



1. Project Data

Project ID
P125964

Project Name
MN - Livestock and Agricultural Marketin

Country
Mongolia

Practice Area(Lead)
Agriculture

L/C/TF Number(s)
TF-14820

Closing Date (Original)
31-Jan-2017

Total Project Cost (USD)
10,950,482.54

Bank Approval Date
04-Jun-2013

Closing Date (Actual)
31-Dec-2017

IBRD/IDA (USD)

Grants (USD)





e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

Project Cost:



subsistence herds of less than 100 animals (PAD page 11-12), and the sector being vulnerable to extreme weather conditions. In addition, despite the large quantity of livestock, Mongolia has been unable to reap the benefits of exporting its meat and other by-products as there are no cohesive supply chains in the livestock industry. Urbanization and changing demand patterns were driving change in the livestock sector, including linkages between producers and markets.

The PDO was in line with the National Livestock Program (NLP). With the goal to address poverty in the herding sector, to protect and recover the pasture resource, and to develop a modern, competitive and sustainable livestock industry, the Government of Mongolia approved the NLP in May 2010. The NLP priority areas are: i) the formulation of a favorable legal, economic and institutional environment for sustainable development and good governance; (ii) improving animal breeding services and increasing the productivity and production of competitive, high quality, -biologically-clean products and raw materials; (iii) raising the veterinary service standard to international levels and protecting public health; (iv) developing livestock production that is adaptable to climatic, environmental, and ecological changes with strengthened risk management capacity; and (v) developing targeted markets, establishing processing and marketing structures and accelerating economic turnover through an incentive system. During this time, the Government was allocating about than 3 percent of the national budget to the NLP.

The Global Agriculture and Food Security Program (GAFSP) proposal that was discussed with donors and key stakeholders also included priority issues that were in line with the PDO, with the goal of supporting underdeveloped agro-industries and value chains as well as developing herder's livelihood opportunities, improve veterinary services and livestock breeds and productivity.

The PDO was also aligned with the World Bank Country Partnership Strategy (FY2013–2017, which emphasizes building a sustained and diversified economic base and addressing continued vulnerabilities in rural areas. The development of the livestock sector to support rural communities is an important aspect in addressing the growing inequality concerns.

In addition to being well aligned with both national and Bank priorities, the PDO was well formulated. The project's development objectives are pitched at a level that adequately reflects a potential solution to a development problem. The objective was defined such that its envisioned achievements of improved livelihoods and increased food security would be plausibly traceable from the adequately defined final outcomes of enhanced productivity, market access and diversification in livestock-based production systems. This therefore merits a high rating for Relevance of Objectives.

Rating
High

4. Achievement of Objectives (Efficacy)

Objective 1





contracts contributed to 52.8 percent). The results framework did not have specific targets for informal and written contracts). However, compared to control group the share of contracts was not that high for livestock: the share of livestock products marketed through contracts for treatment households was **7** percent more than the control group, while this difference was **25** percent for horticulture products (ICR page 12-13).

- **Diversifying income.** Horticulture production mainly served this intermediate outcome , as these herders began producing horticulture for the first time, which would not only contribute to diversified income but also help improving food security and diet diversification. The ICR economic and financial analysis estimated about Mongolian Tugrik 2.5-3 million profit from these activities (ICR page 51).
- **Enhanced Productivity.** The ICR did not provide any indicators to measure intermediate outcome of enhanced productivity. However, the ICR stated that (page 16) productivity of rams and sirens increased by 15 percent to 20 percent (no targets or comparisons were provided).

Outcomes:



5. Efficiency

Economic and financial efficiency:

A conventional cost benefit analysis was used both at appraisal and at completion. The analysis was based on financial models of income generating sub-projects (slaughterhouse, meat storage, wool cleaning and processing, dairy, potato farming, greenhouse (cucumber and tomato), sea buckthorn, mixed vegetable, oat and hay, mixed fodder, mineral bricks), which were then converted to economic analysis. Financial analysis was built on enterprise data and the data on key financial parameters (investment cost, total income, and total operational and general costs) were converted to economic parameters for economic analysis (by removing





Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

Quality-o

The ICR noted that (page 27) regular supervision missions (nine in total) were conducted guided by sufficient attention to solutions to implementation challenges. The supervision missions were candid with the ratings of the project implementation status, for example Moderately Unsatisfactory ratings had been recorded in the early stage implementation to reflect the project delay and issues to be addressed. In general, the World Bank task team maintained a good working relationship with the counterparts throughout the project implementation.

However, according to the ICR page), in the early stages of project implementation, the task team could have been more proactive in coming up with alternative solutions to make up for the lost time, for example, aligning the project implementation plan with the legal agreement and commencing the first household survey to reflect the changed composition of S Thms



Framework and were supplemented by detailed project management reports and financial management reports in a format agreed upon with IDA. Baseline studies, surveys, and impact assessments were carried out for project activities at specified times. Further evaluations were carried out, both internal evaluations and an independent external impact evaluation.

c. M&E Utilization

The M&E system provided timely data and analysis for identifying implementation bottlenecks, while generating evidence for reporting results around the project's results framework. The geo-referencing allowed project management to have an overview of locations for demonstrations, male flocks, nucleus flocks, forage sites, horticulture sites, permanent veterinary yards, em [gkbgenficiya)-1(diet)]TJ /FAAABE 11 Tl



The project did not trigger any social safeguard-related policies. The project did not have a dedicated grievance handling mechanism but leveraged the ministry's own grievance and accountability systems at the Aimag and Soum levels.

The ICR did not explicitly report on safeguard compliance. According to two safeguards assessments carried out in 2016 and 2017 safeguard implementation was rated Satisfactory.

b. Fiduciary Compliance

Financial management. A Financial Management Manual was prepared to guide project implementation. World Bank supervision missions regularly reviewed the project financial management procedures being followed in the project to ensure that fiduciary requirements were being complied with at all levels. Although the World Bank's missions initially noted some financial management weaknesses, such as insufficient and incomplete supporting documents for expenditures and lack of systematic accounting records, the PIU took these issues seriously and remedial actions were taken to resolve the problems. In compliance with fiduciary



production/processing, and affordable water. Risk reduction initiatives and eco-system services are needed to mitigate risks of extreme weather.

A PIU integrated with implementation structures of national programs for livestock and animal health can create opportunities for sustaining and mainstreaming project achievements. The strategic leadership of the project embedded in the Ministry of Food Agriculture and Light Industry with the PIU providing technical support for certain critical functions and enhancing capabilities for innovative delivery can be helpful to mainstream the project activities.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was comprehensive and included a good formulation of lessons. However, the ICR had weaknesses regarding quality of evidence and analysis in general. For example the following points that could better explain achievements were not sufficiently described in the ICR: (i) The ICR did not provide adequate information on type of specific support provided by the project and actual description of market linkages formed with the exception of a meat exporter; (ii) types and amounts of grants per beneficiary and areas those grants used for; (iii) selection criteria and process used for selecting beneficiaries.

a. Quality of ICR Rating

Substantial