

**Mongolia**  
**The SCD-CPF Engagement meeting with**  
**Darkhan CSO & Academia**  
**September 7, 2017**

The World Bank Group (WBG) met with 15 representatives of the Civil Society Organizations and Academia in Darkhan aimag on September 7 (11:30-1pm) 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
<p style="text-align: center;"><b>Inputs on country diagnostic (opportunities, challenges, and pathways to end poverty &amp; promote shared prosperity)</b></p>	<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Mining potential is large for the aimag: 70 gold mining licenses are issued and there is also a large iron ore deposit.</li> <li>• Agriculture, international borrowings and Mongolians working abroad contributed to the country’s development in the past years.</li> <li>• Metallurgy has potential to contribute to the country’s development – there is a substantial deposit. The sector has potential to create more jobs to absorb the currently excess skilled labor in the sector.</li> </ul> <p><b>Challenges</b></p> <ul style="list-style-type: none"> <li>• Political instability is restraining long term planning. Short-lived and short-sighted policies are constraining the country’s development. Relationship between the government and the public is almost non-existent creating a disconnect between the people’s lives and government policies. Lack of opportunity to implement long-term policies.</li> <li>• Equitable distribution of the mining revenues is not enabled causing unemployment and poverty.</li> <li>• Corruption is a pressing issue due to information being not disclosed, invitations to bid are not sent to potential contractors indicating lack of transparency in the process. Funding from various projects and programs implemented are not reaching the intended target beneficiaries. Again, corruption and fraud seem to be standing in the way.</li> <li>• Due to lack of appropriate policies and coordination in pastureland management, overgrazing has become a critical issue. Environmental issues generally are pressing in Darkhan. There is degradation of the quality in farm and livestock products calling for a systematic approach to the entire chain in the agricultural sector is needed to help resolve issues holistically in the sector.</li> </ul>

	<ul style="list-style-type: none"> <li>• Darkhan is a youth city. Youth under-utilization and unemployment among youth causes burden on the elders. In some cases, due to lack of jobs, young people also move to the bigger cities in search of opportunities or work abroad. Many people work overseas, causing brain drain. Education and youth-oriented entrepreneurial business opportunities are lacking.</li> <li>• Support to CSOs and media is limited. Small CSOs have limited scope/coverage and funding. Generally, CSOs are very active and make sizable contributions to the development of their local areas but there is no support to strengthen them. Furthermore, CSOs receive no credit from the Government and strive to be self-sufficient. More funding is required for CSOs to continue delivering services to citizens on behalf of the Government. Media is not independent as influenced by big groups and politicians. Also, exchanges of knowledge and experiences with international NGOs should be explored.</li> <li>• Human development, especially personal development issues currently lack focus and attention. There is a human factor behind everything. The people should be healthy, educated, etc. While there are local programs like the “Productive Mongolian – Productive Engineer”, salaries of some skilled workers e.g. the civil servants are only comparable to low skill artisanal mining jobs.</li> <li>• Lack of research on labor market demand which inhibits higher education development. Lack of technical specialists in various areas, but students are not applying and studying in these areas.</li> <li>• Civic education, especially in the areas of family upbringing and ethics, has lost focus. People lack access to information and reading because of lack of investment in equipment and furniture of the library.</li> <li>• Life-long learning should also gain spotlight and such policies should focus on family planning, early childhood upbringing and education, etc. Revamp the traditional Mongolian way of family and children’s upbringing and Mongolian culture and heritage.</li> <li>• Infrastructure for the disabled is yet to allow those to lead an active life and to receive the various services and be inclusive.</li> <li>• Labor market needs assessment is not yet done so there is a mismatch between the supply and demand. Any training being organized for the people should focus on facilitating them obtain solid skills.</li> <li>• Interest rate of loans for elders is very high. Affordable housing opportunities are currently lacking and need further exploring – this will also help combat air pollution. Generally, the banking sector and access to finance should be improved and opportunities are to be explored for sharing knowledge on how access to finance can be improved based on the international good practices.</li> </ul>
<p><b>Inputs on WBG strategy and partnerships</b></p>	<p><b>Sectors:</b></p> <ul style="list-style-type: none"> <li>• Develop industries that create value added products. There are two major sectors contributing to the country’s development: mining and agriculture/animal husbandry. More focus should be given to the latter.</li> <li>• Informal sectors could potentially be transformed into a formal sector helping fight poverty.</li> </ul>

	<ul style="list-style-type: none"> <li>• Human development: More focus on human development and education should be given as these are the basis for development of the other sectors. The current traffic jam on the roads is in fact not a jam of cars but rather a jam of the minds.</li> <li>• Higher education system is going through a reform. Teacher development should be a priority, especially in the rural areas in order to balance out the load and burden on the schools/universities in UB. Re-training and building further capacity among people working in the education and cultural sectors is important.</li> <li>• Ethical upbringing is as important as formal education for enabling human development. Caring for the nature and environmental issues should be tackled from childhood. Adults' way of thinking is not easily adjusted but CSOs can cooperate in this matter for better awareness and advocacy despite the lack of funding. Some CSOs are very skilled and experienced so their expertise and experiences could be tapped on.</li> <li>• Public and CSO oversight on mining activities and environmental and social impact could be enhanced. Post mining restoration should be further studied and supported.</li> <li>• Industry and Technology Parks have been established since around five years ago. This instrument could be utilized more. Baseline research and studies need financing and support.</li> </ul> <p><b>Approach and implementation:</b></p> <ul style="list-style-type: none"> <li>• Implement targeted programs e.g. at cooperatives.</li> <li>• Reporting on results of all projects should become more open for better monitoring of results. Need to pay more attention to WBG effectiveness, monitoring and evaluation, especially overseeing if programs are reaching target beneficiaries or resulting in funding loss due to corruption.</li> </ul>
<b>Others</b>	<ul style="list-style-type: none"> <li>• Results of government programs should be monitored and accounted for efficiency.</li> <li>• Development assistance should focus more on results instead of discussing specific details of programs and projects. There is a need for transparency of the results achieved through implementing projects and monitoring and evaluation.</li> <li>• Programs targeted at SME development seem limited in scope as they are more suited for supporting people's daily lives/livelihood but are not substantial enough to promote competitiveness of the sector or particular line of business.</li> </ul>

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)

<input type="checkbox"/> Public sector governance/reform	9	56%
<input type="checkbox"/> Job creation/employment	9	56%
<input type="checkbox"/> Education	7	44%
<input type="checkbox"/> Anti corruption	7	44%
<input type="checkbox"/> Private sector development	7	44%
<input type="checkbox"/> Environmental protection and pollution control	5	31%
<input type="checkbox"/> Foreign investment	5	31%
<input type="checkbox"/> Health	4	25%
<input type="checkbox"/> Natural resource management	3	19%
<input type="checkbox"/> Agriculture, livestock, and forestry	3	19%
<input type="checkbox"/> Economic growth	3	19%
<input type="checkbox"/> Road and transport	3	19%
<input type="checkbox"/> Urban development	3	19%
<input type="checkbox"/> Social protection	3	19%
<input type="checkbox"/> Climate change	3	19%
<input type="checkbox"/> Rural development	2	13%
<input type="checkbox"/> Equality of opportunity	2	13%
<input type="checkbox"/> Financial markets	2	13%
<input type="checkbox"/> Food security	1	6%
<input type="checkbox"/> Trade and exports	1	6%
<input type="checkbox"/> Water and sanitation	1	6%
<input type="checkbox"/> Other:	develop industries with foreign investment; CSO capacity building	6%
<input type="checkbox"/> Disaster risk management	0	0%
<input type="checkbox"/> 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)

<input type="checkbox"/> Supporting human development	10	67%
<input type="checkbox"/> Supporting the business environment	9	60%
<input type="checkbox"/> Supporting investment in infrastructure	6	40%
<input type="checkbox"/> Supporting public sector governance	5	33%
<input type="checkbox"/> Supporting natural resource management and environmental protection	5	33%
<input type="checkbox"/> All are equally important	3	20%