GEF-8 PROJECT IDENTIFICATION FORM (PIF)

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General Project Information

Project Title	
Rehabilitating and conserving the mountain landscapes in Khangai region of Mongolia for improved ecosystem services and community livelihoods	
Region Mongolia	GEF Project ID 11114
Country(ies) Mongolia	Type of Project FSP
GEF Agency(ies): FAO	GEF Agency ID 744390
Executing Partner Ministry of Environment and Tourism (MET)	Executing Partner Type Government
GEF Focal Area (s) Multi Focal Area	Submission Date 4/11/2023
Project Sector (CCM Only) AFOLU	

Taxonomy

Focal Areas, Biodiversity, Biomes, Rivers, Grasslands, Temperate Forests, Wetlands, Financial and Accounting, Payment for Ecosystem Services, Climate Change, Climate Change Mitigation, Agriculture, Forestry, and Other Land Use, Climate Change Adaptation, Climate resilience, Forest, Forest and Landscape Restoration, Land Degradation, Sustainable Land Management, Sustainable Agriculture, Sustainable Forest, Integrated and Cross-sectoral approach, Sustainable Livelihoods, Restoration and Rehabilitation of Degraded Lands, Ecosystem Approach, Community-Based Natural Resource Management, Sustainable Pasture Management, Influencing models, Strengthen institutional capacity and decision-making, Transform policy and regulatory environments, Demonstrate innovative approache, Convene multi-stakeholder alliances, Stakeholders, Beneficiaries, Civil Society, Non-Governmental Organization, Community Based Organization, Academia, Private Sector, Individuals/Entrepreneurs, Financial intermediaries and market facilitators, SMEs, Local Communities, Communications, Behavior change, Public Campaigns, Education, Awareness Raising, Type of Engagement, Consultation, Partnership, Information Dissemination, Participation, Gender Equality, Gender Mainstreaming, Women groups, Sex-disaggregated indicators, Gender results areas, Capacity Development, Participation and leadership, Access to benefits and services, Knowledge Generation and Exchange, Capacity, Knowledge and Research, Enabling Activities, Innovation, Knowledge Generation, Learning, Indicators to measure change, Theory of change, Adaptive management, Knowledge Exchange

Type of Trust Fund GET	Project Duration (Months) 60
GEF Project Grant: (a) 2,639,726.00	GEF Project Non-Grant: (b) 0.00
Agency Fee(s) Grant: (c)	Agency Fee(s) Non-Grant (d)

250,774.00	0.00
Total GEF Financing: (a+b+c+d) 2,890,500.00	Total Co-financing 25,000,000.00
PPG Amount: (e) 100,000.00	PPG Agency Fee(s): (f) 9,500.00
PPG total amount: (e+f) 109,500.00	Total GEF Resources: (a+b+c+d+e+f) 3,000,000.00
Project Tags CBIT: No NGI: No SGP: No Innovation: No	

Project Summary

Provide a brief summary description of the project, including: (i) what is the problem and issues to be addressed? (ii) what are the project objectives, and if the project is intended to be transformative, how will this be achieved? iii), how will this be achieved (approach to deliver on objectives), and (iv) what are the GEBs and/or adaptation benefits, and other key expected results. The purpose of the summary is to provide a short, coherent summary for readers. The explanation and justification of the project should be in section B “project description”.(max. 250 words, approximately 1/2 page)

Land degradation -- driven by overgrazing, mining, unsustainable forest use and climate change -- has become a major environmental challenge to Mongolia's sustainable development. As of 2015, 76.8% of the country's area was under various degrees of degradation. This is adversely impacting the country's biodiversity, ecosystem services and community livelihoods, and impeding its advancements toward sustainable development. The annual cost of land degradation in Mongolia has been estimated at US$ 2.1 billion, equivalent to 43% of the GDP. This project aims to empower local-national level stakeholders to rehabilitate degraded lands and promote community-based natural resources management in the Khangai mountain landscapes of Mongolia to reduce land degradation and biodversity loss, improve ecosystem services, positively influence key local-national level land management policies, institutions and investment decision-making processes (i.e. to target and address ecosystem restoration) and support sustainable community livelihoods. The project will introduce innovations such as creating practical, applied tools to activate implementation of strategic environment assessment (SEA) for the first time in Mongolia in order to systematically integrate ecosystem restoration and biodiversity considerations in local development and land management planning. The project will upgrade existing land mangement planning and related environmental database and guidance to support improved policy and implementation, decision-making and multi-stakeholder coordination at local and national levels. With GEF support, it will build upon the baseline to be achieved through: (a) informed land management policy and planning incorporating critical environmental concerns, and strengthening of policy implementation and institutional mechanisms accompanied with targeted functional and technical capacities to be able to integrate ecosystem restoration, sustainable land management and biodiversity conservation within local territorial multi-sectoral development and land management planning; (b) development and demonstration of sustainable and climate-adaptive methods, including nature-based solutions, for rehabilitation of lands degraded by overgrazing, unsustainable forest use, and unsustainable farming practices; (c) development and demonstration of community-based models of sustainable natural resources management using gender-sensitive, inclusive approaches with linkages to local livelihood systems supported by private sector and cooperative partnerships for enhanced value chains, viable incentives and sustainable livelihood diversification; and (d) management of knowledge and lessons

generated by the project, and dissemination of innovations and best practices locally, nationally and globally for sustainability and replication. The project interventions are targeted to address critical thematic and geographic gaps in the baseline, and reduce key policy, institutional, technological and economic barriers to environmental rehabilitation and sustainable natural resources management, and generate multiple global environmental benefits including biodiversity conservation, restoration of degraded lands, improved landscape management, GHG emission mitigation, and climate resilience whilst improving ecosystem services and the livelihoods of local communities.

Indicative Project Overview

Project Objective

To rehabilitate degraded lands and promote community-based natural resource management in the Khangai mountain landscapes of Mongolia to reduce land degradation and biodiversity loss, improve ecosystem services, and support sustainable community livelihoods.

Project Components

Component 1: Enabling conditions for integrated land management with emphasis on ecosystem restoration, sustainable land management and biodiversity conservation.

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
448,752.00	4,081,500.00

Outcome:

1.1: Strengthened local-provincial level plans and capacity for integrated land management effectively addressing land degradation and biodiversity loss issues.

Output:

1.1.1: Ecosystem restoration, sustainable land management and biodiversity conservation integrated within the territorial development and land management plans of target aimags and soums using (practical, applied) strategic environmental assessment supported with improved science-based methods.

1.1.2: Database/ information management strengthened to integrate ecosystem restoration, SLM and biodiversity conservation, aid integrated land management planning investment decision making and land use monitoring.

1.1.3 : Cross-sector, multi-stakeholder engagement mechanisms strengthened and functional at national, aimag and soum levels supporting improved integrated land management planning policy in a coordinated, inclusive, gender-responsive, and transparent manner.

1.1.4: Government officials and other relevant stakeholders, including private sector entities and local communities, including women groups, trained in integrated land management planning, implementation and monitoring.

Component 2: Rehabilitation of degraded lands for protection and reinstatement of functioning ecosystem services.

Component Type	Trust Fund
Investment	GET
GEF Project Financing ($)	Co-financing ($)
712,730.00	6,882,500.00

Outcome:

2.1: Degraded lands of high conservation value are rehabilitated and sustainably managed for ecosystem services.

Output:

2.1.1: Soum-level implementation plans for targeted interventions rehabilitating degraded lands of high conservation value and restoring ecosystem services developed based on integrated land management plans developed under Component 1/ Outcome 1.1 (Output 1.1.1).

2.1.2: Based on the above plans (output 2.1.1), sustainable, gender-sensitive and climate-adaptive methods, including nature-based solutions, for rehabilitation of degraded lands of high conservation value developed and demonstrated accompanied with necessary training of local communities, field staff and other key stakeholders including private sector and CBNRM related cooperatives.

Component 3: Community-based management of natural resources and ecosystem services.

Component Type	Trust Fund
Investment	GET
GEF Project Financing ($)	Co-financing ($)
1,003,100.00	9,723,000.00

Outcome:

3.1: Community-based models of natural resource management generate livelihood benefits whilst reducing land degradation and biodiversity loss.

Output:

3.1.1: Community-based models of management of natural resources and ecosystem services developed in highly participatory and gender-responsive manner and integrated in local livelihood systems.

3.1.2: Viable incentive mechanisms, such as PES, developed and integrated in community-based models of management of natural resources and ecosystem services.

3.1.3: Value chains assessed and strengthened with due attention to gender-differentiated needs for livelihood products emanating from community-based models of management of natural resources and ecosystem services.

Component 4: Knowledge management

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
248,164.00	2,256,000.00

Outcome:

4.1: Improved knowledge management and communication support sustainability and scaling-up.

Output:

4.1.1: Knowledge platforms and products developed to disseminate innovations and best practices (including the use of gender mainstreaming methods) locally, nationally and globally

4.1.2: Communication and information products developed and disseminated to raise awareness about the project, its activities and achievements.

M&E

Component Type	Trust Fund
Technical Assistance	GET
GEF Project Financing ($)	Co-financing ($)
101,279.00	913,000.00

Outcome:

Project monitoring and assessment of global environmental benefits (GEBs)

Output:

Mid-term review and final evaluation of the project conducted by external consultants including with due attention to gender-differentiated impacts of the project.

Component Balances

Project Components	GEF Project Financing ($)	Co-financing ($)
Component 1: Enabling conditions for integrated land management with emphasis on ecosystem restoration, sustainable land management and biodiversity conservation.	448,752.00	4,081,500.00
Component 2: Rehabilitation of degraded lands for protection and reinstatement of functioning ecosystem services.	712,730.00	6,882,500.00
Component 3: Community-based management of natural resources and ecosystem services.	1,003,100.00	9,723,000.00
Component 4: Knowledge management	248,164.00	2,256,000.00
M&E	101,279.00	913,000.00

Subtotal	**2,514,025.00**	**23,856,000.00**
Project Management Cost	125,701.00	1,144,000.00
Total Project Cost ($)	**2,639,726.00**	**25,000,000.00**

Please provide justification

PROJECT OUTLINE

A. PROJECT RATIONALE

Briefly describe the current situation: the global environmental problems and/or climate vulnerabilities that the project will address, the key elements of the system, and underlying drivers of environmental change in the project context, such as population growth, economic development, climate change, sociocultural and political factors, including conflicts, or technological changes. Describe the objective of the project, and the justification for it. (Approximately 3-5 pages) see guidance here

Global Environmental Significance. Mongolia is a vast landlocked country -- flanked by Russia to its north and China in the south -- encompassing a total land area of 1,564,116 km^2 and a population of 3,296,866 (50.9% female, 49.1% male)[1][1]. The country encompasses an array of landscapes including grasslands, mountains, deserts, taiga, and wetlands. These landscapes harbor rich biodiversity as a result of the country's varied topography and location in the heart of Central Asia interconnecting the Siberian Taiga, Eurasian Steppes, and the Gobi desert. More than 3,000 species or sub-species of vascular plants, including 148 species that are endangered as per the IUCN's Red List, are found in the country. Wild fauna consists of 138 species of mammal, 476 species of bird, 75 species of fish, 22 species of reptile, over 13,000 species of insect, and 516 species of mollusc[2][2]. These include some of the world's rarest and most threatened fauna such as Gobi bear (*Ursus arctos gobiensis*), Mongolian saiga (*Saiga tatarica mongolica*), wild Bactrian camel (*Camelus ferus*), snow leopard (*Panthera uncia*), and Pallas's fish eagle (*Haliaeetus leucoryphus*). The country's grasslands -- the only large-scale habitat of its type in Asia -- span around 80% of the country, supporting over 180,000 nomadic and semi-nomadic families that depend on livestock herding as a primary source of livelihood whilst also providing foraging grounds to many native wild ungulates such as the Mongolian gazelle (*Procapra autturosa*), Argali sheep (*Ovis ammon*), and Mongolian saiga, which have shaped the grassland ecosystem over centuries.

Environmental Problems and Drivers. The project seeks to address the problems of land degradation and biodiversity loss, which are adversely impacting ecosystem services and community livelihoods whilst exacerbating climate change. As of 2015, 76.8% of the country's area was under various degrees of degradation, of which 22.9% was severely or very severely degraded[3][3] and 23% of native mammals, 7% of birds and 14% of fish species were threatened by overgrazing, mining, deforestation, habitat loss, poaching and climate change[4][4]. The annual cost of land degradation in Mongolia has been estimated at US$ 2.1 billion (i.e. 43% of the GDP), primarily in terms of the decline in ecosystem services[5][5].

While livestock rearing and mining constitute the mainstay of the national economy and livelihood system, in their present form of practice they also represent the two most significant drivers of environmental degradation in Mongolia. The growth of the livestock sector has been largely based on an increase in the size of livestock herds and not on productivity improvements. The number of livestock has grown enormously from 25.9 million in 1990[6][6] to 71.1 million in 2022[7][7], with sheep constituting

46.0% and goats 38.8%. This has led to grazing of pastures often 3-5 times beyond their carrying capacity, affecting the productivity of the grazing lands and adversely impacting limited water resources. The massive increase in livestock numbers over the years has been fueled by the growing demand for cashmere in the international market, an increase in livestock ownership by absentee owners, higher consumption due to a burgeoning urban population, and the perceived need for security against the high risk of livestock mortality induced by climate change.

The mining sector has also seen rapid growth since the opening up of the country to a free market economy in the 1990s. It is now the biggest economic sector, accounting for 24.3% of the country's gross domestic product and 56.3% of the gross industrial output[8][8]. The growth of the mining sector has been characterized by an increase in large-scale mining as well as a proliferation of artisanal mining, most of which operate informally with limited environmental monitoring and management of adverse environmental impacts. Consequently, many mined areas are left without proper rehabilitation causing loss of vegetation and habitat, erosion and pollution of water and soils. Mining often occurs in or close to pasturelands, coming into conflict with the herders' way of life by causing mine-induced tailings and dust, changes in water resources and pasture availability, and displacement of herder families and communities.

Other drivers of environmental degradation in Mongolia include negligent soil and water conservation measures in crop agriculture, significant infestation of pasturelands by the Mongolian silver vole ***(Alticola semicanus)*** and of forests by pests such as Siberian silk moth (*Dendrolimus sibiricus*), wildfires primarily caused by graziers and antler collectors, poaching and unsustainable collection of forest resources, and expansion of road networks mainly multiple dirt motor tracks across grasslands and forest areas in the countryside with no environmental measures. Additionally, climate change is exacerbating desertification and increasing the vulnerability of forests to pest infestation whilst also increasing natural hazards such as *dzud****[9]***[9] with significant impacts on community livelihoods, herding in particular. Poverty[10][10] and a lack of alternative livelihood opportunities also lead local communities toward unsustainable natural resource use, for instance, livestock herding beyond the carrying capacity and engagement in artisanal mining due to a lack of other more sustainable income-generating opportunities.

Project Area. The project will be located in the **Khangai mountains** with targeted interventions in 8 soums[11][11], namely Bulgan, Chuluut, Ikhtamir and Tsenhar in Arkhangai aimag[12][12], Erdenetsogt and Galuut in Bayan-khongor aimag, and Bat-Ulzii and Uyanga in Uvurkhangai aimag. The project will develop and demonstrate practical and transformative solutions for environmental rehabilitation and sustainable natural resource management utilizing holistic integrated land management planning and gender-responsive, inclusive, community-based approaches in these areas, which will be replicated and scaled up locally and nationally. The target soums cover a total area of 29,714 km^2 (2,971,400 hectares) and a total population of 43,549 including 21,541 females (breakdown of the area by soums, and their maps and geographic coordinates are given in Annex C).

The Khangai mountains manifest a mountain-water-livelihood nexus with pronounced vulnerability to land degradation and biodiversity loss caused by overgrazing, mining, unsustainable forest resource use, wildfire, and climate change. The project area has been selected based on the following combination of factors:

Importance of watershed services: For a largely arid and semi-arid country, the Khangai mountains have immense hydrological importance as the landscapes are characterized by a relatively higher level of precipitation and give rise to several rivers, forming three major river catchments, namely the Orkhon, Orog Lake-Tui and Taars. The main rivers include Orkhon, the country's second longest river[13][13], Chuluut, Khanui, and Tamir, which join Selenge River in the north before flowing into Lake Baikal in Russia, the world's largest freshwater lake, and onward into the North Arctic Ocean.

Biodiversity conservation significance: The Khangai mountains encompass three globally important terrestrial ecoregions, namely the Khangai mountains conifer forests, Khangai mountains alpine meadows, and Selenge-Orkhon forest steppe. These ecoregions support a rich biodiversity due to their location at the intersection of the arid steppes of Central Asia, the boreal ecosystem of Northern Asia, and the high mountain ecosystem of Southern Siberia. Globally threatened fauna found in the project area includes Przewalski's horse (*Equus ferus*, endangered), Mongolian marmot (*Marmota sibirica*, endangered), Siberian musk deer (*Moschus moschiferus,* vulnerable), snow leopard (*Panthera uncia,* vulnerable), and white-throated bush chat (*Saxicola insignis,* vulnerable). The Government has established the Khangain Nuuru National Park in view of the rich biodiversity in the Khangai region. In addition, the local communities and soums have designated 57 locally protected areas with a total area of 535,789 hectares in the project area.

High level of land degradation: 28.5% of the project area is degraded. The National Report on Voluntary Target Setting to Achieve LDN in Mongolia has identified the wetlands along the major river basins of Orkhon, Selenge and Tuul as a "high priority" land degradation hotspot, and the southern and central Khangai mountains as a "priority" land degradation hotspot.

High poverty rates: Poverty levels in the aimags that encompass the project area are significant -- 32.7% in Arkhangai, 35.7% in Bayan-khongor and 36.2% in Uvurkhangai[14][14], i.e. 2.2 to 5.7 points higher than the country's rural poverty rate and 4.9 to 8.4 points higher than the country's overall poverty rate.

Baseline Enablers. Mongolia's development policies and plans demonstrate a high level of commitment to environmental conservation and sustainability:

- At the highest level, this commitment is manifested in the *Constitution of Mongolia*, which ensures protection against pollution and ecological imbalance as a right of the citizens and mandates the Government to protect, restore and sustainably use natural resources.
- The country is an early mover on the Sustainable Development Goals (SDG) -- the Parliament approved the country's long-term *SDG Vision 2030* in February 2016. As a part of this vision, the Government has set ambitious targets to restore at least 70% of degraded land and decrease the area of desertified land to 60% of the total territory by 2030.

- The SDG Vision 2030 has been further augmented with the formulation of *Vision 2050*, which spells out the overarching long-term framework for sustainable development including the protection of nature, restoration of lands and ecosystems, prevention of land degradation, green development, and climate change mitigation. To support the implementation of the first phase of *Vision 2050*, the Government has embarked on the *New Revival Policy* as a 10-year program with a focus on six priority areas including green development.
- The *National Green Development Policy* (NGDP), adopted in 2014, affirms Mongolia's goal and aspiration to grow economically and evolve into a developed nation in an inclusive and environmentally sustainable manner. The NGDP articulates six strategic objectives including the maintenance of ecosystem balance and reduction of environmental degradation while intensifying reclamation activities and environmental protection[15][15].

There is an extensive set of environmental legislation in place, comprising 26 laws, about 370 standards and 75 acts of subsidiary legislation[16][16]. These include the Law on Environmental Protection (1995, revised 2012), Law on Environmental Impact Assessment (1998, revised 2012), Law on Soil Protection and Desertification Prevention (2012), Law on Forests (1995, revised 2012), Law on Water (2004, revised 2012), and Law on Prohibition of Mineral Exploration and Exploitation in Run-off Source Areas, Protection Zones of Water Bodies and Forest Areas (2009).

Mongolia is a party to all three major UN environmental conventions (ratified UNFCCC on 30 September 1993, UNCBD on 29 December 1993, and UNCCD on 9 March 1996), which have influenced the country's environment and sustainable development policies over the last 30 years. Current national instruments for the implementation of the multilateral environmental agreement include the Nationally Determined Contributions (2019), National Biodiversity Program (2015-2025) aligned with the Aichi Targets, and Voluntary Targets to Achieve Land Degradation Neutrality in Mongolia (2018).

There is clear-cut institutional mandate and working structure for environmental management led by the Ministry of Environment and Tourism (MET) and for land management planning and land use monitoring led by the Agency for Land Administration and Management, Geodesy and Cartography (ALAMGC). The MET has the status of a core ministry, which implies its activities are cross-sectoral and empowered to ask sectoral ministries to implement their decisions. At the subnational level, there are departments of environment and tourism within the aimag administrations, which have the overall responsibility for delivering development programs, plans and projects related to the environment in coordination with other regional/ local specialized agencies such as the river basin administrations and protected area authorities. At the soum level, there is an environmental unit made up of an environmental inspector and several environmental rangers. The ALAMGC, which was established in 2002 and currently functions under the Ministry of Construction and Urban Development, is in the process of being elevated to a higher organization/agency under the direct supervision of the Prime Minister[17][17]. The impending organizational elevation is expected to enhance the authority and ability of the ALAMGC to coordinate with various government agencies and sectors and pursue integrated, cross-sector land management planning.

There is a network of pasture user groups and forest user groups at the community level. As of 2019, there were 1,445 pasture user groups across 156 soums. Under the aegis of the National Federation of Pasture User Groups established in 2015, one of the main objectives of these groups is to promote sustainable management of pastures. Likewise, there were 1,180 forest user groups, who are engaged in sustainable forest management for the improvement of their livelihoods.

Key Barriers and Challenges. While an extensive set of environmental policies and legislations, and a stable institutional set-up for environmental management are in place, current implementation efforts are slow, incipient and fragmented with a yet not well-coordinated system and limited capacity to strategically plan and effectively implement, monitor, and scale-up environmental rehabilitation and sustainable natural resource management at local and landscape levels. The key barriers are discussed below:

Barrier 1 - Lack of policy implementation instruments and decision-support tools: Efforts to address land degradation and biodiversity loss are hampered by the lack of systemic tools for policy implementation. For instance, while the Law of Environmental Impact Assessment 2012 makes strategic environmental assessment (SEA) mandatory, it has not been implemented.[18][18]. The implementation of a practical SEA for local development planning, including the development of land management plans in the aimags and soums, is non-existent. Existing SEA regulations are generic and not yet well applied, nor practically, and; the knowledge and tools for carrying out SEA are severely limited, therefore impeding its implementation. Current land management planning approaches are largely oriented towards land use and land administration, but with little consideration given to prioritization of landscape scale ecosystem services and functioning flows, ecosystem restoration, sustainable land management and biodiversity conservation needs. Existing databases are not sufficiently developed and coordinated for integrated land management planning and land use monitoring. Data sharing and consistency in data standards between sectors remain weak, constraining integrated land management planning and environmental monitoring. The *Sustainability Outlook of Mongolia 2018* listed notable environmental data gaps including data on soil and water pollution, degradation rates of forests and lands, mining damages, treated and rehabilitated areas, and economic values of ecosystem services. The project will address this barrier through Component 1.

Barrier 2 - Inadequate coordination between sectors and stakeholders: At present, horizontal coordination between agencies of different sectors is limited to a few committees and working groups at the national level. At the aimag and soum level, various sectors largely work on their own with little to no systematic coordination leading to piecemeal approaches and ad hoc development interventions. Environment is generally addressed as a sectoral issue in local development planning rather than an issue that cuts across various sectors, thus constraining the integration of ecosystem restoration, sustainable land management and biodiversity conservation considerations in other sectors constituting local development and land management plans.

While there are developing efforts to integrate land management planning under the overall coordination of the Agency for Land Administration and Management, Geodesy and Cartography (ALAMGC), there are not yet well-defined institutional mechanisms for cross-sector land use planning and land management integrating ecosystem valuation, restoration, sustainable land management and biodiversity conservation considerations. Consequently, there is competitive and conflicting land use,

often at the expense of long-term environmental objectives. Furthermore, non-state stakeholders such as the private sector and civil society are rarely actively engaged in the planning and implementation of national programs and plans for environmental conservation and sustainable land management.

The importance of involving women and vulnerable groups in the decision-making to support inclusive and integrated land management is poorly understood and, therefore, their role is often overlooked. The project will address this barrier through Component 1.

Barrier 3 - Limited innovation and technology for environmental rehabilitation of degraded lands: Mongolia's unique, harsh environment and nomadic pastoral culture and economy require innovation and demonstration of environmental rehabilitation methods that are appropriate to local conditions as well as adaptable and affordable to local communities.

Existing technological models for environmental rehabilitation to sustain ecosystem services and support community livelihoods are limited both in number and scale of implementation. The project will address this barrier through Components 2 and 3.

Barrier 4 - Lack of economic incentives for sustainable natural resource management practices: While there is an additional cost to the adoption of environmental rehabilitation and sustainable natural resource management practices, financial and market incentives to encourage such practices are lacking.

Value chains for sustainably produced livestock and forest products are underdeveloped, and products often do not meet the standards and procedures that high-value markets require. Production of meat, cashmere and other commodities mostly focuses on quantity rather than quality and value addition.

There is no system of incentivizing communities, such as through Payments for Ecosystem Services (PES), to engage in good local environmental governance and practices that sustain ecosystem services and economically benefit other parties including urban societies and the private sector. The project will address this barrier through Component 3.

Barrier 5 - Insufficient linkage between sustainable natural resource management and poverty reduction: Despite recent economic growth, Mongolia remains an impoverished country with a national poverty rate of 27.8% and a higher poverty rate in rural areas at 30.5% compared to 26.5% in urban areas. Not only does the high level of poverty prevent local communities from investing in sustainable natural resource management practices but it also, in combination with the lack of alternative livelihood opportunities, drives local communities towards unsustainable economic activities and rampant use of natural resources.

There is a dearth of suitable conservation models successfully linking sustainable natural resource management with sustainable livelihoods, production systems, ecosystem services and poverty reduction to generate mutually reinforcing environmental and economic benefits. The project will address this barrier through Component 3.

Barrier 6 - Lack of systematic assessment, documentation, and sharing of best practices and lessons learned in environmental rehabilitation and sustainable natural resource management. Mechanisms and platforms to facilitate knowledge-sharing, learning and absorption of best practices are limited and mostly project-based.

Environmental rehabilitation and sustainable natural resource management in mountain landscapes are generally approached without adequate understanding and analysis of the human-nature interactions, ecosystem services, mountain-water-livelihood nexus, and gender-differentiated impacts of environmental degradation. Furthermore, global and regional platforms and networks are not used strategically to derive knowledge and lessons to reinforce national efforts. The project will address this barrier through Component 4.

Baseline Future. In a "business-as-usual" scenario, the above barriers will enlarge and become more complex to address in the future. Land degradation and biodiversity loss will continue to decline aggravated by a burgeoning livestock population, continued unsustainable forest use, growing mining operations, changing demography, and a changing climate.

As these environmental challenges accumulate, the costs of not addressing them in a timely manner will become disproportionately higher, impacting existing natural capital and the flow of ecosystem services as well as the economy, in particular the livelihoods of the poor and vulnerable. The cost of inaction on land degradation in Mongolia over a 30-year horizon is estimated to be ca. US$ 216.3 billion, more than nine times the cost of action over the same time horizon[19][19].

Solutions. With targeted investment and technical assistance from GEF, the project will strengthen critical policy implementation instruments, demonstrate innovative and practicable models, and create sustainable economic incentives and livelihood benefits to accelerate the translation of environmental policies and legislations into actions on the ground based upon effective cross-sector and multi-stakeholder coordination, and community participation with particular attention to women, youth and disadvantaged groups.

These will be achieved by building upon existing policy and institutional frameworks, leveraging public and private sector investments, and disseminating project results and best practices through a robust knowledge management and project communication strategy. A key approach will be to effectively link sustainable natural resource management with community livelihoods, especially of the poor, using community organizations such as pasture user groups and forest user groups. In this regard, value chain development of ecosystem-based livelihood products in collaboration with the private sector will be crucial. The proposed solutions are not expected to completely address existing barriers, but they are thematically and geographically focused to secure catalytic and strategic changes required to secure GEBs, and stimulate replication and scaling-up locally and nationally. The solutions are further detailed in Section B.

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[1] Figures from 2020 Population and Housing Census of Mongolia, National Report, National Statistics Office of Mongolia.

[2] National Biodiversity Program (2015-2025).

[3] Environmental Performance Reviews of Mongolia by the United Nations Economic Commission for Europe, 2018.

[4] Sixth National Report to the Convention on Biological Diversity (2015-2018).

[5] Country Profile of Mongolia for Investing in LDN (2018), UNCCD Global Mechanism.

[6] Mongolia's Country Report on Livestock Feeding Management at the Animal Production and Health Commission for Asia and the Pacific Session, November 2019.

[7] Livestock in 2022, National Statistics Office of Mongolia.

[8] Derived from 2021 figures cited in Table 13.1.2 Gross Domestic Product (page 381) and Table 19.1 Gross Industrial Output (page 663) of the Mongolian Statistical Yearbook, National Statistics Office of Mongolia.

[9] A natural phenomenon, unique to Mongolia, arising from summer drought followed by extremely cold winter, resulting in insufficient grazing pastures and livestock mortality.

[10] Mongolia's national poverty rate is 27.8% with a higher poverty rate in rural areas at 30.5% compared to 26.5% in the urban areas.

[11] District -- there are 331 districts (soums) in Mongolia.

[12] Province -- there are 21 provinces (aimags) in Mongolia.

[13] Source: Table 9.4 - Main Rivers, Chapter 9 - Water Management of the Environmental Performance Reviews 2018 by United Nations Economic Commission for Europe

[14] Statistical Yearbook, National Statistics Office of Mongolia, 2021.

[15] This is expressed as Strategic Objective 2 of the NSDP.

[16] Policymaking, institutional and legal framework in: *Environment Performance Reviews of Mongolia*, UN Economic Commission for Europe, 2018.

[17] Communication with the Head of Land Management Division, ALAMGC.

[18] With the exception of a SEA broadly supporting mining sector policy.

[19] Mongolia Country Profile: Investing in Land Degradation Neutrality, UNCCD Global Mechanism, 2018.

B. PROJECT DESCRIPTION

Project description

This section asks for a theory of change as part of a joined-up description of the project as a whole. The project description is expected to cover the key elements of good project design in an integrated way. It is also expected to meet the GEF's policy requirements on gender, stakeholders, private sector, and knowledge management and learning (see section D). This section should be a narrative that reads like a joined-up story and not independent elements that answer the guiding questions contained in the PIF guidance document. (Approximately 3-5 pages) see guidance here

The project's Theory of Change, reflects an integrated approach to tackle the complex drivers of land degradation and biodiversity loss. The ToC implies that, **IF** sound governance/policy implementation instruments and decision-support tools are available along with necessary technical and functional capacities, cross-sector coordination and multi-stakeholder engagement are strengthened, innovative models of environmental rehabilitation and natural resources management are developed and

demonstrated involving local communities and the private sector and generating economic benefits supported by strengthened value chains and viable incentives, knowledge is managed to share lessons and promote innovations and best practices, **THEN** existing barriers will be significantly reduced and durable transformation will occur, enabling the Government and other stakeholders to realize the goal and aspiration of green economic development and environmental sustainability securing multiple GEBs.

Assumptions and Risks. The project interventions have been formulated with the assumption that national environmental policies and commitments remain a priority, and will not diminish; project stakeholders will find sufficient common ground and shared interests to coordinate and collaborate; local communities and the private sector will be sufficiently motivated to participate and invest in green development; and necessary technical expertise will be available for project implementation.

Global Environmental Benefits. Through the project's pathways to transformation, reflected by its four components, the project will generate multiple global environmental benefits including the restoration of 38,000 hectares of degraded land; 742,850 hectares of mountain landscapes under improved management; mitigation of 4,946,957 tCO_2-e GHG emissions, and; biodiversity conservation, leading to improved ecosystem services and sustainable community livelihoods directly benefitting 14,500 local people in the project area with significant potential for replication and scaling-up beyond the project area. The project will also contribute to the conservation of national and locally protected areas, which constitute 1,177,155 hectares (i.e. close to 40%) of the target project area. Although there will be no direct protected area management interventions through the project, integrated land management planning will closely involve PA management to factor in local-national PA management needs and PA values (e.g. their biodiversity conservation mandates and potentials for wider mainstreaming, buffer zone and adjacent livelihoods; zonation principles, habitat connectivity).

The ***project objective*** is to rehabilitate priority degraded land/habitat and promote community-based natural resource management in the Khangai mountain landscapes of Mongolia to reduce land degradation and biodiversity loss, improve ecosystem services, and support sustainable community livelihoods. To achieve this objective, the project will implement the following four interconnected components.

Theory of change diagram: Please see uploaded ToC.

Component 1: Enabling conditions for integrated land management with emphasis on ecosystem restoration, sustainable land management and biodiversity conservation.

Component 1 will address Barrier 1- Lack of policy implementation instruments and decision-support tools, and Barrier 2 - Inadequate coordination between sectors and stakeholders.

Mongolia's green development and environmental policies will only be implemented effectively on the ground when sound and practicable policy implementation instruments and decision-support tools along with necessary coordination, awareness raising and training are available to implementing agencies at the national level and in the aimags and soums, and mechanisms are in place for cross-sector coordination and multi-stakeholder engagement to pursue an inclusive, gender-responsive, integrated and holistic landscape-scale approach.

Mongolia has long recognized the potential of strategic environmental assessment (SEA) as a major policy instrument to enhance the environmental sustainability of policies and plans across sectors. The Law on Environmental Impact Assessment (revised 2012) makes SEA mandatory for all development policies and plans at various levels. However, the *implementation of SEA has remained dormant all these years due to*

lack of capacity in terms of methodology/tools and training. This component will activate the implementation of strategic environmental assessment in Mongolia by providing for the first time a practical, applied methodology and tools to systematically apply SEA to integrate environmental considerations, with particular emphasis on ecosystem restoration, sustainable land management and biodiversity conservation, within local multi-sectoral territorial development and land management planning. The implementation of SEA through the project is expected to create much-needed experience, lessons and capacity to advance SEA at a national scale and across various sectors in coherence with the national vision of environmentally sustainable development underpinned by various government policies.

It is noted that this project component will benefit from building on the outputs and lessons of the UNDP/GEF-5 project on Land Degradation Offset and Mitigation in Western Mongolia and the ongoing FAO/WWF/GEF-7 project on Dryland Sustainable Landscapes and Biodiversity Conservation in the Eastern Steppes. In particular, the proposed project will take into account the lessons from ecoregional assessment, integrated land use planning and landscape development frameworks whilst developing the SEA methodology and tools. In this regard, a detailed assessment of the latest situation of implementation of the ecoregional assessment, integrated land use planning and landscape development framework and other relevant deliverables developed through the UNDP/GEF-5 project will be carried out during the PPG phase and taken into account in the detailed formulation of this component, showing explicitly how the proposed project will build on and add value to the results of the earlier project. Furthermore, the proposed project will build on the methodology and tools used/developed by the FAO/WWF/GEF-7 Eastern Steppes project to assess land degradation and habitat connectivity, and identify degraded areas of high conservation value for ecosystem restoration. The information derived from these tools will support the SEA process for integrated land management planning.

Under this component, the project will also strengthen the geodatabase (https://eic.mn/geodata/) of the Information and Research Institute of Meteorology, Hydrology and Environment (IRIMHE) under the Ministry of Environment and Tourism (MET) and the online geospatial database (https://en.gazar.gov.mn/p/642-111) of the Agency for Land Administration and Management, Geodesy and Cartography (ALAMGC) and enhance data coordination and data standards to aid cross-sectoral integrated land management planning and monitoring with emphasis on ecosystem restoration, sustainable land management and biodiversity conservation. Linkages with aimags and soums will be strengthened to enhance the use of the central databases by the local governments for territorial development and integrated land management planning whilst also improving data coordination and consistency between central and subnational/ local agencies.

Government staff in relevant government ministries and departments, and the target aimags and soums will be trained to build their technical and functional capacities to effectively raise awareness of and apply SEA process and tools (as required by law), manage and use the strengthened databases, and facilitate cross-sector coordination and multi-stakeholder engagement. SEA training will also be extended to other potential users such as private experts with the prospect of engaging them in SEA[1][20]. Measures to institutionalize the capacity developed by the project will be planned during the PPG phase. These may include training of trainers' approach involving national/ local trainers in the field of environment, development of plans for, and appraisal of, post-training application and dissemination of knowledge and skills acquired by the training participants, localization of training methods and materials, and development of online learning resources for access and use by potential users beyond the project period. Functional capacity will be developed

concurrently with technical capacity so that there is leadership, management and coordination capacity to support and sustain integrated land management planning, implementation and monitoring.

Furthermore, the project will support the establishment and operationalization of cross-sector coordination groups and multi-stakeholder engagement platforms or strengthen existing coordination mechanisms in the target aimags and soums based on clearly-defined operational modalities and structures to ensure that they operate in a transparent, coherent, inclusive and gender-sensitive manner. The project will seek coordination with key ministries and agencies such as the Ministry of Food, Agriculture and Light Industry, Ministry of Mining and Heavy Industry, Mineral Resources and Petroleum Authority of Mongolia, and the Agency for Land Administration and Management, Geodesy and Cartography to ensure policy coherence and facilitate a concerted approach to the implementation of SEA to fully integrate ecosystem restoration, sustainable land management and biodiversity considerations in territorial development and land management plans at aimag and soum levels.

The project will also facilitate dialogue and coordination between aimags and soums to create a better understanding of landscape-level environmental issues and environmental management needs. Particular attention will be given to the engagement of women, youth and other vulnerable groups, and collaboration with the private sector and community-based organizations.

Component 2. Rehabilitation of degraded lands for protection and reinstatement of functioning ecosystem services.

Component 2 will address Barrier 3 - Limited innovation and technology for environmental rehabilitation of degraded landscapes.

Policies and institutional mechanisms alone will not be enough to bring transformation; there is a need to concurrently develop and demonstrate innovative and practicable environmental rehabilitation solutions on the ground that suit the unique, harsh mountain landscapes and nomadic pastoral culture and economy of Mongolia. Through this component, the project will support the implementation of targeted interventions to rehabilitate degraded landscapes of high conservation value based on the integrated land management plans developed under Component 1. It will support the aimags and soums to identify, prioritize and carry out the rehabilitation activities in close coordination with the river basin administrations and national/local protected area managers to fully consider watershed and biodiversity conservation functions.

Sustainable, gender-sensitive and climate-adaptive methods, including NbS, for environmental rehabilitation of critical habitats and degraded landscapes will be explored, developed and demonstrated accompanied by necessary training of local communities, field staff and private sector companies engaged in restoration activities. It will seek collaboration with the Korea-Mongolia Greenbelt Project, which is setting up a large-scale tree nursery and training/ demonstration center in Arvaikheer, the capital of Uvurkhangai aimag. Potential solutions/ methods include shelterbelt and diverse/native windbreak plantations to provide habitat, linking corridor, halt soil erosion and desertification, assisted natural regeneration to induce recuperation of degraded forests and rangelands, and serve riparian buffer to improve water and soil conservation.

Specific project interventions will be further determined through extensive consultations with relevant agencies and stakeholders (e.g. herder households, river basin administrations and aimag-level environmental departments, and private sector companies) during the project design phase. Innovations in rehabilitation will be backed up by proper monitoring and evaluation for early identification of risks and

timely adaptation. In developing NbS, opportunities to integrate indigenous knowledge and practices will be explored, and the special needs of women and poor communities will be carefully assessed and addressed.

Through this component, the project will rehabilitate and restore 38,000 hectares of degraded lands, primarily degraded grasslands and forests but also some degraded croplands that constitute high-carbon ecosystems and are of high conservation value. The project will help develop public-private partnership (PPP) and corporate social responsibility (CSR) arrangements with the private sector to engage them in funding and implementing environmental rehabilitation of degraded lands with necessary technical guidance to ensure that rehabilitation measures are technically sound, nature-positive and have necessary environmental and social safeguards. Potential private sector companies for PPP and CSR for environmental rehabilitation of degraded lands in the project area will be identified and consulted during the PPG phase. Where forest rehabilitation is involved, apart from direct assistance to forest user groups and aimag/ soum forest officials, the project will also develop collaboration during PPG phase with private forestry enterprises[2][21].

Component 3. Community-based management of natural resources and ecosystem services

Component 3 will address Barrier 4 - Lack of economic incentives for sustainable natural resource management practices and Barrier 5 - Insufficient linkage between sustainable natural resource management and poverty reduction.

Community-based natural resource management efforts to reduce land degradation and biodiversity loss are unlikely to succeed if they are not sufficiently linked to sustainable local livelihood and production systems generating direct economic benefits for the participating communities. This is especially true for countries like Mongolia, where there is a high level of poverty, communities are heavily dependent on the natural resource base and economic opportunities are limited.

Under this component, the project will support the development of community-based models of natural resource management integrating livelihood improvement and poverty reduction. The project will work with existing CBNRM groups (e.g. forest user groups, pasture user groups) as well as form new ones where necessary to develop CBNRM models and train these groups to implement them with support and cooperation from the river basin administrations and protected area authorities. The CBNRM models will take into account both local and landscape-scale (upstream-downstream linkages) environmental threats including overgrazing, mining, unsustainable forest resource use, and forest fire. A salient element of the project will be the empowerment of the CBNRM groups to self-govern and effectively manage their resources, including funds generated by CBNRM activities[3][22], which is a major gap that has not been sufficiently addressed so far. The proposed project, during the PPG phase, will develop activities to improve the governance capacity of CBNRM groups. In doing so, it will also refer to the results of the participatory governance assessment of CBNRM groups recommended in the mid-term review report[4][23] of the FAO/WWF/GEF-7 Eastern Steppes project. Furthermore, the project will support the development and use of participatory methods such as Participatory Rural Appraisal (PRA)[5][24] tools and techniques for planning and monitoring community-based natural resource management in an inclusive and gender-sensitive

manner. The use of PRA, which relies on visual tools and techniques, will be particularly advantageous in drawing the participation of reticent and vulnerable groups, such as women, the poor, and people with low literacy, and empowering them in local decision-making and, in the process improving CBNRM governance.

Targeted livelihood diversification will be promoted through community training and linkages with local-international markets to provide local communities with alternate income-generating opportunities and wean them from dependency on a large number of livestock.

In order to enhance the economic benefits of CBNRM models, the project will support the development and integration of viable incentive mechanisms and the strengthening of value chains of ecosystem-based community livelihoods with due attention to gender-differentiated needs. In this regard, the project will collaborate closely with the ongoing FAO/WWF/GEF-7 drylands project and UNDP/GEF-6 ENSURE project to build on their experience in the value chain development of various livestock products in partnership with cooperatives and private entrepreneurs. A potential incentive mechanism is the Payments for Ecosystem Services (PES), which is not widely practised in Mongolia although recognized by the National Green Development Policy as a key measure to achieve environmentally sustainable economic development. The project will develop and support PES schemes in accordance with the STAP Guidance on PES design to ensure their effectiveness and sustainability, and build on the experience of GEF investments in PES schemes across various regions[6][25].

The project area will be a suitable location for forest- and watershed-based PES schemes, which enhances the flow of ecosystem services from upstream environmental rehabilitation and sustainable natural resources management to downstream communities. In collaboration with the private sector, the value chain of livestock and forest products will be assessed and strengthened so that local communities can secure better prices and be encouraged to reduce their livestock number within the carrying capacity of the landscapes. In this regard, cooperation will be sought with the National Federation of Pasture User Groups, Sustainable Cashmere Platform[7][26], and other relevant associations/ platforms. The project will facilitate new public-private-community partnerships as well as strengthen existing partnerships with private companies such as BODIOS, SOR Cashmere and Mongol Textile, which have ongoing but nascent collaborations with local communities in and around the project area. Through this component, the project is expected to bring direct livelihood benefits to 14,500 people (including 49.5% females), accounting for one-third of the population in the target soums.

Component 4. Knowledge management and project M&E

Component 4 will address Barrier 6 - Lack of systematic assessment, documentation and sharing of best practices and lessons learned.

The project will develop a clear communication strategy and knowledge products based on case studies to analyze the issues addressed by the project, approaches and practices applied, and lessons learned, and highlight innovations and disseminate best practices including those applied to respond to gender mainstreaming. It will establish new knowledge platforms, e.g. community of practice, and create linkage with existing knowledge platforms to facilitate the exchange of lessons and expertise between individuals and institutions with shared interests and objectives.

An online repository of all resources produced by the project will be created to make them accessible to project stakeholders and other potential users. A project website will be created and linked to the websites of the Ministry of Environment and Tourism, FAO and other relevant organizations. A knowledge, attitude and practice (KAP) survey will be undertaken during the PPG phase, and during project implementation at the mid-term and end of the project to assess how the project has changed the knowledge, attitude and practice of the project stakeholders, including women, youth and the poor, towards sustainable natural resources management. The baseline KAP survey during the PPG phase will help to inform the development of a gender-responsive, socially inclusive knowledge management and communication strategy for the project. This will be supported by communication guidelines to ensure that the communication activities are carried out in an objective, factual, coherent and inclusive manner.

Communication and media activities defined in the project communication strategy will be undertaken to create wider project visibility and increase public awareness about the environmental issues the project is addressing the activities that are being implemented, and their results. The project will encourage journalists to visit the project sites to provide first-hand information on the project's field activities and beneficiaries through the media. The Project Board, which will be instituted for policy-level project oversight, guidance and coordination, and a mid-level Technical Advisory Group, instituted to ensure the technical soundness of planned project activities, will have a crucial role in disseminating project results and best practices to a wider group at the policy and operational levels. Additionally, the project will exchange knowledge and lessons with relevant ongoing projects such as the FAO/WWF/GEF-7 Project 'Promoting Dryland Sustainable Landscapes and Biodiversity Conservation in the Eastern Steppe of Mongolia' and the UNDP/GEF-6 Project 'Ensuring Sustainability and Resilience of Green Landscapes in Mongolia'.

Enduring Transformation. The project activities will be enduring on the following basis:

The proposed project activities are anchored in existing environmental policies and legislation. To cite some examples: Strategic environmental assessment is mandatory by law but its implementation remains dormant -- the project will develop the methodology and standards accompanied by the necessary training to activate and advance practical uptake and implementation of SEA for integrating ecosystem valuation and restoration, sustainable land management and biodiversity conservation in local territorial development and land management plans; Payments for Ecosystem Services is outlined as a key measure in the National Green Development Strategy but its implementation has hitherto been very limited. The project will develop and integrate PES in community-based models of natural resources management, and demonstrate how it can be achieved; and community-based natural resource management is a strategy widely recognized in various environmental policies but linkages with livelihood improvement and poverty reduction are generally weak, and the governance aspect of CBNRM does not often receive due attention. The project will augment CBNRM implementation by improving the self-governance of CBNRM groups and developing linkages with community livelihoods, integrating economic incentives, and strengthening the value chains of livelihood products.

The proposed project activities will be pursued through engagement with multiple stakeholders, which will enhance broad-based ownership and support whilst also providing opportunities to leverage public and private sector investments at the landscape scale. Multi-stakeholder engagement will also provide greater project visibility, raise stakeholder awareness, promote gender equality and social inclusiveness, help build consensus and common ground, inform new landscape investment decision-making to secure GEBs, and contribute to the dissemination of best practices for replication and scaling up.

The proposed project activities will generate economic benefits, which will inspire local communities and their supporting agencies to engage in environmental rehabilitation and sustainable natural resource management over the long term. Economic incentives and strengthened value chains are expected to enhance and sustain livelihood benefits. The use of PRA tools and techniques will ensure that community-based models are developed in a participatory manner that includes women and poor communities, which will augment their sustainability.

The proposed project activities will be thematically- and geographically-focused, to secure targeted impacts and the best value from GEF support. Thematically, the project will focus on SEA, cross-sector coordination and multi-stakeholder engagement, NbS, and CBNRM with livelihood linkage and economic incentives such as PES. These will combinedly bring about durable transformation whilst being anchored in the current environmental and sustainable development policies of the country. Geographically, the project will focus on Khangai mountains, which is an important area for watershed services and biodiversity conservation encompassing a mountain-water-livelihood nexus whilst manifesting a high degree of environmental threats from land degradation, biodiversity loss and climate change.

Innovation and scaling-up

The GEF financing will build on the existing baseline of an an extensive set of environmental policies and legislations and a well-established institutional set-up for environmental management, and will specifically support incremental costs of:

- strengthening policy implementation through the development of SEA tools and processes, strengthening of the database, and cross-sector/ multi-stakeholder coordination including gender inclusiveness coupled with necessary training. In particular, it will help activate SEA implementation, which has been dormant all these years, as a tool to strengthen local territorial development and land management planning with emphasis on the integration of ecosystem restoration, SLM and biodiversity conservation;

- developing and demonstrating sustainable and climate-adaptive methods, including NbS, for environmental rehabilitation, suitable to Mongolia's unique, harsh environment and nomadic pastoral culture and economy, including through private sector engagement by means of PPP and CSR mechanisms;

- providing sustainable, gender-sensitive models of CBNRM with linkages to the local livelihood system, supported with strengthened value chains and viable economic incentives such as PES, a strategy that is recognized in the National Green Development Policy but lacking in implementation. The project will work with existing pasture user groups and forest user groups as well as new ones, if necessary, to develop and implement CBNRM models;

- generating and sharing of knowledge locally, nationally and globally based on detailed case studies of the concepts, approaches, and issues addressed by the project and analysis of lessons and best practices.

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[1] There are 157 professional entities in the private sector that are authorized to conduct environmental impact assessment. Their role also extends to conducting strategic environmental assessments but currently, they neither have the experience nor the training for SEA because of its non-implementation so far.

[2] In all of Mongolia, there are more than 100 private forestry enterprises that are licensed to carry out forest management operations, including timber harvesting and reforestation works.

[3] Preliminary consultations suggest that some CBNRM groups tend to become inactive and disintegrate due to mismanagement and lack of proper governance.

[4] Draft, July 2023.

[5] Alternatively known as Participatory Learning and Action. For more information and resources on PLA, see: https://www.iied.org/collection/participatory-learning-action

[6] Report of GEF Investments on Payments for Ecosystem Services Schemes, 2014.

[7] A platform set up to bring key stakeholders together and improve coordination and collaboration between them with a shared vision of sustainable development of the cashmere industry in Mongolia. It was initiated with support from the UNDP Green Commodities Program.

Coordination and Cooperation with Ongoing Initiatives and Project.

Does the GEF Agency expect to play an execution role on this project?

If so, please describe that role here. Also, please add a short explanation to describe cooperation with ongoing initiatives and projects, including potential for co-location and/or sharing of expertise/staffing

The project will be executed by the Ministry of Environment and Tourism in collaboration with the Agency for Land Administration and Management, Geodesy and Cartography (ALAMGC), the Ministry of Food, Agriculture and Light Industry, other relevant agencies, and the aimag and soum administrations in the project area.

The project will seek cooperation with the following ongoing projects/ initiatives:

FAO/WWF/GEF-7 Drylands Impact Program Child Project 'Promoting Dryland Sustainable Landscapes and Biodiversity Conservation in the Eastern Steppe of Mongolia', which has the objective to reverse and prevent dryland ecosystem degradation and biodiversity loss through an inclusive, integrated landscape and value chain approach securing multiple environmental benefits and sustainable, resilient livelihoods in the Eastern Steppe of Mongolia. The project is operational from 2020 to 2025 and located in Darnod, Sukhbaatar and Khentii aimags. Key areas of cooperation include integrated land management incorporating environment concerns, community-based natural resource management, strengthening value chains and market access through a public-private partnership, and cross-sector, multi-stakeholder coordination mechanisms for integrated and participatory land management. This project will build further upon these achievements to scale ILM nationally and with ALMAGAC and IRIMHE land management data systems enhanced to support local-national level land use policy, management and investment decision-making.

UNDP/GEF-6 Project 'Ensuring Sustainability and Resilience of Green Landscapes in Mongolia', which has the 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. The project is operational from 2018 to 2025. Cooperation will be sought in the areas of collaborative approaches to landscape management, innovative incentive mechanisms for green and sustainable practices, and livelihood enhancement through value addition and public-private partnership. One of the demonstration landscapes of the ENSURE project is located in the Khangai mountains (covering four soums towards the north of Arkhangai aimag), which accentuates the opportunity and potential to use its lessons and experiences during the design and implementation of the proposed project.

UNDP/GEF-8 child project on 'Eliminating Hazardous Chemicals from Supply Chains in Mongolia', which is under development and focuses on the livestock products supply chain and, like this project, will work on related livelihood development and incentives for sustainable production.

JICA Project on 'Restoration of Pastureland by Effective Usage of Wild Forage Plants based on Traditional Knowledge of Nomadic Mongolians', which covers the period from 2019 to 2024. Potential areas of cooperation include the restoration of degraded rangelands and improved pasture management.

'A Billion Trees' Initiative launched by the Government of Mongolia to reforest 873,000 hectares of degraded forests and create 34,800 hectares of urban parks across the country by 2030 through private sector engagement and community participation. Where reforestation is involved, the project can seek synergy of technical and financial resources to have a larger impact.

Korea-Mongolia Greenbelt Project, which is in its third phase (2022-2027) of implementation to strengthen the afforestation capacity through the establishment of tree nurseries and training to combat desertification and reduce land degradation in various parts of Mongolia. As a part of this project, a central tree nursery and demonstration training hub has been set up in Arvaikheer, Uvurkhangai aimag. Collaboration will be established with this project for community and staff training for reforestation of degraded forest lands.

Scaling up Climate Ambition on Land Use and Agriculture through Nationally Determined Contributions and National Adaptation Plans (SCALA) program, under which Mongolia is working towards enhancing the evidence base for improvement in pastureland management and maintenance of appropriate livestock herd sizes in alignment with its mitigation and adaptation goals. A major relevant activity pertains to the assessment of livestock taxation, which will have a bearing on livestock herd sizes and can provide valuable information on incentives to promote improved livestock and rangeland management.

International/ regional conservation and sustainable development organizations' work in Mongolia to reverse land degradation and conserve biodiversity. This includes the Asia Foundation's work with artisanal miners on environmental rehabilitation of mined areas in Mongolia; the World Wildlife Fund's work that supports the conservation of forest and grassland ecosystems in Mongolia; and The Nature Conservancy's work in Mongolia to conserve the grasslands and support herder communities to improve the care of their rangelands and explore new opportunities for sustainable economic development.

Core Indicators

Indicator 3 Area of land and ecosystems under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
38000	0	0	0

Indicator 3.1 Area of degraded agricultural lands under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Cropland	1,000.00			

Indicator 3.2 Area of forest and forest land under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
3,800.00			

Indicator 3.3 Area of natural grass and woodland under restoration

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
Natural grass	33,200.00			

Indicator 3.4 Area of wetlands (including estuaries, mangroves) under restoration

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4 Area of landscapes under improved practices (hectares; excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
742850	0	0	0

Indicator 4.1 Area of landscapes under improved management to benefit biodiversity (hectares, qualitative assessment, non-certified)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
371,425.00			

Indicator 4.2 Area of landscapes under third-party certification incorporating biodiversity considerations

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Type/Name of Third Party Certification

Indicator 4.3 Area of landscapes under sustainable land management in production systems

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)
371,425.00			

Indicator 4.4 Area of High Conservation Value or other forest loss avoided

Disaggregation Type	Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)

Indicator 4.5 Terrestrial OECMs supported

Name of the OECMs	WDPA-ID	Total Ha (Expected at PIF)	Total Ha (Expected at CEO Endorsement)	Total Ha (Achieved at MTR)	Total Ha (Achieved at TE)

Documents (Document(s) that justifies the HCVF)

Title

Indicator 6 Greenhouse Gas Emissions Mitigated

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	4946957	0	0	0
Expected metric tons of CO_2e (indirect)	0	0	0	0

Indicator 6.1 Carbon Sequestered or Emissions Avoided in the AFOLU (Agriculture, Forestry and Other Land Use) sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)	4,946,957			
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting	2025			
Duration of accounting	20			

Indicator 6.2 Emissions Avoided Outside AFOLU (Agriculture, Forestry and Other Land Use) Sector

Total Target Benefit	(At PIF)	(At CEO Endorsement)	(Achieved at MTR)	(Achieved at TE)
Expected metric tons of CO_2e (direct)				
Expected metric tons of CO_2e (indirect)				
Anticipated start year of accounting				
Duration of accounting				

Indicator 6.3 Energy Saved (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Total Target Benefit	Energy (MJ) (At PIF)	Energy (MJ) (At CEO Endorsement)	Energy (MJ) (Achieved at MTR)	Energy (MJ) (Achieved at TE)
Target Energy Saved (MJ)				

Indicator 6.4 Increase in Installed Renewable Energy Capacity per Technology (Use this sub-indicator in addition to the sub-indicator 6.2 if applicable)

Technology	Capacity (MW) (Expected at PIF)	Capacity (MW) (Expected at CEO Endorsement)	Capacity (MW) (Achieved at MTR)	Capacity (MW) (Achieved at TE)

Indicator 9 Chemicals of global concern and their waste reduced

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 9.1 Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)

POPs type	Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.2 Quantity of mercury reduced (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.3 Hydrochloroflurocarbons (HCFC) Reduced/Phased out (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.4 Number of countries with legislation and policy implemented to control chemicals and waste (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Indicator 9.5 Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Indicator 9.6 POPs/Mercury containing materials and products directly avoided

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.7 Highly Hazardous Pesticides eliminated

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.8 Avoided residual plastic waste

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 11 People benefiting from GEF-financed investments

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	7,170			
Male	7,330			
Total	**14,500**	**0**	0	**0**

Explain the methodological approach and underlying logic to justify target levels for Core and Sub-Indicators (max. 250 words, approximately 1/2 page)

Core indicator 3: The three aimags have a total area of 23,418,695 hectares, of which 901,016 hectares are classified 'damaged' as per Mongolia's Unified Land Territory Report of 2021. This translates to 0.0384 hectares of damaged land on every hectare of land. The target soums have a total area of 2,971,400 hectares, which translates to a total damaged area of around 114,000 hectares (2,971,400 x 0.0384). It is envisaged that the project can restore one-third of the damaged land, i.e. 38,000 hectares, in the target soums by the end of the project period. 38,000 hectares consists of forest, grasslands and croplands. This target will be reviewed and validated through detailed assessments during PPG.

Core indicator 4: The target soums have a total area of 2,971,400 hectares. Through the integration of ecosystem restoration, SLM and biodiversity conservation into local territorial development and land management plans, the development and demonstration of sustainable and climate-adaptive methods of rehabilitation of degraded lands, strengthened cross-sector and multi-stakeholder coordination, and community-based natural resource management, at least one-fourth of the total area of the target soums is expected to be under improved practices. This target will be reviewed and validated through detailed assessments during PPG.

Core indicator 6: The target was calculated using the EX-Ante Carbon-balance Tool (EX-ACT) using available data. During the PPG phase, the project design team will recalculate and refine the emission mitigation target for the project.

Core indicator 11: The total population of the target soums is 43,549 including 21,541 females. The project is expected to provide direct livelihood benefits to one-third of the population, i.e. 14,500 people, in the target soums. 49.5% of the direct beneficiaries will be female based on the male/female population ratio in the project area.

Risks to Project Preparation and Implementation

Summarize risks that might affect the project preparation and implementation phases and what are the mitigation strategies the project preparation process will undertake to address these (e.g. what alternatives may be considered during project preparation-such as in terms of consultations, role and choice of counterparts, delivery mechanisms, locations in country, flexible design elements, etc.). Identify any of the risks listed below that would call in question the viability of the project during its implementation. Please describe any possible mitigation measures needed. (The risks associated with project design and Theory of Change should be described in the "Project description" section above). The risk rating should reflect the overall risk to project outcomes considering the country setting and ambition of the project. The rating scale is: High, Substantial, Moderate, Low.

Risk Categories	Rating	Comments

Climate	Moderate	During project implementation, it is likely that project interventions may be affected by climate hazards such as snow and dust storms, dzud and floods. In the event of such events, the project will coordinate with the local authorities in the aimags and soums to implement adequate, timely responses.
Environment and Social	High	Overall, the project is designed to generate environmental and social benefits. However, there may be a few impacts to be aware of, and negotiated with household/communities via collaborative management/benefit sharing agreements-- for example, certain temporary restrictions on access to natural resources to allow restoration of landscapes and sustainable use of natural resources. In keeping with GEF and FAO policies, the project will undertake an assessment of the potential environmental and social risks as a part of the project design, and ensuring highly participatory consultations that stakeholder needs and requirements are well accounted for and addressed. Gender analysis will also be done and a gender action plan will be integrated in the project design.
Political and Governance	Low	There may be a change in the government depending on the results of the next elections. This is, however, not expected to influence the government's priorities for the environment and sustainable development given the longstanding and consistent national commitment to pursue economic development in an environmentally sustainable manner, which is entrenched in high-level development policies such as

		Vision-2050 and National Green Development Policy 2014. Policy-level coordination and support will be continuously pursued through the Project Board and project governance arrangement.
Macro-economic	Moderate	Mongolia's economy is driven by extractive industries, especially mining, which have a significant impact on the natural environment. Also, because of the country's small population and domestic market base, its economy is influenced by global and regional markets. It is likely that short-term macro-economic interests may take precedence over environmental and sustainability objectives. At the same time, Mongolia is committed to economic growth that is green and environmentally sustainable and has a comprehensive set of national policies and legislations for the management of environmental impacts from mining and other extractive economic activities. A key element of this project is to strengthen the enabling environment and policy implementation instruments to reduce the degradation of ecosystems including due to mining and other environmentally-detrimental activities. Cross-sector coordination and multi-stakeholder engagement will also be strengthened, which will improve collaboration and coordination with the mining authorities and companies.
Strategies and Policies	Low	Mongolia's commitment to the environment and sustainable development has remained consistent over the years and has been bolstered by the adoption of new policies and strategies including those aligned

		with the multi-lateral environmental agreements ratified/ accessed by the country.
Technical design of project or program	Low	During project design and implementation, detailed consultations will be held with stakeholders and technical experts to ensure that the project interventions are sound and based on science, and in keeping with FAO and GEF project standards and requirements.
Institutional capacity for implementation and sustainability	Moderate	Staff turnover is a major concern in Mongolia. The project will foster cross-sector institutional coordination and build the technical capacity of government agencies at the national level as well in the target aimags and soums. Training of trainers' approach and post-training activities, including the community of practice, will be undertaken to ensure a multiplier effect from training activities.
Fiduciary: Financial Management and Procurement	Low	Fiduciary risk is considered low based on the experience of the management of previous FAO-GEF projects with the Ministry of Environment and Tourism.
Stakeholder Engagement	Low	Stakeholder engagement, including multi-stakeholder coordination, will be at the core of the project. The project will pursue an inclusive approach, to ensure that project stakeholders -- in particular, women, IPLC, youth and the private sector -- are involved in the project design and implementation.
Other	Low	There may be impacts from the COVID-19 pandemic or other similar future shocks. These risks will be monitored closely and interventions would be adjusted as necessary building on the experience from the COVID-19 pandemic. The project is

		also expected to contribute to the development of a livelihood system that is more resilient in the face of similar future shocks.
Financial Risks for NGI projects	Low	n/a
Overall Risk Rating	High	Following the risk assessment, the project falls under a high risk project due to its physical activities to be implemented within and/or adjacent legally designated protected area or its buffer zone; further, for activites requiring the negotiated sustainable use and management of commonly held natural resources (e.g. pasture land). Nevertheless, the ESM deemed the project risk moderate because the project environmental and social impacts are expected to be positive and the potential adverse impacts can be addressed by the use of recognized good management and consultation practices. In addition, the project design includes core environmental enhancement practices including informed restoration of degraded high conservation value ecosystem services, biodiversity/climate change mainstreaming into ILM, community-based models of sustainable NRM, and participatory monitoring and evaluation (M&E). Once further project activities and specific sites are pinpointed in PPG, the project will prepare an independent Environmental and Social Analysis and annexes.

C. ALIGNMENT WITH GEF-8 PROGRAMMING STRATEGIES AND COUNTRY/REGIONAL PRIORITIES

Describe how the proposed interventions are aligned with GEF- 8 programming strategies and country and regional priorities, including how these country strategies and plans relate to the multilateral environmental agreements.

Confirm if any country policies that might contradict with intended outcomes of the project have been identified, and how the project will address this.

For projects aiming to generate biodiversity benefits (regardless of what the source of the resources is - i.e., BD, CC or LD), please identify which of the 23 targets of the Kunming-Montreal Global Biodiversity Framework the project contributes to and explain how. (max. 500 words, approximately 1 page)

The project will contribute specifically to the following GEF-8 focal area objectives:

Biodiversity Focal Area Objective 1 to improve conservation, sustainable use, and restoration of natural ecosystems. The project will support the integration of ecosystem rehabilitation and management in the aimag and soum plans based on cross-sector coordination and multi-stakeholder engagement and using strategic environmental assessment as a key tool. It will promote community-based natural resource and livestock management practices that are biodiversity-positive.

Climate Change Focal Area Pillar 1, Objective 1.4 to promote nature-based solutions with high mitigation potential. The project will invest in the improvement of livestock management systems and rehabilitation of degraded forest lands using nature-based solutions, contributing to the mitigation of GHG emissions.

Land Degradation Focal Area Objective 1 to avoid and reduce land degradation through sustainable land management. The project will support the strengthening of community-based natural resource management, improvement of rangeland management, and management of adverse environmental impacts from mining and other activities that cause land degradation.

Land Degradation Focal Area Objective 2 to reverse land degradation through landscape restoration. Using nature-based solutions and community-based approaches, the project will support local governments and communities, including herders and forest users, to restore degraded lands to reinstate and optimize ecosystem goods and services.

With respect to the **Kunming-Montreal Global Biodiversity Framework**, the project will contribute to multiple 2030 GBF targets including:

- *Target 1* by promoting integrated land use planning and management at landscape scale to reduce land degradation and biodiversity loss in the Khangai mountains that harbor globally important biodiversity;
- *Target 2* by bringing degraded forest and grassland ecosystems under effective restoration, in order to enhance biodiversity and ecosystem functions and services;
- *Target 9* by improving economic and environmental benefits of biodiversity-dependent communities, particularly livestock herders and forest users, through sustainable community-based natural resource management with linkage to local livelihood systems;
- *Target 10* by sustainably managing grassland and forest ecosystems through the application of biodiversity friendly practices such as grazing management in keeping with the carrying capacity of the pasture lands to improve both land and livestock productivity whilst reducing foraging competition with wild ungulates;
- *Target 11* by developing and demonstrating NbS -- suitable to Mongolia’s unique geophysical conditions -- to restore, maintain and enhance ecosystem functions and services such as regulation of water, climate, soil health, and resilience against climate change;
- *Target 14* by integrating biodiversity values into aimag- and soum-level land use planning using strategic environmental assessments;
- *Target 19* by leveraging private sector investment in environmental rehabilitation through public-private partnership and corporate social responsibility mechanisms, stimulating payments for ecosystem services, and enhancing the role of collective actions through CBNRM supported with viable economic incentives and strengthened value chains;

- *Target 21* by strengthening databases and decision-support tools to aid integrated land use planning and management, and improving knowledge management to disseminate innovations and best practices on environmental rehabilitation and CBNRM;
- *Target 22* by strengthening multi-stakeholder engagement and using participatory approaches to ensure the full, equitable, inclusive, effective and gender-responsive representation and participation in decision-making, and access to technology and information related to environmental rehabilitation and biodiversity conservation by the local communities;
- *Target 23* by promoting gender equality through multi-stakeholder engagement, gender-responsive community training, participatory methods to CBNRM, and integration of gender dimensions in the SEA methodology and tools.

At the country level, the project corresponds with various key national policies and priorities, in particular:

National Green Development Policy 2014, which includes maintaining ecosystem balance and reducing environmental degradation while intensifying reclamation activities and environmental protection as one of the six strategic objectives.

New Revival Policy, which encompasses sustainable growth of livestock and agricultural production, value-added domestic products development, "A Billion Trees" initiative, protection of water resources, and restoration of wetlands.

Government's Action Plan 2020-2024, which among others emphasizes protection, rehabilitation and sustainable management of pastures, increased financing for green projects, increase in forest cover, rehabilitation of abandoned and degraded land from mining activities.

Vision 2050, which defines Mongolia's agenda for sustainable development including green development, maintenance of ecosystems, enhancement of natural resources' productivity, prevention of land degradation and desertification, restoration of lands, protection and rehabilitation of biodiversity, integrated water resources management, and mitigation of climate change.

In addition, the project will contribute to the following national instruments related to the Rio Conventions, namely UNCCD, CBD and UNFCCC:

Mongolia's voluntary targets for achieving land degradation neutrality are to: (i) reduce deforestation and forest degradation to increase forest cover to 9% of the total area; (ii) promote sustainable grassland management and stop further degradation; (iii) increase agricultural yields by 2.5 t/ha per annum; and (iv) ensure no net loss of wetlands.

National Biodiversity Program (2015-2030) goals of increasing total forest cover to 9%, reducing pasture degradation by 70%, and implementing a framework for sustainable use and conservation of natural resources.

Nationally Determined Contributions (2019), which commits to contribute to a GHG emission reduction target of 22.7%, and sets adaptation targets through improved management of livestock and pasturelands, forests and biodiversity.

There are no policies that would contradict the project outcomes.

D. POLICY REQUIREMENTS

Gender Equality and Women's Empowerment:

We confirm that gender dimensions relevant to the project have been addressed as per GEF Policy and are clearly articulated in the Project Description (Section B).

Yes

Stakeholder Engagement

We confirm that key stakeholders were consulted during PIF development as required per GEF policy, their relevant roles to project outcomes and plan to develop a Stakeholder Engagement Plan before CEO endorsement has been clearly articulated in the Project Description (Section B).

Yes

Were the following stakeholders consulted during project identification phase:

Indigenous Peoples and Local Communities: Yes

Civil Society Organizations: Yes

Private Sector: Yes

Provide a brief summary and list of names and dates of consultations

Several agencies were consulted for the conceptualization of the project. A brief summary of the consultations is provided below:

- Consultations with the Ministry of Environment in May 2022 on land degradation issues, potential interventions and suitable sites for the project.
- Consultation with the Mongolian Sustainable Financing Corporation in March 2022 on green financing opportunities, current challenges, and focus areas (SDGs, A Billion Tree initiative, energy efficiency) for green financing.
- Series of consultations with various river basin administrations (Orog Lake, Tui River, Buuntsagaan nuur, and Baidrag River) on main problems and drivers of environmental degradation, potential interventions and sites in their respective jurisdictions.
- Consultation with the head of the Desertification Center at the Institute of Geography and Geo-ecology on land degradation and desertification issues, past and current trends, and the role of research and science.
- Meeting with The Nature Conservancy-Mongolia in September 2022 to discuss major issues related to land degradation and biodiversity loss, understand conservation priorities in the face of current threats, and appraise the potential for collaboration and linkages with TNC's work in Mongolia.
- Local stakeholder consultations with aimag/soum officials and local communities in the target project area, 11-16 September 2023. The consultations were conducted for a preliminary baseline appraisal of

local institutional and planning mechanisms for development and land management plans, CBNRM activities, environmental issues and challenges in the target project area.

- Meetings with officials of the Ministry of Environment and Tourism, Information and Research Institute of Meteorology, Hydrology and Environment, UNDP Mongolia, and the National Federation of Pasture User Groups, 7-8 September 2023, to appraise SEA implementation, existing environmental database, synergy and linkages with UNDP projects, and the activities related to rangeland management and pasture user groups.

- Meeting with three representatives from authorized professional entities in the private sector for environmental impact assessment and strategic environmental assessment, .

- Meetings with the project management units of WWF/FAO/GEF-7 Eastern Steppe project and UNDP/GEF-7 ENSURE project to appraise synergy and linkages.

A brief preliminary overview of project stakeholders and their role in the project has been uploaded to the portal. Detailed stakeholder consultations will be conducted during the PPG phase.

(Please upload to the portal documents tab any stakeholder engagement plan or assessments that have been done during the PIF development phase.)

Private Sector

Will there be private sector engagement in the project?

Yes

And if so, has its role been described and justified in the section B project description?

Yes

Environmental and Social Safeguard (ESS) Risks

We confirm that we have provided indicative information regarding Environmental and Social risks associated with the proposed project or program and any measures to address such risks and impacts (this information should be presented in Annex D).

Yes

Overall Project/Program Risk Classification

PIF	CEO Endorsement/Approval	MTR	TE
High or Substantial			

E. OTHER REQUIREMENTS

Knowledge management

We confirm that an approach to Knowledge Management and Learning has been clearly described in the Project Description (Section B)

Yes

ANNEX A: FINANCING TABLES

GEF Financing Table

Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	GEF Project Grant($)	Agency Fee($)	Total GEF Financing ($)
FAO	GET	Mongolia	Biodiversity	BD STAR Allocation: BD-1	Grant	703,927.00	66,873.00	770,800.00
FAO	GET	Mongolia	Climate Change	CC STAR Allocation: CCM-1-4	Grant	615,936.00	58,514.00	674,450.00
FAO	GET	Mongolia	Land Degradation	LD STAR Allocation: LD-1	Grant	659,932.00	62,693.00	722,625.00
FAO	GET	Mongolia	Land Degradation	LD STAR Allocation: LD-2	Grant	659,931.00	62,694.00	722,625.00
Total GEF Resources ($)						**2,639,726.00**	**250,774.00**	**2,890,500.00**

Project Preparation Grant (PPG)

Is Project Preparation Grant requested?

true

PPG Amount ($)

100000

PPG Agency Fee ($)

9500

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Programming of Funds	Grant / Non-Grant	PPG($)	Agency Fee($)	Total PPG Funding($)
FAO	GET	Mongolia	Biodiversity	BD STAR Allocation: BD-1	Grant	26,667.00	2,533.00	29,200.00
FAO	GET	Mongolia	Climate Change	CC STAR Allocation: CCM-1-4	Grant	23,333.00	2,217.00	25,550.00

FAO	GET	Mongolia	Land Degradation	LD STAR Allocation: LD-1	Grant	25,000.00	2,375.00	27,375.00
FAO	GET	Mongolia	Land Degradation	LD STAR Allocation: LD-2	Grant	25,000.00	2,375.00	27,375.00
Total PPG Amount ($)						**100,000.00**	**9,500.00**	**109,500.00**

Please provide justification

Sources of Funds for Country Star Allocation

GEF Agency	Trust Fund	Country/ Regional/ Global	Focal Area	Sources of Funds	Total($)
FAO	GET	Mongolia	Biodiversity	BD STAR Allocation	800,000.00
FAO	GET	Mongolia	Climate Change	CC STAR Allocation	700,000.00
FAO	GET	Mongolia	Land Degradation	LD STAR Allocation	1,500,000.00
Total GEF Resources					**3,000,000.00**

Indicative Focal Area Elements

Programming Directions	Trust Fund	GEF Project Financing($)	Co-financing($)
BD-1-2	GET	234,643.00	2333600
BD-1-3	GET	234,642.00	2333600
CCM-1-4	GET	615,936.00	5599200
LD-1	GET	659,932.00	6200000
LD-2	GET	659,931.00	6200000
BD-1-4	GET	234,642.00	2333600
Total Project Cost		**2,639,726.00**	**25,000,000.00**

Indicative Co-financing

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount($)

Recipient Country Government	Ministry of Environment and Tourism	In-kind	Recurrent expenditures	9000000
Recipient Country Government	Ministry of Food, Agriculture and Light Industry	In-kind	Recurrent expenditures	5000000
Recipient Country Government	Ministry of Mining and Mineral Resources and Petroleum Authority	In-kind	Recurrent expenditures	1000000
Recipient Country Government	Provincial Governments (Arkhangai, Bayan-khongor and Uvurkhangai) and target soums	In-kind	Recurrent expenditures	6000000
Recipient Country Government	Agency for Land Administration and Management, Geodesy and Cartography	In-kind	Recurrent expenditures	1000000
GEF Agency	FAO	In-kind	Recurrent expenditures	2000000
Private Sector	Byalag Ulzii LLC, BODIOS LLC	In-kind	Recurrent expenditures	1000000
Total Co-financing				**25,000,000.00**

Describe how any "Investment Mobilized" was identified

Based on the initial consultations, currently there is no investment mobilized for this project, however, we will continue our discussions with potential co-financiers as well as to assess the sources of co-financing to classify the type during the PPG phase.

ANNEX B: ENDORSEMENTS

GEF Agency(ies) Certification

GEF Agency Type	Name	Date	Project Contact Person	Phone	Email
GEF Agency Coordinator	Jeff Griffin	4/11/2023	Yurie Naito	00390657053172	Yurie.Naito@fao.org

Record of Endorsement of GEF Operational Focal Point (s) on Behalf of the Government(s):

Name	Position	Ministry	Date (MM/DD/YYYY)
Ms. Tserendulam Shagdarsuren	Director General of Climate Change and Policy Planning Department	Ministry of Environment and Tourism	3/27/2023

ANNEX C: PROJECT LOCATION

Please provide geo-referenced information and map where the project interventions will take place

The project will be located in the Khangai mountains with targeted project interventions in the following soums (districts) of Mongolia:

Soum	Province	Area km^2	Geographic Coordinates		
				Latitudes	Longitude
Bulgan	Arkhangai	3,100	47.20894, 101.13001	47.318805° N	101.119282° E
Chuluut	Arkhangai	3,900	47.52972, 100.21694	47.536154° N	100.224038° E
Ikhtamir	Arkhangai	4,800	47.48972, 100.87955	47.595784° N	101.205181° E
Tsenkher	Arkhangai	3,200	47.44498, 101.75486	47.44404° N	101.756688° E
Erdenetsogt	Bayankhongor	4,100	46.41254, 100.82256	46.418806° N	100.821068° E
Galuut	Bayankhongor	5,047	46.69172, 100.14399	46.700347° N	100.140445° E
Bat-Ulzii	Uvurkhangai	2,428	46.81322, 102.24941	46.8155° N	102.24636° E
Uyanga	Uvurkhangai	3,139	46.45666, 102.281	46.460542° N	102.269796° E

Maps are uploaded as a separate document.

ANNEX D: ENVIRONMENTAL AND SOCIAL SAFEGUARDS SCREEN AND RATING

(PIF level) Attach agency safeguard screen form including rating of risk types and overall risk rating.

Title

Mongolia climate risk screening_7 Apr 2023

ANNEX D_ESS initial screening

ANNEX E: RIO MARKERS

Climate Change Mitigation	Climate Change Adaptation	Biodiversity	Land Degradation
Significant Objective 1	No Contribution 0	Significant Objective 1	Significant Objective 1

ANNEX F: TAXONOMY WORKSHEET

Level 1	Level 2	Level 3	Level 4
Influencing Models	Transform policy and regulatory environments		
	Strengthen institutional capacity and decision-making		
	Convene multi-stakeholder alliances		
	Demonstrate innovative approaches		
Stakeholders	Indigenous Peoples		
	Private sector	Financial intermediaries and market facilitators	
		SMEs	
		Individuals/ Entrepreneurs	
	Beneficiaries		
	Local Communities		
	Civil society	Community-based organization	
		Non-Governmental Organization	
		Academia	
	Type of engagement	Information dissemination	
		Partnership	
		Consultation	
		Participation	
	Communications	Awareness raising	
		Education	
		Public campaigns	
		Behavior change	
Capacity, knowledge and research	Enabling activities		
	Capacity development		
	Knowledge generation and exchange		
	Learning	Theory of change	
		Adaptive management	
		Indicators to measure change	
	Innovation		
	Knowledge and learning	Knowledge management	
		Innovation	
		Capacity development	
		Learning	
	Stakeholder engagement plan		
Gender Equality	Gender mainstreaming	Beneficiaries	
		Women groups	
		Sex-disaggregated indicators	
	Gender result areas	Participation and leadership	
		Access to benefits and services	
		Capacity development	
		Awareness-raising	
		Knowledge generation	
Focal Area/ Theme	Biodiversity	Mainstreaming	Agriculture and agrobiodiversity
		Biomes	Wetlands
			Rivers
			Temperate forests

Level 1	Level 2	Level 3	Level 4
			Grasslands
		Financial and accounting	Payment for ecosystem services
	Forests	Forest and landscape restoration	
	Land degradation	Sustainable land management	Restoration and rehabilitation of degraded lands
			Ecosystem approach
			Integrated and cross-sectoral approach
			Community-based NRM
			Sustainable livelihoods
			Sustainable agriculture
			Sustainable pasture management
			Sustainable forest/ woodland management
		Land degradation neutrality	Land productivity
			Land cover and land cover change
			Carbon stocks or below ground
	Climate change	Climate change adaptation	Climate resilience
		Climate change mitigation	Agriculture, forestry and land use