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3.

Identifying potential problems in international aid programmes: the example of well-rehabilitation programmes in Mongolia

3.1 Introduction⁴⁷

In socialist times, Mongolia devoted a considerable amount of resources and energy to upgrading its arable land and its grasslands. Wells were constructed all over the country increasing the area of land usable for agriculture and herding. In 1990 Mongolia had 41,600 wells in total, which were being maintained by the Mongolian government. In 2000 about 10,000 wells had fallen into disrepair. The Mongolian government estimated that only 40 percent of the previously operating wells remained functional (Waterpoint rehabilitation coordination Working Group, 2005, paragraph I)⁴⁸. This has resulted in

⁴⁷ The data for this research were gathered with the support of the Center for Development Research from the National University of Mongolia – I am grateful to Prof. Dr. Jörg Janzen in particular – and with financial support from RESAM (the Research Institute in Economics and Econometrics of the University of Amsterdam), the Department of Economics of the University of Amsterdam, and the Netherlands Organization for Scientific Research. I want to thank Prof. Dr. Michael Ellman for his comments.

⁴⁸ According to the 2003 Inventory data on wells provided by the Ministry of Food & Agriculture, the number of engineer-designed wells was 24,556 in 1990 (7,486 borehole wells, 7,624 short-piped wells, and 9,446 concrete-walled wells), but only 8,183 engineer-designed wells in 2000 and 19,189 in 2003. In 1990 there were 17,024 simple dug wells, in 2000 22,714, and in 2003 20,654. Especially in the Gobi and steppe areas some wells used for water supply do not meet the drinking water standard. Wells located on the territories of Dornod, Dornogovi, Omnogovi, Sukhbataar, and Gobi-Altai *aimags* have highly mineralized and saline water. In a National survey of the Public Health Institute on 'Arsenic Concentration in Drinking Water in the Gobi Region of Mongolia', preliminary study findings show that arsenic was detected in 10 percent of the water samples of all 1023 wells, and that 82.4 percent of the surveyed population in the Gobi-Sumber, Dornod, Gobi-Altai and Dornogobi *aimags* have initial symptoms of arsenic poisoning (UNDP, 2004a, p.33; Waterpoint rehabilitation coordination Working Group, 2005).

increased seasonal grazing pressure on the natural pastures where water is still available. In addition to this pressure, the established seasonal grazing patterns were – in general – no longer followed after the privatization of the herds in Mongolia in the early 1990s. Instead, herds are now often concentrated around *aimag* and *sum* centres which causes very serious environmental degradation (ADB, 2000, p.v). Pastures where water is no longer available are currently being wasted (Water Point Rehabilitation Coordination Working Group, 2005; Center for Policy Research, 2002).

Both the Mongolian government and international donors recognized the need to rehabilitate the wells. In 2005 some seven water rehabilitation initiatives were being implemented – all using different approaches to the issues of capital cost contribution⁴⁹ and post-rehabilitation operation and maintenance. The activities are dominated by government programmes that either use concessional donor loan funds, which are to be repaid at some time in the future, or consolidated revenue, or that are rehabilitation activities under grant arrangements. The most important donors involved in well rehabilitation are the Asian Development Bank, the World Bank, the International Agency for Agricultural Development, the UNDP, the Government of the Netherlands, World Vision, and JICA. The well-rehabilitation programmes provide an interesting case to analyse with the extended framework of policy analysis and evaluation, as they are typical of international programmes in many respects: Many international organizations are involved; all make their own analyses, use their own procedures and impose their own conditions. The objective of this chapter is to give an example of how potential problems in international aid programmes can be identified in order to prevent them.

3.2 *Analysing well-rehabilitation programmes*

The basic as well as the extended framework of policy analysis and evaluation has been described in Chapter 2. In this section the well-rehabilitation programmes will be analysed according to the basic framework. Later, in Section 3.3, the analysis will be applied to the conceptual and institutional frameworks. The analysis according to the basic framework is quite straightforward, and already gives a good indication of why government or donor coordination of all programmes may be difficult. As this chapter is not meant as an evaluation of specific programmes but is meant to give an indication of how potential problems of international programmes can be identified and what problems may arise in general in international programmes, it will not go into the specifics of each programme, and neither will it go into technical details, such as what kind of well should be constructed and what kind of construction techniques can be used.

3.2.1 Goal(s)

The goal of the well-rehabilitation programmes is:

- a) to increase access to (drinking) water by people and animals in Mongolia; and

⁴⁹ In practice, capital cost recovery is basically the amount of money (or the activities) local herders have to contribute to the costs of rehabilitating the well.

b) to increase the quality and quantity of the pastures in Mongolia (in order to prevent environmental degradation⁵⁰, amongst other things).

3.2.2 Operationalization of the goals

In order to achieve the above-mentioned goals, the number of functioning wells should be increased either by rehabilitating old wells or by drilling new ones. The operationalization of the goal(s) and the choice of methods and instruments depend, inter alia, on the analysis that underlies the goal(s) of the programme(s), and on the general policy framework that is used by the donor organization. For instance, some donor organizations tend to give grants, whereas other organizations prefer cost recovery and revolving fund constructions in their programmes.

The analysis that underlies the well-rehabilitation programmes is important, as in 1990 there were over 40,000 wells, of which in 2000 approximately 40 percent were still functioning. The problem is not the simple dug wells (that are usually hand-operated)⁵¹, but the engineer-designed and deep-water wells that have been abandoned on a large scale⁵². According to the analysis used for the well-rehabilitation programmes, these wells have been abandoned because local Mongolians had not contributed to the building of the wells, and thus they did not care what happened to the wells with the privatizations, and because there have been changes in land use patterns⁵³. Other reasons that contributed to the abandonment of wells were the costs of maintaining and operating the wells, the lack of spare parts, and their unclear ownership (Center for Policy Research, 2005b). Before 1990, the wells were public goods that were owned and maintained by the state. In the first few years after 1990, the state privatized all its assets in agriculture and aimed at ending its involvement in agriculture completely (not only because of a change in the philosophy of the state but in large part also because of an acute lack of resources after the termination of Soviet financial support to Mongolia in 1990). Many wells fell into disrepair, as the state did not take care of them⁵⁴ and neither

⁵⁰ For information on environmental degradation and development activities that could be undertaken to improve living and production conditions in rural areas to reduce existing socioeconomic as well as ecological problems, see Janzen (2005).

⁵¹ The number of simple dug wells increased during the 1990s (from 17,024 in 1990 to 22,714 in 2000 and decreased thereafter to 20,654 in 2003), which makes sense as water was short in many areas, and herders can dig and maintain those wells relatively easily themselves. A problem is, however, that in quite a few areas in Mongolia such wells are not possible. Depending on the area concerned, these wells may, furthermore, cause environmental degradation.

⁵² Combined with the loss of surface water in many places, this is an enormous problem. The National Survey for Surface Water conducted in 2003 by the Ministry of Nature and the Environment found that since 1995, 683 rivers out of a previously registered 5,565 had disappeared, 1,484 springs out of 9,600, and 760 lakes and ponds out of 4,196 registered in 1995 (that is 12 percent, 15 percent and 18 percent respectively) (UNDP, 2004a, p. 25). The water problems are caused by amongst others a change in climate and also irrigation.

⁵³ Herds were concentrated around *sum* and *aimag* centres, as traditional marketing channels collapsed after the transition, so it was imperative that herders stayed close to these centres, and because many people received too few animals to be able to survive on herding alone and had to combine herding with other kinds of work.

⁵⁴ The wells had been drilled with Soviet technology and were equipped with Soviet machinery. Much of the machinery was already outdated in 1990; spare parts were scarce or not available after 1990; and nor was fuel available, which all increased the speed of the dilapidation.

did anyone else, as – according to the analysis – no one owned them or ownership was not clear. Some wells were appropriated by a private person (mainly herders) but many of the new owners did not have the resources to maintain the well in good repair or moved to other pastures, after which it became dilapidated.

What is missing in this analysis is an explanation of why other wells with unclear ownership and with similar operating and maintenance costs are still in working order. As will become obvious below in subsection 3.3 ‘Methods/instruments’, the solution to the abandonment of engineer-designed wells can in the first place be sought in solving the problem of the unclear ownership of the wells. If unclear ownership really is the main reason for the abandonment of wells (together with the costs of maintaining the wells), then the programmes may be appropriate. If, however, there are other reasons for the abandonment of wells, then the programmes may have difficulty in achieving their goals in the longer run.

It is quite usual in policy making that relatively little attention is paid to the definition and operationalization of goals when policies and programmes are designed. Most attention is paid to methods, activities and performance indicators. Despite this fact, significant differences between the programmes already start to surface when one analyses the operationalization of the goals of the well-rehabilitation programmes. The most important difference between the programmes is the target group. The grant programmes try to reach and uplift the poorest section of the herder population, whereas the other programmes have a wider audience. This difference in target groups combined with the policy framework of the donor organization leads, as we shall see, to a difference in the methodology chosen for the programmes.

3.2.3 Method/instruments

The main critical success factors identified in the programmes are that:

- a) someone keeps the well in good repair; and
- b) the wells are made self-supporting (financially and otherwise).

From a technical point of view, point a) requires that the new machinery (pumps etc.) used for the wells is relatively simple, so that it is easy to maintain⁵⁵ and that all parts of the machinery are readily available so that the former problem of scarcity of (Soviet) spare parts can be prevented. Point b) requires that both machinery and spare parts are affordable for herder groups.

Several solutions possible to the problem of ownership

From a non-technical point of view, several solutions to the problem of ownership and to the critical success factors are imaginable, but only one solution has really been considered and that is to make a group of local herders (the main users) responsible for a well. Other solutions would have been, amongst others, to make the state responsible for the wells again (while taking the critical success factors into consideration) or to establish

⁵⁵ A local individual should be able to maintain the (machinery of the) wells after a short course on maintenance.

a system similar to the Dutch ‘water boards’⁵⁶. The Dutch water boards are decentralized public authorities with legal tasks and a self-supporting financial system. They are the oldest democratic structures in the Netherlands⁵⁷ and manage water quantity and quality⁵⁸ as well as the dykes and waterways (and in exceptional cases roads). Making the state responsible again for the wells would go against the present philosophy of the state in Mongolia and goes against the philosophy of most donor organizations (such as the Asian Development Bank and the World Bank). As far as could be established by the interviews, the water board system was not considered for Mongolia. When the idea of a water board was put forward in interviews, some of the Mongolians involved in the water rehabilitation programmes indicated that they thought a water board would be too expensive as the distances to be covered in Mongolia are immense, which means that maintaining different wells in various geographical locations would increase the costs and would prevent such boards from being cost-effective. No research has been done, however, to find out whether water boards would have been a possibility, and whether they would have been cost-effective. Nor have the costs of water boards been compared with the present system of local operators who have to call in a company when they cannot do repairs themselves.

Basic method to make local herder group responsible

The solution chosen in the various programmes is to make a local herder group responsible for a well for both its maintenance and its finances. With respect to the government programmes the basic method is as follows (Center for Policy Research, 2005a):

- a) On the *sum* level, an organization or body is established that will assist and monitor the implementation of the well-rehabilitation or construction of a well. This body also participates in the commission to accept the rehabilitated or constructed well and collects information on where wells can be rehabilitated, or where new wells can be drilled. It communicates through *bag hurals*⁵⁹ to herders where new wells can be drilled, or where existing wells can be rehabilitated.
- b) *Bag* governors have to organize a collection of proposals by herder groups with regard to rehabilitating an old well or drilling a new well.
- c) The *bag hural* establishes a list with a maximum of 10 proposals for wells to be constructed or rehabilitated. After this, the body mentioned above organizes a visit to each well on the list. The final selection of wells to be constructed or rehabilitated is based on the following criteria:
 - Feasibility of the well’s rehabilitation or construction;
 - Degree of establishment of the group (How long have they been cooperating? How intensive is their cooperation? Is there a strong leader?);

⁵⁶ See E. Ostrom (2005) for other solutions to governing the commons.

⁵⁷ The oldest water boards date from the 13th century (see www.waterschappen.nl).

⁵⁸ They manage the water quantities and ensure a correct water level; they combat water pollution by purifying sewage water and improving surface water quality; and they protect the country against flooding by means of dunes, dykes, quays, and embankments and maintain these defences.

⁵⁹ All administrative units in Mongolia (*bags*, *sums* and *aimags*) are organized in a democratic manner with a chosen governor heading the administration, and a *hural* (a “parliament” or “council”) controlling the administration. The *bag hural*, thus, is a community council.

- What is the potential negative impact of the well to be constructed or rehabilitated on the migration pattern of herders (as that may cause an undesirable increase in the stocking density of the surrounding area and conflicts may erupt).
- d) The body established by the *sum* government informs it on the final selection of wells and agrees with it that the well will be possessed by the herder group that proposed the rehabilitation or construction. The *sum* council reviews the proposals.
- e) A special commission decides on the approval of the wells and establishes a tripartite agreement between a water company, the body mentioned above (that is in charge of digging or rehabilitating the well) and the *sum* council.
- f) The *sum* governor (as ‘representative’ of the central government) is the official owner of the well and has to establish a contract with a herder group for the possession of the well⁶⁰.
- g) By this contract, a herder group (or water-user group) is made responsible for managing the well. The group has to develop a plan, takes responsibility for the well, and appoints a well operator who commits him or herself to manage and maintain the well on behalf and with the support of the group. The *sum* governor – as owner of the well – is made responsible for assisting the group in resolving problems where the capacity and authority of a group is not sufficient (such as contacting and bringing in providers of repair services and the resolution of serious conflicts).

Differences between government programmes and donor programmes

In general, the well-rehabilitation and construction programmes of donors have a similar set-up. The principle that herder groups have to make their own proposal and gain possession (but not ownership) of the well is adhered to by all programmes. The group owns the machinery and operates the well. The water is owned by the state. There are, however, some important differences between donor programmes and government programmes, and also between donor programmes:

- The programme office of each respective programme in Ulaanbaatar decides which wells will be rehabilitated or constructed.
- The criteria used for the selection of wells to be rehabilitated or constructed vary (they depend on the agreement of the donor organization with the Mongolian government);
- (Often Western) Consultants are involved in the process, for instance in locating the wells that ought to be rehabilitated, reviewing the process of selection of wells, selecting the right firm(s) to dig or rehabilitate the well, etcetera.
- The donor organizations usually make their own contracts and have their own procurement arrangements and their own resident procurement specialists to assist in procuring goods and awarding contracts. The various projects also

⁶⁰ In general, possession is for a period of at least 15 years. In principle, herders do not need to pay for the water which is used for watering the animals, but they are charged for the operating costs of the well, such as fuel or electricity, amortization of equipment and building(s), a salary for the operator and possibly other costs (Center for Policy Research, 2005a).

have their own arrangements for confirmation of the completion of a construction (Water-point rehabilitation coordination working group, 2005, paragraphs 35 and 37) and have their own system of accountability.

- The conditions imposed on the herder groups when rehabilitating or constructing a well vary significantly. Whereas the government programmes try to impose the same conditions on different herder groups with respect to cost recovery⁶¹, the involvement in the construction or rehabilitation and post-rehabilitation operation and maintenance of a well, the donor organizations may have a different point of departure.

Similar circumstances different conditions

The last point is especially important as, despite present efforts of the Mongolian government to coordinate, it may make a huge difference for a herder group how the rehabilitation or construction of the well is funded. To herders the outcome of what programme funds the well may seem, and may well be, arbitrary. Herder groups in similar circumstances may get different conditions imposed on them, which may be hard to justify, as their plans and the process of rehabilitation are the same. For example, the contribution of herders' groups has been set at 10 percent in the World Bank programme, at 30 percent in the UNDP programme, at 50 percent in the Asian Development Bank programme, and the Mongolian government does not impose any contribution⁶². Contributions from herders are usually required in cash and in kind. The percentages required in kind and in cash also vary among the programmes. The UNDP, furthermore, targets the poorest section of the population, whereas most other programmes target a wider social group. The Working Group on Well-rehabilitation Coordination has recommended a 50 percent capital contribution for wells with predominantly commercial beneficiaries. In return, the water users should own the moveable assets of the rehabilitated well and should be granted long-term user rights to secure their interest in maintaining the investment. Operational costs should be fully recovered from the water users (UNDP, 2004b), as they are the direct beneficiaries of the rehabilitations.

3.2.4 Activities

In this chapter the specific activities of the well-rehabilitation programmes will not be detailed as that would not shed any light on the general picture of potential problems of international programmes. Therefore, only problems concerning activities that are common to international programmes will be addressed.

Corruption and clientelism

First of all, when activities are defined one should take into account the possible problems of clientelism and corruption. In the method and in the definition of activities,

⁶¹ Cost recovery is also referred to as 'capital cost contribution'.

⁶² These percentages were given by Mr. N. Batjargal during the UNDP workshop 'Pastureland legislation: challenges and opportunities', (UNDP, 2004b). In the document 'Group-based Well Reconstruction and Management' similar figures are mentioned. USAID required herders to raise 50 percent of the total investment, UNDP 30 percent, the World Bank 20 percent (Center for Policy Research, 2005b).

safety valves should be built in to make the possibilities of clientelism and corruption as small as possible⁶³.

All organizations their own contracts

Secondly, there is a specific activity that is necessary in all donor programmes: making contracts. All organizations make their own contracts with drilling companies and suppliers of materials and – if the *sum* governments do not do so – sometimes with the beneficiaries of the programmes. This may lead to differences in requirements and obligations to both suppliers and beneficiaries depending on the organization that has dealt with them. Of particular importance in contracts – whether the *sum* government or a donor organization has concluded them with beneficiaries – are the sanctions imposed when the counterparts do not keep their part of the agreement. For the effectiveness of the contracts, it is fundamental that sanctions are real to the counterparts and that they can be enforced. This requires that sanctions are appropriate and that the authorities have the knowledge, capacity and/or resources to enforce a contract. If this is not the case, sanctions are completely useless. In that case it should be considered either to leave sanctions out of the contract, as not being able to enforce sanctions seriously undermines authority, which may be much worse than not including sanctions in a contract, or to enable a government or governmental agency to enforce contracts as part of the programme. For international programmes, as sanctions in contracts are important for their effectiveness, the last option is advisable.

Government coordination

Thirdly, there is an activity that is a result of having various donor programmes in a country that have similar targets: government coordination. Coordination is hardly ever planned in donor programmes, but large initial differences between the programmes, even though they are working towards the same goals, make it necessary for the national government to coordinate all efforts in order to prevent arbitrariness towards the beneficiaries of programmes and to prevent duplication. With regard to the well-rehabilitation programmes in Mongolia, the Mongolian government has already produced a standard regulation on rehabilitation, drilling, financing, possession and utilization of engineer-designed wells and water points (15 July 2005) and draft guidelines for community-based well-rehabilitation and management, and has installed a National Water Committee (NWC) directly under the Prime Minister. There is, furthermore, a Water Point Rehabilitation Working Group (WPWG) which is chaired by a Western project leader of one of the donor programmes. To facilitate coordination, general rules have been made by the Mongolian administration, but an exception to the rules has been created for agreements with donors. This makes sense, as otherwise donors will not make funds available for well-rehabilitation programmes in Mongolia. But, nevertheless, at the same time, the differences between programmes may (and do) remain. Therefore, there are still arbitrary differences for herders in the conditions imposed upon them that are caused solely by what fund happened to be used for the rehabilitation or construction of the well in their locality.

⁶³ More attention will be paid to this issue in the section on the institutional and conceptual framework.

3.2.5 Performance indicators

Performance indicators are important to programmes, not only because they measure the progress and success of a programme but also because they are a reference point for people involved in the programmes. Those involved in the implementation of programmes will devote particular attention to scoring well on the performance indicators. Therefore, if the indicators are not clearly defined, it may cause problems in the implementation, and thus in the outcomes, of programmes.

Most projects and policy tend to define many performance indicators on the activity level, and (very) few on the other levels. The real challenge with respect to performance indicators is to establish a clear connection between, on the one hand, the method and activity level and, on the other, the goals which have been defined. Preferably, it should be obvious how method and specific activities lead to reaching the goal. It is not unusual that performance indicators on the activity level do not directly indicate something about the attainment of the goals of a programme, nor about the connection between activities and goal. The question that should be asked with regard to the performance indicators is: Do the performances measured on the method and activities levels give an indication of the attainment of the overarching goal(s) or not? If not – or only partly – what other indicators are needed?

There are two main dangers with respect to performance indicators:

- 1) Too many indicators are defined (especially on the activity level, which causes a serious administrative burden to the implementers of a programme); and
- 2) Only quantitative indicators are defined, and, as a result, important aspects of the process, effect and outcome of a programme are missed (in addition to quantitative indicators, qualitative indicators are necessary to capture all aspects of a programme or policy).

The Mongolian well-rehabilitation programmes provide a good example of how difficult it is to clearly define a goal. In the donor programmes, the main goals are to increase access to water by people and animals and to increase the quality and quantity of pastures (in order to prevent environmental degradation). The accompanying performance indicator is the number of wells that are rehabilitated or newly drilled that are functioning at the end of each year and at the end of the programme.

The problem with the wells is, however, not that wells function at the moment they are completed, but that they *remain* functioning for at least one or two decades after their completion. To demonstrate the point: in 1990, the majority of the wells were functioning. However, many have become dilapidated since that time. A better performance indicator would, therefore, be the number of rehabilitated wells that are still functioning after a period of 5 or 10 years (or even longer). To use any shorter period bears the risk that the real objective of those programmes: namely, to increase the number of functioning wells in the long term, is not measured. Both the goal and the accompanying performance indicator miss the most important aspect of the well-rehabilitations: namely, that the wells should be functioning in the long term, not just in the short term.

It is understandable that the international programmes only use short-term indicators, as the time span of donor programmes is usually about 4 to 5 years. This means two things, however.

- 1) After the end of a programme, one cannot really say whether the programme has been successful in reaching its real goals in the somewhat longer run; and
- 2) Important aspects of the programmes are missed in the evaluation. The risk is that mistakes in the programme that only become obvious after a while are not acknowledged and are thus duplicated elsewhere.

For the learning effect of international programmes, it would be a good thing if the outcome and impact of a programme would be evaluated again some 5 years (or more) after its completion. The use of short-term performance indicators to measure the success of a programme is understandable, but important information on the impact and outcome of the programme may be missed.

3.2.6 Evaluation

Regular evaluations of programmes and policies are necessary in order to learn from past mistakes and to improve upon policies and programmes. In an evaluation one uses the performance indicators to evaluate a programme or policy. Furthermore, the performance indicators themselves are being evaluated. As this chapter is meant to indicate general problems in international programmes, performance indicators have not been described in the previous section as that would have been too specific. Despite this omission, some problems that would have been encountered, had performance indicators been formulated for all elements of the basic framework, will be addressed in this paragraph as those problems are common to international programmes.

Goal(s)

As was already mentioned, policy makers often find it difficult to clearly define a goal and its accompanying performance indicator(s). The most important observation with regard to the well-rehabilitation programmes has already been described; namely, that both the goal and its accompanying performance indicator have been defined in the short run and not in the long run, whereas the real problem with the wells is their long-term sustainability. As was indicated, the duration of international programmes of 4 to 5 years might be one reason for this shortcoming.

Operationalization

With regard to the operationalization of the goals, the analysis that underlies the programmes has focussed on wells in Mongolia that have fallen into disrepair since the beginning of the transition. It attributed the collapse of wells to three main factors: 1) the costs of keeping them in working order; 2) unclear ownership; and 3) the lack of spare parts. However, the analysis has not answered the crucial question why some wells with unclear ownership are still in working order, whereas others have become dilapidated. For the long term sustainability of rehabilitated or newly drilled wells, the answer to this question could be important.

In the operationalization, the programmes of different organizations start to diverge from each other even if they have the same goal(s). The most important difference is the target population. Grant programmes target the poorest section of the Mongolian population, whereas other programmes are targeted at a wider social group. Differences in the target population combined with a different perception by the programme offices of what people can and want to contribute to a well has led to differences in the method with regard to cost recovery.

Critical success factors

The most important critical success factor is that the wells have to be self-supporting (financially, technically, and otherwise). This is stipulated both in programme documents and in the contracts of *sum* governors with user groups. An operator is appointed and paid by the user group. He or she is responsible for both the finances and the (good) state of repair of the machinery of the well. For the finances a record is required in which the users of the well are reported together with the quantities of water they have used. In interviews, some (Western) observers remarked that they had visited rehabilitated wells and had hardly seen any entries in user records. Nor had the observers been charged for the water they themselves used. On the other hand, there are also stories of (possibly unwelcome) Mongolian passers-by – with their herds – that were squeezed for the water they used from the wells⁶⁴. Both these phenomena may raise questions with regard to the long-term financial sustainability of the wells.

Method

An important observation with regard to the methods used in the well-rehabilitation programmes is that the diversity of the donor programmes leads to arbitrariness towards the beneficiaries of the programmes and huge differences in the requirements for, and obligations of, the beneficiaries of the programmes. To prevent differences in requirements for beneficiaries just because another organization has sponsored a well, donor coordination is necessary.

Another important point is that the procedures followed by all organizations involve the initiative and cooperation of the local population. People who are already organized and are already cooperating, are more likely to get their plans approved and be awarded funding. For the longer-term success of the investments, it is important to have the continuing cooperation of local people. The fact that such people have already been working together increases the chance of success in the longer term. There is only one drawback to this system of rewarding groups that have cooperated for a longer time: namely, that it is not necessarily the most urgent wells (or other plans) that get funded by donors or the government. It is, furthermore, the more influential and the more wealthy people who have the knowledge, capacity and organizational skills to get their plans approved. For this reason, some grant programmes target the poor specifically, as they have more difficulty – even with technical assistance – to organize themselves and to write plans that might help to lift them out of poverty.

⁶⁴ Prof. Jörg Janzen, amongst others, remarked on this in an interview. See also Center for Policy Research (2005b).

Activities

As already mentioned, government coordination is necessary because of the number of donor organizations and countries involved in well-rehabilitations. Despite the fact that the Mongolian government tries to coordinate all efforts, significant differences remain between the various programmes aimed at the same goal. As it is, this problem cannot be solved by government coordination. The donor community itself should solve this problem. The differences are caused mainly by differences in the development of the methods, in target groups, and in the organizations' philosophy (the theories and assumptions that underlie the methods are different and cause differences).

Diversity in contracts and procurement of machinery

One of the problems that arises as a result of these differences is the diversity in contracts and in procurement of machinery. Contracts are the responsibility of each separate programme and all programmes have their own procurement procedures. In effect, this means that, in the Mongolian case, machinery for the wells in the well-rehabilitation programmes varies considerably, and that this variation is not caused by differences in technical specifications but only because a different programme has procured it. The more variation in machinery there is, however, the larger the risk that in due course spare parts may again be difficult to obtain (especially if machinery has been bought from abroad). It also increases the risk that the technical knowledge of companies that have to repair the machinery is not sufficient, as the required technical knowledge increases with the number of variations. It also increases the risk that the *sum* governor does not have sufficient knowledge to call in the right company in order to repair the well.

Tenders are not impartial

Another important point is that companies have to be selected to do – in this case – the drilling and construction. Most donor programmes require tenders, as those are thought to be objective. There are two problems with tenders, however.

First, large companies have the best chances of getting a commission as they have advantages over small and medium-sized enterprises. They can usually operate more cost effectively, and they have more capacity and knowledge with regard to the tendering process. In Mongolia, small and medium-sized enterprises complain that they have no access to the information that large companies have (as such companies have connections with the ministries and the smaller enterprises do not), and that they do not know when tenders will be invited, even though tenders for donor programmes are (or should be) officially published. Small and medium-sized enterprises are certainly not invited for tenders unlike some other companies.

Second, a tender is not a sufficient measure to prevent corruption. In Mongolia, stories of corruption at the ministries are rampant. Furthermore, in this respect, small and medium-sized enterprises have a disadvantage as compared with large companies, not only because they cannot afford large bribes but also because they do not have the personal connections at the ministries that are involved in the tendering processes of the programmes.

Incentives to select national and not regional or local companies

A further problem with the selection of companies arises because Western technical advisors want their projects to succeed. In the case of the well-rehabilitation programmes, 'success' means that there are a certain number of functioning wells at a specific date. The advisors do not see empowerment or creating opportunities for the local economy as an objective of a project, but usually have a narrower view. Only the goal of the project matters. In the well-rehabilitation projects in Mongolia, some technical advisors have a list of about three companies based in the capital that they regard as eligible for the well projects, as those companies have the (modern) equipment to drill the holes. Even though the Mongolian government has indicated in its 'draft guidelines for community-based well-rehabilitation and management' that companies that construct wells should preferably come from the *aimag* itself, the advisors recommend the programme offices in Ulaanbaatar to make a choice from among those three though: 'they do not exclude the possibility that in an *aimag* there is a local company that might be able to do the drilling as well', but they warn that most of these companies have outdated equipment. Western advisors have a strong incentive to focus only on the immediate goal of a programme, as it is the one for which they are held accountable and, because of that, a wider view of empowerment of the (local) people and companies and of investment in the local economy is often lost from sight.

What are the goals of programmes of donor organizations

The question that arises is whether donor organizations actually prefer this narrow view in their aid programmes (in which the implementers focus solely on the specific goal of that programme) or whether they would in fact prefer to invest in the empowerment of local people and in stimulating the local economy with their programmes⁶⁵ as well. That would imply a different procurement strategy. It might lead to an increase of costs and would certainly imply more time for each project. If donor organizations do prefer the narrow view rather than including empowerment and local capacity development, then tenders are the best mechanism to ensure that the goal of the programme is reached in time. Large companies not only offer a better price in general, but usually the risk of non-completion is smaller than with small companies as well. If, however, the goal includes empowerment and stimulating local economic development and capacity, then the procurement procedures should be reconsidered so as to reach local small and medium-sized enterprises as well.

In the case of Mongolia, there are arguments for a wider view. In some *aimags*, over 60 percent of the people live below the poverty line⁶⁶. Any stimulus for the local economy

⁶⁵ Obviously this refers to those programmes that do not have empowerment or stimulation of, or investment in, the local economy as their explicit goal.

⁶⁶ UNDP (2004a, p. 37). According to the 2002 Living Standards Measurement Survey (LSMS), 36.5 percent of the total population of Mongolia were living in poverty. In the Pilot Household Survey of the UNDP 54.3 percent of the total sample households are classified as poor according to the official poverty line. This difference may be caused by a difference in the sample population, but it need not necessarily be. Since the beginning of the transition, the official rate of unemployment in Mongolia has been around 5 percent. However, the number used in the ministries where I worked in 1996 was well over 30 percent. When asked during interviews, some Mongolians indicated that the percentage of jobless people in some *aimags* was around 50 percent in 2005.

and any diversification away from agriculture (herding) would improve the local economy and would provide opportunities for people to improve their standard of living. Mongolia is a very resource-rich country. The drilling techniques used for the wells can also be used for other explorations. Developing local drilling capacity would therefore be a longer-term investment. Apart from this larger spin-off, if local companies were to be used for drilling and constructing the wells, the well programmes would generate jobs for local people for a certain period of time. That alone would already be an investment in the local economy and a direct improvement of living conditions. It is up to donors to decide whether they want their programmes – apart from reaching the main goal – to provide a stimulus for a local economy and for empowerment. If so, it would be worthwhile to reconsider the methods and strategies used.

Practical problems

Some practical problems in the well-rehabilitation programmes will be mentioned here briefly as they would normally show up in an evaluation. A practical and unforeseen problem that has surfaced in the early period of well-rehabilitations was that herders have traditional winter pastures where they will not accept the drilling of a well, as grazing on a pasture in summertime means that it cannot be used anymore as winter pasture. This was learned the hard way after a well was demolished within a few weeks after its completion. When the project team went to find out why it was demolished, it turned out that it had been drilled in someone's winter pasture, and that this herder had demolished it to protect his winter pasture. As the project offices now investigate more thoroughly whether someone lays claims to an area as winter pasture (or otherwise), this mistake in all probability no longer occurs.

Questions that are difficult to evaluate but that should nevertheless be addressed for the well-rehabilitation programmes are: Are the user groups functioning well? Are the leaders dominant in a negative way? Is access to water guaranteed for all (i.e. are the costs of water bearable for all, or are some people excluded because of the costs? Is everyone allowed to use the well?). Has the well really been drilled in the best (or most urgent) location, or would another (geographical) location have benefited the environment more or benefited more people?

The outcome of a programme and performance indicators

The evaluation of a programme on the basis of performance indicators usually gives a good idea of the outcome of a programme. But performance indicators do not necessarily provide an insight into why the outcome of a programme is as it is. This insight is, however, essential for policy makers if they want to improve upon their policies and programmes. To explain why a programme has a certain outcome, it is necessary to look into the conceptual framework underlying the programme and the institutional requirements of a programme for a country, and thus is the subject of the next section.

3.3 *Analysing well-rehabilitation programmes: the conceptual and institutional framework*

The institutional framework consists of the political, social and economic setting in which policy measures are situated, the institutions and the legal setting of the country

concerned, and the stakeholders. It consists of all formal and informal institutions of a country (or of an organization for that matter). All those elements may be influenced by, amongst other things, culture, history and geography.

3.3.1 Analysing the institutional framework for well-rehabilitation

The first question that arises when looking at the institutional framework is whether the institutional set-up of the country concerned and the institutions necessary for the implementation and success of a programme are in place and functioning. Often the institutional set-up and the institutions are not in place and functioning. A critical analysis of the institutional requirements of a programme in combination with the institutional set-up of a country should be done prior to the initiation of a programme, and a solution for the negative consequences of institutional shortcomings should be an integral part of that programme.

Looking at the Mongolian well-rehabilitation programmes, a potential problem in the set-up of the programmes is the importance of the local (*sum*) administration. As representatives of the Mongolian state, the *sum* governors 'own' the wells and have to conclude contracts with user groups. The *sum* governor is assigned an active role and responsibility in the maintenance and operation of a well, as he or she is responsible for assisting a local user group in resolving problems for which the capacity and authority of the group is not sufficient (such as contacting and bringing in providers of repair services and the resolution of serious conflicts).

Problems with the central role of the sum administration in well-rehabilitation programmes

The weaknesses of this system are the following. The first of these concerns a problem that is commonly encountered in international programmes: on the lower levels of government (in Mongolia the *sum* and *bag* levels), there is a lack of understanding, and subsequently a low level of implementation of the policies set at the higher levels of the administration (Center for Policy Research (2005b), and from interviews).

Second, the *sum* administrators have neither the resources nor the capacity to enforce the contracts⁶⁷. If a user group fails to live up its contracts, there is not much a *sum* governor can do. As an ultimate measure, he or she can bring the user group to court, but apart from a sense of justice that is satisfied and the cost and effort required of the administration, it will not solve anything as there are no others who can take over the role of the local user group with regard to the maintenance and operation of the well.

⁶⁷ The water-point rehabilitation coordination group indicated that the state is already responsible for managing pasture utilization – a task delegated to the *sum* administrations – but that the *sum* administrations do not have the resources to undertake any form of pasture management activities nor to police pasture management plans that are still the responsibility of *sum* administration offices. The group suggested that *sums* ought to be given the authority and resources to police the pasture management plans and recommended that this process is included as a necessary prerequisite by both donor and government rehabilitation activities. For donor-funded programmes it should be a part of the rehabilitation cost. See report of meeting 2 of the water-point rehabilitation coordination group.

Third, *sum* administrators do not have the practical knowledge to bring in the (right) providers of repair services⁶⁸.

The fourth weakness is that the *sum* governor does not have a real incentive to act when a user group does not adhere to its contract. Governors and *hurals* are chosen every four years, and as the communities are small, they have an incentive to appease rather than to police a contract, because otherwise they will not be chosen again after their term in office has ended. The first and third problem can be solved by training (capacity building at the *sum* and *bag* level) and by providing information. The international programmes have a role with regard to the first three problems as they can provide – as part of their programme – the local administrators with the capacity and resources to perform their tasks, and also with training. A solution to the fourth problem could be institutional: as well as giving information and training on the role and responsibilities of governors, the national government can do some random checks in *sums* to give *sum* administrators a signal and to convince them that those tasks are an integral part of their job, and that they have to perform them.

Two common institutional problems when international programmes are implemented

The following two institutional problems are frequently encountered when international programmes are being implemented:

- 1) The responsibilities of ministries and other governmental organizations are not well defined, which means that it is not obvious who is responsible for what;
- 2) More than one ministry or governmental organization is involved, which complicates the implementation of a programme⁶⁹.

These issues are important for the implementation and success of programmes and can cause a lot of delays and frustration for the programme officers. In Mongolia, the 1993 Law on the Government of Mongolia specifies the responsibilities of the Ministry of Nature and the Environment (MNE) and the Ministry of Food and Agriculture (MFA) in relation to land and water as follows:

- The Ministry of Nature and the Environment is responsible for the protection, sustainable use and rehabilitation of natural resources, for formulating ecological policies, for the conservation of minerals, forests, water and biodiversity, for ecological exploration, meteorology, the prevention of natural disasters, and for the management of land use planning.
- The Ministry of Food and Agriculture is responsible for, amongst other things, livestock and crop sector policies, food security, policies to protect livestock from natural disasters, veterinary and breeding services, the utilization of agricultural land, the utilization of pastures and the supply of water to pastures, agricultural extension, rodent control, state reserves, and the import and export of products of animal and plant origin (UNDP, 2004b, p.1).

⁶⁸ Especially if one takes into account that the various well-rehabilitation programmes procure their own machinery and hence the machinery for similar wells varies.

⁶⁹ Both the World Bank (1992; p. 32), and Nixon and Walters (2000: p.48) describe the transition period as one of organizational chaos, where different ministries and agencies headed in different directions.

Clearly, such a definition and demarcation of responsibilities can lead to disputes over what is whose responsibility. This definition may also lead to competition between the two ministries concerned and creates a situation in which a close coordination of water- and land-related activities is necessary but, by definition, very difficult. As this problem has been recognized by the Mongolian government, a National Water Committee (NWC) was established in 2004 under the Prime Minister to assist the coordination of the activities of different agencies. As the government is short of funds, there is only one full-time staff member on the committee, and hence, it is unlikely that NWC will solve the current problems.

Problem of donor coordination

The problem of donor coordination is clearly one that should be identified in the *ex ante* analysis of the institutional framework of the country concerned, in combination with the institutional requirements of the international programmes. As this has already been described in the previous section there is no need to go into it again. A problem that does need more attention, however, from the point of view of both the institutional framework and the conceptual framework is corruption.

Corruption

Corruption is a major problem for international programmes. The difficulty is how to implement programmes without fuelling corruption. Both in the institutional setting of a country and in the programme itself, safety valves should be built in in order to prevent corruption. As has already been indicated in this chapter, procedures such as tenders are not enough to prevent corruption. As corruption is very dependent upon the specific context, an *ex ante* analysis should be done for each programme in order to tackle the problem of corruption. If no solution is found to the problem of corruption, donors should seriously consider withdrawing from a country, as otherwise they only fuel corruption, which is harmful to a society, both in the short and in the long run.

The more influential and wealthy people profit more from international programmes

A problem connected to corruption is that usually the more influential and wealthy people tend to profit from international programmes rather than the less well off. Sometimes this can be attributed to corruption, as such people can give decision makers favours in return when their plans are approved. Often, however, it is the personal connections they have and their access to information that helps to get their proposals prioritized. They have the capacity and information to write a good proposal and – in the Mongolian case – to organize a user group. Those working in international programmes know this, but disregard it, as more influential and wealthy people can offer the project better prospects of succeeding. As international organizations are accountable for their projects, they prefer a safe choice rather than the more risky choice to support the poorest section of the population, which involves a much higher likelihood of non-completion⁷⁰.

⁷⁰ When people from the poverty alleviation programme were interviewed in 1996, they indicated that this was a major problem. Even when the poor are targeted, it is the group that is slightly better off that gets their plans approved. The poorest section of the poor basically does not have the capacity – even when they have technical support – to organize groups, to write project proposals, and to bring a project to a

Furthermore, in Mongolia, the wealthy and more influential are the strong leaders in a group that the government has mentioned in its criteria for the selection of proposals. Therefore their proposals have a much better chance of being selected for well-rehabilitation programmes than the less well off. The Mongolian government has built in a safety valve with regard to the participation of the less well off: no one may be excluded from a water user group. The *bag* governor has been assigned the task of ensuring that everyone has the opportunity to participate in the water user group, as he or she knows virtually all people living in his or her *bag*. Nevertheless, there are still mechanisms to prevent people from joining the user group, even if people have officially had a chance of joining the group. Apart from social mechanisms for exclusion, there is a practical obstacle that prevents the poorer sections of the population from joining a water user group: namely, the costs involved in the rehabilitation work. However, solutions to this problem are possible: for instance, taxing people for water according to their income (or herd size). Apart from both the requirement of the Mongolian government mentioned above and the grant programmes that specifically target the poorest section of the population, the majority of the well-rehabilitation programmes do not have real safety valves to ensure that the poorer sections of the population are included in the programmes as well.

Legal setting

With regard to the legal setting of Mongolia there are a few relevant points. The 1993 Law on the Government of Mongolia – and its implications – has already been mentioned, as well the exceptions that have been built into the draft guidelines of community-based well-rehabilitation and management. There are, however, some more potential problems or contradictions in the laws of Mongolia. For example, the Law on Water can be interpreted to mean that water for livestock purposes should not be contracted but used in common, which contradicts the need for wells i.e. equipment to be owned in order to ensure their sustainability (Center for Policy Research, 2005b, p.10).

Political and economic setting

With regard to the political and economic setting, both government and parliament are in favour of the interventions – and especially the funding – of international organizations, as too few resources are available to the government to realize their preferred policies. They are very eager to get as many donors as possible to help fund projects and are very cooperative. As a result of this eagerness, there are many different donors funding similar projects thus making donor coordination difficult. More difficulties are caused by the above-mentioned exceptions created in the law. The economic, political and social settings are not limiting factors in the case of the well-rehabilitation projects, but the lack of resources has in general made the Mongolians very dependent on international financial aid to realize projects. From a social perspective, the situation in many regions (*aimags*) is rather desperate, so any investment and any generation of jobs is welcome. From a geographical perspective, all projects in Mongolia have to cope with the distances and a relatively sparse population. This has consequences for virtually all projects,

satisfactory conclusion. Therefore they are excluded from many programmes which require initiative and self-sufficiency in many respects.

especially with regard to the methodology. Some methods that have been successful elsewhere are impossible or too costly to implement in Mongolia because of those geographical and demographic characteristics.

3.3.2 Analyzing the conceptual framework for well-rehabilitation

The conceptual framework consists of the theories and assumptions to which people adhere, the definitions they use, their ideology, norms and values, and their attitudes and behaviour. As is the case with the institutional framework, all those elements may be influenced by culture, (individual and collective) history, and geography.

Compatibility of the conceptual framework of a country with the requirements of an international programme

A first question that arises with regard to the conceptual framework is whether the conceptual framework of the people in the country concerned is compatible with the requirements and organization of the (international) programme. If there are doubts with regard to the compatibility of them: What problems are likely to arise as a result of differences between the conceptual framework of the donor organization and that of the people in the country concerned? This may seem a superfluous question, but the conceptual framework may be rather more important to the outcome of international programmes than is usually appreciated.

What is legal and illegal with regard to water?

To give an example, when looking at the issue of the use of water, people may have very different opinions on what is legal and what is illegal with regard to water. In many countries, water has been a public or common good for centuries, and it is a tradition that it may be used by all without costs. When this is a long-established tradition, people will not consider any use of water as illegal. International organizations are concerned with access to water and sanitation services for all. They are of the opinion that there are property rights with regard to water and that '*excessive illegal use of water threatens to break down property rights and established institutions as well as depleting water resources. The effective governance of water requires that water rights and obligations are clearly defined*' (UN, 2003; UNDP, 2004a, p.54). Apart from the conceptual questions concerning what 'excessive' use is in the case of water, and whether local people consider the use of water as illegal, there also is the conceptual and practical problem that people are not prepared to pay for water when it is provided⁷¹. When people have had rights to water and no obligations for centuries, it may induce serious social unrest when people start to be charged for the use of water, especially if there is widespread poverty. In Mongolia this is an ongoing problem, as water is often regarded as a public good, especially in rural areas. Mongolian herders are used to moving around

⁷¹ A few reasons may underlie the illegal use of water. First of all, it may be caused by poverty. People need water, but do not have the resources to pay for it. Secondly, it may be a result of the scarcity of water: the amounts available to people are not sufficient for their bare necessities of life. Thirdly, it may be explained by a conceptual difference: people do not see it as illegal, as described in this paragraph. And, fourthly, it may be deliberate in order to evade costs and/or to use more than one's share, and in that case it can without doubt be described as a criminal act.

and being able to use pastures and water wherever they find them⁷². Wherever the government provided wells in the socialist period, water could be used for free. Because of this tradition, people in rural areas are reluctant to pay for water and they are reluctant to take care of the water points themselves, as in their opinion that is a government task. In the light of this, the earlier mentioned lack of entries in user records of wells may easily be understood. It may well be that this is going to be the crucial problem with regard to the long-term sustainability of rehabilitated wells.

Another conceptual reason for the lack of entries in the user records of wells is that it goes against the traditional rules of hospitality. In Mongolia people do not charge a passer-by for accommodation, food or water. It is freely provided as a person is invited in as a guest. Though the widespread poverty that has come into being since the transition has induced some people – especially near the main roads – to ask money for services provided, it still is very unusual.

The conceptual framework is a decisive factor in the outcome of international programmes

The mentality and behaviour of people is decisive in the outcome of international programmes. If people behave differently from what is expected, then a programme will have a different, and possibly undesired, outcome⁷³. As behaviour is directed by mentality, norms and values, these can be the decisive factors in the outcome of a programme. In Mongolia, mentality is an important factor that may create major problems in international programmes in its rural areas. Basically what has been described above concerning water is that in the rural areas, Mongolians have a different perception of the role of the state to that of the current Mongolian state (and that of the international organizations). Seventy years of communism have left their traces on the Mongolians' mentality. In communist or socialist times the state provided all the necessary goods and services. In the capital, the mentality of the Mongolian people changed very quickly after the transition, but in the rural areas people still expect the state to help them and provide them with essential services and necessities, especially in case of emergencies⁷⁴. For the well-rehabilitation programmes this is a serious difficulty.

⁷² Officially the *sum* administrations do have tasks and responsibilities with regard to regulating the movements of herders, but they do not have the resources and capacity to fulfill those tasks.

⁷³ This is also nicely illustrated by a policy measure in Mongolia's socialist time that was meant to increase the number of animals of the herds in Mongolia. After collectivizations, the number of animals in the herds did not increase. Policy makers in Ulaanbaatar therefore decided that all Mongolians were allowed to have 10 animals again, on the assumption that all Mongolians would choose the healthiest animals. Those animals would be well tended and would easily breed. Therefore, the number of animals would increase, as all animals above the maximum of 10 had to be handed in to the collectives. However, their assumption proved wrong. In general, the Mongolians chose the ten oldest animals, as they reasoned that the state would take the animals away again if they had chosen the 10 healthiest animals. They reasoned that they might not have the best animals, but at least they would have those 10 animals, as the state would not want to take them away from them again as they were old and useless ones. Both ways of reasoning are absolutely rational, but the outcome of the policy measure was completely different from the intended outcome, as people behaved differently from what was expected (Bawden, 1989).

⁷⁴ This view that the state has to provide goods and services is shared by the local administrators. For this reason policies designed at the central level of government are often not well implemented at the local

Water is expected to be free of charge, and the maintenance of, or in the case of calamities help with, the wells is expected from the state. A training course, mainly aimed at changing the mentality of the herders⁷⁵ is part of most programmes, as well as cost recovery and contracts with *sum* governors to make the herders conscious of their own responsibilities with regard to the wells. The question is whether these measures are in fact sufficient to bring about a mentality change. This change is important and necessary, as it is exactly this mentality that may account for the negligence and subsequent collapse of public goods (i.e. of former state-owned property) in general, and wells in particular.

Conceptual and institutional problems may be closely connected

Conceptual problems may be closely connected to institutional problems, a good example of which is corruption. The institutional framework is important in the existence and prevention of corruption. However, the mentality of (some) people is decisive with regard to its severity and whether and what solutions can be found for it. As already mentioned in this chapter, corruption is a problem in present-day Mongolia. As in other transition countries, in the institutional and conceptual vacuum that arose after the transition, corruption prospered. There has always been some petty corruption in Mongolia⁷⁶, but the present-day corruption is becoming an exclusive system, from which the smaller companies and the poorer sections of the population are excluded. Because of that, social discontent is growing and the call to put an end to corruption is becoming louder and louder⁷⁷.

Another conceptual issue related to the institutional set-up comes to the forefront immediately in Mongolia as it has, or had, an impact on almost all international programmes: the concept of property rights. The concept – and protection – of property rights is central to a market economy but it is a concept that is alien both to a nomadic culture and to communist ideology. In Mongolia, property rights are still a controversial issue. Its nomadic system thrives on commonly-owned pastures. Defining and granting property rights – of land in particular, but also of water – to individuals⁷⁸ is incompatible with the nomadic system of herding. It is fundamental to the nomadic system that nobody owns land, and that in times of difficulties, such as adverse weather conditions, nomads can move to pastures in other areas. It is therefore not surprising that, when the Mongolian parliament discusses a new constitution, most time of the debate is spent on property rights. The definition of property rights has remained a problematic issue in Mongolia up to the present time, and the Mongolian government has been working on it

level, as the local administrators have a different view on what should happen and what is whose responsibility.

⁷⁵ The mentality of Mongolians in rural areas is – in general – still a problem for most international programmes. Thus, one of the activities of the ADB-funded Agriculture Sector Development Project was ‘changing the mindset of rural producers from centralist approaches to increased business awareness’ (ADB, 2006). As greater market orientation is still necessary, one may conclude that those efforts have not yet generated the intended results.

⁷⁶ USAID (2005) and interviews with Leon Waskin (USAID), various Mongolians, consultants and people of international organizations.

⁷⁷ Interviews with Mongolian business people, international organizations, such as USAID – that investigated corruption in Mongolia – and (Western) scholars at the National University of Mongolia (NUM).

⁷⁸ The property rights of land are particularly problematic in this respect.

more or less continuously since the beginning of the transition. The international organizations have never tired of pointing out to the Mongolian government that a market economy cannot function without a good definition and protection of property rights. However, it is against the prevailing norms and values to define property rights, especially of land but also of water, and it raises the question: Who is entitled to what property? The issue of granting property rights to people has induced social discontent, as people have not had equal opportunities to own (former state) property.

Programme designers ought to take the conceptual and institutional framework into consideration

When international organizations design programmes for countries – together with the countries concerned – it is advisable to take the conceptual and institutional framework of both the country and the organization into consideration. Country-specific characteristics and peculiarities, such as mentality or geographical characteristics, may be decisive in the outcome of a programme. When programmes are designed from theoretical knowledge in combination with experience in ‘third’ countries but without real country-specific knowledge, there is a considerable risk that such programmes will not yield the results expected due to unperceived differences in the institutional and conceptual framework of the country concerned. It is not obvious that country-specific features, such as the immense distances in Mongolia or its sparse population, cause problems, as those are normally taken into account. The problems that cause the outcome to be really different from the intended outcome usually do not lie in the ordinary project planning and policy cycle, but in the assumptions and requirements of the programme concerning the institutional and conceptual framework. To prevent those problems, real local knowledge is necessary in combination with specialized knowledge on both the organization – or country – that supports and controls the programme and the programme concerned. That requires very knowledgeable technical advisors. Simply adding a local person to a team will not prevent those problems, as local advisors are, first of all, stakeholders of a project – because they earn their income by giving advice on programmes⁷⁹ – and secondly, they often cannot provide the information necessary to prevent those problems. The very fact that people are not trained in recognizing these problems makes it difficult to assess what problems can occur in a project or policy as a result of one’s own or someone else’s conceptual framework. It requires awareness, training and (local) knowledge to make a good estimation of what can go wrong in a programme as a result of the conceptual framework.

In the case of Mongolia, local advisors know very well that there is a mentality problem with the well-rehabilitation programmes in rural areas, but they hope that training and cost recovery schemes will be sufficient measures to prevent the negative consequences of these mentality problems. They do admit, however, that the present training does not succeed in changing mentality. When asked for their view with respect to the long-run sustainability of the wells, they say they do not yet know, as the programmes have run for too short a time to say anything conclusive. The well-rehabilitation programmes are

⁷⁹ Whatever the comments and ideas of a local advisor, it is beneficial for him or her that a programme continues as he or she earn his/her income by giving advice on that programme. A local advisor will therefore very seldom give negative overall advice on a programme.

considered very important for the rural development of Mongolia. Therefore, no Mongolian will say anything that might jeopardize the continuation of the well-rehabilitation programmes. The most important consideration is that the wells are rehabilitated. Action will only be undertaken when problems occur, not before⁸⁰.

3.4 Conclusions

When analysing the well-rehabilitation programmes in Mongolia in terms of the basic framework, some shortcomings in the designs of (inter)national programmes surface. What the basic framework usually cannot do, however, is explain why the outcome of a programme is different from the intended outcome. To examine this question, the conceptual and institutional frameworks of the programme, of both the donor country or organization and the country concerned have to be analysed.

Using the example of the well-rehabilitation programmes, the following issues should be considered before policies or programmes are implemented in a country. When programmes are designed for and with a country from theory in combination with the experiences of 'third' countries, two questions should be addressed explicitly:

- 1) Is the conceptual framework of the population of the country concerned compatible with the requirements and organization of the (international) programme? If there are doubts with regard to the compatibility, the question 'What problems are likely to occur as a result of differences in the conceptual framework between, on the one hand, the donor programme and organization and, on the other, the country concerned?' should be answered, and remedies should be developed.
- 2) Does the institutional framework of the country concerned meet the institutional requirements of the programme? If it does not, what measures can prevent the negative consequences of a country's institutional shortcomings for the outcome of a programme?

Measures to prevent the negative consequences of institutional shortcomings and of conceptual differences should be an integral part of all international programmes. Thus, if the administration of a country does not have the capacity or resources to implement a programme – or to coordinate donors for that matter – the international programmes should provide the training and funds to enable the administration to fulfil the role assigned to it in the programme.

Identification of conceptual problems requires expert knowledge

In order to identify conceptual problems in particular, expert knowledge is required. Good knowledge of both the country and the organization concerned, as well as detailed knowledge of the programme are necessary. The fact that many programmes are designed by non-native people – often with a Western and, in the case of the International

⁸⁰ This 'action is only undertaken when problems occur and not before' is a typical example of Mongolian mentality that influences many international programmes implemented in Mongolia.

Financial Institutions, with an economic background – means that fundamental notions such as the definitions and basic assumptions of the programme ‘s designer are different from those of the policy makers and implementers of the country concerned. In order to be able to identify what conceptual and institutional pitfalls are lurking when a programme is implemented in a country, ‘programme’ knowledge has to be combined with excellent country knowledge. One has to know exactly what assumptions underlie a programme, why policy makers think that the programme will work, and how it will work. This especially concerns implicit assumptions: for instance, on the behaviour of people or on the functioning of institutions, which are both likely candidates to frustrate the outcome of a programme.

Donor organizations and donor coordination

Donor organizations and countries, furthermore, have a responsibility with regard to donor coordination and to the requirements of programmes in a country. All organizations have their own requirements and obligations that need to be fulfilled. These requirements and obligations may diverge enormously – even for similar programmes and programmes targeting the same goals. That causes, amongst other things, a considerable administrative burden for the country concerned. As receiving countries, by definition, have problems, – in their institutional framework and otherwise – one cannot expect the receiving country to coordinate the donors and to negotiate on the requirements and obligations of the various programmes. Receiving countries have neither the capacity nor the resources for such activities. It is up to the donors, first, to gear the activities and requirements to each other, and, second, to provide the training – to build the capacity – and resources for the country concerned so that it can fulfil the tasks required of it by the programmes.

Adequate analysis of central importance to programme design and outcome

In the Mongolian well-rehabilitation programmes, the reasons to rehabilitate wells or to drill new wells have been clearly specified. In the analysis underlying the well-rehabilitation programmes, an essential question has been inadequately dealt with, however. The question: “Why have some wells remained functioning since the end of the socialist era, whereas others have collapsed?”, has hardly been addressed. This analysis has looked into possible reasons why engineer-designed wells have collapsed, but it did not look into the reasons why some wells remained functioning. For the long-term sustainability of the wells, it is very important that this specific question is considered. If one does not know what factors determine why some wells still function, it is uncertain that the measures or precautions taken in the programmes to prevent the collapse of a well are sufficient to guarantee the long-term survival of rehabilitated or newly drilled wells.

Donor coordination urgently needed

As the Mongolian government does not have the resources to execute its desired policies, it receives donors with open arms. Many donors are involved in the Mongolian well-rehabilitation programmes. All donors have their own project offices and their own requirements for the Mongolian government and for the beneficiaries of the programmes. There is an urgent need for donor coordination. The Mongolian government has

recognized this need, but basically does not have the resources to do it effectively. The consequence of this lack of coordination is that it may make a huge difference to the beneficiaries of the programmes, who sponsors the drilling or rehabilitation of a well. The contribution required from the beneficiaries – both in money and in kind – can vary enormously.

Incompatibilities between institutional framework and requirements of programmes

With regard to the institutional framework, there are some incompatibilities between the institutional framework in Mongolia and the requirements of the programmes. In particular, the central role of the *sum* administration may pose a risk to the long-term sustainability of the rehabilitated wells. The following institutional and conceptual problems on the *sum* level may play a role with respect to the long-term sustainability of wells: the *sum* administration has neither the resources nor the capacity to enforce contracts; and, *sum* administrators have a different perception of the role of the state as compared with the policy makers at the central level of government. This may be combined with a lack of understanding of the policies formulated at the higher levels of the administration. This may subsequently lead to a low level of implementation of policies and programmes. *Sum* governors have an incentive to appease rather than to police contracts as they have to be democratically chosen every four years. Thus, the obligations for the water user groups as stipulated in the contracts may in effect be completely ignored.

Incompatibilities between conceptual framework and requirements of the programmes

With regard to the conceptual framework, the mentality in Mongolia that ‘action will only be undertaken when problems occur’, in combination with the perception of the role of the state in rural areas that the state is responsible for the provision of certain goods and services, does not bode well for the long term sustainability of the wells. The lack of entries in user records are an indication to that effect. At the moment, the prevailing mentality in rural areas is not in keeping with the mentality required for the programmes. So far, however, the training provided by the programmes has not been able to change that mentality. There are strong arguments for increasing the number of wells in rural areas of Mongolia, and, in this respect, the present well-rehabilitation programmes are very effective in increasing the number of functioning wells. The question is, however, whether the measures taken in the programmes are sufficient to guarantee the long-term sustainability of the wells.