



MINISTRY OF ECONOMY
AND DEVELOPMENT



Implemented by

giz Deutsche Gesellschaft
für Internationale
Zusammenarbeit (GIZ) GmbH



Improved Conditions for Economic Diversification (ICED) project

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Introduction of ICED

IMPROVED CONDITIONS FOR ECONOMIC DIVERSIFICATION (ICED) PROJECT: WHO WE ARE?

The mining sector serves as the growth engine of the Mongolian economy, with copper, coal, and other mineral resources comprising the majority of exports, and investments primarily directed towards mining projects. Recognizing the risks associated with over-reliance on resource extraction, the government has embarked on a path of economic diversification.

Exports and investments play crucial roles in driving economic diversification, as they are closely tied to expanding markets, fostering competition, and facilitating the transfer of technology and innovation. However, development opportunities for investment and export promotion for businesses outside the raw materials sector have been insufficient thus far.

The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH is providing technical assistance to the Government of Mongolia through the "Improved Conditions for Economic Diversification" project, funded by the German Federal Ministry for Economic Cooperation and Development (BMZ). This assistance involves formulating and designing investment and economic development strategies, creation of favorable framework conditions for investment and trade, as well as promotion of local SMEs non-mining sector, in exporting their products and services.

Please see project Factsheet:



ICED PROJECT STAFF GREETS YOU



ON THE RIGHT HAND:

D.Yondonjamts (SME advisor, Component III, ICED project, Advisor, responsible for SME part within DeveloPPP SFME project)

G.Budkhand (Technical expert responsible for M&E, PR, ICED project)

Ts. Altanbat (Senior advisor, responsible for Component II, ICED project)

Ts.Erdenetsetseg (Project assistant)

A.Amgalan (Manager responsible for Implementation, ICED project & DeveloPPP SFME project)

L.Uranchimeg (Technical expert, responsible for Component I, ICED project)

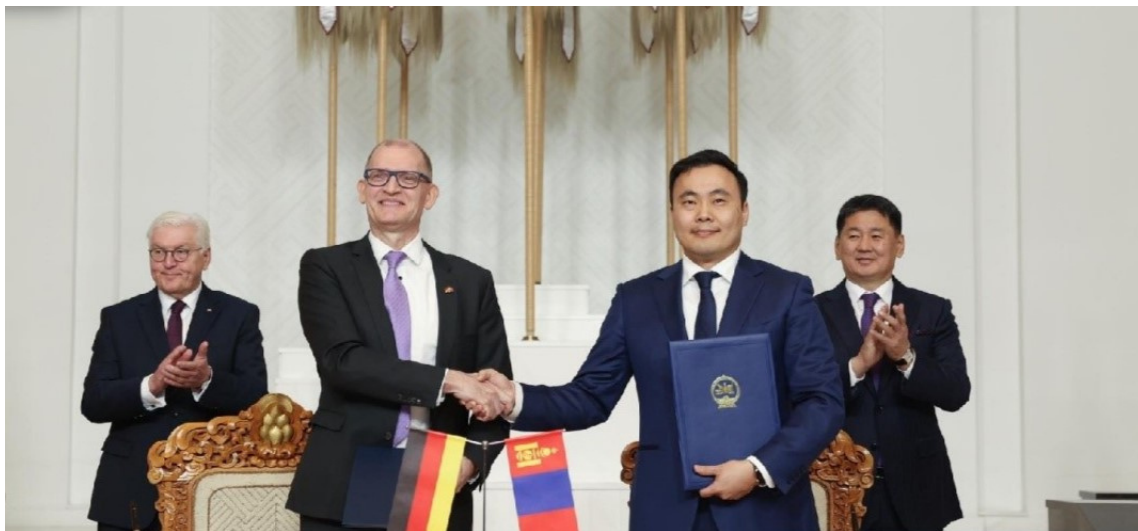
B.Nurjamal (Project Manager, ICED project)

I.Munkhbayar (Advisor responsible for DeveloPPP project with MonRe Insurance & TDB part within DeveloPPP SFME project)

Signing the implementation agreement on the ICED project

On February 7-8, 2024, Mr. F.V. Steinmeier, President of the Federal Republic of Germany, paid a state visit to Mongolia at the invitation of President U. Khurelsukh. Within the scope of this visit, on February 7, 2024, GIZ East Asia Regional Director T. Giehler and the State Secretary of the Ministry of Economy and Development of Mongolia, Mr. I. Bathuu, signed an agreement on the implementation of the technical cooperation project "Improved Conditions for Economic Diversification".

This project started in January 2024 with duration of three years and is the continuation of the previously implemented "Promotion of Growth and Employment in Private Sector (PROGRES)" project.



Partners of the ICED project

Ministry of Economy and Development (MED):

MED is the central state administrative body, in charge of developing, planning and implementing long, medium and short-term development policies of Mongolia.

The priority areas of the MED are to develop Mongolia's national, inter-sectoral and regional long, medium and short-term economic policies and strategies and to monitor their implementation. It determines integrated policies for priority sectors of the economy, regional development, industries, high technology, innovation, trade, free zones, border port development as well as develops investment programmes of the country.

Investment and Trade Agency of Mongolia:

The Investment and Trade Agency was established in 2023 under the responsibility of the Deputy Prime Minister of Mongolia and the Minister of Economy and Development.

Main functions of the agency:

- Provide information and assistance to investors and foreign traders
- Promote investment and trade policy, legal and business environment
- Establish complaint mechanism for investors

The one-stop service center of the agency provides government services to foreign investors on government services, including the General Authority for State Registration, General Intelligence Agency of Mongolia, Immigration Agency of Mongolia, General Authority for Social Insurance and other Ministries and Agencies.

Partners of the ICED project

SME Support Center of Ulaanbaatar

SME Support Center of Ulaanbaatar is the municipality owned organization, which is responsible for implementation of the industrial development policy of the Ulaanbaatar city. It has SME support centers in 9 districts of Ulaanbaatar. 69 percent of all SMEs in Mongolia operate in UB and create 674,000 jobs.

Main activities of the SME Support Center of Ulaanbaatar are capacity building of companies through training, promotion of sales, participation in foreign and domestic exhibitions and trade fairs and providing necessary funding support.



**ULAANBAATAR SUPPORT CENTER FOR
SMALL AND MEDIUM ENTERPRISES**





ТАСАГ,
ЖЛҮЙН ЯАМ

ТӨСӨЛ

ТӨСӨЛТИЙГ

ЗОРИЛГО

Хөрөнгө оруулалт болон экспортыг дэмжих үйлчилгээний хүртээмж нь уул уурхайн бус салбарын БЖДУ болон Гадаад Дотоодын хөрөнгө оруулагчдын дунд сайжирсан байна.

Захиалагч

ХБНГУ-ын Холбооны Эдийн Засгийн Хамтын Ажиллагаа, Хөгжлийн Яам (BMZ)

Улаанбаатар

Төсөл хэрэгжих бүс, нутаг

Монгол Улсын Эдийн засаг, хөгжлийн яам (ЭЗХЯ)

01/2024 - 12/2026

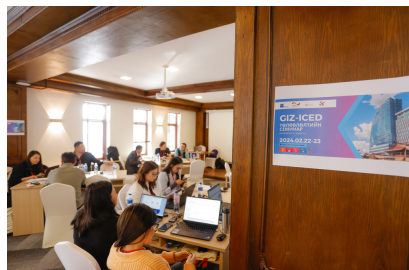
Эргүүлэгч

Хугацаа

Олон талт эдийн засаг

Хөрөнгө

Joint planning workshop



On 20-23 February, 2024, ICED project successfully organized the first planning workshop with representatives from German Embassy in Ulaanbaatar, Ministry of Economic and Development, Investment and Trade Agency, UB SME support center, Trade and Development Bank and German Sparkasse foundation.



The participants discussed strategic directions of project activities for 2024-2026 and developed operation plan.



In the frame of ICED project, the following main activities are planned: research on macroeconomic prospect and policy priorities, capacity building for the MED and ITA specialists, promoting the investment environment, providing information, develop public-private dialogue, identifying export opportunities and improve export readiness of SME in non-mining sector.



Project to support sustainable financing



On 29th February, 2024 the Trade and Development Bank (TDB) and the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) have signed a contract to implement the Sustainable Finance in Mongolia (SFME) project to capture and improve access to sustainable financing for small and medium-sized enterprises in Mongolia.

The project will be implemented between March 2024 and June 2026, aimed at sustainable development and green project in Mongolia and increasing access to funding for SME owners. Targeted training, seminars, and meetings will improve the financial education of SME owners, as well as enhance the capacities of the bank staff on sustainable financing.

The project is co-funded by the Trade and Development Bank and by the German Federal Ministry for Economic Cooperation and Development (BMZ) in the frame of devaloPPP initiative.



devaloPPP  
Where business meets development. TRADE & DEVELOPMENT BANK

DevaloPPP.de program is funded by the German Federal Ministry for Economic Cooperation and Development implemented in collaboration with private sector for positive outcomes. GIZ is responsible for implementation of this initiative in Mongolia.

TDB: Within the framework of its strategy and direction, TDB is working on sustainable and targeted resources from international banks and financial institutions to finance SMEs, to expand businesses, to create a financial ecosystem within it, to introduce traditional and advanced financial products and services into the market, and to expand the small and medium segment of the market.

The ultimate goal is to become a "Green Bank" by funding sustainable projects and responsible activities in the environment and society, and by ensuring human rights, labor rights protection and environmental management in its activities, and by reducing the environmental and social risks.

New integrated expert to support the MED and ITA



Beginning of February, Dr. Ramon Bruesseler started his work as integrated expert to support MED and ITA in their efforts to attract investments.

Ramon has about 30 years of professional experience in management as well as investment related issues. He has worked over 20 years in Asia, among others over eight years as the executive director of the European Chamber of Commerce and Industry in Laos and 6 years as consultant for private sector clients and organisations like GIZ, UN, UNDP, USAID, Ministries, etc.

Corporate social responsibility: School No.25

GIZ in Mongolia has National Personnel Representatives (NPR) that are elected every 2 years among the staff members. NPR members elected between 2022 and 2024, initiated different major charitable works.

One of them was donation of school supplies to families who had been affected by flood, and other one was donation of stationaries for School No .25 which educated children with special needs.

GIZ ICED project donated up to 10 pieces of office furniture to School No.25. School teachers and staff shared that they placed all furniture in the classrooms. Thank you for your active cooperation in the donation work!



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