



Gobi Regional Economic Growth Initiative

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Year Four – 1st Quarter Report January 8, 2007 - April 7, 2007 Cooperative Agreement # 438-A-00-04-00002-00

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By



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GOBI INITIATIVE PHASE II – YEAR FOUR - FIRST 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 January 8 to April 7, 2007:

- The Gobi Initiative (GI) and the Rural Agribusiness Support Program (RASP) held a joint annual planning meeting from 24th to 26th January, a total of 60 staff from the aimags and UB programs participated. The planning meeting provided an opportunity to review Year Three and the lessons learnt, and to plan and discuss the program activities for Year Four. The meeting was an important team building and information sharing exercise for the staff.
- In January the Gobi Initiative Year Four annual workplan and budget were submitted to USAID for review. USAID approved the plan in early March.
- Mongolia has enjoyed above average winter and spring temperatures and reasonable snow coverage in the Gobi region. As a result, livestock mortality has been low and herders expect a good birthing season. During the first quarter a total of 318 clients, 244 herder and 74 non-herder clients have completed the development of their business plans. Of these clients, 121 new herder clients have not received assistance before from GI and 123 have developed and implemented business plans in 2006.
- For all Gobi Initiative clients the first quarter was a crucial period as they begin implementing their business plans. Of the 321 clients (246 herder businesses & 75 non-herder businesses), 270 have requested loan facilitation of which 98 obtained loans worth MNT 314.4 Million (\$269,528) during the quarter (average loan size MNT 3.14 Million (\$2,695)) with collateral provided by the clients of 46.7% compared to 80% in the same period last year. The quarter also saw the commencement of technical assistance provision with 133 clients receiving TAs (504 participants; 59% women), 76% of these were provided by local consultants and 15% and 45% of consultant fees were covered by herder and non-herder businesses respectively. Additionally, herder and non-herder businesses created 77 new jobs.
- GI clients have started to generate sales, during the quarter herder businesses sold MNT 198 Million (\$169,957) worth of produce achieving 105% of the projection. Non-herder businesses made sales of MNT 311 Million (\$266,953) achieving 84% of their sales projection for the quarter. In all, client sales totaled MNT 500 million (\$429,185) which is 13% of the projected annual total and 91% of the quarterly projection.

- Mercy Corps in partnership with CHF Ger Initiative organized a Tsagaan Sar Market Fair between the 9-11 February. The Market Fair was held at Denjiin 1000 Market (the former Black Market). The Market Fair exhibited products from 12 aimags including: Arhangai, Bayanhongor, Govi-Altai, Darhan-Uul, Dundgovi, Orhon, Umnugovi, Uvurhangai, Selenge, Tuv, Huvsgul and Ulaanbaatar. The total sales generated by the 139 businesses was MNT 163 million (\$139,900). The Mercy Corps clients sold products with a value of MNT 58 million (\$49,785). Products with the most sales were dairy products. Approximately sixteen thousand people visited the Market Fair during the three days including the Prime Minister Mr. M. Enkhbold who visited the Market Fair on the Saturday.
- "Camel Airag Festival - 2007" Market Fair was organized in Dalanzadgad, Umnugovi aimag between the 6-7 February. A total of 60 businesses sold products with a value of MNT 16 million (\$5,150). Approximately 6,000 people visited the Fair.
- Mercy Corps has developed a contact (made through EPRC) with a major cashmere buyer into a project to supply 15 metric tones of super-fine (<14.9 micron) cashmere in 2007. Tripartite MOUs have been signed with all participating herder clients (GI & RASP), Mercy Corps aimag offices are currently collecting samples of cashmere for testing to ensure the super-fine grade from participating herder clients. Special bags have been procured and delivered to participating clients for the cashmere to be stored in once combed from the goats, awaiting collection by the buyer at a later date (April/May). Cashmere attaining super-fine quality grade will attract a premium of 30% over the market price.
- The first completed soum socio economic master plan of Delger soum, Govi-Altai aimag was approved by the soum Khural. A total of 13 soums in the 6 Gobi aimags have been selected through a competitive process to develop soum socio economic master plans. Delger soum's socio economic master plan will serve as a guide and example for other soums. In addition, the program has begun providing targeted training and TA to local government officials, with 304 participating in training this quarter.

Comment from Mr. Gansuh, Chairman of Citizen's Representative Hural, Gobi-sumber after the training on soum master plan development in Arvaiheer, Uvurhangai Aimag:

"We appreciate your program (Gobi Initiative) because your activities are in line with the government policy of business support and supports the local development. Aimag leadership will provide comprehensive support and assistance to this activity".

- Mercy Corps organized a Business Conference in Dundgobi. This was attended by 200 participants including local rural businesses, National representatives from the Ministries of Trade and Industry, Food and Agriculture, Roads, Transport and Tourism, Mongolian National Chamber of Commerce and Industry as well as local government and large UB based businesses. The goal was to discuss what the state must do in order to support rural businesses and economic development and fostering a climate of greater trust and understanding between local government and local businesses. The outcomes of the conference included a proposal developed by the participants on the way forward, with a focus on 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, and agreement to establish a branch of the 'Chamber of Commerce and Industry' in Mandalgobi to support business development.
- The three Gobi Forage program officers traveled to Texas A&M University in March for intensive training with the American counterpart scientists. The complete team, while in the USA, reviewed and revised the PHYGROW computer model and the internet based reporting system to ensure accurate data is being produced and will be ready for dissemination at the start of the growing season.

- "Final Destination", a 26 part television drama set in a small Gobi town, examines veterinary and business practices. Following the completion of nationwide broadcast on TV9 earlier this year, the show has been rebroadcast on UBS2, accessible to viewers in Ulaanbaatar. The last episode of the rebroadcast aired on April 2nd.
- "Directions 2", Gobi's new 26 part radio drama series produced by Pact, will commence broadcast on Thursday, 5th April on Mongolian National Radio. The show follows the lives of countryside herders and imparts veterinary, business and herding information as well as topical, seasonal, and up-to-date know-how. The show will air nationwide twice weekly for 13 weeks.

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

Activity One: Business Plan Development and Implementation

Targets:

- 246 herder businesses implement business plans in 2007 with total sales of MNT 1,9 billion, by January 05, 2008;
- 75 non-herder businesses implement their business plans in 2007 with total sales of MNT 1,8 billion.

Indicators	Progress during reporting period	Progress to date
Number of applications	-	-
Number of participants in BP development training	0	0
Number of BPs developed	322	322
Average time spent for BP development	0	0
Number of BPs implemented	240	240
Value of sales MNT	509,110,601	509,110,601
Total profit *	-	-
Number of new job places created	77 (DG 9, GA 14, UG 20, BH 10, UH 12, GS 12)	77 (DG 9, GA 14, UG 20, BH 10, UH 12, GS 12)
Value of fixed assets / Net worth of clients business *	-	-
Number of graduates and drop-outs	8	8

* These indicators are reported on annually

With the start of the year the herder businesses are on track with their sales, achieving 105% of the projection for the quarter. Total sales in the first quarter were MNT 198,199,911 (\$170,129) against projected sales of MNT 189,017,117 (\$162,246). Of a total of 318 herder clients, 240 have started to implement their business plans and of these 115 have generated sales during the first quarter. The only significant underperforming sector is the veterinary sector which only achieved 60% of projected sales. This may be partly due to the expectation that herders will have a high demand for anthelmintics (de-worming drugs) following the withdrawal of government subsidies; vet sales are expected to pick up in the 2nd quarter when the traditional veterinary activities begin with the spring. The animal breeding sector has also not generated any sales, but this is expected with the breeding season only just starting in the second quarter with animals giving birth. The animal breeding clients will generate sales in the third and fourth quarter

Non-herder Businesses achieved 84% of the quarterly projection being due mostly to underperformance in GA, DG and GS. These include: auto repair, cafeteria, noodle production, bakery, tailoring/sewing, carpentry and shoe production. The main reasons are 1) sales were ambitious in the business plan, 2) the production will begin later than planned, 3) electricity shortages, 4) poor management. By the end of the first quarter, GI non herder business clients had generated MNT 310,910,690 (\$266,876) in sales against a projected total sales for the quarter of MNT 371,444,134 (\$318,836), this is 84% of the quarterly projection.

There have been 8 drop-outs from the GI program during the quarter (see table 5) from the original client list. This brings the number of clients down to 318 (see table 1), but the number will be made back up to 321 with new clients joining the program during the second quarter. There is a natural attrition of clients during the first quarter: some business plans are rejected, some are found to have existing loans and are excluded while others simply have second thoughts or prioritize other income generating activities such as "ninja" mining.

Table 1: Herder Business Plan Implementation during 1st quarter

Aimag	# of clients	# of clients who started implementing BP	# of clients who have generated sales in 1st quarter
Bayanhongor	64	35	29
Dundgovi	58	28	21
Govi-Altai	58	49	18
Govi-Sumber	25	25	11
Umnugovi	49	45	21
Uvurhangai	64	58	15
TOTAL	318	240	115

Table 2: Herder Business Sales by Aimags (MNT)

Aimag	# of Clients	Total Planned Sales	Planned Sales for 1st Quarter	January Sales	February Sales	March Sales	Cumulative Total Sales	%	Planned/Actual, %
Bayanhongor	50	413,858,520	45,481,822	14,714,800	25,238,100	16,859,600	56,812,500	14%	125%
Dundgovi	49	292,584,160	14,411,050	3,175,830	5,034,300	5,907,600	14,117,730	5%	98%
Govi-Altai	43	351,348,699	18,083,725	6,398,850	3,038,200	8,379,200	17,816,250	5%	99%
Govi-Sumber	17	215,643,200	19,253,600	8,485,713	7,968,000	4,727,500	21,181,213	10%	110%
Umnugovi	35	170,100,100	16,629,250	4,822,000	4,441,830	8,957,158	18,220,988	11%	110%
Uvurhangai	50	545,172,460	75,157,670	19,917,930	21,413,000	28,720,300	70,051,230	13%	93%
TOTAL	244	1,988,707,131	189,017,117	57,515,123	67,133,430	73,551,358	198,199,911	10%	105%

Table 3: Herder Business Sales by Sector (MNT)

	Business Sector	# of Client	Total Planned Sale	Planned Sale for 1st Quarter	January Sales	February Sales	March Sales	Cumulative Total Sales	%	Planned/Actual, %
1.	Animal breeding	9	31,669,700	0	0	0	0	0	0%	0
2.	Dairy	59	342,212,640	25,855,700	13,480,213	23,785,100	8,787,100	46,052,413	13%	178
3.	Felt	31	188,468,600	12,408,100	3,728,000	3,251,800	2,940,000	9,919,800	5%	80
4.	Meat	14	131,038,355	5,986,000	6,250,000	3,675,000	3,216,000	13,141,000	10%	220
5.	Other production	28	471,988,660	102,364,227	27,730,850	28,167,700	37,402,850	93,301,400	20%	91
6.	Tourism	6	35,979,000	4,797,750	754,100	1,384,500	2,587,800	4,726,400	13%	99
7.	Vegetable/fodder	57	328,351,754	2,714,500	3,542,000	3,144,000	2,946,000	9,632,000	3%	355
8.	Veterinary	40	458,998,430	34,890,840	2,029,960	3,725,330	15,671,608	21,426,898	5%	61
	TOTAL	244	1,988,707,131	189,017,117	57,515,123	67,133,430	73,551,358	198,199,911	10%	105%

Table 4. Non-Herder Business Sales by Aimag (MNT)

Aimag	# of Clients	Total Planned Sales	Planned Sales for 1st Quarter	January Sales	February Sales	March Sales	Cumulative Total Sales	%	Planned/Actual, %
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Bayanhongor	14	692,444,069	140,377,504	41,192,000	45,656,390	42,349,600	129,197,990	19%	92
Dundgovi	9	205,001,000	33,395,000	9,141,500	2,289,900	8,480,400	19,911,800	10%	60
Govi-Altai	15	222,470,000	33,457,300	6,123,000	4,974,000	5,258,400	16,355,400	7%	49
Govi-Sumber	8	138,574,968	39,299,430	6,614,400	8,635,750	8,455,000	23,705,150	17%	60
Umnugovi	14	314,654,500	73,933,000	21,717,450	23,562,100	22,032,200	67,311,750	21%	91
Uvurhangai	14	270,672,750	50,981,900	16,869,700	23,702,400	13,856,500	54,428,600	20%	107
TOTAL	74	,843,817,28'	371,444,134	101,658,050	108,820,540	100,432,100	310,910,690	17%	84%

Table 5: GI Clients that have Dropped out of the program

Name of group/coop	Client' reference number	Business type	Reason
"Javhlan"	UG067	Bakery	Failed to write a BP.
"Yargait"	UG062	Felt production	Failed to write a BP.
"Erdene Uhaa"	DG065	Tourism	BP not approved.
"Hangain Tushig Undur"	DG016	Felt production	Failed to reimburse a pre-existing loan payment. Does not have alternative financial source for implementation of BP.
"Bayajih"	UG 038	Felt products	Members went away on a long term basis to be "ninja miners".
"Umniin Govi"	UG 035	Bus service	Ivanhoe Mines company cancelled a passenger service transportation contract on their own initiative.
"Hundlun Bulag"	BH080	Meat	BP developed, but failed to be implemented due to the migration of the group members.

Activity Two: Cooperative Formation and Development

Targets:

- More than 92% of total herder clients register as legal entities within 10 months after BP implementation, contribute to local tax revenue & distribute dividends to members.

Indicators	Progress during reporting period	Progress to date
Number of groups registered within 10 months of BP implementation	24	24
Number of clients keeping formal records & tax returns (meeting minutes & financial)	318/186	318/186
Growth in dividend per member	0	0
Number of cooperatives that have active management	60	60
Number of active members involved in cooperative activities	430	430
Number of cooperatives involving young members in cooperative activities	60	60

* An evaluation will be conducted to identify growth of dividend per member twice a year. Accurate data will be available after the evaluations in June and December.

The first quarter saw 24 out of a targeted 108 legal entities being formed which is about 22% of the total number to be registered in Year 4. These registrations are largely as a result of the 56 cooperative development trainings that were held with 406 participants. Cooperatives remain by far the most popular and convenient type of legal entity chosen by herder businesses, although it is not always applicable as illustrated in Box 1.

Advantages and Disadvantages of the Legal Entities that GI Herder Clients can establish

Type of Entity	Advantages	Disadvantages
COOPERATIVE	<ol style="list-style-type: none"> 1. One member-one vote 2. Member-investor-controller-owner 3. Membership equal economic participation/contributions 4. Equal share of profit 5. Self controlled, self invested and self managed 6. Leaders and head of the cooperative are selected from the members 7. Government support for cooperative 8. Tax support for cooperative / reserve fund is free from tax/ 9. No need of hiring more employees, there is enough human resource 	<ol style="list-style-type: none"> 1. Limitation for economic contributions of members 2. Number of membership. At least 9 people should form a cooperative. Therefore having equal participation and active cooperation is main problem for cooperative.
PARTNERSHIP	<ol style="list-style-type: none"> 1. 2 or more people can form a partnership 2. No limit for investment 	<ol style="list-style-type: none"> 1. Decision is made by a person who invested in the partnership 2. Not equal rights on decision making process and sharing of profit 3. No tax support 4. Hire employees 5. The owner can close the company anytime if he/she wanted 6. Profit shared by only the owner
LLC	<ol style="list-style-type: none"> 1. One or more people can form a company. 2. No limit for investment 3. Can distribute stocks/ shares 	<ol style="list-style-type: none"> 1. Decision is made by a person who invested in the partnership 2. Not equal rights on decision making process and sharing of profit 3. No tax support 4. Hire employees 5. Company director can be selected from outside 6. The owner can close the company anytime if he/she wanted 7. Profit shared by only the owner
PATENT HOLDER	No legal registration, but pay MNT 6000-10,000 each month as a tax.	No legal registration

Box 1: Myangat Herders

Myangat herders are herders with more than 1000 animals. GI has six *myangat* clients who are engaged in animal breeding (1 client), dairy production (4 clients) and meat (1 client). There are considerable opportunities for diversification of these businesses and GI is assisting them to do so and thus improve their incomes. Strong *myangat* herders are able to have much deeper positive impact on the community through creation of jobs and paying more taxes to the soum government. However there are some challenges to bringing *myangat* herders into the formal sector: the main problem is their lack of financial management and business skills. Many also want to diversify their business but lack technical knowledge. Finance is not a big issue as they often have substantial profit to re-invest so GI usually assists them through the provision of targeted technical assistance.

One further challenge is business registration. Many do not wish to become formal entities as this would mean they would have to pay tax and many are put off by the additional paperwork. Also since most are owned by one person, they are unable to form cooperatives (the easiest option). The few that do register usually do so as Partnerships or Limited Liability Companies (LLCs) which attract higher taxes and more paperwork.

Herder Alliance

During the quarter the program continued activities towards the establishment of the pilot Herder and Farmer Cooperative Business Alliance in Bayanhongor Aimag. The purpose of the herder alliance is to develop in the private sector the supporting infrastructure (i.e., company or cooperative) that gives livestock and crop producers access to quality production inputs (veterinary medicines, fertilizer, machinery and equipment, animal feeds, etc.), provides and organizes services that will improve product quality or improve producer capacity to engage in commercial agricultural production in the Mongolian environment (wool and cashmere grading, mechanical shearing, petroleum, spare parts, veterinary medicines, etc.), acts as an agent to market crop and livestock off-take products for members of the cooperative, and assists herders and farmers to mitigate financial and environmental risk associated with agricultural production by disseminating information provided by Gobi Forage, RBN news etc. An international consultant Dennis Sheehy (funded under the Texas A&M CRSP grant) visited the project site in Bayanhongor with GI staff as part of the ongoing process. A one-day training was organised involving 13 people from 7 herder coops in 3 soums and several trainers. The training introduced the Herder Alliance concept and took the idea forward to the next phase of development. The consultant and staff also travelled to the soums (Bayan-Undur, Baatsagaan and Galuut) and held stakeholder meetings with soum government officials, herders and business operators in order to present the concept and garner support. Over the coming months the concept will continue to be promoted to encourage herders and others to consider becoming members. Also the program staff will work with the initial interested herders to develop a constitution for the alliance and begin to help formalize the establishment of the alliance, including forming a board of directors and selecting a manager to oversee the day to day activities.

Business Debate in Bayanhongor

The 5th Bayanhongor Business Co-operators' Conference was held on 16th of March. Co-organized by the Aimag Governor's Office, Mercy Corps and the Cooperative Support Centre, this event was attended by over 80 co-operators representing 20 soums of the aimag (70% of which were GI clients), all soum governors and representatives of local branches of XacBank, KHAAN and Mongol Post banks. Member of Parliament G. Zandanshatar and Ministry of Industry & Trade officer Balgansuren also attended making speeches and participating in the discussions. The conference participants discussed the problems facing cooperatives and rural business development. As a result of the conference the Bayanhongor Aimag government have established working groups that will address the issues raised, the primary assistance identified includes; provision of TA, formalizing the business planning process pioneered by GI for all small businesses and further assisting with linking businesses to the financial sector.

Table 6: Total Numbers of Herder Groups and Cooperatives/Registered Businesses

	Total	BH	DG	GA	GS	UG	UH
Number of Coops / Registered Businesses	210	41	31	43	15	26	40
Number of Herder Groups	108	23	27	15	10	23	24

(Unregistered)							
Total	318	64	58	58	25	49	64

Table 7: New Coops/registered entities

Number of newly formed legal entities	Jan	Feb	Mar	Total
Total	1	2	21	24
BH	0	0	1	1
DG	0	0	1	1
GA	0	1	6	7
GS	0	0	3	3
UG	1	0	10	11
UH	0	1	0	1

Activity Three: Training and Technical Assistance for Herder Businesses

Targets:

- 124 new herder clients will receive at least 319 trainings & consultancies in 2007;
- 122 existing herder clients will receive at least 231 trainings & consultancies in 2007 with a 15% cost share on consultant fee;
- Total number of HB TA & consultancy will be at least 550 in 2007.

Indicators	Progress during reporting period	Progress to date
No trainings & consultancies conducted	81	81
# of clients participated	133	133
Length of training	2	2
Number of participants	536	536
Quality of training (Average form 1 score)*	-	-
% of increase in participants' knowledge*	-	-
% of female participants	48%	48%
% of local consultant provision	76%	76%
% of cost recovery (eligible trainings)	15%	15%

*Data will be available from the 2nd quarter onwards

Training activities got off to a good start during the quarter as clients began to implement their business plans. In all, 81 trainings were delivered to 536 participants of whom 48% were women. Herder businesses receiving training or technical assistance contributed a cost-share to the consultant fee of 15% on average for the first time in GI phase 2. The cost share was collected by the consultant from existing old herder business clients that have participated in the program in previous years or those who have already received three technical assistance (TA) interventions. 76% of TAs were delivered by Aimag-based consultants (see Table 8), with the most popular TA being Cooperative Development as clients implement their business plans and establish a legal entity.

The start of collecting cost share from the herder clients towards the consultant fees is an important step towards the future sustainable provision of training and technical assistance at the aimag level. The program has been working over the first three years to build the capacity of the aimag-based consultants and at the same strengthening new and existing businesses. As the businesses become economically viable and understand the value of training and technical assistance, in the future the assumption is that they will be willing to pay for further training and technical assistance from the certified aimag-based consultants. By

having the herder businesses start to contribute towards the costs of training and technical assistance the program hopes to establish a precedent that will continue beyond the life of Gobi Initiative.

Table 8: Summary of Training and Technical Assistance for Herder Clients

General classification of TA	1st quarter			
	# of TA provided	UB consultant	Local consultant	GI officer
Animal breeding	1		1	
Bakery/food processing	4	1	3	
Business training	1	1		
Cooperative development	49	1	29	19
Dairy/milk processing	4	2	2	
Financial management	9	1	3	5
Meat	2	2		
Semi-settled livestock production	1	1		
Specialized TA	7		6	1
Vegetable/crop production	2		2	
Veterinary training	1		1	
Total	81	9	47	25

Activity Four: Acquiring Critical Inputs

Targets:

- 273 loans disbursed with a total value of MNT 781 million, all of which are repaid according to schedule;
- 90% loans will be used for intended purposes;
- Average collateral by herder clients will not exceed 50% and for non-herder 60%;
- All clients receive critical inputs required for BP implementation (subject to plan) and 6 local input suppliers established or strengthened.

Indicators	Progress during reporting period	Progress to date
Number of loans disbursed	98	98
Value of loans disbursed	314,419,000	314,419,000
% of collateral provided by LGM	47%	47%
Number & proportion of loans ≤ 3M MNT	76 & 57%	76 & 57%
% of LGM collateral for loans ≤ 3M MNT	46%	46%
Repayment rates of loans ≤ 3M MNT	1%	1%
Number of clients that received input facilitation	45	45
Value of equipment purchased	72,647,141	72,647,141

GI clients began receiving assistance in obtaining loans and inputs as identified by their business plans. In all 36% of GI clients who have requested loan facilitation, received loans during the quarter. Additionally, 22 clients received assistance in purchasing MNT 27 Million (\$23,176) in various kinds of equipment for the implementation of their business plans.

Loan Facilitation

During the quarter, 98 clients (36% of the projected number) received assistance in obtaining loans worth MNT 314.4 Million (\$269,871). Mercy Corps has provided a total of MNT 146.8 million (\$125,976) as cash collateral through the loan guarantee fund to GI clients, which constitutes 47 % of collateral.

Since the beginning of Gobi II, Mercy Corps has assisted 449 businesses in obtaining commercial financing of MNT 1.4 billion (\$1.2 million), of which MNT 820 million (\$704.5 thousand) has been guaranteed

through the USDA-funded "Rural Agribusiness Support Program". Of these 449 businesses, 280 have fully repaid their loans, the total value of the repaid loans was MNT 784 million (\$673,000)

Table 9: Loan summary and comparison with 2006

	# of loans	Total Loan size MNT	Average loan size, MNT	# of loans < MNT 3mln/size	<3M/total loans	Collateral Client/total
2007 (1st quarter)	98	314,419,000	3.2 mln	76 loans/177,715,000	78%	53%
2006 (1st quarter)	52	139,370,000	2.7 mln	41 loans/85,190,000	79%	45%

The Aimag-based representative offices have reported prompt repayment of loans scheduled for the first quarter. However, one borrower in Dundgovi Aimag is delaying repayment of their loan. Hangain Tushig Undur took a loan of MNT 3.3 million with 60% collateral provided by Mercy Corps and were due to repay the loan by March 2007. XAC bank has confiscated the client's collateral. Lesson learnt from this business is that GI needs to review the clients business plan better and also monitor with greater frequency the implementation of the business plan. Also the program officers need to monitor the use of the loan funds and ensure that they are used for the stated purpose detailed in the business plan.

Details of the borrower in Dundgovi Aimag that is having difficulties repaying their loan:

Name	Business activity	Details
Hangain Tushig Undur	Felt production	The client bought some felt equipment and some raw materials. The quality of equipment was poor. The quality of the product was also bad and as a result the business was unable to make good sales and generate sufficient income to cover their costs and repay the loan.

The issue of double loans (clients having two loans from different banks) was ever present in the first quarter. There are considerable challenges with checking a client's credit history to avoid this and GI is cooperating with their banking partners to obtain disclosure. Double loans are avoided as it increases the risk of default and use of the loan funds for other purposes and not as detailed in the business plan.

Equipment facilitation

GI assisted 48 clients in obtaining MNT 72.6 million (\$62,318) worth of equipment and inputs. Clients are beginning to utilize the Input Supplier's Directory (Developed in 2006) and contact suppliers directly. GI assists only when the client has little success in direct contact or when a supplier isn't listed for a specific piece of equipment. A revised edition of the Input Suppliers Directory is under development and will be available in May for dissemination to clients and other businesses in the aimags.

Table 10: Quarterly Summary of Equipment Facilitation

#	Aimags	Client type		Value of requested equipment, MNT	Total value of purchased equipment, MNT	Price of purchased equipment, MNT		
		HB	NHB			January	February	March
1.	Bayanhongor	25	9	90,844,800	31,636,000		31,016,000	620,000
2.	Govi-Altai	40	9	141,620,000	21,222,000	2,350,000		18,872,000
3.	Govisumber	16	4	104,771,700	6,109,141	3,821,141	788,000	1,500,000
4.	Dundgovi	47	7	100,511,300	4,700,000		4,700,000	
5.	Umnugovi	28	11	97,106,200	3,845,000	2,600,000		1,245,000
6.	Uvurhangai	27	8	65,132,000	5,135,000		465,000	4,670,000
	TOTAL	183	48	599,986,000	72,647,141	8,771,141	36,969,000	26,907,000

Table 11: Breakdown of equipment facilitation

#	Aimaᠭ	Name	Type	Legal status	Critical input	Amount MNT
1	GS	Emeeliin Hishig Jond	NHB	partnership	Greenhouse construction materials, seeds	1,500,000

2		Tsagaan dalai	HB	herder group	airag plunger, airag skin bag	260,000
3		Bayan airag	HB	herder group	Airag kiosk construction material	300,000
4		Altan tahia	NHB	patent holder	Chicken farm shed mat	228,000
5		Sor	NHB	patent holder	hair and beauty saloon equipment	3,821,141
6	BH	Baruun Nuur	HB	cooperative	Potato seed	320,000
7		Burhantyn Ovoo	HB	cooperative	Seeder	300,000
8		Nindert Davst Nuur	HB	cooperative	salt pulverizer	1,000,000
9		Bayan Uul Urlal	HB	cooperative	printed cotton, lining materials	10,699,000
10		BNE	HB	cooperative	Container	1,378,000
11		lh Gurvan Bulag	HB	cooperative	Wool separator, wool toughen equipment	881,000
12		Rashaant Uurlan	HB	cooperative	Sewing machine	520,000
13		Orogiin Dolgio	HB	cooperative	Electric felt making equipment	4,500,000
14		Tuin Delgereh	HB	cooperative	Surgical tools, motopump	520,000
15		Uutiin Urlal	HB	cooperative	Varied of patterns, sewing machine, generator, host equipment, hand operating moulder	1,082,000
16		Bayan Hairhan	HB	herder group	Gas dealing equipment, generator	1,950,000
17		Buyant Tavan 3uural	NHB	cooperative	Generator, electric Baking equipment/big, electric Baking equipment/small, baking Oven	1,580,000
18		Hongoriin Tushig	NHB	cooperative	Electric Baking equipment, generator, dough mixer, yogurt bottling equipment, bread baking equipment	1,650,000
19		Rashaant	HB	herder group	Boot making machine, boot frame making machine, generator, wool separator, spinning wheel	1,656,000
20	Nutgiin Zar	NHB	partnership	Computer/ 6 pieces/, camera, canon, color printer	3,600,000	
21.	UG	Ahan Duus	HB	herder group	Wool spinning machines	240,000
22.		Altangerel	NHB	patent holder	Hemming machine, sewing machine	175,000
23.		Erdenes	HB	herder group	Wool spinning machine	100,000
24.		Havtskait Hairhan	HB	LLC	Animal drugs	500,000
25.		Anh san	HB	cooperative	Greenhouse and irrigation system	2,600,000
26.		Tahilgat Bayan Hairhan	NHB	LLC	Mixing machine	230,000
27.	UH	Delgereh	HB	herder group	Elite goat	2,670,000
28.		Danshig Denj	HB	cooperative	bran for pig	15,000
29.		Zurgaa Dahi Uguuj	HB	herder group	waste potato for pig	100,000
30.		BVG	HB	partnership	Honda motor pump	350,000
31.		Uzemt Talh	NHB	patent holder	Vehicle	2,000,000
32.	GA	Gazryn Uguuj Hurimt	HB	cooperative	Banner and labels	20,000
33.		B.Erdene-Ochir	NHB	patent holder	small size tractor including 6 agregats	2,350,000
34.		Goviin Sor Altai	HB	cooperative	Washing machine and raw materials	490,000
35.		Shivee Tseel	HB	cooperative	Production place and tractor	2,890,000
36.		Tarian Ovoo	HB	cooperative	Cows and bull	2,060,000
37.		Tumen Agt	HB	LLC	Drugs	2,000,000
38.		Tungalag Rashaan	HB	LLC	Drugs	3,000,000
39.		Unur	NHB	patent holder	Stove	250,000
40.		Achad	HB	LLC	Drugs	2,500,000
41.		Aj Delgereh	HB	LLC	Drugs, stove and radiator	1,597,000

42.		Baasansuren	NHB	patent holder	Generator, plane, saw, presser, log, polished boards	2,545,000
43.		Nar Altai	HB	LLC	Veterinary office building, animal drugs	1,500,000
44.		Gol Eej	HB	cooperative	Banner and labels	20,000
45.	DG	Alagiin Devshih	HB	cooperative	breeding cow, hay	4,700,000
TOTAL						72,647,141

Aimag State Veterinary Laboratories

The support to Aimag State Veterinary Laboratories, as well as the final importation of equipment and the development of full inventories, has been completed. Currently, the translation of laboratory equipment manuals is in the process. Twelve laboratory staff were trained in advanced diagnostic techniques, and the laboratories upgraded to the international standards. Fully functional laboratories are able to carry out their mission of protecting animal and human health in their communities and make connections with local veterinarians to provide continuing education. AVLs are providing infectious diseases diagnosis, food safety inspection services by the requests of consumers and inspection agency at the Aimag level, and organizing AVL trainings for private vets who work at soum and bag levels.

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

Targets:

- 75 long-term clients and 17 short-term clients receive no less than 167 trainings & consultancies in 2007 with 45% of consultant fee covered by long-term clients;
- 70% of total clients produce a new product & service & increase quality of product & service.

Indicators	Progress during reporting period	Progress to date
No trainings & consultancies conducted (LTTA & STTA)	33	33
# of clients attended (LTTA & STTA)	44	44
Quality of trainings & consultancies*	-	-
% of local consultant provision	47%	47%
% of cost share	45%	45%
Number of trainings conducted by Mercy Corps staff	4	4
New product & service produced as a result of received trainings & consultancies*	-	-

* Data will be included from the 2nd quarter onwards

Technical assistance (TA) provision to non-herder businesses began in the first quarter as planned and rose sharply towards the end of the period. 44 TAs were provided to 110 participants in 9 basic subjects, see Table 12 for details. Among the training topics in high demand were legal entity formation, bakery and pastry production technology (see success story 1), and marketing.

Success Story 1: Fourteen GI bakery and dairy clients have contracts with the GOM's School "Tea Break" program. The program is jointly implemented by the Ministry of Finance and Ministry of Education, Culture and Science. After receiving TA in March, the businesses have acquired skills to manufacture 18 different kinds of products from meat, cheese, vegetables and fruits as well how to decorate various pastry products. "Hongoryn Tushig" cooperative organized a promotion where soum residents had a chance to taste their products, and the event was well received by the local citizens and school children.

Table 12. Training and Technical Assistance Provided to Long-Term Non-Herder Businesses

Aimag	Client Name &	Name of Consultant	Client Payment
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Aimag	Client Name & Consultancy Topic	Name of Consultant			Client Payment MNT & % cost share
		UB	Local	GI Officer	
UH	Suun Dalai Travel - Accounting			Erdenesuvd	
GA	Shargal Naran - Accounting			Enhjargal	13,500 (45%)
UG	Goviin Orgil - Animal breeding	Sh. Bat-Erdene			121,275 (45%)
UH	Amtat Byaluu - Bakery	H. Davaachimeg			13,825 (45%)
UH	Uzemt Talh - Bakery	H. Davaachimeg			13,826 (45%)
UH	Bat Anduud - Bakery	H. Davaachimeg			7,000 (45%)
GA	Bars Moriton - Bakery	H. Davaachimeg			34,650 (45%)
UG	Tahilgat Bayan Hairhan - Bakery	Davaachimeg			26,000 (45%)
BH	Hongoriin Tushig - Bakery	Sarulchimeg			34,650 (45%)
GA	Bayandalai - Bakery		Bolormaa		20,250 (45%)
BH	Buyant Tavan Buural - Bakery	Sarulchimeg			34,650 (45%)
UH	Tugs Gun - Basic accounting			Erdenesuvd	
GS	Sor - Beauty massage	L. Battsetseg			43,650 (45%)
UH	Mongol Gutal - Boot repair		Nasan-Ulzii		6750 (45%)
BH	Hongoriin Sor - Business management	P. Munkh			17,350 (45%)
BH	Nutgiin Zar - Business management	P. Munkh			17,350 (45%)
GS	Altan Tahia - Chicken feeding and care	Tumennast			11,550 (45%)
GA	Davaadorj - Cooperative development		N. Jargal		13,500 (45%)
GS	Sor - Cooperative development			Mendbayar	0%
GA	Tsogmaa - Cooperative development		N. Jargal		13,500 (45%)
UH	Sain Ilch - Cooperative development		Z. Bayarsaihan		6,750 (45%)
UH	Autocom - Cooperative development		Z. Bayarsaihan		6,750 (45%)
GA	Chuluundens - Cooperative development			Buhbaatar	
UG	Altangerel - Cooperative development		Zayasuren		
UG	Oron Zai - Cooperative development		Zayasuren		
UG	Tusgats - Cooperative development		Zayasuren		
UG	Uilchin Mandal - Cooperative development		Zayasuren		
UG	Lady - Cooperative development		Zayasuren		
GA	Gavaanyam - Cooperative development		Jargal		
UG	Dalan Od - Financial management		D. Zayasuren		2,250 (45%)
GS	Bars Moriton - Financial record			Mendbayar	

	keeping				
GS	Goviin Tuya - Human resource	Tserenchimed			11,550 (45%)
GS	Lucky Dent - Human resource	Tserenchimed			11,550 (45%)
BH	Nutgiin Zar - Press and printing	D. Javhlan			34,700 (45%)
GS	Borjigon Tumen - Sales and Marketing	Bat-Erdene			12,000 (45%)
GS	Lucky Dent - Sales and Marketing	Bat-Erdene			12,000 (45%)
GS	Emeeliin Hishig Hond - Sales and Marketing	Bat-Erdene			12,000 (45%)

Technical Assistance Provided to Short-Term Clients

During the quarter 7 short-term clients received technical assistance. The clients paid at least 45% cost share towards the consultants fee.

Table 13: Details of Short-Term Technical Assistance Provided by GI

No	Aimag	Client Name & Consultancy Topic	Number of Consultants			Client Payment MNT & % cost share
			UB	Local	GI Officer	
1.	UH	Munhsunder - Hotel management	Badamtsetseg			15,750 (45%)
2.	UH	Haraa - Hotel management	Badamtsetseg			15,750 (45%)
3.	GS	Human resource management	L. Tserenchimed			34,650 (45%)
4.	GS	Chicken feeding/care (2 clients)	M. Tumennast			23,100 (45%)
5.	GA	Business entity formation			B. Erdenetsogt	0
6.	GS	ST bakery - Bakery	H.Davaachimeg			34,650 (45%)
7.	UG	Bakery technology	H. Davaachimeg			35,988 (45%)

Activity Six: Local Capacity Building for Training and Technical Assistance

Targets:

- All aimag-based consultants who conducted no less than 5 trainings & consultancies will be certified;
- More than 70% of total trainings & consultancies will be conducted by aimag-based consultants.

Indicators	Progress during reporting period	Progress to date
No of local consultants	124	14
No of aimag-based consultants certified	8	37
No of local consultants who provided more than 5 trainings	3	7
% of local consultants with more than 5 trainings	16%	16%
No of capacity building training activities	5	5
% of trainings & consultancies provided by local consultants	42%	42%
% of UB consultancies accompanied by a local consultant counterpart	1	1

Establishment of a Partnership with the Mongolian NGO 'Ibris Mongolia'

This activity is designed to support sustainable Business Development Service (BDS) providers to take over key areas of GI's Technical Assistance provision for the long term. GI has recently identified a key Mongolian partner in wool technology development: Ibris Mongolia. Mercy Corps/Gobi Initiative plans to build the capacity of Ibris Mongolia to cover the Gobi Region, delivering high quality TA to niche fiber producers and linking them to domestic and export markets. A strengthened Ibris Mongolia would be a lasting and sustainable provider of BDS and market linkages to producers of animal fibers in the Gobi Region and, moreover, help to protect the endangered snow leopard, and the Bactrian camel and yak whose numbers are in severe decline internationally. Animal fibers (cashmere, sheep & camel wool and yak cashmere) contribute significantly to the incomes of herder businesses in the Gobi region. This income can be augmented by improved fiber processing technology and access to larger markets. The goal and objectives of the program are as follows:

Goal: To provide business diversification and income generating opportunities, and improved wildlife conservation through the production of high quality camel wool, sheep wool and yak wool yarns and handicrafts for export and domestic markets.

Objectives

1. Provide 2 sets of trainings in improved wool technology to at least 18 herder groups & coops in Uvurkhantai, Gobi Altai, Bayanhongor, Umnugobi and Uvurkhantai by October 2007¹, and increase knowledge by at least 30%
2. Support at least 80 trainees in 18 herder groups to process 1,200 kg of wool through input supply (equipment and dyes etc).
3. To source at least \$4,800 of wool products from these clients and sell on to domestic and export markets by November 2007; at least 10 US zoo stores and approximately 5 US yarn stores place orders for products

Attached as Annex 1 is the full proposal developed by GI and the Mongolian NGO 'Ibris Mongolia' with details of the costs involved.

Consultant Certification

On the GI database there are registered a 124 Aimag-based consultants, of which 37 are certified and 87 are uncertified. No Aimag-based consultants were certified during the first quarter. Instead the technical team focused on consolidating the monitoring and reporting procedures for TA providers. During the quarter new procedures were developed for calculating UB consultant fees based on performance, experience and qualifications. In addition a two-tier system of remuneration for Aimag-based consultants was introduced whereby certified and high performing consultants would receive MNT 18,000 per day and uncertified MNT 15,000; this will provide an incentive to perform well and undergo certification.

Qualitative monitoring procedures have been revised so that both participants and observers (GI Staff) can provide feedback and give a score which will assist in determining their pay. TA providers will also be encouraged to conduct pre and post tests in order to assess knowledge increase which will also contribute to TA monitoring and assist in determining the application of new knowledge.

Capacity Building

Three capacity building exercises for Aimag-based TA providers were organized during the quarter; two training sessions were held in Ulaanbaatar and one in Uvurkhantai Aimag.

1. A four-day ToT on teaching methodology and psychology was held in Ulaanbaatar in March. The 4 day training was conducted engaging 22 Aimag-based trainers, mostly from the technical and agricultural sector, and covered a wide range of theoretical and practical exercises on teaching methodology, moderator and presentation skills, interacting with audience and their psychology, running team work and preparation of hand-outs etc. Though GI certified Aimag-based consultants are professionals in their respective field, they have never attended teaching methodology trainings.

¹ 18 herder groups are comprised of approximately 160 herding families (800 family members).

2. A basic marketing training was held in Ulaanbaatar in March involving a total of 15 trainees, including GI Information & Marketing Officers from 6 Aimags. The training was aimed at summarizing and developing directions and trends of contemporary marketing research, its significance, research methodology and information. The trainees were tested before and after the training and follow up training needs and action plans were developed for the participants.
3. A training workshop for consultants in soum master plan development and local government employee trainings was held during March in Arvaiheer, Uvurhangai Aimag. The training was jointly organized by GI Ulaanbaatar officers, "Spiritual Mirror" Training & Research Center and the Faculty of Law of Administration & Technology School of University of Defence. A total of 14 Aimag-based consultants (7 for soum's master plan development and 7 for local government capacity training) participated in the training workshop.

Comment from Mr. Gansuh, Chairman of Citizen's Representative Hural, Gobi-sumber after the training on soum master plan development in Arvaiheer, Uvurhangai Aimag:
"We appreciate your program(Gobi Initiative) because your activities are in line with the government policy of business support and supports the local development. Aimag leadership will provide comprehensive support and assistance to this activity".

Activity Seven: Market Development

Targets:

- 130,000 people attend 18 market events in 6 aimags with sales of over 400 million MNT in 2007 (UB-1, aimags-4, regional -2, Saturday-11);
- 13 market researches on local leading products will be conducted;
- Feasibility study into organic production certification conducted;
- Sales from new markets exceeds 20mln MNT.

Indicators	Progress during reporting period	Progress to date
No of market days organized	2	2
No of exhibitors	31	31
Attendance of market day events	21,750	21,750
Sales at market day events	60,304,650	60,304,650
Ratio of sales & costs	60,304,650/1,197,560	60,304,650/1,197,560
No of contracts made during the events	0	0
Value of MC contribution to MD costs	1,197,560/15,197,546	1,197,560/15,197,546
Amount & value of products sold at regional markets through facilitation & contracts	57,871,700	57,871,700
Progress on feasibility study		

Market fairs

Two market days were organized by GI in February, 2007: "White Month-2007" Trade Fair was held in Ulaanbaatar on 9-11 February and "Camel airag day" in Umnugovi Aimag on 6-7 February.

A total of MNT 163 million (\$139,900) in sales of dairy, wool, handicraft and meat products were generated at the Ulaanbaatar white Month-2007 Trade Fair. Out of these GI clients had a sales income worth MNT 58 million (\$49,785). All the clients who participated in a fairs were happy that they could sell all the products they brought. One particularly interesting observation was the value the customers placed in products which were identifiable as being from their home Aimag. GI and RASP will be placing more importance on source-of-origin branding in future.

At the "Camel airag day" in Umnugovi Aimag a total 60 businesses sold products with a value of MNT 16 million (\$5,150). Approximately 6000 people visited the Fair. The primary products sold included: various dairy products (camel milk, airag, dried curd, milk cream), camel wool products. At the market day seven GI clients participated and the program contributed to the event through the provision of MNT 136,000 (\$117) as funding for promoting the event and was also involved in the organization of the event in cooperation with the Aimag Government and department of Agriculture. The secondary objective for organizing the Camel airag day was to raise awareness and support for the Bactrian camel which is in decline both in Mongolia and Worldwide. At the event there were displays of the many products produced from camels including: airag, aruul and fiber. In addition, a conference discussing the decline of the Bactrian camel, camel polo matches and camel races were held during the fair.

Table 15: Summary of trade fairs held in the first quarter

Location	UB	UG
Dates	9-11 February	6-7 February
Name of the event	"White Month-2007"	"Camel airag day-2007"
Co-Organizers	<ul style="list-style-type: none"> • CHF/Ger Initiative • UNDP/SGMP • "Arhangai development" association 	<ul style="list-style-type: none"> • Aimag Governor's office • Camel fund • Ag department • Sport department
Government officials attending the events	<ul style="list-style-type: none"> • Vice-minister of education, culture and science Ts.Tumur-Ochir • Arhangai Aimag Governor 	<ul style="list-style-type: none"> • MP D.Bat-Erdene • UG aimag Governor M.Yadmaa
Total Sales MNT	162,984,550	15,898,300
GI clients total sales MNT	57,871,700	2,432,950
Total exhibitors	139	60
GI exhibitors	24	7
Attendance	15,750	6,000
Most Sales	<ul style="list-style-type: none"> • Dairy • Meat 	<ul style="list-style-type: none"> • Dairy
Grand Prize	Most sale-"Ar tusgalt" partnership, AR aimag	Different kinds of products-Erdenes group, Bulgan soum, UG aimag

In addition to these GI-organized fairs, clients also attended other market fairs and events in the Aimags and in Ulaanbaatar to sell and promote their products, these included:

- "Yak Is Our Local Brand Product" day in Uvurhangai aimag on March 25-26; attended by 8 GI clients
- Xas Bank in Govi-Altai aimag organized a trade fair for its clients' products; GI client "Altai Tan" company promoted its products and services.
- During the Aimag business operators conference in Dundgovi aimag 10 GI clients displayed their products in "Business Fair- 2007" which was a part of the conference.
- There were some good initiatives from GI clients in Umnugovi aimag. "Naran Zug Melmii" partnership and "Ganzagad" herder group had shown the advantage cooperation by organizing dairy trade fair, camel racing and other competitions among herders in Noyon soum.
- "Urchuud" and "Ongi Mandal" group members in Umnugovi aimag exhibited their products in a fair organized during camel polo in UB.
- The UB Tourism Fair was organized by the Mongolian Tourism Association on March 25th – 26th in Misheel Expo, UB. The following clients participated in the tourism fair - "Altan Govi Shiree" (Umnugovi), "Burkhant Shashir" (Dundgovi) and "Borjigon Urguu" (Govi-Sumber). Three clients signed 2 to 4 new contracts each with tour operators, unofficial tour organizers and ger camps.

Establishing market linkages:

Super-Fine Cashmere

A tripartite MOUs were signed between Amare Cashmere, GI/RASP and Herder Clients. These outlined the roles and responsibilities of each party in selecting, grading and purchasing super-fine cashmere; principally the payment of a 30% premium for cashmere testing below 14.9 microns. Preliminary tests have been conducted and approximately 15 metric tones of potentially super-fine cashmere has been sourced from GI and RASP Aimags and is awaiting purchase by Amare Cashmere.

Ivanhoe Mines

GI is facilitating linkages between the exploration operation of Ivanhoe Mines and clients supplying dairy products and vegetables. Clients' summer and spring settlement locations have been mapped and shared with Ivanhoe Mines who have in turn shared their exploration sites. Sales income sheets and invoices have been delivered to assist in the monitoring of any direct sales of products by GI clients to Ivanhoe Mines exploration teams.

Camel and Yak Yarns

Three international companies replied to a prospective letter describing camel and yak wool and yarns available from GI clients that was sent during the quarter. These were Supply & Buy company, Plymouth Yarn Company and Kimberley Jane company. There appears to be strong interest in these niche products and samples will be sent in May. The program will then facilitate the establishment of linkages to its clients, either directly or through Ibris Mongolia or another third party to those international companies that are interested in establishing formal orders for finished products.

GI client catalogue production

GI produced client product catalogues for the first time in 2006. The first quarter of 2007 saw a revision of the template and the development of new content with the inclusion of new clients for the 2008 catalogues. The 93 GI clients included in this years catalogue will each contribute MNT 15,000. The catalogues will be published and disseminated during the second quarter.

Organic feasibility study

GI originally identified the Mongolian National Chamber of Commerce and Industry (MNCCI) as a potential partner and stakeholder organization for this activity. This was due to the existence of the Green Label system administered by MNCCI (currently an arbitrary award for eco-friendly Mongolian products) and the potential to develop this into a full organic standard. Attempts to work with MNCCI have so far not yielded any success and GI will proceed by developing a terms of reference for an outside organization to conduct a preliminary study and draft recommendations for the development of organic standards for Mongolia. There are a number of internationally recognized bodies in China, Japan and Korea who would be eligible to bid, and who could provide linkages to export markets through pre-existing schemes in their countries.

Activity Eight: Local Government Support for Business

Targets:

- 6 aimag & 30 soum government offices deliver improved services for business.
- 13 soum Master Plans developed, approved by Hural & implemented.

Indicators	Progress during reporting period	Progress to date
Number & type of local government officials trained (tax, land, other)	304	304
No of trainings held	10	10
No of soums & Aimags	10 soums/5 aimags	10 soums/5 aimags
Quality of service*	-	-
No of days to register business	2	2
No of land use licenses issued*	-	-
Master Plans developed, approved & implemented	1	1
No of participants in MP development	174	174

* Data will be included in the next quarterly report

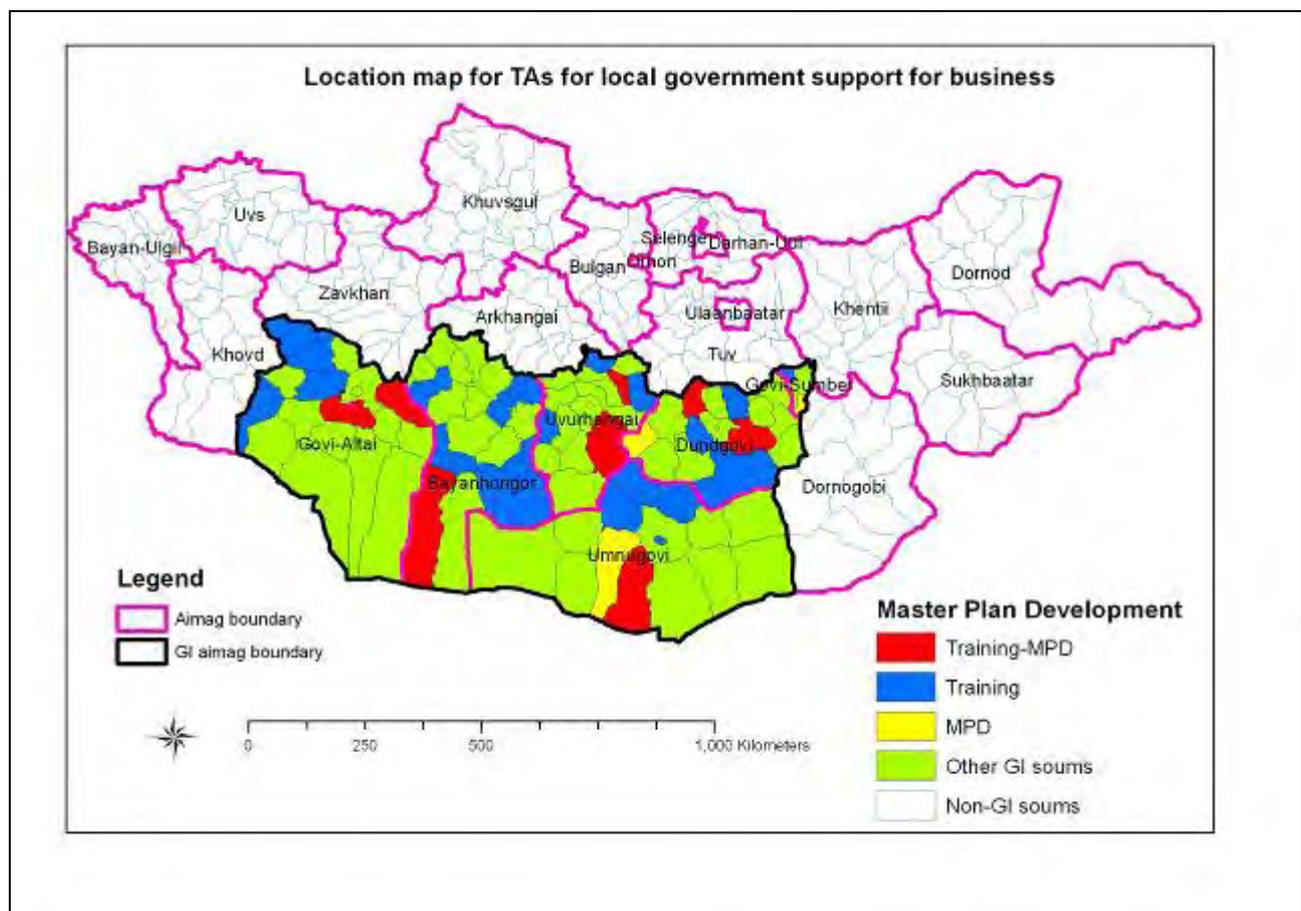
Table 16: Summary of TA Provided to Government Employees During the first quarter

#	Training Workshops	Dates	Aimag	Number of participants
1.	Master plan development	Jan 8-11	UH, Arvaiheer	17
2.	Master plan development	Jan 11-12	UH, Bayangol	15
3.	Master plan development	Jan 30-Feb 3	GA, Delger	60
4.	Master plan development	Feb 26-27	GS, Shiveegovi	15
5.	Communication skills	Feb 27-28	UG, Bulgan	25
6	Master plan development	Mar 03-04	UG, Hurmen soum	15
7	Master plan development	Mar 05-06	UG, Bayandalai soum	20
8	GAAP training	Mar 20-21	GA	80
9	Master plan development	Mar 29-31	GA, Haliun soum	32
10	Estimating basic population indicators	Mar 13-14	BH	25
	TOTAL			304

During the first quarter the Aimag Program Officers and the Ulaanbaatar based Program Officer for Local Government cooperation developed and completed an application process to identify those soums within the target six aimags that the program would work with over the course of Year Four. The application process consisted of a form that was completed by all soums interested in participating. The form was completed by Soum Governors and their teams and requested information on past capacity building received from GI and the contributions that the soum would make towards the costs of training and technical assistance activities. The applications were then reviewed the soums with the most complete information and that demonstrated the greatest motivation and interest in working with GI were selected. The following Table 17 and the map provide details of the soums selected and the types of activities that GI will implement in the various soums over the course of Year Four.

Table 17. Types of Activities that GI will Implement in Cooperation With Local Government

Aimags	Training, Technical Assistance		Soum Master Plan	Meeting, Forum	One Stop Shop	Total
	Soum	Organization	Soum	Organization	Organization	
Govi-Altai	6		2	2	1	11
Bayanhongor	8	1	1	2	1	13
Uvurhangai	6	1	4	2	1	14
Govi-Sumber	1	1	1	2	1	6
Dundgovi	5	1	3	2		11
Umnugovi	5	1	2	2	1	11
Total	31	5	13	12	5	66



Soum socio-economic development master plans

In Year Four the program plans to assist 13 soums to develop a master plan for the socio-economic development of their soum. The development of the plans will involve local government employees, members of the soum citizens representative hural (local parliament), business owners and local residents. The master plans will be approved by the respective citizens representatives hurals. GI will facilitate the process from the initial meeting of all the stakeholders through to the development of the final master plan. During the reporting period 'Master Plan Development Trainings' were implemented in seven soums of the five Aimags of Gobi-Altai, Uvurhangai, Govi-Sumber and Umnugovi. As a result of the leadership of Gobi Initiative and the participation of 174 government employees in the process, one master plan was completed (Delger soum, GA), the plan was also approved by the Soum Hural and commenced implementation. The remaining six master plans are under development; five from Hurmen, Bayandalai, Arvaiheer and Bayangol and Shiveegovi soums will be debated in Hural meetings in June, and one from Haliun Soums will be

debated in July. During the next quarter, the remaining six master plans will begin the participatory development process with all of the stakeholders.

First master plan handed over to Prime Minister of Mongolia

The program provided financial support towards the costs of publication of the master plan for Delger soum of Govi-Altai Aimag (see above). This plan was handed out to the participants at the master plan consultants training held in Uvurhangai in March for use as a model plan (see Activity 6). The Prime Minister of Mongolia M. Enhbald, while visiting Govi-Altai Aimag, visited Delger soum and was presented with a copy of the Master Plan by soum government officials.

Training needs identified

To achieve sustainable economic growth in the rural areas, an effective partnership and dialogue between the private sector and local government is crucial. The capability of any local government is defined by the level and sophistication of the professional knowledge and understanding of the legal and economic aspects of civil servants. In order to develop and implement a well grounded business support policy, it is imperative that the government employees strengthen their skills and abilities in the relevant areas. During the first quarter a training needs assessment was conducted for 488 government employees from 35 soums and 5 organizations across the 6 target aimags which have expressed an interest in cooperating with the program. The government employees proposed 58 training topics that were consolidated into 7 broad training topics that are detailed in Table 17. Based on the training topics identified a tender for the selection of eligible consultants and organizations to provide the training content, develop the training curriculum and manuals was announced.

Table 18: Details of the Seven Training Topics Identified by the Local Government Officials

#	Training name	Term	Training objectives	Training contents
1	Serving the Public, Serving the Nation	2 days	To develop communication capacity in government officials, governance officials and rural businesses to enhance participatory multi-stakeholder decision making that enables social and economic development in rural area.	<ul style="list-style-type: none"> • Participatory, multi-stakeholder processes enable social and economic development, understanding of different perspectives, enhanced accountability and transparency. • Clear information enables compliance, understanding, accountability, and transparency. • Democracy is a work in progress-everyone is part of the process. • Failing to plan is planning to fail.
2	Team Management	3 days	Human resource, team, and communication management.	<ul style="list-style-type: none"> • Business unit in a market economic • Strategy management • Productivity management • Team management • Good person and communication management /successful agreement and communication/ • Government service quality • Management-creativity
3	Government support for new businesses	2 days	Improve knowledge and skills of government officials how to cooperate with business operators for local economic development.	<ul style="list-style-type: none"> • Business ideas and performances • Business environment • Marketing skills and marketing survey • Fundraising • Business plan development methods • Government support for business • Opportunities and support for NGOs to implement some government activities • Monitoring and evaluation of government service performance
4	Project writing and implementation skills	2 days	Deliver knowledge and skills to write and implement a project for local economic	<ul style="list-style-type: none"> • How to create new project ideas / identify problems and solutions/ • Do SWOT analysis • Determine mission, objectives, and develop necessary

			development.	<ul style="list-style-type: none"> budget Project planning and implementation Project surveys, analysis, monitoring and evaluation, and reporting
5	Information and survey gathering and processing.	2 days	Deliver skills and knowledge how to gather and process necessary information and surveys for government activities.	<ul style="list-style-type: none"> What is the marketing How to gather and process necessary information and surveys Information sharing and networking Skills and methods how to do survey Monitoring, analysis, and evaluation
6	Citizens` participation in rural development	2 days	Improve government employees` skills to support citizens` participation in decision-making process and implementation.	<ul style="list-style-type: none"> Citizen`s participation and roles in civil society Advocacy Government role in civil society development What is the development Legal environment and opportunities of cooperation of government, NGOs and private sectors Methods how to improve government employees` skills on support for rural businesses.
7	Communication ethic and stress management	1.5 days	Improve government employees communication management	<ul style="list-style-type: none"> Business communication ethics How to fight against stress

Consultants selected to provide training topics identified by the local government officials

A tender was issued in order to identify and contract consultants to deliver high quality TA to local government offices in order to support business development and strengthen capacity of local government officials. Out of 11 organizations that bid, 4 were selected according to their experience, quality and price. The selected organizations have been contracted to develop and deliver the 7 training packages, Table 18 provides the details.

Table 19: Details of the Selected Consultants to Deliver the Identified Training Topics

Name of Consultant Organization	Serving the Public, Serving the Nation	Team Management	Government support for new businesses	Project writing and implementation skills	Information and survey gathering and processing	Citizens` participation in rural development	Communication ethic and stress management
Computer and Management School	XX		XX	GI has not identified the organization to develop this topic			
State Administrative & Management department of Defense University and Political Institute		XX				XX	
Business Development Center - Finance & Economics School					XX		
"Setgeliin Toli" Psychological consulting, diagnosing, training&research center							XX

3rd conference of business operators of Dundgovi aimag organized

The 3rd Dundgobi Business Conference was held in March in Mandalgobi. This was jointly organised and supported by the Governorate, Agricultural Office, Ministry of Industry & Trade, Ministry of Road, Transport & Tourism and Gobi Initiative, "Tavan Bogd" Group, Mongol Bank, HAAN, Xas and Mongol Post banks and Mongolian Food Producers Association. As a result a series of recommendations were drafted which government and business organizations are expected to implement, and an action plan will be developed based on those recommendations. Additionally a branch of MNCCI was opened during the conference in the Aimag centre.

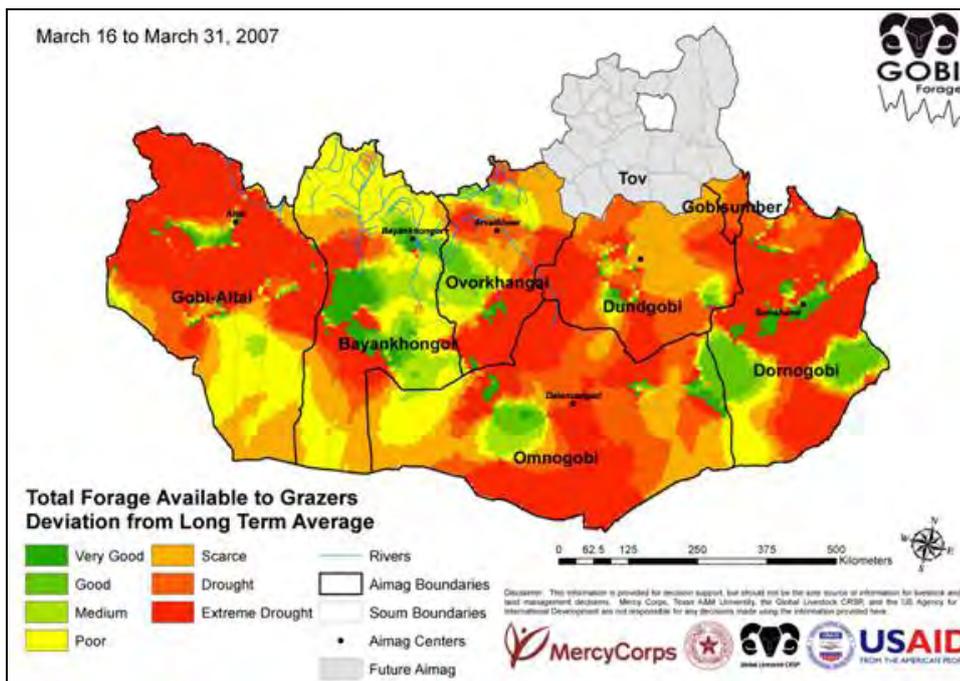
INTERMEDIATE RESULT 1.3-2: Increase in Availability, Access to and Use of Information

ACTIVITY ONE: Business Information

CRSP Forage Forecasting

Rangeland conditions for reporting period

The Gobi Region has enjoyed warmer than average temperatures with some snow cover. However, despite good wintering conditions, rangeland condition is still poorer than average. The livestock census conducted in December 2006 revealed 34.8 million head of livestock in Mongolia which is the highest stocking density for 60 years. This means that even with reasonable weather conditions, rangeland is still below average and is effectively being over-exploited. The map below clearly shows the current forage available to grazers in comparison to the long term average.



Activity One: Gobi Forage Product Development

Targets:

- Collect field data from at least 90% of 140 established monitoring sites & 70 new points for map verification.
- Prepare & print two sets of at least 4 maps once per month
- Develop & publish 1 scientific book & publish 3 articles in scientific journals

Indicators	Progress during reporting period	Progress to date
Number measured sites	16	16
Number of verified sites in the Database *	-	-
Number of sites entered into Gobi Forage Database	16	16
Number of maps printed +	-	-
Number of published books & articles in scientific journals	-	-

*Verification conducted May-September

+ Preparation and dissemination of maps will commence in early April

Winter sampling was conducted in Umnugobi in 16 sites during January and the data entered into the database. Three members of the Gobi Forage team attended a month of training activities at Texas A&M University. Topics covered were mainly the management, uploading of data and verification of the PHYGROW computer model, GIS mapping and web site development for GF activities.

Publications

The Gobi Forage Site Book has been completed and printed. In it, all 247 monitoring sites in 6 Aimags are categorized according to their location, zone (steppe, desert etc), plant community and clipped biomass. Whilst this will not be published, it will form the basis of other publications and work. One such publication is planned: this will be a simple pictographical guide for the visual assessment of rangeland condition in each natural zone. This will be completed by July/August

Targets:

- To reach 80% of Gobi herders by radio
- To deliver maps to all soums of 7 aimags along with keys
- Organize 10 trainings for local officials & herders at soum & Aimag level in 7 Aimags

Indicators	Progress during reporting period	Progress to date
Number of radio listeners *	-	-
Number of listeners who know the schedule of Gobi *	-	-
Forage bulletins	10	10
Number of listeners who gave feedback to project *	-	-
Number of maps distributed +	-	-
No & type of recipients +	-	-
Number of trainings	2	2
Number of soums using maps for decision making through soum & bag meetings *	-	-
Number of soums posting maps on info board *	-	-
No & type of people trained by Gobi Forage staff	24	24
Status of hand-over of GF "	-	-

* Monitoring will commence in May

+ Preparation and dissemination of maps will commence in early April

" Handover preparations commence later in the year

Activity Two: Gobi Forage Product Dissemination

The mapping tools will be disseminated to soum and Aimag governors from early April and a round of training conducted to familiarize them with the products and decision making processes that they can be used for. Two such trainings were conducted in Gobisumber during the quarter with 24 participants including herders, bag governors and other officials. Monitoring of product usage will commence in May.

Targets:

- *Monthly broadcast content with forage information section*
- *Quarterly publication in RBN magazine of forage information and maps*

Indicators:

- *Numbers of target beneficiaries who report that they can use forage information provided*
- *Numbers of target beneficiaries who are able to better plan their forage schedule*
- *Numbers of target beneficiaries reporting greater success in difficult forage conditions*
- *Numbers of target beneficiaries who report averted crisis due to forage information received from RBN products*
- *Numbers of target beneficiaries reporting an increased awareness of forage issues*

Throughout the first quarter of CY 2007, Pact/RBN provided information dissemination services for the Gobi Forage project through its established media channels. This ensures that rural herders, business operators and local government officials' have access to forage conditions and forecasts valid for up to 60 days.

A total of 160 minutes of forage related programming, comprised of 10 radio segments traveled to rural Mongolia via the radio waves, reaching distant herders, decision makers and other stakeholders in pasture utilizing businesses. The radio program was broadcast nationwide as a segment of the Rural Business News radio program every Wednesday. The content covered a range of topics including Gobi forage information, animal nutrition, rangeland related issues, biological diversity, animal feed intake, herd management, herder alliance, herding tips, sources of pasture information, decision making tools and interviews with Gobi Forage experts. As a support mechanism, Rural Business News magazine distributed printed maps and map explanation keys in its first quarter issue.

In partnership with Gobi Forage, Pact provided input into an integrated public awareness plan to raise herder awareness about technology and alternative solutions. The plan aims to demonstrate ways that forage information can be used to good outcome when making business decisions.

Handover of Gobi Forage

A presentation was made by Gobi Forage to the standing committee of the HLSPO (of the World Bank. Following this it was decided to allow potential host organizations to bid competitively to house the Gobi Forage program. Organizations will therefore be invited to tender and present proposals as to how they would carry Gobi Forage forward.

Activity Three: Monitor and Evaluate the usage of Gobi Forage products

Target: Appropriate tools developed & tested for monitoring & evaluating Gobi Forage product usage		
Indicators	Progress during reporting period	Progress to date
Status of monitoring tool development	-	-
Number of M&E trips	-	-
Number of people complete M&E tool Evaluation document	-	-

No activities were carried out during the quarter. A monitoring tool will be developed in May and preliminary results will be ready for the second quarterly report.

RBN Business Information Products and Dissemination

Production and Dissemination of RBN Mongolian Magazine

<p>Targets:</p> <ul style="list-style-type: none"> • 6,500 copies of RBN are distributed quarterly • A minimum multiple reader rate of 3 readers per copy • Ten placements of syndicated content • Positive reaction to content and style changes including contributors style development <p>Indicators:</p> <ul style="list-style-type: none"> - Number of subscriptions - Occurrences of placement of syndicated content - Percentage of target beneficiaries reporting an increased understanding of veterinary procedures, necessity and value gained from RBN magazine - Percentage of target beneficiaries attributing increased capacity and knowledge regarding
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Targets:

- *6,500 copies of RBN are distributed quarterly*
- *A minimum multiple reader rate of 3 readers per copy*
- *Ten placements of syndicated content*
- *Positive reaction to content and style changes including contributors style development*

Indicators:

- *Number of subscriptions*
- *Occurrences of placement of syndicated content*
- *Percentage of target beneficiaries reporting an increased understanding of veterinary procedures, necessity and value gained from RBN magazine*
- *Percentage of target beneficiaries attributing increased capacity and knowledge regarding livestock management to RBN magazine*
- *Percentage of target beneficiaries reporting effective business decisions made with advice/knowledge gained from RBN magazine*
- *Percentage of readers reporting increased income or income generation due to application of market watch information received*

6,500 copies of issue fifty-three of Rural Business News magazine were published and distributed this quarter. The magazine reached herders, local non-herding business operators, government officials and related stakeholders of rural business in the Gobi region and nationwide. The latest edition housed 25 stories containing information regarding a variety of relevant topics nestled in regular feature segments, such as Herders Tips, Farmers tips, Weather Watch, Commodity price analysis/Market watch and Success Stories, amongst others. Based on monitoring conducted in November 2006, each RBN magazine purchased is read by 2.5 people.

Content planning undertaken in the first quarter involved a wide range of experts and stakeholders, and took into account feedback received from Year Three's fourth quarter monitoring exercise. New stylistic adjustments included extensive use of sidebars, visual explanations, cartoons, photos and design solutions, allowing easier reading of the magazine thereby facilitating greater absorption of information. The masthead was given a design revamp that was unveiled this edition. Reaction to these and other intended style changes will be monitored in later quarters.

The development of a strategic plan regarding the sustainability of RBN beyond the Gobi project is in process though making slower progress than planned. Various options are being laid down, some of which include a merger with a local newspaper; establishing a new, independent, self-funding newspaper; and shifting the publication rights to local stakeholders. The ultimate goal of this planning process is to identify a mechanism whereby RBN can continue to provide essential information beyond the life of the Gobi project. This will be completed in the early stages of the second quarter.

Translation of RBN articles is being undertaken with enhanced precision in preparation for proposed syndication activity.

Production and Broadcast of RBN Radio Programming

Targets:

- *145 minimum minutes broadcast weekly Increase in production values in programming content*
- *Audience retention rate of 15% of Gobi residents*
- *Increased diversity in content providers and producers*
- *Four new segments introduced to the range of regular segments*
- *Content planning linked across GOBI media products to maximize benefits of each medium and provide harmonized information*

Indicators:

- *Positive feedback from target communities on program content accessibility*
- *Quantification of segment categories broadcast*

- *Number and type of new content producers*
- *Number of target beneficiaries reporting an increased understanding of veterinary procedures, necessity and value gained from RBN radio*
- *Number of target beneficiaries attributing increased capacity and knowledge regarding livestock management to RBN radio*
- *Percentage of target beneficiaries reporting effective business decisions made with advice/knowledge gained from RBN radio*
- *Percentage of readers reporting increased income or income generation due to application of market watch information received by radio*
- *Percentage of target beneficiaries reporting effective business decisions made with advice/knowledge gained from RBN radio*
- *Percentage of listeners reporting increased income or income generation due to application of market watch information*
- *Number of content providers accessing Pact studios in Ulaanbaatar*
- *Number of organizations accepting series for re-broadcast in small footprints*

Although there has been a significant increase in the number of households owning a television, radio remains vital and well utilized means of accessing information in Mongolia.

Facilitated multi-stakeholder content planning for Rural Business News products in all media was conducted in one session, enabling a logical synergy between the mediums and creating a coordinated structure for ideas and information gathering. Seasonally related content was broadcast nationwide through the waves of Mongolian National Public Radio. A total of 150 minutes of programming was broadcast three times a week. Throughout quarter one, Pact produced a total of 845 minutes of radio, which were broadcast for a total of 2000 minutes, nationwide. Each program broadcast lasted for between 20-25 minutes and consisted of three segments.

Content producers for the first quarter included two regional radio stations and two NGO networks of information providers. One of these NGO's, the Information and Communications Initiative, is newly established and a new partner that Pact has begun to work closely with. Other partners included the Mongolian Information Network NGO, Gobi Wave radio (Umnugobi) and Orhon radio. Pact provides capacity development within these partnerships thus building Mongolia's media network.

Further consideration of the indicator to introduce four new segments has been pulled back after an analysis of the total program time and the value of continuity of the current segments. Pact is not closed to establishing new segments but we have not established a need for a new one. If the need or demand arises, this will be re-visited.

Educational Docudrama Radio Series 'Directions'

Targets:

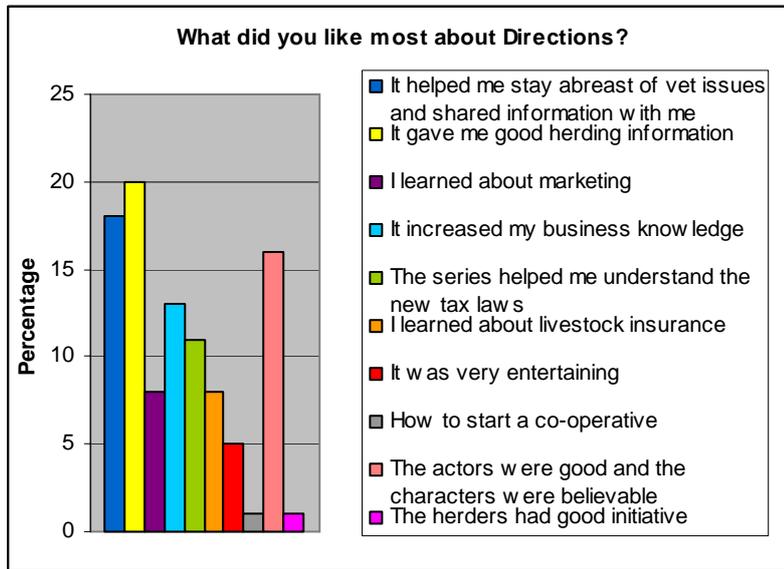
- *Production and airing of 26 episodes*
- *Increased crisis management/change management capacity of listeners*
- *Strong attachment in listeners to the series characters and their trials and tribulations*

Indicators:

- *Numbers of people reporting regularity of listening*
- *Numbers of people in households who listen together*
- *Reports from listeners who cite the series as having increased their capacity to respond to seasonal and sudden changes effectively*
- *Percentage of listeners who use the information learned when making future business decisions*
- *Indicated extent listeners are able to relate to the series characters and scenarios*
- *Number of target beneficiaries reporting an increased understanding of veterinary procedures, necessity and value*

Effective from April 2, the heroes of Directions radio drama returned to Mongolian National Public Radio in the second series of the show. Planning for the second 26 part series took place in a participatory manner with input from stakeholders, key partners and experts. The show, recorded at Mongol studio and at Pact's studio, is the product of continued co-operation between Pact and a key local partner, 'Voice of the Nomads Studio', with technical support and skill building provided by Pact production staff.

Monitoring of the program's first season was undertaken in Gobisumber and Dundgobi aimags. Sixty one people from soum centers, baghs and ails were interviewed. Response from those familiar with the program was generally positive, with an average of two people per household listening to the show on a regular basis.



However, it did become apparent that many potential listeners were not aware of the program, or were unsure of the times at which the show was broadcast, and Pact will embark on a PR campaign through RBN radio to inform target beneficiaries as to the times the show will air and to raise awareness about the show.

Bearing in mind that broadcast had concluded earlier in the year, a short reminder of the hours and a brief introduction about 'Directions' will be given during the 'Rural Business News' radio program. More details can be found in the attached monitoring report. [Attachment 1]

The second series will be aired from April to June. [See attachment 2 for a detailed content plan and synopsis of programs scripted to date].

Production and Dissemination of 'Market Watch'

Targets:

- 60% of herding businesses increase their ability to bargain/negotiate in sale situations
- 60% of targeted businesses report increased profits
- Automation of data collection and spreadsheet production
- Minimal trouble shooting of data collection with automation
- Five new commodities reported on regularly

Indicators:

- Reliable supply of information from national market watchers
- Numbers of business operators demonstrate an increase in their skills to produce, sell and plan accordingly based on price movement and demand/supply
- Successful introduction of automated data collection and basic report output
- Regularity of analysis of data over set periods for use in print publication
- Number and type of media where market watch data is disseminated
- Number of commodities reported on
- Numbers of RBN509 users

Market Watch continued to eliminate rural price differentials and to empower rural herders and business folk in calculating expected income/marketing costs; meeting supply and demand and conducting fact based planning.

Price data for sixty-four different commodities is collected on a daily basis from Ulaanbaatar and all 21 aimags and disseminated via the following media:

- **RBN Radio** (broadcast via Mongol Radio) was aired three times a week. A total of 40 segments containing information on price fluctuations and their causes, along with a highlight on a season-specific product, were produced and aired.
- **RBN magazine** devoted two pages to a summary of market price information, including prices, causes for price movements, market capacity, supply and demand, and expert opinions, as well as an analysis of current trends.
- **RBN509** (MobiCom SMS service), clients were able to access market price information on demand from their cell phones. In total, 698 hits were received this quarter, at an average of 233 hits per month. March saw the greatest number of requests for information received, indicative of increased activity as cashmere combing and selling got underway.

Automation of collection and entry of data is set to commence in the second quarter. Currently input and management tasks are led by a Pact staff member, with support from a member of the Gobi Forage team.

National producers, including cashmere producer Loro Piano, Gobi and Mon Italy, as well meat factories and tanneries continue to receive daily price information from Market Watch.

RBN 509 product requests - First Quarter 2007				
Total number of product requests received				
Commodity	Jan	Feb	March	Total
Cashmere	10	7	180	197
Meat	67	26	27	120
Meat (bulk)	57	23	25	105
White cashmere	1	0	40	41
Sheep skin	10	9	12	31
Petrol	8	14	5	27
Beef (bulk)	14	4	8	26
Mutton (bulk)	14	3	3	20
American dollar	9	2	3	14
Sheep with casing	4	1	7	12
Goat skin	6	2	2	10
Horse meat (bulk)	6	3	0	9
Camel meat (bulk)	2	4	3	9
Brown cashmere	0	0	7	7
Marmot skin	0	4	3	7
Fodder rice	1	5	0	6
Horse skin	3	1	1	5
Currency exchange	2	0	3	5
Cow skin	3	1	0	4
Goat meat (bulk)	4	0	0	4
Ruble	3	1	0	4
Fodder	1	3	0	4
Sheep wool	1	1	1	3
Chinese exchange rate rmb	2	0	1	3
Fuel a-76, a -80	2	0	1	3

Fuel -95	3	0	0	3
Fodder and grains	0	3	0	3
Sheep casing	0	2	1	3
Wool	0	2	0	2
Skins and hides - 2	2	0	0	2
Fuel - 93	0	2	0	2
By-products	0	1	1	2
Soft camel wool	0	0	1	1
Skins and hides - 1	1	0	0	1
Hay	1	0	0	1
Horse mane	0	0	1	1
Horse tails	1	0	0	1
40% cashmere	0	0	0	0
Subtotal	238	124	336	
Total				698

RBN Website (<http://www.rbn.mn/>)

Targets:

- 2,500 hits per quarter
- Aimag based business operators access website
- Website update coincides with RBN going to print

Indicators

- No of entries counted to site
- RBN magazine uploaded in conjunction with printing
- Regularity of web site updates
- Comments posted on the web site
- Number of target beneficiaries reporting use of the web site

Internet usage in the aimags is low but increasing steadily. Pact continues to update its website regularly. It has just been revealed that there is not currently an accurate hit counter attached to the RBN website. This will be installed for next quarter reporting.

Pact is currently in the process of updating the website with English translations of key stories and a full introduction to project activities. An English button has been added and will be followed shortly with content. This strategy will feed into the planned syndication of stories to other agricultural publications worldwide. Approximately fifty percent of stories that are included in the print edition will be translated and added to the website. Fifteen stories in English will be added every quarter.

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

Targets:

- 26 episodes of an edutainment TV drama produced and broadcast
- 24 Rural Business News TV produced and broadcast
- 25% of Gobi residents watch GOBI TV products
- 30% of viewers increase interaction with vet services

Indicators:

- Number of target beneficiaries who report watching the programs regularly
- Percentage of listeners who use the information when making future business decisions
- Percentage of viewers who report increased vet interaction as a result of the program
- Percentage of viewers who report improvement in business activities as a result of the programming
- Percentage of listeners who use the information learned when making future business decisions

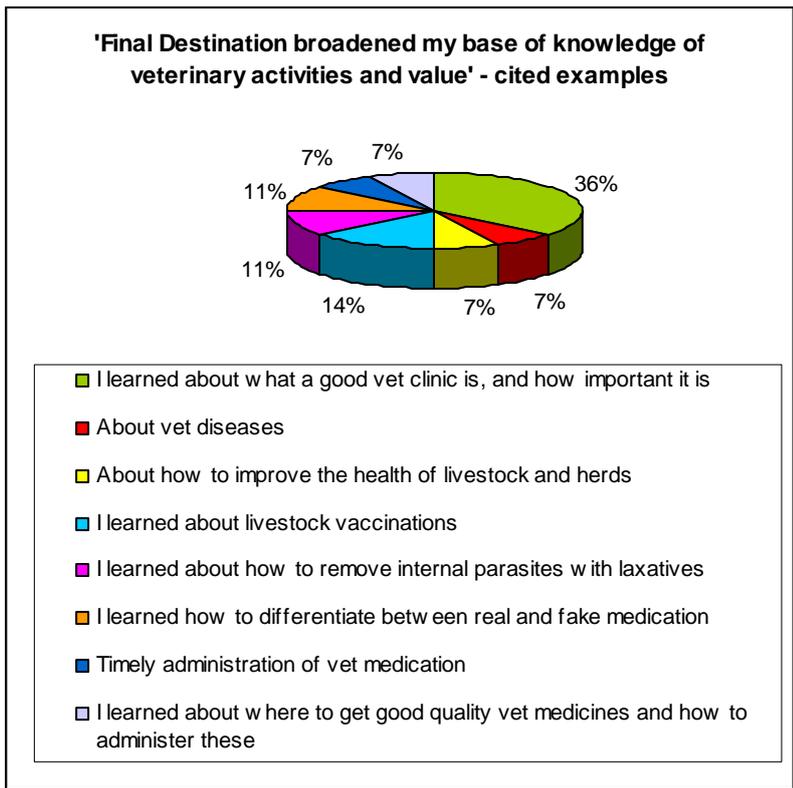
- Number of target beneficiaries report improved understanding of veterinary procedures, necessity and value

No RBN television programming was produced or broadcast during this quarter. Changes in management and an extended planning period meant that it was not viable for Pact to produce programs without compromising the quality and standards of the show.

During this time of reflection, Pact embarked on a solid planning process and drive to raise standard of this highly regarded television show. RBN TV programming recommenced broadcast at the outset of the second quarter on TV9.

The 'Final Destination' drama series, produced in 2006, completed broadcast in the first quarter of 2007. Post broadcast monitoring process was conducted. (See Attachment 1). Monitoring was conducted in Dundgobi and Gobisumber aimags, where 61 participants were interviewed over the course of 5 days. The data collected indicates that the show was popular amongst the viewers, with ninety percent of respondents stating that they had watched the show regularly. A number of respondents called for an extended length of each program.

Almost half of the respondents stated that the television series had made it possible for them to 'broaden their base knowledge of veterinary activities and value', with specific examples of information gleaned from the show indicated in the table below:



The second series of the show is in the planning stages, and local partner G-Entertainment TV studio is working on script writing and crew preparation/casting. The new series will follow a similar format and retain the much-loved characters, but will play host to new information in the fields of veterinary awareness and practice, business management, sustainable community-based tourism and rural financing. A number of respondents in the monitoring survey requested that Pact increase the duration of subsequent episodes of the program, as they found the current 25 minutes to be too short. Meeting this target beneficiary demand would have financial implications and require additional funding (details are supplied in the attached monitoring report).

Production of Video Training Materials

Targets:

- 2 training videos produced and delivered
- 50% of viewers actively use information contained in the videos

Indicators:

- Numbers of copies delivered to relevant sites
- Percentage of target beneficiaries responding that they used the information viewed effectively in their business/daily life

This quarter has seen Pact investigating potential topics and content for the training videos. Further planning and production are scheduled to take place in the second quarter.

ACTIVITY TWO: Local Capacity for Information Dissemination and Communications

Communications Training Curriculum for Rural Officials

Targets:

- Deliver local communication training to officials in 10 soums
- Develop capacity in 100 local officials to run multi-stakeholder meetings
- 10 soums produce clear information on their services
- 10 soums produce and distribute brochures on regulations that business must comply with in user friendly, service orientated formats

Indicators:

- Number of sites communication training is delivered to government officials at soum level
- Numbers of participants
- Number of local authorities who conduct multi-stakeholder consultations to plan for local priorities
- Number of local authorities who produce user friendly, service orientated information on regulatory matters with which business must comply

The Pact component of this deliverable was met this quarter with the handover of curriculum. A consultant to GI will undertake delivery during the next quarter. The course, 'Serving the Public, Serving the Nation' is a three day communications capacity development course for rural aimag and soum officials, governance officials and business operators. The content was planned jointly, by a consultant to Pact and GI staff.

'Communication' has been broadly interpreted to go beyond the production of information and campaign materials to include effective ways to communicate with community members through participatory planning processes. The 'Search Conference' and 'Speak Out' tools are participatory and designed as a lead in to the more typical 'Public Meeting' where people often don't feel heard or able to speak. The role of facilitators is treated during the training. It emphasizes that the most prominent leader – the Chair - may not be the best person to 'facilitate' a meeting to create an environment where people feel able to speak, and that they are heard. The key messages of the course are:

1. Shared decision-making that takes account of diversity of opinion and perspective requires good communication. It will optimize social, cultural and economic development.
2. Employees of the state are there to facilitate development and must serve the public interest and needs.
3. Clear information and communication enables compliance, understanding, accountability and transparency.
4. Democracy is a work in progress – everyone is part of the process.
5. Failing to plan is planning to fail.

The session plan is as follows, further details are detailed in annex 4.

Session one:	Listening & diversity
Session two:	Role of governance at the local level
Session three:	Public service principles
Session four:	Role of information in governance
Session four:	Role of information in governance
Session six:	Informing and consulting your community
Session seven:	Putting it to work in your work

COLLABORATION WITH GOVERNMENT OF MONGOLIA AND OTHER PROJECTS

Mercy Corps Mongolia completed an annual report for 2006 that was submitted to USAID, US Embassy and a number of Mongolian government ministries and the Mongolian President's Office in March 2007. In Ulaanbaatar, Mercy Corps staff continue to meet on a periodic basis with other implementing agencies and with consultants engaged to design and/or evaluate donor-funded rural economic development programs. Meetings were held with World Bank staff supervising the "Sustainable Livelihoods Project", during which the opportunity to expand the Gobi Forage project into Tuv aimag, with funding from the Sustainable Livelihoods Program, was discussed. In addition meetings have been held with the World Bank consultants that have been hired to write the livestock sector strategy papers and the information in the GI database has been shared. Mercy Corps also participated in the one-day workshop organized by IFAD and their counterpart the Ministry of Food and Agriculture (MoFA) on, "Strategies for Poverty Reduction and Development in Rural Mongolia", held on 1 March 2007. At the workshop Mercy Corps Mongolia made a presentation of the work of the Gobi Initiative and the results of the program in terms of value chain development and rural economic development. Mercy Corps / Gobi Initiative was also invited to participate in the Ministry of Agriculture's 'Dairy Workshop' where the program presented the activities targeting herder business diversification, and the use of the business plan as a tool to help rural herders identify new business opportunities or to expand existing dairy businesses.

Collaboration with Judicial Reform Project (JRP)

Gobi Initiative met with Mr. Garry Kelly from the Judicial Reform Program (JRP) during the quarter. In the coming quarter staff members will collaborate with JRP in developing a booklet and guidelines on contract law for rural businesses, the booklet will include contract templates for sales and purchase agreements. Once completed these templates will be disseminated to the herder and non-herder business clients. In addition the information will be used as content for the RBN products (TV and Radio) and the templates will be printed in the RBN magazine.

Collaboration with Mongolian Alternatives Centre, Ger to Ger Project

This has been the final quarter for the Ger to Ger sub grant with funding ending as of March. Over the twelve months MAC and the Ger to Ger project has successfully fulfilled its goals and objectives as set out in the 2006 project proposal. Within in 12 months Dundgovi is recognized by both domestic and international tour operators and travelers as a viable in-country destination product rather than its past usage as a 'transit province'. This serves to enrich Mongolia's tourism industry's classical routes (UB-Hongor Els Dunes) as its current state between points is all driving and it has been repetitively shown by numerous feedbacks that this is a universal challenge that faces the majority of tour operators that operate in the Gobi. By mobilizing strategic areas in Dundgovi, communities could quickly tap into tourism thus creating new job markets and labor forces to generate much needed alternative incomes. In turn, trained local resources at herder and community levels could fill the industry gap that is needed to enrich tour operator programs.

Through Ger to Ger's bottom up approach that include rural herders, CITCs, regional networking, etc., many beneficiaries across Dundgovi Province have been systematically trained and linked to the greater tourism industry. Nomadic herder groups are generated much needed alternative incomes, communities are developing their CITCs (Community Information/Ticketing Centers) that act as equal access points for local businesses and individuals to post/sell their services to the industry, and most importantly, herder groups with their CITCs are linking to one another forming the first regional community tourism network system. This regional community network is extremely beneficial and cost effective for tour operators and travelers looking to plan new products in different regions and purchase local services without having to waste time

and money. By using the CITCs allows the operators and travelers to save money and systematically spend it more on purchasing local products and services.

The project has successfully established 4 community routes comprising the following beneficiaries and successfully created domestic and international market linkages.

1. **Ih Gazriin Chuluu Travel Route and Community Services Established** - A nomad centered community travel route encompassing 8 herders from 3 soums that have established their local network and serviced the tourism industry successfully in 2006 and Mandalgovi CITC is now preparing the route for 2007.
2. **Uus Sand Dune Travel Route and Community Services Established** - A nomad centered community travel route encompassing 1 herder and two businesses from 2 soums that have established their local network and has serviced the tourism industry successfully in 2006 and Mandalgovi CITC is now preparing the route for 2007.
3. **Saihan Ovoo Community Travel Route and Community Services Established** - 3 nomad centered community travel routes encompassing 18 herders from 2 soums and 1 business from Saihan Ovoo that have established their local network and is ready to service the tourism industry in 2007. Saihan Ovoo CITC is now preparing the route for 2007.
4. **Dundgovi Regional Travel Route and Community Services Established** - The first regional nomad centered community travel route encompassing 16 herders and 3 businesses from 5 soums that have established their regional network and are ready to service the tourism industry in 2007. Mandalgovi and Saihan Ovoo CITCs are now preparing the route for 2007.

A detailed final report from Mongolian Alternatives Center is attached as Annex 5.

PROGRAM/FINANCIAL MANAGEMENT

CONCLUSIONS AND RECOMMENDATIONS

Overall, the project is on schedule. The first quarter has been very busy, reflecting the sharp increase in the number of herder program clients from Year Three (171) to Year Four (321). Business planning was completed for the 321 herder groups and cooperatives and all have now begun implementation of their agreed-upon business activities. The provision of technical assistance and training has been planned for the year. During the quarter the program staff have upgraded and revised the monthly planning, budgeting and reporting formats, with greater emphasis on standardizing the information that is collected and increased attention to detail and monitoring and evaluating the impact of the program activities. In the next quarter the program will be revising the current program databases and looking for opportunities to improve the management of the data to enable the program to gain a greater understanding of the impact of the program, but to also be able to have a greater understanding of the impact at the business level in terms of increased profitability.

With the completion of business planning and the organization of all training and technical assistance, the program has begun implementing the TA and providing assistance with accessing critical inputs and loans. During the first quarter, a total of eighty one training and technical assistance interventions were implemented for herder clients. A total of twenty two clients received assistance in purchasing MNT 27 Million (\$23,176) in various kinds of equipment for the implementation of their business plans. Also, 98 clients (36% of the projected number) received assistance in obtaining loans worth MNT 314.4 Million (\$269,871). Mercy Corps has provided a total of MNT 146.8 million (\$125,976) as cash collateral through the loan guarantee fund to GI clients, which constitutes 47 % of collateral.

GI continues to use sales generated by the program clients as an indicator of success. Total sales in the first quarter were MNT 198,199,911 (\$170,129) against projected sales of MNT 189,017,117 (\$162,246). Of a total of 318 herder clients, 240 have started to implement their business plans and of these 115 have generated sales during the first quarter. GI non herder business clients had generated MNT 310,910,690 (\$266,876) in sales against a projected total sales for the quarter of MNT 371,444,134 (\$318,836), this is 84% of the quarterly projection.

Coupled with the good sales over the first quarter the program has worked hard with establishing and strengthening the market linkages for the program clients. A lot of work has gone into identifying potential clients producing super fine cashmere for potential sale to the a high end cashmere buyer. Market opportunities for other niche fibers and hand woven fibers were investigated. A new partnership with Irbis Mongolia and the Snow Leopard Trust was establishing, providing herder clients with the opportunity to both access training, but also the opportunity to sell finished fiber products through the existing national and international market network of Irbis Mongolia and the Snow Leopard Trust. Market opportunities for ger furniture producers and other carpentry clients were also explored with pictures and price lists being sent to a number of Ulaanbaatar based dealers selling these items in the domestic and international market. During the quarter there was also a number of successful market and trade fairs implemented with the support and assistance of the GI program officers. The major trade fair was the Ulaanbaatar white Month-2007 Trade Fair which was organized in partnership with CHF International, UNDP Sustainable Grassland project and the Arhangai development association. A total of MNT 163 million (\$139,900) in sales of dairy, wool, handicraft and meat products were generated at the Ulaanbaatar white Month-2007 Trade Fair. Out of these GI clients had a sales income worth MNT 58 million (\$49,785).

GI has been working for the last three years with a number of herder and non-herder clients, essentially building the capacity and numbers of businesses that provide goods and services in the rural areas of Mongolia. Over the course of Year Four the program will begin to concentrate on how we link many of

these primary producers to processors, and then link the processors to the markets. There are a number of herder clients that produce products that are sold at the local market level (soum and aimag), 'local production for local consumption'. However, there are still a number of herders that produce large quantities of raw materials. The challenge for the program will be to link these producers to processors at aimag and UB level, the processors will then be able to add value to the products and then the program will assist with linkages to the market. The chains with greatest opportunity include: dairy, wool, meat, vegetable to some degree and cashmere. Part of the value chains will also include working with technical assistance providers (BDS) who will be able to provide the businesses with solutions and TA to challenges and problems that they encounter with production or processing. The first step in the process will be to work with herder clients producing raw materials and link them to processors. The processors in general will be non-herder clients of the program and so will receive TA etc. The TA will be targeted to provide assistance to improve the quantity and quality of the products as they move along the chain and then help with marketing and selling of the products.

In the first quarter the program has successfully completed a comprehensive application and selection process to identify those soums and local government departments with which the program will work with during Year Four. The selection process was designed to both assess the needs of the soum governments and local government officers, but also to gauge the motivation of the soums to participate fully in the process. For those soums selected the main capacity building activities will include: i) training and technical assistance to build the basic skills and abilities of local government employees; ii) the development of 13 soum socio economic development master plans; iii) the organization of round table forums enabling rural businesses and local government to discuss and identify constraints and opportunities to rural economic development; and iv) support with the establishment of the GOM's 'One-Stop-Shops' for all local government services.

With the selection of soums complete the program has also completed training needs assessments and provided training to over 300 local government officials. The development of soum socio economic development master plans is also well underway, with the first plan being completed in Delger soum of Gobi Altai. The 13 soums selected for the development of the soum socio economic master plans have all actively been engaged in the process and the challenge ahead for the program is to keep the process moving along so that plans are finalized, but more importantly the plans are then implemented. This activity has drawn the attention of national government and other donors including SDC, the World Bank and the Dutch Government.

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 Four First Quarter Report.

Attachments to this Report are:

- Annex 1 - Proposal for the 'Enhancement of wool technology in the Gobi Region'
- Annex 2 - 'Final Destination' TV drama and 'Directions' radio drama Monitoring Report
- Annex 3 – Directions outline and synopsis of first quarter episodes
- Annex 4 - Serving the Public Serving the Nation Training Course outline
- Annex 5 - Detailed final report from Mongolian Alternatives Center

Enhancement of wool technology in the Gobi Region

Introduction

Animal fibres (cashmere, sheep & camel wool and yak cashmere) contribute significantly to the incomes of herder businesses in the Gobi region. This income can be augmented by improved fibre processing technology and access to larger markets.

Activity 6 of the Gobi Initiative Work Plan is *Local Capacity Building for Trainers, Consultants and BDS Providers*. This activity is designed to support sustainable BDS providers to take over key areas of GI's Technical Assistance provision for the long term. GI has recently identified a key partner in wool technology development: Ibris Mongolia. Mercy Corps/Gobi Initiative plans to build the capacity of Ibris Mongolia to cover the Gobi Region, delivering high quality technical assistance to niche fibre producers and linking them to domestic and export markets. A strengthened Ibris Mongolia would be a lasting and sustainable provider of BDS and market linkages to producers of animal fibres in the Gobi Region and, moreover, help to protect the endangered snow leopard, and the Bactrian camel and yak who's numbers are in severe decline internationally.

Background

Ibris Mongolia (IM) is a local NGO working for the conservation of endangered snow leopards and its habitat in Mongolia. Snow Leopard Enterprises (SLE), the community conservation component of the NGO, focuses on improving people's participation in conservation through income generation incentives. The target group have been primarily those who live in or close to snow leopard habitats.

Herders can add to the value of their livestock products by producing quality items instead of selling the raw wool to passing traders at prices below market value. The finished products (yarns and felt products) are sold in the USA through retail outlets such as zoo stores and yarn shops and through the SLE online internet ordering (www.snowleopard.org/shop). Since its inception, SLE helps local people to build their capacity and skills to produce marketable woollen products. The program has been active in Mongolia for approximately 6 years and now reaches nearly 350 poor herding households at 13 sites in western and southern Mongolia.

In 2006 SLE bought \$21,000.00 worth of products from herders and total sales in the US for Mongolian products alone were approximately \$48,000.00.

Goal: To provide business diversification and income generating opportunities, and improved wildlife conservation through the production of high quality camel wool, sheep wool and yak wool yarns and handicrafts for export and domestic markets.

Objectives

1. Provide 2 sets of trainings in improved wool technology to at least 18 herder groups & coops in Uvurkhangai, Gobi Altai, Bayanhongor, Umnugobi and Uvurkhangai by October 2007¹, and increase knowledge by at least 30%
2. Support at least 80 trainees in 18 herder groups to process 1,200 kg of wool through input supply (equipment and dyes etc).
3. To source at least \$4,800 of wool products from these clients and sell on to domestic and export markets by November 2007; at least 10 US zoo stores and approximately 5 US yarn stores place orders for products

Indicators

- 1.1 Number of herder groups/coops attending trainings
- 1.2 % knowledge increase above baseline
- 2.1 Number of trainees adopting new wool processing techniques

¹ 18 herder groups are comprised of approximately 160 herding families (800 family members).

- 2.2 Value and quantity of spinning equipment sourced through Ibris Mongolia
- 3.1 Value and quantity of wool products sourced from participating coops
- 3.2 Number and type of export purchasers
- 3.3 Value of trade through export markets

Duration

Main activities will be implemented between 15th April and 15th December 2007.

Operational Area

Gobi-Altai, Uvurhangai, Umnugobi and Bayanhongor

Project implementation

The project will be comprised of the following elements:

1. Basic and advanced training
2. Equipment supply through the establishment of a revolving fund
3. Purchase of wool products from participants using a revolving capital fund
4. Export and sale of finished high quality products

Two main trainings will be delivered by Ibris Mongolia consultants to at least 18 herder groups and cooperatives. These trainings will be a basic wool processing training in May/June, and an advanced training in October. The content of the trainings will be tailored to suit the wool resources in the area, e.g. camel wool, sheep wool and yak cashmere.

Basic wool processing

The purpose of the first training in May/June is to deliver knowledge and skills of processing raw wool using modern appropriate techniques producing products that meet international standards and market demand. Depending on the predominant fibre, the content focuses on:

- introducing wool types
- methods of processing raw wool before spinning, carding, cleaning, dehairing, and sorting
- choosing appropriate wool from animals
- proper sorting of texture and colour for consistency of yarn
- introducing yarn types
- use of spinning tools, including the practice of spinning single and double ply yarn skeins and washing methods of yarn skeins
- crafting products from felt; pet toys, baby booties, slippers and souvenirs
- proper combing and dehairing of yak wool for yarn

Advanced wool training

The purpose of the advanced training would be to enhance quality of products and deliver more skills for producing different types of products, thus diversifying the products each herder can make, ensuring that they will have plenty of skills and options should one product not do well in market on a particular year. This training workshop would require herders to have skills training from the first training in order to participate in the advanced training.

The advanced training for camel and yak wool yarn would deliver skills of spinning yarn with consistency and stretchiness. During this workshop, spinning training for the production of different types of yarn that are popular in the current market, such as yarn with bumps and three ply yarn, will be taught. It also presents herders with the skills to spin yarn skeins in different lengths and weightCurrs. The training would teach them how to wind yarn into different types (ball, skein and cone).



The advanced training for sheep wool processing would be focusing on delivering skills of combination of felt making and knitting skills. The training will give the participants new skills how to make solid souvenirs out of wool, create embroidery on felt, and making chair mats and rugs.

Besides trainings, an equipment survey would be done to assess the need for wool processing equipment such as drum carders and spinning wheels so that later the necessary equipment can be supplied through equipment loans. Handmade products will be purchased 2 times a year by SLE and sold in the domestic and export markets for those communities/herder groups/coops participating in the project and or living in snow leopard habitat and actively participating in and signing conservation contracts.

Equipment revolving fund

A revolving fund for equipment supply to the herder cooperatives. Equipment will be purchased from suppliers already used by Ibris Mongolia and made available to participating cooperatives for purchase. Equipment will be supplied to participants as a loan, secured against raw wool, with the loan being paid off over time either through in-kind (yarn), or purchase (percentage of sales) within an agreed upon order, depending on individual circumstances. This recouped money for equipment will then be used to purchase and provide equipment to additional families over time and enable the project to continue to scale up its activities.

Marketing

Handmade products are currently marketed in the USA through zoo stores, yarn shops and through the SLE online internet ordering (www.snowleopard.org/shop). Currently ISLT has not done mass marketing of camel and yak yarn to yarn stores in US or Europe because of low volume. With this expansion and added capacity of equipment and skills, they will add sufficient volume to allow for target marketing to the growing yarn stores and on-line retail yarn stores in the US, UK and Europe. Gobi Initiative has already had substantial interest in camel and yak yarns from such companies.

Sustainability

The project will increase herders' cash income, skill levels, and capacity to create high quality, marketable products, giving them greater independence and making them less vulnerable to their limited economic situation. The project activities will be incorporated into SLE's ongoing program work with local herding households; monitoring product quality, purchasing and marketing, the products they produce and working to ensure compliance with the conservation of snow leopard and prey species habitat. To ensure program sustainability and ownership for local people, equipment would be supplied to participants as a loan, secured against raw wool, with the loan being paid off over time either through in-kind (yarn), or purchase (percentage of sales) within an agreed upon order, depending on individual circumstances. This recouped money for equipment will then be used to purchase and provide equipment to more families over time. The income from the sales of SLE products is circulated as a revolving fund back into the SLE program, allowing the program self-sustainability and allowing more rural herder families to participate in this program in future.

Implementation Plan (15 April – 15 December 2007)

Activities	Who is responsible	Expected timeline for implementation
Preparation of the project, meeting herder groups and selection of clients	Mercy Corps and SLE	April 2007
Deliver wool processing training	SLE and Wool World training center	May and June 2007
Place order of woollen handicrafts and research on equipment needs	SLE	May and June 2007
Order equipments to carpenters	Carpenters and SLE	July 2007
Make equipment loan contract with participants and deliver equipments	SLE and local coordinators	August 2007
Purchase handicrafts	SLE	October 2007
Deliver advanced training and place second order	SLE and Wool World training center	October 2007
Make ready to ship (labelling, dyeing, packaging)	SLE	October and November 2007
Shipping to the USA	SLE and Tuushin Freight Company	November 2007

Draft Budget – April – December 2007

Item	SLE contribution	GI Contribution	Funds provided under the subgrant	Total	Notes
Trainer Fees	1,600	4,400 ²	-	6,000	Time for local wool processing and development expert and Trainers
Training costs			1,320	1,320	Training venue rent, printed training materials
Transportation	800		1,440	2,240	Fuel, driver's fee and per diem
Equipment and supplies for production			6,400	6,400³	Drum carders, spinning wheels, and wool processing accessories such as hand carders, yarn winders
Purchase of woollen products for export			4,800	4,800⁴	Camel, yak wool yarn, felted handicrafts and others
Product promotion			110	110	Labelling, packaging and dyeing- at 40 % of total SLE expenses
Shipping			1,484	1,484	Shipping costs – 40% of total SLE shipping expenses
Administration			1,440	1,440	
Social Insurance			836	836	
TOTAL	2,400	4,400	17,830	24,630	

² Including a 15% cost recovery from the clients

³ Revolving fund

⁴ Revolving fund

"The Directions - 2" – Radio Drama Program Outline & Synopsis

Planned by Mr. Tsagaan scriptwriter, representatives of GOBI Initiative, VETnet and Pact Mongolia

Commissioned by GOBI Initiative Rural Business News Media Products 2006

Series 2: scheduled to commence April 2nd 2007

Twice a week, on Mongol Radio

The purpose of the program is:

- To convey realistic and achievable information on agricultural business to the herding population
- To contrast poor practice with best practice
- To be topical and incorporate real events as soon as possible after they occur (e.g. anthrax outbreak)
- To create a series that portrays and reflects the broader aspects of rural lives, building in elements such as human drama, community life, and political and institutional dynamics
- To be in tune with the season that the broadcast goes out in.

Characters:

- Tudev** A herder, who created an oasis in the Gobi and is running an intensive animal husbandry business. Often referred as Jaajaa by local people
- Tsend** Tudev's wife, smart and takes care of all household business.
- Purev** Neighbour to Tudev. Trains horses and supportive to traditional animal herding techniques. Lazy and likes leisure events.
- Dagva** Vet for Hairhan bagh representing modern young people living and working in rural areas.
- Tergel** TV reporter. Comes to Hairhan bagh with an assignment to prepare a report on tick occurrence problem.
- Myadagmaa** A young herder woman who lives with her parents, brothers and sisters. Pretty and hard working and has a good reputation in the area.
- Dovchin** Governor of Hairhan bagh. Conservative and often resistant to new ideas brought up by young people like Dagva
- Sosor** A young herder guy recently married and has a baby. Always tries to increase his livestock number, but definitely lacks experience and knowledge, so faces difficulties and loss. Seeks the way to learn from Tudev, an experienced senior herder who he often visits.
- Badraa** A young and meticulous herder guy lives in the mountain area.

Supporting characters:

- Gajidmaa: Purev's wife.
- Grandchildren of Tudev and Tsend.
- Yanjaa : Badraa's wife and Javzan's sister
- Javzan: Sosor's wife and Yanjaa's sister
- Tergel's colleagues of editor's team

Episode 27 (1)

Tudev's family "moves" into their spring quarter, which is a separate khashaa next to their winter quarter, but has new dung flooring on disinfected with a chlorine solution, which is good for the whole livestock and most importantly for the newborn lambs as it is free from all the bad germs. As Tudev and Tsend's grandchildren help their grandparents, they learn the correct practice of a herder, that's taught by the Vet and tested through time and practice. Their good practice is contrasted to their neighbor Purev's mistake, who is losing most of his newborn cattle due to infectious disease.

Episode 28 (2)

Purev started realizing his fault, which was the result of his own laziness and ignorance despite the advice from the Vet. The presentation of a good herder and herding methodology, such as post-natal care of newborn cattle, were subtly demonstrated by Myadagmaa and Tudev's grandchildren at the pasture. At the end of this episode, vet Dagva and governor Dovchin discuss the current outbreak of internal infection and tick outbreak. Dagva has no intention to hide what's happening unlike Dovchin, and willing to help the TV reporter on preparing a report. But after Dagva's criticism about his attitude, a glimpse of understanding of his mistake comes to his mind.

Episode 29 (3)

Badraa and Yanjin visit her sister's and find the vet and a TV reporter also visiting her regarding the tick findings among their cattle. Reporter Tergel finds out a lot about the traditions of herding from them, such as bottle-feeding the young cattle with yak milk and makes a good report about the correct practices and a recently broken out scandal about a fainted child because of a tick. Her report is praised by her colleagues of editor's team at the end of the episode. Also, a suspicion of an affair between Tergel and vet Dagva was raised by her colleague.

Episode 30 (4)

Javzan talks to her daughter at home expressing her worries about her daughter working hard during harsh spring climate. Heavy winds and spring harshness change her face impacting beauty, which Javzan is worried. While they talk, a female goat gives birth. They keep talking but shifting conversation topic to use of colostrums and neo-natal care. Javzan tells her daughter tips of neo natal care like keeping offspring with mom for at least three days to feed enough with colostrums, preventing from naval infection by using Elomycin as well as iodine solution to disinfect. At that time, a vehicle approaches and Dagva visits together with TV reporter Tergel. Dagva jokes with Javzan that TV reporter is to cover ticks scattering around, but Tergel starts reporting best herding and neo-natal practices. Javzan is asked for interview, but she refuses, Dagva jokingly encourages her to talk about ticks. While talking about the herding and other staff Dagva tells traditional and modern methods of combating with tick. He tells that simple manual collecting and putting in hot ashes could be a way to vanish ticks, as well saying he can supply with ointment and spray to prevent from ticks. Tergel likes Dagva thinking that Dagva is smart to educate herders in different ways. She realizes local herders also like Dagva, especially the way that Dagva uses jokes to convince herders. They continue talking different staff and mentions that some herders combed cashmere early, and then they had to overcome a few cold days with more effort. Tergel and Dagva ask Javzan to sing about gorgeous winter and spring and episode ends.

Episode 31 (5)

Jaajaa (Tudev) bought a big piece of thick waterproof canvas at the local market. Local herders talk to each other guessing that horoscope says coming summer will be rainy; so that Jaajaa is going cover to his ger to protect from raindrops. Jaajaa explains it is for combing; some start saying Jaajaa is making canvas

closed fence for goats. One woman laughs that Jaajaa is sewing dress for each goat comparing his business as identical to goat sanatorium. Jaajaa explains that he would use big piece of canvas to put on the ground while combing the goat for cashmere. Everyone agrees that this enables environment without dust and contamination. Local market saleswoman thinks of old socialist ways that collective members mixed cashmere, fleece and dirt all together just to prove that they combed the required/forced amount. Her thought finishes, Jaajaa appears back. He describes the way he combs cashmere saying he would do in three stages of combing inside a ger where there is no dirt and wind. He calculates that accurate combing would increase the yield as much as one third, he demonstrates getting 10 grams more cashmere from 100 goat would total up 35 000 MNT additional. All people agree. After Jaajaa left the market, people keep talking; all receptive about the growing goat in semi- settled way like Jaajaa. They talk about use of cashmere and milk. Scene changes to Javzan and Sosor. Previously Sosor contracted with cashmere producers to provide 60 kg of cashmere this spring, but the yield is not sufficient enough. He had to pay interest rate for advance remaining unpaid by cashmere. Both agree that Sosor will comb more carefully while Javzan will sort the cashmere according to quality, color and fineness. They laugh with each other Sosor for being honest to the contract and other being more business minded.

Episode 32 (6)

Jigjid is sad and talking to Dorlig. Jigjid hesitates if he needs to build fence and shelter for his animals. Dorlig also tells that having permanent fence and shelter is useful and reminds Jigjid's father, who was a renowned herder. Jigjid also tells that his brother was angry with him for moving all the time for pastures, which is risky. They keep talking about old herders and their herding practices like having own pasture for staying and etc. Jigjid gets angry with gold mines for fencing of their exploration areas and decides to meet the soum governor to request land for pasture. He had some conflict with mine guards and gallops to the soum governor. Dagva is talking to Myadagmaa about the email he received from US. They talk about the content of letter. Sender says he was sad to hear that Dagva's friend Orgodol moved to urban areas. Scene changes to Orgodol who is stressed for loosing all his animals in disaster and decided to move to urban areas. Email also says that letter that Dagva sent before was submitted to the donors, who felt very sad for Orgodol moved away from the Gobi. Myadagmaa did not understand the meaning saying that Orgodol has a right to move anywhere he wants. Then she turns angry saying Dagva also wants to leave for urban areas. She cries saying she has no where to go.

Episode 33 (7)

Myadagmaa's monologue. She imagines herself as a researcher whose project is to develop new make-up and ointment with the camel milk. She thinks of her beauty products marketed everywhere, especially in the Gobi where woman all use camel milk beauty products for protecting themselves. Scene changes to urban area, namely to a research institution where two young scientists talking about the test results they have tested on Myadagmaa and Javzan. Further their conversation slips to marketing of products like to highlight the natural purity and to advertise well. Back to Gobi herder household, Myadagmaa's monologue. Myadagmaa continues her thought. To provide the young scientists working in Ulaanbaatar to produce the camel milk beauty produce, she is taking good care of her lactating camels like preventing from mastitis. She points out the longer duration of lactating period imagines the way she can make profit from milk selling. She has been vested interest in providing UB's researches with good quality milk. UB's scientific institute and the young researchers continue talking. Their tongue slips from the camel milk to camel milk distilled vodka. Seegii jokes that camel milk vodka is good to give to her husband so that he could not move as the milk vodka makes someone's legs tied. Myadagmaa thinks of other products using camel wool (sweaters etc) and using camel herding techniques for tourism events. Myadagmaa listens to the radio program that Saraa talks about her new product, camel milk beauty produce. He talks how the project was developed how the institution is working with the Gobi camel breeders.

Episode 34 (8)

Javzan gets angry to Sosor, her husband for low cashmere yield. They find out that many cashmere goats were infected external parasites like ticks. While combing the goat, their daughter suddenly touches the tick and faints due to fear. Scene changes to local hospital. Hospital patients talk to each other about what happened while seeing the doctor leaving for an emergency. They guess what happened to Sosor's daughter like she likely stung by snake, fell off the horse and finally finds out what happened and all blame Sosor for rejecting from de-worming. One guy says how Sosor was reluctant for de-worming when they talked about Sosor's newly purchased race horse. They talk about alternatives to prevent from external parasites like de-worming, using DDT and Ivomek. They talk about the harms of DDT, all agreed on using modern medicines for prevention. Episode finishes with the narrator saying the Hairhan *bagh* was displayed on TV for its occurrence of huge numbers of external parasites, which followed up by Sosor running permanently to the local vet clinic.

Episode 35 (9)

Jigjid, along with his son, arrives at the local mining site. At the entrance, he meets and guards having some conflict. He wants to meet the company director, but the guards do not let him in. They argue with guards; finally Jigjid has to run away with his son before his hands gets cuffed. He feels angry and goes to meet the local people. Local people gather and criticize the mining company for violating herders' rights of using pasture and water points. Myadagmaa and Dagva talks to the local people and decide they joint their forces to combat against the mining company. They agree that it is better off to join so that they could express their opinions and protect their rights. Jigjid's monologue concerning over the availability of water and pasture as they are utilized for mining purposes.

'Final Destination' TV drama and 'Directions' radio drama
Monitoring Report



Gobisumber and Dundgobi Aimags

9th-13th April 2007

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Background:

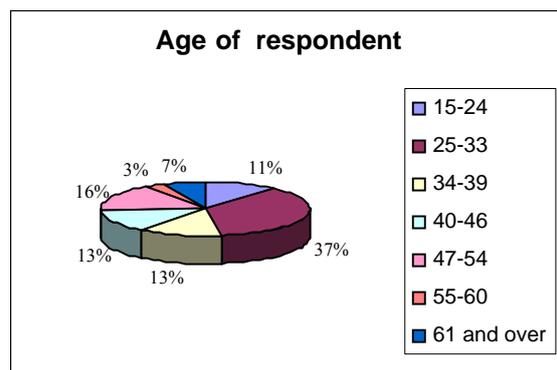
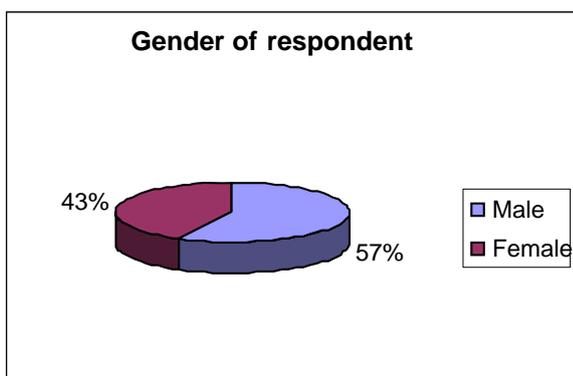
Monitoring activities for two products created under the Gobi Initiative project, 'Directions' radio drama and 'Final Destination' television drama, were carried out in 2 Gobi aimags between the 9th and 13th of April 2007. In total, 61 people were interviewed in 7 soums - 5 in Gobisumber and 2 in Dundgobi. Unbeknown to the organizer of the trip, one of the soums selected was the town in which Final Destination was filmed.

The monitoring aimed to:

- Assess user response to both products,
- Monitor the dissemination of the information contained in the shows;
- Gather feedback for the continued improvement of Pact productions;
- Examine the level of impact of the products on the activities and knowledge levels of the target beneficiaries
- Introduce target beneficiaries to RBN products and subscription options

The methodology employed in this exercise included a questionnaire completed by the Pact moderator through one-on-one discussions with participants. It is now an established factor that people prefer not to fill in a survey, but like to talk, and more can be garnered from these conversations than can be expressed in writing.

Copies of past RBN magazines were distributed to participants, and subscription options discussed with them.



*'I liked that the series [Final Destination] looks at a veterinary clinic' -
Choir, Gobisumber aimag*

Findings:

This exercise brought to the fore the widening chasm between **radio and television**, with television being the preferred medium.

Three of the soums in Gobisumber aimag were along either the railway or a road; therefore these communities are more sedentary than others, with people watching more TV than they listening to the radio. However, the soums in Dundgobi are more isolated and TV reception isn't as good as radio reception, and so they listen to radio programs more. Inhabitants of these soums, however, were quick to stress that, had they alternative energy sources or decent reception devices, they would watch television rather than listening to the radio, and when they are in a place with a television, they unfailingly do so.

Gobisumber and Dundgobi have household populations of 3.8 and 3.9 respectively¹. The average number of people listening to the radio in each household surveyed in these aimags was two, while the average number of people watching television was three. Seven percent of respondents replied that they did not own a television set, and 10 percent replied that they didn't own a radio. The television audience is larger than radio listenership.

Responses received for **Final Destination** continually stressed the applicability of the series, of how it accurately portrayed soum life. When respondents were asked what they most liked about the program, twenty-one percent replied that 'The show portrayed real Mongolian countryside life successfully', with seventeen percent stating that, 'The characters were believable, real and easy to relate to'. Nineteen percent of respondents said that they liked how the show had 'increased my knowledge about veterinary matters', and eleven percent felt that the show had allowed them to 'learn[ed] about good business practice'. Only seven percent of respondents were unable to name a character from the program, or supply a word to describe the character.

Almost half of those questioned replied that the series had made it possible for them to 'broaden their base knowledge of veterinary activities and value', with specifics including understanding the value of a good vet clinic, learning about livestock vaccinations, learning how to differentiate between real and fake medicines, increasing knowledge about how to improve the health of livestock, understanding the importance of timely administration of vet medication and learning how to remove internal parasites with laxatives. Sixteen percent replied that they 'understood about what constitutes a good vet clinic, and how important it is'.

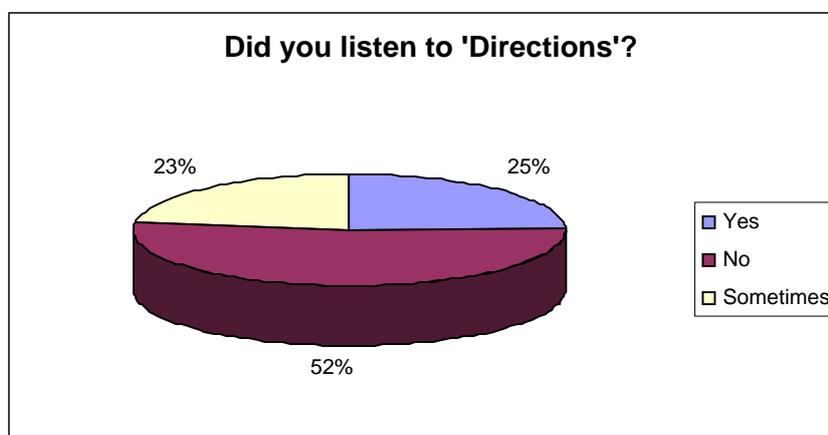
When asked what suggestions they have for future episodes, a number of participants called for an increase in the length of each episode, and that the broadcast channel be changed to Mongolian National Broadcaster (MNB) as the national broadcaster is accessible everywhere. There were also a number of calls to decrease the amount of music and monologues in the

¹ Mongolian Statistical Yearbook, 2005, pg 69,70

programs, and to increase the conversation and the action. Topics for future programs suggested by participants included information about desertification, zoonotic diseases, improving herd breeds, pasture and soil preservation and legal information.

A request was received from the Deputy Governor of Gobi-Ugtaal soum, Dundgobi aimag, himself the star of the Final Destination TV series, to broadcast the series on the Dundgobi aimag TV channel.

'Directions', unlike 'Final Destination', was not immediately familiar to most respondents. Those that did know about it were unable to recall the specific events of the drama. Forty-four percent of respondents were unable to recall the name of a single character from the series. Of those that were able to identify characters, Tudev was the most popular (25%), with Mydagmaa following closely with twenty-two percent.



Of those that replied 'no' to the question above, fifty-six percent replied that they had never heard of the program, and seemed unaware that a new series was underway.

Bearing in mind that broadcast had concluded earlier in the year, a number of participants were unable to recall the broadcasting hours and asked for the schedule. Given that the second series of the radio show has begun broadcast, a short reminder of the hours and brief introduction about 'Directions' should be given during the 'Rural Business News' radio program. It was noticed that 'Herder from the Future', a previous Gobi product produced by Pact, was recalled by participants of their own accord as enjoyable and interesting. However, this series ran for a number of seasons, and 'Directions', with just over 26 episodes under its belt, is relatively new.

Of those that had listened to the program, nineteen percent said that the program 'gave me good herding knowledge', with seventeen percent stating that the program 'helped me stay abreast of vet issues and shared information with me'. A similar amount responded that Directions 'increased my business knowledge', and '...helped me understand the new tax laws'. Interestingly, a fair number of listeners from across the soums stated that the show had been significant in introducing them to livestock insurance.

The impact of the show on those that have been listening is evident, and serves as an additional appeal for a solid advertising and information campaign. Responses about how listeners had used the information supplied included the following:

'I learned how to heat a brick and put it in the dung floor so that it can defrost - I now do this regularly' - Choir, Gobisumber aimag

'I learned about herders co-operatives and joined one' - Tsagaandelger, Bayantal, Shivegobi, Gobisumber aimag; Govi-Utgal, Dundgobi aimag

'I learned about breeding dairy cows, and dairy technology, which is new for me' - Gobi-Utgal, Bayanjargalan, Dundgobi aimag

'I learned about improving the quality of livestock, and am implementing what I heard in the show' - Bayanjargalan, Dundgobi aimag

'I learned about livestock insurance, and how to access it.' - Shiveeovoo, Gobisumber aimag; Govi-Utgal, Dundgobi aimag

Requests for future programs included more information about taxes, livestock insurance, fencing pasture, preventing soil erosion and desertification, the environmental impacts of mining, breeding information, zoonotic diseases and legal advice on land privatization. This input, along with the suggestions received for Final Destination, will be fed into the planning cycle for the next program set.



'Hashaa' from Final Destination and the monitoring team in Gobi-Utgal soum

Recommendations:

- Investigate options regarding broadcasting on a fully nationwide television channel. This move to MNB, however, will have cost implications as prices previously quoted by the broadcaster were far more expensive than current funding allows.
- Consider increasing the broadcast length of television programs. Currently, Pact pays approximately 25 US dollars per minute for broadcast on TV9, which, in the case of Final Destination, totaled 16 768 US dollars. Increasing broadcast length would incur additional broadcast and production fees. An additional 10 minutes per program will require an extra 6 500 US dollars per series for air time and 15,000 US dollars in production costs.
- Initiate a public relations campaign for 'Directions' radio series as a number of respondents were not aware of the program or when it was broadcast. This is especially relevant as the second series has recently begun airing.
- Consider scaling up television production as more and more people move towards visual media and away from the radio. The accessibility of television sets and alternative energy generating devices mean that increasing numbers of countryside residents, both mobile and sedentary, are watching television. According to the National Statistic Yearbook of 2005, the 611 000 households in Mongolia hold a total of 320 000 television sets - a television set in every second house.



Respondent reading her copy - she is a regular subscriber of RBN magazine

Serving the Public, Serving the Nation

Course Outline

• a three day communications capacity development course for rural aimag officials, governance officials and business operators •

Course aim:

To develop communication capacity in government officials, governance officials and rural business operators to enhance participatory multi-stakeholder decision making that enables social and economic development in rural Mongolia.

Key Training Messages:

These are the consistent messages that trainers need to state at the beginning, reinforce during every session and repeat often.

1. Shared decision-making that takes account of diversity of opinion and perspective, requires good communication. It will optimise social, cultural and economic development.
2. Employees of the state are there to facilitate development and must serve the public interest and needs.
3. Clear information and communication enables compliance, understanding, accountability and transparency.
4. Democracy is a work in progress – everyone is part of the process.
5. Failing to plan is planning to fail.

Day 1 Session one: LISTENING & DIVERSITY 1.5 hours	Go straight into exercises and discussion, then explain the workshop agenda: <ul style="list-style-type: none"> • Explore differences in group through a participatory exercise, • Develop understanding that different perspective can and do co-exist on the same issue, • Do a listening exercise, • Tell people about the course outline and set any rules (such as turning off cell phones, arrive on time etc)
Day 1 Session two: ROLE OF GOVERNANCE AT THE LOCAL LEVEL 1.5 hours	Talk about the role of local government and what it's unique role is in the Mongolian governance system: (there are notes for you to base the talk on) <ul style="list-style-type: none"> • Trainer overview of role, powers and opportunities for at rural governance (based on Mercy Corps) • Strategic planning, leadership in local management, resource planning, community consultations – facilitating economic, social and cultural development, local capability and life stages • Discussion and response
Day 1 Session three: PUBLIC SERVICE PRINCIPLES 2-3 hours	Principles of public service: <ul style="list-style-type: none"> • principles for the whole of a department • principles on how the public is treated
Day 2 Session four: ROLE OF INFORMATION IN GOVERNANCE 1.5 hours	The importance of information: <ul style="list-style-type: none"> • the difference that clear information can make in good governance practise • different ways that information can be presented
Day 2 Session five: PRACTICAL TOOLS FOR EFFECTIVE COMMUNICATION 4.5 – 5 hours	Practical ways to present information: <ul style="list-style-type: none"> • written information – developing key messages and framing a message • presentation of written information • using local media to disseminate information – press release, direct contact, talk back program • practical exercises on information presentation
Day 3 Session six: INFORMING AND CONSULTING YOUR COMMUNITY 4 – 5 hours	Multi-stakeholder process – the public meeting <ul style="list-style-type: none"> • why hold a public meeting? • planning and preparing for a public meeting • keeping order in a public meeting, dealing with difficult or complex issues • plan a public meeting
Day 3 Session seven: PUTTING IT TO WORK IN YOUR WORK 1.5 hours	Close out and review session <ul style="list-style-type: none"> • review the written tools provided during the course • review what was learnt in each session • reinforce the five key messages of the workshop • establish what people have learnt and think they will apply • evaluation

GER TO GER PROJECT April 2006- May 2007

Dundgovi Regional Tourism Development Report

Create Dundgovi into an Industry recognized destination product in 12 months that meets the market needs of both independent travelers and local/international tour operators & agencies that want to outfit Community Travel Routes for their higher end clients



Nomad Centered (Community Based) Regional Tourism Development Initiative

Implementation Period
April 2006 – May 30th 2007

GER TO GER PROJECT'S ANNUAL REPORT

Dundgovi Regional Tourism Development Initiative

Create Dundgovi into an Industry recognized destination product in 12 months

Ger to Ger has successfully fulfilled its goals and objectives as set out in the 2006 project proposal. Within in 12 months Dundgovi is recognized by both domestic and international tour operators and travelers as a viable in-country destination product rather than its past usage as a 'transit province'. This serves to enrich Mongolia's tourism industry's classical routes (UB-Hongor Els Dunes) as its current state between points is all driving and it has been repetitively shown by numerous feedbacks that this is a universal challenge that faces the majority of tour operators that operate in the Gobi. By mobilizing strategic areas in Dundgovi, communities could quickly tap into tourism thus creating new job markets and labor forces to generate much needed alternative incomes. In turn, trained local resources at herder and community levels could fill the industry gap that is needed to enrich tour operator programs.

Through Ger to Ger's bottom up approach that include rural herders, CITCs, regional networking, etc., many beneficiaries across Dundgovi Province have been systematically trained and linked to the greater tourism industry. Nomadic herder groups are generated much needed alternative incomes, communities are developing their CITCs (Community Information/Ticketing Centers) that act as equal access points for local businesses and individuals to post/sell their services to the industry, and most importantly, herder groups with their CITCs are linking to one another forming the first regional community tourism network system. This regional community network is extremely beneficial and cost effective for tour operators and travelers looking to plan new products in different regions and purchase local services without having to waste time and money. By using the CITCs allows the operators and travelers to save money and systematically spend it more on purchasing local products and services.

Ger to Ger's CITCs mobilizes and strengthens rural community's ability to independently develop and manage systematic growth of "true" community based tourism without the continued need of consultant and donor interventions after being properly established. Once the CITCs and herders have reached a satisfactory level of industry knowledge and applicable experience, through Ger to Ger's financial frameworks, CITCs can generally become self-financed within two seasons depending on the volume of travelers to their region.

Beyond herder and community tourism mobilization at local and regional levels, Ger to Ger had actively strengthened its "international brand" as Mongolia's leading sustainable tourism program. International media and publications have benefited Ger to Ger as a catalyst toward global recognition. Internationally famous Cable TV

programs such as CBS's "The Amazing Race" and ABC's "World News Tonight" have created an international buzz for our initiative. As proven by CBS's statistics, programs like "The Amazing Race" broadcast to over 150 countries worldwide with a viewing audience of over 30 million!

This notoriety is providing more and more benefits for Mongolia's tourism industry's country image and Ger to Ger's communities; we are experiencing greater need in the production of community travel products and services both domestically and internationally. At local levels, both herders and business owners of ger camps, etc., are visiting Ger to Ger's Ulaanbaatar CITC Office and requesting technical assistance to develop their localities. Such private sector requests have been to assist Destination Mongolia, a local tour operator, with destination and human resource development & management in Western Mongolia's Bayan-Olgii. Other requests include ger camps wishing to make Ger to Ger Community Travel Routes in their region thus to enhance the business opportunities for their local companies. It is becoming greatly understood that rural businesses need more than a camp and horses, they need technical assistance in how to develop needed 'industry products' that meet the needs of various markets.

As Ger to Ger continues to grow and develop, it is becoming the medium for both travelers and international travelers looking to do Ger to Ger with "responsible" tour operators and businesses. Internationally famous operators like Nepal's "President Tours and Trekking" have requested Ger to Ger to mediate their request to recommend a responsible local operator to outfit Ger to Ger Community Travel Routes for their international clients. This is one of several international agencies turning to Ger to Ger for assistance in locating responsible operators to outfit Ger to Ger. This success is a critical achievement towards Ger to Ger's mission of truly becoming a "value added component" to Mongolia's tourism industry.

This alone highlights how Ger to Ger is strengthening its industry credibility as value added component to Mongolia's tourism industry's growth. It also strengthens our message that Ger to Ger is developing into a public sector tourism network with travel routes, information/ticketing kiosks in rural areas that allow greater systematic involvement of beneficiaries. The evolution of Ger to Ger, as planned, will become a much needed public travel infrastructure that will entrust that destinations are developed and managed in accordance with best sustainable tourism practices that will ensure the longevity of industry involvement and participation.

Simply, Ger to Ger is Mongolia first initiative to have...

- ❖ Mobilized herder and their communities and systematically link them to the industry and brought tangible social economic results.

- ❖ Implement its bottom-up approach in regional tourism network development that is managed by herders, communities and businesses via a strong understanding of Mongolia's tourism value chain.
- ❖ Become a value added component to Mongolia's Tourism Industry development at local, community, regional and even at country levels.
- ❖ Lead Mongolia's destination development with real on the ground results.
- ❖ Focused on in-country destination product development (beyond nomadic herders' livelihood) and regional management.
- ❖ Developed community travel products and services that are industry recognized by domestic and international tour operators, businesses and travelers.
- ❖ Established rural Community Information/Ticketing Centers (CITCs) aka soum travel agencies (and certification program) that market and resell community products and services to the industry and increase rural liabilities for community product standards. Some products and services included: jeep & driver hires, local handicraft producers, local guesthouses and hotels, etc.
- ❖ Received global recognition as Mongolia's leading "Sustainable Tourism Initiative".
- ❖ Developed community tourism portal (www.GertoGer.org) that promotes Ger to Ger herders and their community product and services that allows online booking, agent application, etc.
- ❖ Provided domestic and international travelers, travel agency and tour operators systematic methods of incorporating Ger to Ger into new and existing programs that allows direct contribution towards community tourism development. Through incorporation they directly support the global concept of "Responsible Tourism" can apply via an online application located on www.GertoGer.org community based tourism portal.
- ❖ Carryout pre-departure Responsible Tourism Orientations Lessons for independent travelers and tour operator tourists.
- ❖ Initiated the works on handbooks for travelers, herders, community CITCs, and soums single service providers (jeep drivers, ger camps, etc.)
- ❖ Piloted a nomad centered MediCare system in 2006-07.
- ❖ Allowed greater rural ownership of community travel routes and CITCs without project interference through its systematic training workshops and established frameworks with local herders and communities.
- ❖ Implemented 'real time' domestic and international monitor and evaluation methods that allow cross industry feedback, analysis and incorporation.

- ❖ Done many pioneer works in the field of herder, community, regional tourism development, etc.

2006 Goals Successfully Accomplished

- ❖ Developed Dundgovi Province into a destination product rather than its past status as a transit Province.
- ❖ Developed pro-active herders and unique tourism products beyond sharing nomadic lifestyle.
- ❖ Developed new location specific and regional products that are both stand-alone products as well as in association with local ger camps, tour operators, businesses and other community and human resources thus highlighting the importance of 'viable partnerships'.
- ❖ Developed new rural job markets for nomadic herder groups and their communities.
- ❖ Assisted communities to established their own businesses. For example, in Mandalgovi, Mr. Ganbaatar and his wife established their own 'ger-guesthouse' within their property and successfully serviced over 50 travelers in 2006.
- ❖ Contributed to the development of Mongolia's country tourism image through the development of:
 - Ger to Ger Brand "sustainable tourism"
 - A wide variety of promotional materials
 - Supporting internationally famous Reality TV Shows such as "The Amazing Race"
 - Strong market and network linkages with public-private sectors

Project fulfills 2006 objectives and more!

As you will determine from our final USAID report, our initiative far exceeded its goals, objectives, tasks and number of beneficiaries as set out by our initial project document. To mention a few:

- ❖ In addition to proposed works in lh Gazrinn Chuluu Route the following results were achieved:
 - **Location Specific Community Travel Routes Established**
4 additional community travel routes were developed in Uush Sand Dunes (1 route) and Saihan Ovoo (3 routes)
 - **Regional Community Travel Route Established**
First ever Dundgovi Regional Community Based Travel Route that includes all herders and communities.

➤ **Community-led CITC Offices Established**

Successfully created 4 Community Information Ticketing Centers (CITCs) in Dundgovi

- Trained CITC officers on how to mobilize community assets and contract local service providers to ensure that hotels, guesthouses, drivers, guides, herders, handicraft producers, museums, shopping centers, private transport companies, etc. are systematically link to the tourism industry.
 - **Case Study Result:** 2006 season, Bat Tours, local tour operator specialized in the Japanese market, visit Mandalgovi CITC office and hired addition local jeeps for his Japanese clients to make their travel more comfortable.
- The successful piloting of the CITC s in Dundgovi led to the establishment of CITC in Tsetserleg, Arhangai (paid via Arhangai's 20% Sustainability Fund)

Conclusions

❖ **Nomad Centered Community Based Regional Tourism Development Works!!**

Ger to Ger's bottom up approach towards strategic regional development and usage of *tourism's social economic supply chain* has proven to be one of the world's most cost effective methods in both community based and regional tourism development.

➤ **Nomad Centered Travel Products and Services** should be linked directly to...

➤ **Community Based Service Providers** that can organized local logistics and market linkages for the nomad centered products...

- Ticketing and Information Centers provide businesses and travelers a certain level of consumer protection as listed services must meet CITC basic standards.

➤ **Regional Tourism Development** can be achieved when regional routes and CITCs are systematically linked to one another they contribute directly towards both Regional Social Economic Development and Tourism Infrastructure Development.

- In time, as more and more domestic and international traveler, business and industry interest grows and develops – many are beginning to see the benefit of regional tourism development, rural human resource networking and joint marketing.

❖ **Social Economic Initiated CBTs vs. Environmentally Initiated CBTs**

Economic incentives and alternative incomes generated through tourism can more effectively act as a contributor towards the strengthening of nomadic herders and their communities understanding and appreciation of their roles in health and environmental protection initiatives.

- Though environmental considerations are very important and should be incorporated as a component within trainings, they should not be the dominant force that drives Community Based Tourism in Mongolia. Partnership mobilization and the fostering of linkages with public-private sectors, industries and markets are seen as a critical area for further development and donor support.
- This is seen as the biggest hurdle for rural communities that are trying to engage in CBT beyond educational trainings is the “social economic linkages and structures”. Most CBTs in Mongolia lack these important components as they look towards other country CBTs for duplication methods. Thus many CBT approaches are foreign for Mongolia’s tourism industry’s country development, and are not able to develop sustainable and productive industry linkages in lines with Mongolia’s tourism industry value chain, hence, aren’t able to produce substantial market results for their communities.

❖ **CITCs Solve Many Issues that CBTs Face**

CITCs are a ‘one-stop shop’ and/or ‘equal market access point’ for rural communities to organize, market and resell their products and services systematically to businesses and individuals. In addition, when interlinked they act as a regional network system much like travel agencies that we are accustomed to in USA.

- This also provides a certain degree of ‘product safety’ and systematic introduction of rural community’s ‘liabilities’ for their products and services. This provides basic consumer protection from harmful and dangerous scenarios such as randomly purchasing of local services (driver, guesthouse, etc.) from a bus station and then being financially and/or physically taken advantage of.

Results of Ger to Ger Approach

By working along the local, regional and country's social economic supply chains and fostering strong linkages with the market, industry and public-private partnerships (domestically and internationally) within 12 month Ger to Ger was able to achieve the following results.

1.0 New Destination Development and Regional Management

Create industry needed destination products at herder level and link them to local community CITCs (local logistics) to be incorporated into a regional network management framework

Nomadic Travel Routes and Market Linkage Management (The Product)

- ❖ Established 6 community routes comprising the following beneficiaries and successfully create domestic and international market linkages.
 - **Ih Gazriin Chuluu Travel Route and Community Services Established**
A nomad centered community travel route encompassing 8 herders from 3 soums that have established their local network and serviced the tourism industry successfully in 2006 and Mandalgovi CITC is now preparing the route for 2007.
 - **Uus Sand Dune Travel Route and Community Services Established**
A nomad centered community travel route encompassing 1 herder and two businesses from 2 soums that have established their local network and has serviced the tourism industry successfully in 2006 and Mandalgovi CITC is now preparing the route for 2007.
 - **Saihan Owoo Community Travel Route and Community Services Established**
3 nomad centered community travel routes encompassing 18 herders from 2 soums and 1 business from Saihan Owoo that have established their local network and is ready to service the tourism industry in 2007. Saihan Owoo CITC is now preparing the route for 2007.
 - **Dundgovi Regional Travel Route and Community Services Established**
The first regional nomad centered community travel route encompassing 16 herders and 3 businesses from 5 soums that have established their regional network and are ready to service the tourism industry in 2007. Mandalgovi and Saihan Owoo CITCs are now preparing the route for 2007.

CITCs' Community Mobilization into a Regional Management Network

- ❖ **CITC Office Established in Mandalgovi, GurvanSaihan, Olziit, and Saihan Owoo**
5 officers have systematically contracted the local services of the community and

have linked them directly to the tourism industry. Local service providers have serviced their local community tourism initiatives and community travel routes in 2006 and are prepared for 2007. CITCs backed by their nomadic herder groups and communities, once interlinked (Arhangai, Dundgovi, Ulaanbaatar, etc.), become a regional management network.

Below are a few categories that highlight different areas of our Regional Management Network's beneficiaries in Dundgovi:

- 29 Nomadic herder families across 9 Dundgovi soums
- 20 Handicraft producers
Success Story: Beyond just using CITCs as a market access point for producers, Ger to Ger in 2007 will be giving each traveler of Ger to Ger a free felt water bottle carrier. The money goes direct to Saihan Ovoo's handicraft cooperative that is cooperating with their local CITC.
- 7 CITC drivers
- 2 Guest houses
- 1 Ger camp
- 2 Hotels

1.1 New Destination and Regional Marketing

Dundgovi sells itself successfully to tourism industry and supports other community locations via Regional CITC Network Marketing!

In June 2006, it was the first time ever that Dundgovi has been offer as a 'stand-alone' destination product for both domestic and international markets. After extensive rural community mobilization and training workshops were conducted, the herders and community CITCs with the Project began their intensive marketing promotion works. Within 12 months the following has been achieved:

Promotional Material Development and Usage

Dundgovi filming and photography expeditions provided visual content towards the material production for the following:

❖ **Mongolia's Premiere Community Based Tourism Portal (www.GertoGer.org)**

This travel portal was established to actively promote:

- Rural nomadic and community based travel products and services:

- Online booking for businesses and travelers looking to purchase rural products and services.
- Ger to Ger as Mongolia's leading sustainable tourism brand and producer of 'real' results:
 - Ger to Ger's evolutionary approach towards rural social economic development via community mobilization and tourism supply (value) chain methodologies.
 - Advocate the need for greater responsible and sustainable tourism ethics.
 - Ger to Ger partners and supporters to the international tourism industry.
 - Community monitor and evaluation via online feedback forms.
- There are many positive results, below we've listed a few primary examples:
 - Ger to Ger is internationally recognized by major industry players
 - Ger to Ger has received 2007 bookings starting from early January
 - Tour operators and businesses that have applied are listed and being promoted internationally as an alternative travel option for those wishing to experience Ger to Ger in comfort (vehicles, guides, cooks, etc. support).
 - Ger to Ger is facilitating the agreements between Nepal's internationally famous President Travels Company specialized in trekking tours and Mongolia's Winds of Mongolia Company. President Travels will send travelers to Ger to Ger's community travel routes that will be professionally outfitted by Winds of Mongolia's certified mountaineer.
 - Ger to Ger has created multiple avenues for continued monitor and evaluation and has real industry feedback that will continue to directly contribute towards the social economic development of rural nomadic herder groups, communities (soums), the region, etc.

❖ **Ulaanbaatar:**

- International train station billboard
- City Café Information Desk
- Steppe Arts Outdoor Advertising (State Drama Theatre)
- Ulaanbaatar's CITC Office

❖ **Dundgovi, Mandalgovi:**

- Gandalai Shopping Center's CITC

❖ **Dundgovi, Saihan Ovoo:**

- Zambagijn Tal's CITC

❖ **Arhangai, Tsetserleg:**

- Fairfield café's CITIC

❖ **Ger to Ger Partners:** Visual materials enriched the marketing promotional works of both domestic and international travel agencies and tour operators that are partners with Ger to Ger.

- Websites
- Brochures and other print and digital materials

Domestic Marketing Activities

❖ **Ulaanbaatar businesses and people**

- 8 Student Interns at the train station and hot spots along the streets.
- 9 Guesthouses within their own establishments
- 4 Internet cafes
- Mongol Messenger Newspaper
- UB Post Newspaper
- Unudur Medee Newspaper
- Email marketing and business to business meetings
- Email marketing of project info and newsletters
- Misheel Expo's Travel Fair





**Mandalgovi CITC Officer with nomadic herders sell
Dundgovi as a destination to Mongolia' tourism industry in
2007!**

1.2 International Marketing: Film, Media, Internet, Etc.

Effective mass media (GLOBAL) marketing

International Film and Media 2006-07

- ❖ **CBS's The Amazing Race (see attached VCD)**
Ger to Ger Project herders had participated and supported the internationally famous Reality TV show broadcasted to 150 countries worldwide with an audience over 30 million.
- ❖ **National Geographic Society Museum**
- ❖ **ABC's World News Tonight**

Travel Books & Guides 2006-07

- ❖ **Lonely Planet Mongolia Guide Book**
Met with the author of Lonely Planet's Mongolia Edition and he is keen to include Ger to Ger in to the next Mongolia edition.
- ❖ **Mongolei – National Geographic Funded German Travel Book** (see Annex 1)
- ❖ **Internationally Famous French Tour Book** (see Annex 1)

Internet Marketing 2006-07

- ❖ **www.GertoGer.org Community (industry) Agency Website/ Sustainable Tourism**
 - Travelers to book community products online
 - Agents and operators to apply online
 - Highlight the project and our public-private partnerships.
- ❖ **Travel Portals promoting Ger to Ger**
 - AOL Travel's Lonely Planet:
<http://travel.aol.com/LonelyPlanet/asia/mongolia/activities.html>
 - The Independent: <http://travel.independent.co.uk/africa/article2081832.ece>
 - IOL Travel: <http://www.ioltravel.co.za/article/view/3603033>
 - And many more – Please refer to www.GertoGer.org for more links
- ❖ **Travel Blogs promoting Ger to Ger**

- Hospitality Club:
<http://www.hospitalityclub.org/hc/forum.php?action=DisplayMessage&StartMessageId=30331&language=fin>
- Nomadic life in Central Mongolia:
<http://www.travelblog.org/Asia/Mongolia/blog-77634.html>
- And many more – Please refer to www.GertoGer.org for more links

❖ **Email Marketing**

- 2005 and 2006 travelers of Ger to Ger
- Donors, sponsors and other international agencies

Travel Agency and Tour Operator Marketing 2006-07

❖ **International Travel Agencies and Tour Operators Cooperating with Ger to Ger**

- Several international travel agencies famous in the area of trekking and catering to the foreign independent travel market are developing partnerships with Ger to Ger. Below are a just few international industry leaders that are cooperating with Ger to Ger to highlight the growing international support of our initiative:
 - GAP Adventures International
 - President Tours, Nepal

❖ **Domestic Tour Operators Cooperating with Ger to Ger**

- Many Mongolian tour operators have signed and successfully sent and/or planning to send their travelers via Ih Gazriin Chuluu in 2007. Below are a just few industry leaders that are cooperating with Ger to Ger to highlight the growing industry support of our initiative:
 - Nomads Tours & Expeditions
 - Juulchin World Tours Cooperation
 - Winds of Mongolia
 - Fish Mongolia
 - Destination Mongolia
 - Blue Bandana
 - Etc.

1.3 Domestic and International Branding of Ger to Ger as Mongolia's foremost Leaders of Sustainable Tourism

Leading the industry to a greater awareness of the importance of "Sustainable Tourism" through Real on the ground initiatives and tangible results.

Simply, Ger to Ger provides businesses real, down to earth, result oriented initiatives that their end consumers can verify the benefits that their business generates for rural Mongolia. It's the international travel trend that consumers are growing more conscious, aware and concerned about tour operators exploiting rural human resources for greater profits. Beyond a certification 'paper' program, it's the objective of Ger to Ger to 'visually show' the international market how 'responsible tourism partnerships' can generate needed alternative incomes for rural nomadic herders and their communities.

Businesses through our online application are applying to become a Ger to Ger Partner and are obtaining licenses to use Ger to Ger Logo/Image towards market promotional works on their websites, brochures, etc. It has been proven time and again that businesses licensed to use Ger to Ger Brand have won many successes, below are a couple areas:

- ❖ International travel agency contracts through systematic incorporation of Ger to Ger's image in their social marketing.
- ❖ Hearts of prospective travelers aging between 20-60 and the Ger to Ger has a broad spectrum market appeal.

Online Registration for Businesses

- ❖ **Both domestic and international businesses can apply to become partners and active supporters of Mongolia's sustainable tourism initiatives. Ger to Ger provide the following methods of partnerships:**
 - **DIRECT DONATIONS**
International donors that have contributed towards Sustainable Tourism Development in Mongolia.
 - **MEMBERSHIPS**
Businesses that are making financial contributions and/or donations to Ger to Ger's Sustainable Tourism Initiative in Mongolia and benefit via joint marketing efforts.
 - **PARTNERSHIPS**
Incorporating Ger to Ger Routes and communities into their itineraries thus guaranteeing that a certain % is systematically going back to the communities.

➤ **REFERRALS**

Businesses referring travelers to Ger to Ger Office thus actively contributing towards responsible and sustainable tourism ethics (market sharing for the greater good).

➤ **PARTICIPATION**

Have participated with the Project in planning and/or rural training workshops and proven that public-private partnerships can bring and strengthen positive change.

1.3.1 Advocates of Responsible Tourism Initiatives

Cooperating with like-minded Businesses and Institutions

- ❖ Ger to Ger Project have trained rural beneficiaries on Tourism Liabilities and the importance of Responsible Tourism at community and herder product levels.
 - Trainings included CITCs and all herder groups.
 - As a result, herders groups have signed contracts clearly stating 'their liabilities' in 2006 for 2007 season.
- ❖ Handbook development for:
 - CITCs and nomadic herder groups and single service providers in communities.
 - Foreign independent travelers and partner companies that attend our Responsible Tourism Travel Orientation Lessons
- ❖ Mercy Corps – Actively assisting and contributing towards the production of the first industry oriented Responsible Tourism Certification Program for Mongolia.
 - Attended all weekly meetings and workshops since the start in 2006.

2.0 Impacts

Social Economic Spin-off Activities, Products and Services of Ger to Ger Implementation in Dundgovi Province and Other Regions of Mongolia

Marginalized herders are discovering their social economic importance and are investigating further development opportunities

❖ **Dundgovi - Ih Gazriin Chuluu National Park**

➤ **Herders Upgrading Their Local Services**

2 herders families have planned to save a % of their 2007 income towards upgrading their local facilities and services.

- Chemidgдорж, local herder, is planning to make a small ger camp.
- Oyunerden, local herder, is planning to purchase an ox-cart and oxen.
- Herder groups of different regions of Mongolia are visit our Ulaanbaatar CITC office and requesting to become a part of Ger to Ger.

Rural communities are generating new businesses owing to the social economic incentive and public-private partnerships that tourism brings to their localities

❖ **Dundgovi - Mandalgovi**

➤ **First Local City Tour to be established in 2007**

Local CITC has planned to implement a 'City Tour' for arriving travelers.

➤ **17 Local Handicraft Producers Stock Mandalgovi's CITC Office 2006-07**

Handicraft producers are using Mandalgovi CITC to resell their product to arriving travelers.

➤ **Locals establish Ger Guesthouse for Transiting Travelers**

2006-07 a new 'ger guesthouse' has been established and have serviced the tourism industry.

➤ **Rock Climbing Facility at Ih Gazriin Chuluu**

In 2007, Winds of Mongolia's French climbing expert is planning to jointly develop a rock climbing area at Ih Gazriin Chuluu in association with Ger to Ger, Mongolian Army and the National Park.

➤ **Destination Mongolia, Tour Operator**

Requests Ger to Ger to assist their region in destination and human resource development (Bayan-Olgii).

- **Ger Camps, Tuv Province**
Requests Ger to Ger to assist in developing a Community Travel Route in their region to increase the regions business environment.

❖ **Dundgovi - Saihan Ovoo**

- **Local Businessman Invests in establishing New Ger Camp**
1 local businessman has made an investment towards establishing a ger camp along Saihan Ovoo Community's "Pilgrims' Travel Route".
- **Handicraft Cooperative Directly Links to Travel Market via Ger to Ger Sales Network**
Local handicraft cooperative is making hundreds of "felt water bottle carriers" for every traveler of Ger to Ger in 2007 season. All revenues will go directly to this cooperative. You can visit the following link to see how we are promoting this cooperation internationally: <http://www.gertoger.org/specials/limited-offers.html>

Actively contributing to the development of other USAID donor initiatives voluntarily

- ❖ **Ger to Ger supports USAID Funded Mercy Corps "Responsible Tourism Certification" Initiative 2006-07 (over 4 months of weekly workshops)**
- ❖ **Ger to Ger supports USAID Funded EPRC "National Tourism Organization" Initiative 2007**



Other CBT initiatives looking towards Ger to Ger's successful approaches

- ❖ **Community Ranger Training for Altai Sayan Project in Hatgal, delivered training module on tourism, community based tourism and eco-tourism. The trainer, Mr. Andy Parkinson from Fish Mongolia/ Eco-Tourism Consultant, had used Ger to Ger as an example of community based tourism in Mongolia highlighting the need for herder based community tourism products to have access to markets and**

marketing and illustrating the role of and need for NGOs to assist in the development of community tourism products, and facilitation of partnerships with tour operators.

3.0 Recommendations

Why try to duplicate when the method exists?

Herder Centered

1. Nomadic herder groups are just starting to tap their potential via project knowledge sharing and applying that knowledge to their tourism activities. Ger to Ger must continue their educational process within their localities so that they immerse as strong industry contributors.

Community Based

2. Ger to Ger should be funded to carryout its CITC development works to ensure that herders, local businesses and individuals, etc., have means of systematically tapping the industry through proven methods and clear industry visibility.

Regional Development

3. In 12 months, Ger to Ger has highlighted the successes of its bottom-up approach towards regional tourism development. Ger to Ger's systematic approach towards its implementation works makes it the premiere initiative to produce clear and tangible results towards Mongolia's regional tourism development.

Country Development

4. It is internationally agreed that Mongolia's core experiences circle around its nomadic civilization and its status of horse breeders' paradise. Like any industry, example being mining, you may have companies digging for mineral wealth but without further refinement of 'raw materials' then there is little economic value generated. This goes the same with the tourism industry, rural nomadic herders and their communities are like untapped 'raw riches' and once refined they can generate great social economic value for both companies and the country.

Fostering Market Potentials

5. Market distinction is critical to Mongolia's future development as the industry was developed on generalizations "I can do it all" to earn quick cash. Market distinction is a practice that is commonly practice around the world (Responsible Tourism Certification Programs, Sustainable Tourism Societies, etc.) that allow the 'conscious consumer' an ability to determine where their money goes. This is a method of 'culling' and distinguishing those that operate at a higher level of ethics and support initiatives to combat poverty, human trafficking, human labor exploitation, etc. Further support of innovative initiatives like Ger to Ger that create the environs for change is greatly needed for the following years till these concepts fully materialize.

Fourth Quarter Report

Marketing Promotional Works and 2007 Preparation Training Workshops Regional CITC Officers

In the last quarter, Ger to Ger has been heavily focused on furthering its domestic and international public-private partnerships, domestic and international marketing promotion works, and training of rural CITC officers in preparation of 2007 season.

In January

- ❖ Participated in Responsible Tourism weekend workshop at Khustai National Park
- ❖ Prepared, researched, consulted prepared outlines for handbooks for local communities (service providers), facilitators, herders and Responsible Tourism orientation lessons for travelers that was first introduced from 2005 and has been enhanced since.
- ❖ Prepared, researched and consulted about domestic and international branding marketing strategies
- ❖ Made leaflet draft
- ❖ Met with Destination Mongolia Company and discussed ways to:
 - Cooperate with their company and generate greater benefits for Bayan-Olgii's Kazakh people
 - Make joint venture project on education, health and SME development
- ❖ Met with World Bank's "Mongolia's Market Place Development" and discuss was of future mutual cooperation:
 - Cooperate to implement healthcare, to train local tourism coordinators and SME project

In February

- ❖ Met with Ms. Sugar, Mongolian officer of EU to discuss further development of Dundgovi's regional tourism and existing opportunities. Ms. Sugar has express strong interest to investigate areas of potential cooperation; Ger to Ger is preparing concept papers.
 - Worked on EU proposal for Dundgovi communities:
 - EUAID proposal
 - Discuss partnership

- Finalize action areas and develop action Hi-archery plan
 - Discuss Mongolia-EU concept
 - Discuss Mongolia-China concept
 - Budget
- ❖ Met to extend our cooperation contracts with below tour operator companies and offered our 2007 programs:
- Active & adventure travel company
 - Blue bandana
 - Explore mongolia
 - Nomadic expedition
 - Juulchin
 - Khuvs gul travel
 - Shuren
 - Genco tour bureau
 - Bayangovi juulchin
 - Jules verne
 - Tuvshin tour
 - Bal tours
 - Tsolmon
- ❖ Met to extend our cooperation contracts with below Guest houses, Cafes, Internet cafes and offered to be our referrals:
- UB guest house
 - Oasis guest house
 - Golden gobi
 - Khongor guest house
 - Zaya guest house
 - Nassan guest house
 - One world café

- Za internet center
- 50 Net internet center
- Mongol Net internet center
- Memory Net internet center
- ❖ Announced “Fresh Air for Families” trip by Mongol Messenger and Daily News
- ❖ Met with High schools to promote “Fresh Air for Families” trip:
 - 42 high schools

In March

- ❖ Met with ADRA about possible partnership opportunities with Ger to Ger.
- ❖ Met with private sector entities to introduce Ger to Ger and explore potential opportunities for mutual cooperation on market promotion and other areas:
 - MacCoffee
 - Taj mahal restaurant
 - Nomin holding
 - Trade development bank
 - Jenco tour bureau
 - Hospitality guest house
 - Nomads tours and expeditions
 - Blue bandana
 - Fish Mongolia
 - Ciel mongol tour operator and guest house
 - Cashmere World company
- ❖ Make preparation for Misheel Expo’s Travel Mart:
 - Prepared and printed leaflets
 - Prepared and printed name cards
 - Prepared and printed banner
 - Prepared and sent email marketing to tour companies

- Prepare equipment for our stand
- ❖ Invited our local CITC officers and coordinators to Misheel Expo's Travel Mart organized by MTA and MoRTT. Afterwards, a training 2 day training workshop "Conducting and Managing Travel Services in Local Areas" was organized for participants.
 - During Misheel Expo's Travel Mart participants introduced Ger to Ger Project, community routes and CITCs, and made contacts.
 - 4 Universities
 - 42 ger camps
 - 48 tour companies
 - 17 hotels
 - 13 restaurants
 - 152 individuals
 - During the two day "Conducting and Managing Travel Services in Local Area" training workshop, local coordinators study many important "certification subjects" including the following:
 - Determine demand and needs
 - Research market & determine target market needs
 - Conducting local tours
 - Establishing prices quotes for products and services
 - Making contract with singles services suppliers
 - Market promotion
 - Manage bookings
 - Start trips and managing tour process
 - Evaluating tour (Feedback: monitor and evaluation works for further development opportunities)
 - Plan and develop next trips
- ❖ Q&A for coordinators to establish and develop their communities' CITC based on Ulaanbaatar and Dundgovi 2006 season's lessons learned.
- ❖ Certification examinations

Internationally Famous National Geographic Travel Book Promotes Ger
to Ger for 2007-08

