**Mongolia**

**The SCD-CPF Engagement Meeting with Private Sector (local companies)**

**August 31, 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 16 representatives from the private sector companies 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?

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| **Category** | **Comments from Stakeholders** |
| **Inputs on country diagnostic (opportunities, challenges, and pathways to end poverty & promote shared prosperity)** | **Challenges:****Governance:*** Lack of efficient coordination among government organizations.
* Inconsistent implementation of government policies, lack of long-term policy implementation and legal framework to support it.
* Ineffective supervision and motoring framework to support the policy implementation.
* Widespread corruption in government.
* Excessive participation and involvement of the government in the private sector.

**Infrastructure, macroeconomic conditions:*** Lack of necessary infrastructure such as railroad, roads and logistics centers to support private sector growth. Need to develop PPPs to support infrastructure.
* Lack of economic diversification, heavy dependence on mining sector.
* Lack of support to the private sector companies which are implementing large scale strategic projects.
* Job creation and employment is cited as top priority. Employment impeded by cash handouts.

**Access to finance, human resources:*** Lack of availability of long-term financing and investment. High cost of funding.
* Lack of necessary skills and capacity of SMEs to grow and expand their businesses.

**Opportunities and areas for collaboration:*** Improve the skills and capacity of relevant specialists and officers working in the government.
* Improve governance practice and accountability of both public and private institutions.
* Increase the availability of long-term financing and make the terms/conditions more flexible.
* Develop other sources of financing and investment such as stock market.
* Cooperate with the private sector on implementing some important projects and carrying our relevant studies and researches.
* Improve the operations and management of the state health insurance system as health is the one of the key factors which affects the poverty.
* Need to promote collaboration in disseminating the best practice of some companies with others operating in the same sector.
* Improve of the government policy implementation monitoring and supervision framework.
* Explore possibilities to develop relevant innovative services to reach the poor/poorest using the financial technologies.
* Explore possibilities to expand the tax base rather than increasing the tax rate.
* Improve possibilities to learn more from other WBG best experience/projects.
* Focus on improving the quality of education, especially in elementary schools and universities. Improve teachers’ capacity and skills and living conditions.
* Promote more efficient resource management.
* Develop necessary infrastructure and logistic centers to support growth in key priority sectors.
* Mining sector catalyzes other demands and indirect jobs.
* Focus on development a Mongolian brand “Organic dairy product”.
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| **Inputs on WBG engagement** | **Approach and implementation:*** Based on the past experience, develop more efficient ways of supporting the capacity and skills of the specialists and officers working for the government organizations.
* Consult and coordinate closely with private sector the design and implementation of the key projects and initiatives concerning private sector.
* Support from the WBG on advising the government to increase the share of the education and health sector budget.
* To share knowledge and experience, bring together government, private sector, international partners utilizing WBG convening advantage.
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Results of the survey taken during the meeting:

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)

| **ANSWER CHOICES–** | **RESPONSES–** |
| --- | --- |
| Public sector governance/reform | 72.73%8 |
| Health | 72.73%8 |
| Education | 72.73%8 |
| Private sector development | 27.27%3 |
| Natural resource management | 27.27%3 |
| Foreign investment | 27.27%3 |
| Financial markets | 27.27%3 |
| Water and sanitation | 18.18%2 |
| Job creation/employment | 18.18%2 |
| Anti corruption | 18.18%2 |
| Agriculture, livestock, and forestry | 18.18%2 |
| Trade and exports | 18.18%2 |
| Environmental protection and pollution control | 18.18%2 |
| Food security | 9.09%1 |
| Economic growth | 9.09%1 |
| Road and transport | 9.09%1 |
| Rural development | 9.09%1 |
| Urban development | 9.09%1 |
| Energy | 9.09%1 |
| –Social protection | 0.00%0 |
| Equality of opportunity | 0.00%0 |
| Climate change | 0.00%0 |
| Disaster risk management | 0.00%0 |

1. 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)

| **ANSWER CHOICES–** | **RESPONSES–** |
| --- | --- |
| –Supporting public sector governance | 72.73%8 |
| –Supporting human development | 54.55%6 |
| –Supporting the business environment | 54.55%6 |
| –Supporting investment in infrastructure | 36.36%4 |
| –Supporting natural resource management and environmental protection | 18.18%2 |
| –All are equally important | 18.18%2 |