

ULAANBAATAR DIALOGUE

on

NORTHEAST ASIAN SECURITY

The Seventh International Conference



23-24 June, 2022
Ulaanbaatar, Mongolia



Organizers



The Institute for Strategic Studies
National Security Council of
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THE ULAANBAATAR DIALOGUE ON NORTHEAST ASIAN SECURITY

As a country maintaining friendly relations with all the countries in Northeast, Mongolia adheres and promotes dialogue in the region for resolving pressing issues. Building on the country's foreign policy endeavor and taking the Helsinki process as an example, the Ulaanbaatar Dialogue was first proposed in April 2013 as a foreign policy initiative that aims to contribute to the establishment of a dialogue mechanism within the region.

Within the endeavor for building confidence and promoting regional cooperation in Northeast Asia, the International Conference on Northeast Asian Security has been held since 2014 annually and successfully engaged both academia and government officials of the region and beyond to share their insights. The Ulaanbaatar Dialogue has not only provided an opportunity to voice opinions and concerns on regional peace, security issues, but it also has served as a platform for bridging the gap in mutual understanding while strengthening trust and paving the way for future cooperation.

The Seventh International Conference of Ulaanbaatar Dialogue on Northeast Asian security held on June 23-24, 2022.





OPENING REMARKS BY H.E. MS. B. BATTSETSEG, MINISTER FOR FOREIGN AFFAIRS OF MONGOLIA

*Good morning,
Distinguished guests and participants,
Ladies and gentlemen,*

It is a great pleasure for me to welcome you all to the Seventh International Conference of the Ulaanbaatar Dialogue on Northeast Asian Security (UBD). I want to thank everyone here today for taking part in the conference, a mechanism aimed at strengthening regional security, cooperation and mutual trust. I would like to offer my appreciation to all those who have been involved in organizing this important event.

In consistent pursuit of its peaceful, open and multi-pillar foreign policy, Mongolia has been striving to contribute to global and regional peace and security. With this ultimate purpose, Mongolia initiated the Ulaanbaatar Dialogue back in 2013 and has hosted a series of conferences and meetings focused on the region since 2014.

The forum intends to resolve and end a myriad of problems in Northeast Asia, where Cold War remnants persist. When bilateral efforts to address the existing challenging issues and build confidence between conflicting nations have largely failed, more active engagement and multilateral venues for diplomacy and cooperation are acutely needed. That is why the importance of the UBD is growing when the region still lacks an established security mechanism.

As an inclusive process that brings together the voices of government officials, academics and civil society to address a broad range of issues, including security, energy, infrastructure, green development and opportunities for humanitarian cooperation, Ulaanbaatar Dialogue is well-positioned to make a vital contribution to defusing and preventing tensions on the Korean Peninsula and promoting confidence-building in Northeast Asia.

Distinguished participants,

It should be noted that the definition of security or insecurity has drastically changed over the past two years, during which the Seventh UBD was postponed due to the COVID-19 pandemic. Furthermore, the emergence of new military technologies and capabilities threatens the already precarious status quo, insecurity in the shape of a virus that disrupts people's lives and jeopardizes international cooperation.

But there is no guarantee that the COVID-19 pandemic will end soon. The traditional and non-traditional security challenges have remained relentless in Northeast Asia and beyond. Amid growing arms buildups, trade rivalries and military conflicts, the states in the region are grappling with an increasingly complex web of perceived security imperatives.

As this year marks the 30th anniversary of its nuclear-weapon-free status, Mongolia reiterates its principled position on the denuclearization of the Korean Peninsula and

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views that the concerned parties should display restraint, resolve accumulated disputes, and de-escalate the evolving tensions solely through means of dialogue and negotiations.

As we witnessed a series of high-level talks and summits between the DPRK and the United States, as well as between the DPRK and the Republic of Korea held in 2018 and 2019, it is our sincere hope that negotiations on complete, verifiable, and irreversible denuclearization of the Korean Peninsula will continue and succeed. However, the political will of the parties concerned will be the key to bringing lasting peace and stability in the region and beyond.

Distinguished participants,

In conclusion, let me express Mongolia's firm commitment to contributing to strengthening peace and security, cooperation and mutual trust in Northeast Asia and beyond. We believe that the current Ulaanbaatar Dialogue, with its Track I and Track II discussion channels, will be an important event in reinvigorating the multilateral peace process in the absence of a sustained official dialogue channel and easing tensions in the region.

I wish you fruitful deliberations and a pleasant stay in Mongolia.

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OPENING REMARKS BY PROF. B. DAVAADORJ, DIRECTOR, THE INSTITUTE FOR STRATEGIC STUDIES, MONGOLIA

*Your Excellency Ms. Battsetseg, the Minister of Foreign Affairs,
Your Excellency Mr. Battumur, Chairman of Security and Foreign Policy Standing
Committee of the Parliament
Distinguished guests and participants,
Ladies and Gentlemen,*

It gives me great pleasure to welcome you all to the seventh “Ulaanbaatar Dialogue” – the international conference on Northeast Asian security.

In the midst of ongoing pandemic and geopolitical tensions, we assembled together once again, in person, to discuss the security challenges and opportunities to cooperate in the region.

Although many of us may have been in contact online, it did not give us the desired level of satisfaction; as we surely missed the face-to-face interactions. We have all realized, more than ever, how important it is for us to meet in person during the conference. After all, these people-to-people interactions add more value to our understanding and partnership.

The pandemic is not over. Many of our friends in China, the Democratic People's Republic of Korea (DPRK) could not join us in person because of the pandemic restriction. And, some of them will join us via zoom – which has become the most valuable communication tool during the last two years. Still, as organizers, we decided to go forward with the UBD as the restrictions having been lifted thanks to overall improvement of the situation in Mongolia – so you can visit Ulaanbaatar and interact with each other in the vast spaces of my country.

I would like to extend a special gratitude to all participants and guests for accepting our invitation and making their way here despite the travel difficulties and remaining pandemic-related restrictions.

Also, I would like to thank the Ministry of Foreign Affairs of Mongolia –our true partner on this journey to make the Ulaanbaatar Dialogue one of the viable international platforms to discuss the issues of Northeast Asian security and economy.

Over the past years, we gained new partners to support our effort.

With the United Nations Department of Political Affairs, we invited youth from Northeast Asia to share their views about the future of our region. Please listen to their voices in this afternoon at the youth session.

Also, the Business Council of Mongolia and UN Economic and Social Commission for Asia and the Pacific put together very insightful panels to talk about the post-pandemic cooperation and energy connectivity in Northeast Asia.



I also like to highlight the Asia Foundation for providing valuable support for the Ulaanbaatar Dialogue. All this cooperation makes the UBD – special and insightful.

Ladies and Gentlemen,

We still live in a dramatically changing world – experiencing both traditional and non-traditional security challenges. No single country can alone cope with the challenges and threats that humankind faces today. Life itself confirms us that all countries and people, despite differences and disagreements, are bound by a common destiny and must jointly seek responses to the challenges, prevent the emergence of new dividing lines.

As a country located between the two regions, Northeast Asia and Central Asia, Mongolia has already started sensing the emerging tensions and competitions among the great powers.

The nuclear threat still exists – as a steadfast supporter of non-proliferation and a country recognized by a unique nuclear-weapon-free status, Mongolia continues to contribute to the cause of nuclear non-proliferation and promote regional confidence.

The pandemic showed us the importance of the regional cooperation to develop the preventive capacity and to fight together against any non-traditional security threats. We are connected yet vulnerable in the face of new security threat.

Just a few days ago, Mongolia hosted the annual multinational peacekeeping exercise Khan Quest 2022 and international conference on women, peace, and security – welcoming 60 female military personnel from 28 countries to increase our cooperation for the common goal of world peace and security.

Amidst geopolitical tensions and increasing security challenges, we need to cooperate, promote mutual understanding, and find practical solutions. Here lies the importance of the dialogue – such as UBD.

Distinguished guests and participants,

A line of multiple security challenges remains in Northeast Asia – from the Korean Peninsula southwards to the situation regarding the cross-strait relations, and even continuing further to another sub-region, namely South China Sea. But we cannot give up our hopes for a cooperative and prosperous region because it possesses an enormous economic and energy potential and developmental capacity.

Here we are joining one another to address challenges, discuss opportunities, and discover solutions together. We are delighted to welcome so many experts from Europe, North America, and the wider Asia Pacific Region to share their wisdom, knowledge and experience with us.

I would like to welcome our colleagues from Kyrgyz Republic joining first time in the UBD – as a state with similar challenges, we are expecting their active and priceless contribution and looking forward to learn from our colleagues in Central Asia.

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Ladies and Gentlemen,

We hope that the UBD continues to be a platform where individual scholars and countries can debate, agree, and agree to disagree, which will play a pivotal role in finding common ground, and chart a joint way forward to achieve creative and harmonious resolution. After all, that is the meaning of the UBD logo, which is the Mongolian traditional puzzle. The puzzles are meant to be solved in a creative and harmonious way.

I encourage all participants to actively engage in our discussions and debates, and not to hesitate to engage in truly interactive and lively conference.

I wish you all an informative and enjoyable experience.

Thank you for your attention.

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SESSION 1: SECURITY CHALLENGES AND OPPORTUNITIES IN THE REGION

Despite the ramifications of the pandemic, security tensions remain high in Northeast Asia due to ongoing geopolitical and geo-economic competition among the great powers and uncertainty on the Korean Peninsula. This session provides regional experts, policymakers, and academics with a platform to discuss security related challenges and opportunities in sub-region. That is, topics that include questions such as “*What are the most pressing security challenges and their trends? What are the short, medium, and long-term implications for the region and beyond?*”.

Moderator:

- **Dr. MENDEE Jargalsaikhan**, *Deputy Director, the Institute for Strategic Studies, Mongolia*

Panelists:

- **Mr. MUNKH-OCHIR Dorjugder**, *Chief of Strategic Policy and Analysis, Executive Office of the National Security Council of Mongolia*

- **Hon. Bryon WILFERT**, *Former member of Parliament, Canada*

- **Dr. FAN Xiaojun**, *Research Professor, Director, Institute of Northeast Asian Studies, China Institutes of Contemporary International Relations (Online)*

- **Prof. Dr. Ruediger FRANK**, *Professor of East Asian Economy and Society, Department of East Asian Studies, University of Vienna (Online)*

- **Dr. Mimura MITSUHIRO**, *Senior Research Fellow, Economic Research Institute for Northeast Asia, Japan*

- **Dr. Ki-Jung KIM**, *President of the Institute for National Security Strategy, ROK*

- **Mr. Konstantin ZATULIN**, *Director of the Institute of CIS countries, Russian Federation*

Moderator's Summary

Notwithstanding the consequences of the pandemic, security tensions remain high in Northeast Asia due to ongoing geopolitical and geo-economic competition among great powers, as well as the uncertainty of Korean Peninsula and cross-strait tensions between China and Taiwan. We asked our presenters to share their views along with following questions: (1) What are the most pressing security challenges and their trends? (2) What are short, medium, and long-term implications for the region and beyond?

The session was joined by seven distinguished speakers, including Mr. MUNKH-OCHIR Dorjugder, Chief of Strategic Policy and Analysis, Executive Office of the National Security Council of Mongolia, Honorable Bryon Wilfert, former member of the Canadian Parliament, Dr. Fan Xiaojun, Research Professor, Director of the Institute of Northeast Asian Studies, China Institutes of Contemporary International Relations, Dr. Ruediger Frank, Professor of East Asian Economy and Society, Department of East Asian Studies,



University of Vienna, Dr. Mimura Mitsuhiro, Senior Research Fellow, Economic Research Fellow, Economic Research Institute for Northeast Asia of Japan, Dr. Ki-Jung Kim, President of the Institute for National Security Strategy of South Korea, and Mr. Konstantin Zatulin, Director of the Institute of CIS Countries of the Russian Federation.

Representing the host nation, Mr. Munkh-Ochir concluded that Northeast Asia still has a reminiscence of Cold War mentality, whilst in other parts of the world, particularly, Eurasia has a long way to overcome the respective phenomenon. He introduced the concept of a morality-based approach to explain Mongolia's foreign policy towards the Korean Peninsula as well as the ongoing armed conflict between Russia and Ukraine. Further he mentioned the need of revitalizing the worldwide non-aligned movement (i.e., Third Way) during a time of heightened geopolitical tensions. The honorable Bryon Wilfert argued that Canada is a Pacific Nation with growing ties with Northeast Asia and thereof, promoting multilateralism in the region. Despite the near impossibility of achieving a multilateralism in Northeast Asia, the continued engagement of the concept is vital for keeping peace in the region. Sharing Chinese perspectives on regional security, Dr. Fan Xiaoju explained how the revival of geopolitical competition is negatively impacting economic security and undermining efforts for cooperation. As far as China perceives, the US security and defense policies and actions in the region are pushing countries to focus on military capacity building. Representing the Institute of CIS Countries, Mr. Konstantin Zatulin argued that Russia's interests in Asia are constructive, and that regional peace and stability in Northeast Asia are important for Russia's security. Furthermore, he presented Russia's justifications for the war in Ukraine and interpreted it in a wider context, along the lines of a great power geopolitical competition. Relatedly, Dr. Mimura Mitsuhiro shared his assessment of regional security in the wake of the Ukraine war and discoursed the implications that fuel the "dare impact" between the interactions of states.

In spite of the absence of DPRK delegates, Professor Ruediger Frank, a long-time North Korea expert, presented how the nuclear issue and regime stability have been impacting regional security, and argued that there is a low likelihood of immediate political instability in North Korea and/or military conflict between the two Koreas. Dr. Ki-Jung Kim used an analytical framework to describe key factors that are causing confrontation or integration in the region. Through this analytical exercise, he concluded that the likelihood of confrontation would grow, whereas integration in the near future would be unlikely, therefore strengthening the notion that regional integration is impossible without resolving the stalemate on the Korean peninsula.

The session concluded with an overall agreement that security circumstances in the region still remain same. All sources of potential conflicts are present in the region and this list includes security dilemma, historical memories of past conflicts, lingering mistrust, territorial disputes and so forth. Panelists agreed that great power politics matters the most, especially the competition between China and the US/its allies in the region.

The Korean peninsula is still considered the most pressing security challenge for Northeast Asia. Since the concept of security has become global and intertwined, the reach and impact of the Ukraine war has been felt in all regions of the world. Even though parties in this armed conflict have provided different explanations, all participants, excluding Russian delegate, expressed their concerns and their mutual stance for the immediate cease-fire and peaceful resolution. An important lesson to be learned from this

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ongoing conflict is that regional countries should always leave room for cooperation; if states fail to cooperate, Northeast Asia can become another fragile ground for future armed conflicts. Therefore, it is important to promote confidence building measures without advocating any political and ideological agenda. Although it is not necessary to like one another, it is vital to keep the channels for communication open to engage, talk, meet, and exchange. By doing so, policy practitioners and academics are able to reduce misperceptions and misunderstandings while steadily building mutual trust. For example, denuclearization issues should always remain on the table, to further institutionalize the prevention of nuclear war and other types of weapons of mass destruction.

In conclusion, it is important to promote multilateral dialogue even though it is difficult to establish a regional security mechanism. Inclusive engagements are desired by all parties. The Ulaanbaatar Dialogue, albeit small, is an important international event, welcoming delegates from around the world, to focus on challenges and opportunities for Northeast Asian security and economy. The latest inclusion of youth panels has been opening new ways of facilitating inter-generational discussions in the region.

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SESSION 2: MULTILATERAL COOPERATION IN NORTHEAST ASIA

Although the Northeast Asian region lacks an overarching security mechanism, there are numerous efforts that have been made to build confidence and trust. State actors as well as even non-governmental organizations have put forward and tried to promote various types of confidence-building measures (CBMs). This session welcomed experts from the sub-region and beyond to share their perspectives on successful CBMs, examine past and current examples, and explore practical steps for sustainable CBMs in the region. *How can countries contribute to effective CBM? What are the best practices for CBM?*

Moderator:

- **Mr. Jonathan Berkshire MILLER**, *Director and Senior Fellow, Indo-Pacific Program, Macdonald-Laurier Institute, Canada*

Panelists:

- **Mr. MASHBAT Otgonbayar**, *President, National Institute for Security Studies, Mongolia*

- **Dr. Sunghoon LEE**, *Senior Research Fellow, the Institute for National Security Strategy, ROK*

- **Ms. Yulia KRYACHKINA**, *Senior Research Fellow, Russian Institute for Strategic Studies, Russian Federation*

- **Dr. Albrecht SCHNABEL**, *Head, Asia-Pacific Unit, Geneva Centre for Security Sector Governance (DCAF)*

- **Dr. Gregory GLEASON**, *Professor, George C. Marshall European Center for Security Studies*

Moderator's Summary

During this session, the panel looked at the considerable security challenges in Northeast Asia and highlighted some of the key challenges and opportunities for states to mitigate risks of conflict, enhance confidence building measures, and manage strategic competition. The panelists all agreed that the region continues to lack an overarching security architecture like the Transatlantic or the ASEAN-related bodies in Southeast Asia. With that being said, it is not to say that lack of a concrete multilateral architecture on security is always a negative trait. Some panelists emphasized that the growth of multilateral? and bilateral security arrangements have managed security challenges up until this point.

Indeed, although the Northeast Asian region lacks an overarching security mechanism, there are numerous efforts that have been made to build confidence and trust. State representatives/bodies and non-governmental organizations have put forward

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and tried to promote various types of confidence-building measures. The panel also highlighted the need to look at best practices and current engagements that are positive models of CBMS. One example was the use of crisis communications hotlines between Japan and China, or ADIZ-related communications. Other areas discussed the benefit of broader geo-economics initiatives and cooperation to ameliorate security concerns.

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SESSION 3: FUTURING PEACE IN NORTHEAST ASIA

This session was jointly organized with the UN Department of Political and Peacebuilding Affairs (DPPA) and provided a platform for youth representatives to share their views and recommendations on regional peace and security with policymakers. Youth representatives discussed ways to strengthen ties between youth in the region, create common narratives, promote confidence-building measures, and bridge gaps between generations. Consequently, discussing problems of “*How could policymakers better hear young people's voices and allow for contributions to policymaking? In what areas should youth expertise be prioritized?*”

Moderator:

- **Dr. Sonja BACHMANN**, *Team leader, Northeast Asia and the Pacific, Department of Political Affairs, United Nations*

Panelists:

- **Ms. Ijun KIM**, *ROK*
- **Mr. TENGIS Batbayar**, *Mongolia*
- **Ms. Yukako BAN**, *Japan*

Moderator's Summary

Three regional youth representatives participated in an online dialogue series “Futuring Peace in Northeast Asia,” which was organized by the UN Department of Political and Peacebuilding Affairs (DPPA) and the United Nations Educational, Scientific and Cultural Organization (UNESCO) in partnership with Shared Studios. During the UBD dialogue, they presented outcomes of their dialogues aimed to provide a platform for youth to share their views on regional peace, and collectively imagine the future with policy makers. The dialogues were co-designed and facilitated by five youth, with over forty youth from or living in China, Japan, Mongolia, or the Republic of Korea participating. A special methodology currently pioneered by UNESCO was applied to this virtual dialogue, known as Futures Literacy, which is described as a “... skill that allows people to better understand the role of the future in what they see and do.” Four main themes emerged from the discussions. Youth for Regional Collaboration, Regional Education, Intergenerational Relations, and Connectivity in the Region.

The role of young people in building regional collaboration was a popular topic. Participants described youths as progressive and capable of looking past national borders and ideologies, and strongly believed this could greatly contribute to improving international relations. Young people, in addition, were seen as having an improved understanding through cross-cultural experiences. When discussing the current state of youth participation in regional matters, some criticized the restrictions caused by traditional structures of hierarchy and limited opportunities. Some proposed new or improved mechanisms by deconstructing conventional expectations and providing opportunities to continuously learn, plan, implement and evaluate initiatives that



contribute to regional collaboration and peacebuilding. There was also an interesting discussion about the gap between youth participation and youth-led endeavors, and the desire for change and tangible call-to-actions.

Regional education, the second topic, revolved around two main points. The first was building a single system as a region and participants developed cornerstones to help envision this. Participants discussed the value of education and agreed support from developed countries was necessary to improve it. The next point highlighted was digital competency, which participants believed was essential to give everyone equal chances to thrive, find employment and become engaged citizens. Lastly, regional teachers were expected to play an essential role in education. Participants suggested themes or subjects for regional education, most emphasizing the significance of history and spaces to build shared memories across the region. Lastly, education on sustainability was an important idea for regional learning. People of all ages were encouraged to learn to live more sustainably, change patterns of consumption and to contribute to a greener future.

Participants were also greatly interested in intergenerational relations, particularly the generational gap and sharing of responsibilities. There was an awareness of discord between past experiences and current realities. Many also pointed to aging populations as a common challenge in most Northeast Asian countries. Some participants stressed the need to adapt education, health care, and social protection systems to provide a public safety net for this growing age group, while others imagined a future in which older people could participate more actively in society, taking advantage of technological developments. In addition, some respondents said that young people were at a disadvantage due to decreased access to higher education, increased costs, growing unemployment, and reduced incomes. The different realities and experiences between generations was identified as a main factor that would cause a shift in responsibility and increase generational gaps. The need for intergenerational cooperation was recognized and some proposed that life-long education could be a key to accelerate collaboration.

For regional connectivity, there were contradicting perspectives among youth. Optimistic opinions revolved around the establishment of a regional union, but few were able to paint a detailed picture, including specific roles or forms of collaboration. Pessimistic views included the possibility that current conflicts within the region could deteriorate. The meaning of regional identity and regional narratives, as well as its significance, was often discussed as a sub-topic. Few youth participants believed that the region has a common identity or narrative, and therefore, they were considered as possible means to contribute to collaboration and peace. One important question that arose from this was how we could create a more inclusive identity, and many agreed it was ideal to unite the people in the region under a common goal rather than focusing on divisions and differences.

The second phase of this dialogue series continued this year including the engagement with policy makers such as at the Ulaanbaatar dialogue, aimed to collect more insights that will eventually contribute to creating tangible solutions and policies. The youth's commitment to regional peace has only begun. We would like to gather more people, regardless of their background, position, or interests, around central questions, such as the meaning of being Northeast Asian and the shared future of this region.



SESSION 4: THE POST-COVID ECONOMIC COOPERATION IN THE REGION

The pandemic has had a strong impact on trade, investment, and financial markets while impacting all communities, and individuals. International financial institutions and countries have implemented substantial policy measures and stimulus programs to reduce the impacts of the pandemic. *How can regional countries and international financial organizations cooperate to stabilize regional economy, improve connectivity, and prepare for future crises?*

Moderator:

- **Mr. BYAMBASAIKHAN Bayanjargal**, *Vice-Chair of the Business Council of Mongolia*

Panelists:

- **Mr. Rustam ASIZBAEV**, *Director, the National Institute for Strategic Studies of the Kyrgyz Republic*

- **Mr. DULGUUN Baasandavaa**, *CEO, New Recovery Policy Accelerator under Cabinet Secretary, Mongolia*

- **Mr. ENKHBAYAR Namjildorj**, *Head of the Economic Security Research Center, the Institute of Strategic Studies, Mongolia*

- **Dr. ENKHBAYAR Shagdar**, *Senior Research Fellow, Economic Research Institute for Northeast Asia*

- **Mr. Yasin JANJUA**, *Economist, The United Nations Development Programme*

- **Mr. Jean-Pascal NGANOU**, *Senior Economist for Mongolia, World Bank*

Moderator's Summary

The pandemic has taken a toll on economic growth, global value chains and other sectors.

- Much of Asia and the Pacific, particularly North and Central Asia, has not fully recovered from the COVID-19 pandemic, and now the consequences of Russia's war against Ukraine are adding to the risk and uncertainty. For example, energy prices, supply disruptions, food security, high inflation, policy uncertainty;
 - China's "Zero-Covid" policy increases risk through border closures and supply.
 - Inflation is expected to rise sharply from mid-2020 lows, adding to supply bottlenecks and rising food and energy prices.
 - A tightening global monetary policy cycle poses additional challenges for emerging markets.

"What will the world be like after the Covid pandemic?" to the question of ways to achieve economic growth, increasing jobs, reducing poverty, developing rural areas, digitalization, trade, transition to a low-carbon economy, energy conservation, energy efficiency, strengthening the private sector, disaster risk management. There are many important issues that need to be addressed, including climate change.



Therefore, in order to achieve a sustainable recovery in the light of existential threats such as climate change, we need to think about ways to solve the above problems. Central Asia is vulnerable to climate change and other natural disasters such as droughts, floods, earthquakes, and landslides. In the past 30 years alone, about 500 floods and earthquakes have occurred in the region, affecting more than 25 million people and causing economic losses of US\$80 billion.

Central Asian countries' increasing dependence on carbon-based energy will have a negative impact on the environment.

As the war drags on, the foreign and fiscal balances may worsen. While it is too early to fully assess the duration of the war, countries need to cut unnecessary spending and implement targeted social protection measures to reduce the impact of rising food and energy prices on the poor and on inflation. In stagflation, monetary policy may become ineffective.

As countries are likely to be at high risk of debt burden, there is a need for prudent fiscal spending and diversification of the tax base, such as increasing tax revenues through environmental taxation and spending the revenues on poverty reduction programs.

Each country needs proper diagnosis in areas such as energy, transportation logistics, budget regulation, rural development, green growth issues, and industrial reform.

International partners should engage in discussions between countries to address certain economic issues (such as the effects of debt) that require cooperation.

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SESSION 5: POWER GRID CONNECTIVITY FOR THE ENERGY TRANSITION IN NORTHEAST ASIA

This session was jointly organized with the United Nations Economic and Social Commission for Asia and the Pacific to welcome government officials, regional experts, and academics on energy cooperation. Participants shared their views on energy policies, sustainable development, best practices, and future trends in Northeast Asian countries as well as emerging challenges the region might face in the coming years. The session also encouraged participants to focus on challenges and opportunities for addressing the interlinked targets of Sustainable Development Goal 7 (SDG 7) as well as how to promote regional energy integration through bilateral and multilateral cooperation. *What is the potential impact of energy infrastructure integration in fostering economic cooperation? How to make regional cooperation in this area be more effective and aligned with the sustainable development goals? What are the major challenges and solutions to close the gap of SDG7? How to make the regional cooperation to achieve energy transition and SDG7?*

Moderator:

- **Ms. Yejin HA**, *Programme Officer, the UN Economic and Social Commission for Asia and the Pacific*

Panelists:

- **Mr. Matthew WITTENSTEIN**, *Chief, Energy Connectivity Section, Energy Division, the UN Economic and Social Commission for Asia and the Pacific “Energy transition and the potential for power system connectivity in North-East Asia: Towards a green power corridor”*

- **Mr. LUVSANTSEREN Ichinkhorloo**, *Director General, Fuel Policy Implementation Coordination Department, Ministry of Energy, Mongolia*

- **Mr. DULGUUN Damdin-Od**, *Executive Director, International Think Tank for Landlocked Developing Countries*

- **Mr. David Michael WOGAN**, *Assistant Vice President, Asia Pacific Energy Research Centre (Virtual)*

- **Dr. Seiichiro KIMURA**, *Senior Researcher, Renewable Energy Institute, Japan*

- **Ms. Sujata GUPTA**, *Director, Sustainable Infrastructure Division of the East Asia Department (Virtual)*

- **Mr. Jie TANG**, *Practice Manager, Energy and Extractives Global Practice, World Bank (Virtual)*

- **Dr. Olga DYOMINA**, *Senior Researcher, Economic Research Institute, Russian Academy of Sciences (Virtual)*

- **Mr. Xiaosong FANG**, *Director, International Business Department, Electric Power Planning and Engineering Institute, China (Virtual)*



Moderator's Summary

The session opened with a presentation by UNESCAP on the need for energy transition in North-East Asia and the potential role for power system connectivity in supporting the deployment of higher shares of renewable energy, through the development of a “green power corridor” for the region. This was followed by a series of presentations describing the potential for energy transition and the role of power system connectivity from both national and regional perspectives.

One common thread throughout the presentations was the high potential for renewable energy in the region, and in particular in Mongolia. Many of the countries in North-East Asia have set ambitious decarbonization goals, but renewable energy resources are unevenly distributed. Power system connectivity can enable countries like Mongolia, which has significantly more domestic RE potential than it could potentially utilize with domestic demand alone, to develop wind and solar PV resources for export.

Currently, however, the region relies heavily on fossil fuel-based generation, a significant source of carbon emissions. Renewable costs have declined to the point where they are competitive even with existing generation, but there is still a question as to how to securely and efficiently phase out existing coal generation (for example) while simultaneously increasing the share of RE. Here again, power system connectivity can play a role, but allowing cross-border resources to help balance variable renewable power.

It was also highlighted, however, that power system connectivity is not only about the development of cross-border transmission lines. Grid development within countries is also important. Mongolia currently has a fragmented domestic grid, and efforts are underway to develop transmission lines to fully integrate it. Doing so will be important not only for enabling access to renewable resource rich locations in the country but will also allow Mongolia to act as a transit country for power traded between China and Russian Federation. Doing so, however, requires not only investments in grid infrastructure, but also a mechanism to enable multilateral power trade, which currently does not exist. Instead, trade is currently entirely bilateral, and relatively limited in terms of capacity. In Japan, which is not currently connected with any other country, development of domestic grids is also a priority, as there is already a relatively high share of domestic solar PV and wind generation that is unable to reach parts of the country with high levels of demand.

Finally, panelists addressed a question about the role of natural gas in energy connectivity. Given the relatively high share of natural gas resources in the region, and the need to phase down the use of coal, it seems clear that natural gas trade will have some role to play in the energy transition. However, to the extent that it requires the development of new infrastructure to deliver, countries should be cautious about the potential for stranded assets. It is also useful to consider the potential role for hydrogen and other low-carbon fuels as an alternative to natural gas, in particular in sectors that are hard to electrify and where other carbon abatement strategies may be difficult.



**CLOSING REMARKS BY MR. N. ANKHBAYAR, STATE SECRETARY OF
THE MINISTRY OF FOREIGN AFFAIRS OF MONGOLIA**

*Chair,
Dear participants,
Ladies and gentlemen,*

I am honored and delighted to deliver the concluding remarks to the Seventh Conference of Ulaanbaatar Dialogue on Northeast Asian Security (UBD), which is being held after two subsequent years of its postponement due to the extraordinary condition generated by the COVID-19 pandemic.

We successfully hosted the conference as the thematic sessions and Track I roundtable meeting were delivered as planned. Let me extend my sincere appreciation to you all, the Ulaanbaatar Dialogue community, for your meaningful engagement and active participation. I believe that during these two days, we had insightful and thought-provoking deliberations on the changing peace and security environment in Northeast Asia. I hope that you have also enjoyed the networking opportunities, throughout the conference, for carrying out our efforts to further strengthen peace and security in the region and beyond in a more concerted way.

It should be emphasized that the ultimate purpose of the UBD initiative is to defuse tensions on the Korean Peninsula and promote confidence-building in Northeast Asia, which is home to one-fifth of the world's people and still grappling with historical disputes and emerging insecurities. Indeed, the priority purpose of the initiative is to denuclearize the Korean Peninsula.

Allow me to bring the following points to your attention in addition to the summaries given by the moderators of the sessions of the conference.

First, it is worrying that the insecure status quo of the Northeast Asian region, including historical and territorial disputes, has remained unchanged and even further worsened by the deepening traditional and emerging non-traditional insecurities. It is also compounded by growing geopolitical friction between powers and the emergence of new military technologies and capabilities.

Northeast Asian countries and our dialogue partners ought to effectively exploit diplomacy and arrange formal and informal mechanisms to regularize dialogue to strengthen peace and security, mutual trust and confidence in Northeast Asia. In this regard, it should be duly noted that cooperation in fields of common interest like public health and climate change could have positive effects and ramifications in other domains in the future.

Second, I wish to stress that Track 1.5 and Track 2 channels have been the most effective instruments for promoting mutual understanding and greater confidence during the last four conferences, including the current one. The roundtable Track I meeting, at which government officials and diplomats expressed their positions and exchanged their views on security issues in the region, was an essential part of the event.

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Now that we have come to the end of the conference. I wish to extend my sincere gratitude to our co-organizer, the Institute for Strategic Studies of Mongolia. A special thank goes to the United Nations Department of Political and Peacebuilding Affairs and the Asia Foundation for their kind cooperation and support. Thank you all, eminent scholars and government representatives. Also, I want to thank the interpreters for the great work. The conference would have not been such a success without your active participation and valuable support.

Thank you, and see you next year!

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CLOSING REMARKS BY DR. J. MENDEE, DEPUTY DIRECTOR, THE INSTITUTE FOR STRATEGIC STUDIES, MONGOLIA

*Ladies and Gentlemen,
Distinguished Guests,*

It is my honor to make a closing remark on behalf of my Director, Brigadier General Davaadorj – who was called by the presidential office for a special ceremony. And, he asked me to pass his apology and to thank all participants for being with us during last two days.

Despite the pandemic and geopolitical tensions, the UBD is back in 2022. And, from now, it will be in every second week of June – as suggested by many of our participants and supporters. This was also supported by colleagues at the Ministry of Foreign Affairs.

Our dialogue is consisted of four major sessions – or platforms to enable us discuss challenges and opportunities to enrich our understanding and to find ways to cooperate. These major sessions are (1) security, (2) economy, (3) youth, and (4) track I. With a close collaboration with the UN Department of Political Affairs, we now officially welcome youth to voice their opinions, concerns, and dreams.

As Mr. Ankhbayar highlighted – the track I meeting was a success and we have no doubt that this closed session helped our diplomats to discuss many issues openly in the closed session.

Here we should be proud of the UBD – it is now on our busy calendar and it has its structure.

Taking this opportunity, I would like to highlight – UBD is not only Mongolia's, ITS OURS.

At all levels of our Ministry of Foreign Affairs, including our Embassies and diplomats abroad, and all diplomatic missions and embassies in Ulaanbaatar have worked together to promote the UBD and to welcome policy practitioners and diplomats to Ulaanbaatar for this event.

Our institute (Institute for Strategic Studies) worked together with, not only, our Mongolian researchers and think tanks, but also international colleagues and research institutes.

Our colleagues at the United Nations, UNESCAP in Bangkok, and UNDP in Mongolia worked with us. And, many other international organizations Geneva Centre and Open Nuclear Network supported our event by sending their delegates.

The Business Council of Mongolia, a private business entity, co-organized our economic session.

The UBD is a vivid example of cooperation and collaboration; therefore, the UBD is not only of Mongolia's – it is ours and we truly appreciate collaboration and support.

On behalf of our Institute, I would like to extend my sincere gratitude to our co-organizer, the Ministry of Foreign Affairs of Mongolia, especially, to Ambassador

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Gerelmaa, her successor Mandkhai, and Mr. Otgonbaatar tirelessly to overcome many challenges we had since last November.

We would like to thank the UNDPA, UNESCAP, Business Council of Mongolia for organizing three special, insightful sessions – those enriched our dialogue. I like to recognize the continuous support of The Asia Foundation for the UBD. Thank all moderators and panelists – without you all – we could not have a successful, memorable UBD.

Please join me to thank our ISS UBD Team – a core team and support team – all worked so hard with great dedication. Finally, we wish all the best to our student interns – soon they would be in charge of another successful UBD in the future.

Thank you so much!

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THE ULAANBAATAR DIALOGUE ON NORTHEAST ASIAN SECURITY
The Seventh International Conference
23-24 June 2022

Date: 23-24 June 2022

Venue: Consensus Hall, Ministry of Foreign Affairs of Mongolia

Languages: English, Mongolian

23 June 2022, Thursday (Day 1)

08:30 - 09:00 Registration

09:00 - 09:45 **OPENING SESSION**

Chair: Ms. MANDKHAI Batsuren, Director General ad-interim, Department of Multilateral Cooperation, the Ministry of Foreign Affairs of Mongolia

Remarks by **H.E. BATTSETSEG Batmunkh**, Minister for Foreign Affairs of Mongolia

Remarks by **Prof. DAVAADORJ Begz**, Director, the Institute for Strategic Studies, Mongolia

Video remarks by **Ms. ROSEMARY DiCarlo**, Under-Secretary-General of the UN for Political and Peacebuilding Affairs

Photo Session

09:45 - 10:00 Coffee break (“Nomin” Hall, Ministry of Foreign Affairs of Mongolia)

10:00 - 12:30

SESSION 1: SECURITY CHALLENGES AND OPPORTUNITIES IN THE REGION

Despite the ramifications of the pandemic, security tensions remain high in Northeast Asia due to ongoing geopolitical and geo-economic competition among the great powers and uncertainty on the Korean Peninsula. This session will provide a platform for regional experts, policymakers, and academics to discuss security challenges and opportunities in the sub-region. *What are the most pressing security challenges and their trends? What are the short, medium, and long-term implications for the region and beyond?*

Moderator: Dr. MENDEE Jargalsaikhan, Deputy Director, the Institute for Strategic Studies, Mongolia

Mr. MUNKH-OCHIR Dorjugder, Chief of Strategic Policy and Analysis, Executive Office of the National Security Council of Mongolia

Hon. Bryon WILFERT, Former member of Parliament, Canada

Dr. FAN Xiaojun, Research Professor, Director, Institute of Northeast Asian Studies, China Institutes of Contemporary International Relations (CICIR) (Online)

Prof. Dr. Ruediger FRANK, Professor of East Asian Economy and Society, Department of East Asian Studies, University of Vienna (Online)

Dr. Mimura MITSUHIRO, Senior Research Fellow, Economic Research Institute for Northeast Asia (ERINA), Japan

Dr. Ki-Jung KIM, President of the Institute for National Security Strategy (INSS), ROK

Mr. Konstantin ZATULIN, Director of the Institute CIS countries, Russian Federation



Q&A

12:30 - 13:30 Lunch (“Nomin” Hall, Ministry of Foreign Affairs of Mongolia)

13:30 - 15:30

SESSION 2: MULTILATERAL COOPERATION IN NORTHEAST ASIA

Although the Northeast Asian region lacks an overarching security mechanism, there are numerous efforts that have been made to build confidence and trust. State actors as well as even non-governmental organizations have put forward and tried to promote various types of confidence-building measures (CBMs). This session will be welcoming experts from the sub-region and beyond to share their perspectives on successful CBMs, examine past and current examples, and explore practical steps for sustainable CBMs in the region. *How can countries contribute to effective CBM? What are the best practices for CBM?*

*Moderator: Mr. Jonathan BERKSHIRE Miller, Director and Senior Fellow,
Indo-Pacific Program, Macdonald-Laurier Institute, Canada*

Mr. MASHBAT Otgonbayar, President, National Institute for Security Studies, Mongolia

Dr. Sunghoon LEE, Senior Research Fellow, the Institute for National Security Strategy (INSS), ROK

Ms. Yulia KRYACHKINA, Senior Research Fellow, Russian Institute for Strategic Studies, Russian Federation

Dr. Albrecht SCHNABEL, Head, Asia-Pacific Unit, Geneva Centre for Security Sector Governance (DCAF)

Dr. Gregory GLEASON, Professor, George C. Marshall European Center for Security Studies

Q&A

15:30 - 15:45 Coffee break (“Nomin” Hall, Ministry of Foreign Affairs of Mongolia)

15:45 - 17:00

SESSION 3: FUTURING PEACE IN NORTHEAST ASIA

This session will be jointly organized with the UN Department of Political and Peacebuilding Affairs (DPPA) and will provide a platform for youth representatives to share their views and recommendations on regional peace and security with policymakers. Youth representatives will discuss ways to strengthen ties between youth in the region, create common narratives, promote confidence-building measures, and bridge gaps between generations. *How could policymakers better hear young people's voices and allow for contributions to policymaking? In what areas should youth expertise be prioritized?*

*Moderator: Ms. Sonja BACHMANN, Team leader, Northeast Asia and the Pacific,
Department of Political Affairs, United Nations*

Ms. Ijun KIM, ROK

Mr. TENGIS Batbayar, Mongolia

Ms. Yukako BAN, Japan

Q&A

18:30 - 20:30 Reception Jointly hosted by the Ministry of Foreign Affairs of Mongolia and the Institute for Strategic Studies (Soyombo Hall, 5th floor, The Best Western Tuushin hotel)



24 June 2022, Friday (Day 2)

08:30 - 09:00 Registration

09:00 - 11:00 **TRACK I Roundtable meeting:** A closed session for government representatives (Room 101, Ministry of Foreign Affairs of Mongolia)

09:00 - 10:00

SESSION 4: THE POST-COVID ECONOMIC COOPERATION IN THE REGION

The pandemic has had a strong impact on trade, investment, and financial markets while impacting all communities, and individuals. International financial institutions and countries have implemented substantial policy measures and stimulus programs to reduce the impacts of the pandemic. This session will provide a platform for economists, policymakers, and business representatives from Asian countries and international financial institutions to engage in constructive discussions about the post-COVID-19 economic collaboration. *How can regional countries and international financial organizations cooperate to stabilize regional economy, improve connectivity, and prepare for future crises?*

Moderator: Mr. BYAMBASAIKHAN Bayanjargal, Vice-Chair of the Business Council of Mongolia

Mr. Rustam ASIZBAEV, Director, the National Institute for Strategic Studies of the Kyrgyz Republic

Mr. DULGUUN Baasandavaa, CEO, New Recovery Policy Accelerator under Cabinet Secretary, Mongolia

Mr. ENKHBAYAR Namjildorj, Head of the Economic Security Research Center, the Institute of Strategic Studies, Mongolia

Dr. ENKHBAYAR Shagdar, Senior Research Fellow, Economic Research Institute for Northeast Asia (ERINA)

Mr. Yasin JANJUA, Economist, The United Nations Development Programme (UNDP)

Mr. Jean-Pascal NGANO, Senior Economist for Mongolia, World Bank

Q&A

10:00 - 10:10 Coffee break (“Nomin” Hall, Ministry of Foreign Affairs of Mongolia)

10:10 - 12:00

SESSION 5: POWER GRID CONNECTIVITY FOR THE ENERGY TRANSITION IN NORTHEAST ASIA

This session will be jointly organized with the United Nations Economic and Social Commission for Asia and the Pacific to welcome government officials, regional experts and academics on energy cooperation. Participants will share their views on energy policies, sustainable development, best practices, and future trends in Northeast Asian countries as well as emerging challenges the region might face in the coming years. The session will also encourage participants to focus on challenges and opportunities for addressing the interlinked targets of Sustainable Development Goal 7 (SDG 7) as well as how to promote regional energy integration through bilateral and multilateral cooperation. *What is the potential impact of energy infrastructure integration in fostering economic cooperation? How to make regional cooperation in this area be more effective and aligned with the sustainable development goals? What are the major challenges and solutions to close the gap of SDG7? How to make the regional cooperation to achieve energy transition and SDG7?*

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Moderator: Ms. Yejin HA, Programme Officer, UN ESCAP

Mr. Matthew WITTENSTEIN, Chief, Energy Connectivity Section, Energy Division, ESCAP
“Energy transition and the potential for power system connectivity in North-East Asia: Towards a green power corridor”

Mr. LUVSANTSEREN Ichinkhorloo, Director General, Fuel Policy Implementation Coordination Department, Ministry of Energy, Mongolia

Mr. DULGUUN Damdin-Od, Executive Director, International Think Tank for Landlocked Developing Countries (LLDCs)

Dr. Seiichiro KIMURA, Senior Researcher, Renewable Energy Institute, Japan

Ms. Sujata GUPTA, Director, Sustainable Infrastructure Division of the East Asia Department (Online)

Mr. Jie TANG, Practice Manager, Energy and Extractives Global Practice, World Bank (Online)

Dr. Olga DYOMINA, Senior Researcher, Economic Research Institute, Russian Academy of Sciences (Online)

Mr. Xiaosong FANG, Director, International Business Department, Electric Power Planning and Engineering Institute (EPPEI), China (Online)

Q&A

12:00 - 13:00 Lunch (“Nomin” Hall, Ministry of Foreign Affairs of Mongolia)

13:00 - 13:45 CLOSING SESSION

Chair: Dr. MENDEE Jargalsaikhan, Deputy Director, the Institute for Strategic Studies, Mongolia

Moderators’ summary

Dr. MENDEE Jargalsaikhan, Deputy Director, the Institute for Strategic Studies, Mongolia

Mr. Jonathan BERKSHIRE Miller, Director and Senior Fellow, Indo-Pacific Program, Macdonald-Laurier Institute, Canada

Ms. Sonja BACHMANN, Team leader, Northeast Asia and the Pacific, Department of Political Affairs, United Nations

Mr. BYAMBASAIKHAN Bayanjargal, Vice-Chair of the Business Council of Mongolia

Ms. Yejin HA, Programme Officer, the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP)

Closing Remarks:

Mr. ANKHBAYAR Nyamdorj, State Secretary Ministry of Foreign Affairs of Mongolia

Dr. MENDEE Jargalsaikhan, Director, the Institute for Strategic Studies, Mongolia

14:30 - 15:30 Photo with **H.E. KHURELSUKH Ukhnaa**, the President of Mongolia
(International participants)

18:00 - 20:00 Cultural Event for International Delegates (Invitation only)

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