



MONGOL MONITOR

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AUGUST 2011

August Mission News

- Regional Legal Advisor, Ian Robertson, visited in early August. This helped move our proposed grant to the German development agency, "GIZ".
- We also visited the schools that are to be retrofitted with the help of GIZ. We need to get the final approval and get this very important project moving which includes a school for the disabled in addition to two public schools.
- Ian also helped finalize the necessary program paper work to finalize the Development Credit Authority Mortgage Insurance loan guarantee program. The culmination was the unanimous approval of this program by the Credit Review Board.
- Mongolia received the new "Secure Image and Storage Tracking" (ASIST) system, a Documentum-based user interface developed and maintained by the USAID to improve the efficiency and security of handling documents at USAID Missions and Washington. Vicki Pavlovski helped put the system in place and train staff. So, now it is up to us to complete the move to electronic filing.
- Mehmood Ghazi, USAID/Manila's new officer in the Regional Financial Service Center spent a much appreciated week with us. Consequently, we were able to finalize our Operation Expenses needs for the fiscal year.
- Ioli Filmeridis departed post in mid-month on her way to home leave and Zimbabwe. Thanks again Ioli and enjoy your new challenge.
- Alyson McFarland arrived (September 1) to begin her tour as Program Officer. Welcome Alyson.
- Vice President Biden visited and met with the President and Prime Minister. Culturally, he watched a mini-Nadaam which culminated in the presentation of a Mongolian horse which he named Celtic.



US VP Biden and Mongolian PM Batbold during mini-Naadam in Mongolia.

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WEATHER

Weather was great—again, but days getting shorter!! Rain and thunder storms passed through but not like in July and by the end of the month, grasses were losing their green glow. We are closer to the fall, as an example, I felt two brisk mornings, one during the second week and one during the end of the third week of August. It was a nice refreshing change. As of this writing (mid-September) the cooler below freezing morning temps have ended the lives of the beautiful annuals that graced the embassy compound. Winter is closer...

- Open solicitations include:
 - Strengthening Transparency and Governance (STAGE) in Mongolia (closing October 3).
 - Citizen Engagement and Elections Project (CEE) (closing September 16).
- Proposal submitted to Development Grants Program FY 2011 in late July and we are awaiting word if the proposal will be funded.
- Annual leave for most staff is over and it is good to have a full staff again.

First Look at September Activities

- We look forward to completing the procurement cycle with the solicitations which close at various times during the month.
- We will focus on the agenda of the Community of Democracy and the Government of Mongolia's (GoM) Chairmanship. There is funding from USAID and State Department which will be used to assist the GoM carryout their objectives.
- Mary Allen, USDA Program Analyst will visit to review the USDA monetization program. USAID/Mongolia will assist.
- We will prepare for the visit of OFDA Regional Officer, Ben Hemmingway in early October.
- Signing of the Strategic Objective Agreement with the GoM.
- We will schedule: monitoring trips for the fall; the portfolio review; and the drafting of performance report.
- Peace Corps celebrates 20 years in Mongolia. Congratulations Peace Corps!

PRIVATE SECTOR-LED ECONOMIC GROWTH

Business Plus Initiative Project (BPI) Chemonics

Implementation of business enabling policies

Customs risk analysis - In September, we will resume work initiated under EPRC on national level implementation of risk analysis techniques for customs border inspections. Jorge Montoya will return for an STTA assignment September 12 - October 5.

Private sector capacity and competitiveness

Association strengthening - During August, we surveyed 30 professional business associations in/around Ulaanbaatar which may be evaluated as BPI partners moving forward. To date, 15 associations have submitted information as requested. The survey will be completed in September.

Quality Assurance Initiative – Barrie Evans has be-

gun an assignment through February 2012 to develop and deliver ISO and HACCP auditor training and certification courses. First courses will be offered in January 2012. We are currently completing our due diligence to assure that no replication or overlap exists from other service offerers.

Public/private partnerships - In September, we will conduct an assessment of the value of VDR (virtual data room) as relates to PPP best practices.

Vocational education and training – We have had a series of meeting with Oyu Tolgoi and other sources to identify a role for BPI in this area. Preliminary results to date indicate a need for a “finishing school” for key professionals, such as accountants and engineers.

Grants – We are currently investigating areas for grant applications for year 1, focusing on potential employment generation. Two areas of interest to date include a) establishment of a center of excellence to manage delivery of quality management courses and advanced vocational education courses; b) establishment of an institute for advancing development and commercialization of clean, renewable energy sources for heating.

Financial sector capacity and enabling environment

Capacity building for the Financial Regulatory Commission:

- Henry Schifman will be in UB Sep 8- 20 on STTA to draft a new Investment Fund/Custodian law;
- FinA and CG Portal STTAs are currently under way. New equipment funded by Lux Dev will be arriving, and BPI will provide assistance in integrating previous work accomplished into new servers in addition to the development of CG portal.

NBFI Financing and Regulation:

- Assistance to insurance association will begin within two weeks following preliminary environment assessment;
- Banking and Finance Academy course development will begin with the engagement of BODHI Financial to help develop the 14 new modules for the BFA flagship training program “LODP” (Loan Officer Development Program);
- MIK assessment currently continues.

Corporate Governance and Transparency:

- BPI is working in close cooperation with CGDC to develop consulting capacity. CG Rating Index and Board Evaluations are the topics in most de-

mand by both regulatory authorities and private sector firms who wish to improve internal CG processes and access to finance through IPOs;

- In August, Demir Yener provided technical assistance to the Tenger Finance Board in developing board effectiveness. Efforts are shared with CGDC to help improve their capacity;
- The CSR Conference to take place next week will have Exec Director of CGDC Mr. Unenbat, who will be addressing the participants on the subject of CSR and Sustainable Economic Development issues assisted by Demir.

Two bankruptcy specialists (Judge Charles Case, Mike Palmer) will be in UB Sept 12-29 on STTA assignment to review the current bankruptcy legal environment, conduct an assessment and prepare an outline of a new bankruptcy law.

MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

Mongolia Anti-Corruption Support Project (MACS) The Asia Foundation (TAF)

Strengthening Capacity to Prosecute and Adjudicate Corruption Cases

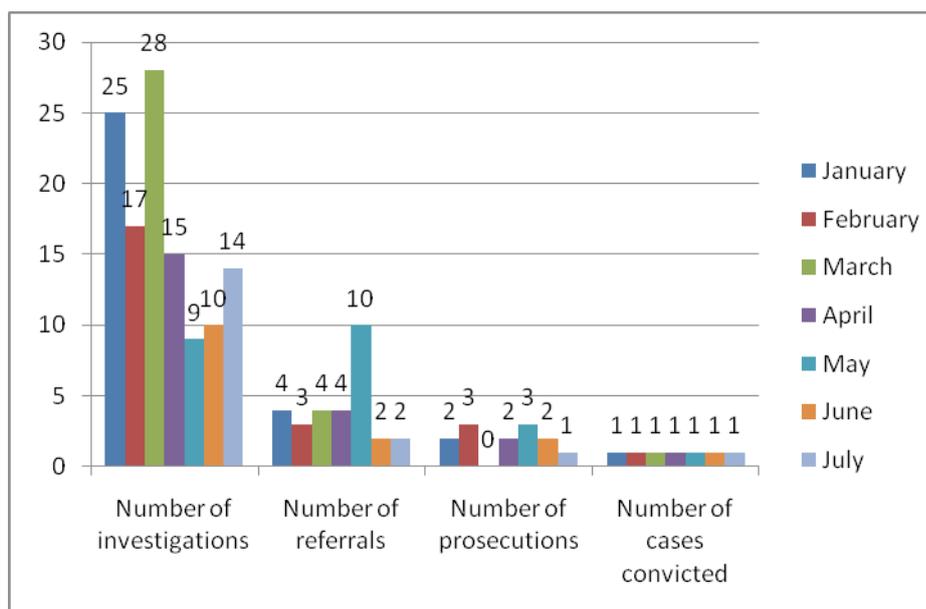
Following the counter corruption training in Singapore for eight members of the Mongolian judiciary, TAF has received reports from each participating judge and completed the draft training report to be sent to the Chief Justice of the Supreme Court. A meeting where the participants of the training will share their knowledge with other judges appointed to the special panel focused on adjudicating corruption cases will be held in early September.

In August, TAF worked with the General Prosecutor's Office, and a researcher of the National Legal Institute (NLI) on the prosecutor anti-corruption handbook and finished the final draft of the handbook. On September 2, 2011 TAF is organizing a discussion among prosecutors to receive final comments and feedbacks on the draft. After the meeting, the General Prosecutor's Office will submit the training program and handbook draft to NLI for accrediting. After NLI approves the program, it will be the first ever specially tailored anti-corruption training program for law enforcement officers.

TAF is organizing a final consultation meeting with MACS government partners on September 8, 2011

at Government House. The meeting will feature two simultaneous break-out groups; one focusing on the prosecution and adjudication of corruption cases with the IAAC and judiciary, and one group focusing on anti-corruption action plan implementation with government agency partners. The sessions will highlight accomplishments, challenges, and lessons learned from activities implemented during MACS.

In August, the IAAC conducted a total of 14 investigations, with 2 cases being referred to the prosecutor's office for prosecution. There was one corruption case involving a citizen bribing a public official that was adjudicated at court in early August, and resulted in a conviction.



Strengthening IAAC and Government Capacity to Prevent Corruption

In order to promote public awareness and transparency of the Capital City Land Authority's (CCLA) land services, laws and regulations related to land affairs, and the CCLA Hotline 1285, TAF supported CCLA to publish 1,000 copies of a compendium of laws and regulations, 12,000 brochures and 2,000 posters. These information materials have been distributed to CCLA branches and are being displayed at public locations across the city.

In order to improve the legal environment for state registration including better mechanisms to prevent corruption, GASR finalized the revised version of three laws; the Civil Registration Law, the Law on State Registration of Legal Entities, and the Law on State Registration of Property Ownership Rights.

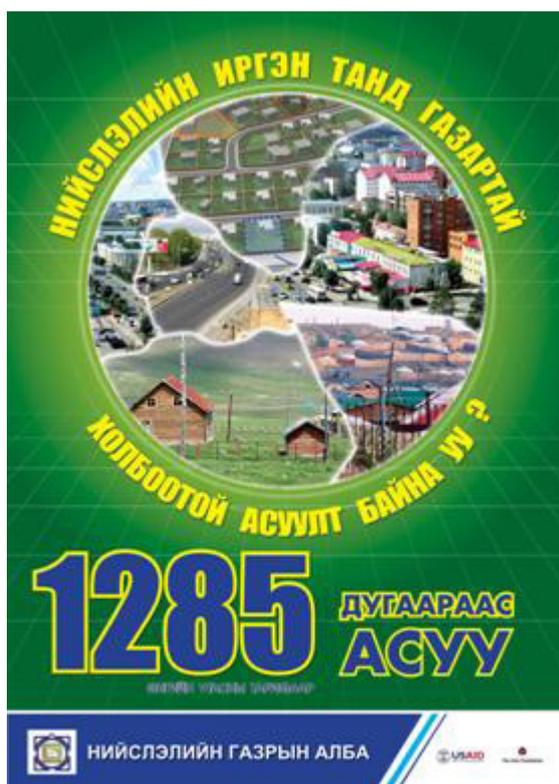
Strengthening Adjudication of Commercial Cases

In late 2010, TAF had initial discussions with the Supreme Court and other stakeholders about posting judicial decisions on commercial law related cases

to a website for public review. An initiative was then launched by the judiciary to post decided cases, and now all Aimag and District courts have their own website. However, many of the courts are having difficulties in uploading past cases due to time and human resources constraints. Therefore, based on discussions with the Supreme Court in May 2011, TAF contracted Andromeda LLC to increase the number of cases available on the Supreme Court website and make it more user friendly. Andromeda LLC has finished the design and structure of the new website and is currently uploading over 5,000 cases from 2009 – 2011, as well as 2,500 pages of legal interpretations, and 1,500 pages of court statistics and data since 2003. A quarter of the cases being uploaded are commercial cases. All activities will be completed in early September 2011.

Public Awareness and Education

Within the public awareness support activities, the ICIC NGO published 5,000 copies of a poster to increase public awareness on the GASR Hotline 1890. In order to promote the CCLA Hotline 1285 and CCLA activities, ICIC produced two 20-second PSAs, which will be aired on the UBS channel free of charge.



Poster inviting people to call the Capital City Land Authority's hotline if they have any land-related questions.

In partnership with the IAAC and the Voter's Education Center, TAF finalized the anti-corruption teacher-trainers manual. Representatives from civil society organizations and the private sector will be trained on the manual, and support IAAC to expand outreach to the public and private sector to educate and raise

awareness on zero tolerance. TAF will organize a teacher training pilot training on September 9, 2011.

Social Safety Nets Project (SSNP) --USAID Mercy Corps

Component 1: Improve social inclusion of marginal households by increasing access to social and community support networks

By the end of August 2011, 1268 individuals in the 10 aimags completed the six months of psycho-social support training. 80,6% of whom are women.

Social Safety Nets project targeted 1600 individuals from low income families who were affected by 2010 winter dzud and global economic crises for the PSS training. The training took place for six months term in the aimags between February and August under facilitation of local trainers with 79,2% of final attendance. The final attendance rate was slightly lower than original expectations due to the fact that 20,8% of initial participants found jobs and left the PSS training. We think this represents a project success.

The PSS training brought in 81 local trainers. The training brought more positive changes in the beneficiaries' personal and family lives than we expected.

Most significant results of PSS training are:

- Everyone in the training now has his/her own community and friends to share opinions and experiences. At least, a person was known to 20 other persons and made friends' network among themselves. High attendance rate of the training was definitely related with the participants' needs to belong to a community.
- 100% of the beneficiaries became more expressive and developed good communication skills. This ability helps them to be employed or addressing their needs and priority issues in appropriate way to relevant bodies.
- The team spirit they gained from the training allowed some of the trainees to establish income generation groups. Currently, 41 informal community groups are working in the 10 aimags on vegetable gardening, carpentry, cafeteria, bakery, sewing, boots making, felt crafts, construction works, and cotton bag production. In order to support those groups' initiative financially, Mercy Corps has provided MNT 0.5-1 million on average to each community group from its Mongol Rally community development project. Within the 41 community groups, 172 individuals have now their own small businesses.

- With support of local trainers and relevant government organizations, 442 individuals including family members of the PSS trainees have had complete civic documents and became able to benefit from public and social welfare services. For instance, 46 people obtained new ID cards, 105 people had medical insurance books, 82 people updated their civil registration, 7 people corrected their surname on their ID cards, 108 citizens obtained "Human development" fund books and 94 family members of the trainees had correct civic documents.



- 1015 individuals out of the 1600 beneficiaries had temporary job opportunities under cash for work program of local Labor and Social Welfare Department with special referral from Mercy Corps. In addition, 200 PSS trainees were employed by local employers and sum of their monthly income reaches MNT 35 million. It means, average monthly salary in the aimags is around MNT 175,000. According to the employed trainees' point of view, the PSS training gave them motivation and strength to look for jobs and therefore most of them are being recruited successfully.

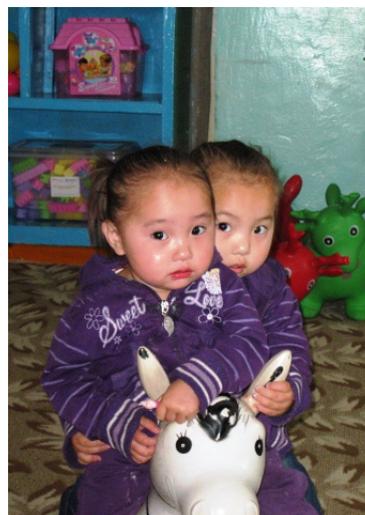
At the moment, the project team is conducting an end-of-component assessment of the PSS training and will produce its findings in September.

One Day of Bagh events in the aimags brought together all stakeholders, family members and other local organizations to introduce the PSS training results in their aimags. In Uvurkhangai aimag, the One Day of Bagh event was held on August 15, 2011 and 230 people were involved. The PSS trainees presented a gala concert to the audience. It was a surprising concert for the audience because all of the performers were just simple citizens, however it was a tremendous display of talents. Nobody from the performers expected to participate in any concert in their life, but now they confident enough to show their talent. (Photo: Singers/PSS trainees during their gala concert in Uvurkhangai aimag)

Following their reporting event, the PSS trainees wanted to do something good for their living area in

collective way. So, 108 trainees cleaned Ongi river basin in the afternoon of August 15 and collected 3 tons of garbage. This was a simple example of PSS training impact on people's attitude and behavior. The cleaning job was a voluntary action from the participants to conserve the natural environment. Their team spirit could bring 108 people at one point easily.

The activity also reflected the cost share and participation of the local government and other organizations. The local government provided a truck to remove the garbage, and CSOs New Village and World Vision Arvaikheer distributed MNT 5,000 for each participant of the cleaning job, which was an unexpected incentive for them.



300 children from vulnerable households, whose parents are PSS trainees, have benefited from kindergartens since March 2011. The primary objective of this activity was to support 300 parents to have spare time to look for jobs and improve their life skills through attending project trainings while the kids are having pre-school education. At this stage, the objective was fulfilled and beyond, it created contributions to local pre-school education capacity to enroll more children in 2011-2012 and furthermore. Thanks to the pre-school education support initiative, 5 new kindergarten classes in Arkhangai, Bayankhongor, Gobi-Altai, Hovd and Zavkhan aimags have been expanded and can receive more children starting this September. Those five kindergartens already approved additional budget from the State to run the additional classes. Plus, the project created temporary jobs for 20 kindergarten teachers and assistant teachers for six months and now 10 of the jobs are getting sustained. (Photo: Twin girls at Gobi-Altai kindergarten)



Component 2: Increase employment among marginal household members through an Employer Support Mechanism

Social Safety Nets project targeted 4000 individuals (400 per aimag) to deliver short-term vocational skills trainings to improve their marketable skills and improve job prospects. By the end August, 3678 people have trained in 38 different vocational skills. So far, the project indicator accomplishment has reached 92%, with six aimags; Arkhangai, Uvurkhangai, Hovd, Gobi-Altai, Dundgobi and Uvs aimags already meeting their goals.

We plan to complete vocational accomplish the training delivery during September in order to let the trainees find jobs in the rest of the year. Electricity shortage is affecting UG team to commence the trainings. By the end of August, 510 trainees had found employment at local companies, out of which 420 had permanent jobs and other 90 had temporary jobs.

Component 3: Increase employment among marginal household members through an Employer Support Mechanism

The SSN's employer support mechanism (ESM) seeks to increase job opportunities among marginal household members. In previous months, we identified 154 employers to provide the ESM grants and established partnership agreements. They are skills training new recruits on jobs skills and expanding their businesses. By August, 257 people were hired newly by the 154 employers in the 10 aimags. /The chart displays detailed information of the newly hired

staff in the 10 aimags.

LLC Ulam Bayjikhui in Arkhangai aimag is one of our ESM clients. The company hired 7 new staff who graduated from a bakery course in July. The company is investing MNT 26 million to expand its business and receiving USD 3600 grants for the 6 newly created jobs from the project. Ms. Tsetsegmaa, company director wanted us to forward her special gratitude to USAID for the support. She said "There is no other an organization or projects which supports employers like this ESM. Only the Social Safety Nets project is supporting the businesses and it gives us more strength and faith to expand our business and employ more people. I have already employed 7 people, in the future; I will employ more if I run my



business well". (Photo: Ms. Tsetsegmaa, director of Ulam Bayjikhui LLC in Arkhangai aimag)

USAID CENTRALLY AND REGIONALLY FUNDED PROJECTS

Sustainable Conservation Approaches in Priority EcoSystems (SCAPES) Project -- USAID Wildlife Conservation Society (WCS)

Community-Based Monitoring of Wildlife and Climate Change: WCS hosted a workshop August 9th – 12th at Chukh Lake camp in Dashbalbar Soum of Dornod Aimag to meet objectives of both the DS SCAPES project and the USAID-funded Livestock & Climate Change Collaborative Research Support Program (CRSP) project entitled "Increasing the Adaptive Capacity of Mongolian Livestock Herders under a Changing Climate through Rangeland Ecosystem Monitoring and Community-based Conservation". The workshop combined a training program on wildlife monitoring techniques with sessions devoted to discussing local communities' observations and impressions of the impacts of climate change on pasture and the distribution and abundance of wildlife species. Workshop participants (6 women, 23 men) included Volunteer Rangers from Livestock Herder Community Groups, Environmental Inspectors and Protected Area Rangers. Livestock herders reported a number of changes they attributed to climate change including the drying up of surface water sources, an increase incidence of steppe fire, changes in the patterns of wildlife migration and an increase in disease and infertility in livestock. An analysis of pre and post-training surveys indicated a high degree of learning (20% - 80% increase in skills mastered) as well as an overwhelming interest among livestock herders from community managed and protected areas to continue wildlife monitoring and explore more formal pasture and climate change monitoring to provide an information base for adaptive management.

Wildlife Trade & the Eastern Steppe Rare Pride Campaign: The Rare Pride team has joined forces with the Environmental Protection and Tourism Agency, Protected Area Administration and the Aimag Veterinary Agency in Choibalsan, Dornod Aimag, to inform the public about laws and regulations related to the trade in wildlife and wildlife products. Outreach has included TV broadcasts, distribution of flyers, posters and grocery bags printed with hunting and wildlife trade regulations. The team has also held small workshops with meat sellers and buyers at the central market. Choibalsan is a regional

trade hub for raw materials (livestock and wildlife origin) harvested from or raised on the steppes of Mongolia and sold through middle men in markets in China.

Community-based Conservation & Governance of Natural Resources: WCS in collaboration with the NGO, People Centered Conservation, visited four livestock herder community groups on the Eastern Steppe in August. The purpose of the visit was to hold meetings with community group members and local government representatives to facilitate the process of formally establishing these herder groups as Nukhurlul or community managed and protected areas. The feedback from these meetings was used to inform the planning of a stakeholder workshops scheduled for September designed to improve the knowledge and understanding of all parties and promote cooperation between local communities and local governments in support of Community Based Natural Resource Management and Conservation.

Capacity for Wildlife Monitoring: WCS and the DS SCAPES project hired Mr. B. Buuveibaatar in July as the project's senior wildlife biologist. Mr. Buuveibaatar completed a Masters degree in Wildlife and Fisheries Conservation within the Department of Environmental Conservation at the University of Massachusetts, Amherst, in 2011. Mr. Buuveibaatar began supporting the DS SCAPES project in August with field work on the Eastern Steppe and is currently analyzing data from white-naped crane and marmot monitoring activities under the supervision of Dr. Samantha Strindberg from WCS Conservation Support.

Avian Influenza in Wild Birds: WWCS continues to survey wild bird populations across the Eastern Steppe for highly pathogenic avian influenza (HPAI). August 10th – 24th the WCS AI team surveyed a series of wetlands in Dornod and Khentii Aimags and collected a total of 400 fecal samples from ducks at Turgenii Ikh Tsagaan, Elger Tsagaan, Horin Tsagaan and Davsan Tsagaan Lakes. A total of 1,600 samples collected July-September will be exported to Hong



Kong University at the end of September for HPAI testing. No new outbreaks of avian influenza in wild birds in Mongolia have been detected or reported in 2011.

**Strengthening Political Institutions and Accountability (SPIA) – NED
Mongolian National Consensus Building Program (NCB) - USAID**

International Republican institute (IRI)

IRI finalized arrangements to present the last set of focus group discussion data to political party, local and national officials in Umnugobi aimags.

On August 1 IRI traveled to Umnugobi August to present the results of the final FGD report to Mr. L. Batchuluun, Speaker of the Umnugobi aimag khural, Ms. N. Amarzaya, Member of the Presidium of the Umnugobi Aimag khural and Deputy Chairwoman of aimag MPP, Ms. R. Tungalag, Member of the Presidium of the Umnugobi aimag khural, Ms. G. Khandarmaa, Officer of the State Administration and Management Division of the Umnugobi aimag Governor's Office, Ms. Kh. Narantuya, Chairwoman of the State Funds and Financial Division of the aimag, and Ms. Adyasuren, district representative of MP Badamsuren. On August 22, IRI also presented the FGD data to a group of female political leaders and officials, including Democratic Women's Union chief Ms. Oyungerel, members of the the MPPs Social Democracy Women's Union including General Secretary Ms. O. Batsaikhan, Vice President Ms. I. Garavsuren, and Foreign Policy Advisor to the General Secretary Ms. S. Lkhagavsuren, MP Oyun, and National Security Adviser B. Miggedorj.



The report provided these opinion leaders with qualitative information about citizen attitudes on the pace of local development, the benefits of mineral development and mining, employment opportunities, quality of life local and central government performance, the level of civic engagement and public consultation, and political party favorability. Officials are using the

information to identify topics for public forums and to inform their communication and messaging efforts.

IRI finalized contractual arrangements on its autumn 2011 public opinion poll

On August 31, IRI finalized contracts with the Mongolia-based Social Policy and Development Institute and the Virginia-based American Viewpoint to field IRIs autumn poll, data collection for which will begin in the next week (after final approval of the methodology and extensive 100 –plus question survey. This poll will allow us to measure any perceived improvement or decline in the responsiveness and quality of local or central government performance, perceptions about opportunities for citizen involvement, the popularity of political parties (including the newly formed Mongolian People's Revolutionary Party), citizen views on current events and social problems, and to test the favorability of individual political leaders and policy proposals.

IRI completed its soum khural / local government manual / handbook

IRI has completed content on its soum khural member handbook on August 20 and received several bids for the printing of the book the week of August 26. IRI expects to select a printer and begin production / printing by early September, with distribution of the handbook beginning by the end of the month. As previous reports have noted, this handbook will be distributed (with the assistance of the parliament) to soum khural members, who can use the book as a reference guide as they carry out their responsibilities. The book will be most useful to new khural members, who make up over half of all soum khural members. Among other things, the handbook covers the basic legal framework governing the operation of local government, a historical perspective on the development of local government in Mongolia, the rights and responsibilities of soum khural members, the day-to-day-functioning of the khurals, the current constitutional relationship between the national government and sub-national administrative units, and how to improve transparency and expand public participation in khural activities.

**Fostering an Inclusive Environment for the Disabled Project 2 (FIELD-2)
Mercy Corps**

Project Launch

The project started in the respective aimags (Arkhangai, Uvurkhangai, Dundgobi, Uvs, Bayankhongor aimags and Bayangol district of Ulaanbaatar city) with introduction meetings and conducting Baseline survey. The project team provided with introduction

of the FIELD 2 and guideline for the survey. With guidance from Mercy Corps' aimag representatives in each of the aimags, partner DPOs began fielding the surveys.

Meeting with stakeholders

The project team had meetings with the Head of the Department of Geodesy, Land Affairs and Construction of the Ministry of the Road, Transportation, Construction and Town Planning. The department director has signaled his willingness to support our UB-based activities and noted that his earlier initiatives with FIELD 1 had led to the approval of the new accessibility standards.

Working in the countryside

The As part of our early FIELD 2 launch efforts, the project team checked in with FIELD 1 partner organizations to learn of their efforts during the time between the two USAID-funded activities. Two of the four DPOs in Uvurhangai secured funding for program activities, and one DPO reached an agreement with the aimag government to assist in implementing local government initiatives to reach people with disabilities. In Bayanhongor there are two active DPOs, although the capacity level for these are low. In both aimags, we received positive statements of support from local officials as we look ahead to FIELD 2 implementation.

Monitoring Equipment

Mercy Corps is working with the National Association for Wheelchair Users, Independent Living Center and Aivuun DPOs to prepare a subgrant that will purchase technical measuring equipment by which walkways and ramps will be assessed for compliance. This is the same equipment that contractors use to measure length, slope and angle. We believe that our monitoring efforts will receive better acceptance by builders and officials if the data comes from similar methods and technology that they use.

Farmer to Farmer Special Program Support Project Mercy Corps

US Volunteer, Liam Wustenberg completed the assignment of "Artisan dairy production and cheese making" on August 6, 2011. Liam conducted a cheese making workshop at the Dairy Training Center in Ulaanbaatar from August 2-4 2011 for 18 participants and directly assisted two hosts: Noyony Hishig and Gurvan Tamiryn Uyanga Partnership and two tandem participants, IEC BDS Provider and Hatant Arvijih LLC based in Arhangai Province. During the cheese making workshop the production of three new products for Mongolian milk processors were demonstrated: Havarti, Quark and Whey (Ricotta) cheese. Also,



different types of flavorings such as vanilla essence and cacao for yogurt were tested and flavoring alternatives both for cheese and yogurt were developed.

In essence this was the first effort in country to conduct a demonstrational training and it was one of the most beneficial practical work done by our US volunteer.



Liam chose to process easy cheese recipes that require basic equipment and are appropriate for the marketing opportunities, current technological level of the training participants and host enterprises. Also he presented a lecture on milk microbiology and dairy products quality control. 8 local dairy consultants of BDS Providers and 10 small dairy entrepreneurs from 10 different provinces of Mongolia participated in this demo training.



The production of Quark was captured in a technical education video. Copies of this short film, a Power-Point presentation on milk microbiology and quality control and the three cheese recipes will be distributed to the Mercy Corps Aimag offices, posted on the Mercy Corps Mongolia Website <http://mercy-corps.org.mn/index.php?cid=203> and uploaded to the BDS provider portal www.zuvluh.mn.



Feedback and Early Results

First results of the beneficiary business re-assessment conducted in August with the hosts and trained individuals during the first three volunteer assignments show that the program already fulfilled - even surpassed the targets for performance indicators and the feedback of the beneficiaries of the first three assignments was very positive. All 73 participants were very satisfied with the training or TA provided. 99% of the participants assessed the knowledge of the volunteers as good-very good. Likewise, 98% evaluated the practical value of the TA as good-very good. Participants think that the training were useful for them to increase their competitiveness and will help them to increase their sales income. Participants suggested

offering such workshops also in the rural provinces. Therefore the motivation of the FtF team remains high and we continue resourcing.

Mercy Corps will submit a no-cost extension of the project activities through the end of calendar 2011, upon prime contractor, suggestion in order to assure that the quality and the relevance of the TA provided by FtF is maintained.

Enabling Market Integration through Rural Group Empowerment (EMIRGE) **CHF International**

Building Capacity of business groups

Study Trips to Intensive Farms: For capacity building of business groups in Zuunharaa(ZH), CHF organized a study tour the Inner Mongolia Autonomous region of China. The study tour included visits to dairy farms, a milk processing company and the Agriculture University of Inner Mongolia. Twelve farmers of 4 groups from ZH participated in the study tour. All farmers contributed to training and meal expense to participate.

Three days were spent in Huhhot to study large scale dairy farms and a milk processing plant. During the trip the group learned about improved feed, breed and farming practices. CHF will follow up with farmers to organize demonstration activities in how to construct a silage storage pit and administer artificial insemination.

Five of the group members visited Tsagaanur Gatsurt Company farm which was organized by MoFALI and Gatsurt Co LTD. Our group members were able to see agricultural equipments, irrigation systems and intensive farming for beef cows.

Promotional Video on Producer Group Activities: CHF is developing a short film for promoting the agricultural group activities. The film aims to demonstrate to community importance of working together in improving and expanding businesses in agriculture sector, describing how farmers are overcoming problems through collaborative activity. Its purpose is to raise awareness of the general public about the impor-



tance of innovation and cooperative work. The video will be ready in October with Mongolian and English versions.

Harvest Outcomes: This year 4 groups produced fodder on 17 hectares of land. Groups planted oats, corn and barley, which has yielded 92 tons. Three groups are making silage of 30-32tn, 49 tons will be baled and used to feed cattle during winter when the milk prices are high. The harvesting process continued for 4 days with baling and making silage. All groups prepared equipment and storage pits for silage. This year the silage quality, quantity and density were very good compared to last year because groups are using automatic cutters for production.

CHF provided a grant for groups to co-finance the equipment. Four groups applied for grants worth 30% of the total amount of the equipment, the remainder of which is invested by group members. Through this activity we support and build the groups to have sustainable production of feed and high quality feed. Groups contributed 1 792 000 MNT.

Two groups are also producing and selling vegetables. The harvest is 26.5 tons of cabbage, carrot and potatoes; sales were valued at 20 930 000 MNT. The groups are selling vegetables in UB at Bars vegetable whole sale market, Nomin, Sky, Mini chain supermarkets.

Semi annual monitoring result of groups: This month we compiled groups activity results through July.

- Shelter investment. 8 farmers in 3 groups started shelter construction, investing 38m MNT.
- Group purchase of feed. group members purchased together 5.7tons of AT feed worth amount is 2.1 MLN.
- Fodder production. Group members contributed about 2.9 MLN amount for planting and harvest, harvested 92tons of fodder and 26.5tons of vegetable. Vegetable sales are 20.9 MLN worth.
- Group investment in equipment. Group members have invested their own money to pay 70% of the cost of silage cutting and hay baling equipment.
- Improved husbandry practices. Our survey revealed that a majority of farmers engaged by EMIRGE have significantly improved their husbandry practices in areas such as watering cattle, improved hygiene and purchasing new veterinary treatments, investing in better breeds.

Development of Cooperative Advocacy Strategy: In September and October, CHF will work with the Mongolian National Cooperative Association to solicit input from regional cooperatives on key issues and educate them on their role in the advocacy process.

This feedback will be used in a workshop of national level stakeholders to develop an advocacy agenda and strategy to advance cooperative sector interests.

U.S. DEPARTMENT OF AGRICULTURE FUNDED PROJECTS MANAGED BY USAID

Rural Agribusiness Support Program (RASP)-USDA Mercy Corps

Client Sales: Clients made \$ 480,987 in sales during August 2011. The total sales generated by business clients under RASP from January 2005 to date no reach \$ 17,260,049. The following table details the actual sales of the RASP clients during the previous years.

Year	Total Sales (MNT)	Total Sales (USD)	MNT/USD
2005	436,732,725	363,943	1200
2006	888,133,035	740,111	1200
2007	1,427,829,790	1,189,858	1200
2008	1,857,903,630	1,548,253	1200
2009	6,379,166,656	4,556,548	1400
2010	7,218,240,959	5,268,789	1370
2011	4,418,832,366	3,592,547	1230
August 2011	601,234,000	480,987	1250
Total	22,626,839,161	17,260,049	

Loans: Access to Finance: Through August 22, 2011, RASP clients accessed 27 loans with a total value of \$78,000 for the facilitation for which Mercy Corps provided \$28,096 (36.0%) as additional cash collateral to commercial banks. In 2011, RASP clients have accessed a total of 374 loans totaling \$1,159,920 with the average loan size for the year reaching \$3,005. Since the start of the program in May 2004, a total of 2,772 loans have been dispersed, with a total value of \$7,976,839. Mercy Corps has provided 37.8% as additional cash collateral to secure our client's loans. The repayment rate to date stands at 97.73%. The monthly average of number of disbursed loans in 2011 is 50 and the average value of loans which is now \$3,005 shows and increase. Both parameters show significant demand for this instrument from rural SMEs.

Equipment exhibition for SME in Hovd aimag: Mercy Corps' Hovd aimag representative office and the aimag Governor's office organized an equipment and inputs exhibition for local SMEs. More than 50 types of agricultural and food processing machines, equipment and improved input materials were exhibited by suppliers from China. Some 4,000 visitors including

local entrepreneurs visited the two days event and signed contracts to purchase new equipment and machinery with a total value of \$16,000.

Value added business expansion project monitoring: RASP conducted ongoing monitoring of the recent value added businesses expansion grants in target 12 aimags. Already, participating businesses have increased their sales by 12.5 percent this year as a result of their expansion efforts. In addition these enterprises increased their purchase of locally produced raw materials by \$389,200 and created 112 new jobs in local areas. 13 enterprises already completed their businesses planned business expansion investments and they received MC reimbursement sub-grants. The remaining business Expansion Projects will be completed on time and as planned by December 31, 2011.

Market access and expansion activities: During August four local market day events took place. These include (1) the Bulgan Partnership, remote soum market event, (2) Uvs Partnership-2011, (3) Market days in Khovd and (\$) Uvurkhangai aimags. In total, 240 local producers, businesses and program clients displayed over 75 types of products and generated. MNT 32,5 million in sales. RASP continues to support these Market Days as they have proven valuable in exposing local agribusiness to local and regional markets and serve as effective market linkage activities.

Local Economic Development (LED) Planning: Mercy Corps' Dundgobi aimag representative office organized a participatory planning methodology training in Khuld soum of Dundgobi aimag for 23 members of planning and monitoring committee of the soum. LED planning committee of Deren, Gobi-Ugtaal, Undurshil, Saikhan-Uvoo soums (Dundgobi aimag) and Khovd soum (Khovd aimag) finalized their LED plans with support of MC during August 2011.

LED plan implementation monitoring: Mercy Corps conducted monitoring on implementation of LED plans and their investors forums' outcomes in Khalzan, Dariganga soums (Sukhbaatar aimag) and Urgun soum (Dornogobi aimag). The implementation phase of the LED plans in Dariganga and Urgun soums are 10% and 20% completed, respectively. In Khalzan soum (Sukhbaatar aimag), 6 projects out of 24 planned are currently in implementation with a total investment attracted through the end of August 2011 valued at \$21,500.

Veterinary business management training: During

this month Mercy Corps and its partner, Development Solutions, organized a “Private Veterinarian Practice Business Management Training” for 240 local veterinarian and veterinary technicians in Bayankhongor, Gobi-Altai, Khovd, Uvs, Zavkhan and Arkhangai aimags. The the training aims to strengthen and support the development of the capacity of rural veterinary businesses and practitioners as veterinarian service providers. In particular, this training focused on improving the business management and development skills of nascent private veterinarian services in rural Mongolia.

Food safety training for food producers in 3 target aimags: During August, RASP and its partner the “Mongolian Bactrian Association” organized two days “Production of safe food” training to 93 local food producers/processors in Arkhangai, Hovd and Zavkhan aimags. The training topics covered included: hygiene of food processing factory, production of safe food, good manufacturing practices, sound design of food processing plants, principles of meat, milk, bakery and beverage plant sanitation, food contaminants, cleaning and sanitizing of food processing plants, workers personal hygiene, workers safety and regulatory requirements, quality assurance programs. More than 30,000 consumers stand to benefit in these aimags alone from safer, higher quality food products.

Food markets laboratory upgrading testing facilities project: Under “Upgrading testing facilities project” Mercy Corps provided equipment valued at \$18,600 and technical assistance to six laboratories in Sukhbaatar, Dornogobi and Zavkhan aimags. The TA brought 6 laboratory experts together to improve their usage of the new equipment and how to conduct better testing for food safety assurance. In addition the food safety trainings organized were attended by 75 local food market milk and meat vendors. The training participant’s knowledge of food safety-hygiene improved by 36%.

Future events:

- Conduct the food safety training in DG, UG, and SU aimags;
- Continuous implementation of value added business expansion projects in target aimags;
- Conduct business, product and technology development training to rural herder communities and local entrepreneurs by contracted local training providers;
- Ongoing consultancies on LED planning in soums;
- Endemic disease research survey will conduct in Tumentsoigt and Munkhkhaan soum, Sukhbaatar aimag;

- Organize Market day events in AR, UH, BH, DG, GA, SU, UG, ZA, GS and DO aimags;
- Organize MC Client’s product sales day event in SU aimag;
- Developing MC client’s catalog.

Mongolia Agribusiness Support Program (MASP)--USDA

CHF International Development Solutions (DS)

Development Solutions is gradually winding down MASP activities throughout June to September. In July, we’ve successfully concluded MASP operation in Baganuur district, Bulgan and Choibalsan provinces. In August, Erdenet branch will conclude MASP activities. The project operations in Darkhan, Sukhbaatar and Ulaanbaatar branches will be concluded in September.

Business Development

In August, CHF sub-awardee, Development Solutions helped to expand or improve 16 businesses and created 30 new start-up businesses. DS conducted 55 agricultural and business trainings, provided 27 consultations, and delivered 60 information services. August is the harvesting season for the agriculture industry in Mongolia. Our vegetable grower clients are finally seeing the fruits of their hard work. After harvesting their fresh vegetables, our clients need to properly store and preserve their products. Hence DS provided vegetable preserving and storage trainings to 31 clients in Ulaanbaatar, Darkhan and Erdenet cities. The clients were taught on pickling different types of vegetables such as cucumber, pepper, cabbage, and carrots as well as making salads and purees such as letcho, beetroot salads and mixed vegetable salads. Additionally, DS has organized storage training and study tours for 22 business clients who wanted to learn how to store vegetables in storages as well as building storages. DS trainers taught the attendees on different types of storages, preparing storages such as sanitizing, preparing shelves and packages. After the training, the clients were shown different types and sizes of storages and taught how to build them.

DS continued providing its business development services including training such as Writing business plan, Amazing Service, Accounting training in Ulaanbaatar and Erdenet cities and consultancies on writing business plans, loan proposals and accounting.

Other Activities

August 14 was 3rd anniversary of the establishment

of Development Solutions. Development Solutions celebrated the day by recognizing its best employees of the year as well as exchanging ideas and opinions for its future activities after MASP.

DS is continuing the implementation of Gobi Benefit project, funded by Oyu Tolgoi. In August, at the request of project beneficiaries, DS has provided dairy processing training and felt processing training.

Additionally, DS collaborated with other development organizations including Animal Health and Livestock Marketing project, Organic Mongolia project, World Vision, and People In Need NGO to provide business development services.

Planned activities next month:

Business trainings:

- Amazing Service Training in Ulaanbaatar.
- Business start up training in Ulaanbaatar and Sukhbaatar.
- Accounting training in Ulaanbaatar and Sukhbaatar.

Technical trainings:

- Fruit and vegetable preservation training in Darkhan.
- Pig farming training in Darkhan.

