



# MONGOLIA

## COMMODITY VOUCHERS TO SUPPORT LIVESTOCK HERDER DISASTER PREPAREDNESS



In response to recurrent severe weather patterns, ACF implemented a cash-based intervention in the Uvs Province of Mongolia. The programme used vouchers to provide households with additional cash and income to prevent the deterioration of the nutritional status of herder families, as well as protect their livelihood assets from depletion. By addressing short-term needs, ACF intended to support herders through the recovery process from previous bad seasons.





## Humanitarian context

### Background

Several consecutive years of dzuud, long harsh winters followed by summer droughts, had a deep and lasting negative effect on rural populations and the economy in Mongolia, but particularly in the province of Uvs. Livestock is a major dietary staple and 40% of the Mongolian population lives off animal husbandry. On the whole, Mongolian herders lost 20% of their livestock during the dzuud of 2009. The impact was worse in Uvs, where 31% of livestock did not survive. This reduced herder households' ability to generate income and increased their food insecurity. Another dzuud was expected during the winter of 2010 when livestock was already weak and herders were indebted.

ACF chose to implement a cash-based intervention (CBI) to support the herders most vulnerable to the anticipated 2010 dzuud. Food and livelihood vouchers were distributed in the fall of 2010 to allow beneficiaries to stock up on essential items for the upcoming winter before prices increased due to seasonality. Preventing the deterioration of the food security and livelihoods of vulnerable herder households allowed beneficiaries to devote more of their own income to recovering from previous seasons.

### Assessment

Assessments conducted in February, March, and June 2010 indicated that herders are incapable of independently coping with climactic extremes. Delivering aid from both international and state organizations had been complicated in the past by the long chain of delivery. Having several intermediaries delayed the delivery process and contributed to the misappropriation of aid supplies. In-kind aid did not always reach the most vulnerable households. As a result, these households lost the majority of their livestock, which served as both a livelihood and a food source. The most vulnerable herder households coped by selling what livestock they had left to be able to purchase foods, further reducing their means to make a living and hampering their ability to recover from the initial loss of livestock.





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## Program overview and rationale

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ACF implemented this cash-based intervention starting in July 2010. The objectives of this programme were:

- 1 Prevent the decline of the nutritional status and productive asset holdings of vulnerable herding households in Uvs Province; and
- 2 Support vulnerable herder households in preparing for the upcoming dzuud and recovering from past harsh seasons by strengthening their access to foodstuffs and fodder.

ACF pursued a CBI to prevent herders from selling what remained of their livestock and assets in order to have the money needed to purchase basic foods and fodder. In the past, aid programmes in the targeted area experienced difficulties with having in-kind aid reach the most vulnerable households. Long supply chains and high rates of corruption diverted aid away from the intended recipients, which encouraged ACF to implement a CBI. Local markets offered ample supplies from neighbour countries and since only a small portion of the local population was involved in the CBI, there were no concerns about the effects of the programme on local food prices.



## Implementation

### Beneficiary selection and targeting

ACF focused on areas of Uvs that were among the most isolated and poorest in all of Mongolia. Within these districts, ACF targeted herder households that had financial weaknesses that jeopardized their ability to make it through the upcoming dzuud unaided. Those households that had not received aid after the 2009 dzuud, had no other source of income, and could not repay bank loans as a result of having lost livestock were targeted for the CBI. The size of a household's herd also determined if it was eligible for enrolment in the programme and what type of voucher was most appropriate for its needs. Local authorities and community representatives collaborated with ACF at the provincial, district, and sub-district levels to identify families that met these criteria. Targeting was done in August 2010 and initial beneficiary lists were cross-checked against lists from other organisations working in the area to eliminate duplications. Food vouchers were distributed to 7,928 individuals and 5,000 households received vouchers for fodder.

### Setting the value

The proposed value of food vouchers was meant to cover the food needs of a family of five for one month. Before implementation, ACF changed their approach and instead gave vouchers the appropriate value to meet the food needs of one person for three months. Beneficiary households received one voucher per person. To set the cash value of the food vouchers, ACF's team

calculated the cost of a one-month food basket; adjusted the price to account for seasonal, regional, and political fluctuations; then increased the value to allow beneficiaries to purchase three months' worth of staple items. The value of fodder vouchers was based on the hay and concentrated feed needs of one animal. Beneficiaries received fuel vouchers to pay for transportation costs to reach suppliers.

### Payment method and costs

Vouchers were selected because they reinforce the local supply chain and strengthened the ability of locally-based suppliers to procure commodities. Implementation costs for vouchers were lower than those of other cash transfer mechanisms because the programme only involved two rounds of distribution. The vouchers were designed to have a cash value applicable to the purchase of specific commodities through partner suppliers. Using a voucher with cash value allowed households to select the quantities of approved items to purchase in order to meet their individual needs. Restricting the commodities on which the vouchers could be used was important to ACF as antisocial use of funds was a concern when designing the programme.

## Program impact

This programme made a positive impact preventing the deterioration of the nutritional status of beneficiaries. Vouchers helped beneficiaries avoid reducing their food intake by restoring or increasing their income. As a result, they had the flexibility to invest in health and education and to reduce or stop borrowing money. Though there was no notable change in the quantity of household food consumption, 10% of beneficiary households accessed higher quality foods during or immediately after the CBI.

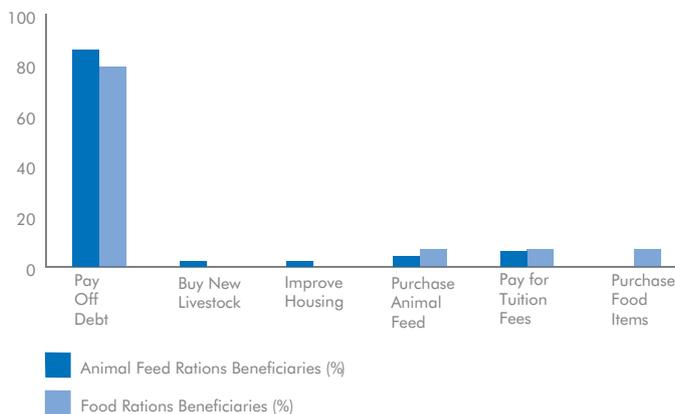
ACF was successful also in protecting against the loss of productive assets. Supporting household income helped to prevent herders from reducing the amount of fodder they gave to their livestock. Animal morbidity and mortality rates were lower than the previous year, and livestock births in the spring following the programme increased an estimated 10-30%. Beneficiary households reduced their use of coping mechanisms. Fewer assets were sold due to household distress and household borrowing rates fell.

The community found this CBI to be suitable to the local situation and agreed that the programme design satisfied the needs of beneficiary households. Everyone interviewed during post-distribution monitoring (PDM) concurred that implementation was very well timed as it occurred when the community was preparing for the upcoming winter.

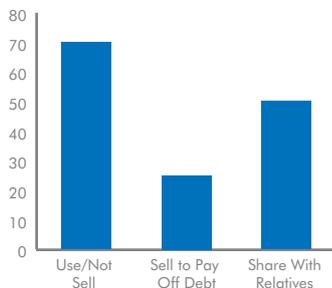
Feedback from PDM also highlighted that ACF's programme provided better quality commodities in higher quantities to more people than any aid provided in response to the previous dzuuds. Community members also appreciated that the vouchers supported the businesses of local suppliers. While some people thought that more households should have been selected to participate in the CBI, ACF reviewed complaints lodged after voucher distribution to make sure no exclusion errors had been made. Complaint mechanisms also provided clarity to the community about targeting criteria. Often, dissatisfaction about exclusion was eased by beneficiaries sharing commodities purchased with their vouchers with relatives.

Though this programme was successful in alleviating pressure on herder households' nutritional status and productive assets, the short-term results do not necessarily indicate longer-term stability. Findings from the CBI evaluation report make note of the vulnerability of households that rely solely on herding. Continued dependence on livestock impedes the economic growth that is essential to poverty reduction. It is the socioeconomic constraints on herders that prevent their full escape from the vicious cycle caused by dzuuds. To increase the likelihood of long-term food and livelihood security, these constraints need to be addressed with trainings, tools, and long-term financial planning that this CBI did not involve.

**FIGURE 1 HOW DO YOU PLAN TO USE THE MONEY YOU SAVED THANKS TO ACF AID?**



**FIGURE 2 BENEFICIARIES' PLANNED USE FOR AID (%)**





## Lessons learned and recommendations

To increase preparedness to respond to future emergencies with a CBI (when appropriate), aid agencies should:

- Devise communication strategies that can overcome challenges such as distance, inclement weather, or time limitations to facilitate sharing information on the CBI with the targeted community.
- Coordinate with local government offices and civil society organisations on handover activities after the programme to improve the agency's exit strategy and support the sustainability of the programme results.
- Select and apply monitoring and evaluation indicators aligned with the agency's policies that will support programme analysis, and create plans for using monitoring as a condition for continued fund disbursement.
- Explore potential partnerships with other INGOs and local organizations to coordinate on development, health activities, and long-term strategies to make the most of the various strengths of agencies working in the targeted area.

To improve future CBI planning and implementation, aid agencies should:

- Schedule programme implementation to coincide with the period during which the targeted community prepares for the anticipated emergency. This contributes to the success of the CBI and bolsters the community's resilience.
- Complement short-term programming with trainings and activities that support long-term income generation and agriculture to strengthen herders' skills to sustain their livelihoods and address the core issues of food insecurity.
- Consider adding an element to the CBI that would increase the productive asset holdings of especially vulnerable households. This can be done through a livestock voucher or in-kind provision of additional livestock, and should be accompanied by monitoring of animal husbandry practices and supported with trainings as needs arise.
- Demonstrate ACF accountability to its beneficiaries. An accountability work plan should be developed for the project period. This will include making programme information publicly available, enabling beneficiary participation and seeking their informed consent, and establishing a complaints handling procedure.

## Contact details and further reading

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For more detailed information, please refer to the evaluation of this programme, Penney, Antony S, "External Evaluation: ACF Provision of Food Aid and Livelihood Disaster Prevention to the Most Dzuud-Affected Herders in Mongolia," (June 2011), as well as the PDM report, "Food Aid and Livelihood Disaster Prevention to the most Dzuud-Affected Herders in Uvs Province, Mongolia," (2010).

