Gobi Regional Economic Growth Initiative

P.O.Box - 761
Ulaanbaatar - 49
Tel: 461145, Fax: 461048

Year Three - Third Quarter Report
July 08, 2006 - October 07, 2006
Cooperative Agreement
438-A-00-04-00002-00

Submitted to the U.S. Agency for International Development

USAID
FROM THE AMERICAN PEOPLE

By

MercyCorps

Mercy Corps Mongolia
24 Peace Avenue, Bayanzurkh District
Ulaanbaatar, Mongolia
Phone: 976-11-461-145
Contact: Sean Granville-Ross, Chief of Party
Email: sean@gobi.initiative.org.mn
Tim Stewart, Deputy Chief of Party
Email: tim@gobi.initiative.org.mn

October 27, 2006

Table of Contents

INTRODUCTION 3

INTERMEDIATE RESULT 1.3-1 5

ACTIVITY ONE: BUSINESS PLAN DEVELOPMENT AND IMPLEMENTATION 5
ACTIVITY TWO: COOPERATIVE FORMATION AND DEVELOPMENT 10
ACTIVITY THREE: TRAINING AND TECHNICAL ASSISTANCE FOR HERDER BUSINESSES 12
Veterinary Training for Herders *13*
ACTIVITY FOUR: ACQUIRING CRITICAL INPUTS 14
Input Facilitation *14*
ACTIVITY FIVE: TECHNICAL ASSISTANCE AND TRAINING FOR NON-HERDER BUSINESSES 15
ACTIVITY SIX: LOCAL CAPACITY BUILDING FOR TRAINING AND TECHNICAL ASSISTANCE 20
ACTIVITY SEVEN: MARKET DEVELOPMENT 20
Market fairs *21*
Establishing market linkages *21*

ACTIVITY EIGHT: LOCAL GOVERNMENT SUPPORT FOR BUSINESS 22

Round table meetings *23*
INTERMEDIATE RESULT 1.3-2 INCREASE IN AVAILABILITY, ACCESS TO AND USE OF INFORMATION 23
ACTIVITY ONE: BUSINESS INFORMATION 23
CRSP Forage Forecasting *23*

Production and dissemination of RBN Mongolian magazine 24

New educational documentary radio series (following the herder from the future) 25

Production and dissemination of "market watch" 26

RBN website 27

Production and broadcast of RBN TV programming and 26-part TV drama series 27

Production of video training materials 28

ACTIVITY TWO: LOCAL CAPACITY FOR INFORMATION DISSEMINATION AND COMMUNICATIONS 28

Collaboration with government of mongolia and other projects 28

COOPERATION WITH IVANHOE MINES 28
COLLABORATION WITH SWISS DEVELOPMENT COOPERATION 29
COLLABORATION WITH RESEARCH INSTITUTE OF ANIMAL HUSBANDRY 29
COLLABORATION WITH MONGOLIAN ALTERNATIVES CENTRE, GER TO GER PROJECT 29

PROGRAM/FINANCIAL MANAGEMENT 30

CONCLUSIONS AND RECOMMENDATIONS 30

GOBI INITIATIVE PHASE II – YEAR THREE - THIRD QUARTER REPORT

INTRODUCTION

The Gobi Regional Economic Growth Initiative-Phase II (Gobi II) project began on January 8, 2004, funded under Cooperative Agreement #438-A-00-04-00002-00. The project is being implemented by Mercy Corps in partnership with Pact, Inc.

Gobi II has the following goal, objectives and overall focus:

Program Goal:

- To develop and strengthen rural business in the Gobi region

Program Objectives:

- An increase in the number of new and strengthened productive Gobi businesses
- An increase in availability, access to and use of business information by Gobi entrepreneurs

Program Focus:

- Supporting herder groups that are expanding and/or diversifying their business activities
- Supporting the development of herder cooperatives
- Supporting businesses that add value to herder products and link those products to markets
- Promoting rural business linkages to the financial services sector
- Improving the quality and accessibility of local business development and support services

Program Highlights during this reporting period of July 8th to October 7th, 2006, include:

- Sales in the third quarter for the herder clients reached MNT 533,358,357 ($457,800), bringing the total for the year to MNT 829,287,697 ($711,835). Forecasted sales for the herder clients for the CY2006 are MNT 1,414,892,727 ($1,214,500).

- Training and technical assistance provision to herder and non-herder clients has been on going, a total of 166 technical assistance interventions were provided to herder clients and a total of 68 technical assistance interventions were provided to non-herder clients during the quarter.

- The program completed the design and printing of a poster announcing the selection of new herder and non herder clients for Year Four of the program. The posters have been disseminated in all soums in the target aimags. In addition, the program broadcasted on Mongol National radio a series of announcements encouraging herder and non-herder clients to apply to the program. Interested herder and non-herder businesses will be able to complete an application form and the program officers have begun selection of potential clients who will develop business plans for CY2007 in September. A total of 448 applications were received, 264 from herder clients and 124 from Non-herder clients. The program officers have selected a total of 332 clients (255 herder and 77 non-herder) who will now develop business plans in the final quarter of the year and begin implementation at the start of CY2007.

- Development of the Gobi Initiative client catalogues was completed. Aimag-specific client catalogues were distributed in time for the annual market fairs, and a catalogue with information on all Aimag clients has also been completed. The catalogues showcase products from the best clients to a wider community of potential purchasers at regional and national market level, including niche export markets.

- The program has finalized vegetable supply contracts with Ivanhoe Mines during the quarter. Four herder clients in Umnugobi aimag delivered a total of 10.1 metric tonnes of vegetables. The vegetables have included potatoes, carrots, onions, tomatoes, cabbages, peppers, turnips and water melon. To date vegetables with a total value of MNT 5,772,950 ($4,769) have been sold to the catering firm CIS for delivery to the Ivanhoe Mine. In September a GI client in Umnugovi sold 500 bottles (500gr) of camel milk worth MNT 982,000 ($843) to the catering firm CIS for the

Ivanhoe Mines/Oyu Tolgoi's work force. It is expected that Ivanhoe will continue to procure the bottled camel milk on a monthly basis. Total sales to Ivanhoe mines to date have reached MNT 6,734,950 ($5,612).

- Fifteen lambs and one goat kid worth MNT 560,000 ($466) were sold by a Gobi-Sumber herder client to "UB Gourmet" in late August. Sale of young animals is highly unusual in Mongolia due to cultural traditions; however there is a large demand from restaurants and expatriates for this niche product. "UB Gourmet" has large catering contracts with embassies and restaurants. This first sale was a sample and the program expects a larger volume of lambs and kids to be purchased from this producer in the coming months by "UB Gourmet".

- A directory of agricultural input suppliers has been compiled, translated and distributed to Aimag offices. This will be available to clients wishing to invest in new machinery and equipment and obtain vegetable and fodder crop seeds and packaging as part of their diversified business plans. In all, over 50 suppliers are listed, with the directory being updated annually.

- Major market events took place during September in all GI aimags. The events this year were a great success attracting large crowds from across the aimags. The USAID Mission Director attended the official opening of the market event in Gobi Altai and Mr. Enhsaihan Deputy Prime Minister, Mr. Terbishdagva Minister of Food and Agriculture attended the official opening of the Dundgovi market event held in Ulaanbaatar on the 18th of September and visited the market stalls talking to exhibitors and tasting the products. Also the Members of Parliament and Aimag Governors attended the market events in their respective Aimags. The six events in 2006 generated grand total sales of MNT 330 million ($282,000). In 2004 the six trade fairs generated grand total sales of MNT 225 Million ($200,000). Local products offered included dairy goods; bread, cookies and pastries; vegetables; wool and cashmere; hides and leather products; felt and felt products; wood/metal products; several types of handicrafts; wicker items; and construction material. The dairy and vegetable products had the highest demand and all exhibitors of these products were sold out within the first days of the events. At the six events a total 1,196 exhibitors participated. All of the GI cooperating clients participated, promoting and selling their goods and services to the general public, as well as other herder and non-herder businesses in the aimags. The banks all actively participated and promoted their services and loan products. All the market events organized additional activities increasing both the scale and the popularity of the events. Some of the events organized included; raffles, children's English classes, free barber and beauty services, airag drinking competitions, cultural events amongst other things were organized at the trade fairs. Raffle prizes were donated by local businesses and the banks in the aimags.

- The Gobi Forage project has been developing a forage monitoring system that provides near real-time spatial and temporal assessment of current and forecasted forage conditions for Mongolian livestock producers. During the quarter the team have been developing an information and communication infrastructure and analysis delivery system to provide herders with information on current and forecasted forage conditions that will assist them to make timely and specific management decisions. The products developed to date include maps and explanation keys, radio bulletins and training manuals. The maps and radio bulletins are being reviewed and tested with aimag and soum government officials and herders. The final products and delivery systems will be established in the final quarter across the target Gobi Aimags.

- On 13th July the US Secretary of Agriculture visited the Gobi Initiative herder client, "Bor togoot". Seven families comprising 33 individuals are members of this cooperative, which has 2,651 animals. The cooperative is currently implementing its approved business plan to produce meat and harvest hay. The cooperative rear animals and harvest natural hay, the meat they sell to aimag residents and local butchers and the hay to herders in the aimag. The US Secretary of Agriculture was presented with a horse which he named "Nebraska".

INTERMEDIATE RESULT 1.3-1 Increase in Number of New and Strengthened Businesses

Activity One: Business Plan Development and Implementation

Targets:

- 171 Herder Businesses implement business plans in 2006 with total sales of 1.4 B'n MNT
- 40 Non-herder businesses implement their business plans in 2006 with sales of 1.4 B'n MNT

Indicators	Progress to date
Number of Business Plans Developed	222
Value of sales	Herder Business = 829,287,697 MNT Non Herder Business = 769,930,678 MNT
Value of fixed assets / Net worth of clients business	N/A (Gobi Initiative will start to collect data for this indicator in CY2007)
Number of Business Plans implemented	222
Number of Applications received for CY2007 requesting business plan development assistance	332 of which 165 are new clients

Overall, the implementation of herder and non-herder business plans is going according to plan. For the majority of the herder businesses, the quarter has been a busy period, with July and August dedicated to "production" activities and September the time for "harvest" and "sales". The program officers have concentrated efforts on providing technical assistance and support to the dairy, felt, and vegetable and hay/fodder crop businesses during the summer. In summary herder businesses have reached 58.6% of the annual sales target and Non-herder businesses 52.5%. This compares favourably with the same period in 2005 when herder businesses had reached 57.5% of the annual sales target.

The program continues to use sales generated from new business activities outlined in the formal business plans developed under the project as an indicator of success. The sales target for the 171 herder groups and cooperatives who will receive assistance during 2006 is MNT 1,414,892,727 ($1.2 million). As of September 30th, 2006 total sales of MNT 829,287,697 ($711,835) had been generated by the herder clients, in accordance with the plan. The majority of herder client business plans are seasonal in nature (vegetable/fodder/dairy/felt/meat) with production and sales occurring during the fall and winter months. The sales figures for this quarter have more than doubled from the last reporting period, the majority of these sales being made at the annual Aimag market events (See tables 1,2,3 for details).

<u>Vegetable and Forage Production</u>

41 program clients planted vegetables and animal fodder plants in 2006 and the majority have harvested a rich crop during September. Despite the harsh Gobi conditions with severe sand storms in the spring and the drought in the summer, GI clients have succeeded in cultivating a good crop due to the following factors:

1) The joint efforts of all the herding families in the cooperatives / groups. The GI heder clients that had business plans in vegetable production have received targeted and continuous training and technical assistance from aimag-based consultants and aimag-based program officers.
2) During the key stages of vegetable cultivation; sowing/planting, weed control/cultivation, irrigation and harvest, each cooperative was provided with one-on-one advice from the aimag-based consultants that are experts in vegetable cultivation. In total eleven aimag-based expert vegetable consultants have provided advice and assistance to the GI herder clients during the course of the season.
3) Potato production was specifically successful and this was due to assistance being provided by GI staff with the identification and procurement of good quality disease free potato seeds from reputed suppliers and producers in Hovd and Umnugovi aimags.
4) The herder clients with vegetable business plans have generated sales of MNT 97,614,750 during the third quarter.

The "Munh Nogoo" herder group in Nariinteel soum, Uvurhangai aimag has 6 members and runs a vegetable cultivation business. The group received a bank loan of MNT 3.5 million in May and used the proceeds to purchase Swedish Impala and Vitara variety seeds, equipment and garden fencing materials. The group members also built a greenhouse. This fall the group have harvested 12 tons of potato, 18.3 tons of cabbage, 850 kg of other vegetables and at the Aimag market days generated sales of over MNT 2.0 million. In September, the group received vegetable pickling and storing technology training organized by the program.

Dairy Production

Drought conditions in Umnugobi, Dundgobi and Gobi-Sumber aimags compelled many GI clients to move to distant pastures to save and protect their herds. Dairy production has therefore suffered considerably as a result. However, at the program planning meeting in June, GI discussed the functioning of the program under such drought conditions, how it should deliver its services to the clients, and what sort of support are needed to maintain their primary and secondary businesses. Guidelines were developed and followed to this end, and an emergency intervention strategy developed should the situation worsen or be prolonged. In the event the drought broke in mid July.

In the 3rd quarter, 36 dairy clients supplied MNT 85,455,464 worth of dairy products (milk, yogurt, dried curds, butter, sour cream etc) to the local and central markets. In order to ensure dairy food safety requirements, MC provided financial and professional support to dairy testing laboratories in Gobi-Altai, Uvurhangai and Bayanhongor Aimags, renovating buildings and procuring new equipment. The interest and enthusiasm of herders to produce and sell dairy products increased acutely in 2006 which is reflected in the sales volume during the Aimag market fairs. In 2005, the dairy sales at market events was MNT 32.3 million, this year we have seen an increase of 95% to MNT 63.1 million.

Some dairy cooperatives in BH had higher sales than expected due to price increases. A number of GI dairy clients have made verbal and written contracts with Aimag and or soum schools to supply milk and yogurt for the Government Tea Break program. For example: Durvun Uvuljuu cooperative is supplying 700 pieces of yogurt to school #3, twice a week (a Total of 1,400 pieces). In turn Urnuh buyan cooperative has made an agreement to supply raw milk to Durvun Uvuljuu cooperative in order to fulfill; this order.

Veterinary Businesses: Effects of Withdrawal of Government Support and Drought Conditions

In 2006, GI's 25 vet clients have worked more proactively than in 2005, delivering timely services to herders as defined in their Business Plans. By September 30th, the business plan implementation rate was 85%. Every two out of three vet clients has fully implemented or will fully implement their BPs. MC attributes such success with collaboration with GI in financial access and management training, and with the RASP vet program (implemented by Vet Net) for refresher training and access to high quality drugs and equipment.

Subsequent to upgrading testing capacity of 4 Gobi labs, a training on veterinary diagnosis was held in Umnugovi and Uvurhangai Aimags. In addition a 5-day training on "Avian Influenza Diagnosis,, Sampling and Awareness" was conducted for vet lab staff in all Mercy Corps Aimags.

Felt Production

Herder Tserengiin Damdindorj of Erdenedalai soum, Dundgovi Aimag formed in early 2006 "Golyn Ovoot" herder group to run a felt making business. In April, with Mercy Corps additional cash collateral, they received a MNT 3.0 million loan and purchased a power generator. The group members made a wool separator and felt making equipment by themselves and built a small production building and wooden fence

"Golyn Ovoot" cooperative members, by August 31, have generated sales of MNT 3,722,500 from wool separating and felt making business (55,1% of sale projection). In August, Mercy Corps provided a consultancy on felt making technology and labor safety standards.

Meat Production

The members of "Bor Togoot" cooperative in Gobi-Sumber aimag have summered in Tuv Aimag and moved close to Ulaanbaatar in early August. By mid -August they began selling animals to the Ulaanbaatar market (sold 140 small animals and generated MNT 7.0 million in August alone). "Bor Togoot" cooperative advertised their willingness to part with tradition and supply lambs to the Ulaanbaatar market and its members met with Ivanhoe Mines, CIS LLC, TASCO Ltd and Meat Market. Ulaanbaatar-based program officers facilitated the meetings. French caterer UB Gourmet made a trial purchase of 15 lambs and 1 kid, having them slaughtered at Meat Market and paying a premium of 50% on the regular mutton price. Overall they were very impressed with the quality and repeat purchases are expected.

Tourism

The 9 groups and cooperatives involved in provision of community-based tourism services had a busy third quarter. By September 30th all groups and cooperatives, except "Avrah" group in UG, have progressed well with BP implementation achieving 67% of their sales target (see table 2).

During the quarter a VSO Community Based Tourism (CBT) volunteer has joined Mercy Corps for a year, and his services will be shared jointly with the UNDP Enterprise Mongolia program. Overall his remit is to develop National CBT standards, branding and training packages to accompany them. In addition, GI supports the activities of "Ger to Ger" project in Dundgobi aimag.

Animal Breeding

In 2006, 3 clients are implementing business plans on cashmere goat breeding in order to improve productivity and produce elite animals. The rate of BP implementation so far is 61% overall (54-70%) During the quarter a training for seventeen members of two herder clients was organized in Umnugovi, Tsogt Ovoo soum on breeding, goat classification, sire and dam selection and cashmere diameter definition and forming a "breeding herd". In order to expand program activities of improving livestock quality and adding value to animal derived raw materials and products, a study has been conducted in Bayanhongor and Govi-Altai aimags to identify the nature of livestock production, and the demands and challenges. Based on this, 32 herder households have been selected for cooperation in 2007.

Selection of new herder and non-herder clients for CY2007

The program completed the design and printing of a poster announcing the selection of new herder and non herder clients for Year Four of the program. The posters have been disseminated in all soums in the target aimags. In addition, the program broadcasted on Mongol National radio a series of announcements encouraging herder and non-herder clients to apply to the program. Interested herder and non-herder businesses will be able to complete an application form and the program officers have begun selection of potential clients who will develop business plans for CY2007 in September. A total of 448 applications were received, 264 from herder clients and 124 from Non-herder clients. The program officers have selected a total of 332 clients (255 herder and 77 non-herder) who will now develop business plans in the final quarter of the year and begin implementation at the start of CY2007.

Table 1: Herder Business Sales (MNT)

	Planned Sales Income MNT	July Sales MNT	August Sales MNT	September Sales MNT	Sales in Reporting Period (July - Sep) MNT	Cumulative total sales Jan - Sep MNT	%
Umnugovi	119,634,450	3,593,600	7,278,390	30,310,780	**41,182,770**	**53,668,470**	**44,9**
Dundgovi	246,760,860	15,790,000	28,062,950	61,116,530	**104,969,480**	**148,204,710**	**60,1**
Uvurhangai	400,155,953	28,363,140	45,697,050	67,869,660	**141,929,850**	**278,324,564**	**69,6**
Govi-Altai	277,967,619	18,842,550	36,615,560	44,777,210	**100,235,320**	**147,560,380**	**53,1**
Bayanhongor	220,570,085	12,201,670	20,018,064	67,906,770	**100,126,504**	**120,374,843**	**54,6**
Govi-Sumber	149,803,760	15,689,133	17,120,000	12,105,300	**44,914,433**	**81,154,730**	**54,2**
TOTAL	**1,414,892,727**	**94,480,093**	**154,792,014**	**284,086,250**	**533,358,357**	**829,287,697**	**58,6**

Figure 1 Herder Business Sales by Aimag:

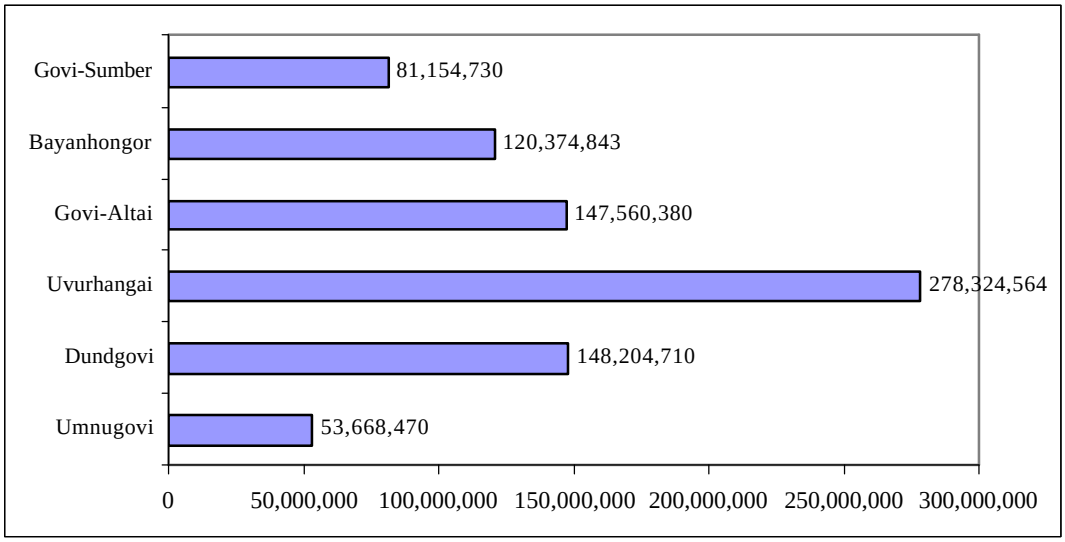


Figure 2:

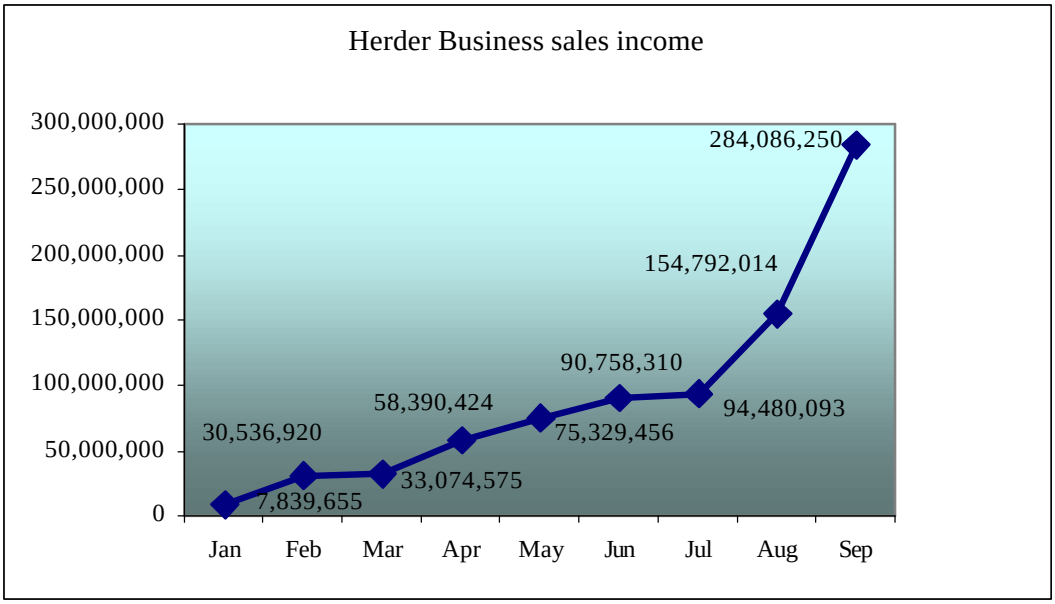


Table 2: Herder Business Sales by Sector (MNT)

#	Business sectors	# of clients	Total Planned Annual sales MNT	Sales income in Jul-Sep MNT	Cumulative total sales Jan - Sep MNT	% of total projected sales
1	Vegetable/fodder	41	228,551,420	**97,614,750**	**103,084,750**	**45.1**
2	Other production	17	360,864,850	**104,701,870**	**227,556,070**	**63.1**
3	Veterinary	25	202,334,688	**106,851,685**	**172,011,200**	**85.0**
4	Dairy	36	214,627,149	**85,455,464**	**113,365,489**	**52.8**
5	Felt	21	111,416,400	**57,077,600**	**65,823,400**	**59.1**
6	Tourism	9	62,914,000	**22,632,480**	**42,224,980**	**67.1**
7	Meat	18	222,879,220	**55,077,908**	**98,329,708**	**44.1**
8	Animal breeding	4	11,305,000	**3,946,600**	**6,892,100**	**61.0**
	Total	**171**	**1,414,892,727**	**533,358,357**	**829,287,697**	**58.6**

Figure 3: Contribution of sector to sales

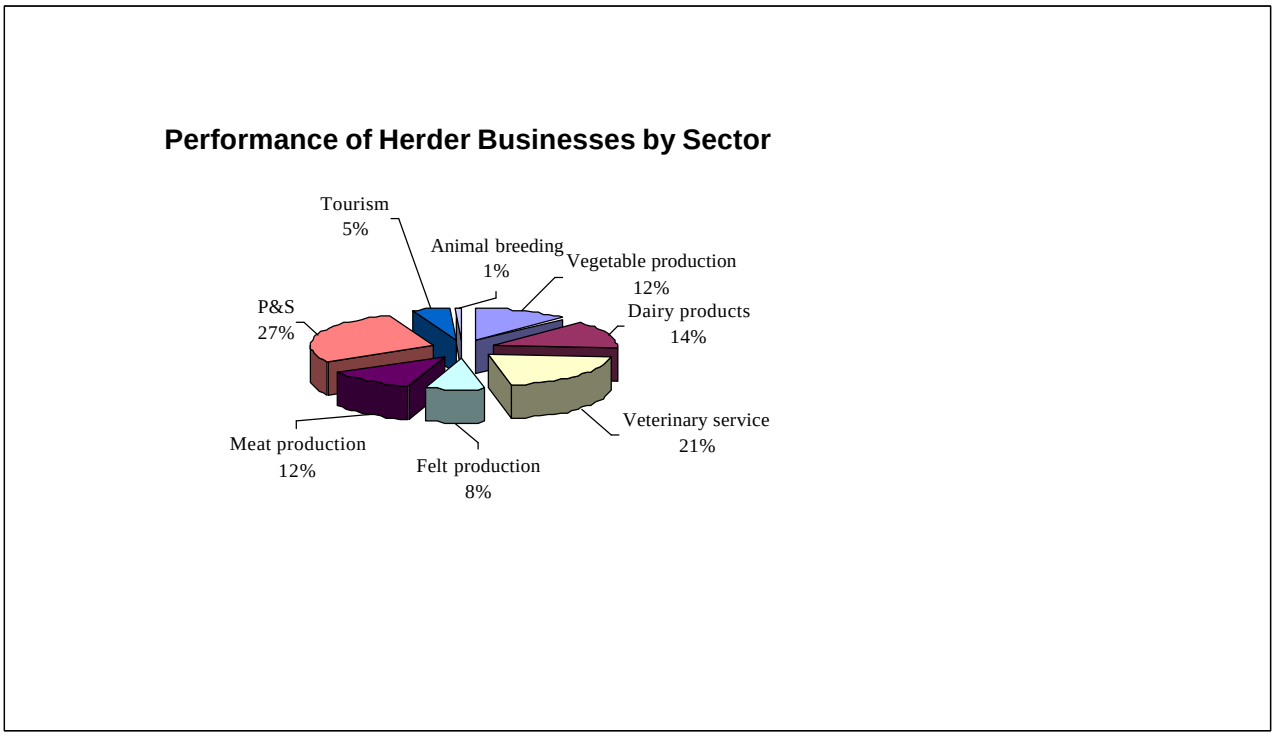


Table 3: Non-Herder Business Sales (MNT)

	Planned Sales Income MNT	July	August	September	Sales in Reporting Period (July - Sep) MNT	Cumulative total sales Jan - Sep	%
		Sales MNT	**Sales MNT**	**Sales MNT**		**MNT**	
Umnugovi	233,876,896	29,742,840	30,995,000	53,863,320	**114,601,160**	**172,668,410**	**73.8**
Dundgovi	336,293,200	11,076,600	18,271,000	26,266,400	**55,614,000**	**138,539,090**	**41.2**
Uvurhangai	304,828,100	22,060,570	31,658,720	38,435,000	**92,154,290**	**181,762,330**	**59.6**
Govi-Altai	150,600,721	20,919,500	5,330,000	13,332,600	**39,582,100**	**55,838,700**	**37.1**
Bayanhongor	338,651,980	26,796,050	53,462,100	72,842,500	**153,100,650**	**200,619,100**	**59.2**
Govi-Sumber	101,940,075	2,609,800	2,396,500	3,233,350	**8,239,650**	**20,503,048**	**20.1**
TOTAL	**1,466,190,972**	**113,205,360**	**142,113,320**	**207,973,170**	**463,291,850**	**769,930,678**	**52.5**

Figure 4:

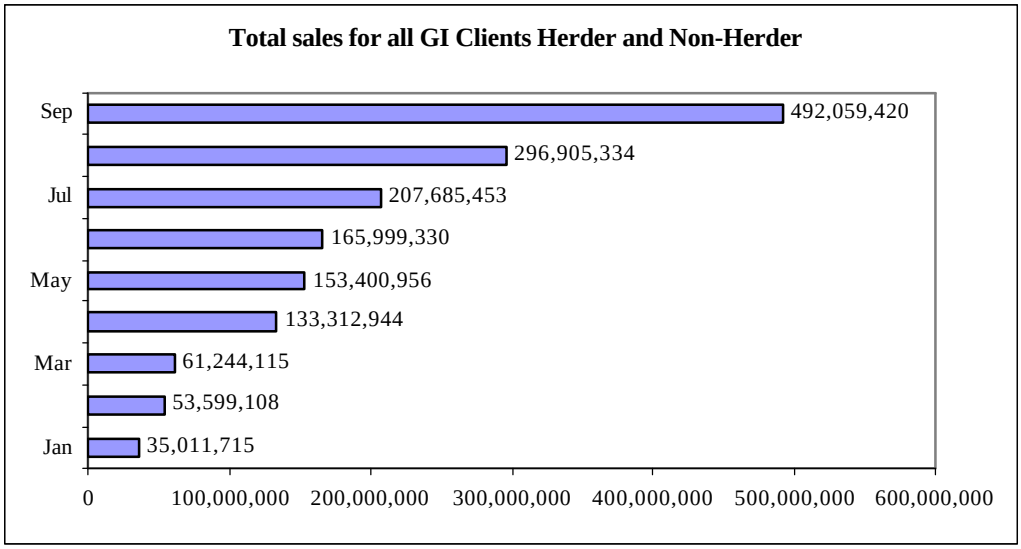
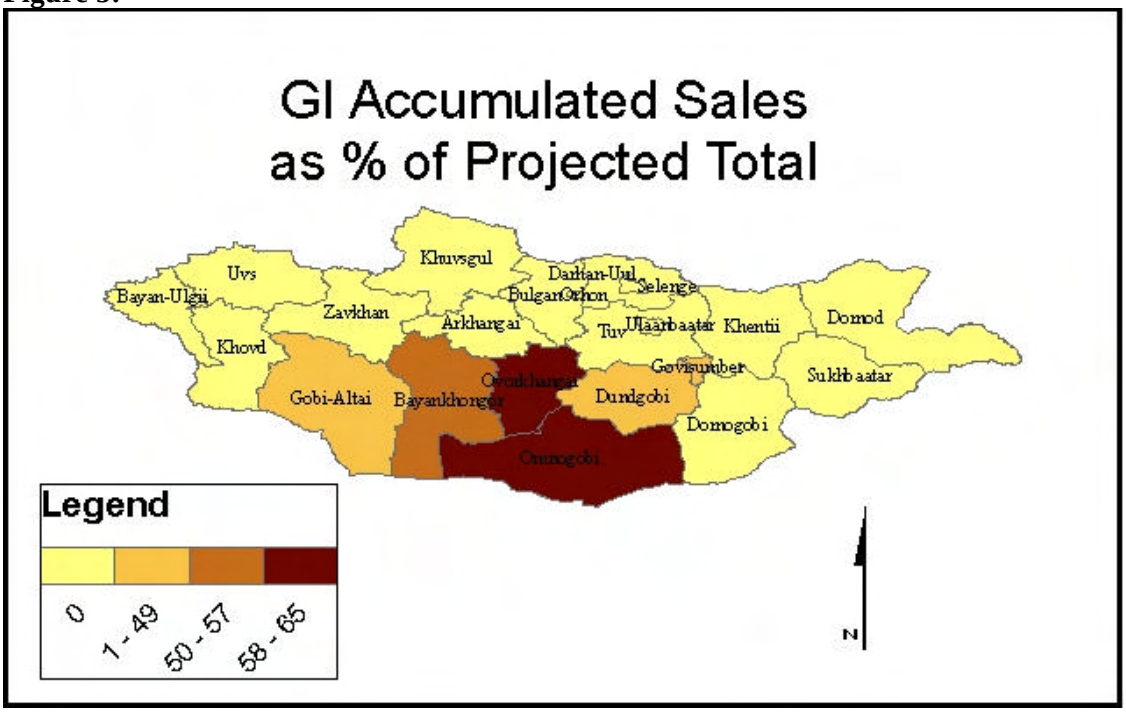


Figure 5:



Activity Two: Cooperative Formation and Development

Target: All clients registered as legal entities by 10 months after BP implementation

Indicators	Progress to date
Total number of groups registered as legal entity	148
Number of clients registered by 10 months after commencing implementation of Business Plan	61
Number of clients having annual meetings	171
Number of clients keeping formal records	171

The majority of herder businesses are now registered as legal entities. Of the 23 herder group still unregistered, 16 clients will be registered by the end of October, which will be within the 10 month

timeframe stipulated in their memorandum of understanding with GI. The remaining 7 herder groups are reluctant to form legal entities as they are unable to come to agreement as a group and will therefore be excluded from future involvement with GI in 2007. It must be noted, however, that the drought in the first half of the year necessitated more widespread and frequent movements of the herders, meaning that the group as a whole had fewer opportunities to discuss and agree on the legal entity they whished to form, registration and completion of the necessary documentation.

Table 4: Total Numbers of Herder Groups and Cooperatives/Registered Businesses

	BH	**DG**	**GA**	**GS**	**UG**	**UH**	**Jan**	**Mar**	**Jun**	**Sep**
Number of Co-ops / Registered Businesses	33	25	31	11	14	34	**126**	**134**	**147**	**148**
Number of Herder Groups (Unregistered)	0	7	0	1	14	1	**45**	**37**	**24**	**23**
Total	**33**	**32**	**31**	**12**	**28**	**35**	**171**	**171**	**171**	**171**

Other key cooperative development achievements during the quarter were:

1. The Uvurhangai Youth Association organized a Youth Convention for 800 youth from Uvurhangai Aimag in Harhorin from the 11th to the 13th August as part of the celebrations for the 800th Anniversary of the Great Mongolian State. Twenty five young herders from GI cooperatives participated in the event. The young leaders also attended a number of training sessions on how to increase active participation of cooperative members, the day to day management of cooperatives and the role of young leaders in cooperative development. The participation in the event and training was designed to stimulate leadership and creativity in those members who will be taking over management roles of their cooperatives in the future.

2. A cooperative demonstration study tour and training was held at Buyan-Undral cooperative located in Dariv soum, Gobi Altai Aimag on the 28th and 29th of September. A total of 36 people (7 local consultants and 29 herders) from the GI Aimags and Hovd Aimag participated in the event. BUyan Undral is a large active cooperative with a large membership based and solid leadership from an experienced and professional manager. The study tour provided the participants with the opportunity to meet members of Buyun Undral cooperative, to exchange experiences and to study the organization and functioning of the cooperative. The training covered two essential components of effective cooperative management; financial record keeping and how to encourage active participation of all members in cooperative decision making.

3. Three brochures that explain and outline the process for registering cooperatives, partnerships and companies with the Government of Mongolia authorities were developed and disseminated to all Gi target aimags for dissemination to herder groups that plan to register as legal entities. The brochures outline the step by step process, which government departments are responsible for the registration process and also detail the documents that need to be submitted by the group for final registration.

4. Young Businessmen Training - Mercy Corps has started to develop a Young Businessmen Training which aims at providing a longer term, more intensive training to young herders, allowing them to finish the training with the development of a business plan, which could be financed by commercials banks depending on the merits of each plan. The training will provide a flexible curriculum for each participant - based on an initial needs assessment. The training will be implemented during the winter period, coinciding with a lower workload for herder families. The training is designed around three five-day intensive sessions where participants will interact with the trainers, expert consultants, government officials and local businessmen. During these three sessions, participants will cover technical and business subjects, finishing with business plan development. In the long term, Mercy Corps aims to incorporate additional materials to make optimal use of the periods between sessions; the materials will include self teaching manuals, assignments, radio programs and interactive educational materials.

5. During the reporting period the program began working with the herder clients in Bayanhongor aimag to establish a Herder Alliance, modeled on similar cooperatives/businesses that have been developed to provide a wide variety of services and access to inputs for rural herders and farmers,

such as rural agricultural cooperatives in North America and Farmer Malls in India. The objectives of the Herder Alliance will include; improving herder and farmer capacity to respond to environmental and financial risk by developing access to various production services and supplies used as inputs for production, and provide incentives to do so through improved marketing of members agricultural product. The Herder Alliance will be a private sector undertaking but will provide links to government offices involved in resource management and agricultural production and, where these services are lacking in the public sector, will provide these services if deemed important to the local membership. A total of 9 herder cooperatives have take the initial steps to create the Herder Alliance and have started the process to establish a Board of Directors selected from among the herder cooperative members. The GI Aimag based program officers have facilitated the initial meetings and provided guidance on the different organizational structures that the Herder Alliance could adopt. The initial capacity building work is ongoing and additional interested herder cooperatives are being encourage to join. The Herder Alliance is planned to be formally established during the final quarter of the year.

Activity Three: Training and Technical Assistance for Herder Businesses

Target: 312 trainings and consultancies conducted in 2006

Indicators	**Progress to date**
Number trainings and consultancies conducted	382
Quality of trainings and consultancies	N/A
Number Participants	3,120
% Male participants	48%
% of local consultant provision	65%
% cost recovery	N/A

GI has exceeded its target for the number of trainings and technical assistance (TA) for 2006**.** Demand for this service has been high, and the Aimag and Ulaanbaatar teams are efficient in fulfilling this demand. Overall, 65% of TAs and Trainings have been conducted by local consultants, a figure which GI aims to increase further in 2007. Local consultants provide the majority of TAs in vegetable production, dairy production, felt production and coop development. GI officers provide a valuable supporting role in marketing and financial training. It is also worth noting that only 46% of participants to date have been male according to GI's equal opportunity aim.

Figure 6: Technical Assistance Providers

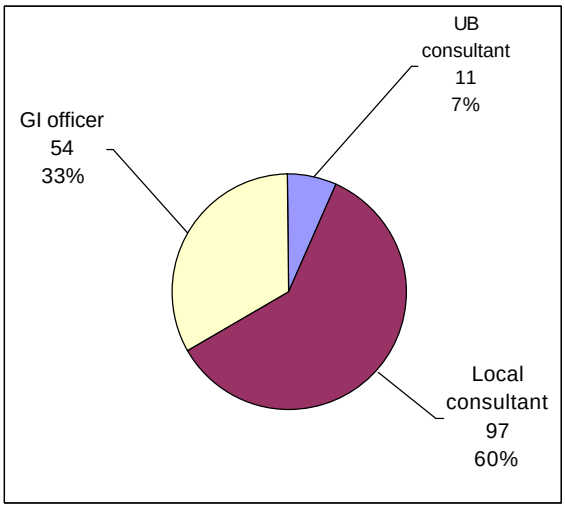


Table 5: Summary of Training and Technical Assistance provided during the third quarter

	General classification of TA	Number of TA provided during the third quarter	UB consultant	Local consultant	GI officer
1	Financial management - accounting, record keeping and banking	10	3	2	5
2	Tourism operations - guest services, client / customer satisfaction	2			2
3	Sales and marketing - market identification, pricing, product packaging and promotion	11		2	9
4	General management - budgeting, human resource management, legal and tax issues	3		1	2
5	Animal breeding - selection, breed characteristics, herd/flock record keeping, artificial insemination technology				
6	Dairy milk processing - types of milk products, processing technology, use and maintenance of equipment	26		18	8
7	Vegetable/crop production - soil preparation, seed certification, planting methods, diseases and pests, harvesting, storage and processing	35	3	30	2
8	Felt making technology	10		9	1
9	Fodder/forage production - soil preparation, selection of suitable crops, diseases and pests, harvesting, processing, storage (hay/silage)				
10	Cooperative development - management, structure, leadership, operations, marketing, record keeping and reporting, and regulatory compliance	11	2	8	1
11	Business start-up training - basic financial management, market research, sales methods, staff management, legal and tax issues	7		2	5
12	Specialized technical assistance - compressed fuel blocks, well repair, fuel operations, etc	13		3	10
13	Bakery/food processing - equipment identification, sourcing and maintenance, new product development	6	1	3	2
14	"Buryat" boot/felt boot making - design, use of new materials, stitching, decoration				
15	Semi-settled livestock production - livestock intensification under Gobi conditions, design of livestock barns, supplemental feeding, grazing rotations for fenced pasture.	4			4
16	Meat processing technology	2			2
	Total	**162**	**11**	**97**	**54**

Veterinary Training for Herders

Table 6: Summary of veterinary trainings during the quarter

Aimag	Number of Trainings	Participants Trained
BH	1	9
UH	2	16
DG	1	12
UG	0	0
GS	0	0
GA	0	0
TOTAL	**4**	**37**

Aimag Veterinary Laboratory Trainings for GI Veterinary Clients (AVLs):
The intent of these trainings is to introduce GI's vet clients to the newly renovated labs (UH, DG, UG, BH) and to facilitate communication between the private vets and the AVLs. Newly equipped and operational Aimag veterinary laboratories in Uvurhangai, Bayanhongor, Dundgobi, and Umnugobi held trainings for GI veterinary clients in the third quarter. The trainings were conducted over one or two days at the Aimag veterinary laboratories by AVL staff, and served several purposes: introduction of the newly upgraded facility to soum veterinarians; improvement of communication along intended communication chains (herder—soum veterinarian—AVL—SCVL) and practical skills training for veterinarians. Topics covered included: meat and dairy product safety testing, and clinical signs, sampling and preliminary diagnosis of common animal infectious diseases. Although the AVLs in other GI Aimags were not part of the renovation project, some (Govi-Altai) organized a similar training, in addition the veterinary client from Gobisumber joined the Dundgobi training. In total twenty four veterinary clients supported by GI this year attended the trainings.

Activity Four: Acquiring Critical Inputs

Target:
- 151 Loans disbursed with a value of 420,245,500 MNT
- All clients receive critical inputs required for BP implementation (subject to plan)

Indicators	**Progress to date**
Number Loans Disbursed	Total 2006 = 144 3rd Quarter = 17
Value of loans disbursed	Total 2006 =1,063,402,874 ($886,169) 3rd Quarter = 57,077,874 ($47,565)
Default rates	
% collateral provided by LGM	62.84%
Repayment rates	
Number & value of loans <3M MNT	N/A
Value of equipment purchased	N/A
Number of Herder clients that purchased equipment	Total = 115 (67%) 3rd Quarter = 28
Type of equipment by sector	N/A

Input Facilitation
To date, 115 herder businesses (67%%) have received assistance in obtaining inputs such as soil cultivation equipment, small tractors, seeds and fertilizers, veterinary medicines and equipment, dairy milk processing equipment (including milk separators and ice cream machines), and construction materials for animal shelters and greenhouses. During the quarter there were 28 such input facilitations.

A directory of agricultural input suppliers has been compiled, translated and distributed to Aimag offices. This will be available to clients wishing to invest in new machinery and equipment and obtain vegetable and fodder crop seeds and packaging as part of their diversified business plans. In all, over 50 suppliers are listed, with the directory being updated annually. The directory is attached as annex 1.

Aimag State Veterinary Laboratories
The laboratories in Uvurhangai, Bayanhongor, Dundgobi, and Umnugobi have been functioning at near full capacity in the second and third quarters. The laboratories were all officially opened in the second quarter with representatives from the AVLs, Aimag Governor's office and Mercy Corps present. Several key planned items that did not arrive or arrived incorrectly are in the process of being resourced with anticipated delivery in the 4th quarter. The SCVL and AVLs understand this is the absolute final order for this project and when these items arrive the project will be considered completed.

Loan Facilitation

As part of the program's technical assistance component, the Aimag-based program officers have provided loan facilitation assistance to those herder groups/cooperatives with approved business plans. During the quarter, 15 herder groups/cooperatives have received loans totaling MNT 53,400,000 ($4,500) and 2 non-herder businesses received loans totaling MNT 3,677,774 ($3,065). Mercy Corps has provided a total of MNT 668,284,512 ($556,903) as cash collateral through the loan guarantee fund to GI clients, which constitutes 63% of collateral. In addition, the program herder clients that are applying for their second or third loan from the banks are increasing their share of the collateral. Increased client collateral is a result of increased business assets as well as developing a credit history with the banks.

Since the beginning of Gobi II, Mercy Corps has assisted 344 businesses in obtaining commercial financing of MNT 1,063,402,874 ($886,169), of which MNT 668,284,512 ($556,904) has been guaranteed through the USDA-funded "Rural Agribusiness Support Program". Of these 344 businesses, 188 have fully repaid their loans, the total value of the repaid loans was MNT 455,159,000 ($390,695).

Activity Five: Technical Assistance and Training for Non-herder Businesses

Targets: 40 long term clients and 50 short term clients receive technical training and consultancies in 2006 with 45% of costs covered by LT clients

Indicators	Progress to date
Consultancies conducted	102
% of local consultant provision	23%
Quality of trainings and consultancies	N/A
% cost share	39%

Technical Assistance Provided to Long-Term Clients

To date the program is working with a total of 51 long term non-herder business clients and the total projected sales of these businesses is MNT 1.5 billion ($1.2 million) with a total loan amount of approximately MNT 100 million ($85,000). The businesses will also create 83 seasonal and full-time jobs for local residents in the aimags. Currently the implementation of 48 business plans out of total 51 non-herder business clients are successful as per their respective plans. Three businesses that are having problems are a ger camp in Gobi Altai, a milk and dairy processing farm in Gobi Altai and a carpentry business in Dundgovi. The main problems are related to a poor assessment of the market capacity for the products, increase in raw material costs and poor management skills of the business owner. The Aimag-based staff are working with these businesses to provide timely technical assistance to improve their business situation.

The program continues to provide training and technical assistance to the non-herder business clients as identified in their business plans. During the quarter a total of 41 technical assistance interventions were provided to the clients. All clients were also responsible for covering part of the costs of the technical assistance fees. On average the businesses paid 39% of the total consultant fee, this is just short of the program target which is 45%. The details of the training and technical assistance provided can be seen in Table 8.

Table 7: Training and technical assistance provided to long term non-herder businesses

Aimag	Client Name & Consultancy Topic	Number of Consultants			Client Payment
		UB	Local	GI Officer	
July					
BH	"Borgiot" cooperative - Sour cream and dairy production		Otgonhand	Bayasgalan	MNT 30000
BH	"Naran uul" cooperative - Marketing	O. Tsolmonkhuu			MNT 15000
BH	"Hongor Han Ih Uul" company - Marketing	O. Tsolmonkhuu			MNT 15000

BH	"Hongor Han Ih Uul" company - Marketing	O. Tsolmonkhuu			MNT 15000
GA	"Airgiin Had" LLC - Marketing	O. Tsolmonkhuu		G. Batbold	MNT 15000
GA	"Bayart Olon" LLC - Marketing	O. Tsolmonkhuu		G. Batbold	MNT 15000
UH	"Suun Dalai Travel" LLC - strategy planning		Sonomtseren		MNT 30000
UH	"Suun Dalai Travel" LLC - curd technology		Javzandulam		MNT 15000
UG	"Umniin Govi" LLC - Customer relations	Tsanjidmaa			MNT 22500
DG	"Itgel Zutgel Hugjil" coop, - Financial mngt	Bathuyag	Myadagmaa	L. Daanii	MNT 15000
DG	"Zambagyn Tal" LLC, - Financial mngt	Bathuyag	Myadagmaa	L. Daanii	MNT 15000
DG	"Zotol Haan" LLC - Financial mngt	Bathuyag	Myadagmaa	L. Daanii	MNT 15000
DG	"Undrah Erdene" bakery - market research		Intern Purevsuren	L. Daanii	n/a
		August			
BH	"Nasan Hishig" LLC, - Marketing	Tserenchimed	Rentsenbyamba		MNT 30000
BH	"Uguumur" cooperative - Marketing	Tserenchimed	Rentsenbyamba		MNT 30000
BH	"Naran Uul" cooperative - HR management	Tserenchimed	Rentsenbyamba		MNT 30000
BH	"Nasan Hishig" LLC, "Nomin Huh" cooperative	Technologists of "Nasan Hishig" LLC and "Nomin Huh" coop did on-the-job training at "Itgel" bakery workshop in Uvurkhangai aimag.			
GA	Tsogmaa tailor patent - Tailoring technology	Batzorig		G. Batbold	MNT 15000
GS	"Badmaarag"LLC - hairdressing and manicure	Boldhuyag			Client paid 50% of training cost.
GS	"Emeeliin Hishig Hond" - Vegetable growing	Handsuren	Soyolmaa		MNT 30000
GS	"Bars Moriton" LLC - Baking technology	On-the-job training and experience learning at "Itgel" bakery workshop in Uvurkhangai aimag.			Company covered lodging and meal.
UH	"Autocom" patent - Marketing	Luvsanjamts			MNT 30000
UH	"Compressed Fuel" patent - Marketing	Luvsanjamts			MNT 30000
UH	"Bogd Tavan Naran" coop - Sewing and	Bathuyag			Client covered lodging and meal
UG	"Bat Hana" LLC - Marketing 4 Ps	Bat-Erdene		Oyunbat	MNT 30000
UG	"Choijin Dalai" coop - Marketng 4 Ps	Bat-Erdene		Oyunbat	MNT 15000
		September			
BH	"Hugjliin Deej" - Accounting, record keeping	Bathuyag			MNT 45000
BH	"Garyn Buyan Baidrag"- Accounting and record keeping consultancy	Bathuyag			MNT 15000
BH	"Hishig" - Cooking technology	Buyandelger			MNT 30000
BH	"Nachin" cafe- Cooking technology	Buyandelger			MNT 30000
GA	"Nutgiin Tushig" coop - Vegetable storing		B. Gaitav	G. Batbold	MNT 15000
GA	"Unur" bakery -Baking technology		B. Bolormaa	G. Batbold	MNT 15000
GA	Tsogmaa patent - Basics of finance		D. Jargal	G. Batbold	MNT 15000
GS	"Goviin Tuya" LLC-organize show			Mendbayar	n/a
GS	"Badmaarag" patent- hairdressing show			Mendbayar	n/a

UH	"TEMCA-CO" LLC - felt aking technology	Munhsoyol			MNT 30000
UH	"Bogd Tavan Naran" coop -souvenir making	Amarjargal			MNT 15000
UG	"Goviin Jiguur" LLC - Camel milk technology	Batsukh			MNT 22,500
UG	"Bat Hana" LLC - Block processing tech.	Light Beton LLC			Client covered lodging and meal costs
UG	"Gal Munkh" LLC - Block processing tech.	Light Beton LLC			Client covered lodging and meal costs
UG	"Mon Daats" LLC - semi-processod product	Khuns Complex			Client covered lodging and meal costs
	Total TA in the quarter	26 (63%)	12 (29%)	(8%)	

Study tours of rural businesses to Ulaanbaatar

Six long-term clients from Gobi-Altai, Bayanhongor and Umnugobi aimags that have noodle and sausage production businesses participated in a week-long practical training at the Ulaanbaatar-based "Huns Complex" LLC. During the course of the training, the trainees worked in all production lines and were introduced to the overall production process starting from raw material procurement through to distribution of the finished products. The study tour and practical training at a large Ulaanbaatar-based company provided the participants with the opportunity tgain knowledge and skills in the principles of efficient and safe equipment operation and health and hygiene sanitary requirements for noodle and sausage production. The clients businesses from the aimags while in Ulaanbaaatar also made long-term supply contracts with "Omega" LLC for sausage additives and with "Polepack" LLC for packaging materials.

Seven clients from Gobi-Altai, Bayanhongor and Umnugobi aimags particpated in a practical training on lightweight concrete production at the facility of "Hungun Beton" LLC in Ulaanbaatar. During the training, the clients learnt about the various technologies involved in the production of various types of concrete, raw material supply and quality control for concrete block production. In addition the training provided the participants with information on the technical specifications for cement, sand, gravel and other light aggregates, and learned how to make new concrete products such as sidewalk slabs, window and door lintel blocks, road railings, concrete fence posts and coloured concrete blocks. The participants also visted the construction material production facilities of "Beton Armatur", "TseBo" and "Material Impex" companies in Ulaanbaatar to get a better understaindg on raw material sourcing and prices.

"Goviin Jiguur" LLC, Umnugobi Aimag, is a long term non-herder business client. The business processes camel milk and produces yogurt, aaruul and other camel milk products. The business has received a loan of MNT 4,850,000MNT ($4,150) and used the funds for milk pasteurizer, yogurt packing equipment, containers for milk and some packing materials. GI provided technical assistance in dairy processing, aaruul production and buisness plan development. The business currently produces 2,000 liters of camel milk, 100 Kgs of aaruul on a monthly basis. With improved packaging the business has sold 500 bottle (500gr) camel milk to Ivanhoe Mines as a test and is currently negotiating a contract with Ivanhoe to supply 2,500 bottle of camel milk monthly. The business participated in the Gobi Festival-2006 generating sales of MNT 800,000 ($650). They also participated in the Gobi Sumber trade fair generating sales of MNT 300,000 ($250). The company were invited by the Ministry of Industry and Trade to participate in the trade fair "Fall Green Days" and generated sales of MNT 700,000 ($600).

Technical Assistance Provided to Short-Term Clients

During the quarter the GI program facilitated training or technical assistance for twenty seven businesses. The training and technical assistance topics were mainly designed to assist the clients upgrade their production technology, design skills and improve the quality of the services and products produced. The main areas of training and technical assistance were: business planning, public food and catering technology, service management, production and human resource management. All clients also covered part of the consulting fees as cost share towards the overall costs of the training or technical assistance. Table 9 provides the details of the businesses and the specifications of the assistance provided.

Table 8: Details of Short Term technical Assistance provided by GI

No	Aimag	Client Name & Consultancy Topic	Number of Consultants			Client Payment (MNT)
			JB	Local	GI Officer	
1	GA	"Us Altai" LLC - Developing business plan			Batbold, BO	n/a
2	GA	"Tulga Altai" LLCs - Public food catering technology	Mongolian Cook Association B. Selenge			*100,000 (52%)
3	GA	"Shargal Naran" LLC - Developing business plan	Tsetsee Gun University O. Tsolmonkhuu			30,000 (39%)
4	GA	"Myanganii buyan" cooperatives - tailoring and sewing technology	Magic Suit LLC Ts. Batzorig			15,000 (39%)
5	GA	"Khusliin jiguur' coop - boots and shoe making	Individual consultant D. Byambasuren			75,000 (60%)
6	GA	"Buyan Undral" - Public food catering technology		D. Lhambuted		**30,000 (100%)
7	GA	"Shadar tuslagsh" Otgonbileg patent - Modern styling haircutting technology and equipment	Smile salon Ch. Boldkhuyag			40000 50% of the badge
8	DG	"Burkhant Shashir" LLC - Developing business plan			L. Daanii BO	n/a
9	BH	" Avarga Toson" LLC - Business and human resource management	Mongolian Technical University L. Tserenchimed			15,000 (39%)
10	BH	"Shargaljuut" LLC - Business and human resource management	Mongolian Technical University L. Tserenchimed			45,000 (39%)
11	BH	" Gurvan Eht " coop - Business and human resource management	Mongolian Technical University L. Tserenchimed			15,000 (39%)
12	BH	" Hishig " patent holder - Food safety, hygiene, meal technology	Mongolian Cook Association M. Buyandelger			30,000 (39%)
13	BH	" Nachin " patent holder - Food safety, hygiene, meal technology	Mongolian Cook Association M. Buyandelger			30,000 (39%)
14	BH	" Uran Hairhan " LLC-Food safety, hygiene, meal technology	Mongolian Cook Association M. Buyandelger			15,000 (39%)
15	UG	"Nomin Gobi" Company - service management, customer attraction	D. Tsanjidmaa			30,000 (39%)
16	UG	"Delhii Energy Center" LLC - tourism and ger camp standart	Tour Guide Association D. Narangerel			30,000 (39%)
17	UG	"Dal Khuudas" LLC - tourism and ger camp standart	Tour Guide Association D. Narangerel			30,000 (39%)
18	UG	Munkhtsetseg patent - felt processing and products	M. Munkhsoyol			46,200 (40%)
19	UG	"Mongol Urlal" patent - felt processing and felt products	M. Munkhsoyol			46,200 (40%)

20	**UG**	"Gunj" beauty hair salon patent - Modern styling haircutting technology and equipment	Smile salon Ch. Boldkhuyag			40,000 50% of the badge
21	**UG**	"Lady" beauty hair salon patent - Modern styling haircutting technology and equipment	Smile salon Ch. Boldkhuyag			40,000 50% of the badge
22	**GS**	Enkhjargal patent holder - Developing business plan			M. Mendbayar	n/a
23	**UH**	"Bayanteeg" LLC - management			E. Tegshbayar	n/a
24	**UH**	"Khujirt" patent - tourism and ger camp standart	Gankhuyag			30,000 (39%)
25	**UH**	"Khar Horin' patent - tourism and ger camp standart	Gankhuyag			30,000 (39%)
26	**UH**	Altanchimeg patent holder - felt processing and felt products	M. Munkhsoyo1			15,000 (39%)
27	**UH**	Battsetseg patent holder - felt processing and felt products	M. Munkhsoyol			15,000 (39%)

Examples of successful businesses that were supported as short term clients:
Nomin Gobi LLC a supermarket opened its branch office in Umnugobi aimag in 2005. The company was the first to introduce the concept of 'self-service' in the Aimag. As this is a new supermarket staff lacked skills in customer service and lacked knowledge about the products on sale. The supermarket applied to the GI program , they applied for a TA from GI on service management, service staff befaviour and customer attraction. As a result of number of daily customer increased from 180 to 250. The company management conclude that they improved the display of products in shelf and service staff studied more about each product to be knowledgeable if customer ask questions before they make any buying decision. The management of the company announced 'Day of smile', subsequently the entire team realized it is important to be friendly and welcoming to any of their clients for the good future.

Three STTA clients participated in the 10th International Hair cutting competition of South East and Pacific Region countries and the National Hair cutting competition 2006 which was held 27th to the 28th August 2006 in Ulaanbaatar. A total of 135 hairdressers from 7 countries including Australia, Hong Kong, Philippines, Taiwan, Korea, Japan and Mongolia participated in the international competition. The Mercy Corps clients took the following prizes: Gobi Altai 3rd place in the beauty salon contest, Umnugobi "Gunj" beauty salon awarded 5th place in the mail hair contest. This prize increased their reputation in their respective aimags and influenced to increase the number of clients. In the picture the left lady was awarded Bronze from the Gobi Altai hairdresser (GI client), centre lady was Silver from UB and right lady was Gold from UB.

The partnership "Mongol Urlal" was established in 2005 involving 50 disabled people. The head of the partnership, Mrs. Oyundelger is very hardworking and highly motivated woman. Led by her, the partnership currently operates businesses in a direction of national clothes, handicrafts and felt souvenirs. In July, 2006 the members of the partnership received 3- days training on felt crafts by M. Munkhsoyol, UB consultant. As result of the partnership members increased by 10 and they all learnt new products-felt souvenirs such as toys, bags, hats and socks etc. They participated Gobi Festival 2006 successfully and earned 310,000 MNT and awarded "Best handicraft" prize of the year.

Activity Six: Local Capacity Building for Training and Technical Assistance

Target: All Aimag-based consultants certified

Indicators	Progress to date
Number of capacity building training activities	28
Number of study tours	3
Number of Aimag based consultant certified	39
Number of TOT training courses	11

As part of the GI efforts to build the technical skills of Aimag-based consultants in August the GI Agricultural officers and six local consultants attended a weeklong dairy processing training workshop in Arhangai aimag. The training involved theoretical training in milk processing , appropriate equipment for milk processing at the herder household level, packaging and sales and distribution channels. The workshop also allowed the participants to share experiences and discuss the challenges and opportunities for the herder dairy business plans being developed and implemented in the Gi target aimags. The end of the week involved visits to "Ar Tusgal" cooperative in Chuluut soum, "Ar Bench" partnership in Undur Ulaan soum, both these businesses produce large quantities of aaruul and sell the products in Ulaanbaatar.

To date there are a total of 39 certified Herder Business Aimag-based consultants of which 6 achieved the grade of "Excellent." 5 Aimag-based consultants; 2 dairy milk processing experts, 1 vegetable cultivation expert and 2 advanced cooperative development experts have been certified in the first half of 2006. In the third quarter 5 Aimag-based veterinary trainers were certified by the program. The consultants were; U. Mungungadas (BH), Ch. Bat-Ulzii (UH), M. Huubayan (DG), Sh. Amarsaikhan and D. Naranchimeg (GS). The certification ensured that these consultants are able to deliver veterinary training to the herders, have the appropriate technical experience, are locally well-reputed and they are keenly aware of local conditions and animal diseases in their aimags. Once certified the veterinary trainers were provided with GI developed additional training materials including; pre- and post-training test materials, a veterinary training video, and veterinary brochures on the most common aniaml diseases in the Gobi region.

In the last quarter of the year the program plans to provide a 'training of trainers' workshop for all certified aimag-based consultants. The training will aim to improve the practical teaching skills of the consultants and will include the following topics: Education management, Psychology of training of adults, Modern theories of teaching psychology, Motivation of participants, Teaching methodology, Improving teaching skills, Methodology of writing guidelines, Modern theory of teaching, Training methods and Education management. The aimag-based consultants all have very good technical skills, however their teaching skills and abilities to transfer their knwoledge to others could be improved and it is hoped that this type of training will be the first step in imrpoving teaching skills.

Activity Seven: Market Development

Targets:

- 77,000 people attend with sales of over 242 million MTN

Indicators	Progress to date
Organizational status	Completed; 6 market days held
Attendance of market day events	107,400
Number of exhibitors	1,833
Sales at market day events	399,200,000
Number & value of new market linkages formed	6 market linkages at 7,279,950 MNT

Market fairs

During the quarter major market events took place during August and September in all GI target aimags. The events this year were a great success attracting large crowds from across the aimags. The USAID Mission Director attended the official opening of the market event in Gobi Altai and Mr. Enhsaihan Deputy Prime Minister, Mr. Terbishdagva Minister of Food and Agriculture attended the official opening of the Dundgovi market event held in Ulaanbaatar on the 18th of September and visited the market stalls talking to exhibitors and tasting the products. Also the Members of Parliament and Aimag Governors attended the market events in their respective Aimags.

The six events in 2006 generated grand total sales of MNT 330 million ($282,000). In 2005 the six trade fairs generated grand total sales of MNT 225 Million ($200,000). Local products offered included dairy goods; bread, cookies and pastries; vegetables; wool and cashmere; hides and leather products; felt and felt products; wood/metal products; several types of handicrafts; wicker items; and construction material. The dairy and vegetable products had the highest demand and all exhibitors of these products were sold out within the first days of the events.

At the six events a total 1,196 exhibitors participated. All of the GI cooperating clients participated, promoting and selling their goods and services to the general public, as well as other herder and non-herder businesses in the aimags. The banks all actively participated and promoted their services and loan products. All the market events organized additional activities increasing both the scale and the popularity of the events. Some of the events organized included; raffles, children's English classes, free barber and beauty services, airag drinking competitions, cultural events amongst other things were organized at the trade fairs. Raffle prizes were donated by local businesses and the banks in the aimags.

Attached as annex 2 is the 'Market Event Summary September 2006 document with full details of the six events.

Establishing market linkages

GI facilitated market linkages of 6 clients to external markets; i.e. markets to which the client would not otherwise have access to. GI identifies potential markets, links them to the producer and negotiates on their behalf. GI also provides training and sensitization on quality control and consistency etc. A summary of the market linkages are as follows:

- Four Vegetable producers from Umnugovi sold MNT 5.7 million ($4,700) worth of vegetables to Ivanhoe Mines' catering company CIS.
- One Camel dairy producer from Umnugovi sold camel yoghurt and aaruul worth MNT 1 million ($850) to Ivanhoe Mines' catering company CIS.
- One Meat producer sold 15 lambs and 1 kid to UB Deli, a French owned catering firm, worth MNT 545,000 ($470). This is the first sale of lamb to a growing niche market in Ulaanbaatar, the program will continue to facilitate this type of linkages for those herders that have large numbers of animals and are looking for good market opportunities.

GI Client Catalogue production

Catalogues that showcase products from the best clients to a wider community of potential purchasers at regional and national market level, including niche export markets were developed and printed during the quarter. In total, 250 catalogues were produced for each Aimag and 250 collated ones for distribution to interested parties in Ulaanbaatar and internationally. The GI Program covered the costs for this edition to be compiled; in future this will be undertaken on a cost-share basis with each client interested in having their products in the catalogue.

The aimag-based business officers, with support from the summer student interns, have developed and implemented comprehensive market research on potential market opportunities in the bakery, meat, dairy and vegetable markets within each aimag. The aimag-based business officers are currently analyzing the data and findings, and preparing the final reports. The market research information will provide useful information for the herder clients who will develop business plans for CY2007.

Activity Eight: Local Government Support for Business

Targets:

- Improved capacity of 200 local government officers involved in rural dev't
- Improved capacity of 300 soum gov't officials from 6 Aimags to support economic development

Indicators	Progress to date
Total Number of trainings conducted	19
Number of training participants	423
% improvement in service	80%
Average time taken for a herder group to register as a legal entity	2 days
Number of clients completing tax returns	148

It is generally recognized within Mongolia that an effective and productive partnership between the private sector and local government is crucial for realizing sustainable rural development. It is the businesses that create jobs, produce goods, pay taxes and boost economic growth, and it is the government's responsibility to create and maintain an enabling environment by formulating and properly implementing appropriate business support policies and regulations. The ability, however, of the local governments to properly undertake this responsibility is largely determined by a commitment at the highest level of both central and local government and by the capability and willingness of the staff to assume this responsibility. The program has continued to facilitate training interventions targeted to strengthen specific technical skills of government employees. The program across the six target GI aimags has organized total of 6 training events for 102 government employees, table 11 provides the details of these events.

In July the program completed a survey and produced a report that looked at local government constraints to rural business development. Mercy Corps Mongolia conducted a survey in six aimags - Umnugobi, Dundgobi, Gobi-Sumber, Uvurhangai, Bayanhongor and Gobi-Altai - in an effort to identify:

- The constraints facing rural businesses in becoming established, in operating on a daily basis and growing over the longer-term, and in complying with government regulations, and
- The capacity building needs of public officials, to enable them to provide better services and support to the rural business community.

A total of 337 randomly-selected businesses from thirty-five soums within the six aimags were interviewed during a three-week period in June 2006. The survey document, included in this report as Appendix 1, was developed using questions that had been voiced by participants of recent round-table meetings of businesses and government officials held in the six aimags. During these meetings, it was identified that the Tax Department, Professional Inspection Agency, Aimag and Soum Government Offices, and the Land Office are the government bodies that have the most interaction with rural businesses. The survey identifies what the respondents encountered as constraints when interacting with each of these government departments. The survey questions were mainly close-ended but respondents were encouraged to add comments and/or clarifications of their responses.

The survey results demonstrate a need for all the major stakeholders - government, businesses and NGOs - to work together to create a better environment for rural business development. Specifically, more emphasis needs to be placed on:

- Fostering a climate of greater trust and understanding between local governments and local businesses;
- Shifting government interaction with local businesses from a near-exclusive focus on "policing" and "punishment", to an appropriate balance of "oversight" and "customer service";
- Increasing the knowledge and understanding of local government officials concerning business laws and regulations, and the accessibility of that knowledge/understanding by the business community;
- Creating greater transparency concerning fines/penalties, product testing, and the availability and award of business support funds;
- Reducing bureaucratic impediments, and offering incentives, for starting new businesses; and

- Establishing ***government-independent*** institutions that can effectively advocate on issues related to business development.

The program will be using the findings detailed in the report to inform future program activities that engage the aimag and soum government officials and foster the interaction of government with local businesses. The full report is attached as annex 3.

Table 9: Summary of training workshops provided to government employees during the quarter

#	*Training Workshops*	*Dates*	*Aimag*	*No of participants*
1	Government procurement regulations and policies, Government tendering processes	20-21 July	Umnugobi	15
2	Business and time management	7-9 Aug	Umnugobi	17
3	How does Government support the development of rural businesses	22-24 Aug	Dundgovi	14
4	Project development - design, budget development, monitoring and evaluation	21-23 Aug	Umnugobi	16
5	Cooperative support training for tax officers	19-20 Sep	Uvurhangai	25
6	How does Government support the development of rural businesses	26-28 Sep	Uvurhangai	15
	TOTAL			**102**

Round table meetings
As part of GI efforts to encourage an effective and productive partnership between the private sector and local government the six aimag offices have organized a round table forum and discussion. At each of the events officials from the Aimag Tax office, Professional Inspection Agency, Land Office, Aimag and Soum Government office and local businesses and herders were invited to attend. The forums provided the space for the participants to discuss the constraints faced by local businesses and herders, and for the government officials to present the current regulations that local businesses are expected to comply with. The forums also provided the opportunity for the government offices to provide advice and assistance to the businesses on how to comply with the regulations, to distribute copies of the relevant forms that should be completed.

INTERMEDIATE RESULT 1.3-2 Increase in Availability, Access to and Use of Information

Activity One: Business Information

Intermediate Result	Annual Target
Availability, access to and use of business information	**Target: Total 430,000:** **25,000 RBN readers; 100,000 RBN listeners; 300,000 viewers;** **5,000 CRSP users**

CRSP Forage Forecasting.
Forage data collection and other activities:
During the reporting period the Gobi Forage team have continued with verification of the PHYGROW computer model and have conducted nine field trips, collecting field data from 125 monitoring sites, 68 verification sites and 35 monitoring sites from Tuv aimag for forage estimation. The data collected in the field has been loaded to the relevant data bases for analysis. The program also hired Dr. Baatar a soil scientist from the Institute of Botany to analyze 32 soil samples from East Umnugobi aimag and the data will be entered to the PHYGROW computer model.

Mr. Jay Angerer and Mr. Jason Jones from Texas A&M University were in country during August and traveled to the field for scientific verification of the model and to train the national staff on improved field sampling methods. In addition the two scientists provided training on Geostatistical mapping for the Gobi

Forage national staff. The training of national staff is part of the overall objective to build the skills and capacity of Mongolian team in order that they can then manage and run the program in the future.

Forage Monitoring Information Delivery and Outreach:
Having concluded a lot of field work, establishing monitoring sites and conducting a lot of verification sampling in the field, the Gobi Forage and PHYGROW model has started to produce the rangeland condition and forecast maps during the reporting period. Examples of the maps produced by the computer model are attached as annex 4. The team has been working hard to edit the maps to ensure that the information is provided in a suitable format for the Mongolian users and contains the information in relevant units for the users to understand. This has involved a number of field visits to the meet with potential users and stakeholders at the aimag and soum level to collect feedback and suggestions on the format of the maps and information. In addition, the program team have developed keys for the maps and responses that could be considered based on the information provided. The map keys and responses have been translated into Mongolian and currently being reviewed by the team and other Mongolian rangeland scientists. The project is also in the process of developing training manuals on how to interpret maps for herders and aimag and soum government officials, a final version of the manuals will be available during the next quarter. It is expected that all the information products will be finalized over the winter months and will be distributed from the start of the growing season in 2007.

In order to disseminate the Gobi Forage information regarding the rangeland conditions and forecasted conditions to the herders the team have developed radio bulletins, the bulletins will be categorized by natural zones (Gobi desert, steppe, hangai). The idea will be to broadcast the radio bulletins on Mongolian national radio on a bi-weekly basis. The radio bulletin content is currently being reviewed and tested with herder focus groups and other rangeland scientists. It is expected that the first radio bulletins will be broadcast in 2007 with the start of the growing season.

Production and Dissemination Of RBN Mongolian Magazine

Targets:
- 7000 copies of RBN are distributed quarterly
- 7000 people read the magazine
- 25 000 people benefit directly and indirectly from use of the information provided.

Indicators:
- Number of subscriptions
- Number of readers

Information in the magazine is up-to-date (47%) and season sensitive (29%).
From the monitoring survey conducted in three of GI aimags

Natural and financial risks associated with herding business were the emphasis of the latest 28-page Rural Business News magazine edition. Other topics included bank loan rescheduling, veterinary matters and responsibilities, small bag silage and vegetable preserving, local trade fairs, dairy safety and elite breeding, among others. Aimag stories (written by rural stringers) included introducing new, local brands, recycling used plastic bags to produce fence poles, new breeding options with higher quality yield, running a dairy business, steps to form cooperatives looking at the practical experiences of local businesses and trial/error. Special corners like Business Corner and Herders' Tip provided useful information focusing on increasing customers' income, sustainability, product life cycle, and business planning. Herders' Tip supplied ways to prepare offspring and other animals for the harsh winter as solid preparation is the core element to overcoming the season with the least possible loss.

With a total of 25 stories set alongside practical side-bars, graphs and relevant photos, RBN provided necessary and in-demanded business information to more than 6500 readers throughout the country, of which 80 percent stem from the project's targeted Gobi region.

Using Pact's media specific monitoring and evaluation system, RBN gathered feedback on information absorption and usage in two aimags - Umnugovi and Bayanhongor. 70.9% of respondents stated that

between 1 and 3 people read a single copy of the magazine, with 22.% replying that between 4 and 6 people read a single copy of the magazine. 58% of respondents stated that, after reading the magazine, they keep it for reference, with another 21% passing it along to friends and family in order for them to access the information. When asked how they used the information that they'd read, 26% of those that replied stated that they grew vegetables and made preserves for profit, 17% stated that they had sold their raw materials using Market Watch Information and 13% responded that they used the pasture information in their daily herding activities. The Pact/RBN Director of Programs met with GI aimag staff and local business operators, who expressed that the magazine better served the needs of the readers in a monthly format. This request will be further reviewed in the final quarter of the year and a decision on the frequency of the magazine for Year Four will then be made.

Production And Broadcast Of RBN Daily Radio Programming

Targets:
- 200 hours broadcast weekly
- 25,000 listeners per week in the Gobi region
- 75,000 listeners per week in other areas

Indicators:
- Number of listeners
- Number of hours on air

The information covered was practical (73%) , and relevant to my life (57%).
From the monitoring survey conducted in three of GI aimags

RBN continued to broadcast 200 minutes of radio program per week during the third quarter, produced in-house at the RBN radio studio. All programs were run as series ranging between 7-15 minutes long . The series included the following regular segments:

- Daily "Market Watch"- commodity prices to eliminate price differentials and ensure more equitable trading conditions for rural business operators and weekly price review consisting of in-depth analyses of price movements and forecasts of specific products widely produced by rural business operators.
- "Weather Watch"- weather forecasts
- "Business ABCs" - providing basic business marketing skills, bringing rural examples and expert interviews.
- "Business Guide" - A-Z business tips such as registering a business or forming a cooperative, for example .
- "Animal Husbandry Management",- herding techniques and practices .

Mongolian National Radio ranks the RBN radio program at 14th out of the total 67 radio programs currently broadcast by the radio. According to responses from participants in Pact's latest monitoring surveys conducted in Bayanhongor and Gobi-Sumber, 32% of respondents stated that they had increased their income using the information from RBN radio programming. 61% of respondents stated that this was due to their use of market watch information, 15% stated that it was due to advice shared about vegetable growing, while 8% said that they show had helped their income increase due to improved pasture management skills and improved fodder preparation. Interestingly, the majority of those involved in the monitoring said that they receive most of their general business information from radio programming, 43%, followed by television at 39%

New Educational Documentary Radio Series (Following The Herder From The Future)

Targets:
- Series will be completed and begins airing before November 2006
- 25,000 listeners per week in Gobi aimags
- Increased business capacity of 15,000 listeners
- Increased crisis management/change management capacity of 10,000 listeners

Indicators:

- # of listeners per week
- # broadcasts per week
- % of listeners who use the information when making future business decisions
- % of listeners who cite the series as having increased their capacity to respond to seasonal/sudden changes effectively

Entitled "Directions", the new RBN radio show was developed in close conjunction with GI and other consultants. RBN planned a diverse format for its programming, basing the show from the long-running, popular BBC radio serial, "The Archers". With input from Ulaanbaatar and aimag-based GI staff, and based on demand from rural listeners, the topics for the program were identified for September and October. The drama is being recorded at both Mongol Radio studios and in-house at the RBN studio. The RBN production team is working closely with the Voice of Nomads production house, sharing techniques and skills with them and introducing them to the digital technology that they currently lack.

Consisting of 26 episodes (20-25 minutes each), the drama will focus on specific business aspects for the month. There will be a number of long-term story lines running though the series, with topical, season-sensitive information added prior to broadcast. The first two episodes that were part of this quarter focused on culling animals, herd management, autumn vet services, business contracts, loan rescheduling, all timely and relevant topics for the month. Additional episodes are currently being developed and will be broadcast in the next quarter. RBN will keep the topics open and flexible in order to facilitate the quick response to timely events and to the seasonal nature of the agricultural work in the Gobi region.

Production and Dissemination of "Market Watch"

Targets:
- 50,000 rural herding and non-herding businesses
- 80% of business operators demonstrate an increase in their skills to produce, sell and plan accordingly based on price movement and demand/supply.

Indicators:
- # of listeners per week
- # broadcasts per week
- # of viewers per week
- % of listeners who use the information when making future business decisions
- # of RBN509 users

61% of respondents said they had increased their income by using Market Watch information disseminated by the radio.

From the monitoring survey conducted in three of GI aimags

Using its nationwide 'Market Watch' network, RBN continues to gather daily commodity price information in Ulaanbaatar and 21 aimags markets across Mongolia, and disseminate this to GI clients and other herding and non-herding businesses nationwide. This information may be accessed through the following channels:

- Through RBN509 (Mobicom SMS service), with 600 hits from urban and rural areas during the quarter , with an average 200 hits per month.
- Daily RBN Radio (broadcast via Mongol Radio) during the "Market Watch" program. Each day, we highlighted specific commodities, explaining the differentials compared to the previous week, month and year.
- RBN magazine publishes a 2.5 page summary of market price information and spatial analyses on a quarterly basis.
- Market Watch TV, a segment of the Learning Business Program, airs bi-monthly for 5-7 minutes on TV9. The program includes price summaries, trends, interviews and expert ideas.

Changes to the database management of Market Watch came into effect with more electronic driven processing and storage processes. Market Watch remains the key source for providing comprehensive price package information as exemplified by requests from the EU Wholesale Network project, World Bank office, cashmere processors and meat processing companies. In the monitoring survey recently undertaken by RBN, a combined total of 93.5% of respondents involved in the radio survey 'agreed' or 'strongly agreed' that the Market Watch information is useful.

RBN WEBSITE

Targets:
- 1200 hits per quarter are received

Indicators:
- # of hits per quarter

RBN kept its website alive with quarterly updates and uploads (www.rbn.mn). The website pulls together all Rural Business News features reported elsewhere under a single medium. The RBN website intends to continue to serve as the primary source of online rural business information dissemination and a main hub for rural business development related information sources.

With the development of IT in the country, we are seeing growing trends towards our website asking for cooperation or asking for linkages with some rural herders. A new trend emerged when RBN received requests for information and assistance from dairy farmers and vegetable growers, these requests were forwarded to relevant staff of Gobi Initiative. Total hits to the website were 3,800 as of end of the third quarter.

Production and Broadcast of RBN TV Programming and 26-Part TV Drama Series

Targets:
- Increase the number of rural business people accessing relevant information
- 50,000 viewers increase their business knowledge
- 30 000 viewers increase interaction with vet services

Indicators:
- # of listeners per week
- # broadcasts per week
- % of listeners who use the information when making future business decisions
- %of viewers who report increased vet interaction as a result of the program
- % of viewers who report increased better business activities as a result of the programming

RBN TV programs air twice monthly on odd Mondays with repeats the next day. A large portion of the programs focused on preparing and advertising the annual Aimag Market Fairs organized by the Aimag Gobi Initiative offices, with the remaining time exploring vet services, rural marketing, community based tourism, and cooperative successes.

Each TV program consisted of two segments; a 10-12 minute segment focusing on business and another 3-5 minutes on "Market Watch". RBN introduced a new format, with a pilot program called "One day in the life of a vet" demonstrating the uses and benefits of vet service for herders. The entire production of the programs including scripting, shooting, directing, editing and marketing, were carried out by RBN staff, there are plans to shift to local production companies in Year Four as part of the focus to build local capacity, RBN staff will provide training and technical assistance to the local production companies and will conduct final edits of all programs.

In addition, RBN commenced the scripting and production of a 26-part educational TV series called "Final point", which focuses on both business and veterinary issues. The program aims to increase awareness of business problem-solving and teach sound methods of operating businesses in a market economy, as well as exploring the use of veterinary services for herders.

To date, the scripting process has been completed and the series is being produced in conjunction with G-Entertainment, a UB based production company. Shooting will soon commence in Dundgobi aimag's Gobi-Ugtaal soum. The series will begin broadcasting in the next quarter. The impact of RBN's TV programming will be measured through its monitoring and evaluation system.

Production of Video Training Materials
No activities to be reported for this quarter. The RBN team have produced a business planning, vegetable cultivation and veterinary training video in previous quarters.

ACTIVITY TWO: Local Capacity for Information Dissemination and Communications

Targets:
- Increase access of public to government authorities
- Increase access of the public to information
- Stimulate and increase interaction between rural business owners and herder, and gov't officials
- At least 1000 aimag center based business operators receive useful information

Indicators:
- #shows hosted
- # calls received
- # questions asked
- # of listeners
- Number of positive decisions made by government/ problems solved

Taking into account the various 800th anniversary celebrations and Naadam held over the summer, local radio stations took a short break from broadcasting. The public call-in shows began again in September, and the first program was produced in Bayanhongor. The radio call in show was hosted by FM107 Hongor Nutuag and focused on financing business. Guests on the show included the local Mongol bank representative, commercial bank representatives, and the government officer for SME development. The show discussed the issues of accessing bank loans and the various government soft loan programs currently being implemented in Bayanhongor. During the program, a total of 28 questions were asked by the general public regarding the banks and government agencies and their operations. Further radio call-in shows will be held in all six GI Aimags in the final quarter of the year.

COLLABORATION WITH GOVERNMENT OF MONGOLIA AND OTHER PROJECTS

Cooperation with Ivanhoe Mines
During the quarter four GI herder clients have supplied 10.1 metric tonnes of fresh vegetables to Ivanhoe Mines/Oyu Tolgoi's catering firm CIS. The vegetables have included potatoes, carrots, onions, tomatoes, cabbages, peppers, turnips and water melon. The catering firm collects the fresh vegetables directly from the herders and transports the vegetables in a cold truck to the mine site; this has helped ensure the freshness of the vegetables and the quality of the vegetables. The program is working with Ivanhoe and the catering firm to upgrade the packaging of the vegetables to improve quality and reduce damage caused to the vegetables during transportation. To date vegetables with a total value of MNT 5,772,950 ($4,769) have been sold to the catering firm CIS for delivery to the Ivanhoe Mine. In September a GI client in Umnugovi sold 500 bottles (500gr) of camel milk worth MNT 982,000 ($843) to the catering firm CIS for the Ivanhoe Mines/Oyu Tolgoi's work force. It is expected that Ivanhoe will continue to procure the bottled camel milk on a monthly basis. Total sales to Ivanhoe mines to date have reached MNT 6,734,950 ($5,612).

Ivanhoe mines were also one of the major sponsors for the Umnugovi market festival. The company donated MNT 1 million ($860) towards the costs of the event. This is the second year that the mine has sponsored the market festival and is a good example of local businesses supporting business / community

events. With relationships such as this continuing to be built the financial contribution of GI for organizing the market events will continue to decrease. At the same time these relationships are a major contributing factor to the market events becoming sustainable annual events after the end of the GI program.

Collaboration with Swiss Development Cooperation
Gobi Initiative and Swiss Development Cooperation (SDC) have continued to cooperate in marketing and promoting Camelact, a brand of cosmetic products made out of camel milk with support from SDC and Mon Crem LLC[1], a local manufacturer. Dundgobi camel herders are now selling camel milk to MonCrem, the second biggest cosmetic producer in Mongolia, based in UB. GI has been working with an Ulaanbaatar consultant and the director of Mon Crem to complete a market assessment for the camel cosmetics. Based on the results of the study the program is currently assisting in developing a business plan for Mon Crem LLC. The business plan will expand the current production and identify the opportunities to link GI camel herders producing camel milk with the company. The business plan is expected to be finalized in the November and the company will then approach the commercial banks for financing of the new equipment and working capital.

Collaboration with Research Institute of Animal Husbandry
The GI Program and the Gobi Forage component have been collaborating with the Research Institute for Animal Husbandry (RIAH) in the development of the materials and training manuals related to the pasture land management and the forage forecasting. Experts at RIAH have provided advice on calculating the livestock carrying capacity of the pasturelands based on the forage quantities and the current numbers of livestock. The experts will be further engaged as the Gobi Forage project finalizes the products from the PHYGROW computer model, the map development and the radio bulletins.

Collaboration with Mongolian Alternatives Centre, Ger to Ger Project
The Ger to Ger project has continued to be implemented during the busy summer and the route having been established has continued to improve as the herder families and drivers gained experience and confidence in providing services for the tourists. During the months of July, August and September a total of 59 tourists purchased tickets for the route in Dundgovi and a total of MNT 15,800,000 ($13,550) was generated in ticket sales and travel costs paid to drivers in the region. With the successful establishment of the route in Dundgovi a number of private sector tour operators including; Winds of Mongolia, New World Juulchin, Blue Bandana, BATTOURS, Mongolia Expeditions as well as Ulaanbaatar guesthouses have all started to understand the benefits of using Ger to Ger trained nomadic families and communities and are exploring ways to link their current tour operations and travel itineraries to the Ger to Ger route.

The project has conducted a monitoring and evaluation workshop with the herder families and other businesses involved in the Ger to Ger project in Dundgovi. The workshop enabled the participants to discuss what worked well, what were the problems and to develop plans on how to improve the route and services for the following year. In addition the project has asked travelers to complete a comprehensive evaluation questionnaire at the end of their trip. The detailed summary of the findings from this evaluation is attached in the full report in the annex. The findings from the traveler survey will be used to improve the Ger to Ger routes, the services provided and to develop further training courses for the herder families involved aimed at improving the services they provide to the travelers and the overall Ger to Ger concept.

The detailed report on all activities and results achieved by the Mongolian Alternative Centre, Ger to Ger project is attached as annex 5.

Community Based Tourism initiative complementing the work of the Ger to Ger Project with the support of Voluntary Services Overseas (the British volunteer organization)
Mercy Corps has continued to work in the development of the rural tourism sector with the herder clients, incorporating the concepts of Community Based Tourism. Mercy Corps is currently working with 26

[1] Mon Crem is currently making eight types of products under the name of "Camelact" using camel milk such as: hand cream, cleansing and face lotion, day and night cream, shair and body shampoo, and hair cream. The compnay having been engaged in the cosmetic industry for a decade, showed an interest to expand the production into the nationwide market and create a successful domestic brand.

stakeholders in the Mongolian tourism industry (Government, Private Sector, Academia, and NGO's) on the development of responsible tourism standards. Based on these standards, Mercy Corps will facilitate the development of an independent certification program for responsible tourism in Mongolia. This initiative will also include the design of a supporting training curriculum and training materials that will help tourism initiatives to meet these standards. This initiative will support current and future Mercy Corps tourism clients that offer a product that is in demand, but who face difficulties related to market access or product development. Promotion of Community Based Tourism will also increase local demand for agricultural products, effectively enhancing total sales for rural agribusinesses. This initiative and work is being implemented by the national staff with technical assistance from a British VSO volunteer who will be working with Mercy Corps for a year.

PROGRAM/FINANCIAL MANAGEMENT

The program has created a new position of Technical Officer for Marketing. The position is temporary (6 months) initially and the newly hired person will start in the fourth quarter. The program has identified a number of opportunities that exist in sectors and rural product market chains such as fibres, meat and dairy products. The marketing officer will be responsible for identifying these opportunities and market chains in partnership with the Aimag offices and herder clients. Once the opportunities have been identified the marketing officer will facilitate the linking of the GI clients directly to buyers and processors within the market chain.

There have been no other staff changes during the third quarter.

Spending through September 30, 2006 has not yet been completely finalized, but preliminary figures indicate cumulative expenses of **$4,679,220**. This amount is composed of the following:

UB Project Management	$1,140,255
UB Program Delivery	945,095
Aimag Program Delivery	1,136,860
PACT/RBN	903,060
Subgrant to MAC (Ger to Ger)	60,542
Indirect Cost	493,408

TOTAL	**$4,679,220**

The reallocation of Program Delivery expenses into "target group" results in the following:

UB Project Management	$1,140,255
Herder Businesses	1,104,616
Non-Herder Businesses	603,376
Local Government/Other (market events, etc)	373,962
PACT/RBN	903,060
Subgrant to MAC (Ger to Ger)	60,542
Indirect Cost	493,408

TOTAL	**$4,679,220**

CONCLUSIONS AND RECOMMENDATIONS

Overall the program continues to be on track and the business plans are being implemented according to plan. As stated the program continues to use sales generated from new business activities outlined in the formal business plans developed under the project as an indicator of success. The sales target for the 171 herder groups and cooperatives who will receive assistance during 2006 is MNT 1,414,892,727. As of September 30th, 2006 total sales of MNT 829,287,697 had been generated by the herder clients, in accordance with the plan. The majority of herder client business plans are seasonal in nature

(vegetable/fodder/dairy/felt/meat) with production and sales occurring during the fall and winter months. Non-herder business plans also continue to be implemented according to plan with the businesses generating sales. All the program clients are making their loan repayments on time and there are no defaults to date this year.

Also during the third quarter the Aimag offices have started the work of identifying clients for the following year. This has involved promoting the program and the activities to the rural businesses and herders via posters and radio announcements. Interested businesses and herders were asked to complete an application form and then the program selected potential clients based on a set of criteria. A total of 448 applications were received, 264 from herder clients and 124 from Non-herder clients. The program officers have selected a total of 332 clients (255 herder and 77 non-herder) who will now develop business plans in the final quarter of the year and begin implementation at the start of CY2007. This is an increase in the numbers of clients form the current year, up from 250 clients to 332.

The program has continued to work hard at the development of market linkages and promoting local production for local consumption. The biggest activity of the quarter has been the organization and holding of the Aimag Market Fairs in all six target aimags. This year the market fairs again grew in size from previous years and more importantly there was active involvement and participation in the organization and financing of the events by local government, other organizations and businesses in the aimags. The involvement of other organizations and local government is an important step forward towards ensuring that these events become a sustainable annual event long after the program ends. The six events in 2006 generated grand total sales of MNT 330 million ($282,000). In 2005 the six trade fairs generated grand total sales of MNT 225 Million ($200,000). Local products offered included dairy goods; bread, cookies and pastries; vegetables; wool and cashmere; hides and leather products; felt and felt products; wood/metal products; several types of handicrafts; wicker items; and construction material.

As part of the efforts to continue to promote market linkages and the products of the GI clients, catalogues that showcase products from the best clients to a wider community of potential purchasers at regional and national market level, including niche export markets were developed and printed during the quarter. In total, 250 catalogues were produced for each Aimag and 250 collated ones for distribution to interested parties in Ulaanbaatar and internationally. The GI Program covered the costs for this edition to be compiled; in future this will be undertaken on a cost-share basis with each client interested in having their products in the catalogue.

In July the program completed a survey and produced a report that looked at local government constraints to rural business development. During the meetings with local businesses, it was identified that the Tax Department, Professional Inspection Agency, Aimag and Soum Government Offices, and the Land Office are the government bodies that have the most interaction with rural businesses. The survey results demonstrate a need for all the major stakeholders - government, businesses and NGOs - to work together to create a better environment for rural business development. The findings will be used by the program to inform and develop activities that will work towards building the capacity of local government officials to better support rural economic development. This work will be ongoing in the final quarter of the year now that the summer vacation period for government officials is over.

The Gobi Forage component has been active in the third quarter with the development of an information and communication infrastructure and analysis delivery system to provide herders with information on current and forecasted forage conditions that will assist them to make timely and specific management decisions. The products developed to date include maps and explanation keys, radio bulletins and training manuals. The maps and radio bulletins are being reviewed and tested with aimag and soum government officials and herders. The final products and delivery systems will be established in the final quarter across the target Gobi Aimags.

At this point in time, Mercy Corps and Pact have no recommendations for any material changes to the GI Phase II program.

This concludes the Year Three Third Quarter Report.

Attachments to this Report are:

Appendix 1: Mercy Corps Agriculture Input and Equipment Supplier Directory
Appendix 2: Gobi Initiative CY2006 Market Events Summary
Appendix 3: Report on Local Government Constraints to Rural Business Development
Appendix 4: Gobi Forage Rangeland Maps
Appendix 5: Detailed report from Mongolian Alternatives Center - Ger to Ger project

Agricultural Input and Equipment Supplier

D I R E C T O R Y

Introduction

Welcome to the Gobi Initiative Input and Equipment Supplier Directory. This directory is designed to help producers and processors of agricultural products to find the tools, equipment and inputs they need for their business. We encourage you to contact the vendors directly; however should you have any problems in this regard please contact your nearest Gobi Initiative Aimag office and they will be pleased to assist you. The contact details of the GI Aimag offices are on the last page.

This directory is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of Mercy Corps International and do not necessarily reflect the views of USAID or the United States Government. Mercy Corps and USAID accept no liability for contracts entered into by its clients and third any parties.

Contents

5 Crop production

*Revitalization of Mongolian potato sector
Program Management Unit SDC funded project
*Plant Science and Agricultural Research Institute
*Urgamliin Undarga seed shop
*Plant protection and research institute
*Green Gold SDC pasture ecosystem management project
*Mongolian Women Farmer Association
*Institute of Geography - Academy of Science

8 Animal Feed

*Altan Taria LLC
*Ulaanbaatar flour LLC
*APU LLC
*Sprit factory LLC

10 Irrigation

*Tsagaan Belchir LLC
*Gun Us cooperative
*Shin Heung LLC (Korean investment)
*Us Orchin LLC
*Us Oyu LLC
*Hungun Tsagaan Edlel LLC
*Tanan-Impeks LLC

13 Agricultural machinery and equipment

*The Mongolian Agricultural Engineering Corporation
*Agrotechimpex LLC
*Agromashserbice LLC
*Pristig Group LLC
*Ankhni Anjis LLC
*Tsagaan Muren LLC
*New Progress LLC
*Evergreenland LLC
*Yunitra LLC
*Malcin Treid LLC

17 Dairy Production

*Suun Belegdel LLC
*Dairy Farms Association
*Mongolian Food Industry Association
*Milk Processors Association
*Food and Bio-Technology School of Science and Technology University

19 Veterinary services

*Tsagaan Zalaat Agvet LLC
*Veterinary Research Institute
*Mongolia V.E.T. net NGO
*SBS Mongol-Russian Joint Company
*Shine Ehlel LLC
*Monkhimi
*Jamomed LLC
*Livestock genetic fund

23 Felt items

*Mongol Design Idea Centre
*Ms. Enkhjargal, Monamical
*Wool production and marketing - Norwegian project
*Science and Technology University
*Ms. B. Erdenetsetseg - member of international felt association (IFA)

25 Packaging and publishing

*Minno LLC
*OB Capital Press LLC
*OB Plastic LLC
*Suukhbaatar Kehvlel LLC
*Ungut Khevlel LLC
*Monpak LLC

27 Aimag contact details

Crop production

Revitalization of Mongolian potato sector Program Management Unit
SDC funded project

Services & Products:
Supply of potato varieties from Germany and Holland
Training and consultancy in planting those varieties
High yield potato seeds

Attention: Services and products are restricted to project clients only. However, useful information can be obtained through them.

Contact
MonConsult Co.Ltd building
East cross road
Micro district 4
Po Box: Central Post 491
Phone: 11- 460158
Fax: 11-460158

Plant Science and Agricultural Research Institute

Services & Products:
Supply of seeds for cereal production
Potatoes and vegetables
New potato variety "Atar"
Consultancy

Contact
Darkhan-Uul aimag
Shine Darkhan
Phone: 1372-28831
99374174 / 99376648
Fax: 1372-24132
E-mail: bayar67@yahoo.com

Urgamliin Undarga Seed shop

Services & Products:
Sale of many varieties of vegetable seeds
Fertilizers
Hand tools

Contact
UB Bayanzurkh district 13
next to "Bukhiin urguu"
Post: 210648
Po Box: 367
Phone: 454408 / 99179780
E-mail: urgamal@mol.mn

Plant Protection and Research Institute

Services & Products:
Sale of biological pest control against insects and rodents
Virus-free potato seed breeding
Consultancy

Contact
UB Khan-Uul district, Zaisan
Phone: 345212 / 341054
Fax: 11-345212
E-mail: zaisan@mongol.net

Green gold SDC pasture ecosystem management project

Services & Products:
Fodder crop seeds
Creating improved pastures
Training and consultancy
Increase the yield of hay harvest

Attention:
Services and products are restricted
to project clients only.

Contact
UB Peace Avenue
Government building 9
MoFA, room 25
Phone: 453757
Fax: 11-453703

Mongolian Women Farmer Association

Services & Products:
Consultancy and training:
Crop production
Chicken farm
Green house
Tree planting
Rabbit breeding

Contact
UB Songinokhairkhan
District 9
Phone: 306187 / 99111552
E-mail: mwfa@magicnet.mn

Institute of Geography Academy of Science

Services & Products:
Soil improvement technology
Consultancy and training
Soil analysis

Contact
UB Sukhbaatar district
Near US Embassy
Phone: 350470

Green City LLC

Services & Products:
Vegetable seeds
Consultancy on horticulture and organic gardening and natural farming
Sale and installation of greenhouses

Contact
Railway Autobase Bld 1st floor
Teeverchdiin Street
Bayangol District UB
Phone: (0976) 21 242800
Fax: (0976) 21 242798

Animal feed

Altan Taria LLC

Services & Products:
Annual sale of bran and animal feed

Contact
UB Songinokhairkhan
District 4
Phone: 632067 / 631480

Ulaanbaatar flour LLC

Services & Products:
Annual sale of bran and animal feed (6000tons)

Contact
UB Songinokhairkhan
district 4
Phone: 689053 / 689052
345224

APU LLC

Services & Products:
Annual sale of brewer's grains for animal feed

Contact
UB Khan-Uul district
Chinggis Khaan Avenue
Phone: 343063
Fax: 11-343063

Sprit factory LLC

Services & Products:
Sale of distiller's grains (restricted to local herders only).
No sale outside of Selenge Aimag.

Contact
Selenge aimag, Zuun kharaa
Phone: 013647-22295
99291612
Fax: 023647- 43599

Irrigation

Tsagaan Belchir LLC

Services & Products:
Import and trade of irrigation equipment.

Contact
UB Chingeltei district 6
Phone: 11-320214
Fax: 11-320214
E-mail:
bt-const@magicnet.mnn

Gun Us cooperative

Services & Products:
Rehabilitation of wells
Well-equipment repair
Water surveyance

Contact
UB Bayangol
district 20
Phone: 99191621

Shin Heung LLC (Korean investment)

Services & Products:
Deep well digging
Water surveyance
Installation of well equipment
Well-equipment repair

Contact
Phone:
684303
99117727
99273288
99199786

Us Orchin LLC

Services & Products:
Import and trade of watering equipment.

Contact
UB 21, Bayangol district 5
Phone: 99115653
Fax: 11-681786

Us Oyu LLC

Services & Products:
Import and trade of watering equipment.

Contact
UB, Baruun Selbe 13
Geo ecological BLDG
Phone: 311535
Fax: 11-322551

Hungun Tsagaan Edlel LLC

Services & Products:
Production of hand pumps
for vegetable gardens and watering of animals.

Contact
UB, Han-Uul
district 3
Phone:
90151560
99184650

Tanan-Impeks LLC

Services & Products:
Water surveyance
Well rehabilitation
Installation of deep well equipment

Contact
UB Sukhbaatar district
Amar street 6
Cultural Centre Room 808
Phone: 318315 / 99292149
95257060
E-mail: hoibat@mongolnet.mn

Agricultural machinery and equipment

The Mongolian Agricultural Engineering Corporation

Services & Products:
Supply of small and large tractors and other equipment
Research
Design
Training and consultancy
Greenhouse/nursery design

Contact
UB Khan-Uul district
Zaisan
Phone: 341155 / 341154
E-mail:
Agrtechcor@mobinet.mn
ts_choibat@mongolnet.mn

Agrotechimpex LLC

Services & Products:
Supply of machinery and equipment
including tractors and combines
Spare parts for machinery
Providing machinery services
Supply of veterinary instruments and drugs.
Supply of fertilizers and pesticides

Contact
UB.Bayanzurkh district
Amgalan 1
Phone: 56314 / 458697
Fax: 11-458697

Agromashserbice LLC

Services & Products:
Supply of small and large tractors and other equipment
Small agricultural hand tools

Contact
Darkhan-Uul aimag
Phone:
99379121
99377880

Pristig Group LLC

Services & Products:
Import of diesel
Gasoline generators
Small-size agricultural equipment
Water engineering projects
Trade and service
Consultancy & training
Repair and servicing

Contact
UB Sukhbaatar square 3
Cultural Centre room 509
Phone: 323123 / 9911129
Fax: 324038
E-mail: centre@magicnet.mn

Ankhni Anjis LLC

Services & Products:
Vegetable-production hand tools
Draught animal equipment
Spare parts

Contact
UB Khan-Uul district
Zaisan 53
Phone: 343415

Tsagaan Muren LLC

Services & Products:
Import of small tractors and generators
Food
Irrigation
Agricultural equipment
Packaging
Irrigation equipment
Spare parts

Contact
UB Songino khairkhan
Phone: 680083 / 636268
Fax : 11-636268
E-mail:
Tsagaanmurun@yahoo.com

New Progress LLC

Services & Products:
Import company
Agriculture machinery
Equipment and other supplies

Contact
UB, Songinokhairkhan
District 4
Near Ulaanbaatar flour mill
Phone: 632283 / 632238

Evergreenland LLC

Services & Products:
Import and sale of agricultural equipment
Tools for vegetable production
Crop production
Sale of irrigation equipment
Dip irrigation system
Felt making equipment

Contact
UB Bayangol district 10
Opposite to Stella centre
Phone / Fax: 681587
E-mail:
evergreenland@magicnet.mn

Yunitra LLC

Services & Products:
Sale of small tractors
Water pumps
Generators
Sprinklers
Irrigation equipment

Contact
UB Sukhbaatar district
Honda shopping centre
Phone: 311766 / 317062
Fax: 11-311766

Malcin Treid LLC

Services & Products:
Sale of TV's
Digital satellite receivers
Portable refrigerators
Solar batteries
Satellite phones, fax and internet

Contact
UB
Phone: 315113 / 99265113
99275113
E-mail:
Malchin@magicnet.mn

Dairy production

Dairy Development Project

Services & Products:
Technical advice on dairy production
Sale of small-scale dairy equipment

Contact
Dairy Development Project
Min. of Food and Agriculture
Government bldg. 9 rm 17
Enkhtaivan Ave 16a
Ulaan Baatar 210349
Phone: 11462737
E-mail: tsetsgee@mongolia-dairy.mn

Dairy Farms Association

Services & Products:
Consultancy and training
Organizing of study tours to small dairy farms
Sale of books and handouts

Contact
UB Peace Avenue 16
Government building 9
Ministry of Food and Agriculture
Phone: 99848315

Mongolian Food Industry Association

Services & Products:
Consultancy and training
Research
Maintenance and installation of equipment

Contact
Phone: 341019 / 99190952
Fax:11-311907
E-mail: foodpr@mtu.edu.mn

Milk Processors Association

Services & Products:
Import
Sale of milk-processing equipment
Installation of equipment
Supply of spare parts

Contact
UB Bayangol district 19
Gum plant LLC
Phone: 95153060 / 99118922

Food and Bio-Technology School of Science and Technology University

Services & Products:
Consultancy
Training
Production and sale of milk-processing equipment
Installation of equipment
Supply of spare parts

Contact
UB Sukhbaatar district
Phone: 324590-2612

Suun Belegdel LLC

Services & Products:
Import of yogurt yeast from Switzerland
Distributing of products to small producers
Import of dairy equipment

Contact
UB Bayanzurkh district 5
Phone: 99760000 / 460765

Veterinary services

Tsagaan Zalaat Agvet LLC

Services & Products:
Production of veterinary medicine including vaccines, powders, de-worming drugs, antibiotics, disinfectants, dripping solution
Import of drugs
Equipment
Research and study

Contact
UB Khan-Uul district 12
Phone: 99164492 / 95253272
Fax: 11-344126
E-mail:
tsagaanzalaa@magicnet.mn

Veterinary Research Institute

Services & Products:
Production of vaccines
Different types of solutions, smears and preparations.

Contact
UB, Zaisan 210153
Phone: 341970
Fax: 11-341553

Mongolia V.E.T. Net NGO

Services & Products:
Providing veterinary training
Drugs
Equipment distribution for participants

Attention: Drugs and equipment are available to participants who attended V.E.T. Net training only.

Contact
UB 210628 Chinggis avenue
Titannis building Po Box -347
Phone: 319733
Fax: 319422
E-mail:
Administration@vetnetmn.org

SBS Mongol-Russian Joint Company

Services & Products:
Import of drugs and vaccines
Instruments and equipment for laboratory use and treatment
Veterinary work clothing

Contact
UB Chingeltei district 1
Jigjidjav str.
Phone: 319254 / 91991021
99185590

Shine Ehlel LLC

Services & Products:
Production of nutritional drugs
Vitamins
Powder antibiotics

Contact
UB, Zaisan
Phone: 341611

Monkhimi

Services & Products:
Production of anti-bacterial and disinfection medicine
Supply of sanitization equipment

Contact
UB old building of 1st
Maternity Hospital
Phone:
315664 / 95154936
99118936 / 343355
99126428

Jamomed LLC

Services & Products:
Import
Sale of medical supplies
Veterinary equipment
Other equipment
Glassware
Chemicals

Contact
UB
Mongolian Red Cross building
2nd floor
Phone: 327066 / 329141
99110618

Livestock genetic fund

Services & Products:
Artificial insemination for dairy and meat cows
Sale of deep frozen semen and embryos
Training of AI technicians

Contact
UB Khan-Uul district
Tuul village 13
Phone: 99083116

Bioimpex LLC

Services & Products:
Production and trade of veterinary medicine
Specialised in anti-parasite medicine

Contact
UB Khan-Uul district 10
Phone: 329536, 99852347,
99852348
Fax: 379716
E-mail: bioimpex@magicnet.mn

Tsetsuuh LLC

Services & Products:
Supply of veterinary laboratory instruments
Supply of biologicals

Contact
UB Bayangol district 10
Phone: 680131, 99892899,
99822880, 91191208
Fax: 680631
E-mail: tsetsuuh@mongol.net

Felt items

Mongol Design Idea Centre

Services & Products:
Consultancy and training
Providing design patterns and motifs
Marketing of products

Contact
Phone: 99170693 / 362156
E-mail: altantuyas@yahoo.com

Ms.Enkhjargal, Monamical

Services & Products:
Training herders in yak and camel wool processing

Contact
Phone: 91816869
E-mail:
enkhjagaa2002@yahoo.com

Wool production and marketing - Norwegian project

Services & Products:
Consultancy and training
Marketing of products

Contact
UB Bayanzurkh district
Phone: 457084 / 99757862
Fax: 11-451260
E-mail: hulan@nimmon.org

Science and Technology University

Services & Products:
Production of felt-making machines
Design
Supply of spare parts
Providing additional services

Contact
UB Sukhbaatar district
Phone: 324590 / 91163427
99189419

Ms.B.Erdenetsetseg - member of international felt association (IFA)

Services &Products:
Consultancy and training
Sale of books on felt-making, for example
"Mongolian traditional methods of felt making",
"Technology of felt items", "Felt pattern", "Carpet design"
Different kinds of felt products

Contact
UB 46
Phone: 99141391
Email: erdefelt@must.edu.mn

Packaging and publishing

Minno LLC

Services & Products:
Design and publishing of packaging and logo

Contact
UB Bayanzurkh district
Peace avenue
Bridge Plaza Building
Phone: 462879
Fax: 11-462879
E-mail: minno@magicnet.mn

OB Capital Press LLC

Services & Products:
Production of all kinds of packaging .
Designing
Publishing of books, newspaper, magazines etc.

Contact
UB Khan-Uul district
Near Gobi factory
Phone: 345565 / 99097680
99096374

OB plastic LLC

Service & Products:
Packaging net
Packaging for frozen products
Ice cream
Bakery
Dairy
Pickled vegetables

Contact
UB Khan-Uul district 3
Phone: 345571
Fax: 11-345572
E-mail: ob-plastic@mol.mn

Suukhbaatar Khevlel LLC

Services & Products:
Production of all kind packaging
Packaging for bakery and dairy products
Design
Publishing of books, newspaper, magazines etc.

Contact
UB Bayanzurkh district 19
Phone: 99116085 / 91146210
99834275
Fax: 11-461838
E-mail : sbkh@magicnet.mn

Ungut Khevlel LLC

Services & Products:
Production of a variety of packaging
Design
Publishing of books, newspaper, magazines etc.

Contact
UB Sukhbaatar district
Phone: 329519
Fax: 11-329519

Monpak LLC

Services & Products:
Production of a variety of packaging
Plastic bags for yogurt and milk
Design

Contact
UB Khan-Uul district
Phone: 342850

Aimag contact list

Arhangai Aimag:
Unenbat, Admin & Finance officer
Tel (01-332) 21542,
Fax (01-332) 22773,
Email rasp_ar@mongol.net

Bayanhongor Aimag:
Erdenebileg, Information Officer
Tel (01-442) 22992,
Fax (01-442) 23204,
Email initiative_bh@mongol.net

Dundgobi Aimag:
Davaanyam, Information Officer
Tel (01-592) 22103,
Fax (01-592) 22352,
Email initiative_dg@mongol.net

Gobi-Altai Aimag:
Munh-Erdene, Information Officer
Tel (01-482) 24118,
Fax (01-482) 24549,
Email initiative_ga@mongol.net

Gobisumber Aimag:
Tungalag, Representative
Tel (01-542) 23363,
Fax (01-542) 23379,
Email initiative_gs@mongol.net
Tel 99098316

Umnugobi Aimag:
Algirmaa, Information Officer
Tel (01-532) 23006,
Fax (01-532) 23002,
Email initiative_ug@mongol.net

Uvurhangai Aimag:
Bayarmaa, Marketing Officer
Tel (01-322) 22966,
Fax (01-322) 23511,
Email initiative_uh@mongol.net

Notes

Notes

MercyCorps USDA USAID АМЕРИКИЙН АРД ТҮМНЭЭС | МОНГОЛ УЛС

GOBI INITIATIVE MARKET EVENT SUMMARY 2006

	Umnugovi	Govi-Altai	Govi-Sumber	Bayanhongor	Dundgovi	Uvurhangai
Dates:	Aug 27-28	Aug 20-21	Sep 14-15	Sep 22-23	Sep 20-22	Sep 15-17
Name of the event:	Gobi Festival 2006	Altai Partnership 2006	Central Regional Trade Fair	Hangai Regional Trade Fair	Dundgovi Days in Ulaanbaatar	Uvurhangai Partnership - 2006
Co-Organizers:	Aimag Government, Chamber of Commerce & Industry	Aimag Government, Chamber of Commerce & Industry	Aimag Government, EU Distribution Network Project	Aimag Government, Chamber of Commerce & Industry, Hangai Regional Council, World Vision	Aimag Government	Aimag Government, Chamber of Commerce & Industry, WWF
Government officials attending the events:	The Aimag Governor	The Aimag Governor, Speaker of aimag Hural, Mr. N Batsuuri State Secretary of Ministry of Food & Agriculture	Minister Mr. Odonchimed, Mr. Tseveenjav from Mongolian Government, Mr. Hayanhyarvaa from Central Region Council, Aimag Governors from Dornogovi, Umnugovi, Selenge, Darhan, Dundgovi	Aimag Governors from five aimags: Bulgan, Orhon, Uvurhangai, Hovd and Bayanhongor	Mr. Enhsaihan Deputy Prime Minister, Mr. Terbishdagva Minister of Food and Agriculture, MP Mr. Raash, UB Speaker Ms. Bolormaa The Aimag governor	MP Mr. L. Lundeejantsan, The Aimag Governor
Financial Supporters:	Aimag Government, Ivanhoe Mines, Tavan Tolgoi Trans LLC, Tavan Tolgoi, Chinhua Mak Nariinsuhait, Gal Munh, Nomin Govi, KHAAN, XAC, Mongol Shuudan, Zoos, Capital banks, Goviin Jiguur	Aimag Government, Chamber of Commerce & Industry, Asian Development Bank	Aimag Government, banks, Skytel, Mobicom, Govi Mandal LLC, EU Distribution Network Project	Aimag Government, KHAAN, XAC, Mongol Shuudan banks, World Vision	Aimag and Soum Governments	Aimag Government, Mongolia Telecom, Mobicom, Chamber Of Commerce & Industry, Technical University
Total Sales:	MNT 19.7 million (USD 16.8 thousand)	MNT 30.6 million (USD 26.2 thousand)	MNT 60.6 million (USD 51.8 thousand)	MNT 68.4 million (USD 58 thousand)	MNT 81.4 million (USD 69.6 thousand)	MNT 70.0 million (USD 60 thousand)
Exhibitors:	104	163	198	350	180	201
Attendance:	7.4 thousand	11 thousand	8 thousand	12 thousand	50 thousand	19 thousand
Most Sales:	Vegetables and dairy products	Vegetables and dairy products	Knitted items, sheep skin garments and leather goods	Vegetables and dairy products	Meat and dairy product	Vegetables and baked products
Grand Prize:	Gurvanbulag partnership - spinning thread	Tulga Altai - wheat flour	Dornogovi - baked products	Erdenet Carpet factory - carpets Hujirt hot-spring resort	No awards	Delgerekh Huns LLC - baked products

MercyCorps USAID FROM THE AMERICAN PEOPLE | MONGOLIA USDA UNITED STATES DEPARTMENT OF AGRICULTURE

LOCAL GOVERNMENT CONSTRAINTS TO RURAL BUSINESS DEVELOPMENT

Prepared By:

Mercy Corps Mongolia
July 2006

Executive Summary

Mercy Corps Mongolia conducted a survey in six aimags - Umnugobi, Dundgobi, Gobi-Sumber, Uvurhangai, Bayanhongor and Gobi-Altai - in an effort to identify:

- The constraints facing rural businesses in becoming established, in operating on a daily basis and growing over the longer-term, and in complying with government regulations, and
- The capacity building needs of public officials, to enable them to provide better services and support to the rural business community.

Over the past several years, a significant effort has gone into supporting the growth of rural businesses through the provision of training and consulting services and assistance with linking the businesses to financial services and markets.

Some efforts have also been undertaken to create a better enabling environment for rural businesses, particularly with respect to the interaction between local governments and the local business community. These efforts have met with some success, but they have been largely driven by strong interest and motivation on the part of specific local governments and/or businesses, rather than a wider endorsement of a more standardized and comprehensive "enabling environment" strategy and plan.

It is generally recognized within Mongolia that an effective and productive partnership between the private sector and local government is crucial for realizing sustainable rural development. It is the businesses that create jobs, produce goods, pay taxes and boost economic growth, and it is the government's responsibility to create and maintain an enabling environment by formulating and properly implementing appropriate business support policies and regulations. The ability, however, of the local governments to properly undertake this responsibility is largely determined by a commitment at the highest level of both central and local government and by the capability and willingness of the staff to assume this responsibility.

A total of 337 randomly-selected businesses from thirty-five soums within the six aimags were interviewed during a three-week period in June 2006. The survey document, included in this report as Appendix 1, was developed using questions that had been voiced by participants of recent round-table meetings of businesses and government officials held in the six aimags. During these meetings, it was identified that the Tax Department, Professional Inspection Agency, Aimag and Soum Government Offices, and the Land Office are the government bodies that have the most interaction with rural businesses. The survey identifies what the respondents encountered as constraints when interacting with each of these government departments. The survey questions were mainly close-ended but respondents were encouraged to add comments and/or clarifications of their responses.

The survey results demonstrate a need for all the major stakeholders - government, businesses and NGOs - to work together to create a better environment for rural business development. Specifically, more emphasis needs to be placed on:

- Fostering a climate of greater trust and understanding between local governments and local businesses;
- Shifting government interaction with local businesses from a near-exclusive focus on "policing" and "punishment", to an appropriate balance of "oversight" and "customer service";
- Increasing the knowledge and understanding of local government officials concerning business laws and regulations, and the accessibility of that knowledge/understanding by the business community;
- Creating greater transparency concerning fines/penalties, product testing, and the availability and award of business support funds;
- Reducing bureaucratic impediments, and offering incentives, for starting new businesses; and
- Establishing ***government-independent*** institutions that can effectively advocate on issues related to business development.

More than anything else, the business community is asking for fast and efficient government service from officials who understand that their primary role is to assist and deliver quality services to the business community and the general public.

Survey Respondents

A total of 337 entrepreneurs and businesses operating in six aimags were surveyed. The respondents included Patent Holders, Limited Liability Companies, Cooperatives, Partnerships, and Shareholding Companies.

Table 1: Entities Surveyed

Type of Entity	***Number***	***Percentage***
Patent Holders	111	32.9%
Limited Liability Companies	99	29.4%
Cooperatives	67	19.9%
Partnerships	38	11.3%
Shareholding Companies	21	6.2%
Other	1	0.3%

Almost half of the businesses surveyed were involved in trading. There was an equal division between businesses operating for less than five years and those operating for more than five years.

Table 2: Entity Sector and Numbers of Years in Business

Sector	**Number**	**Percentage**
Trade	154	45.7%
Service	97	28.8%
Manufacturing	86	25.5%

Years in Business	**Number**	**Percentage**
More than 8	107	31.7%
5-8	67	19.9%
3-5	92	27.3%
1-3	71	21.1%

Survey Results - Business Community Perceptions of Government Support

As mentioned, during previous local government/business community meetings, it had been identified that the Tax Department, Professional Inspection Agency, Aimag and Soum Government Offices, and the Land Office are the government bodies that have the most interaction with rural businesses. When asked to list government agencies from "generates most constraints" to "generates least constraints" in terms of business support, the ranking was: Tax Department (most constraints), followed by Professional Inspection Agency, Land Office, and Aimag/Soum Governor's Office (least constraints).

The detailed survey results related to each of these government bodies are as follows:

Tax Office

The survey for the Tax Office listed constraints relating to (a) the tax system itself, as well as (b) the perceived deficiencies of the Tax Office and its staff.

Regarding the tax system, it is not surprising that most of the respondents felt that the current tax rate was too high. It is, however, somewhat surprising that the percentage of respondents noting this as an issue was not higher than 58%. The two other tax system constraints concerned lack of tax support for start-up businesses and for those engaged in local production; both were significant in the opinion of the respondents (53% and 44% respectively).

Regarding the Tax Office itself, the primary concerns were the inflexibility and lack of transparency concerning fines and penalties, the poor business and regulations knowledge of inspectors, and the unwillingness and/or inability of the inspectors to properly explain the regulations and how best to comply with them.

Table 3: Summary of Survey Findings Related to the Tax Office

Constraints/Issues - Tax System	**Number**	**Percentage**
Tax rate is too high	197	58.5%
No tax holiday/breaks for new businesses and start-ups	179	53.1%
No government support for businesses engaged in local production of goods and services	148	43.9%

Constraints/Issues - Tax Office	**Number**	**Percentage**
Tax inspectors impose fine/penalties, rather than providing other options such as working out tax payment schedules and/or mutual negotiation	116	34.4%
Tax department officials make very little effort to inform the general public on tax policies and regulations, and how to comply with the relevant laws	108	32.0%
Poor business knowledge of tax inspectors	86	25.5%
Difficult for business entrepreneurs to understand tax laws and regulations	82	24.3%
Poor communication skills of the tax inspectors; occasional unprofessional and rude behavior	73	21.7%
Inspectors request contributions and donations towards various celebrations (Tsaagan sar, Naadam, etc)	66	19.6%
Excessive bureaucratic process to register a new business	52	15.4%

The focus on fines and penalties rather than information dissemination and proactive compliance support is perceived as a serious deficiency in Tax Office operations. This issue is compounded by the perception that tax officials do not understand the regulations that they are being asked to enforce. This creates a climate of distrust on both sides and leads to accusations that "tax officials are corrupt and arbitrary" (business perception) and that "business owners are all tax-cheats" (government perception).

Comments from Business Owners:

Tax officers do not explain the tax related laws and regulations. They don't provide sufficient information on taxation and how to comply with the laws. They sometimes explain the VAT regulations incorrectly. (Dundgobi business owner)

It is very difficult to deal with the tax office. Its staff members are bureaucratic and are not available during normal working hours. (Bayanhongor entrepreneur)

Professional Inspection Agency (PIA)

It is alarming that more than half of the businesses interviewed stated that there is a lack of professional advice available to them from the PIA. One of the primary roles of the PIA is to provide advice and assistance to businesses on all regulations and standards related to conducting business in Mongolia, and to assist businesses in complying with the regulations. Many respondents noted the poor communication skills of the inspectors and that they are often threatened with having their businesses being closed down or having their licenses revoked. As with the Tax Office, the focus appears to be on punishment as opposed to support.

A small business owner in Dundgobi told the surveyors that, "The professional inspection agency inspectors are very authoritarian in the way they talk to us, taking advantage of their positions. If I run into an inspector on the street while I am driving around town, I would need to give him a ride home. Otherwise, this may affect my future relationship and eventually my business."

Table 4: Summary of Survey Findings Related to the PIA

Constraints/Issues	**Number**	**Percentage**
Absence of professional advice for businesses	185	54.9%
PIA does not promote and advise citizens and businesses on the services available from the PIA or standards with which each business must comply	148	43.9%
Threats to close and fine businesses and revoke licenses	134	39.8%
No support for local production and start-up businesses	117	34.7%
Overly bureaucratic and hard to obtain license/permits	112	33.2%
Poor communication skills of PIA officers	101	30.0%
Officers seize products as samples for testing and the procedure or reason is not transparent	87	25.8%
The actions of the inspectors sometimes creates tensions and stress for the business owners	79	23.4%

Also as with the Tax Office, there is a strong perception from the business community that the PIA does not do enough to inform businesses on the services available from the PIA or to provide detailed information on the standards with which each business must comply.

Other significant constraints include excessive bureaucracy and lack of transparency over the product testing process. A GTZ project coordinator recently commented that, "The PIA is a big agency; it is almost like a Ministry. Its main responsibility is to distribute permits. If you want to open a new restaurant you will need nine different permits from the PIA. This excessive bureaucracy is preventing people from starting and developing businesses".

The product testing process is also very unclear. Business owners state that PIA inspectors confiscate products and demand samples for laboratory testing. Once the products are taken, it is rare that the owners hear back on the results or what the agency did with the confiscated goods. These actions create an environment of suspicion in the business community, questioning the true motive of the PIA in confiscating and taking samples for testing. Coupled with this issue is the fact that very little information is available or known on the actual regulations related to taking samples for testing and/or confiscating goods.

Comments from Business Owners:

Professional inspectors come and take away some of your products saying that a lab test is needed. But they never get back to us informing us of the result or if they did the test at all. Or much later they would say that your goods have been destroyed. (Bayanhongor trader)

The pressure from inspectors is fierce. They don't treat us fairly and openly. They threaten us under the name of rules and regulations which we have not heard of. (Gobi-Altai business woman.)

They come just to inspect and fine you. I heard they had a plan to collect fine money. (Dundgobi business owner)

Governor's Office

This office is responsible for a number of departments and agencies, all of which oversee policy and regulations for a variety of sectors and functions, including agriculture, health, education, labor, police, land, inspection, and disaster relief, (see the organizational chart included in this report as Appendix 2). When asked about services provided by, and difficulties encountered in interacting with, these agencies, the majority of the respondents said, "There is little support from these departments and agencies for local businesses." May respondents believe that rural businesses, especially those producing local goods and services, should be treated differently in terms of government support (technical advice, tax incentives, ease of registration, assistance in complying with PIA standards, etc), in line with the central government's campaign to support rural economic development and job creation.

Table 5: Summary of Survey Findings Related to the Governor's Office

Constraints/Issues	Number	Percentage
No government support for local businesses and production of local goods and services	178	52.8%
Non-transparent selection and distribution of business support loans and grants	177	52.5%
GOM resolutions to support local industry are not implemented at aimag level	166	49.3%
Complicated and difficult bureaucratic process to obtain business permits and licenses	121	35.9%
The Governor's Office requests contributions and donations from local businesses for aimag celebrations e.g. Tsaagan sar, Naadam festivals, and aimag anniversary celebrations	107	31.8%

The respondents also commented that it is not very clear to the general public what the roles and responsibilities are of the individual departments and which department needs to be approached for which request. The departments also do not have clear working hours, making it difficult for the general public and business community in seeking assistance or trying to conduct business. One respondent commented, "...locked inside their rooms, they don't care about those who are waiting outside their office doors." Some said that local government employees spend a lot of their time traveling or attending seminars and workshops rather than dealing with the public. One person noted that, "...it is rare to find any of these officials at the office on Fridays."

From the survey responses it also became apparent that government officials, both at aimag and soum level, request that rural businesses make financial contributions for Naadam celebrations and other events such as Tsaagan sar and anniversary celebrations. Contributions can be in non-cash forms such as sheep, cashmere and dairy products. Some businesses paid up to MNT 300,000 towards the celebration of just one event. Almost one-third of the businesses surveyed stated that, "if we don't contribute when asked, we receive fines or unfair treatment." Also, there would be other types of public embarrassment, such as government officials publicly stating that a certain business owner "was the only one who did not follow the others." This activity is seen as an "*informal tax*" on all businesses.

Comments from Business Owners:

It is common that local governments take unofficial taxes for celebrations such as Naadam, aimag anniversaries etc. I had to pay MNT 300,000 for the aimag's 60th Anniversary, MNT 250,000 for the soum's 80th anniversary and MNT 30,000-50,000 for other celebrations this year (Dundgovi businessman)

There is no policy to support new businesses at soum and aimag levels. Government officials do no not care whether a business succeeds or fails. (Bayanhongor business)

Land and Cadastre Office

Surprisingly, less than half of the people made complaints or revealed problems concerning the services of the Land and Cadastre Office in the aimags. This is probably due to the fact that, unlike in Ulaanbaatar, land ownership and distribution have not yet become a major issue in the aimags and soums. However, one-third of the respondents stated that the land titling and registration process is very slow, requiring a lot of paper work, and that they believe that land ownership and use permits are not being distributed in a just and transparent manner. A Govi-Sumber resident said, "I have visited three different government officials to make an application for obtaining a land use permit. It has taken me one year now and I am still waiting for the permit. The officials never give me clear information or explain the status of my application".

Survey Results - Business Community Expectations from Government

The businesses that were surveyed were also asked what they most expected from government agencies and their employees in order for them (the businesses) to operate with the least number of constraints. More than half of the respondents said that they would like to receive fast and efficient services from officials who understand that their primary role is to "assist", rather than "police", businesses. This indicates that they are currently dissatisfied with the role and actions of the various government bodies.

The respondents also commented that they would like the government employees and inspectors to have a better understanding of businesses and business needs, as well as better communication skills and attitudes in dealing with business owners. The respondents also felt that local government officials need to be more proactive in promoting and explaining their activities, and be more engaged in providing advice on how to comply with regulations. The near-exclusive use of fines and penalties is not seen as constructive in establishing an environment that is conducive to the development and growth of rural businesses.

Table 6: Summary of Survey Findings Related to Business Community Expectations

What would you expect from government and the regulatory agencies in order for you to run your business successfully and smoothly?

1. Fast, efficient service and an understanding of their role in serving the business community
2. Professional Inspection Agency that assists businesses to prevent problems and comply with standards, not just to 'police' businesses and impose fines
3. Open and transparent policy for the advertisement, selection, and award of business support loans and grants to rural businesses
4. Provision of tax and other incentives for new and start-up businesses
5. Good communications skill and professional behavior of local government employees
6. Government agencies that promote and inform the general public and business community about their services and relevant regulations and policies
7. Government employees that have a better understanding of businesses and business needs
8. Government employees that have a clear knowledge and understanding of the laws and regulations and how to apply them
9. No forced donations/contributions for any types of celebrations

Survey Results - Conclusions and Recommendations

The following conclusions and recommendations for creating a more business-friendly environment in the rural aimags have been drawn from the results of the survey:

1. Local governments need to proactively disseminate information to the public on the services and activities of the various government departments. The Tax Office needs to improve the quality of its interaction with the business community and provide a much more "consumer-friendly" advisory service on tax laws and regulations. The Professional Inspection Agency should improve its efforts to provide information on standards and requirements for all businesses and widely disseminate that information so that it is available to all who are interested.
2. Local government agencies need to shift their emphasis from a near-exclusive focus on regulating business operations to formulating policies, providing advice, and creating supportive conditions for rural businesses to establish and grow.
3. Tax and Professional Inspection Agency inspectors need to change their attitude and approach toward businesses. Communication should reflect a supportive and "problem resolution" objective as opposed to one focused on punishment. The inspectors need to better understand their role as providers of advice and assistance to rural business owners.
4. The procedure used by the Professional Inspection Agency for taking samples for laboratory testing and confiscation of products needs to be made more transparent. The Agency should consider initiating a public awareness campaign to inform rural businesses of the existing standards, the ways in which businesses can best comply with these standards, and the procedures that are implemented when businesses do not comply with the standards. An open and transparent mechanism for businesses to obtain information, and submit complaints and appeals, should be established.
5. Government agencies should cease soliciting "voluntary" donations from businesses for government-sponsored Naadams, horse races, anniversary celebrations and other events.
6. Government employees within certain departments need to improve their general business knowledge and understanding of business needs. This will help them better understand and support rural businesses.
7. There is a lack of support and/or incentives for the local production of goods and services. The government should consider developing and promoting a strategy that supports local production of goods and services and creates and/or sustains rural employment.
8. The Governors' Offices should provide transparent and easily accessible information on local business support and loan/grant-making programs and how local businesses can participate in these programs.
9. Aimag and soum governments need to proactively support and fully implement the Parliament's 2002 resolution on tax exemption and relief for rural start-up businesses.

Suggested activities that might be undertaken in order to implement these recommendations are contained in Appendix 3 of this report.

This concludes the report on "Local Government Constraints to Rural Business Development". Appendices to this report are as follows:

Appendix 1 - Survey Questionnaire
Appendix 2 - Local Government Organizational Chart
Appendix 3 - Suggested Activities for Creating a More Business-Friendly Environment

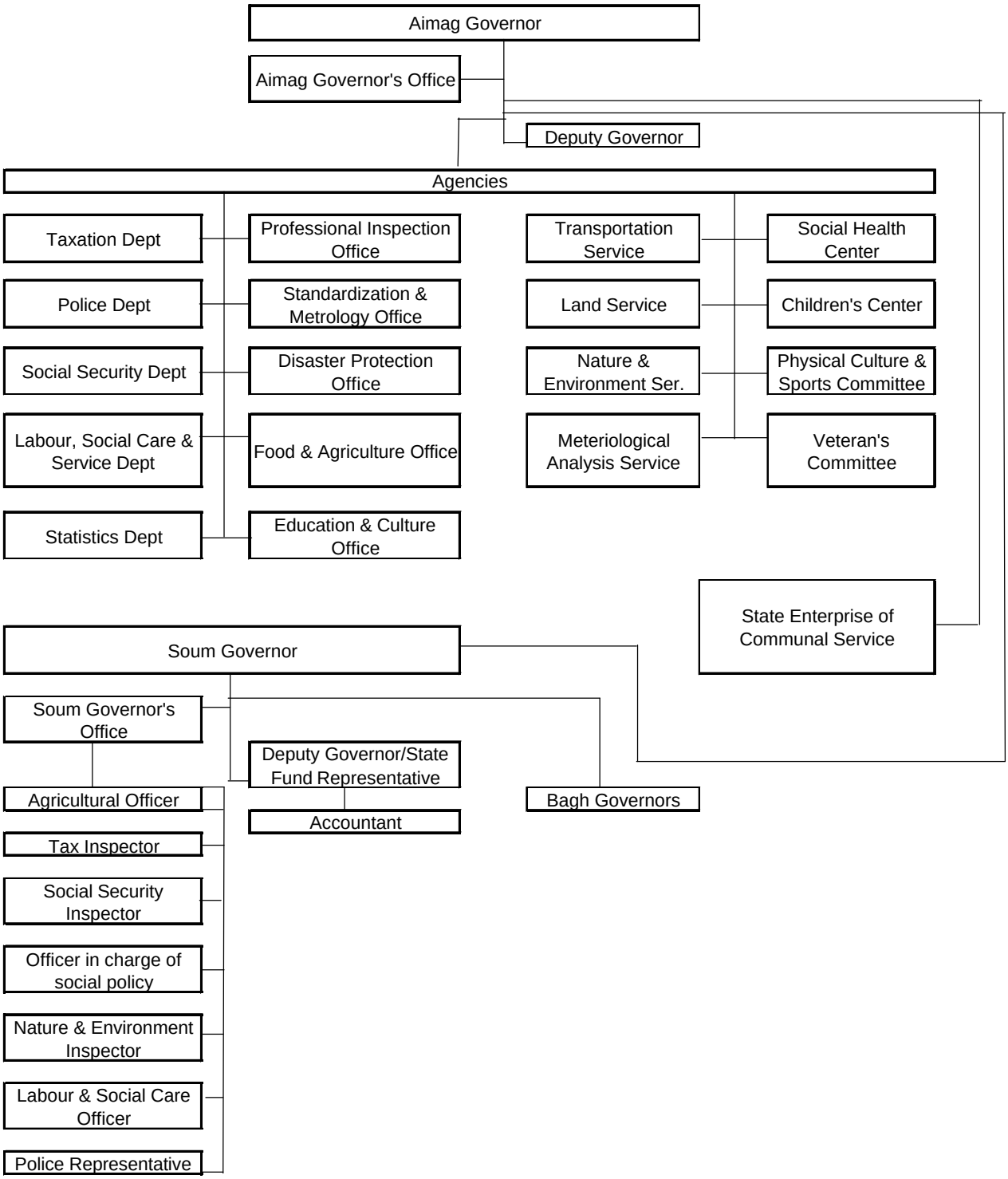
Appendix 1 - Survey Questionnaire

General Questions
How many years have you been running your business? 1-3 years; 3-5 years; 5-8 years; more than 8 years Type of business you are running? Trade Service Production Other What is your business legal status? Patent Coop Partnership LLC LC What date did your business formally register? ..... year .....month .....day

1. Indicate constraints faced in interacting with these government agencies (Mark by v where appropriate**)**	**Include detailed comments:**
?) Tax Department o Requests donations for naadams and celebrations o High tax rate o Difficult to understand tax law and regulations o Weak business related knowledge of tax officers o Poor communication skills of tax officials o Inspectors prefer to fine and penalize o No support for local production o No tax relief for start-up businesses o Red tape/ bureaucracy slows down new business registration procedure o No promotion of Department's activities/services B) Professional Inspection Agency o PIA inspectors lack communication skills o Does not provide professional advice to business o Closes and fines businesses, revokes licenses/permissions o Imposes psychological pressures on business o Confiscates goods in a non-transparent way o Red tape/bureaucracy in obtaining licenses/permissions o Does not support local and new businesses o No promotion of Agency's activities/services C) Aimag/Soum Governor's Office o No local production support policy formulated o GOM resolutions on support of domestic industry not implemented o Non-transparent distribution of business support loans, grants and budget o Demands informal donations for naadams and other celebrations o Imposes constraints in getting licenses/permissions D) Land Office o Slow registration process o Excessive paper work o Non-transparent distribution of land use permissions o Bribery	
2. Rank these government organizations in terms of generating constraints to business support ("1" indicates most, "5" indicates least) o Professional Inspection Agency o Tax Department o Land Office o Aimag Governor's Office o Soum Governor's Office	**Include detailed comments:**

3. What in your opinion is the most common constraint to business support? o Government agencies demand too many documents o Excessive requirements imposed on starting a business o Red tape / bureaucratic process o Excessive control and inspection o Intimidation o Demands by local governments for donations o Attempts by government to impose high taxes o Forced to give a bribe o Poor communication skills and rude behavior of government employees o Other constraint – please explain	**Include detailed comments:**
4. What do you expect from government organizations? o Fast, efficient service delivery - and to be aware of services provided by each agency/department o Improved knowledge / understanding of laws and regulations by government employees o Improved business related knowledge of government officials o Duties and responsibilities that are consistent with government agency/ department mandate o Good communication skills, polite and friendly service o Provision of tax relief/incentives to local start-up businesses o Cease requesting / demanding informal donations for celebrations etc. o Transparent distribution of business support loans and grants from government and donor programs o PIA should provide advice and information on relevant standards and how to comply rather than only imposing penalties and fines o Improved information available on services provided by local government o Other expectation - please explain	**Include detailed comments:**
5. In which areas do government employees need to improve their work performance / knowledge? o Improved knowledge of business operations o Ability to deliver quality services o Improved knowledge of current business related laws and regulations o Good communication skills o Fair and transparent decision-making skills o Have no conflict of interest o Ability to advocate for and promote the amendment of relevant laws and legislation o Other area - please explain	**Include detailed comments:**

Appendix 2 - Local Government Organizational Chart



Appendix 3 - Suggested Activities for Creating a More Business-Friendly Environment

Areas / Topics	Activities	Government Agency
Promotion of government services	Assist selected agencies to publicize and promote activities and services, and relevant laws and legislation, through: ▪ Facilitating required training activities, and ▪ Assisting with design of promotional materials, posters, and information campaigns	Tax Office, Professional Inspection Agency, Governor's Office, Land and Cadastre Office
Capacity building of government staff	Develop, organize, and provide training on: ▪ The role of the private sector and general business principles and operations, ▪ Communication skills and information dissemination methods, and ▪ Ways to support local economic development	Tax Office, Professional Inspection Agency, Governor's Office, Land and Cadastre Office
Policy development	▪ Provide advice and assistance in the formulation of policies to create an enabling business environment in the aimags. ▪ Assist local governments to implement policies to support local businesses and new start-ups.	Aimag Hural, Tax Office, Governor's Office
Compliance with PIA standards	▪ Assist the PIA to develop and launch a public awareness campaign to inform rural businesses of existing standards and provide information on procedures implemented to ensure compliance with standards. ▪ Support the establishment of an open and transparent mechanism for businesses to obtain information and submit complaints and appeals.	Professional Inspection Agency
Inappropriate solicitations	▪ Work with Governors and Local Hurals to end the practice of inappropriate solicitations from businesses to finance government-organized festivals and celebrations.	Aimag/soum Governors Offices and Hurals
Building relations between private and public sectors	▪ Facilitate regular forums and round-table meetings between government and rural business representatives to discuss issues relevant to local business development. ▪ Assist with the development of government-independent business associations which advocate on behalf of the business community.	Local government and its agencies and rural businesses

Annex 4. Forage condition maps for end of July 2006

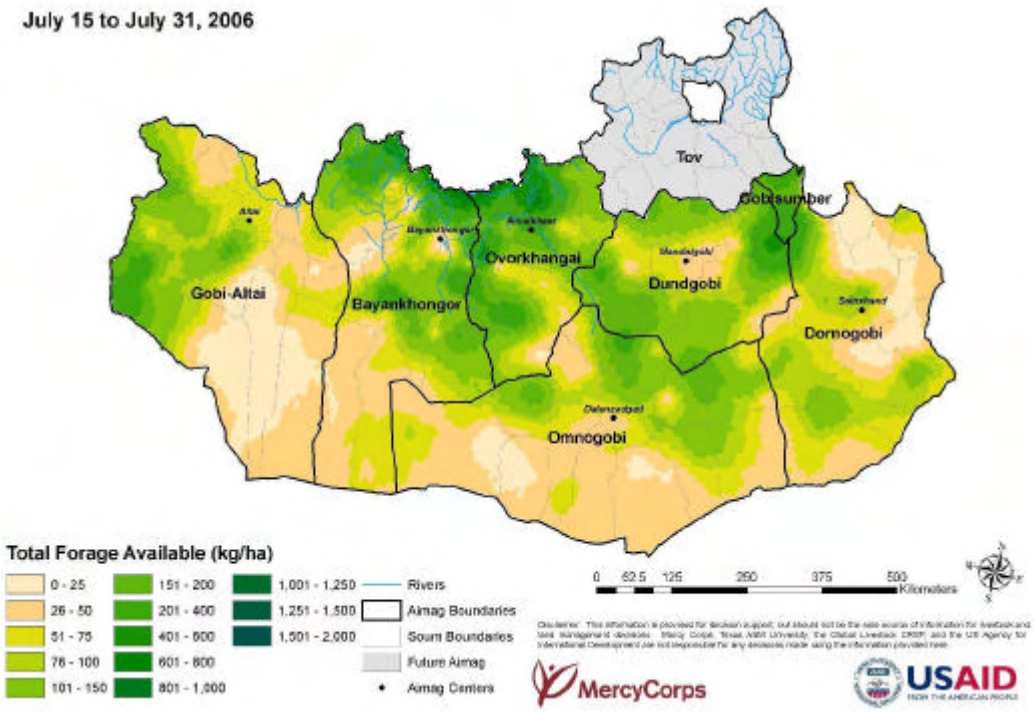


Figure 1. Total forage available (kg/ha) for grazing livestock in the Gobi Forage region. Total forage available represents the amount of forage that is available to all livestock grazers based on forage intake and preferences of the kinds of livestock. Total forage available is determined for 247 monitoring sites within the project area using the PHYGROW simulation model driven by daily rainfall in the region. The forage information for the 247 sites is then statistically coupled with satellite greenness to produce the regional map of forage conditions.

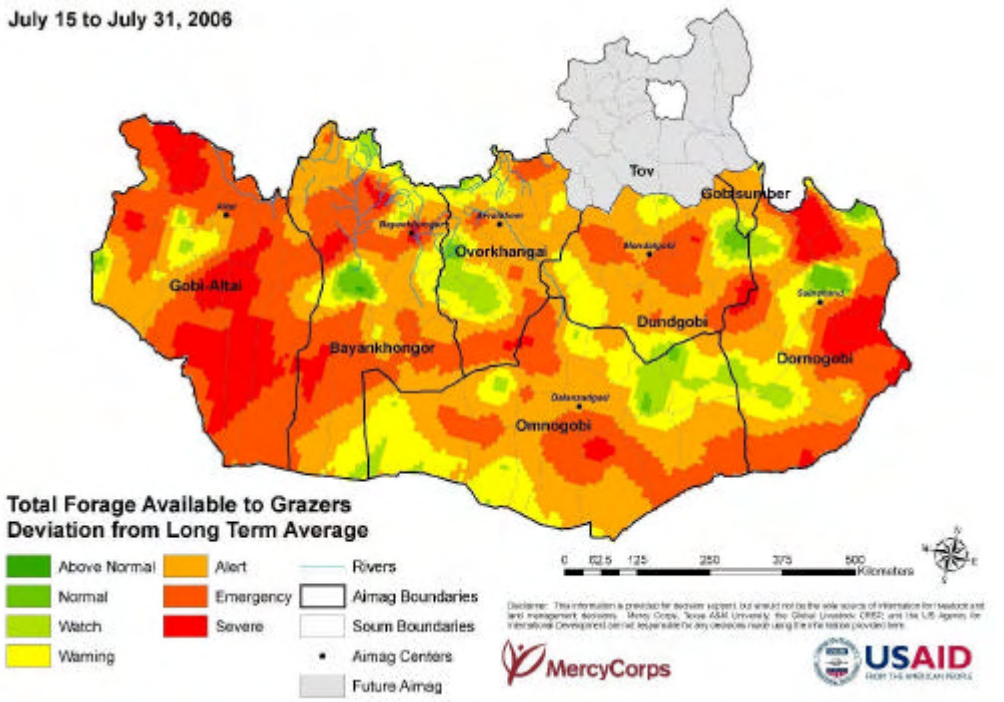
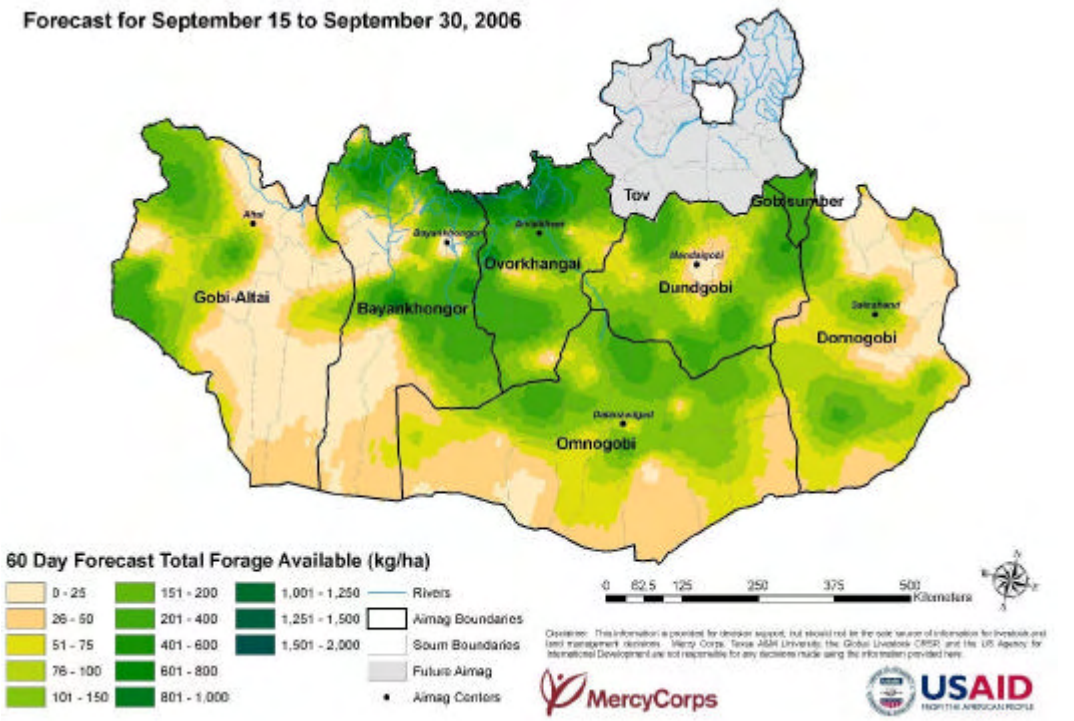


Figure 2. Total forage deviation from long-term average for the Gobi Forage region during 15-31 July 2006. The current total forage available to all grazers is compared to long-term average to determine whether forage conditions are higher or lower than average (normal). Total forage indicates biomass that is available for use by grazing animals. It does not include species that are unpalatable or inaccessible on the landscape. The total forage deviation is categorized as: Above Normal (> +50%); Normal (0 to + 50%); Watch (-1 to -20%)., Warning (-20 to -40%); Alert (-40 to -60%); Emergency (-60 to -80%); Severe (< -81%).

Annex 2. Comparison of current and forecasted maps for the same period of a year: September 15-30, 2006



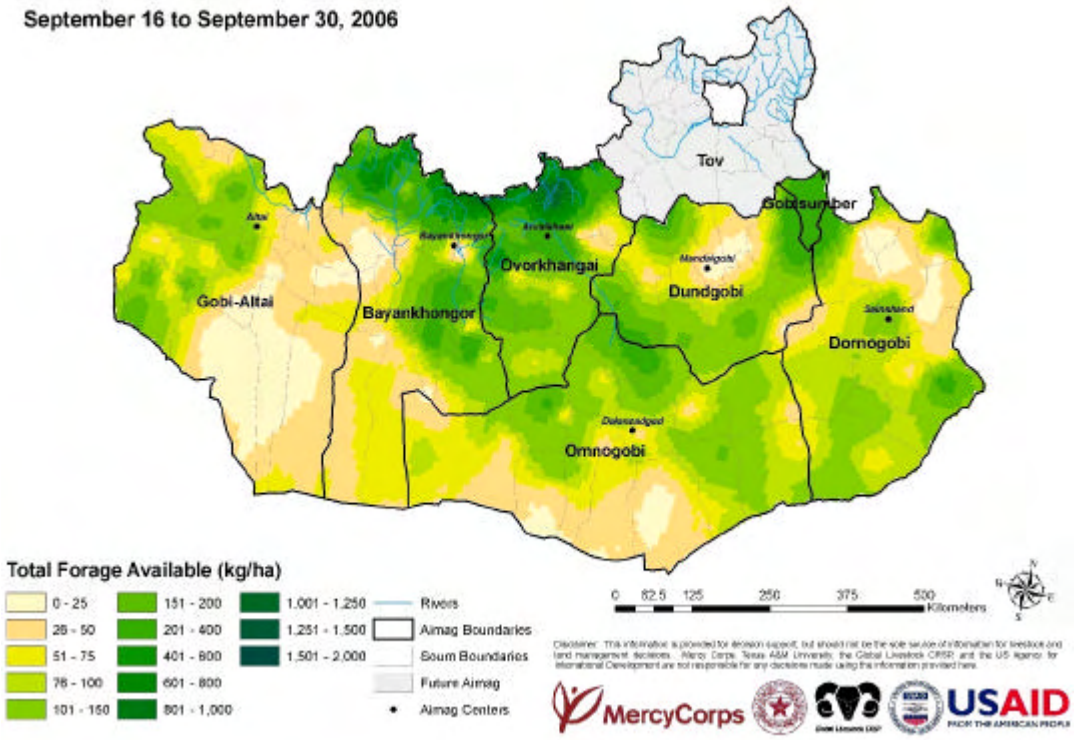


Figure 3. From above two figures you can see the comparison of a sixty-day forecasted total forage available average and total forage available for all grazing animals for the same period of a year: 15-30 September 2006. The 60-day total forage value is compared to long-term average to determine whether forage conditions are higher or lower than average (normal). Total forage indicates biomass that is available for use by grazing animals. It does not include species that are unpalatable or inaccessible on the landscape.

Annex 3. Forage condition maps compared with long-term average: current and forecasting for the same period of a year- 15-30 September 2006

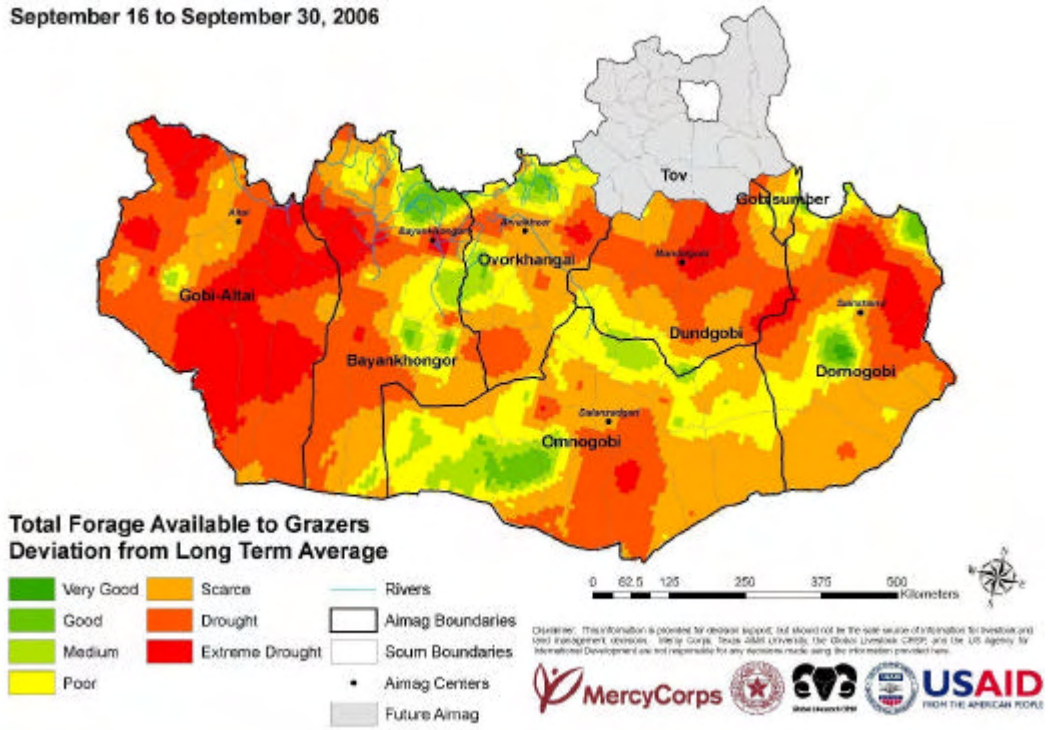


Figure 4. Total forage deviation from long-term average for the Gobi Forage region for period of 15-30 September 2006. The current total forage available to all grazers is compared to long-term average to determine whether forage conditions are higher or lower than average (normal). Total forage indicates biomass that is available for use by grazing animals. It does not include species that are unpalatable or inaccessible on the landscape. The total forage deviation is categorized as: Above Normal (> +50%); Normal (0 to + 50%); Watch (-1 to -20%)., Warning (-20 to -40%); Alert (-40 to -60%); Emergency (-60 to -80%); Extreme Drought (< -81%).

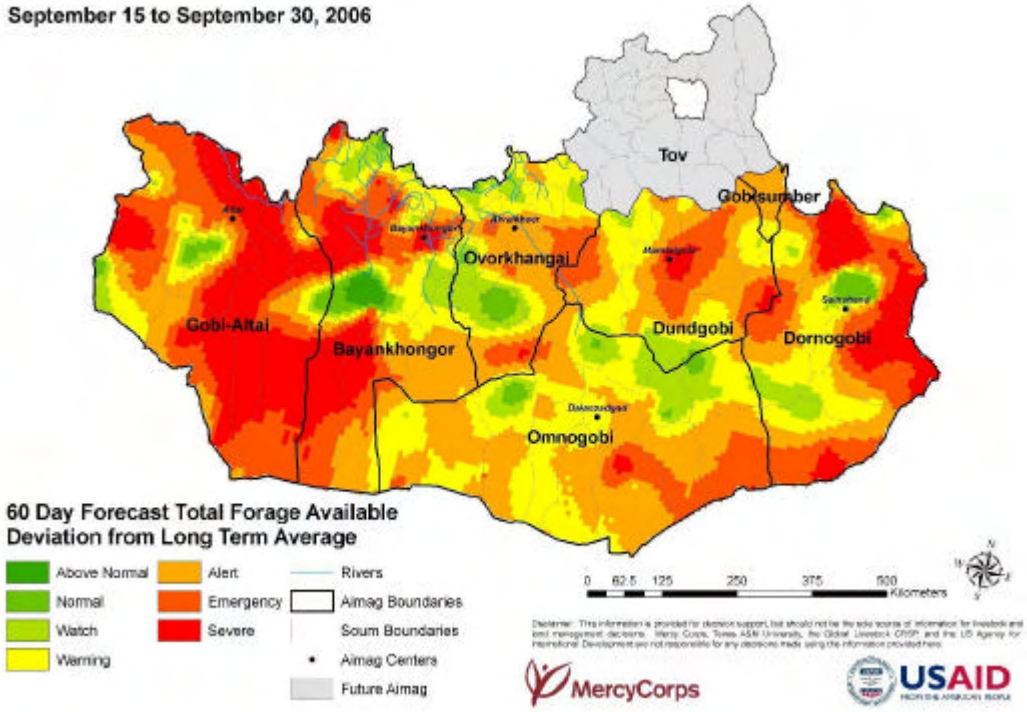


Figure 5. Sixty day forecasted total forage deviation from long-term average. Total forage for all grazing animals is forecasted out to 60 days using statistics. The 60-day total forage value is compared to long-term average to determine whether forage conditions are higher or lower than average (normal). Total forage indicates biomass that is available for use by grazing animals. It does not include species that are unpalatable or inaccessible on the landscape. The total forage deviation is categorized as: Above Normal (> +50%); Normal (0 to + 50%); Watch (-1 to -20%)., Warning (-20 to -40%); Alert (-40 to -60%); Emergency (-60 to -80%); Extreme (< -81%).

Annex 4: Forecasted maps for 16-30 November 2006

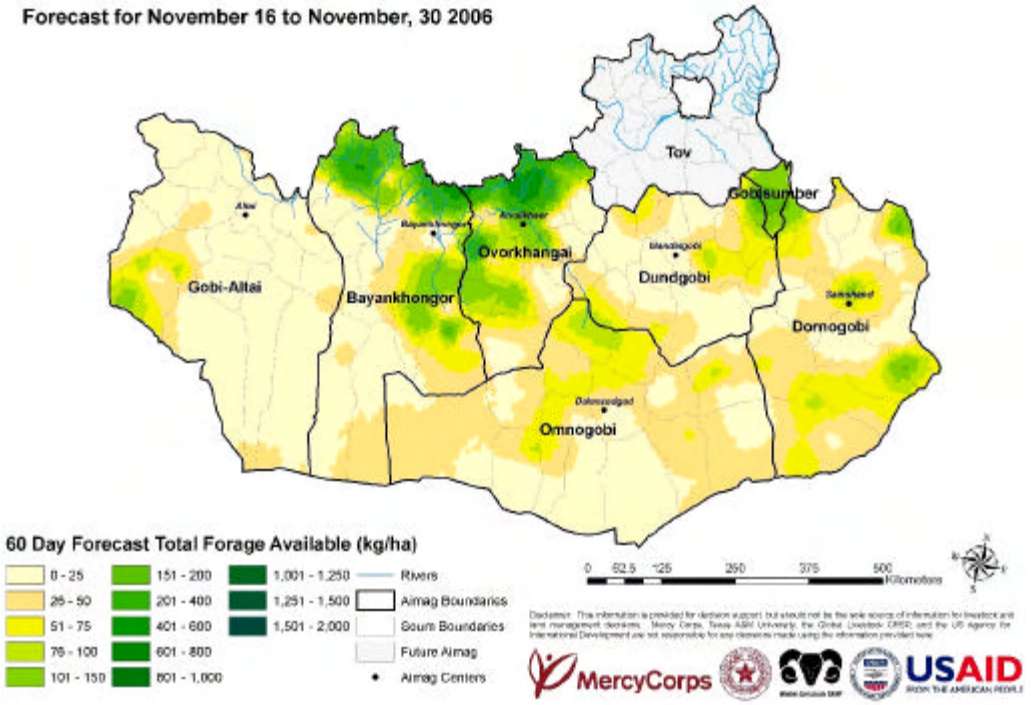


Figure 6. Sixty day forecasted total forage available (kg/ha) for grazing livestock in the Gobi Forage region. Total forage for all grazing animals is forecasted out to 60 days using statistics. Total forage available represents the amount of forage that is available to all livestock grazers based on forage intake and preferences of the kinds of livestock. Total forage available is determined for 247 monitoring sites within the project area using the PHYGROW simulation model driven by daily rainfall in the region. The forage information for the 247 sites is then statistically coupled with satellite greenness to produce the regional map of forage conditions.

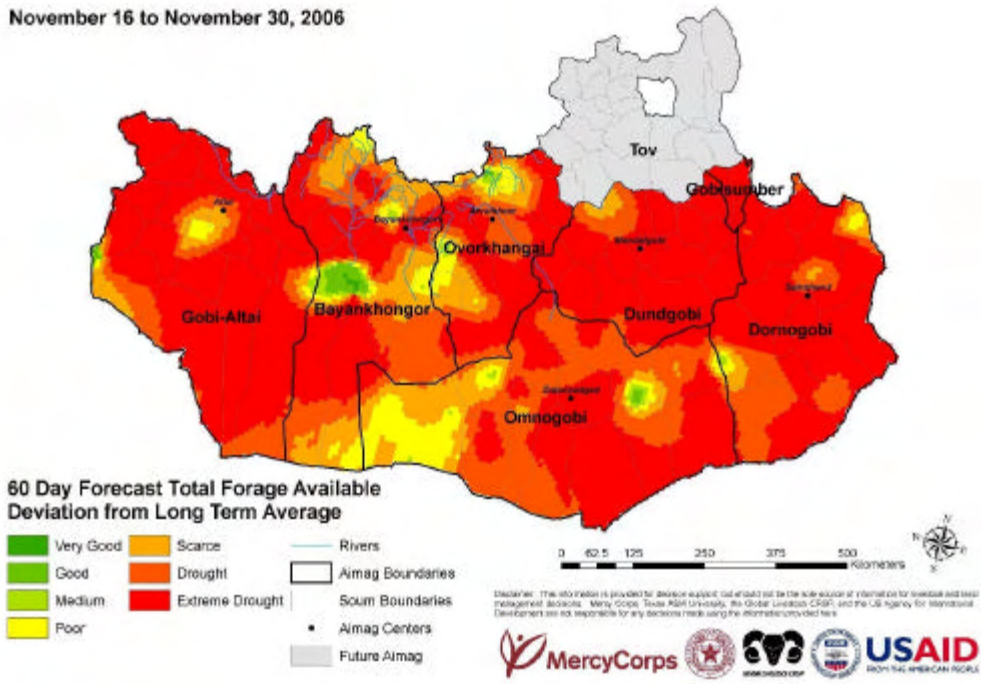


Figure 7. Sixty day forecasted total forage deviation from long-term average. Total forage for all grazing animals is forecasted out to 60 days using statistics. The 60-day total forage value is compared to long-term average to determine whether forage conditions are higher or lower than average (normal). Total forage indicates biomass that is available for use by grazing animals. It does not include species that are unpalatable or inaccessible on the landscape. The total forage deviation is categorized as: Very Good[1] (> +50%); Good (0 to + 50%); Medium (-1 to -20%), Poor (-20 to -40%); Scarce (-40 to -60%); Drought (-60 to -80%); Extreme Drought (< -81%). A description of actions for each of these categories is given in Table 1.

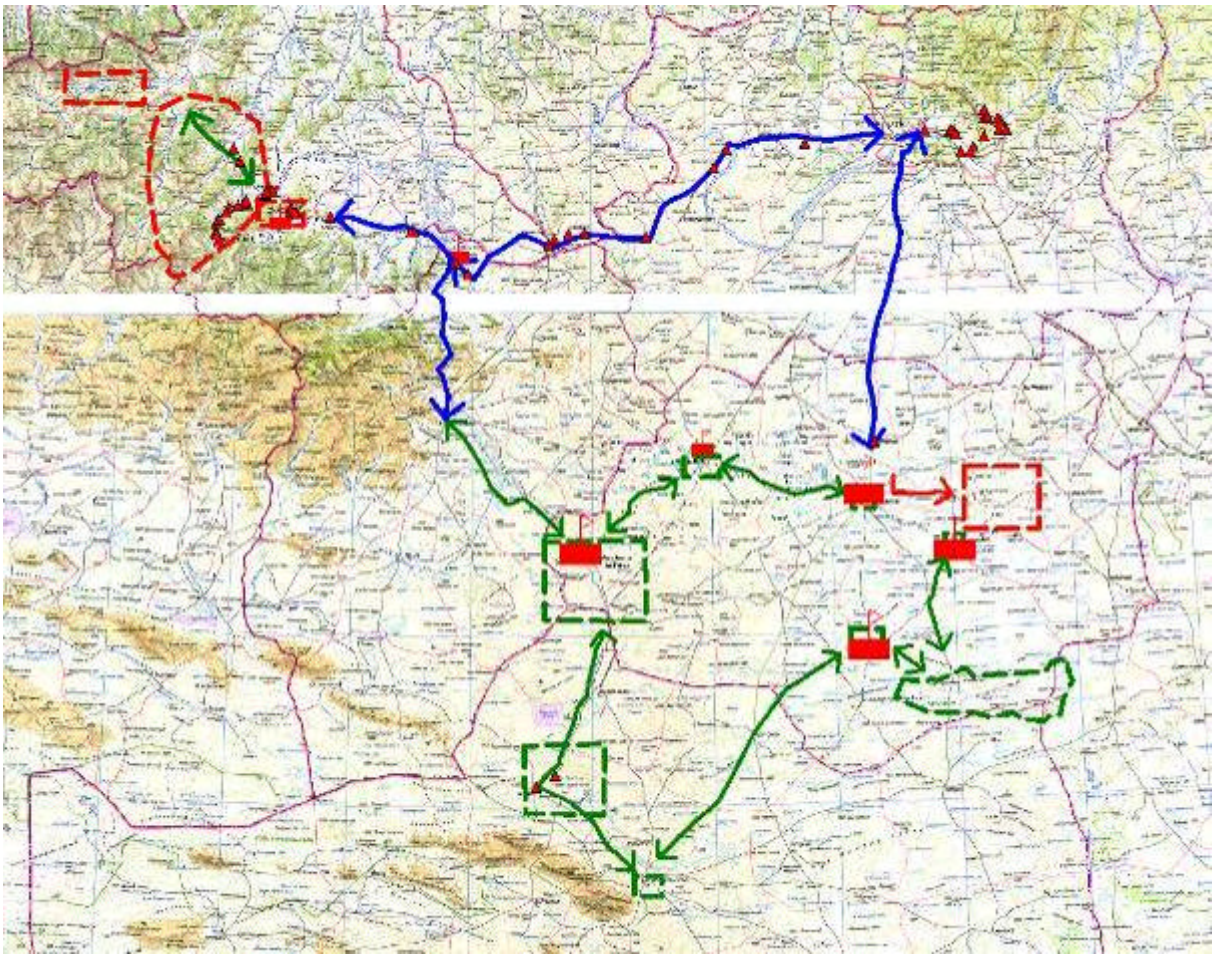
[1] Please note that we changed categories of total forage deviation since Jul 2006 based on feedback and comments from different stakeholders for efficient use of the maps.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

NOMAD-CENTERED COMMUNICATION AND INFRASTRUCTURE DEVELOPMENT THROUGH TOURISM

DUNDGOVI AIMAG



QUARTERLY REPORT

JULY 4TH – October 12th

Mongolian Alternatives Center

USAID FROM THE AMERICAN PEOPLE

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

EXECUTIVE SUMMARY

Fostering tourism's social economic incentives to stimulate growth and development

In the second quarter of Ger to Ger's implementation works in Dundgovi, the Project has entered into its marketing promotion, monitor and evaluation works. While carrying out these tasks, the project continued to facilitate the growth of many public, private partnerships to further fortify its position both domestically and internationally as a value added public travel support infrastructure. Some notable achievements include private sector tour operators such as Winds of Mongolia, New World Juulchin, Blue Bandana, BATTOURS, Mongolia Expeditions as well as Ulaanbaatar guesthouses all starting to understand the benefits of using Ger to Ger trained nomadic families and communities for their cost effective local logistical support.

In addition to private sector partnerships, Ger to Ger had employed student interns from various universities to carry out street referrals. Some of these student interns are from rural areas were the project operates. The student interns, even without English language, successfully attracted many visitors to Ger to Ger project office, and in many cases, travelers after meeting with project staff had purchased the services of rural herders and communities.

As of today, within 15 months of the project launch, Ger to Ger has successfully increased it volume of travelers by 337%; in 2005 summer season 60 travelers (not including winter), in 2006 season 202 travelers. Ger to Ger market approach and methodology is appealing to both public and private sectors as the project's ethics are easily identifiable with both sectors. To maintain sector and market trust, monitoring and evaluation trips had been intensively carried out to all three project locations as one locations has the ability to positively and negatively impact current and future successes of the other locations as Ger to Ger, step-by-step, becomes a country public tourism infrastructure and product. These success trends are anticipated to grow strongly in 2007-08 as Ger to Ger herders (Terelj and Dundgovi) had a main support role in the internationally famous "The Amazing Race" reality show that was broadcasted in over 150 countries worldwide with an audience extending over 30 million viewers.

During the 2006 season, the project carried out its works in western Dundgovi within the objective to initially establish an inter-linking rural transportation network between Saihan ovoo, Umungovi Aimag, to Mandalgovi. When visiting the Saihan Ovoo community, the project was requested by the local community to assist them to link to the tourism market as they are a mid-way transportation hub but still lack the understanding on how to link to this economic resource. The project carried out an intensive two day training workshop for the Saihan Ovoo community that included local businesses, government representatives, cooperatives and nomadic herders. It was during this intensive training workshop that the local community begin to foster the linkages with their local public, private sectors and their herder assets. Products and services were designed, prepared and readied for market promotion for tour operators and businesses for 2007 season. In line with local needs, a travel information center was established with a Gobi Initiative client, Mr. Nyamdavaa who owns Zambagiin Tal guesthouse. Saihan Ovoo community needs more specific attention as it is the belief of the Ger to Ger Project that they have a lot to win and very little to lose from intensifying tourism social economic activities.

Ger to Ger is carrying out its pre-winter training workshops during October 2006, in line with both tourism industry's domestic and international new product development and identification for the 2007 marketing promotion efforts that are carried out in October-

November 2006. During these trainings Ger to Ger is focusing on evaluation of season findings, SWOT analysis and 2007 planning, human resource management, and regional development of Ger to Ger activities, etc.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

As the summer 2006 season comes to a close and winter begins, the beginning of 2007 tourism season, the project has identified many strengths and weaknesses as well as opportunities and threats from its 15 month pilot project implementation phase. In line with this report, the project has highlighted the following:

Table One: Macro Level - Financing for Dundgovi reveal some social economic impacts on the whole project's framework

	Strengths	Weaknesses	Opportunities	Threats
Financing 2006 – April 2007	1) The 2006-April 2007 USAID Financing of one location, Dundgovi, has a direct and beneficial impact on the whole Ger to Ger Project by keeping the entire initiative operational on both macro and micro levels. a) Dundgobvi currently sustained by USAID funding. i) 5 routes (1) 5 soums (2) 22 herders (3) 5 local drivers (4) 4 info centers (5) 2 cooperatives (6) 14 handicraft people b) Arhangai being sustain by both its 10% Community Development Fund and its 20% Sustainability Fund i) 2 routes (1) 21 herders (2) 2 local drivers (3) 8 other drivers (4) 1 info center (5) 2 cooperatives c) Terelj is being sustain by both its 10% Community Development Fund and its 20% Sustainability Fund i) 3 routes (1) 11 herders (2) 3 handicrafts people d) Umnugovi in 2006-07 trip paid by USAID funding, but no current funds available to carry-out needed activities. i) 2 routes (1) 6 herders (2) 2 cooperatives	1) Project requested minimum of 3 years funding to generate enough capital, at current cost effectiveness, to become financially sustainable. a) Project needs stable funding b) Local donors are mainly supporting their own initiatives c) Local donors want to rapidly transform Ger to Ger into a company and have it drop its development goals in education, health, communications and rural job market development.	1) Funding for additional project locations will ensure that existing locations will continue to operate via: a) 20% Sustainability Fund i) Financing Mandalgovi's Ger to Ger Ticketing and Travel Information Office b) 10% Community Development Fund i) Will be discussed at October training with herders and their community partners	1) Even with the 337% increase of travelers in 2006, this alone is not enough to financial keep the Project in operation in 2007-08 despite its low overhead running costs. a) If no early funding is found, project is forced to allocate its time towards hunting for funds rather than its development works. b) Externally, project activities never seems to leave first phase, hence the Ger to Ger takes on the appearance of a tour operator rather than a 'social economic development initiative'. i) This is being encouraged by local donors without including project staff in consultations (a) Lacks donor transparency

Ticket Pricing Adjustments	2) The Project is slowly increasing ticket prices, at herder acceptance, in line with economic and market considerations.	2) If the ticket price is seen to be rapidly increasing too quickly without upgraded facilities and services to match price adjustments this can lead to: a) Dissatisfied market b) Greater misunderstandings concerning projects intentions, ethics and goals c) Undermining industry market pricing and economics as service level and facilities are not comparative to tour operators: i) Guide interpreters ii) Expensive jeeps iii) Equipped dining facilities iv) Western saddles v) High-end camping equipments vi) Etc.	2) If the project gradually increases ticket prices over three years, taking into consideration of economic and market concerns, greater macro and micro appreciation and support of the initiative can be achieved. a) Stronger private sector and industry support b) Stronger public sector involvement at policy level	2) Industry assuming the project not being established as "value added infrastructure" but to compete for their market. a) Private sector may vocalize their displeasure of the Project b) Public sector may see this as another failed attempt at community based tourism in Mongolia c) Project is misinterpreted as purposely offsetting industry prices
Framework Successes	3) The Project's approach is establishing a good framework that highlights the successes that community based tourism can achieve: a) Payment methods b) Info centers c) Driver groups d) Herder & community services e) Loan introductions (Xas Bank) i) Upgrade route ii) SME development f) Public, private partnerships and linkage development g) Human resource management and coordination h) Rural facilitators skill development at all Ger to Ger locations i) English language training in line with Governments establishing it as the 2nd office language of Mongolia	3) Owing to the systematic bottom-up approach and lack of people's understanding of tourism being a full year activity: a) Fall – Training & Planning, b) Winter – Product Identification & Marketing, c) Spring – Training & Preparations, d) Summer – Operations, Many are disillusioned that success can and should be attained rapidly within summer season. This is not the case, as tourism begins in the fall and the results are measured in the following fall.	3) Communities and individuals that participated in Ger to Ger training workshops, before the season begins, quickly obtained the knowledge, skills and tools to better achieve successes within project frameworks.	3) Communities and individuals that participate in Ger to Ger training workshops during the season and/or too late into the season will find themselves to wait for the following season. a) Those that wait may become disappointed b) Forget what they learned from training workshops c) Naturally disassociate with project activities d) Lose the spirit

Vision's Visibility and Understanding	4) The Project's visibility , both domestically and internationally, is becoming stronger both as a innovative social economic humanitarian initiative and as a alternative country travel product. a) The Amazing Race i) 150 Countries ii) 30 Million viewers b) Foreign Investors Conference i) MoRTT's Tourism Director ii) MoRTT's State Secretariat iii) Private Sector iv) Moody's Asian director visited project site c) ABC World News Tonight	4) Owing to the Project's social economic approach, it is a development initiative. The process of turning weaknesses into strengths/ monitoring and evaluation of the progress of opportunities and threats/ carrying out re-development activities that are focused on the human development of rural herders and their local communities, for their long term benefit, is a social enterprise and the soul of social economic development. a) Many do not understand that the process to generate income from tourism is associated with human development and not purely on mobilizing assets. It has been proven time and again to generate benefits from tourism's social economics there must be a strong human capacity development curve (service, skills, etc.) . b) If not done so, the project can be widely misinterpreted and be accused of false advertising to generate public and market sympathy to generate income with little long-term impact towards our beneficiaries. c) This being the case, it is not wise to rapidly corporatize the project when its rural human assets' capacities, skills and knowledge are just being formed and developed.	4) Many aspects of the project beyond tourism, such as communications development over a wide geographic spread is beneficial for an array of programs within Ger to Ger vision and purpose: a) Herder tourism network armed with communication tools can service and coordinate the following as rural information points: i) Agro-business support ii) Wool-business support iii) Meat & hides-business support iv) Rain fall & pasture management support v) Climatic disaster relief management and coordination for livestock, agriculture, tourism, etc. vi) SME development vii) Market linkage development	4) Owing to the financial weakness of the Project initially relying on the generosity of donors for at least 3 consecutive years, the program is at the financial mercy of their understanding and willingness to support the initiative. a) Project is interpreted as only a tourism business rather than a social economic initiative using tourism frameworks to create self-reliant networks to support many social economic initiatives that rural Mongolia greatly needs. b) Network services only tourism, and other social economic potential is disregarded. c) Benefits of program design are not fully explored hence its implementation will be met with many limitations.

Table Two: SWOT analysis of Dundgovi Aimag by Soums

Name of soums	Strengths	Weaknesses	Opportunities	Threats
Dundgovi province /Macro/	1. Birthplace of long song 2. Ih gazriin chuluu protected areas 3. Uush healthy sand dune 4. Sangiin dalai monastery 5. First Mongolian Open air theatre festival was organized 6. Govi Initiatives program 7. Fauna resource /wild sheep, goat, fox etc/	1. Desertification spreading 2. Livestock decreased 3. Local people migration is increasing 4. Border provinces relationship is bad because of too many refugees to neighbors 5. Did not include in National tourism development policy / Master Plan/ 6. Non tourism destination area 7. Limited activity choices 8. Poor services 9. Poor marketing 10. No paved road	1. Main transit point to famous destination Umnugovi 2. People want to make alternative income beside livestock 3. Nearest province from UB	1. Uvurkhangai, Khentii, Umnugovi etc highly competitive provinces are starting to make good promotion and organize big festivals 2. Nature is getting increasingly worse
Mandalgovi town	1. Center of economic and trade a. Black markets b. Car repair shops c. Shops d. Banks etc 2. Mobicom network 3. Electricity 4. Transport options a. Many drivers b. Public bus route 5. English speaking and other professional human resources 6. Skillful handicrafts 7. Ticketing office provides following services: a. Jeep hiring b. Hotel & guest house booking c. Souvenir shop d. Ticket sales e. Interpreter f. etc 8. Essential travel service assets a. Local museum b. 4 hotels c. Restaurants d. Laundry	1. Transit point for travelers with underdeveloped services and linkages 2. Poor service sector's partnership 3. Poor options and quality of F&B services for travelers 4. Poor &slow internet service. / only one place/ 5. Lack of exchange currency service. Banks only change $. 6. Poor entertainment for travelers . /e.g. folk concert/ 7. Poor street lamps	1. Well known area by internationally famous long singers 2. Unique assets and resource to organize competitive event at open air theatre 3. On the main road to Umnugovi	1. Success of directly competing neighbors soums such as Adaatsag soum 2. Failure in destination management

Gurvansaikhan soum	1. Delgeriin choir monastery which was built in XIX century 2. Rich access from Gurvansaikhan soum a. to the train station b. to the Ikh gazar protected area 3. English language volunteer of Mercy corps teaches local people	1. No activity choices 2. Poor services a. Accommodations b. Meals c. Laundry d. Shower e. Internet etc	1. Possible to establish additional community tourism initiatives	1. Did not rain last years 2. Herders moved
Ulziit soum	1. Near place to a. Main road to Umnugovi and Mandalgovi b. Uush sand dune	1. No activity choices 2. Poor services a. Accommodations b. Meals c. Laundry d. Shower e. Internet etc	1. Possible to establish additional community tourism initiatives	1. No diesel
Saikhan ovoo soum	1. Hub from Uvurkhangai to Umnugovi 2. Unique combination of Natural resources and historical sights 3. Friendly people	1. Lack of English speakers 2. Poor marketing 3. Lack of information 4. Poor services and lack of professionalism in the tourism industry	1. Possible to establish additional community tourism initiatives 2. Big number of travelers transit 3. Possibility to make exciting tours based on natural and historical sightseeing	1. Ongi river dried-up owing to mining activities 2. No policy and management to establish Ger camp around the Ongi monastery

Table Thee: Ger to Ger Impact in Dundgovi by Soums (SWOT)

Name of soums	Strengths	Weaknesses	Opportunities	Threats
Ger2 Ger in Dundgovi province /Macro level/	1. Opened lkh Gazriin chuluu route to attract travelers in Dundgovi 2. Opened Uush sand dune route to attract travelers in Dundgovi 3. Herders livelihood is supporting by project 4. Created new jobs for Local drivers, handicrafts etc 5. Developing province economics 6. Project three travel service centers are providing services to FITs and group travelers 7. Project supporting SMEs /shops, guest house etc/ 8. Doing powerful marketing in domestic and internationally 9. Improving tourism services 10. Supporting to become destination area 11. Enriching activity choices 12. Giving chances to stay in their local area for locals 13. Herders are using their alternative income for grass, children education and health etc 14. Promoting province and Open theater festivals for markets 15. Tour operator companies are starting to sell Dundgovi products since Ger to Ger created tours	1. Project herders poor tourism knowledge, experience and they don't understand how important disclaimer we made with travelers and companies etc 2. No direct communication access between herders, local facilitators and project 3. Herders and local people poor language skill 4. Ger to Ger information center does not have own place 5. Poor partnership between project and Government	1. Ger to Ger information center and project herders will be best supplier to travelers in Dundgovi 2. Local information center and locals will be best resource to tourist companies 3. Suggest Dundgovi province in Master plan of tourism to Government	1. Province tourism product, human resource and service network need to be established and developed by project for next years. 2. Marketing and image development will take several years. 3. Issues related herder livelihoods, migration and social economic situation will increasingly become worse if project doesn't continue

Mandalgovi town	1. Ticketing office has tourism professionals and good English speaking 2. Created new jobs for a. 4 local drivers b. 12 handicrafts c. 1 ticketing officer d. 1 sales woman of souvenir shop 3. Project supporting SMEs a. souvenir shop at Gandaldalai b. Gandalai supermarket c. Local transportation d. Hotels /govi, altangovi, temujin/ e. Guest house etc 4. Supporting tourism education and hospitality of local people 5. Winds of Mongolia, Bat tour, Blue Bandana etc companies sent their over 20 travelers to Mandalgovi 6. Start point of Ih gazriin chuluu, Uush sand dune and others tours	1. Ticketing officer has poor understanding and experience about tourism law, payment and marketing plan 2. Lack of technical facility. Computer, printer and internet access etc. 3. Poor office stationary supply /papers, folders, laminator machine, travel books, maps etc/ 4. Ticketing officer position is seasonal.	1. Possibility to manage Big souvenir shop 2. Possibility to run café service for travelers 3. Possibility to make updated Dundgovi province and Mandalgovi town map and guidebook for travelers 4. Possibility to organize entertainments for travelers	1. Non stable place for ticketing office and souvenir shop
Gurvansaikhan soum	1. Easy to find ticketing office as it is near the Monastery 2. Can visit any time to Monastery 3. Near to the Ikh gazriin chuluu protected area 4. Peace Corps (PCV) English language volunteer teacher is working 5. Created new job market for a. 1 family b. 2 drivers c. 3 handicrafts 6. Project supporting SMEs a. souvenir shop at ticketing office b. local shops 7. Ticketing officer is willing to develop tourism in area	1. Ticketing officer has a. no tourism professional education b. Poor speaking skill 2. Ticketing officer is running shop beside tourism service	1. Run non seasonal souvenir shop business 2. Possibility to attract travelers from Mandalgovi and Ikh gazriin chuluu	1. Lack of tourism understanding. /it takes time, service sector so always should be patient and do sustainable activity etc/

Ulziit soum	1. Project supporting SMEs a. local shops b. local restaurant	1. Ticketing officer has a. Bad professional responsibility to run business b. Bad communication	1. Manage sustainable travel service office 2. Support local handicrafts, drivers and other businesses 3. Attract travelers from Mandalgovi and Umnugovi	1. Ticketing office did not work in 2006. Even if made deal with project. It pushed down GertoGer prestige because project promoted it in domestic and internationally.
Saikhanovoo soum	1. Good professional partnership between project and governors 2. Skillful handicrafts 3. Good signs in town for travelers 4. Main basic services centered at ticketing office. a. Hotel b. Café c. Ticketing d. tour info e. hiring jeep etc services 5. Local people are good initiatives and support each other. 6. Governors, herders and ticketing officer were trained by the project to develop Community tourism 7. Three optional tour itineraries were developed	1. Lack of English speaking 2. Lack of tourism professionals 3. Poor marketing plan	1. Possibility to receive minimally 500 travelers a year 2. Possibility to make good trade of souvenirs 3. Tourism basic services can run successfully	1. Strong competitor neighbor provinces and soums 2. Though recipients of training, this community need further education and project assistance to effectively strengthen linkages, knowledge, skills, etc.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Some notable indicators include the following between:

Macro Level (Arhangai, Dundgovi and Terelj)

1. **Total economic benefits generated by the Project** (June-October, 2006)

Total Economic in USD	Total Converted in MNT
$39,131.33	**45,901,054?**

2. **Tickets sold:** 202 Travelers (June-October, 2006) = $26,532.00

3. **Growth rate between 2005-06:** 337%

   i. 2005 = 60 travelers

   ii. 2006 = 202 travelers

   iii. 2007 projection of 400 travelers

   iv. 2008 projection of 600 travelers

Micro Level (Dundgovi)

1. **Dundgovi total economic contribution:** $10,015 (June-October, 2006)

2. **Dundgovi economic benefits 2006-08:** Calculated at current ticket price of $130 (this will change next year to $200 TDB), by 2008, Dundgovi total generated economic benefits between 2006-08 will exceed $65,000 (over $87,000 when price changes in 2007) – thus full recovery of granted amount for Dundgovi within an estimated duration of 3 years.

3. **Establishing the first rural-based inter-linking travel network for travelers:** The Project has initiated and facilitated the local growth of an inter-linking 'rural tourism transportation network' with local drivers within Dudngovi and linked it to both Umnugovi, Arhangai and Tuv.

4. **Systematically linking herders and their communities to the travel industry's benefits:** Within two months the project has established three main ticketing and travel information centers in Dundgovi in partnership with local businesses to allow rural communities to better link to the tourism market that will assist travelers to explore rural Mongolia more easily and cost effectively. These centers also provide a greater opportunity for community and herder-led tourism initiative and services to be locally developed and managed. Local herders, drivers, handicraft makers, businesses, and etc., all use these centers to assist in business linkages to the tourism market rurally.

Impacts

1. **Being inclusive, sharing the benefits with others via Ger to Ger Initiative:** The Project has also took under its wings the marketing of 7 additional local community travel routes besides it three Ger to Ger Routes (1 in Arhangai, 4 Dundgovi, 2 Umnugovi).

2. **Information centers:** Firstly implemented and tested in Dundgovi, the Project replicated this in Ih Tamir, Arhangai and will be developing this in Terelj in 2007.

Growth Rate

1. **Dundgovi economic benefits from 2008-ownwards:** Calculated at current ticket price of $130 (this will change next year to $200 TDB), by 2008, Dundgovi's average annual economic benefits will reach $35,000 (over $46,000 when price changes in 2007)

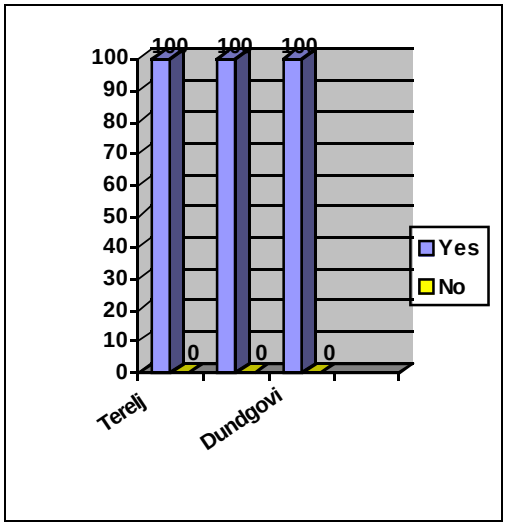
2. **Project growth rate by 2008:** At current growth rates in the Projects three Aimags (taking into account 'reality'), economic contributions to Mongolia's rural economy will have reached over $115,000 annually and will have totaled $224,000 for contributions generated between 2006-2008.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

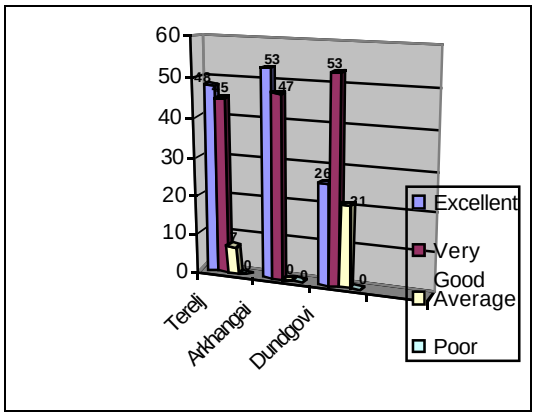
Survey Feedback Evaluation

I. First Time Traveling?



Interpretation:
The results show that all the travelers (100%) who had trip to the above mentioned three destinations were traveled at their first time with Ger to Ger.

II. Office Staff Performance



Travel Orientation Quality

Interpretation:

Terelj: Majority of travelers who had trip to Terelj evaluated office staff performance on travel orientation quality as 'Excellent', followed by 45% who assessed as 'Very Good', and only 7% said the performance was 'Average'. None of the They didn't vote for the options 'Average' and 'Poor'. It shows that office staff provides sufficient travel orientation to the travelers.

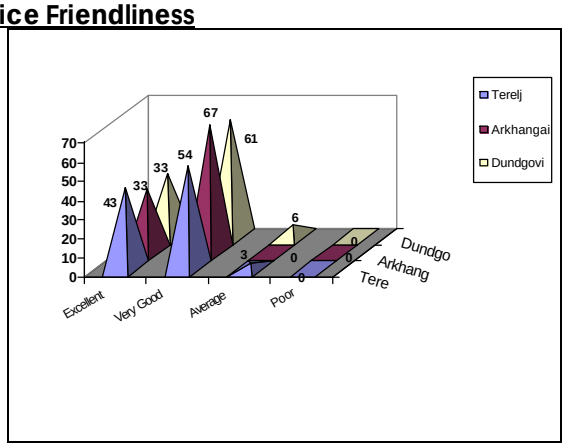
Arkhangai: 53% of respondents consider that office staff gave an 'Excellent' travel orientation to them, and 47% think that travel orientation given by staff was 'Very Good'. None of them consider that orientation given was 'Average' or 'Poor'.

Dundgovi: 53% (majority) assessed Ger to Ger's office staff's travel orientation ability as 'Very Good', followed by 26% who said as 'Excellent', however, 21% of responded travelers evaluated it as 'Average'. None of them consider that it was 'Poor'. From the results it can be inferred that office staff need to provide more information on travel orientation to Dundgovi route travelers.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Office Friendliness



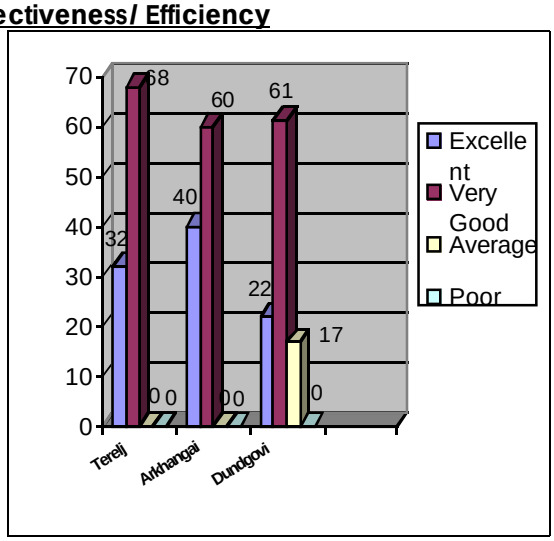
Interpretation:

Terelj: The chart shows that majority or 54% assessed office staff friendliness as 'Excellent', followed by 43% who evaluated as 'Excellent', and 3% consider as 'Average'. None of them consider office staff friendliness 'Poor'.

Arkhangai: All the travelers were satisfied with friendliness of the office staff where 67% assessed it as 'Very good' and 33% said that it was 'Excellent'. There was no negative response regarding this option.

Dundgovi: Majority of Dundgovi route travelers replied that office friendliness was 'Very good', followed by 33% who really satisfied with the friendliness of the office staff and evaluated it as 'Excellent'. However, 6% of them assessed it as 'Average'. None of them said that staff was unfriendly.

Effectiveness/ Efficiency



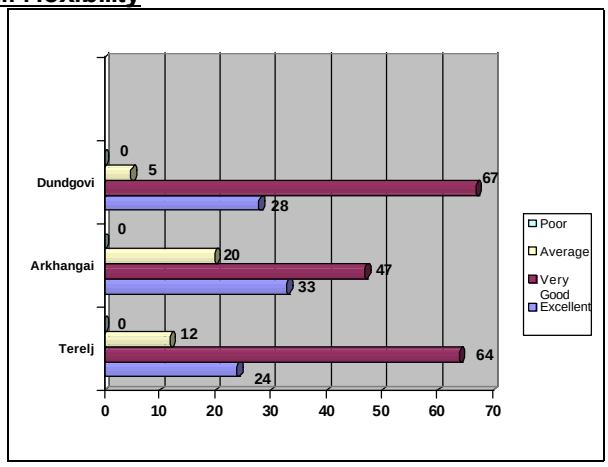
Interpretation:

Terelj: Effectiveness and efficiency of the office staff was evaluated by majority (54%) of travelers as 'Very good', and 32% of them replied as 'Excellent'. None of them felt that efficiency of the office staff was 'Average' or 'Poor'.

Arkhangai: Most (60%) of the respondents responded that office staff effectiveness/efficiency as 'Very Good'. 40% think that performance is effective and evaluated as 'Excellent'. They didn't consider that office effectiveness is 'Average' or 'Poor'.

Dundgovi: 61% of Dundgovi travelers think that office staff efficiency was 'Very good', followed by 22% who assessed it as 'Excellent', and 17% said that it was 'Average'. None of them said that office efficiency was 'Poor'.

Staff Flexibility



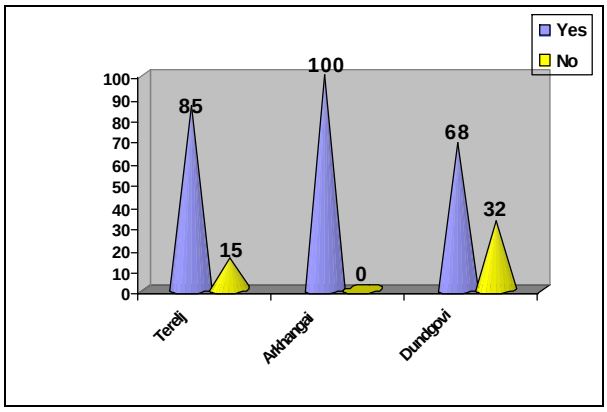
Interpretation:

Terelj: Respondents were asked to evaluate the staff flexibility and most of them or 88% evaluated it highly (Very good -64%, Excellent – 24%), and 12% said it was 'Average'. None of them said it 'Poor'.

Arkhangai: Majority or 47% responded that staff flexibility was 'Very good', followed by 33% who assessed the flexibility as 'Excellent', and 20% felt that it was 'Average'. No one thought that it was 'Poor'.

Dundgovi: Again majority (67%) assessed staff flexibility as 'Very good', and 28% think that staff was flexible and evaluated as 'Excellent'. 5% felt that it was average. None of them considered that it was 'Poor'.

II. Adequate trip info provided



Interpretation:
Terelj: Provision of the adequate trip info is a vital subject. Most of the travelers said that adequate information was given, which comprises 86%, however, 15% of them replied that pre-departure info was not sufficient.

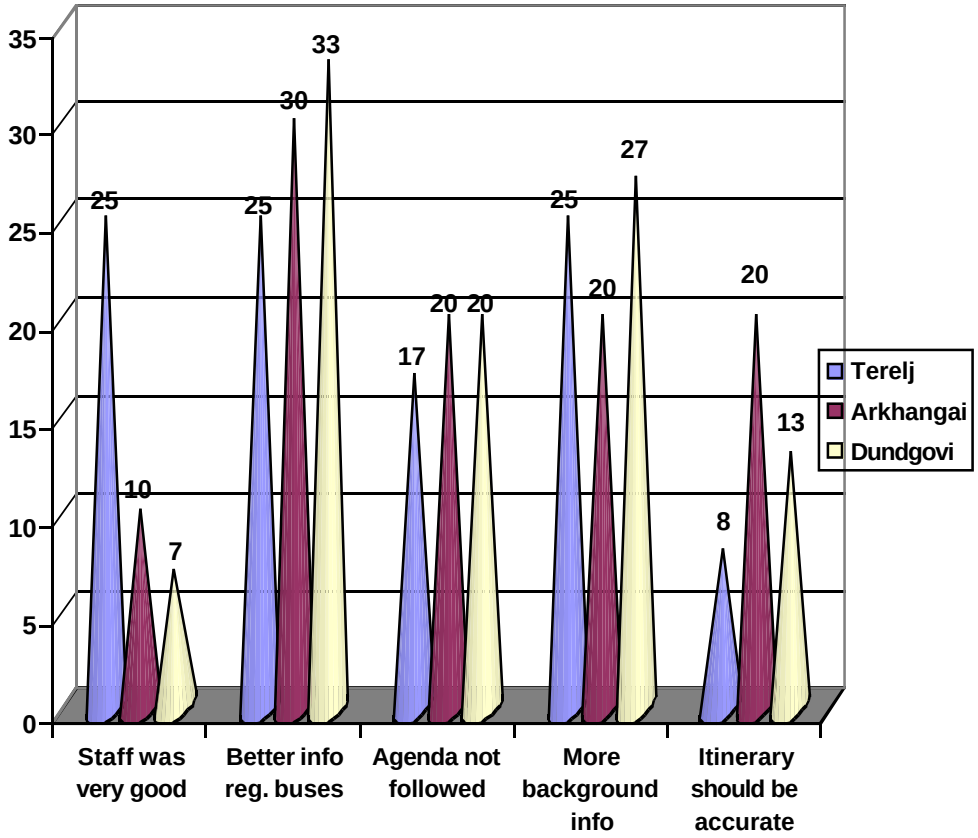
Arkhangai: All the travelers (100%) who traveled to Arkhangai replied that 'Ger to Ger' office had provided the adequate trip info.

Dundgovi: 68% of Dundgovi travelers think that information provided was adequate, however, remaining 32% of them felt that info wasn't sufficient. The results say that office need to provide more detailed info to Dundgovi travelers, or develop special pre-departure info brochure to the travelers.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Office Staff Comments



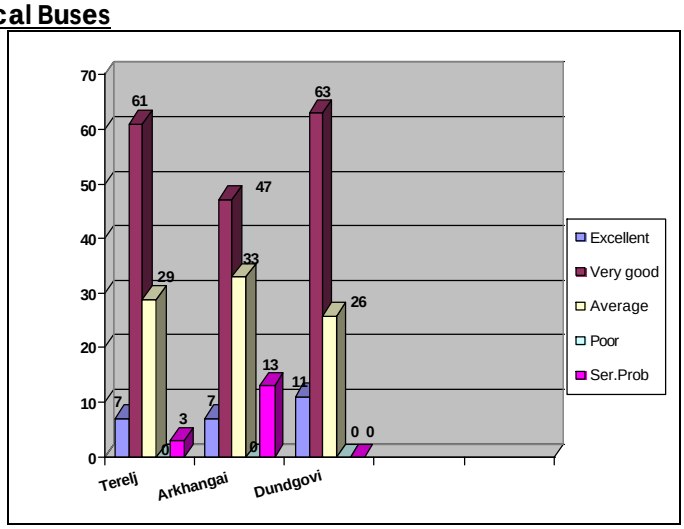
Interpretation:
Terelj: Travelers were asked to write comments on office staff performance. 25% of Terelj travelers commented that office staff was excellent, and 25% suggested that office staff need to provide better info regarding public buses as there were confusion on getting down from the bus, bus stop map should be drawn better and comments on possibilities of purchasing ticket by office. 17% of Terelj travelers felt that initial agenda written in the itinerary was not fully followed and 8% of them suggested that more accurate itineraries should be developed. Remaining 25% of the respondents wrote their comments that office staff need to provide more background info regarding the tour, herder, livestock etc.

Arkhangai: 30% of Arkhangai travelers felt that there is a need for more info regarding local buses, and 20% each respectively commented that agenda should be followed properly, provision of more background info is needed, and as well as itinerary possibly should be more accurate.

Dundgovi: Majority or 33% of Dundgovi travelers asked better info regarding local public buses, and 20% respondent that it was nice trip, however, agenda had not been fully followed by herders. 27% wrote that more background info will help to get better orientation. And remaining 13% commented to make more accurate itinerary.

III. General Travel Info

Local Buses



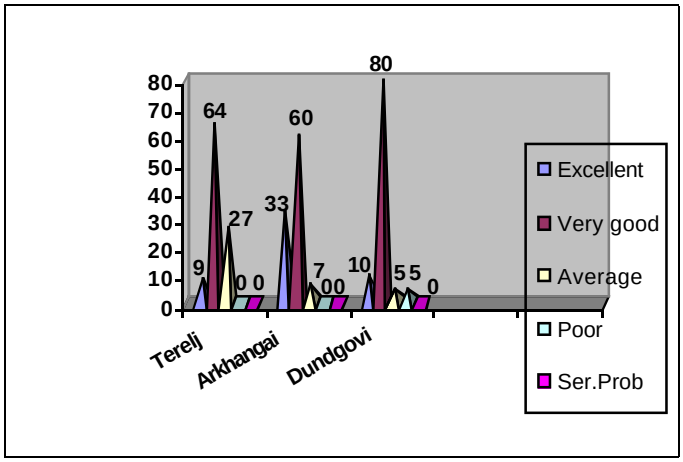
Interpretation:

Terelj: 61% of travelers assessed local buses as 'Very good', followed by 29% who felt that it was 'Average', and 7% said that travel by local bus was excellent. But minority or 3% replied that local buses were 'Serious problem', no one chose the option 'Poor'.

Arkhangai: 54% of the respondents satisfied with the service of the local buses (7% assessed as excellent, 47% - very good). None of them said it was 'Poor', however, 13% felt difficulties traveling by local buses and responded 'Serious Problem'.

Dundgovi: Most (63%) of the travelers assessed local buses as 'Very good', followed by 26% who evaluated the local buses as 'Average'. 11% of the travelers responded that local buses were 'Excellent'. None of them evaluated local buses as 'Excellent', Poor or Serious Problem.

Rural Jeep Drivers



Interpretation:

Terelj: Respondents were asked to evaluate rural jeep drivers. 64% said that rural jeep drivers were 'Very Good', however 27% evaluated them as 'Average'. And 9% assessed them 'Excellent'.

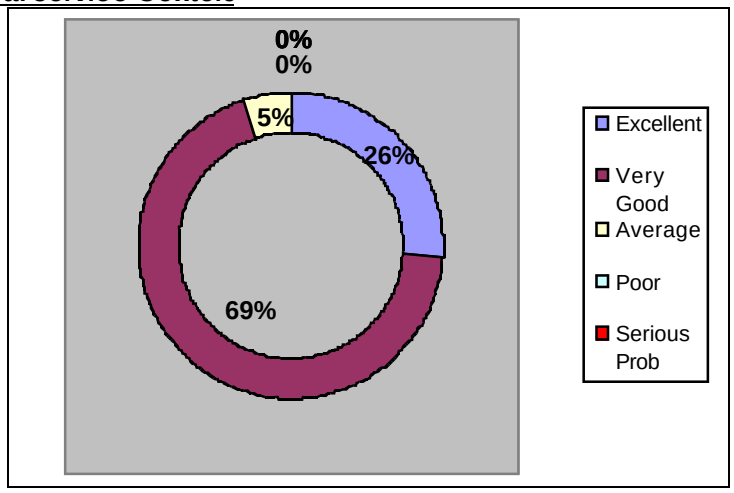
Arkhangai: Most of the travelers were satisfied with the service of rural drivers and 60% said that they were 'Very Good', followed by 33% who evaluated them as 'Excellent'. None of the travelers considered rural drivers' service as 'Poor' or 'Serious problem'.

Dundgovi: 90% (80% - Very good, 10% -Excellent) of the responded travelers assessed rural drivers' service as Good and were satisfied with their service provided. However, minority (10%) evaluated otherwise, 5% of them felt that service of rural drivers 'Average' and another 5% assessed it as 'Poor'.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

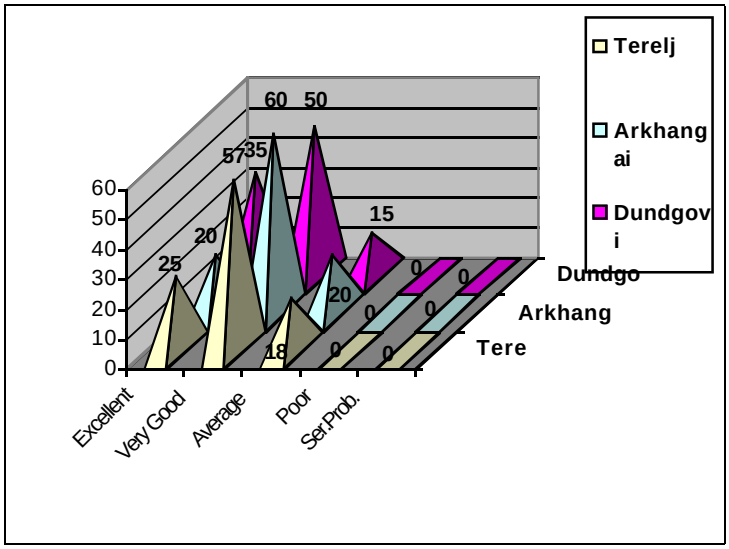
Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Rural Service Centers



Interpretation:

Dundgovi: Ger to Ger rural service centers are located mainly in Dundgovi. Ger to Ger is going to further expand the service of the rural service centers and planning to further strengthen Arkhangai and newly establish one Terelj provinces.
The survey attempted to find out the perception of the respondents regarding the service and operation of the Dundgovi service center. Most of them or 95% were satisfied with the service of the service center where 69% replied that it works 'Very Good' and 26% assessed it as 'Excellent'. Only 5% of them evaluated the rural service center's work as 'Average'. None of the respondents evaluated the service center's work as 'Poor' or 'Serious Problem'.



Ease of Rural Travel via GertoGer families

Interpretation:

Terelj: The survey revealed that majority or 57% of Terelj route travelers found the rural travel ease via Ger to Ger 'Very Good', followed by 25% who think that travel ease was 'Excellent'. 18% of them found the travel ease as 'Average', none of them said that rural travel via Ger to Ger was 'Poor' or 'Serious Problem'.

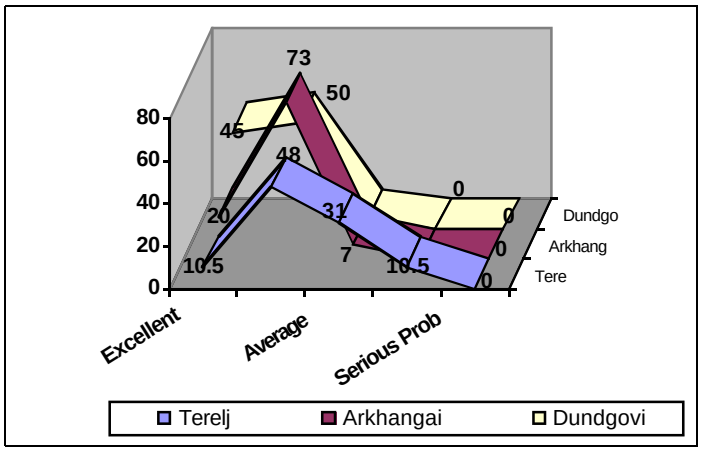
Arkhangai: 60% or majority of the Arkhangai route tourists found the travel ease as 'Very Good', and 20% of them found the travel ease as 'Excellent', however, 20% of the travelers assessed that travel ease was 'Average'.

Dundgovi: The results found that 85% of the Dundgovi route travelers satisfied with travel ease with Ger to Ger (50% -'Very Good' and 35% respectively assessed it as 'Excellent'). Travelers of this route have not assessed it as 'Poor' or 'Serious Problem'.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Route Activities
Interpretation:

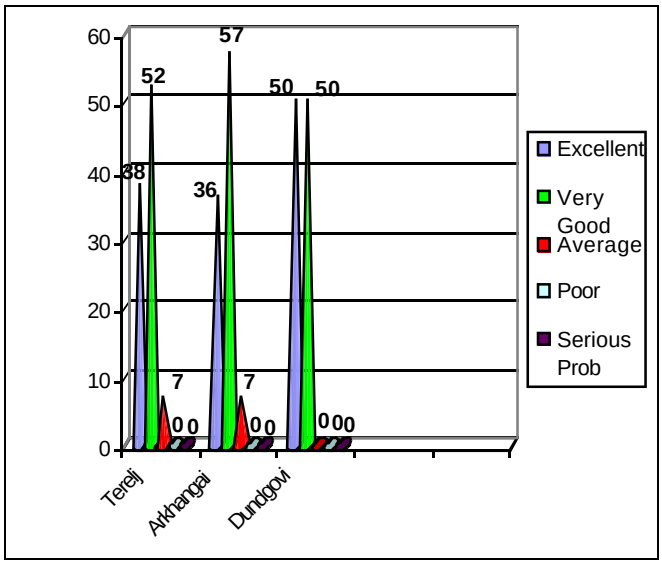


Terelj: Travelers were asked to evaluate route activities provided. The survey revealed that 48% of Terelj route tourists consider the route activities as 'Very Good', followed by 31% who assessed that the activities were 'Average', and 10.5% of them felt that route activities were 'Excellent'; however, another 10.5% assessed that activities were 'Poor'. None of them evaluated that services were 'Serious Problem'.

Arkhangai: The results show that most (73%) of the Arkhangai route travelers assessed it as 'Very Good', followed by 20% who said that route activities were 'Excellent', and remaining 7% assessed the activities provided as 'Average'.

Dundgovi: 'Excellent' and 'Very Good' were the evaluation of most of the travelers that comprise 95%, remaining 5% said that route activities were 'Average'. None of them said the activities were 'Poor' and 'Serious Problem'.

Trip Duration
Interpretation:



Terelj: Majority (52%) of the respondents replied that trip duration was 'Very Good', and 38% considered that the duration of the trip was optimal and ticked the option 'Excellent'. Only 7% evaluated it as 'Average'. None of them think that trip duration was 'Poor' or 'Serious Problem'. From the above we can infer that trip duration suggested (offered) to the travelers was planned well.

Arkhangai: 93% of the respondents said that trip duration was optimal, where 57% assessed trip duration as 'Very Good' followed by 36% who think that it was 'Excellent', again only 7% evaluated the trip duration as 'Average'. None of the travelers chose the options 'Poor' or 'Serious Problem'.

Dundgovi: All the travelers were satisfied with the trip duration and 50% of them replied that duration was 'Excellent', followed by 50% who said that it was 'Very Good'. None of the travelers have a negative response regarding the tour duration.

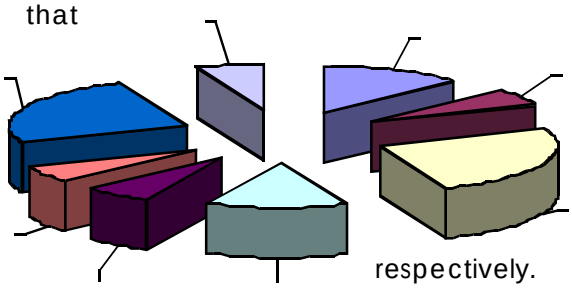
GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

General Travel Comments

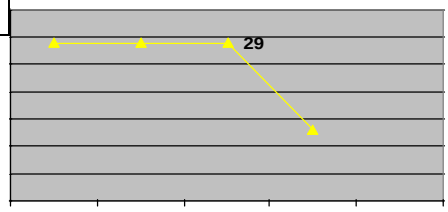
Interpretation:
13% of travelers wrote that their general travel was 'Very Good' and 6% of them expressed their willingness to travel again via GertoGer. 25% of Terelj travelers wrote on their general travel comments that activities were less, and another 25% expressed that they had confusion regarding the bus stop and were got down on the wrong bus stop. Some travelers (13%) commented that need to wear helmets while riding a horse. More ox cart option and the shorter horse riding were comments of 6% respondents respectively.

Terelj Comments



Arkhangai

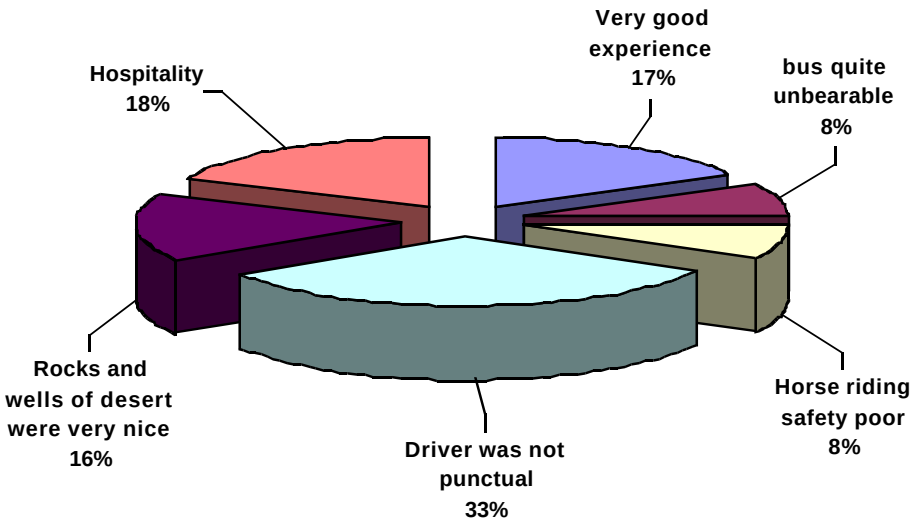
Interpretation:
29% of Arkhangai travelers commented that generally travel was a very good experience, and again 29% each respectively responded that public bus was quite unbearable and road quality was poor. 13% commented that horse riding was too long for them.



GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

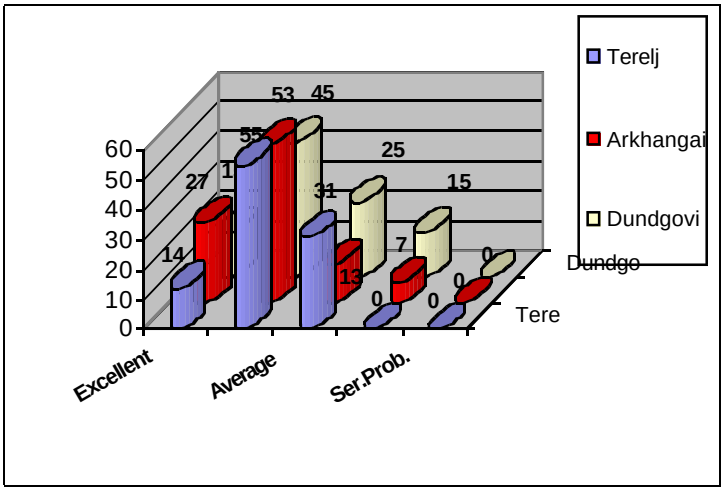
Dundgovi Comments



Interpretation:
33% of Dundgovi travelers said that local jeep drivers were not punctual and made them more or less wait for them. 18% commented on their general travel comments that they very much liked the hospitality of people and 17% commented that generally travel was a very good experience. 16% expressed that rocks and wells in the desert were very nice. 8% commented that public buses were quite unbearable, followed by another 8% who said that horse riding safety was poor.

IV. Detailed Travel Info on Rural Drivers and Herders

Rural Driver Punctuality



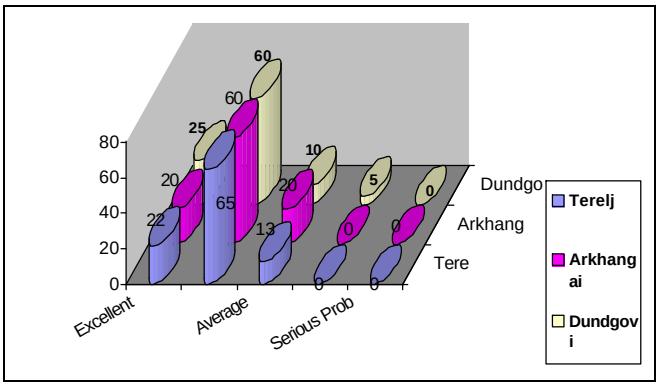
Interpretation:

Terelj: In Terelj trip the travelers have traveled only with local public bus and this evaluation purely related to the punctuality of the local bus drivers.
55% of them think that punctuality of rural bus drivers was 'Very Good', followed by 31% who assessed their punctuality as 'Average'. 14% considered that punctuality of rural drivers was 'Excellent'. None of them felt that it was 'Poor' or 'Serious Problem'.

Arkhangai: Arkhangai route Travelers were asked to assess the punctuality of the rural drivers and the results revealed that majority of Arkhangai route travelers were satisfied with the punctuality of the rural drivers where 53% of them said that punctuality was 'Very Good', followed by 27% who assessed the punctuality as 'Excellent'. Although 13% responded that punctuality of drivers was 'Average', and remaining 7% said that was 'Poor'. No one had 'Serious Problem' with punctuality of the rural drivers.

Dundgovi: 60% of travelers said that rural drivers were punctual; however, 25% of them assessed drivers' punctuality as 'Average', followed by 15% who said that drivers were not punctual and marked the option 'Poor'. Again none of them had 'Serious Problem' with rural drivers' punctuality.

Rural Driver Safety



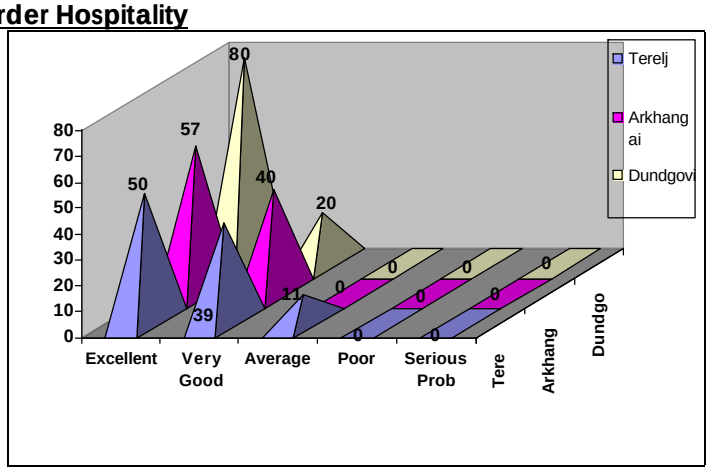
Interpretation:

Terelj: 65% or majority said that rural driver safety was 'Very Good', followed by 22% who assessed that their safety was 'Excellent', and 13% evaluated their service safety as 'Average'. None of them consider rural drivers' service as 'Poor' or 'Serious Problem'.

Arkhangai: Again majority (20%) of Arkhangai travelers said that they had a safe trip with rural drivers, however, 20% said that it was 'Average'. None of them experienced seriously unsafe trip with rural drivers.

Dundgovi: 85% of Dundgovi route travelers said that they experienced a safe travel with rural drivers where 60% replied that it was 'Very Good' and 25% answered as 'Excellent'. However, 5% of the travelers responded that trip safety was 'Poor'. None of them said that it was 'Serious Problem'.

Herder Hospitality



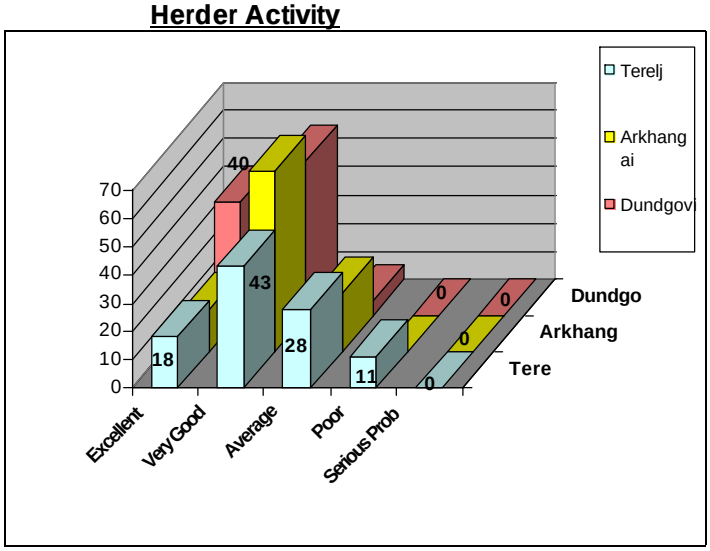
Interpretation:

Terelj: 89% of all Terelj travelers considered herders' hospitality was really good, where majority or 50% evaluated their hospitality as 'Excellent', followed by 39% who replied as 'Very Good'. Only 11% considered that herders' hospitality was 'Average'. None of them felt that hospitality was 'Serious Problem'.

Arkhangai: Majority (57%) of Arkhangai travelers assessed herders' hospitality as 'Excellent', followed by 40% who experienced 'Very Good' hospitality from the herders. None of them felt that herders' hospitality was 'Average', 'Poor' or 'Serious problem'. From the results we can infer that Arkhangai herders were good in providing hospitality to the tourists.

Dundgovi: Most of the Dundgovi travelers who make 80% of all the travelers said that they experienced 'Excellent' hospitality from the herders, followed by 20% who assessed their hospitality as 'Very Good'. None of the travelers felt that hospitality was average or below average.

Herder Activity



Interpretation:

Terelj: Majority or 43% think that activities provided were 'Very Good', followed by 28% who assessed the activities as 'Average', and 18% really liked the activities and replied that it was 'Excellent'. Although majority of the travelers replied that herders' activities were good, there are 11% of the travelers who said that activities provided were 'Poor'.

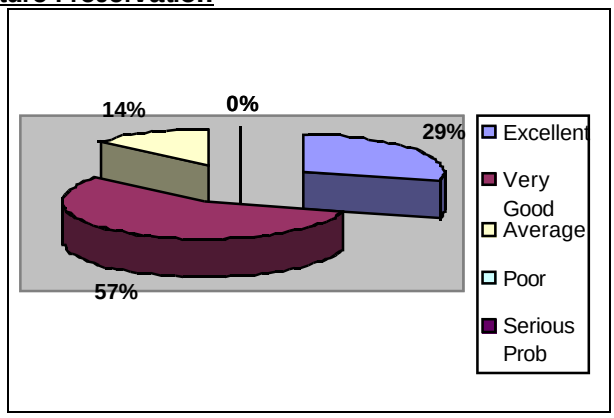
Arkhangai: Majority of Arkhangai travelers said that activities were 'Very Good', followed by 15% who really liked the nomadic activities that were provided by herders and evaluated 'Excellent'. However, 21% of them felt that activities provided by the herders were 'Average'. No one felt that activities were 'Serious Problem'.

Dundgovi: results show that 95% of all Dundgovi travelers liked the activities provided by herders, where 55% of them evaluated as 'Very Good' and 40% said that it was 'Excellent'. Only 5 % felt that herders' activities were 'Average'. None of them evaluated the herders activities as 'Poor' or 'Serious Problem'.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Nature Preservation



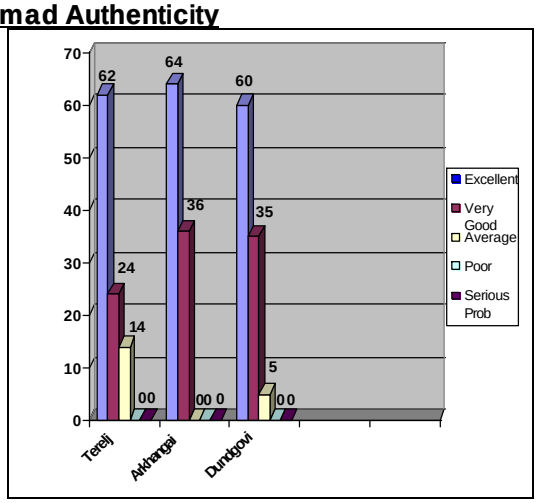
Interpretation:

Terelj: 52% replied that way of preserving the nature by herders was 'Very Good' followed by 21% who assessed the herders nature preservation as 'Excellent' and the above two options make 75% or majority of all the Terelj travelers. However, 20% said that herders' way of nature preservation is 'Average' and 7% responded that it was 'Poor'.

Arkhangai: 43% assessed herders' nature preservation as 'Very Good', followed by 29% who said that the herders were preserving the nature well and replied 'Excellent'. 21% felt that it was 'Average', however again 7% of them considered that herders' nature preservation was 'Poor'. None of them felt that the herders making serious problem to the nature.

Dundgovi: Most of the respondents replied that herders were preserving nature well and evaluated them as 'Excellent', and options 'Very Good' and 'Average' were chosen by 25% of them each respectively. Herders' preservation of nature was not evaluated by the Dundgovi travelers as 'Poor' or 'Serious problem'. From the results it can be seen that majority of the travelers assessed that the Nature Preservation of herders was good.

Nomad Authenticity



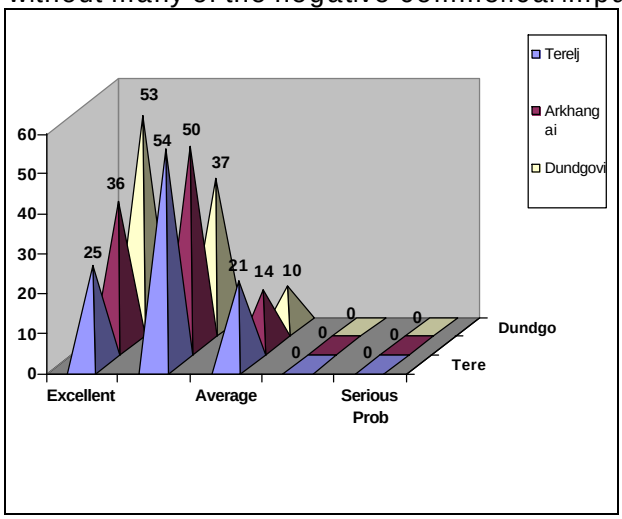
Interpretation:

Terelj: 86% of all Terelj route travelers felt the real nomad authenticity, where majority or 62% replied that they experienced real nomad environment and replied as 'Excellent', followed by 24% who evaluated the authenticity of nomadism as 'Very Good'. Only 14% responded that nomad authenticity was 'Average'. None of them felt that 'Nomad Authenticity' was 'Poor' or 'Serious Problem'.

Arkhangai: Results say that all (100%) responded people satisfied with the nomad authenticity, from which 64% highly satisfied with the authenticity. There was no one who felt otherwise.

Dundgovi: Again most of the travelers (95%) experienced real nomadic experience where 60% of them replied that it was 'Excellent', followed by 35% who assessed the nomad authenticity as 'Very Good'. Only 5% of this route travelers said that it was 'Average'. None of them felt that nomad authenticity was 'Poor' or 'Serious Problem'.
This is CONFIRMATION that Ger to Ger's project framework and implementation methodology isn't replicated the same symptoms that were faced by travelers in Vietnam

and Africa's community based tourism locations; Project herders are tapping into tourism without many of the negative commerical impacts.



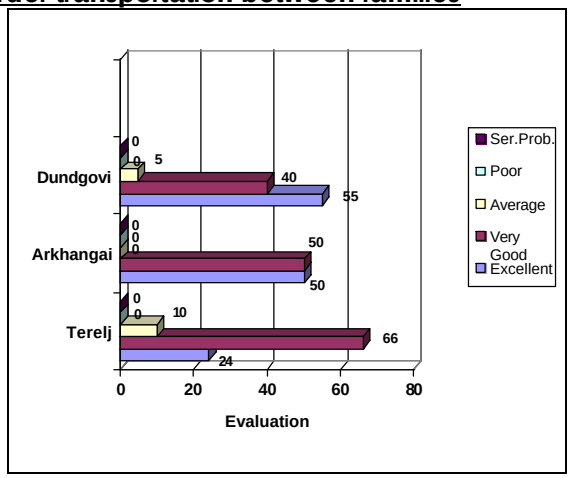
Herder Guiding
Interpretation:

Terelj: Majority of the Terelj travelers said that herders' guiding was 'Very Good', followed by 25% who assessed herders' guiding ability as 'Excellent'. 21% of them assessed herders' guiding ability as 'Average', there was no negative response.

Arkhangai: 86% of Arkhangai travelers gave good assessment on the herders' guiding abilities, where 50% evaluated their ability as 'Very Good' followed by 36% who assessed the herders' guiding ability as 'Excellent'. However, 14% considered their ability as 'Average'. None of them think that herders' guiding was 'Poor' or 'Serious Problem'.

Dundgovi: Results of the survey say that majority (53%) of this route travelers experienced the fabulous guiding of the herder and assessed their ability as 'Excellent', followed by 37% who assessed their guiding service as 'very Good'. Only 10% assessed their guiding ability as 'Average'. None of them assessed their guiding ability as 'Poor' or 'Serious Problem'.

Herder transportation between families



Interpretation:

Terelj: Majority (90%) of the travelers were satisfied with the herders' transportation between families where 66% found it as 'very Good' and 24% evaluated it as 'Excellent'. Only 10% found herders' transportation between families as 'Average'. None of them assessed transportation between families as 'Poor' or 'Serious Problem'.

Arkhangai: All the respondents were satisfied with in between ger transportation, where 'Excellent' and 'Very Good' responses were chosen by 50% of respondents each respectively. No one said that in between ger transportation was 'Poor' or 'Serious Problem'.

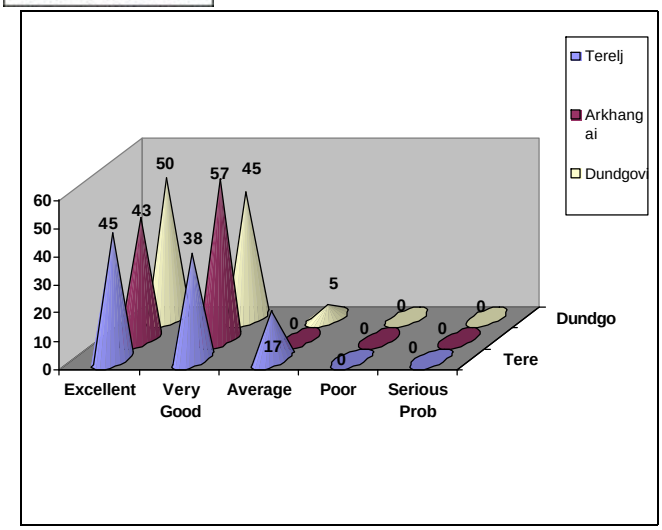
Dundgovi: The Dundgovi travelers were asked to assess in between Ger transportation, and majority of them assessed it as 'Very Good' and 'Average' which makes 86% (each respectively 43%). Minority or 14% evaluated in between ger transportation as 'Excellent'. There was no response for options 'Poor' and 'Serious Problem'.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates



Safety with Families

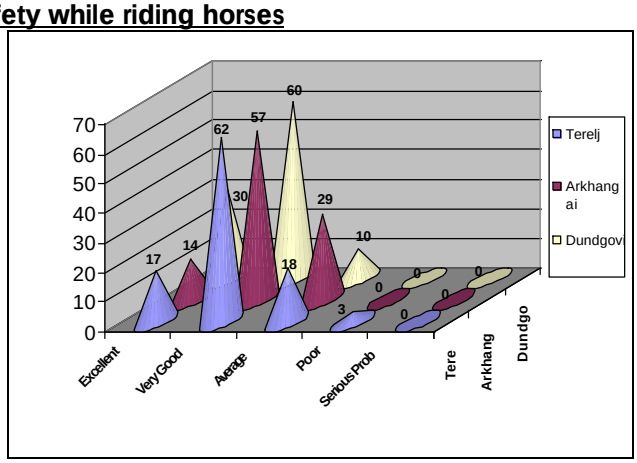
Interpretation:

Terelj: The survey tried to find out the travelers safety with families. The results say that majority or 45% responded that the staying safety with nomad families were 'Excellent', followed by 38% who assessed the safety as 'Very Good', and 17% responded that the safety was 'Average'. No one felt unsafety staying with families as there was no response 'Poor' or 'Serious Problem'.

Arkhangai: It has been found out that 57% of respondents felt that safety was Very Good; and 43% assessed the staying safety as 'Excellent'. None of them said that staying with families is unsafe.

Dundgovi: Safety staying with families was asked to be evaluated by families, and most of them 95% responded that it was safe (50% assessed as 'Excellent', and 45% - Very Good). Only 5% of them evaluated the staying safety as 'Average'. No one felt that staying was unsafe as none of them went for the options 'Poor' or 'Serious Problem'.

Safety while riding horses



Interpretation:

Terelj: Horse riding safety was asked to be evaluated. The results say that 62% OF Terelj travelers said that horse riding was safe and went for the option 'Very Good', followed by 18% who said that the safety was 'Average', and 17% responded that safety was 'Excellent'. Only 3% evaluated the horse riding as unsafe and chose the option 'Poor'.

Arkhangai: Majority or 71% said that horse riding safety was good, where 57% evaluated it as 'Very Good' and 14% considered it as really safe and market the option 'Excellent'. However, 29% of them felt that horse riding safety was 'Average'. None of them said that safety was 'Poor' or 'Serious Problem'.

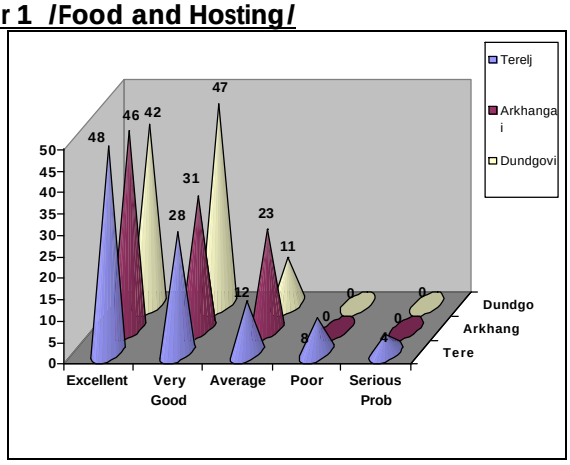
Dundgovi: 90% of all the travelers said that horse riding was safe (60% assessed as 'Very Good' and 30% - 'Excellent'). No one said that it was unsafe ('Poor' 0%, 'Serious Problem' 0%)
From the results it can inferred that many people share that safety during horse riding is good, however, there is a person who evaluated it as poor, hence, as the safety is an important factor there is a vital need to take measures to increase the safety.

Mongolian Alternatives Center
USAID FROM THE AMERICAN PEOPLE

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Ger 1 /Food and Hosting/

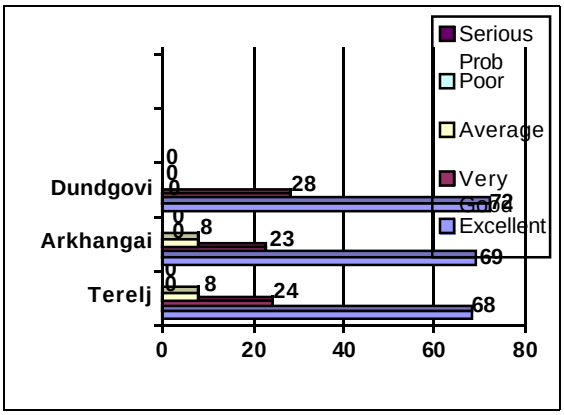


Interpretation:

Terelj: Travelers were asked to inspect each ger regarding their food and hosting. Ger 1 of the Terelj route was inspected by majority (48%) of travelers as 'Excellent', followed by 28% who assessed its food and hosting as 'Very Good', and 12% assessed as 'Average'. 12% of the travelers gave a negative evaluation, where 8% assessed the Ger 1's food and hosting as 'Poor' whereas 4% evaluated its food and hosting as 'Serious Problem'.

Arkhangai: Ger 1 of the Arkhangai route was inspected by majority (77%) of the respondents, where 46% gave the 'Excellent' and 31% - 'Very Good' evaluations to its food and hosting. However, 23% assessed Ger1's food and hosting as 'Average'. None of them assessed Ger1's food and hosting as 'Poor' or 'Serious Problem'.

Dundgovi: 47% of respondents said that Food and Hosting of Ger 1 were 'Very Good', followed by 42% who were satisfied with food and hosting and gave the 'Excellent' evaluation. 11% of answered people evaluated it 'Average'. None of them said 'Poor' or 'Serious Problem'.



Ger 2 /Food and Hosting/

Interpretation:

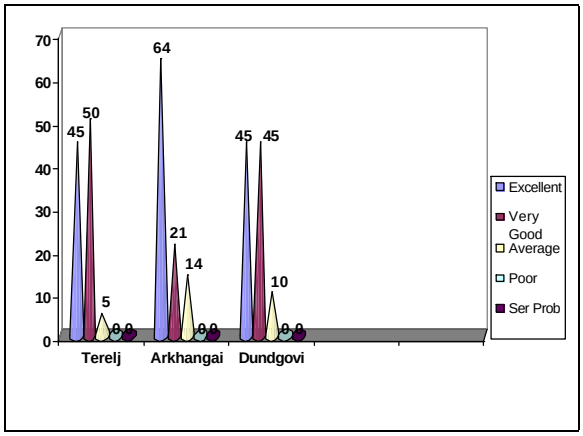
Terelj: Majority or 68% of Terelj travelers responded that Ger2's Food and hosting were 'Excellent', followed by 24% who inspected it as 'Very Good'. Only 8% assessed it as 'Average'. Ger2 was not inspected by any of the travelers as 'Poor' or 'Serious Problem'.

Arkhangai: 69% of Arkhangai route travelers who evaluated Ger 2's food and service assessed that it was 'Excellent', and 23% evaluated as 'Very Good', however, 8% felt it average. None of them gave 'Poor' or 'Serious problem' evaluation.

Dundgovi: Food and hosting of Ger 2 were assessed by 72% of the respondents as 'Excellent', and 28% inspected it as 'very Good'. Ger 2 was not assessed 'Poor' or 'Serious Problem' by any of the respondents.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

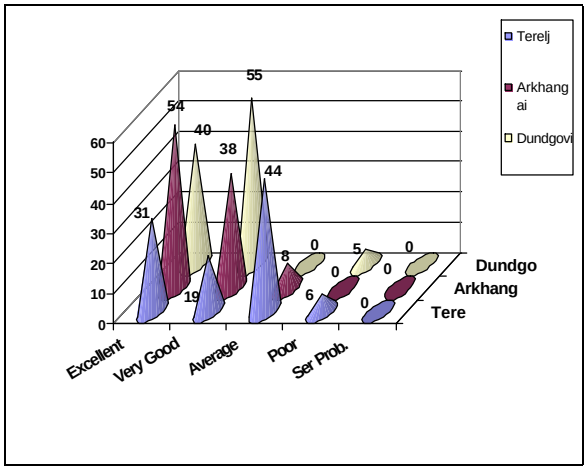


Ger 3 /Food and hosting/
Interpretation:

Terelj: Majority of travelers were satisfied by Food and hosting of Ger2 and 50% inspected as 'Very Good', followed by 45% who gave an 'Excellent' ranking. Only 5% of respondents said that food and hosting of Ger2 were 'Average'. Options 'Poor' and 'Serious Problem' have not been chosen by any of the respondents.

Arkhangai: Most (64%) of the Arkhangai route travelers highly assessed the Ger2's food and hosting, followed by 21% who assessed – 'Very Good'. 14% Evaluated Ger2 as 'Average'. No one evaluated ger2 as Average, Poor, or Serious Problem.

Dundgovi: Ger 3's food and hosting was evaluated by 45% of respondents as 'Excellent' and 'Very Good' respectively. Only 10% said that food and hosting was 'Average', none of them gave 'Poor' or 'serious Problem' assessment.



Ger 4 /Food and Hosting/
Interpretation:

Terelj: Ger 4 was evaluated by 44% of travelers as 'Average', followed by 31% who assessed its food and hosting as 'Excellent', and by 19% - 'Very Good'. But 6% of the travelers inspected it as 'Poor". As per current survey, Ger 4 seriously needs to improve its service and hospitality.

Arkhangai: Majority of Arkhangai travelers assessed Ger 4' food and hosting as 'Excellent', and 38% said as 'Very Good' respectively. Only 8% evaluated as 'Average'. None of them said its food and hosting as 'Poor' or 'Serious Problem'.

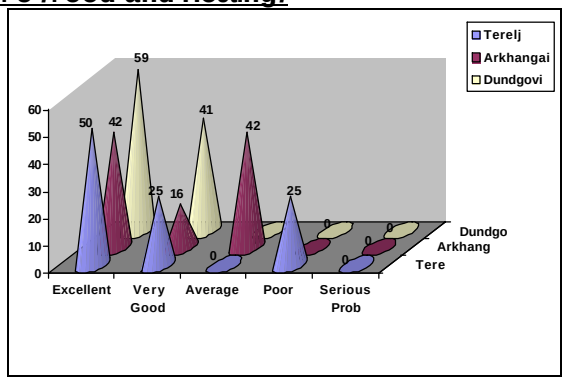
Dundgovi: 95% of responded people were satisfied with food and hosting of Ger4, however, 5% inspected it as 'Poor'. There was no one who chose options 'Average' or 'Serious Problem'.

MONGOLIAN ALTERNATIVES CENTER
USAID FROM THE AMERICAN PEOPLE

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Ger 5 /Food and Hosting/



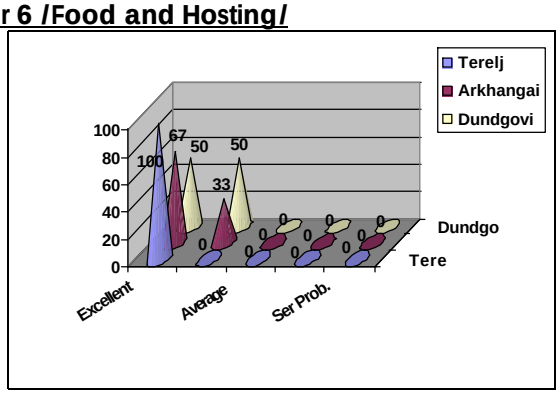
Interpretation:

Terelj: 50% of the respondents assessed Terelj route Ger5 as 'Excellent' according to provided hosting and food, followed by 25% who inspected as 'Very Good'. However another 25% assessed its food and hosting as 'Poor'. Hence, it says that Ger 5 urgently needs to improve its service and hospitality. No one assessed its service as 'Serious Problem'.

Arkhangai: Arkhangai route Ger 5 was evaluated by 58% of the travelers as 'Excellent' and 'Very Good' (42% - Excellent, 16% - Very Good), and 42% considered its food and hosting as 'Average'. None of them have negative feeling about the Ger 5's food and hosting.

Dundgovi: All the Dundgovi travelers were satisfied with food and hosting of Ger5, where 59% of them assessed it as 'Excellent', and remaining 41% said that was 'Very Good'. None of them experienced the unqualified service at Ger 5 as no one responded as 'Average', 'Poor' or 'Serious problem'.

Ger 6 /Food and Hosting/



Interpretation:

Terelj: All the travelers (100%) visited the Ger 6 of the Terelj route assessed its food and service as 'Excellent'.

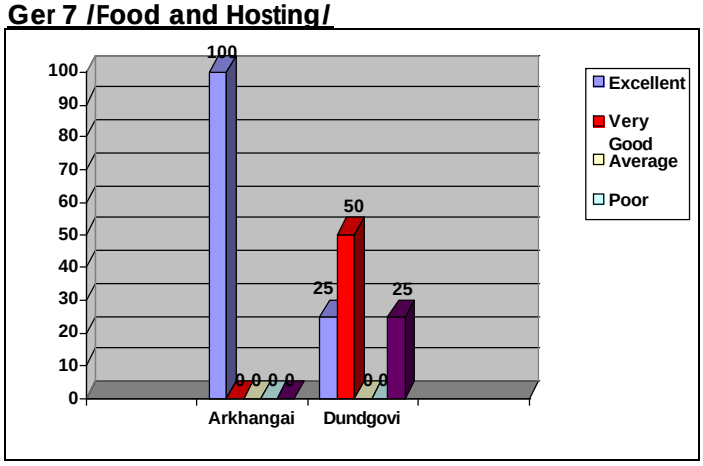
Arkhangai: Majority or 67% of the responded travelers inspected Ger 6 as 'Excellent', followed by 33% - assessed Ger 6's food and hosting as 'Very Good'. None of them felt its service as 'Average', 'Poor' or 'Serious problem'.

Dundgovi: All the Dundgovi travelers were satisfied with Ger 6's food and service where 50% evaluated as 'Excellent' and another 50% said as 'Very Good'. Options 'Average', 'Poor' or 'Serious Problem' were chosen by any of the respondents.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Ger 7 /Food and Hosting/



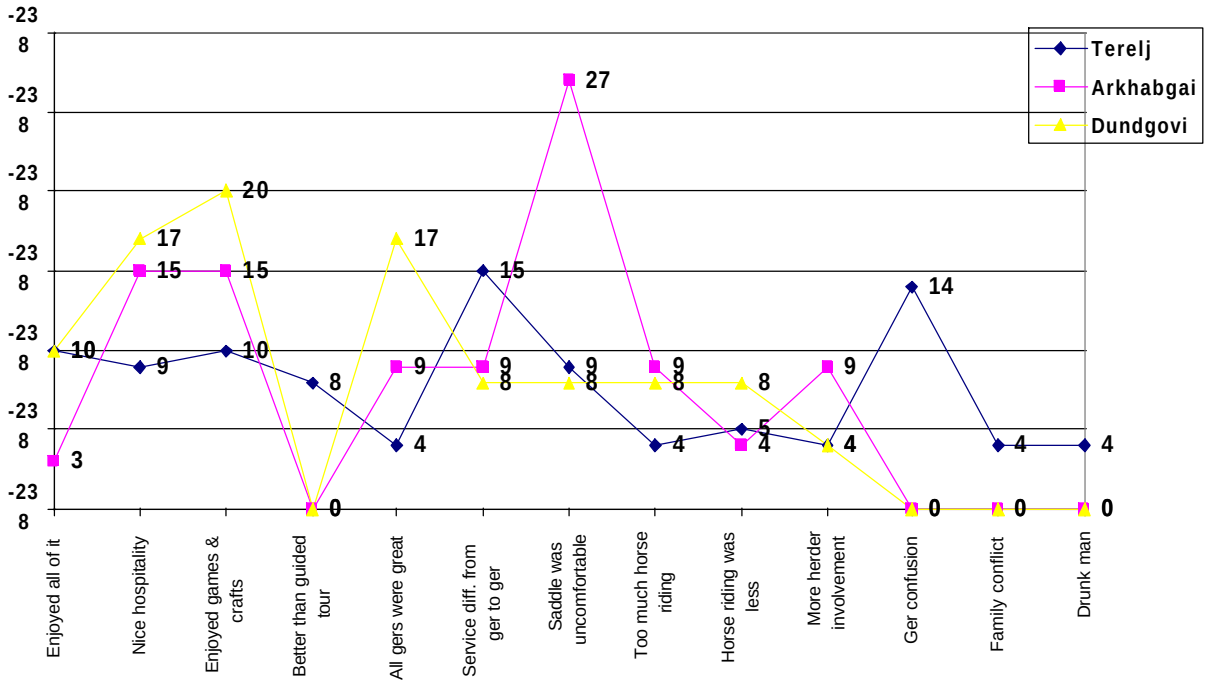
Interpretation:

Ger 7 was evaluated by Arkhangai and Dundgovi route travelers only. Terelj route does not have the 7th Ger.

Arkhangai: Ger 7 was evaluated by all the visited travelers as 'Excellent'.

Dundgovi: majority or 50% of Dundgovi travelers assessed Ger 7's food and hosting as 'Very Good', and options 'Excellent' and 'Average' were chosen by 25% of travelers each respectively.

Detailed Comments



Interpretation:

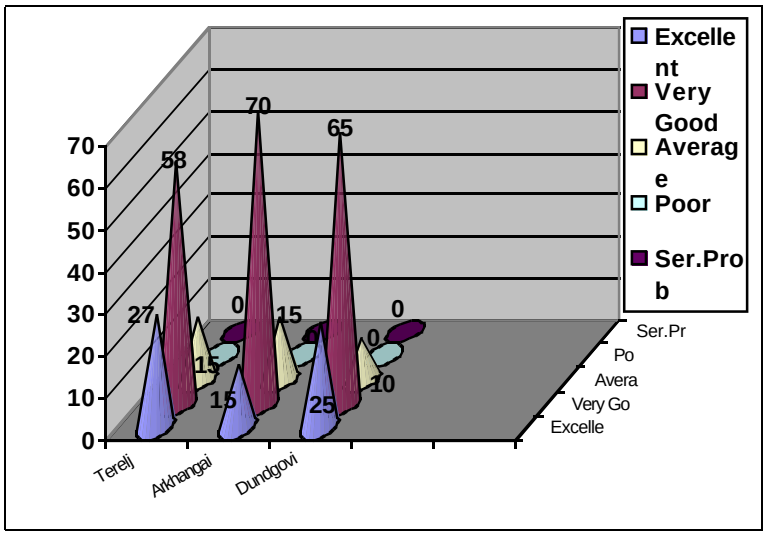
Terelj: Travelers were asked to write detailed comments on their travel. 10% of Terelj travelers expressed that they enjoyed all of it, followed by 8% who considered traveling via GertoGer is

better than guided tour, and 9% commented that they experienced nice hospitality. 15% of all respondents said that Service was different from ger to ger and 4% commented that all gers were great; however, 14% told that they had ger confusion. 10% of them commented that they enjoyed playing games and learning crafts whereas 4% demanded more herder involvement. 9% complained that saddle was uncomfortable, followed by 5% who considered that horse riding was less while 4% wrote that horse riding was too much. Unfortunately 4% of travelers complained that they got in between family conflict while another 4% said that there was a drunk man.

Arkhangai: Majority or 42% of Arkhangai travelers had positive comments on their travel, where 4% said that they enjoyed all of it, 15% - nice hospitality, enjoyed playing games and learning crafts and 9% commented that all gers were great. 27% said that the saddle was uncomfortable and hurting their bottoms, followed by 9% who said that there was too much horse riding while 3% demanded more horse riding. 9% admitted that service was different from ger to ger and some expressed that they liked it as each family was different with different mix of adults and children, and remaining 9% demanded more herder involvement.

Dundgovi: 64% of Dundgovi travelers had positive comments on their travel where 10% of them enjoyed all of it, followed by 17% who felt nice hospitality, 20% who enjoyed playing games and learning crafts and 17% said that all gers were great. 8% commented that service was different from ger to ger and 8% shared their opinion that saddle was hurting while 8% wanted more horse riding and 8% respectively considered that for them horse riding was too much and commented to make horse riding less. 4% commented that more herder involvement needed.

V. Personal Preferences



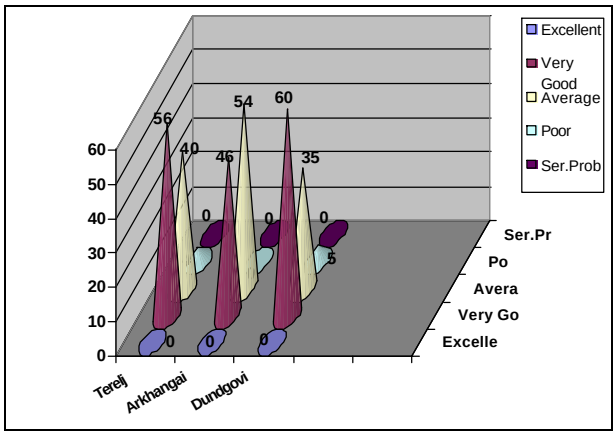
Comfort

Interpretation:

Terelj: Travelers were asked to assess the comfort felt during the trip. Majority (57%) think that they experienced 'Very Good' comfort, followed by 27% said comfort was 'Excellent', and 16% who felt 'Average' comfort. None of them said their experienced comfort as 'Poor' or 'Serious Problem'.

Arkhangai: Most of the respondents which makes 70% responded that comfort was 'Very Good', followed by 15% said that trip comfort was 'Excellent', and another 15% assessed the trip comfort as 'Average'. None of the traveler uncomforted and did not choose the options 'Poor' or 'Serious Problem'.

Dundgovi: Again majority of travelers responded that their trip comfort was good where 65% replied that it was 'very good' and 25% expressed that comfort was 'Excellent'. Only 10% think that comfort was 'Average'. No one said that comfortwise trip was 'Serious problem'.



Cleanliness

Interpretation:

Terelj: Travelers were asked to assess the cleanliness. Majority of Terelj travelers evaluated the cleanliness as 'Very Good', followed by 40% who think that it was average, and only 4% assessed it as 'Poor'. None of them said that it cleanliness was 'Excellent' or 'Serious Problem'.

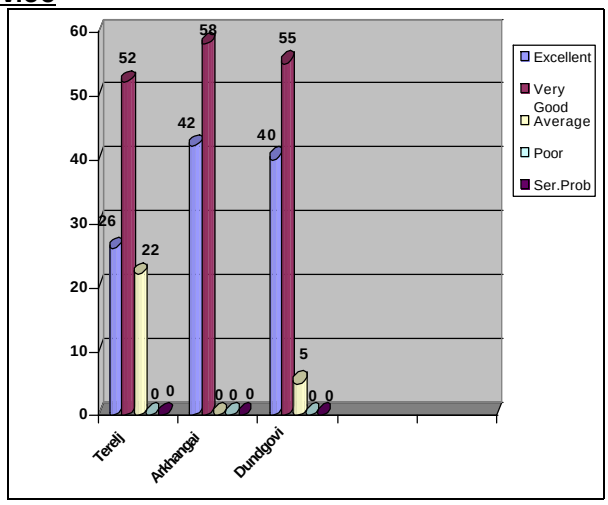
Arkhangai: Majority or 54% of Arkhangai travelers generally assessed the cleanliness as 'Average', and 46% consider that it was 'Very Good'. None of them assessed the cleanliness as 'Excellent', 'Poor' or 'serious problem'.

Dundgovi: None of them assessed the cleanliness 'Excellent', 60% evaluated it as 'Very Good', followed by 35% who said it 'Average'. No one said that Cleanliness was 'Poor' or 'Serious problem'.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Service



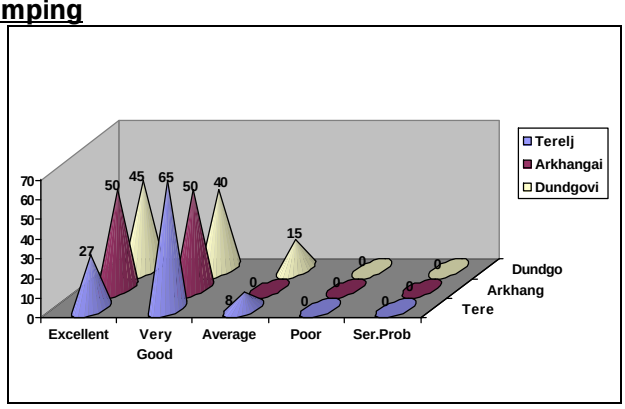
Interpretation:

Terelj: Service was evaluated by the travelers, and 78% were satisfied with the service provided, where 52% responded that service was 'Very good' and 26% considered – 'Excellent'. 22% of them shared the opinion that service was 'Average'. None of them said that the service was 'Poor' or 'Serious Problem', however, results of survey reveal that services provided by herders are generally average, and it need to be improved, series of hospitality and tourism related workshops should be conducted during off season.

Arkhangai: Most of the responded tourists (58%) replied that service of local herders was 'Very Good', followed by 42% who said that service was 'Excellent'. None of them evaluated service of herders' as 'Average', 'Poor' or 'Serious Problem'.

Dundgovi: Majority (55%) of tourists evaluated the service of herders as 'Very Good', and followed by 40% who experienced the 'Excellent' service, however, 5% felt that service was 'Average'. None of the Dundgovi travelers considered that service was 'Poor' or 'Serious Problem'.

Camping



Interpretation:

Terelj: 92% of the respondents were satisfied with the camping, where 65% think that camping was 'Very Good', followed by 27% who liked the camping and assessed it as 'Excellent'. 8% felt that camping was 'Average'. No one said that camping is 'Poor' or 'Serious problem'.

Arkhangai: All respondents were satisfied with the camping and options 'Excellent' and 'Very Good' were chosen by 50% each respectively. There was no negative response.

Dundgovi: 45% of travelers responded that camping was 'Excellent', followed by 40% who think that camping was 'Very Good', and 15% said – 'Average'. None of them felt that camping was 'Poor' or 'Serious Problem'.

The results say (as majority was satisfied) that camping approach that Ger to Ger facilitated was a good experience for them.

MONGOLIAN ALTERNATIVES CENTER
USAID FROM THE AMERICAN PEOPLE

GER TO GER PROJECT
www.GertoGer.org
2006-2011

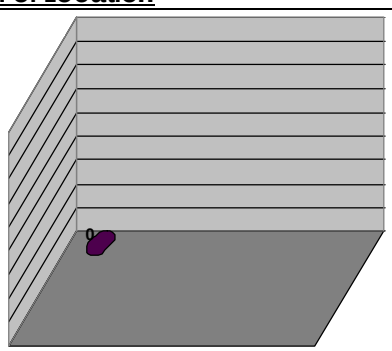
Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Appeal of Location

Terelj:



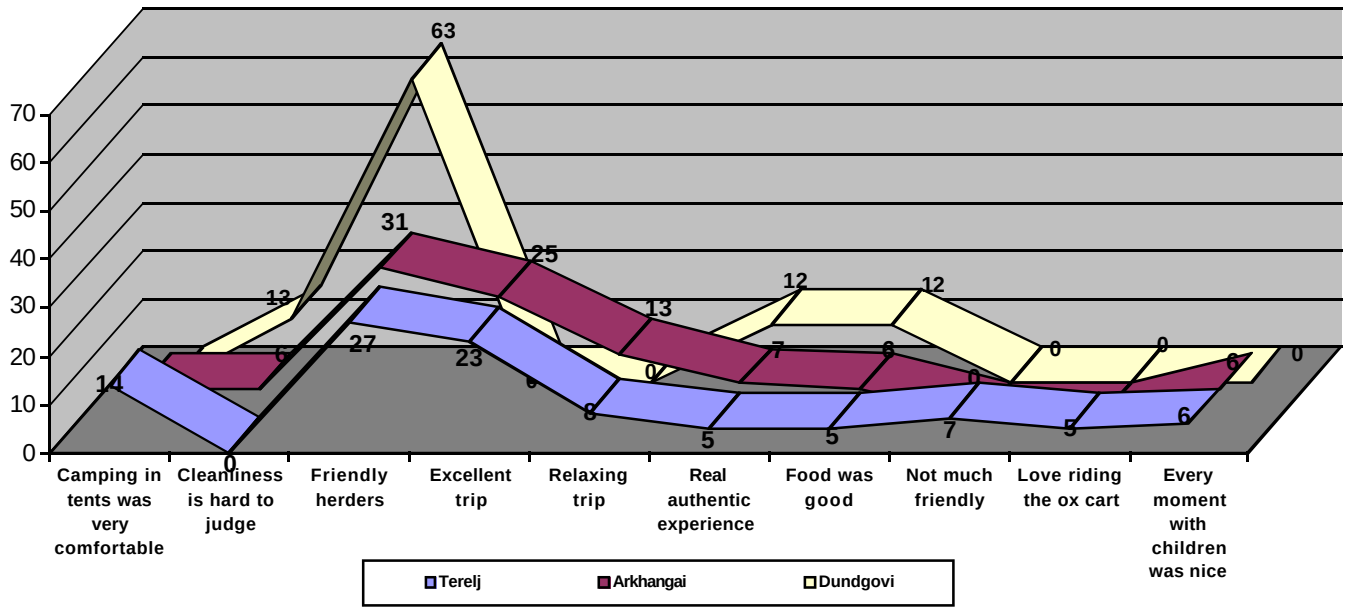
Interpretation:

Appeal of the location is an important factor which is one of the 4 A's of the tourism amalgam. Therefore, in order to promote the tours we need to put much concerns on Appeal of Location. Our survey results say that majority (56%) liked the location and evaluated it 'Excellent', followed by 40% who said 'Very Good'. Only 4% replied that nature appeal is 'Average'. None of them felt that local attraction is 'Poor' or 'Serious Problem'.

Arkhangai: The results of the survey revealed that most of the Arkhangai travelers felt that appeal of a location is 'Excellent', and only 15% expressed that appeal is 'Very Good'. And the results show that all the travelers (100%) were satisfied with the location appeal of Arkhangai.

Dundgovi: Most (70%) of Dundgovi travelers expressed that location appeal is 'Excellent', and remaining 30% said that appeal is 'Very Good'. No one said that appeal of the location is 'Poor' or 'Serious Problem'.

Personal Preference Comments



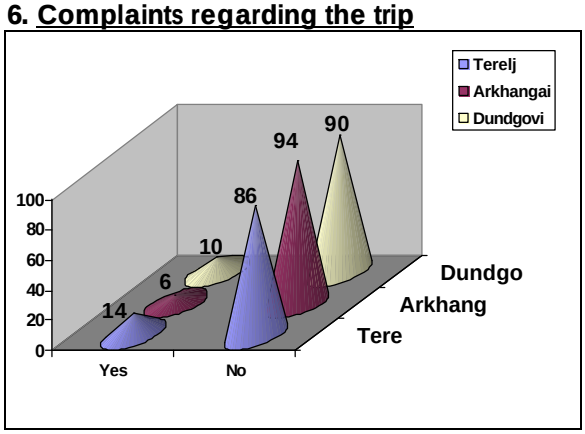
Interpretation:

Terelj: 14% of Terelj route respondents commented that camping in tents alongside the ger was very comfortable, 27% said that herders were friendly people, followed by 23% personally commented that trip was excellent, and 8% commented that trip was relaxing for them. Real authentic experience, food was good, love riding the oxcart were the comments of 5% travelers each respectively. 6% expressed that every moment with children made their trip more enjoyable. However 7% felt that herders were not much friendly.

Arkhangai: Majority (31%) of tourists commented that local herders were very friendly, followed by 25% who expressed that traveling via GertoGer was 'Excellent' experience and 13% shared the opinion that trip was relaxing. 7% wrote that they experienced real nomad experience and 6% liked the way of camping and said that it was comfortable. 6% expressed that they liked playing and being along with children while another 6% of them liked food. 6% of Arkhangai travelers said that cleanliness was good, however, it's difficult to judge.

Dundgovi: Most of the Dundgovi travelers wrote comments that herders were very friendly, followed by 13% who shared again that cleanliness is hard to be judged as it is a rural nomad ger. Real nomad experience and excellent trip were the personal comments of 24% of Dundgovi route travelers.

6. Complaints regarding the trip



Interpretation:

Terelj: 86% responded that there is no complaints to inform, however, 14% said that they have complaints to inform.

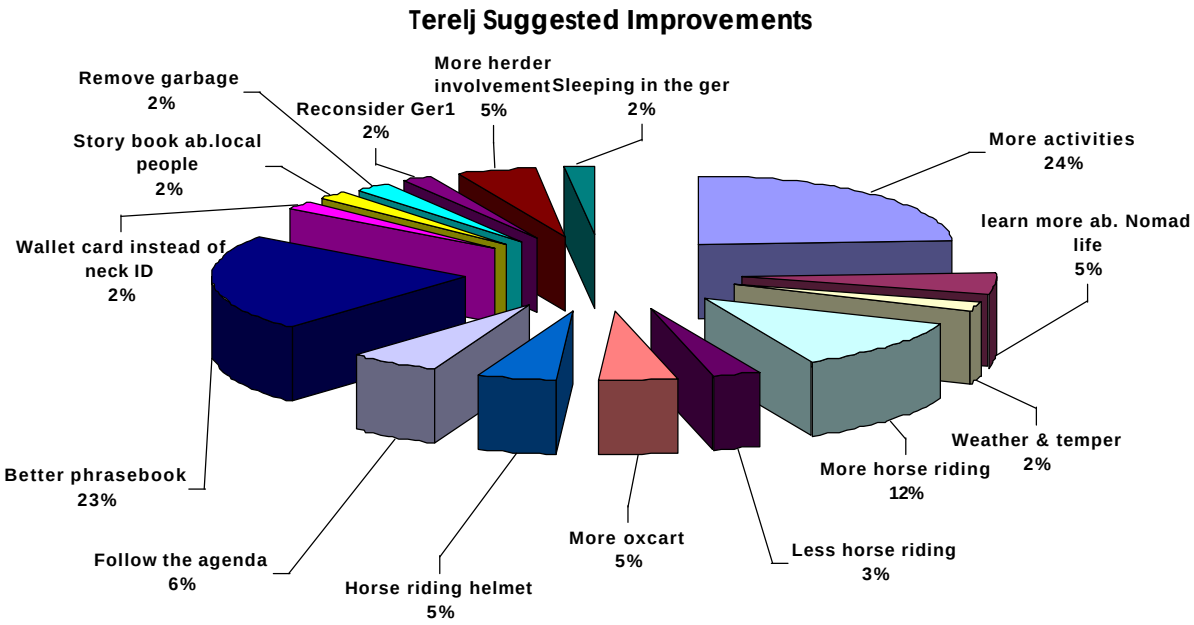
Arkhangai: Most of them (94%) said 'No' complaints and only 6% replied 'yes' that they have some complaints to inform.

Dundgovi: 90% responded that there is no complaint for them; however, 10% had complaints regarding the trip.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Suggested Improvements and Comments

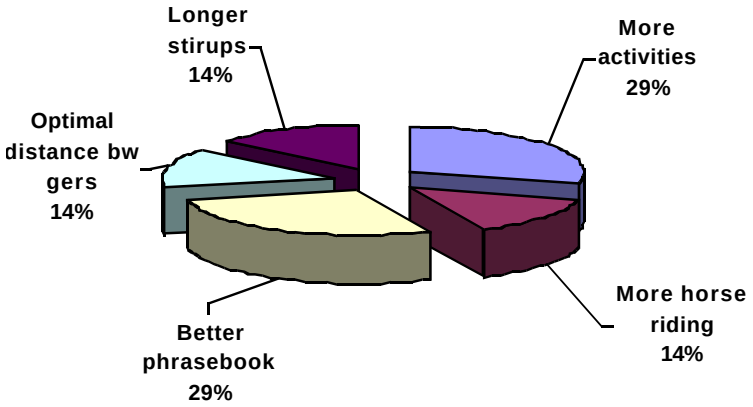


Interpretation:
24% of travelers suggested that travelers need to be involved in more activities, followed by 23% suggested to provide larger phrasebook (Mongolian-English and vice versa) to the herders to make the communication more effective. 12% of the travelers suggested to extend the horse riding trips whereas 3% of them suggested to reduce horse riding, and 5% suggested to include more ox cart option. 5% suggested that travelers need to wear helmets while riding a horse and 6% suggested that herders should follow the activities mentioned in the itinerary. Again 5% respectively commented that they want to learn more about nomad life and suggested that herders need to put more herder involvement and proactiveness, 3% suggested to write story book about local people, 2% said that sleeping in the ger will be a better option, 2% commented that warning about climate and weather especially temperature difference between night and day (as temperature drops at night). 2% each respectively suggested to make wallet ID card instead of neck lanyard for ID, to reconsider Ger1 and garbage should be taken care of.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

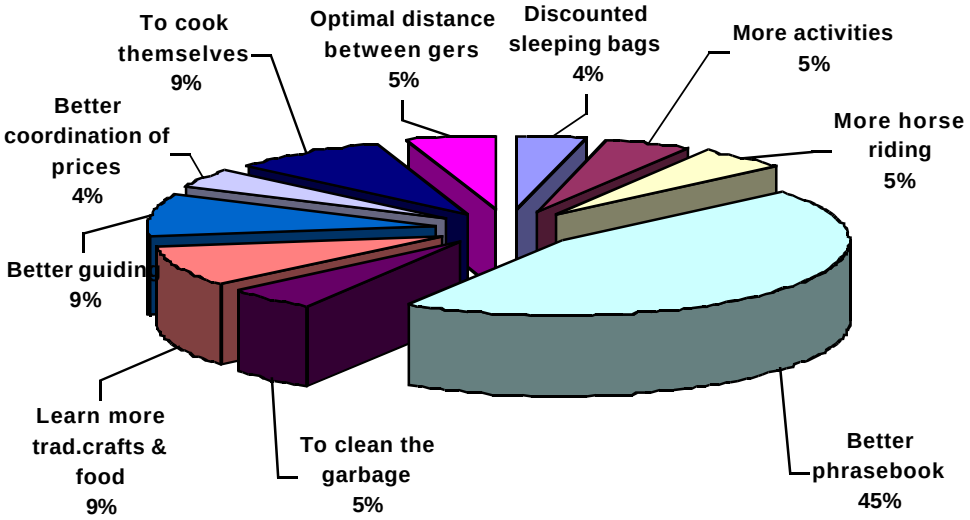
Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Arkhangai Suggested Improvements



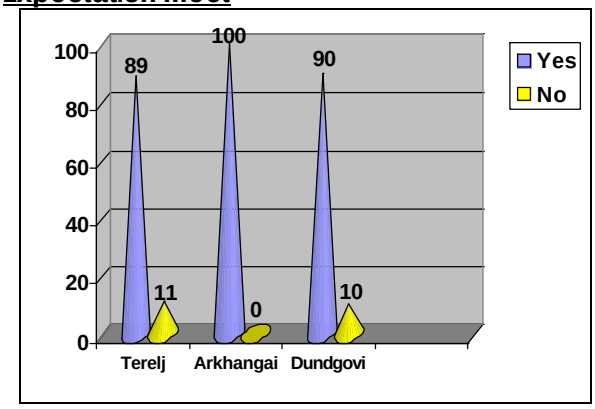
Interpretation:
29% of Arkhangai travelers suggested to include more activities, and another 29% suggested to provide larger phrasebook (Mongolian-English and vice versa) for better understanding and communication. More horse riding, longer stirrups, to make distance between gers optimal were the suggestions of 14% of travelers each respectively.

Dundgovi Suggested Improvements



Interpretation:
Majority of Dundgovi respondents as other two route travelers suggested to provide larger phrasebook to he herders, 9% of travelers suggested to provide more opportunities to learn more about traditional crafts and food whereas 9% each respectively suggested the option where travelers will cook for themselves and better guiding of herders. More activities would be better, more horse riding, garbage should be taken care of and distances between gers should be appropriate were the suggestion of 5% of respondents each respectively.

7. Expectation meet



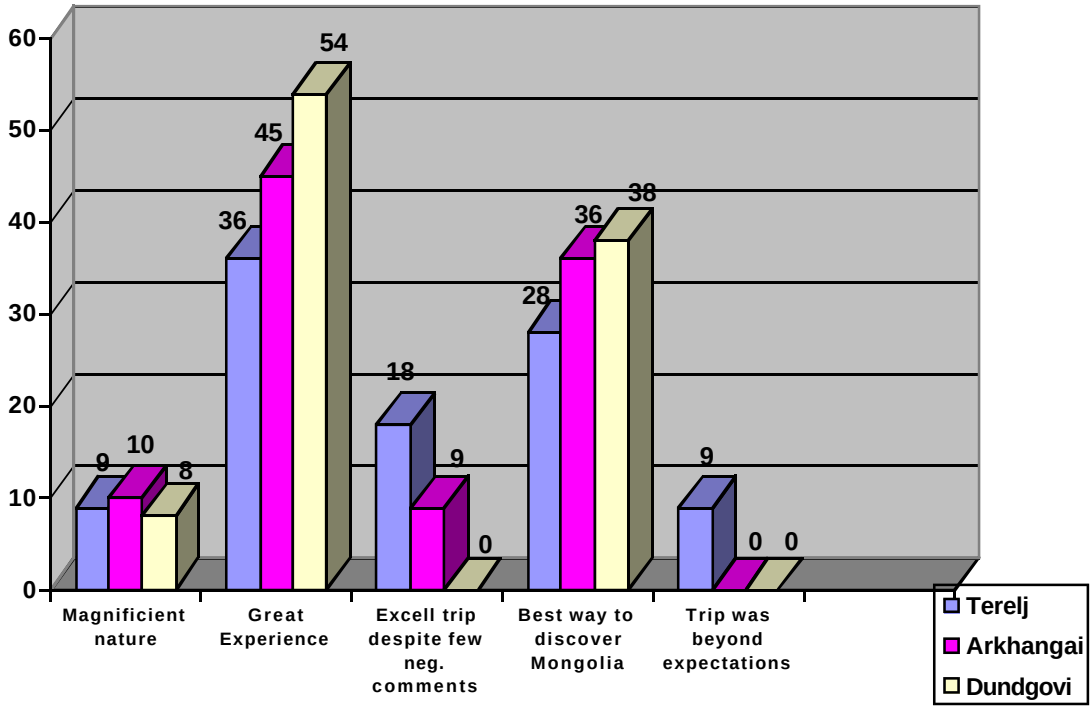
Interpretation:

Terelj: The travelers were asked to evaluate whether the trip lived upto their expectations. Most (89%) the respondents said that the trip met their expectations, and only 11% shared the opinion that trip did not live up to their expectation.

Arkhangai: All (100%) the respondents said 'Yes' that trip met their expectations.

Dundgovi: Most (90%) of them expressed that trip lived upto their expectations; however minority or 10% felt otherwise. The survey results show that the most of the Ger to Ger travelers experienced what they had been expected. This is really important factor and we need to keep it up.

Traveler Comments on Expectations



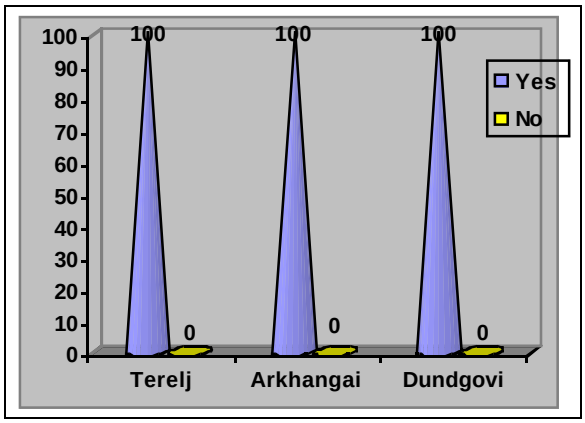
Interpretation:

Terelj: All the respondents expressed that trip was upto their expectations and none of them wrote negative comments on their expectation meet. 36% commented that trip was great, fun, terrific experience, and 28% expressed that traveling via GertoGer was the best way to

discover Mongolia. 28% commented that trip was beyond their expectations and 18% said that despite few negative comments trip was excellent.

Arkhangai: 45% of Arkhangai travelers shared the opinion that they had a great trip, followed by 36% admitted that it was the best way to discover Mongolia, 10% commented that nature was magnificent and 9% said that trip was excellent however there were few negative comments.

Dundgovi: Most (54%) of the Dundgovi route travelers said that they had a great experience, followed by 38% who considered that traveling via GertoGer was the best way to discover Mongolia, and 8% praised the magnificent nature of the destination.



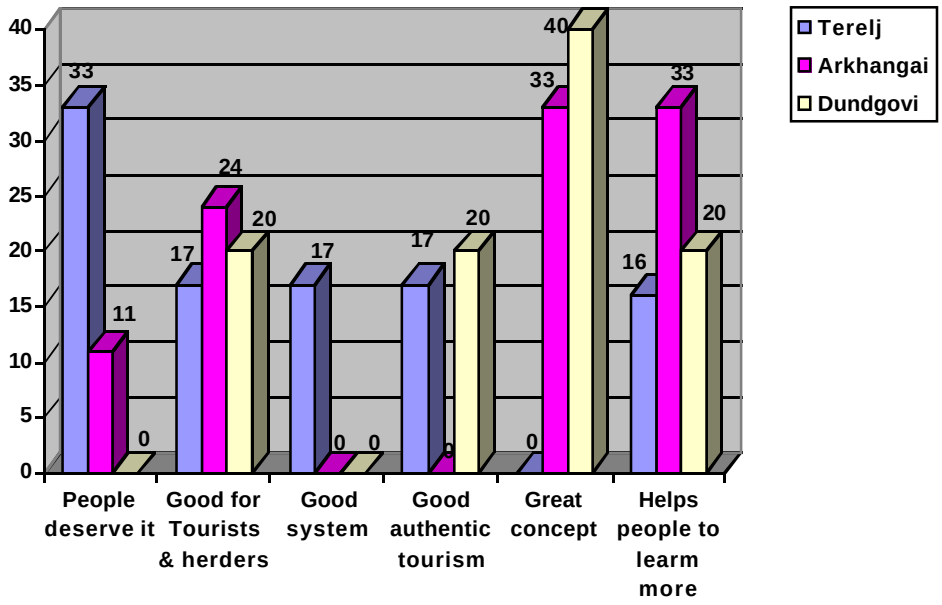
8. Should this project continue?
Interpretation:

Again travelers were asked whether they think that project need to continue, all the respondents in the above three destinations replied 'Yes', project need to continue. Public interest both domestically and internationally strongly state that the project must continue, however to do so, the Project needs a stable source of funding for its expansion phase.

Travelers' Comments as to why this project should continue

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates



Mongolian Alternatives Center

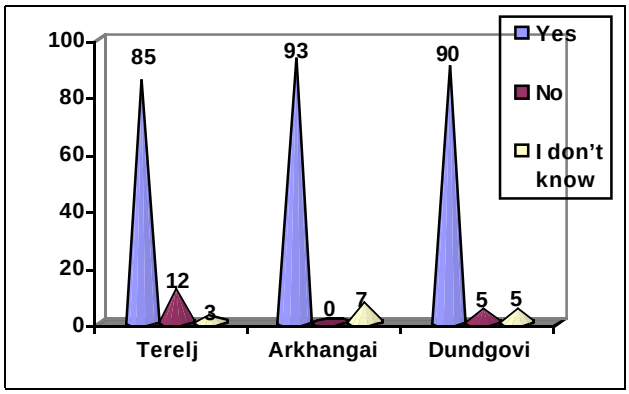
USAID
FROM THE AMERICAN PEOPLE

Interpretation:

Terelj: 33% of Terelj travelers commented that project needs to continue because people deserve it, continue because its good for herders and tourists, good authentic tourism, good system were the answers of 51% of travelers.

Arkhangai: 66% of Arkhangai travelers stated that project need to continue as it's great concept and will help people to learn more about Mongolian way of life, and 24% commented that project needs to continue because this project good both for the tourists and the herdsmen. 11% commented that people deserve it, that is why it's needs to continue.

Dundgovi: Majority or 40% of Dundgovi travelers commented to continue this great concept, followed by 20% who said that this project is good for both tourists and herders. Good authentic tourism and this project helps people to learn and understand Mongolian culture and lifestyle were the comments of 20% each respectively.



9. Would you support the Ger to Ger Project?
Interpretation:

Terelj: Respondents were asked whether they will support the GertoGer project and majority (82%) responded yes, followed by 12% expressed their impossibility in providing support and 3% gave a neutral response.

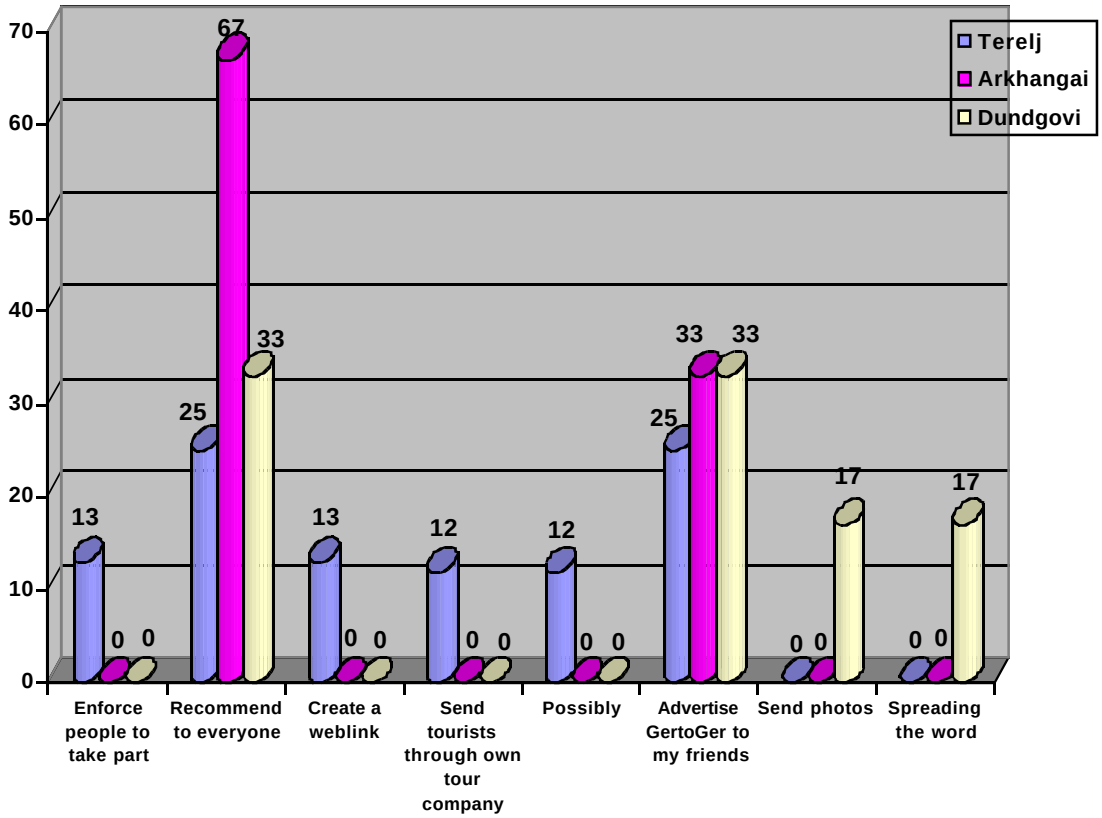
Arkhangai: Most (93%) of them said that they will support the project and none of them replied 'No', and 7% replied that they currently 'don't know'.

Dundgovi: 90% of responded travelers expressed their willingness to support GertoGer project. 'No' and 'I don't know' were the response of only 5% of respondents each respectively. From this we can say that majority of them ready to support the project and put their contributions to its future development.

GER TO GER PROJECT
www.GertoGer.org
2006-2011

Developed & Managed by:
Mongolian Alternatives Center NGO and Associates

Travelers' comments on how they would like to support Ger to Ger Project

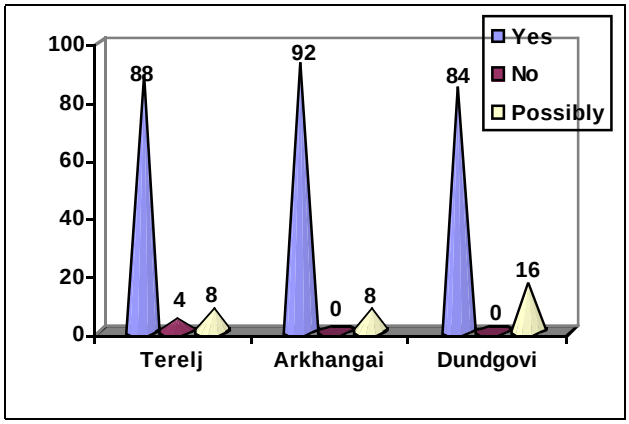


Interpretation:

Terelj: Travelers were asked whether they would support Ger to Ger project and most of the travelers expressed their willingness to support the project. 50% of Terelj travelers commented that they would recommend GertoGer to everyone who planning to go to Mongolia and advertise GertoGer to their friends. 13% expressed that they will enforce people to take part, and another 13% commented that they will create a web link with interactive travel guide and recommend it in the lonely planet forum. Will send more tourists through their own tour company and possibly, but don't know what opportunities there were the comments of 12% of travelers each respectively.

Arkhangai: 67% of Arkhangai travelers commented that they will recommend GertoGer to everybody that goes to Mongolia, and 33% said that they will support by advertising GertoGer to their friends.

Dundgovi: 66% commented that they will support GertoGer by advertising to their friends and recommending to everyone that goes to Mongolia. 17% expressed that they will send photos that can be used for the promotional materials while another 17% said that they will spread the word of mouth.



10. Provision of a reference up on request
Interpretation:

Terelj: 86% or most of them said that they would provide a reference upon request, and 8% answered 'Possibly'. None of them said 'No'. Most of them or 92% expressed their willingness to provide reference upon request, and 8% replied 'I don't know'. None of them replied 'No'.

Dundgovi: 84% of Dundgovi travelers responded 'Yes' that they would provide a reference, and 16% gave a neutral response 'I don't know'. No one replied negatively.

Arkhangai: None of the Arkhangai travelers responded negatively, where 92% of them expressed their willingness to provide reference upon request, and only 8% gave a neutral response 'I don't know'.