

Annual Report 2014



Submitted to the Government of Mongolia

By



Mercy Corps Mongolia
Peace Avenue 30-1, Bayanzurkh District
Ulaanbaatar, Mongolia
Phone: 976-11-461-145
Contact: Jennifer Bielman, Country Director
Email: jbielman@mn.mercycorps.org

February 2015

Annual Report 2014

Table of Contents

| | |
|--|-----------|
| LIST OF ACRONYMS | 3 |
| ANNUAL REPORT ON ACTIVITIES - 2014..... | 4 |
| I. INTRODUCTION..... | 4 |
| II. KEY ACHIEVEMENTS IN 2014..... | 7 |
| III. PROJECT ACHIEVEMENTS IN DETAIL | 11 |
| 1. ACTIVE PARTNERSHIPS AND PUBLIC ENGAGEMENT FOR ACCOUNTABLE LOCALITIES (APPEAL) . | 11 |
| 2. IMPROVED COMPETITIVE OUTSOURCING OF GOVERNMENT SERVICES (iCOGS) | 23 |
| 3. LOAN GUARANTEE MECHANISM (LGM) | 30 |
| 4. LEVERAGING TRADITION AND SCIENCE (LTS) | 33 |
| 5. PRODUCTIVE AGRIBUSINESS CHAINS SUPPORT (PACS)..... | 42 |
| IV. COLLABORATION WITH MONGOLIA GOVERNMENT AND AGENCIES..... | 44 |
| V. FINANCIAL STATEMENT..... | 46 |

List of Acronyms

| | | | |
|--------|--|-------|---|
| ACAP | Anti-Corruption Action Plan | MALA | Mongolian Association of Local Authorities |
| Aimag | Province/state | MCM | Mercy Corps Mongolia |
| APPEAL | Active Partnerships and Public Engagement for Accountable Localities | MEPS | Major Electronic Procurement System |
| Bagh | Administrative subdivision of a soum | MNDI | Mongolian National Development Institute |
| BEC | Bid Evaluation Committee | MNT | Mongolian National Tugrug |
| BDS | Business Development Service | MoU | Memorandum of Understanding |
| CSO | Civil Society Organization | MWLA | Mongolian Women Lawyers Association |
| CRH | Citizens Representative Hural | NAMEM | National Agency of Meteorology and Environmental Monitoring |
| DPO | Disabled People’s Organizations | NEMA | National Emergency Management Agency |
| Dzud | Natural disaster in which large number of livestock die | NGO | Non-Governmental Organization |
| GIZ | German Agency for International Cooperation | NUM | National University of Mongolia |
| GPA | Government Procurement Agency | OFDA | Office of US Foreign Disaster Assistance |
| Hural | Parliament | OCI | Organizational Capacity Index |
| IAAC | Independent Authority against Corruption | OGP | Open Government Partnership |
| iCOGS | Improved Competitive Outsourcing of Goods and Services | PACS | Productive Agribusiness Chains Support |
| ICT | Information and Communication Technology | PPL | Public Procurement Law |
| IRIM | Independent Research Institute of Mongolia | PTI | Procurement Transparency Index |
| LDF | Local Development Fund | OCI | Organizational Capacity Index |
| LEGS | Livestock Emergency Guidelines and Standards | SDC | Swiss Agency for Development and Cooperation |
| LGM | Loan Guarantee Mechanism | SME | Small and medium enterprises |
| LLC | Limited Liability Company | SMP | Soum Master Plan |
| LPU | Local Procurement Unit | Soum | County/district |
| LEWS | Livestock Early Warning System | STAGE | Strengthening Transparency and Governance in Mongolia Project |
| LTS | Leveraging Tradition and Science | TAF | The Asia Foundation |
| LSWSD | Local Social Welfare Service Department | ToT | Training of Trainers |
| | | USAID | US Agency for International Development |
| | | VABU | Veterinary and Animal Breeding Unit |

ANNUAL REPORT ON ACTIVITIES - 2014

I. Introduction

Mercy Corps' Mission



Mercy Corps' global mission is to support secure, just and productive communities guided by our Vision for Change. Working in 41 countries and reaching 19 million beneficiaries, Mercy Corps takes a community-led and market-driven approach to facilitate lasting systemic change, supporting the establishment and growth of sustainable mechanisms for improving access to information, training, financial services, business services and markets.

In Mongolia, Mercy Corps' mission is to support rural communities to mobilize resources to meet their economic and social needs to be resilient in a rapidly changing environment. Public-private dialogue and strong collaborative partnerships form the foundation of our efforts, as strong community engagement is crucial for inclusive and sustainable growth, good governance and environmental stewardship.

Project Portfolio

Mercy Corps contributed to Mongolia's continued development by addressing three broad, inter-related themes: Inclusive Economic Development, Good Governance and Environmental Stewardship. Mercy Corps implemented five projects in Mongolia during calendar year 2014.

Table 1: Project portfolio Mercy Corps Mongolia 2014

| Project | Donor | Project Period | # of Aimags |
|--|-------|-------------------------------|-------------|
| APPEAL Active Partnerships and Public Engagement for Accountable Localities | USAID | Jul 2012 – Dec 2014 | 15 |
| iCOGS Improved Competitive Outsourcing Of Government Services | SDC | May 2012 – Mar 2015 | 13 |
| LGM Loan Guarantee Mechanism | USDA | Sep 2004 – ongoing | 15 |
| LTS Leveraging Science and Tradition | USAID | Jun 2013 – Sep 2014 | 15 |
| PACS Productive Agribusiness Chains Support | USDA | Aug 2012- To be determined | 7 |

15 Years of Progress in Mongolia

Mercy Corps Mongolia celebrated its 15th anniversary in 2014. On 15th January, 1999, Mercy Corps officially opened its office in Ulaanbaatar, Mongolia. Its mission and mandate began with the Gobi Initiative, which benefited tens of thousands of rural residents and led to the creation of representative offices in 15 aimags. Since 1999 Mercy Corps Mongolia has implemented 22 projects aimed at supporting rural economic growth, developing rural businesses, building civil society, promoting good governance practices, and creating an open and transparent society. Mercy Corps is proud of its role in promoting access to credit and financial services; its extensive work to promote diversified agricultural development; programs to support the development of civil society and improved governance; and programs which have facilitated better communication and collaboration across the public and private sectors.

These achievements would be impossible without our experienced and dedicated national and international staff and close cooperation with national and international partners. We are proud to say that more than 500 Mongolian staff-members have worked for Mercy Corps over 15 years, across the country. We would like to express our gratitude to all, former and current Mercy Corps staff and partners, who contributed to the success of Mercy Corps in Mongolia.

Direct Program Implementation Areas

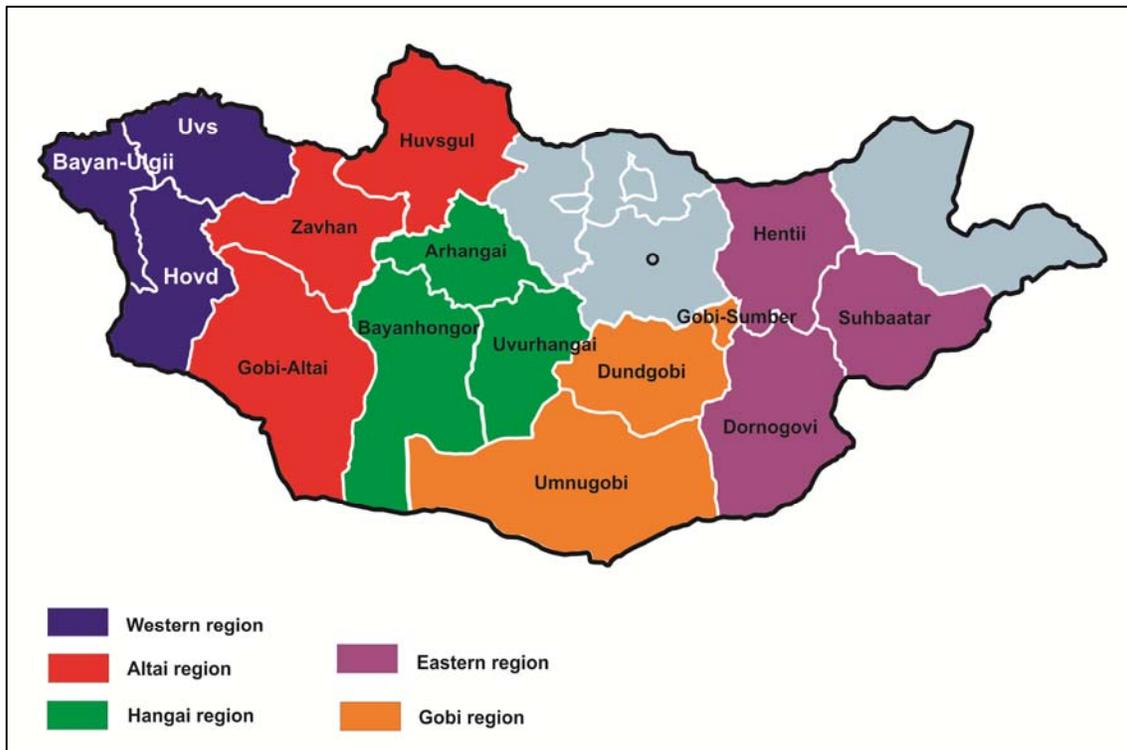
In 2014 Mercy Corps implemented program activities through direct, peer partnerships in 15 program aimags including Bayan-Ulgii, Uvs, Hovd, Gobi-Altai, Huvsgul, Zavhan, Arhangai, Bayanhongor, Uvurhangai, Gobi-Sumber, Dundgobi, Umnugobi, Hentii, Suhbaatar and Dornogobi. This partnership structure is facilitated by regional centers in Hovd, Zavhan, Uvurhangai, Umnugobi, and Dornogobi. This structure represents a shift from direct project implementation that began in 2012 and is intended to build the capacity of our Mongolian partners, putting them in the center of the development process. In 2014 Mercy Corps partnered with 39 national level and 284 local level Mongolian government agencies, civil society organizations (CSOs) and businesses to implement activities under the five donor-funded programs implemented in Mongolia.

Regional Centers and Offices

There are 5 regions and Ulaanbaatar (main office).

- 1) Bayan-Ulgii, Uvs, **Hovd** (regional center)
- 2) Gobi-Altai, Huvsgul, **Zavhan** (regional center)
- 3) Arhangai, Bayanhongor, **Uvurhangai** (regional center)
- 4) Gobi-Sumber, Dundgobi, **Umnugobi** (regional center)
- 5) Hentii, Suhbaatar, **Dornogobi** (regional center)
- 6) **Ulaanbaatar**

Figure 1. Mercy Corps Mongolia Regions



II. Key Achievements in 2014

Mercy Corps Mongolia's projects had a significant positive impact in rural Mongolia in 2014. Key achievements for Inclusive Economic Development, Good Governance and Environmental Stewardship include the following:

Beneficiaries

In 2014 627,613 people benefited from participating in projects implemented by Mercy Corps (see table 1 below), these participants joined activities including: awareness campaigns, training sessions, workshops, public discussions and meetings, dissemination of best practices, development of ACAPs and soum master plans, and accessing new and better information about local government.

Our beneficiaries included the following groups of people:

1. Government employees who improved their knowledge on good governance and anti-corruption, developed ACAPs and SMPs in collaboration with CSOs, and provided access to public information
2. Local CSOs who helped to develop ACAPs, raised awareness about good governance, supported local Citizens Chambers, strengthened their institutional capacities through subgrants offered by Mercy Corps projects.
3. Local businesses that participated in public procurement tenders and expanded their businesses with collateral support from LGM.
4. Local BDS providers who monitored LGM borrowers on a fee for service basis.
5. Local youth who engaged in anti-corruption and good governance activities.
6. Local citizens and communities who learned about good governance principles, transparency and accountability of procurement processes, and participated in decision making, gained access to public information.

Table 2: Number of beneficiaries by projects

| Projects | No of beneficiaries |
|-----------------|----------------------------|
| APPEAL | 311,509 |
| iCOGS | 314,161 |
| LTS | 1069 |
| LGM | 874 |
| Total | 627,613 |

Inclusive Economic Development

LGM clients increase sales and create jobs

Mercy Corps' Loan Guarantee Mechanism (LGM) partners started the year 2014 monitoring 219 outstanding loans valued at MNT 1,126,426,000 in 12 aimags. The cash collateral provided by the LGM for these 219 loans stood at MNT 379,442,904. As the clients repaid their loans during the course of the year, the number of outstanding loans went down to four loans by December 2014. The LGM clients generated MNT 968 million in sales income and created 600 new jobs in 2014. The LGM is facilitated through a network of 20 local Business Development Service (BDS) providers, who - under contract from Mercy Corps - monitor and mentor individual borrowers, assist on business development, and ensure timely loan repayment. These BDS providers earned MNT 29,479,928 in

commission fees in 2014 as a result of their work with rural entrepreneurs.

Strengthening Good Governance

The APPEAL and iCOGS projects implemented a wide range of activities aimed at strengthening good governance and promoting transparent and open procurement process.

APPEAL and iCOGS subgrants promote good governance

In 2014, APPEAL and iCOGS projects awarded MNT 402.1 million in grants to 85 local CSOs in 15 target aimags through three rounds of competitively tendered subgrants. Through these subgrants, local CSOs promoted greater citizen participation in procurement process, contributed to improved transparency of government services, raised awareness of good governance laws and practices, combated corruption, and improved the partnership between CSOs and local governments.

By participating in the subgrant program, local CSOs strengthened their capacities in organizing and implementing projects, learned to mobilize community actions in partnership with local governments and advocate for anti-corruption, good governance, and local development. The projects helped to strengthen the capacity of procurement actors, raised knowledge of all stakeholders on anti-corruption and good governance, increased citizens participation in planning and execution of transparent and competitive public procurement and improved the quality of and access to all public information.

Table 3: Subgrants

| | # of subgrants | # of activities | # of beneficiaries | # of women | Subgrant value, million MNT |
|--------------|-----------------------|------------------------|---------------------------|-------------------|------------------------------------|
| APPEAL | 53 | 316 | 89,985 | 42,695 | 255 |
| iCOGS | 32 | 344 | 138,617 | 70,742 | 147.1 |
| Total | 85 | 660 | 228,602 | 113,437 | 402.1 |

Citizens improve their knowledge on good governance and anti-corruption

APPEAL and iCOGS jointly organized the second Rules to Reality campaign. The campaign aimed at improving citizens' knowledge of good governance principles, transparency and accountability of procurement processes. A total of 100 activities were organized in 15 aimags that engaged more than 48,000 individuals including 3,300 government officials, 460 CSO staff, 80 media representatives and 44,160 citizens. Activities included meetings to inform citizens about relevant laws and local procurement plans, public announcements of local budget expenditures, public discussions strengthening good governance, quiz competitions to improve knowledge, Open Door Day events at local government offices, and exhibitions of local products.

Mercy Corps shares governance lessons and best practices with national and local partners

Mercy Corps jointly with its partners organized two national level events: the National Forum on Good Governance and the Open Government Partnership Forum in October 2014. The goal of the Good Governance forum was to frame lessons learned from the practitioners' experiences; and to spread and sustain good governance practices and initiatives which contribute to transparency, openness, accountability and public engagement in Mongolia. Over 160 participants from national and local governments, representatives of civil society and media, researchers, and international development partners to participate in discussions on good governance initiatives, successful methodologies, and best-practices

The Open Government Partnership Forum provided an opportunity for staff, partners and beneficiaries of the APPEAL and TAF's STAGE projects to share critical learnings from the projects with all 330 soum governors. The APPEAL team and partners worked hard to ensure that tools and best practices developed and implemented in the 120 target project soums were shared directly by the people utilizing them. Recommendations derived from the National Forum on Good Governance were also shared directly with the OGP team in the Cabinet Secretariat to support their work

Local capacity to organize procurement process improves

iCOGS shared training costs (50%) with the local authorities of ten aimags to organize Procurement Certification Trainings (A3) in 2014. More than 1,118 individuals attended three-day training sessions on key public procurement procedures, representing LPUs, Local Hurals, aimag Governors' Offices, CSOs, and citizens. Female participants accounted for 52% (402) of the total attendees. Of all participants who completed the training successfully, 565 (50%) received certificates that qualified them to be members of Bid Evaluation Committees (BECs) and participate in local procurement. Of the 565 certified individuals, 149 (35%) were women. The rate of certification increased by 16.3% compared to 2013. iCOGS surveyed the training participants and found that 90% were engaged in the procurement process as a member of a BEC or as third parties who monitor awarded contracts to ensure quality.

Local CSOs strengthen their institutional capacity

In 2014, CSO trainers together with Mercy Corps' field staff completed the second assessment of CSO capacity. The second self-assessment aimed to evaluate the progress of the CSOs through the Organizational Capacity Index (OCI) against their baseline. After working with APPEAL and participating in capacity building training, the majority of CSOs have moved up to the emerging, developing, and strengthening phases. This shift shows that CSOs strengthened their institutional capacities. The percentage of CSOs in the mature and rebirth phases has increased demonstrating improvement in CSO capacities.

Mercy Corps helps local LPUs to organize open and transparent procurement tenders

iCOGS provided the training and technical assistance needed for BECs and LPUs in all 13 aimags to prepare detailed information about local procurement opportunities, issue tender documents and undertake 200 open, transparent tenders for public goods, works and services.

Environmental Stewardship

Herders share best practices to combat dzud

In 2014 the OFDA-funded LTS project team produced a compendium of household-level best practices in dzud preparation and management for publication and distribution across 15 project target area. LTS project stakeholders contributed 42 best practice recommendations on a range of topics, including winter preparation, dzud management and traditional knowledge and practices that support herders to manage dzud. Mercy Corps' in-house livestock experts incorporated the best practices into a comprehensive source document.

The handbook divides the practices into five categories: preparedness; early warning; coordination and communication; response activities; and traditional weather prediction methods. The handbook explains how to apply the methods that support good winter outcomes. The handbooks were distributed to all participating soums and aimags to insure that they are widely available. A total of

11,500 books were distributed. During stakeholder dialogues, the books were praised for offering new ideas, supporting the communication of traditional methods to young herders and for identifying specific herders who contributed best practices.

Local residents learn disaster management skills

The LTS team and experts from NAMEM, NEMA, NUM, VABU and LEWS developed a curriculum and training materials for a Training of Trainers (ToT) session on a variety of early warning and disaster management topics. The ToT took place in April 2014 and 48 stakeholders from 15 target aimags attended it in Ulaanbaatar. All training participants were expected to conduct direct training sessions in their local area. The participants included Mercy Corps aimag facilitators, representatives from local emergency management units, VABU, governor's offices, the meteorology and environmental monitoring unit and local NEMA offices.

During May 2014, ToT graduates conducted 30 training sessions based on the "Early Warning Information and Response Planning" curriculum throughout 15 aimags and 15 soums. Training was conducted in mixed groups of emergency response personnel, local government representatives, and herders. Of the participants, 226 (27%) out of 841 people were herders.

Based on evaluations of each training session, the response to the training was positive and outcomes indicated an overall increase in knowledge and new skill acquisition as a result of participating in the training. Strong demand was expressed for on-going training programs at the soum-level, with a specific emphasis on exploring each topic in more detail to both increase knowledge and skills in risk management and to better utilize forecast information.

III. Project Achievements in Detail

1. ACTIVE PARTNERSHIPS AND PUBLIC ENGAGEMENT FOR ACCOUNTABLE LOCALITIES (APPEAL)

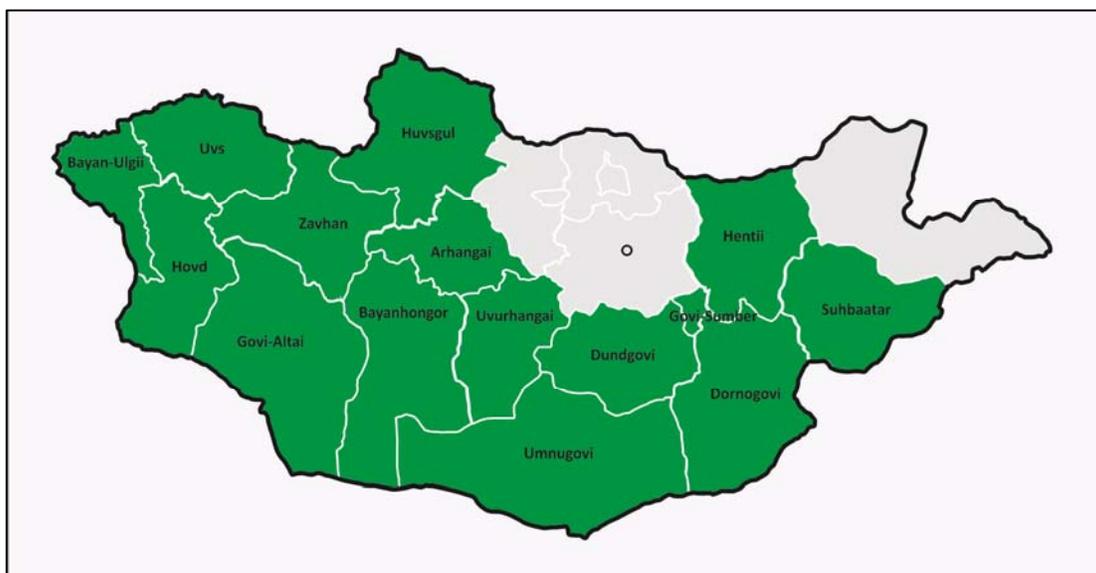
Funded by the US Agency for International Development
Project period: June 2012 to December 2014

Project Goal: To improve the legal, institutional and administrative processes in specific official agencies and offices to secure the consistent practice of democratic reforms and support economic growth at the local level.

Project Objectives

- **KNOWLEDGE**—Key elements of Mongolian legal frameworks related to anti-corruption and good governance are understood by and relevant to government institutions, civil servants, civil society and the public at the local level.
- **ACTION**—Exercise of authority and delivery of government services reflect transparent and accountable, administrative processes, provide effective checks and balances, and engage informed communities to optimize quality and impact of governance at local level.

Figure 2: APPEAL Project Aimags



The Active Partnerships and Public Engagement for Accountable Localities (APPEAL) project was launched in June 2012 and ended on December 2014. The project was implemented in 60 soums of 15 aimags of Mongolia with USD 3.5 million funding from the US Agency for International Development (USAID). The APPEAL project came at a critical point in Mongolia's democratic development. The national and international context of Mongolia's commitment to democratic governance has improved under the leadership of President Ts. Elbegdorj. As chair of the Community

of Democracies and a founding member of the Open Government Partnership, and in light of its commitment to Millennium Development Goal # 9 of zero tolerance for corruption, Mongolia is making progress in consolidating its democratic principles and actions.

PROJECT OUTCOMES IN 2014

APPEAL OBJECTIVE 1: Key Elements of Mongolian Legal Frameworks Related To Anti-Corruption And Good Governance Are Understood By And Relevant To Government Institutions, Civil Servants, Civil Society And The Public At The Local Level

Partnership with the Independent Authority Against Corruption (IAAC)

In 2014, APPEAL and the IAAC collaborated on two activities: 1) organizing a webinar for local CSO partners to support participatory development and enforcement of Anti-corruption Action plans (ACAPs); 2) Consolidation of lessons learned and best practices of good governance in consultation with national level partners, local governors, soum officials, business entities, media and citizens.

ACAPs Define Local Authorities' Commitment to Transparency and Accountability

In February 2014, 15 CSOs and representatives of 15 governor's working groups joined a webinar sponsored by APPEAL and IAAC. The IAAC provided technical recommendations on the content of ACAPs to increase access and transparency by placing ACAPs on the governor's official websites within the legally required timeframe; to make procurement announcements and activities open, in compliance with the requirements of the Freedom of Information Act; and to send ACAP reports to the IAAC on time.

As a result of the collaboration supported by APPEAL, 30 ACAPs were created by government authorities at the local level (15 ACAPs from governor's offices and 15 ACAPs from LSWSDs) and reviewed by the IAAC. By March 11, aimag governments posted ACAPs for 2014 on their respective websites. APPEAL partner CSOs also worked to ensure citizen participation in the development, implementation and monitoring of ACAPs. CSO partners organized ACAP discussions among local officials and citizens, solicited input on ACAPs from citizens, and submitted citizens' comments to local governments to be incorporated in ACAP development. Citizens' feedback and comments focused on five issues:

1. Access to timely information
2. Integrity and ethical behavior of government officials
3. Prevention and education activities
4. Citizens' participation and monitoring
5. Partnership of local government, CSOs and citizens

Consolidation of Best Practices on Good Governance

In early October 2014, IAAC approved final selection of 20 best practices applied in government organizations and improved public services chosen from 50 submitted by local governments and CSOs. The 20 practices endorsed by the IAAC formed the basis for a good governance best practices book published by APPEAL. A competitive RFP was released and two journalists were selected to write the book. In December 2014, 1,500 Mongolian language copies of the book were printed and distributed to project stakeholders for future reference with the goal of formulating improved policies, and to take appropriate measurements of decision-makers at the local level.

Case Study on Good Governance Practices

In early April 2014, APPEAL signed an agreement with the Mongolian National Development Institute (MNDI) to launch research to identify the linkages between soum master planning and allocation of Local Development Funds (LDFs); and to define citizens' participation in both the planning and implementation processes. MNDI completed the research in September and produced four distinct case studies as well as a case study handbook to guide future researchers. The case studies have been distributed widely to local government and CSOs in 15 target aimags. .

Each case study represents a real story of local planning and was written based on literature review, individual interviews, focus group discussions, data analysis, and direct observations in the field. The research was undertaken in Delgertsogt and Saintsagaan soums of Dundgobi aimag and in Binder and Tsenhermandal soums of Hentii aimag. The research team reviewed 90 aimag and soum official documents, met with 101 local officials, CSO representatives, herders, and residents of soum centers, and processed all respondents' contributions in their analysis.



Photo 3: Case Study Results

The case studies confirmed the APPEAL project's hypothesis that training local officials to develop SMPs through a participatory process both creates investment channels for LDFs and supports the allocation of funds in a more transparent, and productive manner. According to the case studies, local officials recognize the importance of SMPs. They describe the SMP as a document that defines a long-term strategy for soum development, identifies development phases and activities; and estimates budget and timing.

The case studies also found that local officials acknowledge the importance of citizens' participation in planning and disbursing local funds, and increasingly view participation as a critical element of successful planning. Local officials also shared difficulties exercising their new authorities in a transparent and accountable manner. The officials lack expertise, tools and resources for planning complex initiatives and for making technical analysis of development issues and proposed solutions. Officials also lack the financial resources to reach citizens.



Photo 2: Case Study Book

Soum citizens are not yet ready to take full leadership in decision-making processes and direct local government in the development process. Citizens' participation is still passive and citizens tend to focus on projects that have a direct and immediate impact like building wells, protecting pasturelands, fixing lights, and renovating streets at soum centers. Citizens lack experience in the governing process and lack independent organizations that can advocate for their interests.

The primary differences among the soums studied lie in the strategies employed by local officials to organize and engage citizens, to prioritize development issues by citizens, and to balance the interest of different groups of communities. Local officials are trying different ways to reach citizens, to share information with them, and to get their opinions on SMPs and LDFs. For example, 70% of the populations of Delgertsogt soum are herders spread over an area of 250,000 hectares in three baghs. A bagh governor only has a 16-liter fuel allowance every month, and to reach herder families he must ride 400 km by motorcycle. To more effectively reach herders and get their opinions, local

officials of the Delgertsogt soum use many forms of communication, including by phone and in-person. Additionally, local officials provide physicians, who travel to herder families to visit pregnant women or newborns, with local government news and information and task them to bring back herders' opinions on particular issues. In summer, local officials organize bagh citizen meetings closer to herder camps. Local officials also use mobile services that are provided free within the providers' networks to send text messages to remote families. These officials are learning to involve citizens to better prioritize development issues and to disburse LDF funds based on participatory SMPs. As a result, local government is also getting better at being transparent and inclusive.

Good Governance Forum

The National Forum on Good Governance brought together over 160 participants from national and local governments, representatives of civil society and media, researchers, and international development partners to participate in discussions on good governance initiatives, successful methodologies, and best-practices. The goal of the forum was to frame lessons learned from the practitioners'



Photo 3: Good Governance Forum, Kempinsky hotel, Ulaanbaatar

experiences; and to spread and sustain good governance practices and initiatives which contribute to transparency, openness, accountability and public engagement in Mongolia.

The Forum began with a panel discussion focused on the international development community's perspective on progress to date and continuing challenges in good governance. Panelists included representatives from United Nations Development Program (UNDP), Swiss Development Cooperation (SDC), the Asia Foundation, German International Cooperation, Mercy Corps Mongolia, Independent Authority against Corruption, and Adam Smith International. The United States Agency for International Development (USAID) shared their views on current challenges and future aspects of Good Governance in Mongolia. With a focus on opportunities for applying lessons learned and tools developed to increase Good Governance, the panel discussed governance interventions and initiatives that focused on improving and increasing transparency, accountability, and citizens' participation. The panelists noted that when international development organizations started their operations in the early 90s to strengthen Mongolian democracy, the understanding of good governance and citizen participation was vague and the legal environment in which to operate did not exist. The challenge was changing the people's mindset for the implementation of any of the good governance programs. National and local governments had limited understanding about the importance of good governance and were not ready to implement good governance programming in their respective target communities. More and more people today are aware of their rights to demand better public services, and the bottom-up approach has become a vital part of Mongolia's development. The participants discussed and identified needs and issues that should be addressed in the near future for strengthening good governance practices including continuing to open channels for citizen engagement and strengthening the performance and accountability of government.

The panel discussion helped to frame participatory small group discussions on four thematic sessions led by local partners of the APPEAL and iCOGS programs, which provided the opportunity to share local best practices and voice concerns to the national audience. The four thematic discussions

focused on 1) Local Public Engagement, 2) Transparency of Public Institutions, 3) CSO and Government Partnership, and 4) Transparent Local Procurement. Each session is summarized in more detail below.

Table 4: List of recommendations from the panelists

| | |
|---|---|
| <p>Local Public Engagement - This panel discussed successes and challenges encountered while mobilizing civic participation.</p> | <p>Transparency of Public Institutions – This panel discussed successes and challenges encountered in improving transparency of public organizations</p> |
| <ul style="list-style-type: none"> • Government organizations must ensure that certain budgets are allocated to comply with information transparency laws. • Identify and hold individuals accountable for failing to enforce laws on information transparency. • Provide opportunities for NGOs and media organizations to disseminate government information to citizens on a contract basis. • CSOs must work to disseminate information by applying traditional and modern approaches. • National Government needs to create a system to allow citizens to access needed information from anywhere. | <ul style="list-style-type: none"> • Provide timely information and ensure engagement of people living in remote areas • Reflect citizens’ opinions in decision making process • Improve access to government information • Apply ICT approaches in public services. • Put CSOs in charge of Citizens Chambers • Increase engagement of citizens located far away from urban centers by using mobile Citizens Chambers • Use appropriate approaches for different groups of citizens. |
| <p>CSO and Government Partnership – this panel discussed successes and challenges in strengthening partnership between CSOs and governments.</p> | <p>Transparent Local Procurement - this panel discussed roles and responsibilities of government LPU, civil society and media to enhance transparency, openness and accountability of the public procurement process</p> |
| <ul style="list-style-type: none"> • Have CSOs participate in Governor’s counseling meetings. • Make amendments to election laws. For example, elect all governors. • Work on strengthening the capacity of local CSOs. Only strong CSOs can be an equal partner. • The Government evaluates the performance of each soum; Make evaluation criteria higher and stricter. • Have CSOs conduct monitoring and evaluation activities. Budget for those activities. • Improve the reputation of the Soum Master Plans (SMP) and connect SMPs to Local Development Funds (LDF). Activities not included in SMPs should be excluded from LDF. • Almost 73% of all soums have now SMPs. Work to improve the legal environment for the Planning and Monitoring Committee, develop guidelines, and improve the activities and the structure of the Committee. • Reflect citizen feedback in city planning. Have CSOs organize trade fairs, conferences, study tours, trainings, and monitoring and evaluations activities. | <ul style="list-style-type: none"> • Create a unified investment database. • Government should establish a structure to organize online procurement events. • Help citizens improve their knowledge about government procurement. • Help local organizations obtain rights/licenses to conduct A3 trainings, charge no fees to citizens or CSOs that monitor procurement activities • Provide benefits or bonuses to citizens’ groups or CSOs that participate in the monitoring of tendering processes. • Government organizations requesting goods or services must be able to monitor the procurement process • Help authorities and CSOs pay more attention to local ideas and proposals as Ideas and proposals from citizens on how to better use Local Development Fund don’t get proper attention from authorities. |

Collaboration on the Open Government Partnership Forum

Mercy Corps, the Asia Foundation and the Cabinet Secretariat joined forces to organization a full day opening session to the annual Governor’s Conference that focused on good governance and Mongolia’s Open Government Partnership strategy. The OGP Forum provided an opportunity for staff, partners and beneficiaries of the APPEAL and STAGE projects to share critical learnings from the projects with all 330 soum governors. The event included both presentations to the plenary group as well as a poster session with in-depth information on activities and ideas that are being successfully implemented at the local level across Mongolia. The exhibits included publications, newspapers, posters and information boards from each aimag highlighting successes and describing best practices to support dissemination to other localities.



The APPEAL team and partners worked hard to ensure that tools and best practices developed and implemented in the 120 target project soums were shared directly by the people utilizing them. Recommendations derived from the National Forum on Good Governance were also shared directly with the OGP team in the Cabinet Secretariat to support their work.

The OGP was initiated by eight countries in 2010 and Mongolia joined the initiative in 2013. Since its engagement, the Government of Mongolia (GoM) has intensified its programs in line with the OGP action plan. The GoM approved a national OGP action plan with four main objectives: 1) To increase citizen participation, 2) To sustain Citizen Chambers, 3) To increase the use of innovative ICT tools, and 4) To initiate budget transparency. These goals align with the APPEAL project’s activities undertaken over the past two and half years.

Rules to Reality Campaign II

Mercy Corps’ APPEAL team and the SDC-funded iCOGS project collaborated on completing the second Rules to Reality Campaign to improve citizens’ knowledge on good governance principles, transparency and accountability of procurement processes. The campaign took place between January and April of 2014 and consisted of a total of 100 activities that engaged more than 48,000 individuals (24,200 female and 23,800 male) including 3,300 government officials, 460 CSO staff, 80 media representatives and 44,160 citizens. . Activities included:

- Meetings to inform citizens about the Freedom of Information Act, public procurement laws, and local procurement plans to be funded by LDFs in 2014 and to ensure citizen participations in LDF planning and procurement processes;
- Organized public announcements of aimag and soum budget expenditures, local procurement tenders, LDF and SME Fund information via public bulletin boards, aimag websites, TV and radio stations, and in daily newspapers;
- Quiz competitions among local officials to improve legal understanding and knowledge on good governance;
- Public discussions on strengthening good governance, land use and registration, combating corruption, improving transparency of procurement processes conducted by local officials, and citizens participation in allocation of local development funds;

- Essay contests on good governance among pupils of secondary schools;
- Local governments’ “Open Door Days” with views to promote public services and solicit citizens’ opinions on local services; and
- Exhibitions of products from local business that accessed loans from the SME Local Funds and dissemination of information on the requirements and procedures for using SME credit services.

The Head of the Legal Department of the Hovd Aimag Governor’s Office, Mr. J. Dulbadrah commented that: “The Campaign was an excellent tool to educate local officials and others in good governance laws. Public legal education tends to be dry and doesn’t reach the audience, through Campaign activities, we were able to get interest from citizens and organize user-friendly legal education on good governance laws. As a result, local officials improved their legal knowledge and administrative violations of local officials have dropped”.

CSO Small Subgrants Projects

In pursuit of program goals and in an effort to increase local capacity, the APPEAL project issued subgrants to local CSOs in support of projects that promote citizen awareness of good governance and improve local governance practices. The 2nd round of CSOs projects started in January of 2014 and ended in May. MNT 255 million (USD 140K) was awarded in grants to 53 local CSOs (*see Appendix I*) in 15 target aimags under the 2nd round of subgrants.

All 53 CSOs successfully implemented and completed their projects, contributing to improved transparency of government services, raising awareness of good governance laws and practices, combating corruption, and improving the partnership between CSOs and local governments. APPEAL partners organized 316 activities, with a total of 89,985 individuals (42,695 female and 47,290 male) participating, including 5,470 officials, 886 CSO representatives, 456 media representatives, and 83,178 citizens. As a result, local CSOs strengthened their capacity by acquiring anti-corruption and good governance knowledge; advocated to local decision makers on anti-corruption, good governance, and local development; gained respect of local governments and supported APPEAL to meet its outcomes and objectives.

Since the inception of the APPEAL project two cycles of small grants have been administered and managed by a total of 99 CSO subgrantees operating at the local level. Overall, partner CSOs improved their capacities in organizing and implementing projects, but they still struggle with project management skills, in particular documenting and reporting financial performance – a critical skill for any organization.

APPEAL OBJECTIVE 2 - Exercise of authority and delivery of government services reflect transparent and accountable administrative processes, provide effective checks and balances, and engage informed communities to optimize quality and impact of governance at local level

Partnership with the Mongolian Association of Local Authorities (MALA)

On September 30, 2014, MALA completed its project “Citizen Participation and Soum Development Planning” which began in May 2013 to support improved local planning capacity through the Soum Master Planning (SMP) methodology. MALA organized a closing ceremony of their project on 27 September 2014. The MALA project staff, soum local officials, national and local consultants, and soum facilitators gathered to discuss the project impact, challenges, and lessons learned.

Overall, MALA organized 134 trainings and engaged 4,430 participants, including 3,702 local officials, 390 representatives of CSOs, 29 representatives of media, and 309 citizens. In 109 soums, SMPs were developed through the participatory approach to define 10-15 year development strategies that reflect citizens' interests and needs.



Photo 4: MALA closing event, Ulaanbaatar

MALA faced and overcame many challenges during the implementation of the project that were discussed during their closing meeting. Some local governments were reluctant about developing SMPs. Some misunderstood the concept of the project and dropped out. Despite all challenges, MALA successfully completed the project in 109 soums, increased their own capacities on participatory planning at the local level, and learned many lessons on managing a complex project.

In his closing remarks, Mr. Manaljav, deputy president of MALA stated: “Even though the project is completed, MALA will continue focusing on and monitoring the implementation of soum development plans in these soums, and using the participatory planning methodology in future projects and activities”.

Strengthen Local CSO Institutional Capacity

In 2014, CSO trainers together with Mercy Corps' field staff completed the second assessment of CSO capacity. The second self-assessment aimed to evaluate the progress of the CSOs through the Organizational Capacity Index (OCI) against their baseline. The individual reports of CSOs self-assessment were collected from 96 organizations that participated in APPEAL activities.

A total of 96 CSOs in 15 aimags completed both baseline and end-line self-assessments. The end-line assessments were done after the delivery of demand driven capacity building training and the completion of the CSO small grant projects. Representatives of all 96 CSOs attended the capacity building trainings. The end-line assessment results showed that 56 CSOs (58.3%) increased their score by one phase on the OCI rating; 9 CSOs (9.4%) increased by two phases, one CSO (1.0%) by three phases, and one CSO (1.0%) by four phases. In total, 67 CSOs (69.8%) moved up in the capacity rating by at least one level. Of the remaining 29 CSOs, 23 (23.9%) scored the same and 6 CSOs (6.2%) scored lower in the end-line assessments.

According to baseline assessment at the start of their engagement with APPEAL, the majority of CSOs were at the nascent, emerging, or developing phases of organizational capacity. After working with APPEAL and participating in capacity building training, the majority of CSOs have moved up to the emerging, developing, and strengthening phases. This shift shows that CSOs strengthened their institutional capacities. The percentage of CSOs in the mature and rebirth phases has increased demonstrating improvement in CSO capacities. The APPEAL project completed the target of 80% (Indicator 8a: 80% of CSOs rising +1 level in Organizational Capacity Index (OCI) by 69.8% a 10.2% shortfall.

Table 5: 96 CSOs performance on the OCI

| OCI | Baseline | | End-line | |
|---------------|---------------|------------|---------------|------------|
| | Number of CSO | Percentage | Number of CSO | Percentage |
| Nascent | 16 | 16.7 | 4 | 4.2 |
| Emerging | 40 | 41.7 | 22 | 22.9 |
| Developing | 27 | 28.1 | 35 | 36.4 |
| Strengthening | 4 | 4.2 | 21 | 21.9 |
| Mature | 7 | 7.3 | 9 | 9.4 |
| Rebirth | 2 | 2.0 | 5 | 5.2 |

ICT Usage at Local Level

Mercy Corps and our partners made active use of webinars and online tools to lower costs, speed information sharing, and ensure consistency of message.

APPEAL employed webinars and social media as project management tools in implementation of project activities and to demonstrate the efficiency and effectiveness of ICT approaches. The APPEAL team administered four Facebook groups to support dialogue and enable peer-level exchange of thoughts and experience.

Table 6: List of APPEAL's Facebook groups

| | Facebook Account | Links |
|---|--------------------|---|
| 1 | MALA's SMP | https://www.facebook.com/groups/190018781148636/ |
| 2 | Subgrant II | https://www.facebook.com/groups/714805651874287/ |
| 3 | Local CSO Trainers | https://www.facebook.com/groups/134464976750989/ |
| 4 | Youth Action | https://www.facebook.com/pages/Good-governance-Youth-action/168501360006102 |

Each Facebook group includes partners and interested individuals with Facebook accounts. The groups provided a central location to post information about activities and upload photos. Group members supported each other to encourage timely completion of project activities and to learn from one another's result and experience.

APPEAL also encouraged our partners to use ICT approaches to improve the transparency of government decisions and public services. As a result, citizens' access to information on good governance issues is being improved. To date, APPEAL has documented 32 instances of ICT approaches used to improve good governance. Examples include:

- The Young Lawyers Association and the Legal Department of the Governor's Office of Uvurhangai jointly organized and tested an online training and consultation on anti-corruption and conflict of interest regulation with soum officials.

- CRH and Governor’s Office of Umnugobi decided to use SMS messaging to improve public service and access to information for citizens.
- The Governor’s Office of Uvs operates a web based platform www.70452222.mn to register citizens’ inquiries and respond to their concerns in a timely manner. Tracking citizens’ inquiries pushes local officials to follow procedures on being accountable and transparent. In September 2014, it registered 108 citizens’ petitions and 50% of them were resolved by local government in a timely manner, 12% were solved after the due date, and 38% are still in process.
- The platform was created by the Center to Support Competitiveness of Youth and Children, a local CSO, which received a grant from APPEAL to implement a project named “E-Inquiry”. The “E-Inquiry” platform provides citizen’s access to government operations, creates a channel for making and tracking inquiries, and increases opportunities citizens’ digital activism, which is important for rural areas. It also forces the local government to adhere to rules of law and provide better services to communities.

The above is an example of the project impact and sustainability. Overall, local governments increasingly use online tools – websites, text messaging, and hotlines – in improving communication and transparency of their services to communities.

On 18 December 2014, the IAAC’s training on “Corruption, Conflict of Interests and Transparency” was organized for officials from all 21 aimags via the blackboard meeting platform. IAAC’s national trainer and Mercy Corps’ IT specialist ran the training from Ulaanbaatar while 75 participants (26 women and 49 men) attended the training from 21 separate locations. Participants included aimag police department officials, HR department officials from the Governor’s office, and inspectors in charge of youth. The purpose of the training was to educate participants on preventing conflicts of interest and to deepen their legal knowledge on Anti-corruption and Public Conflict of Interest laws. IAAC continues to use the materials and training tools developed through APPEAL project to promote good governance and transfer the skills to combat corruption. While Mercy Corps supported the IAAC, this initiative was undertaken independently and reflects the sustainability of the work implemented through the APPEAL project.

Youth Ambassadors for Good Governance

In January 2014, APPEAL together with its partner Globe International Center successfully completed a five month project to promote youth awareness on anti-corruption and good governance. This project mobilized 17,152 individuals: 4,000 youth learned to use social media and 40 youth groups implemented 54 small projects that engaged 13,352 youth and adults.

In January 2014, youth groups wrapped up their activities and organized meetings with local government officials. At the meetings, which they called “Face to Face Dialogue”, the youth presented their activities, projects, findings and successes to aimag and soum government officials, school directors, and heads of relevant local agencies. Local officials used the meetings to inform youth about local government policy and plans for youth in 2014 and to encourage youth to actively participate in community affairs. Recognizing the youth role and their contribution to promoting good governance practices, local officials reported the meeting results through various means of communication. For example, local officials in Zavhan aimag informed the public about the meeting results via local daily newspapers, TV channels and the website www.zavkhan.gov.mn/read/370. Hovd aimag leaders allocated MNT 30 million to implement activities with youth. These actions

demonstrated that youth were capable of demonstrating their leadership by bringing their voices to local authorities and communities.

Youth Ambassadors for Good Governance empowered and motivated youth in 15 target aimags. They delivered the youth voice on anti-corruption and good governance to communities and authorities and promoted youth awareness of good governance practices. Their activities have brought positive change to the local community.

Citizens Chambers

As part of the goal to make a positive change in citizens' perceptions of the quality and consequence of Citizen Chambers, since its inception APPEAL has encouraged aimag and soum officials, CSOs, and citizens to use Citizen Chambers as a venue for local dialogue on anti-corruption strategies, youth activities, local planning and fund use, good governance and other local issues. Toward that purpose, APPEAL has supported local Citizen Chambers to develop operational procedures to strengthen the capacity of local staff and to increase the impact of Citizen Chamber activities; and has promoted the chamber as an effective vehicle for citizen engagement.

In 2014, local governments and civil society organizations organized 2,188 activities in Citizen Chambers that supported APPEAL's goal to improve accountability of local governments, increase citizens' participation in decision-making processes, and improve good governance practices at the local level. The activities included 226 discussions, 103 public meetings, and 92 trainings engaging 27,409 individuals. Citizen Chambers in 15 aimags also received 2,196 citizens' requests and comments that were delivered to local officials for actions. This citizen feedback was related to public discussions held in Citizen Chambers, government agencies' work, and the operation of the Citizen Chambers.

Local governments continued to refurbish and expand soum-level Citizen Chambers. Four additional chambers were created at the soum level in 2014. The creation of Citizen Chambers supports the APPEAL project's goal to increase citizens' participation for improving local governance transparency and inclusiveness. Citizen Chambers offer citizens an open venue for public events and interaction with local governments; and they encourage civic participation in the decision-making process of local governments.

Table 7: Data on Citizen Chamber activities and participants

| Discussion | | Public meetings | | Trainings | | Requests and Comments | | Total Activities | |
|-------------------|-------------------|------------------------|-------------------|------------------|-------------------|------------------------------|-------------------|-------------------------|-------------------|
| # of Discussions | # of Participants | # of Public Meetings | # of Participants | # of Trainings | # of Participants | # of Request filed | # of Participants | # Total Activities | # of Participants |
| 226 | 18,509 | 103 | 5,288 | 92 | 3,612 | 2,196 | 2,553 | 2,188 | 29,962 |

The APPEAL Closeout

2014 was the final year for the APPEAL project with program activities wrapping up in December 2014. The goal of the APPEAL project was to improve the legal, institutional and administrative processes that promote democratic reforms and to support inclusive economic growth by encouraging local governments, citizens, civil society and the media to participate in transparent participatory

governance. To achieve this goal, Mercy Corps worked with a number of partners, including local authorities in 15 aimags and 60 soums. At the national level, APPEAL’s partners included: the Independent Authority against Corruption, the Ministry of Justice, the Ministry of Population Development and Social Protection (MoPDSP) and its departments in target aimags, the Mongolian Women Lawyers Association, the Mongolian Association for Local Authorities, as well as the Asia Foundation’s STAGE project.

The APPEAL project was unique for Mercy Corps in two ways: it was the first stand-alone good governance project implemented and it was the first project that fully utilized a facilitation approach, shifting direct implementation of many activities to local partners. Over the course of 2.5 years, APPEAL improved and diversified good governance practices in Mongolia by bringing 494,476 (251,266 female and 243,210 male) participants to 3,388 activities and events organized by multiple stakeholders. APPEAL awarded 111 small grants with local CSOs and two institutional grants with national-level CSOs. The grants resulted in building knowledge and understanding of anti-corruption practices and good governance at local level; improving understanding of good governance and anti-corruption initiatives and practices related to local governments; and exchanging findings on substantive and sectorial policies and practices to advance anti-corruption and good governance.

The APPEAL team helped to create 121 Citizens Chambers in target soums. 109 soums created soum master plans. 15 aimags developed their ACAPs with the help from Mercy Corps and its partners.

There were a number of operational lessons that will be applied to future programs. These include the need to carefully plan project inception activities to include training on project policies and procedures, improved communication and capacity building strategies when working with local partners, and the need to clearly define internal capacity building needs when working on new technical program areas

APPEAL successfully met or exceeded targets for 5 of its 11 indicators. The complete Performance Management Plan reporting table is included in Appendix 3.

Table 8: APPEAL performance table

| Indicator | Target | Performance | % Complete |
|--|-----------------|--------------------|-------------------|
| # of aimag Governments with ACAPS | 15 | 15 | 100% |
| # of Social Welfare line departments with ACAPS | 15 | 15 | 100% |
| % change in citizens perception of effectiveness of anti-corruption strategies | 10% improvement | 10.3% improvement | 103% |
| # of best practices introduced by stakeholders | 50 | 162 | 308% |
| # of stakeholders that understand PARs | 4,500 | 6,535 | 435% |

2. IMPROVED COMPETITIVE OUTSOURCING OF GOVERNMENT SERVICES (iCOGS)

Funded By Swiss Agency for Development and Cooperation (SDC)

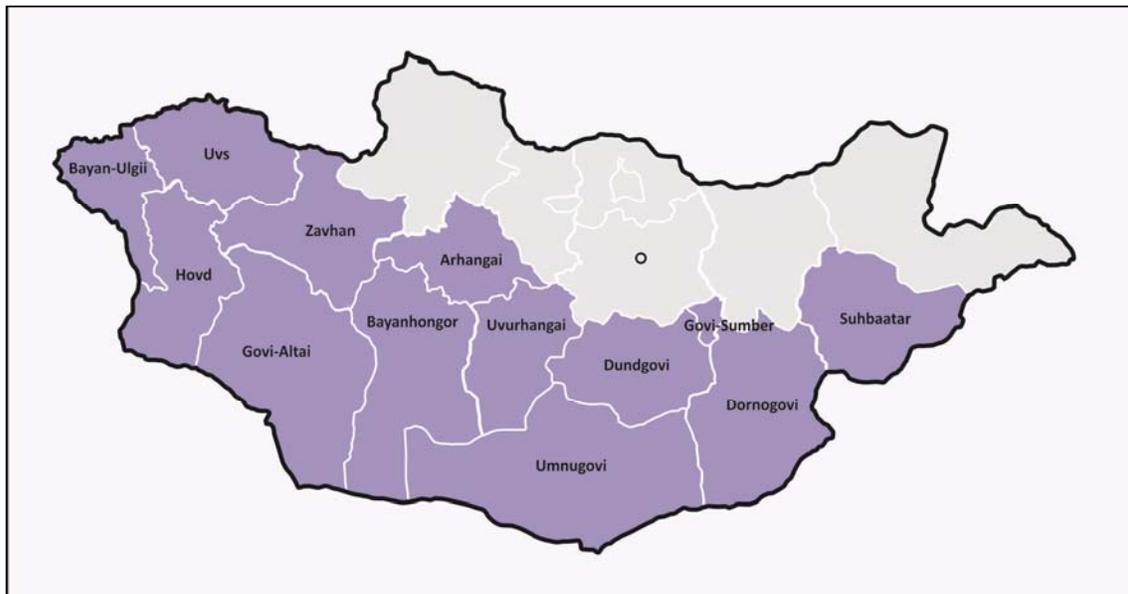
Project Period: May 2012 to March 2015

Project Goal: To strengthen the institutional framework of transparent, competitive public procurement in 13 aimags and 26 soums through sustainable mechanisms

Project Objectives

- Expand free and easily access to complete information concerning public procurement for entrepreneurs and community groups.
- Develop capacity of local government and procurement officials to undertake public procurement according to Public Procurement Law of Mongolia.
- Improve capacity of local civil society actors to enable them to carry out effective monitoring of procurement procedures and contract performance.

Figure 3: iCOGS project aimags



The iCOGS project is part of SDC's Governance and Decentralization Program (GDP), which was launched in 2012. The iCOGS project promotes the Government of Mongolia's strategy to strengthen public procurement capacity at the local level. The iCOGS project seeks to strengthen the local procurement systems of 13 aimags; build the capacity of local government, LPUs and CSOs to comply with open procurement procedures; create a sustainable system for CSOs' active and accountable engagement in the procurement process; and improve entrepreneur and community group access to accurate and timely information related to local tenders.

PROJECT OUTCOMES IN 2014

Memoranda of Understanding Reviewed and Renewed

iCOGS reviewed program implementation under the terms of the MOUs with the GPA and local

governors in 13 aimags in order to discuss progress and challenges in meeting project objectives, and to focus on identifying follow-up activities for 2014. The majority of relevant procurement actors took part in the review process and emphasized that iCOGS and local government are both committed to bringing a positive change to local procurement practices by facilitating each other's resources; supporting collaboration on good local procurement practices; and creating a more accessible procurement database and information dissemination system.

The MoUs were designed to support collaborative engagement to make public procurement practices more transparent by accomplishing the following objectives:

1. Improve capacity of local government officials to undertake open procurement procedure.
2. Expand free and easy access to complete information regarding disclosure of the award decision, including the major elements of the evaluation and the reasons for the selection of the successful bidder.
3. Ensure the involvement of civil society in monitoring bid evaluation, the award decision process, and the implementation of the contract.

According to the MoU reviews, iCOGS and local governments partnered effectively to achieve those common goals with more than 94.8% of all activities planned in the MoUs completed by the end of 2014. However, the results were not always positive. For example: performance on objective 3: supporting sustainable operational and funding mechanisms for CSOs' engagement on procurement contract execution is weak in a number of aimags and continues to depend on funding from the iCOGS project. The difference in performance among aimag partners demonstrates that the critical inputs for creating sustainable transparency and accountability mechanisms are leadership, political will and sustained effort from local government. Where government has made the effort, transparency and accountability of the local procurement practice is emerging with the local mechanisms in place to sustain it.

Rules to Reality: Greater Transparency of Public Procurement Campaign



Photo 5: Uvurhangai government agencies compete for the "Best of the Best Procurement Practices" award during the Rules to Reality Campaign.

How does local government use public funds for the people? Where should the money go? Are the funds allocated for particular public goods and services sufficient to procure them?

These questions were new to Mongolian citizens, and decision-makers saw their responsibility increased when the government passed the Integrated Budget law, the Transparency and Access to the Public Government Information law and the amended Public Procurement Law, which attempt to make public spending more transparent and disciplined. Beginning in 2013, each government entity

must publish their annual budget, public procurement plan, spending reports and other required information on official bulletin boards and websites. Although compliance is increasing, this information is still often limited or lacking in detail.

In order to increase the quality and access to information about local procurement and to help local governments and the public to ask and answer these questions in the right way, iCOGS organized the *Rules to Reality - Greater Transparency of Public Procurement* campaign in 13 aimags and 26 soums. The campaign was conducted in collaboration with the USAID-funded APPEAL project's second Rules to Reality Campaign. Under this joint effort, iCOGS conducted more comprehensive activities aimed to improve citizens' knowledge on good governance principles, transparency and accountability of procurement processes and reached a much larger group of people in a cost-effective way compared to the first campaign held in 2013. 48,088 individuals from local procurement units, representatives of CRHs, governors' offices, CSOs, mass media and individual citizens participated in campaign activities that included thematic meetings and discussions, trainings on transparent public procurement, quizzes, presentation competitions, and TV broadcasts.

The public awareness campaigns across the project's 13 aimags contributed to the following outcomes:

- **Detailed information about local procurement according to the best practice identified.** With advice from LPUs, each project aimag published their annual procurement plan along with detailed information regarding planned tenders, including a short description of goods and services to be procured; disclosure of the rules to be followed; the deadline for bid submissions; where the tender documents may be obtained; the contact point for additional clarifications; and the contract price. In 2013, 13 soums based in the aimag center disclosed their detailed procurement information as mentioned above, in 2014 that number increased to 39.
- **Wider dissemination of notices of tenders.** Tender announcements are now not only posted on bulletin boards and in newspapers, but also disseminated through radio, television and websites.
- **Multiple channels of communication applied.** As communication is a two-way process, Mercy Corps supported local government to use more creative multiple channels of communication to get citizens' queries, comments and feedback. These channels included an interactive web site and telephone lines that encouraged citizens to report malpractice of local procurement and good governance and provided a channel that allowed them to contact responsible agencies. In addition local CSOs were able coordinate and maintain communication lines between procuring entities, bidders and local community.
- **Training tools developed.** With support from LPUs in DO, UH and UV aimags, partner CSOs and the DO aimag Chamber of Commerce produced compact disks with a PowerPoint presentation that uses specific cases to provide practical training on the process for bid submission, CSO engagement in the procurement process, and the complaint mechanism. The CD also includes relevant official documents. As a result, prospective bidders and CSOs are aware of and have access to the procedures and the required documents.

Procurement Certification Training

Procurement certification training (A3) was conducted for representatives from AR, BH, BU, DO, DG, GA, GS, HO, UH, UV and ZA¹ aimags. In these aimags, iCOGS collaborated with local authorities to share the total training cost, resulting in a 50% cost share from local governments and increasing the number of people trained well beyond the number targeted. In 2014, 1,118 individuals attended three-day training sessions on key public procurement procedures. Female participants

¹ AR – Arhangai, BH – Bayanhongor, BU – Bayan-Ulgii, DO – Dornogobi, DG – Dundgobi, GA – Gobi-Altai, GS – Gobi-Sumber, HE – Hentii, HO – Hovd, HU – Huvsgul, SU – Suhbaatar, UG – Umnugobi, UH – Uvurhangai, UV – Uvs, ZA – Zavhan

accounted for 52.1% (583) of the total attendees. Of all participants who completed the training successfully, 565 (50.5%) received certificates as qualified members of BECs. 299 (52.9%) of certified individuals were women. Participants were drawn from a variety of local institutions in the ten aimags, including; officials from LPUs, Local Hurals, Aimag Governors' Offices, CSOs, and citizens. The rate of certification increased by 11.5% compared to 2013.

Table 9: Certification training

| № | Aimag | Date | # of participant | # of female participants | General character of certified individuals | | | By sectors | | |
|--------------|-------|---------------|------------------|--------------------------|--|----------------------|--------------------|------------|-----------|-----------|
| | | | | | # of certified | Qualificati on Ratio | Female | Goverme nt | CSOs | Citizen |
| 1 | GA | Jan | 99 | 46 | 48 | 48.5 | 21 | 27 | 14 | 7 |
| 2 | UH | Jan | 80 | 53 | 61 | 76.3 | 41 | 57 | 4 | 0 |
| 3 | HO | Jan, Aug, Oct | 281 | 126 | 123 | 43.2 | 53 | 79 | 18 | 26 |
| 4 | DO | Apr | 80 | 48 | 42 | 52.5 | 26 | 33 | 9 | 0 |
| 5 | UV | Apr | 76 | 35 | 52 | 68.4 | 19 | 49 | 3 | 0 |
| 6 | UG | Apr | 115 | 66 | 58 | 50.4 | 42 | 44 | 5 | 9 |
| 7 | BH | May | 118 | 57 | 61 | 51.7 | 29 | 35 | 5 | 21 |
| 8 | DG | May | 60 | 41 | 30 | 50.0 | 23 | 19 | 9 | 2 |
| 9 | SU | May, Oct | 76 | 54 | 39 | 51.3 | 29 | 26 | 11 | 2 |
| 10 | ZA | Sep | 68 | 45 | 23 | 33.8 | 7 | 11 | 2 | 10 |
| 11 | BU | Sep | 65 | 12 | 28 | 43.1 | 9 | 16 | 0 | 12 |
| Total | | | 1,118 | 583 (52.1%) | 565 | 50.5% | 299 (52.9%) | 396 | 80 | 89 |

iCOGS surveyed the training participants and found that 90% were engaged in the procurement process as a member of a BEC or as third parties who monitor awarded contracts to ensure quality.

Web-based Discussion Sessions and Interactive Learning

iCOGS conducted six training and consultative meetings with the GPA and with iCOGS grantees via the Blackboard webinar platform. In total, 241 people (43 government officials from 13 LPUs and the GPA), 130 CSOs employees, 3 media representatives and 65 business people) participated in live and interactive online training sessions which saved approximately MNT 12.3 million (USD 6,808) per session in direct training costs. The overall goal of the online trainings and meetings were to consult and share experience on government procurement priorities, in particular introducing the Major Electronic Procurement System (MEPS) among local procurement officials and local government agencies as they are key procuring entities. All online training sessions were facilitated by national and local partners such as the Deputy Prime Minister (DPM is the responsible government body to ensure the effectiveness of public procurement), GPA and CSO partners.

iCOGS was pleased with the quality of the sessions, all of the facilitators engaged well, and important

issues were raised and discussed. While not all issues were resolved, these sessions opened successful dialogue between relevant stakeholders.

Common challenges discussed in these sessions included:

- The lack of knowledge and experience of procurement actors, especially in rural soums affected overall quality of the procurement processes conducted.
- The lack of funding of procurement monitoring makes local government and CSOs both reliant on external resources (e.g. Mercy Corps sub grants). This is not sustainable.
- The lack of internal government oversight lowers procuring entities' sense of responsibility and negatively impacts the quality of the process.

Poor planning of public procurement has resulted in a number of situations that affect the quality of the goods/services procured and public procurement compliance. Local authorities have more opportunity to manipulate the tender process when planning is not implemented correctly or citizen participation is limited.

Training and Discussion for Procurement Actors

iCOGS conducted 72 in-class trainings, 19 meetings and policy dialogues for the media, CSOs, and government officials which contributed to the wider understanding of public procurement and citizen participation issues in order to enhance transparency of the procurement process. In total, 2,214 people took part in the training sessions. Participants shared their views and information on the following topics:

- Importance of community participation in public procurement
- Tools to monitor the procurement process and contract performance
- How to establish the monitoring framework
- Roles and responsibilities of the procuring entity and CSOs for ensuring openness, transparency on the all phases of the tendering process

The participants were successful in securing their role in the procurement process and sharing tools or methodologies for better local procurement by establishing independent monitors' groups in 10 aimags, produced a number of publications and posters, and advocated for approved regulation around CSOs engagement in the procurement process and funding that contributed to both knowledge and advocacy efforts.

CSO Subgrant Activities

In 2014, iCOGS awarded MNT 147.1 million in grants to 32 local CSOs in 13 target aimags under two rounds of subgrants. (*Please, see Appendix 2*) The projects were launched through the period March to June and from September to December. All projects were implemented over a three to six month period.

Through these grants, local organizations implemented more than 344 activities involving 138,600 people. These projects contributed to the institutionalization of transparent, competitive and participatory local procurement practices by conducting capacity building activities, improving access to information, and facilitating citizens' participation throughout the procurement process. The projects addressed one or more of the following objectives:

- Improving the capacity of procurement actors in rural soums
- Improving the quality of and access to procurement information
- Increasing citizen participation in planning public procurement.
- Strengthening CSO engagement in the procurement process and procurement contract executions;
- Extending and strengthening tripartite committees (3PPs) and incorporating 3PP functionality with Citizen Councils supervised by the Local Hural for their sustainability

Key outcomes

- Advantage of civil society engagement in the procurement process identified
- Administrative regulation and procedures for CSO's engagement in procurement approved by Local Representative Hural in all target aimags
- Local government and civil society collaboration ensured transparency of the entire procurement process
- Effective information channels created:
 - Multiple channels of communication (bulletin, brochure, SMS, hot line and public hearings)
 - Two-way information flow increased between government and civil society actors
- Local media added value in expanding information and public awareness on local procurement performance

Training on Writing proposals for Local Prospective Bidders

Public procurement is a relatively new field for rural businesses and there is no widespread understanding about public tenders and how to compete for them. Small local businesses, CSOs and local communities lack the required skills to respond to tenders and to evaluate tender documents. iCOGS contracted Development Solutions, a Mongolian NGO, and procurement consultants to conduct training sessions on writing bid proposals and understanding technical specifications. The overall goal of this training was to empower local entrepreneurs in preparing procurement documents and participating in the tender. The training allowed participants to work on real public procurement cases, both as a group and individually. In total, 118 local businesses attended the training. Of the total, 80% have never participated in tenders, and expect to participate for the first time as a result of the training.

The training module consists of the following items:

- Deciding whether or not to participate in the tender
- Preparation before the tender
- Developing the technical proposal
- Developing the financial proposal
- Tender material delivery and the after-tender process.

At the end of the training, a majority of participants (84%) reported that the training was very useful, and that the sessions about completing bid documents and writing financial proposals were the most effective. In particular participants appreciated that the training was practical and included many opportunities to practice proposal development. In particular, topics on how to estimate costs for consulting services, supply of goods, supply of products, and determining the overall financial

proposal introduced new skills that the participants had not trained on before. For each topic, forms and model tools that can be used for their own businesses were handed out after the training.

Local Procurement Performance

With support from iCOGS, LPUs in 13 aimags conducted the following procurement activities:

Table 10: Local procurement performance

| Nº | Type of procurement | # of aimags (by name) | # of contract | Contract amount (million MNT) | PTI rating | # BECs that used the PTI |
|----|---|---|---------------|-------------------------------|------------|--------------------------|
| 1 | Construction of a road and bridge | 10 aimags - AR, BU, BH, DG, DO, ZA, UG, SU UV and HO | 16 | 2,354.2 | 90.2 | 13 |
| 2 | Renovation of public buildings | 13 aimags - AR, BH, BU, GA, GS, DG, DO, UG, UH, UV, SU, HO and ZA | 46 | 10,990.5 | 89.1 | 38 |
| 3 | Delivery of electricity transmission device | 9 aimags - AR, GS, DG, DO, HO, UH, UG, UV, and SU | 13 | 2,067.0 | 87.1 | 12 |
| 4 | Beautification of street and town (renovation and paint) | 12 aimags - BU, BH, GA, GS, DG, DO, HO, UG, UH, UV, ZA and SU | 56 | 4,448.3 | 90.0 | 42 |
| 5 | Gardening and planting | 7 aimags - BU, GS, HO, UH, UG, UV and ZA | 10 | 1,052.0 | 92.7 | 7 |
| 6 | Drugs, vaccine and medical equipment | 4 aimags - AR, UH, DG and GS | 6 | 1,191.3 | 92.0 | 5 |
| 7 | Auto vehicle | 7 aimags - AR, GA, GS, DO, HO, SU and ZA | 21 | 2,291.7 | 88.6 | 18 |
| 8 | Other equipment | 8 aimags - BU, BH, DG, GA, GS, UH, ZA and UV | 14 | 1,447.4 | 92.0 | 10 |
| 9 | Consulting service (graph of construction building and budget proposal) | 6 aimags - GA, DG, DO, UV, SU and ZA | 7 | 474.2 | 89.7 | 6 |
| 10 | Training and research | 4 aimags - BH, UH, UG and ZA | 7 | 97.6 | 100 | 1 |
| 11 | Agriculture sector | 2 aimags - BH and HO | 4 | 19.0 | 100 | 2 |
| | Total | | 200 | 26,433 | 90 | 154 |

Following outcomes were achieved as a result of the project intervention in 2014:

- 200 open bids for public goods, works and services were organized by BECs and LPUs across 13 aimags.
- 623 local businesses and CSOs submitted bids; 219 received contracts to supply a total of MNT 26.4 billion (USD 14 million) worth of public goods, works and services.

- Compared to the approved budget for these procurements, actual cost was reduced by over MNT 3 billion (USD 1.6 million).
- The average Procurement Transparency Index score for the period was 90% against the project target of 90%.

3. LOAN GUARANTEE MECHANISM (LGM)

Funded by the US Department of Agriculture (USDA)

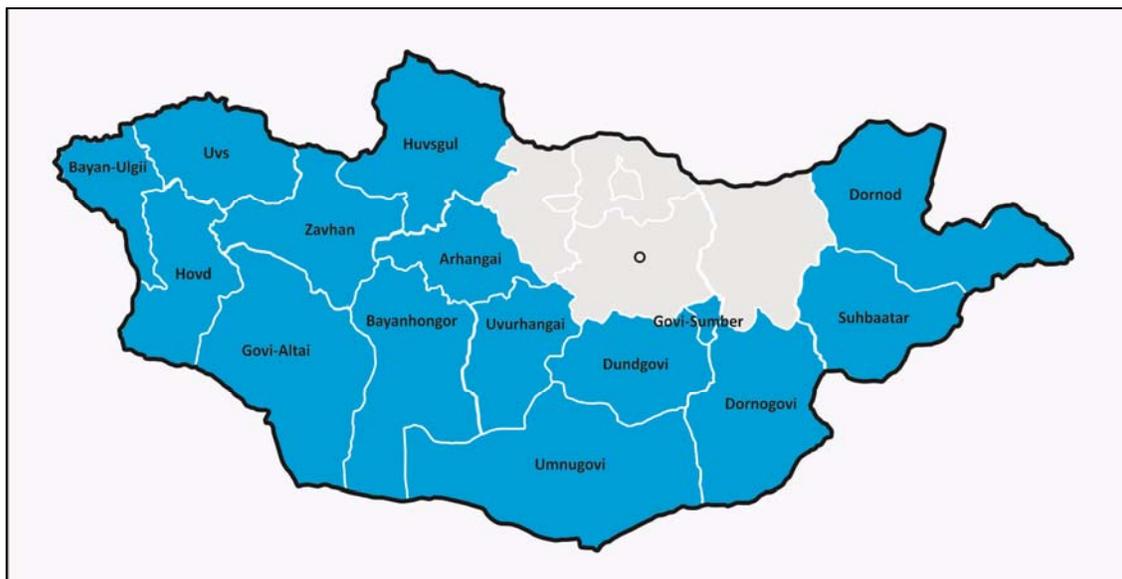
Program Period: Since 2004

Project Goal: To assist rural agribusinesses to obtain commercial loans through the provision of additional cash collateral

Project Objectives

- To support small rural businesses to improve their financial capacity in order to implement their business ideas, start and/or expand, and/or diversify their business activities.
- To strengthen the linkages between rural businesses and financial institutions, and build capacity of clients to access to financial resources and use them for business purpose.
- To increase competition among financial institutions to promote improved availability and accessibility of financial services for rural businesses and influence on condition of services they offer.

Figure 4: LGM project aimags



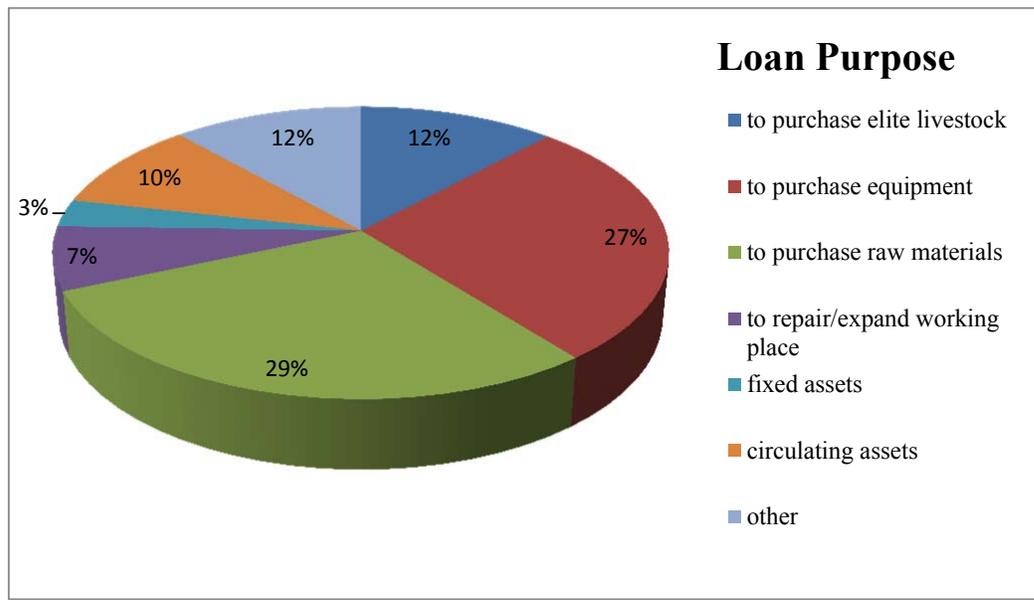
This Mercy Corps' initiative was originally funded through the 2004 USDA-funded RASP program. In 2010 LGM became a stand-alone activity and Mercy Corps continues to provide micro- and small business credit guarantees to support business start-up and expansion. In September 2012 new credit guarantees were suspended until a revised strategy can be put into place. In 2014 the LGM Program worked to monitor existing loans repayments that were disbursed in previous years. Mercy Corps primarily collaborated with three key retail financial institutions: XAC bank, KHAN bank and the State bank. The LGM is facilitated through a network of 20 local Business Development Service (BDS) providers, who - under contract from Mercy Corps - monitor and mentor

individual loans, assist the loan-takers on business development, and ensure timely loan repayment. These BDS providers received MNT 29,492,728 as commission fee last year

PROJECT OUTCOMES 2004-2014

Since the inception of the LGM in 2004 3,423 loans totaling MNT 13.3 billion have been issued by commercial banks with the support of MNT 4.9 billion or 36.8% of the value provided by Mercy Corps in the form of additional cash collateral. These loans were disbursed to 2,706 people; 82% supported business start-ups and the remaining 18% were for business expansion. 1,993 or 58.2% of all loans were provided to individuals, 12.1% to cooperatives, 9.9% to herder groups, 8.2% to partnerships, 7.1% to LLCs and the remaining 4.5% to patent holders and NGOs.

Chart 1. Loan Purpose – all loans 2004-2014



Loan Portfolio

In the beginning of 2014, Mercy Corps supported 219 outstanding loans totaling MNT 1,126,426,000 with the collateral provided by Mercy Corps valued at MNT 379,442,904 or 33.6%. During 2014, most of those loans had been repaid, and by the end of December, the LGM Program had outstanding MNT 12,622,500 in additional cash collateral for four loans that are valued at MNT 33,750,000 and provided by two commercial banks: XAC and State banks.

In 2014, LGM clients generated a total of MNT 968 million in sales income and created 600 new jobs, 310 permanent jobs and 290 temporary, part time jobs. Of the 310 permanent jobs, 191 were filled by women along with 149 part time positions. Target LGM aimags, Uvurhangai, Hovd and Dundgobi, ranked in the top 3 locations by number of jobs created with 212, 137 and 131 respectively.

Table 11: Outstanding loans and collateral

| Banks | Total # of loans | Total value of loans, MNT | MCM additional collateral, MNT | Original collateral, MNT |
|--------------|------------------|---------------------------|--------------------------------|--------------------------|
| XAC | 3 | 28,500,000 | 10,050,000 | 18,450,000 |
| State | 1 | 5,250,000 | 2,572,500 | 2,677,500 |
| TOTAL | 4 | 33,750,000 | 12,622,500 | 21,127,500 |

In 2014 only one borrower defaulted on a loan. The loan repayment rate stands at 99.55% for 2014. The total loan repayment rate for the period between 2004 and 2014 is 97.08%

LGM Program Assessment

Beginning in 2000 Mercy Corps identified access to credit as a serious constraint to enabling herder businesses to diversify and expand. One barrier to credit was herder households' lack of collateral to secure financing. At the time, the rural credit market was small with few experienced operators as reflected in high interest rates and the low level of direct business relationships between herders and commercial financial institutions. Recognizing these constraints, Mercy Corps, with funding from USDA, dedicated significant resources and expertise to address this issue. In 2000 Mercy Corps established Goviin Ekhlel, a for-profit non-banking financial institution which began disbursing loans to rural businesses in five Gobi aimags. Later in 2002, Goviin Ekhlel merged with the UNDP-sponsored "Golden Fund for Development" and created XAC Bank with a focus on micro-lending. The bank expanded SME lending into all 21 aimags of Mongolia, increasing access to banking institutions for herders across the country. In 2004 the LGM program was launched in as part of the USDA-funded RASP program to ensure that herders would be able to meet loan application requirements and access collateral to ensure their access to finance.

Since the inception of the LGM program Mongolia has undergone a rapid economic change. The economy expanded and diversified, mining has emerged as a leading industry and with the development of ICT, communication and access to market information has greatly improved. The variety of financial services available to the public has also expanded since 2004. Banks are offering a range of loans at different interest rates. The Mongolian Credit Guarantee Fund (MCGF) created by the Mongolian Government represented by the Ministry of Finance, Ministry of Labor and Ministry of Economic Development, along with the Mongolian Employer's Federation and Chamber of Commerce and Industry in November 2012, provides credit guarantees to small and medium sized enterprises and is actively trying to expand its client base among rural entrepreneurs.

After 10 years of programming, a review of the financial services market is necessary. Questions to consider are: What was the impact of LGM? What are current challenges to rural business development? What financial services do rural businesses need most? In 2015 Mercy Corps will carry out an assessment of program impact and conduct market analysis of the financial services. The data collected will help Mercy Corps to better address the needs of rural business and improve future programming efforts.

4. LEVERAGING TRADITION AND SCIENCE (LTS)

Funded by USAID Office of Foreign Disaster Assistance (OFDA)

Project Period: June 2013 to September 2014

Project Goal: To reduce the risk of zud to herder communities and rural economies in Mongolia by extending the reach and use of forecasting systems to rural communities, and consolidating learning and best practices in managing response

Project Objectives

- To consolidate learning from the winter 2012/13 dzud response, and evaluate the effectiveness of public and private sector actions at the local level
- To increase the response capacity of local stakeholders through training and technical assistance
- To introduce technology solutions that provide real time forecasting information, integrated with herder business management data

Figure 5: LTS project aimags



Since 2001, Mongolia has worked to improve its national emergency management system and to incorporate science-based forecasting into its zud response. Mercy Corps has been a partner to this effort since the launch in 2006 of the Livestock Early Warning System project (LEWS), which has introduced a number of key forecasting innovations. As of 2014, Mongolia has the ability to anticipate the many factors that combine to create zud conditions and those that increase vulnerability to zud. With the technology in place and a functioning national emergency management infrastructure, the national government can plan and allocate resources in response to time- and location-specific warning information.

The Leveraging Tradition and Science in Disaster Risk Reduction Program (LTS) worked with the Government of Mongolia, the LEWS project, the National University of Mongolia, the Mongolian National Development Institute and other key stakeholders to jointly evaluate the performance of the national emergency management system during winter 2012/2013. LTS also serves to improve information flows between, and among, national agencies and local communities and to increase the

capacity of local communities to drive their own responses to dzud. These outcomes were achieved through collaborative research, targeted trainings, and technological innovations conducted over 15 months from June 2013 to September 2014. The primary beneficiaries of the program's activities are rural residents and herders in 15 target aimags. As a result, rural residents of Mongolia have new information and improved management tools based on the LEWS technology to complement traditional resilience strategies.

PROJECT OUTCOMES IN 2014

Sector One: Humanitarian Studies, Analysis or Applications

Activity 1.1 Conduct Research and Analysis

The LTS team selected IRIM – the Independent Research Institute of Mongolia – to carry out field research. IRIM launched its research work in early December 2013 and by the end of January 2014 the team had conducted a literature review and 1,104 field interviews with herders, local government, NGO and private sector representatives in 29 soums of the 15 target aimags.

The research activity identified a number of critical issues that will affect efforts to construct community based planning, mitigation and response. Key findings included:

- 20.6% of herders surveyed believed that dzud can be “managed”. These herders are primarily located in the areas that are rarely affected in winter disaster.
- 52.1% of surveyed herders said they didn't learn anything from previous dzuds.
- Slow and uneven market development limits the distribution of resources, reinforcing expectations that the government will provide needed inputs and offtake.
- There is a lack of written analysis, guidelines and handbooks in the Mongolian language that can be used for preparedness and response planning. The only available documents on disaster risk reduction in the Mongolian language are focused on flooding and forest fire emergency.
- Any programs, policies, or expectations toward winter disaster response mostly focus on delivering and receiving assistance.
- Only 7.4% of surveyed people were involved in dialogues or training to improve preparedness capacity and knowledge.
- Surveyed herders identified a number of causes for pasture degradation including overgrazing caused by large herds, desertification from long term changes in weather patterns, pest infestation (field mice), and lack of information about reserved pasture for fattening livestock. Pasture improvement is seen as resulting from increased rainfall and grass growth. No one reported methods for improving pasture.
- Access to timely weather forecast and other information is increasing, but the application of this information in preparation and response for winter is still limited. According to herders' opinions, the weather forecast through public media is not giving enough information for prevention.
- The lack of formal monitoring of annual winter planning and results impedes learning.

As a complementary component to the field research conducted by the Independent Research Institute of Mongolia (IRIM), the LTS project team conducted a survey on fodder resources using a standardized data collection tool. The field team collected data from 60 fodder storage facilities and commercial operators in 15 aimags; 29 of the sites were private producers selling into the market. Detailed information on locations, contact information and average annual volume of available fodder products were compiled into a brochure and distributed extensively to all of the target soums and to

aimag stakeholders across the LTS target area. While government agencies are reluctant to share detailed information on fodder and hay because they consider such information to be related to national security, the survey has identified a wide variety of public and private fodder and hay resources. The amount of available fodder varies drastically from aimag to aimag and is usually comprised of locally produced grass and hay. Supplemental and emergency feed are therefore heavily dependent on local pasture use and capacity within each aimag without efficient distribution between surplus and deficit areas.

Use of government stores varies by location and situation. For example, the Dundgobi aimag administration has storage capacity for more than 1000 tons of fodder but has not needed to add reserves since 2010 because grazing, fodder and hay production levels have been adequate in subsequent years. Bayanhongor has collected 7000 tons of hay and 6000 tons of fodder and distributed it annually since 2010. For the current year, Bayanhongor aimag has no carryover inventory from previous stores and is raising more than MNT 100 million in order to purchase sufficient reserves. While public sector reserves are mostly able to raise funds to fully stock available storage, management and distribution of reserves is weak, and supplies that are not used in a given year are often held until they have lost nutritional value and need to be disposed of.

In addition to the research conducted within the framework of the LTS project, Mercy Corps conducts an annual, pre-winter rapid assessment of local staff and partners to assess preparation and to evaluate how local communities are anticipating and preparing for winter. In all of the 21 aimags where Mercy Corps works or has partners, herders are preparing for a difficult winter in 2014/15 because the summer was dry, pasture resources are reported to be inadequate, and many households and soums have had inadequate hay and fodder production. As a result, market prices for supplemental feed are rising. As might be expected, there are extreme differences in production and market conditions across the target area and the fodder brochure will provide stakeholders with information that they can use to identify potential sources outside their soum or immediate neighbors.

Activity 1.2 Organize Multi-Stakeholder Dialogue

The second round of stakeholder dialogue meetings to communicate learning and best practices, were held from 4 to 5 September, 2014 in five regional centers and included representatives from all 15 aimags. A total of 25 herder representatives participated in the five meetings. Participants included local stakeholders who participated in program activities and represented a range of actors in dzud management.

The dialogue agenda focused on capturing lessons learned from the LTS program activities; identifying actions that can be taken forward independently; and provided a forum for discussing on-going concerns and identifying potential solutions.



Photo 6: Hovd Aimag Stakeholder Dialogue, September 2014

Conclusion of the dialogues

The participants concluded that they have acquired broad knowledge about forecasting information, emergency management tools and traditional knowledge used to make herd management decisions. This regional dialogue event created an opportunity to talk and share their experience with one another. Using technology such as SMS services and conducting online trainings were new and the participants were eager to use these technologies in their areas. Trainings to improve disaster management and information systems are in high demand in rural area after soum level training provided by the project. After the training, participating stakeholders requested more training in all administrative units, involving more herders and developing their specific skills and capabilities. The participants also agreed on key improvements to providing forecast information such as providing SMS messages in the Cyrillic alphabet, delivering information via voicemail and including additional information about infectious diseases, market prices, and localized rapid onset disasters via SMS and voice services. It is also necessary to provide additional training and educational resources to users to understand and use the SMS content.

Sector Two: Risk Management Policy and Practice

Sub-sector: Building Community Awareness/Mobilization

Activity 2.1 Develop Local Information Campaigns for Multiple Channels Including Print, Broadcast, and Download

Working with participants in the LTS Stakeholder Dialogues and incorporating information from the research activity, a compendium of household-level best practices in dzud preparation and management was developed for publication and distribution across the project target area. Project stakeholders contributed 42 best practice recommendations on a range of topics, including preparation, management and traditional knowledge and practices. Mercy Corps' in-house livestock experts incorporated the best practices into a comprehensive source document.

The handbook divides the practices into five categories: preparedness; early warning; coordination and communication; response activities; and traditional weather prediction methods. The handbook explains how to apply the methods that support good winter outcomes. The hand books were distributed to all participating soums and aimags to insure that they are widely available. A total of 11,500 books were distributed. During the final stakeholder dialogues, the books were praised for offering new ideas, supporting the communication of traditional methods to young herders and for identifying specific herders who contributed best practices.

In addition to the best practices handbook, 26,000 fodder resource maps were distributed in the campaign. Both resources will be available via websites, local administrative offices and through lead herders.

Activity 2.2 Measure Effectiveness of the Awareness Campaign

Information resources were developed as the result of data and information collection processes conducted over the course of the LTS project; however, the compilation and writing of the final



Photo 7: Dzud Lessons handbook

information products were not completed until the final quarter of project operations. As a result, there was insufficient time to measure information uptake or material impacts from the awareness campaign itself. Participants received information enthusiastically, but it was not possible to assess whether they have used the information during the life of project.

Sub-sector: Capacity Building and Training

Activity 3.1 Train Local Authorities on Early Warning, LEWS Data and Information Products, and Policy Implications

Training of trainers

During February and March 2014 the LTS team and partners developed a curriculum and training materials for a Training of Trainers (ToT) session that was conducted in April 2014. LTS worked with experts from NAMEM, NEMA, NUM, VABU and LEWS to develop training sessions on a variety of early warning and disaster management topics. The training was implemented through a tiered structure with 45 local leaders - three from each target aimag - participants in training of trainers in Ulaanbaatar were expected to conduct direct training sessions in their local area. Participants included the Mercy Corps aimag facilitators from each aimag and two representatives selected by local partners.

The curriculum on “Early Warning Information and Response Planning” is targeted at increasing the response capacity of local stakeholders by enhancing their understanding and use of early warning information and emergency management systems. From April 15-17, 48 stakeholders from 15 target aimags gathered in Ulaanbaatar for a three day ToT session. The participants included 15 aimag facilitators from Mercy Corps field offices, 15 representatives from local emergency management units, six officers from the agricultural department (VABU), three representatives from aimag governor’s offices, six representatives from the meteorology and environmental monitoring unit and three from aimag NEMA offices.

The ToT combined a theoretical overview with practical tools for understanding and implementing disaster mitigation and management processes. Many of the participants were learning new information and tools that they found highly relevant to their own work. Based on post-tests and a comprehensive participant evaluation of the training, participants emphasized the usefulness of the sessions that were developed from the “Livestock Emergency Guidelines and Standards” (LEGS) training and requested further training and resources to allow them to utilize LEGS within their organizations and communities. Also of great interest was the presentation by D. Altanabagana on the “Influence of global climate change on animal husbandry of Mongolia and creation of risks and vulnerability”, which provided an overview of climate change related issues affecting Mongolia.

Knowledge testing at the end of the ToT indicated significant increases in knowledge/awareness around the topics covered in the training, including:



Photo 8: Stakeholders from 15 aimags participate in ToT workshop activities

- Overall, participants were able to identify new types of weather forecasting information, including agricultural, radar, environmental, satellite, warm and hot season, and variations in long-medium-short term forecasts that were not specified on the pre-tests;
- More than 1/3 of the participants had no understanding of climate change prior to the training, and all were able to identify climate change effects in the post-test;
- Before training, less than 40% of participants had experience with planning or evaluation of emergency risk mitigation or response, by the close of training 90% expressed confidence that they could train others on planning and evaluation tools.

Direct training at aimag and soum levels

During May 2014, ToT graduates conducted 30 training sessions based on the “Early Warning Information and Response Planning” curriculum throughout 15 aimags and 15 soums. Training was conducted in mixed groups of emergency response personnel, local government representatives, and herders. Of the participants, 226 (27%) out of 841 people were herders.

Based on evaluations of each training session, the response to the training was positive and outcomes indicated an overall increase in knowledge and new skill acquisition as a result of participating in the training. In post-training evaluations, strong demand was expressed for on-going training programs at the soum-level, with a specific emphasis on exploring each topic in more detail to both increase knowledge and skills in risk management and to better utilize forecast information. Some participants felt that training should be targeted for specific populations in order to support specific skill development. Participants also found the distribution of resource information and planning tools extremely useful, particularly the tools that make up the LEGS guidelines and the detailed explanations of how forecast data is created and used. The detailed explanation of how forecast systems work inspired extensive discussion of setting up local information systems, and the focus on planning tools encouraged participating local authorities to establish local planning processes. In the knowledge measurement test administered after the training, 85% of participants were able to give more detailed and accurate responses after training.

Activity 3.2 Develop Beta Version of Multi-Platform Software Application(s)

During implementation of the LTS project, the LEWS activity completed its 2013-2014 round of funding and failed to secure funds from the internal NAMEM budget or from ongoing donor support. In February 2014, LEWS ceased operations for an extended period, before finding additional funding to support its late summer field work to collect updated samples of biomass and complete the 2014 update of LEWS data inputs. Although the local operation ceased functioning, Texas A&M University continued to conduct analysis of the 2013 pasture data and satellite sourced data so that there was no interruption of data collection, analysis and mapping. While the interruptions in LEWS funding have made it impossible to collaborate with the LEWS team on production of demand-driven data resources, it has not disrupted availability of the LEWS forecast data.

As it became clear that LEWS might have difficulty integrating its operations into NAMEM, Mercy Corps extended its LTS partnership to NUM. The laboratory team is building a web-based forecast information center that is based on a variety of open source data sets including LEWS and intends to carry out analysis on the accuracy of different forecast systems historically, create a dzud risk assessment matrix, and generate forecast messages. In initial discussions, it was agreed that NUM would provide technical inputs and evaluate application products while the LTS team would manage the software development process and follow-on educational activities.

During the spring of 2014, the NUM team piloted localized forecast messages pulled from LEWS and delivered through SMS and tested user response through a number of soums in Gobi Altai aimag. With more than 260 soums in Mongolia, in-person training is a slow and costly approach to promulgating SMS-based messaging. The LTS team developed a complementary training program using on-line training resources and piloted training in six aimag centers in order to compare training impact across the two methods.

LTS and NUM tested SMS messages that include air temperature, wind, precipitation and forage information for six aimags including Gobi-Altai, Uvurhangai, Zavhan, Dundgobi, Dornogobi and Hovd. Working with LEWS data, the NUM team is programming messages that are detailed down to the soum level providing localized weather and pasture information. In order for local stakeholders to access, use, and understand the messages, the NUM team is conducting onsite training in each of its target soums. This is slow work and only a few soums were reached during the summer months. In order to improve the scalability of the SMS based forecast system, NUM and Mercy Corps developed a web-based training and tested its effectiveness through aimag-level sessions. Initial results indicate that the in-person training and the web-based training are equally effective for introducing the SMS system and ensuring that users are able to understand and apply the information provided. Future training could use a combination of in-person and online training to overcome cost and travel issues that might limit scale up.

One critical obstacle encountered during the development and testing process, was that both telecommunication companies with broad rural user groups - Mobicom and G-mobile – experienced system shutdowns in their telemarketing services during the training period. As a result, the program team had to distribute information directly to participants from their own phones, rather than linking them to an information system that is continuously available.

Activity 3.3 Identify Dzud Response Strategies Supported by New Information and Analytical Tools

As a result of the initial stakeholder dialogues and field research, it is clear that very little coordinated planning takes place at the community level in preparation for winter and dzud. There is a national-level planning system that anticipates the need for emergency distribution and coordinates with aimags and sometimes soums to support their preparation efforts and to mandate reserves of supplies. However, many herding households must rely on themselves or their immediate social networks in the event of disaster and hope for public distributions if their personal preparations are insufficient. This was a key lesson for the program team and contradicted earlier assumptions about how prepared local communities would be able to incorporate new information into existing management structures, and then design more innovative and effective responses.

Through LTS training, a number of simple tools for planning and preparation were introduced to a multi-sector group of trainees working in both public and private institutions at the soum and community level. There is a strong demand from local NEMA officers for a comprehensive training program based on the LEGS system and targeted at different segments of the local community based on their role in emergency management and their needs.

Activity 3.4 Develop and Implement Training Package to Introduce Software

Working with the NUM Remote Sensing Laboratory team, LTS developed online training sessions to introduce SMS weather data based on LEWS system outputs. The on-line training was conducted in parallel with in-person training implemented by the NUM team through its partnership with a Japanese university and allowed for a comparison of the two training methods. The NUM team

worked four soums with new target participants while the LTS team trained 180 members of the LTS stakeholder group (80 women and 100 men) from 6 aimags who had engaged in training and dialogue events and were experienced with training via the Blackboard or ooVoo platforms. The parallel delivery of training allowed the partners to measure the amount of contextual and hands on training required to promote the SMS system.

The training content included a brief introduction about climate change impacts in the agricultural sector; a discussion of adaption supported by information system development, and the explanation of SMS content, sources, interpretation and usage. The first online session was conducted in Gobi-Altai aimag, concurrent with a soum based in-person training implemented by NUM. This allowed the team to compare online and in person training outcomes. The online trainings were successfully implemented, with no connection disruptions and a general agreement from participants that the web interface was easy to engage with. The participants also saw the benefits of connecting to UB-based trainers at lower cost and with less effort.

Participants' primary feedback from both on-line and in-person training on the specific messages was to include more detailed local information on weather, specifically about precipitation, wind and storm strength. The most significant feedback from the training itself was that the forage messages must be introduced with detailed training in order to understand, contextualize and apply the information provided. This feedback was true for both in person and on-line training sessions. In the overall comparison of the two training strategies, participants did not have significantly different outcomes in terms of pre- and post-tests. The primary difference was for the trainers, who found the online interaction slightly more limited than the level of interaction they experience in person.

LTS Project Impact

A critical gap in local preparation and management for winter and dzud is the low level of information flow and community engagement at the local level and among communities which limits peer exchange and technical cooperation among the communities that directly experience dzud. LTS addressed this gap by working with multi-sector stakeholder groups in an effort to increase direct experience sharing but also in an effort to build network connections at the local level that will increase communication going forward. At the various levels of program impact evaluation, participants cited new connections with other local actors as an important outcome of their participation in the project. Herders participating in the research activity reported that they do not see "management" as a response to dzud or as a part of winter survival. Planning is viewed as a function of the local administration and primarily focused on anticipating the volume and cost of resource distribution (feed, clothes, food and other) that will be required during a given winter season. Weather forecasts are used to respond to immediate threats but are not part of a winter planning cycle. Herders do not plan for dzud and when they think about dzud response, they generally think of government distribution programs. There is little thinking about household or communal planning and response. By putting together government emergency management staff with herders and community leaders, the project sought to shift this view of the planning and preparation process. With the local training program – led by local experts a small degree of movement was made toward that outcome.

The implementation of aimag and soum level training reinforced several key lessons from the LTS stakeholder dialogues, particularly that additional information and management choices are in high demand from communities affected by dzud and other weather related risks. As was made clear during the research activity, the level of information flows and community engagement at the local level are much lower than anticipated. Local governments are under-resourced both in terms of

funding and technical support to provide public sector services or to support private responses. However, the conclusion drawn by the research team that herders do not view “management” as a part of dzud response led directly to the LTS project’s most significant outcome: herders and their local government counterparts, with tools to support the planning and execution of different emergency responses, including preparation, see management as precisely the kind of action that they want to undertake. In response to the feedback from training participants, the LTS team coordinated with multilateral counterparts to explore the possibility of conducting additional LEGS trainings and is preparing a summary of the training materials to distribute with other communication products.

While the LTS project fell short of its highest level goal to produce a smartphone application that would allow herders to incorporate weather data into planning and management tools, it made significant progress in building channels to transfer information and knowledge across the existing gaps in Mongolia’s system for responding to dzud. With the beta version of an information platform and SMS-based distribution system, soum-level weather forecasts and recommendations for action are in sight. It is expected that NUM will carry this work forward. Working closely with local partners and key national emergency management actors, LTS has introduced planning tools that are simple to implement, increased understanding of available weather information and how to utilize it; and identified opportunities for significant improvement in dzud outcome through simple management tools and improved information flow. As a result of the program, local emergency response teams and herding communities have better tools for managing dzud and are linked to a network of expert herders and new information about local feed and fodder resources. Overall, the LTS project succeeded in its efforts to strengthen capacity at the local level to prepare for and manage dzud.

5. PRODUCTIVE AGRIBUSINESS CHAINS SUPPORT (PACS)

Funded by: US Department of Agriculture (USDA)

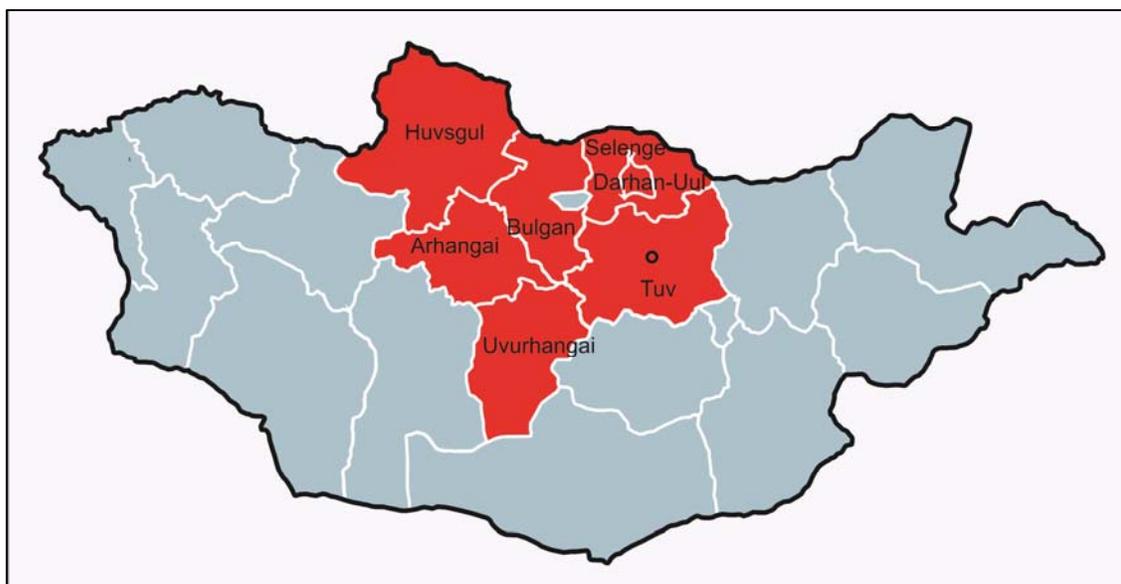
Project Period August 2012 to TBD

Project Goal: To increase the productivity of meat and dairy value chains and expand trade in these goods by improving input markets, increasing quality to meet international standards and expanding access to training and technical assistance for producers, processors and other agribusinesses

Project Objectives

- Increase agricultural productivity in the meat and dairy sectors by increasing agricultural producers' knowledge of improved agricultural techniques and technologies, and by improving the quality of agricultural inputs and farm management.
- Expand the trade of agricultural products by increasing producers' adoption of established industry standards for quality and safety of meat and dairy products, and by improving post-production processing, handling and marketing.

Figure 6: PACS project aimags



Project Outcomes

Agreement Signed with USDA

On 14 September 2012, Mercy Corps and USDA approved the Productive Agribusiness Chains Support project agreement, launching the initial phase of the project. Beginning in late 2012 Mercy Corps began implementing the sale process of US vegetable oil. In February 2013, the monetization of vegetable oil was cancelled by USDA due to a change in Mongolian law that raised questions about the import process. Working with the Ministry of Industry and Agriculture, Mercy Corps identified rice as an alternate commodity. During 2013 required analysis of the impact of rice monetization on the local market was completed and USDA and Mercy Corps entered into a period of project redesign and contract negotiation that was concluded in September 2014.

Monetization

Beginning in September 2014, the PACS team developed tender materials and posted announcements in daily newspapers to announce the sale of 2,800 metric tons of rice on November 24, 2014. Total of seven potential buyers responded to the advertisement. Through December 2014 Mercy Corps worked with USDA to identify acceptable terms for the sale and that process is expected to conclude in early 2015.

IV. Collaboration with Mongolia Government and Agencies

Mercy Corps collaborates and cooperates with all levels of the Mongolian government in our shared goal of promoting greater economic activity and social inclusion, including:

Office of the President

Cabinet Secretariat of Government of Mongolia

Ministries

Mercy Corps Mongolia appreciates the direct and productive communication it shares with the following Ministries, Departments and Agencies to develop and implement specific program ideas that support official government development priorities such as job creation, inclusive growth, good governance, and sound environmental stewardship.

Ministry of Finance

Development Financing and Cooperation Department (Policy and Coordination for Loans and Aid Department)

Financing and Economic Policy Department

Legal and Procurement Policy Department

Ministry of Food and Agriculture

Veterinary and Animal Breeding Department

Livestock Husbandry Policy Implementation and Coordination Department

Strategy Planning and Policy Department

Ministry of Labor

Vocational and Education Training Centers of Aimags

Ministry of Justice

Immigration Agency

General Authority for State Registration

Ministry of Environment and Green Development

National Agency for Meteorology, and Environment Monitoring

Climate Change Coordination Office

Mercy Corps program implementation requires cooperating and coordinating with a variety of state, local and non-state institutions and agencies. Among our partners in 2014, – although there were many more, - were:

Government Agencies

Independent Authority Against Corruption, General Procurement Agency, National Emergency Management Agency

Education and Research

Independent Research Institute of Mongolia, National University of Mongolia, School of Physics and Electronics, Mongolian State University of Agriculture

Non-Governmental Organizations

Development Solutions, Mongolian Women Lawyers Association, Globe International Center NGO, Public Administration and New Initiative NGO, the Mongolian Association of Local Authorities, Mongolian Budget Planners Association, Mongolian Veterinary Association, Procurement Development Center, and more.

Banks

XAC Bank, and State Bank

International Organizations and Projects

USAID, USDA, Asia Foundation, Swiss Development Agency (SDC), OFDA, AusAid

Ulaanbaatar Offices and Units

Tax Department of Bayanzurkh District

Aimags and Soums

Mercy Corps program staff and stakeholders enjoy good program cooperation and implementation with a variety of aimag and soum-level officials and agencies. In addition to governors' offices, Mercy Corps values our partnerships with aimag and soum Governor's Office and Citizens' Representative Hural, aimag Departments of Justice, Local Procurement Units, Departments of Social Welfare and Service, tax departments and more across the following aimags and soums:

Table 12: Selected aimags and soum partners

| | | | |
|---|--|--|---|
| Arhangai <ul style="list-style-type: none">• Erdenebulgan• Erdenemandal• Tsenher• Ulziit | Dundgobi <ul style="list-style-type: none">• Saintsagaan• Erdenedalai• Gobi-Ugtaal• Ulziit | Hovd <ul style="list-style-type: none">• Hovd• Jargalant• Erdeneburen• Munkhkhairkhan• Bulgan | Umnugobi <ul style="list-style-type: none">• Dalanzadgad• Bayan-Ovoo• Khanbogd• Tsogtsetsii |
| Bayanhongor <ul style="list-style-type: none">• Bayanhongor• Bayantsagaan• Buutsagaan• Galuut | Gobi-Altai <ul style="list-style-type: none">• Yesunbulag• Bayan-Uul• Sharga• Tseel | Huvsgul <ul style="list-style-type: none">• Murun• Burentogtokh• Ikh Uul• Erdenebulgan | Uvs <ul style="list-style-type: none">• Ulaangom• Baruunturuun• Tarialan• Umnugobi |
| Bayan-Ulgii <ul style="list-style-type: none">• Ulgii• Altantsugts• Tsengel• Ulaankhus | Govi-Sumber <ul style="list-style-type: none">• Sumber• Bayantal• Shiveegovi | Suhbaatar <ul style="list-style-type: none">• Baruun Urt• Munkhkhaan• Sukhbaatar• Uulbayan | Zavhan <ul style="list-style-type: none">• Uliastai• Tosontsengel• Dorvoljin• Ikh Uul |

| | | | |
|--|---|---|--|
| Dornogobi <ul style="list-style-type: none"> • Sainshand • Airag • Huvsgul • Zamiin-Uud | Hentii <ul style="list-style-type: none"> • Kherlen • Tsenhermandal • Bor-Undur • Batshireet | Uvurhangai <ul style="list-style-type: none"> • Arvaikheer • Baruunbayan-Ulaan • Tugrug • Uyanga | |
|--|---|---|--|

V. Financial Statement

Table 13: Financial summary

| Project | Donor | Project Expenditures 2014 (USD) | Total Project Budget (USD) |
|----------------|--------------|--|---------------------------------------|
| APPEAL | USAID | 1,352,814 | 1,408,815 |
| iCOGS | SDC | 338,934 | 477,779 |
| LGM | USDA | 388,756 | 1,681,181 |
| LTS | USAID | 160,738 | 230,563 |
| PACS | USDA | 168,279 | 914,633 |
| Mongol Derby | Private fund | 15,508 | 30,000 |
| Total | | 2,425,028 | 4,742,971 |

Appendix 1. List of 53 APPEAL Subgrantees

| # | Aimag | CSO | Grant Purpose |
|-----|-------|---|--|
| 1. | AR | Tugs Tavan medrem | Develop and implement local ACAPs |
| 2. | AR | Liberal Women's Brain Pool | Monitor implementation of SMPs and LDFs |
| 3. | AR | Knowledge Network NGO | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 4. | BH | Amid Khuuli CSO | Develop and implement local ACAPs |
| 5. | BH | Wheel Chairs Association | Ensure inclusion and extend partnership and collaboration with PWDs |
| 6. | BH | Fourth Estate of Local Area CSO | Raising awareness about good governance, increase transparency and accountability of public services |
| 7. | BH | Center for Supporting Business and Herders | Monitor implementation of SMPs and LDFs |
| 8. | BH | Peaceful Hope | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 9. | BU | Women's council in Bayan-Ulgii | Develop and implement local ACAPs |
| 10. | BU | Labor Union CSO | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 11. | DG | Branch of Social Progress and Women Association | Develop and implement local ACAPs |
| 12. | DG | DG Development 21 Century | Raising awareness about good governance, increase transparency and accountability of public services |
| 13. | DG | Training and Survey Institute in Dundgobi aimag | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 14. | DG | Sound of Rocks NGO | Monitor implementation of SMPs and LDFs |
| 15. | DO | Social Partnership Network | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 16. | DO | Aisui Tsagiin Tuuchee | Develop and implement local ACAPs |
| 17. | DO | Khaan zug CSO | Monitor implementation of SMPs and LDFs |
| 18. | DO | Center for Youth Violence Prevention | Raise awareness about good governance, increase transparency and accountability of public services |
| 19. | GA | Nogoon Shuguit Togol | Develop and implement local ACAPs |
| 20. | GA | Chamber of Commerce and Industry | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 21. | GA | Youth Association NGO | Raising awareness about good governance, increase transparency and accountability of public services |
| 22. | GS | Takhil Togoot CSO | Develop and implement local ACAPs |
| 23. | GS | Borjigdoi mergen | Ensure inclusion and extend partnership and collaboration with PWDs |
| 24. | GS | Railway Elder's Association | "Mobile Chamber of Citizens" project to support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 25. | GS | AG Association | Monitor implementation of SMPs and LDFs |
| 26. | HE | Employer Association | Develop and implement local ACAPs |
| 27. | HE | Federation of Khentii province Trade Union CSO | Monitor implementation of SMPs and LDFs |
| 28. | HE | Branch of Press Institute of Eastern region | Raise awareness about good governance and increase transparency and accountability of public services |
| 29. | HE | Shine Zuunii Zалуu Khentii | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 30. | HO | Bat-Itgel CSO | Monitor implementation of SMPs and LDFs |

| | | | |
|-----|----|--|---|
| 31. | HO | Niigmiin Luujin CSO | Ensure inclusion and extend the partnerships and collaboration with PWDs |
| 32. | HO | Pure Development Progress CSO | Support local Citizen Chambers to ensure active participation of citizens in decision making processes; |
| 33. | HO | Smart growth citizens engagement | Develop and implement local ACAPs |
| 34. | HO | Ogtorguin Asar | Raise awareness about good governance, increase transparency and accountability of public services |
| 35. | HU | Disabled People's Association | Ensure inclusion and extend the partnerships and collaboration with PWDs |
| 36. | HU | Anduud Moron | “Develop and implement local ACAPs |
| 37. | HU | Huvsgul Hogjil Emegteichuud San CSO | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 38. | HU | For Accountability NGO | Raise awareness about good governance, increase transparency and accountability of public services |
| 39. | SU | SU Properly fund future CSO | Develop and implement local ACAPs |
| 40. | SU | Community Conservation Association | Monitor implementation of SMPs and LDFs |
| 41. | SU | Branch of the Union of Mongolian Production and Service Cooperatives | Raise awareness about good governance, increase transparency and accountability of public services |
| 42. | UG | Gobi Development Era CSO | Monitor implementation of SMPs and LDFs |
| 43. | UG | Branch of Bagh and Soum Association of Mongolia | Develop and implement local ACAPs |
| 44. | UH | Motherland Development Center | Develop and implement local ACAPs |
| 45. | UH | Enkh Tumnii Khuch | Raise awareness about good governance, increase transparency and accountability of public services |
| 46. | UH | Citizen Initiative Local Development CSO | Monitor implementation of SMPs and LDFs |
| 47. | UH | LEOS | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |
| 48. | UV | Green movement CSO | Develop and implement local ACAPs |
| 49. | UV | Consulting Network for Public, Nature Protection and Entrepreneurs CSO | Monitor implementation of SMPs and LDFs |
| 50. | UV | Uvsiin Ungu CSO | Raise awareness about good governance and increase transparency and accountability of public services |
| 51. | ZA | Cedaw Watch CSO | Develop and implement local ACAPs |
| 52. | ZA | Zavkhan Wool Capacity Center CSO | Ensure inclusion and extend the partnerships and collaboration with PWDs |
| 53. | ZA | Ornokh Khogjil NGO | Support local Citizen Chambers to ensure active participation of citizens in decision making processes |

Appendix 2. List of 32 iCOGS Subgrantees

| # | Aimag | CSO | Grant Purpose |
|-----|-------|--|--|
| 1. | GA | Altai Swiss Fund | Improve planning and implementation of local government procurement |
| 2. | ZA | Enkhiin Toloo | Support and develop Tri-Partite partnerships |
| 3. | UG | Bayan Tost | Conduct independent monitoring of procurement contracts |
| 4. | UG | Mongolian bagh and soums` association | improve transparency and accountability of local procurement |
| 5. | DG | DG CSO network | Raise awareness of local citizens about procurement process |
| 6. | GS | Community Participatory Solution | Help citizens monitor procurement contracts |
| 7. | UG | Women for Social Progress | Conduct monitoring of eight procurement contracts |
| 8. | HO | Gegeen Garts | Ensure citizens participation in local development fund |
| 9. | HO | Hovdiin Toli | Improve citizens engagement in procurement process |
| 10. | UV | Sain Tus | Increase citizens participation in anning and execution of procurement process |
| 11. | UH | Powerful Nation | Independent monitoring of procurement contracts |
| 12. | BH | Young leader women for social welfare and development | Monitoring of procurement contracts by CSOs |
| 13. | UH | Consumer Rights Protection Association | Help CSO`s participate in procurement process |
| 14. | BH | Community Development Center | Improve citizens` participation in procurement process |
| 15. | DO | Women`s Council | increase citizens participation in planning and execution of Local Development Fund |
| 16. | DO | Manlailagch Irged | Help CSO`s participate in procurement process |
| 17. | DO | Borkhoiin Elch | Test citizens` participatory procurement model |
| 18. | SU | Mongolian Compulsory Insurers Association | Improve quality, transparency and accountability of local procurement practice |
| 19. | UV | Youth future | Develop new regulation on open and competitive public procurement actions in soums |
| 20. | UH | Enkh tumnii huch | Increase participation of PWDs in local procurement |
| 21. | ZA | Tuna tergel san | Monitoring government procurement process |
| 22. | BH | Branch Association of Parents with Disabled Children (APDC) | Monitor accessibility standards for PWDs of newly constructed public buildings; monitor budgets of community based social welfare services for PWDs |
| 23. | DO | Hutagtiin Goviin Naran | Improve efficiency of budget expenditures and encourage sustainable engagement of CSOs and citizens in procurement processes |
| 24. | SU | Branch of the Union of Mongolian Production and Service Cooperatives | Enforce amended PPL specifications in target 3 soums that supports citizens oversight on procurement contract execution |
| 25. | AR | Knowledge network | Improve local citizens` understanding of public procurement and enhance the openness, transparency and accountability of local procurement practice |
| 26. | UH | Liberal Women`s Brain Pool | Increase accountable government procurement by improving capacity building of the citizens' monitoring group and monitoring the 2014 investment process with the citizens' monitoring groups |
| 27. | DG | Sounds of Rocky Mountains | Strengthen partnership monitoring of local public procurement process |

| | | | |
|-----|----|--|---|
| 28. | GA | Branch of Mongolian Institute of Certified Accountants | Increase transparency of public procurement by evaluating community based procurement |
| 29. | DG | Dundgobi-Disabled People's Association | Oversee newly constructed public buildings in Ulziit, Saintsagaan and Erdenedalai soums; conduct budget monitoring of community based social welfare service for PWDs |
| 30. | BU | Labor union" NGO | Conduct independent monitoring of all public procurement activities for 2014, improve capacity of local citizens; |
| 31. | GS | Community participatory solution | Improve participation of citizens and CSOs in tender selection process |
| 32. | UH | Citizen initiative-Local development | Conduct monitoring of public procurement process |

Appendix 3. APPEAL Performance Monitoring Plan as of December 2014

| Goal: Improved legal, institutional and administrative processes in targeted Mongolian government agencies promote democratic reforms and economic growth in the country. | | | | | | Goal Indicator: Independent end of project assessment finds achievement of targets as described in the work plan and PMP | |
|---|---|---|--|---|------------------------------|--|----------------|
| APPEAL OBJECTIVE 1 : Key elements of Mongolian legal frameworks related to anti-corruption and good governance are understood by and relevant to government institutions, civil servants, civil society and the public at the local level | | | | | | Objective 1 Indicator: Reporting against indicators captures the results achieved under objective one | |
| Intermediate Results | Performance Indicator | Indicator definition, unit of measurement, and disaggregates | Data source | Data Collection Method/ Approach | Frequency of Data Collection | Target | As of Dec 2014 |
| Result 1.1 Legislation related to anti-corruption and good governance understood and strategized at the local level | 1. # of aimag governments with timely and relevant anti-corruption action plans (ACAP) | Aimag government anti-corruption strategy that meets legal requirements and is relevant Disaggregated by target and non-target aimags | Local government offices | Copies of local governments' ACAPs | Annually | Year 1: Baseline | 0 |
| | | | IAAC reports | Links of local government websites IAAC reports | | Year 2: 10 | 15 |
| | | | | | | Year 3: 15 aimags Total: 15 | 15 |
| | 2. # of line departments that incorporate MPDSW anti-corruption strategy into local plans | General Office of Social Welfare Service disseminates agency anti-corruption strategy to line departments at local level and Local Social Welfare Service department ACAPs are complete | General Office of Social Welfare Service (GOSWS) | Copies of Local Social Welfare Service departments' ACAPs | Annually | Year 1: baseline | 0 |
| | | | Line departments of the GOSWS at local level | CSO monitoring reports | | Year 2: 10 aimags | 5 |
| | | | | | | Year 3: 15 aimags Total: 15 | 15 |

| | | | | | | | |
|---|---|---|---|--------------------------|--|-----------------------------|---|
| Result 1.2 APPEAL community stakeholders understand good governance and anti-corruption initiatives related to specific government authorities at local level | 3. % change in citizens' awareness about local anti-corruption | Citizen's knowledge about local government anti-corruption strategy and their participation in formulation of anti-corruption strategy Disaggregated by gender and geographic location | Civic Measurement Survey | Target location survey | Baseline under Civic Measurement Survey Endline Civic Measurement Survey | Year 1: Baseline | 29.5% awareness; 4.9% in formulation of an ACAP |
| | | | | | | Knowledge: | |
| | 4. # of media and CSO reports and articles reflecting local government plans and actions relevant to APPEAL | Media reports (print, radio, TV) in project aimags that share information about government plans and actions relevant to APPEAL | Daily newspapers articles, local government websites, Facebook accounts | Program activity reports | Monthly | Year 1: 0 | 4 |
| | | | | | | Year 2: +700 | +316 |
| Year 3: +800 Total: 1,500 | | | | | | +1,134 Total: 1,464 | |
| Result 1.3 APPEAL and STAGE stakeholders exchange findings and recommendations to further advance anti-corruption and good governance practices and policies | 5. % change in citizens' perception about government effort in combating corruption. | Citizens' assessment of effectiveness of anti-corruption strategy being implemented by local governments Disaggregated by geographic location | Civic Measurement Survey | Target location survey | Baseline Civic Measurement Survey at the inception Endline Civic Measurement Survey | Year 1: Baseline | 10.8% |
| | | | | | | Year 3: +10% Total: +10% | +10.3% Total: +10.3% |
| | 6. # of best practices introduced in Good | Good governance practices identified by | IAAC Reports | IAAC records | Annually | Year 1: baseline | 0 |

| | | | | | | | |
|--|---|--|--|--------------------|--|-------------|------------|
| | Governance Week for potential replication in non- project areas | project stakeholders and submitted to the Good Governance Week competition or reported to IAAC | | List of submission | | Year 2: +25 | +23 |
| | | | | | | Year 3: +25 | +139 |
| | | | | | | Total: 50 | Total: 162 |

| | | | | | | | |
|--|---|--|---|----------------------|---------|--|--------------|
| Objective Two—Exercise of authority and delivery of government services reflect transparent and accountable administrative processes, provide effective checks and balances, and engage informed communities to optimize quality and impact of governance at local level | | | | | | Object 2 Indicator: Reporting against indicators captures the results achieved under objective two | |
| Result 2.1 Improved consistency of procedural administrative regulations (PARs) | 7. # of multi-sector stakeholders understand Procedural Administrative Regulations and governance laws application to promote good governance and stop corruption | Soum and province governors, civil servants in local line departments, civil society activists, and journalists understand use of PARs and governance laws | Mongolian Women Lawyers' Association – APPEAL partner | MWLA monthly reports | Monthly | Year 1: baseline | 0 |
| | | | | | | Year 2: + 2250 | +3,327 |
| | | | | | | Disaggregate by gender: Female: +1,974 Male: +1,353 | |
| | | | | | | Year 3: + 2250 | +3,208 |
| | | | | | | Disaggregate by gender: Female: +1,800 Male: +1,408 | |
| | | | | | | Total: 4,500 | Total: 6,535 |
| | | | | | | Disaggregate by gender: Female: 3,774 Male: 2,761 | |

| | | | | | | | |
|--|---|--|--|---|---|--|---|
| Result 2.2 Civil society has increased impact in anti-corruption and good governance initiatives | 8a. % of CSOs rising +1 level in Organizational Capacity Index (OCI) | Changes measured through Organizational Capacity Index tool | Mercy Corps' Organizational Capacity Index | CSOs self-assessment reports | Baseline assessment organized in Year 2 Endline assessment in Year 3 | Year 2: Baseline | Nascent (I phase) – 4 CSOs Emerging (II phase) – 20 CSOs Developing (III phase) – 22 CSOs Strengthening (IV phase) – 3 CSOs Mature (IV phase) – 4 CSOs Rebirth (VI phase) – 4 CSOs |
| | | | | | | Year 3: Rise 1 level by the end of project (80%) | 69.8% |
| | 8b. # of CSOs engaged in the project activities | CSOs participating in the project events and activities | Project reports | List of CSOs engaged in the project activities List of CSOs sub grantees Attendance lists | Quarterly | Year 1: Baseline Year 2: +200 Year 3: +250 Total: 450 | 0 58 58 Total: 116 |
| Result 2.3 Local governance is more transparent and inclusive | 9. % change in citizens' perceptions of quality and consequence of Citizen Chambers | Citizens are aware and have access to and participate in local Citizen Halls Disaggregated by | Civic Measurement Survey | Target local survey | Baseline Civic Measurement Survey Endline Civic | Year 1: baseline Knowledge: Participation: | 11% aware 11% participated |

| | | | | | | | |
|--|---|---|---|---|--------------------|-----------------------|-----------------|
| | | geographic location | | | Measurement Survey | Year 3: +30% | |
| | | | | | | Knowledge: +35.7% | |
| | | | | | | Participation: +23.1% | |
| | | | | | | Total: +30% | Total: +78.8% |
| | 10. # of new SMPs developed and ratified by soums citizens hurals | Local development strategy developed with participation and input of citizens | Mongolian Association of Local Authorities – APPEAL partner | Local government records MALA report | Annually | Year 1: Baseline | 127 |
| | | | | | | Year 2: 40 soums | 0 |
| | | | | | | Year 3: 80 soums | 109 |
| | | | | | | Total: 120 | Total: 109 (+2) |