

# MAPPING: KEY FIGURES NATIONAL REPORT: MONGOLIA

ICA-EU PARTNERSHIP



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## **Mongolia- Key Figures National Report**

### **I. Introduction and context**

This report is part of a global mapping exercise launched by the International Cooperative Alliance (ICA) and its regional offices within a partnership signed with the European Commission for the period 2016-2020, which aims to strengthen the cooperative movement and its capacity to promote international development. Other research projects include a worldwide legal frameworks analysis, and several thematic researches on themes of significance for cooperatives.

Responding to challenges and existing knowledge gaps facing the cooperative movement, this research provides exhaustive information on cooperatives worldwide. This has been achieved by collecting the input of ICA members through an online questionnaire, and completing it with relevant national statistics, in order to obtain an accurate picture of the national situation. Mapping out cooperatives in each country provides a more precise picture of the cooperative context at national and regional levels, enhances the movement's visibility, networking, partnerships, opportunities, as well as advocacy, and empowers cooperators by providing them tools for positive change.

Within this framework, the present report showcases information about the cooperative landscape in Mongolia.

#### **i. Historical background**

First established in 1920s, cooperatives in Mongolia have come a long way from being state-controlled and managed enterprises for decades to being promoted as community-owned enterprises in recent past. The democratic reforms in Mongolia in 1990s have had a positive influence on cooperatives with active encouragement for community ownership and strengthening of cooperative operations and management. The government of Mongolia recognises the role of cooperatives towards the achievement of Sustainable Development Goals (SDGs), thus ushering a new era for cooperatives where national and international linkages are being forged in favour of cooperative development.

Cooperatives were introduced in Mongolia by the Mongolian People's Revolutionary Party in 1920s for a state-guided economy. Between 1920 and 1940, forced collectivisation of livestock herders and farmers was practiced and communes were formed that were state controlled and managed. Post 1940s, the New Turn Policy for socio-economic reforms allowed famers and livestock herders to have private control

over their cooperatives. At this time, voluntary small-scale producers' cooperatives and consumer cooperatives were also encouraged.

New set of economic reforms were introduced in 1980s during which cooperatives were developed to increase social mobility of people. In mid 1980s, voluntary labour associations, auxiliary farms, and contracts between state farms and agricultural cooperatives were encouraged by the government. Individual and family-based cooperatives witnessed a growth during this period.

Post 1990 with the Democratic Union Coalition coming to power, state-controlled cooperatives were dissolved and private industries were encouraged. In 1991, the Association of Private Herders Co-operative (APHC) was formed by herders who reclaimed their livestock from the State during the democratic revolution in 1990. In 1992, NAMAC was formed to develop management and human resources, strengthen and promote agricultural cooperatives. During this period, other sector-wise cooperative federations were also formed, namely the Central Union of Mongolian Consumer Co-operatives (CUMCC), the Central Union of Mongolian Industrial Co-operatives (CUMIC), Union of Mongolian Production and Service Co-operatives (UMPSC). The Mongolian Confederation of Credit Unions (MOCCU) was formed in 2007.

The National Programme for Cooperative Development (2009-2017) was launched to provide knowledge and trainings to cooperatives and support NGO activities for the promotion of cooperatives. In addition, the government also launched subsidies and loans to support the development of cooperatives. In 2019, the Mongolian Cooperative Training and Information Centre (MCTIC) merged with MNCA to strengthen MNCA's role as the national organisation representing cooperatives.

The permanent representative of Mongolia to the United Nations (UN) made an intervention in 2015 favour of cooperatives during the Inter-Governmental Panel on the Means of Implementation and Partnership to Deliver the Post 2015 Development Agenda.

The National Program for Cooperative Development (2019-2024) was approved in 2019. As part of this program, a Development Ladder Assessment tool would be used to monitor all registered cooperatives. A new branding for cooperative agricultural products 'Agri-Coop' was launched in 2019 by NAMAC, Adventist Development and Relief Agency, Mongolian Ministry of Food, Agriculture and Light Industry and Selenge Organic. In 2021, revision in the Cooperative Law of Mongolia provided that the Soum Fund for supporting local small and medium enterprises through soft loans will be transformed into a Cooperative Development Fund.

## ii. Public national statistics



Public national statistics on cooperatives in Mongolia have been taken from the Co-operative News Report published by Mongolian Co-operative Training and Information Center (MCTIC) for the year 2019.

#### NUMBER OF COOPERATIVES

In 2019, there were 4,777 cooperatives.

#### NUMBER OF MEMBERS

In 2019, there were 223,421 members in cooperatives.

### **iii. Research methodology**

The aim of the mapping research is to collect and make publicly available reliable and up-to-date data to understand what the cooperative movement represents in the targeted country. With this view, the data detailed in the present report has been collected using the methodology detailed below.

The methodological tools include a questionnaire used to collect the data, which was distributed online to the members, as well as a methodological note provided for further guidance. They were built jointly with all ICA regional offices with the support of external experts from the European Research Institute on Cooperative and Social Enterprises (Euricse) and are applied in a harmonised way in all the target countries.

The classifications used in the research are consistent with the internal system used within the ICA movement (e.g. on membership status and types of cooperative organisations) and with standards increasingly adopted in recent studies and by international organisations like the ILO – e.g. using international classifications of economic activities such as the International Standard Industrial Classification (ISIC) rev. 4, which ensures the comparability of statistics both nationally and internationally, as well as with statistics on other forms of enterprises.

Regarding the target organisations, considering that a worldwide survey has very challenging goals, and while the value of directly collecting data from non-member cooperatives must be recognised, the present Mapping exercise targets cooperative organisations members of the ICA.

Furthermore, in order to complete the ICA members' data, the decision was taken to also look at external sources, to provide additional and more exhaustive cooperative statistics for the country. As a result, the data is collected following two strategies contemporaneously: 1) collecting statistics already available in the country; 2) carrying out a survey targeting ICA cooperative members.

The Mapping report for Mongolia was prepared using information available in the Co-operative News Report published by Mongolian Co-operative Training and Information Center (MCTIC) for the year 2019 and profile information on National Association of Mongolian Agricultural Cooperatives (NAMAC).

## II. Key figures

Mongolia has two ICA member organisations:

### 1. Mongolia National Cooperative Alliance (MNCA)

(MNCA) is the apex organisation representing cooperatives in Mongolia. It became a member of the ICA in 2011.

### 2. National Association of Mongolian Agricultural Cooperatives (NAMAC)

NAMAC is a self-funded non-profit organisation that provides training and support to strengthen agricultural cooperatives and promote rural development. It became a member of the ICA in 2009.

#### i. ICA member data

The data on ICA membership in this section was collected from the Co-operative News Report published by Mongolian Co-operative Training and Information Center (MCTIC) for the year 2019 and the profile information on NAMAC.

#### ii. General overview

The present section provides an overview of data from two ICA members in Mongolia. With regards to the share capital, turnover and assets, the amount is provided both in Mongolian Tugrik (MNT) and in the equivalent amount in EUR.

Category	MNCA	NAMAC
Year	2019	2019
Number of cooperative memberships	4,777	493
Number of individual memberships	223,421	1,50,000
Share capital	EUR 16,342 <sup>1</sup> (48,234,600 MNT)	-

Table 1: Cooperative statistics representing ICA membership in Mongolia

<sup>1</sup> This amount was calculated based on the annual average rate (as per 1st April 2019) between the two currencies, using the currency converter InforEuro:  
[http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro)

### iii. Sector overview

The sectors used below correspond to the categories used in the ISIC rev. 4. to classify the economic activities carried out by the organisations concerned.

Cooperatives in Mongolia are present in diverse sectors including consumer, agricultural, worker, service, and credit and savings.

Sectors	Percentage of cooperatives (2019)
Consumer	34%
Agricultural	31%
Worker	14%
Service	12%
Credit and savings	9%

Table 2: Cooperatives per sector in Mongolia (2019)

### III. Graphs

#### i. Percentage of cooperatives per sector

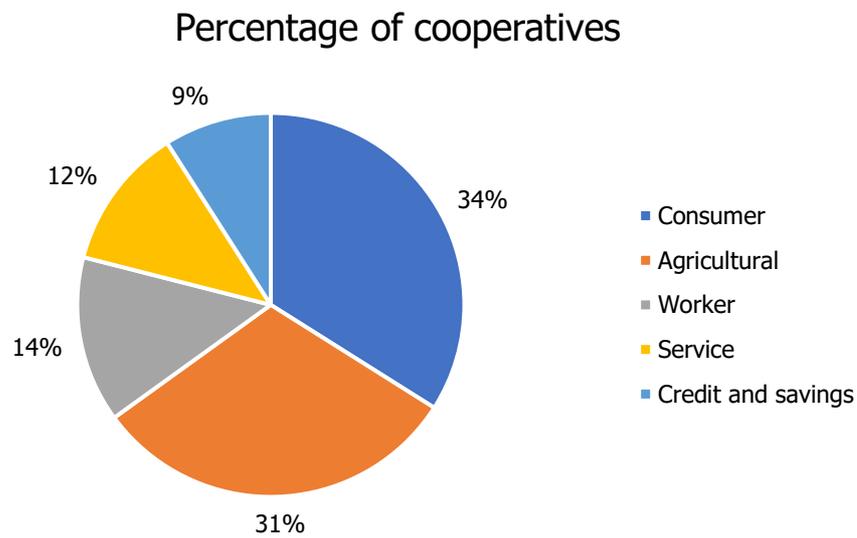


Figure 1: Cooperatives per sector in Mongolia (2019)

## IV. Annexes

Sources and contacts are listed below.

### Sources

1. MCTIC (2019). [Co-operative News](#).
2. ICA-AP (2021). Mongolia country snapshot.
3. Member profile, [NAMAC](#) by Asian Farmer's Association for Sustainable Rural Development.

### Contacts

Further details on the Mapping research and other country reports are available on [www.coops4dev.coop](http://www.coops4dev.coop)

The production of this report was overseen by staff from ICA-AP Office. For any further information or clarification, please contact [mappingresearch@ica.coop](mailto:mappingresearch@ica.coop)

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