



Learning by Doing: Community-Driven Development in the *Ger* Areas of Mongolia

As the urban population in the Asia and Pacific region grows, so does urban poverty. About 700 million people in Asia and the Pacific live on less than \$1 a day, 400 million of whom are residing in urban areas. Each day, 120,000 people are added to the populations of Asian cities due to rural–urban migration and job mobility. By 2020, Asia is expected to have a population of 4 billion—more than half of whom will be city dwellers. Thirteen of the world’s 23 megacities (cities with at least 8 million inhabitants) are found in Asia. Along with urbanization came congestion, poverty, and violence.¹

In Mongolia, rapid urbanization started during the second half of the 20th century. This trend accelerated during the transition from central planning to a market-based economy. The urban population is about 1.54 million, equivalent to 60% of the national population of 2.56 million. The urban population is growing by about 2.4% annually, while total annual population growth is about 1.4%.

Mongolian cities present two very distinct types of development. The first involves planned areas featuring from 1- to 10-storey prefabricated or brick apartment blocks surrounded by vaguely defined open spaces. The second involves “temporary” *ger* (traditional tent) housing areas

characterized by long strips of large unserviced plots with wide roads on either side, which now dominates urban growth. Mongolia’s poor population is concentrated in these *ger* areas. More than 36% of the total population of Mongolia lives below the poverty line, and almost 80% of the poor live in *ger* areas in Ulaanbaatar and in *aimag* (province) centers. Formal unemployment is very high (at 20–40%) in the *ger* areas. Aggravating poverty in these areas is the dearth of basic infrastructure and social services that include sanitation, paved roads, street lighting, drainage, schools, and health clinics. Households suffer from diseases associated with unsafe drinking water, poor sanitation, little or no solid waste management, and air pollution caused by wood stoves emissions.²

Addressing Mongolia’s Urban Development Challenges

In 2006, the Urban Development Sector Project (UDSP)³ was launched to support the Government of Mongolia’s initiatives to address urban development issues, particularly in improving basic urban services, urban roads, and on-plot facilities in selected *ger* areas. Apart from developing the necessary urban infrastructure, UDSP intends to increase access to small loans for households and neighborhood improvements, create direct short-term employment for construction and indirect long-term income opportunities, and empower poor residents in decision-making processes through the establishment of community-based organizations to plan and implement community infrastructure improvements. The UDSP is the first Asian Development Bank (ADB) project to

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focus on comprehensive ger area development⁴ using the community-driven development (CDD)⁵ approach.

To complement USDP's use of CDD and ensure the poor communities' participation in decision-making processes and in implementing community infrastructure, the Community-Driven Development for Urban Poor in Ger Areas Project (JFPR-CDD project)⁶ was initiated in 2007 through a grant from the Japan Fund for Poverty Reduction (JFPR). Designed to pilot innovative approaches in mobilizing communities, the project is currently being implemented in the city of Erdenet, while a project start-up is being prepared in the cities of Bayanhongor and Choyr. About 18,000 households in ger areas in the three cities are expected to benefit from the project.

Through CDD, ger area residents will be able to take control of the development of their neighborhoods. The small resources provided by the grant enable communities to build needed infrastructure and undertake income-generating activities. The JFPR-CDD project pilots a decentralized, demand-driven approach to community infrastructure development that has not previously been implemented in Mongolia. It introduces the following innovations:⁷

- an open menu for community infrastructure subproject activities;
- evaluation of community subproject proposals based on the level of community-wide benefits, community commitment, and pledged contributions (cash and in-kind) from the local government and community;
- community management of development resources, including community contracting;
- arrangements to ensure full community participation and transparency; and
- enhancement of the community mobilization and facilitation process.

Subprojects eligible for funding include those that have to do with technical and housing infrastructure (i.e., potable water connections, waste water treatment, road improvement, street lighting, small bridges, etc.), social infrastructure (i.e., community centers, children's playgrounds, sport fields, parks and gardens, neighborhood activities, etc.), environmental (i.e., erosion control, tree planting, waste management, etc.), and income generation (i.e., briquette making, internet services, hairdressing, sewing, greenhouse production, dairy processing, beekeeping, etc.). Communities are expected to contribute at least 20% (17% in-kind or labor and 3% in cash)

of the grant amount and to open a community account at a bank with the cash contribution deposited.

To prepare for project implementation, the JFPR-CDD project team and other stakeholders from Mongolia visited the Kyrgyz Republic for a week-long study tour⁸ in April 2008. The study tour aimed to give the Mongolian team exposure on how CDD mechanisms and methodologies work (or do not work) on the ground in institutional circumstances similar to Mongolia. This also provided an opportunity for Kyrgyz CDD practitioners to learn from the experience in Mongolia.

CDD Project Implementation in Erdenet City

Project implementation started in the Erdenet City ger districts in May 2008, and already significant learning and key project outputs have been achieved. The project contracted the Urban Development Resource Center, an Ulaanbaatar-based nongovernment organization, to facilitate community capacity development and mobilization.

Statistical data and geographical maps of the respective ger districts (*bag*) of Erdenet City were collected at the onset of project implementation. The data and maps were to be used for assessing the development challenges and defining the local development strategy. Each bag is subdivided into project areas called *khesegs*. (Each *kheseg* comprises about 350 households.) Information dissemination and community meetings on the CDD approach and on project activities are conducted in the *khesegs*. Project objectives, processes, and mechanisms are introduced and explained to the communities during the meetings, specifically on the need for community participation. As of December 2008, 224 community meetings were held in Erdenet City's seven ger districts (*bag*) with more than 2,500 participants.⁹

Subproject council is established in each bag, with representatives coming from the *khesegs*. The communities prepare and vote on subproject proposals, which are submitted to the subproject council. As of December 2008, 35 subproject groups have been formed, 22 subprojects have been approved, and 15 have commenced implementation amounting to about \$16,500. Six subprojects have also been completed (e.g., community fencing, latrine construction, street lighting, chicken breeding, community park, and capacity building for differently-abled people).

As part of the community monitoring and evaluation mechanisms, information boards, which included general information on the CDD project, amount of funds available for the specific bag, list of selected subprojects and details on the implementation status, and community contribution, were set up in each bag. Each subproject group was also tasked to prepare a community information board describing subproject implementation activities.

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Initial Lessons and Insights

Six months into operations in Erdenet City, the JFPR–CDD project has gained useful lessons and insights to guide project implementation. Among these are¹⁰

- **Financial management of subprojects**—At first, most of the subproject groups opened their respective community accounts under one name (usually the leader of the subproject group), giving one person sole power to dispose grant funds and community contributions. Abuse of this power often resulted in procurements and disbursements that deviated from the standard processes laid down in the contracts with subproject groups. Remedial measures were introduced in the financial regulations, among them community accounts should have least two subproject group members as signatories; cash withdrawals should be signed by all signatories; and procurement should be done solely by the members of the procurement evaluation committee and the account book should be kept by the community accountant.
- **Community contribution**—Monitoring of community cash contribution was weak; there were cases when community contributions were not sufficiently prepared or were not deposited before grant funds were transferred to the community accounts. The Project Implementing Unit (PIU) has decided to transfer funds only after the in-cash and in-kind community contribution was fully prepared and monitored.
- **Subproject execution**—Based on preliminary monitoring results, of the 15 subprojects that received funds and started implementation, six seemed to have performed well, six were average, and three were deficient. Income-generating subprojects performed less successfully compared to living environment or social infrastructure subprojects. In two income-generating subprojects, the use of funds differed significantly from the approved plans and activities; these contracts had to be canceled by the subproject council. The PIU decided to support income-generation projects in the first cycle only in exceptional cases.
- **Shared responsibilities**—In some subproject groups, tasks, responsibilities, and decision-making were shouldered mainly by group leaders. In these cases, abuse of power and organizational lapses were more common. There is a need to strengthen collective spirit, shared responsibilities, and power among members of the groups.

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All these lessons have been incorporated into the project implementation plan for May 2009 when the second cycle begins. These will also serve as guide for developing operational guidelines in the cities of Bayanhongor and Choyr. Initiatives to enhance project performance are ongoing. Apart from capacity building for PIU staff on CDD, networking and linkage-building activities have been conducted with officers of other development projects in Erdenet, which included the German Technical Cooperation (GTZ)¹¹-funded Integrated Urban Development Program and the Habitat for Humanity.

The Community-Driven Development for Urban Poor in Ger Areas Project still has a long way to go. But it has already stirred the poor communities in Erdenet: they have demonstrated that they can decide on matters affecting them and could manage projects efficiently if provided the appropriate skills. While there have been mistakes, these were considered significant lessons.

Endnotes

- ¹ SDD. 2007. *The Rising Tide of Violence in Asia's Cities*. ADB. Manila. Available: www.adb.org/Documents/PRF/knowledge-products/Rising-Tide-Violence.pdf.
- ² Asian Development Bank (ADB). 2007. *Grant Assistance Report. On Proposed Grant Assistance to Mongolia: Community-Driven Development for Urban Poor in Ger Areas (Financed by the Japan Fund for Poverty Reduction)*. Available: www.adb.org/Documents/GAR/MON/37697-MON-GAR.pdf.
- ³ Urban Development Sector Project (Loan 2301 MON). Loan Amount: \$28.2 million. Approval Date: November 2006. Completion Date: December 2012. Executing Agency: Ministry of Construction and Urban Development.
- ⁴ ADB. 2006. *Report and Recommendation of the President to the Board of Directors on Proposed Loan Mongolia: Urban Development Sector Project*. Available: www.adb.org/Documents/RRPs/MON/37697-MON-RRP.pdf.
- ⁵ Community-Driven Development (CDD) is an approach that gives control over planning decisions and investment resources of local development projects to community groups. World Bank. 2008. *Community Driven Development*. Available: <http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTSOCIALDEVELOPMENT/EXTCDD/0,,menuPK:430167~pagePK:149018~piPK:149093~theSitePK:430161,00.html>.
- ⁶ Community-Driven Development for Urban Poor in Ger Areas Project (Mon 9106). Grant Amount: \$1.5 million. Approval Date: March 2007. Completion Date: June 2011. Executing Agency: Ministry of Construction and Urban Development.
- ⁷ ADB. 2007. *Grant Assistance Report. On Proposed Grant Assistance to Mongolia: Community-Driven Development for Urban Poor in Ger Areas (Financed by the Japan Fund for Poverty Reduction)*. Available: www.adb.org/Documents/GAR/MON/37697-MON-GAR.pdf.
- ⁸ The study tour was arranged by the ADB Resident Mission in Mongolia, funded by the ADB Regional Initiative on Supporting CDD in Developing Member Countries (TA 6400-REG). For more information on the study tour, please check www.adb.org/Documents/Reports/Consultant/40305-REG/40305-REG-TACR.pdf.
- ⁹ Project Implementing Unit. 2008. *Community Driven Development for Urban Poor in Ger Areas Project Report on Project Progress (May–December 2008)*. Ulaanbaatar.
- ¹⁰ Project Implementing Unit. 2008. *Community Driven Development for Urban Poor in Ger Areas Project Report on Project Progress (May–December 2008)*. Ulaanbaatar.
- ¹¹ GTZ - Deutsche Gesellschaft für Technische Zusammenarbeit.

Disclaimer

This case study was written by Mario Randolph Dacanay (RETA Consultant) under the Regional TA 6400: Supporting Community-Driven Development (CDD) in Developing Member Countries, with inputs from Tsetsegmaa Amar, Project Officer of JFPR 9106, and Clifford Burkley, Social Development Specialist, ADB. The views and assessments contained herein do not necessarily reflect the views of ADB or its Board of Directors or the governments they represent. ADB does not guarantee the accuracy of the data and accepts no responsibility for any consequence of their use.

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In this publication, \$ refers to US dollars.
Publication Stock No. ARM090235a

March 2009

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