



Promoting Inclusive Financial Services for the Poor
(Financed by the Japan Fund for Poverty Reduction)



Japan
Fund for
Poverty
Reduction

Project Number: **JFPR 9152 MON**

PROJECT PROGRESS REPORT
(1 July-30 September 2013)

ULAANBAATAR
Financial Regulatory Commission

The project team of Promoting Inclusive Financial Services for the Poor has performed following activities during the third quarter of 2013 under the Grant Implementation Manual, and project implementation plan of 2013.

CONTENTS

I.	INFORMATION	7
A.	Summary	
B.	JFPR Data	
C.	Project Scope	
D.	Project Benefits	
E.	Estimated Project Cost	
II.	PROJECT MANAGEMENT AND ORGANIZATION	10
A.	Project Management	
B.	Organization and Staffing	
III.	ASSESSMENT OF IMPLEMENTATION PROGRESS	11
A.	Assessment of Progress Made during the Reporting Period (by Project Component)	
	A1. Component A. SCC Regulation, Supervision, and Capacity Building	
	a. SCC Regulations and Public Communication	
	b. SCC Supervision System	
	c. SCC Capacity Building and Assessment	
	A2. Component B. Media-based Adult Financial Education	
	A3. Component C. Project Management, Logistics and Evaluation	
	1. Project Steering Committee Meetings	
	2. Monitoring and Evaluation	
	3. Management	
B.	Proposed Program of Activities during in the Q4 2013	
IV.	RECRUITMENT AND PERFORMANCE OF CONSULTANTS	18
A.	Summary on status of recruitment of consultant	
B.	Details of consultants' input and general performance	
V.	PROCUREMENT OF EQUIPMENT AND SUPPLIES	21
A.	Indicative List of Packages Required under the Project	
B.	Procurement activity is either ongoing or expected to commence within the Q4 2013	
VI.	TRAININGS, WORKSHOP AND SEMINAR PROGRAMS	23
A.	Training courses and workshops undertaken during the reporting period	
B.	Training courses and workshops scheduled to be undertaken in Q4 2013	
VII.	ADMINISTRATION AND FINANCE	25
A.	Counterpart funding arrangement	
B.	Project Disbursement	
C.	Status of Imprest Fund Account	
D.	Status of International Consultants' Payment Processing	

LIST OF CONCERNED PEOPLE

Name	Organizations	Position	Telephone
R.Schoelhammer	ADB Mongolia Mission (MNRM)	Resident Country Director	329836
E.Enkhbold	ADB MNRM	Associate Investment Officer	329836
J.Battsengel	ADB MNRM	Senior Procurement Officer	329836
G.Tolmongerel Kh. Dorjkhand	ADB MNRM Ministry of Finance	Associate Project Analyst General Director, Project Implementation and Management Department	329836
Kh. Bum-Erdene	Financial Regulation Committee	General Manager	
N. Oyunchimeg	Financial Regulation Committee	General Director, Microfinance Department	
Ts.Myagmar-Ochir	Mongolia Cooperative Training and Information Center	Executive Director	
Sh.Gookhuu	Mongolia Confederation of Credit Unions	Chairman	
B.Khishgee	JFPR9152-MON	Project Financial and Administration Coordinator	311780
P.Baigalmaa	JFPR9152-MON	Project Logistics and Reporting Coordinator	311780

CURRENCY EQUIVALENTS

(1 July 2013)

Currency Unit	—	Tugrug (MNT)
\$1.00	=	MNT 1,459.00

ABBREVIATIONS

ADB	—	Asian Development Bank
BFA	—	Banking and Finance Academy of Mongolia
CQS	—	consultant's qualification selection
ED	—	executive director
FC	—	focus group
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
ICS	—	individual consultant selection
IS	—	international SCC capacity building and training specialist
JFPR	—	Japan Fund for Poverty Reduction
MCTIC	—	Mongolia Cooperative Training and Information Center
MOCCU	—	Mongolia Confederation of Credit Unions
MOF	—	Ministry of Finance
NC	—	national SCC capacity building and training consultant
NGO	—	nongovernment organization
PCCS	—	national public communication and consultation specialist
PMU	—	project 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.

GRANT PROCESSING HISTORY

Approval of Government of Japan	:	9 November 2010
Approval of ADB	:	25 November 2010
Grant Agreement Signing (Project effectiveness date)	:	17 January 2012
Closing Date of Grant	:	31 July 2015
Inception Mission	:	11-14 June 2012
Handover mission	:	21-22 November 2012
Midterm Review Mission	:	14-25 October 2013

I. INFORMATION

A. 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.

B. JFPR data

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:	31 July 2015

2. The project has three major components: (i) Savings and Credit Cooperative (SCC) Regulation, Supervision and Capacity Building; (ii) Media-Based Adult Financial Education and (iii) Project Management, Logistics, and Evaluation.

C. Project Scope

3. Access to financial services for poor and vulnerable non poor households (those currently living above the poverty line but at risk of returning to poverty) in Mongolia will be improved through market strengthening and capacity building of savings and credit cooperatives (SCCs), and provision of basic financial education to households nationwide. 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.

D. Project Benefits

4. Actual SCCs members and multipurpose cooperative members with savings and credit services benefit from improved SCC regulations, supervision, and operations. Rural households that are currently SCCs clients (15,000) and those that may join as a result of rural SCCs stability (estimated 16,000 additional families) will benefit most.

5. SCCs boards and managers benefit from the capacity assessment and the provision of alternative training methods, with testing to ensure successful adoption of training into SCCs operations.

6. The Mongolia Confederation of Credit Unions (MOCCU) and the Mongolia Cooperative Training and Information Center (MCTIC) will benefit from strengthened and deepened training methods and the provision of capacity-building services to SCCs.

7. The entire national population and specifically poor households (34% of total population) will have access to Mongolian television dramas providing essential basic financial education messages; text-in (90% have cell phones) will enable the validation of the uptake of messages.

8. The FRC's Microfinance Department (MFD) will benefit from an enhanced regulatory and supervision development and the ability to conduct a field review over the entire country. The Commission can then ensure that the SCC market is entirely supervised, restoring integrity to SCCs and improving market stability and confidence.

E. Estimated Project Cost

9. The total cost of the Project is estimated at \$2,864,400.

ADB Grant funding: \$2,500,000

The Government in-kind contribution: \$260,800+368,075

Implementing Agencies in-kind contribution: \$103,600

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

Table 1

No	Inputs/Expenditures Category	Component A	Component B	Component C	Total (Input)	%
1	Equipment and Supplies	114,000		30,000	144,000	6
2	Training, Workshops, Seminars, Public Campaigns	224,720	396,000	15,000	635,720	25
3	Consulting services (IS)**	432,248	101,541	225,157	758,946	30
	National consultant	95,000	26,400		121,400	5
4	Grant Management			304,600	304,600	12
5	Other inputs: field financial assessment, capacity assessment, external audit	264,000	50,000	15,200	329,200	13
6	Contingencies*	108,580	52,100	45,454	206,134	8
	Subtotal JFPR grant plus contingency	1,238,548	626,041	635,411	2,500,000	100
	Government Contribution (in kind)	120,000	420,075*	88,800	260,800	
	Community's Contribution: SCCs, in kind staffand/orBoard time	103,600			103,600	
	Total Estimated Costs	1,462,148	678,041	724,211	2,864,400	

*Including the required budget for additional 30 episode TV series by the Government. The request has been sent to MoF on 6 Sep 2013. **resource from LFIS ADB

II. PROJECT MANAGEMENT AND ORGANIZATION

A. Project Management

Executing Agency

11. The Financial Regulatory Commission (FRC) is the executing agency for the Japan Fund for Poverty Reduction (JFPR) project.

Implementing Agencies

12. The Microfinance Department of FRC, MOCCU and the MCTIC are implementing agencies for the JFPR project.

Project Steering Committee

13. The project steering committee (PSC) comprises director-level representatives from following agencies and provides strategic orientation and overall guidance on project implementation:

1. K. Bum-Erdene, Head of PSC/ General Manager, FRC
2. S. Gookhuu, Chairman, MOCCU
3. Ts. Myagmar-Ochir, Executive Director, MCTIC
4. B. Batbayar, Director, Finance and Economic Policy Department, MOF
5. N. Oyunchimeg, Project Director/Director, Microfinance Department, FRC
6. M. Ayasgalan, Officer of the Development Financing and Cooperation Department, MOF
7. C. Altangaaya, Principal member, Mongolian National Cooperatives Association (MNCA)

B. Organization and Staffing

14. The project has been established within FRC's Microfinance Department, with the department director directing all activities. The project has no a formal project management unit. However, additional resources are provided in the project budget in the form of office equipment, computers, and photocopiers. A finance and administration coordinator (national consultant, 36 person-months) and a logistics and reporting coordinator (national consultant, 24 person- months) has been recruited to provide support to FRC for the significant additional activity. FRC has recruited the two coordinators, who were approved by the Asian Development Bank (ADB).

15. Working under the overall management of the director of FRC's Microfinance Department, the Project Finance and Administration coordinator is responsible for the overall financial and administrative management and the Project Logistics and Reporting Coordinator is responsible for the logistics and reporting management of the project. For verbal interpretation and written translation during the course of the project, particularly when international consultants are in the field, the two project coordinators provide support. They also assist consultants arrange meetings, local travel and logistics on a need basis.

16. The Policy and Planning Division (PPD) and the Savings and Credit Cooperatives' Division (SCCD) of the MFD are directly involved to the project implementation activity.

III. ASSESSMENT OF IMPLEMENTATION PROGRESS

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

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

A1 : SCC Regulations and Public Communication

17. In May 2013, Patrick Meagher, SCC Regulation Specialist has provided analysis and proposals in each of the following areas (as indicated in the TORs and clarified during the discussions with FRC), based on international standards and existing conditions of SCC areas in Mongolia:

1. Prudential ratio, risk management, and capital:
 - Uniform versus differentiated or tiered prudential ratios.
 - Setting prudential ratios for key risks management.
 - Capital requirements, including the use of subordinated debt.
2. Deposit protection: options for a regulation and a guarantee/insurance scheme.
3. Other financial services:
 - The kinds of financial services that SCCs should be allowed to provide beyond savings and loans?
 - How to define criteria and prudential norms for those other financial services?
4. On-site (and off-site) supervision system:
 - How to incorporate risk management? Issues to be addressed, indicators used, and frequency of on-site examinations.
 - How to address failures and breaches detected during the examinations?
 - In contrast, what recommendations for off-site supervision?
5. Stabilization service regulations (MOCCU):
 - What kind of government and policy support should be provided for this?
 - Concepts and definitions of stabilization fund, how to put it in operation, criteria and procedures for its use.
 - What should be done to strengthen MOCCU in its role as apex institution?
6. Other issues of SCC licensing, regulation, governance:
 - Should the minimum number of SCC members be increased?
 - Should SCC licenses be issued without any expiration date? If so, what criteria should be used for suspension and invalidation of the special license?
 - Service fees for regulation: At what level should these be set? What about penalties, such as for late submission of reports to FRC?
 - How to deal with unregistered SCCs, e.g. enforce the law against them or re-define the criteria to encourage them to register?
 - How prescriptive should the regulations be about SCC governance, e.g. operations of SCC boards, criteria for SCC restructuring?
7. The process of issuing regulations: What procedures are needed for public consultation and disclosure/dissemination?

18. After reviewing proposals submitted by the consultant, ADB has organized a tripartite meeting between FRC supervisors and the consultant, Mr. Meagher through Skype. Then on 30 May 2013, Policy Planning Division (PPD) requested Mr. Meagher to provide specific recommendation on how to develop the SCC activities in accordance to the current SCC law and regulations based on his above mentioned proposals which were too academic and generic in a broader sense. The updated recommendation

should be delivered by 10 June 2013. Based on this request Mr. Patrick submitted his recommendation in Mongolian language on 1 July 2013.

19. MFD re-analyzed his updated proposals which noted again these proposals are too generic and most likely based on international standards. So the proposals were inadequate for revising to current regulations. Moreover it is adversely affected to delaying other next activities of the project implementation process.

20. Henceforth, the FRC submitted a request letter to ADB to terminate Mr. Patrick's contract and to transfer remaining tasks to the already recruited consultants, Supervision Specialist and Capacity Assessment and Training Specialist. The consultant was requested to provide an action plan to meet the FRC requirements. The consultant was requested to prepare a draft regulation of deposit protection and revision of the regulation on prudential norms after extensively discussing with ADB.

21. All regulations were revised and amended by the FRC following the passage of a new law of SCCs.

Improvement of public understanding of SCC operations

22. In January 2013, Guidelines of SCC legislation (300 printed copies) has been developed by PPD and distributed to all SCCs.

23. The SCCs brochures' content was finalized and with illustration, design and printing. The project sent an official price quotation request letter to 6 press companies (Interpress LLC; Khokhmongol LLC; Toim ink LLC; Monkhiinuseg LLC; Tonshuul magazine; Ulaanbaatar print LLC) for the publication of the printing brochure of SCCs. As of date, no quotes have been received. The project has planned to re-submit an invitation of request for price quotation (in English and Mongolian) from those printing companies.

24. The report "Improving the FRC's Information Dissemination and Activities to Improve Financial Education of the Public through Public Relations" was developed by the Public Communications and Consultation Specialist, which includes the assessment of the current context of how the FRC disseminates and shares information with public and other stakeholders. The report includes recommendations/suggestions for FRC on what should be done in order to improve the FRC's public relations activities. Furthermore, the report includes the most appropriate media channels and forms and their corresponding cost. The report also provided advices on, but not limited to, developing the content of financial messages.

25. The report "Improving the FRC's information dissemination and activities to improve financial education of the public through public relations" which was presented to Mr. Kh.Bum-Erdene, General Manager and Mrs. S.Enkhtsetseg, Director of Training and Public Relations Division of FRC for review and received comments from them; which, stated that it is right to implement training and advertisement methodology together, as according to the report.

A2: SCC Supervision System

26. The Supervision Specialist arrived in Mongolia in a relatively short period of time in May 2013. To offset task delays, it was obvious that quick action was needed. The Supervision Specialist submitted his inception report which included who he has met, SCCs visited, laying out his scope of work, reviews and activities in a relatively short period - three weeks in Mongolia. The specialist then provided his recommendations and work plans. The objective of the Supervision Specialist's second mission was to:

- conduct onsite inspections to 5 SCCs in Bayan-Olgii aimag
- organize inspectors classroom trainings

- develop a new inspector's manual
- develop a set of computer based workpapers (in MSWord or Excel as appropriate) for use in the field and
- assess current on- and off-site inspection procedures and make recommendation for changes.

Progress and achievement of the second mission

27. The SCC Supervision Specialist carried out the second filed mission from 24 August to 30 September 2013. During the mission, "Training/Review Course" workshop was organized and held on 28-30 August 2013 to cover variable scope inspection techniques, SCC Accounting Concepts, total Analysis Process, Pre-Inspection Planning Inspection, Types of Money Transactions, Inspection vs Audit, controls and sanctions, case studies, key ratios (What is a Trend, What is Ratio), and annualization, how to deal with SCCs if there is any issues on financial matters for FRC supervisors. This includes 2 and ½ days classroom training which 11 participants of Supervisors of the Policy and Planning Division and Savings and Credit Cooperatives Division of Microfinance department. At the end this training they were given test associated with training content, and all participants successfully passed the exam. Overall, the FRC considers that the course evaluations were satisfactory.

28. Due to nature disaster in Bayan-Olgii aimag, the Supervision Specialist was unable to conduct inspection at SCCs operating in the aimag. Nevertheless, the FRC inspectors and the Supervision Specialist conducted on-site supervision reviews in Dornod aimag at Zonoi Kheshege SCC in Tsagaan-Ovoo soum; Noyon daamal SCC in Bayan-Uul soum; and Naranurgakh SCC in Bayandun soum; Uureidolon SCC, in Dashbalbar soum during the period 5 September through 17 September, 2013:

- Ch. Chuluuntsetseg, Senior Supervisor and CPA
- D. Ariunaa, Senior Supervisor
- J. Altanbagana, Officer.

These SCCs either never received any on-site inspection mission before (in one case since being chartered 8 years ago, or not one over 5 years. This is a serious deficiency in the FRC inspection program. Thus the FRC inspectors wanted to do full-scope inspections since the inspection interval was so long. The inspection reports have been developed by the inspectors and these will be reviewed by Supervision Specialist. A soon he will provide them his recommendations on the matter in accordance with his TOR.

29. The Supervision Specialist submitted his draft of recommended **Inspector's Guide**. This 35-page document was translated to Mongolian and presented to FRC supervisors (inspectors) and other staff in late August. It contains the following chapters:

1. Pre-Inspection Planning. This chapter is about off-site planning for the subsequent (upcoming) on-site inspection
2. Inspection Objectives. This chapter deals with the concept of a variable scope inspection. Not all inspections need to take the same amount of time. The inspectors' time can be used more efficiently. There are core inspection procedures and optional steps.
3. Total Analysis Process. This is the bread-and-butter, the important part, of doing inspections, and arriving at conclusions and bringing needed results
4. Controls and Sanctions. What to do when problems are encountered at SCCs. The idea of priority is dealt with. Not all items are boxes to be ticked off as "done" or "not in compliance".
5. Follow up. How to ensure that solutions recommended to problems found during inspections really are implemented and do come about so that the problems no longer exist.

6. Inspections vs. Audits. The inspectors in Mongolia are auditors by training. This is good formation; but, on the other hand, an inspection is not an audit. The SCCs have auditors (supervision committees) that do audits. It's not necessary to repeat their work, but is necessary to check to make sure it has been done. Inspections are very different from audits and this short section details how this is so.

30. This draft inspection guide will be discussed and piloted by FRC inspectors during the next mission in November 2013.

31. Regarding to the planned works of Supervision Specialist, who should develop inspection process workpapers which uses Excel spreadsheets as follows:

- Inspection Scope including a checklist and guide
- Key Ratios for the current fiscal year and compare these to past years
- Inspection Financial Data: to gather SCC data from various sources and put it in one place for analysis and comparison.

The workpaper will be finalized in next planned visit in UB.

Recommendations of the second mission

32. On Site Inspection Program and On-site Inspection Regulations. A summary of the recommendations are as follows:

- The supervisor/inspector staff is highly qualified. They do not need to do full audits. So their approach, however, is more as an auditor rather than an inspector. This needs to change.
- In the inspections the Supervision Specialist participated in, a typical time commitment is 3 inspectors x 3 workdays = 9 workdays or 72 inspection-hours. Often they actually work much more, at night and on weekends. However, this is too much time to be spending on smaller SCCs. If the Supervision Specialist's recommendations are implemented, it is estimate the time will be reduced to 2 inspectors x 2 workdays = 4 workdays or 32 inspection hours.
- The inspection report is too long, often over 20 pages. This can be reduced to 10 pages, and in his report the Supervision Specialist gives specific recommendations how to achieve this
- Most countryside SCCs have not had an on-site inspection in many years. This is not acceptable. Yearly inspections are needed.
- A compromise that was agreed to was that for the first round of inspections of countryside SCCs, full inspections are an option. But, soon, inspections must be much shorter, as per the Supervision Specialist's recommendations.

33. Off-site Inspection Program and Off-site Regulations. A summary of his findings and recommendations is as follows:

- Almost all SCCs report to the FRC, inputting financial information for the FRC's data base
- Each inspector is responsible for 20-25 SCCs' off-site supervision. These inspectors provide quarterly feedback reports to the SCCs. These feedback reports do not include a comparison to peer; this needs be done.
- Also a yearly consolidated SCC financial performance report is prepared.
- The IT program, FINA, is appropriate and the IT department does a good job of deploying and maintaining it. The program is used in numerous countries and has had most "bugs" and kinks worked out of it. The head of the FRC IT department, in fact, is an international instructor for the FINA system. The FINA system could do much more, but the constraint is the IT department's lack of time and human resources. Feedback reports to SCCs could easily be generated, but this is not done in an automated way. (The inspectors, as mentioned, do this however.)

- An initial review was done of prudential ratios. A lot of work has already gone into establishing these. The Supervision Specialist, has made some draft recommended changes, based upon his review of FRC financial performance and discussions with FRC staff. More on-site visits and interaction with SCCs are needed to be able to make any more recommendations.
- Recommendations have been made for revising other off-site inspection regulations.
- As much as Mongolian law will allow, more access to the FINA data base needs to be given. At the very least, all inspectors should have access to all SCC data and each SCC should have access to macro data so they can compare their financial performance with their peers' financial performance.

34. Assessment of Supervisors/Inspectors with whom the Supervision Expert worked. On this visit the Supervision Specialist worked with the 3 out of the 4 supervisors (inspectors) that he had worked with the previous time (May/June). The assessment of them remains the same. In the next phase the Supervision Specialist will need to work with other inspectors, in addition to or instead of the 4 that he has worked with until now. Based on the results of the classroom course test, the other inspectors are competent and know their material.

Next planned activities in Q4 2013.

35. Classroom Training Dates and Material for Lesson Plan (November 25-28, 2013):

- Discussion of recent inspections, lessons learned, what happens next?
- Oral communication; written communication
- More on qualitative vs quantitative data gathering:
 - o Board minutes
 - o Supervision committee minutes
 - o Discussion with officials, in groups and also one-on-one
- Hierarchy of problems (simple items are just findings) while bigger concerns require documented agreement by both the SCC and the FRC officials
- Difference between an audit and an inspection
- Asset-liability management (also known as funds management)
- Enforcement tools (Memos of Understanding, transmittal letter, early warning letter, cease-and-desist order, license cancelation, fines, etc.)
- What to do if fraud is suspected
- Insider dealing; conflict of interest (discuss actual examples)
- Early warning signs (red flags indicating trouble)
- Internal controls
- Fidelity bonds, review of other types of insurance
- Records preservation (in case of fire, flood or other disaster)
- Loans (review of different types: personal, for consumer goods, for housing, for businesses, for microbusinesses)
- What are the effects of inflation on the SCCs books? How to handle inflation.
- Working with other stakeholders (MOCCU, etc.)
- Follow up techniques
- Off-site review (financial performance reports, etc)
- Test

36. Inspection guide and workpaper will be discussed, piloted and finalized with FRC inspectors.

37. Draft onsite regulation will be discussed by public consultation and FRC inspectors. After that the draft revised onsite regulation should be piloted in SCCs (Ulaanbaatar and Rural areas depending on the SCCs size). During the pilot onsite inspection FRC inspectors will provide

training on off-site supervision reporting (training program) to SCCs. Therefore Supervision Specialist will develop the training program (objective; subjects, period and training materials) with FRC inspectors.

38. Draft offsite (prudential ratios) regulations will be discussed by public consultation and FRC inspectors including IT division.

39. After the submission of assessment of FRC supervisors' skills, attitude and performance, the Supervision Specialist will draft the in-house trainings on offsite/onsite supervision.

c. SCC Capacity Building and Assessment

40. Improve training modules of "SCC principles and practices" and "SCC governance and members' participation" trainings based on the pilot trainings: Conducted discussion with trainers (4 trainers), who conducted pilot trainings in Ulaanbaatar and Khuvsgul and improved modules.

41. Preparation of Internet based training through BFA is going on. Consultants prepared draft budget and TOR of BFA, and working on follow up requested additional information by Financial and Administration Coordinator (FAC). The coordinator is working on procuring modems for the proposed training which will be conducted in the selected SCCs. The related expenses should be approved and relevant contracts should be made.

42. Working group for development of Model policy and procedures is drafted 45 documents including main policy, procedures and its necessary annexes. Contracts approval is pending since June. The working team noted that the payment is too low given their work load. Based on that FAC requested them to provide detailed TOR for each member with working comprehensive schedule.

43. Carry out regional training in 3 technical areas. The action was delayed due to the following reasons:

a. MCTIC, MOCCU and Capacity Assessment and Training Specialists estimated US\$210,000 is needed to organize SCC trainings. However, US\$150,000 is not included in the existing cost estimate of the grant agreement. The training budget was asked to be approved by ADB. The request has been submitted by the MoF on 14 June 2013 to ADB (ref. No: 7-2/3414), on behalf of MoF and the FRC on 24 May 2013 (ref. No: 1/2181, attachment 3) and on 12 April 2013 (ref. No: 1/1466);

b. MOCCU/MCTIC requested that recurrent costs associated with training and capacity assessment logistics and staff to be covered from the grant fund. ADB explained that Implementing Agencies cannot be compensated in line with ADB and JFPR guidelines;

c. The Executing agency raised both issues, including training budget and MOCCU/MCTIC recurrent costs, to ADB and MoF through official letter dated 24 May and as a follow up, MoF submitted its official letter to ADB on 14 June. However, the Government has not made any proposition to cost reallocation request with regards to these activities. ADB has responded on 20 June that mid-term review mission will be conducted to solve these issues.

44. Within SCC capacity assessment and training framework, there were planned 26 and 18 activities completed. Key results are:

1. Developed SCC capacity assessment system with participation of all stakeholders such as MOCCU, MCTIC, FRC, Xacbank and SCCs.
2. Trained 29 assessors as SCC capacity assessment assessor.
3. Conducted capacity assessment in 93% of total SCCs.
4. Defined training needs in 3 key areas and determined its approaches.
5. Developed training modules, piloted and finalized.
6. Trained 19 trainees.

45. As per the GAR, MOCCU and MCTIC will deliver training for SCCs capacity building regarding the following topics: SCC principles and practices; and SCC governance and members' participation to all SCCs chairmen and executive directors, board members and supervision committee members. The project budget is inadequate to cover the entire cost of training to be delivered nationwide. However FRC and Implementation agencies agreed that the training should begin in remote areas such as Bayan-Ulgii, Bayanhongor, Zavkhan, Umnugovi, Uvs and Khovd aimags during the period from 10 September to 30 October 2013. A total of 11 trainings will be held by 10 trainers completed the training of trainer's course. Approximately 290 chairmen and executive directors, board members, and supervision committee members of 29 SCCs will be trained.

46. Due from inadequate project budget of the SCC training, the meetings with 15 donors for request funding to SCC trainings were arranged. Based on the given list received from ADB's MNRM officer the project implementation introduction, implementation, and objective was sent by e-mail. Also, in the arranged meeting MCTIC, MOCCU, national and international consultants jointly participated at meeting with World Bank, UNDP, ICF, etc.

47. Comparing completed activities to total number of activities, implementation status is 68% even key actions are still outstanding to start due to the above mentioned issues.

Next planned activities in Q4 2013.

- Finalize the model policy and procedures
- Discuss the model policy and procedures through PPD and SCCD of MFD
- Hard and soft-copy of model policy and procedures
- Distribute the model policy and procedures to SCC
- Change the class-room training model to long-distance training model
- Train trainees to instruct the Internet based training through BFA's Moodle system
- Do training through BFA's Moodle system to SCC's 1-2 staff whom will attend long-distant training
- Organize and monitor long-distant training for 8 SCCs of Khentii and Tuv aimags
- Will do SCC principles and practices; and SCC governance and members' participation training to 27 in rural area, and 20 to Ulaanbaatar; total 47 trainings.

A2. Component B: Media Based Adult Financial Education

48. In Semiannual Project Progress Report, chapter III Assessment of implementation progress, part C Proposed Program of Activities during in the Q3, 2013 the following tasks were planned for the next reporting period:

- To Conduct focus group meetings in UB and rural areas
- To prepare the marketing plan of financial education, for a formal approval by the PSC beginning September;
- Progress and launch of the financial education wiki;
- CRAM for the TV series.

The following describes the progress on the above mentioned tasks.

49. Regarding the TOR of the focus group discussion conducted by the Financial Education Advisor to hold the focus group discussion in four locations. the list, which contains 1700 customers living in Ulaanbaatar, Bulgan and Uvurhangai aimag centers and soum center clients, was received from 3 financial institutions (Khanbank, XacBank and Vision Fund) The survey participants were selected from the sample using lists received from each financial institutions reflecting geographical area of the customers and proportion of the financial institutions' size (?). After 350 phone calls to the customers, conducted 8 focus group discussions including 132 customers in UB(4), aimag centers (Bulgan and Uvurhangai) and soum centers (Bayangol and

Hudag-Undur). The discussions of the groups was lead by the two national consultants, with the assistance of two short term resource assistants.

The focus group discussions' report has been prepared by following topics:

- (i) financial inclusion
- (ii) financial trouble
- (iii) financial education messages they need to know
- (iv) appropriate channel for delivering the messages
- (v) proper method to communicate the messages to the target market

50. The FRC received Financial Capability and Consumer Protection Survey Report from the World Bank on 7 August, 2013. The FEA has to make data analysis on the report reflecting objective and target market of the Project and he is still preparing the analysis. When the analysis is available, it will be assessed to ensure the quality of findings of Focus Group Discussion survey.

51. Then FEMP should be developed identifying Financial éducation messages, appropriate channels, proper method to communicate the messages, budget and promotion plan etc. Depending on the development of FEMP, some activities are delayed such as monitoring, production of TV series etc.

52. The ITD of FRC is currently installing MediaWiki and it is expected thatthe server will be available at the end of the 3rd quarter. The progressive development is coordinated with the Financial Education, Training and Advocacy Division of FRC and is still being developed.

53. CRAM was expected to start by the end-of-June. It was planned to organize two categories of TV programmes, one set of short advertisements and one set of TV series. The objective of the short advertisements was to be fast on air in October to be present on TV channels during the parliament session that has to approve the FRC budget. It is worth noting that the non-opposition of ADB to this part of component B should be clearly be linked with the FRC's commitment to organize the next set of TV series (also 30 episodes). ADB requests the FRC ensures the sustainability of TV series and include the budget to finance TV series after the budget line allocated to this assignment exhausted. The short advertisements would be supposed to give support to the Parliament decision about the required budget for TV series.

54. The FEA started to collect the information about the feasibility of the short TV advertisements and after a meeting with the ADB procurement team held on 14 August 2013, FEA arrived at the conclusion that it is possible to make short term advertisements by October 2013 for the Parliament session.

55. Focus was put again to the TV series, to enter in the procurement of the 30 first episodes. The Fixed Budget Selection method will be used for the production, as planned initially in the procurement plan s of 10 July 2013. Then financial education team proposed that the TV series production should be divided 2 sections:

1. To write TV script by individual consultant
2. To produce TV series by consulting firm such as studio

Therefore the team has been developed TORs for those proposed works. The ADB procurement officer reviewed the draft of the adverstement for the contract, on the 19 August 2013. However the chairman of PSC requested to the team, this works must be done by the current procurement plan. So required the team draft TOR for the TV series production and get approval from ADB before the financial messages.

However in relation to the delay in the production and broadcasting of the TV series, the availability of national and international consultants has to be considered by the FRC.

Next planned activities in Q4 2013.

56. During the next reporting period, it is planned to continue the progression on the subjects which has been already started currently:

- (i) Finalize the Financial Education Marketing Plan;
- (i) Prepare the content and design of the Financial Education Wiki website;
- (ii) Finalize procurement (script writing and production) for the TV series.

A3. Component C: Project Management, Logistics and Evaluations

1. Project Steering Committee Meetings

57. As of the Q3 of 2013 the meeting of PSC was held 2 times as follows:

(i) During the meeting (was held on 4 July 2013), the PSC has approved the project procurement plan, and presented briefly the project annual progress report.

(ii) The Steering Committee met again on 3 September, 2013; at that meeting, briefly presented Word bank survey, outcomes of focus group discussions, problems and implementation of Component A, new PMU structure according to ADB and MoF's letter, the expenses of total project budget. The PSC has approved to establishing of the Project coordinator selection committee.

58. The Project Steering Committee is to run its committee with 7 members, however after longing sending requisition letter to MoF to nominate members for the Steering Committee; it has not still been determined.

2. Monitoring and Evaluation

59. In accordance with the GAR, the Project Evaluation Unit has to do following assignments:

1. Establish baseline data for capacity of all SCCs, and performance of all SCCs; and public financial knowledge and financial behavior;
2. Establish endline data for three areas in as stated above and audit;
3. Complete data analyses and recommendations regarding to results of TV drama and SCC trainings.

60. The Project Evaluation Unit is expected to commence its contract in mid-November 2013. ADB is currently negotiating with the consulting firm.

3. Management

61. A discussion was held which reviewed the results and challenges of the project's first year. Following this discussion, several proposals were developed which were presented to the FRC for discussion with MoF which contain: (i) request that assign one more a consultant as a Project coordinator for facilitating daily activities of project management; (ii) increase that the training budget be increased to reflect the lack of projected funding from Canada and related costs, (iii) that the contract of the IS be extended to include two additional missions in order that the training and capacity assessment process be fully institutionalized, and (iv) that MOCCU's and MCTIC's future operational costs be covered. The proposals were also submitted to ADB.

62. On 17 July 2013 MNRM Deputy Country Director, Ms. Pochard, visited FRC's Chairman, Mr. Bayrsaikhan, and General Manager, Mr. Bum-Erdene and had an frank and open discussion. In it, ADB suggested to establish Project Management Unit (PMU) supported by a project coordinator, project finance and procurement specialist, and project secretary/translator. However, FRC needs to set remuneration level with MoF for

the PMU staff. And in the meeting it was agreed that ADB supports conceptually that a new consulting services contract can be created to finish assignments related to capacity assessment and training activities. In that case the existing implementing agencies will be removed from its current status, any firm/NGO that win a transparent and open procurement process can be selected and if sufficient funds can be reallocated. ADB requested FRC to estimate the PMU; including remuneration, rent and running costs till the closing date of project and the proposed terms of reference and cost estimate for the proposed consultant. Also, ADB suggested to start recruiting project coordinator.

63. The recruitment notice for the new project coordinator had been published through local newspapers, emails, and websites. The deadline of submission of applications was on 30 August 2013. Five applicants' expression of interest (EOI) and CVs were received. The Project Coordinator was recruited in accordance with ADB's guidelines on the Use of Consultant by FRC. Project director has appointed consultants' selection committee including representatives from MoF, PSC and FRC staff. ADB requested that FRC readvertise the position provided that shortlisted candidates does not meet the requirements specified in TOR of the position.

64. FRC has estimated the cost of remuneration for the PMU staff, based on specific work tasks and high requirement for selection which would be increased the standard remuneration in accordance with Project Implementation Guidelines of MoF. Also, the project running costs were included in the FRC's state budget, which revised by MoF. As well as, the request of approval on staff vacancy number was sent from FRC to MoF. And had given approval of incorporate 3 staff to the unit.

65. Developed 3 staff's TORs as of project coordinator, financial and procurement specialist and secretary/translator. Currently processing the request on announcement of other staff recruitment for ADB.

66. The PMU has attended portfolio meeting and has presented the progress of the quarter 3

B. Proposed Program of Activities during the Q4 2013

67. SCC REGULATION

- Organize group discussions on draft revised regulations in Ulaanbaatar and other 2 aimags
- Conduct workshop on draft revised regulations with FRC
- Finalize proposed revisions to SCC regulations and public consultation process
- Distribute new printed brochure on SCC areas to all SCCs

68. SCC SUPERVISION

- Conduct several soums' pilot inspections following new inspection procedures (November)
- Present 2nd classroom training to SCC staff on revised (variable scope) inspection procedures including risk management and off- and on-site inspections (November)
- Facilitate group discussions of draft on-site, off-site supervision requirements with 2 UB SCCs and 8 soum SCCs (November/December)

69. SCC CAPACITY BUILDING AND TRAINING

- Finalize the model policy and procedures
- Discuss the model policy and procedures through PPD and SCCD of MFD

- Hard and soft-copy of model policy and procedures
- Distribute the model policy and procedures to SCC
- Change the class-room training model to long-distance training model
- Train trainees to instruct the Internet based training through BFA's Moodle system
- Do training through BFA's Moodle system to SCC's 1-2 staff whom will attend long-distant training
- Organize and monitor long-distant training for 8 SCCs of Khentii and Tuv aimags
- Will do SCC principles and practices; and SCC governance and members' participation training to 27 in rural area, and 20 to Ulaanbaatar; total 47 trainings.

70. MEDIA BASED ADULT FINANCIAL EDUCATION

- Finalization of the Financial Education Marketing Plan;
- Progress on the Financial Education Wiki;
- Progress on procurement tasks (script writing and production) for the TV series.

71. PROJECT MANAGEMENT AND LOGISTICS

- Establish a PMU
- Recruit the PMU staff
- Support to organize workshops and seminars
- Conduct biddings on TV series and ads, and publication of SCC brochure
- Update the progress quarterly report
- Update the financial quarterly report

IX. RECRUITMENT AND PERFORMANCE OF CONSULTANTS

72. The project has five international experts (29 person-months, intermittent) for savings and credit cooperative (SCC) regulations, supervision systems, capacity development, financial education, and randomized evaluation; and six national consultants (121 person-months, intermittent) for SCC capacity development, public communications, and financial education. International and national consultants will work together to the extent possible in the offices and under the direction of the FRC as executing agency and MOCCU; MCTIC as implementing agencies.

73. Individual consultants has been selected and engaged by the Asian Development Bank (ADB) in accordance with the Guidelines on the Use of Consultants (2010, as amended from time to time) and arrangements satisfactory to ADB for the engagement of national consultants. ADB has to select the international consultants and select the small contract for project output monitoring and randomized evaluation.

74. FRC has conducted a recruitment of a project coordinator based on MoF approval on Project Management Unit including a project coordinator, a financial and procurement specialist and a project secretary/translator. The vacancy notice for the project coordinator was published on 12 August 2013 at "Udriin sonin" daily newspaper and delivered to the public via mail based advertisement. The deadline was 30 August 2013. FRC received 5 applications for the proposed position. Mr. D.Bayarsaikhan, The Chairman of FRC approved Consultant selection committee (CSC) which comprises:

1. H. Bum-Erdene, General Manager, FRC as a leader
2. N. Oyunchimeg, General Director, MFD as a member
3. A. Bayammunkh, Director, PPD as a member
4. G.Bujin, ADB consultant, MoF as a member
5. N.Bayarsaikhan, Sr.Supervisor, PPD as a secretary

The CSC meeting was held on 19 September 2013 at FRC office to evaluate the received applications based on the requirements and invited the shortlisted candidates for the interview was held on 24 September 2013. Here are shortlisted candidates :

1. L Amarzaya (score 94.1)
2. T. Enkhjargal (score 80.7)

CSC proposed to recruit L. Amarzaya as a project coordinator and the proposal was submitted to ADB for approval on 1 October 2013.

On 3 October 2013, ADB requested FRC to readvertise the position to ensure a sufficient number of applications received.

75. Other two staff such as project financial and procurement specialist and project secretary/translators TORs were drafted and a request for recruiting notices have been submitted to ADB for endorsement

a. Summary on Status of Recruitment of Consultants /Table 2/

General Description		Estimated Value	Procurement Method	Comments
SCC Specialist (International)	Regulatory	66,200	ICS	Mr. Joseph Patrick Meagher was recruited on 4 August 2012.

General Description		Estimated Value	Procurement Method	Comments
SCC Specialist (International) - terminated	Supervision	54,948	ICS	Mr. Peter Stein was recruited on 4 April 2012. The contract was terminated in February 2013.
SCC Assessment and Training (International)	Capacity and Specialist	167,100	ICS	Mr. Dean Mohan was recruited on 30 March 2012.
Financial Advisor (International) – terminated	Education	28,541	ICS	Ms. Lesley Barcus was recruited through Microfinance Opportunities on 13 April 2012. The contract was terminated in November 2012.
Financial Advisor (International)	Education	73,000	ICS	Mr. Yves Mathieu was recruited on 17 April 2013.
SCC Specialist (international)	Supervision	142,206	ICS	Mr. Brian Gately was recruited on 7 May 2013.
SCC Capacity Building and Training (National)	Building Specialist	65,000	ICS	Ms. T. Oyunchimeg was recruited on Jun 2012 for 24 months, intermittent.
Public and Communications Specialist (national)	Communications and Consultations	30,000	ICS	Mr. D. Gerelt-Od was recruited on 10 Dec 2012 for 12 months, intermittent.
Financial Researcher (National)	Education	26,400	ICS	Mr. D. Damdinjav was recruited on 10 Dec 2012 for 12 months, intermittent.
Project Administration Coordinator (National)	Financial and	88,285	ICS	Ms. B. Khishigee was recruited on 15 March 2012 for 36 months, continuous.
Project Reporting (National) - terminated	Logistics and Reporting Coordinator	7,800	ICS	Ms Zoljargal was recruited on 15 March 2012. She resigned on 6 October 2012.

General Description	Estimated Value	Procurement Method	Comments
Project Logistics and Reporting Coordinator (National)	61,425	ICS	Ms P. Baigalmaa was recruited on 10 December 2012 for 27 months, continuous.

b. Details of Consultants' Input and General Information /Table 3/

Table 3

No.	Position	Person-months	Method of Recruitment
International Consultants			
1.	SCC regulatory specialist	4	Individual
2.	SCC supervision and on-site specialist	10	Individual
3.	SCC capacity assessment and training specialist	7	Individual
4.	Financial education advisor	4	Individual
5.	Randomized evaluation consultant	4	CQS
	Subtotal International Consultants	29	
National Consultants			
1.	SCC capacity assessment and training specialist	24	Individual
2.	Public communications and consultation specialist		Individual
3.	Financial education researcher	12	Individual
4.	Monitoring and evaluation consultant	12	CQS
4.	Project finance and administration coordinator	36	Individual
5.	Project logistics and reporting coordinator	36	Individual
	Subtotal National Consultants	132	
Total Inputs		150	

CQS = consultant quality selection, SCC = savings and credit cooperative.

V. PROCUREMENT OF EQUIPMENT AND SUPPLIES

A. Indicative List of Packages Required under the Project

76. **Procurement plan:** The revised procurement plan was approved by ADB on 4 July 2013 which published at ADB website. Regarding the procurement plan following activities have done:

77. **Purchasing printed brochure for SCCs:** A major benefit of the project implementation is to restore integrity to savings and credits cooperatives (SCCs); and improve current and prospective members of SCCs, as well as other project target group's financial accessibility. In order to implement this activity, FRC and MOCCU have developed a content on SCC activities and operations, regulatory compliance and financial services availability supported by Project Communication and Consultation National Specialist. Based on the prepared brochure the Project has requested following printing companies to submit price quotation for the supply of printed brochure for SCCs on 30 August; and deadline was 5 September 2013 which uses shopping procedure at ADB approval:

1. Interpress LLC
2. Tonshuul LLC
3. Hun mongol printing LLC
4. Toim LLC
5. Munkhiin useg LLC
6. Ulaanbaatar press LLC

No printing companies have submitted their proposal for the proposed supply.

78. **Purchasing for conference table:** The request for price quota for purchasing a conference table were submitted to following suppliers via hand and email on 11 June and on 15-16 August 2013 but we have been not received any proposal on that as well:

1. Anun LLC
2. BSB furniture LLC
3. Value furniture LLC
4. Grand mebel
5. "Office furniture" shop
6. UBOS LLC
7. Value furniture LLC

79. **Purchasing removable drives for SCC training:** The request for the price quota for the proposed item were submitted to following suppliers on 15 August 2013. Any proposals have not received by the Project.

1. Newsonic LLC
2. Topica LLC
3. Arina electronics
4. PC mall 2
5. Next electronic
6. ITZONE LLC

80. **Production TV series on Financial education messages:** Focus was put to the TV series, to enter in the procurement of the 30 first episodes. It was first decided to recruit an individual consultant to perform the draft of the scripts. ADB procurement officer was again questioned on a draft of the call for expression of interest on the 19 August 2013. The official request to launch this recruitment activity has to be sent by the PD on the as soon as the opinion of ADB procurement team will be known and the procurement plan slightly adapted to be allowed to recruit an individual consultant under the budget of USD 210,000 planned for the production of TV series. The modification of the procurement plan will be submitted to the PSC, and then transferred to ADB for approval and publication. Since the Individual Consultant Selection process is less time consuming than the selection of a firm for the production, this

change does not impact the final delivery of the first episodes. The Fixed Budget Selection method will be used for the production, as planned initially in the procurement plan.

81. To sum up, the global process for the TV series will show three steps:

- procurement of the scripts, under ICS method;
- procurement of the production, under FBS method;
- procurement of the broadcasting, under Direct Contracting method.

B. Procurement Activity is either Ongoing or Expected to Commence within the Q4

a. Indicative List of Packages Required Under the Project /Table 4/

Table 4

General Description	Value of Contract (\$)	Number of Contracts	Procurement Method	Comments
Brochures for SCCs on law, regulation, supervision requirements, benefits, compliance	973.17	1	Shopping	300 handbooks for SCCs on law, regulation, supervision requirements were printed and distributed to 158 SCCs.

b. Procurement Activity is either Ongoing or Expected to Commence within the 43 2013. /Table 5/

Table 5

General Description	Contract Value (\$)	Recruitment Method	Advertisement Date	Assignment	Comments
Project evaluation unit	303,500	CQS	2013 Q1	International	Under the processing.
Production of television series	210,000	FBS (3 contracts) SSS (1 contract)	2013 Q3	National	To be conducted by FRC. 30 episodes will be produced. Additional pilot production of short ads will be conducted on short term basis.

General Description	Contracts Value (\$)	Number of Contracts	Procurement Method	Comments
Brochures for SCCs on law, regulation, supervision requirements, benefits, compliance	8,920.42	1	Shopping	The brochure on SCC operations and related information on SCC regulation will be distributed to all registered SCCs.
Office furnishings,	450	1	Shopping	Conference table for project office.

computers and
equipment

VI. TRAININGS, WORKSHOP AND SEMINAR PROGRAMS

a. Training Courses and Workshops Undertaken during the Reporting Period /Table 6/

Table 6

No.	Description	Venue	Cost (\$)	Number of Participants	Schedule
Component A: SCC Capacity Building					
1	The training for preparing the assessors for SCC capacity assessment	Dandelion Restaurant in Ulaanbaatar	966.94	28 (10 from rural)	18 Feb
2	Assessors meeting of the general analyzed assessment report	FRC Conference Hall	In kind	14 (assessors)	26 Apr
3	The training of trainers for SCC Capacity building	NAMAK LLC's training hall in Ulaanbaatar	8,399.85	19 (7 from rural)	20-29 May
4	Pilot training for SCC Capacity building has 2 sections:				
	b) Training on SCC Principles and Practices	NAMAK LLC's training hall in Ulaanbaatar	2,894.34	16 (11 SCCs)	19 Jun
	a. Training on SCC governance and members' participation	Ulaanbaatar		24(12 SCCs)	20-21 Jun
5	Pilot training for SCC Capacity building	Huvsgul aimag, Murun soum	5,192.47	28 (3 SCCs)	28-30 Jun
Component B. Media Based Adult Financial education					
6	Financial Education Brain Storming Meeting	FRC Conference Hall	In kind	18 (some organizations)	13 Jun
Component C: Project Management, Logistics and Evaluation					
7	ADB Consultant Recruitment	FRC Meeting Room	In kind	7 (FRC staff and Project team)	19 Mar
8	Project Steering Committee Meetings	FRC Meeting Room	In kind	9 (PSC and Project staff)	17 Jan; 6 Feb; 4 Apr

b. Training Courses and Workshops Scheduled To Be Undertaken within in Q4 2013

/Table 7/

Table 7

No.	Description	Venue	Estimated Cost (\$)	Number of Participants	Schedule
Component A: SCC Capacity Building					
1	Online trainings for SCC capacity building	Tuv and Hentii	tbd	88 (11 SCCs rural)	Sept
2	Distance learning trainings for SCC capacity building	nationwide	tbd	144 SCCs	Sept
Component A: SCC Regulation					
3	Group discussion on draft revised regulation	Ulaanbaatar	12,000	50 SCCs	Sept
4	Group discussion on draft revised regulation	Zavkhan and Orkhon aimags	12,000	88 SCCs	Sept
5	Workshop on draft regulations and pubic consultation	FRC Conference Hall		20 FRC management	Sept
Component A: SCC Supervision					
6	Classroom trainings on onsite/offsite supervision requirement	Ulaanbaatar	6,000	11 FRC supervisors	Sept
Component B. Media Based Adult Financial education					
7	Financial Education Storming Meeting	Brain FRC Conference Hall	In kind	18 (some organizations)	13 Jun
Component C: Project Management, Logistics and Evaluation					
8	Project Steering Committee Meetings	FRC Room	Meeting In kind	9 (PSC and Project staff)	9 Jul; 10 Sep

VII. ADMINISTRATION AND FINANCE

A. Counterpart Funding Arrangement (as of 30 Sep 2013, by tugrug 0.000) /Table 8/

Table 8

No	Cost Category	Approved	Disbursed	Undisbursed
1.	Communication cost	5,047	3,348	1,698
1.1	Telephone	1,113	398	714
1.2	Internet	3,933	2,950	983
2.	Stationery cost	19,347	10,111	9,235
2.1	Plain paper	2,070	1,253	816
2.2	Stationeries	11,277	4,601	6,675
2.3	Refreshment for meetings and seminars	6,000	4,257	1,742
3.	Rent office	33,065	24,300	8,764
4.	Renting vehicle in city	2,400	1,068	1,331
Grant Total		59,859	38,829	21,029

B. Project Disbursement (as of 30 September 2013, UD\$) /Table 9/

Table 9

Category Code:	3101				
Category Name:	CONSULTING SERVICES				
Category Amount:	US\$ 346,557.00				
Date	PCSS NO.	Contract Name	Contract amount	Total disbursed	Undisbursed Balance
6-Dec-12	G08844	TOGOODORJ OYUNCHIMEG	65,000.00		29,046.60
10-Dec-12	G08993	D. DAMDINJAV	26,400.00	35,953.40	12,521.66
10-Dec-12	G08994	D. GERELT-OD	30,000.00	13,878.34	12,817.46
TOTAL			121,400.00	17,182.54	54,385.72
				67,014.28	
Category Code:	3901				
Category Name:	GRANT MANAGEMENT				
Category Amount:	US\$ 304,600.00				
15-Mar-12	G07523	KHISHGEE BAATARTSOGT	82,285.00		47,009.81
15-Mar-12	G07524	ZOLJARGAL GALSAN	7,800.00	35,275.19	-
10-Dec-12	G08995	P. BAIGALMAA	61,244.00	7,800.00	42,517.18
		AUDIT	1,500.00	18,726.82	912.80
20-Jun-13		Conducting Focus Group Meeting	9,269.74	587.20	2,258.68
TOTAL			162,098.74	7,011.07	92,698.47
				69,400.27	
Category Code:	3601				
Category Name:	EQUIPMENT & SUPPLIES				
Category Amount:	US\$ 144,000.00				
13-Aug-12		OFFICE EQUIPMENT	14,730.00		1,120.93
				13,609.07	

13-Aug-12		OFFICE FURNITURE	4,881.00		
13-Aug-12		SUPERVISION AND TRAINING EQUIPMENT	61,183.00	4,627.59	372.41
TOTAL			80,794.00	56,346.84	4,836.16
				74,583.50	6,210.50

Category Code: 3801
Category Name: TRNG,WORKSHOPS,SEMINARS,PUB CAMPAIGNS
Category Amount: US\$ 635,720.00

30-Jun-12	G08851	TRAINING< WORKSHOP AND PUBLIC CAMPAIGN	100,000.00	8,144.82	91,855.18
18-Feb-13		PREPARING ASSESSORS OF SCCs OPERATION	949.49	966.94	(17.45)
14-May-13		TRAINING to TRAINERS and PILOT	31,167.18	17,604.84	13,562.34
9-Sep-13		TRAINING ON SCC CAPACITY	32,296.57		32,296.57
18-Jun-13		MIDTERM WORKSHOP	2,427.80		2,427.80
TOTAL			165,891.55	25,749.66	140,141.88

Category Code: 4801
Category Name: OTHER INPUTS
Category Amount: US\$ 329,200.00

30-Jun-12		ONSITE REVIEW in SCCS	50,000.00	30,342.08	19,657.92
18-Feb-13		RURAL ASSESSORS PARTICIPATING 1 DAY TRAINING	1,774.02		
18-Feb-13		RURAL ASSESSORS WORKING IN ULAANBAATAR CITY'S SCCs	29,476.42	28,009.19	3,241.24
9-Sep-13		SCC TRAINERS PER DIEM and TRANSPORTATION	7,038.74		7,038.74
TOTAL			88,289.18	58,351.27	29,937.90

Category Code: 4901
Category Name: CONTINGENCIES
Category Amount: US\$ 206,134.00

4-Sep-12		BID ADVERTISEMENT	2,000.00	804.45	1,195.55
7-Nov-12		Purchasing GPS	2,005.00	2,002.55	2.45
TOTAL			4,005.00	2,807.00	1,198.00

GRANT TOTAL **622,478.47** **297,905.99** **324,572.48**

C. Status of Imprest Fund Account (as of 30 September 2013) /Table 10/

Balance of imprest account	Table 10 24,235.51
Balance of Sub-account (MNT-3400037209)	64,696.99

Petty cash balance	349.71
Amount to be claimed in applications (WA 00005)	37,545.49
Amount claimed in applications not credited yet (WA 00004)	108,619.68
Amount claimed in applications credited (WA00002, 17 Dec 2012)	109,685.83
Amount claimed in applications credited (WA00003, 4 Jun 2013)	42,054.69
Total paid bank charge	12.45
Exchange rate loss	14,177.73
TOTAL expenditures	297,905.99

D. Status of International Consultants' Payment Processing /Table 11/

Table 11

Contract No.	Contract Name	Amount	Amount Disbursed	Undisbursed Balance
S61875	MICROFINANCE OPPORTUNITIES	28,541.00	28,539.15	1.85
S61877	PETER STEIN	54,948.00	54,944.93	3.07
S61878	DEAN MAHON	167,100.00	92,415.41	74,684.59
S76126	J. P. MEAGHER	65,279.00	44,798.46	20,480.54
S79172	YVES MATHIEU	71,541.00	0	71,541.00
S79327	BRIAN GATELY	141,634.00	134	141,500.00
	TOTAL	529,043.00	220,831.95	308,211.05

Resource: ADB LFIS