



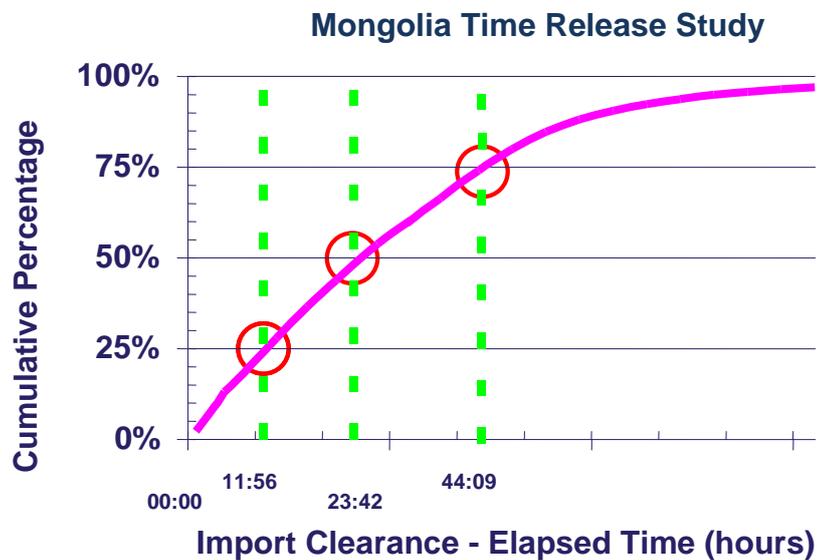
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Business Plus Initiative
USAID funded project implemented by Chemonics International

QUARTERLY PERFORMANCE REPORT (January – March 2013)

April 2013
Ulaanbaatar, Mongolia



**Time Release Study Documents Mongolian
Progress in Trade Facilitation**

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ABBREVIATIONS AND ACRONYMS

BPI	Business Plus Initiative
CGA	Customs General Administration
CGDC	Corporate Governance Development Center
CSC	Citizen Service Center
DS	Development Solutions
EBRD	European Bank for Reconstruction and Development
EJC	Economic Journalists Club
ELC	Economic and Legal Consultancy
ERC	Energy Regulatory Commission
GASI	General Authority for Special Inspection
GASR	General Authority of State Registration
GDT	General Department of Taxation
GIZ	German Agency for International Cooperation
GOM	Government of Mongolia
HACCP	Hazard Analysis and Critical Control Point
IFC	International Finance Corporation
IMRI	Integrated Mineral Resource Initiative
IT	Information Technology
KRA	Key Result Area
MCUD	Ministry of Construction and Urban Development
MMCI	Mongolian Management Consultant's Institute
MNCCI	Mongolian National Chamber of Commerce and Industry
MOF	Ministry of Finance
MOU	Memorandum of Understanding
OCRS	Online Company Registration System
OSF	Open Society Forum
OSS	One-Stop Shop
PCA	Post Clearance Audit
PIR	Project Intermediate Result
PMCG	Policy Management and Consulting Group
PMP	Project Monitoring Plan
QSDC	Quality Supplier Development Center
SME	Small and Medium Enterprises
TAB	Trading Across Borders
TDB	Trade Development Bank
TOT	Training-of-Trainers
TPI	The Press Institute of Mongolia
TRS	Time and Release Study
UBEDN	Ulaanbaatar Electrical Distribution Network
UBM	Ulaanbaatar Municipality
USAID	United States Agency for International Development

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EXECUTIVE SUMMARY

The USAID-funded Mongolia Business Plus Initiative (BPI) project supports the Government of Mongolia's (GOM) reform efforts aimed at establishing an enabling business environment conducive to diversified economic growth and the creation of better economic opportunities for the population. The BPI project is ensuring the participation of Mongolia's private sector in a structured and productive dialogue with government so that business enabling environment reforms are adequately informed by the private sector and works with Mongolian private sector to address bottlenecks to country competitiveness.

Over the reporting period, the data analysis and summary report for the Trade Release Study was concluded. Moreover, additional inroads in the implementation of reforms were observed in the areas of dealing with construction permitting, starting a business, getting electricity, and paying taxes. The BPI supported Quality Supplier Development Center (QSDC) delivered its first training series in the areas of food safety and Hazard Analysis and Critical Control Point (HACCP).

A. Significant Accomplishments

This section of the quarterly progress report describes key activities and significant accomplishments organized by project intermediate result (PIR).

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved:

Throughout this reporting period Mongolia continues to make inroads in improving the business enabling environment with technical support from USAID's BPI. Highlighted areas of reform include:

Time Release Study – The USAID BPI project presented the summary report of the comprehensive Time and Release Study (TRS) to the Customs General Authority, the General Authority for State Inspections, and the Mongolian National Chamber of Commerce and Industry. The TRS was conducted by BPI international and national experts, as well as the technical representatives of the various participating agencies during the period of September through December 2012. Reported results are consistent with international standards and highly credible. In addition, the results provide evidence-based data to determine the clearance time for trading across borders as used in the World Bank Doing Business ranking. With this data, Mongolia will be able to report an elapsed clearance time for imports of less than 24 hours for the next 2014 Doing Business report. This represents a reduction of 2 days from the elapsed time reported in the 2013 Doing Business Report. This is in addition to the reduction in time and cost to the trading community brought about by the recent amendments to the customs law which reduced the number of documents required for export and import to no more than three each.

Getting Electricity – On January 23, the Energy Regulatory Commission (ERC) approved a package of reformed procedures for applying for and receiving electrical connections. During the month of February BPI continued supporting the Ministry of Energy and the Ulaanbaatar Electrical Distribution Network (UBEDN) to implement this exciting reform package, which includes the following changes: (1) the establishment of online access to information on technical conditions for new connection areas, accessible to individuals and companies; and (2) the creation of an online question and answer system

allowing UBEDN to respond promptly to technical conditions and determine future prospects for connecting particular areas. These new procedures will reduce the number of procedures by two and will reduce the amount of time associated with getting electricity by 24 days. Early implementation of the new reform shows that UBEDN was able to approve technical conditions for 186 requests received during the first quarter of 2013 in an average time of 10 days, a reduction of more than 25 days from the average time reported in the 2013 Doing Business Report.

Dealing with Construction Permits – On March 2, a joint working group presented the first draft of the revised Construction Code to the Minister of Construction and Urban Development. BPI supported this joint working group by mobilizing a construction legal expert from Georgia to collaborate with a local legal team, as well as specialists from the Ministry of Construction and Urban Development (MCUD). BPI assisted the MCUD with simplifying the processes for obtaining construction permits as well as ensuring that MCUD offered faster and easier services while improving quality and safety standards in the construction sector. The draft introduces a one-stop shop and the concept that silence is consent. Additionally, the draft law introduces five risk-based classifications of the building structures. The classification provides different sets of requirements for obtaining building permits such that simple building structures require fewer permits and complex and higher risk buildings require more. The MCUD plans to organize roundtable discussions with the private sector to solicit feedback before submitting the draft law to Parliament for approval in the next quarter. When passed, the law will help to create an environment for an orderly development of the construction industry by clarifying procedures for a range of processes including permitting, inspection, and occupancy certification in a simplified and transparent way.

As described in detail in section I of this report, the above reforms were shaped with considerable assistance from the BPI project. Advances in reform implementation have also been made in the areas of paying taxes and starting a business.

PIR 2: Private sector capacity and competitiveness strengthened:

Launching the Quality Supplier Development Center - On January 15, 2013, the Quality Supplier Development Center (QSDC) was officially registered as a membership based non-governmental organization founded by private sector representatives and supported by the BPI project. The primary objective of the QSDC is to increase the competitiveness of Mongolian companies, enabling firms to overcome barriers to increasing sales and meeting the growing buyer demand within the country. The QSDC will provide quality management trainings to private sector participants, and support specific, sustainable buyer-led transactions between buyers and Mongolian suppliers. In January, QSDC board members gathered together to discuss the new center's action plan and membership policies. The meeting also focused on designing service offerings to meet the market's needs to ensure the sustainability of the center. Over the reporting period, the QSDC has identified more than 12 potential firms who with tailored technical assistance from the center have the potential to increase sales.

Additionally, during the first two weeks of March, the QSDC delivered its first training series on food safety and hygiene for catering companies, and HACCP for food producers and other stakeholders with a total of 49 participants attending the two trainings. These modules are aligned with the Chartered Institute for Environment and Health, an international body based in London, UK, and one of the most reputable training and

certification institutions worldwide. Upon completion of the training the participants took the tests for Food Safety Level II and HACCP Level II international accreditation. The participants gained important knowledge about food safety, hygiene, the 4 C's (cooking, cleaning, cross contamination, and chilling), basic principles of HACCP, and learned how to build a HACCP plan and identify critical control points within their own companies.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened:

The BPI project's strategic communications team continued to reach out to the public,



helping to educate the population about the government's reform plans and Mongolian competitiveness issues, as well as engaging the private sector in the project's competitiveness efforts through a series of events attended by more than 246 participants. Notably, during this quarter the project worked with its partners to educate the public about an often overlooked issue affecting the ability of citizens and businesses to access energy – the inefficient regulations surrounding getting electricity. While most of the press on the subject of electricity centers on infrastructure, on February 27, 2013, the Press Institute of Mongolia (IPI) and the Economic Journalists Club with support from the BPI project hosted a vibrant discussion with members of the Getting Electricity working group on the process of connecting to the electrical grid. Through this public event, 19 economic journalists learned about new reforms that are making it easier to get new electrical connections. A sample of the press generated from this event includes news

spots on 6 different television channels.

B. Salient Programmatic Trends and Ongoing Performance Constraints

Per Section F.8 of the BPI project contract, this section discusses salient programmatic trends observed from major activities in process or recently completed. It also highlights unresolved or ongoing administrative constraints to the contractor's optimal performance.

Salient Programmatic Trends:

Donor coordination: During the reporting period USAID BPI project has been actively collaborating with other donors to support both business enabling environment reform and private sector development. In January 2013, for instance, the Mongolian Management Consultant's Institute, the European Bank for Reconstruction and Development (EBRD), and the BPI project co-hosted a training using BPI's *Proposal Development Toolkit*. Mongolian small business owners, employees from procurement departments of Mongolian businesses, and experienced business consultants were trained in the use of the toolkit. The demand for these trainings led the BPI project and EBRD to collaborate on developing a training-of-trainers (TOT) course using the toolkit. The TOT course will be

conducted before Naadam and will be supported by EBRD. Using the toolkit developed by the BPI project, EBRD will develop multiple versions of the training, referencing USAID's support. In February 2013, the BPI project provided a detailed explanation of the status of current business enabling environment reforms to an expert from the International Finance Corporation (IFC) who was gathering information on Mongolia's progress for the Doing Business report. Finally, during March 2013, the BPI project and USAID coordinated a technical meeting the Germany Agency of International Cooperation (GIZ) funded Integrated Mineral Resource Initiative (IMRI) project to explore potential opportunities for collaboration on proposed QSDC activities.

Continuing close collaboration with GOM. The BPI project has continued to work closely with the Cabinet Secretary, the government's reform working group and the five agency-level working groups for the doing business reform areas supported by the project. During the reporting period, however, the Government of Mongolia has made changes in management in three of the five supported areas. Accordingly, BPI re-established its collaboration with new authorities at Customs, the Tax Department, General Authority of State Registration (GASR) and the Revenue Division of the Ministry of Finance. Given the changes in management in these institutions, efforts were made to bring the new authorities up-to-date on the status of the reforms and the need to continue with reform implementation. By the end of the reporting quarter, BPI has successfully established a strong relationship with the new authorities. Nevertheless, it will be important for the project to continue cultivating a trusting relationship with these new actors to avoid any setbacks. This is especially true in the case of the new customs authorities, who need to understand the progress made today on risk management and trade facilitation and the need to further these efforts in the near future. Assistance included in BPI Year 3 work plan will take into account these changes and the best way to protect progress today while fostering additional reforms in these areas.

This quarterly progress report is organized as follows: Section I details work plan implementation for the quarter, organized by PIR; Section II describes project management and administration activities, current personnel, deployment of short-term expatriate technical assistance, as well as project and contract management actions for the next quarter; Annex A describes current long-term project staff and details of short-term expatriate technical assignments; finally Annex B includes reporting of results for the quarter against the BPI project's draft performance monitoring plan.

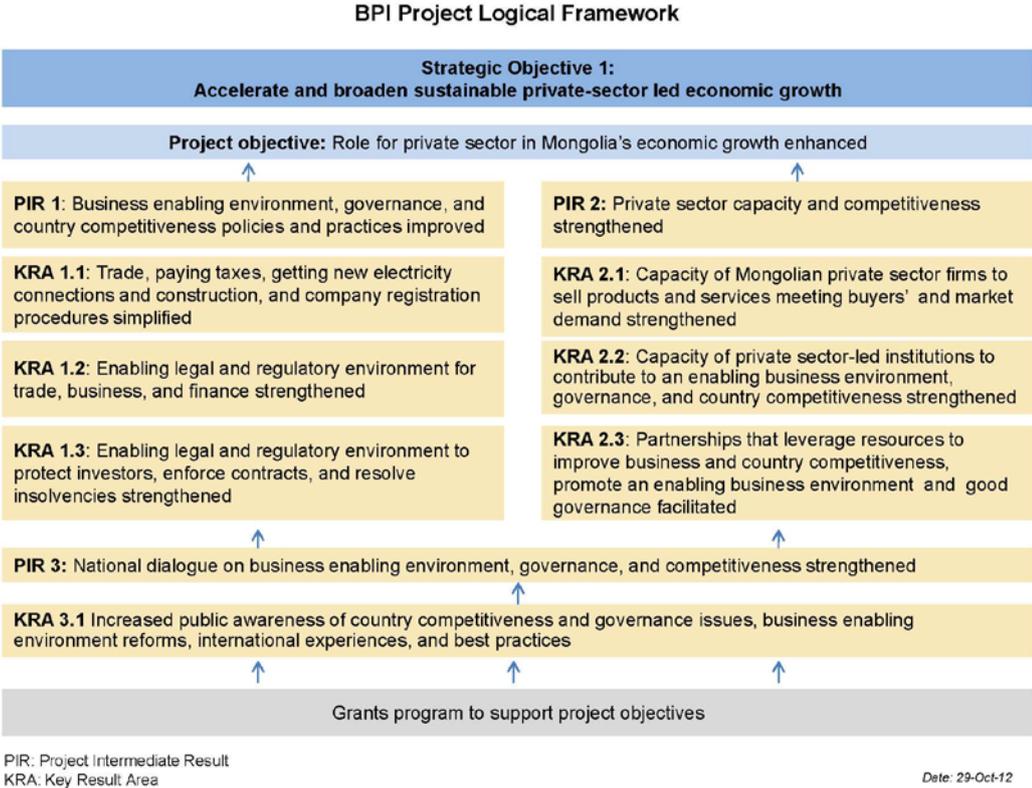
SECTION I: WORK PLAN IMPLEMENTATION

A. Introduction

This Section details the status of project implementation as of the end of the quarter. Below in Part B, we present the framework of the work plan for the three project components included in the submitted Year Two Annual Work Plan: business enabling environment, governance, and country competitiveness policies and practices improved; private sector capacity and competitiveness strengthened; and national dialogue on business enabling environment, governance, and competitiveness strengthened. Part C of this section contains detailed implementation status by project component. PIR 1 and 2 activities are described in the text, with selected PIR 3 cross-cutting national dialogue activities highlighted in text boxes in each section.

B. Work Plan Framework

This quarterly progress report is organized around the three PIRs with corresponding Key Result Areas (KRAs) proposed in the draft Year 2 Annual Work Plan:



C. Work plan implementation

CI. PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

The current reporting period represents the first quarter of implementation for some of the reforms adopted by the Government of Mongolia in the areas of trading across borders, paying taxes, dealing with construction permits and getting electricity. Accordingly, besides continuing to provide specialized technical assistance to deepening the reforms, the BPI project is now shifting to obtain evidence-based data that corroborate

the positive impacts, in terms of reducing the time and costs for businesses, resulting from these reforms. In addition, at the end of the reporting period, the BPI project, in collaboration with the GASR, initiated the work to establish an online company registration system in Mongolia.

KRA 1.1: Trade, paying taxes, getting new electricity connections, construction, and company registration procedures simplified:

USAID's BPI project continued attending Reform Team meetings headed by Ch. Saikhanbileg, the Cabinet Secretariat Chairman and Minister throughout this reporting period. These meetings serve to coordinate the work of various government agencies, ministries, the donor community, as well as the private sector, in designing and implementing fast-track reforms intended to improve Mongolia's business enabling environment and advance Mongolia's ranking in the World Bank's *Doing Business* surveys. Below this national level, the BPI project is working closely with five technical working groups, each tasked with achieving reforms in the near term.

Trading Across Borders:

In January 2013, Parliament amended the Customs' law to reduce the number of documents required for exporting and importing from 11 and 10 respectively to only three documents in each case. Nonetheless, traders were complaining that the General Authority for State Inspections (GASI) was still requesting some of the documents eliminated through the reform, such as the Certificate of Origin. The issue was discussed at a reform working group meeting with the Cabinet Secretary which included principals from Customs, GASI, and USAID BPI among others. As a result, GASI sent an official memorandum to all their respective border port officers highlighting the need to comply with the amended Customs law. Furthermore, Customs' risk management department corroborated that document requirements under their yellow and red channels are in compliance with the amended law.

Dealing with Construction Permits:

The BPI project works at two levels to foster improvements in the area of dealing with construction permits, namely working with the Ministry of Construction and Urban Development and the Ulaanbaatar Municipality.

Construction Code delivered to the Ministry Construction and Urban Development (MCUD). On March 2, a joint working group presented the first draft of the revised Construction Code to the MCUD. The USAID BPI project supported this joint working group by mobilizing a construction legal expert from Georgia and a local legal team, who worked closely together with specialists from the MCUD. BPI assisted the MCUD in simplifying the processes for construction permitting as well as ensuring that faster and easier services are offered while improving quality and safety standards in the construction sector. The initial draft of the revised Construction Code introduces the following new concepts:

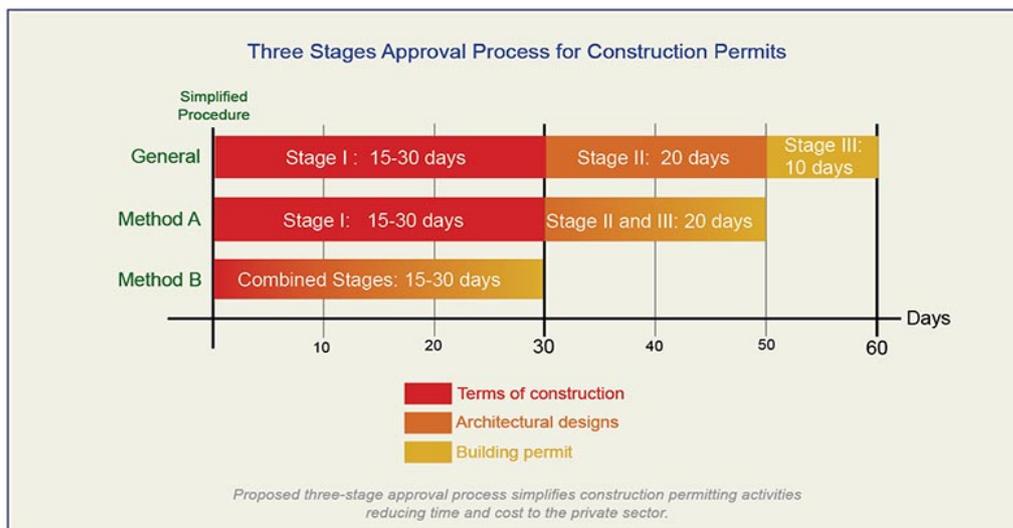
- One-Stop Shop: Applicants will be able to submit and obtain construction permits by interacting with a single service agency at the Municipality, which in turn obtains any required approvals from municipal and utilities authorities on behalf of the applicant.
- Silence is Consent: A permit issuing body makes a decision within the set time frame from submission of the application and if the decision is not made within

the set time, the permit is considered granted and the applicant can proceed to the next stage.

The draft law also elaborates the classification of the building structures, introduced under the Cabinet Resolution #151 of December 2012. For the purposes of issuance of a building permit and putting completed premises into operation, building complexity is divided into five classes according to various risk factors associated with the structure.

- Class I – Buildings that do not require a building permit;
- Class II – Buildings with low risk factor;
- Class III – Buildings with medium risk factor;
- Class IV – Buildings with high risk factor;
- Class V – Buildings with excessive risk factor.

The classification provides different sets of requirements for building permits that require fewer permits for simple building structures, more for complex and higher risk buildings. The MCUD plans to organize roundtable discussions with the private sector for feedback before submitting the draft law to Parliament for approval in the spring session. When passed, the law will help to create an environment for an orderly development of the construction industry, from obtaining permits, inspection, and obtaining occupancy certificates in a simplified and transparent way for both the construction industry and the government.



Transforming Ulaanbaatar’s Citizen Service Center into One-Stop-Shop. In February, USAID’s BPI team brought two specialists from the Republic of Georgia to work with the Ulaanbaatar



76 Ulaanbaatar Municipal officials, representatives from other Mongolian government agencies, and employees of utility companies attended the three hour presentation by USAID’s BPI team on recommendations for improving the CSC.

Municipality to improve the functioning of the new Citizen Service Center. The goal of this assistance is to turn the CSC from being just one more stop for citizens, to a

true one-stop shop that reduces the time and effort required for Mongolians to access services. On February 26, the team presented their preliminary findings and

recommendations to more than 70 Municipal officials and representatives from utilities companies. Key short term recommendations focused on the need to:

1. Integrate all citizen centers at the city, district and sub-district levels into a single OSS system reporting to a new Service Department.
2. Adopt a three-stage construction permitting process in accordance with the new Construction Code, including: Stage I – Approval of terms of construction (15-30 days); Stage II – Approval of Architectural Designs (less than 20 days); and Stage III - Issuance of Construction Permits (less than 10 days).
3. Ensure that the Citizen Service Centers become the only point of contact between the public and the municipal officials.
4. Re-organize the workflows under the Cadastral Division of the Property Relations Agency to ensure every official is able to respond to all requests for cadastral map readings.
5. Have the Construction and Urban Planning division of the Master Planning Agency directly request technical conditions from utilities on behalf of citizens requesting construction permits.
6. Improve information flows through both paper-based and IT-based solutions.
7. Sign dual decrees or MOUs with other agencies and authorities to facilitate OSS functions and information sharing.

Getting Electricity: Mongolia's economic growth and increased urbanization is creating greater demand for new electrical connections to the existing grid. To meet this demand the Government of Mongolia is working to increase the supply of electricity, and simultaneously to make it easier for individuals and businesses to connect to the country's electrical grid. BPI is assisting the government to streamline and simplify the process for getting new electrical connections.

On January 23, 2013, the Energy Regulatory Commission approved a package of reformed procedures for applying for and receiving electrical connections, and during the rest of this reporting period USAID's BPI project continued supporting the Ministry of Energy and the Ulaanbaatar Electrical Distribution Network (UBEDN) to implement this significant reform package, which includes the following changes:

1. Establishment of online access to information on technical conditions for new connections for areas proposed by individuals and companies.
2. Creation of an online question and answer system allowing for prompt responses by UBEDN with respect to technical conditions along with future prospects of connecting particular areas.
3. Cost sharing and other financial conditions for new connections.

At the end of the reporting period, the following results have already been observed within this reform area:

- UBEDN added a new section “Technical Conditions” under their website (<http://ubedn.mn/>). This section asks a web visitor to choose a district and a respective khoroo in that district where the new electricity connection is requested. When the selection is complete the visitor receives an immediate respond on whether the proposed electrical connection is “possible” or “impossible”.

- Given the current limitation on capacity, there are about 11 khoroo with some possibilities of new connection. These are Khan-Uul district's 4-7, 12-14th khoroo and Songino-Khairhan district's 18-20th khoroo.
- Since the approval of the Connection Procedure of UBEDN by ERC in the first quarter of 2013, out of all the requests received for new electricity connections, 186 requests were located in areas with connection possibility. UBEDN issued technical conditions for these connection requests within 10 days. This represents a reduction of some 27 days from that reported under the 2013 Doing Business Report.

Starting a Business: In March 2013, BPI secured the technical services of the international IT solution company Alfa XP, to establish a new Online Company Registration System (OCRS) for Mongolia. Alfa XP will work closely with the GASR and BPI to have a fully functional OCRS by July 2013. As part of the preliminary work for the new system, BPI and GASR will work together to streamline and simplify company registration processes during the month of April 2013. The new system will include online functionalities related to pre-registration, registration and post-registration and will reduce the time to register a company to less than 5 days. After the establishment of the OCRS, Mongolia is poised to become one of the top countries in the world in facilitating starting a business, within the Doing Business Report.



Alfa XP representatives presented options to simplify registration process that can be technically possible to the GASR officials, as well representatives from other government agencies and private sector stakeholders.

KRA 1.2: Enabling legal and regulatory environment for trade, business, and finance strengthened

In addition to the working group level reforms, this quarterly reporting period the BPI project continued providing on-going technical assistance on trade facilitation as follows:.

Time and Release Study: During this reporting period, the BPI project finished the report for the Time and Release Study (TRS) conducted between October and December 2012. Trade related stakeholders participating in the TRS included the Customs General Authority (CGA), the GASI and the Mongolian National Chamber of Commerce and Industry (MNCCI). The methods used for the TRS were consistent with international standards for studies of this type and were designed to be replicable. As a result, the estimates of elapsed time for Customs Clearance and Technical Control shown in this Report are highly credible, and provide a sound baseline for comparison with future TRS's.

In addition, the results provide evidence-based data to determine the trading across borders clearance time as used in the Doing Business ranking. According to the TRS

results, Mongolia can report an elapsed clearance time for imports of less than 24 hours for the next Doing Business report.

In total, 983 import shipments in three locations were analyzed to determine the elapsed time for customs clearance and technical control. There were some 20 combinations of processes and locations measured. The table below shows that 25 percent of the shipments were cleared in less than 12 hours, while 50 percent of the shipments were cleared in less than 24 hours. These results are very positive and Customs General Authority as well as other government authorities involved in the clearance process should be commended. The results include a downtime close to 12 hours a day, when the customs posts are closed.

Weighted Average Elapsed Time for Customs Clearance and Technical Control

Code	Location	Number of shipments	Elapsed time (a)		
			25th percentile	50th percentile	75th percentile
MN	Three Locations	983	11 hours and 56 minutes	23 hours and 42 minutes	1 day, 20 hours and 09 minutes

Note: Time measured from “Moment of truck registration” to “Moment of declaration printed and stamped (Form 2 Stamped.)” The three locations correspond to Ulaanbaatar, Zamyn Uud and Altanbulag.

The reported elapsed time for customs clearance and technical control represents a reduction of 2 days from the elapsed time reported in the 2013 Doing Business Report and comes as a result of the assistance provided by the BPI project to introduce risk-based inspections at customs and the assistance provided by IFC to improve inspection procedures at the GASI.

The summary report also includes recommendations for further improvements. For instance, since about 75 percent of the elapsed time is actually waiting time and only about 25 percent of the time is spent performing tasks, there is a significant opportunity to further reduce clearance time by implementing an advance clearance process of shipments.

The TRS databases contain a great deal of information not included in the summary report which can be used to support new performance improvement efforts. There are about 20 combinations of location and processes. The TRS was largely a data collection and validation matter; much additional analysis could be done to fully exploit the TRS databases. In the coming quarter the BPI project will continue working with TRS stakeholders to use the TRS results to design procedures and policies to further facilitate trade.

KRA 1.3: Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

The BPI project continued to support the development of a strong culture of corporate governance in Mongolia. Corporate governance is important as around the world, investors are increasingly evaluating corporate governance when making investment decisions. Good corporate governance also helps companies gain increased access to capital and credit markets. In fact, corporate governance ratings are now an important element in calculating credit ratings.

Corporate Governance Diagnostic Toolkit: During this reporting period, the BPI project engaged the services of an IT company, Infinite Solutions to design and construct a web version of the Toolkit as well as a desktop application for both Mac and Windows computers. During



the first phase of development, Infinite Solutions proposed a user-interface and graphics scheme, focusing on developing a clean and simple presentation of the complicated Toolkit. Once BPI approved the design, Infinite Solutions then developed the toolkit applications with frequent check-ins by the BPI project. At the end of this reporting period, Infinite Solutions presented a streamlined, clean, and user-friendly Toolkit. The BPI project expects to roll out the Toolkit during the first month of the coming quarter. Simultaneously with the development of the Toolkit applications, the BPI project finalized discussions with the Corporate Governance

Development Center (CGDC) to co-host the Toolkit on their website. CGDC will also take an active role in promoting the use to the Toolkit among Mongolian companies and in disseminating the CD-Rom versions of the Toolkit.

English Mongolian

TOOLKIT

Corporate Governance Diagnostic and Rating Toolkit

Corporate governance ratings at a glance
 Corporate governance is concerned with resolving conflicts of interests among stakeholders by establishing sound processes, customs, policies, laws, and institutions that affect the way a company is controlled.

Choose your business type
 The Toolkit includes detailed diagnostic and rating questionnaires, each designed with a specific type of company in mind.

Toolkit outline
 The corporate governance Toolkit contains four surveys tailored to listed companies, family owned LLCs, banking institutions and insurance companies.

How to use the toolkit
 The corporate governance Toolkit is based on diagnostic surveys that include 100 rating measures for each of the four types of companies included.

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C2. PIR 2: Private sector capacity and competitiveness strengthened

During this reporting period the BPI project formally launched the independent QSDC. On January 15, 2013 the board of directors met, identifying buyers and suppliers in the Mongolian marketplace who could benefit from project assistance. The project also delivered HACCP and food safety trainings reaching 49 trainees. Lastly the project continued delivering trainings to business consultants on proposal development using toolkit materials developed by the project in the spring of 2012.

KRA 2.1: Capacity of Mongolian private sector firms to sell products and services meeting buyers' demand strengthened

The new Food Safety Law of Mongolia entered into force effective March 1, 2013. To raise awareness, the QSDC and TPI organized a panel discussion on potential implications of the new law. The event brought together government representatives from



the General Agency for Specialized Inspection, a senior advisor to the Deputy Prime Minister and the journalists of the Economic Journalists Club. The new law includes several new provisions and requirements.



Trainees during the March 5 food safety training participate in a group discussion. After spending two days in the classroom, attendees left with a better understanding of food safety practices and principals.

In order to assist with the implementation of and compliance with the Food Safety law, the QSDC delivered its first training series on food safety and hygiene for catering companies, and HACCP for food producers and other stakeholders during the first two weeks of March 2013. A total of 18 participants attended the two-day training on food safety, which had the objective of increasing awareness of international best practice quality standards in food catering services. Thirty one participants attended a follow on three-day HACCP training course aimed to build upon basic food safety knowledge to further qualify professionals in the food industry. The participants gained important knowledge about food safety, hygiene, the 4 C's (cooking, cleaning, cross contamination, and

chilling), and basic HACCP principles and applications.

These modules are aligned with Chartered Institute for Environment and Health, an international body based in London, UK, one of the most reputable training and certification institutions worldwide. Upon completion of the training and after passing the appropriate test, participants received international accreditation for Food Safety Level II and HACCP Level II.

KRA 2.2: Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

Launching the QSDC: On January 15, 2013, the QSDC was officially registered as a membership based non-governmental organization founded by private sector representatives and supported by BPI project. The primary objective of the QSDC is to increase the competitiveness of Mongolian companies, enabling firms to overcome barriers to increasing sales and meeting the growing buyer demand within the country. The QSDC

will provide quality management trainings to private sector participants, and support specific, sustainable buyer-led transactions between buyers and Mongolian suppliers. In January QSDC board members gathered together to discuss the new center’s action plan and membership policies. The meeting also focused on designing service offerings to meet the market’s needs to ensure the sustainability of the center.

Transaction-based assistance: The QSDC team visited businesses in Darkhan and Erdenet during the month of January and intensified their efforts to identify potential clients over the following two months. At the end of the reporting period, the QSDC team has identified a total of 12 potential client firms who would greatly benefit from the center transaction-based assistance. The table below presents the list of firms grouped by sector. The initial interactions with the potential client firms point to the following type of assistance:

- Broaden the buyers’ network of the client firm
- Provide specialized technical assistance to improve product quality
- Introduce new ideas for inventory management
- Expand existing buyers’ network.

Over the next quarter the QSDC and the BPI project will work together to finalize at least six supplier development plans with client firms with an expected amount for increased sales of at least 100 million MNT.

QSDC – Quarter One Tracker for Current and Potential Clients		
Sector and Companies	No. of Firms	Description of Opportunity
Dairy Sector 1. Suu 2. Ingen Tagsh	2	Increase sales by establishing an effective inventory tracking system to monitor delivery to retail outlets on a timely basis for a large fresh milk producer and distributor. Increase sales by expanding the network of buyers for specialized camel milk producer. Anticipated Results: QSDC estimates a potential for at least 20% in sales increases for these clients.
Metal Fabrication 1. Geomash 2. Steel Balls 3. Mon Ilch 4. Gill Engineering	4	Increase sales by improving product quality through better heating/cooling techniques of metal products in order to meet buyer requirements. Anticipated Results: QSDC estimates a potential for at least MNT 62 million in sales increases during the next two years from these clients.
Food Sector (meat, food processors, catering) 1. Meat Export 2. CIS – 3 food processor clients	4	Increase sales by improving product quality through food safety and HACCP training and certification and broadening the buyers network. UB, South Gobi. Anticipated Results: QSDC estimates a potential for at least MNT 100 million in sales increases during the next two years from these clients.
Clothing, leather products 1. Mon Lans 2. Exclusive	2	Increased sales can be obtained by improving product quality – especially through better cutting methods, or by increasing buyers’ network. Anticipated Results: QSDC estimates a potential for at least 20% in sales increases during the next two years from these clients.

KRA 2.3: Partnerships that leverage resources to improve business and country competitiveness, promote an enabling business environment and good governance facilitated

Strengthening Mongolian Business Consultants: In Mongolia large companies, the donor community, and the government are increasingly issuing open tenders to identify firms and individuals with the right mix of skills, services, and products to meet their procurement needs. However, many Mongolian companies and consultants are inexperienced with proposal development. To address this issue, in the spring of 2012 the BPI project introduced a proposal development tool designed to demystify the process. The tool uses examples and descriptions to explain how to write a technical volume and how to think through preparing a cost proposal.

To date, the BPI project has trained more than 50 Mongolian businesses and consultants on the use of the tool, most recently in January 2013. The Mongolian Management Consultant's Institute, the EBRD, and the BPI project co-hosted the latest training, bringing together Mongolian small business owners, employees from procurement departments of Mongolian businesses, and experienced business consultants. During the two day training, the BPI project walked through the proposal development process, shared tips for competitive costing, and provided advice on negotiating with clients following a successful bid.

The demand for these trainings lead the BPI project and EBRD to work together to develop a TOT course for teaching the proposal development process. EBRD is financing this TOT course development under the Support to SME Development in Mongolia project, which is a five-year, €3.8 million project funded by the European Union. During this quarterly reporting period the BPI project and EBRD jointly designed terms of reference for this activity and EBRD issued a solicitation to identify a consultant to conduct the TOT. EBRD informed the BPI project at the end of this reporting period that they are currently interviewing applicants and would like to conduct the TOT before Naadam. Using the toolkit developed by the BPI project, EBRD will likely develop multiple versions of the training, referencing USAID's support, which will vary



The Mongolian Management Consultant's Institute hosted the training event, which was also supported by the European Bank for Reconstruction and Development (EBRD). Standing on the left, A. Altantuya of EBRD provided translation and helped guide the

according to potential clients, such as the government and large Mongolian companies.

C3. Component 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

This component is responsive to PIR 3, National dialogue on business enabling environment, governance, and competitiveness strengthened. Per the BPI logical framework, there is only one KRA under this PIR, KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices. PIR 3 and KRA 3.1 are cross-cutting, and some of the BPI activities within this component are discussed in the above sections. Additional activities are described below.

KRA 3.1: Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

The BPI project continued to actively collaborate with subcontract partner TPI and their Economic Journalists Club (EJC). During this reporting period, the BPI project held three events for EJC members. BPI project staff members also assisted the EJC to organize three additional events on economic topics sponsored by the Asian Development Bank and TPI. The broadening of EJC sponsors is an important milestone as EJC develops into a more vibrant and important voice in Mongolia.

Economic Journalists Club: List of Economic Events January-March 2013

Topic of Discussion per Event	Date
1. Ban on Left Handed Steering Wheel Vehicles	January 22, 2013
2. ADB and TDB pre-event meeting	February 7, 2013
3. ADB event on natural resource curse	February 19, 2013
4. Getting Electricity reform efforts	February 27, 2013
5. EJC brand meeting on Chinggis bond	March 22, 2013
6. Discussion on new Food Safety law	March 29, 2013

Success Story on BizGuide: “Getting business information has never been this easy”

Increasingly Mongolians are interested in starting up new businesses, or expanding their current operations. This trend is being fed by rapid economic growth in the country and increased opportunities to supply growing domestic demand. However, many of these entrepreneurs lack information about best practices in running a successful commercial operation and live in parts of Mongolia that are isolated and far from knowledge centers in the capital. To address these two issues at once, Development Solutions, a Mongolian partner of the BPI project, came up with an innovative idea: a website full of easy to understand business information in Mongolian that can be viewed and downloaded anytime, anywhere. The BPI project through a small grant funded this idea in 2012, resulting in www.BizGuide.mn. Launched in August 2012, as of the end of this quarterly reporting period more than 1,700 Mongolians have registered with the site, a number that keeps growing. In order to assess the individual impact of BizGuide, during



this reporting period the BPI communications team traveled to Darkhan and Erdenet and interviewed business owners who use BizGuide. As a result, the BPI project learned that individuals have improved their business practices and view BizGuide as an important resource they continue to use to improve their work. Please view the linked video success story to learn more about the impact of

BizGuide.

D. BPI Activities by the Numbers

In October, the BPI project drafted and submitted a revised performance monitoring plan, to correspond to both USAID’s revised direction for the project, and the submitted Year 2 Annual Work Plan. Annex B to this quarterly performance report includes the submitted

indicators and targets presented in the revised performance monitoring plan, and reports against targets for this quarter.

E. Next Steps for the Coming Quarter

Major activities or key actions projected for the next quarters, by project component, are detailed below.

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

The upcoming quarter represents the last quarter for adopting and/or implementing business enabling environment reforms that can be counted in the 2014 Doing Business Report. As the May 31st deadline approaches, the USAID BPI project will continue working closely with government reform working groups at the ministry, agency, and department levels, as well as with the Cabinet Secretariat's national level Reform Team. Below are anticipated and/or potential tasks for the coming quarter which will focus primarily on four tasks: (1) documenting implemented business enabling reforms in the five BEE supported areas; (2) supporting the acceleration of reform adoption/implementation of Starting a Business and Dealing with Construction Permits; (3) supporting the Government of Mongolia in communicating the status of the BEE reforms to the Doing Business team; and (4) starting the process of documenting the positive impacts that the reforms are already having on private sector development in Mongolia.

Trading Across Borders: Over the next quarter BPI will provide specialized technical assistance to CGA to strengthen its PCA department, allowing for deepening of the risk management system, which will result in a higher proportion of cargo to go through the “green” and “yellow” channels. Additionally, BPI will support the Cabinet Secretariat in elaborating an reform status report including the TAB indicator to be submitted to the Doing Business team.

Dealing with Construction Permits: BPI intends to remain engaged with the MCUD and the Ulaanbaatar Municipality in the next quarter. BPI will continue to help the MCUD working group to develop the new Construction Code through the provision of short-term technical and legal assistance to review and provide input into drafts. Additionally, BPI will facilitate an observational trip to Georgia for the Ulaanbaatar Municipality technical team working on the One-Stop Shop (OSS). The visit will focus on gaining a better understanding on the back-office operational procedures of the OSS in order to ensure an effective operation of the UBM Citizen Service Centers. As a result of the visit and the recommendations provided by the short-term advisors who visited Mongolia last February, an effective OSS system will be established at the UBM including construction permitting among other services.

Starting a Business: At the end current quarter, the BPI project received USAID consent to subcontract with the competitively selected international vendor, Alfa XP, to design and build a state-of-the-art OCS. Over the next quarter, the BPI project will work closely with GASR and Alfa XP to ensure a smooth process to implement the OCS which should be operational by July 2013. Simultaneously with the OCS the project will continue to support the GASR working group to develop legislative amendments to formalize the streamlined procedures to register a company and submit these amendments to Parliament.

Paying Taxes: During the next quarter the BPI project will provide specialized technical assistance in the area of taxpayer services through a train-the-trainer approach. Through this assistance, BPI will ensure the GDT develop its own cadre of local trainers who will continue to provide training to all tax officers in the near future. Additionally, the BPI project with USAID participation will continue the coordination with the new tax authorities to agree on the specific technical assistance that BPI will provide to GDT during the Year 3 workplan. Options for this assistance could include:

E-payment: Although the GDT has established e-filing for the three major taxes (value added tax (VAT), corporate income tax (CIT), and employee's withholding (EW)), most taxpayers still pay their taxes by going physically to the tax department. A recent survey conducted by GDT shows that 92 percent of the taxpayers believe they can save money and time by e-payment but point to several issues as the reason why they still don't use e-payment. Once e-filing and e-payment is in place and used by more than 50 percent of taxpayers, the Doing Business Report would reduce the number of payments to one, even if multiple payments are made throughout the year. BPI will collaborate with GDT and key Mongolian commercial banks to ensure e-payment services are available and easy to use by the taxpayers. This is considered a second generation reform that will ensure Mongolia continues to improve its rating in the 2015 Doing Business Report.

Data Exchange: GDT has requested assistance from BPI in helping the department to connect four key agencies/authorities in real time: the MOF – to obtain data on government procurement; CGA – to obtain data on trade; GASR – to obtain data from civil, company, and property registries; and the vehicle registry at the transportation agency. Allowing for data exchange with these organizations will significantly improve GDT's ability to broaden the tax base by better identifying non-filers and under-reporters, which in turn will provide a higher level of comfort for the government to continue to simplify paying taxes.

The team's ability to respond to these initiatives will depend on the availability of resources and the trade-offs with other priorities between 2013 through 2014. Therefore the BPI project intends to comprehensively discuss the details of each of these potential avenues of assistance with the new GDT management and USAID before commencing new activities.

Getting Electricity: UBEDN will finalize new internal procedures corresponding to the new ERC approved Connection Procedure of UBEDN during the next quarter. The BPI project will continue to coordinate with the reform working group to determine whether the group requires additional assistance in this process.

Corporate governance toolkit: In the coming quarter, the BPI project will work with a competitively-selected software company to finalize the development of desktop and web-based applications for the corporate governance diagnostic toolkit. The project expects to also disseminate the Toolkit in the coming quarter.

PIR 2: Private sector capacity and competitiveness strengthened

The BPI project's main focus under this PIR will be to significantly expand QSDC activities under both the quality assurance training component and the supplier development component. Over the current quarter, the QSDC successfully delivered its first training series on Food Safety and HACCP. Over the next quarter, additional training

program for HACCP, Environment and Work and Safety will be organized through the QSDC. Additionally, the QSDC will leverage Wagner Asia's experience in Six Sigma quality management system. Through an MOU with Wagner Asia, the QSDC will gain access to two "Black Belt" expert trainers who will deliver one "Green Belt" training per quarter in a pro-bono basis through the QSDC. Fees charged through these training courses will help strengthening QSDC financial sustainability in the future.

BPI expatriate private sector advisor joined the project at the end of the quarter. With a full team working on transaction-based activities during the next quarter, BPI expects a significant increase in the number of client firms working with the QSDC. The assistance provided to these client firms should start producing results in terms of increased sales before the end of the upcoming quarter. The QSDC will also work closely with XAC and KHAN Banks to identify viable potential client firms that could see their sales increased through the QSDC support through its transaction-based approach.

PIR 3: National dialogue on business enabling environment, governance, and competitiveness strengthened

Continued Cross-Cutting Engagement: In the coming quarter, the activities of PIR 3 will continue to communicate the work being done in PIR 1 and PIR 2 to the general public and stakeholders, including government and the private sector. Specifically the project's strategic communications team will focus on publicizing through roundtables, debates, and press conferences the business enabling environment reforms that were approved this quarter. For example, the strategic communications team will support the government of Mongolia in communicating the legal and regulatory changes to the World Bank's *Doing Business* survey team and contributors to help ensure that these important reforms are captured for the 2014 survey.

SECTION II: PROJECT MANAGEMENT AND ADMINISTRATION

This section summarizes significant project management and administration activities, problems encountered and actions taken to solve them, and main activities scheduled for completion during the next quarter. Annex A contains a list of long-term local project staff and short-term expatriate and third-country national technical assistance assignments.

A. Significant project management and administration activities

During this quarterly reporting period, BPI project management and administration activities continued to support the delivery of programmatic and technical assistance across the three PIRs areas. Over the last quarter, the efforts of the project management team continued to focus on ensuring the BPI project has the right mix of staff to meet the needs of the project's refocused activities.

Key project management and administration actions and activities completed include:

- In December USAID sent Chemonics a draft revision to the prime contract scope of work. During this reporting period Chemonics submitted comments and suggested edits to the revised scope of work, as well as suggestions for other areas within the contract that should be modified. Chemonics also submitted a budget to correspond to the changes in the scope of work. During the coming quarter Chemonics expects to finalize the contract modification with USAID.

B. Personnel

B1. Long-term expatriate personnel

During this reporting period, the project made two changes to expatriate personnel:

- Antonio Daza joined the project in March 2013 as the private sector advisor and executive director of the QSDC.
- Hilary Drew resigned from her position as project development and strategic communications manager at the end of March 2013. BPI anticipates filling the position in the coming reporting period.

B2. Long-term local personnel

Exhibit A-1 in Annex A provides a summary status of local staff as of the end of the reporting period.

B3. Deployment of short-term technical assistance

Deployment of short-term expatriate assistance proceeded according to the Submitted Year 2 Annual Work Plan schedule during the quarter. Eight (8) project-related technical assignments, including one (1) assignment from Chemonics' overhead were completed or initiated during the quarter by a total of 10 short-term expatriates and third country consultants. Exhibit A-2 in Annex A provides details about the purpose of these assignments as well as dates of arrival and departure.

C. Status of subcontracts

During this reporting period, the BPI project continued to work with consortium partners as well as other Mongolian service providers to support the project's initiatives. Specific updates include:

- In October the BPI project developed and released a request for pre-solicitation proposals to gauge the interest and capacity of firms providing business advisory services in supporting the project's supplier development activities. Two bidders responded, and Development Solutions was identified as the only firm capable of providing the required technical assistance. During this reporting period, the BPI project executed an indefinite quantity subcontract valued below the simplified acquisitions threshold with Development Solutions and issued three task orders.
 - Under sub-task order no. 01, Development Solutions facilitated a trip to Erdenet and Darkhan for BPI's supplier development team to meet with local producers.
 - Under sub-task order no. 02, Development Solutions identified four companies in Mongolia that are currently struggling to meet existing work orders and gathered information about the nature of the issues facing the firms.
 - Under sub-task order no. 03, Development Solutions identified four buyers in Mongolia that currently are looking for Mongolian suppliers to fill the buyers procurement needs, Development Solutions also identified the nature of products or services that buyers are looking to purchase and provided that information to the BPI project.

- Under the infinite quantity subcontract with Economic and Legal Consultancy LLC (ELC), which was signed in the previous quarter, the project issued two additional sub-task orders between January and March 2013:
 - Under sub-task order no. 02 ELC assisted BPI's construction reform specialist to provide technical input for and reviews of the draft construction law and concept paper. Specifically, ELC worked to ensure that the draft law and concept paper were consistent with Mongolian laws.
 - Under sub-task order no. 03 ELC assisted the BPI project and the GASR to identify all the legislation and regulations that would need to be changed in order to fully realize GASR's goals of streamlining the procedures for registering an entity.

- Following full and open competition conducted in the last quarter of 2012, in January the BPI project executed a fixed price subcontract with Infinite Solutions LLC to create desktop and web-based applications for the Corporate Governance Diagnostic Toolkit. During this quarter the project managed this subcontract, valued below the simplified acquisitions threshold, and expects the work to be completed in the coming quarter.

- During this quarter the project requested and received contracting officer consent to subcontract with Alfa XP, an international IT firm, to design an online company registration system (Consent was required because the value of the subcontract exceeds USD150,000). The project also requested and received an ADS-548 review which resulted in no comments or recommendations.

- Under the infinite quantity subcontract with Orchard Consulting LLC the project issued one additional task order in March:
 - Under sub-task order no. 04 Orchard will assist the BPI project and an international BPI subcontractor to design and implement an online company registration system at the General Authority for State Registration

- Under the infinite quantity subcontract with Georgia-based Policy Management Consulting Group (PMCG) which was signed in the previous quarter, the project issued one additional sub-task order in February 2013:
 - Under sub-task order no. 05 PMCG (1) assisted the MCUD in drafting a new construction law and finalizing the concept paper for the law and (2) assisted the Ulaanbaatar Municipality with improving the functioning of the OSS for construction permits under its recently opened Citizens Service Centers.

D. Project and contract management actions expected for the next quarter

Project and contract management actions expected to be completed during the next quarter include the following:

- Negotiate a prime contract modification based on a revised scope of work and period of performance for the project.
- Initiate consortium subcontract modifications to the TPI and OSF subcontracts to align both with the modification to the prime contract.
- Finalize the recruitment of candidates for expatriate and Mongolian long-term positions, and submit the required approval requests to USAID.
- Field short-term local and expatriate assistance to complete technical assignments in accordance with the submitted Year 2 Annual Work Plan.
- Negotiate a sub task-order under IQS with ELC LLC to assist the BPI project and GASR to ensure that the legal environment supports the new registration process and OCRS.
- Negotiate a sub task-order under IQS with ELC LLC continue the construction law drafting process to incorporate the comments from the Minister of Construction and Urban Development, and construction industry representatives.
- Negotiate sub task-orders under IQS with Development Solutions to provide targeted short-term support to the BPI project to support the QSDC transaction-based component.
- Negotiate a firm fixed price subcontract with Churchills LLC to provide targeted short-term support to the BPI project to support the QSDC training component.
- Close-down the FFP subcontract with Infinite Solutions LLC executed to develop two separate platforms for the use of the toolkit: desktop-based (for both Windows and Mac) and web-based (particularly open source PHP) application.
- Negotiate sub task-orders under IQS with Georgia-based subcontractor, PMCG to provide technical input and develop official responses to questions from construction industry stakeholders on the draft construction law and to facilitate a series of meetings related to the OSS for construction permits and other services for the Mongolia delegation visiting Georgia to observe OSS reforms.

**ANNEX A: LONG-TERM LOCAL PERSONNEL AND EXPATRIATE
SHORT-TERM ASSIGNMENTS**

ANNEX A: Long-term local personnel and expatriate short-term assignments

Exhibit A-1: Local long-term project staff as of the end of January – March 2013 quarter			
Employee name	Position	Start date	End date
Uurtsaikh Sangi	Deputy chief of party	Jun 20, 2011	
Altanzaya Baldan	Accountant	Jun 20, 2011	
Zul Sabikhan	Operations Manager	Jun 20, 2011	
Khaliun Yura	M&E specialist	Jul 27, 2011	
Tsolmon Naidandorj	Video and graphics coordinator	Jul 28, 2011	
Oyuntsetseg	Editor/Publications specialist	Jul 28, 2011	
Dulguun Mijiddorj	Training coordinator	Aug 22, 2011	
Batmunkh Perlii	Driver/Messenger	Aug 22, 2011	
Myagmar Gombo	Driver/Messenger	Sep 12, 2011	
Gerelmaa Tumurbaatar	Accounting assistant	Oct 7, 2011	
Oyunbold Gansukh	IT manager	Oct 7, 2011	
Khishigjargal Purevsuren	Financial analyst	Oct 31, 2011	
Khangal Davaa	Financial markets specialist	Jan 3, 2012	
Amgalan Nordov	Regulatory reform manager	Jan 3, 2012	
Solongo Samdandovjid	Business environment and competitiveness specialist	Jul 16, 2012	
Davaakhuu Baatar	Translator/Interpreter	Jul 16, 2012	
Solongo Purevjav	Private sector development associate/Grants assistant	Sep 14, 2012	
Munkhjargal Demberel	Office manager	Sep 26, 2012	
Ariuntuya Ayurzana	Public private dialogue specialist	Oct 5, 2012	
Khash-Erdene Battsengel	Business Development Advisor (OSE)	Nov 19, 2012	

Exhibit A-2: Short-term technical assignments during the January – March 2013 quarter

Name	Purpose of assignment	Date of arrival	Date of departure
Olin McGill	BEE reforms	January 16, 2013	March 1, 2013
Barrie Evans	Delivery of the Food safety and Hygiene in catering and HACCP training programs	February 1, 2013	December 1, 2013
Givi Murvanidze	Establishment of one-stop-shop at Ulaanbaatar municipality for construction permitting as a pilot	February 19, 2013	March 5, 2013
Nino Sharashenidze	Establishment of one-stop-shop at Ulaanbaatar municipality for construction permitting as a pilot	February 19, 2013	March 5, 2013
Teimuraz Bolotashvili	Drafting of construction law for the MCUD	February 19, 2013	March 12, 2013
Giuliana Canessa Walker	BPI's grants' manual, conducted a thorough review of the grant program processes	February 27, 2013	March 14, 2013
Dmitry Shvidky	Detailed work plan on OCRS for GASR	March 23, 2013	April 6, 2013
Luc Vocks	Detailed work plan on OCRS for GASR	March 23, 2013	April 6, 2013
Jeffrey Rozwadowski	TOT program and training on customer service for GDT	March 24, 2013	April 28, 2013

**ANNEX B: PERFORMANCE INDICATORS, BASELINE AND TARGETS
FOR ANNUAL WORK PLAN-2**

ANNEX B: Performance indicators, baseline and targets for Annual Work Plan-2

PIR 1: Business enabling environment, governance, and country competitiveness policies and practices improved

KRA 1.1 Trade, paying taxes, getting new electricity connections and construction procedures simplified

1.1.1	Time and cost of clearing imports and exports reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.1a	Number of documents required to export/import a shipment:	DB 2012: 8 / 8	5 / 5	Target	5/5	5/5	DB 2013:	5/5		5/5
Actual				n/a	n/a	10/11	3/3	3/3		
1.1.1b	Number of days required to export/import a shipment:	WB: 47 / 46	30.5 / 29.5	Target	n/a	n/a	DB 2013:	30.5/29.5		30.5/29.5
Actual				n/a	n/a	49/50	28/27	28/27		
1.1.2	Burden of compliance with tax administration procedures reduced	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.2a	Number of payments per year:	WB: 41	27	Target	n/a	n/a	n/a	n/a		
Actual				n/a	n/a	n/a	n/a			
1.1.2b	Number of hours per year required to comply with paying taxes:	WB: 192	135.5	Target	n/a	n/a	135.5	n/a		135.5
Actual				n/a	n/a	136	n/a	136		
1.1.3	Construction permits procedures streamlined	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.3a	Number of procedures to build a warehouse legally:	WB: 19	13	Target	n/a	n/a	n/a	13		13
Actual				n/a	n/a	n/a	13	13		
1.1.3b	Number of calendar days	WB: 208	156	Target	n/a	n/a	n/a	156		156

		<i>required to complete all procedures:</i>			Actual	n/a	n/a	n/a	136	136
1.1.4	Getting new electricity connections processes simplified	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.4a	Number of procedures to obtain an electricity connection:	WB: 8	5	Target	n/a	n/a	n/a	5		
				Actual	n/a	n/a	n/a	5		
1.1.4b	Number of calendar days required to complete all procedures:	WB: 156 days	116	Target	n/a	n/a	116	116		116
				Actual	n/a	n/a	126	102		102
1.1.5	Online company registration system established	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.1.5a	Number of procedures to start a business:	WB: 7	4	Target	n/a	n/a	n/a	4		4
				Actual	n/a	n/a	n/a	5		5
1.1.5b	Number of calendar days required to complete all procedures:	WB: 13 days	5	Target	n/a	n/a	5	5		5
				Actual	n/a	n/a	12	7		7

KRA 1.2 Enabling legal and regulatory environment for trade, business, and finance strengthened

1.2.1	Trade legal and regulatory framework strengthened	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
1.2.1a	Percentage of progress in facilitating Draft Customs Brokers Law:	30%	100%	Target	75%	75%	75%	100%		
				Actual	75%	75%	75%	75%		
1.2.1b	Percentage of progress in facilitating start-up of	0%	100%	Target	0%	0%	55%	100%		

				Actual	0%	0%	0%	0%		
<i>customs brokers accreditation program:</i>				Actual	0%	0%	0%	0%		
1.2.1c	Percentage of "green and yellow channel" shipments:	4%	30%	Target	4%	10%	15%	25%	30%	
				Actual	4%	12%	34%	32.8%		
1.2.1d	Percentage of progress in facilitating Customs Time Release Study:	0	100%	Target	30%	55%	100%			
				Actual	30%	55%	60%	85%		
1.2.1e	Person/days of training on trade facilitation delivered:	0	70	Target	0	15	30	15	10	
				Actual	7	14	60	10		
1.2.2	Non-banking financial products developed and/or enabled	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
1.2.2a	Number of non-banking financial products facilitated:	0	2	Target	0	0	1	0	1	
				Actual	0	0	1	0		
1.2.2b	Person/days of participation in BPI financial sector events:	165	60	Target	30	0	10	10	10	
				Actual	37	6	4	0		

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% | Public dialogue 20% | Draft hand-over 25%

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance | Cabinet approval | Parliament Standing Committee clearance |

Inclusion in Parliament agenda | Parliament approval.

KRA 1.3 Enabling legal and regulatory environment to protect investors, enforce contracts, and resolve insolvencies strengthened

				Actual	55%					
1.3.1	Percentage of progress in	55%	55%	Target	55%					

	<i>facilitating draft Bankruptcy Law:</i>			<i>Actual</i>	55%				
1.3.2	<i>Percentage of progress in facilitating draft Investment Funds Law:</i>	55%	100%	<i>Target</i>	75%	100%			
				<i>Actual</i>	75%	100%			
1.3.3	<i>Percentage of progress in facilitating draft Custodian Law:</i>	55%	55%	<i>Target</i>	55%				
				<i>Actual</i>	55%				
1.3.4	<i>Person/days of training delivered to FRC:</i>	18	43	<i>Target</i>	43	0	0	0	0
				<i>Actual</i>	43	0	0	0	
1.3.5	<i>Percentage of progress in facilitating draft regulations for Driver's Liability Insurance:</i>	55%	100%	<i>Target</i>	80%	100%			
				<i>Actual</i>	80%	100%			

BPI METRICS FOR LAWS & REGULATIONS (Contractor's manageable interest): Concept paper 10% | Working draft 20% | Technical review 25% |

Public dialogue 20% | Draft hand-over 25%.

PERFORMANCE METRICS FOR LAWS AND REGULATIONS: MoJHA clearance| Cabinet approval | Parliament Standing Committee clearance |

Inclusion in Parliament agenda | Parliament approval.

PIR 2: Private sector capacity and competitiveness strengthened

KRA 2.1 Capacity of Mongolian private sector firms to sell products and services meeting buyers' and market demand strengthened

2.1.1	Buyer-supplier transactions facilitated	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.1a	Number of products/services with buyer's specifications:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a	8	3		
2.1.1b	Number of feasibility of supply analyses completed:	n/a	40	Target	n/a	n/a	5	15	20	
				Actual	n/a	n/a	1	17		
2.1.1c	Number of due diligence conducted on suppliers:	n/a.	25	Target	n/a	n/a	2	8	15	
				Actual	n/a	n/a	1	7		
2.1.1d	Number of purchase intent negotiated:	n/a	15	Target	n/a	n/a	1	5	9	
				Actual	n/a	n/a	0	0		
2.1.1e	Number of TAF contracts to assist potential suppliers:	n/a	14	Target	n/a	n/a	1	4	9	
				Actual	n/a	n/a	0	2		
2.1.1f	Number of purchase orders fulfilled:	n/a	12	Target	n/a	n/a	0	2	10	
				Actual	n/a	n/a	0	0		
2.1.1g	Number of transactions facilitated:	n/a	10	Target	n/a	n/a	0	3	7	
				Actual	n/a	n/a	0	0		
2.1.1h	Value of transactions facilitated (MNT million):	n/a	500	Target	n/a	n/a	0	100	400	
				Actual	n/a	n/a	0	0		
2.1.2	Establishment of Quality Supplier Development Center (QSDC)	Baseline Value	AWP-2 Target		Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	AWP-2 Results
2.1.2	Percentage of progress in facilitation of QSDC:	0%	100%	Target	10%	30%	55%	100%		
				Actual	10%	10%	75%	100%		

BPI METRICS FOR PROGRESS IN FACILITATION OF QSDC: Concept paper 10% | Working group established 20% | Stakeholders forum to proceed 25% |

Business model, business and operations plan negotiated 20% | QSDC registered 25%.

KRA 2.2 Capacity of private sector-led institutions to contribute to an enabling business environment, governance, and country competitiveness strengthened

2.2.2	"Emerging" institutions established	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.2	Number of new or "emerging" institutions facilitated:	0	2	<i>Target</i>	0	0	1	0	0	
				<i>Actual</i>	0	0	1	0		
2.2.3	"Selected partner organizations" capacity strengthened	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.3	Number of cost-sharing agreements and/or subcontracts with local partner institutions to work on BEE issues:	1	5	<i>Target</i>	0	1	2	1	1	
				<i>Actual</i>	0	2	3	4		
2.2.4	Number of institutional strengthening toolkits developed for local partners:	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
2.2.4a	Number of institutional and corporate governance strengthening toolkits developed for local partners:	0	3	<i>Target</i>	1	1	1			
				<i>Actual</i>	1	1	0	0		
2.2.4b	Number of person/days of training delivered on the tool kits:	0	75	<i>Target</i>	5	60	10	0	0	
				<i>Actual</i>	5	64	11	11		

PIR 3: National private sector driven and supported dialogue on business enabling environment, governance, and competitiveness strengthened

KRA 3.1 Increased public awareness of country competitiveness and governance issues, business enabling environment reforms, international experiences, and best practices

3.1	Increased public awareness of BEE and competitiveness issues	<i>Baseline Value</i>	<i>AWP-2 Target</i>		<i>Apr-Jun</i>	<i>Jul-Sep</i>	<i>Oct-Dec</i>	<i>Jan-Mar</i>	<i>Apr-Jun</i>	AWP-2 Results
3.1.1	<i>Number of public events held on BEE or competitiveness issues:</i>	36	65	<i>Target</i>	15	15	10	15	10	
				<i>Actual</i>	17	12	6	9		
3.1.2	<i>Number of person/days of attendance at public events:</i>	751	1,250	<i>Target</i>	350	300	200	200	200	
				<i>Actual</i>	380	184	271	194.4		
3.1.3	<i>Number of workshops held for journalists:</i>	14	20	<i>Target</i>	4	4	4	4	4	
				<i>Actual</i>	5	2	6	6		