

Mongolia
The SCD-CPF Engagement meeting with international non-governmental organizations
September 11, 2017

This is a brief, informal summary of the issues raised during the meeting. If you were present and wish to make a correction or provide further information, please email Indra Baatarkhuu at ibaatarkhuu@worldbank.org.

The World Bank Group (WBG) met with 14 representatives of International Non-Governmental Organizations on September 11, 2017 to exchange views and perceptions on Mongolia's development opportunities and challenges as well as possible WBG support.

The discussions focused on three guiding questions:

- 1) What do you see as Mongolia's biggest opportunities as well as challenges to end extreme poverty and promote shared prosperity?
- 2) What are the development priorities for Mongolia in the next 4-6 years?
- 3) How do you think the WBG (World Bank, IFC, MIGA) could support Mongolia in the next 4-6 years to end poverty and promote shared prosperity in a sustainable manner?

Category	Comments from Stakeholders
Inputs on country diagnostic (opportunities, challenges, and pathways to end poverty & promote shared prosperity)	<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> • Mining and investments that came into the sector has supported growth, supported infrastructure and job creation. • Migration from the rural areas to UB has allowed better access to health and education for many despite creating some challenges. • Large markets for minerals on both sides of the border. • Mongolia is a young country so the youth has potential to grow the country. International scholarships for young people to study abroad have enabled them to return with new ideas. • Tourism potential of the country can be tapped on; this should be developed not only through promoting foreign tourism but also better management of internal/unplanned tourism. • Land and property rights issues are being addressed contributing to the country's economic development. • Great export potentials for the livestock and livestock products. • Lot of good scientists. • Political will and right pathway in democracy. • Will to develop independent media. • Active civil society. • IT skills could be exported. • Vocational training could be used to the full potential to develop skills needed for the market. <p><u>Challenges:</u></p>

	<ul style="list-style-type: none"> • Understanding of the country’s challenges more ecologically and holistically has been a challenge. • Building an economy that is more market oriented. • Diversifying revenues is a challenge. Lack of sectoral diversification. Policy driven distortions hindering sector development and diversification of the economy. • Small population is a challenge. Large scale manufacturing is unlikely to be suitable; instead educating the citizens from the young age could create opportunities. Early childhood education; especially for rural children, therefore, is crucial. There is a desire to be employed by the public sector among high school graduates potentially hindering human resource needs in other sectors. • Governance and politics are a challenge. Budget governance and procurement are amongst the top issues in the governance area in addition to transparency and accountability. Currently, there is a lack of differentiation between public administration and politics. Funding allocated to target groups, e.g. SMEs do not reach the targeted beneficiaries calling for improved governance, transparency and accountability. • Growing and unplanned urbanization is an issue; thus, promoting decentralization could be a good policy. There is a large gap between urban and rural unemployment. • Climate change and environmental degradation are growing issues, e.g. desertification, changes in the temperature; <i>dzud</i>, drought, etc. • Small businesses lack access to finance in the agricultural sector. • There is a skills mismatch between the demand and supply; opportunity to apply skills earned in school is limited in practice partly due to lack of apprenticeship and internship programs. • Employment opportunities for vulnerable groups are very much seasonal; so, creating sustainable and long-term opportunities for those groups is a challenge. • Tourism sector calls for advancements in order to meet the needs of the clients – service improvements are desired in terms of safe driving, skilled and knowledgeable guides, etc. • Animal health conditions are hindering livestock export opportunities. • Capacity building of the public sector as well as awareness raising and educating the public are becoming crucial. • Inequality is an issue contributing to increasing poverty. Child poverty is especially high in the country.
<p>Inputs on WBG strategy and partnerships</p>	<p>Areas of support: despite the challenges, engage in good governance efforts for sustainable civil service.</p> <ul style="list-style-type: none"> • Educate the general public alongside building capacity of the public institutions. Continue capacity building efforts of the public sector in monitoring and evaluation. • Support civil society and media. Take advocacy measures through social media. • Help develop public-private partnerships. • Engage in sustainable finance initiatives, e.g. green financing that is inclusive.

	<p>Approach and implementation:</p> <ul style="list-style-type: none"> • The WBG can play a coordination/leadership and facilitation role among development partners. Through its non-partisan and independent power, the WBG could build relations and create dialogues among different stakeholders. • Allow participation of civil society organizations in implementation of big loan projects through enhanced transparency of the procurement processes. Also, continue with the flexibility in implementing grant projects through INGOs and NGOs which is not allowed by other IFIs. • Avoid duplication of efforts. • Improve projects monitoring and implementation in order to improve accountability and transparency; to ensure funds are used for the purposes intended. Also, improve targeting of beneficiaries. • Implement projects that have a lot of local ownership, e.g. implement projects at the local/district level. • When providing large loans to the government, it would be good to attach a small good governance and anticorruption component to the loan projects. Alternatively, effectively work with the government through proposing some actions to improve good governance, anticorruption and transparency as preconditions to receiving loans. • Provide information on lessons learnt– what has worked and what has not worked internationally, so that the country can benefit from the global knowledge.
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Results of the survey taken during the meeting:

1. 1. In your view, what are the crucial development areas for Mongolia to focus actions aimed at ending poverty and shared prosperity throughout the country over the next decade? * (please select up to 5 options)

— Public sector governance/reform	9	64%
— Anti corruption	6	43%
— Education	5	36%
— Job creation/employment	5	36%
— Economic growth	4	29%
— Private sector development	3	21%
— Natural resource management	3	21%
— Agriculture, livestock, and forestry	3	21%
— Environmental protection and pollution control	2	14%
— Equality of opportunity	2	14%
— Rural development	1	7%
— Health	1	7%
— Disaster risk management	1	7%

— Urban development	1	7%
— Water and sanitation	1	7%
— Climate change	1	7%
— Other	0	0%
— Food security	0	0%
— Financial markets	0	0%
— Foreign investment	0	0%
— Road and transport	0	0%
— Trade and exports	0	0%
— Social protection	0	0%
— Energy	0	0%

2. How do you think the World Bank Group can have the most impact on its assistance to Mongolia? In which areas do you believe the WBG should focus in the next 4-6 years? (please select up to 3 options)

Supporting public sector governance	6	43%
Supporting human development	5	36%
Supporting the business environment	4	29%
All are equally important	4	29%
Supporting natural resource management and environmental protection	2	14%
Supporting investment in infrastructure	1	7%