Early Warning System

ADB-58121-001 Dzud Disaster Response

Quick Facts

Countries	Mongolia
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-03-28
Borrower	Government of Mongolia - Ministry of Finance
Sectors	Education and Health, Humanitarian Response
Investment Type(s)	Grant
Investment Amount (USD)	\$ 2.80 million
Project Cost (USD)	\$ 2.80 million



Project Description

According to the United Nation's Office for the Coordination of Humanitarian Affairs, almost 60% of the total territory of Mongolia is experiencing a disaster called dzud, since the second half of December 2023, putting vulnerable herder households at serious risk and requiring a humanitarian response.

Considering the scope of damages caused by the dzud and the government's constrained resources, it is recommended that an amount of \$2.8 million is provided to the government as a grant financed by the APDRF, and up to 30% of the grant amount may be used retroactively for eligible expenditures incurred prior to grant effectiveness but not earlier than 8 December 2023 i.e. on the day the government activated its response through emergency operation centers.

The government requested ADB assistance from the Asia Pacific Disaster Response Fund (APDRF) on 19 March 2024 (Attachment 7). It is proposed to use these funds provided by APDRF for life-sustaining interventions comprising the provision of cash assistance, basic food rations, medical and emergency kits, communication and rescue equipment, fuel, and personal hygiene kits to affected herder households.

Around one-quarter of households live nomadic herding life in Mongolia. Learning from the past dzud disasters, the short- and medium-term potential impacts of the dzud on the affected herder households' livelihood include: (i) increased poverty for most herder households who lose their livestock, (ii) large-scale migration to the cities, (iii) increased unemployment; (iv) psychological stress, and (v) school dropouts. In such a situation, herder households face difficulty in meeting their repayment obligations and become debt trapped. Further strains will be placed on the government budget as considerable funds will be needed to restore the livelihood of the affected herder households. Therefore, it is crucial for the government to receive ADB assistance from APDRF to support herder households affected by the dzud disaster.

• Asian Development Bank (ADB)

A grant of US\$ 2.80 million

Source: Asia Pacific Disaster Response Fund

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ACCOUNTABILITY MECHANISM OF ADB

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Bank Documents

- Grant Agreement (Asia Pacific Disaster Response Fund) for Grant 0944-MON: Dzud Disaster Response
- Project Disclosure PDF