed at the government level of the two countries. These include: The agreements have been made in trade, economy, double taxation, investment, customs relations, friendship and collaboration, labor force exchange, education, science, culture, and economic sectors.\textsuperscript{104} In relation to this, high-level visits to the two countries have been made regularly.

Within the framework of the relevant agreements, the Czech Republic grants issued to the development Mongolia was about $ 8 million during 1996–2005. For example, the Czech government issued 10.0 million CZK (287. 0 thousand USD) / to Mongolia in 1999 and 4.0

\textsuperscript{102} Mongolian Foreign Policy Blue Book. 2016,35.
\textsuperscript{103} https://mecss.gov.mn/media/uploads/c78ae031-e992-4429-a072-b0ded19ae9ea.pdf/2019.04.04/
\textsuperscript{104} http://www.mfa.gov.mn/?page_id=19091#1489020303943-b1244b6a-1381/2019.04.05/
million CZK (116.0 thousand USD) for the project of making repair and renovation in the State Central Hospital No.1 in Ulaanbaatar city and 6.0 million CZK (171.0 thousand USD) is funded for the implementation of geological research projects in the Gobi beyond the Altai. The agreement on the terms and conditions and the principle for making capital repair in the State Central Hospital No.1 was made by and between the Ministry of Trade and Industry of the Czech Republic and the Embassy of Mongolia in Prague in September 29, 1999.\textsuperscript{105}

Number of important projects have been implemented by the Czech Republic under development assistance. These include the projects for developing a Resource Map of the mineral resources, supplying safe drinking water to urban areas, and improving rural productivity. For example, by implementing the mapping project of Khovd province with the funding of the Czech government, the reserves of the natural resources were identified precisely at Altai Mountain in West Mongolia, where the population is spread sparcely.

As a result, the region is attracting foreign investors and local businesses, as well as long-term historical cooperation between Mongolia and the Czech Republic in the field of geology.

The project implemented by the Czech Geological Research Organization of Czech Republic with a grant of 570,000 euros is in line with Mongolia's priorities for promoting economic growth and reducing rural poverty. Additionally, the project provided training in Mongolia and the Czech Republic to strengthen local personnel.\textsuperscript{106}

Various projects to develop the economy and infrastructure were implemented by other loans and grants. In 2002, Czech development assistance to Mongolia increased. For example, Czech republic issued the grants of 700 thousand USD in 2002, it increased $1.4 million in 2003, $1.7 million in 2004 and $1.7 million in 2005.\textsuperscript{107}

In 2011, 20 projects have been implemented with the Czech Republic's development assistance of $15.6 million. In addition, the Czech Republic has officially announced that it will enter into a few number of countries with the first priority to assist in its medium term 2010-2015 program.

As of 2011, the bilateral trade turnover reached $8.3 million. Czech Republic this year made direct investment of $6.4 million.\textsuperscript{108} As of 2016, the trade turnover of the two

\textsuperscript{105}https://www.mzv.cz/ulaanbaatar/mn/gh/x2010_11_18_2/x2010_11_18_1/index.html/ 2019.04.05
\textsuperscript{106}PARTNERS FOR A BETTER FUTURE: The EU and its Member States’ cooperation with Mongolia 18.
\textsuperscript{107}Хайсандаа. Л.: Европын холбоо ба Монгол улс: Хөгжлийн албан ёсны тусалжэ, үр оюнж 997.+
countries reached US $ 8.37 million: $ 8,176 million from import and US $ 199,9 million from the export.

Another Czech-Mongolian cooperation bridge is a cultural and educational relation. Since 2005, the number of students studying in the Czech Republic has been increased, with 10-15 students each year receiving government scholarships. Czech language optional course class at the Institute of International Relations was opened and Mongolian studies and Mongolian language class was opened in 1977 at Charles University in Prague.

Other countries of the European Union.

In 1990, Mongolia became a democratic country and expanded its relations with all countries of the world. Likewise, it is the fundamental principle of Mongolia's foreign policy to promote high level of cooperation and cooperation with the EU.

The European Union and its members and other countries have supported firmly the transition from democratic, social and economic developments in Mongolia from its start and provided financial and technical supports and have been expanding development cooperation. Currently, Mongolia has been operating its diplomatic missions in 11 EU member countries.

4. Conclusion

During the Cold War Mongolia stood firm on the Soviet Union side, but Mongolian leaders made great efforts to expand their foreign relations and to get assistance and loans from foreign countries. Afterwards, Mongolia could keep its friendship with East European socialist countries and received a lot of grants and soft loans from them and then became an industrial country from the agricultural country.

It is clear that the establishment of diplomatic relations with other European capitalist countries contributed to reform and transition made in 1990.

Since 1990, development assistance and grants from many EU member states and its member countries issued to Mongolia, have created enormous benefits to the people of Mongolia during the difficult times of transition to a new development society. Not only that, but also technical and financial assistance has been provided to prepare modern specialists in Mongolia.

The European Union is working closely with Russia, Azerbaijan, Kazakhstan, and the most prosperous economies of South Korea, Japan and other neighbors.

It is taking care of Moldova, Armenia, Georgia, Belorussia and Ukraine more, which are located close to it, and it aims to make them join EU in the future.

These countries are involved in the European Neighbourhood Policy ENP and we can say that it is the first step to join the membership.

European Union made a cooperation agreement with China, Trade agreement with Japan and South Korea, Association agreement with Georgia, Memorandum of Understanding with Kazakhstan, negotiation on visa exemption with Ukraine and Georgia, while it has not made any significant agreement except "Partnership and cooperation agreement” with Mongolia, which is made with other countries typically.

In the year of 2017, the European Union approved the "Partnership and Cooperation Agreement", which was already signed in 2013. There is a possibility that a treaty is likely to lose its importance until it is approved by parliamentary bailiffs by 28 member bureaucrats for the whole 4-5 years and then go to the European Union's upper bodies. And it is connected to the fact that there is not any Mongolian lobby group or ambassador in all 28 EU member countries.

Anyway, Mongolia is making a lot of initiatives on the development of all aspects by specifying European Union and its member countries as a "Third Neighbor" in its foreign policy perspective.
5. Bibliography


Dambadarjaa.S.: Британий арал дээр Монгол гал голомт ассан нь. Улаанбаатар 1999, 84. {Relationship between Mongolia and Great Britani}


Khaisandai.L.: European Union and Mongolia: Official development assistance and benefits. International Studies Institute, Academy of Sciences, Ulaanbaatar 2007,


KATERYNA ROLLE. THE PAST, PRESENT AND FUTURE OF EU-MONGOLIADevelopmentCOOPERATION. EUROPEAN INSTITUTEFOR ASICAN STUDIES 2013.


Mongolian Foreign Policy Blue Book. 2016.


Mongolian constiyution. Chapter 11, Section 11.

1994 Concept of Mongolian Foreign Policy.

2010 Concept of Mongolian Foreign Policy, Section II, Article 12.

D+C, Development and Cooperation, international journal, 2006, No 1, 403.


Embassy of the Czech Republic, Ulaanbaatar, Development Cooperation between Mongolia and EU.
Partnership and Cooperation Agreement between EU and Mongolia. Chapter IV, 2.
Winston Churchill, speech delivered at the University of Zurich, 19 September 1946
The Treaty on European Union, as signed in Maastricht on 7 February 1992.
Compilation of the foreign relations documents of the MPR. Volume I (1921-1961), Ulaanbaatar 1964.
CONFERENCE ON SECURITY AND CO-OPERATION IN EUROPE FINAL ACT
HELSINKI 1975.

February 11, 1945 Yalta Conference Agreement.

Central archive of the Mongolian foreign ministry affairs. Ф.28., х.н.10.

New Evidence from Central and East European Archives on the Cold War in Asia, vietnamihabru.hu/budapest_conference.

История Монголии, с.245.


Gabor Bur Hnugaria. Diplomacy and the Non-alignment movement in the Cold War, coldwar.hu/

/Tsedenbal’s Mongolia and communist aid donors: a reappraisal.Research report.iias.hl/


Malcolm Mackintosh, Military aspect of the Sino-Soviet dispute, Bulletin of the Atomic Scientists, Oktobar 1965


Cold War International Project, Bulletin issue 14/15, p.441, Wilson center.org/


Central archive of the Mongolian foreign ministry fund.13.p.side.0.3., 110.

Vaishali Krishna (India). Mongolian Foreign Policy Implications for Russia and China. 71.

https://www.aseminfoboard.org/events/11th-asem-summit-asm11.

http://www.mfa.gov.mn/?page_id=17860#1489020303943-b1244b0a-1381 /2019.04.04/


http://www.mfa.gov.mn/?page_id=19017#1489020303943-b1244b0a-1381 /2019.04.04/

http://www.mongolianbusinessdatabase.com/base/eventsdetails?id=44 /2019.04.05/

http://www.mfa.gov.mn/?page_id=18989#1489558186652-d8a4bc8d-74fe /2019.04.04/


