

# Building capacity: Climate-resilient development and gender-inclusive entrepreneurship in Mongolia

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## ABOUT THIS PUBLICATION

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As part of the Australian Awards Fellowship, we hereby present three policy briefs that were developed by the Research Fellows from Mongolia with the Griffith University, Deakin University and the University of Southern Queensland Academics. We build the three series from one to the next, starting with understanding the policy framework to build climate-resilient small businesses in Mongolia, followed by understanding the best practices for MSMEs to become climate resilient in Mongolia and lastly, we present how to build capacity through climate-resilient development and gender-inclusive entrepreneurship in Mongolia. Below we present our part 3 of the series.

The findings, interpretations and conclusions expressed in this paper are those of the author(s) and should not be attributed to Griffith University or affiliated organisations.

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Cover image: Two Mongolian women at a street market in Bayan-Ulgiy, Mongolia. (Shutterstock)

## Introduction

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Climate change poses a significant challenge to businesses in Mongolia, impacting their operations, supply chains, and overall sustainability. As extreme weather events become more frequent and intense, the need for businesses to enhance their resilience to climate-related risks is vital. This policy brief aims to address the pressing issue of climate resilience development and advocate for collaborative governance as a key strategy for businesses to bolster their resilience in the face of a changing climate. By adopting a collaborative governance approach, businesses can leverage partnerships with governments, non-governmental organisations, and other stakeholders to develop comprehensive strategies that address both the physical and systemic risks posed by climate change.

In this policy brief, we examine collaborative governance models that encourage transparent decision-making, shared learning, and resource sharing among stakeholders for greater climate resilience. We emphasise that establishing platforms for dialogue and coordination involving government agencies, MSMEs, industry associations, climate experts, and civil society organisations can collectively address climate resilience challenges. Enhancing stakeholder engagement in policy processes is vital. Their active participation in formulation, implementation, and evaluation processes fosters inclusivity and ownership.

Improving data and knowledge management through a centralised database can enhance access to coherent information on MSMEs and the impact of climate change on these businesses. Promoting research collaborations and knowledge-sharing platforms can empower MSMEs with insights to navigate climate challenges effectively.

We recommend a series of strategies and actions to assist Mongolia in strengthening the resilience of its MSMEs, promoting sustainable economic growth, gender-inclusive entrepreneurship, and mitigating the adverse effects of climate change on its business environment. A key recommendation is to create a climate change community of practice. Addressing climate resilience in MSMEs in Mongolia requires concerted efforts across various sectors, emphasising collaborative governance, inclusive entrepreneurship, and research collaboration to build a resilient business ecosystem.

## Why MSMEs and climate-resilient development

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### What drives the need for collaboration to promote MSMEs in addressing climate resilience?

According to the Bank of Mongolia, a 1°C increase in Mongolia reduces GDP growth by 0.48 per cent<sup>1</sup> From that, private sector organisations account for 80 per cent of national GDP and 75 per cent of total employment in Mongolia. Thus they are one of the key players in reducing greenhouse gas emissions and promoting sustainable economic growth that is resilient to climate change. In more detail, if we look at the impact of climate change on some specific economic sectors, the Mongolian crop agriculture

sector could lose around \$3 million per year under 1.5°C of global warming, and around \$12 million under 3°C of global warming.<sup>2</sup> Besides these huge numbers, we continue to experience significant economic losses and damages caused by unexpected natural disasters and risks such as the floods we experienced in the summer in Ulaanbaatar 2023.

In key long-term development documents such as Vision 2050 and New Recovery Policy 2021-2030 in Mongolia, they've mentioned adopting the approach related to green, sustainable and climate-resilient development in all major sectors. Achieving these goals requires significant financial resources. For instance, according to the Government of Mongolia, a total of MNT 100-120 trillion is needed to achieve the "New Recovery Policy 2021-2030" highlighting the urgent need for additional financing resources for the country.<sup>3</sup> If we want to achieve these goals and the SDGs within the target period, it is necessary to attract the majority of the necessary investments and input from the private sector. State and local budget funding is recommended to be used to attract private investment and effort.<sup>4</sup>

Many countries pay great importance to the involvement of the private sector in strengthening climate-resilient development, and in particular, recent years have shown a stark increase in multi-stakeholder partnerships as a way of promoting the micro, small and medium enterprises (MSMEs) to shift their business into climate-resilient practices.<sup>5</sup>

In addition to considering them as a source of finance, MSMEs have multiple advantages, such as they are more flexible, innovative, and quick to act than larger companies when it comes to adopting climate-resilient practices. For example, applying, piloting energy-efficient processes and renewable energy solutions, and adopting sustainable supply chain management, and taking necessary improvements and next steps can be quickly implemented.

Also, MSMEs interact well with all local parties in many ways, including the local governments and other stakeholders, citizens, communities, and households. Therefore, MSMEs can drive adopting ways to be resistant to climate change, not only to increase the general resilience of the local area, but also to influence and improve cooperation among many parties who communicate, work together, and deliver products and services.

Lastly, MSMEs can play a crucial role in making the entire supply chain more climate-resilient by adopting sustainable and climate-friendly practices. They can enhance supply chain resilience by identifying vulnerabilities, diversifying sources, and incorporating practices to mitigate disruptions.

Therefore, the support, and cooperation of other parties should become a major force and leverage in improving the capacity of MSMEs to adapt to climate change, making them aware of its importance, and introducing it into their operations. The government can support the ecosystem with specific policy solutions, international organisations can cooperate in capacity building, think tanks and academic institutions can create and transmit knowledge in this field and fulfil their role in ensuring cooperation and understanding between the parties. When diverse groups come together to address climate resilience at the local and national levels, we can create a more climate-resilient and sustainable community.

## State of play in Mongolia

What is the current situation of collaboration in Mongolia? What are the distinct roles and responsibilities of each stakeholder group in promoting climate-resilient businesses?

Although more than 170 countries have already taken adaptation into account in their climate policies and planning, which has generated benefits in areas such as health, food security, and biodiversity conservation, there are still large gaps between actions already taken and the needs of society in response to the climate change impacts (IPCC 2022). Mongolia is in the process of developing and approving its National Adaptation Plan (NAP) in 2023 when this policy brief is being developed. The plan can be seen as the core tie together the efforts of the government, private sector, civil society and all other parties to adapt to climate change at the national level.

The plan includes several activities planned to be implemented with the participation and cooperation of the private sector. For example, within the scope of the 3rd objective of the plan, activities such as the development of an incentive mechanism to increase the active participation of private sector organisations in the field of disaster risk reduction, optimisation and activation of the disaster risk insurance system are currently included.

In terms of climate change governance, the next important question is whether there is a structure and system to implement NAP and ensure effective coordination. The Ministry of Environment and Tourism (MET) is the central government agency responsible for regulating climate change issues at the national level. In particular, the Department of Climate and International Cooperation under the MET is responsible for ensuring coordination and cooperation at an international level, and the Climate Change Research and Cooperation Centre (CCRCC) are the main party responsible for ensuring national-level cooperation. However, actions aimed at adapting to climate change are not only the government's responsibility. The most important role of the government is to unite the efforts of all stakeholders from ground to national level, direct cooperation towards nationally determined contribution, and lead by ensuring coordination.

From the point of view of structural governance, although a clear beginning has been made, the question of whether the legal framework and ecosystem of cooperation have been formed to talk about "effective and extensive cooperation" should be discussed later. In particular, it is important to create a space and ecosystem that leverages cooperation to attract private financing to the implementation of the National Adaptation Plan by strengthening the capacity and participation of the private sector.

In the National Adaptation Plan, a total of 89 groups of stakeholders, who have the authority, responsibility and interest in solving climate change adaptation issues, were identified as the key stakeholders. The stakeholders were classified at 1-4 levels and the strategy was determined to ensure the participation of each group.<sup>6</sup> In this plan, private sector organisations are determined as a group

level II, which is a group with high interest and low power, and it is stated to follow a participation strategy to increase their power and improve their capacity through consultation and proper use of their interest.<sup>7</sup>

According to the literature review, past efforts and experiences of stakeholders show that they have made substantial progress in shifting a green economy and building climate-resilient businesses through efforts of state and other stakeholders and jointly implemented projects, programs, and measures. However, regarding the coordination of efforts at all levels, there are still certain obstacles and challenges.

## Collaborative governance for climate-resilient development

To effectively ensure the cooperation of the stakeholders, it is vital to adopt the best models or approaches of cooperation that can support collaboration with MSMEs in the context of climate-resilient development.

The collaborative governance approach serves as a model for addressing climate change challenges as a result of the complex nature of developing solutions across stakeholders, time scales, geography, and levels of government. This approach differs from other governance models, such as top-down or state-centralised approaches, in several key ways. Collaborative governance has emerged as a response to the failures of implementation and high costs as well as politicisation of regulation. Central to this approach of governance is the feature of multiple stakeholders being brought together in common goals with public agencies to engage in consensus-oriented decision-making.<sup>8</sup>

To adopt collaborative governance in supporting climate-resilient businesses, the first step is to identify key stakeholders, including MSME owners, industry associations, government agencies, climate experts, environmental organisations, and representatives from marginalised groups. The first step ensures that diverse perspectives can be included, heard and valued. Unlike traditional models that might focus solely on policy goals, collaborative governance places a strong emphasis on understanding the interests and concerns of each stakeholder group.

To reflect all these principles, leadership is crucial for setting and maintaining clear ground rules, building trust, facilitating dialogue, and exploring mutual gains. The following steps are important in developing a collaborative governance approach and can serve as a guide for leaders and stakeholders in the process of developing a collaborative governance approach:

- **Identify Key Stakeholders:** Include MSME owners, industry associations, government agencies, climate experts, environmental organisations, and representatives from marginalised groups to ensure diverse perspectives.
- **Facilitate Leadership and Set Ground Rules:** Leadership should establish and maintain clear rules, build trust, facilitate dialogue, and seek mutual gains. The facilitative leadership style is recommended for exploring potential mutual benefits.

**Figure 1: Key principles of collaborative governance**



Source: Authors.

- **Role of Facilitators and Mediators:** Facilitators should focus on the integrity of the consensus-building process, being least intrusive. Mediators should increase their role in negotiations when stakeholders are ineffective in finding win-win outcomes. Often, research organisations or think tanks act as mediators in many cases.
- **Implement and Review Adaptation Projects:** Review climate-resilient development projects (such as those in Mongolia), and review them to learn how they might benefit from applying the principles of collaborative governance.
- **Engage in Consensus-Oriented Decision-Making:** Involve multiple stakeholders and public agencies in decision-making, aiming for consensus.

**Table 1: The findings of a review of projects in support of climate-resilient development.**

Project Indicators		ADAPT <sup>9</sup>	ADB <sup>10</sup>	SWITCH-SOGE <sup>11</sup>	NAP <sup>12</sup>
1	Transparency	High	Low	Medium	Medium
2	Inclusiveness	High	Medium	Medium	High
3	Data, research, and resource sharing	Medium	Low	Medium	Medium
4	Shared planning and shared measurement and evaluation	Medium	Medium	Medium	Medium

Source: Authors.

Currently, several adaptation projects are being implemented in Mongolia to support climate-resilient development. Out of these projects, four projects with capacity-building and cooperation activities for private sector organisations were highlighted, and an initial review was conducted based on open-sourced data to see if the basic principles of collaborative governance were followed in the design of projects.

The selected projects were measured by four indicators, each indicator measured by 2-3 sub-indicators. These adaptation projects have durations ranging from 2-8 years, and all have specific components aimed at strengthening the capacity of the MSMEs.

As an overall result, the adaptation projects in Mongolia had an average rating in the areas of Transparency and Inclusion. Most projects frequently share their updates through social channels like their website, and Facebook pages. Also, It's important to highlight the commitment of each adaptation project to ensure stakeholder participation and gender equality such as giving priority to supporting women-owned MSMEs and setting gender quotas for their beneficiaries.

However, there's room for improvement in focus on the effective sharing of research, data, knowledge, and resources among the stakeholders. In addition, we found that we need to engage more stakeholders in our efforts to measure the effectiveness of our adaptation actions.

As a result of this initial assessment, recognising the principles of the collaborative governance concept, the following actions have been identified to bridge the gaps in developing climate-resilient businesses in Mongolia. All actions require collaborative efforts from the government, the private sector, and other stakeholders.

### 1. Promoting inclusion and transparency in collaboration processes to assist climate-resilient business

In the context of promoting climate-resilient businesses, being transparent and inclusive in collaborative governance means ensuring that all stakeholders have access to information and are involved in the decision-making process. This can help to build trust and ensure that the needs and perspectives of all stakeholders are taken into account.

Some adaptation projects, mentioned in this paper have a web page, actively maintain information flow through 2-3 different platforms, including progress information,

and publicly upload reports and products of the project, while some projects only post 2-3 times a year regarding just updates on progress through the web page of the implementing organisation, which is not sufficient in terms of transparency. Sharing information about research and project activities aimed at enhancing the adaptability of the private sector in various fields is a fundamental principle in the coordinated cooperation of projects.

In terms of inclusiveness, it was seen that most of the adaptation projects implemented in Mongolia have relatively good stakeholder participation. However, it is necessary to involve the most vulnerable and target groups in all stages of project activities, planning, and evaluation, and to improve the consideration of their opinions in decision-making. It is a positive finding that the gender perspective is taken into account in the projects commonly, but the aspect seen from the perspective of ensuring the participation of other vulnerable and targeted groups of society is low. These groups include:

- Informal micro-enterprises: One of the biggest challenges facing small and medium enterprises (SMEs) in Mongolia is the lack of official registration. When around 100 enterprises were surveyed, it was found that approximately 26-30 per cent of them were not registered. Unregistered SMEs in Mongolia are unable to access government procurement and construction contracts, financial loans, and other forms of support for SMEs. This increases their vulnerability to climate change risks.
- MSMEs in rural or remote areas: Mongolia's economy has a significant rural and nomadic population that relies on agriculture and herding. These communities are highly vulnerable to climate change impacts such as erratic weather patterns, desertification, and water scarcity. However, due to their remote locations and limited access to information and resources, they struggle to access climate-resilient policies, programs and initiatives.
- MSMEs owned by People with Disabilities: According to the ADB, 25 per cent of the total People with Disabilities (PWDs) in Mongolia are self-employed, which is higher compared to the total population (20.3 per cent). However, people with disabilities were at greater risk of closing their businesses, indicating that they were more vulnerable to unprecedented risks such as COVID-19. In particular, women with disabilities acknowledged the fact that they had to permanently close their businesses due to the COVID-19-associated sudden risks.<sup>13</sup>

## WAYS FORWARD:

- In promoting transparency, incorporate transparency indicators in adaptation projects from frameworks like Open Climate Adaptation (OCA), Transparency International's CAI Toolkit, and Adaptation Monitoring and Assessment Tool (AMAT) into the adaptation effort's M&E framework for robust assessment and assurance of openness in climate adaptation initiatives.
- In promoting inclusiveness, GEDSI (Gender Equality, Disability and Social Inclusion) which is a framework designed for increasing the inclusion of vulnerable groups is recommended to adopt commonly in adaptation projects. This approach aims to ensure that all groups have equal access to resources, services and decision-making processes and that their diverse perspectives and needs are considered. Failure to take into account GEDSI dimensions means that our collaborative efforts will not be as effective as they could be in reducing vulnerability and increasing resilience.

## 2. The importance of research collaboration and knowledge sharing for climate-resilient business

Without reliable MSME data, it is difficult for policymakers to implement policies aimed at expanding and strengthening the MSME sector.<sup>14</sup> Coordinated and large-scale MSME data collection, management and dissemination will allow policymakers, climate fund sources and local financial institutions to acknowledge the growth of MSMEs that drive climate action.<sup>15</sup> In Mongolia, the lack of coherent and accessible data on MSMEs is a general issue for policymakers.<sup>16</sup> Data on different aspects of SMEs are gathered by different public institutions, such as the Bank of Mongolia, the National Statistical Office, the Chamber of Commerce, and other research and international organisations through surveys on MSMEs. These institutions even employ different definitions of MSMEs, leading to inconsistencies in data. Therefore, these data lack consistency and integration due to limited coordination among these entities and the absence of a centralised database.

Additionally, when considering the impact of climate change on MSMEs, a significant data and research gap exists in Mongolia. While government agencies, such as the Ministry of Environment and Tourism, monitor environmental aspects of climate change, such as temperature fluctuations, shifts in precipitation patterns, and desertification, there is a notable absence of information specifically addressing how climate change affects the private sector, particularly MSMEs. The adaptation projects implemented in Mongolia conduct a certain amount of research on this area. However, research reports are seldom accessible to the public, and there are no instances of openly distributing raw data.

Access to quality information through knowledge-sharing and learning can greatly facilitate the uptake and diffusion of new policies and technologies and can enable data-driven policymaking and innovation.<sup>17</sup> MSMEs

can initiate alliances or networks with other partners and benefit from knowledge sharing,<sup>18</sup> which may play an important role in building climate-resilient MSMEs. In Mongolia, there are some efforts and initiatives, aimed at enhancing information sharing and promoting access to information, including an online database on GHG inventory, meteorological information and climate change projection (<http://www.eic.mn/>), UN-REDD program ([www.reddplus.mn](http://www.reddplus.mn)), and JCM web ([www.jcm-mongolia.com](http://www.jcm-mongolia.com)). However, there is currently no platform where the private sector and MSMEs can convene to share their knowledge and experiences regarding their efforts to enhance the resilience of their businesses. The above-mentioned projects disseminate knowledge and information created within the project through their social media accounts, organisational websites, and in rare cases through a dedicated project website, but there is an absence of official platforms for collaborative knowledge sharing. Such a platform could link, coordinate, and provide information for all types of stakeholders, including MSMEs, to support their efforts to become more climate resilient.

## WAYS FORWARD:

- **Centralised Database:** Collaborative governance can facilitate the establishment of a centralised database for SME information, ensuring consistency and integration of data collected by various institutions. This database can serve as a valuable resource for policymakers and climate fund sources.
- **Research Collaborations:** Encourage research collaborations between government agencies, research organisations, and SMEs to fill the data and research gap related to climate change impacts on SMEs. The research could encompass areas such as the vulnerability of SMEs to climate-related risks, potential adaptation strategies, and economic implications. The findings would provide a foundation for informed policy-making and enable the development of tailored initiatives to enhance the resilience of SMEs in the face of climate change.
- **Information & Knowledge-Sharing Platforms:** Improving access to timely and accurate information will empower MSMEs to make informed decisions and proactively address climate risks. Therefore, The SME Agency of Mongolia could establish a platform or network for information sharing on climate resilience, providing SMEs with access to relevant data, weather forecasts, and best practices related to climate resilience.

## 3. The importance of shared planning, shared responsibility and shared measurement

Shared planning, shared responsibility, and shared measurement are fundamental in adaptation projects as they promote alignment, accountability, efficient resource utilisation, informed decision-making, collaboration, sustainability, transparency, and adaptability—all critical factors for successful project outcomes.

When considering how the above-mentioned projects aimed at supporting the climate-resilient MSMEs involve the relevant stakeholders at each level of project implementation, it was observed that inviting stakeholders to certain activities and events of the projects is relatively good. Particularly, within the framework of the NAP project, national-level consultation workshops were organised to receive the opinions/ suggestions of the stakeholders, and the local-level consultation workshops were held in all 21 provinces with the participation of diverse stakeholders such as the government, private sector, herders, and non-governmental organisations, which are crucial steps that ensure the participation of the stakeholders.

However, these projects need to pay attention to common issues such as ensuring participation by empowering stakeholders in the project planning and evaluation stages, such as the determination of M&E criteria, shared monitoring, and evaluation of final results.

#### WAYS FORWARD:

- Ensuring the participation of various stakeholders during the program/project planning and implementation process: Ensuring multi-stakeholder participation lies in fostering an inclusive and collaborative environment of the program. Employing transparent communication channels, active engagement strategies, and platforms that encourage continuous feedback will not only empower stakeholders but also foster a sense of ownership, aligning objectives, and enhancing the overall project efficacy.
- Don't wait, Take the initial leap into the collaboration to build climate-resilient MSMEs. Effective long-term response to climate change will require extensive stakeholder engagement as MSMEs alone may not have the capacity to take fully effective actions towards becoming climate-resilient. To raise MSMEs' awareness of climate change, its impact on their businesses and climate risk development, the initiatives and effective collaboration between the public and private sectors, think tank organisations and international organisations are crucial.

#### 4. Implementing the principles of collaborative governance through community of practice

In the last decade, a growing number of researchers have promoted the idea of a "Community of Practice" (CoP) as a way to speed up the process by which scientific knowledge migrates into public dialogues and social actions.<sup>19</sup> This idea is recognised as a crucial method for fostering the

exchange of knowledge, connectivity, and capacity development among stakeholders with the same goal.

This voluntary and organic cooperation not only allows stakeholders to share their experience and knowledge, to solve complex and important social problems but also is one of the best opportunities to grow their professional networks.<sup>20</sup>

There are several types of CoP related to climate-resilient development from think tanks around the world. For example:

- The National Network for Ocean and Climate Change Interpretation (NNOCCI)
- The European Network for Community-led Initiatives on Climate Change and Sustainability (ECOLISE),
- ADAPT and The EU Mission Adaptation Community of Practice.

They organise regular meetings and do above mentioned activities within their operations.

According to the experience of other countries, think tanks and research organisations mainly play the role of facilitating collaborative governance to build climate-resilient development by providing research, necessary expertise, dialogue, advocacy, and training. They can play an important role by contributing research and expertise to inform and advance the understanding and practice of climate resilience development.

#### IRIM INITIATIVE:

IRIM is launching the initiative to create a Community of Practice which will involve a group of researchers who have a profession, or passion regarding climate-resilient development. It is planned to organise the following activities within this initiative.

- ✓ Periodic speaking series: information and knowledge sharing, networking.
- ✓ Advocacy activities: policy brief, high-level talks.
- ✓ Capacity building master classes: young professionals, researchers, university students.
- ✓ Roundtable meetings on particular issues

It is believed that the main results expected from the Community of Practice will increase the contribution of researchers to the advancement of many of the issues in terms of collaboration gap for the stakeholders mentioned in this briefing paper. This initiative is fully open to other researchers and organisations interested in supporting and collaborating in terms of content and organisation.

## Conclusion and recommendations

Based on the insights of this brief, several key recommendations emerge concerning policy frameworks, best practices, and capacity-building strategies for enhancing climate resilience within Mongolia's small and medium-sized enterprises (MSMEs):

### RECOMMENDATION 1

#### Encourage collaborative governance for building climate-resilient SMEs

Promoting collaborative governance represents a novel approach within the Mongolian context, necessitating a series of trials to familiarise stakeholders with its principles. These principles include transparent decision-making, shared learning, and resource sharing, which are crucial for supporting climate-resilient SMEs. To introduce this approach effectively, it's suggested to first test it within adaptation project designs. This testing ground could be provided by SME empowerment and resilience support projects led by international organisations like ADB, UNDP and GGGI, which specialise in climate-resilient development in Mongolia. Successful implementation of these projects will serve as practical examples for relevant government agencies.

Central to this endeavour are key government authorities, notably the Ministry of Environment and Tourism and the SME Development Agency for Mongolia. These entities should not only become familiar with collaborative governance models but also be empowered to facilitate them. Creating platforms for dialogue and coordination involving government agencies, MSMEs, industry associations, climate experts, and civil society organisations will be vital for collectively addressing climate resilience challenges. By championing collaborative governance, these authorities can lead to a more united and effective response to climate change within the SME sector in Mongolia.

### RECOMMENDATION 2

#### Improve data and knowledge management

The establishment of a centralised database is proposed. This comprehensive platform would integrate data on MSMEs and climate impacts specific to Mongolia's context, serving as a repository for information on climate-related risks and the economic impact of climate change on various sectors. Collaboration with the National Statistical Office, the Ministry of Environment and Tourism, the SME Development Agency, and other relevant institutions will be crucial for collecting and harmonising data, with the development of standardised criteria for data inclusion to ensure consistency and relevance. An online portal accessible to MSMEs, policymakers, and researchers would facilitate real-time data sharing and analysis.

This database could be developed based on the National Statistical Office's database on the business register using administrative and survey data from the above-mentioned organisations. Additionally, it is imperative to tailor research collaborations and knowledge-sharing platforms to promote research collaborations and knowledge-sharing platforms to fill existing information gaps and empower MSMEs with the necessary insights to navigate climate challenges effectively. In this regard, a research consortium focused on climate-resilient MSME would be established as a collaborative network comprising local academic institutions, think tanks, government bodies, industry associations, and MSMEs themselves. Incentives, such as funding, awards, and recognition, could also encourage this research collaboration for greater impact.



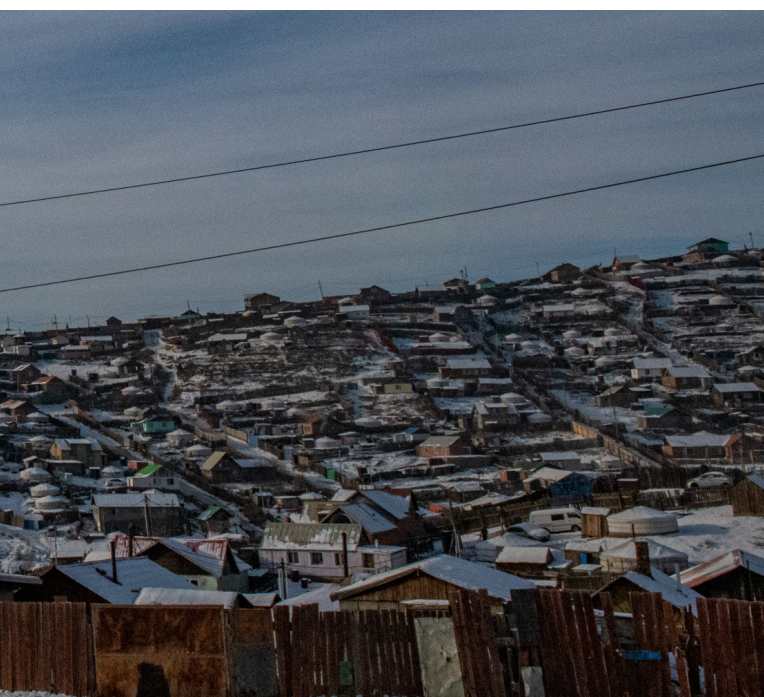


### RECOMMENDATION 3

#### Establishment of climate change community of practice

The establishment of Climate Change CoP is a more coordinated, inclusive, and effective approach to contribute to making climate-resilient MSMEs. Using a Collaborative Governance approach will be enabled to encourage collaboration between the key stakeholders who are involved in shaping the policy environment for MSMEs in Mongolia including the Government Agencies, the Mongolian National Chamber of Commerce and Industry (MNCCI), Financial institutions, Donor organisations, MSME associations, research institutions, and CSOs. It is also an effective way for MSMEs operating similar activities with each other to voluntarily form CoPs or cooperatives among themselves. By doing so, they can share information and best practices to enhance the resilience of their business operations against the impacts of climate change. To facilitate this process, the MNCCI and the SME agency in Mongolia could provide support on technical and financial aspects. Moreover, it is important to ensure the active participation and voices of not only the above-mentioned stakeholders but also representatives from marginalised groups in policy formulation, implementation, and evaluation processes to foster inclusivity and sustainability.

Through the exploration of policy frameworks, best practices, and capacity-building strategies outlined in this three-part series, we have identified critical pathways towards fostering a more resilient business ecosystem. Recognising the indispensable role of MSMEs in driving economic growth and employment, it is imperative to address the multifaceted challenges posed by climate change through collaborative governance and inclusive entrepreneurship.



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## ABOUT THE GRIFFITH ASIA INSTITUTE (GAI)

Griffith Asia Institute (GAI) is an internationally leading partner for an inclusive, sustainable and prosperous Asia-Pacific. We build capacity and create positive impact through partnerships in sustainable economics and business, politics, international relations, security, and inclusive development.

Founded more than 25 years ago, GAI has 130 members and is the largest institute of Griffith Business School at Griffith University.

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## ABOUT THE INDEPENDENT RESEARCH INSTITUTE OF MONGOLIA (IRIM)

The Independent Research Institute of Mongolia (IRIM) is one of Mongolia's leading national organizations specializing in research, monitoring and evaluation, training, advocacy and consulting projects.

IRIM was one of the very first organizations in Mongolia to promote independent, third-party research as institutional practice and develop expectations of effective research management and technology. With full knowledge of the good we can accomplish, we are passionate about raising the level of competition among Mongolian consultancies and highlighting the realities in Mongolia to its citizenry and the world.

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