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The Mongolia Monitor

News from USAID Mongolia

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Mission News:

November was almost entirely occupied by the annual performance reporting and Operational Plan review exercises. Also, after a year of churning personnel, the Mission began to settle back into something resembling a “normal” routine. Leave plans were finalized; invitations went out to bring in Senior Program Officer Joan Silver (Cambodia) and Mission EXO Cory Edwards (Manila) over the holidays; and economics training in the U.S. was arranged for the Mission’s Senior FSN, Mendsaihan Hasbaatar, in early December. Against a backdrop of -12F mornings, our project chiefs of party began the annual ritual of freeze proofing their projects for the long Mongolian winter.

Program News:

PROGRAM AREA: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic Policy Support

Tax reform implementation support – USAID and the project received tentative dates from the U.S. Internal Revenue Service (IRS) International Visitor Program for the prospective visit of a delegation from the Mongolian Tax Authority (MTA). Dates for the visit are expected to be settled in early December.

Trade Policy Support

Single electronic window for trade facilitation – Under EPRC’s coordination, a five member technical team from the *Société Générale de Surveillance* (SGS) arrived on 27 November to conduct a *pro-bono* feasibility analysis for the establishment of a single electronic window (SEW) for trade facilitation. The team is scheduled to hold meetings with private sector stakeholders and agencies involved in the SEW Working Group (WG). The SGS mission, WG members, private sector stakeholders and the EPRC trade team staff will travel to Zamyn Uud to examine border point clearing systems and procedures.

National Committee on Trade and Transport Facilitation (NCTTF) – The project continued to gather and analyze data and conduct interviews with freight-forwarding companies to support the technical work of NCTTF.

Competitiveness Support

Mongolia Mortgage Corporation (MIK) completes its first acquisition of \$1.1 million of mortgages – On 5 November, MIK signed an agreement with Xac bank to purchase a qualifying portfolio of mortgages. Per agreement with MIK, EPRC-seconded and Acting MIK CEO, Ms. Ashidmaa D., returned to her project position on November 23 after MIK hired a full-time CEO funded on their own account. EPRC will continue to provide expertise to help the Mongolian banking sector develop a secondary mortgage market.

Housing finance assistance to lower and middle income families - Following a presentation on successful housing assistance programs in other countries and the potential application and benefits for Mongolia, EPRC reached an agreement with the Parliamentary Joint Budget and Economic Committees working group on housing finance to design a program for Mongolia to assist lower and middle income families to acquire or upgrade housing through down payment supplements that will allow them to qualify for market rate financing from commercial banks.

Independent testing laboratory for natural fibers – Following completion of an EPRC-sponsored feasibility study in September, and testing of a random sample of Mongolian cashmere products, Intertek Corporation, a leading independent global testing firm, announced their intention to establish a commercial independent laboratory in Mongolia. This will be an important development for the industry as a first step towards a certification program for the “Mongolian Cashmere” marks for pure and blended cashmere. All items tested in the random sampling were pure cashmere and met European ecological standards.

Energy Sector Support

GoM/external partners meetings – The Energy Working Group (EWG), co-chaired by USAID, met for a sixth time on 15 October. EBRD was welcomed as a new permanent member. Discussions at the meeting centered around the status and progress of emergency preparedness for a potential disaster in the UB heating sector; status and progress of the Public Information/Public Education (PI/PE) campaign; the status of the Performance Agreement currently in effect with a licensed energy company; further

discussion of the need to fund power sector subsidies directly from the state budget; the status of coal price increases for the Sharyn Gol mine; and the current draft of the GoM's Energy Law Amendment. Additional information on most of these is reported in more detail below. Meeting notes for the November meeting and a draft agenda for the meeting on 7 December have been prepared and issued. The next GoM/External Partners technical meeting is scheduled for 28 January 2008.

Electricity and heating sector emergency preparedness – EPRC issued a report on the Ulaanbaatar heating sector in November. The focus of the report is to provide relevant information and support to the Asia Pacific Center for Security Studies (APCSS) for use by their advance team in planning the event that will be held in March 2008. The report has been issued to the advance team and US Embassy officials. In short, the UB heat sector is very close to a disaster due to the serious degradation of the infrastructure from lack of adequate maintenance and upgrading. Because the system is already operating close to full capacity, some micro districts may not be fully serviced. The UB heating company has issued a moratorium on approval for new connections while they perform a complete analysis of the state of the sector. The EPRC energy team will meet with the APCSS advance team when they are here in December.

Public Information/Public Education (PI/PE) campaign – The project presented the salient features of the campaign strategic plan at the EWG November meeting and asked EWG members for comments, suggestions, and endorsement of the campaign strategy at the December EWG meeting. With MoFE's support, the project is continuing the planning process for the television program, sponsored through the *Open Government Website*, focused on the heating sector of Ulaanbaatar.

Fuel/Coal sector – An increase in coal prices for the privately-owned Sharyn Gol mine was to occur in November. The Sharyn Gol Representative Governing Board (BoD) issued a proposal for a price increase of approximately 3,000 Togrogs per ton (current price in effect is approximately 13, 600) to the MoFE who has taken the request under advisement. A price increase of some kind appears to be a done deal, though MoFE has yet to issue final approval, and is likely to settle around 2,000 Togrogs per ton.

Performance Agreements – The third quarter numbers have been issued for the performance agreement with the Baganuur and Southeast Region Distribution Company, and there was a drop from the half year 60 million Togrog reward to 20 million. The reason was that customers tend not to be diligent in paying their bills in the summer months. The reward figure is expected to rise once the year-end results are in. Because of the demonstrated potential for rewards, other licensed entities that previously were reluctant to sign performance agreements are now showing interest in executing performance agreements, most notably the two largest licensed companies, UB CHP #4 and the UB Electric Distribution Company. This shows that the ERA strategy to use a successful pilot project to induce state owned energy companies to sign performance agreements appears to be working.

Amendment to the Energy Law – This amendment has been in process for many months. Five or six previous draft amendments were issued and EPRC made comments and recommendations based on international experience and best practices. Most had to do with better clarification of MoFE and the ERA roles and responsibilities. This was primarily to deflect MOFE attempts to increase its authorities at the expense of ERA independence and to drop several articles that were onerous to potential investors. The current draft is much better. EPRC and ERA have collaborated to define remaining issues and these have been sent to the MoFE for their consideration and discussions. The next step will be to solicit EWG comments and approval.

National Dialogue Support

Business-Government Roundtable: Comments on proposed draft customs laws – At the request of the Mongolian National Customs Administration (MNCA), the project and The Tavan Bogd Group sponsored a roundtable discussion of the draft laws on 21 November. Fifty-seven participants from the private sector and over 20 officials from Customs participated in the event that EPRC facilitated. Participants had copies of the proposed laws distributed in advance and were divided into three separate discussion groups to provide specific suggestions for amendments. The suggested amendments are in the process of being collated and edited for distribution to participants to solicit further comments. Once the process is completed, the comments will be sent in writing to the MNCA, Parliament and other stakeholders.

Project participates in MoF weekend meeting to prepare private sector strategy paper for January 2008 GoM-Donors Meeting – At the request of the Mongolian National Chamber for Commerce and Industry (MNCCI) and the Ministry of Finance, the project participated at a meeting held at MoF on Saturday, 10 November, to plan the private sector strategy paper. EPRC is assisting the MNCCI with the preparation of a private sector “white paper” to include two to four key decisions government can take in each of selected business sectors during 2008 that will improve the business environment and facilitate investment in the framework of its private sector development strategy. At the request of the project, the Mongolian Employers Federation (MONEF) and the Business Council of Mongolia (BCM) also received invitations to participate.

Technical sessions for GoM webmasters – Through weekly sessions and emails, the project continued to provide expertise to GoM webmasters that participated in the workshop held 25-30 October on yjr Joomla!Mongolia Content Management System (CMS) version 1.0 and information system security. In addition to technical troubleshooting on designing their websites using the new tools, GoM agencies have requested additional assistance in tools to improve the security of their IT systems that provide public access. Unfamiliarity with basic IT security policies and lack of systematic procedures and practices, rather than lack of hardware or software, seem to account for most vulnerabilities in the systems.

Gobi Regional Economic Growth Initiative

Mercy Corps

www.mercycorps.org.mn

Mr. Sean Granville Ross, the Country Director of Mercy Corps in Mongolia and COP of the Gobi Initiative program, left Mongolia on the 19th of November 2007, to take up the position of Country Director for Mercy Corps in Indonesia. Mr. Peter Ormel will take over as Acting Country Director in Mongolia.

Sales

Gobi Initiative uses sales generated from new business activities outlined in the formal business plans developed under the project as an indicator of success. Total sales for herder and non-herder businesses for November reached MNT 141 million (\$120,074) and MNT 124.3 million (\$105,897), respectively.

This puts the total sales for herder businesses as of November 2007 at MNT 1,595 million (\$1,358,665), and for non-herder businesses at MNT 1,629 million (\$1,387,868). This gives a CY2007 total sales up to the end of November of MNT 3.2 billion (\$2.7 million), compared to the sales target for all of CY2007 for all GI clients of MNT 3.82 billion (\$3.24 million). It should be noted, however, that many herder businesses make a large part of their sales in the autumn, and that sales are on track compared to the expected sales for the first 11 months of 2007. Total sales generated by business clients under the Gobi Initiative Phase II from January 2004 to date is MNT 8.4 billion (\$7.1 million) vs. total USAID funding for the Gobi Initiative (less the sub grant to Pact) of the cooperative agreement to date of \$4.4 million.

Lessons Learned, Annual Work Plans

Mercy Corps Mongolia organized a Leadership Conference on 14-15 November. Gobi Initiative and RASP Aimag Representatives and Ulaanbaatar staff gathered in Ulaanbaatar for two days to discuss program results to date, revise lessons learned and provide inputs for the Annual Work Plans with clear targets and indicators for CY2008. The participants also discussed the recently completed new client selection process, Business Plan development of the clients and the work with local Business Development Service (BDS) providers. By supporting BDS providers, Mercy Corps Mongolia aims to stimulate the continuing provision of training and technical assistance initiated under the Gobi Initiative program, independent of donor funding.

Business Plan

Currently 348 applications for Business Plan development have been received for collaboration with Gobi initiative in 2008. Selected new and old clients from six Gobi Initiative aimags are now developing their business plans to be executed in 2008. Mercy Corps Mongolia staff is revising these business plans. The plans are expected to be approved by the end of December, after which the clients will sign a Memorandum of Understanding with Mercy Corps Mongolia to start implementing the business plans.

Capacity Building and Training

The Bayanhongor Herder Alliance, a new herder organization supported by Mercy Corps Mongolia, held its Board of Directors' meeting in Ulaanbaatar from November 5-10. Launched with the purpose of serving the needs of its member herders, the Bayanhongor Herder Alliance currently has 117 members in nine soums of the aimag who have acquired 96 shares from the Herder Alliance for a total Value of 27.2 million MNT (\$23,300). The goal of the meeting was to improve the capacity of the Board of Directors to manage efficiently the Alliance activities and establish market linkages with bigger buyers and suppliers in UB. Aside from attending a management training facilitated by Mercy Corps Mongolia, the members visited nine companies in Ulaanbaatar engaged in cashmere & wool processing and food production to develop future business collaboration as one of its goals is to help its members sell their raw materials at higher prices.

Mercy Corps Mongolia organized a Training of Trainers (ToT) session for aimag-based consultants in Ulaanbaatar aiming to strengthen the capacity of locally available business advisors and Business Development Service (BDS) providers. Attended by 13 local consultants from six Gobi aimags, it focused on improving the participants' understanding and skills on teaching methodology and training of adults. Having completed the training, the participants will prepare individual assignments and will be certified depending on the quality of the submitted assignments. Mercy Corps plans to support and expand BDS providers in all Gobi Initiative aimags and has selected a total of eight potential providers to work with in the future.

By supporting these BDS providers the program expects to ensure that the training and technical assistance activities initiated under the Gobi Initiative program will continue independent of donor funding. During the initial phases, BDS providers will be eligible to receive financial and technical assistance from Mercy Corps, after which the service providers will increasingly rely on income charged to rural businesses to cover the costs of the service provision. At the same time, BDS providers will very probably target both GI clients as well as non-clients and will thus give a multiplier effect to the programs' impact.

Mercy Corps Mongolia, in cooperation with Regional Development National Committee of the GoM, the Governor's office and the Citizen's Representative Hural of Umnugovi aimag, organized a workshop on methodology for Regional Development Programs in Dalanzadgad, Umnugovi aimag on November 12-13. Fifty people from the Regional Development National Committee, aimag government and local NGOs participated in the workshop. The participants discussed the Umnugovi development plan for regions within the aimag. The Western region would include three soums, the First Central region would include six soums, the Second Central region would include four soums and the Eastern region would consist of two soums. The Regional Development plan will be developed with the technical assistance of Mercy Corps Mongolia, the Oyu Tolgoi project, the aimag government and Tavan Tolgoi Trans.

Public Awareness

A Public Awareness Campaign on the Existing Standards related to Public Health and Safety for rural businesses and residents was implemented in all 11 Mercy Corps aimags. Launched November 28, 2007 and expected to last two months, the purpose of the campaign was to communicate information on existing legislation and standards to local businesses, inform them of the responsibilities of businesses and aimag governments, and ultimately promote better compliance with the laws and rules by entrepreneurs. Mercy Corps Mongolia has been working closely with the State Professional Inspection Agency and National Standard and Measurement Center in developing printed materials (brochures, posters and stickers) as well as video and training materials for targeting both business operators and government officials.

Gobi Forage

Gobi Forage conducted an evaluation survey from 23 October to 23 November 2007 to assess the impact of the project. The final evaluation document is expected in early December. Gobi Forage published a public tender inviting interested organizations to host the project for the foreseeable future. The tender was opened on 15 November 2007 and will close on 3 January 2008 with final results due by 1 March 2008. Texas A&M University scientist, Jay Angerer, visited Mongolia during November to train project staff with the aim of increasing the capacity of the Mongolian team to produce forage maps independently, with only minor input from Texas A&M University.

Another scientist from Texas A&M University, Mr. Jimmy Wu, visited Mongolia in order to collect information and to set up the automated version of the Market Watch system. The new automated procedure of the Market Watch will include automated data reception by SMS from mobile phones operated by market observers employed by PACT. Data will be stored on the Market Watch server. Subscribers, including private and government organizations, will have access to data on market prices related to livestock products from 21 aimags on a daily basis. This system will be first of its kind in Mongolia, where market information can be retrieved using mobile phones.

Rural Business News

The latest edition of Rural Business News magazine (#56) was published in November by Pact. The lead story examines livestock census issues in Mongolia. A field trip to capture footage for the next four RBN TV episodes was undertaken in Bumbugur soum of Bayanhongor aimag and Gobi-Altai aimag center. The lead topic for the next TV programs relates to business opportunities and core values of triangle contracts made between and by veterinary services providers, Mercy Corps and Xac Bank. RBN TV has begun to carry cross-promotional content that examines RBN magazine content and promotes the post office subscription mechanism to audiences.

A business plan for the sustainability of RBN products has been developed by Achid Consulting Company based on the strategic document compiled by Pact that identified one of five potential models for planning. A Mongolian NGO will be established to produce a sustainable magazine with increased distribution area. The NGO will develop through 2008 into a production hub that will aim to continue production of the radio and

TV components of RBN. A challenge is the symbiotic link between the market watch commodity price service and RBN products. Market Watch cannot be run as a revenue neutral service and yet has become a vital national source of commodity price information. Pact is working on mechanisms to sustain the service as a component of the overall push to sustain the suite of business information products.

Future events

A conference titled "Government and Cooperative Development" will be organized by Ministry of Food and Agriculture on December 3-4 in Ulaanbaatar. The goal of the conference is to discuss cooperative development issues and identify further actions, which will be conducted by GoM and donor organizations. Mercy Corps will be attending the event with representatives from local cooperatives. The Bayanhongor Herder Alliance will deliver a presentation on its activities at the conference.

During the last week of January, Gobi Initiative (GI) and the Rural Agribusiness Support Program (RASP) will hold a joint Annual Planning meeting. During this event, a total of 60 staff from the aimags and UB programs will participate. The planning meeting will provide an opportunity to review the outcomes of last month's Leadership Conference and to discuss the program activities for Year Five will all staff involved.

GER Initiative

CHF International

www.chfmongolia.org

GER Initiative helped to improve or expand 67 businesses, created 23 new start ups, matched 50 people to jobs, and generated 75 new job placements.

Financial Services

GER facilitated 63 loans valued at over \$100,610 with local partner banks and 20 USDA funded Capital Augmentation Fund (CAF) loans valued at \$28,042 were disbursed through local banks.

Training and Consultancies

GER conducted 432 trainings with 140 clients participating, and 115 consultations were provided to 102 clients. GER provided *start up package* services to 34 clients in Ulaanbaatar this month. This service package includes start-up information, loan facilitation service, and business trainings specifically tailored to new businesses, including the following: business plans, bookkeeping, market research, loan preparation, and costing/pricing. XAC Bank's loan officers met with the clients and are prepared to offer them loans after they complete their business plans.

GER collaborated with the Mongolia Social Welfare and Employment Office in Choibalsan, to conduct a four-day training to assist individuals in starting their own businesses. The event consisted of eight business trainings: Start-up Businesses, Market Research, Cost Estimation of Goods, Primary Bookkeeping, Marketing, Consumption

and Savings, Business Planning and How to Write Business Proposals. Twenty clients participated in the training, including three who had already started their own businesses but needed additional training and information. At the end of the event, attendees were expected to develop their business plans and seek consulting from GER Initiative advisors. To date, three of the participants have applied for project loans to fulfill their business ideas and one has been approved for a loan from the Social Welfare and Employment Office.

Other trainings conducted by GER this month include: proper inventory management and control methods for grocery store owners, bakery trainings to improve product quality and variety in preparation for the New Year's holidays, primary bookkeeping, and financial statement preparation.

Information Services

GER provided 418 information services to 252 clients, and 15 meetings with the GoM were held with 113 clients participating. There is a general lack of knowledge regarding social insurance among informal businesses in the ger districts. Based on requests from GER clients in Bayanzurkh District, GER invited the Inspector of Bayanzurkh District's Social Welfare Office, and the Vice Director of the Small and Medium Enterprise Association to discuss the benefits and requirements of social insurance. Seven clients attended the meeting and all of them decided to start social insurance.

GER staff is having logistical difficulties conducting this year's Khashaa Valuation Survey and is behind schedule for completing the field portion of the survey. More staff will be engaged in the survey to help reach the end of year deadline.

Employment Services

GER matched 50 clients to jobs and 21 clients entered vocational training programs. Forty-eight employment trainings were held for an equal number of clients. Seventy-five jobs were generated. GER organized a Labor Day in collaboration with the Employment and Welfare Office of Songinokhairkhan District. Of the 66 unemployed people who attended the event, 13 were introduced to potential employers and seven received vocational training.

The Bulgan Aimag Youth Union requested GER to provide training to their 30 members and cooperate on promoting employment, cooperative contracts, and job matching services. The Union agreed to cover all promotional expenses. GER participated in the *National Employment Forum* organized by the Ministry of Labor and Social Welfare. At the event, GER presented the challenges faced in job matching, including the high turnover among clients who are matched with jobs. Issues such as low salary and poor working conditions are often cited by clients as reasons for leaving their newly found jobs and highlight the need to work with employers on human resource management and compliance with the existing labor laws.

GER established a new relationship with the Food Technology College training center in November. The training center is now providing professional trainings for 23 GER

clients on cooking and food service. Also in November, ten clients graduated from the Gobi training center and started to work for the Gobi Company. A further ten clients graduated from the Wool and Cashmere Production training center and started to work for the Altai Cashmere Company. New employment matching relationships were established with the following companies: Battreid, Mon Bet, Sunjin Grand Hotel, DAKO, and Trans Capital NBFI.

Linkage Services

GER facilitated linkages between businesses worth approximately \$6,476 this month.

Setgemj 2, a local business group, has successfully completed an order of 110 reflective safety vests for Boroo Gold. As a result of the linkage, the group has successfully expanded its operations and is now able to fill larger orders. GER is now working with the group to identify other potential clients.

In Darkhan, GER is creating a catalog of seamstress business clients. The catalog will be used to promote local production capabilities to large companies and help establish new linkages.

Jimst Dulaankhan Cooperative was linked with the *Minii Delguur* chain of stores in Darkhan to promote and sell their seabuckthorn syrups. The store has agreed to stock 20 jars of the syrup as an initial sales test. If the sales are successful, the store will begin purchasing larger quantities of syrup from the cooperative.

GER and the Bulgan Government Food and Agriculture Center held a two-day *Bulgan Hangai – Harvest Celebration* trade fair to support agriculture and vegetable business activities in Bulgan. A total of 140 people representing 33 firms, cooperatives, and companies actively participated in the event and presented a variety of products including homemade flour, raw vegetables, preserved vegetables, and wheat. Clients made over \$1,275, and received orders worth an additional \$1,185.

Four of our clients attended an annual trade fair, organized by the Dornod Food Association on November 18th. GER assisted the clients to produce business cards and product brochures to use at the event.

Darkhan GER Initiative has collaborated with the aimag Governor's office, the Darkhan soum Governor's office, and the Chamber of Commerce and Industry to organize the *Trade Fair of Handicraft Clients*. Seventeen handicraft clients participated including four GER clients. Other participants included the Federation of Women for a Developing Society, an NGO from Selenge aimag, and CAMA Service International, an American funded NGO, and nine private handicraft businesses. The trade fair was a success, with clients and handicraft businesses exhibiting and selling their wares, leading to large orders from customers. Clients made over \$60 in sales with an additional \$1,500 in orders.

Business Association Development Services

GER worked with 83 active groups this month. Three new groups were formed, and two groups disbanded.

In Bayangol, GER organized a meeting for five clients who participated in the Felt Product Making training last month. Participants talked about their business situations, common problems, and future plans. They decided to establish a felt business group and have already produced their first products together.

A group at the Darkhan Women's Palace, which produces hand-made embroidery, learned of GER Initiative activities during this month's handicraft trade fair. The group decided to join GER to learn how to improve their sales.

After receiving consultation from GER, *Mongol Goyol* business group has started running advertisements throughout the local FM radio stations and market loudspeakers. As a result of this new advertising initiative, the group's sales have increased by 20%.

PROGRAM AREA: MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

The Judicial Reform Project (JRP)

National Center for State Courts (NCSC)

www.ncsc.com

Courts

The JRP assisted the General Council of Courts (GCC) in conducting a two-day training course for 40 Public Affairs Officers. Public Affairs Officers from all aimag, inter-soum and district courts of Mongolia attended the training held on November 1-2 in Ulaanbaatar at the National Legal Center. The training course agenda included the following topics: New GCC Rules and Standards for Public Access Terminals, Communicating with External Audiences, Managing the Media, How to Provide Customers with Case Information, Changes to the Software "Judge 2005", Archive Law and its Utilization, Communication Psychology, and State Employee's Ethics in Foreign Countries. In addition, the GCC organized a tour of the Public Access Terminal and Archive of the Capital City Court where attendees exchanged new ideas on how to operate the Court PAT and Archive.

The JRP continues to assist the courts with updating the "Judge" software following the passage of new amendments to the criminal law and criminal procedure codes. The JRP also continues to assist the JDC in developing software that will assist in creating an electronic database of complaints and investigated cases and will assist with producing reports. It will allow the JDC to improve its efficiency by setting up a monitoring system to track all complaints, their status and decisions.

Prosecutors

The JRP provided financial assistance to the General Prosecutor's Office (GPO) to ensure internal networks were installed in the following aimags: Bayan-Ulgii, Bayankhongor, Govisumber, Dundgovi, Sukhbaatar, Uvs, Khovd, Bulgan inter soum (Khovd aimag), Khentii aimag and Bor-Undur inter soum (Khentii aimag). The GPO purchased the computer equipment for these offices and requested that JRP only provide funding for the internal networks. The internal networks will improve efficiency and information sharing among the staff.

Training

The JRP provided comments to the proposed regulations that will guide the implementation of the new laws on mandatory continuing legal education. The new laws require members of the Bar to complete a number of credits or face suspension from the Bar. The JRP, in cooperation with the National Legal Center, developed and distributed 1000 copies of a training manual for legal practitioners on Crimes against Human Rights, Freedom and Individual's Reputation and Dignity. The manual covers the specifics of these crimes and how to correctly apply the relevant provisions of the Criminal Code. In addition, a comparative study of foreign countries is included in the manual.

Public Education

The broadcast of a new season of the award winning TV series "Legal Hour" continues and can be seen on TV 9 Tuesdays and Thursday at 20:00. The series informs citizens of changes in the Criminal and Criminal Procedures laws through a drama program using recurring characters.

The JRP television program "Blue Notebook" finished broadcasting in November. The TV program provided education to citizens on criminal laws and trial procedures by dramatizing real life trials. The program also included expert commentary to ensure the laws and procedures are understood by the viewers. This is especially important in Mongolia as many citizens represent themselves in court.

The JRP continues to broadcast a radio drama series on civil law entitled "Life". The program broadcasts on Mongol Radio at 7:30 on Mondays and at 21:15 on Saturdays. Each episode is rebroadcast the following morning as well. The radio program allows JRP to reach the audiences that do not have access to television broadcasts.

At the request of the Chief Judge of the Baganuur District Court, 100 copies of the JRP booklet "Benefits of Written Contracts" were distributed to the district's herders. The JRP also provided another 150 copies of the booklet to the Gobi Initiative for distribution to herders through its aimag representatives. In addition, 10 copies of the booklet were handed over to Pact Mongolia for publication in its quarterly magazine The Rural Business News.

Police

The JRP began automation of a pilot police station in Bayangol district. The JRP provided nine computers with monitors and one network printer. The automation of the

pilot police station will increase efficiency, improve the case registration process and improve the flow of information internally and with the other justice sector agencies.

The JRP ordered a limited number of forensic kits for the police. The kits will arrive in January and will be part of JRP's sponsored training on evidence. The forensic kits and training will improve the ability of the police to gather and analyze fingerprints, create castings at the scene, develop crime scene sketches, and compare evidence in the lab.

Future Activities

The JRP staff will be official observers for the Mongolian Bar Exam on December 1st and 2nd. A legal clinic expert from Ukraine will arrive in Ulaanbaatar and assist Otgontenger University in developing policies and procedures for its legal clinic to meet international standards. The JRP will continue automating two police stations and developing new case tracking/management software. The JRP also plans to hold trainings for the Special Investigative Unit in December. The JRP will continue to broadcast "Legal Hour" and the radio program "Life".

The Mongolian Electoral and Parliamentary Support Project (MEPS) *International Republican Institute (IRI)*

www.iri.org

IRI Mongolia staff worked with the State Great Hural (SGH) Secretariat and the Policy Analysis Institute (PAI) to prepare for the legislative drafting and research capacity training seminars which will take place in December. IRI worked with the SGH Secretariat and PAI to draft training agendas for the two seminars. Trainers and participants of the seminars were selected based on consultations with the Secretariat and PAI leadership. It was agreed that the training for legislative drafting will be held on December 4 and the training for research capacity building will be held on December 6. IRI will host Ms. Sherry Shapiro, Senior Research Advisor from the Congressional Research Service, to act as a trainer for these events.

IRI staff worked with Ms. Bazar, Chairwoman of the Citizen's Will Party women's organization, to prepare for the election campaign seminar for this party's potential women candidates. It was agreed that the seminar be held in Ulaanbaatar on December 19. This seminar will be the last official training effort by IRI to help Mongolian women politicians prepare for the June 2008 SGH election.

IRI worked with the Voter's Education Center (VEC) to publicize proposed changes to the SGH election law. The need to amend a number of provisions in the current SGH election law stemmed from the Campaign Finance Assessment Study conducted by IRI and VEC from 2006-2007. The resulting public education on needed changes to the election law will be rolled out during the first week of December by the VEC.

IRI arranged participation of VEC Director Ms. Burmaa in the long-term election observation mission to Pakistan on behalf of IRI. She will be a part of an international

observation team to observe election campaigning and polling process during the January 8 general election in Pakistan.

From November 11-26, COP James De Witt was in the United States for an annual consultation with IRI senior staff at IRI headquarters in Washington, DC. In addition, Mr. DeWitt met with representatives from USAID, HDAC, the State Department, the US Congress, and the Millennium Challenge Corporation.

The Mongolia Anti-Corruption Support Project (MACS)

The Asia Foundation

www.asiafound.org

Independent Authority Against Corruption (IAAC) Institution-building

As of the end of November, the IAAC transferred 21 corruption cases to the General Prosecutor's Office for prosecution. The IAAC has received 150 complaints and is investigating 71 cases, of which 21 were identified through the complaint mechanism, and 50 were referred by other government bodies.

On November 5th, TAF staff and two IAAC officials departed for a three-week Postgraduate Certificate in Corruption studies program at the Hong Kong University. Over 50 participants, mostly senior officials of anti-corruption authorities from 16 different countries in Africa, Asia, Australia and Europe, participated in the program. The trip was sponsored by the Foundation's general grant.

IAAC Commissioner, Mr. Dangaasuren, was buried following a State Ceremony. He passed away while traveling in Australia. The Australian Ministry of Foreign Affairs has yet to release a coroners report or other details of the death. The President will nominate a replacement, and the candidate must have at least 15 years of prior government service, be at least 55 years old, and cannot have held an elected office for at last 5 years.

Pursuant to a request from the IAAC, the Authority and TAF are discussing possible outreach, education and anti-corruption interventions that will be designed and implemented to address election 2008-related concerns. No election-specific interventions were foreseen under the MACS project, but such would conform generally with the overall mandate and scope of the project. Budget resources for such activities would, however, be limited. TAF has identified broad scale public concerns that vote-buying and other corrupt practices will be widespread in the parliamentary election.

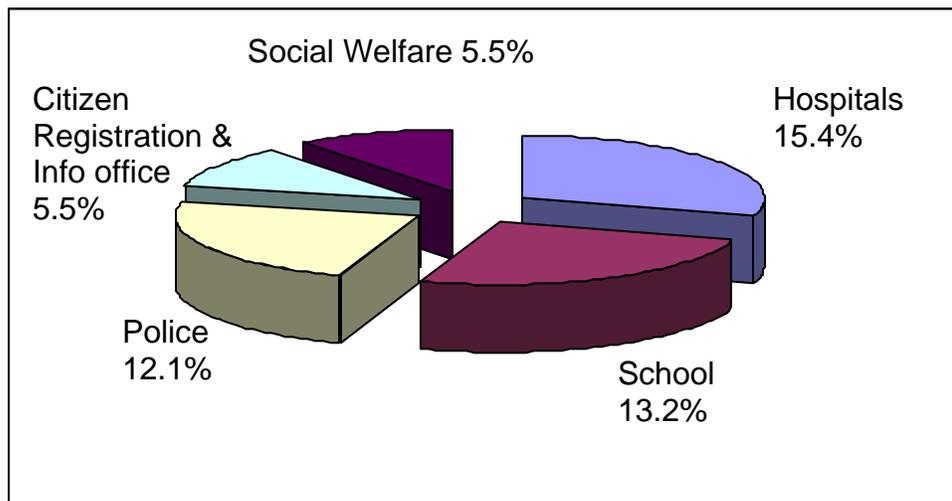
The IAAC is the primary institution to which reports of corruption are reported, and thus it is imperative that the Agency be as well-prepared as possible to address election-related malfeasance. Interventions could include tailored public awareness and education, NGO outreach targeting specific demographic strata, such as students, or specialized training for complaint mechanism (hotline) operators to field and refer election-related calls. Following an independent and week-long election-related

assessment, which concluded on November 30th, TAF determined that no significant investment in the 2008 election is contemplated at this time by any donor or NGO.

Eradicating Administrative Level Corruption

The Academy for Political Education (APE) operates nine hotlines in nine aimags. The nine aimags are: Darkhan Uul, Dornod, Dundgobi, Uvurhangai, Khovd, Husgul, Orhon, Umnugobi, and Selenge. In November, APE received 91 calls for a total of 2,551 in the hotline's first year of operation. By region, Uvurhangai (22%), Dornod (19.8%) and Khovd (16.5%), received the most calls.

TOP 5 ORGANIZATIONS



Public Awareness and Education

On November 19th, the IAAC launched their first multi-media campaign on all major television stations, newspapers and radio in support of the IAAC's new Corruption Reporting Center and hotline 1969 that will run through January 2008. Since the inception of the campaign, the Corruption Reporting Center received 21 calls and 40 walk-ins. The campaign is designed to call citizens to action, and deliver the messages: "Zero Tolerance" and the "Cost of corruption accrues to you and your family – report corruption." Campaign print materials include a "How to Report Corruption" brochure, billboards, posters, and other accessories that deliver campaign messages through strategic outreach activities to universities, high schools, business and other forums. All campaign activities run concurrently. The strategy at a glimpse follows below:

Phase 1: November – December -- Two TV ads are broadcast multiple times each day for a month, during prime time, on five television stations. Eagle TV is airing the ads for free during the prime time evening news. All others are offering an 83% super-discount on airtime, indicating their willingness and interest to partner with the IAAC in fighting corruption. Summarized versions of the ads are broadcast on the electronic screens near Sukhbaatar and the State Department Store.

Five radio ads feature five famous celebrities, such as Batsuh from Nomin Talst, Serchmaa, and Naranbaatar the wrestler and others, who are delivering campaign messages and calling on Mongolians to report corruption. Ads are running on four radio stations for 30 days.

29 (11 half-page, 18 quarter-page) ads are being published in the top four newspapers. One billboard (5 x 36m) and 30 light box ads reinforce TV and radio ads for 30 days by delivering a zero tolerance message and by promoting the hotline number 1969.

Phase II: January -- A third ad will broadcast on major TV stations. Five new radio ads with five celebrities including Bold and Sarantuya will air. The same print ad will continue to be published in the four major newspapers. New billboards will be placed in new locations.

International Anti-Corruption Day – December 9th, Sunday: TAF is working with the IAAC to plan outreach activities to universities on Friday, December 7th to raise awareness about the Corruption Reporting Center and the IAAC. These outreach activities are helping to put a human face on the IAAC, and will help to boost public confidence in the IAAC.

In addition, TAF is producing a special anti-corruption day television ad, which will include Altai, Director of TV25, Sarantuya the singer, Jantsannorov the composer and others, who will appeal to the public to report and fight corruption. The ad will broadcast from December 7th – 10th on top TV stations.

Between December 7th – 10th, the IAAC will organize a variety of public and media activities to commemorate Anti-Corruption Day, including the placement of articles in major newspapers, a TV program and play, and outreach to high schools.

Benchmarking Survey

The fourth of the semi-annual Corruption Benchmarking surveys was completed in late September, and was presented on October 31st by Mongol News.

In the News

On November 8th, a list of 31 high-profile corruption scandals was released by the Democratic Party. Party spokesman, Sha.Batbayar, acknowledged that some members of his own party were involved in some of the cases.

The UB Post reported on November 22nd that an inspection agency official and a policeman of Ovorkhangai aimag had been jailed for accepting bribes from cedar nut traders. B.Bayartogtokh, inspector of the Local Professional Inspection Agency (LPIA), was sentenced to two years in jail by a local court, which found him guilty of accepting Tg two million from L.Duurenbayar, Ts.Amartuvshin, R.Oyuntsetseg and S.Askar. The court found that the illegal traders had also paid Tg 500,000 to O.Manjil, a policeman, to ensure that the nuts were not seized during transport. Manjil was sentenced to one year in prison. The court ruled that the Tg 2.5 million should be recovered from the two and

deposited with the state. Both of the convicted officers will be permitted to return to their prior positions after serving their jail terms.

These news releases follow increasingly vocal public demands for accountability in land titling and registration. Ulaanbaatar Mayor, Ts.Batbayar, has sought dismissal of all officers identified by the IAAC. The IAAC teams had earlier inspected records and documents at the land offices in Ulaanbaatar, and found bottlenecks and probably corruption in the public office.

CENTRALLY (USAID/W) OR REGIONALLY (USAID/RDMA) FUNDED PROJECTS

Eastern Steppe Living Landscape Project - Sustaining Wildlife and Traditional Livelihoods in the Arid Grasslands of Mongolia

Wildlife Conservation Society

www.wcs.org

WCS/USAID Eastern Steppe project staff attended and participated in a number of national and regional meetings and workshops in November. The focus of the meetings ranged from watershed management and aquatic ecology to training and capacity building in the field of wildlife conservation. The meetings were important forums for information exchange, peer-review of approaches to conservation and natural resource management, and an opportunity to expand our network and coordination with other donors and NGOs in ways which will strengthen wildlife conservation on Mongolia's Eastern Steppe.

Living Landscapes Program (LLP)

Community Conservation Partnerships: WCS staff prepared a special report on water-related issues raised by communities of livestock herders on the Eastern Steppe in preparation for the November 1st meeting on "Watershed Management & Aquatic Ecology" hosted by TAF with support from the World Bank. The Eastern Steppe report included maps and the locations of rivers, springs and streams that have dried up within the past five years as reported by livestock herders living on the Eastern Steppe.

Progress continued on the finalization of reports on activities on the Eastern Steppe during the 2007 field season including the Ugtam Focused Survey and the Wildlife Law Enforcement Training in Nomrog Strictly Protected Area (SPA). These reports contain information and follow-up activities designed to improve the management and protection of wildlife on the Eastern Steppe.

Education and Capacity Building: Eastern Steppe LLP staff attended a WCS Asia Education & Capacity Building Meeting between November 12th and 16th in Vientiane, Lao PDR. The conference covered four major themes including 1) grade school-based education; 2) university education and research mentoring; 3) community-based

education and outreach; and 4) partner institution capacity building. WCS staff presented and received feedback on two of our Eastern Steppe projects. The first was a review of the wildlife law enforcement trainings which have been provided to staff of Nomrog SPA and border guards from the State Border Defense Agency and the second was the creation of “Traveling Community Conservation Trunks” for the Eastern Steppe. The trunk project is designed to bring conservation curriculum in a traveling wooden box to rural communities in Mongolia’s Eastern Steppe to raise awareness of wildlife conservation issues and build the capacity of communities to engage in wildlife conservation.

Wildlife Trade Law Enforcement

The trade in wildlife, and the illegal and unregulated hunting that supports this trade, is the most critical threat to wildlife species on the Eastern Steppe and across Mongolia today. In anticipation of support from the World Bank, WCS staff prepared for the launch of a project designed to examine the enforcement of wildlife trade regulations in the raw materials markets of Ulaanbaatar. This initial phase of the study is designed to provide baseline data on wildlife trade and law enforcement activities by performing market surveys.

In addition to quantifying the volume and value of trade in wildlife, the market surveys are designed to collect information about wildlife trade violations and to identify the strengths and weaknesses of the existing enforcement system. Although a nationwide issue, Ulaanbaatar is at the center of wildlife trade as well as being the seat of Mongolia’s government, media markets, and civil society. Some of the country’s largest raw materials markets are located to the east and west of the city. In addition to the road inspection points, the train station, and the airport are all strategic sites for enforcing trade regulation. For these reasons, Ulaanbaatar has been selected for launching an effort to support improved enforcement of wildlife trade regulations.

Donor Coordination

On November 1, 2007, WCS staff attended a coordination meeting on “Watershed Management & Aquatic Ecology” hosted by TAF with support from the World Bank. WCS staff presented our work with communities of livestock herders on the Eastern Steppe as an example of community-based natural resource management and citizen engagement in conservation in Mongolia.

On November 15th and 16th, WCS staff attended a conference focused on identifying priorities and gaps in the implementation of the Convention on Biodiversity Programme of Work on Protected Areas in Mongolia. WCS staff presented the Eastern Steppe Living Landscapes project as well as some highlights from other WCS projects in Mongolia.

WCS Field Veterinary Program

Avian Influenza-GAINS: Samples from wild birds surveyed in Mongolia between April 6 and October 28, 2007, were packed and delivered to laboratories in the United States in early November. Swabs from individual birds will be screened for Influenza A using rRT-PCR at the University of California Davis. Positives will then be submitted for viral

isolation at the USDA – Agriculture Research Service, Southeast Poultry Research Laboratory in Georgia, United States. Survey findings and details of samples collected will be posted on <http://www.gains.org>. As results of laboratory analyses are received these will be shared immediately with partners at the Mongolian Central Veterinary Laboratory and the Veterinary Department, Ministry of Agriculture. With their approval, laboratory results will then be shared with the wider influenza community through <http://www.gains.org>.

Re-sighting reports, including photographs and coordinates, of five of the 30 swans tagged by the WCS GAINS team in Mongolia in the summer of 2007, have been received to date. The swans were reported at two sites along the Yellow River in China at points approximately 760 km apart. WCS is in the process of setting up a mechanism for a Chinese language based reporting system for these re-sightings with assistance from the WCS China Program office. The timely receipt of quality re-sighting reports confirms the feasibility of using this relatively low cost method of tracking wild bird migrations across Asia. As a major stop-over point for migratory birds along three different flyways, Mongolia is well positioned to contribute to the global effort of tracking wild bird migration patterns.

The Training, Advocacy and Networking Project (TAN)

Mercy Corps

www.mercycorps.org.mn

"Blue Hill - Our Home" Project in Arkhangai Continues to Improve Local Environment

The local CSO "Women for Social Progress" continues to implement the project "Blue Hill - Our Home" designed to improve the hygienic environment of Bagh 2 of Erdenbulgan Soum, Arkhangai Aimag. In November, and as a result of training seminars carried out in all streets of the bagh, over 50 percent of bagh households paid for garbage removal by "Undarga" LLC, the garbage removing service provider of the soum. Before the project, virtually no one paid for garbage service, which is why there were six unauthorized garbage dumps in the bagh. Now there are only two. Furthermore, as a result of this project the local government has decided to expand and upgrade facilities at the official garbage dump of the soum. Funds for work on the dump, the construction of a fence and gate, and an attendant's salary have been included in the soum's 2008 budget.

Different activities aimed at educating children and youth on the importance of maintaining a clean bagh have also been an important part of the project. In addition to the month's regular lessons for school children on hygiene, on 1 November 2007, the project team also organized a speech contest among bagh youths entitled "Let's Protect our Environment". The contest was organized with help from the local CSO "Students Federation" and involved the participation of 13 local students.

TOT meeting in Ulaanbaatar

On November 3rd and 4th, 36 local trainers from Arkhangai, Bulgan, Dundgobi, and Khentii participated in a seminar designed to evaluate consultative meetings carried out with CSOs. During the sessions, local trainers identified capacity building training outputs and impacts; as well as outputs and impacts from individual consultations offered to local CSOs for organizational development issues and other topics. They also identified more generally ways of improving the CSO consultation process. For example, in Khentii the trainers develop yearly plans, in addition to the monthly plans already generated. It was recommended that all trainers do likewise. Also, it was recommended to make greater use of media in advertising their skills. Another suggestion was to carry out regular "coffee discussions" with trainers and CSO clients in which the trainers could collect feedback. Also, in Dundgobi the trainers are working more as an organization, with one person acting as a coordinator. This is an approach for the trainers to consider, though TAN will not push them in either direction.

The participating local trainers were also involved in eight hours of training on conducting surveys on customers' satisfaction. They also received manual and other materials on this topic. Immediately following the training, one participant, a local trainer from Bulgan, used the knowledge gained from the training to conduct a survey on identifying students' satisfaction with paid-courses conducted after regular school lessons in aimag schools. The survey was conducted as part of the "Children's Future" project funded by TAN.

Dundgobi CSOs and Aimag Officials Organize Young Professionals Conference

In Mandalgobi, Dundgobi Aimag, the local CSOs "Youth Association", "Young Generation", and "Free Youth", together with the aimag's Department of Social Welfare, organized a two-day conference of local young professionals designed to inform participants of the aimag's development plans, to listen to the concerns of those young professionals, and to motivate them to remain in Dundgobi, rather than to seek out other work opportunities in Ulaanbaatar. The conference included speeches by Aimag Governor Torbat and Parliamentarian Narantsatsrel in which they both encouraged the participants to stay in Dundgobi and work through local CSOs for the betterment of their communities. While the problems faced by young professionals in rural aimags are daunting, and are certainly not going to be solved during the course of any conference, the conference did nonetheless prove a useful tool in fostering open communication among government, CSOs and local citizens. TAN financed approximately a quarter of the conference, with the Department of Social Welfare financing the remainder. The conference also was featured in the local television news and in the local newspaper.

CSO-Govt. Working Committees' Experience Exchange Conference in Bulgan

The CSO-government working committees of Arkhangai, Bulgan and Khentii met in Bulgan in late November to share experiences from their work thus far. Participating in the conference were 16 members of the Arkhangai committee, 16 members from Bulgan, and 15 from Dundgobi, which meant that almost all members from the three committees participated. Bulgan was chosen as host for this meeting because the Bulgan Working Committee has been one of the most active working committees in TAN. The conference included welcoming comments from Governor Oyunbat for the Bulgan Aimag in which

he explained to the guests from other aimags the value of cooperation between the government and non-governmental sectors. Similar comments were expressed by the Aimag Head of Social Policy, Mr. Buyunjargal, in his opening comments.

Participants were also able to see the activities of the "Active Participation - Right Decision" project currently being implemented by the Bulgan Working Committee. They were able to meet and speak with selected street leaders from the bagh who have begun to receive training in civic participation and community mobilization. They were also able to see the suggestion boxes, which have thus far collected almost 200 suggestions and opinions from citizens about local government services.

Financial Management and Team Management & Team Work Training in Bulgan

In Bulgan training in financial management was carried out for local CSOs. Financial management is always a weakness, and as such this training is always in high demand. For this training emphasis was put on proper financial reporting techniques, with Mercy Corps finance staff leading the training. Team Management and Team Work training was also carried out for members of the Bulgan Working Committee. As the committee consists of different individuals who are accustomed to being the boss, this training was identified as being particularly suited to the committee's needs.

Uvurkhangai Tripartite Annual Meeting and Training

This month saw Uvurkhangai's government-CSO-business Tripartite Committee hold their annual meeting. Last year's Tripartite Partnership annual meeting focused largely on the issues of customer satisfaction with medical services, an area of success in 2007 (notably the improvement of the aimag hospital's water). As part of this year's annual meeting, in addition to covering assorted business of the committee, a seminar entitled "The Roles of Local Government, the Private Sector and CSOs in the Development Process and the Legal Basis for Cooperation" was organized. The seminar was held for a large number of government, businesses and CSO representatives, not only those in the Tripartite Committee. Over three days a total of 90 individuals participated in one-day trainings, equally divided between the three sectors. The training covered wider theoretical aspects of relations between the three sectors, as well as more concrete areas where cooperation is possible, such as including business and CSO representatives in certain government committees and having CSOs and businesses play a larger role in organizing community events. The training was carried out by Sosormaa Chuluunbaatar, holder of an MPA from Colorado University and Lecturer and Researcher at the Academy of Political Education in Ulaanbaatar.

IMPPACTS

CHF International

www.chfmongolia.org

IMPPACTS met with members of five business groups to discuss problems they are facing. The Business Groups said there is a general lack of professional training among their members, not enough sharing of information among members, and a lack of decent

work space. Some said that because they work at home, they do not often meet each other and are consequently thinking of disbanding the group.

IMPPACTS conducted and tested a “manager and leader training” for business groups at the GER Dambadarja branch office. Two business groups with six members each attended the training.

Presentations on IMPPACTS’s cooperative institutional assessment, as well as findings from last month’s community discussions on the cooperative law amendments, will be given at the National Cooperative Workshop in December.

IMPPACTS is developing four programs based on findings from the community meetings on the cooperative law amendments for the Mongolian National Radio’s *Voice of Cooperatives*. The programs will be ready and will be broadcast in December across Mongolia.

Information on the cooperative law amendments and the findings from the community meetings have been prepared for the GER Initiative newspaper and will be included in next month’s issue.

IMPPACTS met with individual working group members and the Mongolian Production and Service Coops Union to plan for the next meeting of the cooperative law working group. IMPPACTS will present the findings of past community meetings at this meeting.