



MONGOL MONITOR

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MAY-JUNE 2012

May-June Mission News 2012

On May 4th, USAID and GIZ held a joint groundbreaking ceremony to launch a thermo-technical retrofitting project that will reduce greenhouse gas emissions and help make Ulaanbaatar an environmentally-friendly city. A collaborative project between USAID and Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ), three schools in Ulaanbaatar City have been selected for rehabilitation - School No. 63, No. 79-1 and No. 79-2. This project uses clean energy – through solar power and thermal insulation - to increase heat levels in the school buildings. In addition to introducing these technologies, local contractors, engineers, and architects will receive on-the-job training on the application of environmentally-friendly techniques; learning modules on clean energy will also be provided to teachers and students. Funding for this 13-month project totals \$1,517,000 USD. Heat energy consumption and CO2 emissions are expected to be reduced by 50% after the thermo-technical retrofitting.

Acting Mission Director Karen Hilliard traveled with USAID staff to Khovd and Bayan-Ulgii Provinces in the western region of Mongolia during the end of May to assess the progress and impact of USAID and USDA funded programs. The Social Safety Nets (SSN) and Rural Agribusiness Support (RASP), both implemented by Mercy Corps, yielded notable results in these remote areas. The USAID delegation also traveled to a Mongolian-Russian border point to view customs operations and at Risk Management work and initiatives by the Government of Mongolia.



USAID team led by Jumagul, Mercy Corps. representative in Bayan-Ulgii province (second left) with the dombira maker (kazak musical instrument) - he is psycho-social training attendee under Social Safety Net project and Loan Guarantee Mechanism client. For more great pictures of our trip, please visit our Facebook page.

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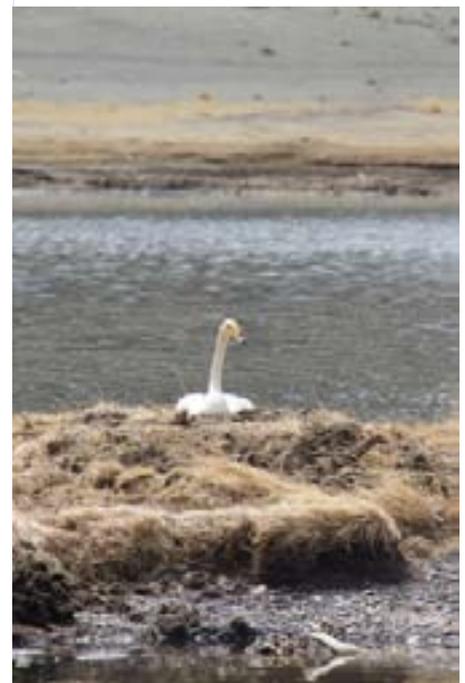
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In early June, the USAID team headed out on the road again. Led by Acting Mission Director Karen Hilliard, the Embassy delegation traveled to Gurvan Tes District in Umnugobi Province on an environmental monitoring trip. Traditional livelihood, mining, and the environment are increasingly at odds in the southern Gobi. According to local officials and non-governmental organizations during the visit region, decisions concerning mining rights are made exclusively at the State level without input from or regard for the environment, local stakeholders, or affected citizens. Further, profits are not translating into expected development projects and activities, causing growing resentment and discontent among the population.

The June 28th Parliamentary elections proved peaceful, orderly, and calm. Although minor irregularities occurred, U.S. Embassy and USAID personnel serving as International Observers noted that polling station staff, voters, and political observers actively adhered to election regulations and standards. Joining USAID/Mongolia in observing the elections was Johanna Wilkie, Elections and Political Processes Fund Administrator from USAID/Washington. Here on TDY, Johanna also assisted in assessing the impact and progress of USAID/Mongolia's election-related activities including the National Consensus Building and Citizen Engagement and Elections programs. In other election news, former President Enkhbayar, arrested on corruption charges on April 12, 2012, remained barred from running for Parliament; after a series of postponements, his new trial date is tentatively scheduled for mid-July.

PRIVATE SECTOR-LED ECONOMIC GROWTH

Business Plus Initiative Project (BPI) Chemonics

Mongolian Tax Administration Counts the Savings from Eliminating Paper for Corporate Income Tax Payers

The General Department of Taxation (GDT) introduced an electronic signature system that will allow taxpayers to submit tax returns signed with e-signatures and exempt them from having to file paper returns for VAT, corporate income and employee with-

holding taxes, beginning June 1, 2012. At a public event on May 25th announcing the e-signatures, the GDT estimated the annual savings to corporate income taxpayers who now file electronically and also file paper returns at 4.7 billion MNT annually. GDT used a methodology (see graphic) that BPI is working to introduce to quantify the cost of inefficient regulation, to help identify priorities and provide stakeholders with more powerful arguments to build political will for reform. GDT, the Ministry of Finance IT Department, and the Mongolian Software Producers Association have agreed to collaborate on introducing true e-filing, allowing businesses to file tax returns and financial statements directly from their accounting software. Pres-



One June 22, USAID/Mongolia bid farewell to Karen. Karen arrived to Mongolia in January 2012, braving the world's coldest winter weather. Since then, six months passed like a whirlwind. Much has happened and even more achieved during Karen's tenure in Mongolia. On her last day in office, staff took Karen on a "final field trip" to Gandan Monastery, one of Mongolia's few surviving monasteries from the Communist regime. The Mission thanks Karen for her courageous, decisive yet gentle spirit; she will be greatly missed and we wish her all the best in her future endeavors.



ently, businesses must manually re-enter detailed tax and financial information online. True e-filing will produce further savings in time and expense for businesses, reduce errors caused by manual entry, and improve taxpayer compliance. Full implementation of these two measures will bring Mongolia to be a top reformer in the paying taxes indicator in the World Bank Doing Business 2014 survey.



GDT: going paperless will save CIT e-filers 4.7 billion MNT

- 5 hours to file a paper return (round-trip from business to tax office)
- X 3,405 MNT average hourly wage of an accountant (600,000 MNT/month)
- = 17,025 MNT (\$13) per return personnel costs
- + 4,200 MNT transportation (6 km average round trip X 700 MNT taxi per km)
- + 64 MNT paper costs per return (8 MNT per page X 8 pages per return)
- = 21,289 MNT (\$16.25) per return
- X 4 returns per year
- = 85,156 MNT (\$65) per taxpayer annually per year to file paper CIT return
- X 55,331 filers per year (Number of CIT e-filers in 2011)
- = 4.7 billion MNT (\$3.6 million) per year savings
- BPI Calculates 2.9 billion MNT savings for small businesses with annual sales 10-50 million MNT

Banking and Finance Academy Completes its First Flagship Program

Banking and Finance Academy (BFA) held a graduation ceremony for its first Loan Officers Development Program (LODP) on May 24, 2012. Fourteen loan officers from commercial banks, including Trade and Development, National Investment Bank, Golomt, Xac, and Chinggis Khaan, received certificates after successful competition. The LODP, which includes 25 modules in four levels ran from March through May 2012. The curriculum was developed with USAID assistance to provide certification training to increase the professional capacity of banking and financial sector professionals.



Fifth Annual Corporate Governance Forum of Mongolia



The Corporate Governance Development Center (CGDC) held its Fifth Annual Corporate Governance Forum on May 9-10, 2012

focusing on corporate governance issues in family-owned businesses. BPI engaged Joseph Fan, Professor from the Chinese University of Hong Kong, to deliver a keynote speech on Asian perspectives of family-owned businesses. Over 100 participants including government regulators, executives from commercial banks and private sector, discussed ways to improve corporate governance at family-owned companies and explored solutions to pressing issues, such as disclosure and transparency as well as investor rights protection with the participation of global experts. In addition to USAID, IFC was the main sponsor of the event, along with Mongolian firms.

USAID CENTRALLY AND REGIONALLY FUNDED PROJECTS

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

World Biodiversity Day and Children's Day Events Generate Pride in the Mongolian Gazelle on the Grasslands of the Daurian Steppe

Children and adults in Choibalsan City turned out to celebrate International Day for Biological Diversity (May 22nd) and International Children's Day (June 1st) with parades and a program designed to engage citizens in the conservation of the Mongolian gazelle, the iconic species of the grassland steppe. Local officials addressed the public and explained the implementation of tighter restrictions on hunting, designed to allow populations of steppe species like the wolf, red fox, and Siberian marmot to recover from over two decades of hunting for trade. The program also included performances by local musical artists, a children's duet singing the Eastern Steppe Rare Pride Campaign song, and a quiz show testing the local community's knowledge of ecological principles and hunting regulations sponsored by the telecommunications company, MobiCom.



The Mongolian gazelle joins the June 1st 2012 Children's Day festivities in Choibalsan City on the Daurian Steppe.

The DS SCAPES Collaborative Wildlife Protection to be Replicated Across the Daurian Steppe Region of Mongolia

Members of Multi-Agency Team of wildlife officers and environmental law enforcement staff formed to address illegal hunting and wildlife trade in Dornod Province were invited to attend a workshop in Khentii Province May 14-17, 2012, organized by WWF-Mongolia and national-level representatives from the General Agency for Specialized Inspection (GASI). The success of the efforts of the Dornod Province Multi-Agency Team to monitor wildlife trade and address poaching were acknowledged by GASI officials and put forward as a "good example of inter-agency cooperation". The workshop participants pledged to support and implement a similar multi-agency team approach in the provinces of Khentii and Sukhbaatar and cooperate with the established Dornod Province Multi-Agency Team to provide collaborative wildlife protection coverage across the Daurian Steppe ecoregion.

Supporting Mongolia's Presidency of the Community of Democracies - USAID The Asia Foundation (TAF)

Strengthening Transparency and Governance in Mongolia

On May 30, 2012, The Asia Foundation (The Foundation) was issued a pre-award letter from USAID that enables the Foundation to start workplan development for the Strengthening Transparency and Governance in Mongolia (STAGE) project in close collaboration with Mercy Corps' Active Partnerships and Public Engagement for Accountable Localities (APPEAL) project.

International Women's Leadership Forum

Under the auspices of the Presidency of the Community of Democracies, the Foundation is supporting the organization of an International Women's Leadership Forum planned for July 7-9, 2012 at the Ministry of Foreign Affairs and Trade. The aim of the forum is to develop a common understanding on the importance of women's leadership in democratic societies and share best practices with Mongolian women leaders. The forum will focus on two areas; women, energy, and sustainable economic development and expanding

women's political and civic participation. Invitations for international participants were sent out and the draft agenda was refined.

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

FIELD 2-Voter Education for People with Disabilities: First Ever—Monitors with Disabilities

The Network of Disabled People's Organizations (DPO)—supported by Mercy Corps' FIELD 2 project—leapt into the role of advocating for and securing the rights of voters with disabilities. DPO representatives now understand the difference between old and new election laws, ballots, automatic reading system for the ballots those to be used for 2012 election. One of the greatest opportunity for domestic NGOs given by the new election law is to monitor the election process including the preparation and on Election Day observation. DPO Business Incubator Center of PWD and DPO Wheelchair Users Association submitted the requested documents to GEC



on time; the GEC announced on May 24, 2012 that those two DPOs were selected in addition to other 6 NGOs. In total, 8 national NGOs will monitor election process this year. Wheelchair Users Association will conduct the monitoring in Ulaanbaatar, Darhan, Ar-

hangai, Dundgobi, Bayanhongor and Uvs Provinces through its members. The main focus of monitoring will be on accurate name list of voter with disabilities, preparation of polling stations that counted for infrastructure accessibility for PWD and independent voting for PWD who vote through mobile ballot box.

DPO Network Leads Campaign for “Accessible Voters Environment”

On May 24, 2012, the DPO Network organized a stakeholder meeting among government and civil society organizations to exchange information and create partnerships on voter education activities for PWD before 2012 election. Attending the meeting were the GEC, Human Rights Commission, National Human Rights Program Committee at Ministry of Justice, 7 DPOs, Voter Education Center, USAID, NGO MON-FEMNET, Mercy Corps, Mongolian National Radio, UBS TV and Eagle TV. The DPO Network presented the GEC with official recommendations, including how to make the ballots with logo of political parties or photo of the candidates in order to help Voters with Visual Impairments or illiterate people; organize polling stations accessible for PWDs as placing mobile ramps, choosing ground floors, enough space and appropriate height of the ballot reader machine for wheelchair users; and provision waiting seats or a free line-up service for PWDs. Recommendations were specifically related to confidentiality As PWDs who vote via a mobile ballot box are often influenced by the horoo workers (from the administrative unit where they belong)by threats of withholding social welfare service in forthcoming four years. The DPO network recommended replacing civil servants of the horoo.

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

Training on Soil and Silage Plant Preparation

In May 2012, CHF provided technical training on soil preparation and the best methodologies for the planting of silage. Members from seven farmer groups were trained on proper fodder production in order to increase both the quality and quantity of their domestic production. Farmers will be trained further on preparing land for cultivation, care of plants, proper watering intervals as well as growth rates of plants. Having obtained this knowledge, farmers will be able to increase their fodder production, directly positively impacting milk production in the winter season.

Internal Assessment for Outside Farmers on Improving Shelter and Farm Business Through Brokers

The CHF Mongolia team conducted an assessment to understand the ripple effect of learning from EMIRGE

beneficiaries throughout cooperatives and individual farms . CHF worked with an enumerator to distribute an assessment tool to farmers. After contacting 164 farmers, 53 farmers (32%) had made some improvements on their animal shelters, 111 farmers (68%) were introduced new feed varieties (AT concentrated feed), and 5 farmers (3%) had learned to produced their own silage and green fodder. This clearly demonstrates that EMIRGE program knowledge is being actively disseminated throughout the community as well to outside farmers.

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

Rural Agribusiness Support Program (RASP)-USDA ***Mercy Corps***

Value Added Businesses Expand Through Strategic Grants

Mercy Corps' RASP project spent May wrapping up 33 value added business expansion projects in 12 aimags. In total, these businesses made \$363,468 in investments including 57 new types of machinery. Mercy Corps' contribution to that investment was just 37.6 percent; local businesses did the rest. Those businesses generated \$544,510 in total sales income—double the average revenue the year before. Sixty-seven new and improved agricultural products have entered the local market, including packaged dried curd, sour-cream, cow and camel milk, yogurt with camel milk, soft cheese, butter, beef, mutton, new types of sausages, felt for the Mongolian ger, felt handicrafts, animal mixed fodder and honey. In 2011, business expansion sub grantees introduced 203 new and improved agribusiness products to local market, from these products fully adopted more than 86 present (172) in their local market. In addition, these local businesses created 81 new fixed jobs that have been raised by 40,8% (more 24 new fixed jobs) than last year's sub-recipients created fixed-term jobs.

Business study tours of dairy and food entrepreneurs in China

37 entrepreneurs from 12 aimags went to Xinjiang province in China to learn about modern crop farming, animal husbandry, and food production and technology. The cost of these successfully organized trips was shared equally by clients and Mercy Corps. These trips improve Mongolian rural processors' ability to diversity and expand their capacity. For example, Mr. Batchuluun who is head of Ikh Halbaganat LLC in Bayanlig soum, Bayanhongor aimag attended the business study tour in 2010. He brought some milk processing equipment such as ice-cream maker, yogurt package machine and milk pasteurizer and

they established camel milk processing plant in their soum. The Bayanlig soum has large camel herds but has not used these resources fully in the past. The company introduced three new camel milk products as camel milk ice-cream, yogurt, pasteurized camel milk in their local market. Their sales income reached to \$10,600 and now employs 3 full-time workers.

Dundgovi aimag’s “Development policy, strategic plan” was approved by Aimag,s Citizen’s Representatives’ Hural

On May 18, 2012 Dundgovi aimag Citizen’s Representatives’ Hural approved their aimag LED plan titled Development Policy, Strategic Plan (2012-2031). The plan is first citizens’ participatory worked out LED long term strategic plan on aimag level in Mongolia. During the developing of the plan MC provided methodology training and technical assistance to members of Working group and Planning and monitoring Committee including aimag’s government officials, representatives of CSO, businesses, public service organizations. Therefore for developing of this policy document used 13 soums’ LED plans of Dundgovi aimag that developed with support of Mercy Corps and other policy documents related to national, regional and aimag development. The aimag LED plan consists of 65 development programs and 261 projects of economic and social sectors which will be implemented in four phases during 2012-2031. More than 4000 citizens actively participated in the planning discussions, 16.9% of the aimag’s adult population.



May - June in pictures



US Ambassador Jonathan Addleton being interviewed by the local TV station UBS at the groundbreaking ceremony of the US-AID-GIZ collaborative climate change project.

Next picture: A young male eagle trained for hunting by a Kazakh family in the remote area of Bayan-Ulgii aimag.

Next picture: The town of Ulgii, capital of Bayan-Ulgii province from above.

Next picture: Red cliffs in Umnugobi province

Last picture: Farewell Karen! We will miss you!