

# PROMOTION OF GROWTH AND EMPLOYMENT IN THE PRIVATE SECTOR

## CONTEXT

Mongolia's economy remains highly dependent on raw materials and is not sufficiently diversified – a situation that the government would like to change. Small and medium-sized enterprises (SMEs) in particular offer great potential to help achieve this goal. They already generate half of the country's gross domestic product and provide around 80 per cent of jobs. They will, however, require considerable support to fully tap this potential

The project supports the Ministry of Economic Development (MED) in its efforts to improve economic development by establishing an investment-friendly business environment. It aims to promote the long-term economic growth of SMEs and thereby create jobs, especially in semi-urban regions.

Duration	2021-2023
Political counterpart	Ministry of Economic Development (MED)
Commissioner	Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)
Budget	4,500,000 EURO

## PROJECT REGIONS



Ulaanbaatar, Orkhon, Khovd

## PROJECT OBJECTIVE

Partner institutions improve their ability to promote inclusive and long-term growth for SMEs and start-ups. SMEs modernize their companies, increase efficiency, offer better products and services and employ more people.

## APPROACH

The project operates nationally, and in Ulan Bator and two local focus regions. Its direct target groups are start-ups and SMEs. In cooperation with the MED and other implementation partners, it strives to improve the economic framework, harmonise local and national development strategies, and establish a positive environment for investment.

Project activities centre on boosting the competitiveness and productivity of SMEs. Regional business hubs also help companies address new markets and customer groups.

With a sustainable operating concept, the business hubs will continue to offer their attractive portfolio of services after the project comes to an end.

## OUTPUTS

### Output 1: Economic and investment promotion structures are strengthened.

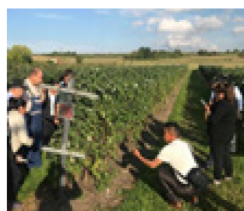
- Investment strategy and organizational consulting as well as training measures for national and regional stakeholders in business and investment promotion (e.g. Social Partnership Development Councils/SD-Councils and Invest in Mongolia One-stop-shop).
- Consulting for the sustainable institutionalization of the Invest in Mongolia One-Stop-Shop in Ulan Bator.
- Networking of regional and national stakeholders in the field of economic development (Aimag Investment and Economy Department, SD-Council, MED, Mongolian Chamber of Commerce and Industry).
- Promotion of Public-Private Dialogues (business associations, SD Councils, national level). Networking of regional and national stakeholders in the field of economic development (Aimag Investment and Economy Department, SD-Council, MED, Mongolian Chamber of Commerce and Industry)

**Output 2: Regional business hubs meet the requirements of economic sustainability and customer orientation.**

- Advice on the development of one or more sustainable operator models (analysis of financing options, credit systems, establishment of a service portfolio, partner structure)
- Consulting on the implementation of services for MSMEs and start-ups (e.g. training, consulting services, matchmaking, technology transfer)
- Development of a business hub service portfolio tailored to regional demand

**Output 3: Knowledge and technology transfer to MSMEs/start-ups is improved for selected sectors.**

- Identification of growth potentials for selected sectors at the regional level (agriculture, tourism, light industry, etc.).
- Advice on the introduction of environmentally friendly, innovative technologies and implementation of international good practices (digitalization, CBT, agricultural practices, training of regional stakeholders) to leverage growth potentials.
- Organizational consulting for the establishment of national, regional and international exchange formats.
- Advise on digital application/platform development (both enterprise and hub level).



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