

PRIVATE/STATE-OWNED ENTERPRISE EFFORTS TO FULFILL SDGS (IN THE CASE OF MONGOLIA)

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Abstract

Mongolia's progress toward achieving the Sustainable Development Goals (SDGs) is constructed by the collaborative efforts of both private and state-owned enterprises (SOEs), which has been pointed out in the country's Sustainable Development Vision-2030 (SDV-2030), approved by the Parliament of Mongolia. Private enterprises contribute mostly through economic diversification, innovation, job creation, and social responsibility projects, whereas SOEs play an essential, base role in managing national resources and infrastructure. Backed by policy documents of the country, companies have adopted the current SDG ideas by 2019 and the number of corporate efforts to adopt and popularize the agenda has been increasing steadily despite the slight slowdown during the Covid-19 pandemic.

This paper provides an introductory overview of how these enterprises are aligning their operations with Mongolia's sustainability agenda, highlighting their key initiatives and contributions. Both sectors have demonstrated a growing commitment to sustainable development through their specific initiatives and visions. Additionally, the integration of Environmental, Social, and Governance (ESG) principles has gained momentum, with enterprises focusing on ethical governance, social responsibility, and environmental stewardship. As Mongolia continues to advance its sustainability goals, fostering ESG-driven corporate strategies will be crucial to bridging gaps in regulatory enforcement and sustainable investment. Strengthening public-private partnerships (PPP), encouraging responsible investment, and enhancing governance structures will be essential for Mongolia to fulfill its SDG commitments by 2030. The importance of innovation, cross-sector partnerships, and policy alignment in achieving long-term sustainability needs to be studied further in Mongolia, as well as in Northeast Asia.

Keywords: SDGs, Public-Private Partnerships, Corporate Social Responsibility, ESG, Mongolia.

JEL Classification Codes: Q01, L32, M14, O13, O53, H54

1. MONGOLIAN SDGS AND THE ROLE OF PRIVATE/PUBLIC ENTERPRISES

Mongolia and SDGs

Following the global unanimous adoption of the Sustainable Development Goals (SDGs) in September 2015, The Law of Mongolia on Development Policy and Planning was adopted in November of the same year. The law defined the steps and principles of planning; implementing, monitoring, and assessing Mongolia's development documents, setting the rights and obligations of stakeholders, and establishing the integrated systems of development policy and planning. Later then, the

Parliament of Mongolia approved Mongolia's **Sustainable Development Vision-2030 (SDV-2030)** in February 2016. All 17 goals, 169 targets of Global SDGs were aligned with 4 priorities, 44 targets of Mongolia SDV-2030.¹ The Vision prioritizes essential notions such as stable governance, social development, environmental sustainability, *fostering international cooperation, and promoting sustainable economic growth.*

To quote, the document includes Macroeconomic policy principles such as:

*"Promoting **Public-Private Partnership (PPP)**, utilizing international cooperation funds and long-term concessional loans, cooperating with international*

¹ National Statistics Office of Mongolia. Sustainable Development Goals.

<https://sdg.1212.mn/en#:~:text=The%20law%20on%20Development%20Policy,Development%20vision%2D2030%20as%20follows:>

*financial organizations, and coordinating policies in order to implement the Sustainable Development Vision.”*²

Also, Objective 2 of Principles for Governance for sustainable development reads as:

*“To improve the leadership of civil service organizations at all levels, and develop transparent and accountable governance at the national and local levels, based on public participation and public-private partnership.”*³

In addition to SDV-2030, The New Recovery Policy (NRP) – the 10-year economic development strategy adopted by the Parliament in December 2021 for the effective implementation of Mongolia’s long-term development policy “Vision 2050”, aims to mobilize private investments and improve the business environment.⁴ All these documents have emphasized and indicated the importance of public and private enterprises’ roles and partnerships for achieving sustainability.

The alignment of Mongolia’s SDV-2030 with global SDGs highlights the nation’s commitment to sustainable economic and social development, particularly through Public-Private Partnerships (PPPs) and international cooperation. Achieving the SDGs largely depends on the participation of businesses with how their broad impact, creative initiatives, sustainable solutions, and investment are crucial to keep the Agenda going. The current idea of SDGs in Mongolia was starting to get popularized into corporate practices by 2019, but with Covid-19 striking businesses the following year, the pandemic caused the SDGs to lose their momentum, so it was only around 2021 that most companies regained their focus on sustainability and started publishing their sustainable development reports for the public to see. However, achieving these goals requires stronger regulatory enforcement, financial mobilization, and alignment of corporate and governmental strategies.

The role of private and public enterprises in Mongolia

Mongolia has an opportunity to strengthen its business environment to create a more level-playing field for companies, **particularly the small and medium enterprises (SMEs)**, and facilitate a more productive private sector beyond the “usual” mining sector, according to a World Bank report released in 2022.⁵ Despite the potential, challenges such as reliance on commodity exports, economic volatility, governance issues, etc. are still the persisting issues to achieving a diversified and resilient economy. Led by the private sector, economic

diversification (in linkage to SDG 8 Target 8.2: Diversify, Innovate, and Upgrade for Economic Productivity) is a policy priority for the Government of Mongolia, and this has been at the forefront of economic policymaking for many years. Private enterprises growing at large leads them to develop sustainable practices on a broader scale, making them the front of SDG implementation in the country.

However, achieving Mongolia’s SDGs depends not only on private sector growth but also on the performance and strategic direction of public enterprises. **State-owned enterprises (SOEs)** are essential drivers of Mongolia’s economic development, particularly in sectors such as mining, energy, transportation, and others where they control key national resources and infrastructure. Their role in achieving sustainability is critical, as they provide essential services, drive major public investments, and influence the country’s economic resilience. While considering all this, the Mongolian government has prioritized SOE reforms to align their operations with SDG targets, focusing on improving corporate governance, enhancing financial transparency, and adopting sustainable business practices. Public enterprises are increasingly expected to lead by example in responsible resource management, environmental protection, and social development initiatives. Investments in green energy, infrastructure modernization, and digital transformation within SOEs can significantly contribute to the achievement of Mongolia’s sustainability goals.

By ensuring that the private and public enterprises operate efficiently, transparently, and in alignment with sustainability principles, whether it’s individually or jointly, Mongolia can leverage these entities as key instruments for achieving long-term economic stability, social equity, and environmental sustainability, and contribute to global goals.

2.PRIVATE ENTERPRISES

The active participation of private enterprises is very much essential to Mongolia’s pursuit of the SDGs. These contributions that promote economic growth, innovation, employment creation, and sustainable practices, are made in a rich variety of industries, including, finance, technology, energy, and mining. Private businesses support public institutions and international organizations by providing market-driven solutions that address important SDG targets in Mongolia’s resource-dependent but

² Mongolia Sustainable Development Vision 2030, 12.

³ Ibid., 32.

⁴ The World Bank. *Boosting Mongolia’s Private Sector and Green Competitiveness*, (2024), 6

⁵ World Bank Group. *Mongolia Business Environment and Competitiveness Assessment Report: Implementing Business Environment Reforms for Economic Recovery*, (2022)

very dynamic economy.

They are central to economic growth and job creation in Mongolia, particularly through SMEs, which account for nearly 70% of employment in the country.⁶ Under this importance, SDG and ESG reports from forefront enterprises leading in their fields have been used as examples.

Khan Bank - one of Mongolia's largest commercial banks, leading in the earliest adopters of SDGs (started in 2019)⁷, supports SMEs through customized financial products, including business loans, microfinance, and advisory services. By facilitating access to finance for SMEs, Khan Bank enables these businesses to grow, create jobs, then contribute to inclusive economic development, aligning with SDG 8.

Operating since 1991, Khan Bank, the top commercial bank in Mongolia, has 545 branches throughout the country and offers financial services to 2.9 million clients, which accounts for 82% of the Mongolian population. Khan Bank has continuously carried out social responsibility projects and initiatives since 2007, and it has evaluated environmental and social risks for business loans since 2011. The Bank funds responsible businesses by necessitating risk reduction, backing the eco-friendly economy, and aiding the SDGs.⁸

Their 2023 Report emphasizes Khan Bank's efforts in corporate social responsibility through the Khan Bank Foundation, which has supported over 500 projects focused on health, education, and environmental conservation.

Khan Bank made history by releasing the first Mongolian green bond in the global market in March 2023. It later issued the first domestic green bond on the Mongolian Stock Exchange in December 2023.¹¹

Unitel Group, which employs more than 2,101 people and works with more than 3,000 subcontractors and individuals,¹² is one of Mongolia's largest telecommunications companies and contributes to job creation through their extensive retail network, customer service operations, and technology development. By expanding access to mobile and internet services in rural areas, Unitel supports both economic activity and social inclusion, addresses digital inequality, and contributes to economic empowerment in underserved communities.

Unitel Group's 2023 Sustainability Report highlights its commitment to environmental stewardship, social responsibility, and ethical governance.¹³ In the environment part, the company has focused on reducing its carbon footprint and managing electronic waste. Unitel has taken significant steps in e-waste management, recycling materials from old devices and transforming them into construction components. Their ongoing collaboration with partners has resulted in projects like building watering ponds in protected areas, helping preserve Mongolia's biodiversity.

Unitel also places great emphasis on diversity and employee well-being. With a focus on promoting gender equality, the company has maintained a strong representation of women in leadership roles. Employee health and safety are key priorities, supported by regular medical check-ups, mental health programs, and fitness initiatives. Additionally, Unitel is committed to bridging the digital divide by expanding its Unitel HUB program,¹⁴ which offers digital education and resources to rural communities, fostering digital literacy and inclusion.

Mongolia's private sector is increasingly recognizing the importance of environmental sustainability. Innovation driven

Aligning SDG	Initiatives
Goal 3: Good health and well-being	Notable campaigns, like the National Campaign Against Cancer and the Campaign Against Hypertension ⁹ , have had a significant impact on improving public health.
Goal 7: Affordable and clean energy	According to the 2023 Report, the bank also made efforts to contribute to reducing carbon emissions through solar energy installations at several branches ¹⁰ , thus reducing 56.06 tonnes of CO2 emissions.
Goal 5: Gender equality Goal 3: Good Health and Wellbeing	They support women entrepreneurs through modified loan products and training programs, empowering them to grow their businesses. In addition, the bank encourages a sustainable workplace with initiatives such as flexible work arrangements, employee training, mental health support, etc. Employee satisfaction and development remain of the highest importance to the bank's operations.

⁶ Asian Development Bank. *Rebuilding Micro, Small, and Medium-Sized Enterprises Post-COVID-19 in Mongolia* (2023)

⁷ Mongolia Voluntary National Review 2023, 16

⁸ Khan Bank. *Sustainable Development and ESG Report* (2023), 18.

⁹ United Nations Global Compact. *Khan Bank – Communication on Progress*. (2020)

¹⁰ Khan Bank. *Khan Bank is supplying 20 percent of its office electricity consumption with solar energy* (LinkedIn, 2023). <https://shorturl.at/h86iw>

¹¹ Khan Bank. *Sustainable Development and ESG Report* (2023), 42-44.

¹² Unitel Group. *About us*. <https://www.unitel.mn/unitel/about>

¹³ Unitel Group 2023 SUSTAINABILITY REPORT

by private enterprises plays a crucial role in advancing SDG 9 (Industry, innovation, and infrastructure) in Mongolia. **Clean Energy Asia**, a private renewable energy company, could be highlighted as an example of how innovation in energy infrastructure can contribute to sustainability. The company developed Mongolia's first commercial-scale wind farm, the **Salkhit Wind Farm**, which generates 168,500MWh electricity and supplies enough clean energy to power 100,000 households, offsetting 178,778 tonnes of carbon dioxide emissions (CO₂) a year,¹⁵ reducing the country's dependence on coal-fired power plants and contributing to SDG 7 (Affordable and Clean Energy).

Moreover, their shareholder - **Newcom Group**, a leading Mongolian conglomerate, has been a pioneer in introducing new technologies and innovative business models to the country. In partnership with international companies, Newcom has invested in renewable energy, telecommunications, and aviation. Their investment in the **Tsetsii Wind Farm** in the Gobi Desert is one landmark project that reduces Mongolia's carbon footprint and supports its climate action commitments under SDG 13 (Climate Action). Since the commissioning of the Tsetsii wind farm, a total of 600,000 tons of greenhouse gases have been reduced, saving 1 million tons of coal and 5 million liters of water by 2023. As part of its social responsibility, Clean Energy Asia LLC implements a number of environmentally friendly projects and programs in partnership with Umnugovi province's Environmental Protection Agency. For example, five students from low-income families in Siirst Bag, Tsogttsetsii soum, are awarded annual scholarships, and regular campaigns are conducted to provide fodder for the winter and to promote public health.¹⁶ These efforts continue to show that *Corporate Social Responsibility (CSR)* has become an important mechanism through which private enterprises in Mongolia contribute to societal well-being and sustainable development.

Oyu Tolgoi, one of the largest copper and gold mining companies in the world and a major private sector actor in Mongolia, has implemented extensive CSR programs aimed at improving the livelihoods of local communities. The company has invested in sustainable development projects since 2010, covering areas such as education, healthcare, infrastructure, environmental protection, etc. Their investments in education and vocational training contribute to workforce development and support long-term community resilience. The company also supports projects focused on water conservation, a critical issue in Mongolia's arid regions, aligning its efforts with SDG

6 (Clean Water and Sanitation). Oyu Tolgoi operates one of the most water-efficient mines globally, utilizing advanced water management techniques to minimize its impact on local water sources. According to Oyu Tolgoi's Q3 2024 Performance Results, the company uses less than 0.55 cubic meters of water per ton of ore processed, significantly below the global average of 1.2 cubic meters per ton. The mine also prioritizes high water recycling rates in its operations, recycling over 85% of its water.¹⁷ Beyond such environmental efforts, Oyu Tolgoi's dedication to sustainable mining practices and community development reinforces its alignment with multiple Goals, including SDG 8 (Decent Work and Economic Growth), and SDG 12 (Responsible Consumption and Production).

3. PUBLIC ENTERPRISES

Mongolian public enterprises play a highly important role in driving sustainable development, mostly in infrastructure, energy, and environmental management within the country. Through infrastructure expansion, clean energy investments, environmental conservation, and modernized public services, these enterprises are ensuring Mongolia meets its SDG commitments while improving the quality of life for its people. Their efforts align closely with the SDGs, ensuring long-term economic stability while addressing environmental and social challenges. Mongolia's public enterprises are not only economic drivers but also key, base players in the country's transition toward sustainability.

State-owned enterprises like **Mongolian Railways** and **Erdenes Mongol** are central to Mongolia's infrastructure expansion, that contribute significantly to the achievement of the Agenda, especially SDG 9 (Industry, Innovation, and Infrastructure). The development of the rail network plays a key role in reducing transportation costs, improving logistics, and fostering economic diversification.

The **Tavantolgoi-Gashuunsukhait railway**, completed in 2022, is a key example of this progress. It reduced coal export costs by over 75%, from USD 46.8 to USD 12.1 per ton, improving Mongolia's competitiveness in the global market. Furthermore, this project supports SDG 13 (Climate Action) by cutting carbon emissions and environmental damage, with a 74% reduction in pollution related to transportation.¹⁸ It also contributes to SDG 8 (Decent Work and Economic Growth), creating over 2,000 jobs during construction.¹⁹

Similarly, the **Tavantolgoi-Zuunbayan railway**, with its 463

¹⁴ Ibid., 32.

¹⁵ Power Technology. *Power plant profile: Salkhit, Mongolia*. <https://www.power-technology.com/data-insights/power-plant-profile-salkhit-mongolia/>

¹⁶ Green Development. *TSETSII WIND FARM IN GOBI* – Green development

¹⁷ Oyu Tolgoi. *Press Release – Q3 2024 Performance Results*

kilometers of infrastructure and new stations, helps support the mining sector, reduce dependency on trucks, and further reduce logistics inefficiencies. By 2030, Mongolia's rail network is expected to handle up to 50 million tons of freight annually,²⁰ contributing to economic growth and job creation while promoting sustainable transport. These infrastructure projects not only enhance Mongolia's mining exports but also align with broader goals of sustainability, economic diversification, and reducing environmental impact, showcasing the importance of public investments in achieving the SDGs.

Mongolia remains heavily dependent on coal, but public enterprises are leading initiatives to transition toward cleaner energy sources, supporting SDG 7 (Affordable and Clean Energy). A landmark project is Mongolia's **First Utility-Scale Energy Storage Project** that goes to integrate renewable energy into the grid through large-scale battery storage. This initiative is expected to enable the evacuation of 610 GWh of renewable power annually while preventing 650,000 tons of CO₂ emissions per year.²¹ The country is also working to increase its renewable energy capacity to 30% of total generation by 2030, focusing on wind and solar energy development.

Mongolia is taking significant steps to modernize its energy infrastructure, with state-owned enterprises playing a central role in reducing emissions while ensuring energy security. One such project is the **Baganuur Power Plant**, that is undergoing modernization to improve efficiency and address pollution concerns. The power plant, with a total installed generation capacity of 700 MW,²² plays a key role in supplying electricity, especially during Mongolia's harsh winters when demand peaks. While the original investment for the plant was estimated at US\$1 billion,²³ the project focuses on enhancing the plant's capacity and efficiency to meet the growing energy demands while reducing environmental impacts. Additionally, the plant aims to enhance its operational efficiency, contributing to the nation's efforts to reduce coal dependence and transition to cleaner energy sources. This is consistent with Mongolia's broader goals of lowering CO₂ emissions and improving its energy infrastructure.

Mongolia's **One Billion Trees Initiative** is an ambitious and deeply important environmental project aimed at addressing the severe desertification affecting over 70% of the country's land area. Launched in 2021, this initiative sets a target to plant one

billion trees by 2030. As of late 2023, about 41.5 million trees had already been planted.²⁴ The broader aim of the project is not just to tackle land degradation but to help reduce the frequency and intensity of dust storms that have become a regional concern, especially for neighboring countries like China.

By increasing Mongolia's forest cover from around 8% to 9% by 2030, the initiative is contributing to multiple sustainable development goals, particularly SDG 13 (Climate Action) and SDG 15 (Life on Land). One of the key benefits of the project is its expected reduction in greenhouse gas emissions by around 600,000 tons annually. These trees will not only help to restore vital ecosystems but also improve water retention in the soil, which is crucial for sustainable agriculture and reducing the impact of severe droughts.²⁵ The initiative is a collective effort, with many public enterprises, including those from the mining sector, committing to planting millions of trees. The overall plan is a reminder of the importance of long-term environmental stewardship, as it tackles both the immediate challenges of desertification and the broader global issue of climate change. This reflects Mongolia's growing awareness and commitment to a sustainable future for its land and people.

Public enterprises also play a key role in **social services**, particularly in healthcare, education, and utilities. Investments in digital infrastructure have expanded online education and telemedicine services, improving access to quality education and healthcare in remote areas, contributing to SDG 4 (Quality Education) and SDG 3 (Good Health and Well-being). Furthermore, state-owned enterprises are involved in water and waste management projects to improve sanitation, particularly in Ulaanbaatar's rapidly expanding ger districts.

In governance, public enterprises set environmental and labor standards that align with Mongolia's sustainability objectives, reinforcing SDG 16 (Peace, Justice, and Strong Institutions). The transition to e-governance has also increased transparency and efficiency in public service delivery.

4. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) and PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The term **ESG (Environmental, Social, and Governance)** was first coined in a 2004 UN Global Compact report titled

¹⁸ Bodi Group. *TAVANTOLGOI-GASHUUNSUKHAIT RAILWAY PROJECT - Бодь Грүгн*

¹⁹ Mongolian Railway. *tavantolgoi-zuunbayan" railway route project*

²⁰ Ibid.

²¹ Asian Development Bank. *53249-001: First Utility-Scale Energy Storage Project | Asian Development Bank*

²² Montsame, Baganuur 50 MW Battery Storage Power Station to Be Put into Operation this November

²³ China Coal Resource, *Mongolia's first mine-mouth coal power plant starts construction* <https://www.sxcoal.com/en/news/detail/138482>

²⁴ Montsame, *One Billion Trees: 41.5 Million Trees Planted Nationwide*

²⁵ Institute for Strategic Studies, *Mongolia's One Billion Trees Campaign: A Bold Step Against Climate Change and Desertification – Institute for Strategic studies*

“Who Cares Wins”.²⁶ However, the underlying concepts of ESG have been present for much longer, dating back to the 1980s, with evolving ideas about sustainable business practices and corporate responsibility. ESG is a set of standards that measure a company's impact on the environment, its treatment of people, and the integrity of its leadership and decision-making. In Mongolia, both public and private enterprises are increasingly recognizing the importance of ESG principles, with each sector playing a distinct yet a complementary role in advancing sustainability goals.

Private Enterprises' Role in ESG in Mongolia

Private enterprises, which are often driven by market forces and investor expectations, have made substantial progress in integrating ESG principles into their operations. For example, **Khan Bank**, the above-mentioned leader in green financing, issued USD 60 million in green bonds in 2023 to support environmentally sustainable projects.²⁷

Unitel Group, another notable player, has taken significant steps in integrating renewable energy into its operations. To optimize the impact of their 50 billion MNT (~15.15 million USD) investment in expanding off-grid connectivity through renewable solar energy, Unitel is focusing on enhancing energy efficiency and extending the lifespan of batteries at solar-powered mobile sites.²⁸ The notable increase in GHG emissions avoidance/prevention in 2023 can be attributed predominantly to 216 solar-powered base stations established in 2022 and earlier

to extend their network coverage to remote, off-grid rural areas, resulting in a 61% increase in total renewable energy production and consumption.²⁹

Public Enterprises' Role in ESG

Mongolia Railways (MTZ) contributes to the nation's ESG goals by expanding rail infrastructure, which is more energy-efficient than road transport. While rail transport is an effective tool to reduce emissions, further improvements are needed in infrastructure and operations to meet sustainability standards. Additionally, Mongolia's energy sector, which is very heavily reliant on coal, is working towards reducing carbon emissions, with a target of 32% reduction by 2030. Projects like the 8-10 MW solar district heating plant in Dornogovi province, set to serve over 45,000 citizens, aim to significantly cut greenhouse gas emissions by 1.9 million tons long-term.³⁰

Erdenes Mongol, which manages Mongolia's vast mineral resources, is working to improve environmental sustainability, particularly through land rehabilitation. **Erdenet Mining Corporation (EMC)**, a part of Erdenes Mongol LLC, has already rehabilitated around 10,000 hectares of land impacted by mining activities.³¹ However, balancing the economic benefits from mining with environmental preservation remains a challenge due to the country's heavy dependence on the sector. Erdenes Mongol is actively working to enhance its transparency and governance frameworks, aiming to align its operations with international sustainability standards.

ESG HIGHLIGHTS

[As of December 31, 2023]

Sustainable financing and climate change

- Mongolian Green Taxonomy

- Defined and regularly monitored climate change-related risks in the Bank's risk management operations.



Source: Khan Bank's Sustainable Development and ESG Report - 2023

²⁶ The World Bank, *Who Cares Wins*, vii

²⁷ Reuters, Mongolia's Khan Bank issues \$60 mln green bond, country's first | Reuters

²⁸ Unitel Group 2023 SUSTAINABILITY REPORT, 13.

²⁹ Ibid., 8

³⁰ Ministry of Energy. *Agreed to sign Memorandum of Understanding (MOU) for the Shift Project with GGGI* <https://erc.gov.mn/web/mn/print/743?date=true>

Partnerships and Collaboration (SDG 17: Partnerships for the Goals)

One Billion Trees Initiative, in which the progress is substantial, with over 42 million trees planted as of early 2024. Enterprises have established a tree nursery capable of planting 17 million seedlings per year. Up until now, they have planted 6.2 million trees and reserved an additional 6.6 million saplings. "Erdenet Mining Corporation" has reserved 8 million seedlings and saplings, "Usukh Zoos" company 1.5 million, "Boroo Gold" company 928 thousand, and "Mongolrostsvetmet" 590 thousand saplings respectively. These organizations are leading in the number of trees planted.³² This initiative is aimed at combating climate change and increasing the country's forest cover to 9% by 2030. Efforts include enhancing tree nurseries, with 452 currently operating across the nation, and the establishment of a large reserve of over 62 million seedlings of various tree species. While this overall target is ambitious and unattainable by the set deadline, these early successes demonstrate the campaign's significant strides toward national reforestation and ecological recovery.

Mongolia's commercial banks have joined an initiative to plant 50 million trees, as enterprises have promised to contribute to the national initiative. To keep this promise, the **Bank of Mongolia** and the **Mongolian Bankers Association** established the *One Billion Trees Fund* in March 2022. Banks contribute to the fund through a percentage of their service fees. Through the fund, Mongolia's commercial banks have planted more than 105,000 trees on 37 hectares.³³ This contribution by the banks and many other enterprises fulfills both SDG 13 (Climate Action) and SDG 15 (Life on Land). The banks' participation not only aligns with their social responsibility but also highlights how private sector engagement can accelerate national sustainability goals, making this one of the most significant and wide-scale examples of PPP.

Oyu Tolgoi, one of Mongolia's leading mining companies, has made significant strides in building a skilled workforce through its collaborations with local educational institutions. The company partnered with the **Mongolian University of Science and Technology (MUST)** to launch Mongolia's first bachelor's program in geotechnics, addressing a critical gap in skilled professionals for the mining sector. This program, part of a broader \$2.75 million investment from Oyu Tolgoi and its parent company, Rio Tinto, aims to develop internationally competitive professionals in geotechnics and underground mining. These

efforts have already led to the training of over 5,000 local professionals, equipping them with skills essential for the sustainable growth of the mining industry. The program also includes a \$300,000 investment in a rock analysis laboratory at MUST, further boosting the capacity of local institutions to train high-level professionals.

These initiatives are a prime example of a public-private partnership (PPP) that supports SDG 4 (Quality Education) and SDG 8 (Decent Work and Economic Growth). By focusing on workforce development, Oyu Tolgoi not only contributes to the nation's long-term economic growth but also helps ensure that the benefits of Mongolia's resource sector are shared equitably with local communities.

If to name one more highly notable example, one of Mongolia's leading, well-known cashmere producers, **Gobi Corporation** has forged impactful partnerships to create a sustainable, ethically-driven supply chain. The company collaborates with nearly 3,000 herding families across Mongolia, integrating traditional nomadic practices with scientific research from the **Mongolian University of Life Sciences (MULS)**, a public university.³⁴ This collaboration aims to improve livestock health and enhance cashmere quality while fostering environmentally sustainable practices. By supporting smaller, more efficient flocks of goats, Gobi reduces the environmental impact of cashmere production. More, Gobi's emphasis on traceability allows customers to learn about the origins of their cashmere products, ensuring transparency and supporting local herders' livelihoods.

This commitment to sustainable production aligns with SDG 12 (Responsible Consumption and Production), as evidenced by its "*Sustainable Cashmere Trilateral Project*," which earned the 2023 CSR Sustainability Award.³⁵ This initiative, involving scientists, herders, and local businesses, highlights how PPP can promote responsible production. By ensuring that all cashmere is hand-combed, a more humane practice for the animals, Gobi also honors Mongolia's nomadic traditions while meeting global ESG standards. These partnerships, particularly with public enterprises like MULS, play a critical role in ensuring that Gobi's operations adhere to high environmental and social standards, contributing both to local socio-economic development and global sustainability goals.

Such partnerships are vital for addressing shared challenges like climate change, energy security, rural development, overall sustainable practices, all of which require substantial investment

³¹ Montsame, *Ten Thousand Hectares of Land Damaged by Mining Extraction Rehabilitated*

³² Montsame, *One Billion Trees: 42 Million Trees Planted, 63 Million Saplings and Seedlings Reserved*

³³ Khan Bank, *Sustainable Development and ESG Report (2023)*, 83.

³⁴ Afar, *How One Mongolian Sweater Company Is Making Cashmere More Eco-Friendly*

³⁵ *Gobi: AmCham Mongolia presented the "Gobi" JSC with the "CSR SUSTAINABILITY" award* https://info.gobi.mn/en/blogs/sustainability_shagnal_en

and innovation that public resources alone cannot provide. By participating in regional and international forums, Mongolian private enterprises also play a role in promoting SDG 17, facilitating cross-border cooperation, and contributing to regional stability in Northeast Asia.

CONCLUSION

For Mongolia to successfully achieve the SDGs, it is imperative to continue fostering public-private cooperation and encouraging private enterprise investments that align with sustainability objectives. The private sector's contributions not only accelerate progress on national development priorities but also position Mongolia as a key player in the broader regional and global efforts to realize the SDGs by 2030. While private companies lead the way in innovation and funding, public companies, often owned or affiliated with the government, oversee the management of extensive national resources and public services. Their focus is mainly on developing infrastructure, providing social services, and enforcing regulations. Mongolia's public enterprises are not only economic drivers but also key players in the country's core transition toward sustainability.

While private enterprises tend to innovate and invest heavily in ESG for competitive advantage and market reputation, public

enterprises ensure that the broader regulatory and infrastructural framework supports long-term sustainability. Together, both sectors contribute to Mongolia's overarching goal of aligning economic development with environmental protection and social well-being. Through infrastructure expansion, clean energy investments, and environmental conservation, these enterprises are ensuring Mongolia meets its SDG commitments while improving the quality of life for its people. For this paper, only the forefront enterprises have been introduced as they have the biggest impact and popularity in the country. Thus this hints that with their "popularization" of the SDGs and ESG principles, more and more smaller enterprises will be adopting these ideas and putting them into practice. As these efforts continue, stronger regulatory frameworks and strategic partnerships will be necessary to maximize their impact on Mongolia's long-term development goals.

At last, although SDGs and ESGs are starting to become highly relevant for both public and private enterprises in today's Mongolia, a great deal of contribution must be made toward widening the concept for effective implementation toward the set goals, all with consistent application and long-term commitment. Overall, the efforts are promising but not adequately even. Thus, this calls for collaborative action in the scope of SDG 17, not only within the country but regionally, in Northeast Asia.

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モンゴルにおける民間企業と国営企業がSDGsを達成するための取り組み(要旨)

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要 旨

モンゴルの持続可能な開発目標(SDGs)の達成に向けた取り組みは、民間企業と国有企業の協力によって推進されている。これは、モンゴル議会で承認された「持続可能な開発ビジョン2030 (SDV-2030)」でも指摘されている。民間企業は、経済の多様化、イノベーション、雇用創出、社会的責任プロジェクトを通じて主にこれに寄与しており、国有企業は国家資源とインフラの管理において不可欠な基盤的な役割を果たしている。国の政策文書を背景に、企業は2019年までに現在のSDGsの理念を採用し、SDGsの推進と普及に向けた企業の取り組みは、新型コロナウイルス感染症(COVID-19)流行による一時的な減速にもかかわらず、着実に増加している。

本稿は、モンゴルの民間および国有企業がモンゴルの持続可能な開発アジェンダに事業運営をどのように収斂させようとしているかについて、その主な取り組みと役割を紹介する。双方のセクターは、具体的な取り組みと構想を通じて、持続可能な開発への取り組みを強化している。さらに、環境、社会、ガバナンス(ESG)の原則の統合が勢いを増しており、企業は倫理的なガバナンス、社会的責任、環境管理に重点を置いていることを紹介する。モンゴルがSDGsの目標を推進していく中で、ESGを重視した企業戦略の育成は、政策実施のギャップや持続可能な投資のギャップを埋める上で極めて重要である。官民連携(PPP)の強化、責任ある投資の促進、ガバナンス構造の強化は、モンゴルが2030年までにSDGsの目標を達成するために不可欠である。モンゴルだけでなく、北東アジア全体でも、長期的な持続可能な開発を実現するための革新、部門横断的な連携、政策間の整合性の重要性について、さらに研究が必要である。

キーワード: SDGs、官民パートナーシップ、企業の社会的責任、ESG、モンゴル