



Japan
Fund for
Poverty
Reduction

Project Number: **P44112-01**
JFPR 9152 MON

PROMOTING INCLUSIVE FINANCIAL SERVICES FOR THE POOR

(FINANCED BY THE JAPAN FUND FOR POVERTY REDUCTION)

PROJECT PROGRESS REPORT
(1 January -31March 2014)

ULAANBAATAR
Financial Regulatory Commission

The project team of Promoting Inclusive Financial Services for the Poor has performed following activities during the first quarter of 2014 according to the Grant Implementation Manual, project implementation plan of 2014 and Memorandum of Understanding.

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Sh.Gookhuu	Mongolia Confederation of Credit Unions	Chairman

ABBREVIATIONS

ADB		Asian Development Bank
BFA	–	Banking and Finance Academy of Mongolia
CQS	–	consultant’s qualification selection
FCCPS	–	financial capability and consumer protection survey
FEA	–	international financial education advisor
FEMP	–	Financial Education Marketing Plan
FER	–	national financial education researcher
FRC	–	Financial Regulatory Commission
IAs	–	implementing agencies
IBT	–	Internet-based training
ICS	–	individual consultant selection
JFPR	–	Japan Fund for Poverty Reduction
MCTIC	–	Mongolia Cooperative Training and Information Center
M&E	–	Monitoring and Evaluation
MFD	–	Microfinance Department, FRC
MOCCU	–	Mongolia Confederation of Credit Unions
MOF	–	Ministry of Finance
MoU	–	Memorandum of Understanding
MTRM	–	Mid-term Review Mission
NC	–	national SCC capacity building and training consultant
NGO	–	nongovernment organization
PCCS	–	national public communication and consultation specialist project
PMU	–	management unit
PPD	–	Policy and Planning Division
PSC	–	Project Steering Committee
SCC	–	Savings and Credit Cooperative
SCCD	–	Savings and Credit Cooperatives Division
TOR	–	Terms of Reference

GLOSSARY

Aimag	–	Province
Ger	–	Traditional tent
Soum	–	district
txt-in	–	text messages sent by SMS from mobile phone as public response to enquiries or information provided by radio or television

NOTE

In this report, “\$” refers to US dollars.

1. Introduction

1.1 Summary

1. The grant agreement for Promoting Inclusive Financial Services for the Poor (the Project) between Asian Development Bank (ADB) and the Government of Mongolia was signed by the Ministry of Finance, and Financial Regulatory Commission (FRC) and Asian Development Bank on 17 January 2012. The total project cost is \$2,912,000 of which \$2,500,000 is financed on a grant basis by the Japan Fund for Poverty Reduction (JFPR), funded by the Government of Japan.
2. The inception mission was carried out on 11-14 June 2012 in Ulaanbaatar, Mongolia.
3. A midterm review mission from the Asian Development Bank (ADB) was carried out from 14 to 25 October 2013. The objectives of the MTR mission are to examine, as compared with the original agreements at the project appraisal, and discuss the (i) the project achievements against its goals; (ii) adjustments in the scope and implementation arrangements, (iii) challenges that the project faced and propose time-bound remedial action plans, (iv) project implementation schedule for the remaining project period, (v) project cost and financing plan, (vi) procurement of goods and services, (vii) project performance monitoring and relevance of design and monitoring framework (DMF) indicators and evaluation, and (viii) grant proceeds and possible reallocation in the future. The Memorandum of Understanding (MOU) summarizing the discussions, understanding and agreements reached, and follow-up actions by the Mission and the Government, was signed by the FRC, ADB and MoF on November 18, 2013.

1.2 Project milestones

Approval of Government of Japan:	9 November 2010
Approval of ADB:	25 November 2010
Grant agreement signing: (Project effective date)	17 January 2012
Closing date of Grant:	17 January 2015
Inception mission	June 11-14, 2012
The project's handover mission was undertaken on 20-21 November 2012.	November 21-22, 2012
Mid-term review mission	October 14-25, 2013

1.3 Project Objective

4. The overall objective of the Project is to improve access to financial services for the poor and vulnerable non-poor households (those currently living above the poverty line but at risk of returning to poverty) in Mongolia through market strengthening and capacity building of savings and credit cooperatives (SCCs), and provision of basic financial education to households nationwide.
5. The project will enable:
 - (i) implementation of improved Savings and Credit Cooperative national regulations and supervision processes based on new legislation;
 - (ii) field review, licensing, and rating of every qualified SCC;
 - (iii) capacity development of SCCs, using new training methods to strengthen SCCs operations;
 - (iv) delivery of adult basic financial education messages via national television drama and text-in systems; and
 - (v) rigorous evaluation using randomized techniques to enable timely measurement of results.

The project has three major components:

- (A) Savings and Credit Cooperative (SCC) Regulation, Supervision and Capacity Building;
- (B) Media-Based Adult Financial Education and
- (C) Project Management, Logistics, and Evaluation.

6. The project is implemented with inputs from wide range of stakeholders from government and non-government organizations and development partners working on policy, economy and regulations of the sector.

1.4 Project Benefits

7. The Project will end on January 17, 2015. The expected results from the project are as follows:

Table 1. Components and expected outcome

Components	Expected outcome
<i>Component A</i>	
Savings and Credit Cooperative (SCC) Regulation, Supervision and	<ol style="list-style-type: none"> 1. Ninety percent of SCCs in compliance with regulations 2. Capacity rating for 90% of SCCs 3. Effectiveness of alternative SCC board training methods in improving SCC financial performance (baseline zero; target: one of

Capacity Building	three methods at 50% effectiveness) 4. Fifty percent of peoples in each SCC location know SCC basics and trust operations
<i>Component B</i>	
Media-Based Adult Financial Education	1. Thirty percent of television-watching population watches the financial education drama series 2. Fifty percent of households texting-in correctly respond to questions on financial education messages 3. SCCs in areas with high viewer rates show higher than historic savings increases 4. Thirty-five percent of households that are SCC members and financial education program viewers have decreased poverty
<i>Component C</i>	
Project Management, Logistics, and Evaluation	1. Project management established, and staff members trained and operating 2. Consultants recruited and fielded 3. Financial systems, accounts, and financial reporting implemented, inclusive of timely annual audits 4. Annual work plans, personnel schedules, and regular performance reporting systems developed and in use 5. Monitoring and evaluation system established and operating, inclusive of randomized evaluation arrangements and analysis and reporting of results.

1.5 Estimated Project Cost

8. ADB will finance \$2.5 million on a grant basis through the Japan Fund for Poverty Reduction (JFPR) for 3 years. Project cost is classified by components, each with training and consultancy expense items.

Table 2. Revised Grant Categories of Expenditures, Amounts, and Percentages of Expenditures by Components (US\$) /Table 1/

Category Code	Allocation	Contracts	Disbursed Contracts	Undisbursed Contracts	Uncommitted Amount	Undisbursed Amount
1100.	776,043	560,071	485,652	74,419	215,972	290,391

Consulting service						
1400.	0	160,000	0	160,000	-160,000	0
1900. Consulting service	4,746	21,425	0	21,425	-16,679	4,746
3101. Consulting service	125,857	125,801	87,504	38,297	56	38,353
3601. Equipment and supplies .	174,700	80,496	74,583	5,913	94,204	100,117
3801. Training, workshop seminars	719,620	411,561	95,406	316,155	308,059	624,214
3901. Grant management	257,100	168,207	93,952	74,255	88,893	163,148
4801	278,400	169,708	65,304	104,404	108,692	213,096
4901. Contingencies	163,534	5,008	2,505	2,503	158,526	161,029
Sub-Total	2,500,000	1,702,277	904,906	797,371	797,723	1,595,094
Pending Claims						
O/S Advances			243,367	-243,367		-243,367
Pending Variation						
TOTAL	2,500,000	1,702,277	1,148,273	554,004	797,723	1,351,727

Table 3. Project expenses by year

Expenses	2012	2013	2014	Total
Project expenses	449,445.93	596,280.44	35,701.03	1,081,427.40
Operational expenses	21,815.16	44,801.69	5,896.96	72,513.81

Total project disbursement	471,261.09	641,082.13	41,597.99	1,153,941.21
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2. Project Organization and Management

2.1 Implementation Arrangements

9. The project JFPR 9152: “Promoting Inclusive Financial Services for the Poor” is financed by Japan Fund for Poverty Reduction and implemented jointly by Financial Regulatory Commission and Asian Development Bank as laid out in Grant Assistance Report.
10. The Financial Regulatory Commission (FRC) is the executing agency for the Japan Fund for Poverty Reduction (JFPR) project.
11. MOCCU and the MCTIC are implementing agencies for the JFPR project.
12. The project steering committee (PSC) comprises management level representatives from following agencies and provides strategic orientation and overall guidance on project implementation:
 - K. Bum-Erdene, Head of PSC/ General Manager, FRC
 - N.Oyunchimeg, ProjectDirector/Director, Microfinance Department, FRC
 - S. Gookhuu, Chairman, MOCCU
 - C. Altangaaya, Principal member, Mongolian National Cooperatives Association (MNCA)
 - Ts. Myagmar-Ochir, Executive Director, MCTIC
 - N. Tuvshinjargal, Senior Officer, FinancialMarket and Insurance Division, Financial Policy and Debt Management Department, MOF
 - M. Ayasgalan, ADB Desk Officer, Financial Policy and Debt Management Department, MOF
13. PSC convened twice in the first quarter of 2014 to discuss the performance report of 2013, annual plan for 2014, procurement plan for 2014, TV series script, selection of studios, and evaluation method of pilot series, and provided relevant decisions and guidance.

2.2 Organization and Staffing

14. The project has been established within FRC’s Microfinance Department, with the department director directing all activities. The project had no formal project management unit, however, it was agreed during the Midterm Review Mission to establish Project Management Unit with three staff: project manager/coordinator, project finance and procurement specialist, and project secretary and translator.

15. With the agreement to establish formal PMU, Secretary/translator and Finance and procurement officer were recruited in January 2014 and Project Coordinator - on February 4, 2014. The Project Coordinator resigned due to unsatisfactory remuneration level and currently the Project is in the process of recruiting a new Coordinator.
16. ADB recruited the international consultant for Monitoring and Evaluation(M&E) of the project activities. International consultant was on mission for 10 days in Mongolia in January 2014. The national consultant is engaged for 9.5 months.
17. The 2 national consultants, PR Specialist D.Gerelt-Od and Financial Education Researcher D.Damdinjav, although on break, have been providing their comments and inputs on financial education messages to the movie script for the pilot series, contributing their suggestions for the selection of the studios for the production of pilot series, and assessment methodology of pilot series.

3. Assessment of Implementation Progress

3.1 Assessment of Progress Made during the Reporting Period (by Project Component)

3.1.1 Component A: Savings and Credit Cooperative (SCC) Regulations, Supervision and Capacity Building

(i) SCC Regulation and Supervision

18. Consultation was held in Ulaanbaatar and Erdenet to discuss the draft regulation on Prudential Ratio developed by FRC based on recommendations by Supervision Specialist with the participation of total 116 representatives from management of 83 SCCs.
19. Draft regulation on Prudential Ratio Criteria based on recommendations of Supervision Specialist Brian Gately was presented during FRC meeting in November, and accepted and approved on January 29, 2014.
20. Consultation and training on revision to regulations and recommendations by International Consultants on on-site supervision, stabilization fund, SCC regulation were organized in Ulaanbaatar with participation of 73 representatives of 37 SCCs.
21. On-site inspection guideline had been revised according to the recommendations by Brian Gately. Subsequently on-site inspection was carried out in 5 SCCs in Umnugobi aimag and 4 SCCs in Ulaanbaatar.
22. The copies of the reports from on-site inspection were submitted to the Project.

23. Working Group was appointed to develop technical specifications and TOR for the contractor for SCC accounting software. WG developed the ToR and technical specifications and submitted to ADB, which were then finalized with incorporation of comments and suggestions.

24. Year-end financial reports of SCCs for 2013 were received and consolidated via FINA system, and feedback to 140 SCCs were provided.

(ii) SCC Capacity Assessment and Training

Internet-based training

25. As designed in the GAR, the Project will pilot alternative training methods, hence MCTIC conducted survey on existing distance training practices, its method, and implementing organizations in Mongolia.

26. Based on the survey, it was resolved to pilot Internet-based training (IBT) which took place from November 27, 2013 to January 22, 2014 for a total of 6 weeks.

27. SCCs shown in the table below with total 75 participants were enrolled in the IBT. Besides board and supervision committee members, and executive directors, SCCs expressed interest to enroll elected reserve members, thus 19% of participants were elected reserve members, loan committee members and staff. Average age of the participants was 44.7.

Table 4: SCCs enrolled in IBT

Aimag		Soum	SCCs		Number of participants
1	Khentii	Batshireet	1.	Egbuman zoos	9
		Binder	2.	Suldetundur	8
		Bor-Undur	3.	Usukhundur	8
		Umnudelger	4.	Zoos hurd	10
2	Tuv	Batsumber	5.	Khasbayajikh	9
		Bornuur	6.	KhasbayanUlziit	10
		Jargalant	7.	Evtjargalant	10
		Sumber	8.	Sumber gun nuur	11

28. The interactive training system based on Moodle system provided various participatory methods (e.g.; case studies) and quizzes, which are part of the classroom method. In

preparation for the training, customization of the training module was carried out by National consultant and 5 trainers in November 2013.

29. The table below shows the engagement and commitment of the participants in the consultation, discussion, tests and homework submission.

Table 5: Participation of SCCs by tasks

№	Participation	Lesson 1	Lesson 2	Lesson 3	Lesson 4	Lesson 5	Lesson 6
1	Discussion	33	47	46	31	39	39
2	Homework	70	66	60	62	65	59
3	Test	52	63	57	66	53	
	Average grade	69%	70%	72%	82%	74%	70%

30. The average grade throughout 6 classes was 36.4 (72.8%). ¹The 86.6% of 75 participants, which is 65 persons, submitted on average more than 4 home works on time (66.6% of total 6 home works), signifying high commitment from participants.

31. Active participation and positive feedback from participants, as well as results of distance IBT showed that such training method could be an effective approach for building capacity of SCCs. Further recommendations and suggestions on the issues regarding implementation of IBT, its module, content, organization and training of trainers are highlighted in detail in the IBT Report.

SCC classroom training

32. As agreed during MTRM, 10 trainings will be conducted in Ulaanbaatar, and 16 trainings in rural areas in 2014. Thus, 9 trainings have been carried out in Ulaanbaatar from February 21 to March 30, 2014.

33. Training covered 46 licensed SCCs in Ulaanbaatar with participation of 196 elected members and managers. Thus, 83.6% of all SCCs of Ulaanbaatar and 48% of all SCC elected members have been enrolled in the “SCC principles and governance” training².

34. According to the observation of the National consultant, the implementation of the trainings according to the module was satisfactory, performance of the trainers and overall participation of the SCCs was good. During the trainings, participants recommended to

¹ Highest grade for the week is 50.

² As of February 14, 2014, there were 55 SCCs in UB with special permission, with 198 members of Board of Directors, 163 members in Supervision committee and 46 Executive Directors.

include calculations and relevant practices of SCC prudential ratios into the training module which is revised by FRC effective January 29, 2014.

35. Therefore some trainers revised training modules that included the above-mentioned content along with the international SCCs principles on sustainable and safe operation, and provide additional guidance with exercises and regulations. Hence, the training content was updated and piloted on March 14-16, 2014.
36. Representatives from MOCCU, MCTIC and trainers met on March 18 to discuss the required changes regarding the criteria of Prudential Ratio and agreed to make relevant changes in the training module. Thus, Working Group consisting of M. Rita, Delgermaa, and National consultant T. Oyunchimeg was established to revise the modules.
37. Working group convened on 21-25 March to make comprehensive changes in the presentations, tests, training materials and handouts. Subsequently, the changes were presented and discussed by representatives from trainers on March 26. Training by updated module was held on March 28-30.
38. On March 31, MCTIC/MOCCU working group and national consultant conducted a training on the changes made to the training module for 15 trainers in UB who will conduct rural trainings. The training handout has been extensively discussed and finalized for printing.
39. Working Group from MOCCU finalized for publishing Handbook on model SCC policies and regulations on January 6, 2014.
40. Five documents with total of 334 pages were developed. With suggestion from ADB and permission from Project Director, Accounting methodology and directory of accounts affixed to the Accounting policy were removed and SCC Law was added. Thus, the handbook was finalized with 50 documents with total of 239 pages for printing out in hard copy and distributing to SCCs.
41. The model SCC policies were copied to a flash drive for distribution to all SCCs. It is recommended as a model and handbook for SCCs and it is up to each SCC to tailor it to their needs. The application of these will be evaluated at the time of the next assessment.
42. In December 2013 the invitation for bids for publishing the Model policy and regulations was sent out. The Project unit collected the price quotations from publishing companies and conducted the evaluation, the report of which was submitted to ADB for No Objection on

February 11. However, the ADB rejected the publication and recommended to print out as training material and distribute in the folder.

43. The Project is currently in the process of printing the documents and distributing them in folders to SCCs.

3.1.2 Component B: Media-based Adult Financial Education

44. Based on analysis of the results from Financial Capability and Consumer Protection Survey by the World Bank and Focus Group Discussions conducted by the Project, financial education messages, best outlets and channels for them, as well as cost analysis for the planned task were identified.

45. Open tenders for script writing where all applicants should submit the proposed synopsis of TV series was announced through daily newspapers and email advertisement.

46. The script writer was selected and contracted. Thus far, he produced script for the 2 pilot series, which was presented at PSC meeting.

47. It was decided that 3 studios will produce pilot TV series (2 episodes per each studio) through shopping method. The RFPQ was sent out to 12 studios, upon which price quotation was received from 7 of them. The evaluation committee was established, however upon perusal, it became clear that none met the requirements. Therefore, upon presenting the issue at PSC meeting, it was decided to publicly announce the bid.

48. The bid announcement for studios to produce pilot 2 series was advertised through Daily news.

49. Thus, 14 bid materials were received and the evaluation committee is planned to convene on April 21, 2014.

50. To restore confidence in SCCs and give the accurate information to the public, the leaflet about SCCs was published for dissemination to public (2000 leaflets).

51. Terms of Reference for the development and production of short documentary about the history of SCCs in Mongolia was developed and advertised through Daily news.

52. Handbook on "SCC development, current situation and regulations" is being developed for public dissemination.

3.1.3 Component C: Project Management, Logistics and Evaluations

53. With the permission from ADB and MoF, the Project opened and is currently using imprest and sub-accounts at State Bank. As instructed in GIM, account statements are reported to ADB on a monthly basis and operational and financial reports are duly developed and submitted to ADB, MoF, Japan Embassy in Mongolia and other relevant organizations on a quarterly basis.
54. The project steering committee (PSC) held 2 meetings during the reported period. During these meetings, various important issues were presented, extensively discussed and resolved by the PSC. Furthermore, any issues in relation to the implementation of tasks outlined in the project implementation plan and procurement plan have been presented and consulted with Head of PSC and necessary actions taken with discussion with MoF and ADB.
55. Logistical and coordination support for Project implementation were provided for relevant officers, specialists and agencies according to the guidance issued by PSC (Details can be viewed in Meeting minutes).
56. Project director is managing all day-to-day activities, supervising Project staff and consultants to accomplish the tasks outlined in the project implementation schedule.
57. Monitoring & Evaluation (M&E) team submitted their Inception Report on February 13, 2014. The Project Director reviewed the Inception Report and provided some comments, The Report was re-submitted to ADB and PMU on 29 March 2014 which incorporated the comments.
58. However, the Inception Report submitted by M&E team was inadequate, their work plan according to the ToR is still unclear, and approach to issues is slow and impractical, which affects negatively the Project progress and hamper their role of monitoring and evaluation of project activity.
59. Thus, national consultant have alone completed and planning the following activities:
- ✓ Revised and updated M&E plan of the GAR
 - ✓ Under the sub-component "SCC capacity assessment and training" in relation to SCC capacity assessment system, National Consultant is preparing a draft methodology on conducting SCC capacity and training result assessment. She will compare and analyze the results of initial capacity assessment conducted in 135 SCCS according to SCC

capacity assessment system and SCC capacity assessment methodology with the results from post SCC assessment.

- ✓ Based on comparative assessment of 1st and 2nd SCC assessment results, M&E will collect additional information on SCC capacity.
- ✓ Based on initial and final SCC capacity assessment, M&E will assess the results of the trainings provided. M&E will also collect additional information from SCCs regarding the trainings.
- ✓ National consultant attended the training “SCC practices and principles, governance” organized in Ulaanbaatar for SCCs twice and acquired necessary information for SCC assessment.
- ✓ Developed a pre-training assessment test for participants and handed out to trainers who will conduct rural SCC capacity trainings in April. The results of this test will be compared to the post-training test for training assessment.
- ✓ National consultant on Capacity Assessment and Training T.Oyunchimeg prepared and submitted for M&E soft (where possible) and hard copies of the training-related documents: assessment sheets, participants’ test, trainer’s reports etc. National M&E consultant will consolidate and analyze all assessment and test sheets.
- ✓ National consultant is revising the M&E design framework included in the Inception Report developed by International Consultant to better integrate with project implementation. National consultant is currently developing draft assessment methodology, which aim to differentiate the assessment of project’s A and B components, and define the scope and the sample of surveys. Also, the national consultant developed the questionnaire for focus group discussion to assess the pilot TV series.
- ✓ National consultant developed methodology to assess the pilot TV series which was approved by the PSC and presented the cost estimation to the M&E team.

3.2 Proposed program of activities during the next quarter

3.2.1 SCC regulation, supervision and capacity training

60. Complete the SCC capacity trainings

61. Complete SCC capacity assessment

62. Conduct consultations and trainings on SCC regulations and recommendations by International Consultants
63. Revise and approve SCC regulations and guidelines
64. Conduct onsite review and inspection
65. Launch SCC accounting software program

3.2.2 Media-based Adult Financial Education

66. Selection of studios for production of pilot TV series
67. Production of pilot 6 series by 3 studios
68. Assess the effectiveness of financial education message of pilot series
69. If the pilot series successful, continue with contract with scriptwriter and selected studio for production of 24 series
70. Select the studio for production of SCC documentary movie, oversee the implementation
71. Develop handbook on SCC regulation and supervision
72. Organize national SCC forum
73. Organize live TV interviews, broadcast messages for public through media to restore SCC credibility and public trust

3.2.3 Project Management, Logistics and Evaluations

74. Project management
 - Recruit the Project Coordinator
 - Complete procurement of IT equipment
75. Monitoring and Evaluation
 - Develop evaluation methodology for assessment of TV series
 - Conduct evaluation of the pilot TV series
 - Develop baseline survey of all SCC capacity assessment based on preliminary classroom capacity assessment of SCC management
 - Develop methodology for assessment of SCC capacity trainings

- Develop baseline survey of performance rating of SCCs based on quarterly reports from FRC
- Develop baseline database based on survey administered by FRC on public knowledge of financial services and financial situation of each sector

4. Procurement of Equipment and Supplies, Updated list of goods to bid

76. Procurement plan was presented to the PSC in February and further updated. It has been sent for approval to ADB in March. The draft PP is reviewed by ADB and the PMU was advised to use a new template of the PP and re-submit it to ADB for review.

77. Technical specifications for procurement of IT equipment were developed and price quotations were received from 5 vendors.

78. Following the ADB procurement guidelines, the price proposals were evaluated, and lowest bidder that met the requirements were selected. Evaluation report was submitted to ADB for approval.

79. With the consent from ADB, contracts are concluded with Nomin LLC and IT Zone. The procurement will be completed in April.

4.1 List of Contracts Awarded

80. Table below shows procurements completed in the scope of the project (goods, works and consultancy services). Also, the contracts financed by EA and other organizations have been included with relevant comments and explanations.

Table 6 : List of contracts awarded

Description	Contract Award	No. of contracts	Procurement method	Comments
Recruitment of scriptwriter for development of script for TV series	25,000	1	Shopping	A.Miyegombo was selected and awarded the contract
Procurement of flash drives for SCC	1,417.57	1	Shopping	Distributed to SCCs

5. Training Programs

Table 7 : Trainings, consultations, workshops and meetings organized during reporting period.

Component A: SCC capacity assessment, training					
No.	Item	Location	Cost	No. of participants	Date
1	Internet-based training	Khentii, Tuvaimags	9,215,340	75 participants	2014.01.22
2	Training for trainers	Ulaanbaatar hotel	5,812,000	35 trainers	2014.02.19
3	Consultation and training	Puma hotel	9,811,500	69 participants from 27 SCCs	2014.03.18- 19
4	Nine capacity trainings in Ulaanbaatar	NAMAK study center MNCA	32,068,850	196 participants from 46 SCCs	2014.02.21- 2014.03.30

6. Administration and Finance

81. Following expenses incurred during the reporting period.

6.1 Operational cost

Table 8 : Operational costs as of March 31, 2014

No	Expenses	Approved	Disbursed
1.	Internet, communications		
1.1	Telephone	450,000.00	160,966.90
1.2	Internet	983,400.00	1,145,832.00
1.3	Express post	600,000.00	112,320.00
2.	Stationary		
2.1	Papers	1,020,000.00	448,800.00
2.2	Copier cartridge	765,000.00	
2.3	Seminar, meetings	1,800,000.00	3,780,500.00

Why the cost of seminars and meetings are listed under the operational cost? It should be removed from here. Please re-check the

No	Expenses	Approved	Disbursed
	amount which exceeds the approved amount. [Jn1]		
2.4	Stationary items Please re-check. It should be removed from here. [Jn2]		
3.	Office lease	6,375,000.00	2,953,440.00
4.	In-city transportation	1,500,000.00	761,800.00
	Total	17,993,400.00	10,508,433.90

6.2 Status of Imprest Fund Account

Table 9 : Status of Imprest Fund Account (as of March 31, 2014)

Balance of sub-account(MNT-34000372090)	199,494,318.21
Balance of imprest account(USD-34000372080)	48,872.50
Balance of operations account (MNT-3400038460)	8,422,003.51
Total disbursed in 1st quarter of 2014 in MNT	107,237,380.86
Total amount claimed	0

82. Table 10: Expenditure items financed from sub-account and imprest account :

1	Consultancy service	12,683,191.00
2	Remuneration	18,720,826.86
3	Flash drives	2,400,000.00
4	Trainers' remuneration	8,970,000.00
5	Resource persons' remuneration	220,000.00
6	Car rent	3,292,200.00
7	Training venue rent, refreshments and lunch	41,971,840.00
8	Contingencies	31,050.00
9	Printing of training materials	4,506,500.00
10	Stationary items	4,484,410.00
11	DSA	5,466,000.00
12	Transportation cost	1,155,000.00
13	Advertisement	1,836,363.00
14	Auditing	1,500,000.00

		107,237,380.86
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83. Financial report containing information on payment for consultancy services, good and bids, trainings and discussions, project operational costs are duly developed and submitted to ADB and MoF on a monthly and quarterly basis.

6.3 Financial report

84. Financial report consists of the following :

1. Outstanding balance (Appendix 1)
2. Income statement (Appendix 2)
3. Statement of shareholders' equity (Appendix 3)
4. Cashflow (Appendix 4)

85. The financial report contains truthful information regarding the project's financial status.

6.4 Petty cash

86. Project has petty cash which is used for expenditures where payment by bank transfer is not possible.

87. The petty cash balance of the Project was 3,560.00 MNT as of March 31, 2013.

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