



“Support of basic needs and livelihood protection of vulnerable dzud-affected herder households in Dornod province, Mongolia”

## Basic Findings from Post-Distribution Monitoring

June 2017



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# 1 Introduction

In the winter of 2016/2017, Mongolia was hit by a severe winter *dzud* for the second year in a row. 65,000 households were affected, with at least 20,000 more considered at risk, in 17 provinces of Mongolia. As part of an emergency response to the affected herder population, People in Need delivered the project “Support of Basic Needs and Livelihood Protection of Vulnerable Dzud-Affected Herder Households in Dornod Province, Mongolia” funded by the Ministry of Foreign Affairs of the Czech Republic and the PIN Club of Friends between January – June 2017.

The project aimed to support the basic needs and protect the livelihoods of the most vulnerable herders through provision of:

1. Multi-purpose cash grants<sup>1</sup>
  - a. Bank transfers to beneficiaries with bank accounts were conducted on 30<sup>th</sup> March 2017
  - b. Bank cheque distributions to beneficiaries without bank accounts were conducted from 5<sup>th</sup> to 13<sup>th</sup> April 2017
2. Animal feed package consisting of concentrated feed and multivitamin and nutrient supplements
  - a. Distributions were carried out between 9<sup>th</sup> to 16<sup>th</sup> March 2017

Post-distribution monitoring was conducted by PIN team in May 2017 in order to assess the impact of the project and its progress against project indicators.

# 2 Methodology

The post-distribution monitoring exercise included the following data collection exercises:

- a) Household survey (HH survey) with project beneficiaries providing quantitative data
- b) Focus group discussions (FGDs) collecting qualitative information

PIN conducted a total of 63 HH interviews across all eleven target soums, and 4 additional FGDs in soums covered by the PIN intervention in Dornod aimag in May 2017. Twelve HH surveys were conducted face-to-face, the remaining 51 HH interviews were conducted by telephone to ensure efficient time and resource use due to significant distances between households.<sup>2</sup>

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<sup>1</sup> Cash grants amounted to 101,299 MNT (50 USD) for HHs with 1-2 family members, 202,598 MNT (100 USD) for HHs with 3-5 family members and 303,897 MNT (150 USD) for HHs with 6 and more family members.

<sup>2</sup> PDM field visit was conducted approximately two months after animal feed distribution from 3<sup>rd</sup> to 8<sup>th</sup> May 2017, meanwhile the telephone interviews were conducted from 10<sup>th</sup> to 22<sup>nd</sup> May 2017.

### 3 Key Findings

Finding	Source of information
<b>Cash grants and basic needs</b>	
Stated priority needs two months after distribution of assistance were food, herd restocking, and hay making equipment. The fact that the beneficiaries mentioned food as a priority need after receiving assistance, despite stating high levels of satisfaction with the assistance provided, suggests that food is a recurrent need throughout the year.	HH surveys
Expenditure per capita for small families of 1-2 members are more than double compared to families with three and more family members.	HH surveys
Cash grants supported the households' basic needs and bridged the most urgent income gaps, rather than covering all the basic needs for the duration of two months (average monthly expenditures are significantly higher than the amount of cash grant provided, majority of cash grants were spent in bulk for procurement of items or debt repayment within two weeks).	HH surveys, FGDs
Cash grants were used most frequently for food and full or partial debt repayment in all indebted households.	HH surveys, FGDs
Although the cash grant was intended exclusively for basic needs, many herders used part for livestock related expenses (livestock medicines, restocking, hay).	HH surveys, FGDs
<b>Animal feed and livelihoods</b>	
Prior to the dzud, respondent families had on average 51 heads of livestock, and reported a 7% herd death rate attributed to dzud-related cold and starvation (FGDs showed that most deaths occurred before the PIN animal feed distribution). At the time of the PDM assessment, households reported an average 33% increase in herd size due to spring births, reaching 67 heads of livestock.	HH surveys
Livestock related expenditures increase by 120% during dzud years, and in relation to the size of herd owned by the household.	HH surveys
Reported expenditure peaks from December to March during a dzud year; during years without dzud the highest expenditures occur from February to March.	HH surveys

## Support of Basic Needs and Livelihood Protection of Vulnerable Dzud-Affected Herder Households in Dornod Province, Mongolia

### Household economy

The household economies were compared in reference to a normal year (without dzud) and disaster-affected year (with dzud) and did not include the external humanitarian assistance (both in terms of cash or animal feed)

**The following table shows average monthly income, expenditure and balance in both reference years, confirming the vicious circle of indebtedness in vulnerable herder households:**

Household economy (monthly)	Year without dzud	Year with dzud
Income	323 529,57	325 276,89
Expenditures (basic needs)	322 204,00	336 709,00
Expenditures (livestock related expenses)	70 446,40	155 216,30
Expenditures (total)	392 650,40	491 925,30
Income gap	-69 120,83	-166 648,41

Households' income and expenditures for basic needs are almost identical in both reference years, however herder households face significant livestock-related expenditures increase during dzud years.

HH surveys

Average monthly income is almost identical to basic needs expenses in a normal year and slightly lower in disaster-affected years (households remain above survival threshold having secured basic needs).

HH surveys

Average monthly income is substantially lower than total expenditures in both reference years, with a significant shortfall during disaster-affected years (households are below the livelihood protection threshold facing the risk of losing their livelihoods).

HH surveys

Social benefits play an extremely important role in herder households, contributing around a third of total income to complement livestock sales.

HH surveys

## 4 HH survey results

### 4.1 Interviewees' household composition

Table 1: Household composition of survey respondents

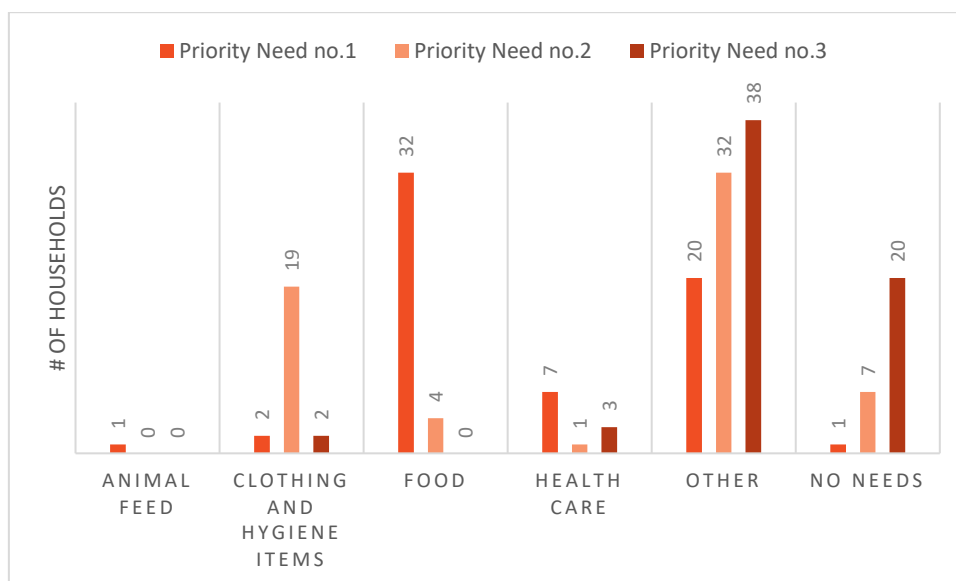
Age group	<5		5-17		18-49		50+		TOTAL		Grand total
Gender	M	F	M	F	M	F	M	F	M	F	
Individuals	35	20	26	40	63	65	21	25	145	150	295
%	11,9	6,8	8,8	13,6	21,4	22,0	7,1	8,5	49,2	50,8	100

### 4.2 Cash grants and basic needs

#### 4.2.1 Priority needs

The respondents were asked to list their three top priority needs at the time of the survey conducted approximately two months after animal feed distribution and one month after disbursement of cash grants.

Figure 1: Priority needs



Other priority needs consisted of restocking (48% of households), hay making equipment (19%) and cash (17%).

#### 4.2.2 Main income sources

The main sources of income for 92% of the respondents are social benefits (76% of respondents) and livestock sale/barter (62% of respondents).

Figure 2: Main income sources

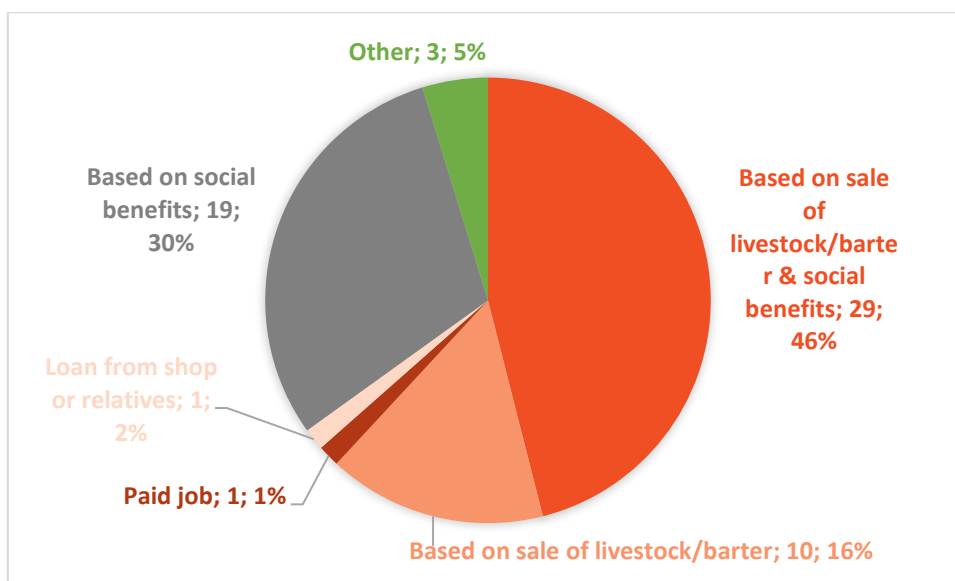
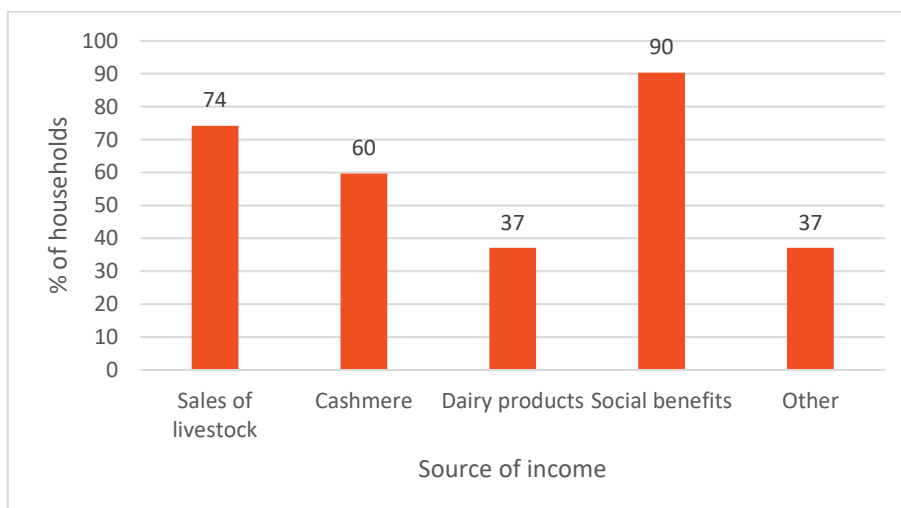


Figure 3: Households with particular type of income



Other sources of income included employment as assistant herder or carpenter, casual labour (combing cashmere, cleaning or preparation of animal shelters) or part time jobs.

Households noted their average yearly income during normal year (without dzud) and during a year with dzud, for the main five income categories.<sup>3</sup>

<sup>3</sup> For the calculation of average yearly income only data from 62 households was used, as new herder households had no reference for income during a normal year.

Table 2: Average yearly income by income source

Year used as one HHs was Type of income	Yearly income during year without dzud			Yearly income during year with dzud		
	Amount of HHs with income	Amount of HHs without this income	Average income <sup>4</sup>	Amount of HHs with income	Amount of HHs without this income	Average income
Sales of livestock	47	15	1 325 532,00	45	17	1 631 111,00 <sup>5</sup>
Cashmere	37	25	661 081,00	37	25	661 081,00 <sup>6</sup>
Dairy products	23	39	295 652,00	23	39	295 652,00
Social benefits	56	6	2 078 500,00	56	6	2 078 500,00
Other	23	39	1 537 500,00	22	40	1 625 555,00
<b>TOTAL<sup>7</sup></b>			3 882 354,89			3 903 322,65
<b>Average monthly income</b>			323 529,57			325 276,89

The only income type affected by dzud is the sale of livestock<sup>8</sup>, when the average annual income from livestock increases by 23%. The increased destocking is analysed as a coping strategy to manage dzud events and the reduced fodder availability. However, 57% of households report no increase or a reduction in income from livestock sales; herders are less willing to sell animals when total herd size is smaller. According to the survey respondents, income from cashmere, dairy products and social benefits is unaffected by dzud events.<sup>9</sup>

<sup>4</sup> Average income for families with this source of income.

<sup>5</sup> This can be attributed to the herders' coping strategies, not improvement of their economic status during dzud, – selling off livestock before dzud in order to get more cash to prepare for the severe winter and reduce the amount of animals to feed so the core herds has higher chances of survival. On the other hand, the income from sales of livestock would be lower after dzud in case of high death incidence during dzud.

<sup>6</sup> In the survey data record, the price of cashmere last year was recorded in „dzud year“, however this in a market price fluctuation not dependent on dzud. Last year the average yearly income from cashmere was 436 486 MNT.

<sup>7</sup> Total is an average income for all households not depending on what type of income they have

<sup>8</sup> Sheep and goat cost on average 40,000 MNT for young animal or 65,000 MNT for bigger animal, meanwhile calf can be sold for on average 400,000 MNT and adult cow 650,000 MNT. Obtaining an income of 1,400,000 MNT thus means sale of approximately 2 cows or 20 sheep/goats.

<sup>9</sup> The cashmere price fluctuates and increased by 34% this year compared to the last four years (average price per kg was 50,000 – 70,000 MNT compared to 100,000 MNT in 2017). A herder needs 3-4 goats for a production of 1 kg cashmere.



### 4.2.3 Impact of dzud on ability to meet basic needs

Households reported average winter monthly expenditures (during the 7 months of winter from October to April).

**Table 3: Average spending per winter month**

Average spending per winter month during a year without dzud (October-April)		Average spending per winter month during a year with dzud(October-April)		Difference
Food	92,475	92,475		0%
Clothing	84,478	84,478		0%
Home utensils	35,573	35,573		0%
Health care	23,025	23,025		0%
Transportation <sup>10</sup>	29,626	44,131		49%
School	33,904	33,904		0%
Other	23,123	23,123		0%
<b>TOTAL</b>	<b>322,204</b>	<b>336,709</b>		<b>4,5%</b>

The significant increase by 49% is on transportation expenditure during a year with dzud, causing the basic needs spending to increase by 4,5%.

However the average spending depends on the family size, when small households of 1-2 household members face significantly higher expenditures per person and larger households have to cope with significantly lower expenditure per capita.

**Table 4: Average spending per winter month per capita**

HH size	Food	Clothes	Home utensils	Health	Transport (year with dzud)	Transport (year without dzud)	School	Other	TOTAL average spending pp during dzud	TOTAL average spending pp without dzud
<b>1-2</b>	32,778	37,222	14,444	26,111	7,222	5,556	17,407	18,175	153,359	151,693
<b>3-5</b>	15,681	17,034	5,822	3,708	9,698	7,132	5,513	5,065	62,521	59,955
<b>&gt;5</b>	20,984	16,661	8,017	3,93	9,329	5,649	8,018	3,875	70,814	67,134
<b>Average</b>	<b>20,203</b>	<b>19,872</b>	<b>7,922</b>	<b>7,097</b>	<b>9,196</b>	<b>6,329</b>	<b>8,213</b>	<b>6,550</b>	<b>79,053</b>	<b>76,186</b>

### 4.2.4 Coping strategies

As a food security coping strategy, 79% (50) of the respondent households purchased food on credit, 57% (36) reduced meals with staple foods, and 52% (33) had to borrow food from a friend or relative one or twice in the past 7 days at the time of the survey.<sup>11</sup>

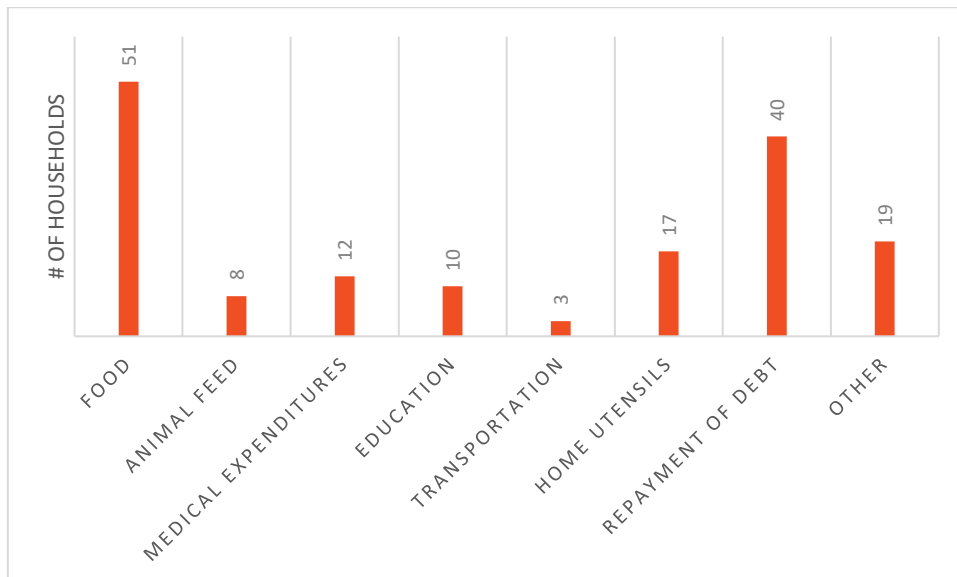
<sup>10</sup> Transportation expenditures related to basic needs such as transportation to nearest soum/aimag centre for shopping, access to bank, schools, hospital. Transportation related to livestock is included in section Animal Feed and Livelihoods.

<sup>11</sup> Only two households noted that they had to employ a particular coping strategy more than twice (1 HH stated that they had to limit portion size at mealtimes 6 times in the past week, 1 HH stated that they reduced meal with staples 3 times in the past week).

#### 4.2.5 Cash grants usage

The beneficiary HHs used the cash grant for following with majority of them spending the cash within one or two weeks:

Figure 4: Usage of cash grants

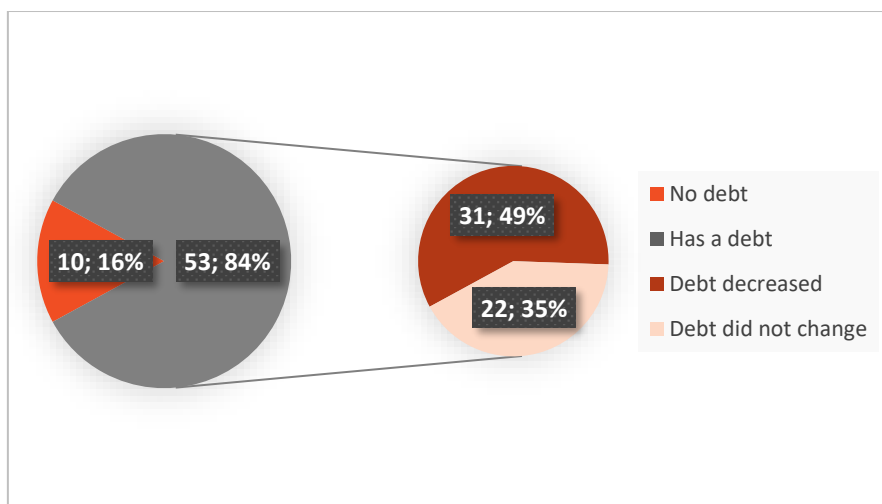


“Other” included clothes (58%, 11), livestock related expenses (37%, 7) and vegetable gardening (5%, 1).

#### 4.2.6 Indebtedness

84% of respondents stated that they had either formal or informal debt.<sup>12</sup> Out of the indebted households, 58% stated that their debt decreased and 42% stated that the amount of the debt did not change following the cash transfers. No one reported that their debt increased since they received the assistance.

Figure 5: Indebtedness and debt changes



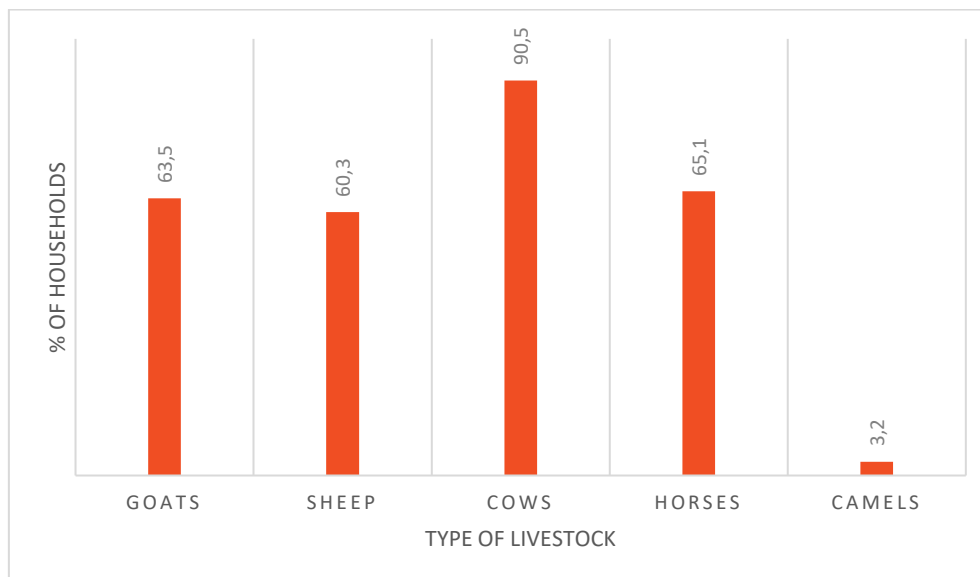
<sup>12</sup> However it is likely the majority of respondents hold informal debt as they have too few livestock to obtain formal herder loans from a banking institution.

## 4.3 Animal Feed and Livelihoods

### 4.3.1 Amount of animals owned

The table below shows the percentage of households owning different types of livestock:

Figure 6: Type of livestock owned by households



### 4.3.2 Animal deaths and births during dzud

40 households (63,4%) experienced livestock losses that they attributed mostly to cold and starvation. The average deaths per household was approximately four animals, however 37% (23) of households did not experience any livestock deaths. However, the total amount of livestock increased by 32,7% due to spring offspring.

### 4.3.3 Impact of dzud on livelihoods

Compared to the impact of dzud on the basic needs of the households (as per chapter 4.2.), average expenditures on livestock related items are by 120% higher during the dzud year.

Table 5: Livestock related expenditures

Average spending per winter month during a year without dzud (October-April)	Average spending per winter month during a year with dzud (Oct- April)	Increase (%)	
Animal feed	30 396,80	109 365,10	259,79
Animal medicines/ treatment	9 576,20	15 052,40	57,19
Other	30 473,40	30 798,80	1,07
<b>TOTAL</b>	<b>70 446,40</b>	<b>155 216,30</b>	<b>120,33</b>

The “other” expenditures are one-off expenditures before winter (ranging from 100 000 MNT to 800 000, with 300 000 MNT as the most common amount) dedicated for animal feed preparation and for repair and preparation of animal shelters.

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Monthly expenditures for livestock related expenditures understandably rise with the size of herd.

### 4.3.4 Expenditure peaks

The period when respondents spent most money on animal feed and livestock related expenditures during dzud is longer than the period during years without dzud – from December to March. During a regular year most households report the highest expenditures in February and March.

**Figure 7: Expenditure peaks for livestock related expenditure**

Year with dzud						Year without dzud						
November	11				11	November					0	
December	11	30			41	December		2			2	
January	11	30	9		50	January	22	2			24	
February	11	30	9		9	59	February	22	2	25	49	
March	11	30	9	2	9	61	March	22	2	25	3	52
April	11			2		13	April				3	3

*Note: The number inside each cell reflects the HHs mentioning this time period, e.g. 11 households stated that the highest expenditure for livestock related items is from November to April.*

## 5 Best practices and recommendations

Best practices	Recommendations
<b>Cash grants and basic needs</b>	
<ul style="list-style-type: none"> <li>▪ Multi-purpose cash grant – allowing flexibility of households to bridge income gaps according to their choice including repayment of debt</li> </ul>	<ul style="list-style-type: none"> <li>▪ Detailed analysis of household economy to determine the appropriate size of the cash grant</li> <li>▪ Additional support of small and young families as they often do not receive social benefits and face higher expenditures on basic needs per capita</li> <li>▪ Size of the cash grant should reflect the intended coverage of needs and duration of support (e.g. covering the household income gap/all or particular portion of basic needs)</li> <li>▪ Consider restocking and hay making equipment assistance for future programming and disaster preparedness programmes</li> <li>▪ Include animal medicines in animal feed packages, as part of cash grants were used for veterinary expenses</li> <li>▪ Consider programmes to support income diversification and increasing the profitability of livestock sales</li> </ul>
<b>Animal feed and livelihoods</b>	
<ul style="list-style-type: none"> <li>▪ Distribution of animal feed relieved the pressure on household expenditures on basic needs</li> <li>▪ Distribution of animal feed led to the rapid recovery of the fed animals and the cessation of dzud-related deaths</li> </ul>	<ul style="list-style-type: none"> <li>▪ Further research into animal deaths/birth rates during both reference years considering the differing vulnerability levels of herder households (Does the intervention save more animals than would survive years without dzud, contributing further to challenges associated with environmental degradation and overstocking?)</li> <li>▪ Further research why a significant part of herder households did not face any livestock deaths</li> <li>▪ Linkages of animal feed suppliers to herder communities to address current unavailability of quality animal feed and multivitamins on the local market</li> <li>▪ Consider earlier feed distributions as livestock related expenditures peaks from December to March, in an effort to reduce animal deaths</li> <li>▪ Verification of livestock numbers against the data provided by the soum governors and/or</li> </ul>

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	adjusting animal feed provision size during the distribution
<b>Data collection and further research</b>	
<ul style="list-style-type: none"><li>▪ PDM was impact oriented</li><li>▪ Collection of data regarding household economies</li><li>▪ Qualitative data on livelihood coping strategies were obtained through FGDs</li></ul>	<ul style="list-style-type: none"><li>▪ Conduct full HEA</li><li>▪ Refine and adjust coping strategy index for future use</li></ul>



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