

**Capacity building workshop on strengthening connectivity along the
China-Mongolia-Russian Federation Economic Corridor
October 21, 2021**

**Opening remarks by Mr. Tapan Mishra, the UN Resident Coordinator
in Mongolia**

Dear Mr. Weimin Ren, Director of Transport division, UN ESCAP,

**Dear Mr. Sandagdorj Erdenebileg, Chief of Policy Development, Coordination,
and Reporting Service, UN OHRLLS,**

Dear Partners and Colleagues,

It gives me great pleasure to deliver opening remarks at this important workshop jointly organized by the UN Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the UN Economic and Social Commission for Asia and the Pacific.

Signed in 2016, the implementation of the China-Mongolia-Russia Economic Corridor (CMREC) is often associated with big money and politics. Today, however, I would like to talk about its contribution to the sustainable development of these countries, particularly focusing on Mongolia.

Being landlocked between China and Russia, whose economies are 600 and 100 times respectively larger than its own, creates both opportunities and challenges for Mongolia.

Our Common Country Analysis shows that despite Mongolia's high potential to

provide easy passage of goods between China and Russia, relatively small volumes transit through Mongolia in reality. Poor transport and logistics infrastructure is a key constraint to trade and economic cooperation with neighbouring countries and the rest of the world. These challenges are compounded by huge mineral resources, which have driven the economic growth of Mongolia over the past 15 years but left the economy highly dependent on the mining sector.

While China-Mongolia-Russia Economic Corridor will facilitate establishing possible rail links to key mining deposits and processing facilities, it is crucial to explore how the CMREC programme can be leveraged to develop other economic activities and to help Mongolia gradually diversify its economy. This, particularly, relates to the livestock industry, including cashmere, meat, and dairy production; tourism sector; digital services and e-commerce, founded upon Mongolia's high Internet penetration rate and high level of human capital; and the renewable energy sector, including wind and solar power.

Another unique feature of Mongolia is its vast territorial expanse and low population density that require huge investments to connect the whole country with infrastructure. However, given already limited room for debt finance, Mongolia needs to be selective in making public infrastructure investments based on a careful assessment of the economic opportunities such investments would leverage. Attracting more private sector investment and Public-Private Partnerships (PPP) options could become a solution to fill the infrastructure investment gap and provide the population with better technology, governance, and efficiency in building necessary traditional and digital infrastructure. In this regard, I am pleased to note the most recent efforts by the President to engage the

Parliament and Prime Minister with the private sector and investors.

We, the United Nations in Mongolia, stand ready to support the government's efforts in achieving its sustainable development goals, including through economic diversification, digital transformation and facilitation of the regional cooperation by drawing on the capacities across the UN system and all agencies, both resident and non-resident, with support of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the International Think Tank for LLDC based in Ulaanbaatar.

I would like to thank my ESCAP and OHRLLS colleagues once again for organizing this event and encourage all workshop participants to actively participate in the discussions.

Wish you all a very successful workshop. Thank you.