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United Nations Development Programme

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Project title: Ensuring Sustainability and Resilience (ENSURE) of Green Landscapes in Mongolia	
Country: Mongolia	Implementing Partner: Ministry of Environment and Tourism
Management Arrangements: National Implementation Modality (NIM)	
UNDAF/Country Programme Outcome: Outcome 1. Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.	
UNDP Strategic Plan 2018-2021 – 1.4.1 Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains.	
UNDP Social and Environmental Screening Category: Moderate	UNDP Gender Marker: 2
Atlas Project ID (formerly Award ID): 00100102	Atlas Output ID (formerly Project ID): 00103218
UNDP-GEF PIMS ID number: 5784	GEF ID number: 9389
Planned start date: October 2018	Planned end date: September 2025 (84 months)
PAC meeting date: 15 November 2018	

Brief project description:

This project will apply the GEF multi-focal area approach for the first time in Mongolia by simultaneously integrating biodiversity conservation and sustainable land and forest management, through the application of best practice and innovative green development approaches at landscape scale. The project Objective is to *enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods*. Land degradation and desertification, exacerbated by climate change, is Mongolia's most serious environmental problem, impacting the nation's productivity and efforts for equitable and sustainable development, as well as its rich biodiversity. Achieving the project objective is constrained by the following barriers: inadequate policies, legislative framework, tools and capacity to enable green development at the local level; insufficient capacity and knowledge to apply best practices in sustainable rangeland and forest management and biodiversity conservation by local stakeholders at the landscape scale; insufficient linkage between livelihoods and sustainable rangeland and forest management and biodiversity conservation, and; inadequate knowledge management and M&E systems for green development. The project strategy will therefore be to engage multiple stakeholders in removal of these barriers to deliver four project outcomes, as follows. 1) *Enhanced enabling framework and systemic tools help conserve biodiversity and ecosystem services*. Key results will include strengthened legislation and financial mechanisms for green development, incorporation of measures to conserve biodiversity and ecosystem services into local development plans, development of new tools for enhanced capacity for green development and improved systemic measures for conservation of globally threatened / iconic biodiversity. 2) *Rangelands, forests and biodiversity are restored, and protected areas strengthened at landscape scale*. Key results will include reduced degradation of 300,000 ha of rangelands, plus 20,000ha of boreal and 25,000 ha of saxaul forests, protected area system expanded by 0.94 million ha and strengthened, and threats to globally threatened / iconic biodiversity reduced. 3) *Sustainable livelihoods provide benefits to local communities and support biodiversity*. Results will include strengthened community groups, more sustainable livelihoods, public - private partnerships and raised public awareness for green development approaches. 4) *Improved knowledge management, monitoring and evaluation supports sustainability and up-scaling*. Results will include new and effective mechanisms for knowledge management, monitoring and evaluation and gender mainstreaming. Overall the project aims to demonstrate how green development can deliver improved biodiversity and ecosystem services and resilience at landscape scale within the context of a changing climate.

FINANCING PLAN

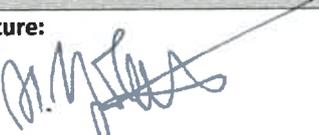
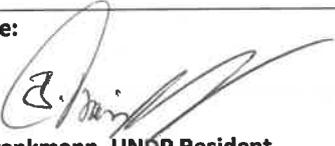
GEF Trust Fund	USD 7,964,253
UNDP TRAC resources	USD 0
Cash co-financing to be administered by UNDP	USD 0
(1) Total Budget administered by UNDP	USD 7,964,253

PARALLEL CO-FINANCING

Ministry of Environment and Tourism	USD 28,000,000
Ministry of Food Agriculture and Light Industry	USD 8,000,000
Zavkhan aimag Governor's Office	USD 212,700
Gobi-Altai aimag Governor's Office	USD 288,750
Arkhangai aimag Governor's Office	USD 291,910
Bayankhongor aimag Governor's Office	USD 30,000
World Wildlife Fund	USD 500,000
Wildlife Conservation Society Mongolia	USD 500,000
The Nature Conservancy	USD 350,000
KfW - Kreditanstalt fuer Wiederaufbau	USD 336,357 (€ 281,000 on 3 May 2018)

Arig Bank	USD 420,000
UNDP	USD 150,000
(2) Total co-financing	USD 39,079,717
(3) Grand-Total Project Financing (1) +(2)	USD 47,043,970

SIGNATURES

Signature:  N.Tserenbat, Minister of Environment and Tourism	Agreed by Implementing Partner	Date/Month/Year: 18/12/2018
Signature:  Beate Trankmann, UNDP Resident Representative	Agreed by UNDP	Date/Month/Year: 18/12/2018

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Acronyms and Abbreviations

AA	Audit Authority
ADB	Asian Development Bank
ALMGaC	Authority of Land Management, Geodesy and Cartography
APR	Annual Project Report
AVSF	Agronomes et Vétérinaires Sans Frontières
AWP	Annual Work Plan
BAP	Biodiversity Action Plan
CBD	Convention on Biological Diversity
CBO	Community-based Organisation
CBNRM	Community-Based Natural Resources Management
CDR	Combined Delivery Report
CDS	Centre for Desertification study
COP	Conference of the Parties
CP	Country Programme
CPAP	Country Programme Action Plan
CPR	Centre for Policy Research
CSO	Civil Society Organisation
CSR	Corporate Social Responsibility
ERA	Eco-Regional Assessment
ERC	Evaluation Resource Centre
FAO	United Nations Food and Agriculture Organisation
FUG	Forest User Group
GDP	Gross Domestic Product
GEF	Global Environment Facility
GIS	Geographic Information System
GIZ	German International Cooperation Agency
KfW	Kreditanstalt fuer Wiederaufbau
LPA	Local Protected Area
M&E	Monitoring and Evaluation
MAP	Mongolian Action Programme
MCUD	Ministry of Construction and Urban Development
MED	Ministry of Economic Development
MET	Ministry of Environment and Tourism
MOFALI	Ministry of Food, Agriculture and Light Industry
MNT	Mongolian Tugrik
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MRPA	Managed Resource Protected Area (project)
MTR	Mid-Term Review
NAMEM	National Agency for Meteorology and Environmental Monitoring
NAPCC	National Action Programme for Climate Change

NAPCD	National Action Plan for Combating Desertification
NCCD	National Commission for Soil Protection and Combating Desertification
NEAP	National Environmental Action Programme
NGO	Non-Governmental Organisation
NIM	National Implementation Modality
NPD	National Project Director
NRM	Natural Resources Management
NUM	National University of Mongolia
PA	Protected Area
PAAD	Protected Area Administration Department
PIR	Project Implementation Report
PMU	Project Management Unit
PPG	Project Preparation Grant
PPP	Public - Private Partnership
PUG	Pasture User Group
RBA	River Basin Authority
RTA	Regional Technical Advisor
SDC	Swiss Development Cooperation Agency
SESP	Social and Environmental Screening Procedure
SLM	Sustainable Land Management
SMART	Specific, Measurable, Achievable, Relevant and Time-bound
SPAN	Special Protected Areas Network (project)
STAP	Scientific and Technical Review Panel (GEF)
TE	Terminal Evaluation
TOR	Terms of Reference
TNC	The Nature Conservancy
TPR	Tri-Partite Review
UN	United Nations
UNCCD	United Nations Convention on Combating Desertification
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNFCCC	UN Framework Convention on Climate Change
WCS	Wildlife Conservation Society
WWF	World Wildlife Fund

II. DEVELOPMENT CHALLENGE

1. Mongolia, which covers 1.56 million km² and is the world's nineteenth largest country, is located in Central Asia between Russia and China at the crossroads of the Eurasian Steppes, the Siberian Taiga and the Gobi Desert. It hosts a range of globally important biodiversity, parts of two WWF Global priority eco-regions, 2 UNESCO natural World Heritage Sites, 11 Ramsar sites and 70 Important Bird Areas (IBA). Mongolia's relatively intact and ecologically diverse landscapes provide habitat for a rich biodiversity and ecological processes including seasonal migrations, predator-prey interactions, and natural river flows that are all but lost in many regions of the world. Despite these very significant attributes, Mongolia's landscapes are degrading rapidly with 77.8% of the territory affected by degradation or desertification¹. In particular, the vast rangelands have degraded rapidly over the past two decades because of climate change and inappropriate grazing patterns - affecting herders, the livestock sector, the economy, employment, the nomadic cultural heritage and biodiversity². Mongolian forests cover approximately 17,911,123 ha consisting of 12,280,042 ha boreal and 5,631,081 ha saxaul forests, accounting for 11.8% of the area of Mongolia³ (FRDC, 2016). According to the taxation inventory data, 47,000 hectares (0.43%) of closed northern boreal forest have been lost or degraded every year since 2004⁴. Open forests, in turn, have increased by approximately 150,000 ha per year (11.3%) during the same period mainly as a result of degradation and reclassification of closed forest. Saxaul forests grow in the southern desert and desert steppes; saxaul has low growth rates, very deep roots and is adapted for long periods of low moisture. The average growing stock amounts to less than 1 m³ per ha⁵. Environmental degradation including overgrazing, deforestation and worsening water availability is creating a vicious circle of declining rural income⁶ and further exacerbating pressure on the environment⁷. Urgent action is needed, and this project's objective is to enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods.
2. The four target aimags (the provinces of Zavkhan, Arkhangai, Gobi-Altai and Bayankhongor - see **Figure 3**) encompass large parts of the Sayan and Khangai mountains and southern Gobi, and demonstrate the full range of Mongolia's diverse ecological zones. These include dry deserts, desert-steppes and steppes (with saxaul *Haloxylon ammodendron* forest) in the south to relatively lush forest-steppes, boreal forests and alpine zones in the north. These landscapes and their biodiversity provide vital ecosystem services for the region's human population of 305,000 people (as well as more distant populations), the majority of whom are nomadic or semi-nomadic herding families living at densities of less than 1 person per square kilometre⁸ (see **Annex N** for further details). They rely on grasslands to provide year-round forage for their livestock, and many rely on the forests for timber, supplementary fuel and non-timber forest products. Tourism is growing from a low base, particularly in Gobi-Altai and Bayankhongor aimags, while these two aimags also have more licensed mining areas (both production and exploration) compared to Zavkhan and Arkhangai.
3. The climate is harsh continental with sharply defined seasons, high annual and diurnal temperature fluctuations and low rainfall. Average annual temperature is 8.5^o Celsius in the Gobi and -7.8^o Celsius in the high mountain areas. The extreme minimum temperature is from -31.1 to -55.3^o

¹ Nyamtseren et al.. 2013. Desertification atlas of Mongolia.

² Fernandez-Gimenez, M. et al. (2017). "Exploring linked ecological and cultural tipping points in Mongolia". *Anthropocene* 17. 46-69.

³ Forest Research and Development Centre. 2016. Forest Resource of Mongolia – 2015. Ulaanbaatar, Mongolia: Forest Research and Development Center State Owned Enterprise, Ministry of Environment and Tourism

⁴ UN-REDD Mongolia Programme. 2016. Preliminary Assessment of the Drivers of Forest Change in Mongolia: A Discussion Paper for Supporting Development of Mongolia's National REDD+ Strategy. Ulaanbaatar.

⁵ FAO (2014). Forest Resource Assessment 2015 – Country Report, Mongolia. Rome, Italy: Food and Agriculture Organization of the United Nations.

⁶ Nearly one person in five is living below the poverty line.

⁷ WWF Mongolia. 2017. Strategic Plan FY 2017-21. Ulaanbaatar

⁸ Zavkhan and Arkhangai have higher population densities than Gobi-Altai and Bayankhongor aimags

Celsius in January and the extreme maximum temperature is from +28.5 to 44.0° Celsius in July. Annual precipitation ranges from 600 mm in mountain areas to less than 100 mm in the Gobi or semi desert areas. About 90.1% of precipitation evaporates, and only 9.9% forms surface runoff, partially recharging into ground water aquifers⁹.

4. The Khangai mountains with their relatively high precipitation and rich forest cover play a crucial role in feeding the rivers Orkhon, Selenge, Ider, Zavkhan and the lakes Orog and Buuntsagaan, which are vital water resources in this largely arid/semi-arid country, whilst some also flow north from Mongolia through Russia (including Lake Baikal) to the Arctic Ocean. A crucial ecosystem service provided by the forests is carbon storage, and estimates suggest that the above- and below-ground carbon storage capacity of forests in these four aimags is 76.37 million metric tonnes for the northern boreal forests and 1.71 million metric tonnes for the southern saxaul forests (total = 78.08 million metric tonnes)¹⁰. Saxaul forests also play a crucial role in stopping desertification by fixing soils, protecting traditional pastures against storms and erosion, and providing important opportunities for agroforestry. However, timber sales from the forestry sector make only a small contribution to GDP (estimated to be 0.25% in 2009). In contrast, the market value of wood products, non-timber forest products, hunting and forest-based tourism may be more than fifteen times as high as the recorded value of forest sector sales¹¹. A recent study¹² has concluded that the total value of the saxaul forest ecosystem services to Mongolia is 40.4 billion MNT (about USD 16 million) per annum, of which the greatest value belongs to cultural and regulating services. The continuation of traditional nomadic lifestyles with their rich traditional knowledge of land management is a significant global cultural heritage, and the region also possess numerous natural features of great spiritual significance to Mongolians. Indeed the very word “Khangai” is usually interpreted as provident lord, munificent king, generous gracious lord or bountiful king – symbolising the important ecosystem services provided (see **Annexes M and O** for further information on ecosystem services from rangelands and forests).
5. The remarkable landscapes of the project area form a stronghold for Mongolia’s iconic and most threatened large mammals, including snow leopard (VU), goitered gazelle (VU), wild Bactrian camel (CE), Asiatic wild ass (NT), Gobi bear (CR), Saiga antelope (CE), Argali (wild sheep) (NT), Siberian ibex (LC), Eurasian lynx (LC), wolverine (LC), musk deer (VU), red deer (LC), Przewalski’s horse (EN), grey wolf (LC), brown bear (LC), plus a broad assemblage of globally threatened birds (including iconic species like Houbara Bustard (VU), Altai snowcock (LC), swan goose (VU) and Dalmatian pelican (NT)) and other biodiversity (see **Annexes O and R** for further details). With the exception of the highest alpine zones and driest deserts, these multiple landscapes are dominated by pastoral rangelands and forests, including boreal forests (larch, pine and birch) in the north and saxaul forests in the desert-steppes of the south. The four target aimags hold 14.1% (1.73 million ha) and 17.2% (0.97 million ha) of the national forest resource (17.9 million ha) of these two forest types respectively, including some of the best examples of boreal forest in the Khangai mountains where there is a mix of traditional pastures, forests and some agriculture (see **Annex Q**).
6. **Threats, Root causes and Impacts:** Land degradation is Mongolia’s most serious environmental problem, impacting the nation’s productivity and efforts for equitable and sustainable development, as well as its rich biodiversity. In 2013, the level of desertification and land degradation was estimated to be 77.8% of the total territory, of which 35.3% was defined as slightly degraded, 25.9% was moderately degraded, 6.7% severely degraded and 9.9% extremely degraded¹³. The main landscape-scale drivers of environmental degradation across the country are over-grazing, legal and illegal timber harvesting, fire and pests, mining and other infrastructure development, and killing of wild animals. Land degradation is also being seriously exacerbated by climate change. As described in the project’s conceptual model (**Figure 1**) the root causes of these threats are the transformation from a subsistence to a market driven economy, the demand for improved living standards from an increasingly urbanised population, and uneven population

⁹ MEGDT. 2014. Mongolia’s Second Assessment Report on Climate Change. Ulaanbaatar.

¹⁰ Derived from Table 3 of Mongolia’s national REDD+ Readiness Roadmap, 2014

¹¹ Emerton, L. and Enkhtsetseg, B.-O. 2013. Forest sector financing flows and economic values in Mongolia. UN-REDD. Ulaanbaatar.

¹² Khaulenbeck, A. et al. 2018. Saxaul forest in Mongolia: ecosystem, resources, value. Institute of Geography and Geoecology Ulaanbaatar

¹³ Nyamtseren et al. 2013. Desertification atlas of Mongolia.

density. These root causes are manifested in increasing and severe impacts on the environment which are the result of the combined impact of a number of direct and indirect threats, as follows:

7. **Overgrazing:** Agriculture, predominantly the livestock sector, remains the main component of the Mongolian economy both in terms of GDP (14.5%) and employment (29.8%)¹⁴. Grazing lands, to which there is open access (even in the buffer zones of protected areas), occupy 72.4% of the total territory and support an important economic and subsistence livestock sector. Wealthy Mongolians consider livestock as an investment opportunity and source of pride and, boosted by attempts to grow the cashmere industry and the absence of any incentives to reduce livestock densities, numbers have more than doubled since 1990, increasing by 53% alone between 2012 and 2016 to 61.5 million animals¹⁵ – a level unprecedented in the historical record¹⁶. Furthermore, composition of the herds has changed due to high global demand for cashmere and attempts to grow the cashmere industry, such that the goat population has increased rapidly causing further rapid degradation of pastures. According to the pasture monitoring throughout Mongolia, 65% of sites evaluated in 2014 were found to be altered¹⁷. Despite the country's small population, almost 80% of Mongolia's fragile landscape is grazed beyond capacity (particularly around the water points and settlements), as demonstrated by declining biodiversity, pasture health, herd fitness, and degraded soil and water systems, including siltation, erosion, and diminished ecosystem productivity. Small rodents can reach very high densities in over-grazed grasslands, compounding the impacts of high livestock densities through feeding and burrowing. Water resources are the main challenge both for livestock herding and maintaining the biodiversity habitat. Even water for drinking purposes is an issue for development in the desert steppe landscapes, especially in Zarman desert steppe near the Great Gobi "A" SPA, and Ulaan shal valley. Groundwater is only reachable at depths of 120m, but not everywhere. Responsibility for restoration, maintenance and ownership of water structures is inadequate, since this sector collapsed during the economic transition period. Land degradation accelerates desertification and pastureland vulnerabilities, decreases soil fertility and further diminishes the already marginal crop production capacity. Thus, livestock numbers have increased significantly despite the decrease of pasture availability and pastureland territories. Land degradation directly and severely affects the rural population as herders depend on pasturelands for their food sustenance and cash income (almost entirely from their animals). As the result of overgrazing and land degradation, livestock are highly vulnerable to harsh winters: the 2009-10 dzud winter disaster was particularly devastating, when over 10 million head of livestock perished - 22% of the national herd¹⁸. The disaster directly affected 200,000 households or nearly a million people in a country of 2.8 million. Livestock grazing can affect plant species composition and may impact availability and quality of habitat for wildlife, through exclusion and competition, or by reducing palatable plant species¹⁹. Control of livestock numbers and better management of grazing within carrying capacity of landscapes is thus a fundamental precondition for reducing rangeland degradation and enhancing biodiversity.
8. In the four target aimags, livestock numbers increased by 9 million (52.4%) from 2010 to 2016, and by 1,530,166 (98%) in the soums of the project's four demonstration landscapes, with a large increase in the proportion of goats due to demand for cashmere. These increases cause inappropriate pasture use, insufficient pasture capacity, and over-use of water points. An average of 10.2% of the territories of Arkhangai aimag, 25.5% of Zavkhan, 11% of Bayankhongor and 8.8% of Gobi-Altai aimag are estimated as severely or very severely desertified. The forest steppe and steppe areas (Zavkhan and Bayankhongor) are estimated to have the highest percentage of strongly desertified areas in Mongolia.
9. Grazing also contributes directly and indirectly to deforestation and forest degradation in combination with other factors, particularly in already degraded forests. In both the southern

¹⁴ NRSO. 2015. Mongolian statistical year book. Ulaanbaatar.

¹⁵ This equates to around 50 million sheep units during communist times until the mid-1990s to 85.5 million sheep units in 2014

¹⁶ MFALI and SDC. 2015. National report on the rangeland health of Mongolia. Ulaanbaatar.

¹⁷ MFALI and SDC. 2015. National report on the rangeland health of Mongolia. Ulaanbaatar.

¹⁸ UNDP, NEMA, SDC (2010) The 2009-10 Dzud Winter Disaster in Mongolia: Lessons Learned (unpublished)

¹⁹ M. Heiner et al. 2017. Identifying Conservation Priorities in the Face of Future Development, Applying Development by Design in the Western Mongolia: Mongol Altai, Great Lakes Depression and Lakes Valley. The Nature Conservancy Mongolia Program, Ulaanbaatar.

saxaul forests and the northern boreal forests grazing prevents natural regeneration²⁰, leading to retreat of forest cover, decline in forest condition and fragmentation. As a result, many years of reforestation experience have revealed very low survival rates of planted trees which are extremely vulnerable to grazing. Approximately 35-40% of the total livestock population of Mongolia grazes in and near forest areas. In the Altai and Khangai regions, 14.7% and 32% of forests experienced moderate grazing pressure, and 20.4% and 2.3% of forests suffered from intensive grazing pressure, respectively²¹.

10. **Climate change:** Mongolia's geography results in a continental, harsh climate, and climate change is having significant effects on ecosystems - particularly on snow cover, glaciers, permafrost, rangelands and water resources. Mongolia is one of the most vulnerable countries to climate change because of its specific geographical and climate condition. Climate change assessments suggest that the annual mean air temperature in Mongolia increased by approximately 2.24°C during the last 70 years²², which is much higher than the global average. The temperature rise is predicted to increase in a distant future (2081-2100) by 2.5^o Celsius in the least GHG emission attributed scenario, by 3.5^o Celsius in the medium scenario, and by 6.0^o Celsius in the highest scenario²³. The following changes have been observed since the 1940s: the temperature of warm seasons has increased together with increase in evaporation and decrease in precipitation; precipitation in winter has increased; the number of hot days and the frequency and intensity of droughts has increased together with the duration of dry periods; the temperature of cold seasons has increased, and the the number of cold days and nights has decreased; the onset of snow- and ice-melt is earlier and the number of days when rivers are covered with ice (and the thickness of the ice) has decreased; the number of occasions of intense snowfall and rainfall and the frequency of intense snowstorms and dust storms have increased. The area of glaciers has decreased by 27.8% in the past 70 years, with the rate of decrease intensifying in the last decade, and permafrost is retreating northwards affecting hydrology in the demonstration landscapes.
11. Climate change is thus exacerbating rangeland and forest degradation and desertification and greatly increasing carbon emissions. Ninety percent of grasslands are exhibiting changes, including the plant species composition, retreat of plant populations, increase of drought persistent species and altered soil fertility. Forested areas reduced, the frequency of forest fire increased, the spread of harmful forest insects increased, the annual growth of biomass slowed down under dry conditions. The shifts in the terrestrial ecosystems and climatic zones and the increase in the intensity and frequency of natural disaster events may bring either temporary or irreversible changes to biodiversity. Although not necessarily linked to climate change, non-native invasive species are an emerging, but not yet severe threat in the project area.
12. **Lack of sustainable forest management, and impacts of fires, pests and disease:** Mongolian boreal forests have low productivity and growth, and are vulnerable to disturbance from drought, fire²⁴ and pests. The lack of sustainable forest management practices results in Mongolian boreal production forests being over-mature and lacking young age classes. As a consequence, these forests can easily lose their ecological balance following disturbance. They have a relatively low ability for expansion into non-forested areas, because of grazing pressure and the harsh continental climate. The long term compounded effect of several drivers, such as forest fire, followed by pest infestation and grazing, often exacerbated by soil moisture loss, may lead to permanent deforestation. Once disturbed, boreal forests increasingly degrade and ultimately could turn into steppe with few trees or shrubs²⁵. Between 2005 and 2015, there was an estimated total of 52,660 ha of deforestation, 1,394,810 ha of forest degradation and 3,038 ha of forest gain, nationally. Mongolia's annual GHG emissions and removals from the forestry sector were

²⁰ Ykhanbai, H. 2010. Mongolia Forestry Outlook Study. Asia-Pacific forestry sector outlook study II. Working Paper series. Working Paper No. APFSOS II/WP/ 2009/ 21. FAO Regional Office for Asia and the Pacific, Bangkok.

²¹ UN-REDD Programme. 2017. Using spatial analysis to explore potential for multiple benefits from REDD+ in Mongolia. Ulaanbaatar.

²² MET. 2017a. Report of State of the Mongolian Environment, 2015-2016. Ulaanbaatar.

²³ MEGDT. 2014. Mongolia's Second Assessment Report on Climate Change. Ulaanbaatar.

²⁴ 95% of forest fires are thought to be caused by humans (MET. 2017. Mongolia's Third National Communication under the United Nations Framework Convention on Climate Change), and affected 139,000 ha / year between 2004-2014

²⁵ UN-REDD (2018). Mongolia's Forest Reference Level submission to the UNFCCC. UN-REDD Mongolia National Programme, Ministry of Environment and Tourism, Ulaanbaatar, Mongolia.

estimated as 5,213,319tCO₂e and 47,782 tCO₂e, respectively, during the reference period 2005 - 15²⁶. There is therefore significant scope for avoided emissions from Mongolia's boreal forests. Saxaul forests were previously heavily exploited for commercial charcoal and fuelwood, and pressures still exist from mining and use for household fuelwood. There are currently no forest reference levels available to estimate emissions for saxaul forest loss and degradation, nor any approved method for estimating them. However during 2018, the Forest Research and Development Centre (FRDC) and Institute of General and Experimental Biology (IGEB) will be carrying out studies to fill these gaps so that it will be possible to make the required emissions savings estimates for saxaul forests in the project demonstration landscapes.

13. **Hunting/Killing of wildlife:** Mongolia's impressive large mammal and bird fauna has also been impacted by direct over-exploitation, particularly during the recent period of economic transition. The causes are diverse and in the project area include illegal killing and trafficking for body parts (e.g. Mongolian Saiga), retaliatory killing for attacks on livestock (snow leopard), subsistence and or commercial harvest (marmots and red deer), collecting for falconry, and sport hunting. Many of these problems are driven by unemployment and low incomes in rural communities. Wealthy people from urban areas are also interested in hunting excursions. The solutions are often species specific, but all require full community participation, education and addressing livelihoods issues as well as legislative enforcement.
14. **Mining** in all its forms - industrial and artisanal, formal and illegal - poses multiple threats to land resources, ecosystems and wildlife, as well as human health and well-being. More than 20,000 ha of land has been damaged in Mongolia due to mining exploration and operation²⁷. Without effective management at landscape level, already serious land degradation will accelerate. Whilst some impacts arise during the exploration stage, they are much greater during the mine development/extraction stages, when significant direct impacts such as habitat loss and pollution may be greatly exceeded by indirect impacts arising from related economic development and demand for resources and commodities in remote areas. Mining is the subject of an ongoing GEF-financed, UNDP-supported, MET-executed project "Land Degradation Offset and Mitigation in Western Mongolia", and will not therefore be addressed directly by the ENSURE project, although mining issues will be incorporated as relevant, for example in the support to aimag and soum level green development planning. A number of sites have licenses for mining exploration within the demonstration landscapes. Offsetting regulations are going to be updated, providing the opportunity for the project to use this principle and funding source for conservation of biodiversity in the demonstration landscapes, as they are important biodiversity areas.
15. **Infrastructure and other threats:** Recent years have seen intensification of road and rail construction, and all four centres of the target aimags are now connected to the capital city by paved roads. Dirt roads make-up 90% of the road network, and contribute to environmental deterioration and pollution, as well as desertification. Despite being one of the most sparsely populated countries in the world, urbanization has also intensified drastically since the 1950s, with 68% of the nomadic Mongolians from rural areas now urbanized. The problems caused by urban development are most severe in the capital city, but issues are also emerging in towns of provincial areas, including the centres of the project's target aimags. Barriers from existing and planned transportation infrastructure are also a threat for migratory ungulates. Additionally, electrical lines connecting industries and city or province centres cause mortality of thousands of birds. Cultivated agriculture has also contributed to land degradation in Mongolia, but the area under cultivation declined sharply during the transition to a market economy and only amounted to 330,000 ha in 2013²⁸. It is not a significant threat in the demonstration landscapes.
16. The use of chemicals - for mining, for treating livestock, for pest control and many other purposes - is an increasingly serious issue in Mongolia's landscapes. While the scope of the impacts from the use of chemicals is too large to be addressed by the current project, some issues relating directly to biodiversity in rangelands and forests (such as the use of chemicals to kill rodents in grasslands, and

²⁶ UN-REDD (2018). Mongolia's Forest Reference Level submission to the UNFCCC. UN-REDD Mongolia National Programme, Ministry of Environment and Tourism, Ulaanbaatar, Mongolia.

²⁷ Batjargal, Z and Shirevdamba, Ts. 2016. Opportunities to expand Mongolian special protected area network. Ulaanbaatar.

²⁸ UNDP. 2016. Agricultural cooperation in Greater Tumen region. Regional report.

the use of chemicals to control forest pests) will be addressed where feasible within project activities.

17. In conclusion, the main threats affecting the rangeland and forested landscapes of the project area are predominantly over-grazing by domestic livestock, climate change, hunting and killing of wildlife, and lack of sustainable forest management compounded by the impacts of fire, pests and diseases. Despite significant baseline efforts, these threats are increasing and will therefore be the primary focus of the project. Further details on these and other threats can be found in **Annexes P, Q, M and R**.
18. **Project conceptual model:** The interacting web of factors that threaten rangelands, forests and globally significant biodiversity in Mongolia, as discussed above, is illustrated in a conceptual model in **Figure 1**. This indicates the key areas (indirect and direct factors) and the points where project interventions can contribute towards a reduction in threats, and therefore towards the conservation of biodiversity and landscape resilience. The main project strategies are summarized in the Theory of Change diagram (**Figure 2**) in the following section.

Baseline projects and resources that will be committed from them:

19. Through its Green Development Policy (adopted in 2014) and more broadly through its Sustainable Development Vision to 2030 (adopted in 2016), Mongolia has committed to a sustainable and green economic growth path to safeguard its rich natural and cultural assets for the present and future generations. This means pursuing resilient and low carbon economic growth in a way that values and invests in biodiversity and ecosystem services while supporting climate change mitigation and adaptation. The Government is also taking substantial measures to develop a more evidence-based land use planning system at national, aimag and soum levels. The Law on Development Policy and Planning (2015) and Common Procedures for Developing Development Policy Documents (2016) provide the framework for decision-makers to develop coherent, well-coordinated development plans linked to the internationally agreed development goals. Thus, recent sectoral plans (energy, agriculture, forests etc.) have incorporated the green development principles and targets, and are harmonised with the sustainable development goals. Since 2008, local development plans have been approved by all four target aimags and all 13 demonstration landscape soums, in line with the central government Action Plan.
20. An implementation plan for the Green Development Policy was approved in 2016, and five aimags have volunteered to pilot green development approaches, including Arkhangai aimag in the project area which approved its Green development Program in 2014 with two phases (2015-20 and 2021-30). Sectoral policies are being aligned²⁹, and MET is monitoring the implementation of the action plan. Since 2015, the following key activities have been implemented: a) Government adopted the regulation regarding the exemption from income taxes for 41 types of environmentally-friendly equipment and promoted efficient use of resources³⁰; b) 25 standards for supporting green development have been approved³¹; c) an MOU was signed between the Mongolian Banking Association, the Ministry of Environment, Bank of Mongolia and Mayor of the Capital City to implement a sustainable financing program by establishing the Green Development Fund of Mongolia³², which is intended to reduce environmental pollution, introduce a pro-green economy financial system and increase investment supporting environmental conservation and clean technology.
21. Mongolia has adopted a number of important laws for addressing rangeland and forest management and biodiversity conservation, including the Law on Protected Areas (1994), Law on Environmental Protection (1995, amended 2012), Law on Land (2002), Law on Animals (2012), Natural Plants Law (1995), Law on Buffer Zones (1997), Law on Water (1995, amended 2004, 2010 and 2012), Law on Forests (1995, amended 2012 and 2013), Law on Natural Resource Use Fee

²⁹ Support was received from 5 UN agencies through the "Partnership for Action of Green Economy" (PAGE) project, which ended in 2017

³⁰ As of 2015, 22 entities have received tax exemption amounting to USD 1.2 million USD

³¹ Examples include creation of passages for wild ungulates along the highways and railways in steppe and gobi areas, wastewater to supply to the sewerage network, general technical requirements for wastewater, and energy savings and efficiency

³² Later on, it was decided to establish a similar fund by the National Development Agency (NDA) managed by the Development Bank. At present, MET and Ministry of Finance (MoF) are supporting the initiative of the Mongolian Banking Association to create the so-called Green Credit Fund in cooperation with GCF, Global Green Growth Institute (GGGI) and other institutions.

(2000, amended in 2012), and Law on Tourism (2000, amended in 2001). Major amendments to the environmental legislative framework took place in 2012 with an update to the 1995 Law on Environmental Protection, embracing the Polluter Pays Principle (PPP) and community-based natural resources management (CBNRM) as well as establishing controls on mining. A revision to the 1994 Law on Protected Areas, to align it with the newly updated environmental laws and international environmental protection policies, has been approved by Cabinet but needs Parliamentary approval. A draft law on pasture, which included measures for tackling over-grazing, was debated for more than 4 years without approval.

22. Mongolia is participating in the CBD's BIOFIN (Biodiversity Finance) initiative, under coordination of UNDP. It aims to deliver a new methodological framework facilitating the identification, development and implementation of optimal and evidence-based finance plans and solutions for biodiversity conservation. The project has completed a biodiversity expenditure review (2016) estimating that almost half of Mongolia's total expenditure on biodiversity during 2008–15 was dependent on international donor funding (although much less is provided for the forest sector). Funds for implementing regulations come from central government and local budget as well as natural resources use fee and environmental damage compensation. Since 2002, natural resource use fees have increased, bringing USD 27.7 million by 2015 to state and local budgets, mainly from mineral resources use fee. The Law on Natural Resources Use Fee (2012) specifies the mandatory minimum percentage of revenues³³ generated at soum level to be spent on environmental restoration and rehabilitation through soum level plans. Similarly, according to the Law on State Budget, 5% of mineral resources use fees (approximately USD 770,000 per year) and 30% of oil resources use fees are re-distributed to soum development funds.
23. The updated NBSAP / National Biodiversity Programme 2015-25 was approved in June 2015, aligning national targets with the CBD Aichi targets. It defines four strategies for implementation: increasing awareness and knowledge, conservation of biological diversity, sustainable use of biodiversity, conservation of ecosystem services and improving the legal and policy environment. The Aimag level Environmental Protection Agencies, have an average annual budget of \$0.8 million for environmental protection. A number of NGOs are very active in conservation and research of key ecosystems and threatened species, working with staff of MET and the protected areas administrations. WWF Mongolia promotes the expansion of community-based conservation, and has been working intensively on snow leopard, Mongolian Saiga, ibex and Argali conservation including in the southern Gobi and Western aimags. They have recently launched the "GG6 - Great Gobi 6" campaign to highlight the most threatened and iconic species³⁴. The Wildlife Conservation Society is actively working on biodiversity and mining issues in the southern Gobi. There are two successful re-introduction projects for the endangered Przewalski horse in the target aimags – one in the Khomyn Tal of Zavkhan aimag (Khomiiin Taliin Takhi NGO (KTT) with Takh Association, France) and one in the Takhyn Tal. The International Bear Association is actively supporting conservation measures for the critically endangered Gobi Bear in the Gobi A Strictly Protected Area which also hosts the critically endangered Bactrian camel. The Wildlife Science and Conservation Centre of Mongolia has established the Mongolian Bird Club, and is very active in bird migration studies through satellite tracking. Strengthening human resources, legal frameworks, and institutional capacities to implement the Nagoya Protocol or the Access-benefit-sharing (ABS), a 3 year project, is assisting in the development and strengthening of national legal frameworks, human resources and administrative capabilities to implement the Nagoya Protocol. The project will develop a traditional knowledge and genetic resources database and legal regulations associated with the implementation of the ABS mechanisms.
24. There has not yet been a formal assessment of Key Biodiversity Areas (KBAs) in Mongolia, and the World Database of KBAs³⁵ currently only includes around 70 Important Bird Areas and Ramsar sites as registered KBAs, plus the country's state protected areas as unregistered KBAs. However in the last decade, The Nature Conservancy (TNC-Mongolia), working closely with government and UNDP-CO has completed a comprehensive series of science-based Eco-regional Assessments covering the

³³ This ranges from 15% for use of land or wild plant resources, to 35% for using water and mineral water resources, to 50% for using wildlife resources, and up to 85% for use of forest resources.

³⁴ The Great Gobi Six (GG6) are: Wild Bactrian Camel, Gobi Bear, Przewalski's Horse, Wild Ass, Saiga Antelope, and Goitered Gazelle

³⁵ <http://www.keybiodiversityareas.org/home>, last accessed 26 March 2018

entire country, which identify priority areas for conservation outside the current network of state protected areas. This provides an important mechanism for ensuring that future expansion of protected areas occurs within important biodiversity areas. Indeed, 73 priority conservation areas are identified by the TNC assessments in this project's four target aimags.

25. The 1998 National Program on Protected Areas (PAs) and its 1999 Action Plan aims to establish and maintain comprehensive, effectively managed, and ecologically representative networks of PAs covering 30% of Mongolia by 2015. The network of State PAs (SPAs) has expanded each year reaching 28 million ha or 17.8% of the total territory³⁶. In addition, there are more than 1,300 locally protected areas (LPAs) covering 23.6 million ha³⁷, although many LPAs were declared to dissuade mining activity and have insufficient management effectiveness and financing. A 2017 report noted that the total size of the state and local protected areas has reached 44.3 million ha, which is 28.3% of the total territory³⁸. Boreal forest and steppe biomes are poorly represented, despite their significant coverage of the national territory³⁹, whilst almost half of the saxaul forest is protected by the network of specially protected areas⁴⁰. The GEF-financed, UNDP-supported, MET-executed "Strengthening protected area network in Mongolia (SPAN)" project (2010-2015), and "Mongolia's network of Managed Resources Protected Areas" project (2013-2018) have supported policy development, capacity building and financing mechanisms for the PA network, and catalyzed the strategic expansion of the PA system through establishment of a network of community conservation areas (LPAs). Since 2012, KfW is supporting the € 11.5 million (about USD 13.8 million) national "Biodiversity and climate change programme" to strengthen PA management. This covers preparation and implementation of management and business plans for SPAs and national parks, PA infrastructure and training. ADB is implementing a USD 3 million project to support buffer zone communities around the Khovsgol national park, trialing an "Eco-programme" for green development and community based natural resource management in PA buffer zones.
26. Mongolia has formulated policies and measures to mitigate its GHG emissions and to adapt to some of the expected impacts of climate change. The National Action Programme for Climate Change (NAPCC, updated in 2011) includes integrated watershed management, technological and economic capacity building for water saving systems, extension of water reservoirs and basin constructions from rivers, precipitation and snow melt harvest, conservation of biodiversity vulnerable to climate change, implementation of measures for reducing pasture degradation, coordination of sector development strategies for sustainable water use, and enhancement of the greenhouse gas sequestration capacity of pasture and soil.
27. The Government has made significant efforts to address land degradation particularly through development of its policy and legal framework and support programmes. Through its contribution to the Government Plan 2016-20 and the National Livestock Programme, the Ministry of Food, Agriculture and Light Industry (MoFALI) has contributed over USD 16 million in support of improvements to pastures and the livestock sector. Provincial sub-programs for combating desertification and significant local level baseline activities have been initiated since 2012 under the National Action Programme for Combating Desertification (NAPCD, updated in 2010⁴¹). For example in the four target aimags, recent investments have included: USD 118,840 for controlling rodents in pasture areas through eco-friendly approaches, USD 277,800 to improve water resources for pasture areas through establishing or rehabilitating engineered wells or hand wells, USD 41,000 for conducting monitoring and assessment on pasture areas, and USD 1,902,034 for increasing different species of fodder plants. In addition, Government has implemented significant programs such as the Western Province Development Plan (2007-2015) at local level to reduce land degradation through using natural resources in appropriate sustainable ways, improving pasture

³⁶ MET. 2017. Report of State of the Mongolian Environment, 2015-2016. Ulaanbaatar.

³⁷ www.eic.mn/spalocal (last accessed 10 Apr. 2018)

³⁸ Government of Mongolia. 2015. National biodiversity program (2015-2025). Ulaanbaatar.

³⁹ Nature Conservancy Mongolia Program and M. Heiner et al. 2017. "Identifying Conservation Priorities in the Face of Future Development, Applying Development by Design in the Western Mongolia: Mongol Altai, Great Lakes Depression and Lakes Valley." Ulaanbaatar.

⁴⁰ Khaulenbeck, A. et al. 2018. Saxaul forest in Mongolia: ecosystem, resources, value. Institute of Geography and Geoecology Ulaanbaatar

⁴¹ GOM. 2010. National Action Plan to Combat Desertification, 2010-2020

management, and mitigating negative impacts of economic development projects. During the period 2010-13 the average annual investment to combat desertification was USD 3.6M.

28. There are several ongoing or recently completed internationally-supported initiatives with a key focus on improving pastureland management which have covered the project area. The World Bank financed "Sustainable Livelihood Programme" Phase I and II (USD 62.73 million) supported pastureland risk management activities throughout the country establishing successful loan mechanisms for herders in 4 soums for fencing pasture reserves, livestock improvements etc.. Phase III of the programme (USD 34 million) supports capacity building for local governance and livelihoods. The USD 5 million International Fund for Agricultural Development (IFAD) project for "Market and Pasture Management Development" (2012-16) supported reduction of poverty and improved livelihoods of poor herder and soum and aimag centre households, including in Gobi-Altai aimag.
29. Since 2004, the Swiss Agency for Development and Co-operation (SDC) provided financing of USD 10 million for "Coping with desertification" and USD 15 million for Phases 1&2 of the "Green Gold" projects – strengthening the self-reliance of poor and vulnerable herders, and helping them to self-organise to use pasture sustainably for increased production. This project has already supported the formation of 150 Pasture User Groups (PUG) with 7,961 member households across the demonstration landscape soums, bringing a total of 5,643,880 ha of pasture areas under communal management and monitoring. A PUG is a type of community-based organisation, comprising a voluntary union of herder households with shared access to communal rangelands. It offers an unparalleled opportunity to learn from the outcomes of grassroots collective action, and put this knowledge to work designing better policies and practices⁴². Community-based rangeland management shows consistently higher social outcomes than communities without formal organizations⁴³. Based on annual pasture use maps, PUGs implement pasture rotation and resting in certain areas of their pasture annually to encourage plant growth. They also work together to improve water resources for pasture (including rehabilitating hand wells, fencing springs and establishing small-scale water harvesting etc.). In the project demonstration landscapes, a total of 56 PUGs have signed Pasture Use Agreements with their soum governments, gaining improved responsibility for addressing rangeland degradation. There are two levels of Pasture Use Agreement: the first is to enforce seasonal rotational grazing and resting schedule agreed between PUGs and soum government; and the second level is to agree on long-term maintenance of rangeland health and plan to adjust and reduce stocking rate to rangeland carrying capacity. SDC also helped to establish a standardised system for rangeland monitoring incorporating traditional knowledge which has now been adopted by the National Agency for Meteorology and Environmental Monitoring (NAMEM) and Authority of Land Management, Geodesy and Cartography (ALMGaC) – See **Annex P** for further details. The GEF-financed, IFAD-supported Mongolia Livestock adaptation project (2011-2017) aimed to increase the Mongolian livestock system's resilience to changing climatic conditions by strengthening the adaptive capacity of Mongolian herders.
30. Finally, following the previous failure to gain agreement for a new pastureland law that could help reduce over-grazing, FAO⁴⁴ and the Centre for Policy Development (NGO) organized the pastureland protection law consultations⁴⁵ in 2016 covering 1,128 participants across 14 aimags. This consultation demonstrated that herders are encountering pressing problems over pastureland use (land degradation, conflicts, protection of poor herders grazing rights etc.), and revealed that 73.5% believed a new pastureland protection law to be essential to deliver positive impacts.
31. All forest resources belong to the State and are managed by MET and its Forestry Research and Development Center (FRDC). The State Policy on Forests was approved by Parliament in 2015 addressing both boreal and saxaul forests, and giving priority to enhanced carbon storage, reduced

⁴² Addison, J. et al. (2013). "Do pasture groups lead to improved rangeland condition in the Mongolian Gobi Desert?" *Journal of Arid Environment* 94 (2013) 37-46

⁴³ Gimenez-Fernandez, M. et al. (2015). "Lessons from the Dzud: Community-Based Rangeland Management Increases the Adaptive Capacity of Mongolian Herders to Winter Disasters." *World Development*. Vol. 68. Page 48-65

⁴⁴ In the light of the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security

⁴⁵ See www.cpr.mn for further details

degradation and effective monitoring. The Law on Forest 2012 (revised in 2015) devolves many rights and responsibilities over forests to the Khurals (local parliaments) and Governors⁴⁶. However, development of the forestry sector is contingent on a change in Government policies in support of greater sustainable utilization. Forest User Groups (FUGs) involve rural communities in forest management, provide livelihood opportunities, and provide practical management mechanisms for Mongolia's fragmented forests. By 2016, 1,218 FUGs had been established across the country managing approximately 3.1 million ha and 90 private enterprises (professional State-certified organizations) managing approximately 600,000 ha. About 51 Forest User Groups (FUGs) have been established in Tarvagatain Mountain and Bukhun Mountain demonstration landscapes, but only 35 are active. Although some are developing businesses producing wood products such as furniture and producing jams and juices out of local wild berries grown in the forest, their activities are quite limited. Mongolia has identified REDD+, including improved forest management, as part of its Nationally Appropriate Mitigation Actions (NAMAs) that was submitted to the UNFCCC in 2010. With support from the UN-REDD Programme, the government is currently implementing its REDD+ Readiness activities. This comprises work on the four design elements for REDD+: a) National Strategy and/or Action Plan; b) National Forest Monitoring System; c) Safeguards Information System; d) Forest Reference Level. The National REDD+ Strategy is expected to be completed by the end of 2018. The National Forest Inventory was undertaken from 2014-2016 with technical and financial support from GIZ, and submitted to the Mongolian Government in 2017⁴⁷. The National Forest Reference Level for boreal forests was submitted to UNFCCC in early 2018, and a similar reference level for saxaul forests will be completed during 2018. An assessment of Financing Mechanisms and Options for Mongolia's REDD + Action Plan was published in 2018⁴⁸. Mongolia is also participating in the REDD+ Academy, a coordinated capacity development initiative.

32. The Government of Mongolia directly funds forest sector capital and recurrent expenditures worth around USD 6.4 million in 2017. Of this, MET's budget allocations to its forest-related departments was USD 4.8 million in 2017, with pest control, forest utilization and forest fire activities receiving 43%, 9.1% and 5% of the budget respectively between 2013 and 2017. A national 60 million m³ per year "forest cleaning" programme has been established for the boreal forests to reduce forest fires and encourage forest regeneration by removal of "dead and down" timber. The product is very diverse in quality and currently only used for local firewood. A 2 year ADB project is addressing forest cleaning and use of forest products in Khovsgol aimag, including providing small-scale timber processing equipment to FUGs. Chipboard factories are also being established. GIZ's "Biodiversity and Adaptation of Key Forest Ecosystems to Climate Change" project (€3.6 million (around USD 4.32 million)) is supporting climate change and adaptation policy, stabilization and use of forested ecosystems, and conservation and sustainable management of protected areas in the Khangai region. The USD 23.3 million GEF-financed, UNDP-supported, MET-executed "Mainstreaming biodiversity conservation, SFM and carbon sink enhancement into Mongolia's productive forest landscapes" project (2014-18), has a key aim of operationalising community forestry in three northern aimags, and is currently working with 101 FUGs (average size 4,500ha, max. 15,000ha); it is also addressing regulatory constraints through piloting the FAO Voluntary Guidelines on Tenure and Governance, and exploring PES mechanisms for carbon, water and biodiversity through market-based approaches. The Korea-Mongolia Greenbelt Forestation Project aims to plant some 3,000 hectares of trees to combat drought and desertification in Mongolia. Saxaul plantations have so far been established in over 635 ha in Omnogovi aimag. Similar small-scale successful projects have also been funded in Omnogovi and Dornogovi aimags by Japan. A new forestry project (2015-18) is starting with financial and technical assistance from the Czech Republic, mainly focusing on tree nurseries and genetics.

⁴⁶ Rights for FUGs are decided at first by the bagh and then the soum Khural and finally the contract is approved by the soum Governor. The Inter-soum Forest unit is responsible for releasing the assessment of the forest area. Permission for FUG to harvest should be given by Soum Governor based on the Forest Unit's evaluation. Forest unit is responsible to monitor protection, control and restoration activities as well as the performance of the forest management plans of FUGs.

⁴⁷ MET. 2017. Mongolian Multipurpose national Forest Inventory 2014-2016 1st Ed., Ulaanbaatar, Mongolia: Ministry of Environment and Tourism.

⁴⁸ Bann. C & Gonchigsulmaa. G. 2018. Assessment of Financing Mechanisms and Options for Mongolia's REDD + Action Plan. UN REDD Programme.

33. Baseline livelihoods initiatives in the demonstration landscapes, have mainly been supported through local government, donor activities and international NGOs. In addition to establishing many Pasture User Groups, SDC's Green Gold project has organised consultation meetings among producers and processors to increase the income level by selling yak and young camel wool, and training has been given on how to improve yak and camel wool quality and animal health to meet processor's standards. As a result, more than 10 textile companies are buying yak and camel wool under contract with set standards for the quality of the raw materials. The French NGO, AVSF has been providing support in some soums of Bayankhongor and Arkhangai aimags with animal health and zoo-technical advisory services. They have also helped develop supply chains for the sale of high-quality animal products on the national (meat and milk) and international (yak fiber and cashmere) markets. The USD 11.4 million IFAD "Market and Pasture Management Development Addition Financing" project (2017-2021) aims to contribute to empower poor rural women and men to achieve higher incomes and sustainable improvements in their livelihoods and is active in a few soums of Arkhangai aimag.
34. Although the baseline activities for the ENSURE project are significant, the threats to globally significant biodiversity in Mongolia from rangeland and forest degradation and climate change are still increasing, and urgent responses are needed. Further details on the baseline are provided in **Annexes L, M, N, O, P and Q**.

Long-term vision and barriers towards achieving it:

35. In order to contribute to Mongolia's sustainable and green development vision, this project will enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods. The PPG analysis revealed many excellent examples of good practices for tackling individual issues, but their implementation has been scattered temporally, thematically and geographically. The proposed multi-focal area approach will, for the first time in Mongolia, simultaneously integrate biodiversity conservation and sustainable land and forest management, providing an opportunity to demonstrate, how green development can improve ecosystem services and resilience on the ground at landscape scale, while supporting climate change mitigation and adaptation. The strong baseline, the 7 year duration of the project, and the representativeness of the project area for the rest of the country provides a high likelihood of sustainable results that can be up-scaled widely. Achievement of the solution proposed above, has to date been impeded by four main barriers:

Barriers:

Barrier 1. Inadequate policies, legislative framework, tools and capacity to enable green development at the local level

36. PPG assessments confirmed that effective conservation of biodiversity and ecosystem services by addressing rangeland and forest degradation is hampered by limited systemic tools and capacity at all levels (see **Annexes L, M and O**). Although the Green Development Policy was approved in 2014, there is a lack of appropriate regulations, tools and financial mechanisms to enable effective and integrated implementation on the ground. Indeed, whilst robust and compatible policies and legislation have been developed for some sectors (e.g. for protected areas and controlling the impacts of mining), the policies of other important economic sectors are not only environmentally unfriendly but are acting as a negative mechanism. In particular, the absence of a conducive legal framework and financial mechanisms (e.g. pasture use fees or incentives) to control livestock numbers has led to increasing herd sizes and failure to tackle the problem of over-grazing which cannot be resolved by customary rules. Herders still use pastures, water and salt licks, free of any charge and with no accountability for overgrazing and degradation. Furthermore, national and provincial award schemes continue to reward herders with the largest numbers of livestock, while the goat subsidy policy⁴⁹ provides for incentive payments from the Mongolian Development Fund, showing that government still does not recognize the damage that goats impose on the environment. Similarly, many laws and regulations (e.g. the Law on Land and Law on Soil Protection and Prevention from Desertification) fail to comply with ecosystem-based approaches, and need to

⁴⁹ Erdenesaikhan, N and Onon, B. 2012. An Economic analysis of the Environmental impacts of Livestock grazing in Mongolia.

incorporate ecosystem service protection and community-based natural resource management as key measures. A key issue for FUGs is that they cannot be registered as a legal entity which makes it more difficult to develop business models and generate income from their activities. The current "Regulation on awarding tenure right for forest fund area" severely constrains the rights and responsibilities of FUGs to sustainably harvest and market timber, creating little economic incentive for sustainable forest management. Regulations are also needed to incorporate ecosystem services into development and land use plans at national, aimag and soum levels to aid informed decision-making for green development (for example ensuring resource efficiency and that use of toxic chemicals in natural landscapes is strictly controlled); such laws and plans should reflect the aspirations of local communities and provide adequate time for consultations and feedback. Many environmental policy documents are not properly implemented on the ground due to lack of control and monitoring of natural resources use. In particular, inadequate enforcement of the Law on Natural Resources Use Fee restricts the funds available for biodiversity conservation, while those funds that are raised are often not spent appropriately. For example, a recent study⁵⁰ concluded that if the Law of Natural Resource Use Fee (which includes forest use fee) had been properly implemented in 2017, an additional US\$ 3.1 million would have been invested in the forest. Furthermore, in 2017 government revenues from forests were more than four times government spending, suggesting that increased Government funding for sustainable forest management is possible through better earmarking of forest generated revenues. Therefore, better prioritization of government budgets, ensuring measures are cost-effective and improved financial mechanisms are required.

37. Despite the urgent need to address rangeland and forest degradation, there is low capacity among local government staff about how to apply appropriate and integrated measures at landscape scale in a way that also supports livelihoods development. A baseline score of only 33% was achieved from the Capacity Development scorecards completed during the PPG for the four demonstration landscapes (see **Annex L**). The staff in charge of developing and implementing local land use and management plans for rangelands, forests and protected areas have limited knowledge and lack the tools for science-based integrated landscape level planning and management and how biodiversity and ecosystem services can be conserved through community-based natural resources management. In particular, local soum and inter-soum forest units are understaffed and do not have adequate capacity to manage and monitor the forests. Systematic support is needed to introduce ecosystem services and biodiversity conservation into development plans at landscape scale. There is a great need to make available successful approaches/best practices, and to build capacity for integrated land use planning and management, using modern information and communications technology for wide dissemination and up-scaling. There is inadequate overall coordination, planning and action for the conservation of biodiversity among the relevant governmental and NGO partners, such that 302 of Mongolia's most iconic and threatened species have been registered in the Mongolian Red Book as either critically endangered or endangered⁵¹.

Barrier 2. Insufficient capacity and knowledge to apply best practices in sustainable rangeland and forest management and biodiversity conservation by local stakeholders at the landscape scale

38. Urgent participatory action is needed to stop the relentless advance of rangeland and forest degradation and desertification (and consequent decline in biodiversity and ecosystem services and increase in carbon emissions) resulting particularly from the interaction between overgrazing and lack of sustainable forest management, combined with the impacts of fires, pests and disease, and climate change. Sustainable rangeland and forest management require inter-sectoral implementation and all relevant parties must contribute to land planning, land management and land protection. Current regulations, laws and national programs are not properly implemented on the ground due to lack of capacity, financing and effective coordination and implementation mechanisms. Although there have been disparate often small-scale successful examples to tackle these issues, there is little knowledge or experience among local government staff and

⁵⁰ Bann, C & Gonchigsulmaa, G. 2018. Assessment of Financing Mechanisms and Options for Mongolia's REDD + Action Plan. UN REDD Programme.

⁵¹ Shiirevdamba, Ts. Adiya, Ya. Ganbold, E and Tserenkhand, G. 2013. Mongolian Red book. Ministry of Environment and Green development. Ulaanbaatar: Admon Printing.

communities about how they can be applied at landscape scale (see **Annexes L, P and Q**). Effective Pasture Use Agreements between PUGs and the soum Governors are desperately required to safeguard biodiversity and ecosystem services, for effective grassland management. Policy-making has over-emphasised forest protection to the detriment of sustainable forest management, with cutting volumes being too low, trade policies restrictive and licensing policies obstructive. In reality, many FUGs exist only on paper, many having no management plan, few ongoing management activities and a lack of technical skills. The lack of demonstrated experience in applying best practices tools and financing mechanisms at local level hinders any progress. Furthermore, the herders who are members of PUGs and FUGs need to be capacitated and convinced that there are win-win solutions to the problems they face.

39. Given the open access to land in Mongolia, these limitations pose a specific problem for conserving the most critically important areas and threatened species (see **Annex O**). The protected area network has still not met the national areal target and some ecosystem types (notably of forest and rangeland biomes) are not adequately represented⁵². Inadequate management effectiveness of protected areas (see **Figure 1 and Annex B (I)**) resulting from insufficient participation of stakeholders, lack of human and financial capacity and infrastructure, and inadequate planning, coupled with unsustainable tourism and traditional husbandry further exacerbate negative impacts on biodiversity⁵³. The protected area network is not yet seen as a valuable resource for green development. Moreover, Local Protected Area status is yet to be upgraded as part of the national SPA network by newly formulated protected area legislation. Apparently, there is no clear regulation on taking land under local protection, although local governments are taking them for local needs, avoiding any disturbance from outsiders. Similarly, the iconic biodiversity and threatened species (particularly the large mammals) of the project area are not yet being conserved effectively. Best practices that have been tested elsewhere in Mongolia and internationally are not yet being applied across the demonstration landscapes, and as a result populations of these species are well below optimum levels.

Barrier 3. Insufficient linkage between livelihoods and sustainable rangeland and forest management and biodiversity conservation

40. There has not yet been a concerted and practical effort to tackle rangeland and forest degradation and biodiversity conservation through sustainable livelihoods in an integrated way, despite the obvious linkage between these issues. Increasing rural poverty puts ever-increasing pressure on biodiversity and ecosystem services (for example through overgrazing and illegal logging, harvesting of saxaul for fuelwood, and poaching / illegal killing of wild animals). Whilst many Pasture and Forest User Groups have been established to address rangeland and forest degradation, they are not yet practicing long-lasting solutions that simultaneously resolve these problems and deliver improved livelihoods. They lack adequate capacities in terms of governance, business development skills and technical knowledge for reducing pressures on natural resources. Furthermore, key measures for sustainable rangeland and forest management and biodiversity conservation need to be built into their contracts with the soum authorities as their contribution to green development. There is a great need to diversify the rural economy to reduce the dependence on low quality livestock (see **Annexes N and P**). Although Mongolia has the highest per capita livestock figure in the world, rural communities cannot benefit fully because of the remote markets (eg. for milk), because processing systems do not meet international trade standards (eg. for meat and wool), and because herders lack the experience and skills to add value to their products. Generally, herders sell their raw materials for very low returns, through middle-men, making this a very inefficient animal husbandry production system⁵⁴. There are few examples of community organisations working in partnership with government and private sectors to address these issues in a coordinated and innovative way for example through adding value to livestock, timber or non-timber forest products, medicinal plants or other initiatives such as ecotourism development. Although the principle of green development is now anchored in policy, progress is greatly

⁵² Nature Conservancy Mongolia Program and M. Heiner et al. 2017. "Identifying Conservation Priorities in the Face of Future Development, Applying Development by Design in the Western Mongolia: Mongol Altai, Great Lakes Depression and Lakes Valley." Ulaanbaatar.

⁵³ Chimed-Ochir B., 2010. Filling the Gaps to Protect Biodiversity of Mongolia. Report of WWF Mongolia, Ulaanbaatar

⁵⁴ Erdenesaikhan, N and Onon, B. 2012. An Economic analysis of the Environmental impacts of Livestock grazing in Mongolia.

hindered by the gaps and differences in understanding of the term that exist at all levels. Low public awareness of the benefits of green development is therefore an important barrier (see Annex N).

Barrier 4. Inadequate knowledge management and M&E systems for green development

41. Knowledge management mechanisms to share best practices and lessons learned between key stakeholders involved in natural resource management, biodiversity conservation and protected area management do not meet current needs. Information sharing between different units, departments and agencies of (local) government – and with the public - is limited and not systematically organized, hindering collective learning and action from best practices on common issues. There is little systematic monitoring and evaluation of progress in implementation of the green development policy on the ground across Mongolia's landscapes, and inadequate systematic monitoring of important biodiversity areas, globally threatened species or their habitats. Lack of attention to the empowerment of women in conservation and sustainable resource management negatively affects overall capacity and progress (see Annex G).

National policy alignment

42. Mongolia is a signatory and active party to all the international Conventions most relevant to this project, including: the UN Convention on Combating Drought and Desertification (UNCCD); the UN Framework Convention on Climate Change (UNFCCC), including the Kyoto Protocol; and the Convention on Biological Diversity (CBD)⁵⁵. Through its multi-focal area approach, the project will assist the Government in implementing its obligations under these conventions and provide opportunities for synergies in their implementation.
43. As such, the project will contribute directly to the overall Objective of the National Action Programme for Combating Desertification (NAPCD, updated and approved in 2010) "To prevent, cope with and revert desertification and land degradation in Mongolia to ensure environmental sustainability, improve livelihoods of the rural population and generate environmental services of global importance", particularly through Component 5, Output 1: "Cope with desertification at local level by intensifying actions in combating desertification and by strengthening management of nature conservation and natural resources use". It will also support Mongolia's commitment to the UNCCD's LDN (Land Degradation Neutrality) target setting programme. It is also well aligned with the Goal of the National Action Programme on Climate Change (2011-2021), which is "to ensure ecological balances, development of socio economic sectors adapted to climate change, reducing of vulnerabilities and risks, mitigating the GHG emissions and promoting economic effectiveness and efficiencies and implementation of Green development goals". It will also support Mongolia's Intended Nationally Determined Contribution through its intentions to (i) "reduce GHG emissions from deforestation and forest degradation by 2% by 2020 and 5% by 2030" (according to State policy on forests, 2015), and (ii) through "maintaining livestock population at appropriate levels according to the pasture carrying capacity".
44. The project will also contribute substantially to the updated National Biodiversity Programme (2015-2025) / NBSAP, particularly through: Goal 2.2: By 2025, full implementation of National Action Plan for the protection of endemic, endangered and threatened flora and fauna; Goal 2.3: By 2030, improve management of ecosystems and include no less than 30% of representative ecosystems and all ecosystems that are unique or vulnerable to climate change into the National Protected Area Network⁵⁶; Goal 2.5: Increase total forest area quality to 9% by 2030 through the improvement of forest management, and protect biodiversity contained in these forests; Goal 3.2: by 2025, taking into account grazing capacity and livestock population size, utilize legislative and economic leverages to reduce pasture degradation by up to 70% and increase quality of existing pastures; Goal 4.3: by 2025, taking into account the value and importance of pasture, water resources, and forest ecosystem services, develop and implement a framework for sustainable use and conservation of natural resources in which social and economic benefits of these resources are appropriately protected.

⁵⁵ Further details on the project's contribution to the CBD Aichi targets are given below.

⁵⁶ This is also a target in the National Program on Protected Areas (1998).

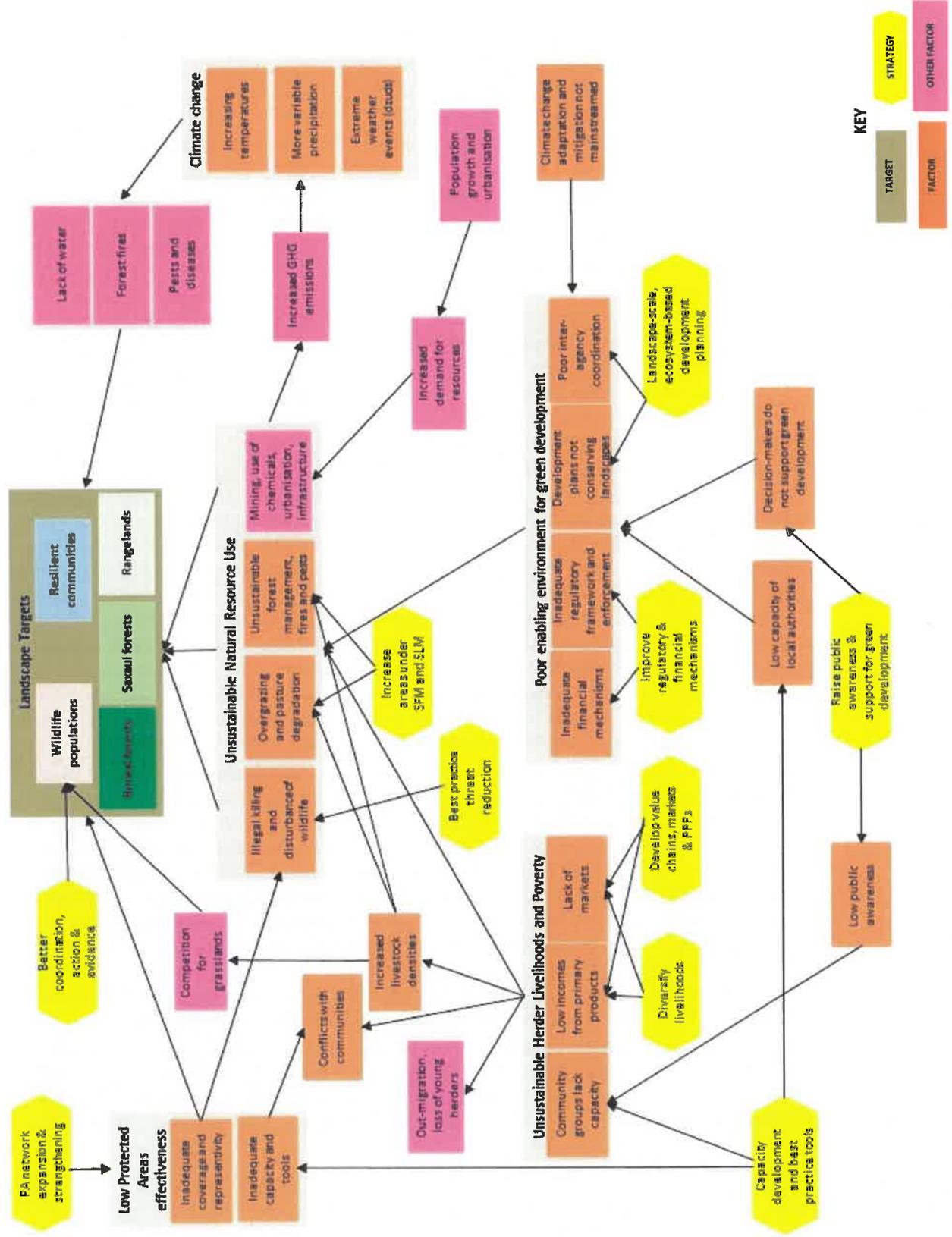
45. The project Objective and proposed outcomes align with high level national development priorities as laid out in Article 6.1 of the National Constitution of Mongolia (1992) which sets out the vision for effective management of the country's natural resources, and the Mongolian Action Programme for the 21st century (MAP-21) and the Government Action Plan, 2016-2020. In particular, the project will directly support implementation of Mongolia's Green Development Policy (2014) and its Action Plan 2016-2030. Through these documents, Mongolia has committed to a green economic growth path to safeguard its rich natural and cultural assets for the present and future generations. The project will, in particular, support its strategic objective to "Sustain ecosystem's carrying capacity by enhancing environmental protection and restoration activities". The project also aligns closely with the Sustainable Development Vision of Mongolia – 2030, which was approved in 2016 and contains six goals that aim to ensure sustainable development of the environment. Furthermore, other goals include encouraging key economic sectors, which use natural resources to create environmentally-friendly development and reduce impacts on the environment.
46. The project will support implementation of Mongolia's State Policy on Forest (2016-30) which includes actions for mitigation in the forestry sector to reduce GHG emissions from deforestation and forest degradation by 2% by 2020 and 5% by 2030. Mongolia is the first country with significant boreal forest cover to become a partner of the UN collaborative initiative on Reducing Emissions from Deforestation and forest Degradation in developing countries (UN-REDD Programme). Mongolia has significant potential to reduce its forest carbon emissions and enhance and sustainably manage its forest carbon stocks, and is currently completing its REDD+ Readiness activities and development of a comprehensive National REDD+ Strategy. The National Forest Reference Level was recently submitted to UNFCCC⁵⁷. The proposed project will benefit from the preparation of the Strategy and provide important opportunities for demonstration and capacity development in support of this initiative.

SDGs and Aichi Targets:

47. The project will contribute directly to achievement of Sustainable Development Goal (SDG) 15 *Life on Land: to protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation and halt biodiversity loss*, supporting activities that address a number of its targets. It will also make secondary contributions towards SDG 1: *No poverty*, SDG 13: *Urgent action on climate change*, SDG 3: *Good health*, and SDG 5: *Gender equality*.
48. In addition, the project will contribute to achievement of the CBD Aichi Targets, in particular: Target 5: the rate of loss of all natural habitats, including forests, is at least halved and where feasible brought close to zero, and degradation and fragmentation is significantly reduced; Target 7: By 2020 areas under agriculture, aquaculture and forestry are managed sustainably, ensuring conservation of biodiversity; Target 11: increasing the coverage and connectivity of the PA system in important regions with high biodiversity importance and significant ecosystem services and by increasing management effectiveness of the PA system in a way that is integrated into the wider landscapes; Target 12: preventing extinction of known threatened species; Target 14: restoring and safeguarding essential ecosystem services for securing health, livelihoods and well-being of people; Target 15: enhancing ecosystem resilience and contribution of biodiversity to carbon stocks through conservation and restoration.

⁵⁷ UN-REDD (2018). Mongolia's Forest Reference Level submission to the UNFCCC. UN-REDD Mongolia National Programme, Ministry of Environment and Tourism, Ulaanbaatar, Mongolia.

Figure 1. Project Conceptual Model



III. STRATEGY

49. The **Project Objective** is: to enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods. To achieve this objective, the project will implement four Project Components with intervention pathways as shown in the Theory of Change in **Figure 2** below. The baseline situation, incremental reasoning and global environmental benefits are summarized in **Tables 2, 3, 4 & 5** in the Results Section. The Project Components (as the GEF Project Alternative) aim to remove the barriers to achieving the long-term solution (see **Figure 3, Section II, and Annexes M-Q** for more information on the barriers), which is to ensure the sustainability and resilience of Mongolia's green landscapes through mainstreaming of green development approaches. The project Components are described below.
50. **Component 1: Embedding systemic tools and capacity for enhancing ecosystem services through sustainable rangeland and forest management and biodiversity conservation:** This component is designed to improve the enabling framework for applying green development approaches. Firstly, it will support improvements to the regulatory environment for sustainable management of rangeland and forested landscapes. Secondly, it will integrate landscape-based green development approaches (particularly focusing on ecosystem services and biodiversity) into development planning. Thirdly, it will improve the financial mechanisms to support green development approaches, including better use of the existing natural resources use fee, and innovative mechanisms for private sector engagement. Fourthly, it will build the capacity of local authorities for green development, and make available innovative tools for enhanced information and knowledge sharing. Finally, it will strengthen the partnerships and evidence base for conserving Mongolia's most threatened species.
51. **Component 2: Application of sustainable rangeland and forest management and biodiversity conservation to reduce land degradation/desertification and enhance ecosystem services:** This component will apply best practice management approaches identified during the PPG to at least 300,000 ha of rangelands, 20,000 ha of boreal forests and 25,000 ha of saxaul forests in four demonstration landscapes. It will do this through engaging existing pasture and forest user groups and local authorities in collaborative planning, technical support and hands-on implementation, supported by participatory monitoring. Innovative financing mechanisms for incentivising green development, developed under Component 1, will be demonstrated on the ground. The project will also support the expansion (by 0.94 million hectares) and strengthening of the protected areas network in the project area and its linkage to community-based participatory management. Finally, concerted measures will be implemented to reduce the threats to globally significant biodiversity in the demonstration landscapes, particularly from illegal killing and competition with domestic herbivores.
52. **Component 3: Community livelihoods enhancement to restore and sustain biodiversity and ecosystem services:** Under this component, the existing pasture and forest user groups in the demonstration landscapes will be greatly strengthened so that they can be effective and resilient partners for green development. Technical training will be provided to help herders improve their incomes in ways that will reduce their herd sizes and reduce pressure on rangelands and forests. The main focus will be improving the quality of their existing primary products, and create more direct routes to market to avoid costly middle-men. Livelihood diversification will also be supported to reduce family dependence on livestock. Options to add value to primary products and access national and international markets through business development, cooperatives and public-private partnerships will be pursued. Finally, this Component aims to raise public awareness of the benefits of green development approaches to garner more local participation and public support.
53. **Component 4: Knowledge management, M&E and gender mainstreaming:** This component closely underpins the other three, by supporting the sharing of knowledge and best practices, experiences and lessons learned through project implementation with project stakeholders, the wider public in Mongolia, and globally. It will support systematic monitoring and evaluation of progress in applying

green development approaches on the ground across Mongolia's landscapes, including important biodiversity areas, globally threatened species and their habitats. It will also ensure gender mainstreaming, which has been integrated throughout the project design based on a gender analysis and gender action plan (see **Annex G**).

54. The project components and outcomes are described in greater detail in the Results and Partnerships section, which also includes the outputs and related activities (see also **Annex A**). Indicators and assumptions for the achievement of expected outcomes under each Component are described in the Project Results Framework (**Section VI**), and the assumptions indicated in the Theory of Change diagram (**Figure 2**) are described below (**Table 1**).

Innovation:

55. The proposed project applies the GEF multi-focal area approach for the first time in Mongolia by simultaneously integrating biodiversity conservation and sustainable land and forest management, through the application of best practice and innovative green development approaches at landscape scale, in multiple landscapes. It addresses the drivers of biodiversity loss and degradation, including climate change, in rangeland and forest landscapes in a holistic manner through systemic strengthening and field application of Mongolia's green development policy and community-based natural resources management. This will include the participatory development of landscape-based "green development plans" at aimag and soum levels, which will integrate biodiversity, ecosystem services and protected areas into planning, helping to reduce conflicts between sectors and for the communities. This has not been done to date, and is both innovative and urgently needed. For example, efforts to address the losses of both saxaul and boreal forests through sustainable forest management will not succeed unless pastureland management / grazing is addressed to allow trees to regenerate. Similarly, biodiversity conservation efforts that do not address rangeland and forest degradation and climate change will not achieve their outcomes. The root cause of all of these would be the land degradation and poor rangeland management, including livestock improvement activities in order to improve efficiency of herding lifestyle. Land degradation (habitat destruction) will be reduced through improved institutional and community level capacity and demonstration of best practices in livestock improvement (including support in supply chain management) and rangeland management of herder groups in demonstration landscapes, coupled with enhanced livelihoods of herders. This will showcase effectiveness and profit from the sustainable livestock and rangeland management for other herder communities throughout the country, which will be the innovative solution for livestock management. By demonstrating green development approaches through community-based natural resources management, the project will also make an innovative contribution to addressing poverty and inequality (including gender inequality) in rural livelihoods, building the resilience of communities to economic shocks, and reducing their vulnerability to climate change and natural climatic disasters. The project will also use charismatic local wildlife species as icons of sustainable local and national development, raising public support for their conservation.
56. **National socio-economic benefits:** The combined delivery of sustainable rangeland management, sustainable forest management and biodiversity conservation, at the same time as addressing climate change adaptation and mitigation will contribute to the restoration and sustainability of ecosystem services that directly benefit the local and national economy of Mongolia^{58, 59}. These ecosystem services include water supply for local and distant communities⁶⁰, soil protection, climate regulation, carbon sequestration, pollination and cultural ecosystem services. These services underpin important economic sectors such as agriculture (particularly livestock), forestry and tourism development (and

⁵⁸ Emerton, L. and Enkhtsetseg, B.-O. 2013. Forest sector financing flows and economic values in Mongolia. UN-REDD. Ulaanbaatar.

⁵⁹ Flores M. et al. 2015. An economic valuation of the contribution of ecosystem services of the network of Protected Areas to the economy of Mongolia. MET.

⁶⁰ The Khangai mountains play a crucial role in feeding the rivers Orkhon, Selenge, Ider, Zavkhan and the lakes Orog and Böön tsagaan, which are vital water resources in this largely arid/semi-arid country, whilst some also flow north through Russia (including Lake Baikal) to the Arctic Ocean.

even mining and other industries, which depend on sustainable water supplies), and are the basis for sustainable and resilient livelihoods of Mongolia's rural population.

57. The direct project beneficiaries (25,613 people (50% female)⁶¹ will include members of the local community in the demonstration landscapes who benefit from more resilient and sustainable livelihoods arising from the wise stewardship and sustainable use of rangeland and forest resources. These community members will be from all four demonstration landscapes, where sustainable livelihood activities based on the individual potentials of each landscape will be supported through community-based natural resource management. Gender mainstreaming will be a central consideration for the successful implementation of the project (see **Annex G**), and measures have been designed into the project to ensure that women benefit from all activities in a way that enhances gender equity. Other direct beneficiaries will include: a) national government agency and local authority and PA staff from the demonstration landscapes who improve their knowledge and skills on applying the principles of green development for the conservation of biodiversity and ecosystem services through the project's capacity building programme, and through hands-on implementation activities; and b) private sector businesses who benefit from successful interventions and partnerships catalysed by the project. There will additionally be many indirect beneficiaries among the 305,075 people living in the four target aimags and populations elsewhere in Mongolia and internationally who will benefit from the sustainable management of Mongolia's green landscapes. Up-scaling of the results particularly through demonstration and knowledge transfer has the potential to extend the direct benefits to other landscapes and communities in Mongolia. Thus, the project is expected to make a significant contribution to UNDAF/Country Programme Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.

Project area and demonstration landscapes

58. The project will promote green development and sustainable livelihoods through biodiversity conservation, sustainable rangeland and forest management in four aimags (Zavkhan, Arkhangai, Bayankhongor and Gobi-Altai) covering a total area of 39.5 million hectares (see **Figure 3**). Component 1 will enhance the systemic tools and capacity for green development to enable better conservation of biodiversity and ecosystem services, including best practice legal and financial mechanisms, building capacity to mainstream biodiversity conservation and ecosystem services into aimag and soum level planning and building partnerships for biodiversity conservation, including globally threatened species recovery and reintroductions.
59. Components 2 and 3 apply these enhanced tools and capacity across four demonstration landscapes totaling 5,309,880 ha (see **Figures 3A, B, C, D**). Selection of these landscapes was based on the criteria laid out in the Annex to the PIF and confirmed during the PPG phase (see **Annex R**). Internationally significant areas for biodiversity were selected from the incomplete global database of KBAs, supplemented by the Ecological Regional Assessment (ERA), completed by The Nature Conservancy (TNC) for Central and Western Mongolian Altai Mountains regions. The ERA identified a set of areas that could maintain the biodiversity and ecological processes representative of the region, given adequate protection and management as high quality core habitat within a larger landscape matrix that supports habitat use and movement. The selected demonstration landscapes are:
- **Tarvagatain Mountain** (503,830 ha) is located in the territories of Tosontsengel and Ikh-Uul soums of Zavkhan aimag (Table 1, Figure 1). It comprises extensive areas of boreal forest and forest steppe habitats.
 - **Bukhun Mountain** (371,880 ha) is located in the Khangai mountain ecoregion in the territories of Battsengel, Erdenemandal, Khairkhan and Ulziit soums of Arkhangai aimag. It comprises extensive areas of boreal forest and forest steppe habitats.

⁶¹ This is 50% of all the people living in the 13 soums of the 4 demonstration landscapes

- Ulaan Shal Valley (810,690 ha) is located in Mongolia's steppe region in the territories of Delger and Chandmani soums of Gobi-Altai aimag and Baatsagaan and Bayantsagaan soums of Bayankhongor aimag. It is part of the Lakes' Valley Depression of the Altay Sayan eco-region, and includes Buuntsagaan Lake (a Ramsar site), as well as a small area of saxaul forest.
 - Zarman Gobi (3,623,480 ha) located in the territories of Shinejinst and Bayan-Undur soums of Bayankhongor aimag and Erdene and Tsogt soums of Gobi-Altai aimag. It comprises vulnerable desert steppe ecosystem of the Gobi Altai Mountain range and provides important habitats for globally threatened species, including significant areas of saxaul forest.
60. The site profiles for each of these demonstration landscapes, as well as the rationale for their selection, are provided in **Annex R**, while **Annex N** provides further socio-economic information, and **Annex U** provides more than 100 maps characterizing each landscape. More than 51,000 people live permanently in the selected landscape soums. Five protected areas within these landscapes will be targeted by the project for demonstration: Tarvagatai Mountain National Park (547,630 ha of which 241,370 ha is within the demonstration landscape), Bukhun Mountain locally protected area (18,021 ha), Gobi Gurvan Saikhan National Park (2,697,171 ha of which 523,826 ha is in the demonstration landscape soums) and Burkhan buudai Nature Reserve (52,170 ha) in Zarman Gobi. It is expected that an additional state protected area will be established around Buuntsagaan Lake in the Ulaan shal valley as a result of the project, to upgrade the existing locally protected area. Within these extensive landscapes, the project will initially focus its work on intervention areas defined during the PPG phase by baghs (the lowest administrative unit) and pre-selected pasture and forest user groups (see **Annex U**). As the project progresses, the work will be up-scaled to other parts of the landscapes.

Figure 2. Theory of Change Diagram for the Project

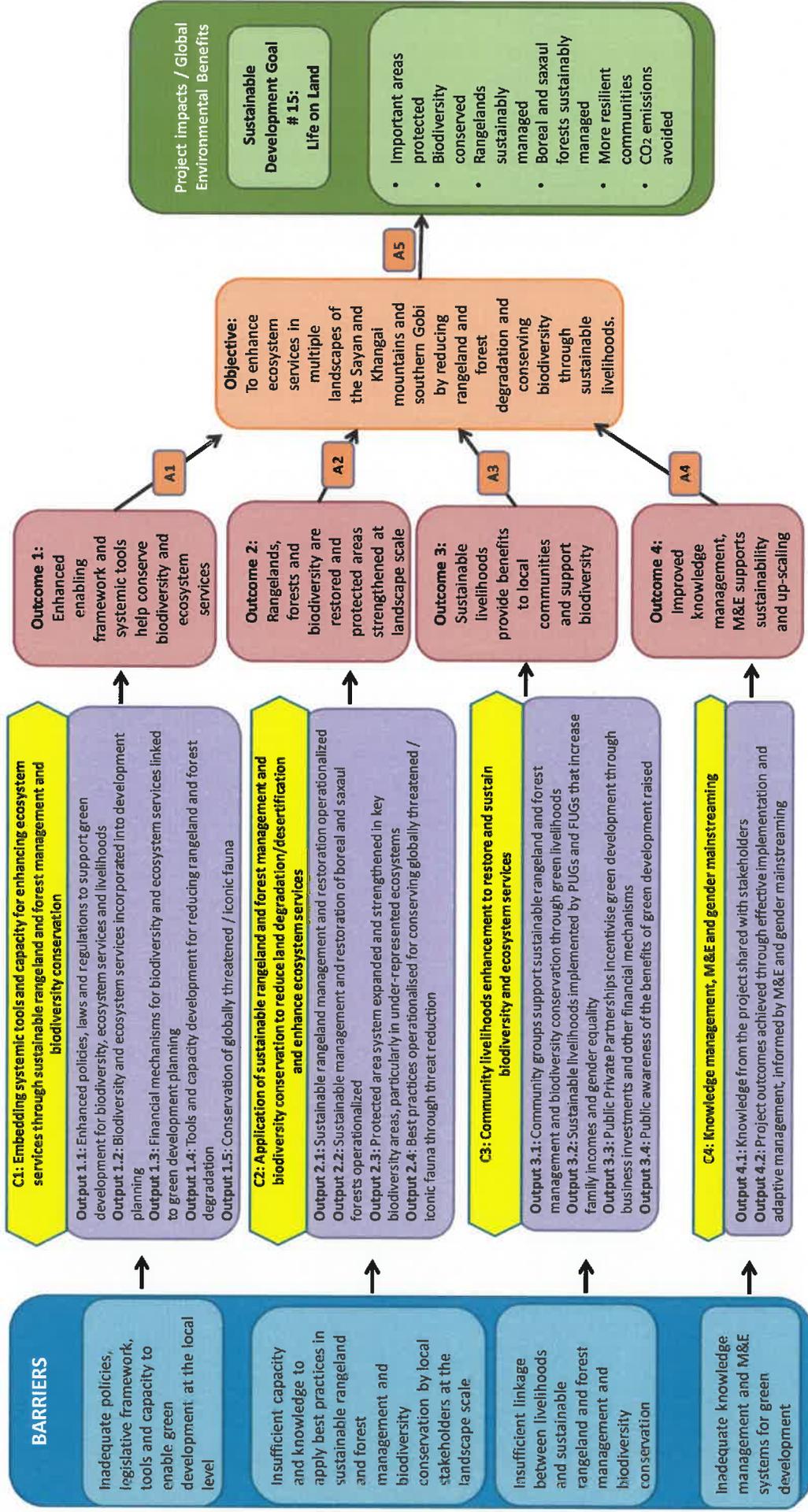


Table 1. Assumptions for Theory of Change Diagram

Symbol Fig. 2	Assumption	Notes and References
A1	There is political and institutional support for mainstreaming green development into aimag and soum development planning and implementation.	Mongolia has recently made substantial commitments to its environment and sustainable development, as described in Annex M. In June 2014, the Parliament of Mongolia approved the Green Development Policy (GDP), aiming to ensure that green development becomes one of Mongolia's fundamental goals. In January 2016, the Government of Mongolia approved the Action plan for the Green Development Policy implementation of Mongolia (2016-2030). Furthermore, the Sustainable Development Vision of Mongolia - 2030 was approved by the Mongolian parliament in 2016, containing six goals that aim to ensure sustainable development of the environment. In addition, the National Program on Protected Areas (approved in 1998) and its Action Plan aims to establish and maintain comprehensive, effectively managed, and ecologically representative networks of PAs covering 30% of Mongolia. The State Policy on Forests was approved by Parliament in 2015 addressing both boreal and saxaul forests, and giving priority to enhanced carbon storage, reduced degradation and effective monitoring. Mongolia has identified REDD+, including improved forest management, as a critical mitigation action as part of its Nationally Appropriate Mitigation Actions (NAMAs), and government is currently implementing its REDD+ Readiness activities and developing a comprehensive National REDD+ Strategy. Since 2008, the development policy and programs for each of the target aimags were developed and approved, based on the Millennium Development Goals of Mongolia (2008). In addition, the project's demonstration landscape soums have developed and approved their development plans in 2010-2015. All of the target aimags and soums have chosen "Ensuring ecological balance and building capacity to adapt to climate change" as key strategic priorities.
A2	Aimag and soum authorities and local communities support and enable restoration of rangelands, forests and biodiversity and the creation of additional protected areas.	Responsibility for sustainable rangeland management is devolved to aimag- and soum-level authorities. Enabling herders and local governments to make progress toward sustainable rangeland management. This requires meaningful technical assistance that is specific to land areas with different ecological potential, productive capacity and recovery potential. Currently, over 1,000 Pasture User Groups and 67 herders marketing cooperatives have been formed to rehabilitate degraded pasturelands, improve yield productions, and cultivate fodder. Key measures for green development can be integrated into the annual contracts between soum authorities and each PUG. Similarly, the State Policy on Forests devolves responsibility for sustainable Forest Management to aimag-level Forest Bureaux and soum-level Forest Units. National policy also supports the establishment of Forest User Groups (FUGs) as a tool to involve rural communities in forest management, provide them with income opportunities and provide practical management mechanisms for Mongolia's fragmented forests. While designating additional state protected areas, with high involvement of local communities for livelihoods development may be appropriate for the most important biodiversity areas, Locally Protected Areas may be more palatable to local governments and communities, in that controlled sustainable uses such as community forestry, pastoralism and collection of non-timber forest products and even certain commercial uses can easily be permitted. See Annexes M, O, P & Q.

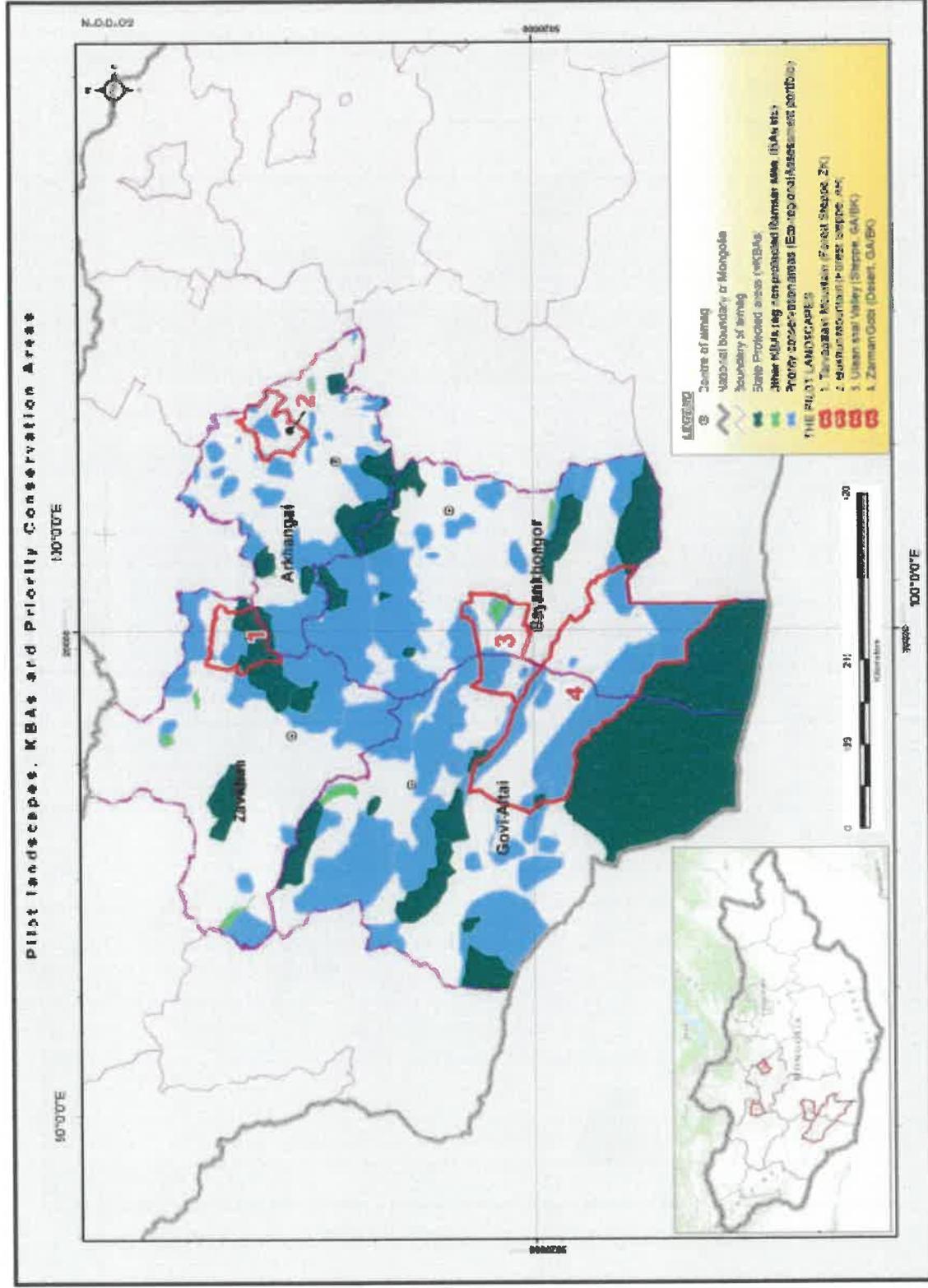
A3	<p>Greater participation of communities in sustainable rangeland and forest management (including in protected areas), as a result of improved livelihoods potential will reduce locally specific threats to biodiversity and ecosystem services</p>	<p>The main threats to biodiversity and ecosystem services in the project area arise from unsustainable livelihoods, particularly over-grazing – exacerbated by climate change. The challenge for improving livelihoods is to develop options that will lead to a reduction in livestock numbers. The key potential solution is to increase the value of the raw materials produced by the locals, such as milk, meat, camel and yak wool, and timber and non-timber products, and also to find diversification options to reduce reliance on livestock. A strong investment in capacity building (business development and technical skills such as financial literacy and marketing), better linkages to the private sector and greater participation of communities in management, as proposed in the project, should therefore greatly help to conserve globally significant biodiversity and ecosystem services in the demonstration landscapes. See Annexes M, N, O, P, Q.</p>
A4	<p>Improved knowledge management, supported by adaptive management, M&E and gender mainstreaming will increase capacity for green development and conservation of biodiversity and ecosystem services and therefore lead to enhanced sustainability and up-scaling of project outcomes</p>	<p>All UNDP work is aimed at one end result: “real improvements in people’s lives and in the choices and opportunities open to them⁶²”. Managing for development results through good planning, monitoring, evaluation, learning and feeding back into planning and gender mainstreaming will therefore be a key focus during project implementation, ensuring that the project reaches its overall objective. Knowledge gained from monitoring and evaluation is at the core of the UNDP organizational learning process⁶³. Monitoring and evaluation provides information and facts that, when accepted and internalized, become knowledge that promotes learning, and can contribute to a better understanding of development effectiveness. The dissemination is as important as the development of knowledge products. Modern technology to gather and interpret information and share knowledge is now more widely available than ever before, not only for scientists and managers, but also for the engagement of local people through citizen science and voluntary conservation activities. With enhanced tools, coordination and targeting delivered by the project, this is likely to have a positive effect – even though direct quantification will be hard to demonstrate.</p>
A5	<p>Rangeland and forest degradation and unsustainable use as a result of inadequate capacities to implement green development are major negative factors impacting ecosystem services, livelihoods and biodiversity in the project area, including populations of globally threatened species</p>	<p>Land degradation and desertification are the most visible and immediate problems in the Sayan and Khangai mountains and southern Gobi. The prevalent threats facing globally significant biodiversity in the project area are summarized in the Demonstration landscape profiles in Annex R and in the Biodiversity and Protected Areas report in Annex O. These reports show that rangeland and forest degradation as a result of overgrazing and climate change, and unsustainable use (including illegal killing) are severe threats, jeopardizing ecosystem services, biodiversity and sustainable livelihoods. The IUCN Red List⁶⁴ provides current information on the conservation status and threat information on globally threatened species in the project area. For example, according to the IUCN Red List, the primary threat facing goitered gazelle populations are disease outbreaks as a result of increasing livestock numbers, illegal hunting, habitat conversion, habitat fragmentation, and severe winters, while illegal and unsustainable hunting is the principal threat to the musk deer, although it also suffers from habitat fragmentation.</p>

⁶² UNDP. 2008. UNDP Strategic Plan, 2008-2011: Accelerating Global Progress on Human Development. Executive Board Document DP/2007/43, (pursuant DP/2007/32).

⁶³ UNDP, 2009. Handbook on Planning, Monitoring and Evaluating for Development Results. UNDP, New York.

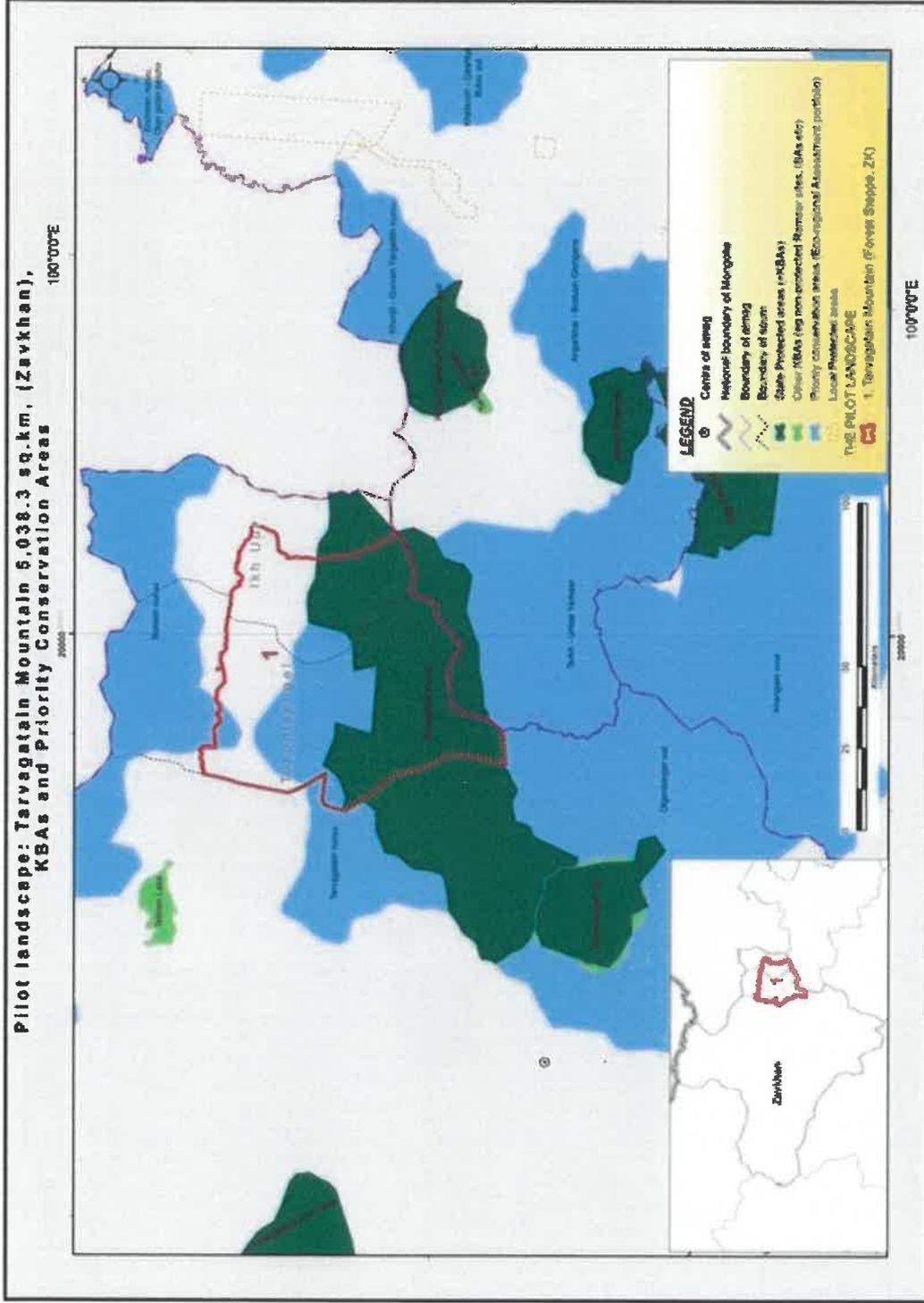
⁶⁴ IUCN Red List (last accessed 5/12/2017) <http://www.iucnredlist.org/>

Figure 3. Project area and location of the 4 demonstration landscapes



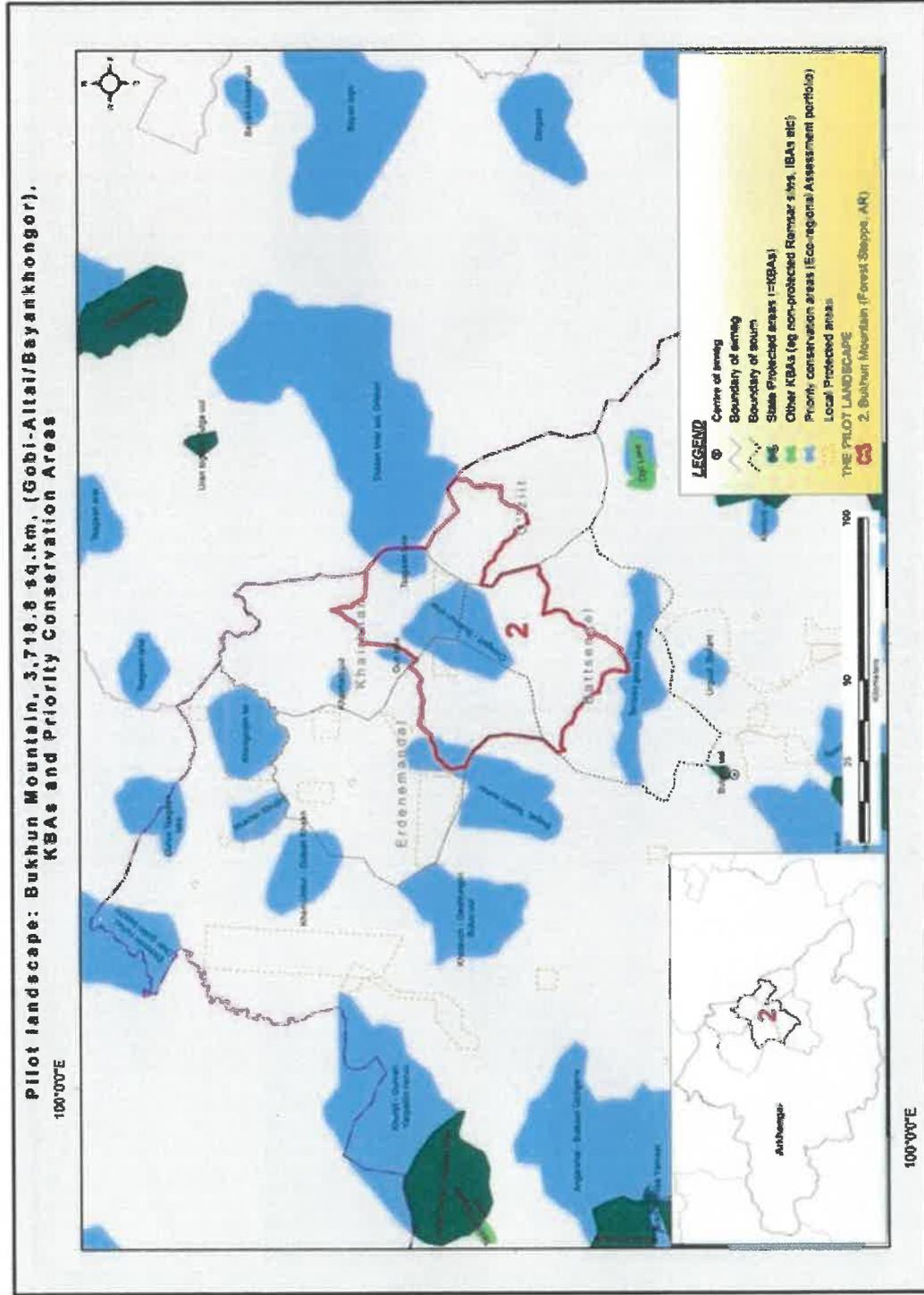
Source: TMC (2011), ITC (2011), World Database of Key Biodiversity Areas (2011)

Figure 3A. Tarvagatain Mountain



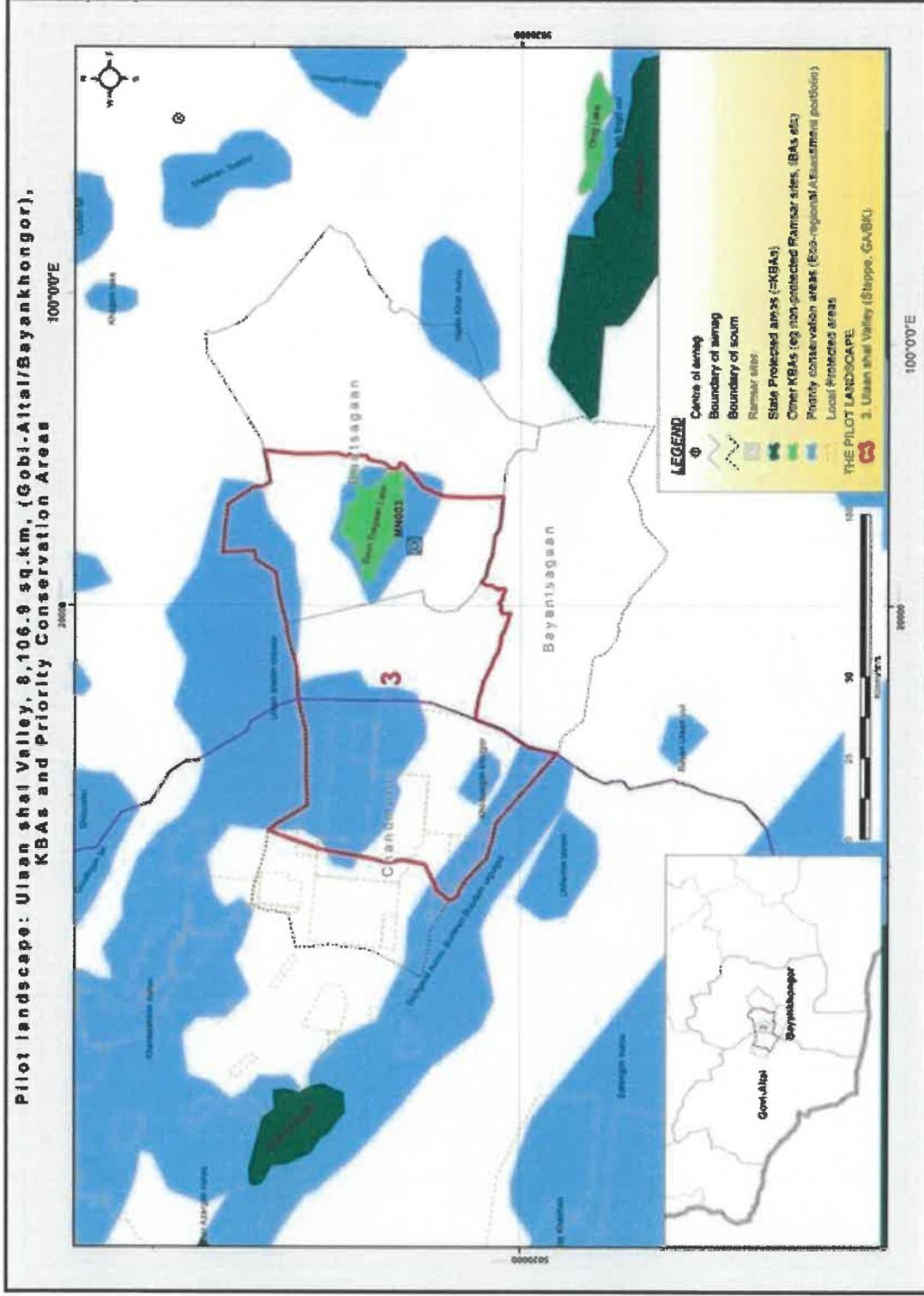
Source: TNC (2017), EIC (2017), World Database of Key Biodiversity Areas (2018)

Figure 3B. Bukhun Mountain



Source: TNC (2017), EIC (2017), World Database of Key Biodiversity Areas (2018)

Figure 3C. Ulaan shal valley



Source: TIC (2017), EIC (2017), World Database of Key Biodiversity Areas (2018)

IV. RESULTS AND PARTNERSHIPS

(i) Expected Results:

61. The project is expected “to enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods”. This will be achieved through applying ecosystem-based approaches to engage national and local authorities, communities and the private sector in novel green development approaches that reduce threats to globally significant biodiversity and ecosystem services while supporting sustainable livelihoods. More effective application of existing regulatory and financial mechanisms will be achieved, capacity for green development will be built and livelihoods made more sustainable in the project demonstration landscapes through participatory landscape-based planning and management of natural resources.
62. The immediate global environmental benefits will be enhanced ecosystem services across landscapes of the Sayan and Khangai mountains and southern Gobi covering at least 1,285,000 ha⁶⁵, through planning and implementation of green development approaches, the establishment of new protected areas, and integrated practices for sustainable rangeland and forest management and biodiversity conservation. Biodiversity benefits will be: a) improved conservation status of globally significant biodiversity including 6 iconic species (snow leopard *Panthera uncia* (VU), Mongolian (goitered) gazelle *Gazella subgutturosa* (VU), Argali sheep *Ovis darwini* (NT), red deer *Cervus elaphus* (LC), musk deer *Moschus moschiferus* (VU), and Red thumb *Cynomorium songaricum* (a rare and valuable parasitic plant of saxaul forests)) through strengthening MET’s National Endangered Species Programme, stronger partnership working, implementation of best practices for conservation management, law enforcement and monitoring; b) expansion of the protected area network by 0.94 million ha, especially for under-represented habitat types in key biodiversity areas, and strengthening of the management effectiveness of the target protected areas by 15%; c) improved management of landscapes to include biodiversity conservation objectives over 345,000 ha of target rangeland/forest landscapes. Land degradation benefits will include significant reduction in threats from overgrazing in at least 300,000 ha of rangelands through improved systemic, institutional and community level capacity and application of best practices in rangeland management in demonstration landscapes, coupled with enhanced livelihoods of herders. SFM benefits will be: a) improvement in forest cover and condition across 20,000ha of boreal forests and 25,000 ha of saxaul forests through improved systemic, institutional and community level capacity and application of best practices in forest management in demonstration landscapes, coupled with enhanced livelihoods of herders; and b) avoiding an estimated 2,176,925 tCO₂e emissions from boreal forests (the additional emissions savings from saxaul forests will be estimated in Year 1 once reference levels and methodology are available from the UN REDD+ national programme). Indirect benefits will apply across the 39.5 million ha of the 4 target aimags through the mainstreaming of biodiversity and ecosystem services into green development planning and land use decision making.
63. By delivering these benefits through community-based natural resources management, the project will directly contribute to arresting and reversing the global trends in biodiversity loss and land degradation, in particular desertification and deforestation, as well as reducing poverty. Access to the SFM incentive mechanism will enable the project to achieve global benefits in biodiversity, climate change and land degradation across multiple forested landscapes by supporting a mix of capacity development and improved field-based management, together with demonstrating innovative ways to involve local communities and encourage uptake of sustainable management techniques. Thus, the project will protect and maintain boreal and saxaul forests important for their biodiversity, ecosystem services and the livelihoods of local people.

⁶⁵ Includes: i) New protected areas over an estimated 940,000 ha; ii) Integrated land management and biodiversity conservation activities over 345,000 hectares of demonstration landscapes encompassing the Sayan and Khangai mountains and southern Gobi. Estimated to include at least 300,000 ha of rangelands, 20,000 ha of boreal forests and forest steppes, and 25,000 ha of Saxaul forests in the demonstration landscapes.

64. The GEF funding requested by the Government of Mongolia will be used to achieve the Objective through four inter-related component outcomes (the respective Objective and Outcome level indicators, baselines and targets are detailed in the Results Framework):
1. Enhanced enabling framework and systemic tools help conserve biodiversity and ecosystem services
 2. Rangelands, forests and biodiversity are restored and protected areas strengthened at landscape scale
 3. Sustainable livelihoods provide benefits to local communities and support biodiversity
 4. Improved knowledge management, monitoring and evaluation supports sustainability and up-scaling.
65. To ensure the achievement of the above outcomes the project will deliver the following key outputs (the project's products and services):

Component 1: Embedding systemic tools and capacity for enhancing ecosystem services through sustainable rangeland and forest management and biodiversity conservation

Total Cost: \$ 6,370,191; GEF project grant requested: \$ 1,078,434; Co-financing: \$ 5,291,757

Table 2. Summary of baseline and incremental reasoning for Component 1

Note: See Annexes M and O for further details on baseline activities

Summary of Baseline Situation	Incremental Reasoning
Component 1: Embedding systemic tools and capacity for enhancing ecosystem services through sustainable rangeland and forest management and biodiversity conservation	
Output 1.1: Enhanced policies, laws and regulations to support green development for biodiversity, ecosystem services and livelihoods through new and revised regulations and guidelines for landscape-scale, community-based management of rangelands and forests	
Mongolia's chosen green development path is strongly supported by recent policy documents, including: the Green Development policy (approved 2014); Mongolia's Sustainable Development Vision to 2030 (approved 2016); and the State Policy on Forests (approved 2015). Major improvements to the environmental legislative framework took place in 2012 (including controls on mining), but there remains a lack of effective regulations, particularly in other sectors, to ensure proper implementation of these important policies on the ground. Most importantly, there is no clear mechanism to restrict livestock numbers. The draft Law on Pasture, which included such measures, was debated for more than 4 years without approval. Current forest policy and legislation promotes protection rather than sustainable use, severely limiting the use of timber resources by FUGs. CBNRM needs to be integrated into other sectoral policies and legislation. Furthermore, regulations are needed to incorporate biodiversity and ecosystem services into development and land use plans at national, aimag and soum levels, reflecting the aspirations of local communities. There is a need to improve implementation	The PPG review of policy and legislation for green development (see Annex M) revealed an urgent need to strengthen the regulatory framework to support the strong policies that are already in place. The GEF investment will therefore support a government-led effort (drawing together stakeholders also from NGOs, bilateral partners and the private sector) to improve the legal environment through further analysis and development of recommendations and revisions (or new regulations) to improve related laws, prioritising the issues and pursuing opportunities for progress. A Legal Environment Task Force will be supported by specialist consultants hired by the project to provide expert advice and drafts on new and revised laws and regulations. The PMU will work with the experts to advocate these improvements to the legal environment at local and national levels through meetings with elected representatives and media/NGO campaigns. Highest priority will be given to attaining a revised draft law for improvement of grassland management in coordination with line ministries and agencies, including measures to reduce livestock numbers, which is urgently needed to address rangeland degradation and desertification, as reflected in the Government Action Plan 2016-2020. Other key targets are: improvements to the Protected Areas law to bring it in line with the ecosystem approach; upgrading of fiscal regulations for innovative financing and collecting

of laws by establishing appropriate systems for control and monitoring of the use of natural resources use, including through fees.	natural resource user fees (including for livestock grazing); regulations on hunting management.
Output 1.2: Biodiversity and ecosystem services incorporated into development planning at aimag and soum levels through evidence based assessment of biodiversity and ecosystem services and new planning guidelines, and operationalised at demonstration landscape level	
<p>The Law on Development Policy and Planning (2015) and Common Procedures for Developing Development Policy Documents (2016) provides the framework for decision-makers to develop coherent, well-coordinated development plans linked to the internationally agreed development goals. Thus, recent sectoral plans (energy, agriculture, forests etc.) have incorporated the green development principles and targets and are harmonised with the sustainable development goals. Since 2008, local development plans have been approved by all four target aimags and the demonstration landscape soums. While these plans are being implemented, the results are not being evaluated. According to the PPG analysis (see Annex M), the objectives are not measurable, and the selected indicators are not in line with the Green Development Policy indicators, although not necessarily inconsistent with the principles of green development. Arkhangai aimag was one of five national pilots for the Green Development Policy. Their Green Development Program was approved in 2014. Durvulijn soum of Zavkhan aimag (outside the demonstration landscapes) is the first soum in the project area to adopt a landscape-level soum development plan.</p>	<p>The Green Development policy framework and new regulations for development planning, provide the ENSURE project a significant opportunity to help Government to demonstrate aimag and soum level development planning and implementation that integrates conservation of biodiversity and ecosystem services at landscape scale. Based on the recommendations of the PPG analysis, the GEF investment will initially be used to assess the implementation of the existing development plans for the selected aimags and soums, with participation of the key stakeholders. Guidelines⁶⁶ for integrating biodiversity and ecosystem services to deliver resilient and adaptable landscapes and communities that can cope with climate change and other impacts will be developed and used to revise the existing plans, based on the assessment results and additional information on ecosystem services gathered through participatory actions. Map-based assessment of existing ecosystem services for the main economic sectors, such as agriculture, forestry and tourism, should be conducted in order to increase awareness of other sectors on the importance of investing in ecosystem services. By the end of the project, biodiversity and ecosystem services will have been integrated into development planning in 4 aimags and 8 demonstration landscape soums, with workable mechanisms for implementation. The revised plans will include SMART goals, objectives and indicators in line with green development principles. The project will support Sustainable Development Councils to drive and oversee implementation and monitoring, including for sectoral sub-plans such as nature-based (eco) tourism (see also Outputs 3.2 and 3.3), which remains poorly developed in Mongolia⁶⁷.</p>
Output 1.3: Financial mechanisms for biodiversity and ecosystem services linked to green development planning, are improved or developed for implementation in the demonstration landscapes	
<p>Lack of financial capacity and unsatisfactory cooperation between key economic sectors constrain government efforts to implement environmental policies. BIOFIN's biodiversity expenditure review (2016) estimated that almost half of the total expenditure on biodiversity during 2008–15 was dependent on international donor funding. Funds for implementing particular regulations come from central government and local budget as well as natural resources (NR) use fee and environmental damage compensation. Since 2002, NR use fees have increased,</p>	<p>BIOFIN and other studies of environmental financing^{68, 69} reveal great potential to increase financing for ecosystem restoration by improving implementation of <u>existing</u> laws and regulations, as well as improving the regulatory and institutional environment. There is a particular opportunity to increase biodiversity conservation funding through better implementation of the law on Natural Resources Use Fees (2012). The GEF alternative is therefore to enhance capacity and governance for sustainable financing mechanisms, so as to demonstrate effective planning, implementation and monitoring of existing financial mechanisms.</p>

⁶⁶ The RAPTA (Resilience, Adaptation Pathways and Transformation Assessment) Framework, developed by GEF-STAP will be considered as a basis for these guidelines. see <http://stapgef.org/sites/default/files/publications/RAPTA%20Guidelines%20-%20High%20Resolution.pdf>

⁶⁷ Flores M. et al. 2015. An economic valuation of the contribution of ecosystem services of the network of Protected Areas to the economy of Mongolia. MET.

⁶⁸ Emerton, L. and Enkhtsetseg, B.-O. 2013. Forest sector financing flows and economic values in Mongolia. UN-REDD

⁶⁹ SPAN. 2013. Financial Sustainability Options for Mongolia's Specially Protected Areas. UNDP.

bringing 27.7 million USD by 2015 to state and local budgets, mainly from mineral resources use fee. The Law on NR Use Fee (2012) specifies the minimum percentage of budget to be spent on environmental protection and recovery through soum level environmental protection and rehabilitation plans. Similarly, according to the Law on State Budget, 5% of mineral resources use fees (approximately 770,000 USD per year) and 30% of oil resources use fees are re-distributed to soum development funds. However, these provisions are not monitored or enforced properly at local level, with funds either not allocated or spent inappropriately. The absence of any financial mechanisms to control overgrazing (pasture use fees or incentives), has prevented this problem being tackled effectively. Forest sector finance currently almost exclusively relies on allocations from the central government budget. This does not correspond to the broad range of values that the forests generate to sectors as diverse as energy, water, tourism and agriculture.

Many of these can be considered as PES (Payments for Ecosystem Services) mechanisms in their own right (eg tourism fees, trophy hunting fees), but are not being operated effectively. In particular, the user fee collection and re-distribution mechanisms need to be improved and local aimag and soum budget planning and spending should be tied to local sustainable development plans using performance-based financial incentive mechanisms. In addition, the project will explore and demonstrate where appropriate innovative financing mechanisms identified by BIOFIN and in the PPG best practices review, including: biodiversity offsets (already being piloted elsewhere in Mongolia), ecosystem service fee, Corporate Social Responsibility, environmental funds (including Nature Conservation Fund, Green Development Fund), protected area fees, pasture use fee. Pasture use fees can be implemented by removing the current exemption for herders under the Law on Land Use Fees (1997) and through revisions to the Law on Pastureland Use. The predicted outcome is a significant reduction in livestock numbers (especially goats). Recent evidence suggest herder support for such an initiative⁷⁰, with collected fees returned to the communities to support ecosystem recovery and sustainable livelihoods development using performance-based financial incentive mechanisms.

Output 1.4: Tools and capacity development for reducing rangeland and forest degradation made available for implementation of best practice approaches

Inadequate professional capacity, experience and tools to apply good practices in sustainable management of natural resources by local authority staff hinders progress in implementing Mongolia's green development policy. This is evidenced by the very low average score of just 33% in the UNDP Capacity Development scorecards that were completed by the local authorities of the 4 demonstration landscapes during the PPG phase (see **Annex L**). Weak inter-sectoral collaboration and overlapping mandates also inhibits landscape-level working and needs to be addressed through capacity building and information exchange. The officers responsible for developing and implementing local land use plans for rangelands and forests have limited experience of evidence-based integrated landscape level planning and management that conserves biodiversity and ecosystem services. Similarly environment and land officers, forest units, protected area administrations, environmental inspectors and rangers need increased knowledge of regulatory, financial, planning and participatory mechanisms for addressing environmental degradation through community based natural resource

The GEF alternative premise for this output recognises that there have been many excellent examples of good practices in natural resource management (including capacity development approaches) in Mongolia⁷¹. However, these are scattered geographically and temporally, and have rarely been implemented in a sustained and integrated way to build capacity of government officers at local level to deliver holistic results. The GEF investment, already started during the PPG phase, focuses on identifying, gathering and then making these good practices available for implementation, capacity development and up-scaling, supplemented by further innovations where needed as described under each output. Crucially needed support will be provided to build the capacity of government officers responsible for policy planning development, rangeland and forest management, protected areas and biodiversity conservation. Capacity development will be provided through blended (on-line/e-learning and face to face)⁷² inter-sectoral learning programmes for national agency, protected area, aimag and soum level staff (as further described in the Capacity Development Plan (**Annex L**)). and also to provide mechanisms for the sharing of information and knowledge between government officers of different sectors, that can be sustained after the end of the project. Modern information and communications technology will be harnessed to communicate

⁷⁰ <https://www.cpr.mn/en/2017/08/21/report-of-the-consultation-on-the-draft-pastureland-protection-law/>

⁷¹ Examples include training materials developed by: Green Gold, SDC project; FAO/GEF Forest project, WWF Mongolia, Ecosystem-based Adaptation Project, SPAN project, MoFALL.

⁷² Blended learning programmes combine online and face to face training, the latter being highly interactive using different participatory tools and techniques under the guide of trainers and facilitators.

management. Capacity development initiatives and tools are disparate, difficult to access, and have generally ceased to operate when donor projects end.	information and best practices to users in an effective way, across the vast landscapes of Mongolia (particularly using widely available smartphones).
Output 1.5: Conservation of globally threatened /iconic fauna through effective partnership working, improved evidence, adoption of best practices, and support to concerted actions on the ground	
<p>A strong policy and planning framework exists for conservation of globally threatened /iconic biodiversity (eg National Biodiversity Program (NBSAP), National action plan for the protection and sustainable use of threatened plants, National Action Plan for the Protection of Endangered and Threatened Species, and numerous species action plans). Substantial strategic work has also been done by NGOs such as WWF, WCS and TNC (eco-regional assessments). However, implementation of the National Biodiversity Program, and therefore progress in improving the conservation status of globally threatened species, is undermined due inadequate cooperation within and between government agencies and NGOs, a fragmented evidence base, and very limited financial allocations as summarised in the BIOFIN assessment (see Output 1.3). There have been diverse efforts to conserve biodiversity across Mongolia's diverse landscapes, but there are thematic and geographical overlaps between organisations and many gaps. There is inadequate overall evidence, coordination and planning to implement effective measures for the conservation of Mongolia's iconic species. The opportunity to integrate biodiversity conservation into planning as an opportunity for green development at a landscape scale is therefore missed.</p>	<p>The GEF alternative recognises that much more can be achieved for the conservation of Mongolia's globally significant biodiversity within existing institutional and financial resources if there is improved coordination. The project will therefore facilitate more effective partnership working to strengthen MET's national Endangered Species Programme through the establishment and facilitation of an Endangered Species Partnership. Under the leadership of MET, this will draw together key national and international NGOs and government research agencies and universities working on biodiversity conservation to support improved coordination of evidence, planning, action and fundraising. The Partnership will also oversee the allocation of small grants under Output 2.4 (distributed as part of a service contract from an integrated small grants programme for Components 2&3) to support prioritised concerted actions for globally significant biodiversity in the project area. Support will be provided to update the national environmental database for globally and nationally threatened fauna and flora, and also for evaluating and updating species action plans to ensure they comply with global best practices⁷³. Finally, recognising the paucity of young conservationists in Mongolia, 8 MSc studentships (at least 50% women) will be supported through competitive challenge grants to attend either national or international universities.</p>

Outcome 1: Enhanced enabling framework and systemic tools help conserve biodiversity and ecosystem services

66. The key deliverables under Outcome 1 are: Enhanced policies, laws and regulations to support green development for biodiversity, ecosystem services and livelihoods (Output 1.1); Biodiversity and ecosystem services incorporated into development planning (Output 1.2); Financial mechanisms for biodiversity and ecosystem services linked to green development planning (Output 1.3); Tools and capacity development for reducing rangeland and forest degradation (Output 1.4); and Conservation of globally threatened /iconic fauna (Output 1.5).

Output 1.1: Enhanced policies, laws and regulations to support green development for biodiversity, ecosystem services and livelihoods through new and revised regulations and guidelines for landscape-scale, community-based management of rangelands and forests

Intermediate Outcome (Result of the Output): More sustainable development and conservation of globally significant biodiversity and ecosystem services

67. Mongolia's progressive green development policy will only be implemented effectively on the ground when supported by well aligned regulations, guidelines and controls. This Output will therefore support government (through MET and MOFALI) to enhance the regulatory environment for integrating conservation of biodiversity and ecosystem services for green development. It aims to ensure that existing sectoral legislation and guidelines (for example for rangelands, forests and protected areas management) are aligned with the principles of green development and strengthen the rights and

⁷³ For example, see the Global Snow Leopard and Ecosystem Protection initiative. <http://www.globalsnowleopard.org/>

responsibilities of community groups for sustainable use of natural resources in a way that conserves biodiversity and ecosystem services. The work will be overseen by a national level Legal Environment Task Force, facilitated by the project and supported by a number of specialists, which will prioritise and drive forward the work. A series of key issues to be addressed were identified in the legislative reviews undertaken during the PPG phase (see **Annexes M, O, P and Q**). In particular, the project will focus on a new law for grasslands for livestock improvement and wildlife habitat conservation, regulations for improved financial mechanisms, and improvements to the protected areas laws and regulations.

68. Indicative activities under Output 1.1 include:

1.1.1 Establish and support a national level Legal Environment Task Force to oversee legal environment analysis and development of recommendations and revisions (or new regulations) to improve related laws and regulations for green development, biodiversity and ecosystem services at national and local level (as outlined below).

1.1.2 Support revision of the draft Pasture Law (transformation to the Law on Grasslands), covering pasture for livestock and habitat for wildlife, and submit to government.

1.1.3 Facilitate upgrading of the Protected Area law, with revised zoning principles adjusted to the newly emerging necessities associated with ecotourism, managed natural resources, trophy hunting management and sustainable financing.

1.1.4 Advocate for development of law on use of toxic materials in intact landscapes, with particular focus on health and resilience, better livestock management and emphasising the impact of chemical use on ecosystem health.

1.1.5 Improve existing (and develop innovative) fiscal regulations for PES and other mechanisms (integrated with the existing national tax system where necessary) for collecting fees from users of natural resources, over-exploitation (including livestock headage fees) and environmental damage, with collected funds allocated to ecosystem restoration, and submit to government for approval.

1.1.6 Establish the legal and regulatory framework for local community stewardship of the environment and natural resources such as pasture, wildlife (fauna and flora), forests, and non-timber forest products as a whole.

1.1.7 Support the legal enabling conditions for certification of sustainable forestry, including development of national standard for forest certification in line with international standards.

Output 1.2: Biodiversity and ecosystem services incorporated into development planning at aimag and soum levels through evidence based assessments and new planning guidelines, and operationalised at demonstration landscape level

Intermediate Outcome (Result of the Output): Development plans of the target aimags and demonstration landscape soums incorporate green development measures that conserve biodiversity and ecosystem services

69. This Output will contribute to achieving the project target of mainstreaming landscape-scale biodiversity and ecosystem services enhancement into development planning and decision-making for the 4 target aimags covering 39.5 million hectares and at least 8 of the demonstration landscape soums of largely rangeland and forested landscapes. This will be achieved by assessment of existing development plans, incorporating the results of participatory and GIS-based assessment and mapping of biodiversity, land use and ecosystem services (using land use maps provided by the Government Authority of Land Management, Geodesy and Cartography (ALMGaC) – note the field assessments are financed under Output 2.1), identifying best prospects for green development based on the natural assets and incorporating those into development plans for approval by local governments. The RAPTA (Resilience, Adaptation Pathways and Transformation Assessment) Framework⁷⁴, developed by GEF-

⁷⁴ <http://stapgef.org/sites/default/files/publications/RAPTA%20Guidelines%20-%20High%20Resolution.pdf>

STAP should be reviewed and considered as a basis for the guidelines to undertake this work. This framework offers practical guidance in how to apply the concepts of resilience, adaptation and transformation in planning projects so they are better designed to deliver valuable, durable outcomes in the face of high uncertainty and rapid change (including climate change). Support for implementation of the plans under Components 2&3 will be used to demonstrate how green development approaches can simultaneously deliver integrated and sustainable rangeland and forest management/restoration, reduced carbon emissions, biodiversity and ecosystem services enhancement, climate change resilience and related livelihoods improvement. The project will support the establishment of soum-level Sustainable Development Councils to champion implementation. Further details of the best practices and approaches to be used are provided in **Annex M**.

70. Indicative activities under Output 1.2 include:

1.2.1 Conduct participatory mid-term evaluations of the implementation of existing development plans for 4 target aimags and demonstration landscape soums.

1.2.2 Develop guidelines and recommendations for integrating conservation of biodiversity and ecosystem services into local development planning that simultaneously deliver improved rangeland and forest management, biodiversity conservation and reduced carbon emissions.

1.2.3 Conduct participatory and GIS-based assessments of the biodiversity and ecosystem services in target aimags and soums, including hands-on training of local planners, as a basis for revision and improvement of the aimag and soum development plans and action plans based on potentials for sustainable livelihoods in the agriculture, forestry, tourism and other sectors from enhanced ecosystem services.

1.2.4 Establish and build capacity of soum-level Sustainable Development Councils (at least 50% women members) to drive and champion the project objective in each target soum

1.2.5 Support participatory updating or incorporation of landscape-scale green development actions into the development planning strategies and documents of 4 aimags, including conservation of biodiversity and ecosystem services in rangelands and forests, and related livelihoods development including ecotourism plan for at least one aimag.

1.2.6 Support participatory development (updating) and approval of model landscape-level soum development plans for at least 8 soums of the demonstration landscapes using approved ALMGaC methodology to optimize the balance between competing land uses and capacity of natural resources, including best practice biodiversity conservation and community-based PA management; upscale the approach to additional soums. These plans will be integrated with and informed by the higher level aimag development plans, and provide a framework for lower level plans and agreements with community groups and natural resource users.

Output 1.3: Financial mechanisms for biodiversity and ecosystem services linked to green development planning are improved or developed, for implementation in the demonstration landscapes

Intermediate Outcome (Result of the Output): Green development approaches are implemented in the target aimags and demonstration landscape soums with support of innovative financial mechanisms from government and the private sector

71. This Output will demonstrate how effective application of existing and innovative financial mechanisms, such as natural resource use fees (including pasture use fees), payments for ecosystem services and innovative contributions from the private sector can support implementation of green development approaches for the conservation of biodiversity and ecosystem services. High potential mechanisms identified during the PPG and through the BIOFIN initiative will be further developed and trialled in the demonstration landscapes, under the guidance of a national level Task Force on Environmental Financing and a team of experts. Collected funds will be closely linked to improved local development plans and re-distributed as performance-based financial incentives for biodiversity

conservation and biodiversity-friendly production practices that improve the management of rangelands and forests. Key project targets are: a) Nature Conservation Fund operationalized in the demonstration landscapes (at least \$20,000 allocated in the soum budgets from revenues collected in Year 7), with a specified mandate focused on ecosystem services and extended access to collecting funds from international funding sources; b) Increased compliance with the regulation on the reinvestment of Natural Resource Use revenues for natural resource rehabilitation; c) local authorities and / or private sector in at least 2 landscapes demonstrating at least 2 compulsory or voluntary PES mechanisms delivering \$50,000 for ecosystem services. Development of any new PES mechanisms should take account of GEF-STAP guidance on Payments for Ecosystem Services⁷⁵, to address potential threats to successful PES implementation.

72. With support of the UNDP Green Commodities Program, a feasibility study will be conducted with key partners for the establishment of a sustainable cashmere / fibre initiative or platform under the supervision of MOFALI. Such a platform would bring the key stakeholders – buyers, producers, government – together at a national level, ensure that there is good coordination and collaboration between different projects, create a national action plan for sector transformation and mobilise additional international private sector partners and resources for value chain development under sustainable standards that would reduce pressure on rangelands and forests (see **Annex S** for further details). If the results of the feasibility study are positive, a sustainable cashmere initiative or platform would be established in an iterative approach. GEF funds would support a national coordinator for the platform for one year to help with its operationalization to be replaced in subsequent years by co-financing and other donor funds. In support of the platform, the project will provide seed funds to support the identification and adoption of harmonized approaches on sustainable cashmere certification/incentives/verification and build clarity across public and private sectors on sustainable cashmere production. This will be supported by the engagement of key international buyer brands in the platform (Output 3.3), capacity development and training for herders/cooperatives (Output 2.1) linked to MOFALI's Good Herder Programme; and by proposed activities in the GCF proposal for Mongolia under development by UNDP and MET including on sustainable cashmere incentives and traceability (see partnerships section).
73. Finally, options to develop an eco-tourism destination network in the project area that will generate additional funds for livelihoods and biodiversity conservation will be pursued through a feasibility study conducted with private sector partners, based on the aimag and soum level development plans (Output 1.2). Implementation will be supported through Outputs 3.2 and 3.3.
74. Indicative activities under Output 1.3 include:
 - 1.3.1 Establish a national Task Force on Environmental Financing (ensuring appropriate local inputs) to oversee development of financial mechanisms (incentives and disincentives) for implementation of green development policies and plans at the local level.
 - 1.3.2 Operationalise the Nature Conservation Fund⁷⁶ initially within the demonstration landscapes (for further up-scaling), with legal support and resources from government, voluntary contributions from private sector CSR and international funding sources, for redistribution to community groups based on performance-based mechanisms.
 - 1.3.3 Using legal derogations or voluntary mechanisms, and based on valuation⁷⁷ of related natural resources, develop guidelines for testing the application of: a) User fees (and fines) from natural resource use; b) Livestock (headage) fees for use of pasture to reduce over-grazing while addressing inequity in access to grassland as a public good - with resulting funds applied for ecosystem restoration. The application of the guidelines will be demonstrated in at least 2 landscapes under Component 2 (Outputs 2.1-2.4).

⁷⁵ <http://stapgef.org/sites/default/files/stap/wp-content/uploads/2013/05/Payments-for-Environmental-Services-and-GEF>.

⁷⁶ GEF funds will be used to support development and operationalising of the mechanisms, but will not contribute directly to the NCF.

⁷⁷ Valuation assessments exist for some ecosystem services, but gaps may need to be filled (eg for flora).

1.3.4 Conduct feasibility study for, and encourage government to establish, a national sustainable fibre initiative / platform for value chain and market development (with UNDP Green Commodities Program), that will deliver improved rangeland management, livelihoods and biodiversity conservation and provide opportunities for collaborative dialogue between buyers, producers and the government. Based on results of feasibility study, support a national coordinator for the platform for one year to support its operationalisation (see also 1.3.5 below, and Output 3.3 for private sector engagement in platform establishment).

1.3.5 Under oversight of the Green Commodities Program and in support of the national cashmere/fibre platform, work with the private sector and other partners to identify best practices and principles for standard setting for sustainable cashmere (eg. certification, M&E/traceability systems), and partner with other initiatives on the piloting of such best practice incentive schemes (see also Output 3.3 for private sector engagement in sustainable cashmere; and Outputs 2.1, 3.1 and 3.2 for capacity development and livelihoods diversification for herders and cooperatives).

1.3.6 Conduct feasibility study for an eco-tourism destination network in the project area that will deliver improved livelihoods and biodiversity conservation (see also Outputs 3.2 and 3.3).

1.3.7 Develop and demonstrate mechanisms to improve local budget planning and spending from the revenues generated from the use of natural resources.

1.3.8 Promote and share experiences on potential sustainable funding mechanisms including incentives for protecting biodiversity, ecosystem services and proper use of natural resources.

Output 1.4: Tools and capacity development for reducing rangeland and forest degradation made available for implementation of best practice approaches

Intermediate Outcome (Result of the Output): Best practices approaches for green development are incorporated into key tools for building stakeholder capacities

75. This Output will contribute to achievement of the project target of an improvement by 20% in the capacity development score of the local authorities of the 4 demonstration landscapes. The baseline for this indicator was completed during the PPG phase using the UNDP Capacity Development scorecards, and revealed a very low average score of just 33% (see Annex L). Progress against this baseline will be tracked through repeated measurements of the scores at project mid-term and end. The project approach will be to develop, demonstrate and implement tools that strengthen the capacity of key stakeholders, to ensure that they can advocate, manage and practice approaches that support Mongolia's chosen green development path. The project's capacity development plan drafted during the PPG (see Annex L) will guide the overall approach and will be regularly updated through adaptive management. Specific training modules, building on best practice approaches and existing materials identified during the PPG, will be developed for government officers (participation of NGOs and community champions will also be encouraged) on the following subjects: a) biodiversity conservation; b) sustainable rangeland management; c) sustainable forest management; and d) protected area management. Each module will address ecosystem service values and threats, law and enforcement, CBNRM, management techniques and monitoring and evaluation. Each module should pay specific attention to adaptation to climate and other risks. They will be delivered for both national and local level stakeholders in a blended approach using both on-line/e-learning resources and face-to-face / field demonstration training with integrated participation from different sectors. The training modules will be made available through an e-platform on MET's/MoFALI's web sites to be established through Output 4.1 as part of the project's knowledge management activities.. A competence-based training accreditation system will be developed with MET and MoFALI working in close collaboration with local level government. In addition, smartphone-based mechanisms will be established for sharing best practice approaches between government officers, and also allowing them to share information with each other between sectors on green development issues.

76. Indicative activities under Output 1.4 include:

1.4.1 Finalise the project's Capacity Development plan as drafted during the PPG phase, review and update regularly and coordinate implementation.

1.4.2 Develop and demonstrate a series of at least 4 on-line training modules (by updating existing materials and incorporating best practices) for national, protected area, aimag and soum level staff on the following subjects: biodiversity conservation, sustainable rangeland management, sustainable forest management and protected area management; make these available on government e-learning platforms.

1.4.3 Develop and test competency and performance standards for government staff, linked to the on-line training modules, to be certified by MET and MOFALI and demonstrate application in the project landscapes.

1.4.4 Introduce smartphone Application for soum government environment and agriculture officers to receive best practice advice on: rangeland management, forest management, protected areas, biodiversity conservation, business planning, green development approaches.

1.4.5 Introduce smartphone Application for information sharing and data transfer between field rangers and experts and MET and other agencies (eg tourism, agriculture, water, etc), using off-the shelf tools if appropriate.

Output 1.5: Conservation of globally threatened /iconic fauna through effective partnership working, improved evidence, adoption of best practices, and support to concerted actions on the ground

Intermediate Outcome (Result of the Output): Mongolia's globally threatened and iconic fauna and flora are better conserved through partnerships and targeted actions

77. This Output will contribute to achievement of the project's Objective-level target of improving the conservation status of 6 globally threatened and iconic species in the demonstration landscapes. These species were selected during the PPG and are: snow leopard, goitered gazelle, Argali sheep, red deer, Musk deer, red thumb (a rare parasitic plant of the desert steppes of great economic value - *Cynomorium songaricum*). These species will be used as flagships to develop systemic support for the conservation of globally significant biodiversity in the demonstration landscapes and more widely in the project area. To achieve this, partnership working will be boosted to provide much-needed strengthening of MET's National Endangered Species Program, by supporting development of a national Endangered Species Partnership under MET's leadership that will draw together the combined energies of national and international NGOs, research institutes and universities. This partnership will support improved coordination of evidence, planning, action and fundraising for the conservation of globally significant biodiversity providing advice on climate and other risk adaptation measures – with seed-funding being made available for prioritised partnership actions through small grants allocated under Output 2.4. A challenge fund for 8 MSc students in conservation, ideally linked to and supporting the project through their dissertations, will also be supported as part of the strategic efforts to boost national capacity.

78. Indicative activities under Output 1.5 include:

1.5.1 Establish and facilitate an Endangered Species Partnership to support further development and implementation of MET's national Endangered Species Programme, including through establishing and overseeing a competitive small grants fund to support biodiversity projects in the project area (to be delivered and budgeted under Output 2.4)

1.5.2 Update the existing national environmental database for globally and nationally threatened fauna and flora.

1.5.3 Support NGOs in the development, evaluation, updating and implementation of species action plans relevant to the project area, with international standards (eg Global Snow Leopard and Ecosystem Protection tools).

1.5.4 Support 8 MSc conservation studentships (at least 50% women) linked to the project (eg. biodiversity conservation, PA management, natural resource management, environmental law and GIS, investigation of wildlife disease and veterinary needs) in national and overseas universities (competitive grant awards).

Component 2: Application of sustainable rangeland and forest management and biodiversity conservation to reduce land degradation/desertification and enhance ecosystem services

Total Cost: \$ 25,838,812; GEF project grant requested: \$ 4,374,351; Co-financing: \$ 21,464,461

Table 3. Summary of baseline and incremental reasoning for Component 2

Note: See Annexes P, Q and O for further details on baseline activities

Summary of Baseline Situation	Incremental Reasoning
Component 2: Application of sustainable rangeland and forest management and biodiversity conservation to reduce land degradation/desertification and enhance ecosystem services	
Output 2.1: Sustainable rangeland management and restoration operationalized in the demonstration landscapes with support of financial mechanisms, through community-based implementation of best practice measures which improve biodiversity and ecosystem services	
Land degradation and desertification are the most visible and immediate problems in the project area, with between 8.8% (Gobi-Altai) and 25.5% (Zavkhan) of the land areas of the target aimags being severely or very severely desertified ⁷⁸ . Pastureland accounts for more than 70% of the project area ⁷⁹ and, as elsewhere in Mongolia, climate change and inappropriate grazing patterns are considered to be the main causes of land degradation ⁸⁰ . The number of livestock in the soums of the 4 demonstration landscapes increased by 98% over the last 6 years, with a significant increase in goats, fuelled by the cashmere market. Although there is a nationally approved methodology for assessing the state of rangeland health, there is inadequate capacity, collaboration and information sharing between key stakeholders for effective rangeland management with the benefits that can accrue for livelihoods, biodiversity and ecosystem services. There are already 150 PUGs in the 4 demonstration landscapes, with 5,643,880 ha of pasture areas under communal management, but they are not functioning optimally. Around 50 of these PUGs have active operations and have made Pastureland Use Agreements with soum governments. However, implementation needs to be improved with the herder's involvement and focused to ensure conservation of biodiversity and ecosystem services.	The GEF alternative recognises that even though 65% of Mongolian rangelands are altered with reference to their healthy state, 90% maintain the capacity to regenerate naturally if there is improved grazing management and reduced stocking. Solving this problem requires an integrated approach addressing legislative barriers (Output 1.1), better planning (Output 1.2), use of financial mechanisms (Output 1.3) and providing meaningful technical assistance to herders and local governments that is specific to land areas with different ecological potential, productive and recovery needs. Therefore, the GEF investment under this Output will engage key stakeholders in an integrated way while addressing their capacity level and needs. During the PPG, many best practice approaches in rangeland management were identified ⁸¹ (see Annex P), and these will be promoted for delivery by PUGs and herder groups through their Pasture Use Agreements with local government. These Agreements will include indicators and targets to measure their contribution to sustainably managing rangelands and conservation of biodiversity and ecosystem services. Performance-based financial incentive mechanisms and options for implementing pasture use fees will be demonstrated.
Output 2.2: Sustainable management and restoration of boreal and saxaul forests operationalized in the demonstration landscapes with support of financial mechanisms, through community-based implementation of	

⁷⁸ Atlas of National Desertification, 2015

⁷⁹ ALAGaC. 2017. Report on Classification of Land use, 2017

⁸⁰ SDC and MFA. 2015. National report on the rangeland health of Mongolia.

⁸¹ Examples include: SDC's Green Gold project, UNDP's Ecosystem-based Adaptation project, the UNDP/GEF Sustainable Land Management for Combating Desertification project, and work by the NGO "Centre for Policy Development".

best practice measures which improve biodiversity and ecosystem services and avoid GHG emissions.

National policy gives responsibility for forest management to aimag authorities and soum-level Forest Units, and also supports the establishment of Forest User Groups (FUGs) to involve rural communities in forest management, providing income opportunities to rural communities, as practical management mechanisms for Mongolia's fragmented forests. However, the Forest Units have inadequate capacity with regard to the necessary planning, silvicultural practices, sustainable timber production and environmental services provision). In reality, many FUGs exist only on paper. Typically, for the boreal forests they have no soum or stand-level management plans, and management activities are limited to the right to collect dead wood on the forest floor and various non-timber forest products – activities which do not provide sufficient compensation for protection of the forest area. The degradation of boreal forests is caused mainly by the lack of SFM measurements in practice

In the saxaul forests of the desert-steppes, natural regeneration of saxaul has decreased, probably as a result of over-grazing, and consumption of saxaul for fuelwood continues. The density of the saxaul is lowered but the area has remained the same, risking further desertification as a result of erosion and sand-movements. There are generally no FUGs, and the Forest Units lack capacity to manage saxaul.

The project's interventions under this Output provide an important opportunity for field testing and demonstration of the objectives and measures of the State Policy on Forests and UN-REDD+ Readiness activities. The GEF alternative recognises the need for active and climate-smart sustainable forest management to create more diverse-aged, resilient and productive forests and a culture of sustainable use that can support climate change mitigation and adaptation and the regeneration of rural areas. SFM measures will be implemented based on the forest inventory, ensuring the right activities in the right place, for both intact and degraded forest areas to build resilience. Relaxing licensing restrictions and implementing sustainable harvesting regimes (logging and thinning) in areas practicing sustainable production should be implemented. FUGs will be supported to receive long-term licenses allowing them to do pre-commercial thinning of dense stands. This will promote the growth of the remaining trees and reduce the risk of pests, disease and fire as well as provide light to the forest floor and promote a richer biodiversity with the potential to deliver more non-timber forest products, as well as providing timber (see Outputs 3.2 and 3.3 for livelihoods activities), giving communities more incentives to look after the forests.

The project will support rehabilitation and restoration of saxaul in desert steppe demonstration landscapes through reforestation and sustainable forest management (particularly management of grazing and harvesting), with appropriate training and development of livelihood incentive mechanisms (for example cultivation of NTFPs).

Output 2.3: Protected area system expanded and strengthened in key biodiversity areas, particularly in under-represented ecosystems through improved management effectiveness including management and business plans and community participation

There is a comprehensive array of policy documents for protecting important areas for biodiversity, to meet the international PA coverage targets and to bring the national PA network to international standards. The National Program on Protected Areas (approved in 1998) and its Action Plan aim to establish and maintain comprehensive, effectively managed, and ecologically representative networks of PAs covering 30% of Mongolia contributing greatly to conservation of undisturbed landscapes.

The GEF alternative will support MET to make concerted progress towards its 30% areal target for protected areas in key biodiversity areas in the project area, particularly in under-represented ecosystems. Forest and steppe biomes are the least well represented in the PA network, despite their significant coverage of the national territory⁸⁴, and will be a key focus. The project will also introduce a model approach for developing the evidence base,

⁸⁴ Nature Conservancy Mongolia Program and M. Heiner et al. 2017. "Identifying Conservation Priorities in the Face of Future Development, Applying Development by Design in the Western Mongolia: Mongol Altai, Great Lakes Depression and Lakes Valley." Ulaanbaatar.

<p>Although good progress has been made, the current PA network has still not met the national areal target and some ecosystem types are not adequately represented in the network. As demonstrated by the very low baseline average Management Effectiveness Tracking Tool (METT) score (37.6%) of the four existing target protected areas (see Annex B (I)), there is an urgent need to strengthen the management effectiveness of the PA network. A score of 67% is considered to indicate “sound management”⁸². Both Tarvagatain NP and Govi Gurvan Saikhan NP need updated, integrated management plans and land use plans, while Burkhan Buudai PA has no management plan at all. The role of LPAs in the national PA system is unclear⁸³. Many LPAs were declared to dissuade mining activity, with a limited strategic approach for sustainable management or financing. Communities are not adequately empowered by local government to protect and use the LPA network as a resource for green development that conserves biodiversity and ecosystem services while supporting livelihoods.</p>	<p>full consultations and formal submissions for newly proposed protected areas that can guide future PA expansion nationwide. Land use planning and its business opportunities will be developed through development and implementation of a model management plan for one SPA, where PES mechanisms can be demonstrated and revenue generation opportunities will be explored for sustainable financing of the SPA. A specific action will be undertaken to link the results of TNC’s Eco-regional Assessments into the global KBA database, to ensure that the latter is up to date and based on the most comprehensive available information. New capacity development approaches and innovative tools developed under Component 1 will be applied to strengthen the management effectiveness of 5 target PAs towards internationally accepted levels, together with site-specific support for improved planning, coordination, communications, financing and performance evaluation. The project will also enhance community-based management, so as to reduce conflicts between PAs and local communities and to build opportunities for livelihoods that are linked to well-managed PAs (for example ecotourism). Overall, the GEF investment will support MET to continue its progress towards an extensive, well-managed PA network based on community-based management.</p>
<p>Output 2.4: Best practices operationalised for conserving globally threatened / iconic fauna through threat reduction resulting from community-based management and targeted measures</p>	
<p>Despite the strong legislative framework, the globally significant biodiversity in the project area, and particularly in the demonstration landscapes, faces serious challenges with large numbers of iconic species recognised as globally or nationally threatened through their inclusion on the international and national Red Lists. Population levels of many iconic species are known to have declined or are well below their expected levels (eg wild ass, goitered gazelle⁸⁵, saiga). Key threats stem from the impacts of over-grazing which degrades natural habitats for wildlife⁸⁶, together with climate change also affecting the quality of the habitats (eg access to water). Further threats arise from unsustainable livelihoods and poverty, such as unsustainable hunting and illegal killing (or in the case of plants over-exploitation), as well as new infrastructure developments. There are also environmentally-unfriendly</p>	<p>The only viable long-term solution for reducing the threats to globally significant biodiversity in the vast landscapes of the project area is to take integrated, ecosystem- and community-based approaches that tackle the overarching problems at landscape scale in the context of the rapidly changing climate and socio-economic situation in order to build resilience. The GEF investment for this output will therefore be fully integrated with those for other Outputs, through which biodiversity conservation is incorporated into planning (Output 1.2), supported by systemic activities at national level (Outputs 1.3, 1.4 and 1.5). Biodiversity conservation will also be an outcome of sustainable rangeland and forest management and protected areas management (Outputs 2.1-2.3), and is supported by community</p>

⁸² Leverington, F. et al. (2010). Management effectiveness evaluation in protected areas – a global study. Second edition 2010. The University of Queensland, Brisbane, Australia.

⁸³ Preliminary conclusions of the MRPA Terminal evaluation, March 2018.

⁸⁵ For example the number of goitered gazelle has fallen from around 1000 to 100-130 since the year 2000.

⁸⁶ WWF Mongolia. Strategic Plan FY 2017-21. Ulaanbaatar.

<p>practices, such as the poisoning of rodents and grasshoppers with chemicals, which have the potential to harm wildlife. Whilst there have been some good examples of biodiversity conservation programmes, they have not addressed these overarching threats in an integrated way and have not been adequately up-scaled. Indeed there are hardly any initiatives in the demonstration landscapes at present for biodiversity conservation, despite the importance of these areas.</p>	<p>participation, livelihoods and greater public awareness (Outputs 3.1-3.4) and knowledge management (Output 4.1). Within this framework, the GEF investment for this Output will focus on direct conservation measures designed by and with the community (working alongside local authorities and specialised organisations) to demonstrate community-based solutions to reduce poaching of wildlife, and to improve habitat quality for target species. There are many opportunities to achieve significant gains through more sustainable pasture management, safeguarding of watering points for wildlife (including protection from hunting), and through demonstrations of concerted actions on the ground that can be further up-scaled by communities.</p>
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Outcome 2: Rangelands, forests and biodiversity are restored and protected areas strengthened at landscape scale

79. The key deliverables under Outcome 2 are: Sustainable rangeland management and restoration operationalized (Output 2.1); Sustainable management and restoration of boreal and saxaul forests operationalized (Output 2.2); Protected area system expanded and strengthened in key biodiversity areas, particularly in under-represented ecosystems (Output 2.3); Best practices operationalised for conserving globally threatened / iconic fauna through threat reduction (Output 2.4). This outcome will be implemented in the project’s four demonstration landscapes (see **Figure 3**) which are representative of the main landscape types of the Sayan and Khangai mountains and southern Gobi.

Output 2.1: Sustainable rangeland management and restoration operationalized in the demonstration landscapes with support of financial mechanisms, through community-based implementation of best practice measures which improve biodiversity and ecosystem services

Intermediate Outcome (Result of the Output): Improved condition of rangelands in the demonstration landscapes

80. This Output aims to achieve the project target of reduced degradation of mountain and steppe rangelands as a result of over-grazing, covering at least 300,000 ha in demonstration landscapes with enhanced biodiversity and ecosystem services. It will be achieved through demonstration of an integrated approach with activities under other components, notably through removal of legislative barriers (Output 1.1), improved planning (Output 1.2), introduction of effective financial mechanisms (Output 1.3) and capacity development of local authorities (Output 1.4) and community groups (Output 3.1).

81. The project will support existing Pasture User Groups and other community based organisations and local authorities in all four demonstration landscapes to integrate best practice rangeland management approaches into their soum-level development plans and Pasture Use Agreements with the aim of reducing grazing pressure, improving productivity and enhancing ecosystem service provision, building on the resilience-based rangeland management concept developed by SDC. The effectiveness of PUGs will be evaluated and the optimum number of households with unified goal should be grouped for better implementation of the PUG agreements. Technical capacity will be built through training and demonstration for implementation of practical measures for sustainable rangeland management (integrated with technical capacity for livelihoods improvement included under Output 3.1). This will not only be limited to the interventions on seasonal rotation, but will also target the inter-connected issue of livestock quality and economic return to the herders, and also climate risks. Without addressing these issues, there will not be a sustainable rangeland management. Progress will be assessed through community-based pasture monitoring using standardised methodology under the

guidance of local authorities. Implementation will be supported by performance-based financial mechanisms such as the introduction of pasture use fees alongside measures to increase livestock quality⁸⁷. During the PPG, the boundary of pasture areas in the selected demonstration landscapes were mapped (see **Annex U**) to identify where the applications of sustainable rangeland management will be first demonstrated. Approaches that lead to successful outcomes for reducing rangeland degradation will then be up-scaled. Further details of the best practices and approaches to be used are provided in **Annex P**.

82. Indicative activities under Output 2.1 include:

2.1.1 Under the management of MOFALI, facilitate task forces at appropriate levels, to bring together partners working on rangeland management to share best practices, boost collaboration and drive forward the agenda on pastureland use including reduction in livestock densities.

2.1.2 Encourage establishment and build technical capacity of community-based organizations (CBOs) (Herder Groups (*Khot Ail*⁸⁸), Pasture User Groups, Forest User Groups) to ensure the sustainable use of pastureland and improve animal quality to reduce pressure on rangelands.

2.1.3 In coordination with local administrations, provide technical support (mapping and provision of data on land use, natural resources etc) to soum land use planning, and support established CBOs to develop and improve their Pasture Use Agreements so that they are integrated with the landscape-level soum management plans, incorporating biodiversity natural resource conservation measures.

2.1.4 Support and build capacity of herders and CBOs in estimating annual carrying capacity of pastures and simple approaches for pastureland monitoring, in compliance with nationwide approved approach (developed and approved by ALMGaC and NAMEM) by: a) supporting data integration at aimag and soum level; b) increasing the number of meteorological observation points for pasture monitoring; c) strengthening capacity of Soum Pasture Management Working Groups (SPMWG); d) improving Land Use authority's monitoring and supervision at sampling points involving NAMEM; e) support organization of bi-annual consultation on results of pasture monitoring and follow-up with organization of more effective measures to be implemented with herders.

2.1.5 In coordination with established CBOs and local authorities, support implementation of Pasture Use Agreements through demonstration and hands-on training, replication and scale-up of successful sustainable land management activities, including: a) development and implementation of comprehensive action plan (to reconcile livestock number with pasture carrying capacity, and improve the animal quality); b) grazing bans through rotation and resting during the plant growing period; c) plots for fodder production and perennial plants for reserve pasture including water sources; d) small-scale rain and snow water harvesting structures; e) small-scale sylvo-pasture areas to address sand and wind storm in steppe areas; f) local programs to improve animal quality; g) construction of protective structures (e.g. fences, bunds, livestock access points) for natural springs; e) rehabilitation of traditional wells and watering points.

2.1.6 Using legal derogations (if needed) or voluntary mechanisms, and based on value of related natural resources, demonstrate in at least two landscapes the application of innovative or improved financing mechanisms (designed under Output 1.3, including user fees, other PES or non-financial mechanisms from overgrazing and environmental damage), to incentivise rangeland restoration, conservation of biodiversity and ecosystem services and improvement of animal quality.

Output 2.2: Sustainable management and restoration of boreal and saxaul forests operationalized in the demonstration landscapes, through community-based implementation of best practice measures which improve biodiversity and ecosystem services and avoid GHG emissions

⁸⁷ PPG discussions in Bayankhongor aimag revealed that a herders' conference had shown that 80-90% of herders would accept the imposition of a tax on livestock heads

⁸⁸ Groups of neighbouring herder families

Intermediate Outcome (Result of the Output): Improved condition of boreal and saxaul forests in the demonstration landscapes

83. This Output which is supported by the SFM incentive mechanism aims to achieve the project targets of: a) at least 25,000 ha of saxaul forest without net loss or degradation (avoided GHG emissions to be assessed in Year 1); and b) at least 20,000 ha of boreal forest without net loss or degradation (= avoided emissions of 2,176,925 tCO₂-eq of avoided emissions tCO₂-eq over the next 20 years) (see **Annex W**). These outcomes will be delivered through support to the aimag level Forest responsible bodies, and soum and inter-soum level Forest Units together with the community groups (FUGs and PUGs) that are established in the forested areas. The capacities of these stakeholders for sustainable forest management will be enhanced through collaborative working and hands on learning (also through Outputs 1.4 and 3.1). Interventions will be supported through performance-based financial mechanisms developed under Output 1.3 and linked to livelihoods enhancements under Outputs 3.2 and 3.3. Further details of the best practices and approaches to be used are provided in **Annex Q**. A specialist SFM consultant will be hired to advise the PMU on implementation of this output and to supervise delivery of service contracts.
84. Implementation for saxaul forest sustainable management and restoration will be operationalized in the two desert-steppe demonstration landscapes in Bayankhongor and Gobi-Altai aimags: Zarman Gobi, where there is 44,832ha of saxaul all of which is low density; and the Ulaan shal valley demonstration landscape where there is 2,950ha of saxaul of which 60% is high density and 40% is low density. Interventions will support urgently needed measures to reduce climate risks, wind erosion and sand movements and to support biodiversity conservation including many valuable plant species that are associated with saxaul forests. This work will be supported through the recommended preparation of saxaul forest management plans⁸⁹ and can implemented through community-based saxaul reforestation and restoration measures using best practice participatory approaches that work in harmony with rangeland interventions. Communities will benefit from this work because of the numerous ecosystem services provided by these forests, such as erosion control, grazing, tourism, valuable plants such as *Cynomorium songaricum* and *Cistanche deserticola*. Measures will include incremental expansion and enrichment plantation using tube seedlings, grazing-exclusion areas to protect new saplings, and measures to reduce the needs for harvesting saxaul as fuel (see Output 3.2).
85. Sustainable management and restoration of boreal forests will be operationalized in the two forest-steppe demonstration landscapes: Tarvagatain Mountain (Zavkhan aimag) where all 20,585ha of forested land selected for intervention is already degraded; and Bukhun Mountain (Arkhangai aimag), where 20% of the 23,004ha of forested habitat selected for intervention is already degraded. SFM measures will be implemented through soum level forest management plans, based on conducted forest inventories, ensuring the right activities in both intact and degraded forest areas to build resilience and climate risk adaptation. Interventions will include large-scale demonstrations of protection, management and natural regeneration of degraded boreal forests through design and implementation of stand-level community-based (FUGs) forest management plans which will reduce climate, fire and disease risk and grazing pressure, and improve silviculture and biodiversity. Implementation will be tracked through community based monitoring, supported by the Forest Units. Techniques will include forest cleaning, pre-commercial thinning and coupes, and (if necessary and appropriate) assisted planting. Special measures will be introduced to reduce grazing impacts at forest edges, including establishment of temporary fenced forest regeneration areas, managed by FUGs.
86. Indicative activities under Output 2.2 include:
- 2.2.1 Conduct forest inventory for each demonstration landscape soum (boreal and saxaul forests) in Years 1 and 7, and engage Forest User Groups in monitoring the area and condition of boreal and saxaul forests, using standardized methodology, in order to assess progress against project targets.

⁸⁹ Khaulenbek, A et al.. 2018. Saxaul forest in Mongolia: ecosystem, resources, values. Institute of Geography and Geoecology, Ulaanbaatar

2.2.2 Facilitate the development and implementation of model sustainable forest management plans for boreal and saxaul forests (integrated with the soum-level landscape development plans developed under Output 1.2), based on inventory database established under Activity 2.2.1: a) support Forest Units to prepare and implement soum level forest management plans; b) Support Forest User Groups to develop and implement model, stand level sustainable forest management plans (guided by the soum-level forest management plans).

2.2.3 Strengthen and build capacity of local forest officers from aimag and soum levels (Forest Units) for sustainable management of boreal and saxaul forests, through training, provision of technical support and hands-on involvement in implementation of sustainable forest management activities.

2.2.4 Encourage establishment of, strengthen and build technical capacity of Forest User Groups and community groups for the sustainable management and use of boreal and saxaul forests and other natural resources, through training and on-site drills, provision of technical support and hands-on involvement in implementation of sustainable forest management activities.

2.2.5 Support implementation of stand-level forest management plans by FUGs through demonstration, replication and scale-up of successful sustainable boreal and saxaul forest management activities in large-scale demonstrations (testing of Policies and Measures developed under the REDD+ readiness activities⁹⁰) including: a) forest cleaning; b) pre-commercial thinning, coupes and other silvicultural activity; c) measures to encourage natural regeneration; d) re-forestation by native tree species (with temporary fencing (saxaul)).

2.2.6 Using legal derogations (if needed) or voluntary mechanisms, and based on value of related natural resources, demonstrate in at least 2 landscapes of saxaul and boreal forest the application of innovative or improved financing mechanisms (designed under Output 1.3, including user fees, other PES or non-financial mechanisms), to incentivise forest restoration, conservation of biodiversity and ecosystem services.

Output 2.3: Protected area system expanded and strengthened in key biodiversity areas, particularly in under-represented ecosystems through improved management effectiveness including management and business plans and community participation

Intermediate Outcome (Result of the Output): Protected area network expanded by 0.94 million ha and with increased management effectiveness

87. This Output aims to achieve the project target of expanding the network of protected areas (including Locally Protected Areas) within the 4 target aimags by at least 0.94 million ha, especially from under-represented ecosystems. This will provide increased protection and representation of globally threatened species (especially from steppe and forest biomes), and improve connectivity between habitats. The project will support MET to develop the evidence base, full consultations and formal submissions for newly proposed protected areas, starting from MET's "List of areas prioritized for proposal of protected areas 2016-20", and including the results of the recently completed eco-regional assessments completed by TNC which will help to identify key biodiversity areas. Strategic efforts to improve the international KBA database for Mongolia will also be supported. A model process for community consultations will be demonstrated and documented in order to avoid and mitigate any risks of economic displacement as described in the project SESP (see Annex E). The Output will also seek to improve the management effectiveness of the PAs in the demonstration landscapes from the low average baseline of 39.3% recorded during the PPG. This will be achieved through three mechanisms: a) the provision of training (through the modules developed under Output 1.4), as well as the introduction of best practices and tools; b) site-specific support based on identified needs, such as for the provision of management plans and business plans for improved planning, coordination, communications, financing (based on mechanisms elaborated under Output 1.3) and performance; c)

⁹⁰ <http://reddplus.mn/eng/wp-content/uploads/2017/09/modul-7-english.pdf>

enhanced community-based management, so as to reduce conflicts between PAs and local communities and to build opportunities for livelihoods that are linked to well-managed PAs. Further details of the best practices and approaches to be used are provided in **Annex O**. A specialist Protected Areas consultant will be hired to advise the PMU on implementation of this output and to supervise delivery of service contracts.

88. Indicative activities under Output 2.3 include:

2.3.1 Facilitate integration of the results of the national eco-regional assessments into the international Key Biodiversity Areas (KBA) database.

2.3.2 Support development of proposals (consultations, data gathering, justifications, mapping, submissions) for new and extended national (from existing MET list) and locally protected areas in the target aimags to meet the project target of an additional 0.94 million ha in important areas for biodiversity (especially from under-represented ecosystems) using the completed eco-regional assessments (also supported by co-financing).

2.3.3 In close cooperation with local authorities, PAAs, related community groups and KfW's Biodiversity and Climate Change programme, strengthen the management effectiveness of the target SPAs and LPAs in each demonstration landscape through site-level support to fill identified capacity gaps in management practice through improved planning, coordination, participation, governance, communications, financing (including review of land use conflicts and confirming registration of LPAs into the database of the Mineral Resources Authority, and reflecting on the lessons learned from establishing co-management Councils for LPAs).

2.3.4 Facilitate participatory development and support implementation of at least one model management plan for newly established (eg Buuntsagaan Lake) or expanded SPAs (eg. Tarvagatain NP - incorporating a land use plan (Master plan) with zoning), and 4 LPAs.

2.3.5 Facilitate participatory development and implementation of business plans for at least 2 SPAs (eg Burkhan Buudai SPA) and 2 National Parks (Tarvagatain Nuruu NP and Govi Gurvan Saikhan NP), and 4 LPAs for improving effectiveness of PA management, using entry fees and innovative financing mechanisms based on the potential revenue generation at the site through sustainable tourism or other activities.

2.3.6 Promote and train existing and new voluntary rangers from local communities in key biodiversity conservation areas including SPAs and LPAs (at least 10 volunteer rangers, including 3 women), ensuring sustainable financing mechanism for the incentive after project closure.

2.3.7 In coordination with KfW and other partners, provide training to PA staff, soum environmental inspectors, rangers and volunteer rangers (using modules developed under Output 1.4) to improve PA management effectiveness, and provide essential equipment to enable them to transmit and share information from remote locations, and to improve effectiveness of ranger's inspection and patrolling work (eg. "Biosan" and SMART programs (see <http://smartconservationtools.org/>)); support collaboration with International Ranger's Association.

2.3.8 Facilitate the coordination and integration of conservation, rural development and livelihoods initiatives in the buffer zones of SPAs in order to strengthen benefits to rural communities and remove conflicts.

Output 2.4: Best practices operationalised for conserving globally threatened / iconic fauna through threat reduction by promoting community-based participatory actions for targeted measures

Intermediate Outcome (Result of the Output): Increases in populations and range for Mongolia's globally threatened / iconic biodiversity in the demonstration landscapes

89. This Output aims to achieve the project's targets for biodiversity threat reduction in the demonstration landscapes, which are: a) a 20% reduction in incidents of illegal killing of snow leopard and goitered

gazelle and musk deer; and b) to improve 10,000ha of habitats for Argali sheep, goitered gazelle and musk deer. Baselines for a) will be established in year 1, and both indicators will be measured at mid-term and end of project. All key threat reduction measures will be designed in conjunction with communities (working alongside the local authorities) and implemented by them, with necessary technical support from the project and specialised organisations (NGOs and research institutes), supported by communications activities to raise public awareness (see Output 3.4). Small grants will be provided to incentivise NGO and community-based action for globally significant biodiversity conservation (delivered through a service contract for an integrated small grants programme, also with Component 3). The biodiversity and threat reduction objectives will be further supported through their incorporation into aimag and soum landscape level planning (Output 1.2), and also into the individual Pasture Use Agreements that the PUGs and FUGs have with their local authorities (Outputs 2.1 and 2.2). Further details of the best practices and approaches to be used are provided in **Annex O**. A specialist Biodiversity consultant will be hired to advise the PMU on implementation of this output and to supervise delivery of service contracts.

90. Indicative activities under Output 2.4 include:

2.4.1 Conduct participatory assessment of the status of indicator species and threat indicators in the demonstration landscapes in Years 1 and 7.

2.4.2 Engage and support local communities and NGOs for participatory actions to conserve biodiversity (particularly globally threatened species), including through competitive small grants to support initiatives in the project area (assessed by the Endangered Species Partnership (see Output 1.5), including inter alia: a) reduction of competition through separation of wildlife habitat from pasture land; b) conservation of goitered gazelle in Ulaan shal valley and Zarman Gobi (using innovative population monitoring to provide a scientific basis for further conservation management); c) address the decline of forest ungulates in Tarvagatain Mountain and Bukhun Mountain through working with local communities; d) conservation of snow leopard in Zarman Gobi; e) conservation of argali sheep in Zarman Gobi.

2.4.3 Support prevention of poaching through establishing/strengthening community-based patrolling, surveillance and monitoring.

2.4.4 Work with communities to implement biodiversity conservation demonstration projects to: a) restore economically and traditionally valuable rare plant species such as liquorice, Kharmag (*Nitraria spp.*) and *Cynomorium songaricum* in the Ulaan shal valley and Zarman Gobi (see Activity 3.3.4 for establishment of contracts with businesses using these genetic resources); b) relocate Musk deer to Bukhun Mountain, based on completion of feasibility and design study⁹¹; c) restore marmot population in Tarvagatain Mountain and Bukhun Mountain; d) provide environmentally-friendly surface water supply, with monitoring camera, for the wild animals in Ulaan shal Valley and Zarman Gobi to improve habitat.

2.4.5 Train and equip (eg binoculars and monitoring cameras for wild animals, raptor nest boxes) local communities on ecological methods for wildlife conservation management including: rodent control, salt licks, water supply for wildlife, disease monitoring and prevention, wildlife monitoring.

⁹¹ GEF funds will be used to develop the feasibility and design study based on the IUCN 2013 "Guidelines for Reintroductions and Other Conservation Translocations" <https://portals.iucn.org/library/sites/library/files/documents/2013-009.pdf>, including development of detailed methodology (with support of Institute of Biology), completion of surveys to confirm viability of source populations in the head of Orkhon river in Tsenkher soum, habitat suitability and rehabilitation in Bukhun Mountain and community engagement.

Component 3: Community livelihoods enhancement to restore and sustain biodiversity and ecosystem services
 Total Cost: \$ 9,809,248; GEF project grant requested: \$ 1,660,645; Co-financing: \$ 8,148,603

Table 4. Summary of baseline and incremental reasoning for Component 3

Note: See Annexes N and G for further details on baseline activities

Summary of Baseline Situation	Incremental Reasoning
Component 3: Community livelihoods enhancement to restore and sustain biodiversity and ecosystem services	
Output 3.1: Community groups support sustainable rangeland and forest management and biodiversity conservation through green livelihoods, as a result of enhanced organisational capacity for governance and effective partnership with local government	
<p>Although more than 100 pasture and forest user groups (PUGs and FUGs) have already been established in the demonstration landscapes, they do not have sufficient capacity to play the strong role in supporting their members for sustainable natural resources management and improved livelihoods that is required to meet the project objective. While rich in traditional knowledge, they lack adequate organizational leadership and team skills, have little experience in participatory planning and implementation, and also lack the technical skills and experiences to adopt more sustainable lifestyles in today's fast changing and market-based economy. Without such capacity, these community organisations cannot be relied upon as effective partners for green development^{92,93}. Social issues have become an important challenge, with young herders leaving the countryside for higher education and not returning. There are also particular challenges for engaging women – and both sexes in single-headed herder households.</p>	<p>The GEF investment will focus on mobilising and strengthening the institutional capacity of existing community groups (particularly PUGs, FUGs and cooperatives), building on their traditional knowledge so that they can contribute more effectively to sustainable rangeland and forest management and the conservation of biodiversity and ecosystem services. Key organisational capacity needs will be assessed and addressed through targeted capacity development, with particular attention to women and young herders. This will be achieved with the support of locally-hired Community Facilitators (trained in participatory working at the start of the project), and the inputs of specialised capacity development teams. Key indicators will be measured for each community group, allowing them to benchmark their progress in institutional development. By the end of the project, the PUGs and FUGs in the demonstration landscapes will be robust and self-sufficient grassroots organizations, acting as strong partners with local government for green development.</p>
Output 3.2: Sustainable livelihoods implemented by PUGs and FUGs that increase family incomes and gender equality, by strengthening the value chain for existing products and diversifying into new livelihoods that benefit biodiversity conservation and ecosystem services	
<p>Livestock husbandry is the primary livelihood in all four demonstration landscapes, with high dependence on herding for the production of low-value primary unprocessed livestock products. The current focus on maximizing the numbers of livestock for income results in poor livestock quality, low value products, low resilience of livelihoods (animal disease and severe weather events), poverty⁹⁴ and emigration, and severe degradation of rangelands and forests as a result of over-grazing. Herders are not experienced or skilled enough in processing their products for value addition; they lack the skills, mechanisms and incentives for</p>	<p>The key solution to improving the resilience and quality of herder livelihoods is to support them to focus on quality rather than quantity of their livestock and livestock products, as well as to diversify their livelihoods to provide greater resilience. The GEF intervention will support them to achieve this goal through training, technical support, and facilitation of new enterprises that will help them improve the quality and add value to the raw materials that are already produced. PPG assessments for each demonstration landscape (see Annex N) identified several potential livestock products with great business potential (eg for</p>

⁹² During the PPG field visits, local bagh governors noted the weak participation of local herders in developing annual pastureland planning and in other decision-making processes over natural resources management.

⁹³ Out of 51 FUGs in all the demonstration landscape soums, around 20% of them are inactive according to the soum related stakeholders such as rangers and environmental inspectors.

⁹⁴ 30% of the total population in the selected demonstration landscapes are living under categories of “poor” and “very poor” according to the livelihood identification criteria by the government.

<p>market analysis, business development and diversification, product processing and packaging and marketing that will allow them to emerge from this poverty trap. PUGs and FUGs are therefore not yet benefiting from the opportunities that a healthy, functioning and productive ecosystem can provide⁹⁵.</p>	<p>dairy, or wool (goat, yak and camel) products), with processing units or workshops in soum centres⁹⁶. There are additional opportunities to diversify into livelihoods based on non-livestock products (eg timber and non-timber forest products⁹⁷) and eco-tourism. The proper management and utilization of boreal forests has great potential to create employment and income for people in less-developed parts of the country. Support for livelihoods development will be linked through the contracts (Pasture Use Agreements) that PUGs and FUGs have with soums to decrease livestock numbers and over-grazing.</p>
<p>Output 3.3: Public Private Partnerships incentivise green development through business investments and other financial mechanisms, by building market demand for added-value herder products and ecotourism development, facilitating cooperation between community groups, local authorities and the private sector</p>	
<p>Value chain development can be challenging in rural Mongolia because of the vast territory, underdeveloped infrastructure and small market/demand. Most herder families sell their primary unprocessed livestock products to middle-men, and hence receive very low returns for their produce. A prime example is for wool - Mongolia is the second largest producer of cashmere wool globally but has only a very small slice of the total \$4.6 billion market as it provides relatively little of the primary and secondary processing and minimal production of finished goods (see Annex S). PUGs and FUGs lack the capacity for adding value to their produce, have not researched and developed their markets with the private sector, including opportunities for cooperative marketing in soum and aimag centres or to tourists. Especially, there is a huge lack of experience in developing public and private partnerships to increase the benefit from different specialised products. Increasing the diversification of livelihood is another challenge for locals, since they are trapped into a dependence on low-value livestock products and lack knowledge and partnerships for developing other opportunities. There are few examples where PUGs and FUGs work collectively with the public and private sectors through PPPs to address these issues in a coordinated and innovative way.</p>	<p>Value chain development has to be a priority for improving livelihoods and reducing pressure on natural resources, building on the specific opportunities that these remarkable landscapes offer. The GEF alternative will therefore be to support community groups and local authorities to develop collaborative business ventures with the private sector for value-added products, cutting-out the middle-men and thereby increasing incomes and improving livelihoods. This can only be achieved through a collaborative approach that draws together the demand led incentives of private sector partners, and the enabling support of local authorities, providing herders with win-win solutions to the problems they face. The PPG assessment, including an assessment for a sustainable cashmere or fibre initiative, revealed many promising opportunities that will be followed up during project implementation⁹⁸. A key task is therefore to connect herder communities with national and international markets through partnerships, marketing and training.</p>
<p>Output 3.4: Public awareness of the benefits of green development raised through awareness raising and</p>	

⁹⁵ For example, although there are 44 FUGs in the demonstration landscapes, no small businesses have yet been established to make products out of timber (even though such practices exist in other parts of the country such as Selenge and Khentii aimags).

⁹⁶ A small-scale milk processing factory, established in 2017 in Baatsagaan soum (Ulaan shal valley demonstration landscape), has the potential for considerable up-scaling using milk supplied from local PUGs to supply larger markets with high value dairy products. Similarly, a dried goat's milk factory is under construction in Erdene soum of Gobi-Altai aimag, with support from Japan.

⁹⁷ Around 120 medicinal plants are found in saxaul forest, including red thumb and licorice – which could provide good incentives to those herders who protect saxaul forest

⁹⁸ Eg. Currently, only 20% of yak wool harvest is sold from herder households (yak wool expert Mr. Jambaldorj pers. comm) due to lack of access to markets. Yet several national (Altai cashmere, Blue sky, Mongol nekhmel) and international (eg Tengri, Kering) companies are working in partnership with international projects to secure high quality yak and camel wool for the international markets, under contract from herders.

educational activities, focusing on rangelands, forests, biodiversity and resource efficiency

Although the principle of green development is now anchored in policy, there are gaps and differences in understanding of the term at all levels. Awareness of the value and opportunities for linking biodiversity and ecosystem services conservation to livelihoods development is inadequate across the demonstration landscapes. Communities are not clear about the impacts their activities have, and how they can contribute to threat reduction. While there are some awareness raising activities for the general public from the local authorities, NGOs, schools and the media, these are not coordinated or targeted in a way that can help to harness public support for and participation in threat reduction. Many people in Mongolia perceive forests as a common good of little value and have little sense of wrongdoing in illegal logging, destructive grazing or careless behaviour that too often results in forest fires. Communities also have conflicting opinions toward to ungulates such as the saiga and gazelle due to perceived conflicts with grazing and spread of disease.

The GEF alternative aims to bring the power of multi-sectoral engagement and particularly community participation to provide more support for green development in the demonstration landscapes. This requires high attention to raising public awareness particularly with regard to the state of the environment, and also green development solutions that can help reduce threats to biodiversity and ecosystem services. Education is needed about the benefits of sustainable rangelands and forest management and about the value that rangelands and forests create across the economy - for tourism, livestock grazing and from use of non-timber forest products. For boreal forests in particular, it is also important to ensure that senior decision makers and politicians are aware of the wider benefits of sustainable forest management for Mongolia's long-term green development. Awareness campaigns are also needed in forest fire prone areas, and about the damaging effects of illegal logging and grazing, and to support wildlife conservation.

Outcome 3: Sustainable livelihoods provide benefits to local communities and support biodiversity

91. The key deliverables under Outcome 3 are: Community groups support sustainable rangeland and forest management and biodiversity conservation through green livelihoods (Output 3.1); Sustainable livelihoods implemented by PUGs and FUGs that increase family incomes and gender equality (Output 3.2); Public Private Partnerships incentivise green development through business investments and PES mechanisms (Output 3.3); Public awareness of green development raised (Output 3.4). This outcome will be implemented in the project's four demonstration landscapes (see **Figure 3**) which are representative of the main landscape types of the Sayan and Khangai mountains and southern Gobi.

Output 3.1: Community groups support sustainable rangeland and forest management and biodiversity conservation through green livelihoods, as a result of enhanced capacity for governance and effective partnership with local government

Intermediate Outcome (Result of the Output): Sustainable rangeland and forest management and biodiversity conservation being delivered in the demonstration landscapes through green livelihoods

92. This Output will mobilise and build the capacity of community-based organisations in the project demonstration landscapes, building on their traditional knowledge so as to facilitate their involvement in green development initiatives and approaches. The project will initially work with at least 20 Pasture and 10 Forest User Groups (results framework target), with numbers being further up-scaled as implementation progresses. Coordination of the activities will be achieved through part-time Community Facilitators hired from within each demonstration landscape, whose main job will be community mobilization – with a specific responsibility for the needs of women, youth and vulnerable groups. Partnership forums will be held regularly to bring community representatives and related stakeholders together to plan project activities and share knowledge and experiences. The institutional capacity of the community groups will first be assessed so that their needs are identified and built into a targeted capacity development programme focusing on improved governance and leadership, operations, planning, financial management, fundraising and reporting. At least 50% of trainees will be women. Support, including seed funding (delivered through a service contract for an integrated small grants programme, also with Component 2), will also be given to help these groups establish and

manage community funds to catalyse entrepreneurial activity that supports conservation, as well as resilience to environmental disasters (dzud). Finally, a series of demonstrations will be given to help community members adopt more sustainable and resilient lifestyles that benefit biodiversity and ecosystem services. An awards programme will be implemented to celebrate individual and community achievements, including specific awards for women and youth (including young herders) who demonstrate leadership or excellence in green development and conservation. Further details of the best practices and approaches to be used are provided in **Annex N**.

93. Indicative activities under Output 3.1 include:

3.1.1 Mobilise and build trust and participation with community groups (HG, PUG, FUG), including establishment of women's groups, through part-time Community Facilitators hired in each soum, to strengthen communities as grass-root institutions, with particular attention to gender issues, youth and disadvantaged people.

3.1.2 Hold a partnership forum at least once each year for each demonstration landscape from Year 3 (plus soum level meetings at the start, middle and near-end of the project), to promote community participation and interest, and facilitate the sharing of best practices demonstrated at PUG, FUG and soum level (also see Output 4.1).

3.1.3 Train and support local community groups (herder groups, PUGs, FUGs and cooperatives) (at least 50% women) to build their organisational capacity for: a) governance and operations; b) community fund management; c) business planning, preliminary market analysis and marketing; d) financial management and book-keeping; e) writing project proposals; f) strengthening their cooperation and contracts with soum authorities in a way that enhances biodiversity and ecosystem services, and improves livelihoods.

3.1.4 Support establishment and effective governance of community funds⁹⁹, and provide competitive seed grants directly to community groups that match community fund contributions to catalyse entrepreneurial activity that supports biodiversity conservation and resilience to environmental disasters (dzud))

3.1.5 Implement an annual awards scheme for local communities to celebrate outstanding contributions to green development and biodiversity conservation, including special awards for women and youth.

Output 3.2: Sustainable livelihoods implemented by PUGs and FUGs that increase family incomes and gender equality, by strengthening the value chain for existing products and diversifying into new livelihoods that benefit biodiversity conservation and ecosystem services

Intermediate Outcome (Result of the Output): Improved family incomes and gender equality in the demonstration landscapes through sustainable livelihoods

94. This Output aims to achieve the project targets of the creation of 150 new jobs in the demonstration landscapes (80 for women and 70 for men), a 10% reduction in gender inequality in income, and a 20% increase in real incomes for participating families. A baseline for employment and incomes (gender disaggregated) will be set for a sample of households in the demonstration landscapes in Year 1, and this will be monitored in order to assess progress against the targets. Interventions will focus on enhancing the businesses and incomes of herder families in a way that reduces pressure on natural resources. Activities will build on the most successful Mongolian experiences from the PPG best practices review in growing the green economy to improve the livelihoods of rural communities. The main focus will be on: a) improving the quality of primary products; b) improved product processing, added-value and marketing (including options for branding and certification) through support for cooperatives; c) support for diversification towards more sustainable livelihoods. A participatory market assessment (initiated during the PPG) will be completed in Year 1 with each community to confirm those specific products in each demonstration landscape that provide the greatest opportunity

⁹⁹ NB.GEF funds will not be placed into community funds for repeated reissuing

for sustainable livelihoods development, while directly supporting biodiversity conservation and sustainable land and forest management.

95. Training and advice will be provided to PUGs and FUGs (at least 50% of trainees will be women) to assist herders to improve the quality of their livestock and products, to improve quality standards and values, processing, packaging and marketing in a way that will help them focus on quality rather than quantity, and thereby reduce pressures on natural resources. Diversification away from a single focus on livestock will be pursued where appropriate, particularly with regard to sustainable use of medicinal plants, timber, non-timber forest products (forest berries, pine nuts, sea buckthorn, mushrooms etc.), and ecotourism-related activities reflecting local cultures and traditions (homestays and handicrafts (wool, leather and wood products)). Based on opportunities identified during the PPG the project will facilitate communities to develop business cases and implement demonstration projects for SMEs on sustainable use of biodiversity that can also benefit biodiversity conservation. A small grants programme (delivered through a service contract for an integrated small grants programme, also with Component 2) will provide seed grants to catalyse the above activities¹⁰⁰. Further details of the best practices and approaches to be used are provided in **Annex N**.

96. Indicative activities under Output 3.2 include:

3.2.1 Complete the PPG market assessments to identify specific support needs on livelihood and for developing value chains for livestock, forest and other products such as local medicinal plants for each demonstration landscape, and assist CBOs to initiate or improve their Comprehensive Action Plans (market plans).

3.2.2 Train community groups (at least 50% women) and support hands-on demonstrations of activities that will meet market standards, improve livelihoods and reduce pressure on natural resources, including: a) improving the quality of livestock through breeding, increasing health condition and protection of genetic resources; b) quality improvement of cashmere, yak wool and camel wool in related demonstration landscapes; c) packaging, storing and marketing locally made products such as dairy products, non-timber forest products; d) small-scale timber processing (eg chippers and pelletisers for wood-fuel from boreal forests).

3.2.3 Based on aimag and soum level development planning for ecotourism (see Output 1.2), support implementation of environmentally-friendly tourism in at least one aimag by training local communities (particularly women) on sustainable eco-tourism (eg home-stays, handicrafts, tour guides) that celebrates local biodiversity, culture and traditions, improves livelihoods and reduces pressure on natural resources.

3.2.4 Facilitate business case and support demonstration projects for commercial production and utilisation of genetic resources that supports livelihoods and reduces threats to biodiversity (such as illegal or over-hunting and harvest) including: a) small farm for red deer for medicinal use (velvet antlers) in Bukhun Mountain; b) cultivation of liquorice, red thumb and/or other rare plant species for use and restoration (eg. in Zarman Gobi); c) tree nurseries for native tree species - particularly recommended for saxaul¹⁰¹ (see also activities 2.4.4 and 3.3.4). Funding to be arranged through seed grants, assistance with obtaining bank loans, private sector investment).

3.2.5 Support establishing small-scale briquette-making workshops in soum centres by provide training and start-up equipment (alternative fuel from dung, saw-dust (from saw mills in soum centres), coal ash and/or locally available mud). In particular, use this mechanism to find alternatives to using saxaul as fuel in desert areas, including through stove improvements, solar and wind power.

3.2.6 Monitor the income (gender disaggregated) of a sample of families in the demonstration landscapes in order to assess progress against project targets.

¹⁰⁰ Experience of the UNDP/GEF Ecosystem-based Adaptation (EbA) project was that small grants enhanced the diversity of project activities and enriched income generation of local communities, for example through establishment of an added-value eco felt "Sonohon" brand.

¹⁰¹ Khaulenbek, A et al.. 2018. Saxaul forest in Mongolia: ecosystem, resources, values. Institute of Geography and Geocology, Ulaanbaatar

Output 3.3: Public Private Partnerships incentivise green development through business investments and other financial mechanisms, focusing on building market demand for added value herder products and ecotourism development, by facilitating cooperation between community groups and cooperatives, local authorities and the private sector

Intermediate Outcome (Result of the Output): Green development in the demonstration landscapes is incentivized through Public Private Partnerships, business investments and financial mechanisms

97. This Output will contribute to the project's livelihoods targets (see Output 3.2) by linking rural communities with the private sector and local authorities, for development of the value chain and market outlets for their improved and new products. Such Public – Private Partnerships (PPPs) will further help them to develop successful and diversified businesses that achieve higher product quality and value so as to improve their incomes while reducing the pressure on natural resources. The project will build on existing good practice examples from across the country that were identified during the PPG phase. Implementation will be supported by the project's Local Coordinators in each aimag centre, working with the Community Facilitators in each soum, and backed up by the PMU and business specialists.
98. The project will facilitate direct links between the private sector buyers and community groups and cooperatives, to ensure that products meet the required standards and demand, and to encourage direct marketing rather than the dependence on middle-men. Assistance will be given to local authorities to organize events to market local products and businesses through working closely with Chambers of Commerce and other professional institutions and NGOs, including through different local, national and international exhibitions. There is a significant opportunity to work in the soum and aimag centres (where unemployment is high particularly for women and youth) to establish processing, packaging and retailing outlets. The project will demonstrate implementation of at least two public / private sector partnership mechanisms to support product value-added chains through national and international market development, (eg sustainable cashmere and wool initiative, other livestock and timber/non timber forest products, eco-tourism destination network, following feasibility study in Output 1.3) that will deliver improved livelihoods and biodiversity conservation in the project demonstration landscapes.
99. Specific attention, with support of the UNDP Green Commodities Program, will be given to the development of private sector partnership mechanisms for the sustainable cashmere/wool platform that will also be addressed at national level under Output 1.3. Engagement of the private sector will be critical for the success of the sustainable cashmere/fibre platform. GEF funds will support dialogue with key European brands and corporate outreach on sustainable cashmere from Mongolia to strengthen brand awareness and engagement in purchasing sustainable cashmere from herders. This will be closely linked to the establishment of the platform under Output 1.3 (subject to the results of the feasibility study) and seed funds to support the adoption of harmonized approaches and best practices on sustainable cashmere (also Output 1.3); and to field-based capacity development and livelihoods diversification for herders and herder cooperatives (Outputs 2.1, 3.1, 3.2).
100. Attention will also be given to private sector engagement in developing the value chains for other livestock and non-livestock products outlined under Output 3.2. Based on the aimag and soum development plans for ecotourism (see Output 1.2) and the feasibility study conducted in Output 1.3 the project will engage private sector eco-tourism partners (travel agencies, specialist tour companies, ger camp providers etc) to support development of an eco-tourism destination network based on the iconic landscapes, biodiversity and culture of at least one demonstration landscape. A market analysis will be conducted with private sector partners to assess the potential and required investments and capacity building for the local communities with the aim of diversifying livelihoods and supporting biodiversity conservation. Opportunities to support green business initiatives will be pursued through private sector investments, low-interest loans from banks, PES mechanisms and community funds, with appropriate insurance mechanisms in place for risk management. Further details of the best practices and approaches to be used are provided in **Annex N** and **Annex S**.
101. Indicative activities under Output 3.3 include:

3.3.1 Organize consultation meetings between community groups, cooperatives and private sector buyers and processors to allow herders to directly sell their raw materials (such as cashmere, camel and yak wool) directly with market prices to avoid middle men.

3.3.2 Support local authorities to organize events (including local, national and international exhibitions / expos and meetings where local herders can share experiences, network for business opportunities, advertise and market local products through working closely with Chambers of Commerce along with other professional institutions and NGOs.

3.3.3 In partnership with Green Commodities Program, raise awareness and commitment of private sector brands to sustainable cashmere through workshops with key European buyers (to be co-financed by brands) and identification of cashmere supply chain priorities of international buyers and integration with the work plan of the national cashmere/fiber platform (see Output 1.3).

3.3.4 Demonstrate implementation of an eco-tourism destination network in partnership with private sector eco-tourism partners in at least one project landscape.

3.3.5 Demonstrate ABS (Access and Benefit-Sharing) contracts between providers (local community) and users of genetic resources (businesses that are exploiting for economic benefit), for natural resources such as medicinal plants and non-timber forest products

3.3.6 Work with banks to facilitate the provision of low-interest green loans for herders engaging in sustainable production, cooperatives and other businesses.

Output 3.4: Public awareness of the benefits of green development raised through awareness raising and educational activities, focusing on rangelands, forests, biodiversity and resource efficiency

Intermediate Outcome (Result of the Output): More people are aware of, and support, green development approaches

102. This Output will contribute towards achievement of the project's target of a 20% improvement above baseline in the Knowledge, Attitudes and Practices survey by the end of the project. The KAP baseline for the general public and elected representatives will be established in Year 1 and will be used to monitor progress in raising public awareness through further assessments at project mid-term and termination. Public awareness activities will be coordinated through the project's communications plan and will be supported through a GEF-funded service contract from a specialised communications provider who will develop and implement a public awareness plan for each demonstration landscape. The overall aim is to deliver a concerted effort to raise public awareness of the benefits to livelihoods of sustainable land and forest management, biodiversity conservation, sustainable livelihoods and green development approaches – with the aim of raising support for, and participation in such activities.

103. Implementation will involve targeted awareness and advocacy programmes and activities with PUGs and FUGs, NGOs, schools (e.g. eco-clubs and summer schools), the media and the private sector. Specific campaigns will be organized to support positive messages and solutions to threats affecting rangelands, forests, biodiversity and ecosystem services, and to promote participatory actions and involvement in project activities to address the threats. A wide range of media tools will be used to achieve the highest possible impact and outreach including herder TV and radio channels, small film clips, smartphone messaging, social media, comic books for children, soum and aimag festivals and events. A programme of small grants to community organisations, women's groups and NGOs will be used to facilitate implementation activities. Further details of the best practices and approaches to be used are provided in **Annex N**.

104. Indicative activities under Output 3.4 include:

3.4.1 Develop and implement a public awareness plan for each demonstration landscape, in close cooperation with NGOs and the media, including preparation of specific materials such as films and video clips.

3.4.2 Advocate and communicate the concept, main goal and objectives of green development to the key stakeholders, elected representatives and the public.

3.4.3 Organize learning and sharing events with schools and eco-clubs through enabling them to participate in different monitoring and biodiversity conservation activities with local communities, such as water, wildlife and forest monitoring, tree planting etc.

3.4.4 Raise awareness among herder communities on biodiversity conservation, sustainable rangeland and forest management and the value of protected areas through mobile friendly comic books, a series of educational and entertainment programs on Malchin/herder TV and D-TH (Mongolian TV broadcasting company), advertisements and social media and festivals.

3.4.5 Organise targeted campaigns during the course of the project at local and national levels to support key aspects of project work (eg approval of a new law on grasslands (Output 1.1), better understanding of the need for sustainable forest management (Output 2.2); threatened species conservation (Output 2.4) etc..

3.4.6 Organize on-site demonstrations to raise awareness of local community groups (at least 50% women) on green solutions for livelihood improvement that help support conservation of biodiversity and ecosystem services.

3.4.7 Conduct Knowledge Attitudes and Practices (KAP) survey of elected representatives and the public (gender disaggregated) in Year 1, 3 and 7 to help project assess progress against its targets.

Component 4: Knowledge management, M&E and gender mainstreaming

Total Cost: \$ 2,785,530; GEF project grant requested: \$ 471,573; Co-financing: \$ 2,313,957

Table 5. Summary of baseline and incremental reasoning for Component 4

Note: See Annexes M-Q for further details on baseline activities

Summary of Baseline Situation	Incremental Reasoning
Component 4: Knowledge management, M&E and gender mainstreaming	
Output 4.1: Knowledge from the project shared with stakeholders, including best practices and lessons learned, to support further up-scaling of project outcomes	
A review of best practices and lessons-learned addressing the Biodiversity, Land Degradation and Sustainable Forest Management GEF focal areas as well as sustainable livelihoods was undertaken during the PPG. This covered existing traditional knowledge and best practices from diverse internationally and nationally funded projects (ongoing, or completed), as well as traditional knowledge in Mongolia. There have been many examples of good practices across the country, but too many projects re-create wheels and do not learn from earlier successes and failures. The financial scale and duration of the ENSURE project means that this investment in collecting and documenting successful approaches should pay rich dividends. The results are reported in Annexes M-Q , and were used to shape project implementation.	<p>The results of the best practice analysis will be applied through the project design in project implementation, and captured in on-line resource materials and training programmes, and will be updated as the project progresses and further experience is gathered.</p> <p>The project communications plan will ensure that key results are made available to stakeholders, through technical reports, online news articles, social media, awareness materials, case studies of best practices and contributions to conferences, to allow further up-scaling and knowledge transfer in the target aimags and across Mongolia, including through south-south cooperation</p>
Output 4.2: M&E system incorporating gender mainstreaming developed and implemented for adaptive project management.	
This output concerns project implementation and project-specific monitoring and evaluation, so there is no current	The effectiveness of project implementation and utilisation of GEF funds will be evaluated using

<p>baseline beyond the PPG phase. At both national and local levels, a systematic baseline for M&E concerning green development for landscape scale conservation is lacking.</p>	<p>indicators defined in the Results Framework, and in more detailed annual work plans. Gender will be factored into project M&E through the gender action plan (see Annex G) as an integral part of the M&E framework. Project achievements, knowledge and lessons learned will be documented through annual, mid-term and terminal project reviews.</p>
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Outcome 4: Improved knowledge management, monitoring and evaluation supports sustainability and up-scaling.

105. The key deliverables under Outcome 4 are: Knowledge from the project shared with stakeholders (Output 4.1); Project outcomes achieved through effective implementation and adaptive management, informed by M&E and gender mainstreaming (Output 4.2).

Output 4.1: Knowledge from the project shared with stakeholders, including best practices and lessons learned, to support further up-scaling of project outcomes

Intermediate Outcome (Result of the Output): Stakeholders within and beyond the project have increased knowledge as a result of project implementation

106. This Output will ensure that the project's results and lessons are widely shared with stakeholders within and beyond the project. A project communications plan to be developed at the start of Year 1 (and updated at least annually) will provide the framework for implementation of communications activities. Information and knowledge accumulated within the project will be documented and shared for upscaling through a bi-lingual project website, social media forums, a tri-annual e-newsletter as well as project technical reports, news articles, technical briefs and conference presentations, which will all form part of the communication plan. The Partnership Forums for each demonstration landscape (see Output 3.1), will also be a key mechanism for disseminate knowledge, lessons and plans. Such knowledge dissemination should also include traditional knowledge, as an important complement to scientific knowledge¹⁰². In order to enhance knowledge sharing, study tours will be organised between demonstration landscapes and to other locations in Mongolia for local community group leaders and champions and local authority officers (at least 50% women) to learn from best practices in green development approaches. In addition, the review of best practices initiated during the PPG will be finalised and made available through an e-learning platform on MET's web site to strengthen the country's knowledge management system and capacity. The best practices will be updated based on the project's own experiences as implementation progresses. Finally, a closing workshop will be held in Year 7 to disseminate project results to key stakeholders.

107. Indicative activities under Output 4.1 include:

4.1.1 Develop and implement a project communications plan to ensure project news and results are shared with project stakeholders, update annually, and hold a workshop in UB in Year 7 to share results for up-scaling.

4.1.2 Establish a project website and social media channels to share project news, results and information with stakeholders, the wider public in Mongolia and international audiences.

4.1.3 Share case studies, knowledge (including traditional knowledge) and lessons learned on key issues relating to green development and conservation of biodiversity and ecosystem services with stakeholders at all levels through technical briefs, websites, videos, social media, media etc.

¹⁰² Bruegger, R. et al. (2014). "Herder Observations of Rangeland Change in Mongolia: Indicators, Causes, and Application to Community-Based Management". *Rangeland Ecol Manage* 67:119

4.1.4 Conduct study tours between demonstration landscapes and to other locations in Mongolia for local community group leaders and champions and local authority officers (at least 50% women) to learn from best practices in: a) biodiversity conservation; b) sustainable rangeland and forest management (eg AVSF activities in Bayankhogor aimag, FAO/GEF Forestry activities in Khuvsgul aimag; c) livelihoods development (eg. ADB “Integrated livelihood Improvement and Sustainable Tourism at Khuvsgul Lake NP Project”).

4.1.5 Present results at local, national and international events, including through national media and TV broadcasting means, and participating in side-events of COPs of CBD and other relevant forums.

4.1.6 Complete the review of best practices initiated during the PPG, as well as successful experiences from project implementation, and make available for up-scaling for the entire national territory via on-line learning through an e-platform on MET’s web site.

4.1.7 Publish and disseminate the project terminal report in both hard copy and electronic formats.

Output 4.2: M&E system incorporating gender mainstreaming developed and implemented for adaptive project management.

Intermediate Outcome (Result of the Output): Project has effective M&E and objective is achieved

108. This Output provides the mechanisms for effective and structured monitoring and evaluation, so that required adjustments are incorporated into the project strategy as implementation proceeds. The project’s Results Framework (see **Section VI**) which was elaborated and checked with stakeholders during the PPG phase, enables project performance to be reliably monitored using a set of 15 measurable indicators. Several of these indicators do not currently exist within government, and will contribute towards more effective planning, monitoring and evaluation of natural resources management in Mongolia. Monitoring and evaluation activities will include the regular review and updating of the M&E plan (see **Section VII**), GEF-6 tracking tools (see **Annexes B (I, II and III – note, only METT submitted to GEF Secretariat, others available upon request)**, Results Framework, and annual work plans and budgets, leading to the generation of comprehensive monitoring and progress reports. Gender mainstreaming and SESP requirements will be met as an integral part of the project planning, implementation and M&E cycle. Regular Project Board and Technical Committee meetings will enable key stakeholders to be actively involved in a participatory M&E process. Additionally, the project will conduct annual project implementation reviews, and an independent mid-term review and final terminal evaluation to assess progress and achievements. The results of the mid-term review will be used to formulate possible remedial measures to ensure optimal implementation efficiency and knowledge generation.

109. Indicative activities under Output 4.2 include:

4.2.1 Review and update project M&E plan including results framework baselines during project inception phase, and prior to mid-term review and terminal evaluation, including BD, LD and SFM Tracking Tools as necessary.

4.2.2 Use annual work plan preparation (and mid-year reviews) as key tools for adaptive management of project activities.

4.2.3 Conduct Mid-term Review and Terminal Evaluation of GEF-financed and co-financed activities in line with UNDP/GEF requirements and incorporate recommendations of MTR into revised project plans (management response) following Project Board approval, and monitor their implementation.

4.2.4 National Project Coordinator (as Gender focal point) to oversee implementation and review of the Gender Action Plan.

4.2.5 Hire Gender specialist in Year 1 to train project management staff on gender equality, provide technical support to integrate gender into project implementation plans (including protocols for collecting gender-specific information), and provide advice on gender mainstreaming.

4.2.6 Livelihoods specialist to prepare a Livelihoods plan in Year 1 for approval by Project Board, with appropriate mitigation measures to address risks of access restrictions to natural resources (including for women) as a result of expansion of protected areas or other regulatory changes.

4.2.7 Hold regular meetings of the Project Board and Technical Committee.

(ii) Partnerships:

110. The ENSURE project will bridge current gaps in communication and promote collaboration within and between different entities in government and also with NGOs, the private sector and communities. Linkages and collaboration will be strengthened through consultations, networking, inter-sectoral platforms, training, technical advice, information sharing and joint strategic planning and implementation to ensure the delivery and achievement of project objective. The partnerships will be developed at two levels.

- a. National level partnerships: Component 1 will draw together best practices and key partners to advance a number of systemic issues, building upon an already impressive baseline. These include two proposed Task Forces to advance the legislative and financial mechanisms for green development (Outputs 1.1 and 1.2), as well as a national partnership / Task Force to support further development and implementation of MET's national Endangered Species Programme (Output 1.5). The project Technical Committee, also to be established at national level, will maintain an overview of the technical progress of the project, and make recommendations for adaptation on a needs basis.
- b. Landscape level partnerships: Components 2 and 3 will promote partnership working for integrated project implementation across each of the four demonstration landscapes. These partnerships, between the aimag and soum level local authorities, local community groups and the private sector, will be fostered by the project local coordinators and community facilitators, and will be operationalised through an (at least annual) meeting of a demonstration landscape level Partnership Forum. The aim is to engage all relevant stakeholders in a model participatory management approach to create solutions that will turn current threats into opportunities for green and sustainable development.

111. The Project Board and the Project Management Unit will ensure that these partnerships work effectively. UNDP, as both the Implementing Agency for this GEF project and a development partner to Government, will play a central role in oversight of these partnerships, and will liaise at the highest level with Government to ensure that the project fully delivers against its work plan and targets. The UNDP Country Office (CO) will assign a programme officer for project oversight, and the UNDP Regional Technical Adviser located in Bangkok will also provide technical support to the CO for implementation, monitoring and evaluation of the project.

112. The project will contribute towards the UNDP Country Programme *Outcome 1. Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded.* UNDP has a substantial environment programme in Mongolia and the project will build on UNDP's long-term partnership with MET which has included a number of GEF-funded related projects including: the *Conservation of the Great Gobi Ecosystem and Its Umbrella Species* project (2003-07); *Sustainable Land Management for Combating Desertification* (2008-2012) project; *Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia's Altai Sayan Eco-region* project (2004-2011); *Strengthening the Protected Area Network in Mongolia* project (SPAN, 2010-15); and the *Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchment in Mongolia* project (2012-17, Adaptation Fund). By successfully completing these projects, MET and UNDP have accumulated many experiences for environmental management in Mongolia and a strong partnership has been established at national, provincial and local levels, which will benefit the implementation of the ENSURE project. Ongoing UNDP/GEF projects are: *Mongolia's network of managed resource protected areas* project (MRPA) (2013-18) and *Land Degradation Offset and Mitigation in Western Mongolia* project (2016-18). Although both of these projects will end in 2018, many lessons can be learned from them and the

previously completed projects, including the progress made in participatory management approaches, capacity development, financing mechanisms, biodiversity conservation, sustainable land management and livelihoods improvements.

113. In addition to these GEF-funded projects, UNDP is supporting Mongolia through other initiatives that offer synergy with the ENSURE project. Firstly, Mongolia is about to complete Phase 1 of the Biodiversity Finance Initiative (BIOFIN), which has conducted policy, institutional and biodiversity expenditure review and cost estimates to identify funding gaps and financial solutions for full implementation of the NBSAP. The results will contribute significantly to ENSURE's work on financial incentives. Secondly, UNDP, FAO and UNEP are supporting MET in development of Mongolia's National REDD+ Strategy, including submission of the national Forest Reference Level to UNFCCC, and development of a national forest monitoring system. Thirdly, UNDP is supporting the development of a proposal to the Green Climate Fund (GCF) which aims to support herder communities across rural landscapes in Mongolia to adapt to climate change. Although, geographically overlapping with ENSURE in one target aimag only (Zavkhan), the GCF project would be implemented almost simultaneously with the ENSURE project, and offers significant opportunities for thematic synergy particularly with respect to land and water use planning, ecosystem-focused adaptation approaches to protect land and water resources, and the demonstration of sustainable cashmere/fibre production (including field demonstration of sustainable fibre incentive mechanisms and traceability scheme). Special measures will be taken to maximise possible synergies and efficiencies with both initiatives. Finally, the UNDP Mongolia Country Office is progressing the creation of a value chain focussed private equity investment fund for sustainable fibres in Mongolia, including blockchain prototyping of a business model for sustainable cashmere value chains. This effort will be closely coordinated with related activities in the ENSURE project, specifically the establishment of a national sustainable cashmere platform and efforts to harmonize approaches to sustainable cashmere standards, certification and traceability.
114. MET's Division of Forest Conservation and Reforestation Management under the Department of Policy Implementation, is also responsible for the GEF-V / FAO *Mainstreaming biodiversity conservation, SFM and carbon sink enhancement into Mongolia's productive forest landscapes* project (2014-18). Although this project will end in 2018 and was implemented in a different geographical area, many important lessons can be learned and built upon during implementation of the ENSURE project, particularly with respect to Sustainable Forest Management (Output 2.2), strengthening of community groups – FUGs (Output 3.1) and forest-related livelihoods development (Output 3.2). Best practices from this project have been reviewed and incorporated in the project design.
115. Other ongoing donor-funded projects which are of particular relevance to ENSURE include: a) SDC's highly successful "Green Gold" project which has been working for many years to build the capacity of herders (PUGs) for pasture ecosystem management, coping with desertification and animal health; b) the World Bank's "Sustainable Livelihood Programme" which is now in its third phase (ending 2020) and has promoted legal and governance reform for decentralisation, including for improved pasture management and livelihoods; c) KfW's "Biodiversity and climate change programme" (2015-20), which aims to strengthen the management of Mongolia's Protected Area network, the conservation of biodiversity and at the same time to improve the livelihood of local populations; d) GIZ's Biodiversity and adaptation of key forest ecosystems to climate change II project (2015-18), which is supporting development of the legal and planning framework for sustainable forest management, as well as REDD+ readiness activities such as the national forest inventory; e) MET/ Government of Korea "Green belt" Project (2007-20) which focuses on tree breeding and plantation involving science institutions and locals; f) the WWF Mongolia / MAVA Foundation's Conserving biodiversity through Green Development in Western Mongolia project (2016-20), which aims to secure Western Mongolia's iconic biodiversity through demonstrating green development, strengthening CBNRM, and ensuring sustainable financing; g) Agronomes et Vétérinaires Sans Frontières (AVSF) has been working since 2004 (and most recently with support of the Fonds Français pour l'Environnement Mondial (FFEM)) in Arkhangai and Bayankhongor provinces, creating livestock farmer federations to manage animal health, and also developing supply chains for the sale of high-quality animal products on the national (meat and milk) and international (yak fibre and cashmere) markets; h) ADB Sustainable Forest Management to

Improve Livelihood of Local Communities project which is working in the most northern boreal forests of Mongolia to support the development of FUGs; i) ADB Integrated Livelihoods Improvement and Sustainable Tourism at Khuvsgul Lake National Park Project (2015-18), which is working on creation of community-based sustainable tourism activities, improved waste management services, and the establishment of grazing zones for herder groups. The project will also cooperate closely with the numerous activities of other international, national and local NGOs through their work on biodiversity conservation and livelihoods.

116. During the PPG a review of best practices and lessons learned from all the above projects was undertaken, including stakeholder workshops, field visits and consultations (see **Annex X** for list of people consulted). The results have been used to inform the project design, and will also be made available as one activity under Output 1.4. Table 6 lists the main ongoing related initiatives that offer strong partnerships for the project, and shows their connections with the components and outputs of this project. Due to the long duration of the ENSURE project, close attention will be paid to the development of new projects, to optimise opportunities for synergy. Examples include new GEF projects under consideration or development on Access and Benefit Sharing, and Chemicals and Wastes.

Table 6. Intersection of Related Initiatives with Project Outputs

Related initiatives	Intersections with Project Outputs			
	Component 1	Component 2	Component 3	Component 4
ADB Integrated Livelihoods Improvement and Sustainable Tourism at Khuvsgul Lake National Park Project (2015-18)			3.1, 3.2, 3.3	4.1
ADB/Japan Sustainable Forest Management to Improve Livelihood of Local Communities project (2015-18)		2.2	3.1, 3.2, 3.3	4.1
Agronomes et Vétérinaires Sans Frontières (AVSF) - Bayankhongor (2 soums) and Arkhangai only		2.1	3.1, 3.2, 3.3	4.1
Biodiversity Finance Initiative (BIOFIN)	1.3, 1.5	2.1, 2.2, 2.3, 2.4		4.1
FAO/GEF Mainstreaming biodiversity conservation, SFM and carbon sink enhancement into Mongolia's productive forest landscapes project (2014-18)	2.1, 2.4	2.1, 2.2, 2.4	3.1, 3.2, 3.3, 3.4	4.1
GIZ's Biodiversity and adaptation of key forest ecosystems to climate change II project (2015-18)	1.1, 1.4	2.2		4.1
IFAD Market and Pasture Management Development Addition Financing project (2017-2021) (Arkhangai aimag).		2.1	3.1, 3.2, 3.3	4.1
KfW "Biodiversity and climate change programme"	1.4, 1.5	2.3	3.1, 3.2	4.1
MET/UNDP/FAO/UNEP Mongolia's National REDD+ Readiness programme (2015-18)	1.1, 1.3, 1.4	2.2		4.1
MET/ Government of Korea "Green belt" Project (2007-20)		2.2		4.1
UNDP/MET/GCF project "A people and landscapes approach for adaptation to climate change in Mongolia" – under development	1.3	2.1, 2.2	3.1, 3.2, 3.3	4.1
UNDP/GEF/MET Mongolia's network of managed resource protected areas project (MRPA) project (2013-18)	1.1, 1.2	2.3	3.1	4.1
UNDP/GEF Land Degradation Offset and Mitigation in Western Mongolia project (2016-	1.2	2.1, 2.3, 2.4	3.2, 3.3, 3.4	4.1

18)				
UNDP Mongolia value chain focused private equity investment fund (Mongolia Value Chain Investment Facility)	1.3		3.3	4.1
World Bank's "Sustainable Livelihood Programme" Phase 3	1.2	2.1	3.1, 3.2	4.1
WWF Mongolia / MAVA Foundation Conserving biodiversity through Green Development in Western Mongolia project (2016-20)	1.2, 1.3	2.1, 2.4	3.1, 3.2, 3.3, 3.4	4.1

(iii) Risks and Assumptions:

117. **Table 7** lists the identified project risks, their overall rating and the mitigatory actions that either have been taken in the design, or will be taken during project implementation. The high level assumptions on which these project risks depend are listed in the project's Theory of Change (**Figure 2**), with lower level assumptions also described in the project Results Framework (**Section VI**). Risks are only shown if their rating is considered to be Moderate or above, with the exception of risks identified in the Social and Environmental Screening Procedure (SESP), which are all listed (**Annex E** provides further details for SESP risks and their associated management measures). As per standard UNDP requirements, the National Project Coordinator will monitor risks quarterly and report on the status of risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the GEF in the annual PIR.
118. The SESP (**Annex E**) was finalised during project preparation, as required by UNDP's Social and Environmental Standards. The SESP identified 12 risks for this project that could have potential limited negative impacts in the absence of safeguards. Seven of these risks were rated as low and five were rated as Moderate. Therefore, the overall SESP risk categorization for the project is Moderate. The Moderate risks relate to: a) expansion of the network of protected areas that could lead to access restrictions of grazing and to forests for PUGs and FUGs including customary tenure rights of pastoral herders; b) piloting of livestock headage fees could impact access to grazing resources for marginalized groups; c) women's access to natural resources such as to pastureland could potentially be limited; d) the outcomes of the proposed project are vulnerable to the potential impacts of climate change, erosion, and extreme climatic conditions; e) the project raises a potential risk to communities from involvement in anti-poaching monitoring/surveillance activities. These risks trigger the UNDP SES Principle 1 on Human Rights, SES Principle 2 on Gender Equality and Women's Empowerment, SES Standard 5 on Displacement and Resettlement, and SES Standard 2 on Climate Change Mitigation and Adaptation, and SES Standard 3 on Community Health, Safety and Working Conditions.
119. During project inception a detailed assessment of potential economic displacement impacts in project demonstration landscapes will be completed (building on the preliminary assessment conducted during the PPG), and the required management measures that need to be integrated into project activities will be incorporated into a Livelihoods Action Plan, to be prepared through a service contract and approved by the Project Board in Year 1. In addition, a Gender Action Plan has been prepared, and a Gender Specialist will be engaged in Year 1 to provide specific safeguards expertise to implement this plan. Both activities have been included in the project budget, and the implementation of the mitigatory measures will be carefully monitored and reported by the PMU Officer appointed to be responsible for safeguards (Land / M&E Officer). In accordance with UNDP's SES policy, no project activities that could result in economic displacement to local communities will commence until the targeted assessment has been completed, and the management measures (e.g. Livelihoods Action Plan) have been developed, approved and put in place. The specific activities to which this applies are: Output 1.1, Activity 1.1.2 revision of the draft Pasture Law, 1.1.3 revision of the PA law, Output 2.3, Activity 2.3.2 Proposals for new and extended protected areas.

120. *Grievance redress and stakeholder response.* As required in the SES, stakeholders who may be adversely affected by the project need to be able to communicate their concerns about the project's social and environmental performance. When necessary, UNDP will ensure that an effective project-level grievance mechanism is available. In the case of Moderate Risk projects (as this project has been rated) stakeholders who may be adversely affected need to be able to communicate concerns. The Project Board will take responsibility for ensuring grievances are addressed, through a project level grievance mechanism, which has been included in the TOR. As part of the stakeholder engagement process, project-affected people should be informed of processes for submitting concerns, including through a project level grievance mechanism and UNDP's Accountability Mechanism, which has two key components: 1) A Compliance Review to respond to claims that UNDP is not in compliance with applicable environmental and social policies; and 2) A Stakeholder Response Mechanism (SRM) that ensures individuals, peoples, and communities affected by projects have access to appropriate grievance resolution procedures for hearing and addressing project-related complaints and disputes.

Table 7. Description of project risks, impact and probability and mitigation measures

NB. Only risks with a rating of moderate or above are listed. In addition, all risks identified from the SESP are included.

Description of Risk	Type	Impact and Probability	Mitigation Measures	Owner
Brief description of the risk	Category of risk	Potential effect on project ¹⁰³	What actions have been/will be taken to counter this risk	Person appointed to monitor this risk
1. The completion of several project outputs requires formal approvals by government. If not approved within the project period, legal and operational effectiveness will be missing, affecting the execution of the project.	<i>Operational</i>	P= 2; I= 3 MODERATE	A list of required enabling approvals was prepared during the PPG (see Annex V). This list will be regularly reviewed by the Project Board, and the NPD and National Project Coordinator will regularly engage senior government officials to ensure that the required approvals are processed promptly and effectively. In the event of significant delays, UNDP will be requested to raise the issue at high level with MET and / or MOFALI.	<i>National Project Coordinator</i>
2. Government agencies at different levels do not fully cooperate and coordinate activities effectively for pursuing improvement in landscape scale green development, including their cooperation with local communities	<i>Institutional</i>	P= 3; I= 3 MODERATE	This project has been developed in full collaboration with MET managers who engage regularly with other sectors. The momentum created by the project aims to strengthen and institutionalise the coordination and joint action mechanisms for landscape-scale green development and conservation. Collaborative work will be demonstrated in each demonstration landscape and the necessary systemic and institutional capacities will be strengthened to ensure sustainability. The Project Board and Technical Committee will help to integrate the efforts of multiple stakeholders at national level, and demonstration landscape partnership forums will be held annually to promote coordination between local authorities and the community.	<i>National Project Coordinator</i>
3. Changes in the government and turnover of high level decision makers at the	<i>Political</i>	P= 2; I= 3 MODERATE	The project design has sought to mitigate this risk, that is inherent to any project of this nature, by aligning the project objectives and outcomes with the mainstream and internationally recognized government policies and strategies,	<i>National Project Coordinator</i>

¹⁰³ Probability P: 1 (low) to 5 (high); Impact I: 1 (low) to 5 (high)

national and sub-national levels, leading to change in the government's commitments for biodiversity conservation and green development			including the official targets relating to biodiversity, desertification and land degradation, sustainable forest management and emission reductions. In addition, by addressing the systemic dimensions related to these targets, as well as associated capacity development, the project will ensure that any improvements in the system will be fully institutionalised within the government process in order to avoid sudden change of practices at each level because of changes in key decision makers.	
4. Failure to over-come long standing issues related to over-grazing hinders achievement of the landscape level targets of the project to address land degradation and sustainable forest management	<i>Socio-cultural</i>	P=2 I=3 MODERATE	During the PPG phase, the issue was carefully reviewed through regulatory and socio-economic context analysis. Recent consultations by FAO and the Centre for Policy Development (NGO) demonstrate that herders in Mongolia are encountering pressing problems from over-grazing and pastureland use and support measures to reduce over-grazing, including the approval of a new Pastureland Law. A comprehensive review of best practices was made through discussion with appropriate agencies and local community institutions to find the right approach to minimise this risk, and these have been incorporated in the project design.	
5. Inability to develop workable incentives and disincentives to achieve green development	<i>Financial</i>	P = 2; I = 3 MODERATE	The project design has benefitted from a significant investment through the BIOFIN project which has reviewed potential financial mechanisms for biodiversity conservation and green development. Much can be done to improve existing financial mechanisms, such as making better use of natural resource user fees, and operationalizing the Nature Conservation Fund. In addition, there is a strong appetite to test innovative mechanisms such as pasture use fees, based on livestock headage, as well as other payment for ecosystem services mechanisms.	<i>National Project Coordinator</i>
Risks from Social and Environmental Screening Procedure (Annex E)				
Risk 1: Expansion of the network of protected areas (local, aimag and state level) could lead to access restrictions of grazing and to forests for PUGs and FUGs including customary tenure rights of pastoral herders	<i>SESP</i>	I = 2; P = 4 MODERATE	The project will address this risk through a specific process: a) complete a detailed assessment of the (preliminary assessment conducted during PPG); b) identify management measures as a specific section of a Livelihoods Action Plan (Year 1); c) the Livelihoods Action Plan will be submitted to the Project Board during Year 1 for consideration and approval; d) the management measures in that Plan will then be implemented and the M&E and Safeguards officer will monitor and regularly report on the risk (in line with the Plan's M&E section); e) the mid-term and terminal evaluation consultants will be required to specifically review the procedures and achievements for managing this risk, and actions will be taken by the PMU, as agreed in the management responses..	<i>National Project Coordinator</i>
Risk 2: Piloting of livestock headage fees or PES mechanisms could potentially impact the economic availability and equality of access to grazing resources for marginalized groups	<i>SESP</i>	I = 3; P = 2 MODERATE	The mitigation of this risk will be supported through the development of the Livelihoods Action Plan referred to under Risk 1. Further, in its efforts to revise and seek approval of the Pastureland Law, and to demonstrate innovative fiscal mechanisms for reducing grazing pressure, the project will take great care to ensure that no vulnerable or marginalized groups are disadvantaged, and that fees as PES mechanisms are only applied to those who can afford them, and that there are no impacts on adjacent ecosystems through displacement of impacts. Indeed, the main result of such mechanisms are to reduce the inequality of benefits that richer herders receive from the utilization of common pastureland resources	<i>National Project Coordinator</i>
Risk 3: Women's access to natural resources	<i>SESP</i>	I = 2; P = 4	A gender assessment was completed during the PPG along with a gender action plan. The project will fully address this risk through	<i>National Project</i>

such as to pastureland could potentially be limited		MODERATE	<p>implementation of its Gender Action Plan, ensuring that targeted attention is given to issues concerning women through all its activities, including through participatory planning using PRA tools prior to undertaking any activities that may lead to realization of this risk. In particular, the proposed Livelihoods Plan section on access restrictions (described under Risk 1), will specifically include mitigation measures for women.</p> <p>A key focus of the project is to address inequalities experienced by women, and this will be achieved by ensuring enhanced proportional participation of women in all project consultations, trainings and activities. Special measures will be included, such as small grants to facilitate women's livelihoods developments and a special award for women who demonstrate particular leadership or innovation for green development measures.</p>	<i>Coordinator</i>
Risk 4: Access restrictions through PA expansion could exacerbate local conflicts or result in new local conflicts	<i>SESP</i>	I = 2; P = 2 LOW	<p>This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation.</p> <p>See SESP for more detail.</p>	<i>National Project Coordinator</i>
Risk 5: Project activities will occur within/adjacent to environmentally sensitive areas posing potential risk to sensitive habitats and species if not conducted in an ecologically sensitive manner	<i>SESP</i>	I = 3; P = 1 LOW	<p>This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation.</p> <p>See SESP for more detail.</p>	<i>National Project Coordinator</i>
Risk 6: The project could impact on local conservation of IUCN Red List "Vulnerable" musk deer if the proposed translocation to re-establish a population in Bukhun Mountain demonstration landscape is not conducted appropriately	<i>SESP</i>	I = 2; P = 2 LOW	<p>This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation.</p> <p>See SESP for more detail.</p>	<i>National Project Coordinator</i>
Risk 7: The project could have negative impacts on degraded saxaul and boreal forest, for example by inappropriate thinning of boreal forests or use of non-native species for re-afforestation	<i>SESP</i>	I = 1; P = 2 LOW	<p>This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation.</p> <p>See SESP for more detail.</p>	<i>National Project Coordinator</i>
Risk 8: The project can generate a potential risk from supporting the use and or	<i>SESP</i>	I = 2; P = 2 LOW	<p>This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation.</p>	<i>National Project Coordinator</i>

cultivation of NTFPs for subsistence or commercial use (see Outputs 3.2 and 3.3)			See SESP for more detail.	
Risk 9: The development of ABS agreements and use of genetic resources could be conducted in a way that does not align to international agreements (e.g. Nagoya) and does not ensure equitable sharing of benefits	SESP	I = 2; P = 2 LOW	This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation. See SESP for more detail.	National Project Coordinator
Risk 10: The outcomes of the proposed project are vulnerable to the potential impacts of climate change, erosion, and extreme climatic conditions	SESP	I = 2; P = 4 MODERATE	All aspects of the project aim to reduce those impacts and vulnerabilities both for landscapes and for livelihoods through adaptation measures (eg restoring saxaul forest to stop desertification, more sustainable rangeland management) and through mitigation measures (reducing emissions from forest degradation), as well as water saving technologies. Diversification of livelihoods will also reduce the vulnerability of communities to individual impacts of climate change. The project will therefore enhance the resilience of landscapes and communities to the impacts of climate change.	National Project Coordinator
Risk 11: The project raises a potential risk to communities from involvement in anti-poaching monitoring/surveillance activities	SESP	I = 3; P = 2 MODERATE	The project will provide equipment and training on anti-poaching surveillance and monitoring to local communities to minimize potential risk (per Activity 2.4.3). Potential safety risks will be explained and steps to avoid these outlined. Activities will be limited to surveillance and monitoring of habitats to act as a deterrent and will not involve law enforcement or apprehension of potential wildlife poachers. Local communities will be captured in the implementation of the Stakeholder Engagement Plan.	National Project Coordinator
Risk 12: Through development of aimag ecotourism plans and local support for ecotourism, the project may add to pressure on cultural and natural heritage	SESP	I = 2; P = 1 LOW	This risk is assessed as low and no specific mitigation measures are considered necessary at this stage. Project risk status will be reviewed during project implementation. See SESP for more detail.	National Project Coordinator

(iv) Stakeholder engagement plan:

121. Project implementation will involve extensive engagement with stakeholders at all levels, and particularly in the demonstration landscapes. **Table 8** outlines the roles and responsibilities for various project stakeholders at all levels during project implementation, while **Annex F** describes how stakeholders will be engaged by Output, and **Table 6** describes intersections with those organizations and initiatives providing partnership opportunities. **Annex M** develops a ranking of the importance of the different stakeholders, based on their influence and interest. At a broad level, participation and representation of stakeholders will be conducted through the governance structures put in place by the project as outlined and depicted in the organogram in the Governance and Management Arrangements section (**Figure 4**). MET and MOFALI will coordinate closely with other governmental and non-governmental (CBOs, NGOs, private sector) stakeholders via the existing governance structures at

national, aimag and soum levels. Landscape Partnership forums, held at least annually in each demonstration landscape, will be a key mechanism for targeted stakeholder engagement to focus on the project Objective in an integrated way. Stakeholders will be consulted, engaged and informed throughout the project implementation phase to: (i) promote understanding of the project's outcomes; (ii) promote stakeholder ownership of the project through engagement in planning, implementation and monitoring of the project interventions; (iii) build public awareness; and (iv) to maximise linkage and synergy with other ongoing projects.

Table 8. Summary stakeholder analysis indicating main roles and responsibilities

Stakeholder	Mandate	Role in the Project
National level stakeholders		
Parliament of Mongolia	The highest legislative body in Mongolia is the State Great Khural, or Ikh Khural (Parliament) which is elected for a term of four years and consists of 76 members. The parliament of Mongolia has a standing committee on Rural Policy and Environment that deliberates and advises on matters relating to environment and conservation, among other things.	Within the implementation period of the project, legal environment will be improved (Output 1.1); members of the Parliament will be fully consulted throughout the preparation and implementation process on the strategic issues.
Ministry of Environment and Tourism (MET)	The Ministry of Environment and Tourism is the central administrative body in the structure of the Government, responsible for the environment, nature conservation and green development in Mongolia. Key departments include the Department of Environment and Natural Resources and the Department of Land Planning and Water Integrated Policy. In addition, Forest Research and Development Centre, and Fresh Water Resources and Environmental Protection Centre that operate under the MET as well as the "Mongol Us" state-owned company will operate in coming years to implement environmental, forest and water regulations.	National executing agency for the project. A senior MET official will chair the Project Board. MET will be the main partner to develop strategies, development plans and regulations for conserving biodiversity (Output 1.1, 1.5) and for protecting and rehabilitating degraded forests (2.2).
Ministry of Food, Agriculture and Light Industry (MoFALI)	MoFALI is the Government's central administrative body responsible for developing intensified food and agricultural sector able to overcome natural and economical risks and able to compete in local and international markets. There are eight departments and several funds and centres directly under the MoFALI including veterinary and breeding fund, agro-farming fund, husbandry conservation fund, centre for applying new technologies to agriculture.	MoFALI will be the main partner to develop strategies and regulations on pastureland management and rehabilitation issues for Outputs 1.1, 1.3 and 2.1.
Ministry of Energy & Ministry of Mining and Heavy Industry	These two Ministries will be important stakeholders in establishing regulations, guidance for land use and management.	They will be involved in key consultations and trainings, as well as policy development activities and provide guidance for maintaining sustainable and environmentally sound land use and management (Output 1.1)
Ministry of Finance & Ministry of Justice and Home Affairs	These two Ministries will be key stakeholders in establishing a legal framework and creating and maintaining sustainable financing mechanism for conservation.	They will be involved in all key consultations and trainings, as well as policy development activities concerning Outputs 1.1 and 1.3
National Commission for Soil Protection and Combating Desertification (NCCD)	The NCCD is comprised of 11 ministries and 7 other agencies and government institutions. It coordinates and monitors activities that address land degradation and desertification, and oversees the National Action Plan for Combating Desertification (NAPCD), which is implemented through all provinces and soums through environmental rehabilitation on target sites.	Project activities will be linked to implement environmental rehabilitations on target sites based on implementation of NAPCD. NCCD will provide guidance to development of strategies and plans for target sites (Outputs 2.1, 2.2, 1.2)

Stakeholder	Mandate	Role in the Project
Government Authority of Land Management, Geodesy and Cartography (ALMGaC)	Government agency within the Ministry of Construction and Urban Development (MCUD) responsible for supporting sustainable development and rural livelihoods through implementation of the state policy on land management, cadaster, geodesy and cartography.	The project will closely cooperate with the agency, particularly the Land Management Division, on all relevant issues of landscape level land use planning and implementation at national and provincial levels. ALMGaC will be involved in consultations and trainings, as well as policy development activities and provide guidance for running of registration system for land use and management (Outputs 1.1, 1.4 and 2.1 and 2.2).
National Agency for Meteorology and Environmental Monitoring (NAMEM)	NAMEM is an implementing agency under the MET. Its mission is to provide governmental organizations and the public with forecasts and warnings of weather, climate and hydrology for the protection of human life and property from natural disasters and the enhancement of the national socio-economic development of the country. It is responsible for environmental monitoring of water, air, soil quality, acid deposition, radiation dose rate, yellow dust to control the environmental quality.	NAMEM and Green Gold Project have developed the ecological potential based rangeland health monitoring and assessment approach in Mongolia in coordination with ALMGaC. The project will closely coordinate with the agency to identify the state of pasture in PLs and assess the change of recovery classification in accordance to national approved approaches (Output 2.1)
Scientific institutions	Public and private universities of Mongolia and as well as Research institutes affiliated under the different government bodies, like institutes for animal husbandry, forage and grassland, meteorology and hydrology, centers for forestry, water resources etc., The Mongolian Academy of Sciences has several research institutes including Institute of Geo-ecology, Geography, Botany and Biology and others. All these institutions are key organizations that providing technical backstopping and recommendations on natural resource management based on short and long-term survey results.	They will provide technical and scientific assistance on natural resource management for all Outputs.
International development partners working at national level		
United Nations Development Program (UNDP) Country Office (website: http://www.undp.org)	UNDP works in about 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion. UNDP helps countries to develop policies, leadership skills, partnering abilities, institutional capabilities and build resilience in order to sustain development results. UNDP focuses on helping countries build and share solutions in three main areas: <ul style="list-style-type: none"> • Sustainable development • Democratic governance and peace-building • Climate and disaster resilience UNDP-Mongolia country office (CO) is a close development partner of MET	UNDP is the GEF Agency for the project, responsible for oversight and monitoring project implementation and ensuring adherence to UNDP and GEF policies and procedures across all Outputs. UNDP will ensure project execution on time, on scope and within budget and provide technical quality assurance. The UNDP CO as well as UNDP Asia-Pacific Regional Centre, will provide project assurance and support functions. If requested by government, UNDP will provide direct project services such as project staff and consultant recruitment. The UNDP Green Commodities Program will cooperate on Outputs 1.3 and 3.3.
Asian Development Bank (ADB)	ADB is a key multi-lateral partner of the Mongolian government, providing loans and grants for sustainable development. Two related projects are Sustainable Forest Management to Improve Livelihood of Local Communities project (2014-16), and Integrated Livelihoods Improvement and Sustainable Tourism at Khuvsgul Lake National Park Project (2015-2018).	They will be a key partner and will share their successes, lessons learned, and best practices, especially in sustainable forest management (Output 2.2), PA management (Output 2.3) and eco-tourism (Outputs 1.2 and 3.3).
Food and Agriculture Organisation (FAO)	FAO has a long history of cooperation in Mongolia assisting the Government with sustainable agricultural development. FAO focuses specifically on enhancing food security, rural development and natural resources management. A key area for cooperation is the FAO/GEF Mainstreaming biodiversity conservation, SFM and carbon sink enhancement into Mongolia's productive forest landscapes project (2014-2018).	During the project implementation period, they will be a key partner and will share their successes, lessons learned, and best practices, especially in sustainable forest management (Output 2.2) and related livelihoods (Outputs 3.1-3.3).
GIZ (Deutsche Gesellschaft für	GIZ has been represented in Mongolia since 1991 and is a key bilateral partner of government providing support for sustainable mineral resource management, biodiversity and energy efficiency.	They will be a key partner and will share their successes, lessons learned, and best practices in, especially in sustainable forest management and

Stakeholder	Mandate	Role in the Project
Internationale Zusammenarbeit) - German development agency	The "Biodiversity and adaptation of key forest ecosystems to climate change" project is supporting sustainable forest management and the National Forest Inventory.	forest inventory (Output 2.2).
Japan International Cooperation Agency JICA	JICA started its operation in Mongolia in 1990 and officially opened its representative office in 1997. JICA's key operation focuses around five different sector development that belong to three strategic vision of Mongolian National Development Plan. For example, JICA works in areas such as improving human resources capacity, protecting environment, supporting countryside development, establishing infrastructure to support economic development, ensuring sustainable development of mining sector and improving its governance, and improving management of spending of natural resources use fee.	They will be a key partner and will share their successes, lessons learned especially in capacity development (Output 1.4) and financial mechanisms (Output 1.3).
KfW (Kreditanstalt für Wiederaufbau) – German Development bank	Key bilateral partner of government, currently supporting Phase 1 of the € 11.5M national "Biodiversity and climate change programme" project to strengthen PA management in the Northern provinces. Phase 2 (up scaling to the rest of the country) was announced to start soon.	Key partner in improvement of PA management in the project area (Output 2.3).
Korea International Cooperation Agency KOICA	KOICA opened its office in Mongolia in 1991, and implements South Korean government grant aid and technical cooperation programs. Between 1991 and 2011, KOICA implemented 9,885.9 million US dollar worth of projects and further increasing its investment. KOICA Mongolia ensures Mongolia and South Korea cooperation required for implementation of Millennium Development Goals.	They will be a key partner and will share their successes, lessons learned, and best practices. KOICA experience working with the national "Green Wall" program will contribute to the Project in aspect of soil conservation and land restoration through establishment of forest strip and forestation (Outputs 2.1 and 2.2)
Swiss Agency for Development and Cooperation (SDC)	SDC has vast experience in pasture/land management projects, including Coping with Desertification and Mongolian pasture- Green Gold (GG) projects. Implemented phases are covered in all demonstration landscapes of the proposed project in related to development of pasture management plan at soum and PUGs level, registration and establishment of PUGs, and monitoring pasture conditions and livelihood activities.	They will be a key partner in improving pastureland health and collaborating with local communities, and will share their successes, lessons learned, and best practices (Output 2.1 and Outputs 3.1-3.3)
World Bank	Mongolia became member of the World Bank in February 1991 and since then 808.17 million USD, investment has been made. Majority of projects aim to develop infrastructure and improve economic and mining sectors' governance.	They will be a key partner and will share their successes, lessons learned, and best practices in within the activities undertaken, especially in sustainable financial mechanisms for conservation (Output 1.3) and sustainable land management (Output 2.1).
(International) NGOs working at national level		
Agronomes et Vétérinaires Sans Frontières (AVSF)	AVSF is an officially recognized French non-profit association that works for international solidarity and that has been engaged in supporting smallholder farming since 1977.	AVSF is already implementing a sustainable cashmere project for livelihood improvement of the herders through engaging them with international markets. AVSF will therefore be a key partner for the project.
The Nature Conservancy (TNC)	TNC has extensive experience in conducting eco-regional assessments in support of informed decision making by Government, and will be a key source of related information. They are applying this work to expansion of the protected areas network, particularly through LPAs.	They will be a key (co-financing) partner and will share their successes, lessons learned, and best practices, especially in designing of environmentally friendly development planning for demonstration landscapes (Output 1.2) and expansion of the protected areas network (Output 2.3).

Stakeholder	Mandate	Role in the Project
Sustainable Fibre Alliance (SFA)	<p>The Sustainable Fibre Alliance (SFA) is a non-profit international organization working with the extended cashmere supply chain, from herders to retailers. Their goal is to promote a global sustainability standard for cashmere production in order to preserve and restore grasslands, ensure animal welfare and secure livelihoods. The SFA works along the entire value chain of cashmere including: herder cooperatives; manufacturers; NGO's; development initiatives; governments; fashion designers; global brands, retailers and finally the customers. The SFA champions environmentally sustainable methods for the production of cashmere fibres by: a) Developing and monitoring Codes of Practice that comprise the SFA Sustainability Standard and are used by herding communities and others to protect and restore vulnerable grasslands that support cashmere fibre production. b) Supporting the training of herding communities in techniques that lead to sustainable grassland management, improved animal welfare and secure livelihoods for producers. c) Bringing together fashion brands and retailers to form partnerships that support and promote global sustainability of cashmere products using the SFA Sustainability Standard. d) Supporting supply chain partnerships committed to good animal welfare and environmentally friendly processes.</p> <p>International cashmere garment companies such as Tengri and Kering could be potential partners for the project (Outputs 1.3 and 3.3) either directly or through the SFA.</p>	<p>The SFA Liaison Office in Mongolia is facilitating implementation in Mongolia according to SFA rules and regulations since 2015. The SFA is providing consulting service to herders, cooperatives, NGOs and companies. In addition, they provide Training of Trainer (ToT) and engagement activities throughout its herding communities and staff of collaborating NGO's in Umnugobi, Gobi-Altai and Bayankhongor aimags (Shinejinst soum of Bayankhongor aimag - a target soum of both SFA and ENSURE project).</p> <p>In addition, WCS and TNC Mongolia programs are cooperating with the SFA in order to improve the sustainable pasture management through implementing SFA concept. In this regard, SFA can be a key partner for Outputs 1.3, 2.1 and 3.3 and will share their successes, lessons learned, and best practices.</p>
Wildlife Conservation Society of Mongolia	<p>Extensive experience with biodiversity monitoring and conservation of large mammals (particularly wild ass) in the Southern Gobi linked to the Oyu Tolgoi mining project.</p>	<p>They will be a key (co-financing) partner and will share their successes, lessons learned, and best practices, especially in biodiversity conservation (Outputs 1.5 and 2.4), and community based nature resource management including sustainable cashmere (Outputs 3.1-3.3).</p>
WWF Mongolia	<p>WWF has significant experience on biodiversity conservation, water management, climate change and community-based natural resources management, and awareness raising through its long term implemented projects such as Altai-Sayan and Eastern Steppe eco-region projects. Implementing highly relevant major new 5-year programme (Nature for our Future) in Western Mongolia with support of MAVA Foundation.</p>	<p>They will be a key (co-financing) partner and will share their successes, lessons learned, and best practices, especially in biodiversity conservation (Outputs 1.5 and 2.4), green development planning (Output 1.2), PA management (Output 2.3), community based natural resource management (Outputs 3.1-3.3) and public awareness (Output 3.4).</p> <p>The Great Gobi (GG)-6 initiative launched in 2017 will benefit activities in the steppe and desert-steppe demonstration landscapes</p>
Other NGOs	<p>Project activities will be coordinated with those of other national and international NGOs (eg Wildlife Science and Conservation Centre of Mongolia, People Centered Conservation (PCC) of Mongolia, Centre for Policy Development (CPR), Pasture Ecology, Panthera, Snow Leopard Trust) in order to make the best use of specific expertise and capacity. They will play a key role in strengthening capacities of local communities in managing natural resources sustainably, and in raising awareness. The Mongolian Environmental Civil Council (MECC) is an 'umbrella' organization of environmental NGOs with 22 local branch councils and a membership of over 700 NGOs.</p>	<p>NGOs will be key partners and will share their successes, lessons learned, and best practices especially in biodiversity conservation (Outputs 1.5 and 2.4), PA management (Output 2.3), community based natural resource management (Outputs 3.1-3.3) and public awareness (Output 3.4).</p> <p>PCC has much experience in training for community based conservation and is a potential partner in activities related to community development (Outputs 3.1-3.3).</p> <p>CPR is a potential partner in the areas of rural development, agriculture, livestock/herder development, agricultural value chains, land reform, pasture and risk management, community development, rural poverty and social and</p>

Stakeholder	Mandate	Role in the Project
		environmental management (Outputs 2.1 and 3.1-3.3). Pasture Ecology is a potential partner for planting natural plants and conducting trainings for herders to improve degraded pastureland
Private Sector stakeholders		
Key private sector stakeholders	<p>Mining and cashmere companies, tourism and crop farming businesses / SMEs in the project area are all users of natural resources. Private organizations and entities contribute to biodiversity conservation in various ways. For instance, approximately 100 entities are planting trees in 9,000 hectares of area annually, while more than 200 organizations are preparing 30 million plant seedlings for forest or tree planting. Moreover, private entities are funding environmental protection activities of various NGOs as a way of promoting their company or operation.</p> <p>Mongolian cashmere garment companies like Gobi LLC and Altai cashmere are on track to become global brands. Cashmere production is the backbone of nomadic herders' livelihoods in Mongolia. Herders, responding to demand, increased their goat populations by 66% over the last decade and now harvest cashmere from older goats — leading to an overall decline in fibre quality, threatening the brand image of Mongolian cashmere and the stability of the supply chain. In addition, current grazing practices for cashmere goats, combined with global warming are putting herder's livelihoods and the fragile ecosystem that supports it at risk. Accordingly, the cashmere companies are considering expansion of cooperation with herders to ensure the sector's sustainability (see also Sustainable Fibre Alliance)</p>	Mining and cashmere companies, tourism and crop farming businesses in the project area are potential contributors to sustainable rangeland and forest management (Outputs 2.1 and 2.2), biodiversity conservation (Outputs 1.5 and 2.4), livelihoods enhancement (Outputs 3.1-3.3) and innovative financing mechanisms (Output 1.3). They will be engaged in such activities as a priority.
Arig Bank	Arig Bank (former Erel Bank) is the second oldest commercial bank of Mongolia. It strives to maintain leadership in Corporate Social Responsibility activities with a particular interest in sustainable finance. Arig Bank has joined Mongolian Sustainable Finance Programme by signing memorandum of declaration for Sustainable Finance policies to support Mongolian society and environment on November 21, 2013, and has been implementing and introducing Sustainable Finance principles into banking operations, strategy and policy since joining the programme. All CSR and environment-friendly activities are performed according to 8 principles of Sustainable Finance Programme.	A co-financing partner providing in-kind, professional services for the financial assessments and development of financial products that meet the needs of target beneficiaries of the four aimags.
Aimags level stakeholders		
Aimags governments & Citizens Representative Khurals	<p>Aimags Governors have the highest authority at provincial level. Aimags governments are responsible for implementation of environmental laws, developing plans for conservation and sustainable use of natural resources, and submitting to the Citizens Representative Khurals for approval. Citizens Representative Khural of provinces will approve Development plans or Policy based on Green development principles and related regulations at local level.</p> <p>The Environment and Tourism Department is mainly responsible for organization of activities for implementation of environmental laws and to develop plans for environmental protection</p>	<p>The project will work closely with the aimags governments in the project area (Capacity building (Output 1.4) and all Outputs of components 2 and 3). The Environmental and Tourism Agency, and Food and Agriculture Agency should be involved in project planning and implementation in the demonstration landscapes.</p> <p>Also aimags level strategic and development plans should be highly considered in the project planning. They will provide additional co-financing (in-kind support) for project initiatives that bring local benefits.</p>
The Land Relation, Construction	Under the Government Authority of Land Management, Geodesy and Cartography (ALMGaC), all provinces have this department which organizes land possession and land utilisation to citizens and	Key target for capacity building for integrated land management planning and sustainable land management, also for the implementation of PUAs

Stakeholder	Mandate	Role in the Project
and Urban Development Department	legal entities	at soum level and development of Landscape based Soum development Plan in demonstration landscape soums.
Protected areas administrations	There are 33 Protected Area Administrations (PAA) throughout the country functioning under the direct supervision of the department of PAA at MET; three are managed by NGOs. The project area has 6 PAAs (Tarvagatain nuruu NP, Otgontenger SPA, Ikh bogd NP, Khangain nuruu NP, Orkhon khondii NP, and Great gobi A & B SPA). Each comprises of a director, an administration section, specialists and rangers and a number of staff, which varies depending on the size of the territory.	PAAs will be involved in PA expansion, management, consultations and trainings (Outputs 1.1 and 2.3) as well as providing guidance for wildlife monitoring and conservation measures (Output 2.4).
River basin administrations	26 river basin administrations throughout the country functioning under the direct supervision of the MET are operating under the following directions: To coordinate the implementation of basin water resources management plan, carry out water inventory, monitor water resources and utilization, and propose the establishment of basin council to the state administrative central organization in agreement agreed with local administration unit.	They will be key project stakeholders in protection and sustainable use of water resources (Outputs 2.1, 2.2 and 3.1) as well as a target for capacity building (Output 1.4).
Demonstration landscape level stakeholders		
Soum Government & Citizens Representative Khurals	Governments of provinces are responsible for implementation of environmental laws in their respective provinces, developing plans for conservation and sustainable use of natural resources, and submitting to the Citizens Representative Khurals for approval. Citizens Representative Khural of soums will approve Development plans or Policy based on Green development principles and related regulations at local level. They have the closest relationships with PUGs and FUGs at the local level.	The project will work closely with the soum governments in the demonstration landscapes (Capacity building (Output 1.4 and all Outputs of components 1 and 2). Soum Governors' offices will prepare, implement, monitor and evaluate local policies including rangeland and forest management and biodiversity conservation, including issuing certificates for use of natural resources, etc.. Their Environmental and Land officers, Forest Units, and rangers will be key stakeholders.
Bagh and khoroo citizens Khurals	Responsible for monitoring environmental protection and use of common resources at soum level and hearing soum governor's report on environmental protection and delivering their proposal on environmental issues on behalf of communities	They will have a key role in addressing use of pasture and water points, monitoring environmental protection and use of common resources, hearing governor's report on environmental protection (All outputs under Components 2 and 3)
Community based organizations (CBO) (Forest user groups and Pasture user groups)	Chapter 8 of the Mongolian law on environmental protection specifies about "Community based natural resources management" and it determines community based organizations' establishment, institutional structure and operational directions in terms of environmental conservation, which can also assist financial mechanism of environmental conservation funding. Currently, there are over 260 environmental protection community initiatives, 960 pasture user groups including 53,000 households and 1,211 forest user groups (managed forest area is 3.3 million ha) in Mongolia. With establishment and involvement of community initiatives, illegal hunting and logging have significantly decreased, hence allows reduction of required financing for biodiversity conservation. 150 PUGs and 51 FUGs are established in selected PL soums. They are working for rangeland and forestry management to some extent, while also trying to improve local livelihood. Beside PUGs and FUGs, there are traditional herder communities who have their own "natural" leaders, who could speak, facilitate, cooperate and mediate conflicts on behalf of the other members of the communities.	Communities will be engaged through existing and new Pasture and Forest User Groups (PUGs and FUGs) /CBOs. CBOs are key users of natural resources and beneficiaries of the project. Work in the project areas will be carried out with and through herder communities that face problems with natural resource management etc. They will be involved in all Outputs of Components 2 and 3).
Local Non-governmental organizations	Approximately 500 environmental professional organizations are operating in Mongolia, mainly in forest and water fields (Forest 215, Fauna 15, Water 157, Natural vegetation 16, Land rehabilitation 10,	In accordance with the Law on Animal and Forest, local NGOs will provide technical assistance on natural resource management (Outputs 2.1-2.4)

Stakeholder	Mandate	Role in the Project
(NGO)	Hydrology & meteorology 21, Environmental assessment 67).	

(v) Gender equality and empowering women:

122. Mongolia has adopted a number of initiatives in recent years to improve gender equality, and is a signatory to all major international instruments relating to women’s rights and gender equality. Article 16 of the Mongolian Constitution states that “Men and women shall have equal rights in political, economic, social, cultural fields and in family affairs”¹⁰⁴. Similarly, the 2011 Law of Mongolia on Enforcement of the Law on Promotion of Gender Equality legislates for gender equality in political, legal, economic, social, cultural and family relations and is implemented through a corresponding “Mid-Term Strategy and Action Plan” which is overseen by the National Committee on Gender Equality (NCGE), established in 2005 and headed by the Prime Minister. While Mongolia’s regulatory framework for gender equality is thus relatively strong, gender biases remain at the household level and in practice that are linked to long-standing and deep-rooted social norms. Therefore, in April 2017, the government endorsed a new Action Plan on Gender Equality that will be implemented until 2022 through an Asian Development Bank (ADB)-funded 5-year programme of the NCGE¹⁰⁵.

123. Mongolia ranks 58 out of 144 countries (with 1 as best) and has an index of 0.705 (with 1 as gender parity) according to the World Economic Forum Global Gender Gap Report (2016). Unlike their counterparts in many other Asian countries, women in Mongolia (both in rural and urban areas) have high social status, freedom and participate actively in decision-making at political, institutional and household levels. However, there is disproportionately low representation of women in political decision-making¹⁰⁶, there are negative discrepancies in remuneration, and there is a positive discrepancy in education as daughters can pursue their education while sons may be kept in the countryside to look after livestock. As a result, there is gender parity in secondary and tertiary education and in the professions and technical work in Mongolia.

124. PPG consultations in the project demonstration landscapes revealed the customary gender division of labour of Mongolia’s nomadic pastoral society, which continues today (see **Annex N** for further details). Men do most of the more physically challenging and outdoor work such as herding and slaughtering livestock, hay-making, fuel-wood preparing and fixing fences, while women are mostly in charge of housekeeping, caring for other family members (especially the young and the elderly), milking animals and making dairy products. However there is much complementarity, with many activities undertaken together although particular pressures on women may arise during harsh weather when they have to assist men outdoors while also continuing their household tasks. Women have a strong role in household decision-making and participation in community activities¹⁰⁷, and few gender disparities were reported in decision-making over access to natural resources like pastureland and forest. Most of the opportunities for employment in construction and mining industries are for men, leaving some women increasingly responsible for household and animal-related tasks. Particular pressures on women occur in female-headed herder (FHH) households, which struggle to cope with the heavy workload involved in herding animals alone, and maintaining their access rights to pastures, summer camps and hay fields. This becomes one of the key drivers increasing the number of poor FHHs who end up migrating to Ulaanbaatar, and increasing the unemployment rate¹⁰⁸. Although FHHs are more than twice as common as single male-headed households¹⁰⁹, the project should focus on both single-

¹⁰⁴ Government of Mongolia, 1992

¹⁰⁵ Mokoro and PCC, 2017. WOLTS (Women’s Land Tenure Security) Project Mongolia, Country report.

¹⁰⁶ Just 17.1% of seats in the national parliament were won by women in the 2016 elections.

¹⁰⁷ Women herders participate in soum meetings more often than men, as they move to the soum center to take care of their school children, while men stay out in the countryside herding livestock. This brings certain opportunities to women such as becoming more informed and increasing their independence, and sometimes taking advantage of new employment and trading opportunities.

¹⁰⁸ *Pers. Comm.* Ms. Dolgor from Khugliin Khelkhee NGO, UB.

¹⁰⁹ These groups include elderly widows and elderly men who live alone.

headed households as a vulnerable group of people. Therefore, it is important that in addressing community and livelihoods issues, the project should specifically consider and address the disadvantages of women (and other vulnerable groups such as youth, the elderly and the unemployed). There are particular opportunities in this area with regard to added-value processing and packaging of herder products, as well as marketing and retail activities in soum and aimag centres.

125. The PPG phase included a broad-based consultative process during 2 field missions and workshops held in the target aimags and Ulaanbaatar, and included women at all levels – both in the community consultations and discussions with local and national authorities. These inputs informed completion of the Social and Environmental Screening Process (SESP – see **Annex E**) as well as completion of a gender analysis, both of which provided a basis for the gender strategy and Gender Action Plan for the project (see **Annex G**) which aims to ensure that women and men benefit equitably from the project. The project design therefore includes specific safeguards and approaches, which will ensure that gender issues relating to environment and green development are adequately addressed. These include: a) the hiring of a gender specialist in Year 1 to train the PMU and consultants in gender mainstreaming and to ensure that more detailed gender specific data on the project beneficiaries is collected in each demonstration landscape; b) appointment of a PMU staff member by the National Project Coordinator as Gender focal point; c) allocation of specific responsibilities for local gender mainstreaming to the project local coordinators who should involve soum level social welfare officers and other related local government officers in gender issues; d) ensuring special attention to good participation by all people – men and women, rich and poor, young and old – and to bringing the most vulnerable people in the community into decision-making, particularly female-headed herder households.
126. Gender considerations have been mainstreamed in the project design across all project activities, and gender-disaggregated indicators have been incorporated to ensure that women are proportionately consulted, included and benefit from all project interventions. Thus, women’s focus groups, PRA or other appropriate methods will be used to capture gender issues during community consultation and planning meetings to avoid different obstacles for women. Community trainings, workshops and awareness-raising programmes will aim to ensure that at least 50% of the target participants are women. Activities geared towards mobilizing local communities into organized groups for the demonstration landscapes will encourage women to participate and will aim to have women in key advisory committees and governance roles. Special grants will be made available to women, and there will be a specific award for women who show leadership or innovation in green development. Gender-sensitive mechanisms will be used to increase information dissemination and participation for women in local areas. The proportion of women working in local government and as volunteer rangers is around 20%, and a proactive target of 30% involvement has been set for their involvement in project activities.

(vi) South-South and Triangular Cooperation (SSTrC):

127. Mongolia and its neighbours, particularly the countries of central Asia, share socio-economic challenges and environmental issues such as land degradation, water scarcity, energy inefficiency, and waste production. Mongolia is therefore an active advocate and supporter of south-south and triangular cooperation, and has undertaken several initiatives related to its green development policy. These include participation in a recent (2014-16) project entitled “Sharing Knowledge on Inclusive Green Economies and Ecological Civilization” with central Asian countries¹¹⁰, and the 11-country Partners for Action on a Green Economy (PAGE) project¹¹¹, including direct results-sharing with Kyrgyzstan. The ENSURE project can therefore build on this baseline, so that the lessons learned can be incorporated in project activities, and further innovations can be shared to help related countries pursue their own Green Economy trajectories.

¹¹⁰ <http://www.greengrowthknowledge.org/project/south-south-cooperation-mongolia-and-central-asia-countries-sharing-knowledge-inclusive>

¹¹¹ <http://www.un-page.org/>

128. Through its focus on capacity building and practical demonstration of landscape-scale integrated management and ecosystem service restoration, the project can contribute to South-South and triangular cooperation mainly through the following three aspects: a) on-line information and knowledge sharing of practical experiences for developing countries that share similar problems, for example through the proposed best-practices component of the MET web-site; b) best practices in sustainable rangeland and forest management, biodiversity conservation and sustainable livelihoods can provide a reference for networking and exchange of experiences between experts and practitioners with other developing countries; c) the project can contribute its results to regional seminars, training courses and conferences, including perhaps the 15th Conference of the Contracting Parties to CBD which will be hosted in China in 2020, and could provide an important opportunity for the Government to showcase progress in its implementation of the green development policy.

(vii) Sustainability and Scaling Up:

129. The project design incorporates numerous measures for sustainability and scaling-up. Under Component 1, the proposed regulatory, financial, planning and capacity improvements (including on-line and smart-phone based tools) and biodiversity partnerships will enhance the sustainability of project outcomes, and provide systemic mechanisms for up-scaling successful approaches across the country. Under Component 2, successful demonstration of sustainable rangeland and forest management and more effective management of protected areas, as well as biodiversity threat reduction in all demonstration landscapes, will help to reduce conflicts, build landscape resilience to climate change and other threats and therefore enhance sustainability. Component 3, will support communities to become more resilient and sustainable, by building their capacities for self-governance and providing options for improving and diversifying their livelihoods. Under Component 4, information and knowledge accumulated by the project will be documented for sharing and up-scaling. Lessons learned will be captured through annual project implementation reviews, a mid-term review and final project evaluation, as well as publication of discussion papers and communication pieces.

130. An important contribution to sustainability will be through the GEF investment in local project staff. These include 4 Local Coordinators, based in the aimag centres, and 13 Community Facilitators who will be hired for each demonstration landscape soum on a part-time basis. The investment in these individuals for through capacity development and training is expected to give long-lasting benefits on the ground, well beyond the end of the project.

131. Social sustainability will be achieved through community-based natural resources management, putting communities and their livelihoods at the heart of the project as described in the outcomes to be delivered through Components 2 and 3. The gender mainstreaming approach described above, will contribute to social sustainability and resilience, and social risks will be monitored through the project's Social and Environmental Screening Procedure (SESP), the proposed Livelihoods Plan and the Gender Action Plan.

132. Environmental sustainability is integral to the project Objective and will be supported by all project outcomes. Landscape-scale sustainable rangeland and forest management combined with biodiversity conservation that contributes to climate change adaptation and mitigation, and is supported by multiple stakeholders, strong public participation and effective monitoring and evaluation are all crucial elements for building environmental sustainability and resilience.

133. Financial and institutional sustainability will be achieved by working through existing government agencies and community groups. Figure 4 shows how the project management arrangements have been designed to engage existing stakeholders at national, aimag and demonstration landscape levels. At demonstration landscape level these include existing Pasture and Forest User Groups and cooperatives, as well as soum and aimag level citizens' representative councils and local authorities. Following completion of the project these stakeholders will be empowered with improved capacity to exercise their mandates in relation to green development for sustainable rangeland and forest management and biodiversity conservation, such that the outcomes are mainstreamed into their regular operations, planning and budgets. At national level, MET and MOFALI (and other organisations),

who already collaborate on environmental and land degradation issues through formal mechanisms such as the National Committee on Combating Desertification and the National Climate Committee, will be able to use the experiences of the project to deliver more effective and sustainable use of their budgets.

134. Financial sustainability will further be achieved through supporting government (at national and local levels) to develop and demonstrate sustainable (financial and non-financial) incentive and disincentive mechanisms to support implementation of its green development policy on the ground. In addition, the project will demonstrate how delivering enhanced community livelihoods based on sustainable use of ecosystem services can strongly support and devolve the mechanisms for achieving green development to local communities, minimising the need for international or governmental financing.
135. The project has great potential for scale-up. Although focused on the Sayan and Khangai mountains and southern Gobi, the project's successful results will be highly applicable to other parts of the country since it will cover a range of landscape types and issues that are commonly found elsewhere in Mongolia. By facilitating and supporting the government's first local plans for implementing the green development policy on the ground, the project's successful demonstrations can be replicated widely as implementation of the green development policy is rolled out nationally. Based on the initial review of best practices that was conducted during the PPG phase, plus the project implementation achievements, the project will support MET to establish a best practice e-platform where key tools, documents and lessons learned from the most successful approaches to rangeland and forest degradation, biodiversity conservation and livelihoods development, can be shared. Additionally, in the second half of the project, demonstration visits (for community champions and government officials) and training programmes and workshops on green development will be organised both to upscale soum and community level successes within the four target aimags, and to share with other aimags nationally.

V. PROJECT MANAGEMENT

Cost efficiency and effectiveness:

136. The strong policy drive for green and sustainable development in Mongolia, plus the commitment of government and development partners, plus the GEF resources for this project will collectively provide great impetus for addressing the challenges currently facing land and forest degradation and biodiversity in Mongolia in the face of the significant development challenge outlined **Section I**. The total GEF investment of USD 7,964,253 for this project will leverage a minimum of USD 39,079,717 in co-financing, a very cost-effective ratio of 1 : 4.91 with additional associated financing inputs anticipated during project implementation.
137. The significant barriers impeding the sustainable management of Mongolia's natural resources that are elaborated in the project's Theory of Change (**Figure 2**) and **Section II**, negatively affect the country's remarkable landscapes and biodiversity. Through a more supportive legal, financial and planning framework, enhanced capacity and more integrated delivery on the ground through support for more sustainable livelihoods, biodiversity threat reduction and an expanded and strengthened protected area network (Project Strategy), the project will deliver maximum results within available resources.
138. Removal of the key barriers will be cost-effective not only for the four demonstration landscapes, but also for other landscapes (including protected areas) across Mongolia, because the potential for replication is high. Project outreach and knowledge-sharing will bring more magnification and efficiency to the investments and avoid duplication of efforts. Bottom-up demonstration through landscape-scale conservation has been shown to be an effective approach for conserving ecosystem services and biodiversity in other regions of the world¹¹², and the lessons learned through this project

¹¹² Kathy H. Hodder, Adrian C. Newton, Elena Cantarello & Lorretta Perrella (2014). Does landscape-scale conservation management enhance the provision of ecosystem services? *International Journal of Biodiversity Science, Ecosystem Services & Management*, 10:1, 71-83, DOI: 10.1080/21513732.2014.883430

will also be shared and applied at provincial level, nationally and via south-south and triangular exchanges.

139. The project management arrangements in **Figure 4** show how a high proportion of project coordination and implementation will be delivered by existing government structures at national, aimag, soum and protected area levels. This approach, in line with the National Implementation Modality (NIM), reduces costs that would need to be spent on project management under the PMU, and will help build the capacity of the government system for ongoing implementation of ecosystem-based, landscape scale management of natural resources. The project will also host a multi-sectoral Partnership Forum in each demonstration landscape, ensuring the mandates, capacities and budgets of different stakeholders are most effectively integrated and used. In addition, the project will harness public support for, and participation in, landscape-scale conservation and green development. Implementation will optimise use of local staff and consultants, with all consultants and service contract providers being recruited in Mongolia (except for 2 short-term consultants related to the sustainable cashmere / fibre initiative, as well as the mandatory international consultants for the Mid-term Review and Terminal Evaluation). This will maximise ownership and minimize operational costs. Annual audits will ensure that GEF funds have been effectively used, specifically in line with project objectives.

140. In order to reduce costs and avoid duplication, this GEF-financed project will proactively collaborate with several other ongoing and planned initiatives as described in **Table 6**. Through these collaborations, the project will build on and share the lessons learned and best practices to ensure maximum cost effectiveness.

Project management:

141. **Figure 4** details the project management arrangements. There will be a single Project Management Unit (PMU), located in Ulaanbaatar, operating under the administrative authority of MET, with responsibility for coordinating implementation and logistics. The PMU will be staffed by the following full time GEF-financed positions: a National Project Coordinator (National Project Coordinator); a Land / M&E Officer; a Project Assistant (Administration and Finance); a Communications, Knowledge Management and Partnerships Officer; and a Driver. The PMU will be supported by a range of service providers and thematic consultants including for gender and livelihoods issues. Office space and costs for the PMU (excluding daily office expenses, equipment and consumables) will be provided under co-financing from MET. In addition, the project will appoint a Local Coordinator in each target aimag centre (4), and a part-time Community Facilitator in each target soum centre (13). These decentralized positions, will be hosted in the relevant local authority offices under co-financing and will report to the National Project Coordinator. The aimag governments of Zavkhan, Arkhangai, Bayankhongor and Gobi-Altai will each nominate part-time, co-financed Land officers, Environment officers and Protected Area Administration representatives who will have time specifically allocated for project implementation. Similarly, each of the 13 demonstration landscape soums will nominate part-time, co-financed Environmental Inspectors and Land managers with time specifically allocated for project implementation.

Agreement on intellectual property rights and use of logo on the project's deliverables and disclosure of information:

142. To accord proper acknowledgement to the GEF for providing grant funding, the GEF logo will appear together with the UNDP logo on all promotional materials, other written materials like publications developed by the project, and project hardware. Any citation on publications regarding projects funded by the GEF will also accord proper acknowledgement to the GEF. Information will be disclosed in accordance with relevant policies notably the UNDP Disclosure Policy¹¹³ and the GEF policy on public involvement¹¹⁴.

¹¹³ See http://www.undp.org/content/undp/en/home/operations/transparency/information_disclosurepolicy/

¹¹⁴ See https://www.thegef.org/gef/policies_guidelines

VI. PROJECT RESULTS FRAMEWORK

<p>This project will contribute to the following Sustainable Development Goal (s): Primary focus: Goal 15: Life on Land – Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss; Secondary contributions towards – 1: (No poverty), 13: (Urgent action on climate change), 3: (Good health) and 5: (Gender equality)</p> <p>This project will contribute to the following country outcome included in the UNDAF/Country Programme Document: Outcome 1. Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods for the poor and excluded</p> <p>This project will be linked to the following output of the UNDP Strategic Plan 2018-2021: 1.4.1 Solutions scaled up for sustainable management of natural resources, including sustainable commodities and green and inclusive value chains</p>					
<p>Project Objective: To enhance ecosystem services in multiple landscapes of the Sayan and Khangai mountains and southern Gobi by reducing rangeland and forest degradation and conserving biodiversity through sustainable livelihoods.</p>	<p>Objective and Outcome Indicators</p> <p>Indicator 1: # direct project beneficiaries (people living within target soums that are benefiting from project activities), disaggregated by gender. (UNDP Indicator) (GEF-7 Core Indicator 11)</p>	<p>Baseline</p> <p>Tarvagatain Mt =0 Bukhun Mt = 0 Ulaan Shal Valley = 0 Zarman Gobi = 0</p>	<p>Mid-term Target</p> <p>3,645 people (at least 50% female) benefiting directly from project</p> <p>This equals 25% of the population in the <u>baghs</u> where the project is intervening (demonstration landscapes) Tarvagatain Mt Target -685 (total 2,742) Bukhun Mountain Target -916 (total 3,666) Ulaan Shal Valley Target-499 (total 1,995) Zarman Gobi Target-1,544 (total 6,178)</p>	<p>End of Project Target</p> <p>25,613 people (at least 50% female) benefiting directly from project</p> <p>This equals 50% of the population in the entire <u>soums</u> where the project is intervening Tarvagatain Mt Target -7,642 (total 15,285) Bukhun Mountain Target -8,171 (total 16,343) Ulaan Shal Valley Target-4,439 (total 8,879) Zarman Gobi Target-5,360 (total 10,720)</p>	<p>Data Collection Methods and Risks/Assumptions</p> <p>Source: Censuses from the demonstration landscapes and project reports on results</p> <p>Risks: The project fails to build trust in the target soums, and communities therefore do not engage Assumptions: Communities benefit from the project interventions</p>
	<p>Indicator 2: Population size of selected indicator species in demonstration</p>	<p>a) Zarman Gobi = XX, Ulaan Shal = XX</p>	<p>Not re-measured at mid-term</p>	<p>Population size is improved over</p>	<p>Source: Means of verification will be official surveys conducted for the</p>

<p>landscapes</p> <p>a) snow leopard <i>Panthera uncia</i>¹¹⁵</p> <p>b) Golttered gazelle <i>Gazella subgutturosa</i>¹¹⁶</p> <p>c) Argali sheep <i>Ovis darwini</i>¹¹⁷</p> <p>d) Red deer <i>Cervus elaphus</i>¹¹⁸</p> <p>e) Musk deer <i>Moschus moschiferus</i>¹¹⁹</p> <p>f) Red thumb <i>Cynomorium songaricum</i>¹²⁰</p>	<p>b) Zarman Gobi = XX, Ulaan Shal = XX</p> <p>c) Zarman Gobi = XX, Ulaan Shal = XX</p> <p>d) Tarvagatain Mt = XX, Bukhun Mt = XX</p> <p>e) Tarvagatain Mt = XX, Bukhun Mt = XX</p> <p>f) Zarman Gobi = XX, Ulaan Shal = XX</p> <p>Baselines for demonstration landscapes to be collected in Year 1.</p>	<p>0.30 million ha of new PAs (including LPAs) gazetted in important areas for biodiversity</p> <p>Total area of current State PAs is 8,321,576 ha</p>	<p>0.94 million ha of new PAs (including LPAs) gazetted in important areas for biodiversity</p>	<p>project, with government endorsement.</p> <p>Risks: Threat reduction measures will have impact too late in project to affect population sizes.</p> <p>Assumptions: Reduction in direct causes of mortality in the demonstration landscapes leads to improved population status</p>
<p>Indicator 3: Area of new protected areas (PAs) in the target aimags in important areas for biodiversity (especially from under-represented ecosystems) designed to enhance connectivity</p> <p>(UNDP IRRF Indicator)</p> <p>(GEF-7 Core Indicator 1.1)</p>	<p>Source: official gazettal documents for PAs</p> <p>Risks: a) The process for consultation and official approval of PAs by soum, aimag and national authorities may exceed project duration. b) Competing use with mining exploration licensed area</p> <p>Assumptions: Government policy continues to drive agenda for more PAs such that proposals for new PAs are not thwarted by</p>			

¹¹⁵ 337 were recorded in the 4 aimags in 2011. Mongolian Biosphere Society (2012). Biological resource survey of Mongolian snow leopard. Research report of Natural Historical Museum.

¹¹⁶ 1,585 were recorded in the 4 aimags in 2009. Mongolian Biological Institute (2009). Assessment of steppe and Gobi ungulates of Mongolia. Research report.

¹¹⁷ 2,170 were recorded in the 4 aimags in 2009. Mongolian Biological Institute (2009). Assessment of mountain ungulates of Mongolia. Research report.

¹¹⁸ 4,000 were recorded in the 4 aimags in 2010. Amitan asralt Co LTD (2010). Assessment of forest ungulates of Mongolia. Mongolian Biological Institute, Research report.

¹¹⁹ 950 were recorded in the 4 aimags in 2010. Mongolian Biological Institute Research (2010). Assessment of forest ungulates of Mongolia. Research report.

¹²⁰ Limited distribution and small numbers in the 4 aimags in 2009. National University of Mongolia (2010). Research survey of rare and endangered plants of north and south side of Altai Mountain. Research report.

<p>Component 1 Embedding systemic tools and capacity for enhancing ecosystem services through sustainable rangeland and forest management and biodiversity conservation</p> <p>Outcome 1 Enhanced enabling framework and systemic tools help conserve biodiversity and ecosystem services</p>	<p>Indicator 4: Number of aimags and soums adopting and implementing development plans/programs that incorporate cross-cutting SDG issues, such as biodiversity conservation and ecosystem services</p>	<p>0 aimags, 0 soums</p> <p>National SD Vision and Green development policy approved, but mechanisms for integrating conservation of biodiversity and ecosystem services into local development planning (to reduce threats) not in place in target aimags/soums</p> <p>Currently, all aimags and soums have development plans, but none of the 4 aimags or any of the soums in the demonstration landscapes has an updated landscape-based "green" development plan approved</p>	<p>2 aimags, 3 soums</p> <p>Special sub-committees of Citizen's representative khurals driving/championing the project objective in each target aimag and soum</p> <p>Conservation of biodiversity and ecosystem services integrated into landscape-based development planning in 1 aimag and 3 soums through substantial upgrade of the existing aimag and soum long-term development plans</p>	<p>4 aimags, 8 soums</p> <p>Conservation of biodiversity and ecosystem services integrated into development planning in 4 aimags (covering 39.5 million ha of largely rangeland and forested natural habitats)¹²¹ and 8 soums with operating SD councils and work plan and budget</p> <p>Best practices demonstrated and documented, and up-scaling promoted beyond project target areas by relevant government bodies, led by MET and MOFALI</p>	<p>Challenges from the development sectors or community opposition</p> <p>Source: Mid-Term and End of Project: Green Development/SD plans validated by public hearings and approved by Citizen's representative khurals</p> <p>Risks: Key sectoral stakeholders might not engage due to lack of priority for green development.</p> <p>Assumptions: Aimag and soum authorities are willing to champion green development and other concerned stakeholders can be attracted by innovative approaches and resource mobilization to solve problems for integrated and sustainable development</p>	<p>Source: formal approvals of new laws, regulations and guidelines</p>
<p>Indicator 5: Improved laws, regulations and guidelines for integrating conservation of biodiversity and ecosystem services into local green</p>	<p>a) and b) Inadequate legal environment for implementation of existing green</p>	<p>1) Draft Pasture Law revised and transformed to the Law on Grasslands,</p>	<p>a1&2) Revised draft laws have been considered by government</p>			

¹²¹ 39.5 million ha of predominantly rangeland and forested landscapes of 4 aimags (Total area of Zavkhan, Arkhangai, Bayankhongor and Gobi-Altai aimags).

	<p>development planning. Key targets:</p> <p>a) Laws</p> <p>b) Regulations and guidelines</p>	<p>development plans.</p> <p>Strong legal regulation is needed for management of grasslands applicable for the present livestock regime</p>	<p>covering pasture for livestock and habitat for wildlife, and submitted to government</p> <p>a2) Protected area law and regulations upgraded with revised zoning principles adjusted to the newly emerging necessities associated with ecotourism and ecosystem approach</p> <p>b) Fiscal regulations upgraded with additions and amendments reflecting innovative mechanisms for collecting fees for over-exploitation and environmental damage. Special regulation prepared to impose fees in accordance with number of livestock</p>	<p>(approved or revised)</p> <p>b) Collected funds from natural resource user fees and fines being allocated to ecosystem restoration as per the regulation</p>	<p>Risks: The process for consultation and approval of new laws and regulations by national and local authorities can be very long, and may exceed project duration</p> <p>Assumptions: Sectoral agencies are willing to cooperate and support improved legislation and guidelines for conservation of biodiversity and ecosystem services.</p> <p>Herding community will endorse measures to improve grassland management, including through reduction in livestock densities.</p>
<p>Indicator 6: Financial mechanisms and amount of payments for ecosystem services (PES – incentives and disincentives) disbursed in demonstration landscapes:</p> <p>a) Nature Conservation Fund (NCF)</p> <p>b) Natural resources user fees or voluntary mechanisms</p>	<p>a) Nature Conservation Fund (NCF) established – almost no contribution to conservation – mostly because of government limited budget dependency</p>	<p>a) NCF operational with legal support from government, international funding sources, and voluntary CSR contributions from private sector</p> <p>b) Increased</p>	<p>a) NCF operationalized in demonstration landscapes (at least \$20,000 allocated from revenues collected in Year 7) with a specified mandate focused</p>	<p>Source: NCF official records, b) Local authority official records of payments collected and disbursed</p> <p>Risks:</p> <p>a) Government fails to approve the operational mechanisms for the NCF.</p> <p>International donors</p>	

	<p>Indicator 7: Capacity of local authorities* for conserving ecosystem services in target aimags and demonstration landscapes, as measured by UNDP Capacity Development Scorecard (see Annex L)</p> <p>*The scorecards were completed by the following officials: a) aimag level - officers of the Environmental Agency, Agriculture Agency, Investment and Policy Department Director; b) soum level - Forest Unit, soum governors, soum environmental inspectors, rangers, social and welfare officers and bagh governors.</p>	<p>b) The revenues from Natural Resource (NR) use are not fully collected in compliance with the regulation and these incomes are not being fully reinvested in the conservation and restoration activities in compliance with the related legislations.</p>	<p>compliance with regulation on the reinvestment of NR Use revenues for NR rehabilitation. Local authorities and / or private sector in at least 2 demonstration landscapes implementing compulsory or voluntary financing mechanisms based on: i) NR User fees; ii) Livestock (headage) fees for pasture use; iv) voluntary private sector contributions; other PES mechanisms</p>	<p>on ecosystem services;</p> <p>b) At least 2 innovative financing / PES mechanisms have delivered \$50,000 for ecosystem services in the demonstration landscapes.</p>	<p>unwilling to fund NCF because of Mongolia middle income status;</p> <p>b) Funds raised are not allocated appropriately</p> <p>Assumptions: There is political will to overcome regulatory barriers and implement financial incentive measures for green development activities</p> <p>Herders willing to implement innovative PES mechanisms</p>
	<p>Source: Capacity Development Scorecard baseline completed in 2018 Q1 and updated prior to the mid-term review and terminal evaluation by the aimag and soum stakeholders of each demonstration landscape</p> <p>Risks: Local authorities fail to fully engage their staff with project capacity development activities</p> <p>Assumptions: Increases in institutional capacity are sustained through retention of trained staff and organizational stability</p>	<p>Score improves by 20%</p> <p>a) 43%</p> <p>b) 47%</p> <p>c) 66%</p> <p>d) 55%</p>	<p>Score improves by 10%</p> <p>a) 33%</p> <p>b) 37%</p> <p>c) 56%</p> <p>d) 45%</p>	<p>a) Tarvagatain Mountain = 23%</p> <p>b) Bukhun Mountain = 27%</p> <p>c) Ulaan Shal Valley = 46%</p> <p>d) Zarman Gobi = 35%</p>	

<p>Component 2 Application of sustainable rangeland and forest management and biodiversity conservation to reduce land degradation/desertification and enhance ecosystem services</p> <p>Outcome 2 Rangelands, forests and biodiversity are restored and protected areas strengthened at landscape scale</p>	<p>Indicator 8: Area (ha) of mountain and steppe rangelands in demonstration landscape soums with reduced degradation (GEF-7 Core Indicator 3.1)</p>	<p>Area (ha) of rangeland in recovery class in demonstration landscape soums (2015):</p> <p>Zarman Gobi (12 pasture monitoring points) Class I – 6,663,119ha Class II – 844,567ha Class III = 0ha Class IV = 0ha Class V= 0ha</p> <p>Ulaan Shal Valley (14 pasture monitoring points) Class I – 1,300,216ha Class II = 446,809ha Class III = 0ha Class IV = 0ha Class V = 0ha</p> <p>Bukhun Mountain (21 pasture monitoring points) Class I - 559,478ha Class II -457,906ha Class III - 99 064ha Class IV = 0ha</p> <p>Tarvagatain Mountain (12 pasture monitoring points) Class I – 277,171ha Class II – 302,610 Class III – 62,933ha Class IV - 265,116ha Class V = 0ha</p>	<p>Area with reduced degradation = 50,000 ha</p>	<p>Area with reduced degradation = 300,000 ha</p>	<p>Source: Pasture health surveys in target soums using NAMEM standardized “recovery classes”</p> <p>Risks: Reduction of over-grazing does not lead to improvements in biodiversity and ecosystem services because of climate (change) effects or long recovery times</p> <p>Assumptions: Over-grazing is the primary driver of pasture degradation</p>
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<p>Indicator 9: Area (ha) of saxual and boreal forests in demonstration landscapes with no net loss or degradation (GEF-7 Core Indicator 3.2)</p>	<p>a) Saxaul Zarman Gobi: Total area = 44,832 ha; Low density area = 100% Ulaan shal: Total area = 2,950 ha; Low density area = 40%</p> <p>b) Boreal forest Tarvagatain Mt: Total area = 20,585 ha; Degraded area = 100%; Bukhun Mt: Total area = 23,004 ha; Degraded area = 20%;</p>	<p>a) Saxaul: At least 25,000 ha without net loss or degradation</p> <p>b) Boreal: At least 20,000 ha without net loss or degradation</p>	<p>a) Saxaul: At least 25,000 ha without net loss or degradation</p> <p>b) Boreal: At least 20,000 ha without net loss or degradation</p>	<p>Source: Forest Inventory Reports Risks: Reduction of over-grazing does not reduce forest degradation because of climate (change) effects Assumptions: Over-grazing, fire and insects are the primary drivers of forest degradation</p>
<p>Indicator 10: Emissions savings (tCO₂-eq over the next 20 years) from reduced loss and degradation of 45,000 ha of saxual and boreal forests in demonstration landscapes (see Annex W) (GEF-7 Core Indicator 6.1)</p>	<p>a) Saxaul Zarman Gobi: 0 Ulaan shal: 0</p> <p>b) Boreal forest Tarvagatain Mt: 0 Bukhun Mt: 0</p>	<p>a) Saxaul: (no mid-term emissions avoided target)</p> <p>b) Boreal: (no mid-term emissions avoided target)</p>	<p>a) Saxaul: Target to be calculated in Year 1</p> <p>b) Boreal: 2,176,925 tCO₂-eq avoided emissions over 20 years Tarvagatain Mt: 1,262,348 tCO₂-eq Bukhan Mt: 914,578 tCO₂-eq</p>	<p>Source: Forest Inventory Reports</p>
<p>Indicator 11: Management effectiveness of PAs in demonstration landscapes indicated by the % increase in the Management Effectiveness</p>	<p>METT scores 2017 a) Tarvagatai NP = 52.1%</p>	<p>30% progress toward final scores a) 56.6%</p>	<p>National parks reach sound management (= 67%), others a 20%</p>	<p>Source: METT updated prior to the mid-term review and terminal evaluation</p>

<p>Tracking Tool (METT) scores (see Annex B(I)).</p> <p><i>(GEF-7 Core Indicator 1.2)</i></p>	<p>b) Bokhon shar LPA = 20.8%</p> <p>c) Burkhan buudai NR in Zarman Gobi = 32.3%</p> <p>d) Gobi Gurvan Saikhan NP in Zarman Gobi = 52.1%</p> <p>e) Proposed PA for Buuntsagaan Lake = 30.9%</p>	<p>b) 26.8%</p> <p>c) 38.3%</p> <p>d) 56.6%</p> <p>e) 36.9%</p>	<p>improvement</p> <p>a) 67%</p> <p>b) 40.8%</p> <p>c) 52.3%</p> <p>d) 67%</p> <p>e) 50.9%</p>	<p>Risks: Project impacts are thwarted by non-sustainable interventions from development sector or communities</p> <p>Assumptions: Government champions and implements measures for improvements in PA management effectiveness</p>
<p>Indicator 12: Level of key threats to biodiversity in demonstration landscapes:</p> <p>a) # of incidents of illegal killing of snow leopard and goitered gazelle (Zarman Gobi and Ulaan shal valley), and musk deer (Bukhun Mountain and Tarvagatain Mountain)</p> <p>b) Area of habitat improved for threatened species conservation: in Zarman Gobi for goitered gazelle and Argali and in Tarvagatain Mt and Bukhun Mt for Musk deer through threat reduction (threats: disturbance, grazing competition with livestock, habitat loss/degradation).</p>	<p>a) Ulaan shal = X; Zarman Gobi = X; Tarvagatain Mt = X; Bukhun Mt = X</p> <p>b) 0 ha</p> <p>Baselines for a) to be established in Year 1</p>	<p>a) 5% reduction</p> <p>b) 2,000 ha across 4 landscapes</p>	<p>a) 20% reduction</p> <p>b) 10,000 ha across 4 landscapes</p>	<p>Source for all sub-indicators: a) Verified reports by Soum officers; b) project reports</p> <p>Risks: Project fails to change the behaviour of those who are causing the threats</p> <p>Assumptions: A significant proportion of each threat arises from local people, rather than those coming from outside the demonstration landscapes</p>
<p>Component 3</p> <p>Community livelihoods enhancement to restore and sustain biodiversity and ecosystem services</p>	<p>Indicator 13: # of Pasture User Groups (PUGs) and Forest User Groups (FUGs) in demonstration landscapes incorporating green development measures into their contracts with soum administrations</p>	<p>At least 5 PUGs and 5 FUGs</p>	<p>At least 20 PUGs and 10 FUGs</p> <p>Replication and up-scaling mechanism agreed and in</p>	<p>Source: Contracts and Official records of soums</p> <p>Risks: Contracts are not implemented</p> <p>Assumptions: PUGs and FUGs are willing to</p>

<p>Outcome 3 Sustainable livelihoods provide benefits to local communities and support biodiversity</p>	<p><u>Indicator 14:</u> Livelihoods improvement in demonstration landscapes as measured by:</p> <p>a) # jobs created</p> <p>b) % Reduction in gender inequality in income</p> <p>c) % increase in real incomes for participating families</p>	<p>Across all four landscapes</p> <p>a) 0 jobs created (Women = 0; Men = 0)</p> <p>b) Av. Male income = XXX; Av Female income = XXX</p> <p>c) Av. family income = XXX</p> <p>Baselines for b) and c) to be established in Year 1</p>	<p>Across all four landscapes</p> <p>a) 40 jobs created (Women = 20; Men = 20)</p> <p>b) 3%</p> <p>c) 5%</p>	<p>operation</p> <p>Across all four landscapes</p> <p>a) 150 jobs created (Women = 80; Men = 70)</p> <p>b) 10%</p> <p>c) 20%</p>	<p>incorporate green development measures into their contracts with soums</p> <p>Source: a) Project reports; b) and c) Reports of special surveys in a sample of participating households in the 4 demonstration landscapes, conducted in Year 1, and repeated prior to the Mid-Term Review and Terminal Evaluation.</p> <p>Risks: Selected livelihood improvement measures do not lead to more jobs or improved incomes or better gender equality, at least within the timescale of the project</p> <p>Assumptions: Families are willing to share information on their incomes</p> <p>Source: KAP assessment (guideline was prepared during PPG) completed in Year 1 and prior to mid-term and terminal evaluation</p> <p>Risks: Communities fail to accept green development approaches due to lack of perceived improvements to livelihoods or wellbeing</p> <p>Assumptions: The media will support the project to deliver positive empathy towards green development approaches</p>
<p><u>Indicator 15:</u> Knowledge Attitudes and Practices (KAP) of elected representatives and the public for reducing land and forest degradation and enhancing ecosystem services, as measured by the KAP survey score</p>	<p>a) <u>National level (UB)</u> MPs (Male= XX, Female=XX) Public (Male=XX, Female=XX)</p> <p>b) <u>Aimag level (4 combined)</u> Elected reps. (Male=XX, Female=XX) Public (Male=XX, Female=XX)</p> <p>c) <u>Soums of each demonstration landscape</u></p>	<p>10% improvement</p>	<p>20% improvement</p>		

<p>Component 4 Knowledge Management, M&E and gender mainstreaming Outcome 4 Improved knowledge management, monitoring and evaluation supports sustainability and up-scaling</p>	<p>Indicator 16: Number of best practices and key project lessons and strategies for sustainable landscape management and biodiversity conservation documented and disseminated for up-scaling</p>	<p>Elected reps. (Male=XX, Female=XX) Public (Male=XX, Female=XX) KAP baseline to be completed in Year 1 Baseline (2017): 0</p>	<p>Initial results and lessons learned shared through project website and social media (1 news article per month – at least 1/year on gender issues; at least 5 completed technical reports available online); 4 Demonstration landscape partnership forums held (50% female participants); initial lessons shared with MET and MofALI and Aimag and Soum authorities for consideration in PPG assessments of best practices further developed and made available on-line on MET e-learning platform</p>	<p>All project results and lessons learned shared through project website and social media with one news article per month – at least one/year on gender issues; at least 12 completed technical reports available online; 8 demonstration landscape partnership Forums held (50% female participants); lessons learned presented to national seminar for upscaling; MET e-learning platform updated with best practices from project implementation</p>	<p>Source: Log maintained by the project office and placed on project web site</p>	<p>Risks: Project fails to capture and document lessons learned Assumptions: Involvement in the design and implementation of project interventions and knowledge sharing on the experiences and expected benefits of implementing green development practices will result in long-term support for the project and adoption of new knowledge, skills and practices.</p>
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VII. MONITORING AND EVALUATION (M&E) PLAN

143. The project results as outlined in the project results framework will be monitored annually and evaluated periodically during project implementation to ensure the project effectively achieves these results.
144. Project-level monitoring and evaluation will be undertaken in compliance with UNDP requirements as outlined in the [UNDP POPP](#) and [UNDP Evaluation Policy](#). The UNDP Country Office will work with the relevant project stakeholders to ensure UNDP M&E requirements are met in a timely fashion and to high quality standards. Additional mandatory GEF-specific M&E requirements (as outlined below) will be undertaken in accordance with the [GEF M&E policy](#) and other relevant GEF policies¹²².
145. In addition to these mandatory UNDP and GEF M&E requirements, other M&E activities deemed necessary to support project-level adaptive management will be agreed during the Project Inception Workshop and will be detailed in the Inception Report. This will include the exact role of project target groups and other stakeholders in project M&E activities including the GEF Operational Focal Point and national/regional institutes assigned to undertake project monitoring. The GEF Operational Focal Point will strive to ensure consistency in the approach taken to the GEF-specific M&E requirements (notably the GEF Tracking Tools) across all GEF-financed projects in the country. This could be achieved for example by using one national institute to complete the GEF Tracking Tools for all GEF-financed projects in the country, including projects supported by other GEF Agencies.¹²³

M&E Oversight and monitoring responsibilities:

146. **National Project Coordinator:** The National Project Coordinator (Project Manager) is responsible for day-to-day project management and regular monitoring of project results and risks, including social and environmental risks. The National Project Coordinator will ensure that all project staff maintain a high level of transparency, responsibility and accountability in M&E and reporting of project results. The National Project Coordinator will inform the Project Board, the UNDP Country Office and the UNDP-GEF RTA of any delays or difficulties as they arise during implementation so that appropriate support and corrective measures can be adopted.
147. The National Project Coordinator will develop annual work plans based on the multi-year work plan included in **Annex A**, including annual output targets to support the efficient implementation of the project. The National Project Coordinator will ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality. This includes, but is not limited to, ensuring the results framework indicators are monitored annually in time for evidence-based reporting in the GEF PIR, and that the monitoring of risks and the various plans/strategies developed to support project implementation (e.g. gender action plan, livelihoods plan, stakeholder engagement plan etc..) occur on a regular basis.
148. **Project Board:** The Project Board will take corrective action as needed to ensure the project achieves the desired results. The Project Board will hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the following year. In the project's final year, the Project Board will hold an end-of-project review to capture lessons learned and discuss opportunities for scaling up and to highlight project results and lessons learned with relevant audiences. This final review meeting will also discuss the findings outlined in the project terminal evaluation report and the management response.
149. **Project Implementing Partner:** The Implementing Partner is responsible for providing all required information and data necessary for timely, comprehensive and evidence-based project reporting, including results and financial data, as necessary. The Implementing Partner will strive to ensure project-level M&E is undertaken by national institutes, and is aligned with national systems so that the data used and generated by the project supports national systems.

¹²² See https://www.thegef.org/gef/policies_guidelines

¹²³ See https://www.thegef.org/gef/gef_agencies

150. **UNDP Country Office:** The UNDP Country Office will support the National Project Coordinator as needed, including through annual supervision missions. The annual supervision missions will take place according to the schedule outlined in the annual work plan. Supervision mission reports will be circulated to the project team and Project Board within one month of the mission. The UNDP Country Office will initiate and organize key GEF M&E activities including the annual GEF PIR, the independent mid-term review and the independent terminal evaluation. The UNDP Country Office will also ensure that the standard UNDP and GEF M&E requirements are fulfilled to the highest quality.
151. The UNDP Country Office is responsible for complying with all UNDP project-level M&E requirements as outlined in the [UNDP POPP](#). This includes ensuring the UNDP Quality Assurance Assessment during implementation is undertaken annually; that annual targets at the output level are developed, and monitored and reported using UNDP corporate systems; the regular updating of the ATLAS risk log; and, the updating of the UNDP gender marker on an annual basis based on gender mainstreaming progress reported in the GEF PIR and the UNDP ROAR. Any quality concerns flagged during these M&E activities (e.g. annual GEF PIR quality assessment ratings) must be addressed by the UNDP Country Office and the National Project Coordinator.
152. The UNDP Country Office will retain all M&E records for this project for up to seven years after project financial closure to support ex-post evaluations undertaken by the UNDP Independent Evaluation Office (IEO) and/or the GEF Independent Evaluation Office (IEO).
153. **UNDP-GEF Unit:** Additional M&E and implementation quality assurance and troubleshooting support will be provided by the UNDP-GEF Regional Technical Advisor and the UNDP-GEF Directorate as needed.
154. **Audit:** The project will be audited as per UNDP Financial Regulations and Rules and applicable audit policies on NIM implemented projects.¹²⁴

Additional GEF monitoring and reporting requirements:

155. **Inception Workshop and Report:** A project inception workshop will be held within three months after the project document has been signed by all relevant parties to, amongst others:
- a) Re-orient project stakeholders to the project strategy and discuss any changes in the overall context that influence project strategy and implementation;
 - b) Discuss the roles and responsibilities of the project team, including reporting and communication lines and conflict resolution mechanisms;
 - c) Review the results framework and finalize the indicators, means of verification and monitoring plan;
 - d) Discuss reporting, monitoring and evaluation roles and responsibilities and finalize the M&E budget; identify national/regional institutes to be involved in project-level M&E; discuss the role of the GEF OFP in M&E;
 - e) Update and review responsibilities for monitoring the various project plans and strategies, including the risk log; SESP and other safeguard requirements; project grievance mechanisms; the gender strategy; the knowledge management strategy, and other relevant strategies;
 - f) Review financial reporting procedures and mandatory requirements, and agree on the arrangements for the annual audit; and
 - g) Plan and schedule Project Board meetings and finalize the first year annual work plan.
156. The National Project Coordinator will prepare the inception report no later than one month after the inception workshop. The inception report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board.
157. **GEF Project Implementation Report (PIR):** The National Project Coordinator, the UNDP Country Office, and the UNDP-GEF Regional Technical Advisor will provide objective input to the annual GEF PIR covering the reporting period July (previous year) to June (current year) for each year of project implementation. The National Project Coordinator will ensure that the indicators included in the project results framework are monitored annually in advance of the PIR submission deadline so

¹²⁴ See guidance here: <https://info.undp.org/global/popp/frm/pages/financial-management-and-execution-modalities.aspx>

that progress can be reported in the PIR. Any environmental and social risks and related management plans will be monitored regularly, and progress will be reported in the PIR.

158. The PIR submitted to the GEF will be shared with the Project Board. The UNDP Country Office will coordinate the input of the GEF Operational Focal Point and other stakeholders to the PIR as appropriate. The quality rating of the previous year's PIR will be used to inform the preparation of the subsequent PIR.
159. Lessons learned and knowledge generation: Results from the project will be disseminated within and beyond the project intervention area through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to the project. The project will identify, analyse and share lessons learned that might be beneficial to the design and implementation of similar projects and disseminate these lessons widely. There will be continuous information exchange between this project and other projects of similar focus in the same country, region and globally.
160. GEF Focal Area Tracking Tools: The following GEF Tracking Tool(s) will be used to monitor global environmental benefits: a) GEF-6 Biodiversity focal area Tracking Tool (METT). Relevant GEF-7 Core Indicators will be reported against (CEO ER reporting against core indicators is provided in **Annex B (IV)**).
161. The baseline/CEO Endorsement GEF Focal Area Tracking Tools – submitted as **Annex B (I)** to this project document – will be updated by the National Project Coordinator/Team (not the evaluation consultants hired to undertake the MTR or the TE) and shared with the mid-term review consultants and terminal evaluation consultants before the required review/evaluation missions take place. The updated GEF Tracking Tool(s) will be submitted to the GEF along with the completed Mid-term Review report and Terminal Evaluation report. Note that Annexes B (II and III) contain the baseline assessments of the GEF-6 Land degradation focal area Tracking Tool and GEF-6 Sustainable Forest Management focal area Tracking Tool. These have been retained in the Annexes for institutional memory but were not submitted to GEF Secretariat at time of CEO Endorsement due to the change to GEF-7 Core Indicators.
162. Independent Mid-term Review (MTR): An independent mid-term review process will begin after the third PIR has been submitted to the GEF, and the MTR report will be submitted to the GEF in the same year as the 4th PIR. The MTR findings and responses outlined in the management response will be incorporated as recommendations for enhanced implementation during the final half of the project's duration. The terms of reference, the review process and the MTR report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the [UNDP Evaluation Resource Center \(ERC\)](#). As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance support is available from the UNDP-GEF Directorate. The final MTR report will be available in English and will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and approved by the Project Board.
163. Terminal Evaluation (TE): An independent terminal evaluation (TE) will take place upon completion of all major project outputs and activities. The terminal evaluation process will begin three months before operational closure of the project allowing the evaluation mission to proceed while the project team is still in place, yet ensuring the project is close enough to completion for the evaluation team to reach conclusions on key aspects such as project sustainability. The National Project Coordinator will remain on contract until the TE report and management response have been finalized. The terms of reference, the evaluation process and the final TE report will follow the standard templates and guidance prepared by the UNDP IEO for GEF-financed projects available on the [UNDP Evaluation Resource Center](#). As noted in this guidance, the evaluation will be 'independent, impartial and rigorous'. The consultants that will be hired to undertake the assignment will be independent from organizations that were involved in designing, executing or advising on the project to be evaluated. The GEF Operational Focal Point and other stakeholders will be involved and consulted during the terminal evaluation process. Additional quality assurance

support is available from the UNDP-GEF Directorate. The final TE report will be cleared by the UNDP Country Office and the UNDP-GEF Regional Technical Adviser, and will be approved by the Project Board. The TE report will be publically available in English on the UNDP ERC.

164. The UNDP Country Office will include the planned project terminal evaluation in the UNDP Country Office evaluation plan, and will upload the final terminal evaluation report in English and the corresponding management response to the UNDP Evaluation Resource Centre (ERC). Once uploaded to the ERC, the UNDP IEO will undertake a quality assessment and validate the findings and ratings in the TE report, and rate the quality of the TE report. The UNDP IEO assessment report will be sent to the GEF IEO along with the project terminal evaluation report.

165. Final Report: The project's terminal PIR along with the terminal evaluation (TE) report and corresponding management response will serve as the final project report package. The final project report package shall be discussed with the Project Board during an end-of-project review meeting to discuss lessons learned and opportunities for scaling up.

Table 9. Mandatory GEF M&E Requirements and M&E Budget

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹²⁵ (USD)		Time frame
		GEF grant	Co-financing	
Inception Workshop	UNDP Country Office	USD 6,000	2,000	Within three months of project document signature
Inception Report	National Project Coordinator	None	None	Within one month of inception workshop
Standard UNDP monitoring and reporting requirements as outlined in the UNDP POPP	UNDP Country Office	None	None	Quarterly, annually
Risk management	National Project Coordinator Country Office	None	None	Quarterly, annually
Monitoring of indicators in project results framework	National Project Coordinator	4,500 per year X 7 years = USD 31,500	7,000	Annually before PIR
GEF Project Implementation Report (PIR)	National Project Coordinator and UNDP Country Office and UNDP-GEF team	None	None	Annually
NIM Audit as per UNDP audit policies	UNDP Country Office	2,750 X 5 years + 4,400 X 2 years (spot checks) = 22,500	None	Annually or other frequency as per UNDP Audit policies
Lessons learned and knowledge generation	National Project Coordinator	21,000 (Output 4.1)	10,000	Annually
Monitoring of environmental and social risks, and corresponding management plans as relevant	National Project Coordinator UNDP Country Office	7,000	4,000	On-going
Stakeholder Engagement Plan	National Project Coordinator	None	None	On-going

¹²⁵ Excluding project team staff time and UNDP staff time and travel expenses.

GEF M&E requirements	Primary responsibility	Indicative costs to be charged to the Project Budget ¹²⁵ (USD)		Time frame
		GEF grant	Co-financing	
	UNDP Country Office			
Gender Action Plan	National Project Coordinator; UNDP Country Office	7,000	None	On-going
Addressing environmental and social grievances	National Project Coordinator UNDP Country Office	None	None	On-going
Project Board meetings	Project Board; UNDP Country Office; National Project Coordinator	4,500 X 14 63,000	10,000	At minimum annually
Supervision missions	UNDP Country Office	None ¹²⁶	None	Annually
Oversight missions	UNDP-GEF team	None ¹²⁶	None	Troubleshooting as needed
GEF Secretariat learning missions/site visits	UNDP Country Office; National Project Coordinator; UNDP-GEF	None	5,000	To be determined.
Mid-term GEF Tracking Tools to be updated by PMU and project specialists	National Project Coordinator	None	None	Before mid-term review mission takes place.
Independent Mid-term Review (MTR) and management response	UNDP Country Office and Project team and UNDP-GEF team	26,300 including travel and DSAs	5,000	Between 3 rd and 4 th PIR.
Terminal GEF Tracking Tool to be updated by PMU and project specialists	National Project Coordinator	None	None	Before terminal evaluation mission takes place
Independent Terminal Evaluation (TE) included in UNDP evaluation plan, and management response	UNDP Country Office and Project team and UNDP-GEF team	30,125 including travel and DSAs	5,000	At least three months before operational closure
Translation of MTR and TE reports into English	UNDP Country Office	None – report to be prepared in English	None	As required. GEF will only accept reports in English.
TOTAL indicative COST Excluding project team staff time, and UNDP staff and travel expenses		214,425	48,000	

¹²⁶ The costs of UNDP Country Office and UNDP-GEF Unit's participation and time are charged to the GEF Agency Fee.

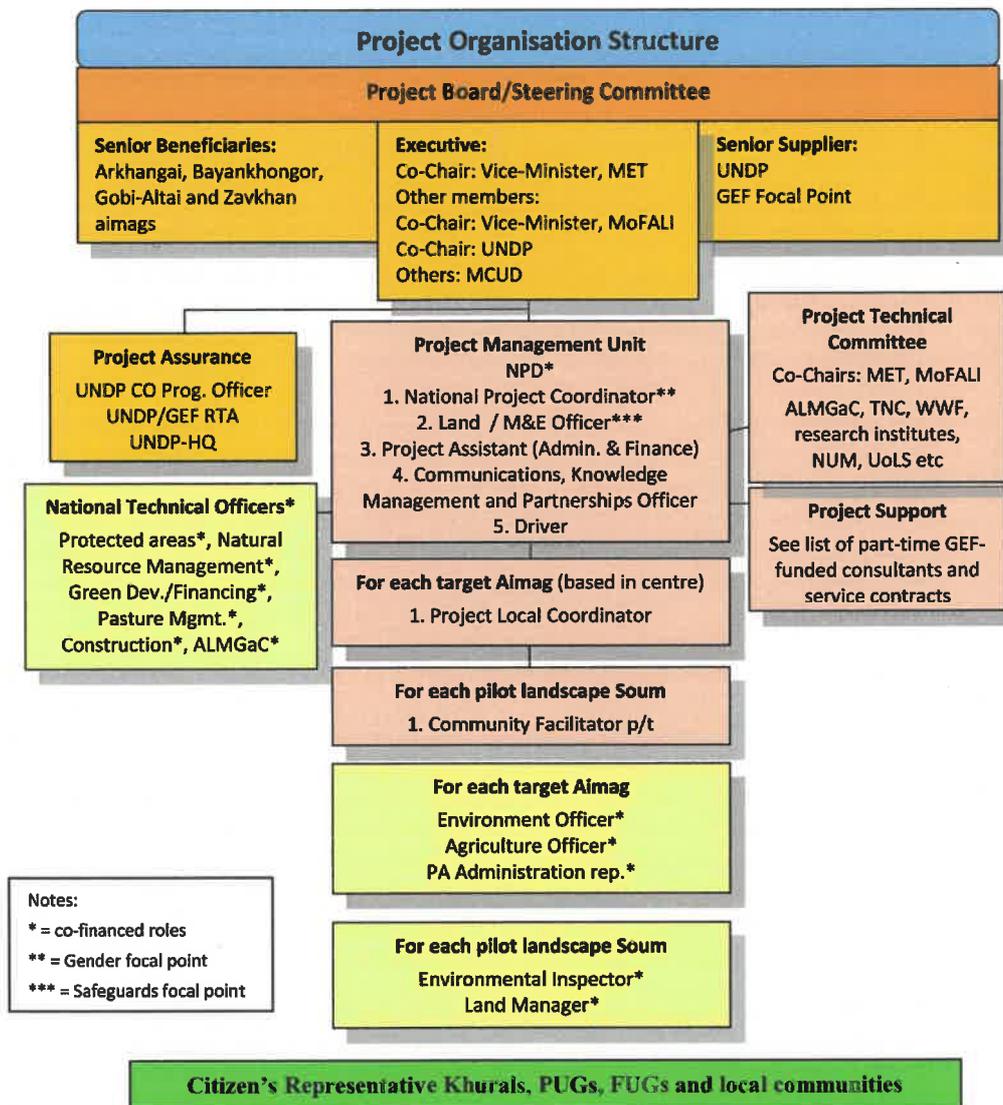
VIII. GOVERNANCE AND MANAGEMENT ARRANGEMENTS

166. **Roles and responsibilities of the project's governance mechanism:** The project will be implemented following UNDP's national implementation modality, according to the Standard Basic Assistance Agreement between UNDP and the Government of Mongolia, and the Country Programme.

167. The **Implementing Partner** for this project is the Ministry of Environment and Tourism. The Implementing Partner is responsible and accountable for managing this project, including the monitoring and evaluation of project interventions, achieving project outcomes, and for the effective use of UNDP resources. The Implementing Partner is responsible for:

- Approving and signing the multiyear work plan;
- Approving and signing the combined delivery report at the end of the year; and,
- Signing the financial report or the funding authorization and certificate of expenditures.

168. The project organisation structure is shown below:



169. **Project Board:** The Project Board is responsible for making by consensus, management decisions when guidance is required by the National Project Coordinator, including recommendations for UNDP/Implementing Partner approval of project plans and revisions, and addressing any project level grievances. In order to ensure UNDP's ultimate accountability, Project Board decisions should be made in accordance with standards that shall ensure management for development results,

best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Board, final decision shall rest with the UNDP Programme Manager.

170. Specific responsibilities of the Project Board include:

- Provide overall guidance and direction to the project, ensuring it remains within any specified constraints;
- Address project issues as raised by the National Project Coordinator;
- Provide guidance on new project risks, and agree on possible countermeasures and management actions to address specific risks;
- Agree on National Project Coordinator's tolerances as required;
- Review the project progress, and provide direction and recommendations to ensure that the agreed deliverables are produced satisfactorily according to plans;
- Appraise the annual project implementation report, including the quality assessment rating report; make recommendations for the work plan;
- Provide ad hoc direction and advice for exceptional situations when the National Project Coordinator's tolerances are exceeded;
- Establish and oversee the project's Grievance Mechanism, and regularly review complaints received by the National Project Coordinator; and
- Assess and decide to proceed on project changes through appropriate revisions.

171. The composition of the Project Board must include the following roles:

172. **Executive:** The Executive is an individual who represents ownership of the project who will chair the Project Board. This role can be held by a representative from the Government Cooperating Agency or UNDP. The Executive is: Director General of MET's Environment and Natural Resources Department, or his/her representative. The Executive is ultimately responsible for the project, supported by the Senior Beneficiary and Senior Supplier. The Executive's role is to ensure that the project is focused throughout its life cycle on achieving its objectives and delivering outputs that will contribute to higher level outcomes. The executive has to ensure that the project gives value for money, ensuring cost-conscious approach to the project, balancing the demands of beneficiary and supplier. Specific Responsibilities: (as part of the above responsibilities for the Project Board)

- Ensure that there is a coherent project organisation structure and logical set of plans;
- Set tolerances in the AWP and other plans as required for the National Project Coordinator;
- Monitor and control the progress of the project at a strategic level;
- Ensure that risks are being tracked and mitigated as effectively as possible;
- Brief relevant stakeholders about project progress;
- Organise and chair Project Board meetings.

173. **Senior Supplier:** The Senior Supplier is an individual or group representing the interests of the parties concerned which provide funding and/or technical expertise to the project (designing, developing, facilitating, procuring, implementing). The Senior Supplier's primary function within the Board is to provide guidance regarding the technical feasibility of the project. The Senior Supplier role must have the authority to commit or acquire supplier resources required. If necessary, more than one person may be required for this role. Typically, the implementing partner, UNDP and/or donor(s) would be represented under this role. The Senior Supplier is: UNDP and the GEF Focal Point for Mongolia. Specific Responsibilities (as part of the above responsibilities for the Project Board)

- Make sure that progress towards the outputs remains consistent from the supplier perspective;
- Promote and maintain focus on the expected project output(s) from the point of view of supplier management;
- Ensure that the supplier resources required for the project are made available;
- Contribute supplier opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Arbitrate on, and ensure resolution of, any supplier priority or resource conflicts.

174. **Senior Beneficiary:** The Senior Beneficiary is an individual or group of individuals representing the interests of those who will ultimately benefit from the project. The Senior Beneficiary's primary function within the Board is to ensure the realization of project results from the perspective of project beneficiaries. The Senior Beneficiary role is held by a representative of the government or civil society. The Senior Beneficiary is: representatives of the target aimags (Zavkhan, Arkhangai, Bayankhongor, Gobi-Altai). The Senior Beneficiary is responsible for validating the needs and for monitoring that the solution will meet those needs within the constraints of the project. The Senior Beneficiary role monitors progress against targets and quality criteria. This role may require more than one person to cover all the beneficiary interests. For the sake of effectiveness, the role should not be split between too many people. Specific Responsibilities (as part of the above responsibilities for the Project Board):

- Prioritize and contribute beneficiaries' opinions on Project Board decisions on whether to implement recommendations on proposed changes;
- Specification of the Beneficiary's needs is accurate, complete and unambiguous;
- Implementation of activities at all stages is monitored to ensure that they will meet the beneficiary's needs and are progressing towards that target;
- Impact of potential changes is evaluated from the beneficiary point of view;
- Risks to the beneficiaries are frequently monitored.

175. **National Project Coordinator:** The National Project Coordinator has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The National Project Coordinator is responsible for day-to-day management and decision-making for the project. The National Project Coordinator's prime responsibility is to ensure that the project produces the results specified in the project document, to the required standard of quality and within the specified constraints of time and cost. The Implementing Partner appoints the National Project Coordinator, who should be different from the Implementing Partner's representative in the Project Board. Specific responsibilities include:

- Provide direction and guidance to project team(s)
- Liaise with the Project Board to assure the overall direction and integrity of the project;
- Identify and obtain any support and advice required for the management, planning and control of the project;
- Responsible for project administration;
- Plan the activities of the project and monitor progress against the project results framework and the approved annual work plan;
- Mobilize personnel, goods and services, training and micro-capital grants to initiative activities, including drafting terms of reference and work specifications, and overseeing all contractors' work;
- Monitor events as determined in the project monitoring schedule plan/timetable, and update the plan as required;
- Manage requests for the provision of financial resources by UNDP, through advance of funds, direct payments or reimbursement using the fund authorization and certificate of expenditures;
- Monitor financial resources and accounting to ensure the accuracy and reliability of financial reports;
- Be responsible for preparing and submitting financial reports to UNDP on a quarterly basis;
- Manage and monitor the project risks initially identified and submit new risks to the project board for consideration and decision on possible actions if required; update the status of these risks by maintaining the project risks log;
- Capture lessons learned during project implementation;
- Prepare the annual work plan for the following year; and update the Atlas Project Management module if external access is made available.
- Prepare the GEF PIR and submit the final report to the Project Board;
- Based on the GEF PIR and the Project Board review, prepare the AWP for the following year.
- Ensure the mid-term review process is undertaken as per the UNDP guidance, and submit the final MTR report to the Project Board.
- Identify follow-on actions and submit them for consideration to the Project Board;

- Ensure the terminal evaluation process is undertaken as per the UNDP guidance, and submit the final TE report to the Project Board;

176. Project Assurance: UNDP provides a three – tier supervision, oversight and quality assurance role – funded by the GEF agency fee – involving UNDP staff in Country Offices and at regional and headquarters levels. Project Assurance must be totally independent of the Project Management function. The quality assurance role supports the Project Board and Project Management Unit by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. The Project Board cannot delegate any of its quality assurance responsibilities to the National Project Coordinator. This project oversight and quality assurance role is covered by the GEF Agency.

177. Governance role for project target groups: The Project Board provides the highest level to engage the project beneficiaries in decision-making, as described above. During implementation, a number of other important governance mechanisms will be established for engaging different target groups. Regular meetings at local level will be extremely important because of the highly dispersed nature of the communities, the vast size of the demonstration landscapes and the distances from the capital city. These include: a) the Partnership Forums to be held at least once each year for each demonstration landscape (Output 3.1) to bring together key community-level stakeholders and local government officers to review and promote progress with project implementation; b) the Project Technical Committee (Output 3.1) which will convene at least once annually to gather the advice of government specialised agencies, universities and technical partners in support of project implementation; c) various task forces, working groups and round tables established to provide targeted support to certain project activities (eg. legal reviews (Output 1.1), financing mechanisms (Output 1.3), sustainable fibre/cashmere initiative (Output 1.3) etc..

IX. FINANCIAL PLANNING AND MANAGEMENT

178. The total cost of the project is \$47,093,970. This is financed through a GEF grant of \$7,964,253, parallel grant co-financing of \$150,000 from UNDP, and \$38,979,717 in parallel grant co-financing from governmental and non-governmental sources in Mongolia as listed below. UNDP, as the GEF Agency, is responsible for the execution of the GEF resources and the cash co-financing transferred to UNDP bank account only.

179. Parallel co-financing: The actual realization of project co-financing will be monitored during the mid-term review and terminal evaluation process and will be reported to the GEF. The planned parallel co-financing will be used as follows:

Table 10. Co-financing summary

Co-financing source	Co-financing type	Co-financing amount \$	Planned Activities/Outputs	Risks	Risk Mitigation Measures
Ministry of Environment and Tourism	Grant	28,000,000	Inputs as Implementing Partner, for all Components	No significant risks	Green development, biodiversity conservation and forestry are core part of mandate
Ministry of Food, Agriculture, and Light Industry	Grant	8,000,000	Inputs across all Components, particularly Output 2.1	No significant risks	Rangeland conservation is core part of mandate
Zavkhan aimag Governor's Office	Grant	212,700	Senior beneficiary; inputs particularly to Components 2 & 3	No significant risks	Green development is core part of mandate
Gobi-Altai aimag Governor's Office	Grant	288,750	Senior beneficiary; inputs particularly to Components 2 & 3	No significant risks	Green development is core part of mandate
Arkhangai aimag Governor's Office	Grant	291,910	Senior beneficiary; inputs particularly to Components 2 & 3	No significant risks	Green development is core part of mandate
Bayankhongor aimag Governor's Office	Grant	30,000	Senior beneficiary; inputs particularly to Components 2 & 3	No significant risks	Green development is core part of mandate
World Wildlife Fund	Grant	500,000	Inputs to Components 1, 2 & 3	No significant risks	Invite as observer to Project Board meetings
Wildlife Conservation Society Mongolia	Grant	500,000	Inputs to Components 1 (Output 1.3) & 3 (Outputs 3.2 and 3.3)	No significant risks	Invite as observer to Project Board meetings
The Nature Conservancy	Grant	350,000	Inputs to Component 2 (Output 2.3)	No significant risks	Invite as observer to Project Board meetings
KfW - Kreditanstalt fuer Wiederaufbau	Grant	*336,357	Inputs to Component 2 (Output 2.3)	No significant risks	Invite as observer to Project Board meetings
Arig Bank	In-kind	420,000	Inputs to Component 1 (Output 1.3)	No significant risks	Invite as observer to Project Board meetings
UNDP	Grant	150,000	Technical assistance inputs to all Components, particularly work on sustainable cashmere	No significant risks	N/A
Total \$		39,079,717			

* Amount converted from 281,000 Euro on 3 May 2018

180. UNDP Direct Project Services as requested by Government (if any): Procurement and recruitment of PMU staff and national/local consultants and service contracts will be shared between UNDP, MET and MOFALI. The national and international consultants for the Mid-Term Review and the Terminal Evaluation will be procured by UNDP. UNDP Direct Project Costs (DPC) will be charged for

the relevant procurement and recruitment, and charges will follow UNDP/GEF specific guidance on DPC, i.e. services must be itemized and associated costs are calculated on the basis of estimated actual or transaction based cost. The relevant allowance has been included in the budget for project management.

181. As is determined by the GEF Council requirements, these service costs will be assigned as Project Management Cost, duly identified in the project budget as Direct Project Costs. Eligible Direct Project Costs should not be charged as a flat percentage. They should be calculated on the basis of estimated actual or transaction based costs and should be charged to the direct project costs account codes: "64397- Services to projects – CO staff" and "74596- Services to projects – GOE for CO".
182. Budget Revision and Tolerance: As per UNDP requirements outlined in the UNDP POPP, the Project Board will agree on a budget tolerance level for each plan under the overall annual work plan allowing the National Project Coordinator to expend up to the tolerance level beyond the approved project budget amount for the year without requiring a revision from the Project Board. Should the following deviations occur, the National Project Coordinator and UNDP Country Office will seek the approval of the UNDP-GEF team to ensure accurate reporting to the GEF: a) Budget re-allocations among components in the project with amounts involving 10% of the total project grant or more; b) Introduction of new budget items/or components that exceed 5% of original GEF allocation.
183. Any over expenditure incurred beyond the available GEF grant amount will be absorbed by non-GEF resources (e.g. UNDP TRAC or cash co-financing).
184. Refund to GEF: Should a refund of unspent funds to the GEF be necessary, this will be managed directly by the UNDP-GEF Unit in New York.
185. Project Closure: Project closure will be conducted as per UNDP requirements outlined in the UNDP POPP.¹²⁷ On an exceptional basis only, a no-cost extension beyond the initial duration of the project will be sought from in-country UNDP colleagues and then the UNDP-GEF Executive Coordinator.
186. Operational completion: The project will be operationally completed when the last UNDP-financed inputs have been provided and the related activities have been completed. This includes the final clearance of the Terminal Evaluation Report (that will be available in English) and the corresponding management response, and the end-of-project review Project Board meeting. The Implementing Partner through a Project Board decision will notify the UNDP Country Office when operational closure has been completed. At this time, the relevant parties will have already agreed and confirmed in writing on the arrangements for the disposal of any equipment that is still the property of UNDP.
187. Transfer or disposal of assets: In consultation with the NIM Implementing Partner and other parties of the project, UNDP programme manager (UNDP Resident Representative) is responsible for deciding on the transfer or other disposal of assets. Transfer or disposal of assets is recommended to be reviewed and endorsed by the Project Board following UNDP rules and regulations. Assets may be transferred to the government for project activities managed by a national institution at any time during the life of a project. In all cases of transfer, a transfer document must be prepared and kept on file¹²⁸.
188. Financial completion: The project will be financially closed when the following conditions have been met: a) The project is operationally completed or has been cancelled; b) The Implementing

¹²⁷ see <https://info.undp.org/global/popp/ppm/Pages/Closing-a-Project.aspx>

¹²⁸ See https://popp.undp.org/layouts/15/WopiFrame.aspx?sourcedoc=/UNDP_POPP_DOCUMENT_LIBRARY/Public/PPM_Project%20Management_Closing.docx&action=default.

Partner has reported all financial transactions to UNDP; c) UNDP has closed the accounts for the project; d) UNDP and the Implementing Partner have certified a final Combined Delivery Report (which serves as final budget revision).

189. The project will be financially completed within 12 months of operational closure or after the date of cancellation. Between operational and financial closure, the implementing partner will identify and settle all financial obligations and prepare a final expenditure report. The UNDP Country Office will send the final signed closure documents including confirmation of final cumulative expenditure and unspent balance to the UNDP-GEF Unit for confirmation before the project will be financially closed in Atlas by the UNDP Country Office.

X. TOTAL BUDGET AND WORK PLAN

Total Budget and Work Plan	
Atlas Proposal or Award ID:	100102 Atlas Primary Output Project ID: 103218
Atlas Proposal or Award Title:	ENSURE
Atlas Business Unit	MNG10
Atlas Primary Output Project Title	Ensuring Sustainability and Resilience (ENSURE) of Green Landscapes in Mongolia
UNDP/GEF PIMS No.	5784
Implementing Partner	Ministry of Environment and Tourism

<u>Responsible Party/II</u> (Atlas Implementing Agent)	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Amount Year 6 (USD)	Amount Year 7 (USD)	Total (USD)	See Budget Note :
Component 1: Embedding systemic tools and capacity for enhancing ecosystem services through sustainable rangeland and forest management and biodiversity conservation													
MET	62000	GEF	71200	International Consultants	36,000	24,000	-	-	-	-	-	60,000	1
			71300	Local Consultants	59,900	78,350	61,750	42,550	-	-	-	242,550	2
			71600	Travel	11,000	17,000	5,000	5,000	3,000	3,000	3,050	47,050	3
			71800	Contractual Services-Impl. Partn.	19,000	19,500	20,000	20,500	22,000	23,000	23,804	147,804	4
			72100	Contractual Services-Companies	70,000	80,000	50,000	50,000	40,000	30,000	26,000	346,000	5
			74200	AV & print production costs	5,000	9,000	9,000	10,800	10,800	8,100	5,400	58,100	6
			74500	Miscellaneous	7,000	7,000	7,000	7,000	7,000	7,000	7,000	49,000	7
			75700	Training, Workshops and Confer	18,000	39,000	25,000	17,000	12,000	10,000	6,930	127,930	8
				Total Outcome 1	225,900	273,850	177,750	152,850	94,800	81,100	72,184	1,078,434	

COMPONENT 2: Application of sustainable rangeland and forest management and biodiversity conservation to reduce land degradation/desertification and enhance ecosystem services													
MET	62000	GE	71300	Local Consultants	30,000	30,000	30,000	20,000	20,000	13,000	10,450	153,450	9
	F	71600	Travel	18,000	24,000	24,000	22,000	22,000	16,000	16,000	12,100	138,100	10
		71800	Contractual Services-Impl. Partn.	62,000	64,000	65,500	70,000	67,500	72,000	72,000	75,243	476,243	11
		72100	Contractual Services-Companies	190,000	350,000	490,000	570,000	560,000	450,000	450,000	252,100	2,862,100	12
		72200	Equipment and Furniture	50,000	-	-	-	-	-	-	-	50,000	13
		74200	AV & print production costs	5,000	12,000	14,000	14,000	14,000	12,000	12,000	10,518	81,518	14
		74500	Miscellaneous	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	49,000	15
		75700	Training, Workshops and Confer	60,000	75,000	90,000	100,000	100,000	90,000	90,000	48,940	563,940	16
			Total Outcome 2	422,000	562,000	720,500	803,000	790,500	660,000	660,000	416,351	4,374,351	

Component 3: Community livelihoods enhancement to restore and sustain biodiversity and ecosystem services													
MET	62000	GE	71200	International Consultants	18,000	12,000	9,000	9,000	9,000	-	-	48,000	17
	F	71300	Local Consultants	-	3,375	3,000	3,000	3,000	3,000	-	-	12,375	18
		71600	Travel	7,000	12,000	12,000	10,000	12,000	8,000	8,000	6,700	67,700	19
		71800	Contractual Services-Impl. Partn.	27,000	28,000	30,500	34,500	32,500	37,500	37,500	39,945	229,945	20
		72100	Contractual Services-Companies	50,000	150,000	150,000	150,000	160,000	140,000	140,000	99,000	899,000	21
		72200	Equipment and Furniture	80,000	-	-	-	-	-	-	-	80,000	22
		74200	AV & print production costs	5,000	5,000	6,000	6,000	6,000	6,000	6,000	3,625	37,625	23
		74500	Miscellaneous	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	56,000	24
		75700	Training, Workshops and Confer	20,000	30,000	50,000	35,000	40,000	35,000	35,000	20,000	230,000	25

Summary of Funds:

Name of Donor	Amount Year1	Amount Year 2	Amount Year 3	Amount Year 4	Amount Year 5	Amount Year 6	Amount Year 7	Total (\$)
Ministry of Environment and Tourism	3,588,059	4,195,911	4,592,044	4,656,030	4,453,701	3,799,603	2,714,652	28,000,000
Ministry of Food Agriculture and Light Industry	1,025,160	1,198,832	1,312,013	1,330,294	1,272,486	1,085,601	775,614	8,000,000
Zavkhan aimag Governor's Office	27,256	31,874	34,883	35,369	33,832	28,863	20,623	212,700
Gobi-Altai aimag Governor's Office	37,002	43,270	47,355	48,015	45,929	39,183	27,996	288,750
Arkhangai aimag Governor's Office	37,407	43,744	47,874	48,541	46,431	39,612	28,301	291,910
Bayankhongor aimag Governor's Office	3,844	4,496	4,920	4,989	4,772	4,071	2,908	30,000
World Wildlife Fund	64,072	74,927	82,001	83,143	79,530	67,850	48,477	500,000
Wildlife Conservation Society Mongolia	64,072	74,927	82,001	83,143	79,530	67,850	48,477	500,000
The Nature Conservancy	44,851	52,449	57,401	58,200	55,671	47,495	33,933	350,000
KfW - Kreditanstalt fuer Wiederaufbau	43,102	50,404	55,163	55,932	53,501	45,644	32,611	336,357
Arig Bank	53,821	62,939	68,881	69,840	66,806	56,994	40,719	420,000
UNDP	19,222	22,478	24,600	24,943	23,859	20,355	14,543	150,000
TOTAL	5,007,868	5,856,251	6,409,136	6,498,439	6,216,048	5,303,121	3,788,854	39,079,717

BUDGET NOTES	
Component 1	
1	<p>International consultants for sustainable cashmere initiative for Output 1.3: (\$3,000 X 6pw = \$18,000 in Year 1 for feasibility study), plus* (\$3,000 X 6pw in Year 1 and X 8pw in Year 2 = \$42,000 for platform establishment and standards scoping). TOTAL = \$60,000 (* subject to a satisfactory result of the Year 1 feasibility assessment)</p> <p>Local and National consultants: 4 specialists in environmental law to lead consultations and drafting of revised laws and regulations under Output 1.1, including specialists on Public finance, Environmental planning, Biodiversity conservation and Pasture/Livestock management - for further details, see Annex M. (average 4X \$825 X 45pw = \$148,500 in Years 1-4); Specialist for sustainable cashmere initiative for Output 1.3: (\$825 X 24pw in Year 1 = \$19,800 and x 8w in Year 2 = \$6,600 = \$26,400); National coordinator for Sustainable Cashmere initiative* (\$825 X 52 weeks = \$42,900 in Years 2-3); Specialist on Ecotourism for Outputs 1.3 (\$825 X 30pw = \$24,750 in Years 2-4 (=66.7% of contract - see also Component 3)). Total = \$242,550 (* subject to a satisfactory result of the Year 1 feasibility assessment)</p>
2	<p>Travel and DSA for: International consultants for sustainable cashmere initiative for Output 1.3 (2 missions to Mongolia @ \$3,000 in Year 1 = \$6,000), plus* (3 missions to Mongolia @ \$3,000 in Year 2 = \$9,000); National consultants for improving legal environment for Output 1.1 (12 missions @ \$650 = \$7,800 in Years 1&2); National consultant for sustainable cashmere initiative for Output 1.3 (2 missions @ \$650 = \$1,300 in Years 1&2); National consultant for Ecotourism for Output 1.3 (3 missions @ \$650 = \$1,950 in Years 2-4); PMU staff for Outputs 1.1-1.5 including M&E (7 years @ \$3,000 = \$21,000). Total = \$47,050</p>
3	<p>Contractual Services – Implementing Partners: PMU staff for support to Component 1, Outputs 1.1-1.5: National Project Coordinator for coordination (\$ 2,333pm* X 35 months = \$88,053 (=41.7% of total contract)); Land / M&E Officer for technical support (\$ 1,667pm* X 7 months = \$12,579 (=8.3% of total contract)); Project Assistant for administrative and financial support (\$ 1,750pm* X 7 months = \$13,208 (=8.3% of total contract)); Comms, Knowledge Management and Partnerships Officer (\$ 1,250pm* X 14 months = \$18,869 (=16.7% of total contract)); PMU Driver (\$ 500pm* X 28 months = \$15,095 (=33.3% of total contract)). TOTAL = \$147,804</p>
4	<p>Contractual Services – Companies: Service contract for green development planning Output 1.2 in Years 1-3 and Year 6: 1.2.1 Conduct mid-term evaluations of the implementation of existing development plans for 4 aimages and 13 soums (\$15,000); 1.2.2 Develop guidelines and recommendations for integrating conservation of biodiversity and ecosystem services into local development planning (\$5,000); 1.2.3 Conduct participatory and GIS-based assessments of biodiversity and ecosystem services in pilot aimages and soums (\$25,000); 1.2.4 Establish and build capacity of soum Sustainable Development Councils (\$15,000); 1.2.5 Support participatory updating or incorporation of landscape-scale green development actions into the development planning strategies and documents of 4 aimages (\$25,000); 1.2.6 Support participatory development (updating) and approval of model landscape-scale green development plans for at least 8 soums (technical and planning information to be assessed under Output 2.1) (\$30,000); Total = \$115,000 Travel and subsistence included. (For further details, see Annex M)</p>
5A	<p>Contractual Services – Companies: Service contract for green financing mechanisms for biodiversity and ecosystem services Output 1.3 in Years 1-4: 1.3.1 Advise the national level Task Force on green financing mechanisms (\$7,000, meeting costs are budgeted separately); 1.3.2 Operationalise the Nature Conservation Fund within the demonstration landscapes (\$20,000 - NB. GEF funds will be used to establish the mechanism, and will not be contributed to the fund); 1.3.3 Develop guidelines for testing the application of: a) User fees (and fines) from</p>
5B	<p>Contractual Services – Companies: Service contract for green financing mechanisms for biodiversity and ecosystem services Output 1.3 in Years 1-4: 1.3.1 Advise the national level Task Force on green financing mechanisms (\$7,000, meeting costs are budgeted separately); 1.3.2 Operationalise the Nature Conservation Fund within the demonstration landscapes (\$20,000 - NB. GEF funds will be used to establish the mechanism, and will not be contributed to the fund); 1.3.3 Develop guidelines for testing the application of: a) User fees (and fines) from</p>

	<p>natural resource use; b) Livestock (headage) fees for use of pasture with resulting funds applied for ecosystem restoration (\$8,000); 1.3.6 Develop and demonstrate mechanisms to improve local budget planning and spending from the revenues generated from the use of natural resources (4 aimags @ \$5,000 = \$20,000 and 13 soums @ \$2,000 = \$26,000). Total = \$81,000 Travel and subsistence included. (For further details, see Annex M)</p>
5C	<p>Contractual Services – Companies: Service contract for tools and capacity development Output 1.4 in Years 1-5: 1.4.1 Finalise the project’s Capacity Development plan, review and update regularly and coordinate implementation (\$20,000); 1.4.2 Develop and demonstrate a series of at least 4 on-line training modules for local authority staff (by updating existing materials and incorporating best practices) (\$50,000); 1.4.3 Develop and test competency and performance standards for government staff, linked to the on-line training modules (\$10,000); 1.4.4 Introduce smartphone Application for soum government environment and agriculture officers to obtain best practice advice and information (\$26,000); 1.4.5 Review and introduce off-the shelf tools for information sharing and data transfer between field rangers and experts and MET and other agencies (\$15,000) Total = \$121,000 Travel and subsistence included (For further details, see Annex N)</p>
5D	<p>Contractual Services – Companies: Service contract for conservation of globally threatened /iconic biodiversity Output 1.5 in Year 1-7 (= 7.1% of total contract. See also Budget note 12L): 1.5.1 Facilitate the national Endangered Species Partnership to support further development and implementation of MET’s national Endangered Species Programme (\$14,000); 1.5.2 Update the existing national environmental database for globally and nationally threatened fauna and flora (\$15,000); Total = \$29,000. Travel and subsistence included. (For further details, see Annex O)</p>
6	<p>Audio-visual and print production: Videos and printed materials for awareness raising activities and reports under Outputs 1.1-1.5. (eg to promote proposed new laws and financing mechanisms and for training). Total = \$58,100</p>
7	<p>Miscellaneous: Contingency to cover exchange rate fluctuations and miscellaneous costs associated with organizing specialized meetings eg M&E monitoring of indicators for Component 1 in Results Framework. Total = \$49,000</p>
8	<p>Training courses, meetings and workshops for Outputs 1.1-1.5: <u>Output 1.1:</u> Meetings of the national Task Force to improve legal environment for biodiversity and ecosystem services in green development (3 @ \$500 = \$1,500); Expert meetings to develop the legal enabling conditions (6 @ \$500 = \$3,000); Workshops to improve the legal environment (10 @ \$1,300 = \$13,000). Total for Output 1.1 = \$17,500. <u>Output 1.2:</u> Participatory capacity building meetings for evaluations of the implementation of existing development plans for target aimags and pilot landscape soums (5 meetings @ \$650 = \$3,250); Meetings for building capacity of Sustainable Development Councils at the soum level, and supporting participatory development (updating) and approval of model landscape-scale green development plans for at least 8 soums (26X\$500 = \$13,000; Workshops to support participatory updating or incorporation of landscape-scale green development actions into the development planning strategies and documents of 4 aimags (4X2 @ \$650 = \$5,200; Workshops to develop environmentally-friendly tourism plan in at least one aimag (2@\$650=\$1,300). Total for Output 1.2 = \$22,750. <u>Output 1.3:</u> Meetings of the national Task Force on green financing mechanisms (3 @ \$500 = \$1,500); Meetings to operationalise the NCF at national (3@\$1,300 = \$3,900) and aimag levels (4 @ \$620 = \$2,480); local meetings for developing and piloting financing mechanisms at local level (8 @ \$650 = \$ 5,200); Workshops for feasibility study for an eco-tourism destination network in the project area (2 @ \$1,300) = \$2,600); national level stakeholder meetings in Years 1&2 to develop sustainable cashmere initiative (3 @ \$1,300 = \$3,900); training workshops to develop and pilot mechanisms to improve local budget planning and spending from the revenues generated from the use of natural resources (4 @ \$4,000 = \$16,000). Total for Output 1.3 = \$35,580. <u>Output 1.4:</u> Expert meetings to develop smartphone applications (4 @ \$500 = \$2,000); Testing of training modules (8 courses @ \$1500 = \$12,000). Total for Output 1.4 = \$14,000. <u>Output 1.5:</u> Meetings of the national Task Force for globally threatened/iconic biodiversity (7 @</p>

	\$500 = \$3,500); Workshops to review and develop national environmental database for threatened fauna and flora (2 @ \$1,300 = \$2,600); Support to training 8 MSc students (at least 50% women) (8X\$4,000 = \$32,000) Total for Output 1.5 = \$38,100. Total = \$ 127,930
Component 2	
9	Local and National consultants: Sustainable Forest Management specialist to support PMU and supervise implementation of Output 2.2 including service contracts (\$825 X 62pw = \$51,150 in Years 1-7 (with declining inputs as project progresses); Protected area specialist to support PMU and supervise implementation of Output 2.3 including service contracts (\$825 X 62pw = \$51,150 in Years 1-7 (with declining inputs as project progresses); Biodiversity specialist to support PMU and supervise implementation of Output 2.4 including service contracts (\$825pw X 62pw = \$51,150 in Years 1-7 (with declining inputs as project progresses). Total = \$153,450 Travel and DSA for: Sustainable Forest Management specialist for Output 2.2 in years 1-7 (22 field visits @ \$650 = \$14,300); Protected areas specialist for Output 2.3 in years 1-7 (22 field visits @ \$650 = \$14,300); Biodiversity specialist for Output 2.4 in years 1-7 (22 field visits @ \$650 = \$14,300); PMU staff for Outputs 2.1-2.4 including M&E (7 years @ \$5,000 = \$35,000); Local Coordinators for Outputs 2.1-2.4 (7 years @ \$7,000 = \$49,000); Community Facilitators for Outputs 2.1-2.4 (7 years @ \$1,600 = \$11,200). Total = \$138,100 Contractual Services – Implementing Partners: PMU staff for support to Outputs 2.1-2.4: National Project Coordinator for coordination (\$ 2,333pm * X 21 months = \$52,832 (=25.0% of total contract)); Land / M&E Officer for technical support (\$ 1,667pm * X 42 months = \$75,474 (=50.0% of total contract)); Project Assistant for administrative and financial support (\$ 1,750pm * X 7 months = \$13,208 (=8.3% of total contract); Comms., Knowledge Management and Partnerships Officer (\$ 1,250pm * X 35 months = \$47,171 (=41.7% of total contract)); PMU Driver (\$500pm * X 35 months = \$18,869 (=41.7% of total contract)); 4 X Local Coordinators (\$ 2,450pm * X 56 months = \$147,930 (=66.7% of total contract)); 13 X part-time Community Facilitators (\$ 2,000pm * X 56 months = \$120,759 (=66.7% of total contract)) Total = \$476,243 Contractual Services – Companies: Service contract for developing capacity of herder groups for sustainable Pastureland Use Agreements, Output 2.1 in Years 1-6: 2.1.1 Facilitate local task forces to bring together partners working on rangeland management to share best practices, boost collaboration (\$10,000); 2.1.2 Encourage establishment and build technical capacity of CBOs (Herders) for sustainable pasture management (\$27,000); 2.1.3 Support CBOs to develop and improve their Pasture Use Agreements (\$65,500); 2.1.4 Build capacity of herders and CBOs in estimating annual carrying capacity of pastures (technical training) (\$30,000, training courses costed separately); support data integration and increase the number of meteorological observation points for pasture monitoring (\$50,000); strengthen capacity of Soum Pasture Management Working Groups (SPMWG) (\$30,000) ; improve Land Use authority’s monitoring and supervision at sampling points involving NAMEM (\$30,000); e) support organization of bi-annual consultation on results of pasture monitoring (\$20,000). Total = \$262,500 Travel and subsistence included. (For further details, see Annex P)
10	
11	
12A	
12B	Contractual Services – Companies: Service contract for technical rangeland inputs to Landscape-based Soum development plans, Output 2.1 in Years 1-3 (policy development and approvals covered under Output 1.2); 2.1.3 In coordination with local administrations, provide technical support to soum land use planning, including: Conduct comprehensive baseline surveys on natural resource identification at soum level (8 soums X \$20,000 = \$160,000); Technical development of Soum Planning based on conducted survey (8 soums X \$8,000 = \$64,000). Total = \$224,000 Travel and subsistence included. (For further details, see Annex P)

12C	<p>Contractual Services – Companies: Service contract for demonstration of sustainable land management, Output 2.1 in Years 1-7: 2.1.5 Demonstration / training of sustainable land management techniques, including: a) reconcile livestock number with pasture carrying capacity including b) grazing bans and improve animal quality (\$100,000, including materials); c) fodder plant plots (\$122,600 including materials); b) establishment of small-scale sylvo-pastoralism; (\$80,000 including materials); d) small scale rain and snow water harvesting structures (\$100,000 including materials); e) protection of 65 springs (\$218,000 including materials). Total = \$620,600 Travel and subsistence included. (For further details, see Annex P)</p>
12D	<p>Contractual Services – Companies: Service contract for forest inventory in demonstration landscapes in Years 1 and 7, Output 2.2: 2.2.1 Conduct forest inventory in each demonstration landscape soum (boreal and saxaul forests), including: Desktop survey of existing inventory database (\$5,000); Complete field taxation survey and mapping (\$110,000); Develop detailed taxation database (\$10,000); Prepare and consult on final inventory report (\$10,000). Total = \$135,000 Travel and subsistence included. (For further details, see Annex Q)</p>
12E	<p>Contractual Services – Companies: Service contract for model soum-level sustainable forest management plans in Years 2 and 3, Output 2.2: 2.2.2 Facilitate the development and implementation of model soum-level sustainable forest management plans, including: Gather information from inventory database and develop framework (\$10,000); Determine required silvicultural activity in a participatory way (\$30,000); Prepare and consult on final SFM plans (\$20,000). Total = \$60,000 Travel and subsistence included. (For further details, see Annex Q)</p>
12F	<p>Contractual Services – Companies: Service contract for building capacity of local forest institutions and FUGs for SFM (boreal and saxaul) in Years 1 to 6, Output 2.2: 2.2.2 Support FUGs to develop and implement model, stand level SFM plans (\$30,000); 2.2.3 Strengthen and build capacity of local forest officers, and 2.2.4 build technical capacity of FUGs and community groups for SFM, including: detailed capacity development plans (\$15,000); training and hands on support to build technical capacity (\$20,000); 2.2.5 Support implementation of stand-level forest management plans by FUGs through demonstration of sustainable boreal and saxaul forest management activities, including: a) Forest cleaning and b) pre-commercial thinning, coupes and other silvicultural activity (\$100,000, including materials (fencing, tools, extraction and safety equipment etc); c) measures to encourage natural regeneration and d) re-afforestation by native tree species (with temporary fencing (saxaul)) (\$50,000, including materials); Total = \$215,000 Travel and subsistence included. (For further details, see Annex Q)</p>
12G	<p>Contractual Services – Companies: Service contract for PA expansion in Years 1-2, Output 2.3: 2.3.1 Facilitate integration of the results of the eco-regional assessments into the international Key Biodiversity Areas (KBA) database (\$30,000); 2.3.2 Support development of proposals for new and extended national and locally protected areas, including: Review of existing proposals, and check with database registration (\$10,000); Develop evidence base and mapping (\$20,000) assuming that ERA maps will be updated); draft proposals and undertake detailed consultations with key stakeholders (\$30,000); finalize proposals, including zoning and management recommendation(\$10,000); provide advocacy support and technical back-up (\$10,000); Total = \$110,000 Travel and subsistence included. (For further details, see Annex O).</p>
12H	<p>Contractual Services – Companies: Service contract to strengthen management effectiveness of state protected areas in Years 2-6, Output 2.3: 2.3.3 Strengthen management effectiveness of the target SPAs, including: develop action plan to resolve gaps in management effectiveness (\$15,000); 2.3.4 Facilitate participatory development and support implementation of at least one model management plan for new or expanded SPA incorporating a land use plan (Master plan) with zoning and business plan (\$40,000); 2.3.5 Facilitate participatory development and implementation of business plans for at least 2 SPAs and 2 National Parks (\$40,000); 2.3.6 Promote and train existing and new voluntary rangers from local communities (\$40,000, including field equipment); 2.3.7 Provide training (\$20,000, cost of courses covered</p>

	separately) and field equipment (\$80,000) to improve PA management effectiveness; 2.3.8 Facilitate the coordination and integration of conservation, rural development and livelihoods initiatives in the buffer zones of SPAs (\$30,000). (Total = \$265,000) Travel and subsistence included. (For further details, see Annex O).
12I	Contractual Services – Companies: Service contract to strengthen management effectiveness of Locally Protected Areas in Years 2-6, Output 2.3: 2.3.3 Strengthen management effectiveness of the target LPAs, including: develop action plan to resolve gaps in management effectiveness, review land use conflicts and confirm registration of LPA into the database of Mineral Resources Authority (\$15,000); develop at least 4 model management plans for existing LPAs, incorporating proper land use plan (\$50,000); Prepare business plans for at least 4 LPAs (\$20,000) and support implementation using innovative financing mechanisms (\$30,000); 2.3.6 and 2.3.7 Promote and provide training to existing and new voluntary rangers and co-management Councils (\$40,000, including field equipment). Total = \$155,000. Travel and subsistence included. (For further details, see Annex O).
12J	Contractual Services – Companies: Service contract for biodiversity and threat assessments in Years 1-2 and 7. Output 2.4. 2.4.1 Conduct participatory assessment of the status of indicator species and threat indicators in each demonstration landscape in Years 1 and 7 (2 X \$45,000 = \$90,000), including training and equipping local communities and NGOs in wildlife assessment and monitoring (\$40,000 for materials (binoculars, camera traps, GPS etc) and preparing advisory reports on biodiversity threat reduction in each demonstration landscape (\$10,000). Total = \$140,000 Travel and subsistence included. (For further details, see Annex O).
12K	Contractual Services – Companies: Service contract for integrated small grants programme for biodiversity and livelihoods in Years 2-7 Output 2.4 (=58.8% of total contract – see also Budget note 21D). 2.4.2 Manage, disburse and monitor competitive small grants to engage local communities and NGOs in biodiversity conservation, including supporting NGOs in the development, evaluation, updating and implementation of species action plans relevant to the project area (see Output 1.5) (\$285,000 (\$35,000 for managing the small grants scheme plus \$250,000 for grants). Total = \$285,000. Travel and subsistence included.
12L	Contractual Services – Companies: Service contract for conservation of globally threatened / iconic biodiversity in Years 2-7, Output 2.4 (= 92.9% of total contract. See also Budget note 5D): Work with communities to implement biodiversity conservation demonstration projects and threat reduction, including: a) restore economically and traditionally valuable rare plant species such as liquorice, Kharmag (<i>Nitraria</i> spp.) and <i>Cynomorium songaricum</i> in the Ulaan shal valley and Zarman Gobi (\$80,000, including materials); b) Facilitate a re-location of Musk deer to Bukhun Mountain (\$60,000, including materials); c) restore marmot population in Tarvagatain Mountain and Bukhun Mountain (\$60,000, including materials); Provide environmentally friendly surface water supply, with monitoring camera, for the wild animals in Ulaan shal Valley and Zarman Gobi to improve habitat (\$40,000, including materials); Develop participatory measures with community groups to minimize wildlife and domestic livestock competition for pastureland and forests (\$40,000, including materials); 2.4.5 Train and equip (eg binoculars, raptor nest boxes, tools, fencing) local communities on ecological methods for wildlife conservation management (\$90,000, including materials). Total = \$390,000 Travel and subsistence included. (For further details, see Annex O).
13	Equipment and furniture: Project vehicle X 1 Land cruiser type. Total = \$50,000. Justification: the pilot landscapes are at least 500km from the capital city and over 300-600km from the aimag centres, and generally only accessible by dirt roads. This project vehicle will be used by the National Project Coordinator and other PMU staff to travel to and from the capital city to the aimag centres and pilot landscapes for all activities under Components 2 and 3, and within the capital city for all activities under Components 1. The long duration of the project makes this a much cheaper option than renting vehicles for local travel. For security and safety reasons it will also be valuable to have a separate car with regular maintenance and one driver. MET does not have capacity to cover this within available budgets.

14	Audio-visual and print production: Videos and printed materials for awareness raising activities and reports under Outputs 2.1-2.4. (eg rangeland and forest management approaches, protected areas innovations and community-based biodiversity conservation Total = \$81,518
15	Miscellaneous: Contingency to cover exchange rate fluctuations and miscellaneous costs associated with organizing specialized meetings eg M&E monitoring of indicators in Results Framework for Component 2 Total = \$49,000
16	Training courses, meetings and workshops for Outputs 2.1-2.4: <u>Output 2.1:</u> Meetings of local task forces, to bring together partners working on rangeland management to share best practices, boost collaboration (12 @ \$2,000 = \$24,000); Bagh level (22) trainings for Pasture Use Agreements (22X2 @ \$250 = \$11,000); annual soum level training for pastureland monitoring (7 @ \$15,300 = \$107,100); Annual consultation meetings for herders (22 baghs) on results of pastureland monitoring (7 @ \$6,120 = \$42,840); Demonstration Training courses on fodder plants (\$68,000); Demonstration training courses on establishment of small-scale sylvo-pastoralism in 6 soums (\$16,000). <i>Total for Output 2.1 = \$268,940.</i> <u>Output 2.2:</u> Hands-on participation of Forest Units and FUGs in Forest inventory and management planning (4 PLs @ \$5,000 = \$20,000); technical trainings for Forest Units and FUGs (4 PLs @ \$10,000 = \$40,000), FUG trainings/meetings for stand-level management plans (10X2 @ \$250 = \$5,000); Demonstration trainings on SFM techniques (4 @ \$15,000 = \$60,000). <i>Total for Output 2.2 = \$125,000.</i> <u>Output 2.3:</u> Technical and hands-on trainings for State Protected Area staff (4 PLs @ \$10,000 = \$40,000); Demonstrations and hands on training for Locally Protected Areas community groups (4PLs @ \$10,000 = \$40,000). <i>Total for Output 2.3 = \$80,000.</i> <u>Output 2.4:</u> Participation of local community members in biodiversity and threat assessments (4PLs @ \$2,500 = \$10,000); participatory training and demonstrations for local community members in implementing biodiversity conservation measures (4 landscapes @ \$20,000 = \$80,000 <i>Total for Output 2.4 = \$90,000.</i> Total = \$563,940
Component 3	
17	International consultants for sustainable cashmere initiative / international market engagement, Output 3.3: (\$3,000 X 6pw = \$18,000 in Year 1; and* (\$3,000 X 10pw = \$30,000 in Years 2-4) TOTAL = \$48,000 (* subject to a satisfactory result of the feasibility assessment see Output 1.3)
18	Local Consultants: Specialist on Ecotourism for Outputs 3.2 and 3.3 (\$825 X 15pw = \$12,375 in Years 2-5 (=33.3% of contract - see also Component 1)). Total = \$12,375.
19	Travel and DSA for: International consultants for sustainable cashmere initiative / international market engagement for Output 3.3 (4 missions in Europe @ \$1,500 in Years 1-4, and 2 missions to Mongolia @ \$3,750 in Years 2-3. Total = \$ 13,500); Specialist on Ecotourism (8 field visits @ \$650 = \$5,200); PMU staff for Outputs 3.1-3.4 including M&E (7 years @ \$3,000 = \$21,000); Local coordinators for Outputs 3.1-3.4 (7 years @ \$3,000 = \$21,000); Community facilitators for Outputs 3.1-3.4 (7 years @ \$1,000 = \$7,000). Total = \$67,700 (* subject to a satisfactory result of the feasibility assessment see Output 1.3)
20	Contractual Services – Implementing Partners: PMU staff for support to livelihoods and public awareness activities for Outputs 3.1-3.4 : National Project Coordinator for coordination (\$ 2,333pm* X 7 months = \$17,611 (=8.3% of total contract)); Land / M&E Officer for technical support (\$ 1,667pm* X 14 months = \$25,158 (=16.7% of total contract)); Project Assistant for administrative and financial support (\$ 1,750pm* X 7 months = \$13,208 (=8.3% of total contract); Comms., Knowledge Management and Partnerships Officer (\$ 1,250pm* X 21 months = \$28,303 (=25.0% of total contract)); PMU Driver (\$500pm* X 21 months = \$11,321 (=25% of total contract)); 4 X Local Coordinators (\$2,450pm* X 28 months = \$73,965 (=33.3% of total contract)); 13 X part-time Community Facilitators (\$2,000pm* X 28 months = \$60,379

	(=33.3% of total contract)) TOTAL = \$229,945
21A	<p>Contractual Services – Companies: Service contract for community mobilisation, Output 3.1 and 3.2 (Years 1-7): 3.1.2 Facilitate partnership forums in pilot landscapes - annually for each pilot landscape from 2020, plus 1 at the start, middle and end of the project for each soum and (\$20,000 for organisation, costs of the participants covered separately); 3.1.3 Develop institutional capacity building plan for at least 20 PUGs and 10 FUGs, conduct training and monitor progress in capacity (\$30,000, costs of the participants covered separately); 3.1.4 Support establishment and effective governance of community funds, and provide competitive seed grants directly to community groups to match community fund contributions to catalyse entrepreneurial activity (seed grants to be provided by separate service contract for integrated small grants programme) (\$15,000); Implement an annual awards scheme for local communities (\$30,000 - of which \$20,000 for awards); 3.2.6 Monitor the income (gender disaggregated) of a sample of families in the demonstration landscapes in order to assess progress against project targets (\$15,000). Total = \$110,000 Travel and subsistence included. (For further details, see Annex N)</p> <p>Contractual Services – Companies: Service contract for sustainable livelihoods (Livestock products), Outputs 3.2 and 3.3 (Years 2-7): 3.2.1 Complete the PPG market assessments for each landscape and assist herder groups with market planning (\$30,000); 3.2.2 Train herder groups and organise demonstrations to improve livestock and product quality to meet market demand (\$120,000, including \$80,000 for materials); 3.3.1, 3.3.2 and 3.3.3 Facilitate engagement between herder groups and private sector buyers and processors including the Sustainable Cashmere initiative and at local marketing events (\$20,000). Total = \$170,000. Travel and subsistence included. (For further details, see Annex N and Annex P)</p>
21B	
21C	<p>Contractual Services – Companies: Service contract for sustainable livelihoods (Timber and non-timber forest products), Outputs 3.2 and 3.3 (Years 2-7): 3.2.1 Complete the PPG market assessments for each landscape and assist FUGS and community groups with market planning (\$20,000); 3.2.2 Train FUGs/community groups and organise demonstrations to develop and improve timber and NTFP products to meet market demand (\$100,000, including \$80,000 for materials); 3.2.4 Facilitate business case and support demonstration projects for commercial production and utilisation of genetic resources that supports livelihoods and reduce threats to biodiversity , including 3.3.4 Demonstrate ABS contracts between providers (local community) and users of genetic resources (\$140,000 including materials such as fencing, shelters, tools); 3.2.5 Support establishing small-scale briquette-making workshops in soum centres by provide training and start-up equipment, and find alternative fuel to saxaul in desert areas (\$60,000 of which \$50,000 for materials); 3.3.1, 3.3.2 and 3.3.3 Facilitate engagement between FUGs/community groups and private sector buyers and processors including at local marketing events (\$20,000); Total = \$340,000. Travel and subsistence included. (For further details, see Annex N and Annex O).</p>
21D	<p>Contractual Services – Companies: Service contract for integrated small grants programme for biodiversity and livelihoods, Outputs 3.1-3.4 in Years 2-7 (=41.2% of total contract - see also Budget note 12). Manage, disburse and monitor competitive small grants to incentivize green business development and community awareness and participation (\$200,000 of which \$170,000 for small grants). Total = \$200,000. Travel and subsistence included.</p>
21E	<p>Contractual Services – Companies: Service contract for raising local public awareness, Output 3.4 (Years 1-6): 3.4.2 Organize learning and sharing events with schools /eco-clubs (\$20,000, event costs covered separately); 3.4.5 Support project awareness campaigns at local level (\$15,000); 3.4.6 Organize demonstrations on green solutions for livelihood improvement (\$30,000 of which \$20,000 is materials), events costs covered separately); 3.4.7 Conduct KAP surveys in Years 1, 3 and 7 (\$14,000). Total = \$79,000 Travel and subsistence included. (For further details, see Annex N)</p>
22	<p>Equipment and Furniture: Purchase of 4 Russian Jeeps - one per aimag/PL (4 @ \$20,000). Justification: the pilot landscapes are at least 300-</p>

	600km from the aimag centres, and generally only accessible by dirt roads. These jeeps will be used by Local Coordinators and Community Facilitators (drivers provided under co-financing, as necessary) to travel to and from and within the pilot landscapes for all activities under Components 2 and 3. Experience of previous projects shows that this is a much cheaper option than renting vehicles, particularly given the long duration of the project. There are also advantages for security and safety. Local authorities do not have capacity to cover this within available budgets. Total = \$80,000
23	Audio-visual and print production: Videos and printed materials to promote livelihoods development and public awareness (such as innovative livelihoods improvements and diversification, and public awareness campaigns (Outputs 3.1-3.4) Total = \$37,625
24	Miscellaneous: Contingency to cover exchange rate fluctuations and miscellaneous costs associated with organizing specialized M&E meetings and other dedicated advisory services Total = \$56,000
25	Training, meetings and workshops. Output 3.1: Annual partnership forums in each pilot landscape from Year 3 (5X4@\$3,000 = \$60,000); Partnership forums in each soum at start, middle and near-end of project (13X3@\$1000 = \$39,000); Training courses for CBOs on institutional development (8 @ \$1,000 = \$8,000); Output 3.2: Training courses for CBOs on business development (8 @ \$1,000 = \$8,000); Training courses for CBOs on marketing and market plans (8 @ \$1,000 = \$8,000); Training courses for CBOs on eco-tourism (8 @ \$1,000 = \$8,000). Output 3.3: Consultation meetings between herder cooperatives and processors (8 @ \$1,000 = \$8,000); Soum level events and meetings to advertise and market local products (13X2@\$1,000 = \$26,000); Stakeholder workshops and consultations for international market engagement / sustainable cashmere initiative / ecotourism (3 round table events in Europe and 6 in Mongolia in Years 1-5 = \$30,000). Output 3.4: Learning events with schools /eco-clubs (40@\$250=\$10,000); Events to raise awareness among herder communities on green livelihood development (40@\$250=\$10,000); Annual (from PY3) event/expo (agro) on green livelihood development (5@\$3,000=\$15,000). TOTAL = \$230,000
Component 4	
26	International consultants for: Mid-term Review (\$3,000 X 6pw = \$18,000 in Year 3 (Output 4.2)); Terminal Evaluation (\$3,000 X 7pw = \$21,000 in Year 7 (Output 4.2)). TOTAL = \$39,000
27	Local and National consultants: Gender mainstreaming specialist for Output 4.1 (\$825 X 8pw = \$6,600 in Year 1); Livelihoods specialist for Output 4.2 (\$825 X 24pw = \$19,800 in Year 1); Communications consultant to support PMU in years 1-7 (\$825 X 42pw = \$34,650); National consultant for: Mid-Term Review (\$825 X 4pw = \$3,300 in Year 3 (Output 4.2)); National consultant for Terminal Evaluation (\$825 X 5pw = \$4,125 in Year 7 (Output 4.2)). TOTAL = \$68,475
28	Travel and DSA for: Gender specialist for training in gender mainstreaming (3 missions @ \$ 650 = \$1,950 in Year 1, Output 4.1); Livelihood specialist for finalising Livelihoods Plan (3 missions @ \$ 650 = \$1,950 in Year 1, Output 4.2; PMU staff for knowledge management and M&E (7 years @2,271 = \$15,900, Outputs 4.1 and 4.2); International consultants for MTR and TE (2 X \$4,950 = \$9,900, Output 4.2); National consultants for MTR and TE (2 X \$1,000 = \$2,000, Output 4.2). Total = \$31,700
29	Contractual Services – Implementing Partners: PMU staff for knowledge management and M&E under Outputs 4.1 and 4.2: National Project Coordinator (\$2,333pm * X 14 months = \$35,221 (=16.7% of total contract)); Land / M&E Officer (\$1,667pm * X 14 months = \$25,158 (=16.7% of total contract)); Comms., Knowledge Management and Partnerships Officer (\$ 1,250pm * X 14 months = \$18,869 (=16.7% of total contract)). TOTAL = \$79,248

30	IT equipment: 5 digital cameras (5 @ \$500 = \$2500) and 5 projectors (5 @ \$500 = 2,500) to support knowledge management and communications. TOTAL = \$5,000.
31	Professional services: Annual audit (\$2,750 per annum for 5 years and \$4,400 per annum for 2 years of spot-checks) (Output 4.2). TOTAL = \$22,550
32	Audio-visual and print production: Videos and printed materials for awareness raising activities and reports under Outputs 4.1 and 4.2; project leaflets and videos. Total = \$45,500.
33	Miscellaneous: Contingency to cover exchange rate fluctuations and miscellaneous costs associated with organizing specialized meetings eg M&E monitoring of indicators in Results Framework. Total = \$14,000
34	Training courses, meetings and workshops for Outputs 4.1 and 4.2: Project Inception workshop in Year 1 = \$5,000; Project closing workshop in Year 7 = \$6,000; Experience sharing visits to other areas of Mongolia (3 study visits per year for 5 years@3,000 = \$45,000); Meetings and side events for knowledge sharing 14 meetings @ \$2,000 = \$28,000; Participation in international and national conferences (\$10,000); Meetings of the Project Board (14 @ \$4,500 = \$63,000); Meetings of the National Technical Committee (7 @ \$1,300 = \$ 9,100); TOTAL = \$166,100
Project management	
35	Contractual Services – Implementing Partners: National Project Coordinator for overseeing management of project (\$ 2,333pm * X 7 months = \$17,611 (=8.3% of total contract)); Land / M&E Officer (\$ 1,667pm * X 7 months = \$12,579 (=8.3% of total contract)); Project Assistant for administrative and financial support (\$ 1,750pm * X 63 months = \$118,872 (=75.0% of total contract)). TOTAL = \$149,062
36	Travel and DSAs for PMU staff for project management work. TOTAL = \$3,200
37	Supplies: paper, stationery, printer cartridges etc TOTAL = \$21,059
38	IT equipment: Laptops for PMU staff and 4 Local Coordinators (8 @ \$1,500 = \$12,000), Printer/scanner/fax multifunction (1 x @ \$3,000); Printers for 4 local coordinators (4 X \$500 = \$2,000); Laptops & printers for 13 Community facilitators (13 X \$1,500 = \$19,500); IT accessories & repairs \$2,000, software \$3,000. TOTAL = \$41,500
39	UNDP Direct Project Costs: UPL, LPL will be used for identification and assistance with and/or recruitment of project personnel and international consultants, identification and facilitation of training activities, including international travel, procurement of goods and services in accordance with UNDP regulations and policies, access to UNDP-managed global information systems, the network of UNDP CO and specialized information systems including rosters of consultants and providers of development services. This service also covers: access to management of Atlas external and LMS profiles; security services for local travel arrangements. LoA will be signed by MET. DPC charge will follow UNDP-GEF specific guidance on DPC, i.e. services must be itemized and associated costs are calculated on the basis of estimated actual or transaction based costs. Total = \$164,429. See Agreement in Annex J for details.

* Average figure - 2.5% cost of living allowances applied

XI. LEGAL CONTEXT

Where the country has signed the [Standard Basic Assistance Agreement \(SBAA\)](#)

190. This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of Mongolia and UNDP, signed on 28 September 1976¹²⁹. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

191. This project will be implemented by the Ministry of Environment and Tourism (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

192. Any designations on maps or other references employed in this project document do not imply the expression of any opinion whatsoever on the part of UNDP concerning the legal status of any country, territory, city or area or its authorities, or concerning the delimitation of its frontiers or boundaries.

XII. RISK MANAGEMENT

Government Entity

193. Consistent with the Article III of the SBAA *[for the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of the Implementing Partner and its personnel and property, and of UNDP’s property in the Implementing Partner’s custody, rests with the Implementing Partner. To this end, the Implementing Partner shall:

- a. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b. assume all risks and liabilities related to the Implementing Partner’s security, and the full implementation of the security plan.

194. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the Implementing Partner’s obligations under this Project Document.

195. The Implementing Partner agrees to undertake all reasonable efforts to ensure that no UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/ag_sanctions_list.shtml.

¹²⁹ A further letter of agreement between UNDP and the Government of Mongolia on provision of support services was signed in 7 June, 2017.

196. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
197. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
198. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
199. The Implementing Partner will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, responsible parties, subcontractors and sub-recipients in implementing the project or using UNDP funds. The Implementing Partner will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
200. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to the Implementing Partner: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. The Implementing Partner agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
201. In the event that an investigation is required, UNDP has the obligation to conduct investigations relating to any aspect of UNDP projects and programmes. The Implementing Partner shall provide its full cooperation, including making available personnel, relevant documentation, and granting access to the Implementing Partner's (and its consultants', responsible parties', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with the Implementing Partner to find a solution.
202. The signatories to this Project Document will promptly inform one another in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.
203. Where the Implementing Partner becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, the Implementing Partner will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). The Implementing Partner shall provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.
204. UNDP shall be entitled to a refund from the Implementing Partner of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the Implementing Partner under this or any other agreement.

205. Where such funds have not been refunded to UNDP, the Implementing Partner agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to the Implementing Partner for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.
206. *Note:* The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.
207. Each contract issued by the Implementing Partner in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from the Implementing Partner shall cooperate with any and all investigations and post-payment audits.
208. UNDP should refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
209. The Implementing Partner shall ensure that all of its obligations set forth under this section entitled "Risk Management" are passed on to each responsible party, subcontractor and sub-recipient and that all the clauses under this section entitled "Risk Management Standard Clauses" are included, *mutatis mutandis*, in all sub-contracts or sub-agreements entered into further to this Project Document.

XIII. MANDATORY ANNEXES – SEE SEPARATE FILES

- Annex A. Multi-year work plan
- Annex B. GEF Tracking Tool (s) at baseline
 - (I) GEF-6 Biodiversity Tracking Tool
 - (II) GEF-6 Land Degradation Tracking Tool (retained in Project Document for institutional memory; not submitted to GEF Secretariat but available upon request)
 - (III) GEF-6 Sustainable Forest Management Tracking Tool (retained in Project Document for institutional memory; not submitted to GEF Secretariat but available upon request)
 - (IV) GEF-7 core indicator reporting
- Annex C. Overview of technical consultancies/subcontracts
- Annex D. Terms of Reference for Project Board, National Project Coordinator
- Annex E. UNDP Social and Environmental and Social Screening Template (SESP)
- Annex F. Stakeholder Engagement Plan
- Annex G. Gender Analysis and Action Plan
- Annex H. UNDP Risk
- Annex I. Results of the capacity assessment of the project implementing partner and HACT micro assessment
- Annex J. Additional agreements: (I) LOA and (II) Co-financing letters.
- Annex K. UNDP Project Quality Assurance Report

XIV. OPTIONAL ANNEXES – SEE SEPARATE FILES

- Annex L. Report on capacity development, including UNDP Capacity Development scorecards
- Annex M. Report on green development and financing
- Annex N. Report on livelihoods and socio-economic situation
- Annex O. Report on biodiversity and protected areas
- Annex P. Report on land degradation and SLM best practices
- Annex Q. Report on forests and SFM best practices
- Annex R. Profile report for the demonstration landscapes
- Annex S. GCP sustainable cashmere platform proposal
- Annex T. KAP assessment framework
- Annex U. GIS Map Album for demonstration landscapes
- Annex V. List of enabling approvals required
- Annex W. GHG avoided emissions calculations for saxual and boreal forest
- Annex X. Lists of stakeholders consulted during project development