

Mongolia

Rural Poverty-Reduction Programme Project Performance Assessment

Executive Summary

1. The objective of the project performance assessment (PPA) of the Rural Poverty Reduction Programme (RPRP) in Mongolia was to assess the overall results of the programme and generate findings and recommendations for the implementation of ongoing operations in the country and the design of future operations. This assessment builds upon the previous project completion report validation and adds findings from a mission to Mongolia conducted in May 2012.
2. The project started in 2003 and ended in 2011, eight months later than originally foreseen. Total project cost was 17.1 million US dollars. The overall goal of the RPRP was to achieve sustainable and equitable eradication of poverty for about 80,000 vulnerable rural households living in an increasingly degraded environment. Specifically, the RPRP sought to increase the productive capacity of herders and cultivators, and to improve service delivery in four aimags (provinces), inhabited principally by nomadic herders.
3. In striving to achieve these goals the project scored a number of successes. RPRP is considered to have been successful in providing key services to remote herders such as hospitals, school dormitories, kindergartens and literacy training. It supported income diversification, and especially vegetable and crop growing were successful. There was substantial growth in commercial farming. Training in income generation and business skills, especially for women, was also successful.
4. In terms of increasing productive capacity of the herders results are more uncertain. The reasons for this relate to the key assumptions upon which the project was built, chiefly that: declining productivity and environmental degradation were the result of overgrazing, principally around towns; the remedy was to balance livestock numbers with environmental carrying capacity; and that this could be achieved by building new pasture management institutions. Overly optimistic estimates were made of the impact of the new rangeland management and monitoring committees (RMMCs) on livestock productivity.
5. It was also assumed that targeting project benefits to poor herding households could take place while convincing rich households to participate in the necessary collective action, such as pasture management, without receiving commensurate benefits. These assumptions are open to doubt. Current ecological research has shown that, especially in highly variable environments (non—equilibrium systems) carrying capacity has little meaning since pasture production is largely determined by random events such as dzud which are a major influence on livestock numbers and productivity. As concerns targeting the project attempted to reach 90-95 per cent of the total population while focusing on the poorest households. In the opinion of the evaluators this was an unrealistic expectation.
6. Perhaps as a consequence of these assumptions the performance of the RMMCs was mixed. Some did a good job and started to bridge the gap between traditional (and remnant socialist) mechanisms and modern resource management institutions. Excellent maps were made of local resources. Most RMMCs, however, were formed in a top-down manner and lacked local ownership. The government played a substantial role in such organizations. Local organizations allowed some herder participation in decisions about resource management, and service delivery, but they have not yet become the mechanisms through which herders manage

local resources or resolve local conflicts and they have been discontinued in the IFAD follow on project.

7. So while herder incomes grew rapidly during the project life, it is dangerous to attribute this to project activities, since it was a period of rapid general economic growth in Mongolia. The evaluation found little evidence of increases in the productivity of herding and subsequent income growth as a result of the activities of the range management monitoring committees. A concrete example relates to the maps and plans produced on behalf of the committees but which were not being used. Likewise there was no evidence that grazing management had improved.
8. The above project results reflected a similar pattern in terms of sustainability. The improvement of health and education services were the most likely to be sustainable since improvements in these services were taken over by the Ministry of Education and Health. However, maintenance of other infrastructure such as wells was more uncertain as arrangements were informal; collection of fees and regular contributions by water users were not in place. Extension services continued to depend on programme funding. The remaining RMMCs were fragile and repayment arrangements for micro-credit institutions were not clear. Herders remain vulnerable, especially to winter dzud.
9. The following broad recommendations need to be taken into consideration when developing future IFAD operations in Mongolia.
10. **Recommendation 1. *Underlying assumptions.*** IFAD should clarify the issues around grazing ecosystem functioning – for example carrying capacity and overgrazing - which are relevant to project design and objectives.
11. **Recommendation 2. *Herder institutions.*** The RMMCs created by the project are still weak. Their status needs to be clarified and plans for future institutional development decided and discussed with herders.
12. **Recommendation 3. *Targeting.*** The nature and methods of targeting in a pastoral environment need to be clarified.
13. **Recommendation 4. *Risk management.*** IFAD should in future projects in the pastoral domain ensure that a comprehensive risk management strategy is included as a key project component.
14. **Recommendation 5. *M&E.*** Greater attention should be paid in future projects to the design and use of a monitoring system, including improved sampling methods and analysis.