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Mission News:

This month the Mission welcomed a return of Project Management Specialist H. Mendsaihan from her one-year study at the Duke University, and sadly bid farewell to Project Development Officer, Cory Johnston. Cory moved to Sri-Lanka Mission to serve as a Deputy Program Director. Before his departure Cory joined the USAID Representative Barry Primm to Darkhan and Erdenet cities, and Bulgan and Selenge Aimags to oversee USAID-funded GER Initiative project.

USAID PROGRAM NEWS

STRATEGIC OBJECTIVE 1: PRIVATE SECTOR-LED ECONOMIC GROWTH

Economic Policy Reform and Competitiveness Project (EPRC)

Chemonics

www.eprc-chemonics.biz

Economic, Financial, and Trade Policy Support

Tax reform implementation and facilitation. EPRC has reviewed the presentation by the General Department of National Taxation (GDNT) to the Ministry of Finance (MoF) concerning the fiscal impact of the tax laws implemented in 2007. Despite dramatic reductions in the tax rates, 2007 Corporate Income Tax (CIT) and Personal Income Tax (PIT) revenues are up over the same period in 2006, while the VAT revenues decreased slightly for the first four months. The project will conduct an analysis of the data to demonstrate the causes for the increase, such as additional taxpayers joining the formal economy. These results contrast with the dire fears of the government and the donor community that lower taxes would result in lower overall revenues.

Working Group to establish a Single Window for trade facilitation. The project worked with the Single Window Working Group to prepare and refine a program to implement a single window concept for Mongolia. The Working Group completed a financial feasibility analysis to establish such a program. In a major step forward the program was incorporated as an annex into a Government of Mongolia (GoM) Decree, "Single Electronic Window for Foreign Trade Facilitation."

Cluster and Business Development Support

Departure of Senior Business Advisor. Chemonics' senior business advisor, Mr. Bruce Harris, will leave his post on June 30th 2007. Local business advisors will remain to continue the excellent work that Mr. Harris initiated.

National tourism organization (NTO). The NTO was registered by the State Tax Administration under the name "The National Tourism Organization", and this June it will be registered as a legal entity as an NGO. There are 20 founder members, representing all interests in the industry, public sector, private sector and representative NGOs. The board is made up of 11 members, including the Ministry of Road, Transportation and Tourism (MoRTT), the Ministry of Education, Culture and Science (MoECS), the Ministry of Environment (MoE), six NGOs and two individuals. The NTO will assume responsibility for international marketing, voluntary regulation and classification, vocational training, and the management of tourist information centers.

Fibermark Society. The Fibermark Society held a general meeting on 18 May for current and potential members to gauge interest in reviving the Society. EPRC offered short-term technical assistance (STTA) and access to the Mongolian Competitiveness Fund (MCF) funding, subject to the society undergoing a third party review and developing a realistic three-year strategy. The audience agreed to support a renascent society and it elected a new board. EPRC arranged for two experts in cashmere and business strategy to provide technical assistance in June. The newly elected board met on 24 May and set up three working groups to work with the international experts. The groups will be responsible for accreditation and promotion of the mark, membership structure and fees, and will investigate the possibility of developing an independent laboratory. The international experts will present a draft development strategy to the membership in mid-June.

Post-New York cashmere promotion developments. As a direct result of the New York showcase, first orders and sample requests were received from Searle, Lord and Taylor, Bobby Jones, McKenzie and Tribe, J. Abboud and Juliana. Mongolian companies have found it difficult to respond to the orders within an acceptable time frame, possibly placing some of the orders at risk.

Horsemeat and blueberries. Japanese buyers seeking to source horsemeat in Mongolia are due to arrive in June. The buyers will visit production plants in Darkhan and Erdenet. The lead company, Kawasho Foods, has also expressed an interest in contacting blueberry producers in the northern aimags.

Finance Support

Mongolia Mortgage Corporation (MIK). EPRC continues to support the organization and capitalization of MIK. Ashidmaa D, a long term EPRC advisor seconded as CEO *ad interim*, led the preparation of the business plan and a proposal to increase the capital by \$1.9 million which was approved by the Board of Directors in May and will be the subject of a special shareholders' meeting in June. The project is also supporting MIK in negotiations with the International Finance Corporation, Asian Development Bank, the Netherlands Development Finance Company, and the German Finance Development Company on their potential participation in the equity, financing and long term technical assistance for MIK.

EPRC supported a Saturday retreat for parliamentarians, government officials and market participants to discuss the housing finance market.

Secondary mortgage market. EPRC Project Director, Roberto Toso, a former senior Ministry of Finance and Central Bank of Chile official, completed a short term assignment advising the Central Bank of Mongolia (BOM) on their potential assistance to the development of the housing finance markets. He recommended revising the risk weighting of mortgages for capital adequacy

purposes, standardizing mortgage documentation amongst banks, strengthening the legal environment, permitting mortgage backed securities as eligible for BOM repurchase operations, and instituting a sunset on BOM equity participation in MIK.

Short-term consultant Stephen Butler completed the first phase of an advisory to the Financial Regulatory Commission (FRC) on strengthening the legal environment, including drafting new laws on asset backed securities and covered bonds and critiquing the draft mortgage security law currently circulating through parliamentary committees and making presentations on same. Mr. Butler will return in June to finalize these drafts based on feedback from presentations and to lobby appropriate officials, regulators and market participants prior to their presentation to the Parliament.

EPRC supported a Saturday retreat for parliamentarians, government officials and market participants to discuss the draft mortgage security law.

Credit Information Bureau. Short-term consultant Roger Nye completed an assignment to draft a law to support the operation of a new private sector credit bureau(s) as well as necessary amendments to several related laws.

Energy Sector Support

Markets/tariffs. The project has provided the GoM with its comments and recommendations on an Energy Regulatory (ERA) proposal for the design of a competitive generation market. This effort will dovetail with the ongoing development and approval of the generation two-part tariff. The ERA will establish a working group on all market and tariff matters. The first meeting will be held 22 June, and the EPRC/Chemonics project expert will attend.

Energy sector strategy and planning. As agreed USAID took the lead to schedule an energy working group meeting, with the MoFE. That meeting was held 30 April. Meeting notes were prepared and distributed. Also at USAID insistence, the ERA and State property Committee (SPC) attended and have become permanent WG members. MoF has also agreed to designate a member. Selected donors will be included in future meetings. The next WG meeting will be held in mid-June.

GoM/external partners meeting. The next meeting will be held in September or October. Agreement was reached between the Ministry of Fuel and Energy (MoFE) and USAID on the several critical tasks that must be addressed immediately before next meeting. A schedule for those tasks has been prepared and distributed by EPRC. It is USAID's goal to stimulate progress and implementation of the agreed-to tasks. Discussions have begun regarding development of a GoM energy sector strategic planning unit.

Public information/education program. This program is now the top priority of USAID and EPRC. The Press Institute of Mongolia is enthusiastically involved. Three two-day retreats are scheduled starting on June 23 and ending just before Naadam. The purpose of these retreats is to train the journalists about the purpose, role and intricacies of the energy sector and the ERA so that they may keep the public informed and ask intelligent questions at the various media events. At the second and third retreats, specific critical issues will be presented. Over the summer EPRC/Chemonics will help plan a much larger effort to reach TV, radio, key GoM decision makers, MPs, civil societies and the public and it will be implemented in September. Chemonics is recruiting a public communications specialist to develop the process and program plan, and the EPRC energy team will provide all background and technical input.

Sector financial status. The Minister of Finance requested EPRC's opinions on the true financial status of the sector and its justification for the much-needed across the board tariff increase. EPRC prepared a report on the topic and distributed it to all involved parties on 28 May. This will be a major topic of discussion at the next energy working group meeting. As submitted, the sector

financials for 2006 showed a very small profit. Once the figures were adjusted in accordance with IAS, they showed a loss of over MNT 30 billion. This could become significantly larger once asset valuations are completed and depreciation is properly accounted for. The report also concluded that the Mongolian retail tariffs are (a) far below the international average; that (b) the Egiin River hydro-power plant will dramatically worsen the sector financial situation and cause a large tariff increase over and above the increase already needed; and (c) that some social initiatives are unsustainable.

The Gobi Initiative (GI) Phase II
Mercy Corps International and PACT
www.mercycorps.org/mn

Businesses sale. Total sales for herder businesses in the first five months reached MNT 404.9 million (\$347,554) and for non-herder businesses MNT 567.7 million (\$487,296). This gives a 2007 total sales for the first 5 months of MNT 972.6 million (\$834,850), the sales target for CY2007 for all GI clients is MNT 1.98 billion (\$1.70 billion).

Loans. A total of 13 loans with a value of MNT 20.2 million (\$17,339) were disbursed in May. The total number of loans accessed by GI clients to date in 2007 reached 144 and the value of disbursed loans was up to MNT 440 Million (\$377,682).

First Market Day of the Year. Shiveegobi soum of Gobi-Sumber aimag held its first Market Day of the year on the 25th May. This event was co-organized by Mercy Corps, Soum Government and the Aimag Department of Agriculture. A total of 30 local businesses participated in this event and sold products with a value of more than MNT 5 million (\$4,290). Seven MC clients participated, generating sales totaling MNT 1.4 million (\$1,200). It is estimated that approximately 2500 people attended the market day.

First tourism conference of Umnugovi aimag was held in Dalanzadgad during May 8-10, 2007. The conference was co-organized by Mercy Corps and Umnugovi aimag Governor's office. The goal of the conference was to discuss and develop a "Tourism Master Plan" for Umnugovi aimag to be submitted to the aimag Khural. A total of 110 people participated in the conference including; government employees from Selenge, Dundgobi, Gobi-Sumber and Umnugovi aimags and representatives of tourism businesses and ger camps.

Tourism Trade Fair. Following the tourism conference a Tourism Trade Fair was organized to enhance cooperation between the central region tourism stakeholders, enable the participants to exchange experiences and make new contracts. A total of 23 tourism businesses and souvenir producers participated, of which 7 were MC clients. Total sales generated during the fair reached MNT 483,000 (\$415), and the participants concluded 17 contracts. Ger camps in Umnugovi and Dundgobi concluded contracts to exchange tourists, while the souvenir/hand craft producers made contracts to supply products to the ger camps for sale in their shops.

Seven Vegetable Technology Trials were set up in Umnugovi, Dundgobi, Uvurkhangai and Bayankhongor Aimags. These will demonstrate locally available technologies such as drip irrigation, improved vegetable seed and soil management techniques to farmers during field days and trainings.

A "Training of Trainers" on Financial Management was held during May 11-14. The training was conducted by 3 lecturers from Faculty of Finance and Economics of the University of Agriculture a total of 22 local aimag-based consultants, including the MC Admin and Finance Officers from 11 aimags participated. During the training the following topics were covered: Basics of managerial accounting, analysis of financial statements, tax reporting, Working capital and cash flow management, and Investment project analysis and risk and return analysis.

According to the pre and post test results, the participants' knowledge increased by 27.5%, from an average of 50.45% to 77.95%. After the training the participants requested MC to assist with the following: a) the development of a comprehensive and basic Financial Accounting Handout; and b) to organize training on tax reporting by senior officials from GDNT office in Ulaanbaatar for both local aimag-based consultants, aimag tax officers and clients due to high levels of misunderstanding at the aimag level on the exact regulations and requirements.

Training materials for local government capacity building. The first four sets of training materials for local government capacity building including, Serving the public serving the nation, Team management, Communication ethic and stress management and Information and survey gathering and processing for government employees have been developed and published. In May, 22 training workshops in Uvurkhongai, Bayankhongor, Gobi-Altai, Umnugobi and Dundgobi Aimags were implemented using the new materials, with a total of 480 local government employees participating.

Training workshops on the use of Gobi Forage map products were held in 14 soums and 2 aimag centers in Bayankhongor, Dundgobi and Gobi-Altai. These trainings involved the Aimag or soum governor and representatives from the Khural, and governor's office. The trainings will continue for the rest of the summer across the eight target aimags. Sets of maps (4 in one set) with an explanation text page were distributed to 88 soums in 6 Aimags; 2 radio bulletins on forage conditions were also broadcast.

Rural Business News (RBN) Magazine has just gone to print with edition number 54. This edition sees a change of format to magazine size and better quality paper. The magazine now has 48 pages. The new editors planning and feedback cycle is having an impact, and the magazine has matured into a product comparable to international agricultural and farming publications. The increased level of effort has resulted in 500 new subscriptions being placed through the Mongol Post Office. Encouragingly, income from advertising was trebled in the last quarter and involves contractual agreements for twelve months of advertising.

RBN products rating. Mongol National Radio has conducted its seasonal audience survey, and RBN products rated quantitatively at 13th place on a scale of 60 products. RBN products in general received positive qualitative feedback about the usefulness of the content.

Sustainability Concept for PACT products in discussion: Pact has produced a discussion document that describes in detail the operations, costs and distribution mechanisms for the suite of Rural Business News products – radio, television and the magazine. The document is the start of a longer term plan to sustain the RBN products post-Gobi Initiative. The document proposes five potential models as ways to leave a legacy of quality business news to support on-going economic development in Mongolia.

Campaign on Public Health Awareness Related to Animal Diseases is underway. With funding from U.S. Department of Agriculture (USDA), Mercy Corps is organizing a second Public Health Awareness Related to Animal Diseases (PHARAD) campaign building on the success of the 2006 campaign. The campaign was launched on the 21st May 2007, with a budget of MNT 60 Million (\$51,502). The aim is to effectively educate more than 186 vets, 5,580 herders, 201 teachers and 12,060 children in the countryside on the risks associated with animal related diseases, how they are transmitted, and how to prevent them in their animals and themselves. These target audiences are believed to be both most at risk and most capable of preventing the spread of the disease from animals to humans. The campaign will be implemented in the 11 target aimags of: Uvurkhongai, Arkhangai, Bayankhongor, Gobi-Altai, Gobi-Sumber, Khovd, Dundgobi, Dornogobi, Umnugobi, Zavkhan and Sukhbaatar.

www.chfmongolia.org

In May, GER helped to improve or expand 176 businesses (including 24 business groups), create 47 new startups, match 159 people to jobs, and generate 161 new job placements.

Training and Consulting. GER provided consulting and training to 801 clients. This month top business trainings were on Customer Service, Loan Preparation, Consumption & Savings, Marketing, and Bookkeeping. Individual business consulting services focused primarily on: Marketing, Accounting, Business Plans, Loan application & Calculation, and Business Analysis.

Financial Services. GER facilitated 131 loans worth \$162,026 and 25 Capital Augmentation Fund (CAF) loans worth \$31,502. Khan Bank has agreed to streamline disbursements of CAF loans resulting in less time between loan approval and disbursement.

Information. GER provided information services to 882 clients this month. In May, 17% percent of newly registered clients learned about GER through the TV commercial campaign which began in April. Most of them (around 60%) are registered as "other" and "future business" clients. One information session was conducted with the UB Professional Inspection office in Tolgoit. GER met with MNCCI staff and agreed to collaborate through MNCCI E-News, equipment information and business proposals for our clients. GER clients will also participate in Souvenir Exporting activities. GER updated all information related to permissions, business regulations and entity registration. New information on rabbit farming, Statistical year book 2006, Business law CD, and 5 MNCCI manuals have been added to the Advisors' library.

Linkages. GER's total value of sales and input linkages and trade fairs was more than \$20,000 for the month. We established relationships with Gobi Tushee (a tourist company) and Open Steppe (exporters of traditional furniture). MCS Asia pacific brewery is supplying spent grain and yeast to pig farmers for free until October 2007. Previously, 1 kg of spent grain cost 100 MNT. Six handicraft clients participated in the "Spring and Family Celebration" trade fair of the International School of Ulaanbaatar and sold products valued at 101,700 MNT. GER is organizing a two-day Community Day Fair at Sukhbaatar Square June 23 and 24.

Business Associations. This month GER provided services to 61 business groups, including ten new groups (sewing, pig farming, vegetable production, souvenirs, block production). Two informal groups became formal businesses with the support of GER.

Employment Services. GER matched 159 clients to jobs. CHF/GER received the draft employment matching agreement from the Central Employment Office, but CHF/GER declined to sign it at this time due to unclear regulations and reporting requirements as well as the small remuneration. In Darkhan, GER organized a labor day with Darkhan governor office and local employment and social welfare office. GER provided Labor law training to employers who attended the event. Darkhan branch advisors established new relationships with 24 employers, getting their job openings and introduced those job openings to their employment clients. We have begun partnering with the ADB vocational training program to identify unemployed persons willing to be trained in construction.

STRATEGIC OBJECTIVE #2

MORE EFFECTIVE AND ACCOUNTABLE GOVERNANCE

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

Strengthening the General Election Commission/ Public Education on Campaign Finance.

IRI received a finalized draft of the Voter Education Center's Campaign Finance Assessment Study which will provide the basis for the Campaign Finance Roundtable tentatively scheduled for early-July. IRI headquarters in Washington D.C. is currently reviewing the study for final approval.

Strengthening women's voices in the political process. IRI made preparations for soum-level Women's Partnership in Politics and Governance Forums to be held in June. A forum for the Motherland Party women's organization will be held in Khovd aimag on June 23. A forum for the Democratic Party women's organization will be held in Uvs aimag on June 30. The training seminar for the Citizen's Will Party women's organization is tentatively scheduled for mid-August. IRI is currently working with the MPRP women's organization to set the date and location for their soum-level training.

A stronger, more accountable Parliament. IRI continued to advocate the passage of ethics legislation and rules of procedure for standing committees in the SGH. Particular attention was focused on new committee chairpersons in Parliament.

Better constituent outreach. Plans were made to host a public forum for MP Munkhtuya (DP) in her constituency in the Bayangol District of Ulaanbaatar on June 4, 2007. Plans were also made to hold a public forum in mid-June with Gankhuyag, recently-appointed Chairman of the Standing Committee on the Economy.

Establishing a Parliamentary research capability. IRI worked with the Policy Analysis Institute (PAI) to begin to organize a research capacity building training course, tentatively scheduled for late-August 2007.

Legislative drafting support. IRI worked with the SGH Secretariat, committee chairmen/women and staff to begin organization of the legislative drafting training tentatively scheduled for late-August 2007.

Election monitoring. IRI Resident Country Director, James DeWitt, conducted party agent trainings in East Timor. This opportunity will allow IRI to more effectively conduct the party agent program planned for Mongolia in advance of parliamentary elections of next year.

Judicial Reform Project (JRP)
National Center for State Courts (NCSC)
www.ncsc.mn

Herders to be informed of importance of written contracts: The JRP printed 1,000 copies of a poster that explains to herders the benefits of utilizing written contracts during business transactions. The JRP also developed and printed a book on contracts which provide perforated samples of contracts that can be used by herders during their commercial transactions. Copies of the poster and the contract book will be handed to the aimag Governors at Gobi Initiative's Business Conference to be held on June 5-6th for further distribution in rural areas. The remaining copies will be distributed through Gobi Initiative offices and other local government agencies.

The JRP is working with the National Legal Center's TV studio "Eson Tug" to duplicate 27 selected episodes of the award winning TV serial "Legal Hour". The episodes will be recorded on DVD and distributed to law schools, libraries, NGOs and aimag TV stations for their use to enhance public awareness on criminal law.

A work on caseload standards continues: A working group comprised of representatives of the General Council of Courts and the Supreme Court continues to work on development of caseload

standards. The working group is developing a detailed description of the criminal, civil, and administrative case flows that will be the basis of standards and procedures for caseload management. A draft will be presented to all chief judges and court administrators during a training early June, 2007 for their inputs.

Practical skills course is to be introduced at law school: The JRP continues to work with Otgontenger Law School on the development of a course on practical skills. The course will focus on trial skills in the areas of criminal, civil and administrative law; and it will be introduced this fall semester. The JRP also continues meeting with the working group tasked with development of a legal writing manual. The manual will assist law school professors in teaching legal analysis. The manual will be used in new practical skills course.

Training for police leadership: On May 1-2nd, the JRP police expert conducted a two-day training for police leadership. The training focused on management oversight processes and conducted separate sessions for the top and mid level management officers. The goal of the training was to build awareness of the need for greater internal oversight, and provide the leadership with the necessary tools to effectuate change.

Training for judiciary continues: On May 2-4th, the JRP conducted three-day training at the Capital City Court for 30 UB judges, prosecutors and advocates on trial skills. The training consisted of lectures, teamwork and mock trials. The participants were requested to analyze mock trials in order to improve their techniques.

On May 22-24th, the JRP conducted a training of trainers (ToT) for Ulaanbaatar (UB) JRP and National Legal Center's trainers. Topics of the ToT were: 1) crimes against human rights, freedom and individual's reputation and dignity; 2) legal ethics during a trial; 3) determining the damages caused due to crime; and 4) crimes against the right to ownership. The UB JRP and NLC trainers will train regional trainers.

The JRP, in cooperation with the NLC, printed 1,000 copies each of two training manuals entitled Terms in Criminal Procedure and Hooliganism. The manuals will be distributed to all courts, prosecutor offices, Mongolian Advocates Association, law schools, libraries, parliament and government secretary offices, MOJHA and its agencies, Anti-corruption agency, and JRP trainers for their use.

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

ACA Institution-building. Between May 24th and June 07th TAF Mobilized Mr. Tony Kwok, ex-Deputy Commissioner of Hong Kong's Independent Commission Against Corruption, for a third visit as officially requested by the Mongolian Anti-Corruption Agency (ACA) where he worked with staff to design and develop an effective complaint mechanism/report center, reviewed and commented on procedures for the report center and conducted 4-day training for ACA staff on investigations.

On June 4th, Mr. Kwok delivered a speech at the Presidential Anti-Corruption Conference which was jointly organized by the President's Office and Anti-Corruption Agency and funded by UNDP.

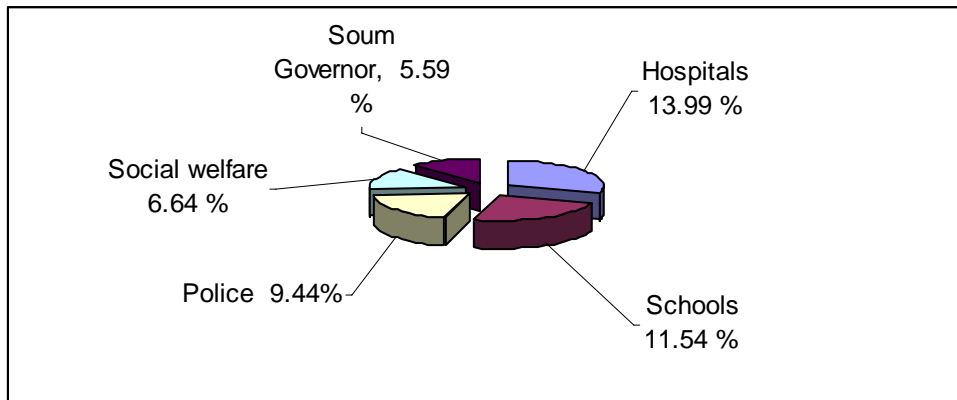
The TAF communications team continues to work with the ACA's Prevention and Enlightenment Department supporting the development of their activities. The Department head, and the UNDP, which is supporting the technical development of the ACA website, requested that the team develop a site map and the content for the new website to be launch on July 1. The ACA used the site map to guide the contracted IT Company on the development of the content and

functions desired for the site. TAF will continue to work with the ACA and the UNDP on site development, as requested.

Eradicating administrative level corruption. The Academy for Political Education (APE) expanded the number of corruption-reporting hotlines from six to nine aimags, and added 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. This has been coordinated with the ACA.

Complaints of abuse of power and corruption continue to dominate the calls, with schools, provincial government officials, hospitals, police and social welfare offices among the top five reported to the hotline. In May, the APE received 286 calls for a total of 1,957 calls since the hotline's inception. By region, Dundgobi (21.3%), Uvurkhangai (20.3%) and Khuvsgul (17.5%), received the most calls in May. Consistent with experiences in prior months, the top five complaints registered were associated with the following institutions:

Top 5 Organizations



Public awareness and education: APE continues to produce weekly anti-corruption report cards quantifying the complaints received by the 10 hotlines throughout the country. The report cards provide content for the weekly C1 television program, The Pulse (Amin Tsohilt).

The Pulse is an interactive anti-corruption program that is broadcast every Wednesday at 10:45 PM on C1. The program, a joint production between C1 and TAF, was planned to air once weekly. Based upon favorable response, C1 is re-broadcasting the program on Fridays and will produce a longer-format monthly program as well. During the program, the host presents an update that is based upon the APE corruption reports, it provides case studies on how communities are addressing corruption, and goes to the street to capture people's opinions about specific corruption-related issues. This month The Pulse dedicated programming to corruption in the education, health, police and judicial sectors.

During the corruption and education program, Mr. Batsaikhan, the vice- president of the Mongolian Student Union was invited to discuss common corruption issue in universities, and how the Student Union is working to tackle these issues. On the street, students were asked about their encounter with corruption at school. According to the students interviewed, both students and teachers should be act responsibly and refuse corruption - Student shouldn't buy grades, and teachers shouldn't sell grade.

In May, the health sector was accountable for the highest number of calls to the hotlines run by the Academy of Political Education. Thus, The Pulse dedicated a program to corruption in health sector. When The Pulse went to the street, people complained about the difficulties of obtaining health care services without paying a bribe. More specifically, they complained about long lines for surgeries and the need to pay for urgent care. Complaints to the hotlines registered that some doctors directly demand a cash bribe. During the program, the official from the Ministry of Health, responsible for ethical issues of health sector personnel, described where people can complain about doctors demanding bribes and how the Ministry would follow-up.

During the latter half of May, civil movements met with police to demand reforms that deter corruption in the police. Police corruption was the focus of The Pulse during the third program this month. Mr. Sainjargal, communication officer of General Police Department, was invited to inform the public what to do if faced with corruption.

Judicial sector corruption was also a theme this month. NGO representatives called "Let's judge the judges" participated in the program and discussed how to report corruption in the judicial sector.

Curriculum development: The Gender Center for Sustainable Development (GCSD) is implementing the Corruption curriculum that was launched in March at the Management Academy and at the National Law Faculty. GCSD is simultaneously refining the content and structure of the curriculum for introduction at a larger number of institutions in the fall semester of 2007. This effort will be assisted by input from Mr. Tony Kwok, advisor to the ACA and Mongolia, who has developed curriculum for other East Asian countries.

OTHER USAID PROJECTS IN MONGOLIA

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

A Conference on 'Citizens' participation in decision-making processes' was organized by TAN and conducted on 12-13 May 07. There were 44 participants from 5 aimags including representatives of the government (heads of the Social Policy, Social Welfare, Health depts., and deputy soum governors), Citizens' Representatives Khurals (secretaries of aimag CRK, chairpersons of soum CRK) and CSOs. This was a first time the Working Groups of Khenti, Arkhangai and Bulgan aimag as well as representatives of Dundgobi and Uvurkhangai aimag came together to share their experiences on the ways of involving citizens in decision-making and the initiatives to make government activities more open to citizens. The participants also shared the experiences of the projects that mobilize and empower communities. The speakers invited from the NGO 'Open Academy' introduced the latest changes in the law that describes the mechanisms for citizens' participation.

The presentations focused on concepts such as civil society, government accountability, citizens' participation, monitoring of government services by CSOs and citizens, legal issues, civic education followed by the case studies from the field, and group planning. The presentations generated lively discussions. One of the outcomes of the conference was a strengthened partnership among government, khural and CSO representatives.

Training on the new Social Welfare law and procurement of government services by CSOs. TAN has contracted a trainer from the NGO 'Social Welfare and Cooperation' and provided training for CSOs in 4 aimags on the new community based approach of the social welfare law, objectives, types of services and the ways to contract out services by CSOs. Earlier, TAN staff had a number of meetings with the aimag Social Welfare departments on the possibilities of

cooperation. Following these meetings in Arkhangai and Uvurkhangai the CSOs began their cooperation with the Social Welfare department on assisting unemployed people to access training and jobs. In May, the CSO network and Youth Association of Arkhangai aimag made an agreement with the Social Welfare department to provide temporary and long-term jobs for unemployed people. MNT 3,400,000 (\$2,900) was contracted out to the Youth Association to run an employment agency to provide jobs for 680 people. The employment agency established under the Youth Association will liaise between job-seekers and job-providers, and provide training and information services. MNT 450,000 (\$386) was contracted out to the Youth Association and the Students Union to organize employment fair on the 24th May in cooperation with the Labor department and vocational training institutions. MNT 875,000 (\$750) was contracted out to the Youth Association, Students Union and Trade Union for public works activities providing temporary jobs for 50 unemployed people. One of the initial activities included tree planting and renovation of public parks.

Capacity building for CSOs. The training on impact monitoring was organized for 21 CSOs and 6 trainers of Dundgobi and Uvurkhangai aimags. The training participants conducted a practical exercise assessing the impact of the 4 projects that are currently under implementation.

Computer Aid proposal was developed and approved by the Mercy Corps Material Aid department at Headquarters. The project will provide 100 computers to CSOs, CSO networks and community projects to support capacity building, community outreach and educational objectives. The MC funding serves as a match to USAID funding.

Community Mobilization projects. In May, TAN approved 10 community mobilization projects to be implemented by CSOs. The projects include: improving the services of family clinic and secondary school (2 Khenti projects), children's participation in decision-making and establishment of a community centre for elderly people (2 Uvurkhangai projects), formation of the Union of Residents' and garbage management (2 Dundgobi projects), employment creation through formation of small groups and garbage management (2 Arkhangai projects), and tree plantation and youth participation in decision-making process (2 Bulgan projects). All 10 projects have started implementation. The total number of currently implemented community projects is 22 in given aimags.

Community REACH HIV/AIDS Project PACT

An HIV reporting and ethics training for editors and journalists is scheduled to be held in June. The consultant who began a global health related news agency (Health-e) is currently in town.

Five radio journalists will work with the consultant to produce a series of radio programs on discrimination around HIV/Aids and sexual preferences.

One of Pact's core competencies is to build the capacity of the Mongolian civil society sector. This has occurred throughout the Community REACH program and is continuing with the forthcoming training mentioned below.

Partners in the delivery of the ethics and reporting HIV training for editors and electronic journalists are:

- Mongolian Red Cross Society
- Mongolian Confederation of Journalists
- Focus NGO
- UNFPA
- National Aids Foundation

Eastern Steppe Living Landscape Project

Wildlife Conservation Society (WCS)

In May WCS/USAID Eastern Steppe program staff played a key role in a series of local, regional and international conferences designed to share lessons learned and promote best practices in wildlife conservation. The semi-annual Living Landscapes Program conference took place between May 1st and May 8th, 2007; in the Adirondack Mountains of New York. WCS Country Program Director, Amanda Fine, had the opportunity to visit the USAID Global Conservation Program offices in Washington, D.C. to update CTO, Doreen Robinson, and colleagues on the progress of the Eastern Steppe Living Landscapes project. The Mongolia-based Eastern Steppe project staff organized and delivered the first community ranger training in Dornod Aimag in collaboration with the Eastern Mongolian Community Conservation Association on May 15th through 19th. The WCS Asia Regional Meeting was also held in May in Indonesia and was attended by WCS Country Program Director, Amanda Fine.

Policy and Action

The WCS Mongolia Program participated in the United Nations Development Program-led Environmental Protection Campaign in Ulaanbaatar in May. The campaign consisted of a series of conservation education and awareness activities leading up to World Environment Day on June 5, 2007. The WCS Mongolia program supported the creation of the Ulaanbaatar Environment Campaign poster series which feature five of Mongolia's endangered or threatened species; the Mongolian Saiga, Altai Snow-cock, Hulan (Wild Ass), Taimen and Siberian marmot.

Living Landscapes Program (LLP)

Between May 1st and 8th the WCS/USAID Eastern Steppe LLP team joined WCS staff from 13 other Living Landscape sites in Asia, North America, Africa and Latin America at the semi-annual Living Landscapes meeting held in the Adirondack Mountains, New York. Representatives from the LLP sites around the world presented the **Conservation Landscapes** for their respective sites. The Eastern Steppe Landscape species, biological models and final conservation landscapes were presented by Ochirkhuyag Lkhamjav, Eastern Steppe GIS specialist, and Amanda Fine. In addition to comparing the **Landscape Species Approach** across the varied landscapes represented at the meeting, the participants drafted a series of briefs designed to guide the future application of the Landscape Species Approach. The Landscape Species Approach consists of a series of steps designed to assist conservation practitioners in identifying conservation opportunities and priorities in large landscapes based on the diverse ecological needs of key wildlife species and the geographic location and severity of wildlife/human conflict.

Community-Based Conservation. From 13 – 23 of May three WCS Mongolia Program staff working on the **Herder Community-Based Nature Conservation Project** traveled to “Shazaan Nuur” Eco-camp in Dornod to participate in the first of two **Herder Community Volunteer Ranger Trainings** that are scheduled for this summer. A total of 14 volunteer rangers (4 women, 10 men) from herder communities participated in the training. Staff from the EMCCA (2) organized the workshop, and representatives from the Protected Area Association (5) and Environmental Inspection Agency (2) gave various presentations. Topics that were presented included: biodiversity in protected areas, community-based wildlife conservation management, environmental laws and policy, the status of wildlife and plants in Mongolia, sustainable development, biodiversity conservation activities in Mongolia, and the role and responsibilities of volunteer rangers. The training was well received by participants, they offered various suggestions for future trainings, and plans were made for further collaboration and training. Participants were given a handbook containing outlines of all the presentations given during the

training to share with members of their communities. Proceedings from this training are now being compiled and translated, and will be distributed to all participants.

WCS Field Veterinary Program

Foot and Mouth Disease Study: Presence and Abundance of Disease Found in Domestic and Wild Ruminants throughout the Year in Mongolia's Eastern Steppe. From 21 – 22 May, two WCS Mongolia Program staff traveled to Matad soum with a local veterinarian to sample livestock for Foot and Mouth Disease. Forty samples were obtained; 10 sheep, 10 goat, 10 cow, and 10 camel samples. This study is designed to determine the level of exposure of livestock and Mongolian gazelle on the Eastern Steppe to the Foot and Mouth disease virus by screening serum (blood) for antibodies to the vaccine-type and wild-type (nature disease) virus. The goal of this project is to improve our understanding of the transmission of Foot and Mouth disease on the Eastern Steppe and the relationship between livestock and gazelle in disease distribution and transmission.

Avian Influenza-GAINS. The WCS avian influenza team will be focusing their 2007 survey work on Erkhel Lake in Hovsgol Aimag where highly pathogenic avian influenza (HPAI) was confirmed in wild migratory birds in 2005 and 2006. The team began their season-long surveillance and monitoring activities in early May. Two full assessments of the lake have been completed this season with no signs of significant bird die offs to date. In addition to the season-long surveillance of Erkhel Lake in Hovsgol Aimag the avian influenza team will be engaged in efforts to capture, sample, mark and release wild migratory birds in Darkhat Valley region of Khuvsgul Aimag, a migration corridor used by wild birds. In May the avian influenza team established a base camp in the Darkhat Valley region, surveyed sites and prepared their equipment for the 2007 live bird capture efforts. This work is being conducted in collaboration with the Mongolian State Central Veterinary Laboratory and the Ornithology Laboratory at the Biology Institute of the Mongolian Academy of Sciences. The work is funded by USAID as a component of the WCS Global Avian Influenza Network for Surveillance (GAINS) program. Through these efforts WCS is contributing to the implementation of Mongolia's "Strategy for Prevention and Preparedness for Avian Influenza" drafted in 2006/2007.

Innovating, Measuring and Promoting Poverty Alleviation through Cooperatives in Transitional Societies (IMPPACTS) Project

CHF International

The draft Cooperative Law was submitted to the Standing Committee of Economy on 17th May. It is hoped that this law will be passed this parliamentary session. IMPPACTS along with its VSO volunteer conducted cooperative and association institutional assessments in Darkhan and Erdenet and UB. The final report with recommendations will be prepared in June. The Nationwide Coop Development program and the Mongolian Cooperative Training and Information Center have invited IMPPACTS to collaborate on a coop assessment project. The goal of the assessment is to re-register businesses that are cooperatives but are currently classified as private firms.