

# “Cash for Herders” implemented by SDC in Khovd

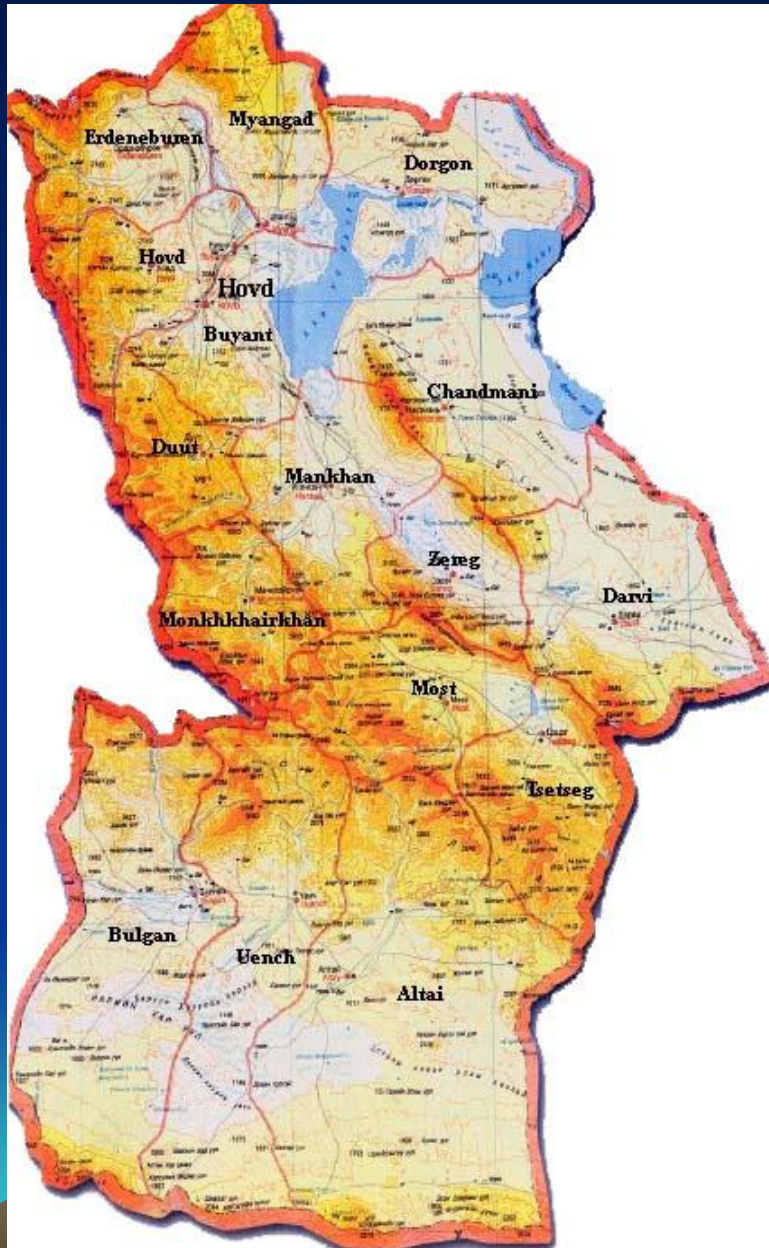
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## Cash for Herders in Khovd

- In 2006, SDC implemented a cash project that provided cash to herder families and households that were living below subsistence level, in partnership with JCS International and Khan Bank.



# Khovd aimag



- Territory – 76133 km<sup>2</sup>
- Population - 92395
- Number of households - 19873  
Representing 13 different ethnic groups
- Located 1200-1600 km from Ulaanbaatar
- Agriculture is main industry
- Borders with 4 western aimags and Xingjian Autonomy of China
- 2 border gates
- Regional center of the Western aimags

## Cash for Herders in Khovd

- By providing one-off cash assistance, the project aimed to help those households living below the poverty line to solve their pressing economic problems.



## Cash for Herders in Khovd

- The project implementation team closely cooperated with working groups from the aimag and each soum.
- The working groups from the aimag and soums consisted of representatives from the aimag administration, civil-society organizations and citizens.



## Cash for Herders in Khovd

- Beneficiary selection was based on annual surveys of poor families in the soums. The survey helped to define the monthly income of each household. After making a preliminary list of potential beneficiaries, the project team made random home visits to 30-40% of the potential beneficiaries.



## Cash for Herders in Khovd

- The first criteria for the selection of beneficiaries was a monthly family income of less than 3000 MNT per household member.
- The second criteria was families who had a monthly income of more than 3000 MNT, but were:
  - Single-head households with many children;
  - Households with sick members whose medical costs were high.



## Cash for Herders in Khovd

- The project team worked in each soum to select the beneficiaries during the period from January 10 to February 12, 2006.
- The decision on beneficiary selection was made during joint meetings with the soum working groups.



## Cash for Herders in Khovd

- Cash assistance was transferred to saving accounts opened in the name of the head of each household through Khaan Bank's soum branches, which:
  - Provided quick and easy access to the money;
  - Gave them free choice on how to spend the money.



## Cash for Herders in Khovd

- Each of the 1371 households in 17 soums received one-off cash assistance of 200,000 MNT.
- 34 % of the beneficiaries withdrew their money at once; the rest withdrew only a partial amount.



## Cash for Herders in Khovd

- 47% of the beneficiaries spent the money on things that helped them to increase their income in the long-term, such as purchasing labor, tools and animals.
- This project significantly contributed to the alleviation of economic pressure on poor and extremely poor families.
- As a result of the project, many households were able to engage in activities that helped them increase their household income, and thus improve their livelihoods.



# Cash for Herders in Khovd

## **Project advantages:**

- Close cooperation of the project team with the working groups (which consisted of representatives from local administrations, citizens and civil society) made the selection process transparent and thus led to the selection of the right households.
- Giving cash enabled households to solve their pressing economic issues based on their own circumstances.
- Transferring the cash to saving accounts opened in the name of the head of each household made the process efficient and enabled them to access the money when they needed it.



# Cash for Herders in Khovd

## **Disadvantages/ Recommendations:**

- The projects leads poor people to develop an aid-dependent mentality.
- The project would have been more successful if the purpose was to help the beneficiaries to engage in activities which enabled them to create a sustainable income.



Thank you for your kind attention!

