Mongolia: Cooperative-Based Sustainable Agriculture Production

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<tr>
<th>Project Name</th>
<th>Cooperative-Based Sustainable Agriculture Production</th>
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<td>Project Number</td>
<td>53036-001</td>
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<tr>
<td>Country</td>
<td>Mongolia</td>
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<td>Project Status</td>
<td>Active</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Technical Assistance</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>TA 9840-MON: Cooperative-Based Sustainable Agriculture Production Technical Assistance Special Fund US$ 400,000.00</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Governance and capacity development
- Knowledge solutions
- Private sector development

Sector / Subsector
- Agriculture, natural resources and rural development
  - Agricultural policy, institutional and capacity development
  - Industry and trade - Industry and trade sector development

Gender Equity and Mainstreaming
- Some gender elements

Description
The proposed knowledge and support technical assistance (TA) will help the Government of Mongolia strengthen agriculture value chains and promote sustainable and efficient agriculture production. The TA will improve the capacity and ability of herder cooperatives to address issues including livestock, pasture, and water management and strengthen value chains and links with markets. The TA-generated knowledge will also provide an evidence-based model for empowering herder cooperatives and allow Mongolia to transition towards sustainable and quality-based livestock production. The government requested the TA from the Asian Development Bank (ADB) for Cooperative-Based Sustainable Agriculture Production to prioritize quality-based livestock production over quantity-based output. The TA is included in the country operations business plan for Mongolia, 2020-2021.

Project Rationale and Linkage to Country/Regional Strategy
Agriculture remains a key source of poverty reduction and employment in Mongolia, employing one third of Mongolia’s economically active population and contributing just over 12% of gross domestic product. Livestock contributes 84% of agriculture output, and an estimated 230,000 herder households rely on livestock for income and livelihood. Despite the importance of agriculture and livestock to poor rural households, many herders continue to manage livestock and pasture privately without adequate regulations, policies, and incentives for sustainable livestock, pasture, and water management, which has impaired the development of more climate-resilient and profitable livestock production and marketing systems in Mongolia. As a result, over 70% of Mongolia’s pastureland is now degraded and livestock heads exceed 66 million. Well-functioning herder cooperatives could offer several services to members beyond just buying and selling livestock, including marketing, production, insurance and financial services, access to training, agriculture technology and extension services, and arrangements for collective and sustainable livestock, pasture, and water management. While the number of pasture user groups and herder cooperatives has grown in recent years, several challenges constrain the ability of herder cooperatives to lift herder incomes, promote sustainable livestock production, and boost Mongolian meat exports. First, the structure, function, and role of herder cooperatives remains somewhat unclear, particularly after Mongolia traded socialism for capitalism in 1992, disbanding state-run herder collectives, privatizing livestock, and deregulating public pastureland. In addition, many cooperatives have yet to establish reliable links with veterinary services, agribusinesses, processors, and exporters, limiting their ability to access high value domestic and international markets for members. Finally, limited arrangements for coordinated grazing management, lack of trust among members, and insufficient capital for operating and investment needs remain important issues for herder cooperatives. Cooperatives, herders, and government officials have limited knowledge and capacity. Cooperatives lack the capacity to deliver improved services to herders for sustainable livestock and pasture management and animal health, nutrition, quality, and traceability. Although large herds give herders additional status and diversity of herds, they also contribute to overgrazing, desertification, excessive resource use, and inadequate animal feed, particularly in winter. Meanwhile, herders have limited knowledge about services, rights, entitlements, responsibilities, and profit-sharing mechanisms within herder cooperatives. To realize their potential, herder cooperatives must expand their knowledge. Additionally, it is important for national and local government officials to (i) build capacity and awareness of the key challenges faced by herder cooperatives and (ii) support evidence-based models for cooperatives that can promote sustainable, quality-oriented, efficient, and climate-friendly livestock production. To diversify the economy and boost exports of livestock products, the government must review existing policies and introduce new ones for meat exports, including through herder cooperatives. Limited institutional coordination and policy support for cooperative-driven and high-quality meat exports have kept export volumes of livestock products below their potential. Policies and arrangements remain inadequate to ensure animal traceability, safety, and product quality required for exports. Animal diseases, including foot-and-mouth disease, are prevalent and persistent, and the veterinary system has been unable to promptly and effectively work with herder groups and cooperatives to contain and manage outbreaks. These animal disease outbreaks have led Mongolia’s neighbors to periodically ban Mongolian meat exports. However, Mongolia’s proximity to major regional markets in Northeast and Central Asia, and its reputation for pastoralist traditions, suggests the potential to significantly boost exports and incomes, particularly if cooperatives can strengthen food safety standards and product quality and diversity, and thereby help Mongolia integrate into regional and global value chains.

Impact
Competitiveness and sustainability of Mongolia’s agriculture sector improved (Mongolia Sustainable Development Vision 2030)

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<tr>
<th>Project Outcome</th>
<th>Sustainable, quality-based, and efficient livestock production policies and action plans developed</th>
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<td>Description of Outcome</td>
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<td>Progress Toward Outcome</td>
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<td>Implementation Progress</td>
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Description of Project Outputs

Improved herder cooperative structures developed
Model structures and arrangements for herder cooperatives in selected soums tested
Capacity of herders and MOFALI staff on sustainable livestock production and management improved
Meat export policies from the herder cooperatives perspective examined

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location
Nation-wide

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
During Project Design
During Project Implementation

Business Opportunities

Consulting Services
ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or TA staff instructions.

Procurement
ADB will carry out procurement following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or TA staff instructions.

Responsibility ADB Officer
Robertson, Suzanne Kay

Responsible ADB Department
East Asia Department

Responsible ADB Division
Environment, Natural Resources & Agriculture Division, EARD

Executing Agencies
Ministry of Food, Agriculture, and Light Industry (MOFALI)
Strategic Planning and Policy Department
MOFALI, Peace Avenue, Ulaanbaatar, Mongolia

Timetable

Concept Clearance
14 Aug 2019

Fact Finding
-

MRM
-

Approval
25 Oct 2019

Last Review Mission
-

Last PDS Update
30 Mar 2020

TA 9840-MON

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<th>Approval</th>
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<th>Effectivity Date</th>
<th>Closing</th>
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<th>Financed Plan/TA Utilization</th>
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<td>ADB</td>
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<td>Total</td>
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Project Page
https://www.adb.org/projects/53036-001/main

Request for Information
http://www.adb.org/forms/request-information-form?subject=53036-001

Date Generated
05 October 2020

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