

NATIONAL STRATEGIC FRAMEWORK FOR DATA CENTER SOVEREIGNTY

Train your AI where
no one can interfere.

Ulaanbaatar,
Mongolia
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ONE RATIONALE

This Strategic Framework is a draft foundational policy document for the development of sovereign and independent international data center infrastructure for artificial intelligence training and high-performance computing within the territory of Mongolia.

The core policy proposition of this document is to develop in Mongolia a “Sovereign by Design” model that simultaneously ensures:



Power Sovereignty;



Network Sovereignty;



Legal Sovereignty.

The rationale for this Strategic Framework rests on three considerations. First, global demand for artificial intelligence and data centers is increasing rapidly, and the principal criterion for site selection is shifting from electricity price alone to the practical ability to deliver power within a short time frame. Second, Mongolia has the potential to distinguish itself in Northeast Asia through its climate, renewable energy resources, coal-based energy potential, land availability, geopolitically neutral positioning, democratic governance and its steady commitment to peace in the region. Third, data, data centers and computing infrastructure should be recognized as new economic assets and strategic resources, requiring the establishment of a new legal and regulatory framework.

This document is not a detailed technical and economic feasibility study. Rather, it is a policy guidance document intended for the State Great Khural (Parliament), the Government of Mongolia, central state administrative bodies, international development organisations, investors and sector stakeholders. The following detailed plans shall be developed in subsequent stages:

- **National Data Strategy** – to regulate data governance, use and circulation in the economy;
- **National Artificial Intelligence Strategy** – to regulate AI development, testing, deployment and risk management;
- **Technical Plan** – to regulate infrastructure, data centers, cloud services, computing capacity and technical requirements for information exchange;
- **Financial Plan** – to regulate financing, budgets, costs, fees, public-private partnerships and investment financing mechanisms;
- **Environmental Plan** – to regulate energy, water use, cooling, environmental impact and green transition requirements;
- **Cyber Security Plan** – to regulate cyber risks, incident response, confidentiality, integrity and availability for data, data centers, cloud services and AI systems;
- **Investment Plan** – to regulate domestic and foreign investment attraction, support, guarantees and special conditions;
- **Legal Reform Plan** – to update and harmonise legislation and establish oversight and accountability mechanisms.



LEGAL AND POLICY GROUNDS:

Source	Relevant content	Relevance to this Strategy
Constitution of Mongolia	Fundamental principles of independence, sovereignty, rule of law, state policy and national security.	Constitutional foundation for infrastructure sovereignty, data sovereignty, including lawful limitations.
Law on Development Policy, Planning and Management	Unified framework for developing, planning, implementing, monitoring and evaluating development policy.	Basis for defining strategic objectives, indicators, phases, implementation monitoring and reporting structure.
Government resolutions and policy documents establishing the strategy, structure, and functions of the Ministry of Digital Development, Innovation and Communications	Policy and regulatory framework for digital development, communications, innovation, space technology, cyber environment and digital infrastructure.	Sectoral policy leadership, single-window regulation, multi-stakeholder partnerships, and coordination of implementation
Law on Communications	Legal framework for the establishment, use and protection of communications networks, user access to quality services, and fair competition.	Regulatory basis for terrestrial fiber, satellite gateways, radio frequency management and data corridor arrangements.
Law on Cyber Security	Cyber security policy, protection of critical information infrastructure, information security audits and international cooperation.	Requirements for data centers, AI computing infrastructure, access logs, encryption key management and security audits.
Law on Public Information Transparency; Law on Personal Data Protection; Law on State and Official Secrets	Legal regimes governing information infrastructure, public information, protection of personal data, and classification of state and official secrets.	Principles governing data use and reuse, restricted access categories, exclusion of personal data from disclosure, and confidentiality requirements.
Law on Energy; Law on Renewable Energy	Legal regimes governing energy generation, transmission, distribution, supply and use of renewable energy sources.	Legal basis for data center microgrids, long-term power purchase agreements and renewable energy transition plans.
Law on Free Zones; Law on Investment; relevant tax legislation	Free-zone regime, legal guarantees for investment, arrangements for taxes, customs, fees and stabilization arrangements.	Legal basis for siting data centers in economic free zones, investment guarantees, access to resources, special rights, fees and greater predictability of operating costs and revenues.

TWO VISION

Mongolia shall become a sovereign and neutral zone in Northeast Asia for artificial intelligence training, high-performance computing infrastructure and data storage, ensuring power sovereignty, network sovereignty and legal sovereignty simultaneously.

This vision extends the rationale of the “Open Sky” policy, previously applied in civil aviation, into the domains of orbital access, satellite connectivity, data flows and computing capacity.

THREE MISSION

The mission of this Strategy is to strengthen a data-driven economy, innovation and digital sovereignty by developing, within the territory of Mongolia, sovereign, independent, reliable, scalable and internationally compliant data center and AI computing infrastructure.

 **Power:** establish a data center power model that addresses the limitations of the national integrated grid by combining campus-level microgrids, renewable energy, energy storage and rapid-response reserve sources.

 **Network:** create a hybrid connectivity architecture consisting of terrestrial fiber, multi-operator low Earth orbit (LEO) satellite gateways, laser/optical links, international data corridor agreements and independent connectivity standards.

 **Legal and regulatory:** establish the legal basis for the Digital Embassy regime, data governance and the lawful flow of data in the economy in compliance with the Constitution of Mongolia, international treaties, national security requirement, human rights and cyber security standards.

 **Economic:** create a sustainable revenue model based on direct and indirect value capture in Mongolia from data center operations, including energy supply, land use, radio spectrum allocation, international data transmission rights, special-zone privileges and human-capital development.

 **Social and human capital:** systematically develop national capacity in specialized engineering, cyber security, data center operations, AI computing and energy management.

 **Environmental:** establish and enforce requirements and standards for green and sustainable infrastructure, including environmental impact assessment at each stage of siting, planning, construction, and operation, as well as requirements for water use, energy efficiency, cooling technologies, waste management, and greenhouse gas emissions reduction.

 **Economic free zone:** establish a legal framework for an economic free zone that supports data centers, AI computing infrastructure, data storage and processing through tailored regimes for taxation, customs, investment, infrastructure, employment, permits, registration and single-window services; attract investment; retain value domestically; and strengthen regional competitiveness.

FOUR SITUATION ANALYSIS

4.1. Market Demand

The global data center market is entering a new phase characterized by high energy consumption and substantial capital expenditure, driven by the training of frontier AI models, high-performance computing, cloud services, data backup and hosting of regulated-sector data. According to reliable international estimates, investment in data center and AI infrastructure is accelerating: AI-related capital expenditure by major technology companies exceeded USD 300 billion in 2025, while USD 6.7 trillion of investment will be required by 2030 to meet global demand for data center compute. In addition, capital expenditure for data center construction and hardware is projected to reach USD 2.9 trillion during 2025-2028, with power availability and time to grid connection becoming primary site-selection criteria.

According to Bloom Energy's 2025 survey, 84 percent of respondents ranked power availability among the top three criteria for site selection. JLL's 2026 Global Data Center Market Outlook concluded that average grid-connection waiting times in major data center markets exceed four years and that "speed to power" has become a decisive site-selection criterion. The International Energy Agency (IEA) has similarly noted that approximately 20 percent of planned data center projects may face delays due to grid constraints. For example, locations such as Virginia, Phoenix and Dublin have seen grid-connection waiting periods of four to ten years.

Traditional data center hubs are increasingly constrained by grid-connection queues, land-use limitations, cooling costs, environmental opposition, and geopolitical and jurisdictional risk. As a result, AI laboratories, foundation model providers, financial institutions, defense

and pharmaceutical research consortia, and national AI initiatives are seeking more flexible locations in terms of energy, connectivity and legal jurisdiction.

4.2. Mongolia's Opportunity

Mongolia's opportunity lies not in any single advantage, but in the convergence of several: a cold climate, abundant solar and wind resources, coal-based energy potential, vast land area, low population density, relative geological stability, low seismic risk, an independent foreign policy position maintained between its two neighbors, and the capacity to undertake flexible reforms in space and communications policy. In the context of the Fourth Industrial Revolution, Mongolia has the potential to become part of the global supply chain for AI, big data, cloud computing and high-performance computing as a sovereign, neutral and reliable location for data and computing infrastructure.

Strategic financing advantage

Mongolia's opportunity is further strengthened by substantial international financing partnerships supporting the country's Energy Transition and Digital Transformation agenda. In October 2025, the Government of Mongolia and the European Investment Bank (EIB) signed a strategic cooperation framework under the European Union's Global Gateway Initiative, establishing a financing platform of up to EUR 1 billion for renewable energy, battery energy storage systems, transmission infrastructure, digitalization and sustainable economic development projects.

In addition, the Government of Mongolia has established cooperation frameworks with the European Bank for Reconstruction and Development (EBRD) and international investors supporting approximately USD 1 billion of potential investments in renewable



energy generation, battery energy storage systems, power transmission infrastructure and sustainable industrial development. These initiatives include support for competitive renewable energy auctions, grid modernization, private sector participation and climate-aligned infrastructure investments.

Together, these financing platforms provide Mongolia with a strong foundation for integrating its energy transition and digital transformation agendas. The same investments in renewable energy, battery storage, transmission and digital infrastructure investments can also serve as enabling infrastructure for sovereign data centers, artificial intelligence computing facilities and next-generation digital industrial zones. This integrated approach strengthens Mongolia's competitive advantage by bringing together internationally competitive

renewable energy resources, access to strategic financing and a sovereign digital infrastructure framework within a single national development vision.

Mongolia should not present this opportunity merely as a physical location for building data centers. It should be positioned as an integrated proposition built around POWER SOVEREIGNTY + NETWORK SOVEREIGNTY + LEGAL SOVEREIGNTY + ECONOMIC FREE ZONES + DIGITAL EMBASSY REGIME + HUMAN CAPITAL + CYBER SECURITY. This approach would enable Mongolia to develop a new export pillar based on data, compute capacity and digital infrastructure, diversifying an economic structure historically centered on raw materials and mining. A comparative assessment of selected countries hosting data center operations is set out in Table below.

Country	Power	Climate	Sovereign and independent positioning	Legal flexibility
Ireland	Constrained	Good	EU jurisdiction	Limited
Iceland	Nearing capacity	Excellent	Western-aligned	Limited
Singapore	Capacity frozen	Tropical, costly	Aligned	Limited
UAE / DIFC	Available	Hot	Aligned	Common-law zone
Bahrain	Limited	Hot	Aligned	Data embassy
Inner Mongolia (China)	Abundant	Excellent	Chinese jurisdiction	None
Mongolia	World-class potential	World-class	Neutral, democratic	Digital Embassy regime (proposed)



4.3. Mongolia's Structural Advantages



Climate advantage: the cold climate of the central and northern regions can reduce data center cooling costs and enable free cooling with natural cold air for much of the year.



Energy resources: the solar radiation of the Gobi, wind resources in the central and eastern regions, and base-load energy sources can be combined to develop multi-gigawatt data center microgrids.



Land capacity: Mongolia's 1.56 million square kilometers of territory and low population density provide advantages for planning large-scale campuses, renewable energy parks and infrastructure protection zones.



Sovereign neutrality: Mongolia's democratic system, multi-pillar foreign policy and third-neighbor policy serves as an important trust factors for international investors and regulated-sector users.



Open Sky tradition: Mongolia's "Open Sky" approach to civil aviation, together with its policy environment for satellite and space technology experimentation provides a foundation for developing a flexible, innovation-friendly regulation of computing infrastructure.

4.4. Mongolia's Structural Constraints

Constraints	Potential risk	Strategic response
Limited current capacity of the electricity grid	The national integrated grid alone cannot immediately supply the demand of multi-gigawatt data centers.	Make project-level sovereign microgrids, renewable sources, energy storage and rapid-response reserve generation a precondition for each project.
Limited international connectivity capacity and route diversity	Dependence on terrestrial routes through Russia and China, may increase the risk of gateway disruption and latency.	Expand terrestrial fiber, plan alternative routes, establish multi-operator LEO/optical gateways and conclude data corridor agreements.
Water resource vulnerability	Data center cooling may place pressure on local water resources.	Adopt immersion cooling, air cooling and closed-loop technologies as preferred standards; set water use limits per MW capacity.
Shortage of specialized human resources	Long-term reliance on foreign engineers and operators could create operational and skills dependencies	Implement a ten-year human-resource program, including international certification, university programs and a policy to attract diaspora talent.
Limited domestic capital capacity	Hyperscale projects cannot be financed entirely through domestic sources.	Mobilize foreign direct investment, co-financing with development banks, state-backed frameworks for long-term power purchase agreements and innovative infrastructure investment models.

FIVE ARCHITECTURE OF SOVEREIGNTY

The principal distinction of this Strategy is that it defines sovereignty and independence not merely as a cybersecurity measure, but as a three-pillar infrastructure architecture consisting of POWER, NETWORK AND LEGAL JURISDICTION. Each of the three pillars – energy, communications networks and legal sovereignty – respectively, has distinct strategic value. Together, however, they form an integrated framework, that can substantially increase Mongolia's competitive advantage and investment value.

5.1. Power Sovereignty

Power sovereignty refers to a model in which data center operations are supported by campus-level microgrids, reducing reliance on the national integrated grid and mitigating its current capacity limitations. Every qualified data center project should have an integrated energy plan combining solar, wind, storage and rapid-response reserve sources. In the initial phase, the target should be to meet 70-80 percent of average annual consumption from renewable sources, increasing to more than 90 percent in the subsequent phase.

- The source of power supply for a data center shall be a principal criterion for project approval and permitting.
- A framework for long-term power purchase and sale agreements shall be developed in coordination with state-owned and private-sector energy suppliers.
- Electricity tariffs shall be indexed yet remain predictable over the long term for investors and the state alike.
- Renewable energy certificates, carbon credits, ESG reporting and environmental performance indicators shall be verified against actual performance.

To align the national data center strategy with the energy transition strategy, medium- and long-term energy planning shall account for the electricity consumption, grid connection, peak-load impact, and reliability requirements of data centers and of AI, cloud computing, and high-performance computing facilities.

The implementation of this Strategy shall be coordinated with Mongolia's national Energy Transition initiatives and relevant international financing programs. Investments in renewable energy generation, battery energy storage systems, transmission infrastructure and smart-grid solutions supported by development finance institutions shall be leveraged to strengthen power sovereignty and provide internationally competitive electricity supply for future data center campuses and AI computing infrastructure.

Recent competitive renewable energy auctions have demonstrated Mongolia's capacity to procure utility-scale renewable energy at tariffs approaching US\$0.048/kWh for a 50 MW solar/BESS project, reinforcing the country's potential to provide affordable long-term electricity for energy-intensive digital infrastructure. For larger 100-200 MW renewable energy projects, tariffs could potentially approach US\$0.04/kWh, subject to project structure, financing terms and procurement outcomes.

Large-scale data centers and AI computing facilities can serve as long-term anchor consumers of renewable energy, supporting investment in new renewable energy projects, battery storage systems and transmission infrastructure while improving the economics of Mongolia's broader energy transition.

5.2. Network Sovereignty

Network sovereignty means a hybrid architecture under which data flows do not depend on a single country, operator, physical channel or technology. A four-layer connectivity structure shall be implemented:

1. Terrestrial fiber diversification: expand existing routes and build additional routes along railway and infrastructure corridors.
2. Multi-operator LEO and optical gateways: introduce multi-operator low Earth orbit satellite ground stations and laser/airborne optical links under sandbox and special-permit regimes.
3. International data corridor agreements: bilateral and multilateral agreements with neighboring and third countries shall be pursued to provide for non-discriminatory transit, protection against unreasonable bandwidth restrictions, and effective dispute-resolution mechanisms.
4. Independent connectivity standard: each data center shall maintain at least one international gateway that is not directly dependent on a neighboring country; encryption keys shall be managed domestically, backup systems shall be maintained in at least two geographically separate locations within Mongolia; and access and security -audit logs shall be retained



5.3. Legal Sovereignty

Legal sovereignty determines in advance, in accordance with contracts, legislation, and the principles of international law, who may access data held in qualified data centers within the territory of Mongolia, on what legal basis, and under what procedure.. It provides a framework for managing not only data security but also jurisdictional risk.

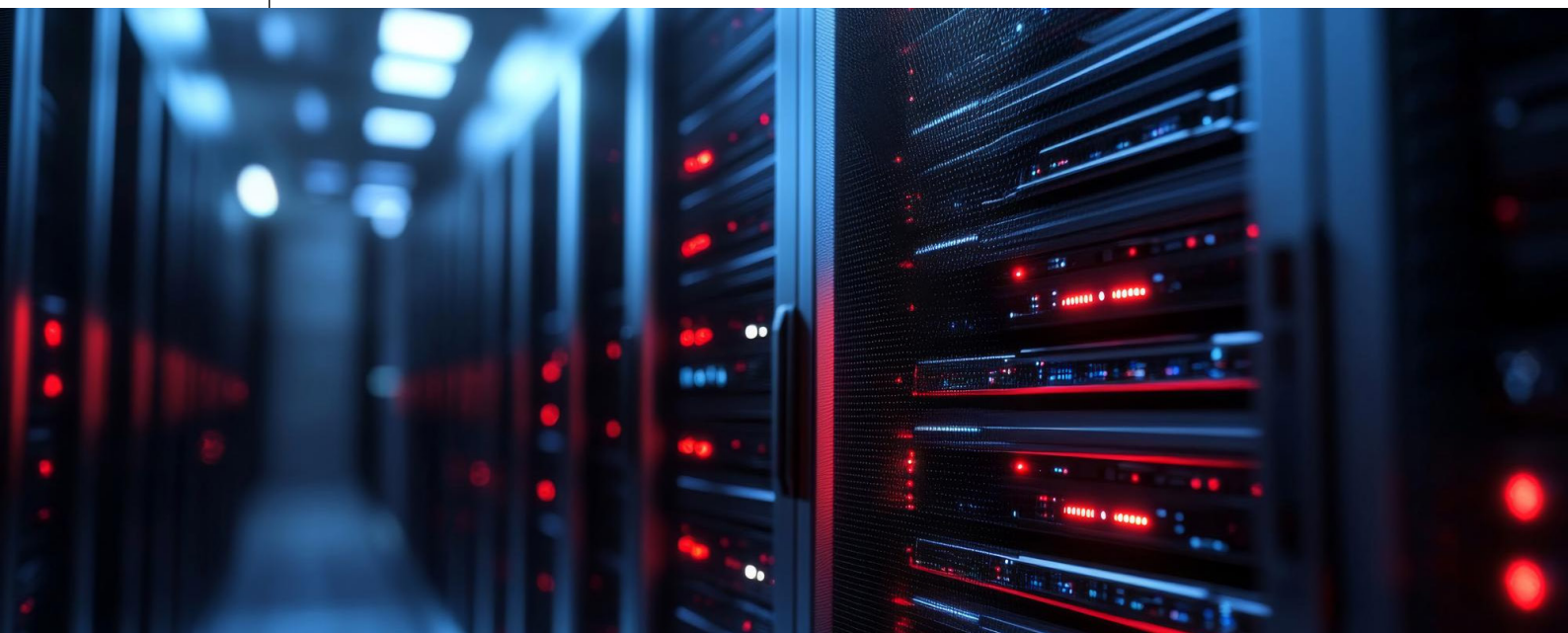
The Digital Embassy regime shall operate only on the basis of statutory requirements, applicable international treaties, government agreements, special permits and relevant certifications. The regime shall not override Mongolia's sovereignty, national security, peremptory norms of international law, United Nations sanctions, counter-terrorism requirements, child protection obligations or fundamental human-rights limitations.

- Digital Embassy status shall be granted on the basis of statutory criteria, applicable certification requirements and relevant international treaties.
- Access by competent Mongolian authorities to relevant data shall be governed by applicable law, contractual arrangements, chosen jurisdiction and international legal requirements.
- Peremptory norms of international law (jus cogens), applicable sanctions, requirements relating to terrorism, human trafficking, crimes against children as well as exceptional national-security limitations shall be strictly observed.
- Dispute-resolution shall primarily be governed by Mongolian law and the jurisdiction of Mongolian courts; international arbitration shall be used only under special conditions provided for by law or contract.

SIX ECONOMIC VALUE

This Strategy proposes a model for capturing value in Mongolia without undue interference in the internal operations of data centers. Direct involvement in internal financial reporting, data flows and customer relationships of operators could undermine investor confidence in the legal framework and diminish the value of the Digital Embassy regime. Accordingly, the revenue model should be based not on disputes over internal profits, but on measurable resources, rights, capacities and international data transmission rights.

Value item	Regulatory meaning	Benefit for Mongolia
Resource pricing	Use of energy, land, water, radio spectrum, airspace and infrastructure connections at market-based valuations.	Revenue from electricity sales, land fees, spectrum fees and infrastructure services.
Preferential-rights pricing	Fees for certification under the Digital Embassy regime, special protection and inviolability guarantees, international data transmission rights, free-zone rights, single-window regulatory services.	Fees for special rights, certification, renewals, legal guarantees and regulatory services.
Infrastructure capacity- and use-based regulatory fee (royalty)	Fees based directly on measurable indicators such as installed MW capacity, data center capacity, international gateway use, independent network or satellite connectivity use, and volume of data transmitted or exported.	Predictable revenue linked directly to sector scale and less exposed to tax disputes.
Domestic participation	Gradual increase in participation by Mongolian enterprises in construction, services, maintenance, security, logistics and infrastructure supply chains.	Domestic jobs, business growth and transfer of technological and management know-how.
Carbon and renewable-energy value	Regulation of renewable energy certificates, carbon credits and ESG verification under public-private agreements.	Access to climate finance and green- financing, and improved international reputation.





SEVEN LEGAL AND REGULATORY ENVIRONMENT

The legal environment shall be based on legislation currently in force, while progressively developing the legal and regulatory frameworks for data, data centers, AI computing infrastructure, satellite gateways, economic free zones, regulatory sandboxes and the Digital Embassy regime.

Legal instrument	Regulatory matter	Required action
Data Law	Data governance, data lifecycle, data use and reuse, data products, metadata, baseline data center standards, foreign data center regime and independent connectivity architecture.	Define the purpose and scope of the draft law, linkages with cybersecurity and oversight mechanisms, and provide the basic legal framework for data center operations in Mongolia.
	Taxation, customs, land use, energy supply, investment, workforce and applicable permits.	Assess options for establishing a special data center regime under free-zone legislation or regulating it through a dedicated law.
	Legal jurisdiction, special protection and inviolability, procedures for data access, international treaties, governing law, prohibited activities and dispute resolution.	Ensure consistency with the Constitution of Mongolia, international treaties, national security limitations and human-rights protections, and define the legal basis for Digital Embassy arrangements.
	New-technology trials, including LEO gateways, optical links, hybrid routing, AI computing and use of digital assets.	Establish procedures for regulatory experimentation lasting 24-60 months, with quarterly reporting and criteria for transitioning successful pilots into permanent regulation.
	Integration of permits, certificates, standards, oversight, reporting, investor-facing processes and foreign data center operator agreements.	Regulate through the entity responsible for implementing or coordinating AI computing infrastructure regulation, including single-window services and benefit-sharing arrangements.



EIGHT TARGET USERS

Within the scope of the Strategy, target users are classified into three phases based on demand, risk level and alignment with the value proposition offered by Mongolia.

Phase	Target users	Value proposed by Mongolia
Phase I	Foundation model laboratories, independent AI ventures and users requiring high-capacity AI training.	The ability to locate latency-tolerant, power-intensive AI training in a cold climate, supported by power microgrids and a predictable legal and regulatory environment.
Phase II	International banks, insurers, defense contractors, pharmaceutical research consortia, sovereign wealth funds and other regulated sectors.	A Digital Embassy regime with predefined arrangements for managing cross-border jurisdictional-risk, high-level cybersecurity protections and contractual safeguards.
Phase III	Disaster-recovery and backup centers, cold storage facilities, international hyperscale companies, and regional cloud and AI service providers.	A geopolitically neutral location offering long-term access to affordable and reliable power, land and infrastructure scalability.



NINE IMPLEMENTATION ROADMAP

The Strategy shall be implemented in three phases. At the end of each phase, an assessment shall be conducted against legal, energy, connectivity, investment, user-demand, environmental and human-resource indicators to determine whether the conditions have been met to proceed to the next phase.

Phase	Implementation measure	Timeline	Responsible and cooperating entities
Phase I: Foundation building 2026-2027	Develop the Draft Law on Data and submit it to the State Great Khural.	Q3 2026	MDDIC, MOJHA, Government of Mongolia, State Great Khural
	Establish an entity responsible for implementing or coordinating the regulation of AI computing infrastructure.	Q4 2026	Government of Mongolia, MDDIC, relevant state bodies
	Determine the location, boundaries and special regime of the economic free zone.	Q4 2026	Government of Mongolia, MDDIC, economic, finance, land and local authorities
	Conduct preliminary assessments and select among three potential data center locations (Khovd, Selenge and Dornod).	Q1 2027	MDDIC, energy, environment, land-management and local authorities
	Agree with stakeholders on the principal terms of a 25-year power purchase agreement (PPA) with a state-owned energy producer.	Q1 2027	Central administrative body responsible for energy matters, state-owned energy producer, MDDIC
	Establish a regulatory sandbox for multi-operator LEO satellite gateways.	2026-2027	CRC, MDDIC, competent cyber security authority, operators
	Initiate negotiations with the Russian Federation and the People's Republic of China on bilateral data-flow corridor arrangements.	2026-2028	MFA, MDDIC, relevant bodies
	Improve the legal framework for the Digital Embassy regime.	Q3 2027	MOJHA, MDDIC, MFA, relevant bodies, international partner
Phase II: Pilot project implementation 2028-2030	Implement the first 100-200 MW data center project with a microgrid combining renewable energy, storage and rapid-response reserve sources.	Q2 2028	Investor, data center operator, energy organizations, regulatory body
	Conclude an agreement with a foundation model laboratory, independent AI initiative or reference user from a regulated sector.	Q4 2028	Regulatory body, investor, potential user, MDDIC
	Operationalize the first user of independent satellite connectivity and the Digital Embassy regime.	2029	CRC, regulatory body, data center operator, Digital Embassy user
	Conclude bilateral international agreements for data transit and, where necessary, arrange for their ratification.	2029	MFA, Government of Mongolia, State Great Khural, MDDIC
	Establish a system for annually training specialized human resources in data center engineering, cybersecurity, AI computing and energy management.	From 2028	Bodies responsible for education and science, MDDIC, universities, private sector
Phase III: Consolidating regional position From 2030	Increase total installed capacity of data center and AI computing infrastructure to more than 1 GW.	2031	Government of Mongolia, regulatory body, investors, energy organizations
	Enable the development of second and third data center projects in regional centers such as Murun and Choibalsan.	From 2030	Government of Mongolia, local authorities, investors, regulatory body
	Increase the share of renewable energy in annual average data center energy consumption to more than 90 percent.	2032	Energy organizations, data center operators, regulatory body
	Increase total international data-transmission bandwidth to above 5 Tbps.	2031	CRC, telecommunications operators, MDDIC, international partners
	Promote Mongolia internationally as an independent and neutral location for data and computing infrastructure in Northeast Asia.	From 2030	Government of Mongolia, MDDIC, foreign affairs and investment-promotion bodies, private sector

TEN

STRATEGIC SCOPE

The scope of the Strategy is to establish a policy framework for developing, within the territory of Mongolia, international data centers, AI training, high-performance computing, data storage, connectivity gateways, economic free zones, the Digital Embassy regime and regulatory sandboxes.

Matters within scope	Matters outside scope
Data centers, AI computing infrastructure, power microgrids, international connectivity, LEO/optical gateways, data corridors, cybersecurity, human resources, investment and mechanisms for domestic value capture.	Sale of personal data as an economic commodity; unauthorized access to state or official secrets; illegal data; terrorism; crimes against children; activities designed to circumvent sanctions.
Digital Embassy regime, economic free zones, regulatory sandboxes and one-stop permitting mechanisms.	Establishment of a tax haven; indefinite exemption from all taxes; state equity participation in the internal operations of data centers; granting of unchecked special rights.
Investment guarantees, long-term energy sale/purchase agreements, participation in infrastructure development, renewable energy, carbon value and domestic supply chains.	Circumventing environmental impact assessment; foregoing local consultation; unlimited use of water resources; perpetuating long-term dependence on foreign human resources.



ELEVEN STRATEGY IMPLEMENTATION

The implementation of the Strategy shall be ensured through an integrated mechanism comprising inter-sectoral coordination, single-window permitting, phased legal reform, international partnerships, investment protection, performance monitoring and risk management.

Implementation area	Principal regulation	Expected outcome
Governance and coordination	The central state administrative body responsible for digital development, innovation and communications shall exercise sector policy leadership and regulatory integration. An inter-ministerial council shall operate at the level of the Prime Minister or the Deputy Prime Minister responsible for free-zone matters.	Duplication and delay in inter-sectoral decision-making will be reduced.
Single-window regulation	The entity responsible for implementing or coordinating AI computing infrastructure regulation shall integrate special-zone certification, sandbox arrangements, LEO/optical gateways, Digital Embassy status and applicable technical standards.	Investors will interact with a single set of criteria, a uniform timeline and a designated responsible authority.
Decision-making criteria	Each project shall be assessed against eight criteria: energy, domestic value capture, operator reliability, geopolitical risk, environment, skills transfer, local impact and exit conditions.	Insufficiently prepared projects will be identified at the earliest stage.
Mandatory negotiation principles	The principles of diversification, performance-based incentives, primary jurisdiction of Mongolian law and courts, supply-chain transparency, and “legal framework first - contract second” shall be observed.	The national interest and investors’ legal guarantees will be protected simultaneously.
Monitoring and evaluation	Annual performance reports shall measure installed capacity, renewable-energy share, international bandwidth, local participation, budget revenue, human-resource training and cybersecurity audit indicators.	Policy implementation will be assessed on the basis of measurable results.

Multi-stakeholder partnerships

- Mongolia shall build on existing strategic financing partnerships and investment frameworks established with international financial institutions to support implementation of this Strategy. Particular emphasis shall be placed on cooperation with the European Investment Bank (EIB), European Bank for Reconstruction and Development (EBRD), Asian Development Bank (ADB), KfW, KEXIM, JBIC and other development partners.
- Existing financing frameworks supporting Mongolia’s energy transition, renewable energy deployment, battery energy storage, transmission infrastructure, digitalization and sustainable industrial development may also support the development of sovereign data centers, AI computing infrastructure, digital free zones and related digital ecosystems.

- The Government shall actively promote integrated investments linking renewable energy, battery storage, transmission networks, digital infrastructure and artificial intelligence computing facilities as part of a unified national competitiveness strategy.
- Mongolia shall progressively align with the OECD principle of “Data Free Flow with Trust”, relevant ITU standards for radio spectrum and satellite regulation, and good international practice in cybersecurity.
- Mongolia shall develop professional training and certification in data centers, energy, cybersecurity, AI computing and network engineering in cooperation with universities, professional associations and the private sector.

TWELVE CONCLUSION

For Mongolia, competitive advantage in data centers and AI computing infrastructure is not limited to vast land, cold climate and renewable energy resources. Mongolia’s strategic distinction lies in the opportunity to plan power sovereignty, network sovereignty and legal sovereignty in an cohesive framework, establish them through a clear legal foundation, and present them as a comprehensive regulatory proposition capable of attracting investment.

Mongolia enters this opportunity from a position of strength, supported by established international financing partnerships for energy transition and digital infrastructure development. Through strategic cooperation with leading development finance institutions and private investors, Mongolia can combine renewable energy, battery storage, transmission infrastructure, digitalization and AI computing infrastructure within a unified long-term investment framework. This integrated approach can position Mongolia as a globally competitive location for sovereign data centers and advanced digital infrastructure in Northeast Asia.

Successful implementation of this Strategy would enable Mongolia to diversify an economy and export structure predominantly reliant on mining and

raw materials, and build a new economic pillar based on data, computing capacity, renewable energy, digital infrastructure and AI training workloads. This is not merely a matter of building data centers; it is a policy initiative of significance aimed at establishing foundational infrastructure for Mongolia’s digital economy, attracting high-technology investment, strengthening national capabilities and creating a new competitive position in the region.

Accordingly, implementation of the Strategy requires the prior establishment of an appropriate legal and regulatory environment, legal recognition of the Digital Embassy regime, clear definition of single-window regulatory mechanism, and the adoption and enforcement of practical indicators covering energy, international connectivity, water use, environmental performance, cybersecurity and human resources. Once these conditions are in place, Mongolia will be able to offer investors, data center operators and regulated-sector users a transparent and predictable legal and regulatory environment.

Mongolia can thereby position itself as a reliable, sovereign and independent hub for AI training, high-performance computing, data storage and processing in Northeast Asia.



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