



2021

REPORT

ORGANIZATIONAL IMPACT





REPORT

ORGANIZATIONAL
IMPACT

2024

Development Solutions has made intellectual and financial investments in thousands of entrepreneurs, serving as a catalyst for their growth and advancement. By contributing to their success stories, the organization has played an active role in Mongolia's social and economic development.

ACRONYM LIST

ADB	Asian Development Bank
APOENA	Awareness–Purpose–Openness–Empathy–Nobility–Action (Youth training model)
BEST	Business Excellence for Sustainability and Transparency
CEO	Chief Executive Officer
CGF	Credit Guarantee Fund
CDF	Cooperative Development Fund
CMC	Certified Management Consultant
CSO	Civil Society Organization
DS	Development Solutions NGO
EPF	Employment Promotion Fund
ESG	Environmental, Social, and Governance
EU	European Union
GCDC	Gobi Community Development Council
GHG	Greenhouse Gas
GSEN	Global Social Entrepreneurship Network
IAAC	Independent Authority Against Corruption
IFC	International Finance Corporation
ILO	International Labour Organization
JICA	Japan International Cooperation Agency
LLC	Limited Liability Company
MCMC	Mongolian Certified Management Consultant
MOFALI	Ministry of Food, Agriculture and Light Industry
MSFA	Mongolian Sustainable Finance Association
MSME	Micro, Small, and Medium Enterprises
NBFI	Non-Banking Financial Institution
NGO	Non-Governmental Organization
OT	Oyu Tolgoi LLC
PIN	People in Need
PM	Parliament of Mongolia
PwD	Persons with Disabilities
SDG	Sustainable Development Goals
SME	Small and Medium Enterprises
SMEDF	SME Development Fund
SOGE	Switching on the Green Economy
UN	United Nations
USAID	United States Agency for International Development
USG	United States Government
YBI	Youth Business International
YBM	Youth Business Mongolia

MESSAGE FROM
THE EXECUTIVE
DIRECTOR



4

INTRODUCTION
OF THE BOARD OF
DIRECTORS



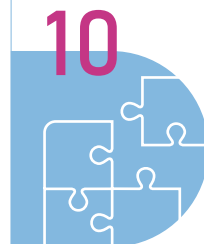
5

ABOUT US



6

ACTIVITIES



10

SCOPE OF
IMPACT



12

FINANCIAL
PERFORMANCE



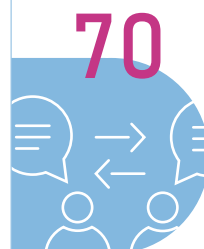
16

PROJECTS AND
PROGRAMS



18

PARTNERSHIP
AND
COOPERATION



70

CONTENTS

MESSAGE FROM THE EXECUTIVE DIRECTOR



In 2024, Development Solutions (DS) NGO, working alongside its committed team, innovative partner organizations, and proactive clients, successfully implemented donor-funded projects that enhanced micro, small, and medium sized enterprises (MSME) competitiveness, fostered entrepreneurial ecosystems, and introduced green and circular economy principles into business practice.

Over the course of the year, we delivered high-impact projects across multiple sectors including food and agriculture, leather processing, construction materials, and tourism with special focus on youth and women entrepreneurs. As a result, 2024 marked a year of meaningful contribution to local economic development through collaboration and shared purpose.

First of all, with funding from the United States Agency for International Development (USAID), DS successfully completed the five-year Business Excellence for Sustainability and Transparency (BEST) Program (2019–2024), implemented across Ulaanbaatar and 12 provinces. The program improved SME access to finance, promoted transparency and good governance, and supported the diversification of Mongolia's economy. By the end of the program, United States Government (USG) assisted SMEs had increased their collective sales by ₮45.5 billion (USD 12.93 million) and created over 4,500 new jobs.

One of the most significant legacies of the BEST Program is its clear demonstration to government agencies, financial institutions, and entrepreneurs that non-financial support can generate economic impact on par with financial assistance. As a result, Chief Executive Officer (CEO) Clubs and supportive civil society organizations (CSOs) were established in Ulaanbaatar and 12 provinces, laying the foundation for a resilient ecosystem that will continue to spearhead private sector development beyond the program's completion.

In 2024, we also concluded the five-year "Local AgriBusiness Support Strategy Program," implemented in partnership with Oyu Tolgoi LLC (OT)'s Community Relations Team, the Khanbogd Soum Governor's Office, the Tripartite Council, and local herders. The program successfully demonstrated that herders, when organized into cooperative structures, can potentially double or triple their income from livestock and agriculture. It became a flagship example of how grassroots business models can bring real economic value to rural communities.

Since 2022, with support from the European Union, we have been implementing the "Switching on the Green Economy" (SOGE) project. Through this initiative, we launched an Accelerator Program that helps MSMEs transition toward green and circular business models. To date, the project has engaged 878 participants across Ulaanbaatar, Orkhon, and Selenge provinces and continues to expand.

Under the Employment Promotion Program, we partnered with the Labor and Welfare Services Offices to provide entrepreneurship training and advisory services to 743 individuals and enterprises. As a result, 262 businesses secured a total of ₮2.6 billion in loans from the Employment Promotion Fund.

Looking ahead, DS remains committed to working with all stakeholders to strengthen MSME competitiveness, advance green development, and foster the growth of agricultural cooperatives across Mongolia.



Purevdorj
AMARMEND

BOARD OF DIRECTORS

The Board of Directors of DS is composed of five independent members who bring diverse expertise from the legal, education, banking, and urban development sectors. United by a strong sense of social responsibility, each member actively contributes to advancing local development, business growth, and economic opportunity in Mongolia. The Board serves as the organization's highest governing body, convening quarterly to provide strategic oversight and guidance.



Board Chair

Luvsandorj

OYUN

Dr., Prof of Finance Program, Business School, National University of Mongolia



Board Member

Zorig

TUYA

Executive Director, New Urbanism LLC



Board Member

Jambaldorj

ERDENECHIMEG

Former President of the Mongolian Women's Federation



Board Member

Ragchaa

ICHINNOROV

Head of the Retail Banking Division, Khan Bank



Board Member

Togtokh

ENKHJARGAL

Head of the Retail Banking Division, XacBank

DEVELOPMENT SOLUTIONS NGO (2008–present)

Established on August 14, 2008, DS is a local non-profit organization committed to advancing private sector development. Backed by a professional and experienced team, the organization delivers a comprehensive suite of services designed to cultivate entrepreneurial mindsets, build essential skills, enhance governance practices, and facilitate access to both markets and financing.

Since our founding, we have served as a catalyst for growth and progress among approximately **39,500 beneficiaries**, including MSMEs, rural herders, cooperatives, government agencies, and CSOs.

In close partnership with the Government of Mongolia (GoM), its affiliated agencies, international donors, and financial institutions, we have implemented **nearly 100 development projects and programs valued at approximately USD 65 million, reaching both Ulaanbaatar and rural regions**. Through these efforts, we continue to make meaningful contributions to economic diversification, poverty reduction, and employment generation in Mongolia.

OUR VISION

Development Solutions aims to be an **INNOVATIVE, RESULTS-DRIVEN, AND LEADING ORGANIZATION** providing professional and comprehensive services that support business development.



HOW WE MEASURE OUR IMPACT

BUSINESS GROWTH

- Number of businesses expanded or improved
- Increase in sales revenue
- Number of jobs created
- Number of businesses that accessed loans or financing

BUSINESS ECOSYSTEM

- Number of policy documents, advocacy efforts, and policy influence initiatives
- Number of government officials trained
- Number of CSOs strengthened

SUSTAINABLE DEVELOPMENT

- Number of **women** entrepreneurs reached through services
- Number of **youth** participants engaged in services
- Volume of greenhouse gas emissions reduced
- Number of businesses that accessed green financing
- Total loan value of green financing facilitated
- Number of businesses supported through green grant programs
- Number of social enterprises supported
- Number of new businesses established
- Number of informal businesses transitioned to the formal economy



HUMAN RESOURCES

DS operates with a dedicated team of 25 full-time professionals, organized into specialized units focused on entrepreneurship development, finance, administration, and monitoring and evaluation.

Our pool of business advisors includes internationally accredited experts holding Certified Management Consultant (CMC) and Mongolian Certified Management Consultant (MCMC) credentials. Additionally, our team includes certified trainers endorsed by global institutions such as the International Labour Organization (ILO), Youth Business International (YBI), and the Global Social Entrepreneurship Network (GSEN).

Through our expansive network of business advisors, we operate in all 21 aimags of Mongolia, ensuring tailored support and local expertise for rural entrepreneurs across the country.

NATIONWIDE COVERAGE

OUR ACTIVITIES

ACTIVITIES SUPPORTING SUSTAINABLE DEVELOPMENT:

- Implementing projects and programs that promote entrepreneurship among youth, women, and persons with disabilities (PwDs)
- Organizing activities to enhance the financial and entrepreneurial skills of children and youth
- Initiating and implementing projects and programs that support green economy, eco-labeling, and policy advocacy on green finance
- Monitoring and evaluating environmental and social projects, increasing economic impact, and developing sustainable, income-based models and capacities
- Providing model training and consulting services for developing social entrepreneurship
- Conducting trainings on decent employment, entrepreneurship, and the rights and operations of formal and informal businesses

ACTIVITIES FOR BUSINESS CAPACITY BUILDING AND ENTREPRENEURSHIP DEVELOPMENT:

- Supporting the growth of startups and MSMEs
- Promoting innovation, entrepreneurial mindset, and design thinking
- Enhancing corporate governance and management skills
- Assisting in writing and defending business plans and proposals
- Strengthening leadership and soft skills of employees and executives
- Facilitating market access, boost marketing capabilities, and support trade fair participation
- Assisting businesses prepare loan documentation and access financing
- Preparing entrepreneurs for national and international competitions
- Developing cooperative governance, business models, and management capacity
- Supporting green business models and circular economy initiatives
- Designing and managing micro-financing grant selection processes
- Conducting feasibility studies and investment planning for livestock-based product development

**ACTIVITIES
TO DEVELOP
THE BUSINESS
ECOSYSTEM:**

- Draft and advocate legal frameworks, policy reforms, and regulations that improve the business environment, along with national and local programs supporting MSMEs
- Develop local economic development models and strategies, particularly for tourism, food production, crop farming, livestock, and the production of agricultural and livestock-based products, while improving governance frameworks and local development strategies
- Contribute to regional development, industrial park strategies, and urban planning policies
- Support soft infrastructure planning (e.g., HUB centers, clusters, incubators)
- Build capacity of government officials in transparency, governance, and anti-corruption
- Train banking and financial sector staff in entrepreneurship and business lending
- Strengthen CSOs, business associations, and NGOs through strategic and operational support
- Strengthen business clubs, associations, CSOs, and NGOs that represent businesses by enhancing their capacity in strategy, management, advocacy, resource mobilization, and project proposal development
- Develop local economic development strategies, especially in tourism, food production, agriculture, and livestock sectors
- Conduct SME Competitiveness Assessments

APPROACH

BUSINESS TRAINING

CONSULTING SERVICES – INTERNATIONAL AND NATIONAL CERTIFIED CONSULTING

MENTORING

DIALOGUES, MEETINGS, AND FORUMS

EXHIBITIONS AND SALES EVENTS

STUDY TOURS

COACHING

START-UP BUSINESS SUPPORT “START-UP” PROGRAM

BUSINESS GROWTH FINANCING READINESS “ACCELERATION” PROGRAM

RESEARCH, PROJECT FEASIBILITY STUDIES, MONITORING, AND EVALUATION

OUR IMPACT

Since 2008, DS has provided consulting, training, and financing services to support Mongolia's MSMEs, cooperatives, government bodies, and CSOs. Our programs have reached beneficiaries across a wide range of private sector industries in both Ulaanbaatar and all 21 provinces. As of December 2024, we have supported a total of 39,586 beneficiaries, of whom 60% are women, 47% are youth aged 18-35, and 3% are persons with disabilities.

In 2024, DS successfully implemented projects and programs aligned with key national initiatives of the Government of Mongolia, including Vision-2050, the New Recovery Policy, the National Food Supply Program, the Regional Development Policy, and the New Cooperative Movement. Through these efforts, we achieved substantial progress in employment generation, revenue growth, and SME competitiveness, while delivering on commitments made to key international partners such as USAID, ADB, EU, Switch Asia, United Nations (UN), and OT.

Our impactful programs strengthened partnerships between public and private sector stakeholders and contributed to updating SME policy, improving governance, and promoting a more inclusive and open society.



25%

Registered
businesses

60%

Women
entrepreneurs

75%

Informal
businesses

47%

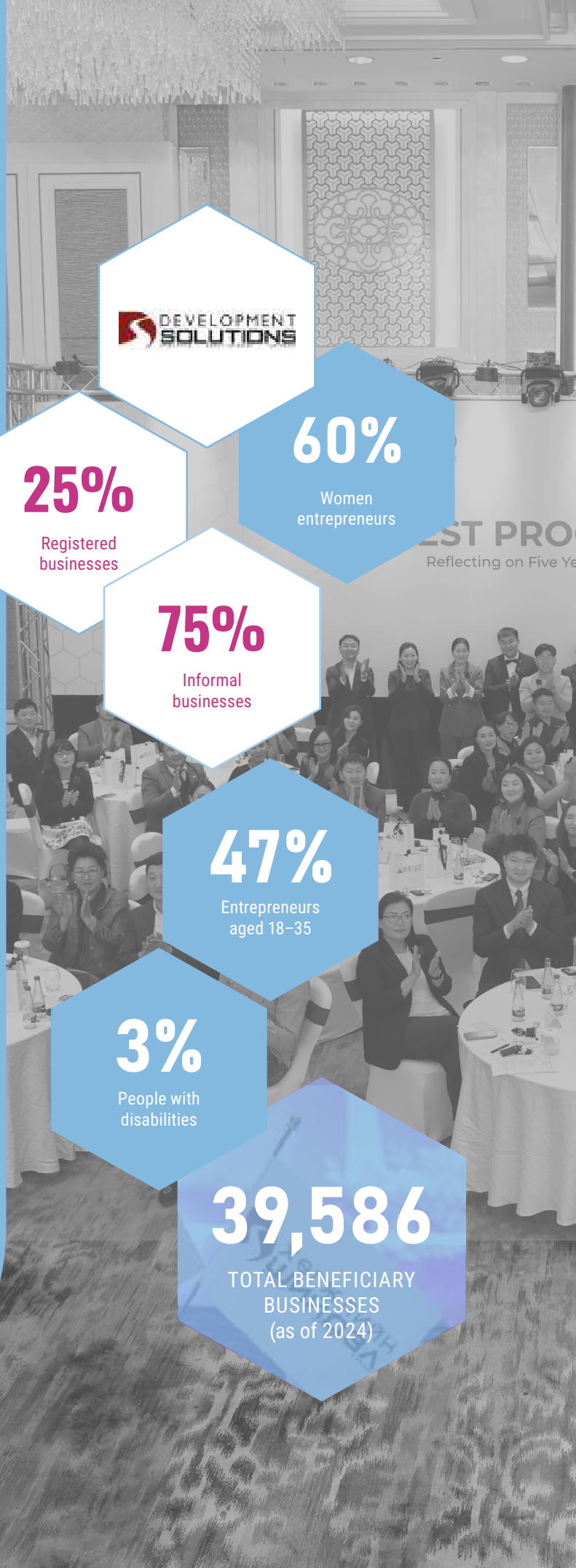
Entrepreneurs
aged 18-35

3%

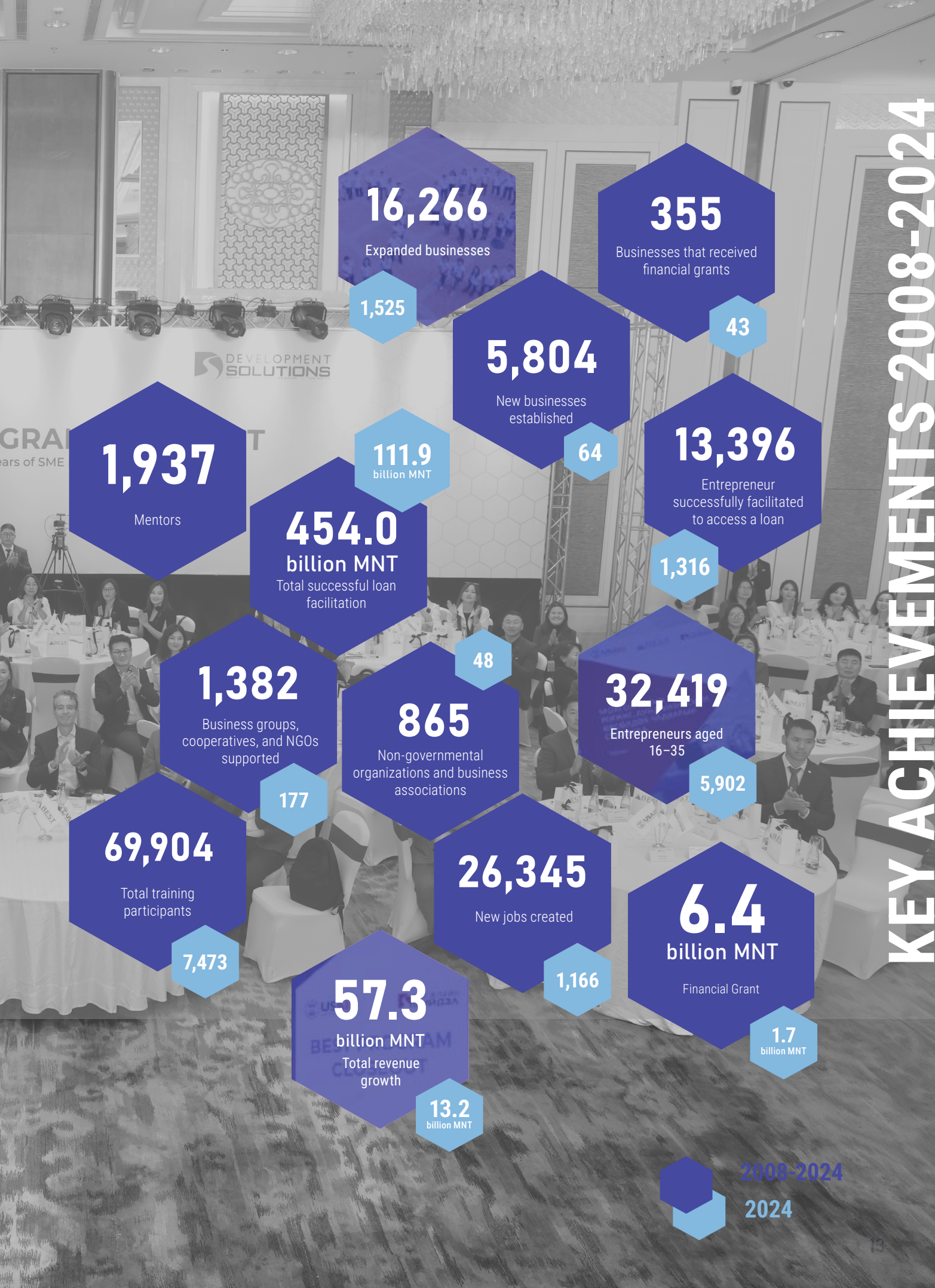
People with
disabilities

39,586

TOTAL BENEFICIARY
BUSINESSES
(as of 2024)



KEY ACHIEVEMENTS 2008-2024



DEVELOPMENT SOLUTIONS

16,266

Expanded businesses

1,525

355

Businesses that received financial grants

43

5,804

New businesses established

64

1,937

Mentors

111.9 billion MNT

454.0 billion MNT

Total successful loan facilitation

13,396

Entrepreneur successfully facilitated to access a loan

1,316

1,382

Business groups, cooperatives, and NGOs supported

48

865

Non-governmental organizations and business associations

32,419

Entrepreneurs aged 16-35

5,902

69,904

Total training participants

177

26,345

New jobs created

1,166

6.4 billion MNT

Financial Grant

1.7 billion MNT

57.3 billion MNT

Total revenue growth

13.2 billion MNT

2008-2024

2024

355

Number of Grant Recipients

Grant amount (MNT)

6.4

billion

TOTAL GRANT AMOUNT

20

200 million

SUSTAINABLE ARTISANAL MINING PROJECT

SWISS AGENCY FOR DEVELOPMENT AND COOPERATION

32

1.4 billion

AGRICULTURAL MARKETING PROJECT

WORLD BANK

DS SMALL-GRANT INITIATIVES

/2008-2024/

DS directly implements small-grant initiatives to support startups and small businesses introducing innovative ideas, new technologies, or unconventional business models that often do not qualify for traditional financing.

In 2024, out of 282 applicants, a total of 235 were enrolled in the Accelerator Program. From

this group, 43 businesses were directly awarded grants totaling ₮423.9 million. From 2008 to 2024, DS has directly provided over **₮6.4 billion** in micro-grants to **355** entrepreneurs, empowering inclusive, resilient, and locally rooted business growth across Mongolia.

176

462.3 million

EMPOWERING WOMEN-OWNED MSMEs IN CIRCULAR ECONOMY AND GREEN BUSINESS IN MONGOLIA'S TOURISM SECTOR

ASIAN DEVELOPMENT BANK

15

1.7 billion

BEST PROGRAM

USAID

28

280 million

STARTUP BUSINESS DEVELOPMENT PROJECT

GENERAL AUTHORITY FOR LABOR AND WELFARE SERVICES

10

400 million

RESILIENT AND ADAPTIVE HERDERS PROJECT

MERCY CORPS

7

1.5 billion

LIVESTOCK DEVELOPMENT PROJECT

OYU TOLGOI LLC

20

200 million

YOUNG HERDERS PROGRAM

UNFPA

44

3

45 million

SOGE Project

EU, SWITCH-AISA

221.7 million

ENTREPRENEUR WOMEN

KOICA

INCOME

FUNDING FROM INTERNATIONAL ORGANIZATIONS

89%

FUNDING FROM DOMESTIC ORGANIZATIONS

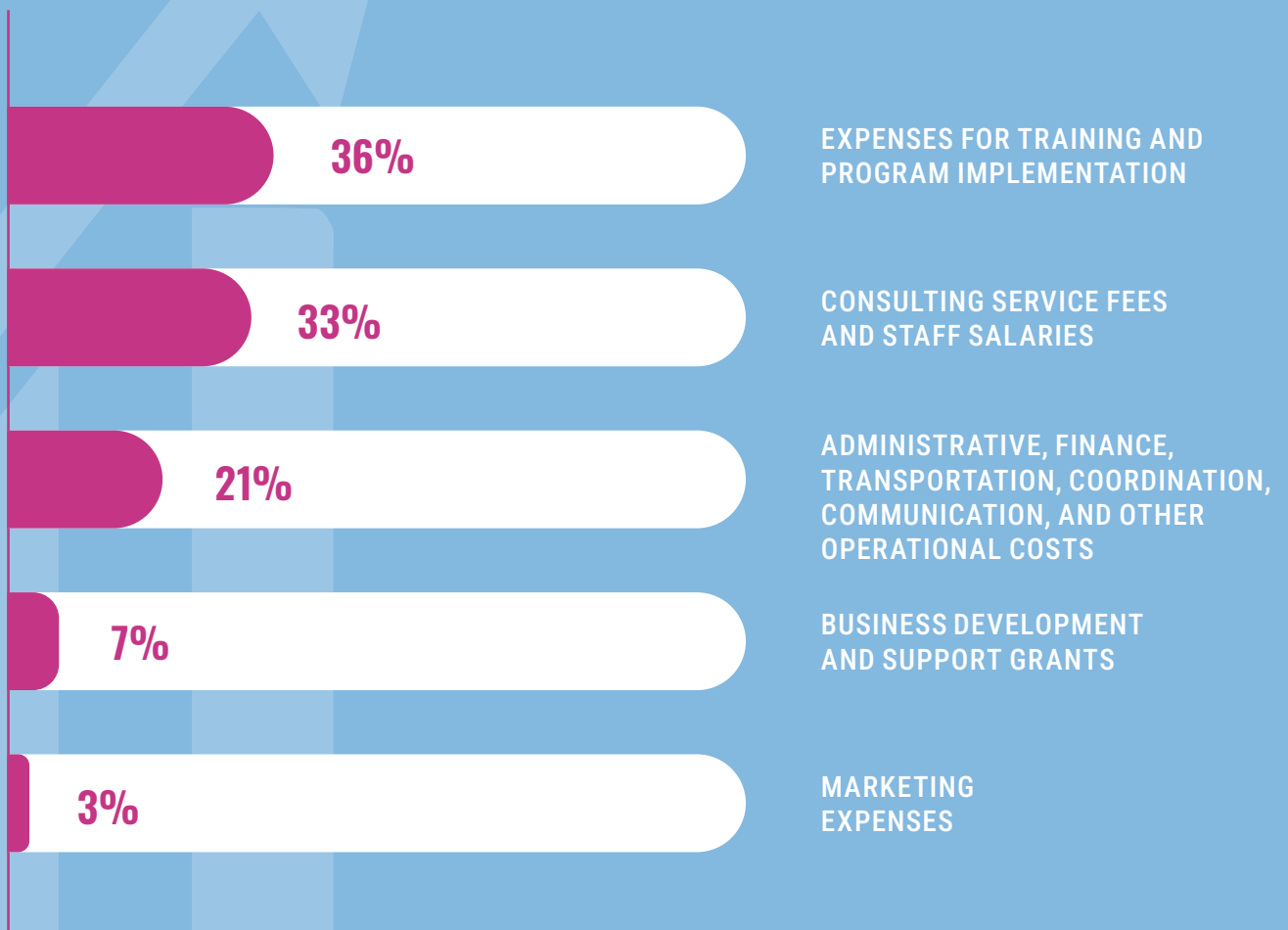
10%

OTHER INCOME

1%

FINANCIAL OVERVIEW

EXPENDITURE



IMPLEMENTED PROJECTS AND PROGRAMS

1 BEST
PROGRAM
2019-2024

2 YOUTH BUSINESS
MONGOLIA (YBM)
PROGRAM
2013-2024



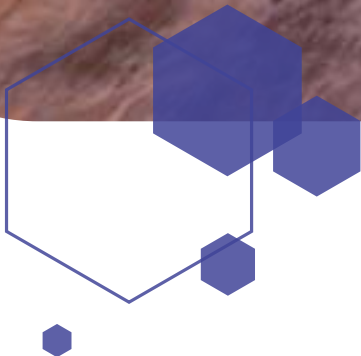
6 EMPLOYMENT PROMOTION PROGRAM

4 SWITCHING ON THE GREEN ECONOMY (SOGE) PROJECT
2022-2025

5 PROJECT TO STRENGTHEN THE CAPACITY OF MSMES IN THE CIRCULAR AND GREEN ECONOMY SECTORS WITHIN MONGOLIA'S TOURISM INDUSTRY
2023-2025

3 LOCAL AGRIBUSINESS SUPPORT STRATEGY PROGRAM
2019-2024







1

BEST PROGRAM 2019-2024

Funded by the United States Agency for International Development (USAID), the BEST Program implemented by DS aimed to diversify Mongolia's economy by improving access to finance for SMEs and enhancing transparency and good governance. The program was effectively implemented over a five-year period starting in 2019, covering Ulaanbaatar and 12 provinces, and was successfully completed in 2024.

BEST PROGRAM

2019-2024

PROGRAM GOAL

To diversify and grow Mongolia's economy by improving access to finance for small and medium-sized enterprises (SMEs) and enhancing economic governance, accountability, and transparency.

PROGRAM OBJECTIVES:

- Increase access to finance for SMEs through loan facilitation, financial literacy, and business planning support
- Improve SME governance via training, tailored consultations, and long-term coaching
- Strengthen institutional capacity of public and non-government actors supporting SMEs
- Promote evidence-based policymaking through SME competitiveness studies and strategic research
- Support disadvantaged but promising SMEs with targeted small grants

STRENGTHENED SMEs

34,900 SMEs

68%

Women

32%

Men

Total local SMEs

→ 69%

SALES GROWTH

4,440

SMEs

45.5

billion MNT (USD 13.85 million) in sales growth

NEW JOBS

4,557

full-time jobs created.

Of total new jobs in Mongolia (9.2%) were created under the BEST program

Throughout its implementation, the BEST program reached **approximately 35,000 SMEs** and supported **5,397 businesses** in accessing a total of **329.7 billion MNT** (equivalent to USD 100.4 million) in financing, enabling them to expand their operations. Thousands of entrepreneurs received training in critical business areas including financial management, marketing, and loan application preparation. As a result, supported businesses collectively increased their sales revenue by **45.5 billion MNT** (USD 13.85 million) and generated **over 4,500 new full-time jobs**, demonstrating the program's significant contribution to strengthening Mongolia's business environment.

KEY ACHIEVEMENTS 2019-2024

5,397 SMEs
329.7 billion (USD 100.4 million) in loans

1,438 SMEs
adopted improved governance practices.

176 SMEs received direct small grants
1.7 billion (USD 522,000)

SME ECOSYSTEM SUPPORT

91 SME development organizations

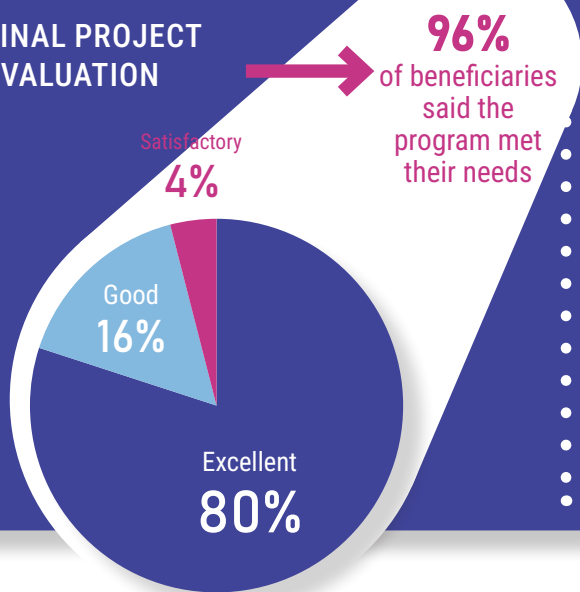
21 Policy recommendations

18 SME-Related research studies

3,258 Civil servants trained

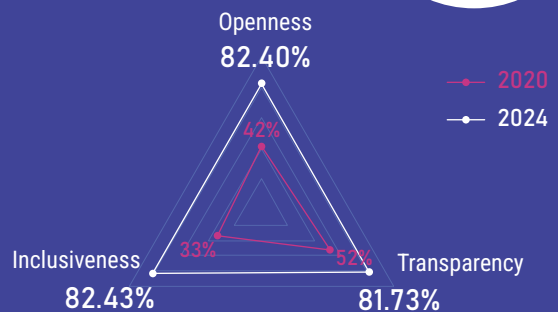
- Amendments to the Law on Construction
- Amendment to the Customs Law
- Regulation and Selection Procedure of the SME Development Fund
- Selection Procedure of the Cooperative Development Fund

FINAL PROJECT EVALUATION



GOVERNMENT TRANSPARENCY ASSESSMENT

101% improvement



2024 KEY HIGHLIGHTS

Job Creation

In 2024, **560 SMEs** generated **1,166 new jobs**, with the agriculture sector emerging as the leading contributor, accounting for **46% of total job creation**. Businesses in light manufacturing and construction also demonstrated notable growth, further contributing to local economic development and employment generation.

Sales Growth

A total of **1,309 SMEs** reported increased sales, resulting in a combined revenue growth of **₱13 billion (approximately USD 3.8 million)**. Notably, **65% of this growth came from the agriculture and manufacturing sectors**. This performance reflects the positive impact of targeted support aimed at improving production capacity, operational efficiency, and overall business competitiveness.



DURING THE PROJECT PERIOD, ACTIVITIES
FOCUSED ON THE FOLLOWING AREAS.

CONTRACT
SIGNED

COVID-19: DIGITAL
TRANSITION FOR
SMES

SMALL-GRANTS
INTRODUCED

2019

2020

2021



**PROJECT IMPLEMENTATION
LOCATIONS**

- | | | |
|----------------|-----------------|-----------------|
| 1. ULAANBAATAR | 6. ZAVKHAN | 11. KHENTII |
| 2. DARKHAN-UUL | 7. DORNOD | 12. KHUVSGUL |
| 3. ORKHON | 8. KHOVD | 13. UVURKHANGAI |
| 4. SELENGE | 9. BAYANKHONGOR | |
| 5. DORNOGOVI | 10. UMNUGOVI | |

INTEGRATED ECONOMIC
RECOVERY POLICY
MEASURES INTO SME
SUPPORT.

FOCUSED ON FOOD
AND AGRICULTURAL
SECTORS.

FOCUSED ON IMPORT-
SUBSTITUTING SECTORS.
(e.g., construction materials,
clothing, food, green economy,
etc.)

2022

2023

2024



BEST PROGRAM | OUTCOME OF OBJECTIVE 1

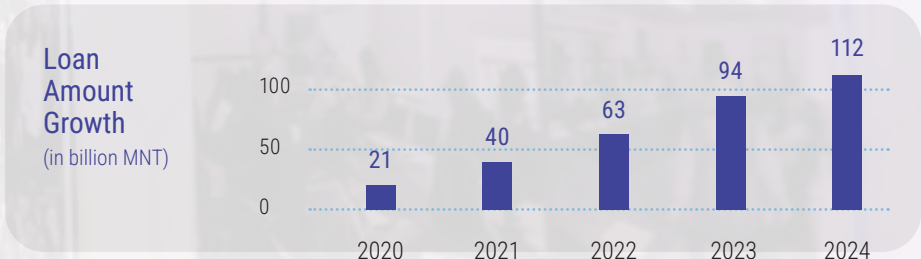
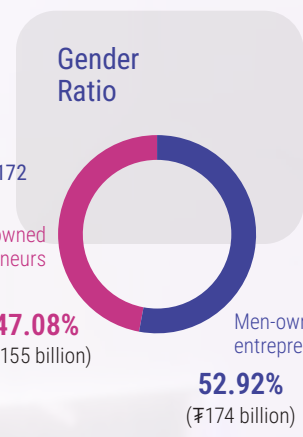
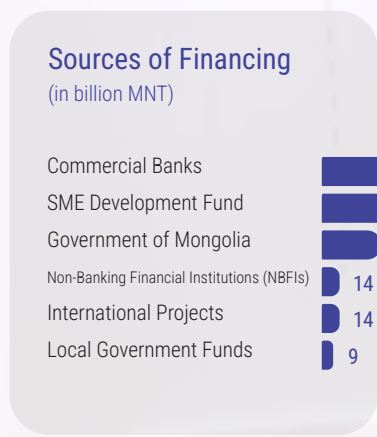
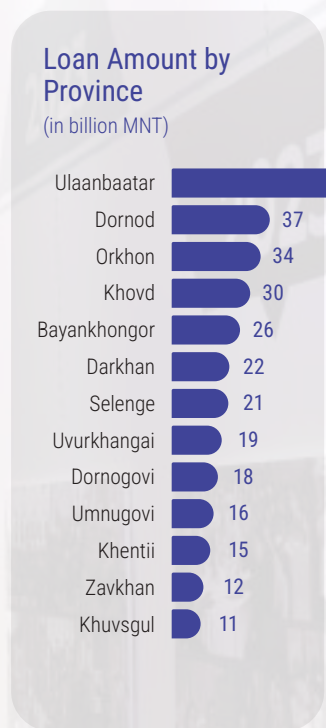
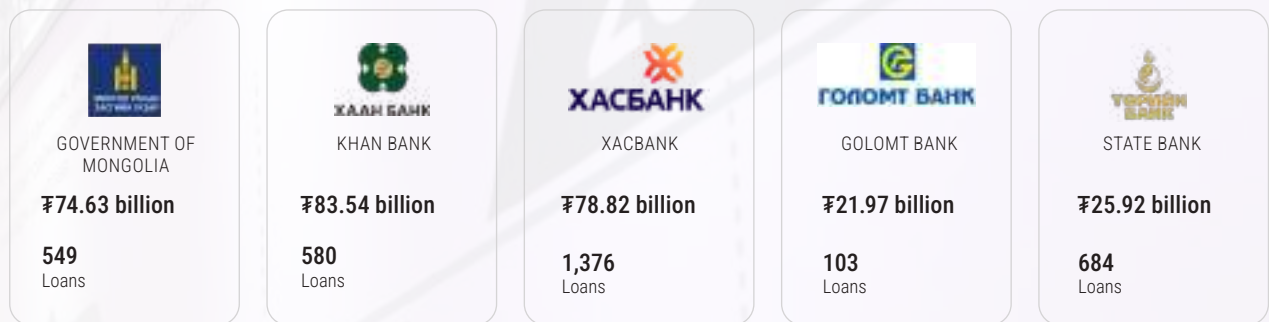
Improving Access to Finance for SMEs

Under USAID's BEST Program, improving access to finance was a central pillar of support for Mongolia's SMEs. The program promoted collaboration among key stakeholders including financial institutions, government agencies, NGOs, and SMEs themselves to create a more inclusive and transparent financing environment.

To address persistent barriers such as collateral requirements, limited financial literacy, and complex loan procedures, the program provided a comprehensive Loan Facilitation Service. Entrepreneurs received tailored one-on-one advisory support, along with guidance on business planning, financial documentation, and loan application

preparation, resulting in a high approval rate for supported businesses.

Complementing these efforts, the program organized a series of capacity-building activities designed to improve overall business management and financial readiness. These included training on financial literacy, business plan development, financial recordkeeping, digital marketing, sales strategy, and product development. By combining institutional partnerships with direct technical support, the BEST Program significantly increased financial access for SMEs, enabling them to secure more sustainable financing and scale their operations effectively.



As a result of targeted efforts under the BEST Program, **5,397 SMEs successfully secured a combined total of ₮329.7 billion (\$100.4 million) in loan financing.**

The program focused on removing systemic barriers to finance—especially for women-led businesses, startups, and agribusinesses—through both direct support and multi-stakeholder collaboration. The portfolio of loans supported under the program reflects a strong emphasis on inclusive and priority sectors:

56% of loans were secured by women-owned businesses

29% supported enterprises in the agricultural sector

19% were concessional loans provided through the SME Development Fund

16% supported startups and first-time entrepreneurs

3% were accessed through the Cooperative Development Fund



To complement loan facilitation services, the program partnered with institutions including the SME Agency of Mongolia, the SME Development Fund, XacBank, and Invescore NBFI to implement 34 rounds of the “Accelerator” Program. These five-week capacity-building programs provided tailored pre- and post-loan training in business planning, financial literacy, and loan readiness.

In total, **2,345 SMEs** participated in the Accelerator Program. Of these, **631 SMEs** were engaged through the “Accelerator Program for Women Entrepreneurs”, resulting in **₮6.2 billion in loans** issued to **103** women-led businesses. This initiative played a key role in closing gender gaps in access to finance and promoting sustainable business growth for women entrepreneurs across Mongolia.

2024 KEY HIGHLIGHTS

In 2024, under the BEST Program, **1,316** SMEs operating in the food processing, leather, garment, and construction materials sectors accessed a total of **₮111.9 billion** (approximately USD 33.1 million) in financing.

This targeted support enabled businesses to modernize production equipment, improve product quality, and reduce reliance on imported goods—contributing meaningfully to Mongolia’s economic resilience and self-sufficiency.

BEST PROGRAM | OUTCOME OF OBJECTIVE 2

Improving Corporate Governance among SMEs



To address the widespread governance challenges facing Mongolian SMEs, the BEST Program implemented a comprehensive initiative to improve corporate governance across sectors and regions. Over the program's five-year span, **955** training sessions and **690** workshops were conducted, reaching a total of **11,217 SME** representatives and **13,400** participants with practical knowledge on transparency, internal controls, labor law compliance, and formalization.

Additionally, 1,438 SMEs (including 904 women-led enterprises) adopted improved governance practices as a result of short- and long-term consulting services. These included one-on-one governance diagnostics, customized action plans, and coaching to implement internal regulations and risk management systems.

From the program's second year onward, a governance self-assessment tool-aligned with International Finance Corporation (IFC) principles-was introduced. This tool enabled SMEs to measure progress across four core principles: transparency, fairness, responsibility, and accountability. Based on these assessments, five types of governance training were developed and delivered, tailored to the maturity and structure of participating businesses.

THE PROGRAM ALSO PRODUCED HIGH-QUALITY GOVERNANCE SUPPORT CONTENT, INCLUDING:

Governance manuals 9

Sample policies, rules, and procedures 34

Short-form educational videos 40

From 2022 to 2024, as a result of BEST's targeted advisory services, CEO Clubs and Women CEO Clubs were established in Ulaanbaatar and 12 provinces. These peer-learning networks, now engaging **235 active members**, have continued to promote strong governance practices and strategic leadership among SMEs beyond the program's duration.

Success STORY

Durvun Khusel LLC, a retail enterprise initially founded by four shareholders from four provinces, set out to protect local market share from large chain competitors while lowering procurement costs. Through its participation in the BEST Program's corporate governance training and consulting services, the company significantly strengthened its internal structure-clarifying its legal status, shareholder roles, and organizational governance.

These changes enabled Durvun Khusel LLC to scale its operations to 18 provinces, grow its shareholder base to 23 members, and increase profitability. As a result, average annual shareholder profits rose by 25% while procurement costs were reduced by 30%.

This case exemplifies how structured governance interventions can lead to both operational efficiency and inclusive business expansion.



2024 KEY ACTIVITIES

The BEST Program supported SMEs in establishing and formalizing governance systems, including:

- Clear organizational structures
- Transparent financial and operational reporting
- Internal policies aligned with legal and labor regulations
- Improved investor readiness and sustainability planning

Between 2022 and 2024, the program worked closely with **235** CEO clubs and women-led business associations across Ulaanbaatar and 12 aimags to build a culture of strong governance and collaborative leadership among SMEs.

2024 KEY HIGHLIGHTS

In 2024, governance improvements accelerated across the BEST network:

- **443 SMEs** improved their governance practices
 - **317** received one-on-one consulting
 - **126** engaged in long-term governance coaching
- These interventions supported transitions to formal operations, legal compliance, and transparency
- **2,700 SMEs** participated in governance training sessions
- **5,380** individuals took part in knowledge-sharing events, fostering broader sectoral adoption of governance principles

BEST PROGRAM | OUTCOME OF OBJECTIVE 3

Strengthening Transparency and Accountability Mechanisms for Public and Non-Governmental Institutions Supporting SMEs

To enhance institutional transparency and accountability within Mongolia's SME ecosystem, the BEST Program established formal partnerships through Memorandums of Understanding (MoUs) with key government agencies, including the Independent Authority Against Corruption (IAAC), the Ministry of Food, Agriculture and Light Industry (MOFALI), the SME Agency of Mongolia, and the General Authority for Labor and Welfare Services. These collaborations were instrumental in advancing inclusive and coordinated approaches to SME support.

To foster ethical governance and prevent conflicts of interest, the program provided anti-corruption training to 3,258 public servants from agencies involved in private sector support. Trainings, conducted in partnership with the IAAC, covered topics such as ethics, public accountability, and the implementation of Mongolia's Law on Public Information and Transparency.

On the civil society front, the "Leading in Advocacy" sub-program strengthened the capacity of 146 NGOs and professional associations, enhancing their ability to promote policy dialogue, advocate for inclusive economic policies, and oversee public institutions' performance.

To facilitate multi-stakeholder engagement, the program hosted five high-level forums over five years. These served as platforms for dialogue between SMEs, government representatives, financial institutions, and CSOs, focusing on evaluating public SME programs, identifying policy gaps, and proposing practical reforms.

Furthermore, over a three-year period, the BEST Program conducted systematic transparency and accessibility assessments of concessional financing programs—including the SME Development Fund (SMEDF), the Employment Promotion Fund (EPF), and the Cooperative Development Fund (CDF)—across 12 provinces. The findings of these assessments informed major improvements in fund governance and accessibility, contributing to a more transparent and equitable business financing environment in Mongolia.

KEY RESULTS:

146

Capacity-strengthened NGOs and professional associations

5

Forums

3,258

Government officials trained in anti-corruption and conflict of interest prevention



Success STORY



Through close collaboration between the BEST Program and the SME Agency of Mongolia, significant strides were made in institutional transparency and accountability. As a direct outcome of these efforts, the SME Agency was ranked 2nd in 2022 and 1st in 2023 in the Integrity Assessment of Public Institutions conducted by the IAAC, becoming a national model of good governance.

Transparency and accessibility within key government-backed funds targeted to private sector, including the SME Development Fund

(SMEDF), Employment Promotion Fund (EPF), and Cooperative Development Fund (CDF), improved by 101% over a three-year period, effectively doubling their performance and impact.

Simultaneously, the program strengthened the capacity of 91 local NGOs and professional associations. These CSOs went on to successfully implement 21 advocacy initiatives focused on improving the business environment, enhancing public accountability, and influencing key policy and financing reforms.

2024 HIGHLIGHTED OUTCOME

In 2024, the BEST Program advanced its transparency agenda by delivering anti-corruption and accountability training to **over 3,100 representatives from both government institutions and civil society.** The program also facilitated policy dialogues and capacity-building workshops that strengthened collaboration between local government administrations and NGOs, fostering more inclusive and transparent governance in support of SMEs.

2024 HIGHLIGHTED INITIATIVE

In September 2024, the program convened a national forum on **“Enhancing SME Competitiveness through Data-Driven Policy”**, engaging **over 100 participants**, including representatives from government agencies, NGOs, research institutions, and SMEs from sectors such as garment manufacturing, construction materials, vegetable farming, and food production.

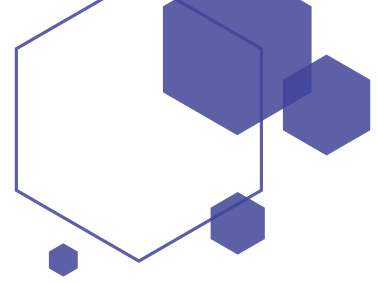
The forum highlighted the urgent need for evidence-based policymaking and cross-sector collaboration to improve SME competitiveness.

Participants emphasized that overcoming structural challenges in Mongolia’s business environment requires sustained coordination among policymakers, private sector actors, and civil society stakeholders.



BEST PROGRAM | OUTCOME OF OBJECTIVE 4

Conducting Strategic Research to Inform Business Policy Development

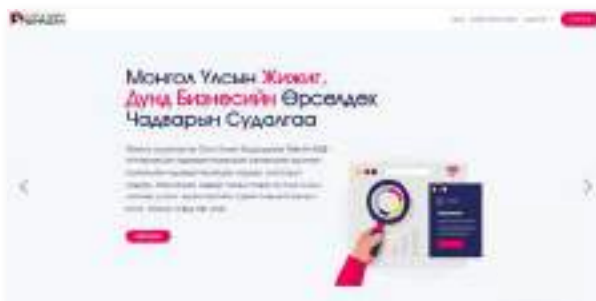


As part of its evidence-based approach, the BEST Program conducted 18 strategic research studies in partnership with research institutions, focusing on challenges and opportunities in Mongolia's SME sector. These studies supported data-driven policymaking by examining sectoral competitiveness, institutional coordination, and SME development needs across both rural and urban areas.

Spanning all 21 rural provinces and 9 districts of Ulaanbaatar, the studies engaged a total of 9,095 entrepreneurs and were categorized into four key thematic areas:

- SME employment trends and labor dynamics
- COVID-19 impacts and resilience strategies
- Agricultural business development and access to finance
- SME competitiveness and import-substitution potential

These findings were made publicly available through a centralized publication titled "SME Employment and Opportunities for Transitioning to the Formal Economy", which compiled data from the 2020 and 2023 employment studies and the 2023 study on informality. The publication was issued with an ISBN and disseminated widely to stakeholders across the country.



HIGHLIGHTED RESULT:

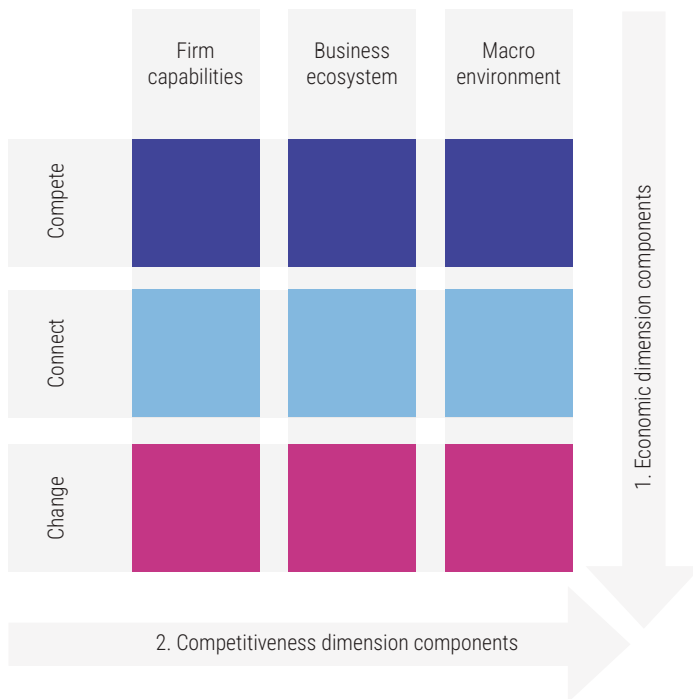
In 2024, research conducted under the BEST Program directly contributed to national policy reform. A **“Study on the Current Status of the Garment Sector”** revealed structural barriers—particularly the high cost of imported raw materials. In collaboration with the National Professional Association of the Garment Sector, the program developed a draft law to exempt key inputs from customs duties. This legislative proposal was adopted by the Parliament of Mongolia in May 2024, marking a milestone in sectoral advocacy and cost-reduction for manufacturers.



2024 HIGHLIGHTED OUTCOME

In 2024, BEST placed special focus on SMEs operating in import-substitution sectors, such as construction materials, vegetable farming, and garment manufacturing. Using the SME Competitiveness Assessment Matrix developed by the International Trade Centre, the program conducted in-depth sectoral assessments to benchmark SME performance and identify areas for improvement.

Building on this, a digital platform titled **“SME Competitiveness Assessment”** was launched at sme.dsmongolia.org. This tool enables Mongolian SMEs to assess their competitiveness annually, benchmark their progress, and access tailored recommendations to improve sustainability and long-term growth.



BEST PROGRAM | OUTCOME OF OBJECTIVE 5

Providing Small Grants to Disadvantaged Startups, and Small Businesses with Growth Potential

Under Objective 5, the BEST Program awarded ₮1.7 billion (approximately USD 500,000) in non-repayable small grants to 176 startups and small businesses with promising growth potential but limited access to conventional financing. These grants enabled recipients to formalize operations, invest in equipment, expand production, and generate new employment.

Women entrepreneurs played a prominent role, accounting for 58% of all grant recipients. Many of these women-led businesses operated in food

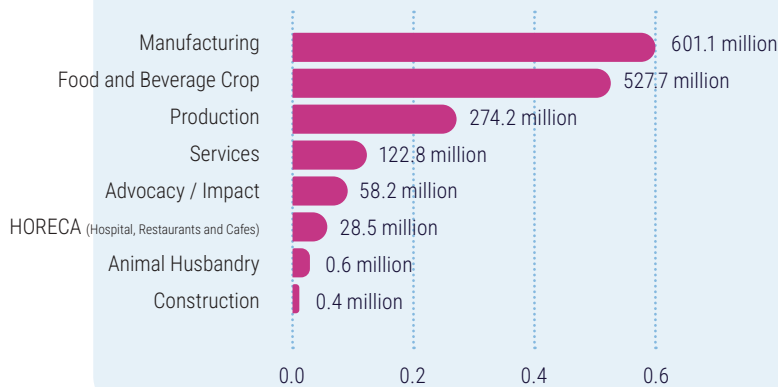
production, garment manufacturing, and agriculture-related processing, which were identified as key import-substitution sectors under the program.

In addition to direct financial support, the BEST Program promoted inter-business collaboration and supported the creation of new NGOs that partnered with local governments to co-develop and implement regional development strategies. These efforts helped establish a sustainable support infrastructure that will continue to serve small business owners beyond the program's conclusion.

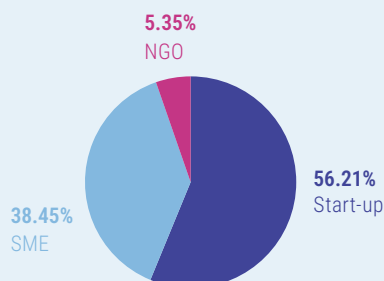
IN-DEPTH LOOK AT SMALL GRANT SUPPORT

By Sector

(Grant amount in MNT)

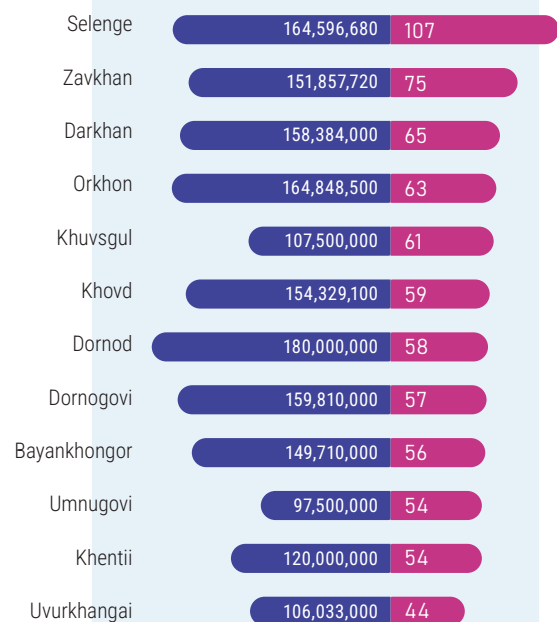


Types of Grant Recipient Enterprises



Grant Amount and Jobs Created

(by Province, in MNT)





2024 KEY HIGHLIGHT

In 2024, the BEST Program provided **₱423 million (approximately USD 125,000)** in small grants to **43 businesses** across 12 provinces.

These grants enabled local enterprises to expand their operations, improve product quality, and access new markets-contributing directly to local economic resilience and SME competitiveness.

BEST PROGRAM

ACTIVITIES SUPPORTING CAPACITY-BUILDING AND DEVELOPMENT OF SMES IN THE FOOD AND AGRICULTURAL SECTOR

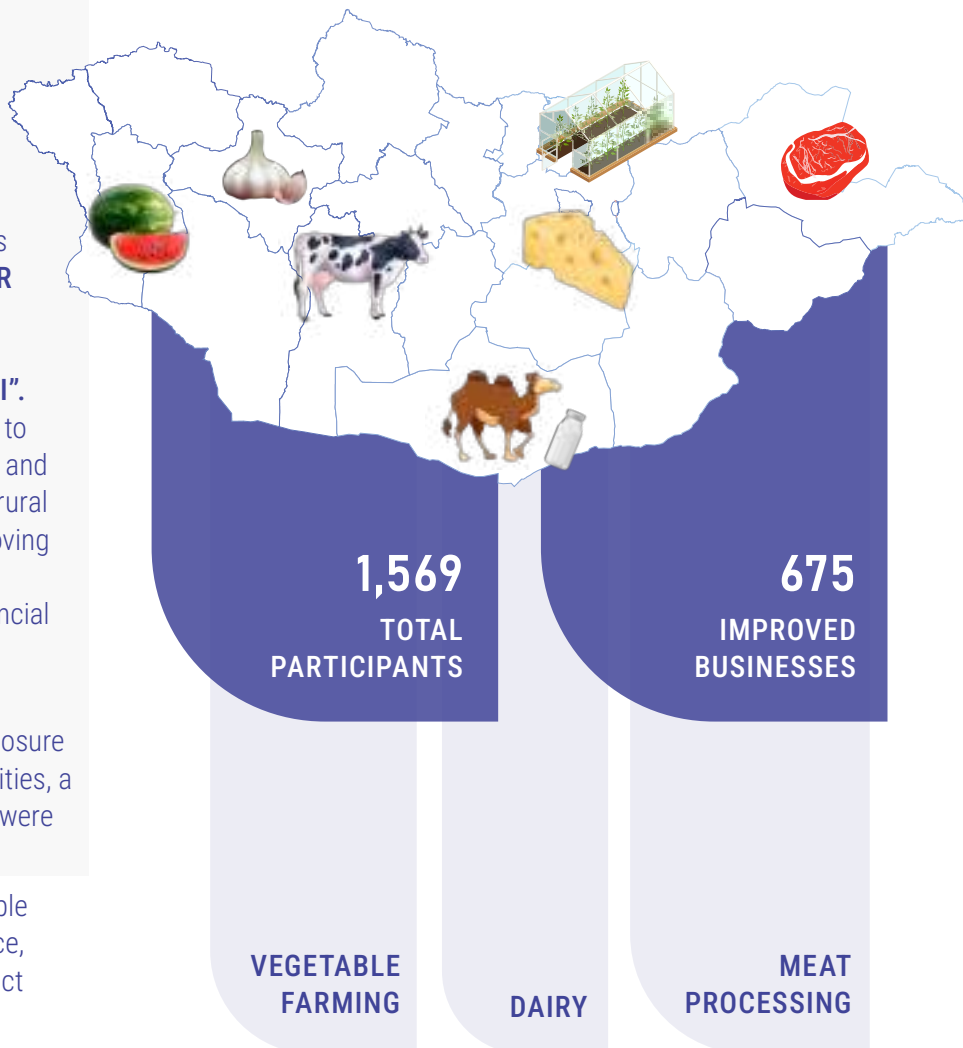
2019-2024

As part of its sector-specific support, the BEST Program implemented targeted initiatives such as “**GREEN GROWTH FOR FOOD AND AGRICULTURAL BUSINESS DEVELOPMENT**” AND “**GREEN LAB I, II, AND III**”. These initiatives were designed to strengthen the capacity of food and agricultural businesses in both rural areas and Ulaanbaatar by improving their governance, management practices, productivity, and financial readiness.

Through training, one-on-one advisory services, business exposure visits, and loan facilitation activities, a total of 658 SMEs in the sector were directly engaged. As a result:

- **405** SMEs made measurable improvements in governance, internal controls, and product development
- **675** businesses improved overall operational performance
- **1,569** participants took part in training and support activities

AGRIBUSINESSES



The interventions covered businesses in vegetable farming, dairy, and meat processing, supporting them in both formalization and market expansion.

ADDITIONAL OUTCOMES INCLUDE:

62 BUSINESSES

3 SMEs

3 SMEs

69 SMEs

Trained on internal auditing.

IN ALIGNMENT WITH THE GOVERNMENT OF MONGOLIA'S "FOOD REVOLUTION" INITIATIVE, THE BEST PROGRAM HELPED ADVANCE NATIONAL OBJECTIVES BY FACILITATING:



645

Agribusinesses

85

Agribusinesses

65.7

billion MNT

LOANS

836.6

million MNT

SMALL GRANTS

These results contributed directly to enhancing competitiveness, product quality, and the long-term sustainability of Mongolia's food and agricultural enterprises.

38 SMEs

Obtained product conformity certifications

50 SMEs

Introduced innovations or new technologies



BEST PROGRAM

PROJECT SUSTAINABILITY



Since its inception, the BEST Program has prioritized stakeholder engagement by actively involving key public and private sector actors. It has established MoUs and coordinated efforts with entities such as the MOFALI, the SME Agency, the Credit Guarantee Fund, the General Authority for Labor and Welfare Services, the Prevention and Public Awareness Department of the IAAC, and Governor's Offices in 12 provinces, among others.

The program also partnered with 9 commercial banks and 4 NBFIs to align its initiatives and collaboratively deliver trainings, stakeholder meetings, and Accelerator Programs aimed at supporting the development of SMEs.





KEY SUSTAINABILITY OUTCOMES

LEGAL AND POLICY REFORMS

The program contributed to critical reforms in laws and regulations that shape the SME environment, including amendments to the Construction Law, Customs Law, and regulations governing the SME Development Fund and Cooperative Development Fund. These reforms have improved legal clarity and access for SMEs nationwide.

CEO CLUBS AND LOCAL NETWORKS

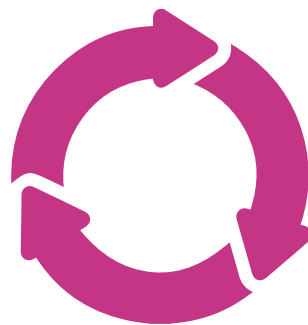
Business networks were institutionalized in Ulaanbaatar and 12 provinces, with a total of 248 active CEO Club members, serving as sustainable platforms for peer learning and local leadership.

EXPANSION OF NON-FINANCIAL SERVICES

Partner financial institutions began integrating non-financial services into their offerings. Innovative joint-financing models—such as cost-sharing between the SME Development Fund and local government budgets—were introduced and successfully implemented.

LOCAL DEVELOPMENT PLANNING AND ADVISORY ECOSYSTEM

Local governments in both the capital and rural areas have institutionalized annual SME development programs. These are now supported by a growing network of trained local business consultants and mentors.



INFORMATION TRANSPARENCY AND CIVIL SOCIETY ENGAGEMENT

Annual transparency assessments of government institutions are now regularly conducted at the provincial level. CSOs have increased their role in public oversight, independently organizing discussions and advocacy events, establishing a model for participatory governance.

STRENGTHENING INSTITUTIONAL CAPACITY

Government agencies were equipped with operational tools and guidelines, including:

- Anti-corruption training modules
- Project evaluation methodology for the Cooperative Development Fund
- Transparent selection and evaluation criteria for the SME Development Fund

SME COMPETITIVENESS ASSESSMENT PLATFORM

A digital self-assessment platform was developed, enabling SMEs to evaluate their competitiveness annually using internationally recognized benchmarks. The tool is publicly accessible via sme.dsmongolia.org.

RESEARCH, KNOWLEDGE PRODUCTS, AND TOOLS

A total of 14 studies and datasets were produced, covering areas such as employment, informal economy, agriculture, and import-substitution sectors. These resources serve as ongoing reference tools for SME stakeholders.





2

**YOUTH
BUSINESS
MONGOLIA**
2013-2024

YOUTH BUSINESS MONGOLIA PROGRAM

2013-2024

Program Objective - Youth Business Mongolia (YBM):

To support aspiring and motivated entrepreneurs aged 18–35 in Mongolia by providing the necessary resources and guidance to help them start, grow, and succeed in their businesses through socially and environmentally responsible pathways.

Youth Entrepreneurship Framework

In 2013, DS became an accredited member of Youth Business International (YBI), a UK-based global network dedicated to supporting young entrepreneurs. Following this, the organization launched the Youth Business Mongolia (YBM) program. YBI focuses on building a sustainable and inclusive entrepreneurial ecosystem to empower young people to start and grow responsible businesses.

Under its 2023–2025 strategy, YBI aims to support 750,000 young entrepreneurs worldwide, contributing to the creation of 1 million jobs and the launch or growth of 250,000 businesses.

The target group primarily consists of young people who are unemployed or in vulnerable situations and are exposed to social, economic, and climate-related risks. They are motivated individuals who aspire to create positive social, economic, and environmental impact in their communities by establishing inclusive, adaptable, and decent employment opportunities—both for themselves and others—through responsible business activities.

Youth Entrepreneurship Framework

ONGOING PROJECTS AND SUB-PROGRAMS

1. ENTREPRENEURIAL MINDSET, KNOWLEDGE, AND SKILLS DEVELOPMENT PROGRAM

This program is designed to foster entrepreneurial interest among youth and build their capacity for independent economic activity. It is delivered using the APOENA model, which encourages participants to become confident, motivated, and open-minded before progressing to develop creative thinking, problem-solving, collaboration, and core practical skills, as well as to explore innovative concepts, strategies, and techniques.

A key distinction of this approach lies in its focus on enhancing participants' mindset and knowledge, thereby making the learning process more effective, inclusive, and sensitive to gender and human rights perspectives.



2. GREEN AND SOCIAL ENTREPRENEURSHIP SUPPORT PROGRAM

Social entrepreneurship plays a vital role in creating a better future by addressing the root causes of pressing social and environmental challenges through positive change. This program is designed to support green and social entrepreneurs in expanding and advancing their businesses. It introduces more than 30 practical tools and shares strategies and methodologies that can be directly applied to real-world operations, helping participants integrate sustainable and socially responsible practices into their business models.



3. MENTORING

Since its launch in 2014, this program has served as a valuable platform for young entrepreneurs to enhance their capacity, develop business strategies, and strengthen their knowledge and skills. To date, six mentoring handbooks have been developed and utilized in mentoring activities, covering key areas such as entrepreneurship, education, rural development, green finance, and employment. The program is built on a peer-learning partnership model, fostering collaboration between experienced mentors and less experienced mentees from various sectors. Together, they work to address the challenges identified by young entrepreneurs and support their development and success. Notably, for youth aged 14 to 35, experienced mentors play an essential role in cultivating entrepreneurial thinking and improving critical skills such as business planning, financial literacy, innovation, and technology development, resulting in tangible and meaningful outcomes.



**2024 PROGRAM
ACTIVITIES**

Target beneficiaries

Young people aged 18 to 35 who are determined to turn their ambition into action, not as job seekers, but as job creators.

<p>GREEN AND SOCIAL ENTREPRENEURSHIP</p> <p>186 Training and event participants</p> <p>21 Grant recipients</p> <p>150 Businesses supported in marketing and partnerships</p>	<p>SOCIAL AND SOLIDARITY ECONOMY</p> <p>15 Training and event participants</p>
<p>ENTREPRENEURSHIP TRAINING AND ADVISORY</p> <p>2,114 Training and event participants</p> <p>70 Newly launched youth businesses</p> <p>349 Ongoing businesses supported</p> <p>1,824 Received advisory and mentoring</p> <p>361 Received a loan</p> <p>419 New jobs created</p>	<p>MENTORING</p> <p>340 Mentees</p> <p>70 Mentor-mentee pairings</p>

A total of **21** participants were supported to access **\$300,000 USD** in micro-grants.

Through the grant support, beneficiaries were guided to transform their business models into socially and environmentally responsible enterprises. Their operations were directed toward improving the quality of life of local communities and contributing to the protection of the environment-including rangelands, forest areas, and biodiversity-through sustainable business practices.

LAND AND ENVIRONMENTAL IMPACT:

Grazing Area:
300 hectares

Forest Area:
100 hectares

Collected Recyclable Waste:
450 tons

2024 HIGHLIGHTED INITIATIVE

INTERNATIONAL BOOTCAMP FOR YOUNG ENTREPRENEURS

Undrakhgerel O., a young woman entrepreneur who launched a business focused on the environmentally responsible processing of livestock raw materials—aimed at improving the livelihoods of both herder communities in rural areas and vulnerable populations in Ulaanbaatar—was selected to represent Mongolia at the YBI Global Bootcamp. The event took place in London in June 2024, bringing together young entrepreneurs from over 20 countries around the world.



2024 HIGHLIGHTED INITIATIVE

SOCIAL ENTREPRENEURS' MEETING

In May 2024, the annual Social Entrepreneurs' meeting was successfully organized. The event brought together more than 150 social and green entrepreneurs to engage in dialogue on how to raise their voices and advocate for their interests at both policy and public levels.

As a result of this initiative, the Mongolian Association of Social Enterprises was officially established. Moving forward, DS, as a founding member of the association, is working in collaboration with relevant organizations to develop formal registration systems for social enterprises, establish statistical records, and connect social entrepreneurs with essential financing and market access opportunities.

A CALL TO SUPPORT GREEN AND SOCIAL YOUTH ENTREPRENEURS.



In 2024, with the support of Youth Business International (YBI), a policy recommendation was developed and disseminated to governments, financial institutions, and development organizations, calling for greater support to help more young people around the world start and grow green and social enterprises.

According to the World Economic Forum, there are approximately 10 million social enterprises operating globally, generating around USD 2 trillion in annual revenue and creating nearly 200 million jobs each year. This sector not only plays a significant role in ensuring sustainable economic development, but also serves as a critical driver for achieving the Sustainable Development Goals (SDGs).

However, access to finance and advisory support for young entrepreneurs remains highly unequal across the world. In particular, in low-income countries, fewer than 15% of social enterprises have access to adequate financing opportunities-posing a significant barrier to their growth and impact.

In response to the challenges faced by green and social youth entrepreneurs and the clear need for tailored support, Youth Business International (YBI), together with nine of its member organizations from Africa, Asia, Europe, and the Caribbean, jointly developed and launched a Green and Social Entrepreneurship Resource Toolkit.

This toolkit was created by drawing on the collective knowledge and experience of YBI and its members to identify what works-and what does not-when supporting green and social enterprises. It is designed specifically for Enterprise Support Organizations (ESOs) that are interested in enhancing their capacity to support this segment of youth entrepreneurs.

The toolkit was co-developed with YBI members across four continents, with a strong emphasis on ensuring its relevance, adaptability, and practical use for youth-led green and social enterprises operating in diverse national contexts.

The package includes tools and guidance under the following six core thematic areas:

- Personal development for social entrepreneurs
- Ideation in social and green business
- Business modeling
- Business validation
- Legal and financial frameworks
- Impact measurement

The full text of the policy recommendation titled **“Promoting Green and Social Business Models of Youth Entrepreneurs to Advance the Sustainable Development Goals (SDGs)”** is available at www.dsmongolia.org.

Success **STORY**

**“If each of us takes responsibility,
together we can build a more humane,
healthier, and sustainable future.”**

D. Enkhtuul

A COMMUNITY-FRIENDLY VETERINARY CLINIC

Ever since childhood, I have loved animals. Today, together with my family, I successfully run a small veterinary clinic called “Khatan Sevrei.” Recognizing the high demand in our soum-with more than 840 dog owners-I decided to open the clinic in September 2021, drawing on my personal experience.

Our clinic provides services such as check-ups, treatment, spaying and neutering surgeries, and consultations for dogs and cats. In addition, we conduct public education sessions to promote responsible pet ownership. The adoption of the Law on Domestic Pets in 2023 in Mongolia has further validated and supported our work.

Our business contributes to solving multiple community issues, including reducing the number of stray animals, preventing disease, minimizing soil contamination, and improving the overall cleanliness and aesthetics of the town.

In 2023, I participated in the Green and Social Entrepreneurship training organized by DS and Youth Business Mongolia. As a result, I redefined my business model and began delivering more impactful and meaningful services. The training helped me improve how I plan my business, clarify my goals, and communicate effectively with the public.



**LOCAL VETERINARIAN
PROMOTING
SOCIAL AND GREEN
BUSINESS**

OUR VISION:

- To acquire a mobile veterinary clinic vehicle
- To expand services to rural soum residents
- To establish a veterinary training center and an animal shelter





3

LOCAL RURAL AGRICULTURE BUSINESS SUPPORT PROGRAM

2019-2024

LOCAL AGRIBUSINESS SUPPORT STRATEGY PROGRAM

The Local Agribusiness Support Strategy Program, implemented by DS with funding from OT, was carried out over a five-year period in Khanbogd soum, Umnugovi province.

Program Objectives:

- Improve the coordination between ongoing projects and support programs targeting local citizens and herders in Khanbogd soum
- Align all activities with local development policies of Khanbogd soum and Umnugovi province
- Strengthen stakeholder collaboration across public, private, and community actors
- Improve the livelihoods of herder households and local residents
- Promote sustainable development of the agriculture sector.

PRE-PROGRAM CONDITIONS

CAPACITY:

165,527	9
Livestock	Herder cooperatives
380	2
Herder households	Food and agriculture cooperatives

CHALLENGES:

- Limited business skills and weak collaboration;
- Livestock sector faces high environmental risks;
- Weak systems to ensure and monitor food safety;
- Underdeveloped agricultural production, low productivity, and seasonal income dependence.

STRATEGY FOR DEVELOPING LOCAL LIVESTOCK SECTOR: “KHANBOGD SOUM PILOT PROJECT”

VISION: To foster local economic development, improve food security, and reduce greenhouse gas and CO₂ emissions through the creation of a sustainable, competitive, and inclusive agricultural sector in Umnugovi province.

PROGRAM OBJECTIVES:

1. Improve Governance and Institutional Framework
 - Establish a Livestock Health Center and Sanitary Laboratory in Khanbogd.
2. Develop Sustainable Supply Chains
 - Build reliable suppliers for Angus beef, vegetables, fruits, cashmere, Gaviil sheep, and camel milk.
3. Create Value-Added Production
 - Develop meat and dairy processing facilities.
4. Strengthen Market Access and Logistics
 - Establish herders’ markets and local sales centers.

RELATED DOCUMENTS:

- Tripartite Council Agreement
- Umnugovi Province Master Plan for Agricultural Sector Development
- Alignment with existing documents such as Sustainable Cashmere and Pastureland Protection Guidelines
- Relevant regulations and procedures from OT

KEY STAKEHOLDERS:

- MOFALI, Local Governments: Policy support
- Tripartite Council: Strategic recommendations
- Herders, herder groups and cooperatives of Khanbogd soum: Producers and suppliers
- Oyu Tolgoi LLC (OT): Linkages to potential buyers
- DS, Business for Development (Australia), other NGOs, Dalanzadgad BIG Center, Mongolian University of Life Sciences: Technical assistance, training, development, monitoring and evaluation
- Gobi Oyu Development Support Fund, United Nations and other international donor organizations: Financial partnerships
- Embassies (China, Canada, Australia, USA): Knowledge-sharing and networking partners

TARGET CONDITIONS

VISION:

To contribute to a resilient local economy, improved food security, and reduced greenhouse gas (GHG) and CO₂ emissions by developing a sustainable, competitive, and inclusive agricultural business environment.

CHALLENGES

- Limited entrepreneurial skills and weak cooperation among local stakeholders
- Livestock sector highly vulnerable to natural risks
- Weak systems to ensure and monitor food safety
- Underdeveloped agricultural production with low productivity and seasonal income

EXPECTED OUTCOMES

- Khanbogd soum develops a diversified, resilient economy with inclusive contributor groups
- Environmentally friendly and inclusive development of the agricultural sector
- Improved food safety in the region
- Market-oriented livestock sector is established
- More than 40% of OT’s local procurement is sourced from Khanbogd soum by 2026

KEY RESULTS OF THE PROGRAM

The Local Agribusiness Support Strategy Program was implemented from 2019–2024 and achieved the following key results:

412

Herder households reached

11

Participating agribusinesses

6

Successfully implemented projects

70+

New jobs created

498

Training sessions and workshops

3,593

Individual participants engaged

244

Business consulting services

1,336

Individuals received tailored consulting services

280+

Developed training and resource materials

30+

Feasibility and market research studies

₦12.7 million

Average revenue increase per herder household

₦700 million

Value of goods and services supplied to OT

₦1.5 billion

Own contributions mobilized by herders for livelihood support projects

HIGHLIGHTED ACTIVITIES

2019



- Developed governance models for the herders' market and livestock slaughter route projects, and presented them to OT's Gobi Community Development Council (GCDC), the Tripartite Council, and local herders.
- Completed the five-year strategic plan for the LASS program.
- Improved the operational structure of the Livestock Health Center, with five new staff positions approved.

2020



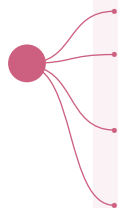
- Designed and implemented a dzud (severe winter) risk response plan for OT.
- Conducted four bagh (administration level below soum)-level consultations with herders to select the most effective governance model for the market and livestock road projects. The final model was adopted by majority vote.

2021



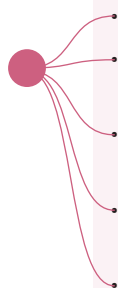
- Initiated groundwork for establishing primary herder cooperatives at the bag (subdistrict) level, including capacity-building trainings.
- Commissioned and completed the feasibility study for the livestock slaughtering route project, following a competitive selection process for service providers.

2022



- Established four primary herder cooperatives across four bags in Khanbogd soum.
- Delivered preventive health screenings to 412 herder households under the "Healthy Herder" initiative.
- Developed sectoral strategies for meat, dairy, and vegetables as part of the program renewal process.
- Launched the "MALCHIN" mobile application to improve the transparency and accountability of herder cooperatives.

2023



- Provided technical support to launch a new pig farming and agricultural service enterprise.
- Facilitated the establishment of the "Gobi Elite Flock of Galba" intermediary cooperative as part of the herder market and slaughter route initiatives.
- Supported the organization of the "One Soum – One Cooperative" consultation event in Khanbogd soum.
- Assisted OT with fodder supply logistics, research, and handover processes to mitigate dzud risks in Khanbogd, Manlai, and Bayan-Ovoo soums.
- Coordinated a study tour and capacity-building event for agricultural businesses in eastern Umnugovi province.

2024



- Developed and submitted a Sustainability and Exit Plan to OT and herder representatives.
- Finalized and handed over a complete set of governance documents for the "Gobi Elite Flock of Galba" cooperative.
- Supported the design of 11 new herder-led livelihood initiatives, selected from 27 proposals submitted by local herders.



KEY WORKS OF 2024

Advisory services were provided for projects funded by OT, aimed at supporting the development of sustainable and inclusive agri-businesses to diversify the local economy, improve food supply, and enhance food security.

Location: KHANBOGD SOUM

	Herders' training & meetings	Other trainings & events	Advisory services	Developed documents	Total
Number of participants	45	30	121	16	167
Number of Events Organized	3	15	21	19	55

100 million MNT

Total increase in sales revenue

KEY ACTIVITIES OF 2024

In order to expand their operations, herders have aligned their business ideas with the local demand in Khanbogd soum and worked on the preparation of the following project proposals, with 1 to 3 herders collaborating per project to secure donor funding and support implementation.

These projects include:

- Milk and dairy product production
- Green fodder cultivation
- Greenhouse vegetable farming
- Cosmetic production using animal fat
- Establishment of goat milk farms

DS conducted feasibility assessments and developed business proposals, supporting herders in presenting them to donors and obtaining funding. Once implemented, these projects are expected to create at least 10 new jobs and supply quality products that meet the growing demand of Khanbogd soum's population.







4

“SWITCHING ON THE GREEN ECONOMY”

2022-2025

“SWITCHING ON THE GREEN ECONOMY” PROJECT (SOGE)

2022-2025

The Switching on the Green Economy (SOGE) project, funded by the EU’s SWITCH Asia program is implemented **in Ulaanbaatar, Erdenet, and Selenge province to contribute to the progressive transition to a low-carbon, resource-efficient circular economy and accelerated poverty reduction in Mongolia** in collaboration with People In Need Mongolia (PIN), Caritas Czech Republic (CCR) in Mongolia, and Mongolian Sustainable Finance Association (MSFA).

Provide support to Mongolian agri-food and beverage MSMEs and retailers in adopting circular economy practices by providing technical assistance tailored to their needs and developing a market-based eco-labeling system to promote behavior change and facilitate access to green finance.

Under Objective 2 of the project, DS is responsible for organizing trainings and consultations for MSMEs in the agriculture and beverage sectors. These activities aim to support businesses in integrating eco-labeling into their products and adopting green practices in circular economy and value chain development.



Total
Funding:

**2.2 million
EUR**

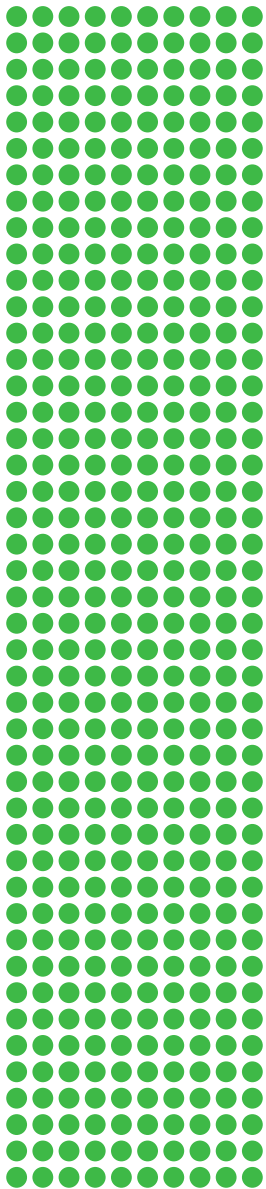
Project
Implementation Sites:

**Ulaanbaatar
Erdenet
Selenge**

Key Target Group:
**FOOD
PRODUCERS**

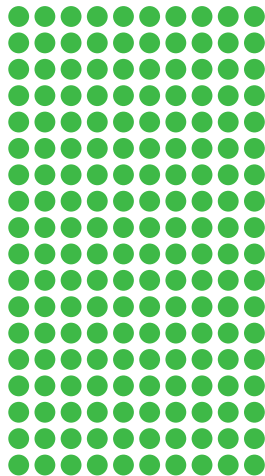


Total participants: **878** people



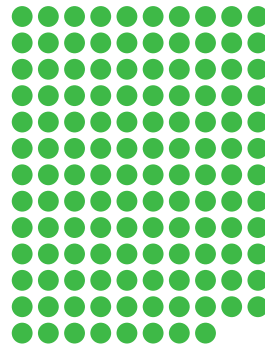
**450
participants**

Ulaanbaatar:
8 training sessions



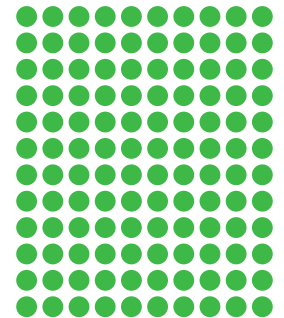
**180
participants**

Erdenet:
3 training sessions



**128
participants**

Nalaikh, Baganuur:
2 training sessions



**120
participants**

Selenge:
2 training sessions





2024 PROJECT HIGHLIGHTS

OUTSTANDING RESULT OF 2024

The “Switching on the Green Economy” (SOGE) project offers an “Accelerator Program” aimed at equipping micro, small, and medium-sized enterprises (MSMEs) and retailers in the agricultural food, water, and beverage sectors with the knowledge and tools necessary to transition toward circular economy practices and environmentally sustainable business models.

Through the program, participating MSMEs gain insights on a wide range of topics such as waste management and recycling, energy efficiency, water conservation, reduction of food waste, sustainable food packaging, preparation of documentation for low-interest loans and green financial products, and the adoption of environmentally friendly technologies.

As part of this initiative, DS has committed to reaching **900 business participants** throughout the project period. As of December 2024, approximately **725 entrepreneurs** had been reached and provided with information and training related to the circular economy and the project’s objectives.

The next stage of the “Accelerator Program” consists of mentorship sessions, which are designed to guide entrepreneurs on how to transition their businesses toward a circular and green economy. These sessions aim to provide tailored advice on strategies for adopting sustainable practices. By December 2024, mentorship sessions had been conducted with approximately 148 participants, out of the **420 planned business participants** targeted under the project.

“ECO LABELING SYSTEM AND THE USE OF STANDARDS”

G. Bolormaa, Manager of Standards and Certification, ToC Association



KEY ACTIVITIES OF 2024

EUROPEAN STUDY TOUR

In June 2024, the project implementing partners successfully organized a study tour to the Federal Republic of Germany. The purpose of the visit was to explore international best practices in Environmental, Social, and Governance (ESG) assessment, eco-labeling, and product certification systems. During the tour, representatives from Mongolia's food and agriculture sectors, including both producers and retailers, were introduced to the European Union's Green Deal, taxonomy and sustainability standards, environmental product labeling, and certification processes. Participants also visited environmentally responsible bio markets, as well as liquid food and food production factories operating under sustainable models.

The study tour delegation was composed of a broad group of stakeholders from both the public and private sectors. From the government side, representatives from the Bank of Mongolia, the Ministry of Food, Agriculture and Light Industry, the Agency for Standardization and Metrology, and the National Accreditation Center of Mongolia participated in the visit. From the private sector and civil society, participants included the Mongolian Food Industry Association NGO, food and beverage manufacturers such as APU Dairy LLC, MCS Coca-Cola LLC, MGL Aqua LLC, Eden LLC, and Good Foods LLC, as well as Rancho LLC from Orkhon aimag and the Selenge Tavan Khairkhan Cooperative from Selenge aimag. Major retail companies were also represented, including Emart LLC and Central Express (CU) LLC.





5 EMPOWERING WOMEN- OWNED MSMEs IN CIRCULAR ECONOMY AND GREEN BUSINESS IN MONGOLIA'S TOURISM SECTOR

2023-2025



EMPOWERING WOMEN-OWNED MSMEs IN CIRCULAR ECONOMY AND GREEN BUSINESS IN MONGOLIA'S TOURISM SECTOR

2022-2024

DS, in partnership with IRIM and the Mongolian Sustainable Finance Association (MSFA), implemented the consultancy project titled "Capacity Building for Micro, Small, and Medium-Sized Enterprises (MSMEs) in Circular Economy and Green Business" from November 2022 to May 2024. The project was commissioned by the Ministry of Environment and Tourism of Mongolia and supported by the Asian Development Bank (ADB). Its objective was to introduce a circular economy model into Mongolia's tourism sector and support the implementation of the country's Green Development Policy.

2024 HIGHLIGHT

A grant competition titled "The Best Green Initiative" was announced for over 350 women entrepreneurs. As a result of the competition, the top 16 selected entrepreneurs each received a non-repayable grant of up to USD 10,000, awarded by representatives of the Ministry of Environment and Tourism of Mongolia and the Asian Development Bank.



Project Sites:

ULAANBAATAR, KHUVSGUL, ARKHANGAI

Project Objectives:

The project was designed to support women-owned and women-led micro, small, and medium-sized enterprises (MSMEs) operating in the tourism sector to recover from the post-COVID-19 crisis and transition toward a more sustainable and green recovery. To achieve this, the project implemented the following three core components:

1. Conducted a comprehensive assessment of the policy environment and legal framework related to the circular economy, including an analysis of opportunities and challenges for integrating circular economy principles in the tourism sector.
2. Based on the findings of the assessment, developed and implemented a tailored training and capacity-building program aimed at enhancing the knowledge, understanding, and practical skills of MSMEs in the target sector with regard to circular economy practices.
3. Organized knowledge-sharing and experience-exchange activities to disseminate results and lessons learned at both the national and international levels, drawing attention to the impact and outcomes of the capacity-building program.

CAPACITY TRAINING:

TRAINING MODALITIES:

In-person:

421 individuals participated.

Online:

360 SMEs participated.
(from three regions)

TOTAL PARTICIPANTS IN CAPACITY:

BUILDING: 421 Women Entrepreneurs

221 Participants
Ulaanbaatar

200 Participants
Khuvsgul, Arkhangai

Success STORY

Ms. Tuya B., Founder of TINTS LLC

After spending five years working in the Republic of Korea to support her family, Ms. Tuya B. returned to Mongolia with a strong work ethic and valuable experience from a health product manufacturing plant. In 2017, drawing upon that experience, she founded TINTS LLC and launched the “Nogoodoi” brand, producing five types of health juices.

Despite her production expertise, Ms. Tuya faced challenges in business management, product development, and financial planning. Determined to grow, waking at 4:00 a.m. to manage her factory and attending training sessions by 9:00 a.m. Her hard work paid off—she improved her business plan and secured a loan under the SME support scheme, allowing her to stabilize her raw material supply and continue production uninterrupted during the COVID-19 pandemic.

Her dedication extended beyond operations. When a customer once reported a missing bottle of juice, she personally delivered it. This simple act of responsibility turned into a large-scale order, reinforcing her commitment to product integrity. She began sealing her products and improving quality control. For Ms. Tuya, responsibility is the foundation of her business.

Tuya also participated in the “Switching on the Green Economy” (SOGE) project, receiving in-depth training and mentorship on circular economy practices. She later took part in the ADB-supported Capacity Building Project, where she wrote and pitched a project proposal and was awarded a \$9,000 non-repayable grant. With this, she acquired new equipment that enabled her business to transition to environmentally friendly, resource-efficient production and implement circular economy principles.

Her philosophy is shaped by two powerful lessons: a Korean factory owner once told her, “Competition begins with waking earlier than your neighbor,” and her grandmother’s advice, “Learn to deliver things on time,” remains her daily guiding principle. For over six years, she has paid rent without delay, maintained consistent loan repayments, and earned a reputation for reliability.

In recognition of her commitment, even the President of Mongolia visited her facility, citing her as a role model for responsible entrepreneurship. Today, TINTS LLC envisions becoming a producer of eco-friendly, organic, and recycled products. The knowledge and support gained through the SOGE and ADB programs have played a crucial role in shaping her long-term vision of sustainable, green business.



I treat my product like a child
— that’s how much I care
about it.

TUYA. B

TRAINING TOPICS:

CONCEPTS OF
THE CIRCULAR
ECONOMY

WATER
CONSERVATION
STRATEGY

WASTE
MANAGEMENT
AND
REDUCTION

ENERGY
CONSUMPTION
REDUCTION
MANAGEMENT

ENVIRONMENTALLY
FRIENDLY
PACKAGING





ГЭР БҮЛ,
ХӨДӨЛМӨР, НИЙГМИЙН
ХАМГААЛЛЫН ЯАМ



6

EMPLOYMENT PROMOTION PROGRAM

EMPLOYMENT PROMOTION PROGRAM

The Employment Promotion Program, implemented in cooperation with the Ministry of Family, Labor and Social Protection, aims to support small and start-up businesses and improve employment, income generation, and skills development for young people, women, senior citizens, people with disabilities, and low-income citizens.

TARGET BENEFICIARIES OF THE PROGRAM

START-UP
ENTREPRENEURS
AGED 18–34

SMALL
BUSINESS
OWNERS,
ENTERPRISES,
WOMEN, AND
PwDS

2024 HIGHLIGHT

	Agribusiness Training	Start-up	Other Services
Trainings, Seminars	40	28	20
Participants	649	72	455
Consulting Services		22	235
Revenue Generated (MNT)	21,960,000	30,000,000	69,920,500

In 2024, in cooperation with the Labor and Welfare Departments of Ulaanbaatar city and the provinces of Bayankhongor, Dornogovi, Umnugovi, Uvurkhangai, Khovsgol, and Khentii, a total of 743 individuals and businesses received support to become small and start-up entrepreneurs. Among them, 262 businesses received MNT 2.6 billion in loan financing from the Employment Promotion Fund.



“SUCCESS IS A CHOICE” Women’s Forum

The Chingeltei District Governor’s Office and the Family, Youth and Child Development Department jointly organized the “Success is a Choice” women’s forum in connection with the 16-day international campaign to combat gender-based violence. This annual campaign has been held in our country since 1997 and is organized under the leadership of the National Center Against Violence.

The forum aimed to improve the quality of life for women in Chingeltei District by promoting economic empowerment, increasing income, building self-confidence, and creating opportunities to develop and realize their potential. The event gathered **250 women** including entrepreneurs, representatives of government organizations, the Family, Youth and Child Development Department, and CSOs, who shared their views on women’s development and empowerment, identified needs, and exchanged experiences and information.

During the forum, under the slogan “Safe Everywhere for Girls and Women – No More Excuses,” relevant organizations provided advice and information on preventing and stopping violence.



COLLABORATION AND PARTNERSHIP



ХҮНС, ХӨДӨӨ АЖ АХУЙ,
ХӨНГӨН ҮЙЛДВЭРИЙН ЯАМ



БАЙГАЛЬ ОРЧИН,
УУР АМЬСГАЛЫН
ӨӨРЧЛӨЛТИЙН ЯАМ



ГЭР БҮЛ,
ХӨДӨЛМӨР, НИЙГМИЙН
ХАМГААЛЛЫН ЯАМ



ЭДИЙН ЗАСАГ,
ХӨГЖЛИЙН ЯАМ



ЗАСГИЙН ГАЗРЫН ХЭРГЭВЧЛЭГЧИЙН
ЖИЖИГ, ДУНД ҮЙЛДВЭРИЙН
ГАЗАР



ЗАСГИЙН ГАЗРЫН
СЭРГЭВЧЛЭГЧИЙН АГЕНТЛАГ
ТАТВАРЫН
ЕРӨНХИЙ ГАЗАР



ЗАСГИЙН ГАЗРЫН ХЭРГЭВЧЛЭГЧИЙН
ХӨДӨЛМӨР, ХАЛАМЖИЙН
ҮЙЛЧИЛГЭЭНИЙ ЕРӨНХИЙ
ГАЗАР



АВЛИГАГҮЙ НИЙГМИЙН
ТӨЛӨӨ ХАМТДАА



ГОВИЙН ОЮУ
ХӨГЖЛИЙГ
ДЭМЖИХ САН



MMCi
Mongolian Management Consultants Institute



ЭРСЭЛГҮЙ ИРЭЭДҮЙН БАТАЛГАА



DS acknowledges that the successful implementation of entrepreneurship development projects and programs relies heavily on several critical factors: financial and methodological support from international organizations, policy and decision-making support from government agencies, active participation and collaboration of banks, financial institutions, business associations, and CSOs. These partnerships play a vital role in ensuring the effectiveness and sustainability of our initiatives.

In 2024, DS closely collaborated with several key organizations, including the USAID, EU, Switch Asia, the ADB, OT, PIN International NGO, Caritas Czech Republic International NGO, and the Mongolian Sustainable Finance Association.

In 2024, we actively collaborated with key government ministries such as the Ministry of Economy and Development, the Ministry of Food, Agriculture and Light Industry, and the Ministry of Labor and Social Protection. We also partnered with the SME Agency, the IAAC, the CGF, Governor's Offices of all 21 provinces, local administrative bodies, urban and rural business development centers, sector-specific business associations, and various non-governmental organizations.

In addition, we collaborated with major banks and non-banking financial institutions that support the growth of SMEs, and received technical assistance from both national and international experts from organizations such as the International Finance Corporation (IFC), the International Labour Organization (ILO), the Youth Business International (YBI), the Japan International Cooperation Agency (JICA), and AmCham. Through these partnerships, we successfully implemented impactful programs.



