

## **Subnational PPD Council in Mongolia**

by

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### **1- Background and Context**

Mongolian National Chamber of Commerce (MNCCI) and Industry has been acting as a major party to represent and deliver members' voice to government, encourage businesses in nationwide and implement policy advocacy.

MNCCI first initiated PPD in Mongolia and still plays a main role in its processes for further development. It has been proactively engaged in intensifying operation of PPD council since 2010 and ensuring private sector's participation and voices on policy development and implementation processes. MNCCI has branches in 21 local provinces of Mongolia and seeks conducting similar operation of PPD council in the provincial levels.

### **2- Partnership, Structure and Processes**

With the assistances of GTZ\Regional Economic Development Program (REDP) a voluntary based structure of the PPD council was set up and run in the program regions including Darkhan-uul, Orkhon and Zavkhan provinces in 2008. PPD council consisted of representatives of Non-Government Organizations and international organizations that equally ensured public and private sectors' participation.

The structure of PPD council in the afore mentioned three local areas was changed to more official-operated form or fully-employed through the assistance from GIZ\REDP, which is headed by the governor of the province and a chairman of local Chamber of Commerce and Industry, consisting of Development Policy department, Legal department, Department of Finance of the local government office, Taxation office, Customs office and Inspection office representatives from the public sector and Employers' federation, Cooperative Training and Information center, banks and private sector's representatives from private sector and GIZ\REDP and World Vision Mongolia were as advisory members in 2010. This structure is still active today. One of the examples of the PPD council operation we carried out several meetings by specific sectors

(construction, agriculture, transportation, banking, leather and food processing industry) and by specific topics of the issues (Mapping of the SME supporting loan, VAT, tax issues and job places). With these meetings we identified challenges faced in the business environment and possible solutions together with the all relevant stakeholders and developed a recommendation for specific legal regulations and programs.

### **Biggest challenges in the establishment of PPD:**

During the establishment processes and council operation we encountered following challenges and be noticed that these occurred at the beginning of the PPD initiative:

- There was a negative tendency to see it as one of the meetings from the public party
- Inconsistency and instability of the public stakeholders
- Doubt and distrust of the public sector on outcomes
- Lack of financial resources and instability of funding
- Local authority does not have enough authority to solve the issues

### **Main factors for success while establishing the PPD:**

Several factors affected to successfully start PPD council operation in its beginning stages and for further development. These include:

- PPD council set up at MNCCI
- Substantial assistance and financial support of development partners
- Similar expectance from both public and private sectors
- Used participation methods
- Ensures participation

## **3- Results so far**

In 2013 a handbook for 42-hour modules on PPD was developed by Chamber of Commerce and Industry in Orkhon province and the handbook is used for the master students of Academy of Management, an implementation agency of Mongolian government and for the students of Foreign Trade Academy at MNCCI. The PPD handbook is written by M.Sarandavaa, a former chairman of Chamber of Commerce and Industry in Orkhon province and PhD,Dr.N.Bold, a dean of public administration department of Academy of Management. GIZ\REDP assisted to develop the PPD handbook.

One of the biggest activities done by local PPD council in Orkhon province was “Economic Forum-2013” which was first time successfully organized at the prime minister’s level in the local area of Mongolia. During 2-day forum several issues were discussed including “Development opportunity

of the province”, “Development experiences of the mine based cities” and “PPD council” involving 450 participants and representatives from other provinces of Mongolia. In this economic forum took a part Cabinet Secretariat of Government of Mongolia, Asian Development bank, GIZ\REDP, Erdenet Mining Corporation, Mongolia Economic Forum, representatives from Khangai region provinces and Mongolian economic researchers and experts.

#### 4- Expected Results

MNCCI works on further introducing PPD council activity in all local provinces of Mongolia jointly with Mongolian government, which was implemented in Orkhon, Darkhan-Uul, and Zavkhan provinces. MNCCI plans to implement PPD in Cabinet Secretariat level of Mongolian Government in order to bring it to the national level. Board members of MNCCI had a meeting with prime minister of Mongolia Ch.Saikhanbileg and we discussed to establish a national council of PPD. In connection of this issue a first meeting was held in January 2015.

Chamber of Commerce and Industry works closely with private sector, communicates with the businesses day-to-day basis is well informed about their challenges. Based on these advantages MNCCI acts as the Secretariat at the moment.

PPD initiative in Mongolia started and was undertaken at the provincial level and we seek to further develop its operation to the national level. For this purpose, our next step will be taken on identifying a proper structure of the national council of PPD initiative and producing procedure and rules.

## Biographies of Authors:

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### Work experiences:

- Project coordinator “Mongolian shelter” project, Erdenet Area Development
- Program, World Vision-Mongolia International organization (2004-2005)
- Director, “Bethel” LLC (2005-2008)
- Chairman, Chamber of Commerce and Industry of Orkhon and Bulgan provinces (2008-2014)
- Deputy CEO, Mongolian National Chamber of Commerce and Industry (Dec 2014-present)

### Publication:

- Economic and market capacity review of Orkhon province, 2011
- PPD handbook, 2013
- Happiness index survey of Orkhon province, 2012
- Participatory method handbook 2013.