



Gobi Regional Economic Growth Initiative

PHASE TWO

JANUARY 2004 TO DECEMBER 2008

c/o Mercy Corps/Pact
24 Peace Avenue
Bayanzurkh District
Ulaanbaatar

Tel: (976-11) 461-145

Fax: (976-11) 461-048

Email: postmaster@gobi.initiative.org.mn



INTRODUCTION

The Gobi Regional Economic Growth Initiative (Gobi Initiative) is a rural business development program managed by Mercy Corps in partnership with Pact, with financing from the United States Agency for International Development. The first five years of Gobi Initiative (Phase I) ended on January 7, 2004. A second five-year program (Gobi II) began on January 8, 2004.

Gobi Initiative is being implemented in six aimags in the Gobi region – Govi-Altai, Bayanhongor, Uvurhangai, Umnugovi, Dundgovi and Govisumber. Project sub-offices have been opened in each *aimag* capital, managed by experienced national professional and support staff.

Gobi Initiative Phase I had numerous achievements. Some of the accomplishments include:

- ***Creation of 300 new businesses through training for more than 2,500 “would-be entrepreneurs”.***
- ***Increased company productivity and profitability through consulting services to 300 rural businesses, including agriculture and livestock producers, food processing companies, beverage manufacturers, hotels and retail stores.***
- ***Increased aimag-level business support capacity through a “training of local trainers” program.***
- ***Formation of XacBank, a commercial Mongolian bank, from a merger between “Goviin Ekhlel”, a USAID-sponsored financial services activity, and the UNDP Microstart project.***
- ***Formation of 250 herder groups comprising more than 10,000 individuals.***
- ***Formation of 57 agricultural cooperatives from herder groups involving more than 500 active herder families.***
- ***Introduction of a herder-managed, systematic and science-based breeding program that resulted in a 100% increase in the supply of “elite” breeding animals.***
- ***Trade fairs and exhibitions that help herders sell cashmere and obtain and exchange high quality animals.***
- ***The popular Market Watch program that provides timely and accurate commodity price information, significantly reducing discriminatory regional pricing differences.***
- ***The Rural Business News (RBN) magazine, radio and television programming that delivers a regular stream of national and regional business information.***

GOBI INITIATIVE PHASE II JANUARY 2004 TO DECEMBER 2008

Gobi Initiative Phase II has a single goal of *developing and strengthening rural business*, primarily through increasing the number of local enterprises successfully producing greater quantities of goods and services.

The two program objectives are:

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

Gobi Initiative is primarily a training and technical assistance program and therefore not a source of grants or donated goods. Gobi Phase II focuses primarily on:

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

The primary target clientele under Gobi Phase II include:

- ***Herder Groups and Cooperatives** that have been active in past GI activities and are beginning to expand and/or diversify their business activities away from an exclusive focus on cashmere and wool production.*
- ***Non-Herder Enterprises** that produce locally valued and consumed goods and services, and add value to herder production, employ local residents and/or contribute significant tax revenues.*
- ***Business Associations/NGOs** that support and advocate on behalf of an active rural business constituency.*
- ***Local Governments** that support rural business development and engage with the rural business community on issues of interest and concern to both.*

Gobi Initiative Phase II activities include:

- ***Agriculture and business training and technical assistance for Herder Groups and Cooperatives to expand and diversify their businesses. Current training and technical assistance topics include:***

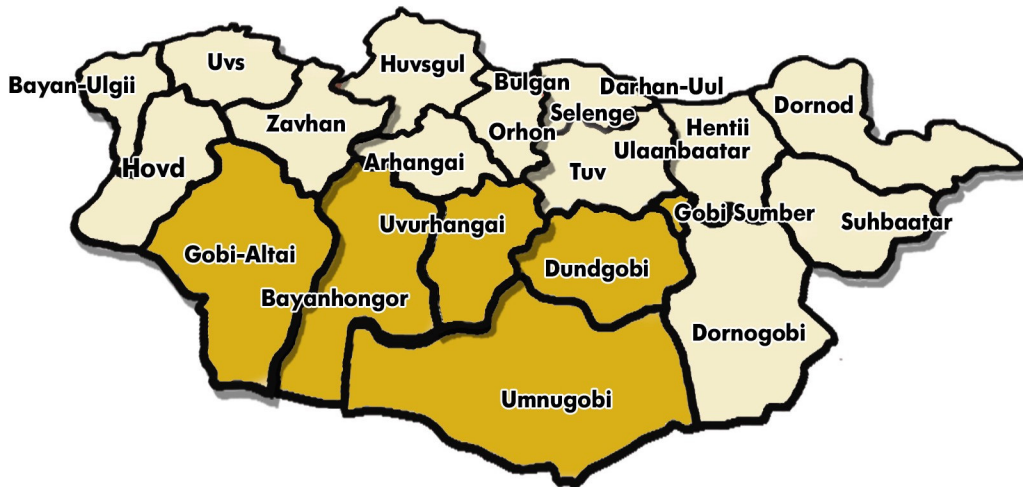
1. Animal Health/Nutrition Planning	9. Rural Tourism Operations
2. Animal Skins/Hides Processing	10. Vegetable Production/Marketing
3. Bakery/Food Production	11. Vegetable Canning/Preserving
4. Dairy Production/Marketing	12. Cooperative Financial Mgmt
5. Elite Animal Breeding	13. Cooperative Law and Taxation
6. Felt/Wool Production/Marketing	14. Human Resource Management
7. Fodder/Forage Management	15. Market Research/Marketing
8. Meat/Other Animal Products	

- ***Assistance to Herder Groups and Cooperatives with identifying and securing sources of raw materials, equipment and financing from non-Gobi Initiative commercial or non-commercial sources, including private vendors, financial institutions, local government agencies and/or foreign donors.***
- ***Targeted “one-on-one” technical assistance for non-herder businesses to increase sales, profit margins and/or market share, add new profitable products/services, and/or identify and eliminate unprofitable products/services. Current technical assistance topics include:***

1. Accounting/Financial Mgmt	6. Human Resource Development
2. Business Law and Taxation	7. Market Research/Marketing
3. Business Planning	8. Product Promotion/Distribution
4. Client/Customer Satisfaction	9. Production Technology
5. Equipment Sourcing and Use	

- ***Capacity building for both qualitative and quantitative improvements in locally provided training and technical assistance delivered by private consultants, associations/NGOs, institutions and government offices.***
- ***Assistance with linking of rural producers to markets and with promoting local and regional market development.***
- ***Capacity building for greater local dissemination of business information and communication of business interests and needs through private and state media, business associations/NGOs, private firms and government offices.***
- ***Continued delivery of RBN magazine, radio and television programming, including Market Watch and popular programs such as “Herder from the Future”.***

Representative Office contact information:



Bayanhongor Representative Office
Rep.: Mr. Bayarmagnai S.
Gobi Initiative Office building
Bayanhongor soum, Bayanhongor aimag
Tel.: (01 442) 22992 Fax: (01 442) 23204
E-mail: initiative_bh@mongol.net

Uvurhangai Representative Office
Rep.: Mr. Puntsag Ts.
Gobi Initiative Office building
Arvaiheer soum, Uvurhangai aimag
Tel.: (01 322) 22966 Fax: (01 322) 23511
E-mail: initiative_uh@mongol.net

Gobi-Altai Representative Office
Rep.: Mr. Dashdeleg Ch.
Gobi Initiative Office building
Esunbulag soum, Gobi-Altai aimag
Tel.: (01 482) 24118 Fax: (01 482) 24549
E-mail: initiative_ga@mongol.net

Gobisumber Representative Office
Rep.: Ms. Oyun A.
Gobi Initiative Office building
Sumber soum, Gobisumber aimag
Tel.: (01 542) 23363 Fax: (01 542) 23379
E-mail: initiative_gs@mongol.net

Dundgobi Representative Office
Rep.: Mr. Baasanhuu N.
Gobi Initiative Office building
Saintsagaan soum, Dundgobi aimag
Tel.: (01 592) 22103 Fax: (01 592) 21246
E-mail: initiative_dg@mongol.net

Umnugobi Representative Office
Rep.: Ms. Tsendsuren D.
Gobi Initiative Office building
Dalanzadgad soum, Umnugobi aimag
Tel.: (01 532) 23006 Fax: (01 532) 23002
E-mail: initiative_ug@mongol.net