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Fact sheets on Cash Transfer Projects

## Cash for Herder Mongolia III

## Dundgobi Aimag, Mongolia



**Implementation period:** December 2004 – March 2005

**Credit Proposal:** 7F-02323.03  
**Budget:** CHF 250'000  
**Beneficiary contributions:** 95%

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### **Situation**

Dundgobi was one of the aimags most severely affected by 'dzud' in 2000-2002. In summer 2004, a long lasting drought and a locust invasion in wide parts of Dundgobi drastically depleted the pasture land and left many herders worried about the lack of winter pasture. This significantly increased herders vulnerability particularly of those with no means to move. They

were immobilized, hoping for their animals to survive somehow.

### **Aim of the project**

The aim of the Cash for Herder III (CfH III) was to prevent vulnerable herders from Dundgobi affected by drought in summer 2004 from falling deeper into poverty.

### **Provided assistance**

The Cash for Herder III project provided a one-off cash contribution to the beneficiaries in two categories :  
1195 vulnerable herder families who have in total less than 200 animals and less than 20 animals per each family member received CHF 160-200.  
257 ex-herders, poor families (hardship case) received CHF 140.

### **Lessons learnt**

Transferring the money to savings accounts of the beneficiaries proved to be a value addition to the program. It allowed them to access the money when needed in dignity and securely.  
Involving beneficiaries and officials at the decision making level increased ownership and produced high social pressure to minimize misuse of cash.

### **Strengths**

Implementation by nationals and involvement of locals in decision making – capacity building and knowledge transfer.  
Good timing of the program and efficient and effective implementation (overhead costs <5%).  
Payment to savings accounts of beneficiaries.

### **Weaknesses**

High expectations during the preparation phase combined with inconsistent information led partly to confusion and misunderstandings.  
Low level officials (bag governors) did not receive compensation and thus their motivation decreased and complaints were raised.



## Implementation issues

### **Assessment, Project Start-up**

The situation was assessed together with MCRS and NEMA in the period Dec 13-27, 2004. This led to the following consensus:

- Cash approach was most flexible and appropriate tool for herders in time of need.
- To use data from the annual census (Dec. 04) as baseline data.
- Payments to the beneficiaries to savings account.

### **Registration**

Based on annual livestock census and verification by soum committees.

Criteria were the total number of livestock (<200) and the number of animals per family member (<20).

Hardship fund to provide assistance to ex-herders and vulnerable families in rural centers in the aimag (soum centers).

### **Verification**

Baseline data were verified at soum committee level.

Soum-level beneficiary lists were verified and approved by the aimag committee.

Project staff cross-checked the lists and gave final approval. The committees were found to have worked very good.

### **Announcement**

The implementation of the CfH III was publicly announced at a joint press conference of SDC, NEMA and MCRS.

Final beneficiary list and detailed information on eligibility were posted at the local AG bank branches and Secretary Offices of soum governors.

Two weeks after the public announcement, beneficiaries were able to withdraw money from their savings accounts.

### **Complaints**

Complaints were collected by the local committees using a template elaborated by the project.

However, hardly any complaints were recorded since the procedure was kept transparent and clear criteria were applied. Three justified cases were considered as hardship.

### **Payments**

Cash contributions were transferred into personal savings accounts of the beneficiaries opened the Agricultural Bank of Mongolia.

The Bank waived all commission fees, contributing MNT.

Transfers were fast and secure and communication between the bank, the project and the beneficiaries efficient and clear.

### **Monitoring**

A post payment monitoring was performed by a team of project team members and independent observers.

It showed that the beneficiaries prioritized their needs in a responsible way prioritizing the purchase of food in form of animals (27%) or fodder (23%). A month after the distribution of the cash 16% was still in the saving accounts (Report by Khan Bank).

### **Supporting measures**

No small projects were implemented.

The Project wrote a 'Little Tips' booklet for the beneficiaries. It was greatly appreciated by beneficiaries, since it clarified issues like what the money is for, the conditions for its use, and the criteria for beneficiary selection.

### **Documentation**

- 041218 PTC Pre-conditions for Cash for Herder III\_Mongolia.doc
- 050127 CfH III Final Project Document
- 041221 KA CfHIII 7F-02323.031
- 050708 monitoring report English
- 051003 CfH III Mongolia 2005 Final Report
- CfH III Factsheet