



USAID | MONGOLIA

FROM THE AMERICAN PEOPLE

Visit our Website at www.usaid.gov/mn

The Mongolia Monitor

News from USAID/Mongolia

No. 68

March 2007

Mission News:

In March, USAID completed its input to the Embassy's Mission Strategic Plan, including a foreign assistance request for FY 2009 for \$7.5 million to support economic growth and democracy and governance projects. The Mission also completed a truncated Annual Report, marking the end of that planning document and predecessor to the Operational Plan. In early March, Project Development Officer Cory Johnston visited USAID and USDA projects in Khovd, Zavkhan and Arhangai aimags. The trip confirmed once again that with a little help with business planning and access to finance, rural Mongolian entrepreneurs have the ability and know-how to grow their businesses and tap domestic and even international markets. Mr. Johnston met with two furniture producers who had just completed their first shipment of ger furniture to a client in the Netherlands and were already producing new furniture for the second shipment.

USAID PROGRAM NEWS

STRATEGIC OBJECTIVE 1: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic and Trade Policy Support

Implementation support for the new tax laws. The project has agreed with the General Department of National Taxation (GDNT) to hold a three-day training of tax inspectors and supervisors beginning on April 16th in Ulaanbaatar. The workshop will focus on new tax return forms, regulations, and international accounting principles applicable to the new laws. Similarly, the project is working with the Mongolian National Chamber of Commerce and Industry (MNCCI), the North-American Mongolian Business Council (NAMBC), and GDNT to organize a workshop for accountants and financial managers through their associations.

Working Group to establish a single window for trade facilitation. The WG had its second quarterly meeting on March 29th with Minister of Finance Bayartsaikhan chairing it. The WG approved the National Program to establish a single electronic window for trade facilitation, and the Minister requested that a government decree be drafted for submission to Cabinet. The National Program recommends that a joint stock private-public company (PPP) be established, with a strategic investment partner operating the Single Electronic Window on a build-operate-transfer (BOT) concession basis. EPRC is serving as a technical secretariat for the WG.

Summer seminar on trade. As part of the annual work plan of MoIT's Trade Analysis and Negotiations Unit (TANU), GTZ and EPRC are working with faculty from the School of Law and School of Economics of the Mongolian National University on the design of a summer seminar on key Mongolian trade issues on the agenda of negotiations with China, Russia and the U.S. in the context of TIFA.

Competitiveness Support

National tourism organization. The Cabinet of Ministers approved the long-awaited Tourism Strategy 2007–2011. Following consultation, the strategy will be submitted to parliament on April 15th for ratification. The strategy allows for the creation of a national tourism organization (NTO), comprising representatives from public and private sectors, with responsibility for implementing tourism policy. EPRC is leading a working group to define roles and responsibilities of the NTO. The group will convene at a retreat to be held at the Secret History of the Mongols Ger Camp in April.

Mongolian cashmere promotion week in New York. The EPRC-supported Mongolian Cashmere Promotion Week took place in New York on March 12-16. The five-day event comprised a one-day seminar, "Doing business in the US", a three-day promotional exhibition, and a visit to a major garment distribution center. The promotional event attracted major buyers from well-known brand holders Bergdorff Goodman, Bloomingdales, Saks Fifth, Brooks Bros, Neiman Marcus, Bobby Jones, Liz Claiborne and Perry Ellis. A number of follow up face-to-face interviews were arranged subsequent to the exhibition.

Superfine cashmere. The superfine cashmere project that EPRC and Mercy Corps initiated moved into the second stage in March. Mercy Corps, the potential buyer, and herders signed an MOU to supply superfine from this year's combing. The superfine will be de-haired by EPRC client Goyo prior to export. Herders will receive a 30% price premium, subject to final inspection in the destination country.

Horsemeat. EPRC advisors visited horse slaughtering facilities in Darkhan and Erdenet on behalf of Japanese meat canners "Kawasho Foods". The project submitted a brief report to the company whose representatives hope to visit Mongolia in late spring. A number of challenges have been identified, primarily the short slaughtering season, and the ensuing costs of finance and storage.

Finance Support

Mongolia Mortgage Corporation (MIK). EPRC continues to support MIK's work on its first securitization transaction. MIK is finalizing a due diligence report on the first transaction and together with the project facilitated a preliminary agreement between Khan Bank, MIK and the Bank of Mongolia (BoM) on structuring the transaction, including size, composition of the portfolio, and pricing.

Secondary mortgage market. The project and MIK are in preliminary negotiations with the International Finance Corporation and Asian Development Bank on their potential support to MIK in the development of the secondary mortgage market in Mongolia. KfW, the German

development bank, completed a feasibility analysis regarding potential involvement. The KfW report is expected at the end of April.

Credit Information Bureau (CIB). The CIB Working Group formed at the end of February drafted a Memorandum of Understanding (MOU) on the organization of a private sector-controlled company to provide credit information services. The MOU was circulated among stakeholders for comment.

Energy Sector Support

Egiin River hydroelectric project. The MoF and MoFE requested EPRC assistance regarding two tenders, one for construction and the other for consultation during construction of the power plant and for assistance in negotiations with the Chinese. The project met with representatives of the MoF in late March to discuss the Egiin Hydro project. The Egiin Hydro Working Group submitted a request to the Ministry of Justice for clearance of the Engineering, Procurement and Construction (EPC) tender process. The MoF did not offer any comments on the papers that the project submitted previously; however, they did acknowledge that the energy sector is currently bankrupt.

National Dialogue Support

National educational campaign on the new tax laws. The first two promotional TV spots are ready, and the first spot was aired several times in February. EPRC and GDNT anticipate designing at least two more TV spots. Airing of the spots will be intensified in preparation for Tax Week celebrations scheduled for the second week in May.

Improved public communications tools

Tax Department website to be redesigned. The draft structure of the website is being finalized with the GDNT. The source code of Joomla 1.012—an open-source content management system—has been converted to Unicode to allow multi-language character display, and translation into Mongolian is already underway. When completed, the site will provide ready on-line access to tax laws and regulations, forms, instructions and informational materials.

Mongolian language technical tools to manage GoM websites. At the request of the Information Communications Technology Agency (ICTA), the project will make tools developed for the GDNT website available for all GoM websites through the ICTA. With project support, ICTA will organize a national conference for the release of these tools later this year.

The Gobi Initiative Phase II ***Mercy Corps International and PACT***

GI client sales top \$400,000 in first quarter. Total sales for March reached MNT 155.8 million (\$133,734), which brings 2007 sales to date to MNT 490.8 million (\$420,600). This includes herder business sales of MNT 186.8 million (\$160,343) and non-herder business sales of MNT 304 million (\$260,944). The sales target for CY2007 for all GI clients is MNT 1.98 billion (\$1.70 million).

GI clients borrow \$235,000 in first quarter. A total of 20 loans with a value of MNT 49 million (\$42,000) were disbursed in March. GI clients have taken out a total of 96 loans so far this year, with a value of MNT 274.5 million (\$235,622).

Herders will receive premium for super-fine cashmere. Mercy Corps is working with a major cashmere buyer (that EPRC put MC in touch with) to supply 15 metric tons of super-fine (<14.9

micron) cashmere in 2007. Three-way MOUs have been signed with all participating herder clients (from both GI and RASP), and Mercy Corps aimag offices are currently collecting samples of cashmere for testing to ensure that participating herder clients are producing super-fine cashmere. The buyer will pay herders a premium of 30% over the market price for all super-fine cashmere.

GI finishes upgrade of aimag veterinary labs. Four Aimag State Veterinary Laboratories have received their final shipments of equipment under GI funding. GI has equipped four aimag laboratories to meet international standards at a cost of MNT 287,478,987 (\$246,975). Twelve laboratory staff members were trained in advanced diagnostic techniques. These four labs are now fully functional and able to carry out their mission of: safeguarding animal and human health in their communities, while providing continuing education to local veterinarians in the surveillance, identification and eradication of zoonotic diseases found in Mongolia.

Local government officials discuss how to improve business environment. Mercy Corps organized a Business Conference in Dundgobi in March, which was attended by 200 participants from local rural businesses; the Ministries of Trade and Industry; Food and Agriculture; Roads, Transport and Tourism; the Mongolian National Chamber of Commerce and Industry; local government and large UB-based businesses. The goal was to discuss what the state must do in order to support rural businesses and economic development and create a climate of greater trust and understanding between local government and local businesses. The outcomes of the conference included a proposal on ways forward, with a focus on increasing local government officials' knowledge and understanding of business laws and regulations, the business community's access to this information, and an agreement to establish a branch of the Chamber of Commerce and Industry in Mandalgobi (Dundgobi aimag center) to support business development.

GOBI Forage (GF) team receive training in preparation for full roll-out of GF in 2007. Three GOBI Forage program officers traveled to Texas A&M University in March for intensive training with their American counterparts. While there, the team reviewed and revised the PHYGROW computer model and the internet based reporting system to ensure accurate data is being produced and will be ready for dissemination at the start of the growing season.

The GER Initiative *CHF International*

In March, GER helped to improve or expand 159 businesses, create 23 new startups, match 125 people to jobs, and generate 182 new job placements.

Training and Consulting. GER provided consulting and training to 958 clients this month. This included training in start-ups and bookkeeping for 17 clients, in drip irrigation for 37 clients, and a joint training on avian influenza with a soum governor's office and the Food and Agriculture Office for 50 chicken farmers. As a part of the latter training, clients were given basic decontamination kits provided by Mercy Corps.

Financial Services. GER facilitated 94 loans worth \$122,575 and 27 Capital Augmentation Fund (CAF) loans worth \$31,481 this month. The project agreed to new fees with Khan and Xac Banks and is now facilitating all Xac Bank loan products, except mortgages. In Erdenet, GER participated in a meeting with the Social Policy and Regulation Department of the Orkhon aimag Governor's Office, at which the GoM Employment Office discussed a fund through which they give subsidized loans to companies which show that they will use the loans to generate new jobs.

Information. GER provided information services to 505 clients this month, including Labor Law training for 37 clients that are employers. The latter training seeks to convey information about

labor contracts, job descriptions, salary, annual leave, terminating contracts and industrial accidents. The project also organized social insurance meetings in the Erdenet and UB offices, which 73 people attended. Four inspectors responsible for pension, health, self-employed and unemployment insurance spoke and answered residents' questions.

Linkages. The total value of sales and input linkages for this month was \$11,122. GER facilitated sales linkages for 39 clients to 31 companies and input linkages for 11 clients to 17 companies. GER organized a two day Nauriz (Kazakh spring celebration) fair in coordination with the Ulgii Soum Governor in Bayan Ulgii aimag. Twenty-five clients participated and earned more than \$2,500 in sales. The local Chamber of Commerce and Industry awarded prizes for the best products.

Employment Services. GER matched 127 clients to jobs this month. Project employment data shows that 76% of long term matches stay in the job for at least one month and 47% are staying in the job 6 months or longer. GER, along with two private companies, MONEF and a student employment referral service, have been asked to sign contracts with the GoM Employment Office (EO) to deliver employment matching services. The EO is planning on outsourcing their employment services to these three organizations. The project is reviewing the contract and negotiating a fee for placements. In other employment news, GER Initiative signed an MOU with the Mongolian National Chamber of Commerce and Industry (MNCCI) to promote employment between their members and GER clients. The project also organized four labor fairs in Erdenet, Choibalsan and UB with partner organizations.

IMPACTS. IMPACTS organized and held a workshop for cooperative/group members and the Cooperative Law Working Group to discuss how cooperative members might make input to the draft bill. All 15 members of the working group participated as did 9 cooperative/business group representatives and 2 regional cooperative training center representatives. The cooperative/business group representatives requested that at least one cooperative member should be in the working group.

Other. GER is now being featured on the TV5 program "Let's Develop Mongolia." There will be three 10-minute features discussing the project with project staff, interviews with clients and filming in a branch office.

US GSP program to benefit GER clients. The US Trade Representative's (USTR) office has negotiated a handicrafts agreement under the General System of Preferences (GSP), which will allow Mongolia to export many types of Mongolian handmade craft and other items to the US free of import duties. After a recent visit by the USTR's office to conduct Trade Investment Framework Agreement talks, GER Initiative facilitated meetings in UB, Darkhan and Erdenet between GER clients and Ms. Meredith Sandler, Director of the GSP Program at the USTR's office. More than 200 clients interested in exporting handicrafts to the US attended the meetings. GER Initiative will work with the Ministry of Industry and Trade (MIT) and MNCCI to help Mongolians take advantage of the handicraft agreement.

STRATEGIC OBJECTIVE #2

MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

Judicial Reform Project (JRP) *National Center for State Courts (NCSC)*

Conference on human trafficking and organized crime held in UB. This month, the JRP sponsored a Conference on the Palermo Convention in cooperation with the Asia Foundation and the Ministry of Justice and Home Affairs (MoJHA), which focused on transnational organized crime and human trafficking. US Ambassador Mark Minton attended and offered opening

remarks, and experts from the International Organization for Migration (IOM), the UN Office on Drugs and Crime (UNODC), the Swedish National Police, the Swedish Prosecutor's Office and JRP's Heike Gramckow gave presentations. More than 100 participants from government agencies and NGOs attend the conference. The conference was the first step in Mongolia's path to ratifying the Palermo Convention and increasing awareness on these important issues.

First ever case flow study sheds new light on court management problems. A Capital City Court working group completed the first ever study on case flow management in Mongolia for civil and criminal courts. The study was designed to detect bottlenecks in the system and to determine if the courts are complying with legal deadlines for resolving cases. The study focused on the case load in 3 district courts with high, medium and low case levels. The study revealed that approximately 30% of cases are not resolved within the legally required timeframe. This is due primarily to the failure of prosecutors, advocates and litigants to appear for trial. The courts, utilizing the results of this study, will now work to improve documented problem areas and lobby for new legislation to improve case flow.

TV series continues to inform public about everyday legal issues. The JRP, through a subcontract with GTZ, continues to produce the award winning TV series Legal Hour. Episodes aired in March covered topics such as reducing fines, impact of a careless act, inappropriate treatment by police, destruction of animal feed during transportation, and avoiding implementation of court decisions.

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

Citizens meet with MP at public forum to discuss draft legislation. In March, IRI conducted a public forum in Erdenet for the constituency of MP Adiya. The main purpose of the forum was to discuss draft legislation regarding labor safety and industrial and technological parks. The forum participants, about 60 in all, also exchanged opinions on the implementation of the Mineral Law of Mongolia. The forum was broadcast live by three local television channels, and a hotline was established by which constituents could submit questions. In addition to MP Adiya, individuals representing the Orhon Aimag Governor's Office, trade unions, and the Orhon Aimag's Professional Inspection Unit were in attendance.

NGOs and Government reps discuss draft election regulations. On March 14, IRI attended a round-table discussion organized by the UNDP, General Election Commission (GEC) and the Voter's Education Center (VEC) regarding draft election regulations. The VEC was contracted by the UNDP and GEC to draft a set of 15 regulations on mobile ballot voting, domestic and foreign election observers, preparation of polling stations, vote counting and election result tabulation. The organizers of the round-table discussion introduced their proposed changes to the regulations and listened to the opinions and comments of representatives of government and non-government organizations invited to the discussion. The VEC will introduce some changes to the draft regulations to reflect the comments and suggestions received and submit the final drafts to GEC for approval.

Mongolia Anti-corruption Support Project *The Asia Foundation (TAF)*

TAF training paves way for first Anti-corruption Agency press conference. In March, TAF staff delivered a series of public education and outreach training to ACA staff and worked closely with Mr. Radnased, who heads the Public Education and Awareness Office, to develop a strategy and messages for media relations. With ACA staff, TAF worked to coordinate a meeting with major print editors on March 22nd and held the first press conference on the 23rd. The goals of

these preliminary media interventions are to engage and inform the press on developments to date and on future plans.

Former Hong Kong anti-corruption official delivers additional training to ACA. TAF organized a second visit by Mr. Tony Kwok, ex-Deputy Commissioner of Hong Kong's Independent Commission Against Corruption, to the Mongolian ACA, where he worked with staff to establish a training strategy and complaint mechanism. Kwok delivered joint training to ACA staff with World Bank advisor Ian Sliper who is spearheading the asset and income disclosure mechanism.

Study tour gives ACA staff chance to learn from successes of other ACAs in Asia. In late March, TAF staff and 6 ACA officials departed for a week of training at Hong Kong's Independent Commission Against Corruption (ICAC) and Macau's Anti-Corruption Agency (CACA). The agenda were carefully crafted with senior staff in each of these regional agencies and supported by Mr. Kwok, who joined the group for sessions in Hong Kong. In Hong Kong, the principal focus of the training was to examine general organizational and administrative matters, investigations, and public education and awareness. In Macau the group discussed public education and awareness, and also examined the Agency's asset and income disclosure practices. The study tour provided insights into the functions of the individual ACAs and the means by which these agencies coordinate with other government agencies. These engagements also built a foundation for cooperation with each Agency that will lead to future training and mutual legal assistance.

Corruption hotlines expand to three more aimags and to UB. TAF sub-grantee the Academy for Political Education (APE) expanded the number of corruption-reporting hotlines from six to nine aimags, and to the Bayangol District of Ulaanbaatar. The three new aimags where the hotlines were established are Orhon, Umnugobi, and Selenge. The UB call center is staffed by three operators that field calls and refer them to the appropriate local government agency in the instance of reports of institutional corruption, and to the ACA in the instance of reports of individual corruption. APE's work is being coordinated with the ACA.

Child and newly-wed payments are shown to be vulnerable to corruption. Complaints of abuse of power and corruption continue to dominate the calls, with hospitals, schools, police and provincial government officials among the top five. In the most recent week, a significant number of complaints were registered regarding the Social Welfare Offices (SWO) in several aimags. The SWOs process the child-care and newly-wed allowances and have been identified as a locus of fraud and bribe-taking. By region, Dundgovi, Selenge and Huvsgul received the most calls, registering 24.3%, 18.9% and 17.6% of the total, respectively, in the most recent week. The three newest aimags in which centers were established witnessed increasing activity throughout the month.

New TV program provides forum to discuss corruption. In March APE began producing and delivering weekly reports that forms the content for a new television program about corruption, called the Pulse, which airs weekly. The first edition of the Pulse was broadcast in March. The first and second programs recapitulated the prior week's data from APE's hotline and provided general information on corruption, thus setting the stage for more in-depth reporting and coverage in future weeks. Man-on-the-street interviews aired in the first edition posed the question "Do you think that Mongolians can help combat corruption." The responses were positive, and found strong civic inclination and responsibility to participate in this effort. The second Man-on-the-street interviews queried citizens as to their propensity to pay "gratuities" for medical services. The interviewees indicated that they did/would pay such fees for medical services because they had no alternative if they wanted treatment. In future programs, case studies culled from hotline experience will be featured.

Anti-corruption curriculum will target future government officials. TAF sub-grantee the Gender Center for Sustainable Development (GCSd) completed an anti-corruption curriculum

that will be delivered in the spring semester of 2007 at the Academy of Management and at the National University Law School. The former school is attended by most GoM officials. The course was launched at a ceremony with the Deans of the respective schools, representatives of the ACA and the GOM, and U.S. Ambassador Mark Minton. The GCSO will monitor the course and refine content and structure for introduction at a larger number of institutions in the fall semester of 2007.

OTHER USAID/MONGOLIA PROJECTS

Eastern Steppe Living Landscape Project

Wildlife Conservation Society (WCS)

In March the WCS/USAID Eastern Steppe program continued preparations for the 2007 field season by coordinating the planning and implementation of wildlife conservation activities with our Eastern Steppe partners, including the Protected Area Authority and the Eastern Mongolian Community Conservation Association. Meetings to discuss conservation planning on the Eastern Steppe were also held with officials in the Mongolian Ministry of Nature and Environment and environmental NGOs including the World-Wide Fund for Nature (WWF)-Mongolia and The Nature Conservancy (TNC). The WCS/USAID Eastern Steppe Living Landscape Project strives to promote information sharing, science-based conservation and stakeholder coordination to further the conservation and sound management of natural resources on the Eastern Steppe.

Policy and Action

WCS identifies gaps in laws to prevent wildlife trade and illegal hunting. The results of the WCS-led review of the legal framework for wildlife trade law enforcement and hunting management in Mongolia was presented to the Ministry of Nature and Environment. The report summarizes the gaps in the current law and presents specific recommendations for additions and amendments to the **Mongolian Law on Hunting**. The report will be reviewed by a working group established by the Ministry of Nature and Environment in April. It is expected that further review, a comment period, additions and recommendations will be complete in time to present the changes to the Mongolian parliament during the 2007 fall session.

Bridge construction project that may threaten protected zone said to begin this summer.

The **Nomrog Bridge** project, which was halted for economic and environmental reasons at the end of 2005 by a committee of ministry officials, has reportedly been approved recently, with construction of the bridge due to begin in the summer of 2007. The new project site is outside the Nomrog Strictly Protected Area; however, there are still major concerns about the potentially negative environmental impacts the construction of this bridge will have in what is one of the last pristine and most bio-diverse areas of the Eastern Steppe. The WCS/USAID project will continue to request updates regarding the planning and construction of the Nomrog Bridge and the results of the Environmental Impact Assessment (EIA) assessment currently under way.

Living Landscapes Program (LLP)

Mongolian experts will provide input to LLP models. In March the WCS-Mongolia Living Landscapes team requested the assistance of Mongolian species experts in the review of our final LLP models (**biological, human and conservation landscapes**) for the Eastern Steppe. The models are used to set specific targets levels (population levels) for selected Eastern Steppe Landscape species. The models are also a spatial representation of the threats to these wildlife populations. The conservation landscapes combine the biological and human, or threat, landscapes in an effort to inform the conservation planning process and help identify the most important and effective sites for conservation efforts and activities on the Eastern Steppe. The

Landscape Species Approach is a conservation planning tool used to identify conservation opportunities and priorities based on the diverse ecological needs of key wildlife species and the geographic location and severity of wildlife/human conflict.

Donor Coordination

WWF-WCS collaboration may lead to expansion of GIS to other aimags. In early March the WCS/USAID Eastern Steppe Project staff met with members of a delegation from WWF-Mongolia and The Nature Conservancy (TNC) to discuss conservation issues on the Eastern Steppe and a future joint effort to broaden the scope of the work done by the WCS/USAID Eastern Steppe Living Landscape project. Collaborative work will initially be focused on enhancing the Geographic Information System (GIS) database for the Eastern Steppe, and WWF/TNC will assess the feasibility of extending our work with conservation targets beyond the eastern three aimags of Dornod, Hentii, and Sukhbaatar, which have been the focus of WCS/USAID work in the region.

Avian Influenza

Plans laid for 2007 AI surveillance season. WCS Field Veterinarian, Dr. Martin Gilbert, arrived in Mongolia in March to finalize preparations for the field component of the 2007 wild bird avian influenza surveillance activities planned for Mongolia under the USAID-funded WCS Global Avian Influenza Network for Surveillance (GAINS) program. In early March, WCS attended a meeting at the World Bank offices in Ulaanbaatar to brief the consultant team working to assess Mongolia's Strategy for Prevention and Preparedness for Avian Influenza. This meeting was followed by a workshop on March 22, 2007 at the UNDP Ulaanbaatar offices to coordinate the veterinary component of the 2007 highly pathogenic avian influenza (HPAI) surveillance efforts. WCS will play a large role in the area of wild bird surveillance. The 2007 activities will focus on season-long monitoring at previously infected sites (lakes where HPAI-confirmed birds were identified) and capturing and testing live birds in central Mongolia. Efforts coordinated by the Mongolian Ministry of Food and Agriculture, with funding from the Food and Agricultural Organization (FAO) and USAID, will focus on less intensive but wider ranging surveillance. A total of 27 lakes have been identified by a team of experts as "important sites of wild bird congregation in Mongolia" with plans to survey these sites for evidence of HPAI in the wild bird population over the next 3-5 years.

Training, Advocacy and Networking (TAN) Project *Mercy Corps International*

CSO Network Support. In Arkhangai CSO network organized a fundraising event that raised MNT 1,065,000 MNT (\$915). From these funds they have spent MNT 200,000 (\$172) on the production of 2000 copies of the newsletter Arkhangai Citizens' Voice, which aims to increase public understanding about CSOs working in Arkhangai. The newsletter was distributed to government agencies and citizens and introduced them to the CSO network members.

Meanwhile, a local trainer in Arkhangai, Ganbat, initiated a six-month campaign to encourage the public to dispose of garbage in trash cans. He has mobilized school children from the ninth and tenth grades and organized a volleyball contest, from which he raised MNT 100,000 (\$85). Moreover, he introduced his campaign to all agencies in Erdenbulgan soum and raised MNT 5-10,000 from each agency and from individuals. He aims to raise MNT 3,000,000 (\$2575) from parliament members to support his campaign.

Participation Research and Technical Assistance. TAN project officers, a Portland-based program officer and the participation consultant traveled to Arkhangai and Bulgan aimags in early

March to monitor projects, meet partners and organize a meeting of three working groups. The working groups, which consist of representatives from the government, CSOs and aimag khural (legislative body) representatives, met for the first time to discuss citizen participation, the constraints to civil society-government collaboration, and the most urgent issues and opportunities affecting local communities. The participants identified the following obstacles to citizens' participation:

- Lack of information dissemination
- Citizens are not active
- Civic education is poor
- Weak partnership between the public and government
- Government and khural do not make sufficient efforts to ensure citizens' participation and the process is too formal
- Absence of channels for communication
- Decision makers are not aware of people's needs and interests
- Civil society is weak
- Mechanisms for enabling citizens' participation need to be improved
- Lack of enthusiasm and trust among public
- Attitudes of people are too politicized
- Financial difficulties

In both aimags, all 3 groups (government, CSOs and khural) came to the conclusion that civic education, information dissemination and citizen's own active participation are the most important factors. In addition, both government and local khural representatives noted their need for capacity building to enable greater participation. The latter two groups also discussed changes needed in existing laws and the importance of changing work practices and the attitudes of people. The CSOs noted the need to influence government and the khural to promote and increase citizens' participation.

PACT Community REACH HIV/AIDS Grant **PACT**

PACT's HIV/AIDS drama to be rebroadcast due to popular demand. Following requests from station executives, *Living under the Same Sun*, PACT's educational drama with an HIV focus, is being rebroadcast on a number of television stations. This has resulted in a new wave of feedback about its popularity. Following requests from station executives, the show is set to broadcast on UBS2 and C1, with Ulaanbaatar-wide coverage, and has also been given to two local stations for broadcast in Hentii and Ovorkhangai aimags.

Community REACH extension allows PACT to focus on ethical journalism. PACT's Community REACH program, funded through USAID/RDMA, has been extended through mid June. The focus of the coming months' activity will be on ethical journalism, particularly as it relates to reporting on HIV/AIDS, with the target audience being print media editors and electronic media journalists. PACT will work with the National Aids Foundation, the Mongolian Confederation of Journalists, the Mongolian Red Cross and several community based organizations.