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**JOINT STATEMENT
OF THE 13th JOINT COMMITTEE MEETING
OF MONGOLIA AND THE EUROPEAN UNION**

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Ulaanbaatar, 11 October 2010

The 13th Joint Committee Meeting of Mongolia and the European Union¹ took place in Ulaanbaatar, on 11 October 2010.

The Mongolian side was headed by H.E. Mr. Miyegombo Enkhbold, Deputy Prime Minister of Mongolia. The European Union side was headed by Dr. Franz Jessen, Head of Unit for Mongolia, China, Hong Kong, Macao and Taiwan, External Relations Directorate-General of the European Commission.

(List of participants is attached).

1. The Mongolian side briefed the EU side on recent political, socio-economic developments and its foreign policy. The impact of expanding mineral exploration was also presented.

The EU side briefed the Mongolian side on the latest political and socio-economic developments in the European Union, on changes introduced by the Treaty of Lisbon, the creation of the External Action Service and provided an overview of the state of its external relations.

The Mongolian side re-affirmed the importance of further enhancing the relations and cooperation between Mongolia and the European Union and welcomed the positive developments in bilateral cooperation that have taken place since the last Joint Committee held in Brussels in September 2009.

The EU side expressed its strong support for Mongolia's democratic processes, recalling the declaration by the High Representative, Catherine Ashton, on behalf of the EU, on the moratorium on the death penalty in Mongolia congratulating the Mongolian President, the State Great Khural, the Mongolian Government and the Mongolian people on this important decision.

¹ For the purpose of the Joint Statement «European Union» (EU) is used as a synonym for «European Community». Regular Joint Committee meetings were in fact agreed in the Trade and Cooperation Agreement between Mongolia and the European Communities in 1992 (cf. EC Official Journal L 041 , 18/02/1993 p. 0046 – 0049).

The EU welcomed the visit of H.E. Mr Tsakhiagiin Elbegdorj, President of Mongolia to Brussels to the European Parliament, Council and European Commission and EU Member States in February 2010, and visits of the Prime Minister Mr. Sukhbaatar Batbold to EU Member States in March 2010 and Mongolia's participation in the ASEM summit on 4-5 October 2010, which further strengthened Mongolia's links within the Europe-Asia cooperation framework. In particular, the EU welcomed Mongolia's approval to ASEAN to enable the EU/EC to accede to the Treaty of Amity and Cooperation.

2. Both sides welcomed substantial progress towards concluding negotiations on a Partnership and Cooperation Agreement, following the first round of negotiations held in early 2010 in Ulaanbaatar.

In particular both parties agreed to cooperate on promoting the exchange of information and sharing of experience with a view to introduction and implementation of European common principles, norms and standards in Mongolia.

3. The two sides discussed the state of play and way forward in development cooperation, especially the results and the process of implementation of Mongolia's National Indicative Programme for 2005-2006, the Multiannual Indicative Programme for 2007-2010 and plans for the Multiannual Indicative Programme for 2011-2013.

- a) The Mongolian side briefed the EU side on the state of play on the implementation of the National Development Strategy 2021, the Action Plan and Mid-Term Strategy as well as on the current status of the National Development Fund.
- b) The EU side briefed the Mongolian side on the EC funded projects worth €27.5m operating in Mongolia. The implementation of the Multiannual Indicative Programme 2007-2010 and of the 2005-2006 National Indicative Programme were discussed, in particular the impact of the Animal Health and Livestock Marketing Project with an EC contribution of € 9m with the Ministry of Agriculture and Light Industries and the Sustainable Livelihoods Programme Phase II with an EC contribution of € 10m with the Ministry of Finance.
- c) In particular as regards 2010, the EU side confirmed its allocation of €2m for humanitarian assistance in response to the Dzud, €1.7m to support Mongolia's National Food Security Programme, €4m to strengthen the capacity of Small and Medium sized Enterprises and allocation of €1m for Non-State Actors and Local Authorities. Both sides welcomed the recent official exchanges between the European Commission and the Nuclear Energy Agency of the Government of Mongolia.

The two sides also discussed and exchanged views on priorities for cooperation projects in line with the Mid-Term Review of the Country Strategy Paper 2007-2013 for the amount of €15m for the period 2011-2013, in particular development cooperation in a number of areas including projects supporting Vocational Education and Training for sustainable livelihoods and the protection of the environment as well as supporting governance, democracy, human rights and institutional reforms.

- d) The Commission also expressed its desire to strengthen development assistance to Mongolia through regional and thematic programmes including the European Instrument for Democracy and Human Rights, Instrument for Nuclear Safety Cooperation, Instrument for Stability and Migration.

4. **The Sub-Committee on Trade, Investment and Tourism has met earlier on 11th October 2010 in Ulaanbaatar, and briefed the Joint Committee on the results of its discussions.** The Joint Committee took note that:

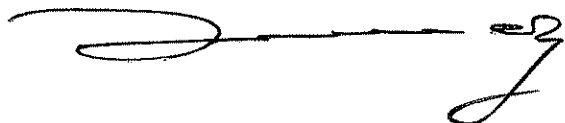
- a) In opening the Sub-Committee's meeting, the EC welcomed the progress made in the negotiations for a Framework Agreement on Partnership and Cooperation with Mongolia, in particular in relation to trade in raw materials.
- b) Both sides discussed and updated each other about developments in their bilateral trade and investment relationship since the last meeting of the Sub-Committee in Brussels in autumn 2009. The Mongolian side also briefed about developments and perspectives in Mongolia's tourism sector. The EC underlined that bilateral trade has not yet recovered to the pre-crisis level but that the expected economic growth is a good omen for a full recover. At the same time both side noted that their bilateral trade is essentially free of any major irritants and expressed their hope that the conclusion of the PCA will further expand trade.
- c) The Mongolian side updated about developments in the mining sector, and the implementation of legislation concerning foreign investment and ownership.
- d) The European Commission informed about the implementation of the Communication on Raw materials, and related initiatives.
- e) The European Commission informed the Mongolian side about the state of play concerning Mongolia's application for Market Economy Status. The Commission confirmed its readiness to conduct the verification mission. After the mission a preliminary report would be drafted; and after consulting the EU Member States, the Commission would then share the results of this

report with the Mongolian Government. The Mongolian side stated that it is looking forward to the questionnaire which will be submitted by the European Commission and expressed its sincere hope that a positive decision would be made on the granting of the Market Economy Status to Mongolia as soon as all the technical criteria are fulfilled. Both sides agreed that the verification mission should take place as soon as possible.

The two sides agreed to organize the next Joint Committee Meeting in Brussels in the second half of 2011.

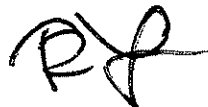
For the Government of Mongolia

For the European Union



Miyegombo Enkhbold

Deputy Prime Minister



Franz Jessen

Head of Unit, Relex H2
External Relations Directorate-General