The Project for Capacity Development for Promoting Foreign Direct Investment in Mongolia

JICA Project Team

Mr. Hiroshi MATSUOKA  Team Leader / Investment Promotion Service (1)
Mr. Masaaki UEDA  Economic Evaluation (1)
Mr. Jun NI SHIDA  Economic Evaluation (2)
Mr. Hiromichi HARA  Organizational Evaluation / Information Management (2)
Mr. Hakan YUKSEL  Information Management (1)
Mr. Osamu ABE  Investment Promotion Service (2)/ Institutional Capacity Development

Project Office
Room #809, Government Building 11
Sambuu Street 11, Ulaanbaatar 211238, Mongolia
Tel: +976 (11) 318-467 Fax: +976 (11) 324-076

JICA Mongolia Office
Bodi Tower 7th Floor, Sukhbaatar Square 3, Ulaanbaatar 211213, Mongolia
(c/o Central P.O.Box 682)
Tel: + 976 (11) 312-393, +976 (11) 311-329
Fax: +976 (11) 310-845
Background
The Government of Mongolia (GOM) has predicated the country’s economic growth through the following fundamentals: “stability of the macro economy and confirmation of the process of economic revival” and “sustainability of the financial and monetary sector.” The development of domestic industries and the Economic Growth Support and Poverty Reduction Strategy (EGSPRS), Mongolia’s PRS, has placed importance on the “stability of the macro economy and efficiency of the public sector” and the “transition to a market economy and institutional and environmental establishment for national growth driven by the private sector.”

It now seems that the infusion of foreign capital, to kick start private sector development, is a must, the challenge now for Mongolia lies in how it gives preferential treatment to FDIs.

Under such circumstances, the Japan International Cooperation Agency (JICA) dispatched a technical cooperation team for the project for Capacity Development for Promoting Foreign Direct Investment from 2010 to 2013, requested by the Government of Mongolia.

Objective
The objective of this technical cooperation project is to improve the research function and investment promotion services and puts emphasis on the joint work among, governmental organizations responsible for improving Mongolia’s investment environment such as the Ministry of Foreign Affairs and Trade, Foreign Investment and Foreign Trade Agency (FIFTA), and other related business associations.

Expected Outputs
1. An action plan for improving investment environment in Mongolia is formulated, based on the result of research.
2. Analysis for improving FIFTA’s function for provision of investment services is conducted.
3. A working plan for FIFTA’s investment services (i.e., data management, data provision and One-stop Services (OSS)) is improved in the collaboration with related organizations.

Approaches
1. Promotion of project leadership and ownership by the Mongolian counterpart.
2. Execution of a baseline survey to ascertain the investment requirements of the private sector and reflect them on the promotion services.
3. Utilization of PFIs to understand current investment policies and promotion activities.
4. Comparison and analysis of IPAs in other countries.
5. Training in Japan and study visit to other countries.
6. Promotion of the project among the people in Mongolia and Japan and development of a web site for efficient and better use of information.
7. Creation of an Advisory Panel to get academic and business suggestions.
8. Periodic monitoring and evaluation of the project.

Project Outline

Overall Goal:
Investment promotion services to the private sector are improved.

Project Purpose:
Research and coordination for investment promotion is strengthened.

Outputs
1. An action plan for improving investment environment in Mongolia is formulated, based on the result of research.
2. Analysis for improving FIFTA’s function for provision of investment services is conducted.
3. A working plan for FIFTA’s investment services (i.e., data management, data provision and One-stop Services (OSS)) is improved in the collaboration with related organizations.

Main Activities
- Technical supports to working groups for needs assessment and formulation of institutional capacity improvement policies
- Analysis on policy framework for FDI and promotion activities
- Analysis of the impacts of FDI on the Mongolian economy
- Comparison study of FIFTA with Investment Promotion Agencies (IPAs) in other countries
- Analysis of the current investment promotion services at the FIFTA, and the formulation of action plans to improve FIFTA’s investment promotion services and operations
- Formulation of the framework and working plan to establish a “One-Stop Service Center”

Project Organization

Advisory Panel
Macro Economist : Professor at University
Investment Expert : Ex JETRO
Economic Expert : Ministry of Economy, Trade and Industry
Investment Expert to Central Asia : Turkish Consultant