

**SURVEY REPORT ON NGO IMPLEMENTED ASSISTANCE
IN SOCIAL SECTOR OF MONGOLIA**

**Conducted jointly by
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October 2000, Ulaanbaatar

**REPORT
OF THE SURVEY ON THE PROJECTS AND PROGRAMMES
IMPLEMENTED BY MONGOLIAN NGOS IN SOCIAL SECTOR**

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PREFACE

At the VII-th Donor meeting the consensus was reached on a need for increased participation of NGOs and private economic entities in the social sector development and also on the characteristics for defining rate of their participation. There was an agreement to have special discussions during the Paris meeting on the possible assistance to Mongolian social sector. When taking decisions on the investment and assistance donor countries and organisations take into account the fact that social problems have multi-dimensional, cross sectors and interdependent character and NGOs have capacity to reach general public.

This study was conducted to review results of the projects implemented on the basis of bilateral and multilateral cooperation and to assess future demands for the similar projects.

Selection of NGOs to be covered by this study was made in accordance with following criteria:

1. registered at the Ministry of Justice and Internal affairs;
2. to be well known among the public as NGO specialized in social issues, and its reputation;
3. how active is NGOs;
4. sector representation.

90 local NGOs and 10 NGOs from donor countries and international organizations have been covered by this survey.

The scope and content of this study is limited to:

1. 'Passport' data of NGOs;
2. Main goal and objectives of NGOs;
3. Some basic information about projects implemented or currently on-going;
4. Implementation by those NGOs;
5. Capacity of NGOs;
6. Financial capability;
7. Future tendency of the NGOs development.

Basic data was grouped by quantitative and content characteristics, then it was processed by the computer programme 'SOCIO' on which draft report and recommendations were prepared. The content of this report consists of:

- ◆ Preface;
- ◆ Main objectives and priorities of Social Policy of the Mongolian Government for 2000-2004;

- ◆ Current situation of the Mongolian NGOs;
- ◆ Capacity of the Mongolian NGOs;
- ◆ Projects implemented and currently under implementation by NGOs and their outcomes;
- ◆ NGO and donor countries and organizations;
- ◆ Cooperation of Government and Non-government organizations;
- ◆ Conclusions and Recommendations;
- ◆ Annexes.

ONE. MAIN OBJECTIVES & PRIORITIES OF SOCIAL POLICY OF MONGOLIAN GOVERNMENT FOR 2000-2004

The Action Programme of the Mongolian Government determines the main objective of its social policy as 'first of all develop people which is fundament for the development by respecting importance of education and culture' 'to improve living standard of the population through modification and improvement of social wealth and income distribution mechanisms and build up efficient social safety system' and defines priorities as follows:

1. to create favorable conditions for meeting demands of the population in education equally, develop basic and professional education system in accordance with interests of individuals, social and market demands;
2. to upgrade quality of public health services and illness preventive activities to international standards, improve health conditions of the population and make longer average life expectancy;
3. to insure intensive development of Mongolian culture and art in harmony with common universal value of the world culture and specific features of oriental culture;
4. to enhance national capacity in science and technology and implement national programme for comparative advantage for the development, increase social value for the works of scientists and researchers;
5. to make accurate the social wealth and income distribution system, to stop falling off living standard of the population, to decrease differences of income among the population and eradicate extreme poverty.

It is worth to be mentioned that Action Programme of the Government also states 'support to NGOs and expand their participation in formulating and realization of state policy, in particular, in the social sector'.

TWO. CURRENT SITUATION OF THE MONGOLIAN NGOs

1. Legal environment

The status, types, principals and norms of activities for NGOs are regulated by the Civil Code of Mongolia, Law on NGOs, Law on the State and Local property.

Article 4, Section 1 of the Law on NGOs states that ‘NGO shall mean an organization, which is independent from the state, self governing, non-profit and established voluntarily by citizens or by legal entities other than state agencies (i.e., organs that exercise legislative, executive and judicial powers) on the basis of their individual or social interests and opinions.’ Sections 2 and 3 of the said Article classifies NGOs into ‘Public benefit NGOs’ and ‘Mutual benefit NGOs’

‘Public benefit NGO’ shall mean an NGO that operates for the public benefit in the fields of culture, art, education, science, health, sport, nature and environment, community development, human rights, protection of the interests of specific subsets of the population, charity and other such fields.

‘Mutual benefit NGO’ shall mean an NGO other than a public benefit NGO that operates primarily to serve the legitimate interests of its members.

Article 35 of Civil Code of Mongolia regulates associations. Section 1 of that Article states ‘Companies, partnerships and cooperatives may form associations with each other to amalgamate their activities...’ Section 2 states ‘An association may be set up in the form of a profit-making organization or a non-profit organization. Section 3 ‘Public organizations, religious organizations and foundations may set up associations only in the form of non-profit organizations.’

Article 36 of the Civil Code regulates relations of public and religious organizations. It states:

1. A public organization shall be a body of citizens and legal persons who unite on a voluntary basis in order to protect their intellectual, material non material and other interests.
2. A religious organization shall be an organization whose objects are to meet the ritualistic, behavioral and educational needs of the religious community.
3. A foundation shall be a voluntary organization with no members which coordinates grants and donations for social, cultural, charitable or other forms of public benefit, and which has the right to distribute them according to the procedures for their use set out in its charter.
4. Public organizations, religious organizations, and foundations shall be non-profit organizations.

2. Types of NGOs

Table 1.

Type	Definition
Public benefit NGO	Public benefit NGO shall mean an NGO that operates for the public benefit in the fields of culture, art, education, science, health, sport, nature and environment, community development, human rights, protection of the interests of specific subsets of the population, charity and other such

	fields.
Mutual benefit NGO	Mutual benefit NGO' shall mean an NGO other than a public benefit NGO that operates primarily to serve the legitimate interests of its members.
Public organization	A public organization shall be a body of citizens and legal persons who unite on a voluntary basis in order to protect their intellectual, material non material and other interests.
Religious organization	A religious organization shall be an organization whose objects are to meet the ritualistic, behavioral and educational needs of the religious community.
Foundation	A foundation shall be a voluntary organization with no members which coordinates grants and donations for social, cultural, charitable or other forms of public benefit, and which has the right to distribute them according to the procedures for their use set out in its charter.

Source: Mongolian Law on NGOs

3. Classification of NGOs

Currently 1,615 NGOs has been registered at the Ministry of Justice and Internal Affairs which can be classified as follows':

Table 2.

	Types of activities	Frequency	Percentage
1	Sport	216	13.37
2	Art and culture	172	10.65
3	Friendship and Cooperation	138	8.54
4	Business	124	7.68
5	Health	81	5.02
6	Youth and children	78	4.83
7	Agriculture	77	4.77
8	Law and Consulting	77	4.77
9	Professional	71	4.40
10	Women, Family	66	4.09
11	Education	64	3.96
12	Protection of citizen's rights	55	3.41
13	Science, technology, production	55	3.41
14	Nature and Environment	38	2.35
15	Foundations	32	1.98
16	Service for elders	32	1.98
17	Humanitarian assistance	31	1.92
18	Services for disabled	29	1.80
19	Support to social development	28	1.73
20	Regional development	28	1.73
21	Human rights	23	1.42
22	Information	22	1.36

23	Religious	22	1.36
24	Scientific research	17	1.05
25	Tourism	15	0.93
26	Interest groups	13	0.80
27	Other	11	0.68

Source: Ministry of Justice, 1999

As we can see from the above, NGOs are mainly engaged in the activities of sport (13.37%), art and culture (10.65%), and friendship and cooperation (8.54%).

4. Sources of income and expenditure of NGOs

Sources of income for NGOs can be following:

1. membership fees and contributions;
2. contributions by individuals, economic entities and organizations;
3. income generated by mission-related economic activities;
4. borrowed or inherited funds, and funds allocated from the State budget for project implementation;
5. funds from international agencies and projects.

NGOs can use their income only for the attainment of their stated purposes and shall not distribute income in the form of dividends and NGOs shall not act as financial guarantors or participate in amelioration of any business losses on behalf of any person, economic entity or other organization. NGOs assets and finances can not be used in financial or economic activities for somebody's personal gain. NGOs have no right to make contributions to political parties or to candidates in the State Great Hural and Citizen Representative Hural elections.

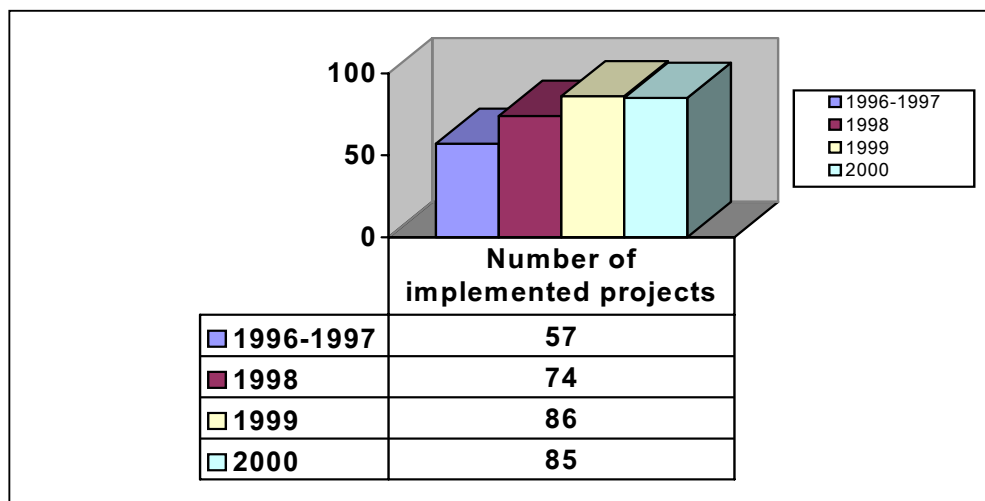
The governing body of NGOs shall be the Board of Directors. Thus, decision-making body of NGOs is the governing body of that particular NGO.

Even though the Law on NGOs has been approved only 3 years ago, many NGOs have been organized during this period of time and NGOs got their place in the society and show maturity of the civil society.

THREE. TYPES AND FORMS OF PROJECTS, PROGRAMMES IMPLEMENTED BY NGOS AND FUNDING SOURCES

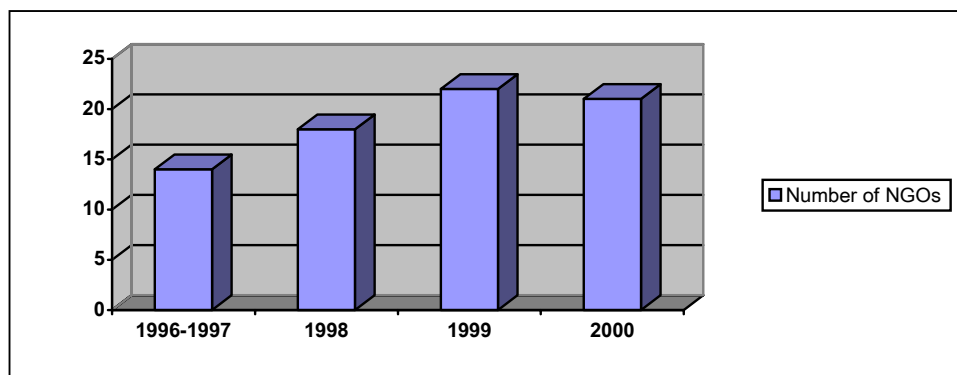
In total of 302 projects and programmes were implemented in the social sector during 1996-2000 by the NGOs, which were covered by this survey. Out of which 57 was implemented in 1996-1997, 74 in 1998, 86 in 1999 and 85 in 2000.

Chart 1.



Hence, a conclusion can be made that increase in numbers of projects and programmes year to year, expansion and diversification of activities of NGOs, and widening of frameworks of activities of organizations and persons involved in the project activities demonstrate strengthening of financial and working capacity of NGOs and growth of their role in the society. In addition to that number of NGOs which implement projects continuously increased, which is shown in the following chart.

Chart 2.



Along with the increase of NGOs participating in the projects and programmes in the social sector number of their staff, experiences also grew and they got a lot of new information which made NGOs more capable to cooperate with donor countries and organizations in the project activities. Classification by types and directions of activities of the projects implemented by NGOs shows that activities aimed to social issues and solving specific social problem /for example, providing assistance to vulnerable groups, reduction of poverty and unemployment/ or render services to their members and society as a whole /for example, promotion of human rights and

democracy, protection of women rights/ or conduct training and disseminate new information are prevailing.

According to the survey done by 8 donor organizations, which have permanent activity in Mongolia, 170 projects were implemented in 1996-2000 with financial support from those organizations. Classification of these projects by types of activities is following:

◆ Public health	32
◆ Education	45
◆ Community development	35
◆ Poverty alleviation	14
◆ Combat natural disaster	7
◆ Human rights, political, civil and social issues	25
◆ Information technology	10
◆ Other	2

As one can see from the above majority of projects /77 projects/ financed by donors was implemented in education and health sector. But it is not clear that how many of those 170 projects were implemented with the participation of NGOs.

According to the figures provided by 80 NGOs -respondents of this survey, they implemented projects with total budget of 4,426.7 million TG (Mongolian national currency "Togrog") in 1996-2000, out of which 298.7 million TG. Was put from local financial sources and 4,128.0 million TG from outside sources making the ratio as 6.7 : 93.3.

It is obvious from the above that in funding of projects and programmes implemented by local NGOs foreign financial sources were dominated and a prediction can be made that that situation will be kept in the near future.

FOUR. COORDINATION OF NGO ACTIVITIES WITH GOVERNMENT POLICY & PROGRAMMES

Even though the Government has been changed 7 times due to democratic elections and other reasons during the last 10 years the main directions of the social policy remained not changed significantly.

The first Government programme in the social sector –National Poverty Alleviation Programme started in 1994 and currently under implementation. Following that programme many national programmes like 'Health and Social Safety of elder people', 'Children, Development, Protection' and 'Mongolian national youth programme' and sectorial projects like 'Educational Master Plan', Education of the population in Health', 'Improvement of conditions of disabled people' were developed and implemented. In addition Mongolian Government announced 1998 as 'Youth year', 1999 as 'The year of elder people' and 2000 as 'The year of children's rights'.

As a result of all those activities nostalgia about socialism and equal distribution of national wealth among the population was reduced and initiatives of people to stop destruction of social sector, to keep reached level of development and renovation of old system were increased and people started to establish NGOs.

Majority of NGOs covered by this survey or 76 NGOs believe that their activities are in coordination with Government social policy and programmes. Here a presumption can be made that State and Government social policy its short and long-term objectives gave 'birth' of NGOs acting in that sector. NGOs covered by this survey expressed the idea that their activities are mostly coordinated and overlapped with Government policy and programmes in following directions:

- ◆ Children and youth development issues, education sector;
- ◆ Support to vulnerable groups;
- ◆ Protection of rights of women, employment promotion and poverty alleviation;
- ◆ Support to Health sector and Sport;
- ◆ Free press and information network development;
- ◆ Promotion of business development, improvement of management in all aspects of life;
- ◆ Support to the development of Science and scientific research works;
- ◆ Improvement of citizens' knowledge of law, cultural level and protection of human rights;
- ◆ Environment protection and sustainable usage of natural resources;
- ◆ Development of international relations strengthening of friendship and cooperation with other nations.

However NGOs under political parties and movements only support activities of political parties rather than to act as organizations supporting Government policy, in order to increase political initiatives of their members and supporters, and assist them to get their positions in the society.

Research team gives emphasis on the fact that activities of NGOs in many cases overlap with Government policy and programmes. However, there is no project in which NGOs cooperated with or a project implemented by order of the Government or certain task of the Government was handled by NGOs on contract basis. So, activities of NGOs are generally in line with Government policy and programmes in terms of objectives and directions. However there is lack of real cooperation between NGOs and the Government.

FIVE. ADVANTAGES & DISADVANTAGES OF NGOS IN IMPLEMENTING PROJECTS, PROGRAMMES

1. Costs, outputs

The projects had been classified into categories of training, research, information dissemination, promotion of ideas in order to measure the costs and efficiency associated with project implementation by the NGOs.

These aspects of NGOs are difficult to research as they tend to have no proper accounting for the project activities and it would require paramount amount of efforts & time to investigate their financials.

The beneficiaries could be divided into groups of direct and indirect beneficiaries. For instance, those participants involved in types of projects as doing small businesses, income generation activities, getting direct assistance are the direct beneficiaries. The people those participated in the training project, information dissemination projects are indirect beneficiaries.

There were 17,685 people (overlapping data) have been involved in 37 training projects in 1996-2000, the training costs per person was 9,212 TG. One could conclude that the training was conducted at very low cost, but this is simple average of total number of beneficiaries divided into total costs of project. The costs incurred could be higher for direct beneficiaries and be less for indirect beneficiaries. Also the cost per person varies in accordance of duration of the given project.

There were 170 government entities, 1,126 organizations, 110 households, 7,490 individuals were surveyed and the total costs to conduct researches and surveys by NGOs were 135,543US\$. The costs incurred and the coverage may seem to adequate, one could evaluate the outcomes of these research projects, or say the outputs were good or bad.

The other performance indicator could be the structure, organization, financial capacity of the NGOs which are the integral part of the civil society that been created in Mongolia. The number of NGOs that having operational costs above 20 million TG a year has been increased by 1.6 times. The increased operating costs may justify the expanded activities.

The NGO implemented projects for income generation, job creation, charity kindergarten, distribution of food and clothing, supplying equipment in 1996-2000 had covered 73 organizations, 103 households, and 10,781 individuals. Also the beneficiaries through projects in health sector & education, the households' members would significantly increase the number of beneficiaries.

The main outcome from the above projects is public awareness on the certain social problems common to all people. 24caimag residents, 78 organizations, 20,698 individuals were indirectly benefited through many projects aimed at promoting the

laws and disseminating information on livelihoods, exhibiting the best practices, promotional and educational programmes on TV and radio.

The very specific areas that covered by NGOs are working with vulnerable portion of population requiring necessary attention from the government, also contributing to fill the gap occurred in the health and educational sectors where government services are lacking.

One should recognize the feasible contribution to economic growth by the projects of new job places and income generating activities.

The role of the NGOs is constantly increasing in the fields of promotion of human rights and democracy, elaboration of new laws and regulations meeting the needs of society. This is one of the major achievements in fulfilling their mission.

In accordance the data supplied by the NGOs, total number of beneficiaries are 38,969 that covered by the programmes and projects implemented by NGOs at the costs of 67 thousands of TG per beneficiary. The NGOs should look more cost-effective way in delivering services to grass-roots.

Lastly, it was difficult to see the performance indicators based on the data and information NGOs provided. In future NGOs need to have precise performance indicators to measure their efficiency and achievements. The baseline condition for start of project, monitoring and impact evaluation, process monitoring should be current concerns of the NGOs. The number of beneficiaries and total costs incurred would not be sufficient data to measure the efficiency and effectiveness of a certain project.

2. How NGOs reach target groups

Another issue for which this survey spend special consideration is to determine projects and programmes implemented reached or not the target groups at the end. The reason for doing is clarification of the question for whose interests NGOs implement projects for their members only or for others is matter of principal. Research team tried within the limit of their capacity to make clear that question. Classification of target groups of projects implemented by NGOs covered by this survey is following:

Table 3. Comparison of composition of population with target groups of NGO involved projects

Population composition*	Percentage	Target groups	Percentage
Children	35.6	Children	2.5
Youth	30.3	Youth	7.6
Elder people	5.7	Elder people	2.5
Women	50.4	Women	10.1
Disabled	0.3	Disabled	1.3
		Vulnerable groups	5.1

	Professional groups&society	60.8
	Members	11.4

* *Estimation based on 1999 population census*

Although conclusions can not be made directly from the table comparison itself is interesting. According to their data, by laws NGOs are to serve the whole society. But one can state that they are organizations of professional and interest groups in the real life. 60.8% of NGOs covered by this survey belongs to that classification. Members benefit NGOs (11.4%) should be added on that.

Comparison of projects and programmes with their target groups shows women vulnerable groups and members are first priorities. Because majority of NGOs are mainly financed not from their own or domestic sources but from donor countries and international organizations there can be some changes in target groups, this survey revealed that projects and programmes reach the target groups. That was confirmed by the responses to open questions.

To the question ‘ What is the major outcomes of the projects implemented by your organization in social sector in your opinion?’ leaders of NGOs gave 136 responses, which means 1.7 response per one organization. Grouping of responses by their similarity gave 17 directions, which allows making conclusion that projects implemented by NGOs in 1996-2000 have some results in 17 directions of social life.

Table 4.

Major outcomes of projects	Responses	
	Quantity	Percentage
Training and improved professional skills of participants	38	27.9
Provided support to vulnerable groups	13	9.6
Trained people in inventing new things and in life skills	12	8.8
Improved management of the organization	8	5.9
Improvement of health situation of vulnerable groups	8	5.9
Target groups have access to information	7	5.1
Technical capacity of the organization strengthened	7	5.1
Improved legal knowledge and culture of participants	7	5.1
Expanded activity framework & branches in countryside	6	4.4
Target groups engaged in production and service activities	5	3.7
Helped for socializing children and youth	5	3.7
Printed books and textbooks	5	3.7
Widened international cooperation	5	3.7
People are trained in skill to work in a team and group	3	2.2
Promoted the changes and development of branch organizations	3	2.2
School drop-outs are decreased	2	1.5
To make NGO activities closer to the government and	2	1.5

general public	Total	136	100
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According to the assessments made by project implementing NGOs major results of the projects implemented in social sector are following:

- ◆ Improved professional skills of participants in the projects;
- ◆ Support to vulnerable groups;
- ◆ Train people in life skill and initiatives.

As a result of the projects implemented in social sector target groups started to be engaged in production, service and other business activities, learnt to work in a team or group and the process of socializing of youth took place. At the same time those are also outcomes of training activities.

Therefore a conclusion can be made that direction of project activities mainly to the improvement of professional capacity and work skills of target groups and training of them in life skills, instead of providing material and financial support, is right beginning and good approach for the future.

3. Capacity to implement projects and programmes

As it was mentioned earlier 1,615 NGOs registered at the Ministry of Justice and Internal Affairs are carrying out activities in over 20 directions. Based on the responses to questionnaires from 80 NGOs and 8 donor organizations covered by this survey capacity of Mongolian NGOs are determined.

Doing so input indexes like man power resources (number of staff) yearly expenditure, fixed assets, number of members and supporters, branch offices were used as principal criteria and sustainability of activities of NGOs and their reputation also were taken into account.

Table 5. Major activities of NGOs

	Activities	Quantity	Percentage
1	Public awareness in certain social field	20	25.0
2	Provide services to its members or society, implement projects and programmes	18	22.5
3	Conduct professional activities in specific sector	14	17.5
4	Organize training and disseminate information	12	15.0
5	Conduct research and study, consulting	10	12.5
6	Promote business development	4	5.0
7	Develop friendship and cooperation	2	2.5
	Total	80	100

a. Yearly expenditure

Due to under-developed financial registration and accounting system at the NGOs, lack of professionals in this field and high rate of financial staff flow majority of NGOs do not have precise calculation of their yearly expenditures. On the other hand NGOs are not interested in exhibiting their finance and expenditures for the surveys like this. That has been confirmed by the fact that only 35 NGOs provided some figures and data on their finance and expenditures for 1996-1997, 46 NGOs for 1998 and 55 NGOs for 1999. According to the information we got there are big differences in yearly expenditures of NGOs varying in average from 1.0 million to 315 million for 1996-2000. For example, yearly expenditures of 13 NGOs like Local Development Fund was 1.0-1.5 million TG in 1996 and 1997, expenditures of NGOs like Mongolian Red Cross, Mongolian Chamber of Commerce, National Olympic Committee, Association of farmers and food producers, LEOS, Mongolian football association and 'Ulaanbaatar' Foundation were 50.0-315.0 million TG in 1998 and 1999.

However, majority of organizations covered by this survey and responded to the question (72.9% of all NGOs as of 1999) has in average yearly expenditure of 5.0-19.0 million TG. As the result of this survey shows financial capacity of NGOs are growing year to year. The increase in the number of NGOs, which has yearly expenditures over 20.0 million by 1.6 times in 1996-1999, confirms the above-mentioned statement.

Table 6. Yearly expenditures of NGOs

Yearly expenditures /million TG/	1996–1997		1998		1999	
	quantity	%	quantity	%	quantity	%
Above 50	3	8.6	4	8.7	6	10.9
40 – 49	1	2.9	1	2.2	-	-
30 – 39	3	8.6	6	13.0	5	9.1
20 – 29	3	8.6	1	2.2	5	9.1
10 – 19	8	22.9	7	15.2	10	18.2
5 – 9	6	17.1	7	15.2	8	14.5
Up to 5	11	31.4	20	43.5	21	38.2
Total	35	100	46	100	55	100

Source: Survey data

Observing the figures and outcomes of the questionnaires, the financial capabilities of the NGOs are not equal.

In regard of operational costs of some NGOs, in particular, only six organizations such as the Mongolian Red Cross, National Olympic Committee, Mongolian Chamber of Commerce and Industry have operating expenses above 50 million TG, and the other half of the NGOs covered by survey had less than 5 million TG expenses.

b. Personnel

The researchers paid a special attention to the personnel capacity of the NGOs (including the outreach staff) as the staffing is the one of the most critical input for the capabilities of organizations. Based on data provided by some NGOs for their personnel, the average manning of NGOs in 1994-1999 was 11 persons by one organization. It could be enough staffing but the distribution by organisations varies.

Table 7. Classification of NGOs (By staffing)

Staff /persons/	1996–1997		1998		1999	
	Number	%	Number	%	Number	%
Above 50	1	2.1	1	1.7	2	2.9
40 – 49	1	2.1	1	3.4	2	2.9
30 – 39	3	6.3	1	1.7	2	2.9
20 – 29	-	-	-	-	-	-
10 – 19	10	20.8	14	24.1	16	23.5
5 – 9	10	20.8	10	17.2	13	19.1
Up to 5	23	47.9	30	51.7	33	48.5
Total	48	100	58	100	68	100

According to data provided by NGOs tabulated above 47.9-51.7 of total NGOs have permanent staff of 5 persons; only two NGOs have staff above 50 people. The staffing could not be essential in implementation of projects and programme, but majority of them tends to outsource the necessary manpower.

In addition, it is important to consider the skills and ability of the personnel working in the NGOs. The 80 NGOs that have participated in the survey were asked to assess their advantages and disadvantages. They come out with 116 advantages out of which 11.2%, 80 disadvantages out of which 11.3% been professional skills and ability of personnel they possess.

c. Asset base

29 in 1996-1997, 39 in 1998, 45 in 1999, and 52 in 2000 of the surveyed NGOs had answered that they have some fixed assets. There were 7 NGOs as MRC, MCCI, “Zorig Foundation”, MNOC, Mongolian Press Institute had fixed assets above 60 million TG. But the majority of NGOs or 55.8% of total responding NGOs have fixed assets less than 5 million TG. According to structure of fixed assets, the NGOs having fixed assets above 40 million TG would possess their own office space, equipment; the remaining NGOs would have only some office equipment for basic activities. 10% of the registered with Ministry of Justice have their own office. Many NGOs have a weak base to conduct proper activities, or they are in the stage of consolidation including the material base. This had been mention by NGOs in the part listing down the advantages and disadvantages.

d. Membership, structure

By 2000, 49 out of total responding NGOs have a membership; 42 NGOs have individuals as members, 6 NGOs have organizations as members, 1 NGO has membership consisting of individuals and organizations.

55.1% of 42 NGOs had a membership above 400 demonstrating the capabilities. MRC has the most or 245 thousands of members, “Expert”, “Zotol” research centres would have 3-7 members only. MCCI, National Productivity, Development Centre, Cooperatives Union and Consortium of Higher Educational Establishments have member- organizations, but Mongolian Management Association had individuals and organizations as members. MCCI, National Productivity, Development Centre, Consortium of Higher Educational Establishments have their own teams of local consultants thus having capacity to implement certain projects.

The NGOs were asked whether they would have outreach activities or a branch office in out of town indicating their structure. 37 out of 80 NGOs responded have branch offices in rural areas, 19 have representatives in all aimag and towns. There are NGOs have such outreach facilities, namely, MRC, MJA, Mongolian Veterans Association, APCR, MHA, Mongolian Hunters’ Association, MACC, Democratic Socialist Student Union, Association of Mongolian Local Authorities, National Wrestling Association, Association of Arts Workers, United Association of Employers, 6 women organizations. The NGOs having representation in rural areas, particularly, at aimag and town level have possibility to work with their members in implementing activities and to directly address the beneficiaries without intermediary thus having comparative advantages.

e. Other issues

The following table demonstrates the assessment of eight donor agencies operating in Mongolia on the capabilities of Mongolian NGOs in implementing project activities now and in the future.

Table 8.

Organizations	Assessment	
	Now	Future
ADRA Mongolia	Very good	Will Improve
ASIA Foundation	Medium	Will Improve
Canada Fund	Very good	-
Peace wind (Japan)	-	-
Save the Children Fund	Good	Will Improve
MFOS	Very good	Will Improve
UNICEF	Good	Will Improve
WORLD VISION int.	Very good	Will Improve

It is to note that the international organizations highly appreciated the capacity of local NGOs in implementing project, programmes and there is a tendency to show confidence in them. 65 responding organizations use facsimile, 43 use E-mail communications.

g. Self assessment by NGOs

In the questionnaire, there were open questions as “Please, list the possible ways to increase the role of NGOs in addressing the social problems?”, “Please, list the advantage and disadvantages of NGOs in implementing projects and programmes?” to explore the capabilities to implement certain project activities. There were 136 answers for the first question, which were classified in 12 groups.

Table 9.

NGO Role	Answered	%
Financial support	43	31.6
Contracted public services	15	11
Improved law on NGOs	14	10.3
Improve methods and cooperation of NGOs	14	10.3
Create competitors for NGOs	13	9.6
Personnel training	9	6.6
Establish the elements of civil society	9	6.6
Expansion of international activities of NGOs	7	5.1
Increased information	4	2.9
Direct financial support to NGOs from the state	3	2.2
Working with beneficiaries	3	2.2
Conducting research	2	1.5
Total	136	100

One third of the responding NGOs said that they could play a certain role in addressing social issues if they are able to get domestic or foreign financial support. This could not be regarded as mentality of recipient of international aid, rather the local NGOs have a capacity to receive financial support and positively absorb implementing different activities and committed loan and grants are not fully utilised. This situation leads to lack of financial resources by NGOs.

One out of each 10 NGOs had considered that the Government should contract out public services to NGOs in order to increase their role in solving the social issues.

This approach is important and in line with the reforms taken place in the administration.

Many NGOs consider that the competition amongst the local NGOs is important to increase their role in solving social problems. Some NGOs think that there is monopolistic character of Government or some NGOs in addressing social problems because of a weak competition.

Also it is important to note that ways to improve the role in society by the NGOs are to maintain civil society nature (6.6%), to upgrade the skills of their personnel (6.6%).

The research team thinks that it would be appropriate to mention other issues such as working with beneficiaries, to conduct research, to receive funding from the Government, had been addressed by NGOs. However, frequency of mentioning and weight on these issues were too low to be given a meaningful interpretation.

The respondent said that project or programme resources are used to fill the budgetary gap, or abused for business purposes, or used as additional source of income, salary. They say these could be problems pertinent to transitional economy, adversely affecting the social sector development.

To the open question "List down advantages and disadvantages of NGOs in implementing developmental projects?", there were total 196 answers, 116 are advantages, 80 disadvantages respectively. According to NGOs, their main advantages are as follow:

- Independent, does not depend on Government /21,6%/;
- Broad citizen's participation, high degree of volunturism /12,1%/;
- Reaching beneficiaries /13,8%/.

The disadvantages are listed are financially weak because of non-profit orientation /38.8%/, local NGOs are not a part of international NGO networks /13,8%/, limited operational facility /11,3%/ these self-assessment are reflection of the current situation of NGOs. In addition, NGOs paid a special attention to information supply, cooperation and transparency amongst Government and NGOs.

4. Mobilising domestic and international resources

The surveyed NGOs implemented activities (projects, programmes) valued at 2.3 billion TG from international/foreign sources and 300 million TG from the domestic resources. The simple ratio of outer and inner sources of funding is 6/94. The observation easily could be made that local NGOs are based on the sources outside of Mongolia. The NGOs are in lack of financial resources, however Government can not properly and timely use the committed grants and loan in social sector. This is illustrated in the following table by the Government.

Table 10. Loans and grants in social sector, usage/million US\$/

	Committed	%	Used	%
Social infrastructure	308.6	14.9	241.8	78.4
Health	72.0	3.5	35.2	48.9
Human development	179.7	8.6	159.4	88.7
Social development	56.9	2.7	47.2	83.0

According to sectoral allocation of foreign aid resources, 25% of total foreign aid was directed to economic infrastructure, 27% for social sector, 16% improving the economic management of the country in 1995-1998 respectively. Thus it is important to increase the grant, loans for NGO activities in order to support Government programme implementation in the social sector.

The capacity of the NGOs will not only be limited by mobilising domestic and international resources but also the capacity will be expressed in mobilising human resources in Mongolia, particularly youth, and well-educated women groups.

The talents, knowledge, skills of many people in Mongolia are not mobilised for government services as well as for the NGOs' activities. Today, many young people, are in migration overseas in search of jobs and they end up at low end of labour markets.

It was observed the government services could be delivered to citizens/beneficiaries through systems, structure and capacity of the NGOs at the low costs, but this possibility has been underestimated. It is evident that single NGO had contracted out an amount for services from central or local budget.

On the other hand, the NGOs are not eligible to carry out profit oriented activities within the laws and regulations, thus they rely on donor aid grant in terms of financial support.

SIX. COOPERATION OF NGO AND DONOR ORGANIZATIONS

The issues of cooperation between NGOs and donor organizations was investigated by an open questions. There were 94 answers, 47.9% of which are keen to expand the joint activities, to implement projects and programmes, 22.4% are willing to build up their capacity, to improve financial and monitoring capacity through financial resources from donor organizations.

Firstly, NGOs do not clearly state their mission, objectives. Secondly, the NGOs is too weak, they only survive. Also they did not grasp the full depth of the questions that been asked through questionnaire.

One of the most urgent needs is for improved communication, collaboration and coordination between all parties involved in the social sector. This should include all major stakeholders, the Government, donor agencies and local and international

NGOs. Other interested parties including, government agencies, private companies and citizens should also be involved where possible.

It is recommended that a series of meetings involving the major stakeholders should be held in each sector and subsector to identify priority areas, develop social sector strategy, set goals and establish an infrastructure for ongoing and developing cooperation and collaboration. Possible sectors and subsectors include:

1. Education
 - Preschool education
 - Primary and secondary education
 - Higher education
 - Informal and distance education
2. Health
 - Prevention
 - Treatment
3. Information
 - Access and quality
 - Information and communication technology
 - Libraries and citizen access to information
 - Media
4. Support to NGOs
 - Human rights
 - Poverty alleviation
 - Civic education
 - Women's issues
 - Environment
 - Community development

To enable this to operate effectively and efficiently it is further recommended that full time staff be employed in priority areas to coordinate and maintain this process, and to develop and coordinate new projects to address other needs as they are identified. To facilitate this it is suggested that priority be given to communication, utilising the comparative advantage that Mongolia already has in the area of information technology. Establishment of a Mongolian and English language web site and an e-mail list service of all major stakeholders would be of great importance in maintaining and developing communications between the parties.

SEVEN. CONCLUSIONS AND RECOMMENDATIONS

Based on the survey conducted in the very short period of time covering wide range of issues affecting the NGO, the research team is making the following conclusions and recommendations to client organization:

1. Conclusions & Comments

- The establishment and maturity of NGOs demonstrate that democracy and civil society becoming reality in Mongolia. According to results of the survey, NGOs are following the path, at the stage of their “growth” through “trial-error”. Thus, there are observed many common problems relevant to NGOs associated with “growth” as they may not have clear mission and objectives, they may lack skilled staff to do sound jobs, too quick turnover of staff.
- In Mongolia, there was a “NGO boom” after adoption of “NGO Law” in very short period of time. Many projects as NPAP, Free Press, One World, Distance Education, Reproductive Health had served as the catalyzor for increased NGO activities. In the process of establishment, creation, orientation of the new NGOs, UNDP in Mongolia, its specialised agencies, DANIDA, JICA, MFOS, AusAid, Asia Foundation played a crucial role.
- The NGOs are playing important facilitating role (promotion, information, training, and research) rather than implementing activities as they have built up a certain level of capacity to implement projects, programmes absorbing funds.
- One had to recognise that NGOs require to some extent the “incubator conditions” from donor agencies and countries as many NGOs are new, they have been established recently, they lack experience and funding, also they need to increase their capacity.

2. Recommendations

In order to make the facilitating role currently assumed by NGOs into to implementers’ role and position, firstly, it is recommended to expand the framework of actions they undertake, secondly, there is a certain need to request the donor countries and agencies for continued support for NGOs in Mongolia.

1. It is recommended that the government services fall outside the competence of the Government in social policy implementation could be contracted out to NGOs on step-by-step basis in considering that there is capacity and sufficient number of NGOs;
2. It is recommended to make more transparent, participatory bidding process on the Government announced projects and programmes;
3. It is important to create a legal environment that ensures a competition by the NGOs on basis of equal conditions for participating in bidding, implementing the public projects;
4. An insurance fund should be created by the Government against the risks faced by NGOs in implementing the projects.

5. It is recommended to create a new performance measurement systems in NGOs by outcomes and outputs. The current practice is based on financial inputs of certain projects
6. It is not the ultimate goal to create “incubator conditions” for NGOs, but they must be supported from donor funding from Mongolia and outside the country to have increased outputs in their activities.
7. There should be an information pool on the NGOs that would be easily accessible to the broad public;
8. In order to make amendments to “NGO Law”, opinion of the public, the NGOs should be considered. The NGOs capable implementing projects, programmes of the Government on the social policy implementation should be support.
9. A one-stop Centre should be established with aim to serve the NGOs in their activities and capacity improvement through management training, organizational development, methodology for different activities (including participatory), acting as resource Centre.
10. It is recommended to make the NGOs activities open to government agencies; For instance: In order to implement social care services, the contract form could be introduced for the NGOs which may lead to competition by NGOs, disintegration of state monopoly in this sector, having cost-efficiency, increasing quality of services. It is important to encourage to establish consortiums of NGOs for a bigger projects and programmes in gathering their resources and capacities;
11. It is important to have a statistical data on NGOs as a part of statistical yearbook, thus the information on NGOs will be available to a broad public.

Matrix of the projects implemented by the NGOs in social sector

The matrix of projects implemented by 80 NGOs in 1996-2000 was done based on the criteria such as funds received from donor countries and organizations in 1996-1997, 1998, 1999 and 2000.

As the matrix shows, above mentioned 80 NGOs implemented 13 projects in 1996-1997, 17 projects in 1998, 21 projects in 1999 and 20 projects in 2000, totaling 302 projects in the social sector with funds from donor countries and international organizations, total cost of which is 4.426,7 million tug according to the current currency exchange rate.

NGOs like Mongolian Press Institute; Consortium of Mongolian Universities and Institutes, Consortium of training and research Institutes in Management and Economy, LEOS and Mongolian Development Center conducted sustainable activities and implemented comparatively bigger projects. However, majority of NGOs is not involved in the projects funded by donor countries and organizations. It is worth to be mentioned that projects were implemented not only in big cities but also in rural areas. As it is clear in the matrix, most of funds were provided to projects by donors like UNDP, TACIS, DANIDA, JICA, USAID, MFOS, DAD, AusAID and Save the Children Fund UK. Also majority of projects deals with training of target groups, providing in kind assistance to them, establishing information network and conducting research studies on social issues.

PS: Detailed information on the activities of NGOs covered by this survey can be obtained from related files.