



United Nations Development Programme

MONGOLIA PROJECT DOCUMENT

- Project Title:** Mongolia's Network of Managed Resource Protected Areas
- UNDAF Outcome 7:** Increased sector capacity for sustainable resources management with the participation of primary resource users
- UNDP Strategic Plan Environment and Sustainable Development Primary Outcome:** Mobilizing environmental financing
- UNDP Strategic Plan Secondary Outcome:** Mainstreaming environment and energy
- Expected CP Outcome(s):** Improved sustainability of natural resources management and resilience of ecosystems and vulnerable populations to the changing climate
- Expected CPAP Output (s):**
1. Environmental policy reform supported with focus on enhanced law enforcement.
 2. Management of pasture/ land, water resources and biodiversity improved through landscape -based planning approach
- Implementing Partner:** Ministry of Environment and Green Development
- Responsible Partners:** Administration for Land Affairs, Geodesy and Cartography, Ministry of Finance

Brief Description

The project goal is to ensure the integrity of Mongolia's diverse ecosystems to secure the viability of the nation's globally significant biodiversity. The project objective is to catalyze the strategic expansion of Mongolia's protected area (PA) system through establishment of a network of community conservation areas covering under-represented terrestrial ecosystems.

Most Mongolian species require vast expanses of intact habitat to survive. The current system of national protected areas (NPAs) is far too small and geographically isolated to maintain required connectivity. Biodiversity outside of PAs faces rapidly escalating threats (unsustainable harvest, habitat loss due to infrastructure development and livestock management, and climate change). These threats are segregating species into increasingly disconnected PAs. The government and rural communities recognize the challenges and desire to conserve large tracts of lands between existing PAs. However, the four primary NPA designations are restrictive and not well suited to safeguarding even sparsely inhabited landscapes. Emerging community-based approaches generally lack well-defined national regulatory support that strategically targets conservation priorities.

The project's two Outcomes are designed to address these challenges. Outcome One will establish a new protected area category for strategic PA expansion. Outcome Two will emplace institutional capacity and resource base development to ensure sustainability of managed resource PAs. This GEF catalyzed alternative will allow conservation to take place on an ecologically meaningful scale across large landscapes. Ultimately, lessons learned will be amplified so that over twenty million hectares of locally conserved lands in under-represented ecosystems will enhance NPA system effectiveness.

Programme Period:	60 months
Atlas Award ID:	TBD
Project ID:	TBD
PIMS #:	4393
Start date:	August 1, 2013
End Date:	August 1, 2018
Management Arrangements:	NIM
PAC Meeting Date:	March 27, 2013

Total resources required (total project funds)	US\$6,253,091
Total allocated resources (UNDP managed funds)	
Regular (UNDP)	US\$ 1,300,000
GEF	US\$1,309,091
Other (partner managed resources)	
Government	US\$500,000
Grant	US\$ 3,144,000
In-Kind	0

Agreed by Government:

Oyun Sanjaasuren, Minister for Environment and Green Development

Date/Month/Year

Agreed by (UNDP):

Sezin Sinanoglu, Resident Representative

Date/Month/Year

Contents

SECTION 1: ELABORATION OF THE NARRATIVE	5
PART 1: SITUATION ANALYSIS	5
1.1 Context	5
1.2 Threats, Root Causes, and Impacts	9
1.3 Long-Term Solution	12
1.4 Barriers to Achieving the Solution.....	13
1.5 Stakeholder Analysis.....	16
1.6 Baseline Analysis	18
PART II: STRATEGY	20
2.1 Policy Conformity: Fit with GEF Focal Area Strategy and Strategic Programme ..	20
2.2 Project Rationale and Summary of GEF Alternative	22
2.3 Project Goal, Objective, Outcomes and Outputs.....	22
2.4 Project Indicators.....	30
2.5 Risks and Assumptions	30
2.7 Cost-Effectiveness.....	35
2.8 Project Consistency with National Priorities/Plans.....	36
2.9 Country Ownership: Country Eligibility and Country Drivenness.....	37
2.10 Sustainability and Replicability.....	37
PART III: MANAGEMENT ARRANGEMENTS	39
A. Institutional Arrangement	39
B. Project Implementation Arrangement	39
PART IV: MONITORING AND EVALUATION.....	40
PART V: LEGAL CONTEXT.....	43
SECTION II: STRATEGIC RESULTS FRAMEWORK.....	45
SECTION III: TOTAL BUDGET AND WORKPLAN.....	48
SECTION IV: ANNEXES.....	52
Annex A: Consultants to be hired for the project using GEF resources.....	52
Annex B: Co-financing Letters.....	55
Annex C: Extended Summary of Institutional and Policy Context Related to Protected Areas	61
Annex D: Description of Relevant Sector Investments	69
Annex E: Stakeholder Involvement Plan	73
Annex F: Environmental and Social Screening Checklist	76
Annex G: Description of Project Sites.....	83
Annex H. Management Effectiveness Tracking Tool (METT) Assessment Summary .	95
Annex I. Letter of Agreement on UNDP Direct Project Services	96

Acronyms and Abbreviations

ALAGaC	Agency for Land Affairs, Geodesy and Cartography
BZ	Buffer Zone
CBO	Community Based Organization
CBNRM	Community Based Natural Resources Management
CSO	Civil Society Organization
GIZ	German International Cooperation Agency
FAO	Food and Agricultural Organization
KfW	Kreditanstalt fuer Wiederaufbau
LC	Local Coordinator
LPA	Local Protected Area
MCUD	Ministry of Construction and Urban Development
MDG	Millennium Development Goal
MIA	Ministry of Industry and Agriculture
MEGD	Ministry of Environment and Green Development
MoF	Ministry of Finance
MoM	Ministry of Mining
NIM	National Implementation
NGO	Non-Governmental Organization
NPA	National Protected Area
NPD	National Project Director
NPC	National Project Coordinator
NRM	Natural Resources Management
PAAD	Protected Area Administration Department
PB	Project Board
PIU	Project Implementation Unit
IWRM	Integrated Water Resources Management
SDC	Swiss Development Cooperation Agency
SPA	Special Protected Area
TNC	The Nature Conservancy
TOR	Terms of Reference
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WB	World Bank
WCS	Wildlife Conservation Society
WWF	World Wildlife Fund

SECTION 1: ELABORATION OF THE NARRATIVE

PART 1: SITUATION ANALYSIS

1.1 Context

1. Mongolia is situated along the 46th parallel and shares borders with both Russia and China. Mongolia covers 1,564,000 million square kilometers and is the world's nineteenth (19th) largest country. The landscape is generally divided between four eco-regions: alpine peaks in the west; the Great Gobi desert in the south; the vast steppe in the east; and, taiga forests in the north. Each major eco-region displays a rich mosaic of habitats. Desert, wetland, forest, mountain, and grassland habitats are often situated in the same state.

2. Mongolia historically benefitted from an intact and ecologically rich landscape. For centuries, an impressive assortment of globally significant flora and fauna graced a nation endowed with a great diversity of habitats. The culture venerated nature, including traditions that safeguarded wildlife and advocated against disturbing the earth and water. Mongolia's natural environment benefitted from very little infrastructure development and relatively good regulations for key sectors such as mining, grazing, water, forestry and wildlife management. The iconic image of a nomad galloping across an unfettered and wild landscape was largely accurate.

3. Mongolian species evolved to survive in this large, harsh and unencumbered landscape. An individual Snow leopard or Eurasian Brown bear will use 1,000 square kilometers of habitat. The average home range of a male Eurasian lynx is 250 square kilometers. A single Wild camel utilizes more than 17,000 square kilometers. Black-tailed (goitered) gazelle will commonly travel 10 – 15 kilometers daily. Saiga antelope will make seasonal migrations of over 1,000 linear kilometers. Taimen – the world's largest salmonid - may live to over fifty years and depend upon 100 kilometers of pristine river during its lifetime. Over two million gazelle constantly drift across the Mongolian in one of the world's last great wildlife spectacles. The extensive movement of animals depends upon the variability of precipitation patterns and rodent fluctuations. Studies show that a single Mongolian gazelle may use up to 3.6 million hectares of steppe each year. Specialists estimate that maintaining critical calving, migratory, and grazing habitat requires conserving over 30 million hectares. Wild ass, a species highly susceptible to over-grazing and industrial disturbance, will spend only a fraction of their time within currently undersized protected landscapes.

4. Mongolia is on the cusp of history's largest mining boom. Already one of the world's fastest growing economies, Government policies encourage increasing exploitation of copper, gold, coal, and to some extent, oil. Billions of dollars of international investment are flowing into mega-projects. Small-scale mining by both legal and quasi-legal operators is rapidly expanding. Mining helped stimulate 2010 real GDP growth of more than 7%, 17.6% in 2011 and 12.3% in 2012¹. Economic development represents a much-needed financial opportunity, but poses unprecedented social, economic, and ecological risks generally beyond the conservation capacity of national and/or local stakeholders.

5. Natural resource use prior to 1990 was guided by national objectives and managed according to fairly specific planning frameworks. Water use, mining, grazing, hunting and forestry were all centrally regulated and resulted in the conservation of large, relatively intact landscapes. This fairly effective system of conservation collapsed when the communist governance structure changed to a free market system. Unfortunately, a new and sophisticated management structure has yet to emerge. Several projects implemented over the past twenty years have attempted to build planning and

¹ Statistical yearbooks, 2010, 2011 and 2012, National Statistical Office of Mongolia

management capacity for various natural resource sectors. Numerous projects and programs have supported protected area planning, forestry planning, livestock planning, etc. Substantial effort has gone into establishing and building the capacity of protected areas. However, this is the limit of most intense conservation endeavors. There has been very little effort made to operationalize a landscape conservation model that matches the habitat requirements of Mongolia's wide-ranging species. Outside of conventional protected area boundaries, there is little to balance free-market natural resource demands with biodiversity conservation. Policies outside of protected areas are generally favorable to increased production of natural resources. This includes intensified mining development and enlarged national domestic herd size. The result is a gradual increase in species and habitat isolation, fragmentation and vulnerability.

6. There are several national agencies responsible for natural resource management. The Ministry of Environment and Green Development (MEGD) tasks include management of protected areas and water and forest resources, as well as biodiversity conservation and monitoring. MEGD has several departments and one implementing agency (Institute of Hydrology and Meteorology). The Ministry of Construction and Urban Development (MCUD) through its Agency for Land Affairs, Geodesy and Cartography (ALAGaC) oversees land use planning. The Ministry of Mining (MM) retains authority over mineral extraction. Ministry of Energy (MoE) regulates issues related to hydropower development, in collaboration with MEGD. The Ministry of Industry and Agriculture (MIA) regulates rural water supply, livestock management, pasture management and agricultural development.

7. The Protected Area Administration Department (PAAD) under MEGD guides national protected areas (NPAs). PAAD has a total of 7 staff including the director, one person responsible for buffer zones and Local Protected Area (LPA) issues and one for legal issues. It is responsible for supervising 29 regional Protected Area Administrations throughout country providing policy, implementation technical guidance. All regional PAA's have a director, administration section, specialists, rangers and non-technical support staff depending on the size and scope of the protected areas. Each PAA is directly responsible for managing a set of NPAs.

8. There are exceptions to this general rule. The national government may delegate management authority for nature reserves and national monuments to Aimag Governments. Approximately 44 nature reserves and national monuments are managed by Aimag Governments, while only one NPA, Hustai National Park, is formally co-managed by an NGO. The Argali Research Centre and Mongolian Conservation Coalition largely manages the Ikh Nart Nature Reserve.

9. Under an increasingly de-centralized governance structure, the nation's 21 *Animas* (provinces) and 329 *Soums* (districts) have immediate authority over many natural resource use and access issues. The national government sets broad natural resource use parameters while Aimag (province) and *Soum* (district) governments have immediate authority over territorial ecosystem management, Local government agencies must respond to the directions of national authorities and are largely responsible for coordinating national-level development priorities. However, there is no formal requirement and/or mechanism for local governments to coordinate this decision-making to maintain ecosystem functions and services and most local level governments do not have the capacity and tools necessary for this task. *Soums* may determine the location and extent of grazing activities, water use and extraction, and the consumption levels of many biological resources.

10. The Environmental Protection Law guides overall natural resource use and conservation. This law was passed in 1995 and substantially revised in May 2012. The new amendments include provisions assigning to herder communities rights to use natural resources sustainably and benefit from nature conservation. This law is supported by over 20 environmental laws and regulations, including both the Forest Law (1995) and Water Law (2004). Divergent management approaches are strengthened and coordinated under requirements for environmental impact assessments, sectoral committees such as the National Water Committee and sectoral policies such as the National Water Program, National Biodiversity Action Plan, National Programme on Protected Areas (1998), National Action Programme for Climate Change, National Action Programme for Combating

Desertification and the State Policy for Herders. National Environment Action Plan until 2021 is formulated undergoing a formal review process.

11. The Law on Special Protected Areas (SPAs) was promulgated in 1994. The legislation creates four categories of NPAs: Strictly Protected Areas; National Parks; Nature Reserves; and National Monuments. Mongolia has a stated MDG Target of including 30% of the landscape within the protected area system by 2015. To date, 99 NPAs have been established covering approximately 27.2 million ha or 17.4% of the country. This figure may seem impressive when compared to other countries with much higher populations and more productive ecosystems. Mongolia ecosystems, however, have relatively low levels of productivity. Mongolia's wildlife demands huge expanses of intact habitat to survive, while almost 83% of Mongolia's territory is poorly managed and highly vulnerable to accelerated degradation.

National Protected Areas as of 2008²

Type of PA	Number	Hectares	Main Management Objectives
Strictly Protected Area <i>IUCN categories Ia/ Ib</i>	20	12,411,066	Ecologically pristine wilderness areas with 'particular importance for science and human civilization'. Three zones: 1) pristine (core) zones – research only; 2) protected (conservation) zones – research and conservation measures; 3) limited use zones – tourism, traditional religious activities, and some plant gathering are permitted / hunting, logging and construction are prohibited. Mining is explicitly prohibited in all. Buffer Zones are required.
National Parks <i>IUCN category II</i>	32	11,711,815	Areas with historical, cultural, or environmental educational value. Three zones: 1) core zones – research and conservation activities; 2) ecotourism zone – tourism, fishing, and activities listed above are allowed; 3) limited use zone – above activities, plus grazing and construction are allowed with park permission. Mining is explicitly prohibited. Buffer Zones are allowed either outside or overlapping with the Limited Use Zones.
Nature Reserves <i>IUCN category III</i>	33	2,958,142	Four types of Nature Reserves: 1) Ecosystem – protecting natural areas; 2) Biological – conserving rare species; 3) Paleontological – conserving fossil areas, and 4) Geological – area of geological importance. Some economic activities are allowed with no harm to core values. Mining is explicitly prohibited in all zones.
National Monuments <i>IUCN category III</i>	14	126,848	Unique landscapes, historical and cultural sites for research, and for sightseeing purposes. Some economic activities are allowed with no harm to core values. Mining is explicitly prohibited in all zones.
TOTAL	99	27,207,871 hectares	

12. The Law on Buffer Zones (BZ) requires BZs outside Strictly Protected Areas (SPA). BZs may be established either outside or overlapping with the Limited Use Zone of National Parks. BZs minimize, eliminate and prevent actual and potential adverse impacts to the protected area. They increase public participation, secure livelihoods and establish requirements for proper use of natural resources around the NPA.

13. In addition to “national” protected areas, Mongolia has a number of mechanisms in place to allow for local authorities (Aimags, Soums, and community groups) to designate “local” protected areas. Under the Law on BZs, local Soum authorities may establish BZs around Nature Reserves and National Monuments. The designating Soum is then responsible for area management.

14. The Law on SPAs (Article 28) empowers state (*Aimag*) and country (*Soum*) Citizens' Representatives (*Khurals*) to designate Local Protected Areas (LPAs). This single line of legislation has proved very popular. Soum and Aimag Khurals have designated over a thousand LPAs in the last decade. Although LPAs range in size from less than one hectare to nearly one million hectares, more

² More recent GIS assessments suggest that these official figures may be underestimating the actual total areas

than forty encompass areas larger than 100,000 ha. To date, nearly 17 million hectares – or 10% of Mongolia – have been designated as a LPA. Khurals also have the authority to delegate management responsibilities for LPAs. As a result, these LPAs are managed by a plethora of entities ranging from CBOs to NGO's.

Designation Type	Relevant Law	Description/Analysis	Est. of total hectares currently designated nationally
Local Protected Areas	<p>Law on Special Protected Areas, Articles 3, 28 and 29.</p> <p>Environmental Protection Law, Article 47.</p> <p>“Regulation to designate land for local protection” issued by Minister for Environment in 2000</p>	<p>Decisions on the delineation and protection regime lie with the local Citizen's Representative Councils. The management of these local level PAs is regulated by the Law on Land because it is considered as a “Special needs land”. A regulation under the Law on the PAs provides generic guideline on designating land under the local protection making the protection regime somewhat similar to the IUCN category 6. As per ALAGAC's Consolidated report 2011, a total of 1,218 individual areas covering 16.7 Mln. ha of land are classified as LPAs that accounts for ~10% of the total territory of Mongolia.</p> <p>However, the LPA inventories are not conducted properly (still not separately accounted for) and the policies and guidelines to facilitate the LPA management are practically non-existent. There are no specific management structures for LPAs at the national and local levels, although there is an officer at the MEGD/PAAD appointed as responsible for the management of LPAs.</p> <p>Even without well-established management regulations for LPAs, the Environmental Protection Law already enables principles of Community Based Natural Resource Management (CBNRM) are applied in LPAs. In addition to managing natural resources, the management role for the world/national nature and cultural heritage sites can also be taken over by local communities, NGOs and private persons (Article 47, Environmental Protection Law) on the contrary to the lands taken under the state protection. There were reported cases of misuse of these permitted rights of Aimags and Soums Government, <i>i.e.</i> releasing land from local protection in areas with extensive mining.</p> <p>There is a clear need to create enabling legal environment for sound management of LPAs, if Mongolia indeed aims to achieve its global commitment to take 30% of its territory under protection³ The ongoing revision of the Law on Special PA is expected to provide for accounting LPAs as a part of the state PA network.</p>	16.5 Mln. Hectares
Community managed buffer zones	Law on Buffer Zones	<p>Designated by Soums and Khoroo citizen's representatives Khurals and approved by the MEGD to minimize, eliminate, prevent actual and potential adverse impacts to Strictly Protected Areas (SPAs), National parks, Nature reserves and Natural monuments, to increase public participation, to secure their livelihood and to establish requirements for the proper use of natural resources. Establishment of Buffer Zones (BZs) is allowed on the basis of prior introduction and consultation of PAA with the community on the boundaries, purpose, governing legislation of BZs and the participation of citizens. The voluntary BZ council, responsible to provide advice on the buffer zone development, the restoration, protection and proper use of natural resources, and the participation of local people, shall include no fewer than three representatives from the local citizens besides representatives of local Khural and PAA and may establish a BZ fund from sources such as donations, revenues of projects etc., certain part of fines paid for violations of environmental laws. The Council shall have the following rights and responsibilities: to conduct public monitoring of the enforcement of SPA and BZ legislation; to develop proposals and recommendations regarding land and natural resource use in the BZ and to develop a BZ Management Plan; to assist, advise and develop recommendations for the local governor to implement the BZ Management Plan and enforce environmental legislation; to organize the establishment of a local BZ fund and control its distribution and expenditure; to provide information to the local community on the SPA and BZ laws and regulations.</p>	15 Mln hectares
Community Managed	Environmental Protection Law,	Law on Environmental Protection amended in May 2012 integrates articles on CBNRM through provisions assigning rights to use natural resources sustainably	n.a

³ Mongolia's MDG indicator for PAs in Mongolia includes both Local and National PAs and aims at protecting at least 15% of the territory through the LPA scheme

Areas	Chapter 8, Article 45-52 Regulation on Community Based Natural Resource Management (Regulation #114, 2006 by MNET) revised and approved on 22 July 2010.	and benefit from nature conservation to herder communities. Regulation on CBNRM (2006) revised and approved by the Minister's Council in 2010, is a key policy document for this management approach. The new regulation enables local communities to get into agreements with the respective local authorities for a period up to 10 years. There is no full inventory of community managed areas, which include community managed forests, herding areas and buffer zones. In 23 PA buffer zones, a total of 485 community groups are registered engaged in tourism and forest management. In BZs, the functions and principles are the same as forest and pasture use communities in accordance with the Laws on Environmental protection, Forest and Land.	
Special Needs Lands	Land Law, Articles 10 and 16 Law on Protected Areas	Currently, a total of 10 types of special needs lands are distinguished, such as state border strips, foreign diplomatic lands, inter-aimag reserve pastures etc. State PAs are also classified as Special Needs lands. Upon submitted proposals by central and local Governments to take under or release from special needs category, respective Aimag and soums, as well as ALAGAC provide justifications. Mongolian Parliament makes a final decision on lands for State special needs. "Regulation to designate and release land from state special needs category" approved in 2003 by the Government is currently under revision.	24.9 Mln hectares
Community Forest Areas	Forest Law Environmental Protection Law	Soum and district Citizen's Representatives Councils can grant possession right of forest to forest communities, economic entities, or an organization on a contractual basis. The contract is signed for the first time for one year, with possibilities for extension for 10 years, in total for 60 years. The 2012 amendments incorporated establishment of database as obligatory covering status, size, taxonomy and their changes, protection, utilization and regeneration measures of forest reserves, as well as community forest areas. The legal framework on community-managed forest areas is relatively well-established and can be easily managed by local governments. A separate regulation on "Grant of parcel of forest land to communities, entities on a contractual basis" was issued in 2007, certificates and contract templates are approved by MEGD in 2009. In addition to this, "Forest management plan template" exists since 2009 to be followed by forest management communities and entities. "Tenure forest" means a parcel of forest reserve that is protected, used, and possessed by forest community cooperatives, economic entities or organizations for a specified period on a contractual basis; "Forest community cooperative" (hereafter "cooperative") means a voluntary association of citizens organized pursuant to Article 481.1 of the Civil Code ³ , and Article 3.2.8 of the Law on Environmental Protection and Law on Forest to protect, to maintain sustainable utilization of, and restore the forest in a given territorial and administrative unit;	2.3 Mln. hectares
Community Herding Areas	Land Law	Pastureland remains in state ownership, de facto managed as a common property land, albeit with more exclusive rights of particular herding families to particular winter and spring camps. The currently proposed amendments to the Land Law are expected to provide for possession rights of pastureland by local herder groups.	n.a

1.2 Threats, Root Causes, and Impacts

Summary of Threats to Biodiversity

15. Although some progress is being made under the baseline, overexploitation and habitat loss will persist. Climate change will certainly compound and accelerate the reduction of ecosystem resilience. The cumulative impact of these human caused threats will be particularly pronounced in habitats beyond the borders of conventional protected areas. These "in between" locations are critically important to system survival, but already degraded nearly to the point of collapse. The unfortunate result will be ecologically untenable. Remnant species and associated habitats will be relegated to zoo like status within impractical and ecologically isolated conventional protected areas.

Threat #1: Overexploitation

16. Mongolia's biodiversity endured a massive overharvest of wildlife and forests that commenced in the early 1990's. Between 1990 and 2005, Mongolia lost 10.8% of its forest cover, or around 1,240,000 hectares. During this initial transition from communism to a free-market economy, commercial hunters combined with local poachers to decimate much of Mongolia's wildlife. Taimen (the world's largest salmonid), wild boar, red deer, marmot, snow leopard, argali, lynx, brown bear and a host of other species were slaughtered for market. The capture and sale of birds of prey was rampant and poorly regulated. While data are sparse, some studies estimate that between 1992 and 2005 the populations of key species such as Saiga, Siberian marmot, Red deer, Mongolian gazelle, Saker falcon, and wolves declined by 50-90%. Large areas of western Mongolia formerly occupied by Argali were vacated as the result of over-harvest and competitive grazing. In the early 1990's, Mongolia's meta-population of red deer exceeded 200,000. Red deer often grazed near the Parliament building. By 2005, poaching reduced the total population to less than 20,000.

17. The reasons for this assault on wildlife are numerous, including difficult economic conditions, inadequate law enforcement, and market opportunities presented by the opening of borders to neighbouring China. In recent years, market harvest is presumed to have slowed. The massive reduction of "easy" target species made hunting less economically viable. The government has suspended hunting of many species and adopted a much more aggressive regulatory framework. Public awareness has increased. Never the less, poaching continues and wildlife harvest outside the borders of a few NPAs likely exceeds sustainable limits. Mongolia's "productive" landscape is now largely wildlife impoverished. If this continues, there is little hope of recovery.

Threat #2: Habitat Loss

18. Herding is an important economic and subsistence sector for the country. The government actively regulated the livestock industry prior to 1991. Although the land was publicly owned and livestock herding was conducted using traditional, nomadic practices, the actual herds were largely owned cooperatively. Government regulation helped to manage livestock numbers and grazing practices. Trade with the Soviet block provided a stable and guaranteed livestock market. Approximately 70% of all livestock was owned by the State. In the early 1990's, herds were privatized and market access/supports disappeared. In recent times, increasingly wealthy Mongolians have turned to livestock as an investment opportunity and source of pride. Enormous herds of domestic stock managed by herding families on behalf of largely absentee owners now roam the countryside.

19. While opportunities and incentives to reduce livestock herd sizes evaporated, the cashmere sector experienced rapid expansion. Government, private industry, and many international donors encouraged cashmere production as way to generate greater cash opportunities for Mongolian livestock producers. Government, donor, and private programs that stimulated a growth in cashmere goat numbers while failing to create and sustain markets for Mongolian free-range livestock, further altered grazing practices and increased conservation challenges. The number of goats rose dramatically and incentives to de-stock further declined. The ultimate result was a massive increase of livestock. Mongolia now vies with China as the world's largest producer of cashmere.

20. This combination of factors resulted in a phenomenal increase in livestock numbers. In the early 1990's, Mongolia's total domestic herd was estimated to be 26 million animals. Some estimate that 45 million head of livestock populate Mongolia's fragile landscape. The traditionally nomadic population and their livestock are scattered broadly. Despite the country's small population, as much as 80% of Mongolia's landscape is grazed beyond capacity. Swelling livestock numbers and changed grazing regimes have resulted in ecological squalor demonstrated by declining biodiversity, pasture health, herd fitness, and degraded soil and water systems. The resulting land degradation, including siltation, erosion, and diminished ecosystem productivity, severely impacts wildlife and further constrains habitat through degradation and competition.

21. The already precarious status of the nation's remaining biodiversity is put at further risk with the advent of accelerated mining development and associated infrastructure. Historically, mining in

Mongolia was economically important but limited to a few isolated locations such as the Erdenet copper mine. In the 1990's, the government began to change course and opened the country to national and international mining investment. This created an unprecedented acceleration of the mining sector. At the start of this development, mining exploration and development leases were quietly allocated. Most estimate that the Government of Mongolia has now allocated nearly 500,000 square kilometers to mining. This represents more than one-third of the entire country or an area roughly equal in size to all of Spain.

22. With vast territory consigned to mining leases, the industry is moving vevkry rapidly into an exploration and development phase. International companies are descending upon the country to exploit Mongolia's extensive mineral wealth. The scale of this development is historically unprecedented and almost impossible to comprehend. Thousands of mineral claims are now littered across Mongolia's countryside, including approximately 8,000 deposits of oil, coal, copper, fluorspar, gold and molybdenum. Some mining concessions cover tens of thousands of hectares of previously pristine landscape. In addition to licensed mining operations, independent artisanal miners pan for gold using dangerous and polluting extraction methods. Most sources agree that over 250,000 square kilometers of Mongolia is currently experiencing some form of mining exploration and development. Many of these locations have very high biodiversity value, such as a pending gold mining concession that will cover 80,000 hectares of virgin steppe and critical gazelle habitat.

23. The ecological impacts of mining will not be limited to the borders of mined areas. Mining development and the associated wealth generated are being accompanied by extensive infrastructure development. Mongolia is a landscape that until a few short years ago was almost entirely devoid of infrastructure. There were almost no paved roads, fences, or hydrological structures. The nation is now creating thousands of kilometers of paved roads, rail lines, and power lines. New urban areas will grow in previously rural areas to service mining and other developments. There are proposals being considered for smelters, dams, fish hatcheries, and massive wind farms. At least two large projects are under discussion to transfer water hundreds of kilometers from northern rivers to service Gobi mines. Revenue generated from mining is being used to expand and industrialize agriculture and build poorly planned and/or regulated tourism developments. An increasingly wealthy and mobile urban population will more easily access wildlife areas for hunting. The rate of development, especially outside the boundaries of "traditional" protected areas, is far outpacing the ability of stakeholders to realistically incorporate the long-term needs of biodiversity.

Threat #3: Climate Change

24. The final threat to Mongolia's biodiversity is climate change. With the quality of most habitats already degraded and/or facing imminent threats, there is little resilience within the system to withstand the addition of climate change's negative impacts. Both the frequency and severity of extreme weather events are increasing. Mongolia experienced three historic harsh winter weather events in the past decade. Each resulted in catastrophic losses. Flash flooding during the summer of 2009 claimed several lives in Ulaanbaatar. From 1940 to 2007, the annual mean air temperature in Mongolia increased by approximately 2.14⁰C. This is three times higher than the global average. Warming is projected to further incline by 5⁰C by the end of the 21st century. Average water temperature for all three basins (Arctic, Pacific, Internal) has increased approximately 2 degrees from 1940 to 2008. Mongolian scientists anticipate that overall water tempartures will increase another 2 degrees Celcius by 2020. The pace of glacier loss has quickened in recent years. The total glacier area in Mongolia decreased by approximately 22% over the last sixty years. The total loss from 1940 to 1992 was 12%. Mongolia's glacier's shrunk by an astounding 10% from 1992 to 2002.

25. Climate change will intensify Mongolia's already perilous situation, particularly in terms of available habitat outside of the NPA system. Climate change will likely decrease pasture biomass by an additional 6 – 37.2% in the forest-steppe and steppe region by 2080. A national vegetation zone study using biomass and dryness indices estimated that the Gobi desert will likely creep northwards by 350-450 km by 2070. Changes in spatial and temporal precipitation patterns and ambient air

temperatures and humidity, coupled with melting of glaciers and permafrost will further impact the hydrological regime. Scientists predict that precipitation will continue to decrease by an additional 4 percent between 2010 and 2039. They then prognosticate an increase from 2040 to 2080 accompanied by greater geographical variability and fewer summer rains. A decrease in streamflows is likely in steppe and desert regions. Increased surface evaporation rates will cause a further decline of available water. Advancing desertification and land degradation, including diminished wetlands and reduced land cover, will lower soil infiltration rates and water storage and aquifer recharge capacity. A desertification impact assessment showed barren areas were increased by 46% from 1992-2002 and grassland productivity fell by 20-30% during the past 40 years.

1.3 Long-Term Solution

26. Mediating threats and successfully conserve Mongolia's biodiversity requires an approach that encompasses large geographic areas. The scale of landscape conservation must be equal in scale to the needs of wide-ranging species that have evolved to endure Mongolia's challenging ecological conditions. This includes providing opportunities for natural genetic interchange to occur between increasingly disenfranchised and "source-sink" populations. Achieving this ecologically meaningful scale necessitates emplacement of large conservation areas that extend far beyond the borders of existing NPAs.

27. Lands between traditional protected areas represent critical habitats, but they are not uninhabited wilderness. Low densities of widespread pastoralists rely upon the use of natural resources within these habitats for their existence. Most Mongolian species require vast expanses of intact habitat to survive. This is due to many factors, including the nation's extreme continental climate and relatively low level of productivity. Therefore, creating an ecologically viable conservation system necessitates incorporating lands inhabited by rural communities. This solution requires having conservation designations that balance biodiversity conservation demands with rural social and economic needs. Rural communities must have the ability and responsibility to protect globally significant biodiversity by addressing the primary threats of unsustainable harvest, habitat loss due to infrastructure development and livestock management, and the long-term impacts of climate change.

28. Reaching this solution requires new "community conservation areas" to serve as managed resource protected areas in line with IUCN categories IV, V and VI, catering for the sustainable use of natural resources as a means to achieve conservation objectives. The updated regulatory framework will open landscape conservation opportunities beyond the limited scope of the existing four NPA designations. The updated framework will build upon and be based in part upon emerging regulatory tools for local resource management, e.g., "local protected areas", "special needs lands", "community-managed buffer zones", "community forest groups", and "herder NRM communities". Revised legislation must collate and clarify these existing designations to improve both the efficiency and effectiveness of community conservation area management.

29. The legislation and supporting guidelines should be designed to make certain that designated community conservation areas are scaled large enough to match the needs of Mongolia's wide-ranging species. These new "community conservation areas" should not be simple buffer zones attached to existing protected areas. Community conservation areas should encompass large landscapes with the goal of effectively doubling the size of the current NPA system. This will allow Mongolia to actively conserve and manage wildlife more effectively in the 83% of the country currently left highly vulnerable.

30. Community conservation areas will operate within the context of and be informed by national level conservation programs and objectives. The revised framework should establish regimes for co-management by CBOs, NGO's, representative local governments, national conservation authorities, and/or the private sector that specifically address national conservation threats and support national conservation objectives. This includes working in concert with proximate NPAs to improve the effectiveness of species and habitat survival both inside and outside of traditional protected areas.

The regime will help communities to realize benefits from the use of natural resources that is complimentary to these broader conservation objectives. To encourage strategic private initiatives, the legislation and accompanying implementation guidelines will create safeguards to limit investment risks and make certain that private ventures maintain and improve ecosystem integrity.

31. As part of the long-term solution, local governments and rural communities must have the tools, capacity, and national level support required to effectively manage large conservation areas. Community areas established under the current complex regime should be seamlessly transferred into the new system to avoid any backsliding of existing conservation progress. To gain legitimacy, all community conservation areas should be documented, demarcated and entered into the official national network. To promote replication and learning, rural communities should benefit from working models that demonstrate best national and international principles and practices for large landscape conservation. These models should demonstrate success for a variety of species and habitat types. To ensure sustainable financing, informed management and on-going capacity building, a strong institutional framework must be designed and integrated within National, Aimag and Soum government structures to support community conservation areas.

32. Under the existing baseline project, these tools are not in place nor will they likely be generated. The current system of NPAs is geographically isolated and limited in scale to offer comprehensive conservation success. For years, the mantra of the international conservation community has been that although wildlife was depleted across much of Mongolia, the habitat remains and biodiversity will recuperate if given time to recover. Unfortunately, the combined impacts of a dysfunctional grazing management system and rapid mineral development with associated wealth generation and infrastructure development is increasingly challenging this notion. As wildlife use continues to be poorly regulated and habitat degraded in the immense “productive” landscapes between protected areas, critical connectivity will only decline. The complex and untenable array of community conservation areas will not be coordinated, rural communities and local governments will have few opportunities and/or incentives required to take proactive and aggressive conservation measures to address identified threats in the lands between “traditional” NPAs. The long-term solution of conserving and restoring Mongolia’s species and habitats demands across broad landscapes will only be achieved with a very strategic investment designed to catalyze a substantial course of correction.

1.4 Barriers to Achieving the Solution

33. There are two primary barriers that stymie efforts under the baseline to expand the effectiveness of the protected area system and conserve landscapes at a scale required for ecological viability.

Barrier #1: Current legislation does not offer adequate tools and guidance to successfully conserve critical ecosystems and species beyond the borders of NPAs

34. Harboring Mongolia’s globally significant biodiversity necessitates the conservation of vast landscapes. Although Mongolia’s total system of national protected landscapes may seem large, the system is actually ecologically inadequate both in terms of size and inclusion. A 2010 Biodiversity Gap assessment concluded that 7 out of the 19 ecosystems are still heavily underrepresented. One protected area, the Great Gobi Strictly Protected Area, covers nearly 5.5 million hectares and represents roughly 25% Mongolia’s total conserved landscapes.

35. The need for protected area expansion is urgent, although there are notable progresses. Furthermore, there is little possibility for expanding the protected area system without taking into account the social and economic needs of rural people. Mongolia is a large country with one of the world’s lowest population densities, but nomadic and semi-nomadic families and their millions of livestock are widely dispersed and share the same landscape. Herding families who rely upon the use of natural resources for their wellbeing utilize all but 20% of the landscape. To reach an ecologically meaningful scale, conservation areas must therefore incorporate expansive swaths of habitat shared by

low densities of both human and wildlife populations. This is particularly true in the case of Steppe and riparian ecosystems that have very low representation within the national system of protected areas.

36. The Government has a stated MDG Target of covering 30% of the country with protected areas by 2015. There is strong government will to expand the protected area system. Unfortunately, Mongolia's current legislative structure creates a glass ceiling to reaching this objective. The Protected Areas Law offers only four primary designations for national conservation landscapes: Strictly Protected Areas, National Parks, Nature Reserves, and National Monuments. The designations are roughly equivalent to IUCN's restrictive categories 1 – III. Any areas where new protected areas can be established are inhabited and these four primary designations are ill suited to conserve large landscapes with human populations. The legislation does not provide tools to adequately conserve sparsely inhabited, yet biologically critical, landscapes.

37. Even if it were achievable, an expansion of 30% would likely not be adequate. Over 70% of the country would continue to be increasingly degraded and wildlife depopulated. NPAs would remain isolated islands. The habitat requirements of most wide-ranging and globally significant species would exist beyond the borders of conservation areas. Wildlife outside of protected areas would continue to be highly vulnerable to the identified threats. The inevitable result will be habitat fragmentation and extinction. In addition, the NPAs administration capacity is already stretched thin. Further expansion would likely make NPA management impractical.

38. Many rural communities have a sincere interest to address identified threats and conserve biodiversity. However, even if rural populations are conservation supportive, there is little incentive to take on the social and economic burden of un-necessarily restrictive NPA designations. Most rural communities do not want to live within a NPA where traditional activities such as hunting, grazing and hay cutting may be outlawed and/or severely hindered. It is also commonly perceived that further expansion of restrictive designations could hamper poverty reduction efforts.

39. The Government and donors recognize this need for less restrictive designations. Over the last ten years, several types of land use designations that allow rural communities to manage natural resources have emerged. For grazing management, "Special Needs Lands" may be designated under the Land Law. For forest management, the Forest Law allows for the creation of "Community Forest Groups". The Buffer Zone Law allows for local communities to designate community Buffer Zone Council managed "Local Buffer Zones" along existing NPAs. The Environmental Law allows for the designation of "Community Managed Areas". The NPA Law allows for the creation of LPAs.

40. Although each of these approaches is well intentioned, they have created a convoluted legal framework that fails to provide meaningful conservation impact. None are highly effective when applied to the specific need of conserving habitat and addressing biodiversity threats on a large scale. If a Soum does not have NPA, they are not able to designate "buffer zones". Grazing management areas do not necessarily address the needs of wildlife. Only ~12% of Mongolia is forested, so "Community Forest Areas" applies to only a very small part of the country. A single Soum (county) may have forest groups, herding groups, buffer zone councils, and hunting/fishing groups. Each of these groups may have management authority for an isolated patch of conserved land. This confusing array leaves large regulatory gaps, creates substantial management headaches, and often fails to incorporate the needs of wide ranging wildlife and/or the cumulative impact of divergent management decisions. The result is neither effective and/or efficient in terms of biodiversity conservation.

41. Regardless of confusion caused, these designations have proven very popular. "Local" protected areas (LPAs) are by far the most widely used. Seizing upon the Article 28 of the Protected Areas Law, Aimags and Soums have created more than 1,200 LPAs over the last decade. This patchwork now covers nearly 16.5 million ha or 10% of the national territory. Although there is a great amount of local demand and interest, LPAs tend to be incongruent and poorly organized due to a

lack of legislative clarity or guidance. Designated parcels currently range in size from 1 ha to 100,000 ha. Very few provide meaningful conservation impacts with its size and habitat coverage. Some are designated to quasi-privatize grazing lands to the exclusion of others and/or they may be established in an attempt to generate payments from mining companies who must “de-gazette” LPAs to gain access. Although some cover critically under-represented ecosystems and habitats, very few receive the financial or human resources necessary to achieve conservation objectives. Most do not benefit from management planning or strategic conservation activities. Very few are well aligned with NPAs. They may be managed by CBO’s, NGO’s, or local government agencies consisting of small family groups or an entire Aimag.

42. The recently completed GEF Altai-Sayan project recognized the weaknesses of LPAs and supported the MEGD’s promulgation of Regulation A-250: “Procedures for Creating Protection, Utilization, and Possession of Certain Natural Resources by Citizen Communities” (2010). This is a step in the right direction, but does not come close to removing the barrier. The relatively brief regulation lacks the type of detailed guidance required for communities to designate local conservation areas that are ecologically meaningful and effective. The regulation provides 500 ha to each community member based upon groups of no less than 10 community members. The agreements have an initial duration of one year, followed by sixty years at ten-year intervals. The precise regulatory and management responsibilities of government authorities and resource users are not clear and the costs, benefits and liabilities thinly detailed. The incentives and guidelines for CBNRM, including opportunities for “pro-conservation” joint ventures, are not evident. The regulation does not make conservation the highest land use designation of LPAs nor does it require meaningful actions to address identified threats. The regulation even requires communities to provide supplementary feed, water, and salt to wild ungulates.

43. Unless this legislative barrier is removed and regulatory tools set in place to effectively conserve ecologically meaningful landscapes beyond the limited boundaries of current protected areas, the primary threats to biodiversity will continue to erode and fragment habitat.

Barrier #2: Insufficient national, state, and local level capacity to successfully conserve biodiversity within inhabited landscapes

44. The Government of Mongolia has a policy of decentralizing natural resource management to local authorities, e.g., local land use management designations. The problem is that the delegation of decision-making authority has not been accompanied by a commensurate strengthening of local natural resource management capacity. Over the last two decades, national agencies have benefitted from substantial international and national investments in capacity building. Although attempts have been made to augment Soum and Aimag level conservation capacity, these attempts are often diluted as funds spread thinly. Simultaneously, there are no national level agencies with the capacity and/or obligation to provide sustained conservation support to local authorities. Even if the national regulatory framework was strengthened and consolidated to provide opportunities for conserving landscapes at an ecologically meaningful scale, the existing national, state, and local capacity barrier would stymie on-the-ground attempts to implement effective conservation measures. Removing the capacity barrier requires a strategic approach to address each of these challenges.

45. Many local conservation efforts are positive and several excellent and valuable lessons have emerged. Most positive results have benefitted from the financial and/or technical support of the national government, donors, and/or NGO’s. These programs have helped local communities to create management and business plans, map their protected areas, create sustainable financing models, integrate with NPA management objectives, develop volunteer ranger programs, initiate wildlife monitoring, and a host of other initiatives. However, these programs rely upon outside technical and financial support for limited duration and therefore, do not mostly attain sufficient capacity to be self-sustaining.

46. There are several remaining and inter-related challenges that contribute to the capacity barrier's persistence. First, current approaches are largely experimental and not always well aligned. There exists a very strong need to set in place a coordinated and efficient approach to capturing and marketing lessons learned. Second, there are no working models of local conservation areas that encompass large and complex landscapes that equal the needs of wide-ranging species such as gazelle while holistically addressing identified biodiversity threats. There is a need to create efficient and appropriately scaled models of conservation success. Often LPAs are set-up to be operated like NPAs, with levels of management investment required that are way beyond the means and/or needs of LPAs. There is also a need to generate models with more self-sustaining financing, e.g., green/eco tourism, resource use permitting, and development offsets. Third, there is no national level institutional framework to provide on-going and consistent capacity building support and a safety net for local conservation initiatives. Instead, these local initiatives are largely on their own. They do not benefit from service and support focal point that is able to help facilitate strategic designation, sustainable financing, pro-active management, and/or on-going capacity strengthening.

47. There is no grounding to help coordinate and link NPAs and LPAs. The result is that critical habitat often fails to be included within conserved landscapes and opportunities for efficient conservation are lost. As noted, there are currently over 1,200 LPAs scattered across the Mongolian landscape. The system is complex, and poorly coordinated. Although WWF is working to identify and tally all LPAs, the system does not benefit from a database to officially record, monitor, and support local conservation efforts. The lack of capacity to create and operationalize a central database poses several challenges to the effective and efficient management of LPAs. The ability for conservation professionals to identify areas of highest biodiversity value and work with local communities to conserve these areas is also limited. Without proper recording and gazetting, the LPAs are vulnerable to conflicting development.

48. These unstable local management approaches create risks that challenge “pro-conservation” commercial investments. This stymies opportunities to create “green” ventures in tourism, agriculture and livestock production, hunting/angling, and sustainable forestry that might help balance less conservation oriented activities. The lack of management capacity also limits the ability of local authorities to regulate mining and other developments. This challenges their ability to mediate the impacts of these endeavors. Due to these management capacity barriers, many community initiatives are weakened and struggle to remain viable.

49. As a result of this capacity barrier, local level conservation approaches often fail to reflect best international principles and practices. They are often scaled too small to cover landscape needs and/or not linked to conserving critical habitats. Many are designed for privatization rather than conservation objectives. Many fail to enhance the effectiveness and/or benefit from the proximity of NPAs. Conservation benefits, rights and responsibilities are rarely well clarified. Stakeholders too often lack the necessary tools to be strategic, effective and efficient. These capacity vulnerabilities result in local conservation approaches that too easily collapse in the face of development pressures and often effectively conserve landscapes at an ecologically meaningful scale.

1.5 Stakeholder Analysis

Detailed Stakeholder analysis and engagement plan can be found in Annex E.

<i>Stakeholder</i>	<i>Relevance</i>
Government of Mongolia	
State Great Khural, Mongolian Parliament	State Ikh Khural (Parliament) as the highest legislative body in Mongolia has the mandate to propose and review legislation and policies and proposed revisions. The Mongolian parliament is responsible for the gazetting of new protected areas, including designation and changes in state PA boundaries, while the MEGD has the power to approve the internal zones of these PAs. The Parliamentary Standing Committee on Environment plays an important role in facilitating changes in the legislative framework and/or reviewing effectiveness of implementation.
Ministry of Environment	National Government Ministry to be the national executing agency for the project. It is

and Green Development (MEGD)	responsible for developing policy and laws on biodiversity conservation and wildlife management. It includes the Protected Area Administration Department (PAAD) that manages Mongolia's PAs. A senior MEGD delegate will chair the Project Board.
Ministry of Finance	The Ministry is responsible for financing and the annual budget allocation and will be involved in all key consultations and training activities, as well as policy development activities.
Agency for Land Affairs, Geodesy and Cartography, MCUD	ALAGaC is in charge of regulating land use, including land use management plans, surveying and mapping, administration and registration of land as property. Although included in the consolidated land use report since 2011, the inventory of LPAs, as well as community managed areas (contracted with soum government as required by the Regulation A 250 on the NR management herder communities) still need to be improved.
Local government	Key beneficiaries of the project. Provincial and District government having the highest authority in the aimag and the District, ensures policy and planning consistency. Aimag and Soum governments will be key in proposing, allocating and co-managing the new PAs. Soum governments (where applicable through Soum Environmental Units), under technical guidance of Aimag Department of Nature, Environment and Green Development are mandated to support herder groups in their formation and development, and allocated certain areas to herder communities for natural resource management for 5-10 years.
International Development Organizations	
KfW	KfW supports a US\$ 14.3 million project on biodiversity and adaptation to climate change which started this year. The project aims to conserve biodiversity and improve rural livelihoods, as well as improve management effectiveness in selected local PAs. It is providing US\$ 2 million co-financing for outcome 2 of this project.
GIZ	Supports PA management in the Khangai and Khentii Mountains, including LPAs. Committed to provide co-financing of US\$ 260,000 over the three year period from 2012 to 2015, in support of the MRPA development for policy and regulatory framework at the central and PA management effectiveness improvement at the at Khavtgar LPA demonstration sites.
International Development Organizations	Key organizations including World Bank, the Swiss Development Cooperation Agency (SDC) will be part of the technical advisory group of the project and participate in all policy development activities. Where possible, activities will be joint implemented to empower local government and improve livelihoods.
Civil Society/Non-Government Organizations	
WWF - Mongolia	Co-financier and local implementation partner for the project. WWF has been active in Altai Sayan and Eastern steppe region for almost 20 years, with current focus on climate change, water management and biodiversity conservation. In the east, it focuses on CBNRM, IRBM and transboundary PA/wildlife conservation support. It also provides capacity building support for local NGOs in local PA management. WWF Mongolia is starting the process of generating a formal compendium of locally conserved landscapes, including LPAs.
Other NGOs	The projects will closely partner with key NGOs WCS, the Asia Foundation, IPECON (Initiative for People Centered Conservation) and TNC who are among the major organizations active in conservation in Mongolia. These agencies will be part of the technical advisory group of the project and participate in all policy development activities. Where possible, joint activities will be organized in capacity building of local communities in nature conservation, as well as on PA management including LPAs. Representatives from CSOs will be included in all trainings and consultations. Local NGOs, Gulzat in Uvs and Khavtgar in Batshireet, Khentii, as well as Community Associations in Uvs aimag, active in conservation, public awareness activities, management of LPAs and supporting NRM herder communities will be the direct stakeholders/co-managers at the project sites in Uvs and Khentii aimags.
Academic and Scientific Organizations	
Scientific institutions	Provide scientific research to develop justifications for new PAs and to provide information/data for establishment of database on LPAs, as well as to advise on policy work. Research institutes affiliated under the Mongolian Academy of Sciences will be the key partners.
Local and Indigenous Communities	
Local communities	Key users and beneficiaries of natural resources and beneficiaries of the project. They play critical roles in site level activities as a co-management partner of the Managed Resource PAs, particularly including the communities of "Khavtgar" LPA and "Gulzat" LPA, as well as local herders in the north to the Toson Khulstai Natural Reserve.
Private Sector	
Private businesses	Tourism and hunting companies are important users of natural resources and a key partner for local communities to generate income and employment opportunities. They will be

	consulted intensively during the preparatory phase/policy activities and represented in the Project Board.
--	--

1.6 Baseline Analysis

50. Under the baseline, nearly all biodiversity conservation effort takes place within the boundaries of strictly protected areas, national parks, and national reserves. Very little investment secures the future of biodiversity beyond the borders of these restrictive use protected areas. The Government of Mongolia (GoM) currently invests approximately US\$ 3.3 million annually in biodiversity conservation. The total annual budget of the MEGD is approximately US\$ 64 million (2013). Of this, the PAAD receives US\$ 2.4 million to support protected area management around the country. MEGD allocates an additional US\$ 1.19 million each year from the Nature Conservation Fund (capitalized by ecotourism and hunting fees) to support a variety of biodiversity conservation programs. Most of this investment is also within protected areas. Indirect biodiversity conservation investments include US\$ 720,000 per year to combat desertification and US\$ 4 million for forestry management.

51. The Government is eager to move habitat conservation forward under the baseline. For instance, Parliament approved nine new PAs in the last five years that makes the PAs to cover 17.4% of the country's territory. The Government is slowly improving the management effectiveness and financial support for the existing of national PA system. This includes exploring establishment of new financing streams such as a tourist arrival tax, entry fee to PAs and concession system. The Government was also open to allow a NGO management modality of national parks. However, most baseline activity is limited to supporting the operations of existing restrictive use PAs. This will continue to stymie the conservation of biodiversity at scales large enough to be ecologically meaningful.

52. Although the Government provides little financial assistance to biodiversity conservation beyond the borders of restrictive-use PAs, the Government is highly supportive of community-based conservation innovations. In 2009, MEGD adopted a regulation mandating that local governments support community-managed areas established under the Forest and Environmental Protection Laws. The MEGD extended the duration of community resource management agreements from 5 to 10 years in 2012. The Laws on Hunting, Hunting fee and Animal species were merged into Law on Animals as a result of 2012 reform. The Law on Animals still offers community organizations the ability to benefit from game harvest given that permission and the quota is granted by a Government agency. MEGD is currently working to establish hunting quotas based upon local priorities and research. Previous hunting licenses were often allocated without consideration for local species population levels. PAAD is eager to design better cooperative management regimes between existing restrictive-use protected areas and newly established community conservation areas. The GoM is also supporting decentralization, including a substantial local government budget increases. Some of this revenue will certainly finance local biodiversity conservation and law enforcement efforts.

53. Annex D summarizes most recently completed and on-going sector investments. The only active large-scale, donor biodiversity conservation initiative is the US\$ 4.2 million GEF- Strengthening Protected Area Network (SPAN) Project. This endeavor is designed to improve the management of existing protected areas. SPAN provides targeted support for, *inter alia*: 1) development of financial planning and management capacities within the MEGD; 2) development of protected area management plans and needs based budgeting system in the form of business planning and protected area system financing plan; 3) economic valuation of the protected area system; and 4) development of new protected area financing mechanisms.

54. The scope of other donor investments is very wide. Donor investments support the improved management of a host of natural resource sectors, including pastureland, forests, water, and climate change resilience. One of the largest investments is the US\$ 5.5 million Adaptation Fund project designed to support ecosystem-based climate change resilience. These baseline investments will

tangentially benefit biodiversity, but none is designed to expand PA effectiveness beyond the current restrictive use regimes.

55. National and international NGO's currently represent the vanguard of community-based conservation initiatives both inside and outside of established protected areas. In 2009, WCS-Mongolia received a five-year, US\$ 1 million grant from USAID to promote landscape-based conservation on the Eastern Steppe. This includes work to improve local community-based wildlife management planning, monitoring and enforcement. The Khavtagar LPA community-based NGO received US\$ 260,000 from GIZ to support management improvements, including tourism development. Although the NGO itself became capable in all sense, the activities got inactive once the GIZ support stopped to flow in. As per one of the local representative, relatively top-down approach was applied in establishing community groups and means to ensure sustainability were not considered sufficiently.

56. TNC-Mongolia is working with communities surrounding Toson Khulstai Nature Reserve to improve their conservation effectiveness. This includes supporting the identification and prioritization of community-based conservation priorities. Khustai National Park in Tuv Aimag and Ikh Nart Nature Reserve in Dornogobi Aimag are two working examples of community and NGO integrated management supported by government agencies. While the latter is at a nascent stage, NGO management of Khustai NP has proven to be very successful through a good visitor management and protection of Przewalski horses successfully re-introduced back to Mongolia that serve as a main attraction.

57. WWF-Mongolia is widely promoting the expansion of community-based conservation on both the local and national level. This includes coordinating with on-going community capacity building efforts, establishing model private-community conservation ventures, community-based conservation management and business planning, and beginning the process of cataloging existing local protected areas, including Gulzat. National NGOs active in building and strengthening public interest legal reforms such as People Centered Conservation for Mongolia and COCONET that have made excellent gains with enhancing community participation in conservation initiatives.

58. Although baseline progress is slow and in urgent need of additional financial and technical support, current activity provides a strong platform for project implementation. For instance, the project will work with Aimags and Soums to help direct a portion of increased revenue towards both the creation and management of expanded local conservation areas. The project will link with existing and new government programs designed to build the decision-making capacity of local government agencies. The World Bank and UNDP are both supporting the strengthening of Aimag and Soum level decision-making and self-governing capacities. This is being conducted through a US\$ 15 million grant provided by the Swiss Government. The UNDP has a separate US\$ 3.5 million program to build local government capacities. Extensive discussions were held during project development and plans formulated to coordinate closely with these initiatives, particularly piggy-backing with the provisioning of in-service training for local Soum and Aimag officials. This will include substantive integration of many Component 1 and Component 2 activities to align these to build the capacity of local authorities to more effectively and efficiently describe, establish, and manage community conservation areas.

59. NGO's will be actively engaged in project implementation, providing technical support for all outcomes. National and national NGO's made substantial voluntary contributions during project design. As noted, each of the project's pilot sites was selected to capitalize upon the existing baseline of NGO support for community-based conservation initiatives. WWF will align US\$ 884,000 of the organization's current baseline activity to compliment the proposed project's efforts related regulatory and institutional framework improvements.

60. The private sector is a frequently overlooked baseline contributor. During project design, a number of private sector operations currently investing in and supporting community-based

conservation were identified. These private Mongolian entities are generally engaged in tourism related to hunting, fishing and cultural/natural heritage sites. Many have generated international models of conservation success with very little outside technical and/or financial support. The project will build upon this baseline, coordinating closely with and garnering lessons from established initiatives. The project will use the baseline to create opportunities for community-private partnerships that will generate local capacity, improve the financial sustainability of community-based conservation areas, and reduce investment risks in order to promote more stable and biodiversity friendly private sector investment.

61. The project is designed to build on lessons learned from earlier and ongoing GEF and GEF related projects. This includes the recently completed Altai Sayan project and the recently launched and UNDP supported Adaptation Fund project. This proposed project's pilot sites are each proximate Adaptation Fund project sites on both remote edges of the country. This will help achieve economies of scale in terms of capacity building, shared expertise, exchange of knowledge and information, improved monitoring, and incorporation of broader landscapes. The project is also designed to work with GEF Small Grants project, serving as a mechanism for adding value in terms of outreach, capacity building and potential funding of community conservation area programs. The project will directly complement the GEF/UNDP financed SPAN project. The two projects will share joint administrative and management resources to improve cost-effectiveness and coordination.

62. The Government is in the process of developing a GEF financed project provisionally titled "Securing Forest Ecosystems through Participatory Management and Benefit Sharing" to be implemented through FAO. Extensive discussions were held during project design with the FAO team leaders and Mongolia GEF focal point regarding coordination and integration of these two GEF funded initiatives. The project will focus on improving forest management, further expanding forest areas managed by communities, build capacities of forest communities and enable opportunities to generate income through sustainable non-timber forest products.

PART II: STRATEGY

2.1 Policy Conformity: Fit with GEF Focal Area Strategy and Strategic Programme

GEF Strategy

63. This project is consistent with GEF Biodiversity Strategic Objective One (Improve Sustainability of Protected Area Systems) and Outcome 1.1 (Improved management effectiveness of existing and new protected areas).

64. The project is requesting financing support from the GEF for technical assistance to facilitate the improvement of the regulatory framework and management effectiveness of Mongolia's vast protected area network. The project will contribute to removing the existing barriers that will create an enabling environment for protected areas to conserve a host of globally significant species and associated habitats. The project has devised several interventions at systemic and pilot level and GEF resources will be used to facilitate those improvements. By helping to remove the identified barriers, the project will contribute to achievement of the objectives stated in national strategies and action plans as well as the goals of relevant international conventions. Proposed interventions are seen as long-term investments and therefore financing support will be provided as a grant.

65. The Project focuses on increasing the effectiveness of LPAs. These "community conservation areas" (combining current LPAs gazetted by Aimag and Soum, community managed areas formalized upon agreement with local authorities based on provisions of Forest and Environmental Protection Laws) will become a functional category within the PA system. The project will overcome barriers to

PA system expansion by strengthening capacity for conservation partnerships (government, private sector, NGO, communalities) to co-manage LPAs. Improved regulatory frameworks and local management capacity will allow for an expansion of the PA system by more than 3 million ha by establishment of community managed protected areas. The expansion will include ecosystems currently under-represented within Mongolia's current PA network (e.g., steppes and forest). Functional community conservation areas will safeguard currently vulnerable habitat for a number of globally significant and threatened species including musk deer, argali, snow leopard, White-naped crane, Great bustard, Eurasian lynx and brown bear, Mongolian gazelle and taimen. Conservation improvements will generate replicable models of financial sustainability and cost-effective management strategies.

66. The Project represents a significant advancement towards fulfilling the agreements made at the Meeting of the Conference of the Parties to the CBD. The Project will contribute to the achievement of each of the goals of Programme of Work on Protected Areas (PoWPA) in particular: Goal 1.4: To substantially improve site-based protected area planning and management; Goal 2.1: To promote equity and benefit-sharing; and Goal 2.2: To enhance and secure involvement of indigenous and local communities and relevant stakeholders; and to meet the Target 11 of the Aichi Biodiversity Targets: "ecologically representative and well-connected systems of protected areas integrated into the wider landscapes and effectively and equitably managed".

UNDP Country Office Strategy

67. This project falls within the parameters of the UN Development Assistance Framework (UNDAF), UNDP Country Programme Action Plan (CPAP) and the UNDP Country Programme document (CPD) for 2012-2016. This GEF project fits within these parameters by addressing the following complimentary issues to increase sector capacity for sustainable resources management, with the participation of primary resource users.

68. UNDP/Mongolia's 2012-16 UNDAF, in its outcome 7, gives strong priority to conservation of natural resources and biodiversity, emphasizing the need for a participatory approach to conservation and sustainable resource management. The proposed project contributes directly to strengthening of environmental governance capacity (output 7.1), as well as a landscape-based approach for planning, management and conservation of natural resources and biodiversity (output 7.2). UNDP's 2012-16 CPD highlights conservation of landscapes and their natural resources, including biodiversity, as a top priority. Its primary indicator focuses on "change in protected areas and water resources." Mongolia adopted an official national MDG target to cover 30% of the country with PAs. The project will also contribute to the achievements of MDGs 1 and 7, which are, according to the 2010 National MDG report, the most behind schedule.

69. The government selected the UNDP to be the implementing agency for this project based on the fact that 'Protected Areas' remains one of UNDP's signature endeavors under its Biodiversity and Ecosystems Programme. UNDP has worked in Mongolia since the 1970s. The agency has an established track record of success and interest with the implementation of GEF biodiversity projects. Since the start of GEF programming in the early 1990's, UNDP has worked with the Government of Mongolia to enhance national conservation capacity through GEF biodiversity projects. UNDP/Mongolia is implementing the SPAN project from 2010. The agency has a large portfolio of effective PAs strengthening projects globally and in Asia including Mongolia. The UNDP Environment Team in Mongolia has one team leader, and 2 programme officers, of which one is a natural resource management specialist. Four other programme staff work on governance and poverty reduction programs at the country office. Furthermore, HR manager, Finance officers, Procurement Officer and Programme Assistant support administrative issues. UNDSS advises on security related issues. The UNDP Regional Technical Adviser based in Bangkok will provide technical support to the CO for implementation, monitoring and evaluation of the project.

2.2 *Project Rationale and Summary of GEF Alternative*

70. The GEF alternative will address the two primary barriers that currently restrict the conservation effectiveness of Mongolia's PA system to conserve a host of globally important resources. By clearing the regulatory barrier, the GEF investment will facilitate the expansion of conserved landscapes to incorporate the needs of wide ranging species. By removing the existing capacity barrier, the GEF investment will help ensure the existence of the skills and knowledge required to manage and expand local conservation areas into the future. Rural communities will be empowered with the tools required to maintain and enhance their quality of life while addressing identified biodiversity threats. Links between successful conservation of biodiversity and economic benefits accruing to the local communities will be quantified and demonstrated. By removing the current glass ceiling limiting expansion, the GEF alternative will allow for conservation to take place on an ecologically meaningful scale necessary for the long-term survival of Mongolia's globally significant biodiversity and associated habitats. The immediate result will be a far more effective conservation regime of NPAs enhanced by over twenty million hectares of seven under-represented ecosystems within the protected area system including community conserved landscapes. Additional results will include reduction of immediate threats to several species, a more harmonized management regime, prototypes of a suite of management improvement tools to prepare PA managers, and an efficient and informed management system. Improvement management pathways will be institutionalized and lessons learned will be amplified throughout the national system of PAs. None of these elements critical to effective conservation would likely be realized without GEF inputs.

2.3 *Project Goal, Objective, Outcomes and Outputs*

71. The **project goal** is to ensure the integrity of Mongolia's diverse ecosystems to secure the viability of the nation's globally significant biodiversity. The **project objective** is to catalyze the strategic expansion of Mongolia's PA system through establishment of a network of community conservation areas covering under-represented terrestrial ecosystems. The objective will be achieved through two outcomes: Outcome One: Establishment of new a new PA category for strategic protected area expansion; and, Outcome 2: Emplacement of institutional capacity and resource base development to ensure sustainability of Managed Resource Protected Areas (MRPAs).

72. The project will support and enhance ability of rural communities and associated LPAs to become more effective tools for biodiversity conservation. These new protected areas will be aligned with IUCN categories IV, V, and VI and designed to cater for the dual objectives of biodiversity conservation and livelihood enhancement. The project will demonstrate that co-management of PAs and a participatory approach that involves local communities in decision-making can lead to better biodiversity conservation and sustainable livelihood outcomes of protected areas in the Mongolian context. By bringing in new thinking to landscape management in Mongolia, the project aims to substantially increase the amount of territory where biodiversity is conserved, cultivate broader support for large-scale biodiversity conservation, and vastly improve the effectiveness of the NPA system to address both threats and barriers. Overall, the project will contribute to achievement of MDG 1 to reduce poverty and MDG7 to ensure environmental sustainability, as well as advancement of human development.

73. The total cost of the project, including co-funding and GEF funds, amounts to US\$ 6,253,091. Of this total, co-funding constitutes 79.1% or US\$4,944,000. The GEF financing comprises the remaining 20.9% of the total, or US\$ 1,300,000.

Outcome 1: Establishment of new protected area category for strategic protected area expansion

Total Cost: US\$1,321,000; GEF US\$ 256,000; Co-financing US\$ 1,065,000

74. This outcome is designed to address the first identified capacity barrier: "Current legislation does not offer adequate tools and guidance to successfully conserve critical ecosystems and species

beyond the borders of NPAs.” Under the baseline, the four existing NPA categories are highly restrictive. This lack of a proper MRPA category stymies further expansion of the NPA system to embrace large landscapes often shared by nomadic peoples and globally significant wildlife. Newly emerging community-based initiatives are highly popular. However, regulatory shortcomings, limited national level legal recognition, and meager national level capacity support leave local conservation initiatives vulnerable to rapidly advancing and increasingly sophisticated threats. For instance, LPAs cover near 16.5 million hectares of Mongolia but are predicated upon a single line of national legislation and a vague regulatory framework. As a result, the on-the-ground application of community-based conservation initiatives are often convoluted, easily manipulated for non-conservation purposes, rarely linked to national conservation priorities, and generally at a scale too small to be ecologically meaningful.

75. To remove this barrier, the outcome will build upon the existing baseline of community-based land conservation and management initiatives. Project support will be directed toward the development of comprehensive regulatory tools and accompanying implementation guidelines to strengthen community level conservation. The project will support the creation of either an amendment to the existing PA legislation and/or a comprehensive set of regulations to morph “local protected areas” into “community conservation areas”. This improvement will provide a pathway to conserve biodiversity across large landscapes currently beyond the reach of the existing restrictive protected area designations.

76. As a result of this outcome, community conservation areas will serve as part of the NPA system. They will benefit from clear national legislative authority. The improved regulatory framework will define designation and management procedures and detail conservation purposes and administrative roles and responsibilities. The framework will establish guidelines for co-management by CBOs, NGO’s, representative local governments, national conservation authorities, and/or the private sector that specifically address national conservation threats and support national conservation objectives. Community conservation areas will be designed specifically to encompass large geographic areas. They will function as MRPA’s. Rural Mongolians will have an opportunity to determine sustainable development options. The management regime will help communities to realize benefits from the use of natural resources that is complimentary to these broader, national conservation objectives.

77. The outcome’s regulatory improvements will be accompanied by implementation guidelines to assist local governments and communities to better understand and effectively operationalize the regulatory improvements. This will include establishing procedures for planning regimes supported by a more rigorous monitoring and evaluation platform that will generate strategic, cost-effective and informed conservation and livelihood improvement. These tactics will promote local social and economic benefits, such as improved grazing and wildlife management compatible with national and global biodiversity conservation objectives.

78. Expanding the available PA options to allow for multiple uses and community-based management will create an opportunity to effectively double the size of the existing NPA system. The outcome will result in rural communities having the capacity to conserve large, productive landscapes at scales commensurate with the needs of Mongolia’s wide-ranging species. By project close, Mongolia should be poised to include an additional five million (5,000,000) hectares of land to the PA system to be co-managed for the specific purpose conserving globally significant species.

Output 1.1 Comprehensive legal framework for community conservation landscapes adopted and operational

79. The project will support the creation of a new legal framework to improve the conservation effectiveness of community conservation areas. The Government is committed to expanding protected area coverage through decentralization. The legislation will establish a firm foundation for community conservation areas to become an effective part of Mongolia’s NPA system. Community conservation areas will track with IUCN categories IV, V, and VI, allowing for community-based

management and regulated natural resource use. The legislation will promote the use of community conservation areas to cover large landscapes commensurate with the needs of Mongolia's widest-ranging species. The regulatory framework will reflect that fact that most of Mongolia is not a wilderness, but primarily a productive landscape inhabited and utilized by traditional peoples who rely upon nature for their well-being. To encourage strategic private initiatives, the legislation and accompanying implementation guidelines will create safeguards to limit investment risks and make certain that private ventures maintain and improve ecosystem integrity.

80. The legal framework will comprehensively detail:

- Designation and approval process, including conservation objectives and protocols for certification and mapping;
- Resource conservation and use benefits, rights and responsibilities, including methods for transfer of resource use rights, parameters of use, and coordination with national and regional strategies for biodiversity conservation;
- Types of allowed and preferred management regimes, including establishment of representative and accountable legal entities, collective proprietorship, and alternatives for co-management with proximate protected areas, local governments, NGO's, and private entities;
- Roles and responsibilities of national, Aimag, and Soum governments, including designation, oversight, and support functions and integration with other management regimes such as water basin and buffer zone councils;
- Protocols for addressing biodiversity threats, including establishing and maintaining livestock carrying capacities, stabilizing wildlife use/harvest, climate change adaptation, and mitigating the negative impacts of extractive industries and associated activities;
- Resource management and planning requirements, including, land use planning/zoning, natural resource management planning, and monitoring, reporting and evaluation responsibilities;
- Financing and budget management, including guidelines for the equitable generation and distribution of benefits; and;
- Establishment of a national community conservation areas board to assist capacity building, conflict resolution, adaptive management, and the establishment and/or expand of community conservation areas.

81. The final legal framework will present a detailed menu of land use options for community conservation areas. By presenting a suite of clear management choices, local residents can work with national conservation professionals to select and adopt a mosaic of conservation approaches best suited to rural conditions and challenges. The legislation will provide mechanisms to avoid backsliding, making certain that designated conservation areas are secured for decades rather than years. The legislation will provide a mechanism to seamlessly transfer existing conservation areas such as LPAs and associated resource use agreements into the new community conservation area category. This will help alleviate investment risks and make certain existing conservation gains are preserved.

82. The legal framework will mandate that all benefits generated by communities from the use of natural resources are re-invested in socially and environmentally benign activities that create broad, community-wide incentives to support continued biodiversity conservation. The legislation will clarify issues of jurisdiction, including trans-boundary coordination, to help ensure that the geographic scale of community conservation areas is commensurate with the needs of wide-ranging wildlife. Importantly, the national government will not delegate away all rights to use natural resources, but will retain ultimate authority to describe natural resource use parameters. The legal framework will make certain that any natural resource use is based upon reliable natural resource monitoring and inventory. The legislation will reserve within the national government the responsibility to monitor biodiversity conservation activities and describe parameters to ensure that

community-based decision-making supports national biodiversity conservation objectives. This will be described in any co-management agreement.

83. The legal framework will allow for landscapes to be co-managed. Described management options will draw upon best global experiences in co-management of biological resources and PAs. This may include oversight by a joint management board comprised of key stakeholders and based on agreements that specify roles and responsibilities, including access rights and benefit sharing mechanisms. Key issues such as local peoples' rights to land and resource use, benefit and power sharing in co-management within and between different actors, as well as the need for clear conflict resolution mechanisms will be fully taken into consideration in developing guidelines for PA gazettement and co-management. The legal framework for promoting CBNRM will also be strengthened to provide for community's user rights of natural resources and to include biodiversity conservation and issues of co-management of PAs.

84. The legal framework should be holistic and recognize that activities in sectors such as wildlife management, water management, economic development and poverty alleviation, agriculture, transportation, mining and a host of others will affect the success of community conservation areas. Linkages between government agencies responsible for regulating these various sectors with direct impacts on community conservation areas resources should be addressed and strengthened.

85. The current rapid development of the mining sector does offer an additional opportunity to address the capacity barrier. Beginning in early 2013, the National Government intends to distribute budget windfalls to many Souns and Aimags. These local authorities will experience budget increases of three to four times the current rate. Mediating the management capacity barrier and accompanying it with an improved legislative framework could represent an opportunity to assist local governments to channel a substantial portion of this new revenue towards improving the effectiveness of community conservation areas. This will be reflected in the legislation in order to alleviate both the issue of financial sustainability and promote local investment in pro-conservation initiatives.

86. Activities to be financed through this project will include providing necessary international level technical expertise currently unavailable in Mongolia. This expertise will lead the completion of a comprehensive review of existing community-based conservation initiatives and related law and policy. The project will support the generation of capacities required to understand the conservation ramifications of current successes and challenges. This will include identifying gaps and providing counsel for how to apply best international and national principles and practices to set in place effective community conservation areas.

87. A draft amendment to the PAs law will be prepared and ready for submission to the Mongolian Parliament prior to the close of project year one. If political challenges stall the immediate passage of this legislation by Parliament, project management may choose to use the draft legislation as a template to generate a detailed regulation for adoption by MEGD. This stopgap measure will avoid costly project delays that may adversely impact implementation of subsequent project activity. Any adopted regulation will contain the same level of detail as proposed legislation and will replace and substantially improve the existing Regulation A-250 designed to cover "local" protected areas ("Procedures for Creating Protection, Utilization, and Possession of Certain Natural Resources by Citizen Communities").

Output 1.2 Implementation regulatory guidelines and formal management performance standards generated

88. This output will be designed to make certain stakeholders have the tools and understanding required to designate and successfully co-manage community conservation areas. The national legislation team will be tasked with generating regulatory guidelines for the implementation of

community conservation areas. These guidelines will be comprehensive and geared towards an audience that includes Aimag and Soum level government officials and rural community members. Using the guidelines as reference materials, these stakeholders should have the sum of basic information tools required to successfully designate and manage effective community conservation areas. The regulatory guidelines will provide community conservation area managers with implementation guidance and detailed information regarding the community conservation legislation and other applicable laws and regulations.

89. The guidelines and implementation handbook/training materials will help communities to understand not only the management benefits that they may receive from designated community conservation areas, but also their management responsibilities. The materials will provide detailed information regarding the form and function of community conservation areas. Information will help community level stakeholders understand the ecological needs of wide-ranging species and how to improve viability. Local enforcement responsibilities, community ranger programs and biodiversity monitoring protocols will be covered. The handbook will provide detailed information regarding integration of community conservation areas with other management regimes, e.g., water basin councils, buffer zone councils, NPAs, etc. The guidelines will inform community managers on the generation zonation plans to regulate and manage natural resource use and development. The guidelines will describe the responsibilities of government agencies to approve and support effective community conservation area management. The rights and responsibilities of management entities will be honed. Performance standards required of all community conservation areas will be listed. Management coordination approaches to be followed by community conservation areas and proximate NPAs will be detailed. The handbook will describe national biodiversity conservation strategies relevant to community conservation area designation and management. Examples of best national and international community-management practices will be referenced. The guidelines will describe permitted mechanisms for joint ventures and subleases so communities may exchange access for private industry's capital, skills, training and employment opportunities.

90. To increase the efficiency and effectiveness of community conservation areas, the reference materials will include standardized forms and templates for items such as:

- Official description and certification;
- Model constitutions and/or by-laws for community management organizations;
- Natural resource management and use transfer agreements, including delegation of authority from government to community conservation area management entities;
- Management and business plans;
- Species management and recovery plans;
- Natural resource conservation agreements for key sectors such as agriculture, livestock, water, wildlife, tourism, extractive industry, and forestry;
- Annual monitoring, evaluation, and performance reports to be submitted to Soum, Aimag, and National Government;
- Protocols for conducting climate change vulnerability assessments;
- Protocols for integrating issues related to gender mainstreaming and transparent decision-making;
- Zoning designations; and,
- Model agreements for co-management and/or joint ventures.

91. Project support will include providing the technical resources required to generate the initial community conservation area implementation regulatory guidelines and to build the capacity required to regularly update and improve the guidelines. The guidelines will be formed as a loose-leaf implementation handbook. The draft will be fully vetted and approved by the MEGD. Copies will be made available electronically and via print media. The implementation guidelines will be distributed to key national stakeholders and the administrators of every Aimag and Soum. An initial draft of the

guidelines will be compiled prior to the close of project year two. This information will be updated and distributed annually to reflect lessons learned.

Outcome 2: Emplacement of institutional capacity and resource base development to ensure sustainability of managed resource protected areas

Total Cost: US\$4,393,000; GEF US\$958,000; Co-financing US\$3,435,000

92. This outcome is designed to address the capacity barrier: “Insufficient national, state, and local level capacity to successfully conserve biodiversity within inhabited landscapes.” This outcome will address these constraints and remove the identified barrier by: generating a formal data-base of LPAs, transforming LPAs into centers of excellence, and establishing the national, Aimag, and Soum institutional capacity required to support effective LPA management. The aim is to create the capacity necessary for national, regional, and local stakeholders to protect landscapes between traditional NPAs. By project close, a database of all community conservation areas will be operational. The project will also support the transformation and establishment of three diverse community conservation areas into centers of excellence. The large community conservation areas will provide replicable models for community conservation at an ecologically meaningful scale. The project will further address the capacity barrier by setting in place the institutional capacity required to provide long-term support for designation, management, and improvement of community conservation areas. This will include generating formal training and outreach programs for national, Aimag, and Soum administrations. The project will assist MEGD to improve capacity within the PAAD to support and monitor community conservation areas. The project will also help to establish a national community conservation areas board to serve as a national focal point for community conservation support and advocacy.

Output 2.1 Existing community protected areas documented and designated as community conservation landscapes

93. The project will support the establishment and operationalization of a computerized database (GIS) to increase the conservation effectiveness of community conservation areas. A database will be designed to streamline MEGD’s monitoring of community conservation area activity. This output will strengthen the legitimacy and further reduce the vulnerability of community conservation areas by creating an organic database and formal gazette process. The rigorous and organic database will tally community conservation areas, detail the locations and size of each, record the intended management purpose, and identify the responsible management entity. The database will include links to management and business plans. The database will build upon and support on-going efforts by organizations such as WWF, TNC, WCS, and others. The database will enable the MEGD and other stakeholders to record, track and monitor community conservation areas. The system will assist wildlife managers and others determine whether community conservation areas are being placed and are being managed to maximize conservation value. This information will be used to strategically channel efforts towards assisting rural communities in critical habitat locations to establish community conservation areas. The system will also assist the government on all levels to better manage wildlife and other resources, particularly those resources that are allocated to the community level for use and management. This will include helping to monitor meta-populations of wide-ranging ungulates that frequently cross lines of jurisdiction.

94. This effort will help legitimize and increase the conservation effectiveness of the approximately 1,200 LPAs. Once mapped and well tallied, LPAs will be less vulnerable to development pressure. Mining interests and other development initiatives will be aware of the existence and/or location of LPAs. National level development decisions may move forward well informed of local conservation initiatives and desires. This will also provide a tool to improve local management capacity. Stakeholders, including wildlife managers, will have an efficient method to provide recommendations and assistance to improve management and conservation effectiveness.

95. Information generated will be made available to community conservation area managers and other members of the public to help inform and improve their conservation effectiveness. An important element of this output will be to identify key habitat areas outside of the current NPA system. This output will also be used to support conversion of existing and divergent LPAs into the newly formalized “community conservation areas” category, making certain that they comply with and benefit from legislative reforms. This will include facilitating the expansion and consolidation of community conservation landscapes to improve conservation effectiveness. By project close, this database will reduce the vulnerability of LPAs to development. The database will provide a mechanism to monitor conservation effectiveness and assist local communities with decision-making.

Output 2.2 Three community conservation landscapes expanded and demonstrating best practices under improved legal framework

96. The project will support the transformation of three community areas into centers of conservation excellence. During project design, three diverse locations were identified, namely: (i) Gulzat Local PA (126,772 ha); (ii) Toson Hulstai Nature Reserve Buffer Zone(218,701 ha); (iii) Khavtgar Local PA (1004,936 ha). In Gulzat and Khavtgar, existing LPAs will be expanded and transferred into the newly created and formalized community conservation area designation. In Toson Hulstai, communities will be supported as they set in place a new protected area. Each is representative of a distinct ecological zone (mountain, forest, steppe) and suite of species. Please see Annex G for a detailed description of each pilot site.

97. For each pilot site, the project will support the process of identification, designation, and establishment of improved management regimes. Efforts at each site will be directed towards empowering rural communities to alleviate threats identified during the project design phase. Pathways will be created to integrate local traditional knowledge while upholding national conservation objectives. This includes mitigating the negative impacts of wildlife harvest, grazing and agriculture, habitat conversion and infrastructure development, and climate change. Importantly, this will include zoning and natural resource use protocols. Cooperative management agreements will be concluded with surrounding NPAs, Aimags, Soums, and government officials responsible for wildlife management.

98. In each site, management bodies will be established. This will be based on co-management principles with binding agreements completed that incorporate main stakeholders, including as appropriate CBO's, NGO's, relevant government agencies, and private sector partners. The agreements will clarify the rights, roles and responsibilities of each party. Global experiences have taught that it is critical that parties have balanced powers in the relationship, as well as ensuring participation of women in decision making processes related to management.

99. Each site will benefit from a new and/or revised establishment charter. The charter will describe management authority and responsibilities, including the ability of local communities to generate benefits from the use of natural resources with the conservation area and commensurate responsibilities to conserve those resources. This activity will reflect the on-going lessons learned and technical insights from Component One (legal framework and regulatory guidelines).

100. New PA management and business plans will be developed and operationalized for each site. The initial management plans will be completed and operational prior to the mid-term evaluation. This will allow for evaluated management plan to be updated accordingly, fostering an adaptive management environment. The project will assist Aimag and Soum governments to integrate the PA management objectives in their planning processes. The management plans will help communities to categorize and quantify threats (e.g., grazing, infrastructure development, over-harvest, etc.) and identify appropriate responses.

101. Community level capacities will be built to enable community members to carry out basic biodiversity conservation baseline studies and reports. The borders of all three sites will be officially delineated. This will be viewed as a capacity building exercise, offering communities at all three pilot sites the tools necessary to implement, monitor and adapt management plans on a regular basis.

102. The project will ensure there will be no negative social and environmental impacts from the on-the ground activities on the community members in particular women and the ethnic minority groups – the Buriats in Khavtgar (circa 3,000 people), the Durved and Bayad in Gulzut, through careful planning and implementation of site level project activities. The project has developed a solid stakeholder engagement plan that covers and integrates national, regional, and local level stakeholders. The project has set in place numerous mechanisms to inform and engage stakeholders of on-going activity, fostering an environment of full disclosure. This strong emphasis upon stakeholder involvement will ensure that any emerging environmental and/or social risks are identified early and mitigated directly.

Output 2.3 Lessons learned captured and enhancing effectiveness of community conservation landscapes nationally

103. This output will establish a comprehensive safety net to support the long-term functionality of community conservation areas across the country.

104. Within the first six months of operation, the project will generate a communication and outreach strategy to describe the project's replication, capacity building, and knowledge enhancement activities. To ensure integration and coordination between national, state, and local conservation area activities, a community conservation area support resource person will be established within PAAD. This resource person will help establish a national support center for community conservation areas and local level management entities. The resources generated will provide on-going monitoring, legal support, and capacity building to guarantee the vitality of community conservation areas. The resource person will be responsible for generating and distributing a quarterly project newsletter. The two-page newsletter will detail on-going project activities and highlight conservation challenges and successes related to community conservation areas. The newsletter will be distributed nationally to all Soum governments and all Directors of PAAs. With the support of this resource person, a fully operational and interactive web-based knowledge management tool will be developed. The tool will be supported by PAAD and designed to provide necessary capacity building resources to local conservation areas stakeholders. Website content will include materials generated from project activities as well as information gleaned from other relevant PA projects. The tool will serve as a repository for relevant academic papers and focal point for the exchange of current conservation information and activity specifically tailored for community conservation area stakeholders. The website will be operational by project year two.

105. A key barrier identified during project design is the need to build the capacity of local level decision makers. There is need to provide tools to make informed biodiversity conservation management decisions. The project will design and implement a comprehensive community conservation area in-service training program for all Aimag and Soum decision-makers. This will be linked to and integrated with the Local Administration Department, Academy of Management. The project will create a conservation landscape toolbox tailored specifically for Soum level decision-makers. The toolbox will assist these individuals to increase their understanding of best national and international integrated conservation principles and practices. The toolbox will include materials covering basic biodiversity conservation concepts, community conservation area management and business planning, and lessons learned and reference materials developed under both Outcomes One and Two. The toolbox will be encapsulated in a DVD or similar electronic media and distributed nationally to all 329 Soum governors and Khural speakers. An initial toolbox will be developed and distributed during the project's first two years. The toolbox will be made available on the community conservation area knowledge management website. Based upon feedback received, the tool will be enhanced and again distributed six months prior to project close.

106. The selected pilot areas are geographically positioned to serve as regional learning centers. The project will capitalize upon this by facilitating regional learning exchanges, bringing communities members from regional areas to visit the regional center of excellence, sending envoys from the improved community conservation areas as outreach teams to other community conservation areas, and helping to generate necessary public awareness and educational materials. During implementation, the project will capture lessons learned by monitoring and recording the capacity building process, including a thorough record of capacity building activities and results completed in each pilot site. This effort will be on-going during project implementation and will create an historical road map for subsequent efforts in other areas. The project will make information available via websites and electronic media established through other Component activities. The project will innovate mechanisms to facilitate cross-fertilization between the three pilot areas. This will include facilitating regular information exchanges and field visits, stimulating conservation competitions between the locations, and using electronic media to capture and distribute lessons learned between pilot sites. By project close, each pilot site should be a fully functional regional center of conservation excellence.

107. The project will formulate an exit strategy to ensure replicability and financial and institutional sustainability. This strategy will detail the operational costs of initiated project activities. The strategy will describe how these activities will be absorbed, supported and expanded by PAAD, including sustainable financing mechanisms and capacity building needs. A draft strategy will be completed at least twelve months prior to project close and submitted to the Minister of MEGD for approval.

2.4 Project Indicators

108. The project indicators contained in the Strategic Results Framework include only impact (objective) indicators and outcome (performance) indicators. Each indicator is ‘SMART’: Specific, Measurable, Achievable, Relevant and Time-bound. During project inception and as part of the 5-year implementation work plan, the project will develop process-oriented indicators to augment the ‘M&E framework’ at the site level. The ‘site-level M&E framework’ will help guide and monitor project implementation. The project’s overall M&E framework will build upon UNDP’s existing M&E Framework for biodiversity programming.

109. The logframe presumes that the cumulative impact of achieving the project’s outcomes will ultimately result in achievement of the project’s objective. This well-reasoned logic is based upon the analysis of barriers and root-causes completed during the PPG phase and elaborated in this project document. The logframe’s indicators are premised upon two key criteria: (i) their pertinence to the above presumption; and (ii) the feasibility of obtaining, producing and updating the data necessary to monitor and evaluate the project through those indicators.

2.5 Risks and Assumptions

Risk/Assumptions	Rating Impact/ Probability High: 5 Low: 1	Mitigation Measure
Revised Protected Area/ Natural Resource Management Legislation will not be passed.	Impact 2 Prob 3	The policy activities are part of a larger initiative led by UNDP's Environmental Governance and Strengthening Protected Area Network (SPAN) projects which will create a platform to engage with important stakeholders such as parliament/cabinet members and the president's office and media. The project will work closely with these projects and make full use of the existing platform as an advocacy mechanism, as well as available expertise in environmental laws. If legislation is not passed within two years of project implementation, the project will take the alternative of creating a comprehensive regulation under the existing protected areas law.
Adequate expertise is not harnessed to support project	Impact 4 Prob 2	Due to recent economic expansion, available labor in Mongolia has diminished while labor costs have increased. There has not been a strong impact on biodiversity conservation experts, but there is a strong demand for

Risk/Assumptions	Rating Impact/ Probability High: 5 Low: 1	Mitigation Measure
implementation		well-educated persons with English skills. There has also been a substantial bump in the cost of labor across the board. The project will work to identify and recruit necessary national expertise well prior to the inception workshop. In addition, where international comparative expertise is required, the project is designed to facilitate such support to technically backstop project implementation.
Growing mining interests – including artisanal mining - prevent the further establishment of protected areas	Impact 2 Prob 2	<p>The project will support the establishment of a solid governance structure for the new PAs and integration of the PAs in local development planning. It will address the need for increased local government and other stakeholder involvement in effective planning and management of the PAs. In addition, realization of non-mining economic benefits from the PAs will curtail the mining pressure. Creation of the new Managed Resource PAs will gain more support from local governments and communities, as they will explicitly allow grazing and sustainable use of other resources within the biodiversity conservation parameter. Members of Parliament are therefore more likely to approve such PAs. In addition, the creation of community conservation areas may incorporate mining and offer a mechanism for communities to actually become more actively engaged in the regulation of mining, e.g., bonding and reclamation requirements.</p> <p>Artisanal mining is currently being formalized as a sector, supported by a Swiss Development Cooperation Agency supported Project, which assists developing legislation on artisanal mining. The designation of legal artisanal mining sites outside of PAs will decrease the incentive to practice artisanal mining in PAs. Formation of a solid PA governance structure with full and equal participation and powers of communities will act as an effective deterrent to illegal activities within the PAs and increased law enforcement within the PAs.</p>
Stakeholders' individual interests inhibit viable co-management agreement and key decision makers are not convinced of the feasibility of co-management	Impact 2 Prob 3	<p>The project is designed specifically to alleviate this risk on a broad level. These issues are anticipated and will be resolved professionally. The project target sites are chosen partially because of the on-going efforts in Community Based Natural Resource Management (CBNRM) and benefit sharing activities. The project is designed and will be developed, building on best global experiences and will provide support at every stage of co-management agreement development and negotiation between stakeholders. The project will also build on existing co-management models within the country, including the management of Hustai National Park co-managed by an NGO. Furthermore, the project will expedite the government efforts to create legal framework for CBNRM, with clear rights and tenure for resources, to build a foundation for co-management.</p>
Financial sustainability of community conservation areas fails to materialize, resulting in low level of management effectiveness	Impact 2 Prob 3	<p>It is expected that financial sustainability of the expanded protected system in the long term will be ensured for two main reasons. Firstly, Mongolia's GDP grew 17.6 per cent in 2011, 12.3% in 2012 and expected to continue double-digit expansion annually for the rest of the decade. (IMF, 2011), driven largely by the mining sector. This includes substantial financing being directed to the Soum and Aimag governments following the 2011 amendment of the Fiscal Law promoting fiscal decentralization. The project is designed to make certain that this funding is used to support conservation areas. Secondly, the proposed project and on-going SPAN project actively supporting the MEGD in promoting protected area agenda and proving their values, the MEGD will be able to ensure that the larger government budget leads to larger investments in PAs. Some barriers need to be removed to enable the PA system to benefit from this growth (such as revising the entrance fee system, retention rates, budgeting system etc.), which are being addressed by the SPAN project. The proposed project also places particular emphasis on financial sustainability of the new Managed Resource PAs, supporting development of PA business plan and demonstrating PPP arrangement to create regular and sustainable streams of income to the PAs from consumptive or non-consumptive use of natural resources. The project, with the SPAN project, will also ensure that there are adequate legal</p>

Risk/Assumptions	Rating Impact/ Probability High: 5 Low: 1	Mitigation Measure
		provisions pertaining to financing issues in the amendment of the Law on Special PAs, including PA income generation and retention. The project, again with the SPAN project, will also ensure that the PA financing plan and associated efforts to increase PA financing will be geared towards sustainable financing of the expanded PA system.
Climate change could lead to both changed distributions of BD components, and changes in demands on biodiversity-based resources.	Impact 2 Prob 5	Climate change impacts are mainly expected to impact biodiversity conservation in the long term in conjunction with wider ecosystem resilience. The short term risk can be considered low but the long term risk would have to be classified as medium. The project is designed to create greater ecosystem resilience to address long-term climate change impacts.

2.6 Incremental Reasoning and Expected Global, National, and Local Benefits

Component Co-Funder	Amount (US\$)	Relevant Ongoing Activities providing co-funding	GEF influenced changes to baseline project activities providing co-funding
Component 1 Establishment of new protected area category for strategic protected area expansion			
MEGD/PAA	\$200,000 (In-kind) \$100,000 (cash)	<ul style="list-style-type: none"> Developing policies towards operationalizing CBNRM principles, formulation of supporting guidelines and regulations Facilitation of amendment of the Law on Protected Areas 	<p>Comprehensive legal framework for community conservation adopted and operational that</p> <p>Establishment of new Local Protected Areas that are co-managed by local communities creating win-win situation.</p>
WWF Mongolia	\$364,000 (cash)	<ul style="list-style-type: none"> Strengthening of existing and newly established PAs management, including generation of revenues, sustainable financing, and eventual upgrading or status changes. Improved legal framework for natural resources management by the local communities. 	Comprehensive legal framework for community conservation landscapes adopted and operational.
GIZ	\$195,000 (cash)	<ul style="list-style-type: none"> Enhancing policies and regulatory frameworks for various production sectors Supporting development of national and sub-national land-use plans that incorporate biodiversity and ecosystem services valuation. 	Comprehensive legal framework for community conservation landscapes adopted and operational
KfW	\$500,000 (cash)	<ul style="list-style-type: none"> Supporting development of PA management plans and guidelines Creating and maintaining a comprehensive Management Information System for all categories for PAs 	Comprehensive legal framework for community conservation landscapes adopted and operational
Component 2: Emplacement of institutional capacity and resource base development to ensure sustainability of managed resource protected areas			
MEGD	\$1,500,000 (in-kind) \$250,000 (cash)	<ul style="list-style-type: none"> Implementation of decentralization policy and enhancing local self-governance capacities Provision of annual capacity building opportunities to PAA staff Exploring sustainable financing options for Mongolia's PAs, including PPP schemes 	Reduced risk for Government investment achieved for conservation measures. LPAs expanded to enable landscape integrity.
WWF Mongolia	\$520,000 (cash)	<ul style="list-style-type: none"> Advancing the stewardship of local communities in sustainable use and management of natural resources. Establishing functional network of PAs (including local PAs and state reserve pastures). Promoting community based forest and pasture and wildlife management with climate adaptation measures through demonstration and replication pilot projects in priority Ecoregions, Altai Sayan in the west, and Amur/Heilong in east. 	<p>Existing community protected areas documented and designated as community conservation landscapes</p> <p>Three community conservation landscapes expanded and demonstrating best practices under improved legal framework</p>

GIZ	\$ 65,000 (cash)	<ul style="list-style-type: none"> Working towards increased areal coverage of sustainably managed landscapes that integrate biodiversity conservation. Improving PA management effectiveness focusing on Khangai region 	Three community conservation landscapes expanded and demonstrating best practices under improved legal framework
KfW	1,500,000 (cash)	<ul style="list-style-type: none"> Supporting implementation of PA management and business plans, incorporating sustainable financing options Ensuring operational PA training centres in 5 regions offering to rangers formal training curricula adapted to the regional conditions. All PAAs have minimum operational human resources and technical capacities 	Community conservation areas and LPAs will have stronger PAAs ensuring conservation of habitats

110. This project will help ensure the integrity and survival of a host of globally significant species and related habitats. This includes helping to secure one of the world's last intact grasslands, remnants of Asia's remaining high-alpine systems, and wide-ranging umbrella and indicator species such as Snow leopards, Argali sheep, Asiatic wild ass, Siberian crane, Saker falcons, and critical habitat for millions of gazelle.

111. Within Mongolia's borders there are two WWF Global 200 Eco-regions (Altai Sayan and Daurian Steppe), 70 Important Bird Areas (IBAs), 5 sites under the East Asian Australasian Flyway Partnership for Migratory birds, 2 UNESCO World heritage sites, and 11 RAMSAR sites. Mongolia's recorded faunal diversity includes 136 species of mammals, 436 bird species, 8 amphibian species, 22 reptile species and over 76 fish species. More than 3,000 species of vascular plants, 927 lichens, 437 mosses, 875 fungi, and numerous algae species have been recorded. There are over 150 endemic and nearly 100 relict species.

112. Mongolia is a last refuge for many Central and Eastern Asian species. Endangered species and approximate percentage of global population found only in Mongolia, include: Mongolian Saiga antelope (*Saiga borealis*) (100%), the Bactrian camel (*Camelus bactrianus*) (37%), Przewalski's horse (*Equus ferus przewalskii*) (95%), Snow leopard (*Uncia uncia*) (12%), Goitered gazelle (*Gazella subgutturosa hillieriana*) (50%), Mongolian gazelle (*Procapra gutturosa*) (95%), and the White Naped Crane (*Grus vipio*) (50%). The nation's few remaining healthy rivers represent critical habitat for this sensitive species Taimen (*Hucho hucho taimen*), the world's largest salmonid. Parts of Mongolia are some of the last refuges of the largest sheep on earth, the Argali sheep (*Ovis ammon ammon*).

113. By establishing the frameworks and capacity required to promote large landscape conservation, the project will result in substantial stabilization and reversal of current land and forest degradation. This represents an excellent opportunity to not only conserve habitat for globally significant species, but will have the additional result of improving CO₂ storage thereby contributing to global climate change mitigation efforts.

114. Since 1990, Mongolia's human population has doubled to approximately 3 million. Nearly fifty-five percent (55%) of the population is under 30 years. Immigration driven by economic opportunities will likely further increase population growth. The nation's population density remains famously low at 1.8 persons per kilometer. However, harsh environmental conditions, high-energy and resource demands and low sustainable production capacity mean that the nation's carrying capacity is also extremely low. Although most of the nation's wealth and culture abide in the countryside, more than sixty percent (60%) of all Mongolians now live in urban areas. Over fifty percent (50%) reside in three cities: Darkhan (75,000), Erdenet (95,000), and the sprawling capital, Ulaanbaatar (1.4 million).

115. As noted, Mongolia is experiencing an unprecedented economic growth. Its economy grew by 17.6% in 2011 and 12.3% in 2012. However, the rate of wealth generation outpaces the general rate of poverty alleviation and national social development. Approximately 30% of Mongolia's population

still remains impoverished. Rapid economic growth and environmental degradation is being accompanied by increased inflation and urban migration, further exacerbating this social disparity.

116. While mining generates wealth for Mongolia's urbanites, the agricultural sector sustains rural families. Over 200,000 nomadic and semi-nomadic herding families fill Mongolia's countryside. Although agriculture produces only 17% of GDP and 12% of export earnings, approximately 40% of Mongolia's workforce is employed by agriculture (MIA). Mongolia is predominately a livestock producing country. Less than 400,000 ha of cultivated lands contribute approximately 3% of the nation's GDP. Mongolia's iconic nomads have relied upon livestock for both capital and subsistence for thousands of years. Because there is very little private land, Mongolia's unique rural culture persists with both people and wildlife moving unfettered across a vast landscape. Although nomadic herding practices could be highly sustainable, current practices are less than ideal.

117. More than 40% of Mongolia's work force and a vast majority of the nation's rural poor rely directly upon the ecosystem services provide by the nation's sparsely inhabited grasslands. While the mining boom helped decrease urban poverty slightly, rural poverty rose from 42% to 50% between 2000 and 2008. Decrease in rural poverty rate reached 33% in 2011, there is still a staggering disparity between urban and rural poverty headcounts. Swelling livestock numbers and changed grazing regimes have resulted in ecological squalor demonstrated by declining biodiversity, pasture health, herd fitness, and degraded soil and water systems. Mining development is rampant and based upon exploration leases that were released 5 – 10 years ago and cover much of the country. Realizing the destructive effects of the mining boom on the surrounding environment, the government took a positive decision to halt issuing new licenses since mid 2010. Still, without making substantial and aggressive course of corrections, climate change pressures will likely push socially critical ecosystem services beyond the brink of recovery.

118. There is a strong traditional connection between Mongolia's nomadic and semi-nomadic peoples and the land. Many of these rural communities have shown a sincere interest in conserving the natural environment that sustains both domestic livestock and wildlife. However, rural communities largely lack the policy and institutional capacity required to act upon this conservation interest. Due to the weakness of the current legislative system and a failure to date to provide rural communities with capacity, these rural communities have very few options but to continue a biodiversity depleting resource race. This creates a social and environmental management system that simply fuels continued impoverishment rather than capitalizing upon opportunities to secure ecosystem services.

119. The project will help empower rural communities to act upon their conservation interests by alleviating regulatory and implementation capacity gaps. The result will be land management schemes that are ecologically viable, conserve traditional grazing regimes, and create the setting required for rural communities to sustain critical ecosystem services through their own actions and the support of local government institutions. A harsh winter disaster in 2010, locally as *Dzud*, killed over 10 million head of livestock. Data gathered from existing community-managed areas showed around 30% fewer livestock losses during the Dzud, indicating that sustainable pasture use practices enhanced the resilience of communities to the disaster⁴. A TNC evaluation on community development in Gobi that used remote sensing also noted a clear increase in the biomass of target sites of community projects.

120. Well-regulated resource access and improved levels of biodiversity will increase the value of conserved lands and help generate new opportunities for diversifying rural livelihoods. The project will lower investment risks that currently limit both communities and entrepreneurs from making a strong and concerted effort to create biodiversity friendly businesses. This will not only increase the conservation value of community conservation areas, it will also open pathways to empower communities to activity conserve biodiversity and benefit from the sustainable use of biodiversity.

⁴ Assessment for Development Results, UNDP, 2011

New livelihood activities will include wildlife/cultural based tourism, regulated fishing and hunting, and opportunities to improve livestock profitability by creating incentives for stressing herd quality over quantity. Well-organized and managed community conservation areas will offer better opportunities for partnering with private sector investors. Improved management, land use planning and regulatory frameworks, and clear lines of authority will limit investment risks. This will help to ensure ecologically appropriate development, such as high-value and low impact tourism.

121. By stimulating the conservation of millions of hectares of land and associated ecosystem services, the project will help improve the quality of life for all Mongolians. Lands that currently suffer from over-grazing, unsustainable hunting, and a host of other threats due to the absence of regulatory oversight, will become much healthier and help preserve Mongolia's culturally and economically important natural heritage. The project will build national capacities, providing opportunities for national stakeholders – particularly rural decision-makers – to build their understanding of international conservation principles and practices and providing them with the knowledge and regulatory tools required to implement these principles and help maintain ecosystem services into the future. Improving ecosystem resilience in rural areas is expected to help prevent further mass migration to Ulaanbaatar and other urban settlement. This may alleviate ever increasing potential for social conflict.

122. In rural Mongolia, women headed households are very common. This is caused by many factors, including spouses that frequently leave families to tend livestock while they seek better financial opportunities in urban areas. Unfortunately, these spouse too often fail to send substantial remittances and/or essentially abandon their families. The result is that rural women and families of women headed households are often the poorest of the rural poor. All planned interventions were designed specifically to help address this issue. Through a thorough gender analysis conducted during the project preparation, the project has been designed to ensure that community conservation areas address the needs and desires of women. This includes providing equal opportunities for women to fully participate in project activities and benefit from the results of project activities, e.g., capacity building and ultimately mainstreaming of women within governance protocols for community conservation areas.

123. By removing existing barriers to PA expansion and the conservation of ecologically viable landscapes, the project will assist the Government of Mongolia to achieve the MDG Target of 30% of country incorporated within conservation areas by 2015. By taking an approach that builds the capacity of local governments and communities to assertively engage in conservation, the project will assist the Government of Mongolia to lower the management costs and increase conservation effectiveness both within and outside of conventional PAs. By creating incentives and opportunities for communities and local governments to describe land use limitations and strategic conservation oriented investments, opportunities will be opened to direct nature based tourism outside, rather than inside, of conventional PAs. This will further reduce pressures and costs associated with unhindered development of tourism within PAs.

2.7 *Cost-Effectiveness*

124. During project design, several alternative scenarios were considered from the point of view of cost-effectiveness. These included extensive purchase of hardware and other tactical equipment, construction of major facilities for administration and tourism, and expensive international training programs. Stakeholders eventually abandoned these options after carefully considering conservation priorities relevant to a limited budget. In the end, the highly precise and, therefore, cost-effective investment rested on a number of principles, each integrated within the activities and expenditures of this proposed project. The relatively small investment is targeted to catalyze a substantial course change. The result is a relatively small amount of financing potentially will leverage the long-term conservation of an immense landscape and associated global benefits. Paramount was the desire to build the regulatory, management and financial capacity required for Mongolia to independently

maintain effective conservation efforts. For instance, the project's limited investment will help to create capacity and decision-making pathways that enable local governments to apply mining windfalls to make pro-conservation investments rather than ill-advised and unsustainable short-term investments. This catalytic effect coupled with the objective of sustainability makes the GEF investment highly cost-effective.

125. The project will work to build upon and enhance existing national experience and expertise. This includes subcontracting of in-country NGO's and experts to take primary responsibility for key outputs, on a competitive basis. National NGOs and experts will be contracted to complete most activities under both Output 1.1 and 1.2. An international legal advisor will assist to make certain outputs reflect best international principles and practices. Example national NGO's include The Center for Human Rights and Development, a national leader in public interest environmental law. WWF-Mongolia has already started the process of generating a formal compendium of locally conserved landscapes, including LPAs. WWF-Mongolia can be contracted to complete this work with the assistance of GEF funds to build upon the existing baseline and make certain the final data-base reflects the Outcome 1 and capacity is built to hand over operation to PAAD. For Output 2.2 focused upon field based activity, WWF-Mongolia, TNC-Mongolia, and local NGOs such as "Gulzat" in Uvs, "Khavtgar Shireet" in Khentii and Herder Community Associations in Uvs, Dornod Aimags have extensive field experience in locations proximate to the field sites. This includes working with local communities on several aspects related to biodiversity conservation on a landscape level. These organizations may be sub-contracted on a competitive basis to support achievement of Outputs in close coordination with MEGD. This approach should be very cost-effective, allowing project resources to support and building upon existing capacities and infrastructure (e.g., staff, existing knowledge base and networking, field and office equipment and infrastructure, , etc.). This will allow greater investment in actual capacity building effort. In addition, the project will benefit from the services of an international biodiversity conservation specialist to make certain Component outputs and activities reflect best international principles and practices. For Output 2.3, the project will be implemented by ongoing UNDP/MEGD SPAN project.

126. The SPAN project office is within the MEGD, helping to ensure that capacity building takes place on a daily basis. Overall, the existing PIU will be applied for implementation of the proposed project by upgrading the current project coordinator position and additionally hiring a full time senior staff responsible for overseeing and coordination of all activities towards achievement of both Outcomes and for Knowledge Management, M&E programme of the Project, ensuring lessons learned are well collated, harmonized, and disseminated. An assistant to the administrative and finance officer will be hired to ensure the compliance of the UNDP and GEF policies and procedures. Finally, the project will benefit from inputs from a senior technical advisor group, who will advice with major project activities on policy and decisions to be taken at the central level. To make certain the project constantly remains on-track to deliver high-impact results. .

127. To increase the ownership of the project by the PAAD, periodical joint meetings of the project staff and the department is introduced, while particular staff of PAAD is assigned to work with the project team and the consultants for providing support to community conservation areas nationally, on a daily basis.

2.8 *Project Consistency with National Priorities/Plans*

128. The National Biodiversity Strategy (NBS) mandates national conservation of biodiversity. The National Biodiversity Action Plan (1995) instructs the Government of Mongolia to establish a "protected area system representative of all ecosystems and protecting endangered species", including "boundaries consistent with biodiversity conservation goals." The Fourth National Biodiversity report requires reduction of "habitat fragmentation" and protection of "buffer zones and migratory corridors." The Action Plan for the Development of Tourism in Protected Areas" demands that all tourism conserve natural, historical, cultural and scientific values.

129. The National Programme on Protected Areas, Millennium Development Goals, and MDG-based Comprehensive National Development Strategy mandate the Government to include 30% of Mongolia within the protected area system by 2015. Parliament adopted a special resolution reiterating this 30% requirement and committed the country to protected area expansion, improved administration, and best practices management.

130. The Mongolian Action Programme for the 21st Century (MAP-21), National Environmental Action Plan (NEAP), Biodiversity Action Plan (BAP), National Action Programme to Combat Desertification and National Action Programme on Climate Change (NAPCC), each oblige the Government of Mongolia to adhere to conservation principles and practices. The MDG-based National Development Strategy (2007-21) compels improvement of “natural resource management at the national and local levels through strengthening the regulatory framework for mineral resource utilization and environment protection, providing law enforcement, introducing economic tools and incentives, creating self financing mechanisms and upgrading cross sector coordination.”

2.9 Country Ownership: Country Eligibility and Country Drivenness

131. Mongolia ratified the Convention on Biological Diversity in 1992 and actively participates in its process. The National Constitution states that all signed international conventions supersede national legislation. Therefore, all Mongolian legislation and policy are to follow CBD principles.

Convention/Agreement	Signed
Convention on Biological Diversity	1992
Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES)	1996
Convention to Combat Desertification	1994
Framework Convention on Climate Change	1992
Kyoto Protocol to the United Nations Framework Convention on Climate Change	1997
Cartagena Protocol on Biosafety to the Convention on Biological Diversity	2000
Convention to Wetlands of International Importance especially as Waterfowl Habitats [RAMSAR]	1998
World Heritage Convention on Nature and Culture Sites under UNESCO	1990
United Nations Convention to Combat Desertification	1994

2.10 Sustainability and Replicability

Environmental and Social Impacts

132. The Environmental and Social Screening Procedure (ESSP) was followed during the PPG, as required by the ESSP Guidance Note of the UNDP. The results of the ESSP for this project are summarized as follows. Please see Annex F for the full ESS checklist and summary.

Environmental Impact: This project will help ensure the integrity of habitats for globally significant species, including one of the world’s last intact grasslands and remnants of Asia’s remaining high-alpine systems. An enabling environment is expected to be created for a new category of protected areas to the national system where natural resources are co-managed by local communities, thus, reduce threats to biodiversity and contribute to the national MDG Target to take 30% of its territory under protection by 2015. As a result of conservation measures of natural habitat, the population of several endangered species is expected to increase at the target sites upon project completion.

Social impact: Complemented by upstream policy and legislative interventions, the project will enhance resilience of rural communities by promoting their conservation interests and addressing capacity gaps. Well-regulated ecosystems will help generate ecologically-viable opportunities for diversifying rural livelihoods, including wildlife/cultural based tourism, regulated fishing and hunting, and opportunities to improve livestock productivity. Improvements in ecosystem resilience, will contribute to reducing internal migration from rural to urban areas, as well.

Sustainability

133. *Financial Sustainability:* The financial sustainability of this project will in part depend upon the Government's continued support for implemented projects. Therefore, this project is purposefully designed to act as a catalyst. The project will do the heavy lifting necessary to raise LPAs a level required to protect globally significant biodiversity. Once this plateau is achieved, the project is designed and will continue to be designed to create appropriately scaled interventions that (a) only require financing at a level the Government has shown a past ability to afford; and, (b) build fiscal capacity to identify and capitalize upon sustainable sources of funding. The project is supporting the generation of management and business plans for each of the pilot areas. These management plans will specifically detail and prioritize costs and funding sources for each PA. This combination of safeguards should result in end of the project sustainability. Once the initial path to the creation and management of community conservation areas is made clear (i.e., creation steps clarified, legal parameters described, management principles elaborated, operational capacities built) the financial burdens of creating and managing additional conservation areas will be eased.

134. *Institutional Sustainability:* Building the ability of institutions to sustainably support the long-term health of Mongolia's expanding PA system is paramount. The project will positively impact institutions on the community, regional, and national level. Direct capacity building will take place through training programs. In-direct capacity building will result from implementation of various project activities. Much of the project's efforts are focused upon providing institutions with the tools required for long-term institutional integrity. Strengthening the country's legal framework will alleviate current institutional inconsistencies and conflicts.

135. *Social Sustainability:* This project is designed to enhance social wellbeing. Community members will be provided with better options for seeking out and realizing alternative livelihoods. Existing livelihoods will be improved through advanced capacities and access to knowledge resources. Community members will receive greater inclusion in decision-making processes. Mongolia's natural areas (including associated land, water and biodiversity resources) will be better able to provide the reliable ecosystem services required for social well-being.

136. *Environmental Sustainability:* This project's intent is to improve environmental sustainability on a number of fronts. The project will result in improving the environmental sustainability of PA networks. The project will also assist with creating greater environmental sustainability in community areas.

Replicability

137. The premise for this project is the need for replicable models for the creation and management of community conservation areas. The project will stimulate within Mongolia the exchange of ideas for improving biodiversity conservation. Each pilot and all associated activity is designed specifically to serve as a replicable model. Each site will serve as a forum and classroom for national level discussion and learning. Training programs, improvements to the legal framework, and institutional strengthening activities will each create a solid base for the construction of new PAs based upon lessons learned from this project. During implementation, the project will sponsor the development of a several knowledge building and dissemination tools. For instance, a website will serve as an information resource for both the public and government. The website will keep stakeholders up to date with project activity, contain links to key project deliverables such as management plans and charters, and provide stakeholders with links to international information sources for improving PA management. The website will serve as reference point for those wishing to replicate project success. At close, the project will leave behind operating models for future replication as well as tangible products such as training guides, management plans, and a lessons learned documents each of which will leave a record to guide future replication and improvement on project outcomes. There are several locations in Mongolia where biodiversity is currently vulnerable due to the absence of the

creative, multiple use, landscape level protection measures that this project will model. With a national objective of including 30% of the landbase within the PA system, the potential for replication is great.

PART III: MANAGEMENT ARRANGEMENTS

A. Institutional Arrangement

138. UNDP is the implementing agency for this project. The UNDP Country Office (CO) in Mongolia will support the project's implementation by maintaining the project budget and expenditures, contracting project personnel, experts and subcontractors, carrying out procurement, and providing other assistance to the National Implementing Agency. The UNDP CO will also monitor the project's implementation and achievement of the project outputs and ensure the proper use of UNDP/GEF funds. Financial transactions, reporting and auditing will be carried out in compliance with UNDP rules and procedures. The UNDP CO will ensure the supervision of the day-to-day management and monitoring of the project operations through the appointed official in the UNDP Environment Unit.

B. Project Implementation Arrangement

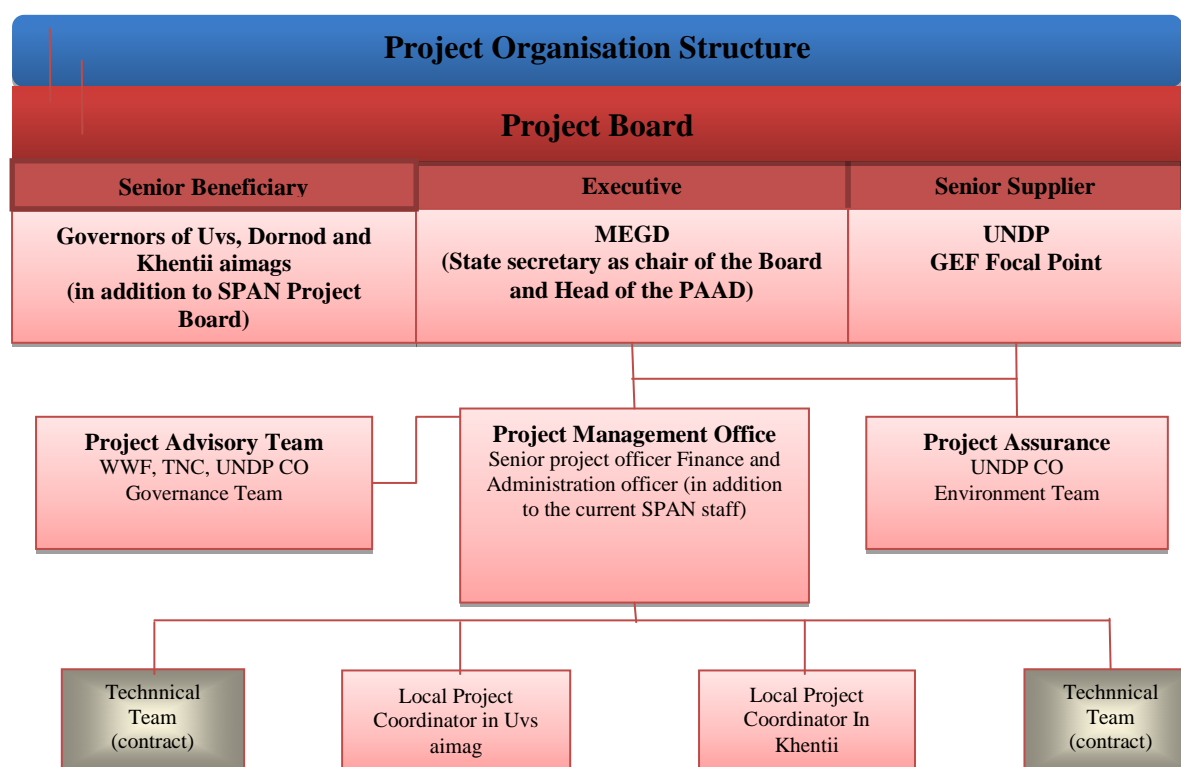
139. The project will be executed under National Implementation Modality (NIM), according to the standards and regulation for UNDP cooperation in Mongolia. The Project Implementation Agency will be Protected Area Administration Department (PAAD) within the Ministry of Environment and Green Development. MEGD will sign the project document with UNDP and will be accountable to UNDP for an efficient and effective use of project resources and the achievement of the project goals, objectives and outcomes according to the approved work plan.

140. The duration of the project will be five (5) years. The Project will comprise the following management, oversight and coordination structures: (i) A Project Board with strategic decision-making, non-executive powers would tentatively be composed of representatives of the MEGD, UNDP and the GEF focal point. Other members may be co-opted at the discretion of the permanent membership. The GEF Project coordinators from other partner projects, will be invited to participate in sessions as observers to ensure proper project coordination and cross-fertilization if necessary. (ii) A Project Implementation Unit (PIU) of UNDP's ongoing SPAN project at the MEGD will be directly utilized for directing, supervising and coordinating the project implementation.

141. In terms of key Project staff, a nominated senior PAAD staff will become the National Project Director (NPD). A position of a National Project Coordinator (NPC) of UNDP's SPAN project will be upgraded to oversee the MRPA project. The NPC will be responsible for the day-to-day Project implementation, leading and managing the PIU. In addition to the NPC, the PIU will be strengthened by administrative and finance assistant (full-time). Administrative and professional personnel collaborating as advisors will interact on an ongoing basis with the NPC and the PIU technical and professional teams, according to needs arising during project implementation. An important and common part of the staff TORs will be to identify measures on how to sustain the capacity development activities and results beyond the Project duration. The initial part of these measures will be integrated into the project work plans.

142. A 2-month Inception Phase will be used to carefully plan the whole project implementation process, culminating in the Inception Workshop. In addition, the necessary communication structures will be established between the main project components and partners to ensure optimal coordination and that key stakeholders are in full agreement with project objectives and hence committed towards the outcomes to be achieved.

143. UNDP will provide technical support to the PIU and will be responsible for the required budget revisions, donor reporting, advance of funds, and monitoring of the project. UNDP will act as the GEF Implementing Agency for this project and as such the responsibility for managing GEF funds will be administered by UNDP CO. UNDP will during first year of project do payments through the direct payment modality and build capacity within RGB to facilitate Cash advances. Based on the progress and results of the HACT micro assessment in 2013 UNDP in the second year will utilize the Cash advance modality of funds to the PIU. At the end of each three-month period, the PIU will submit a report on activities and a financial report for expenses incurred along with a request for funds for the next period. UNDP will also facilitate communication between the PIU, the Implementing Partner and the GEF as and if required. Other services support that UNDP can offer is outlined in the Implementation Support Services (ISS).



PART IV: MONITORING AND EVALUATION

144. The project will be monitored through the following M& E activities. The M& E budget is provided in the table below.

145. Project start: A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and program advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan.

146. The Inception Workshop will address a number of key issues including: (a) Assist all partners to fully understand and take ownership of the project. (b) Detail the roles, support services and complementary responsibilities of UNDP CO and RCU staff vis à vis the project team. (c) Discuss the roles, functions, and responsibilities within the project's decision-making structures, including

reporting and communication lines, and conflict resolution mechanisms. (d) The Terms of Reference for project staff will be discussed again as needed. (e) Based on the project results framework and the relevant GEF Tracking Tool if appropriate, finalize the first annual work plan. Review and agree on the indicators, targets and their means of verification, and recheck assumptions and risks. (f) Provide a detailed overview of reporting, monitoring and evaluation (M&E) requirements. The Monitoring and Evaluation work plan and budget should be agreed and scheduled. (g) Discuss financial reporting procedures and obligations, and arrangements for annual audit. (h) Plan and schedule Project Board meetings. Roles and responsibilities of all project organization structures should be clarified and meetings planned. The first Project Board meeting should be held within the first 2 months following the inception workshop.

147. An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

148. Project Implementation Workplan: Immediately following the inception workshop, the project will be tasked with generating a strategic workplan. The workplan will outline the general timeframe for completion of key project outputs and achievement of outcomes. The workplan will map and help guide project activity from inception to completion. To ensure smooth transition between project design and inception, the inception workshop and work planning process will benefit from the input of parties responsible for the design of the original project, including as appropriate relevant technical advisors.

149. Quarterly: Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform. Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical). Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot. Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

150. Annually (Annual Project Review/Project Implementation Reports (APR/PIR)): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

151. The APR/PIR includes, but is not limited to, reporting on the following: (a) Progress made toward project objective and project outcomes - each with indicators, baseline data and end-of-project targets (cumulative); (b) Project outputs delivered per project outcome (annual); (c) Lesson learned/good practice; (d) AWP and other expenditure reports; (e) Risk and adaptive management; (f) ATLAS QPR; (g) Portfolio level indicators (i.e. GEF focal area tracking tools) are used by most focal areas on an annual basis as well.

152. Periodic Monitoring through site visits: UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no more than one month after the visit to the project team and Project Board members.

153. Mid-term of project cycle: The project will undergo an independent Mid-Term Evaluation during mid-point of project implementation (project months 28 – 29). The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project

implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term.

154. The organization and terms of reference of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The international evaluator/team leader will be recruited directly by the Regional Coordinating Unit of UNDP-GEF. This independent expert will be recruited at least six months prior to the planned commencement of the mid-term evaluation. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

155. End of Project: An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF.

156. The Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

157. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

158. Learning and knowledge sharing: Results from the project will be disseminated within and beyond the project intervention zone through existing information sharing networks and forums. The project will identify and participate, as relevant and appropriate, in scientific, policy-based and/or any other networks, which may be of benefit to project implementation though lessons learned. The project will identify, analyze, and share lessons learned that might be beneficial in the design and implementation of similar future projects. Finally, there will be a two-way flow of information between this project and other projects of a similar focus.

Audit Clause

The Government will provide the Resident Representative with certified periodic financial statements, and with an annual audit of the financial statements relating to the status of UNDP (including GEF) funds according to the established procedures set out in the Programming and Finance manuals. The Audit will be conducted according to UNDP financial regulations, rules and audit policies by the legally recognized auditor of the Government, or by a commercial auditor engaged by the Government.

M&E Workplan and Budget

Type of M&E activity	Responsible Parties	Budget US\$ <i>Excluding project staff time</i>	Time frame
Inception Workshop and Report	Project Manager UNDP CO, UNDP GEF GEF operational / political focal points	Indicative cost: \$10,000	Within first two months of project start up
Measurement of Means of Verification of project results.	Project Manager will oversee the hiring of specific studies and institutions, and delegate responsibilities to relevant team members.	To be finalized in Inception Phase and Workshop.	Start, mid and end of project (during evaluation cycle) and annually when required.
Measurement of Means of Verification for Project Progress on <i>output and implementation</i>	Oversight by Project Manager Project team	To be determined as part of the AWP preparation.	Annually prior to ARR/PIR and to the definition of annual work plans
ARR/PIR	Project manager and team UNDP CO UNDP RTA UNDP EEG GEF operational focal point	None	Annually
Periodic status/ progress reports	Project manager and team	None	Quarterly
Mid-term Evaluation	Project manager and team UNDP CO UNDP RCU External Consultants (i.e. evaluation team) GEF operational focal point	Indicative cost: \$40,000	At the mid-point of project implementation.
Final Evaluation	Project manager and team UNDP CO UNDP RCU External Consultants (i.e. evaluation team) GEF operational focal point	Indicative cost: \$42,000	At least three months before the end of project implementation
Project Terminal Report	Project manager and team UNDP CO Local consultant GEF operational focal point	None	At least three months before the end of the project
Audit	UNDP CO Project manager and team	Indicative cost -per year: \$5,000	At least once during the project lifetime
Visits to field sites	UNDP CO UNDP RCU (as appropriate) Government representatives GEF operational focal point	For GEF supported projects, paid from IA fees and operational budget	Yearly
TOTAL indicative COST Excluding project team staff time and UNDP staff and travel expenses		US\$ 97,000	

PART V: LEGAL CONTEXT

159. This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of Mongolia and the UNDP, signed

by the parties on 28 September 1976. The host country-implementing agency shall, for the purpose of the SBAA, refer to the government co-operating agency described in that Agreement.

160. The UNDP Resident Representative in Mongolia is authorized to effect in writing the following types of revision to this Project Document, provided that he/she has verified the agreement thereto by the UNDP-EEG Unit and is assured that the other signatories to the Project Document have no objection to the proposed changes:

- Revision of, or addition to, any of the annexes to the Project Document;
- Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the rearrangement of the inputs already agreed to or by cost increases due to inflation;
- Mandatory annual revisions which re-phase the delivery of agreed project inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility; and
- Inclusion of additional annexes and attachments only as set out here in this Project Document.

SECTION II: STRATEGIC RESULTS FRAMEWORK

Objective and Outcomes	Indicator	Baseline	End of Project target	Source of Information	Assumptions
Project Objective: Catalyze the strategic expansion of Mongolia's PA system through establishment of a network of community conservation areas covering under-represented terrestrial ecosystems.	Hectares within the total protected area system, including community conservation areas	Total LPA (without community managed areas) is 16 Mln. ha, but not included in the NPA System.	19.2 Mln. ha	MEGD data	Government and communities continue to support expansion of protected area system, including consolidated community conservation areas
	Hectares of seven under-represented ecosystems within total protected areas system, including community conservation areas	Total area of under-represented ecosystems is 102 Mln. ha.	80 Mln.ha	2010 Biodiversity Gap Assessment MEGD data Results of Output 2.1: National catalog	
Outcome 1: Establishment of new PA category for strategic PA expansion	Specific NPA legislation amended and/or new regulation adopted to establish and guide effective management of community conservation areas	0 No national law and/or regulation adopted as described	1 national law and/or regulation adopted as described	National legal and regulatory framework	National and regional government agencies and rural stakeholders continue to be supportive and willing to takes action to adopt and operationalize umbrella legislation for community conservation areas
	Number of community conservation areas legally recognized as part of the NPA system according to the amended national legislation and/or regulation	0 community conservation areas legally recognized as part of the NPA system	50 community conservation areas legally recognized as part of the NPA system	Results of Output 2.1: National catalog	
Outputs: 1.1 Comprehensive legal framework for community conservation landscapes adopted and operational 1.2 Implementation guidelines and formal management performance standards operational for community conservation areas					

Outcome 2: Emplacement of institutional capacity and resource base development to ensure sustainability of Managed Resource PAs	METT Scores for at least three LPAs converted and/or established as community conservation areas	Need METT scores for three pilot sites: Gulzat LPA 36 Khavtgar 26 Tosonkhulstai (Buffer Zone) 2	Each baseline METT score increased to: Gulzat LPA 50 Khavtgar 40 Tosonkhulstai (BZ) 26	METT scorecards completed prior to mid-term and final project evaluation	Local communities and conservation advocates will continue to be supportive of improved landscape conservation regimes
	PAAD has a fully functional, staffed and government funded community conservation area resource center providing on-going monitoring, support and extension training for local conservation decision-makers	0 functional institutional center within PAAD to support effective community conservation areas	1 functional institutional center within PAAD to support effective community conservation areas	MEGD budget reports Site visits and verification during project mid-term and final evaluation	Government budget increases will continue and Government will continue to be willing to provide long-term capacity support required to maintain and strengthen conservation effectiveness of community conservation area concept
	Decentralised regional PA governance framework involving community and local governments (Soum and Aimag) established in 3 demonstration sites	0 project sites applying legally enforceable management plan to improve conservation of wide-ranging species and mitigate conservation threats	3 project sites applying legally enforceable management plan to improve conservation of wide-ranging species and mitigate conservation threats	Management plan implementation reports Site visits and verification during project mid-term and final evaluation	Activities under Outcome One are able to offer required legislative and/or regulatory improvements
Policing and enforcement of laws and regulations for biodiversity conservation results in reduction of threats and no net loss of key indicators at three pilot sites	<u>Gulzat LPA:</u> Total population of Argali Sheep <i>Ovis ammon ammon</i> (1,048 as of 2012) <u>Khavtgar LPA:</u> Population of moose <i>Alces alces</i> (20 as of 2010) Population of musk deer <i>Moschus moschiferus</i> (7 as of 2010) Population of red deer <i>Cervus elaphus</i> (22 as of 2010)	<u>Gulzat LPA:</u> Increase in population of Argali Sheep <i>Ovis ammon ammon</i> (1,150) <u>Khavtgar LPA:</u> Increase in population of moose <i>Alces alces</i> (25) Increase in population of musk deer <i>Moschus moschiferus</i> (15) Increase in population of red deer <i>Cervus elaphus</i>	Results of annual ecosystem monitoring Site visits and verification during project mid-term and final evaluation	Local communities and authorities will have capacity and/or access to capacity required to conduct necessary species monitoring	

		<u>Toson Khulstai NR Buffer Zone:</u> No. of protected wetlands/lakes as habitat for key migratory bird species ⁵ (0)	(30) <u>Toson Khulstai NR Buffer Zone:</u> No. of protected wetlands/lakes, as habitat for key migratory bird species (5)		
Outputs 2.1 Existing community protected areas documented and designated as community conservation landscapes 2.2 Three community conservation areas expanded and demonstrating best practices under improved legal framework 2.3 Lessons learned captured and enhancing community conservation landscape capacity					

⁵ Protected lakes will have no herder households reside within 2 km radius. The wetlands are habitat for Demoiselle crane, White naped crane and Swan goose.

SECTION III: TOTAL BUDGET AND WORKPLAN

3.1 Total Budget and Work Plan

Award ID:	TBD	Project ID(s):	TBD
Award Title:	Managed Resource Protected Areas		
Business Unit:	MNG10		
Project Title:	Mongolia's Network of Managed Resource Protected Areas		
PIMS no.	4393		
Implementing Partner (Executing Agency)	Ministry of Environment and Green Development		

Outcome	Implementing Agent	Fund ID	Donor	UNDP B/L	UNDP B/L Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Amount Year 4 (USD)	Amount Year 5 (USD)	Total (USD)	Note
Outcome 1: Establishment of new protected area category for strategic protected area expansion	MEGD	62000	GEF	71200	International Consultants	\$24,000	\$0	\$0	\$0	\$0	\$24,000	1
				71300	National Consultants	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$30,000	2
				71600	Travel	\$3,000	\$3,500	\$2,250	\$3,500	\$2,250	\$14,500	3
				72100	Service Contracts	\$20,000	\$20,000	\$20,000	\$20,000	\$15,000	\$95,000	4
				72100	Service Contracts	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$25,000	5
				72300	Material and Goods	\$2,500	\$1,500	\$500	\$500	\$500	\$5,500	6
				74200	Audiovisual & Printing (Guidelines (Output 1.2))	\$5,000	\$3,000	\$3,000	\$3,000	\$3,000	\$17,000	7
				75700	Training	\$15,000	\$15,000	\$5,000	\$5,000	\$5,000	\$45,000	8
				SUBTOTAL GEF OUTCOME 1						\$80,500	\$54,000	\$41,750
Outcome 2: Emplacement of institutional capacity and resources base development to ensure sustainability of Managed Resource PAs	MEGD			71200	International Consultants	\$27,000	\$27,000	\$32,000	\$0	\$22,000	\$108,000	9
				71300	National Consultants	\$24,000	\$24,000	\$28,000	\$24,000	\$28,000	\$128,000	10

		62000	GEF	71600	Travel	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$75,000	11
				72100	Service Contracts	\$100,000	\$105,000	\$105,000	\$85,000	\$70,000	\$465,000	12
				72300	Materials and Goods	\$7,500	\$3,000	\$3,000	\$3,000	\$3,000	\$19,500	13
				73400	Rental (Vehicles)	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000	14
				74200	Audiovisual & Printing	\$10,000	\$5,000	\$5,000	\$5,000	\$10,000	\$35,000	15
				74500	Miscellaneous	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$12,500	16
				75700	Training	\$15,000	\$15,000	\$10,000	\$10,000	\$15,000	\$65,000	17
				SUBTOTAL GEF OUTCOME 2		\$211,000	\$206,500	\$210,500	\$154,500	\$175,500	\$958,000	
Project Management	MEGD	62000 04000	GEF UNDP	71400	Service Contracts (Ind)	\$10,200	\$10,200	\$10,200	\$10,200	\$10,200	\$51,000	18
				71400	Service Contracts (Ind) (UNDP)	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$100,000	19
				71400	Service Contracts (UNDP)	\$16,800	\$16,800	\$16,800	\$16,800	\$16,800	\$84,000	20
				71600	Travel	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000	\$15,000	21
				72200	Equipment & Furniture	\$8,000	\$2,023	\$2,023	\$2,023	\$2,022	\$16,091	22
				74500	Direct Project Service	\$2,600	\$2,600	\$2,600	\$2,600	\$2,600	\$13,000	23
				74500	Direct Project Service (UNDP)	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$6,000	24
				74500	Miscellaneous (UNDP)	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$10,000	25
				Direct co-Financing	UNDP	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$200,000	
				SUBTOTAL PROJECT MANAGEMENT (GEF)		\$23,800	\$17,823	\$17,823	\$17,823	\$17,823	\$95,091	
PROJECT TOTAL (GEF)						\$315,300	\$278,323	\$270,073	\$215,323	\$230,073	\$1,309,091	
GRAND TOTAL						\$355,300	\$318,323	\$310,073	\$255,323	\$270,073	\$1,509,091	

3.2 Summary of Co-financing

	GEF (\$)	%	Co-Financing (\$)	%	Total (\$)
Outcome 1: Establishment of new protected area category for strategic protected area expansion	\$256,000	19%	\$1,065,000	81%	\$1,321,000
Outcome 2: Emplacement of institutional capacity and resources base development to ensure sustainability of Managed Resource PAs	\$958,000	22%	\$3,435,000	78%	\$4,393,000
Project Management	\$95,091	18%	\$444,000	82%	\$539,091
Total Project Costs	\$1,309,091	21%	\$4,944,000	79%	\$6,253,091

Name of co-financier	Classification (Government, NGO, Donor)	Type (cash, in- kind)	Amount (\$)	Status	
				Confirmed	Un- confirmed
GEF Agency (UNDP)	Donor	Cash	1,300,000	1,300,000	
MEGD	Government	Cash	500,000	500,000	
KfW	Donor	Cash	2,000,000	2,000,000	
GIZ	Donor	Cash	260,000	260,000	
WWF	NGO	Cash	884,000	884,000	
Total					US\$ 4,944,000

3.3 Budget Notes

Outcome 1. Establishment of new protected area category for strategic protected area expansion	
1	International Legal technical expertise and support for Output 1.1 and 1.2 on legal and institutional reforms (US\$3,000x8 person weeks). The consultant is expected to be supported by the
2	A part time national policy and legal expert to support the International consultancy work in facilitating the proposed amendments to the legislative framework. Upon completion of International consultant's work, the expert will ensure qualities of services provided to facilitate changes in legislative and regulatory framework relating to the LPA category, formulation of training programmes, completion of strategies, capacity building programs and other project initiatives (US\$428x70 person weeks)
3	In-country travel for international and national consultants and project staff in support of project implementation, including transport, accommodation and incidentals.
4	Service contract to ensure relevant changes are made to the legislations to improve the conservation effectiveness of community conservation areas under Output 1.1 as advised by an International expert.
5	Service contract to generate regulatory guidelines for the implementation of community conservation areas and formal management performance standards under the Output 1.2 as advised by an International expert.
6	Necessary materials, supply and goods for Component 1.
7	Costs for editing, designing and printing of Guidelines under the Output 1.2 and other reports produced for further dissemination and distribution to target groups and various stakeholders.
8	Trainings and workshops, presenting proposed changes to legislations and newly developed guidelines to the decision makers and practitioners. It includes the Project Inception workshop at the early PY1.
Outcome 2. Emplacement of institutional capacity and resources base development to ensure sustainability of Managed Resource PAs	
9	Consultancy fees for Mid-term (PY3) and terminal evaluations (PY5) as per M&E workplan (US\$3,000x14 person weeks). International Technical Advisor, who will support all project outcomes and activities particularly at the project start (US\$3,000x10 person weeks). International Biodiversity Conservation Advisor to support Output 2.2 focusing on biodiversity conservation and protected area management activities, including management planning, biodiversity monitoring, and oversight of sustainable resource use (US\$3,000x12 person weeks).
10	National consultancy support completion of mid-term and terminal evaluations (US\$500x16 person weeks). Public Awareness Expert's cost that is responsible for capturing lessons learned and generated models, generation and dissemination of biodiversity conservation knowledge, as well as execution of specific training programmes and support international consultants (US\$500x240 person weeks).
11	Costs for field travels, including DSAs, inland tickets, renting additional vehicle for parallel field missions of consultants and project personnel to participate in activities promoting greater cooperation on landscape level conservation initiatives, as well as to support implementations.

12	Service contract to establish and operationalize a computerized database (GIS) to increase the conservation effectiveness of community conservation areas under the Output 2.1. Service contract to ensure expanding and transferring the current category of Local Protected Areas into the newly created and formalized community conservation area designation under the Output 2.2 Service contract to capture lessons learned and good practices generated under the Output 2.2 for further dissemination, as well as development and translation (if applicable) of various public awareness materials.
13	Necessary equipment, materials and supply for Component 2.
14	Costs associated with rental of vehicles and fuels to enable field travels and parallel missions of national and international consultants and project personnel for monitoring and to support implementation of activities at the local level.
15	Editing, designing and printing of reports and public awareness materials, DVDs/CDs, booklets etc.
16	Contingency expenses considering increase in costs of various goods and services.
17	Trainings and awareness raising events for various stakeholders of the project. It includes hand-over of the established GIS-based database (Output 2.1) and training on application and maintenance of the database, training courses on management of new category of community conservation areas (Output 2.2).
Project management	
18	Full-time National Project Coordinator's position upgrade (US\$212.5x 240 person weeks). The position already exists, as the Project Implementation Unit of the ongoing SPAN project will be applied for ensuring cost-efficiency.
19	Two full-time field coordinators based at the <i>soum</i> level – one for Gulzat LPA and one for Khavgar LPA/Toson Khulstai Nature Reserve Buffer Zone (US\$210x238 person weeks each).
20	A full-time Admin and Finance Assistant in support of the Admin and Finance Officer of the existing PIU (US\$350x240 person weeks).
21	Costs for project oversight visits by the project staff jointly with Government counterparts to monitor and support implementation of various activities.
22	Equipment including desk, computer, telephone and shelf for additionally hired personnel to the project implementation unit.
23/24	Estimated UNDP Direct Project Service/Cost recovery charges for consultant recruitment services and service and equipment procurement as requested by the MEGD as indicated Annex I of the Project Document. In accordance with GEF Council requirements, the costs of these services will be part of the executing entity's Project Management Cost allocation identified in the project budget. DPS costs would be charged at the end of each year based on the UNDP Universal Pricelist (UPL) or the actual corresponding service cost. The amounts here are estimations based on the services indicated, however as part of annual project operational planning the DPS to be requested during the calendar year would be defined and the amount included in the yearly project management budgets and would be charged based on actual services provided at the end of that year.
25	Miscellaneous costs, including project audits as per M&E plan and small contingencies.

SECTION IV: ANNEXES

Annex A: Consultants to be hired for the project using GEF resources

Position Titles	\$/Person Week	Estimated Person Weeks	Tasks to be Performed
Outcome 1 Establishment of new protected area category for strategic protected area expansion			
Local			
National legal and policy expert	\$428	70	A part time national policy and legal expert to support the International consultancy work in facilitating the proposed amendments to the legislative framework. Upon completion of the International consultant's work, the expert will continue advising the project team in ensuring compliances of project activities with other national policy and regulatory framework, especially in assuring quality of work carried out by the services providing entities. The consultant will have a strong environmental background and expertise of working in the environmental legislative framework, particularly knowledge and experience in formulation of legislative and policy documents.
International			
Legal Expert	\$3,000	8	Responsible to support and assist with oversight of outcomes and project activities related to legal and institutional reforms. Will be knowledgeable of and have hands-on experience with design of regulations, agreements and contracting frameworks for protected area management and community-based conservation. Should have at least 15 years of international experience with designing legal frameworks to secure biodiversity conservation objectives. Should evince substantial knowledge of community-based conservation initiatives, ideally in similar nomadic and/or semi-nomadic cultures. Will support training programs, completion of strategies, capacity building programs, and other project initiatives as required.
Outcome 2. Emplacement of institutional capacity and resources base development to ensure sustainability of Managed Resource PAs			
Local			
National M&E Specialist	\$ 500	16	Primary duty will be supporting the completion of the project's mid-term and final evaluation. TOR's to be developed according to M&E plan.
Knowledge Management and Public/Community Outreach Expert	\$ 542	221.45	Responsible to support outcomes and project activities related to the generation and dissemination of biodiversity conservation knowledge, including proven ability to generate and execute training programs. Will also support training programs, completion of strategies, capacity building programs and other project initiatives as required. This specialist will serve as principle TA responsible for completing the following outputs: Output 2.3: Lessons learned captured This specialist will serve a supporting role for these outputs: Output 1.1: Comprehensive legal framework Output 1.2: Implementation regulatory guidelines Output 2.1: Existing community protected areas documented and designated Output 2.2: Expansion/creation of model community conservation landscapes Output 2.3: Lessons learned captured
International			
Senior Technical Advisor	\$3,000	11	Responsible to provide technical support for all project outcomes and activities. Will be knowledgeable of and have hands-on experience with design of management frameworks for multiple use protected areas and community-base management regimes, including tourism, mining, wildlife use, and grazing/livestock management. Will have working experience with

			sustainable land management. Will have at least 15 years experience with GEF projects, including project management, design, and/or evaluations. Will support training programs, completion of strategies, capacity building programs and other project initiatives as required. Will back-stop national project management team to provide technical assistance with project implementation, including project inception, support for on-going monitoring/evaluation, development and monitoring of strategic project implementation work-plan.
Biodiversity Conservation Advisor	\$3,000	11	Responsible to support and assist with oversight of outcomes and project activities related to biodiversity conservation and protected area management activities, including management planning, biodiversity monitoring, and oversight of sustainable resource use. Will be knowledgeable of and have hands-on experience with design of management frameworks for multiple use protected areas and community-base management regimes, including tourism, mining, wildlife use, and grazing/livestock management. Will have working experience with sustainable land management. Will support training programs, completion of strategies, capacity building programs and other project initiatives as required.
International M&E Specialists	\$3,000	14	Conduct project final and mid-term evaluation. TOR's to be developed according to M&E plan.
Justification for travel, if any: Significant travel will be required from Ulaanbaatar to various project sites to monitor and support implementation activity. Some regional travel may be required to participate in activities promoting greater cooperation on landscape level conservation initiatives.			
Project management			
Local			
Project Coordinator	\$212.4	240	Existing full-time position that will be upgraded. Experienced project coordinator with a technical background in biodiversity conservation policy. The Project Coordinator is the certifying authority responsible for overall management and implementation of the project on a day-to-day basis and for effective and efficient use of resources, as well as for facilitating information to the stakeholders and board. This person will provide oversight and technical support, direction and leadership for all project activities. This person will contribute as needed to the completion of project outputs. The candidate will be an expert in biodiversity conservation principles and practices. The ideal candidate will have a background in protected areas management and/or conservation policy. Deliver results and manage funds in line with the work plan approved by management body; Analyze and evaluate achieved results regularly to ensure that the project is meeting the target beneficiaries' needs, and communicating them to management body; Record and resolve project issues occurring during the implementation within the tolerance level initially defined by management body; Report issues to management body with recommendations for solutions to project issues that exceed the defined tolerance level; Discuss and deal with local and national authorities on matters pertaining to activities described in the project document; Ensure timely preparation and submission of yearly and quarterly project work plans and reports; Lead the recruitment process of the necessary local experts in the areas identified in the project document in accordance with UNDP rules and regulations; Collect, register and maintain information on project activities by reviewing reports and through firsthand sources; Advise all project counterparts on applicable administrative procedures and ensures their proper implementation.
Project Field Coordinator	\$ 210 per person X 2	239 per person X 2	Two field coordinators – one for Gulzat and one for Khavgar/Toson Khulstai will be recruited. Field coordinators will be in charge of implementing project activities on the ground on a day-to-day basis and report to NPC. Coordinators are expected to work closely and coordinate project activities with local Government, provide support to local communities get organized

			and become capable to manage conservation areas.
Project Administrative and Finance Assistant	\$350	239	Acts as Administrative Assistant. This is a full-time position. The assistant will provide administrative support to the Project Manager in UNDP-GEF reporting, financial management, and logistical support. Collect, register and maintain all information on project activities; Contribute to the preparation and implementation of progress reports; Monitor project activities, budgets and financial expenditures; Advise all project counterparts on applicable administrative procedures and ensures their proper implementation; Maintain project correspondence and communication; Support the preparations of project work-plans and operational and financial planning processes; Assist in procurement and recruitment processes; Assist in the preparation of payments requests for operational expenses, salaries, insurance, etc. against project budgets and work plans; Follow-up on timely disbursements by UNDP CO; Receive, screen and distribute correspondence and attach necessary background information; Prepare routine correspondence and memoranda for supervisor' signature, check enclosures and addresses; Assist in logistical organization of meetings, training and workshops; Prepare agendas and arrange field visits, appointments and meetings both internal and external related to the project activities and write minutes from the meetings; Maintain project filing system; Maintain records over project equipment inventory; Provide support to management body, project manager, and others to make certain all financial records are properly maintained and support necessary reporting requirements. Perform other duties as required.
International			
None			
Justification for travel, if any: Significant travel will be required from Ulaanbaatar to various project sites to monitor and support implementation activity. Some regional travel may be required to participate in activities promoting greater cooperation on landscape level conservation initiatives.			

Annex C: Extended Summary of Institutional and Policy Context Related to Protected Areas

1. Background

Mongolia has one of the world’s oldest traditions of Protected Area (PA) legislation. In 1778, the introduction of a formal ban on logging and hunting at Bogd Khan Mountain, south of Ulaanbaatar, created one of the world’s oldest continuously PAs. Similar bans were imposed for other important mountain areas in Mongolia. In 1911, the Mongolian government established Bogd Khan Protected Mountain Administration. During the Socialist Era, the national constitution stated that all land, forests, water, and wealth were the property of the state and people. This nationalization of land helped continue the practice of land protection under state ownership. In 1972, the government passed The Decree on the Rational Utilization of Natural Resources and the Protection of the Natural Environment. This law declared that every person is required to act for the good of nature and for the protection of natural resources.⁶ The first legislation specifically on PAs was enacted in Mongolia when the *Procedure on Strictly Protected Areas* was approved in 1975.

As part of their commitment to the Convention on Biodiversity, the Government of Mongolia (GoM) made the legislative commitment to set aside 30% of its territory (46.9 Mln. ha) as PAs by 2030. The Biodiversity Action Plan (1996) and National Programme on Protected Areas (1998) provide the legal basis for this extension of Mongolia’s PA network. This commitment was made again under a Millennium Development Goal (MDG) resolution in 2005 and remains a target for the GoM.

2. National Policies and Programs

Policy/Program	Description
The National Program on Protected Areas (1998)	<u>The National Program on Protected Areas</u> was developed and approved by the Parliament (<i>Ikh Khural</i>) in 1998 with the main objectives of achieving the establishment of more protected areas in Mongolia. The National Programme on PAs recognized this goal and aims to establish and maintain comprehensive, effectively managed, and ecologically representative networks of PAs covering 30% of Mongolia by 2015. ⁷ The Programme provides 10 key elements for its implementation, such as the establishment of a national program, the necessary legal framework, as well as needs targets related to governance, human capacity, management, research, public awareness and education, public participation, funding and infrastructure, and international cooperation. These elements align with the goals of the CBD Programme of Work on PAs. The Government of Mongolia has elaborated and adopted also “The Action Plan for the Implementation of the National Programme on PAs” in 1999.
Mongolian Action Programme for the 21 st Century (MAP-21) (1995)	MAP-21 is the country’s national agenda on sustainable development for the 21st century. It covers activities at the national and provincial levels. It provides an overall framework for sustainable development activities based on the country’s natural resources and ecosystems. The MAP-21 document was approved by the Government in November 1995, and formulated with assistance from UNDP. MAP 21 is structured into four main subjects, including sustainable social development, sustainable economic development, proper use of natural resources and protection of nature and the environment, and means for implementing Mongolia’s System of sustainable development. Other Action Plans such as the National Environmental Action Plan (NEAP), Biodiversity Action Plan (BAP), and the National Plan of Action to Combat Desertification (NPACD) are complementary to and contain integral parts of MAP-21.
National Environmental Action Plan (NEAP) (1993)	Mongolia initiated a National Environmental Action Plan (NEAP) in 1993. The NEAP covers actions to the year 2010. The Plan focuses on the following three major parts: <ul style="list-style-type: none"> Principal Environmental Issues, which has four sub-parts: environmental protection, management of natural resources, conservation, and natural disaster mitigation;

⁶ Mongolia Environment Monitor, 2001; World Bank

⁷ If Local Special protected Areas are included along with the national SPA coverage, then Mongolia is well on its way to achieving this target. As of May 2008 there were 937 Local SPAs in Mongolia covering over 16.5 million ha, equivalent to over 10% of the national territory. (World Bank 2009).

	<ul style="list-style-type: none"> • Social and Economic Dimensions; and • Other Mechanisms and Responses. <p>NEAP raised issues that include: land degradation, the wildlife population decline, eco-tourism promotion, and institutional capacity, including regulations, co-ordination, and human resources. The NEAP calls for the integrated development of natural resource law to support Mongolia's efforts in sustainable development. Currently, the Government is formulating NEAP covering the period up to 2020.</p>
Biodiversity Conservation Action Plan (BAP) (1995)	<p>Biodiversity conservation is one of the priority issues in Mongolia. The BAP exercise was initiated in 1993. The detailed planning exercise, including the preparation of the action plan, was undertaken in August 1995. The objectives of the BAP are to protect biodiversity and to restore damaged areas. BAP covers:</p> <ul style="list-style-type: none"> • Establish a complete PA system representing all ecosystems and to protect endangered species. This may require joint actions with the Russian Federation and the People's Republic of China. • Implement an effective environmental impact assessment program • Establish a research program to improve knowledge of biodiversity and other issues.
Action Plan for the Development of Tourism in Protected Areas (2009)	<p>In July 2009 the MEGD approved this action plan to elaborate basic policy principles to develop sustainable tourism in Mongolian Special Protected Areas (SPAs) and to determine ecologically sensitive implementation approaches without reducing the natural, historical, cultural and scientific values of the areas. The implementation of the program starts in 2009/2010 and will be implemented during two phases:</p> <ul style="list-style-type: none"> • <i>First phase (2010)</i>. Establish National and Local Tourism Regulation Committees next to the Protected Area Division of the Ministry of Nature, Environment and Tourism, the Tourism Agency of the Ministry of Road and Tourism and the Protected Area Administrations; and enhance their capacities on natural resources and tourism management; and, Elaborate a Tourism Management Plan with involvement of stakeholders and start the implementation; • <i>Second phase (2010-2015)</i>. Assess implementation of the management plan according to the criteria and make necessary changes; and Organize activities to award tourism organizations with "Green Certificate" and make it regular.
Millennium Development Goals (MDGs, 2005)	<p>When setting its national level MDGs, Mongolia gave high priority to improving its PA system. In 2005 it issued a parliament resolution that included the commitment to the country-specific MDG Target to have 30% of its land covered by the PA system by 2015. In 2008 it issued another resolution committing the country to expand the network of specially protected natural areas, create sound structures for its administration, and introduce a modern-day security management system. National MDG reports assessing the country's progresses towards achieving set targets is prepared every two years.</p>
The Master Plan for Land Use in Mongolia (2005)	<p>The Master Plan for Land Use in Mongolia provides the legal basis for the establishment of PAs for the next 16-20 years. The plan has marked 75 areas covering a total area of 24.5 million ha for inclusion in the PA network. If this plan is to be put into practice as planned, the total area of PAs in Mongolia will reach the 30 percent stated by the Parliament as a realistic goal by 2015.</p>
National Forestry Programme (1998)	<p>The National Forest Programme in 1998, which was reviewed later in 2001, is a comprehensive policy framework towards the management, conservation, and sustainable development of all types of forests, based on a set of specific principles and strategic elements. They comprise a broad inter-sectoral approach to forest development at all stages, including the formulation of policies, strategies, and plans of action, as well as their implementation, monitoring, and evaluation. They should be implemented in the context of each country's socio-economic, cultural, political, and environmental situation. The elements of the National Forest Programme include the following: a national forest statement, sector review, objectives and strategies, policy and legislation, institutional reforms, investment programmes, capacity building, action plans, financing strategies, monitoring and evaluation, and coordination and participatory mechanisms. It is currently being updated.</p>

3. National Legislation

Legislation	Description/Assessment
The Constitution of Mongolia (1992)	The fundamental rights of Mongolian citizens are set out in the Constitution of Mongolia, adopted on January 13, 1992, including “the right to a healthy and safe environment, and to be protected against environmental pollution and ecological imbalance”. The constitution imposes on its citizens a sacred duty “to protect nature and environment”, and empowers the government “to undertake measures on the protection of the environment and on the rational use and restoration of natural resources”. More specifically, the constitution imbues the State with the right to hold landowners responsible “in connection with the land, to exchange or take it over with compensation on the grounds of special public need, or confiscate the land if it is used in a manner adverse to the health of the population, the interests of environmental protection or national security”.
The Law on Special Protected Areas (1994)	<u>The Law on Special Protected Areas (1994)</u> provides for the establishment of protected area systems at national and local levels, and establishes management regulations for national level protected areas. The purpose of law is “to regulate the use and procurement of land for special protection and the preservation and conservation of its original conditions in order to preserve the specific traits of natural zones, unique formations, rare and endangered plants and animals, and historic and cultural monuments and natural beauty, as well as research and investigate evolution”. Sources of financing for protected areas are specified in the law and include: (1) state and local budgets; (2) income from tourism and other activities and services; (3) donations and aid by citizens, economic entities and organizations, as well as; (4) income from compensation for damage caused by persons who violate the legislation on protected areas.
The Law on Environmental Protection (2012)	<u>The Law on Environmental Protection (1995) and amended in 2012</u> , regulates relations between the State, citizens, economic entities and organizations in order to guarantee the human right to live in a healthy and safe environment, as well as ecologically balanced social and economic development, the protection of the environment for present and future generations, the proper use of natural resources and the restoration of available resources. It also clarifies ownership of natural resources. According to the law, “the land, its underground resources, forests, water, animals, plants and other natural resources shall be protected by the State and... unless owned by citizens of Mongolia, shall be the property of the State”, and “unless otherwise provided by law, citizens, economic entities, organizations, foreign citizens and legal persons may use natural resources upon the payment and collection of relevant fees in accordance with any contract, special permit, or license”. Under this law, State environmental inspectors are conferred the authority “to require citizens, economic entities and organizations to eliminate adverse impacts or to suspend their activities for a certain period of time if they adversely affect the environment in breach of legislation on environmental protection, standards and permissible maximum levels” and “to impose administrative penalties on those in breach of legislation on environmental protection as provided by law”. The 2012 amendments incorporate principles of Environmental Audit, Strategic Environmental Impact, co-management of natural resources, including community-based natural resources management, as notion of environmental capacity, key components of environmental databases and use of meta data. Provisions are included on assigning rights to herder communities to use natural resources sustainably and benefit from conservation measures.
Law on Animals (2012)	It regulates the protection, breeding and proper use of wild animals; mammals, birds, and fish. Besides giving definitions of animal resources and their classification, management, conservation, ownership, possession, breeding measures, and financing, this law includes provisions on hunting and trapping animals, such as the purpose of hunting, the issuance of permits, export of animals, prohibited hunting seasons, activities, and liabilities for violation, etc. The Law was a result of merging several laws, including those on Animal species, Hunting and Hunting fee.
Natural Plants Law (1995)	Regulates the protection, proper use, and restoration of natural (wild) plants, other than forests and cultivated plants. To this law is attached the "List of Very Rare Plants," which lists 133 species in danger of extinction. A companion law to this is the Mongolian Law on Natural Plant Use Fees (1 July 1995), which regulates the fee requirements for the use of natural plants by citizens, economic entities, and organizations, and incorporation of these fees into the state budget.
The Law on Buffer Zones (1997)	<u>The Law on Buffer Zones (1997)</u> . The establishment of protected area buffer zones is provided for by Article 4 of the 1994 Law on SPAs. This provision was expanded by the Mongolian Law

	<p>on Buffer Zones, promulgated on 23 October 1997. The purpose of this is to “regulate the determination of SPA Buffer Zones and the activities therein”. Article 3 provides for the establishment of buffer zones to “minimize, eliminate and prevent actual and potential adverse impacts” to protected areas. For Strictly Protection Areas, Nature Reserves and Monuments, buffer zones lie outside of the protected area; for National Parks, they may overlap with the limited use zone of the National Parks.</p> <p>Article 6 of the Law on Buffer Zones provides for the establishment of voluntary “Buffer Zone Councils”, for the purpose of “advising on the development of buffer zones, the restoration, protection and proper use of natural resources, and the participation of local people” in protected area management . Buffer Zone Councils have a right to “develop proposals and recommendations regarding land and natural resource use in the Buffer Zone and to develop a Buffer Zone Management Plan”.</p> <p>Article 7 permits Buffer Zone Councils to create “Buffer Zone Funds”, which can be used for various purposes, including restoring environmental damage and minimizing degradation”, to provide support for local people’s livelihood” and “to conduct training and public awareness activities regarding nature conservation. These funds can receive income from various sources, including “donations from foreign and domestic organizations, economic entities and organizations” and “a certain amount of revenue from projects, activities and services conducted within the Buffer Zone”, with the precise amount in the latter case being determined by the Soum Citizens Representative <i>Khural</i>.⁸ Hence, this article provides for the capture of revenue streams from mining and tourism projects conducted within the buffer zones of protected areas.</p>												
Tourism Law (2000)	<p>Its purpose is to regulate all relationships between state, private citizens and economic entities engaged in tourism business. The law outlines a definition for tourism, responsibilities and obligations of the state, tourism organizations, special permission requirements, structure, rights and responsibilities of state administrative and overseeing organizations for the tourism sector, arrangements for the development of tourism related infrastructure and penalties in case of violation of the law. The tourism Law was then amended in November 30, 2001 by enacting the classifications and grading of tour guides, operators and hotels as mandatory. The Government explains that these regulations are necessary to improve the quality of services provided by tourism and related entities.</p>												
The Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources (2000)	<p>The Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources (2000) defines the percentage and extent of fees paid for natural resources use to be applied for the protection of the environment and the restoration of natural resources. The table below gives an overview of the revenues minimum percentage share that the Law mandates to be spent on an annual basis for environmental protection and natural resources restoration measures. This law is in effect but with virtually no enforcement due to conflicts with other laws and policies.⁹ The use and collection of Land fees is an area of particular confusion lacking consistent application under this Law. The current practice is for 100% of land fees to accrue to the <i>Soum</i> level.</p> <p><i>Table 2: Percent of Revenue to be spent (annually) for environmental and natural resources protection¹⁰</i></p> <table border="1" data-bbox="416 1447 1273 1641"> <thead> <tr> <th>Natural Resources Use Fee Revenue</th> <th>Minimum % Share</th> </tr> </thead> <tbody> <tr> <td>Natural Plants</td> <td>30</td> </tr> <tr> <td>Hunting</td> <td>50</td> </tr> <tr> <td>Land</td> <td>30</td> </tr> <tr> <td>Timber and Fuel wood</td> <td>85</td> </tr> <tr> <td>Water Resources</td> <td>35</td> </tr> </tbody> </table> <p>The Law also states that: “matching funds equivalent to at least: i) 70 percent of the timber and fuel wood revenues; ii) 20 percent of the land revenues; and iii) 35 percent of water resources revenues must be spent from the State budget for protection and conservation and/or sustainable management of land, water and forest resources”¹¹.</p>	Natural Resources Use Fee Revenue	Minimum % Share	Natural Plants	30	Hunting	50	Land	30	Timber and Fuel wood	85	Water Resources	35
Natural Resources Use Fee Revenue	Minimum % Share												
Natural Plants	30												
Hunting	50												
Land	30												
Timber and Fuel wood	85												
Water Resources	35												
The Law on Land	<p>The Law on Land (2002) was promulgated on 7 July 2002, replacing an earlier law dating from</p>												

⁸ In most cases the Chairman of the Khural is the Chairman of the BZC.

⁹ Financing Public Environmental Expenditures in Mongolia. World Bank. 2009. (Draft)

¹⁰ Source: Adapted from the Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources.

¹¹ Government of Mongolia. 2000. *Law on Reinvestment of Natural Resource Use Fee for the Protection of the Environment and the Restoration of Natural Resources*; Article 4.2.

(2002)	1995. The purpose of the law is to regulate the ownership and use of land by citizens, organisations and other entities. The definition of “Land” under Article 3 encompasses “the land surface, its soil, forests, water and plants”, it does not include subsoil, the ownership and use of which is regulated by the 1988 Law on Subsoil (updated in 1995). Of particular significance to environmental protection is the creation of a special category of land, called Special Needs Land, which is the property of the state and may not be given for private ownership. Special Needs Land includes SPAs at state and local levels. The prohibition on private ownership of Special Needs Land reinforces the prohibition of mining activities within protected areas under the Law on SPA. A package of Land Law is currently being revised.
The Law on Government Special Funds (2006)	<u>The Law on Government Special Funds (2006)</u> attempts to rationalize the government’s special funds and strengthen the monitoring and reporting performance of many of the existing special funds, including the Nature Protection Fund (NPF). The NPF is the latest incarnation of the Natural Resources Rehabilitation Fund, which existed throughout the 1990s and beginning of 2000s.
The Law on Forests (2012)	<u>The Law on Forests (2007)</u> was promulgated on 17 May 2007, replacing an earlier law dating from 1995. The purpose of the law is to “regulate relations from protection, possession, sustainable use and reproduction of the forest in Mongolia”. The management regulations for forests within protected areas are provided by the Law on SPAs. For certain other protected forests, all activities are prohibited “except for the construction of roads, bridges, water, power and telecommunications lines, fire lines, as well as forest regeneration, cleaning activities and use of non-timber resources”. According to the constitution of Mongolia, forest resources are the property of the state, which has the power to grant possession of them to local governments. The local governments may then grant citizens, economic entities, and organizations the right to use the forests and forest resources pursuant to contract or license. The Law was amended in 2012 to further clarify roles and responsibilities of central and local Government, forest communities and professional organizations.
The Law on Land Fees (2007).	<u>The Law on Land Fees (2007)</u> . The purpose of this law is to charge citizens, business entities, and organizations using state-owned land, and to regulate fees paid to the state budget. Mongolian citizens, business entities, or organizations possessing or using land based on contracts made according to the terms and conditions of the Land law, and foreign diplomatic missions and consular offices, representative agencies of international organizations, foreign legal bodies and citizens and can all enter agreements for the use of state land by paying land fees. This law is used extensively at local level by <i>Aimags</i> and <i>Soums</i> to assess and collect land fees from tour operators operating <i>ger</i> camps (traditional tents) and other resort facilities. Four PAAs have made agreements with the <i>Aimags</i> to share land fee revenues to cover some costs of the PA.
Regulation on Community Managed Protected Areas (2011)	The purpose is to regulate relations associated with conservation, use and possession of certain natural resources by herder communities, create collective management approaches, through encouraging the local citizens' engagement in the activities to provide a proper use and restoration of natural resources /forest, flora, fauna, etc.

4. Conservation Landscape Designations

Designation	Description of Management Purpose
Strictly Protected Areas	Applied to ecologically important pristine wilderness areas with ‘particular importance for science and human civilization’, these areas have the following 3 zones: 1) pristine (core) zones – research only; 2) protected (conservation) zones – research and conservation measures; 3) limited use zones – tourism, traditional religious activities, and some plant gathering are permitted / hunting, logging and construction are prohibited. Mining is explicitly prohibited in all zones. Buffer Zones are required.
National Park	Applied to wilderness areas with historical, cultural, or environmental educational value. Parks also have three zones: 1) core zones – research and conservation activities; 2) ecotourism zone – tourism, fishing, and activities listed above are allowed; 3) limited use zone – above activities, plus grazing and construction are allowed with park permission. Mining is explicitly prohibited. Buffer Zones are allowed either outside or overlapping with the Limited Use Zones.
Nature Reserve	There are four types of Nature Reserves: 1) Ecosystem – protecting natural areas; 2) Biological – conserving rare species; 3) Paleontological – conserving fossil areas, and 4) Geological – area of geological importance. Some economic activities are allowed in each if it

	does not harm values for which the Nature Reserve was established. Mining is explicitly prohibited in all zones.
National Monuments	Applied to protect unique landscapes, historical and cultural sites for research, and for sightseeing purposes. Many uses if they do not adversely affect the monument. Mining is explicitly prohibited in all zones.
Local Protected Areas	In addition to the NPA system, there is also a LPA system. Article 28 of the Law on SPAs empowers Citizens' Representative (called <i>Khurals</i>) at <i>Aimag</i> and <i>Soum</i> levels to designate LPAs and their management arrangements. To date, approximately 1,200 LPAs have been established in Mongolia, covering over 16.5 million ha, equivalent to over 10 percent of the national territory. LPAs range in size from less than 1 ha to nearly 1 million ha. Only 40 LPAs are greater than 100,000 ha in area but these account for over half of the total area of the LPA system. Such LPAs may have been established for reasons other than their biological diversity. It is also clear that few (if any) receive financial or human resources necessary to achieve conservation objectives (stated or otherwise). These LPAs are not officially considered as a part of the Mongolian NPA system and are not including under this project.

5. Institutional Context

Institution	Description of Conservation Area Management Responsibility
State Great <i>Khural</i> (Parliament)	The highest legislative body in Mongolia is the State Great <i>Khural</i> , or <i>Ikh Khural</i> (Parliament) which is elected for a term of four years and consists of 76 members. They have oversight for designating or changing PA boundaries and zones. The <i>Ikh Khural</i> has a standing committee on Rural Policy and Environment that deliberates and advises on matters relating to environment and conservation, among other things.
Ministry of Environment and Green Development (MEGD)	The Ministry of Environment and Green Development is the GoM's central administrative body responsible for the environment, conservation and green development in Mongolia. It was established in 1987 as the Ministry of Nature and Environment (MNE). In September 2008, MNE was restructured as MNET, with the inclusion of the Tourism Department of the former Ministry of Road Transportation and Tourism. In September 2012, the MNET was upgraded to a core Ministry and was restored as MEGD with the exclusion of the Tourism Department (included in the newly established Ministry of Culture, Sport and Tourism) and inclusion of Green Development Policy Department. There are six departments and one implementing agency directly under the MEGD (National Agency for Meteorology and Environmental Monitoring). Key staff of the Ministry include: <ul style="list-style-type: none"> • Minister of Environment and Green Development • Vice-Minister of Environment and Green Development • Advisor of Minister of Nature, Environment and Green Development • State Secretary • Director of Green Development Policy and Planning Department • Director of State Administration and Coordination Department • Director of Protected Area Administration Department • Director of Environment and Natural Resources Department • Director of Policy Implementation Coordination • Director of Department on Monitoring and Internal Auditing • Director of International Cooperation Division • Director of Finance and Investment Division • Director of Clean Technology and Science Division
Protected Area Administration Department (PAAD)	The Protected Area Administration Department is responsible for direct management of the system of PAs in Mongolia. The current department consists of a Director and six officers. There are 29 Protected Area Administrations (PAA) ¹² throughout the country functioning under the direct supervision of the department. Each PAA has a common organizational structure, consisting of a director, an administration section, specialists and rangers and a number of staff for each administration, which varies depending on the size of the territory. Each PAA is responsible for at least 1 and sometimes more PAs. The 29 PAAs are ultimately responsible for overseeing the management of 48 of 89 official PAs; the remaining 13 are administered directly by Aimag governments (see section on Local

¹² There are 28 designated PASPA offices and one special Takhi Reintroduction Research Center which acts as a PASPA.

	Government below).
Local Government PA Administration.	According to the Law on Protected Areas other institutions are responsible for certain local PAs. These authorities and institutions include the <i>Ikh Khural</i> , local Aimag ¹³ and Soum Governors, local citizen representative <i>Khural</i> , park directors and rangers. However, the MEGD is primarily responsible for (1) Establishing policy, programs, projects and plans and provide policy guidelines for NPAs, (2) Implementing NPA related laws and regulations, (3) Promoting tourism development and conducting training and implement other legally required activities in NPAs.
The General Agency for Specialized Inspection (GASI) ¹⁴	The General Agency for Specialized Inspection (GASI) ¹⁵ is responsible for implementing some 200 laws and other regulations, over 400 legal instruments in all. It's Department of Environment, Geology, Mining and Radiation Inspection is responsible for the implementation of around 30 environmental laws. However, it also enforces some 330 regulations, guidance, and other standards. Law enforcement power of the MEGD was transferred to the GASI (then called State Specialized Inspection Agency) in 2005 when that organization was created, and as such, MEGD rangers are generally unable to fully enforce the PA laws in their respective areas and are only able to report illegal actions to the GASI, however select and qualified rangers within the protected area system retain some legal authority to enforce laws, although specific duties are always not clear. However, the issue is still without clear legal and financial coordination between the MEGD and this agency, leaving gaps in enforcement capacity. The centralized system of law enforcement (including environment, land management, etc.) is seen by the SSIA as one of its strengths, and so is its vertical management system. Among its weaknesses, it lists the number of laws that it has to enforce (together with their gaps and inconsistencies) in view of its low technical capacity, facilities and equipment. The information network system is acknowledged as weak and there are difficulties retaining trained staff because of the poor working environment. ¹⁶
Aimag Governments	In addition, many national Nature Reserves and National Monuments are being managed by local soum and aimag governments. This is true for 13 ¹⁷ Nature Reserves and Monuments. These PAs within the national system that are managed at the local level do not receive budgets allocations from the State Budget nor any meaningful input from MEGD or through the PAA system and are therefore essentially paper parks, unless they have arrangements and support with outside institutions or partners.
Soum Government	Governors' offices prepare, implement, monitor and evaluate local policies, and provide administrative services like civil registration, civil services, licenses, permits. Assemblies (soum citizen representative councils), as representative bodies of the people, pass regulations for their jurisdictions, monitor local administrative bodies, approve local budgets and control their execution.
Local communities	The <u>Local communities</u> within and adjacent to the PAs are dependent on resource use inside the PAs. They are largely nomadic herding communities and have often been using the territories now covered by the PAs and prior to the gazetting of the PAs. These communities can potentially play a significant role in effective PA management if given the opportunity. However, the current PA Law lacks specific reference to the role, responsibilities and benefits of local communities in relation to PA management. The Buffer Zone Law defines the role of local communities more clearly.
NGO's	A variety of <u>Non-government organisations</u> (NGOs) are active in relation to the PA sector. They are regarded as direct stakeholders in their function as supporters of communities as well as protected area management and range from local, provincial, national, and international NGO's and from conservation to development NGOs. One NGO, Hustai Trust, is formally co-managing the Hustai National Park protected area. Another, the Argali Research Centre (along with the Mongolian Conservation Coalition) is largely responsible for managing the Ikh Nart Nature Reserve. In the Altai Sayan

¹³ Mongolia is administratively divided into 21 Aimag (provinces or districts) and one municipality (Ulaan Baatar). Sub district administrative units under each Aimag are known as Soums.

¹⁴ Previously it was known as State Specialized Inspection Agency (SSIA).

¹⁵ Previously it was known as State Specialized Inspection Agency (SSIA).

¹⁶ Tortell, Philip, et al. Institutional Structures for Environmental Management in Mongolia. August 2008.

¹⁷ There are actually 14 PAs under Aimag administration, though the official number is 13 as the Sharga Nature Reserve, while managed by the Gobi-Altai Aimag, is legally part of the Mankhan-Sharga Kar Nature Reserve complex within the Us Lake PASPA.

	<p>region, in Uvs, Khovd, Bayan-Ulgii and Khovsgol aimag, Herder Group Associations are established to guide and coordinate the NR management communities. In Uvs one NGO “Gulzat” has been assigned by Aimag Citizen Khural, with responsibility to manage the local PA “Gulzat”. In Khentii, NGO “Khavtgar Shiree” is engaged in management of “Khavtgar” LPA.</p>
--	--

Annex D: Description of Relevant Sector Investments

Title	Principal	Dates	Budget US\$ (approx)	Objective and Primary Activities	Coordination Measures
Sustainable Water Management as a Climate Change Adaptation Strategy in Western Mongolia	WWF	2008 - 2010	\$800,000	To ensure the ecological integrity of the Khovd River Basin and the sustainable management of its water and related resources as a climate change adaptation strategy in western Mongolia. A fully participatory and holistic approach of the project for Khovd River water management involving all key stakeholders and interests (herding, agriculture, industry, hydropower generation etc). Best practices in scientific data collection, development of Integrated River Basin Management Plan will be replicated through the proposed project. The main outputs of the project are the integrated water resource management plan for the Khovd River, which is an important river basin in the Altai Mountains/GLB landscape, as well as establishment of the River Basin Councils.	The proposed project will take the results of the WWF project initiatives to a larger scale and demonstrate actual adaptation measures and options at the local level. WWF is also active in the Eastern Steppe working on issues pertaining to climate change, water management (Basin Council for Onon/Balj), and biodiversity. WWF was consulted throughout the project design process, including participation in key stakeholder meetings. Continuing opportunities for coordination, cooperation, and mutual programming will be maximized during the implementation phase.
Eastern Steppe Conservation	The Nature Conservancy	2006 On-going	n.a	Conservation of grasslands of Eastern Steppe and development of conservation plan with the key stakeholders	TNC's work in the area, including collection of data and information on the Eastern Steppe biodiversity and ecosystems, will form a strong basis for the proposed project planning and analysis. The proposed project will build on the Eastern Steppe Biodiversity Conservation Strategy in establishing the integrated landscape-level land use and water resource planning system aimed at reducing vulnerabilities to climate change impacts.
Climate Change and Biodiversity Program	GTZ	2009 - 2011	\$8,500,000	To conserve biodiversity in Mongolian forest and steppe areas endangered by climate change in the Khangai and Khentii regions.	Project will coordinate to integrate lessons-learned regarding biodiversity conservation and climate change adaptation.
Sustainable Land Management (SLM) for Combating Desertification	UNDP The Netherlands SDC	2008-2013	\$4,150,000	To combat land degradation and desertification in Mongolia in order to protect pasture/land resources so that they are key to reducing poverty. The SLM project focuses on effective management and rehabilitation of pasture/land in the south eastern corner of the Eastern Steppe and central Mongolia. Project heavily promotes land and forest and water resources management by local communities.	The proposed project will build on the best practices and lessons learned from the community-based pasture/land management approach. The proposed project will add the critical element of enhancement of ecosystem service resilience at a landscape level.
Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia's Altai Sayan Eco-region	UNDP GEF The Netherlands	2004-2011	\$4,834,000	To ensure the long-term conservation of the biodiversity of Mongolia's Altai-Sayan region by mitigating threats and encourage sustainable resource use practices by local communities. Successes and lessons in community-based biodiversity conservation approach and the Environment Units that were established in local governments to support herder groups	The conservation efforts are centered on biodiversity conservation and protected area management and extension. The proposed project will add the critical element of enhancement of ecosystem service resilience, and implement landscape level conservation activities.

Title	Principal	Dates	Budget US\$ (approx)	Objective and Primary Activities	Coordination Measures
				<p>will be a useful vehicle for community based activities in the Altai Mountain region. The Altai Mountains biodiversity conservation plan provides a wealth of data and information on ecology, hydrology, geography and socioeconomics that will enable the proposed project to work effectively building on the existing information.</p>	
Green Gold – Mongolian Pasture Ecosystem Management Programme	SDC	2002-2011 Phase 2 expected to start in 2013	8,000,000	<p>To strengthen the self-reliance of poor and vulnerable herders and to improve their livelihoods through more productive and sustainable use of pastures in Mongolia.</p> <p>The Green Gold Project’s focus has been on the capacity of communities to use pasture sustainably for increased production, rather than managing pasture for resilience. The project aims at increasing pastureland productivity, without necessarily considering wildlife co-existence. The geographical focus of the project is very different from the proposed project, therefore replication of successful methods and systems may be possible.</p>	<p>During the project preparation phase, successes were discussed at length with SDC staff covering how best to apply and upscale the concept of territory-based pasture user groups responsible for formulating and implementing a pasture co-management plan. These are fully integrated within the project design.</p>
Sustainable Livelihood Programme Phase 2	World Bank (WB)	2007 - 2012	\$49,400,000	<p>To enhance livelihood security and sustainability by scaling up institutional mechanisms that reduces the vulnerability of rural communities.</p> <p>A comprehensive programme with four components – pastoral risk management, community initiative, microfinance development fund and project management/capacity building.</p>	<p>The SLP has staff in every Soum. However, they are not trialing – to date – pastureland specific activities with this project’s proposed target areas. During the project design phase, discussions were held with both project implementers and original WB task managers to make certain synergies are strong. The lessons learned to date, especially with regard to pastureland management, were firmly applied to the design of this project and will be used to enhance outputs.</p>
IFAD/GEF/Government of Mongolia - Livestock Adaptation Project (2011-2016)	IFAD	2011-2016	\$20,000,000	<p>Empowering poor rural population to achieve higher incomes through sustainable improvements in their livelihoods, through a) Market development; b) Pasture management and c) climate change adaptation.</p> <p>This project is combination of loan/grant.</p> <p>GEF funds focus on the resource user side of climate change adaptation, namely market development, improved pasture management, establishment of an early warning system and disaster insurance schemes.</p>	<p>This project has close alignments with the proposed project. However, the two projects do not contain overlaps for several reasons discussed at length in the main proposal. The IFAD/GEF project will be working in and piloting efforts in locations quite geographically distinct from this proposed project. In addition, the IFAD/GEF project is focused upon developing herder productivity, including concepts such as fodder production and marketing. There are numerous lessons to be shared and all opportunities for developing further synergies between the two projects will be maximized. This will include close coordination during project implementation through a possibly shared steering</p>

Title	Principal	Dates	Budget US\$ (approx)	Objective and Primary Activities	Coordination Measures
					committee.
Daurian Steppe SCAPES (Sustainable Conservation Approaches in Priority EcosystemS) project	WCS USAID	2009-2014	\$ 1,250,000	Working with local governments and rural communities to improve land management for water resource security	This program has developed a significant amount of information and data pertaining to biodiversity conservation and grassland management directed towards water security and climate change. There are numerous opportunities for sharing of knowledge and experience, particularly in the Eastern Steppe. Numerous discussions were held during the project design phase to make certain synergies are built into project programming. This will be continued during implementation.
Gobi Forage Project	Mercy Corps USAID	2004-2009	N/A	Through the project a forage monitoring system was developed, providing near real-time spatial and temporal assessment of current and forecasted forage conditions An information and communication infrastructure and analysis delivery system developed to provide herders with information on current and forecasted forage conditions	Lessons-learned, including the need to reduce rather than increase competitive grazing being domestic and wild ungulates, have been incorporated within the proposed project.
Rural Poverty Reduction Project	IFAD	2003-2009	\$11,200,000	The overall objective was to achieve a sustainable increase in productive capacity and the general public, and to: offer increased access to economic and social resources, including education, health and social network.	Lesson-learned in the importance of designing strong rural marketing strategies that are well-informed to increase upscale success.
Animal Health and Livestock Marketing Project	European Commission	2008-2012	\$15,800,000	Project aims at improving the livelihoods of rural population living on livestock production by establishing a productive and market-oriented livestock sector. Intended results: 1. Institutional capacity in the agricultural sector enhanced, including disaster risk reduction 2. Animal health improved 3. Quality and efficiency of livestock production and marketing increased	This project focuses upon increasing the productive side of livestock grazing. Lessons learned are incorporated.
Securing our future: Mongolia Watershed Monitoring Network component	The Asia Foundation	2007-2009	N/A	The purpose of the Mongolian Watershed monitoring Network is to engage teachers and students, community groups, citizen and river movement advocates, and government officials in scientific data collection on river water conditions and share that information among members to improve the environment. Through the initiative Mongolian teachers and citizens in target area were taught to conduct river quality monitoring.	The project will work to adopt and upscale lessons learned. This project generated very good materials related to community monitoring of water resources that will be utilized to enhance all three of the proposed project's components.

Title	Principal	Dates	Budget US\$ (approx)	Objective and Primary Activities	Coordination Measures
Strengthening of the Protected Area Network in Mongolia (SPAN)	GEF, UNDP Mongolia	2010-2015	\$ 4,286,488	Project aims to build on examples of successful protected area management in Mongolia and other countries, and integrate their lessons learnt into the management of the Protected Area Network. The project will review and assist to improve laws and policies, but also support budgeting and strengthen the human resource capacity of Mongolia's protected areas. Two target sites were chosen to demonstrate good practices of protected area management and financing; "Orkhon valley" National Park in Kharkhorin soum, Uvurkhangai province and "Ikh Nart" nature reserve in Dalanjargalan soum, Dornogobi province.	The project focuses in particular on financing aspects of the protected area system as studies have shown there is great, still underutilized potential, to generate much additional revenue from the protected areas.
Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchment in Mongolia	Adaptation Fund, UNDP	2011-2017	\$ 5,500,000	The project applies the principles of Ecosystem-based Adaptation (EBA) to increase climate change resilience at a landscape level. EBA is broadly defined as "a range of local and landscape scale strategies for managing ecosystems to increase resilience and maintain essential ecosystem services and reduce the vulnerability of people, their livelihoods and nature in the face of climate change.	Ecosystem-based adaptation involves collective action among governments, communities, conservation and development organizations, and other stakeholders to plan and empower local action that will increase environmental and community resilience to the changing climate.
Programme on biodiversity and adaptation to climate change	KfW - Kreditanstalt fuer Wiederaufbau	2013-onwards	\$14,300,000	The project to start in 2013, aims at conservation of biodiversity and improvement of livelihoods, with special consideration of the effects of climate change. Moreover, the project will improve management effectiveness of PAs and ensure implementing comprehensive Management Information System (MIS) in the State-managed PA network with critical local PAs associated.	PAAs will have enhanced their capacities to develop and implement PA management plans, as well as design and implement a comprehensive IT-based PA Management Information System, involving LPAs. Activities are complementary in promoting community managed LPAs and their management for improved benefits and sustainable financing options, e.g. through tourism, and controlled hunting and fishing concessions.
Mongolia – Environmental Protection in Mining Phase II	Bundesanstalt für Geowissenschaften und Rohstoffe (BGR) [Federal Institute for Geosciences and Natural Resources]	2010-2014	N/A	The project aims to improve environmental protection in the mining sector. It supports the Agency by improving the institutional qualification to efficiently perform mining inspections, it provides training opportunities, and lends support in the modernization of equipment.	Mining companies and other governmental institutions also participate in the program activities. The target group who will mostly profit from these measures is the rural population, which expects to benefit from the renaturalization of mined out areas and to be protected from post-mining hazards.
Engaging Stakeholders in Environmental Conservation program	The Asia Foundation		N/A	The program aims to advance responsible resource use and environmental conservation by engaging stakeholders and citizens in the development of Mongolia's mineral sector to ensure sustainable prosperity for all Mongolians	The approach is to inform, engage and empower civil society to participate actively in decision making that has direct consequences on communities, households and individuals.

Annex E: Stakeholder Involvement Plan

Project preparation emphasized stakeholder participation. Over one hundred representative government agencies, donors, NGO's, private enterprises and local community groups were engaged through dozens of formal and informal discussions at the national and field level. A results framework workshop generated in-depth discussions and agreement regarding project strategy. MEGD staff and representatives of NGOs facilitated the METT scoring exercise. The project design is fully vetted and stakeholder supported.

Project implementation will carry forward the same spirit of participation and inclusivity. Formal implementation guidance will be offered by a project steering committee (board) comprised of representatives of key organizations. A technical advisory board shared with the SPAN project will further enhance participation. Stakeholder committees will be established at each project site to formalize participation. A much broader range of stakeholders will be integrated within project inception, planning, monitoring, and evaluation activities. Project management tools such as the project inception work plan, mid-term review, and final evaluation will be made available to all interested stakeholders. The project management office, located in the MEGD, will be responsible for catalyzing both formal and informal stakeholder participation. This will include working daily to engage key stakeholders within PAAD and other relevant agencies.

Project activities will engross and educate a wide and complex stakeholder base. Under project outcome one, national, state, and local level stakeholders will design regulatory reforms through training programs and seminars that facilitate outreach and participation. Under project outcome two, national and local government agencies will benefit from numerous training programs that emphasize peer-to-peer communication, participation, and learning. The project activities require the design of protocols for integrating issues related to gender mainstreaming and transparent decision-making. Local community members will benefit from community conservation area management planning that sets in place enduring participation pathways. Private enterprises, including community and national based companies, will be key participants in many project activities. These entities will be engaged through management planning and other capacity building exercises. As noted within the main project document, national and international NGO's will engage and participate on many levels. They will be instrumental in terms of technical inputs and implementation support.

The project is closely aligned with co-financing and key on-going donor initiatives, including the GEF supported UNDP/SPAN, FAO/community-based forestry, and World Bank, UNDP, Swiss Government local governance capacity building projects. These initiatives will help increase technical and financial effectiveness.

Improved communication is an important element of project design. Under Output 2.3, the project will generate a communication and outreach strategy to describe the project's replication, capacity building, and knowledge enhancement activities. The project will innovate mechanisms to facilitate cross-fertilization between the three pilot areas. This will include facilitating regional learning exchanges, bringing communities members from regional areas to visit the regional center of excellence, sending envoys from the improved community conservation areas as outreach teams to other community conservation areas, and helping to generate necessary public awareness and educational materials. The project will make information available via websites and electronic media.

Project Steering Committee (Project Board)

<i>Member Organization</i>	<i>Organization Representative (Job title/position)</i>
Ministry of Environment and Green Development (MEGD)	State Secretary
MEGD	Director, PAAD (national project director)
MEGD	GEF Operational Focal Point
Ministry of Finance	State Fund Secretariat

UNDP Mongolia	Deputy Resident Representative
International NGO	Programme Director
National NGO	Director
Local Governments/Aimags	Governor of Target Aimags/Head of Citizen's Representative Council

Technical Advisory Committee

Member Organization
WWF
GIZ
WCS
TNC
World Bank
Institute of Biology, Mongolian Academy of Sciences

Stakeholder Organizations

Stakeholder Organization	Relevance to Project
Government	
Mongolian Parliament	Proposes and reviews legislation and policies and proposed revisions. The Mongolian parliament is responsible for the gazetting of new PAs. Members of parliament will be fully consulted throughout the preparation and implementation process on strategic issues.
Ministry of Nature, Environment and Green Development and its departments	Ministry to be the national executing agency for the project. It is responsible for developing policy and laws on biodiversity conservation, wildlife management and tourism. It includes the Protected Area Administration Department that manages Mongolia's PAs. A senior MEGD official will chair the Project Board.
Ministry of Finance	The Ministry is responsible for financing and the annual government budget and will be involved in all key consultations and training activities, as well as policy development activities.
Protected administrations for Uvs Nuur SPA, Khan Khentii SPA, and Eastern Steppe PAA)	Cooperation in implementation of project activities and on selection of areas for gazetting.
Aimags Citizens' Representatives Councils for Uvs, Dornod, and Khentii Aimags	Getting endorsements for gazetting and cooperation in all respective areas.
Aimags Departments for Nature, Environment and Green Development	Cooperation in all respective area, support soum Environmental officials, cooperation in Community initiatives, biological/wildlife monitoring system, developing aimag policy on biodiversity conservation
Aimags Governor's Offices for Uvs, Dornod, and Khentii Aimags	Cooperation in endorsing project outputs, support in developing soum annual land use management plan, support in developing aimag development policy.
Nine Soum Governors Offices and Environmental Units	The local government is structured in a sectoral way, with different agencies and officers working separately. To pursue a policy of sustainable development different officers need to work together on environmental and other development issues. The units have worked to incorporate biodiversity conservation issues into soum development strategies and help establish communities and involve them in nature conservation. Environmental Unit members are Environmental state inspector, Soum Deputy, Governor, Soum ranger, Land officer, PAA ranger, Agricultural officer, meteorologist, community volunteer ranger.
Nine Soum Citizen Representative Khural	Getting endorsement on gazetting, cooperation in all respective areas.
Bufferzone councils in nine Soums	Strengthening support in buffers zones, cooperation with herder communities
Border authorities in Uvs and Khentii Aimags	Biodiversity conservation in border areas.

International Development Organizations	
Key development organizations will be part of the technical advisory group of the project and participate in all policy development activities. Where possible, joint activities will be organized.	
World Bank	Project implementation support.
GIZ	Supports PA management in the Khangai and Khentii Mountains, including locally protected areas. Expected to provide co-financing of US\$ 1 million over the three year period from 2012 to 2014, in support of the MRPA development Khavtgar local PA demonstration sites
KfW	Cooperation on on PAAs management and business plans and community-management of LPAs, ensuring increased benefits and sustainable financing options.
UNDP	Project implementation support.
Civil Society (NGO's, etc.)	
The project will closely partner with key NGOs - WWF, WCS, the Asia Foundation, IPECON (Initiative for People Centered Conservation) and TNC who are among the major organizations active in conservation in Mongolia. These agencies will be part of the technical advisory group of the project and participate in all policy development activities. Where possible, joint activities will be organized. Representatives from civil society organizations will be included in all trainings and consultations.	
TNC	Cooperation on policy development issues, capacity development, and scientific justification for gazetting of specific areas.
WWF	Establishment of regional database, development of protected area management plan, cooperation in research activities, in Herder communities support
WCS	Cooperation on policy development issues, capacity development, and scientific justification for gazetting of specific areas.
Snow Leopard Conservation Fund - Irves Enterprise	Snow Leopard Research, improving livelihood of communities through providing training of felt products.
Two Community Associations: Uvs, Khovd	Strengthening capacity of local communities and herder groups on sustainable management of resources.
Local conservation NGOs (branch of Mongolian conservation coalition)	Conservation, awareness raising, development of herder communities
Academic and Scientific Organizations	
Institute of Biology and Institute of Geography, Mongolian Academy of Science	Provide scientific research to develop justifications for new PAs and advise on policy work. Strengthening capacity, establishing information database
National University of Mongolia, Faculty of Biology and its Khovd City Branch	Provide scientific research to develop justifications for new PAs and advise on policy work. Strengthening capacity, establishing information database
Local and Indigenous Communities	
Key beneficiaries of the project. Provincial and District government are mandated to support herder groups in their formation and will be key in proposing, allocating and co-managing the new PAs. Local communities play critical roles in site level activities as a co-management partner of the Managed Resource PAs.	
Herder community groups in target sites	Herder groups are the primary beneficiaries of the project and members have been involved from the inception to form groups and engage in conservation and alternative livelihood activities
Private Sector	
Tourism and hunting companies are important users of natural resources and a key partner for local communities to generate income and employment opportunities. They will be consulted intensively during the preparatory phase/ upstream policy activities.	

QUESTION 1:

Has a combined environmental and social assessment/review that covers the proposed project already been completed by implementing partners or donor(s)?

Select answer below and follow instructions:

NO → Continue to Question 2 (do not fill out Table 1.1)

YES → No further environmental and social review is required if the existing documentation meets UNDP's quality assurance standards, and environmental and social management recommendations are integrated into the project. Therefore, you should undertake the following steps to complete the screening process:

1. Use Table 1.1 below to assess existing documentation. (It is recommended that this assessment be undertaken jointly by the Project Developer and other relevant Focal Points in the office or Bureau).
2. Ensure that the Project Document incorporates the recommendations made in the implementing partner's environmental and social review.
3. Summarize the relevant information contained in the implementing partner's environmental and social review in Annex A.2 of this Screening Template, selecting Category 1.
4. Submit Annex A to the PAC, along with other relevant documentation.

Note: Further guidance on the use of national systems for environmental and social assessment can be found in Annex B.

QUESTION 2:

Do all outputs and activities described in the Project Document fall within the following categories?

- Procurement (in which case UNDP's [Procurement Ethics](#) and [Environmental Procurement Guide](#) need to be complied with)
- Report preparation
- Training
- Event/workshop/meeting/conference (refer to [Green Meeting Guide](#))
- Communication and dissemination of results

Select answer below and follow instructions:

NO → Continue to Question 3

YES → No further environmental and social review required. Complete Annex A.2, selecting Category 1, and submit the completed template (Annex A) to the PAC.

QUESTION 3:

Does the proposed project include activities and outputs that support *upstream* planning processes that potentially pose environmental and social impacts or are vulnerable to environmental and social change (refer to Table 3.1 for examples)? (Note that *upstream* planning processes can occur at global, regional, national, local and sectoral levels)

Select the appropriate answer and follow instructions:

NO → Continue to Question 4.

YES → Conduct the following steps to complete the screening process:

1. Adjust the project design as needed to incorporate UNDP support to the country(ies), to ensure that environmental and social issues are appropriately considered during the upstream planning process. Refer to Section 7 of this Guidance for elaboration of environmental and social mainstreaming services, tools, guidance and approaches that may be used.

2. Summarize environmental and social mainstreaming support in Annex A.2, Section C of the Screening Template and select "Category 2".
3. If the proposed project ONLY includes upstream planning processes then screening is complete, and you should submit the completed Environmental and Social Screening Template (Annex A) to the PAC. If downstream implementation activities are also included in the project then continue to Question 4.

TABLE 3.1	EXAMPLES OF UPSTREAM PLANNING PROCESSES WITH POTENTIAL DOWNSTREAM ENVIRONMENTAL AND SOCIAL IMPACTS	Check appropriate box(es) below
1.	Support for the elaboration or revision of global-level strategies, policies, plans, and programmes. <i>For example, capacity development and support related to international negotiations and agreements. Other examples might include a global water governance project or a global MDG project.</i>	
2.	Support for the elaboration or revision of regional-level strategies, policies and plans, and programmes. <i>For example, capacity development and support related to transboundary programmes and planning (river basin management, migration, international waters, energy development and access, climate change adaptation etc.).</i>	
3.	Support for the elaboration or revision of national-level strategies, policies, plans and programmes. <i>For example, capacity development and support related to national development policies, plans, strategies and budgets, MDG-based plans and strategies (e.g. PRS/PRSPs, NAMAs), sector plans.</i>	X
4.	Support for the elaboration or revision of sub-national/local-level strategies, policies, plans and programmes. <i>For example, capacity development and support for district and local level development plans and regulatory frameworks, urban plans, land use development plans, sector plans, provincial development plans, provision of services, investment funds, technical guidelines and methods, stakeholder engagement.</i>	X

QUESTION 4:

Does the proposed project include the implementation of *downstream* activities that potentially pose environmental and social impacts or are vulnerable to environmental and social change?

To answer this question, you should first complete Table 4.1 by selecting appropriate answers. If you answer "No" or "Not Applicable" to all questions in Table 4.1 then the answer to Question 4 is "NO." If you answer "Yes" to any questions in Table 4.1 (even one "Yes" can indicate a significant issue that needs to be addressed through further review and management) then the answer to Question 4 is "YES":

NO → No further environmental and social review and management required for downstream activities. Complete Annex A.2 by selecting "Category 1", and submit the Environmental and Social Screening Template to the PAC.

X YES → Conduct the following steps to complete the screening process:

1. Consult Section 8 of this Guidance, to determine the extent of further environmental and social review and management that might be required for the project.
2. Revise the Project Document to incorporate environmental and social management measures. Where further environmental and social review and management activity cannot be undertaken prior to the PAC, a plan for undertaking such review and management activity

- within an acceptable period of time, post-PAC approval (e.g. as the first phase of the project) should be outlined in Annex A.2.
3. Select “Category 3” in Annex A.2, and submit the completed Environmental and Social Screening Template (Annex A) and relevant documentation to the PAC.

TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT

1. Biodiversity and <u>Natural</u> Resources		Answer (Yes/No/ Not Applicable)
1.1	Would the proposed project result in the conversion or degradation of <u>modified habitat</u> , <u>natural habitat</u> or <u>critical habitat</u> ?	No
1.2	Are any development activities proposed within a legally protected area (e.g. natural reserve, national park) for the protection or conservation of biodiversity?	No
1.3	Would the proposed project pose a risk of introducing invasive alien species?	No
1.4	Does the project involve natural forest harvesting or plantation development without an independent forest certification system for sustainable forest management (e.g. <i>PEFC, the Forest Stewardship Council certification systems, or processes established or accepted by the relevant National Environmental Authority</i>)?	No
1.5	Does the project involve the production and harvesting of fish populations or other aquatic species without an accepted system of independent certification to ensure sustainability (e.g. <i>the Marine Stewardship Council certification system, or certifications, standards, or processes established or accepted by the relevant National Environmental Authority</i>)?	No
1.6	Does the project involve significant extraction, diversion or containment of surface or ground water? <i>For example, construction of dams, reservoirs, river basin developments, groundwater extraction.</i>	No
1.7	Does the project pose a risk of degrading soils?	No
2. Pollution		Answer (Yes/No/n.a)
2.1	Would the proposed project result in the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and transboundary impacts?	No
2.2	Would the proposed project result in the generation of waste that cannot be recovered, reused, or disposed of in an environmentally and socially sound manner?	No
2.3	Will the proposed project involve the manufacture, trade, release, and/or use of chemicals and hazardous materials subject to international action bans or phase-outs? <i>For example, DDT, PCBs and other chemicals listed in international conventions such as the Stockholm Convention on Persistent Organic Pollutants, or the Montreal Protocol.</i>	No
2.4	Is there a potential for the release, in the environment, of hazardous materials resulting from their production, transportation, handling, storage and use for project activities?	No
2.5	Will the proposed project involve the application of pesticides that have a known negative effect on the environment or human health?	No
3. Climate Change		

TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT		
3.1	Will the proposed project result in significant ¹⁸ greenhouse gas emissions? <i>Annex E provides additional guidance for answering this question.</i>	No
3.2	Is the proposed project likely to directly or indirectly increase environmental and social vulnerability to climate change now or in the future (also known as maladaptive practices)? You can refer to the additional guidance in Annex C to help you answer this question. <i>For example, a project that would involve indirectly removing mangroves from coastal zones or encouraging land use plans that would suggest building houses on floodplains could increase the surrounding population's vulnerability to climate change, specifically flooding.</i>	No
4.	Social Equity and Equality	Answer (Yes/No/n.a)
4.1	Would the proposed project have environmental and social impacts that could affect indigenous people or other vulnerable groups?	Yes
4.2	Is the project likely to significantly impact gender equality and women's empowerment ¹⁹ ?	No
4.3	Is the proposed project likely to directly or indirectly increase social inequalities now or in the future?	No
4.4	Will the proposed project have variable impacts on women and men, different ethnic groups, social classes?	No
4.5	Have there been challenges in engaging women and other certain key groups of stakeholders in the project design process?	No
4.6	Will the project have specific human rights implications for vulnerable groups?	No
5.	Demographics	
5.1	Is the project likely to result in a substantial influx of people into the affected community(ies)?	No
5.2	Would the proposed project result in substantial voluntary or involuntary resettlement of populations? <i>For example, projects with environmental and social benefits (e.g. protected areas, climate change adaptation) that impact human settlements, and certain disadvantaged groups within these settlements in particular.</i>	No
5.3	Would the proposed project lead to significant population density increase which could affect the environmental and social sustainability of the project? <i>For example, a project aiming at financing tourism infrastructure in a specific area (e.g. coastal zone, mountain) could lead to significant population density increase which could have serious environmental and social impacts (e.g. destruction of the area's ecology, noise pollution, waste management problems, greater work burden on women).</i>	No
6.	Culture	
6.1	Is the project likely to significantly affect the cultural traditions of affected communities, including gender-based roles?	No
6.2	Will the proposed project result in physical interventions (during construction or	No

¹⁸ Significant corresponds to CO₂ emissions greater than 100,000 tons per year (from both direct and indirect sources). Annex E provides additional guidance on calculating potential amounts of CO₂ emissions.

¹⁹ Women are often more vulnerable than men to environmental degradation and resource scarcity. They typically have weaker and insecure rights to the resources they manage (especially land), and spend longer hours on collection of water, firewood, etc. (OECD, 2006). Women are also more often excluded from other social, economic, and political development processes.

TABLE 4.1: ADDITIONAL SCREENING QUESTIONS TO DETERMINE THE NEED AND POSSIBLE EXTENT OF FURTHER ENVIRONMENTAL AND SOCIAL REVIEW AND MANAGEMENT		
	implementation) that would affect areas that have known physical or cultural significance to indigenous groups and other communities with settled recognized cultural claims?	
6.3	Would the proposed project produce a physical “splintering” of a community? <i>For example, through the construction of a road, powerline, or dam that divides a community.</i>	No
7.	Health and Safety	
7.1	Would the proposed project be susceptible to or lead to increased vulnerability to earthquakes, subsidence, landslides, erosion, flooding or extreme climatic conditions? <i>For example, development projects located within a floodplain or landslide prone area.</i>	No
7.2	Will the project result in increased health risks as a result of a change in living and working conditions? In particular, will it have the potential to lead to an increase in HIV/AIDS infection?	No
7.3	Will the proposed project require additional health services including testing?	No
8.	Socio-Economics	
8.1	Is the proposed project likely to have impacts that could affect women’s and men’s ability to use, develop and protect natural resources and other natural capital assets? <i>For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their development, livelihoods, and well-being?</i>	No
8.2	Is the proposed project likely to significantly affect land tenure arrangements and/or traditional cultural ownership patterns?	No
8.3	Is the proposed project likely to negatively affect the income levels or employment opportunities of vulnerable groups?	No
9.	Cumulative and/or Secondary Impacts	Answer (Yes/No/n.a)
9.1	Is the proposed project location subject to currently approved land use plans (e.g. roads, settlements) which could affect the environmental and social sustainability of the project? <i>For example, future plans for urban growth, industrial development, transportation infrastructure, etc.</i>	No
9.2	Would the proposed project result in secondary or consequential development which could lead to environmental and social effects, or would it have potential to generate cumulative impacts with other known existing or planned activities in the area? <i>For example, a new road through forested land will generate direct environmental and social impacts through the cutting of forest and earthworks associated with construction and potential relocation of inhabitants. These are direct impacts. In addition, however, the new road would likely also bring new commercial and domestic development (houses, shops, businesses). In turn, these will generate indirect impacts. (Sometimes these are termed “secondary” or “consequential” impacts). Or if there are similar developments planned in the same forested area then cumulative impacts need to be considered.</i>	No

ANNEX A.2: ENVIRONMENTAL AND SOCIAL SCREENING SUMMARY

Name of Proposed Project: Network of Managed Resources Protected Areas (MRPA)

A. Environmental and Social Screening Outcome

Category 3a: Impacts and risks are limited in scale and can be identified with a reasonable degree of certainty

B. Environmental and Social Issues (for projects requiring further and management)

In this section, you should list the key potential environmental and social issues raised by this project. This might include both environmental and social opportunities that could be seized on to strengthen the project, as well as risks that need to be managed. You should use the answers you provided in Table 4.1 as the basis for this summary, as well as any further review and management that is conducted.

This project was developed with the support of international and national experts with more than twenty-years experience working in rural Mongolia. The project design process engaged stakeholders at all levels, including substantial fieldwork. All environmental and social benefits, impacts and risks are factored into project design. The project is designed to have no measureable negative environmental and/or social impacts. The project will improve environmental integrity and social welfare, including advancements in gender equality, participatory decision-making, reduction of environmental degradation and improved climate change resilience. The project will help generate opportunities for diversifying rural livelihoods predicated upon maintaining the integrity of ecosystem services. The project is designed to safeguard, rather than risk the interests of vulnerable communities including traditional nomadic peoples and women/women headed households.

However, as noted in 4.1 above, the proposed project may have environmental and social impacts that could affect indigenous people or other vulnerable groups. They include in the Buriats people (3,000) in Khavtgar and the Durved (2,500) and Bayad (250) people in Gulza. The project must be professionally managed and implemented. The project must benefit from the application of best available international and national practices related to community-based conservation initiatives. If this does not occur, the project may have negative ramifications for rural Mongolians. Negative impacts may include management practices and regulatory frameworks that diminish access to natural resources (e.g., water, grazing areas), lower investment incentives for pro-conservation economic activities, and increase social and economic vulnerabilities. The project implementation team must be diligent, making certain proposed conservation management changes do not adversely impact social issues such as food security. The project must take care not to destabilize communities. Proposed management improvements should reflect and respect traditional community values and decision-making structures while promoting habitat conservation and the maintenance of critical ecosystem services.

C. Next Steps (for projects requiring further environmental and social review and management):

In this section, you should summarize actions that will be taken to deal with the above-listed issues. If your project has Category 2 or 3 components, then appropriate next steps will likely involve further environmental and social review and management, and the outcomes of this work should also be summarized here.

The project will benefit from an international and national support team fully knowledgeable of Mongolia's cultural and ecological landscape. These technical experts will monitor project direction, outputs, and results to make certain the project remains on-track to avoid any possible negative environmental and/or social impacts. The project has been designed to incorporate and use the expertise of several NGO's. These organizations have actively supported community-based conservation measures in rural Mongolia for a very long time. Their offices are staffed with national experts many of whom have benefitted from international training programs. This approach will further minimize exposure to social and environmental risks. The project design comprehensively reflects the needs and desires of local communities. The project has a solid stakeholder engagement plan that covers and integrates national, regional, and local level stakeholders. The project has set in place numerous mechanisms to inform and engage stakeholders of on-going activity, fostering an environment of full disclosure. This strong emphasis upon stakeholder involvement will ensure that

any emerging environmental and/or social risks are identified early and mitigated directly. The project will be subject to on-going project review/evaluation. At these junctures, project overseers will want to be certain the project remains within parameters as described within this project document. The evaluations will include a consultative process with stakeholders at all levels, and particularly in rural areas, directly engaged and opinions solicited. Should the project move beyond intended parameters, a supplementary environmental and social review may be required by the evaluation team.

D. Sign Off

Project Manager

Date

PAC

Date

Programme Manager

Date

1. Eco-Regions: Altai Sayan and Daurian Steppe

The project will target two critically under-represented eco-regions: the Altai-Sayan Eco-region and the Daurian Steppe Eco-region, recognized by WWF as part of the Global 200, containing globally important biodiversity. A collection of the Earth's most outstanding and diverse terrestrial and freshwater, habitats are found here where its loss will be most severely felt, and where we must fight the hardest for conservation. Important species include the Snow Leopard, Argali Wild Sheep, Ibex Goat, Altai Snowcock, Mongolian Gazelle and Mongolian Marmot.

The Altai Sayan

The Mongolian part of Altai Sayan eco-region (about 364,000 square kilometers, or 30 percent of the total) is characterized by a mix of mountain ecosystems, comprised of forest, steppe and desert biomes.

The Altai-Sayan ecoregion is a mosaic of coniferous forests, intermontane steppe, and alpine meadows. The mountain complex is well known for exceptionally high levels of plant richness and endemism. There are approximately 2,500 vascular plant species with over 120 strictly endemic species. Over 200 plant species are known to exist within the Mongolian portion of the Altai Sayan and of these an estimated 12% are endemic.

Seventeen unique ecosystems have been found within the eco-region, leading to particularly rich biodiversity. Species such as the snow leopard, Altay argali, Altai Snowcock and Siberian Ibex make their homes here. About 14 percent of this eco-region has been included within the protected areas network but only a small portion of this has been assigned the highest protection level, leaving much of the region vulnerable to threats that include overgrazing and farming.

In addition to rare species, the Altai is home to rare ecological/evolutionary processes that create and sustain biodiversity and that are all but lost in many mountain regions of the world. Characterized by repeated habitat components and patches occurring in different shapes, sizes and spatial interrelations, the Altai Sayan provides relatively intact habitat for seasonal migrations; predator-prey interactions; and natural river flow to occur.

Daurian Steppe

The Daurian Steppe Eco-region extends from southern Russia through Mongolia and into northern China and encompasses an area of almost 450,000 square kilometers of the country. The eco-region is comprised of tundra and conifer forests in Russia and forest steppe and grasslands in Mongolia and China. Due to the diversity of ecosystems in the region, there is a variety of plant species, including deciduous broadleaf forests in the north, a variety of shrubs, and different grass species in the steppe. Wildlife endemic to the region includes the Mongolian gazelle, the Mongolian marmot, and Saker falcon. Wetlands within the eco-region provide habitat for a number of endangered bird species including the white-naped crane, great bustard, and the Siberian crane. Almost 10 percent of this eco-region is included within the protected areas network; however, protected status is not uniformly distributed through the region. The tundra and forests of the north have relatively high inclusion in protected areas while most of the steppe is not included. Current threats to the region include overgrazing (especially by goats), infrastructure development including planned roads and railroads, and overhunting.

The average altitude of the mid-sized mountains reaches 1,400-1,800 m above sea level while the mean altitude of valleys is 1,100-1,200 m above sea level. The mean annual temperature is +0.6° C, while the mean minimum in January is -23° C and the mean maximum in July is +22° C. Mean annual precipitation is 150 mm.

The Red Data Book of Mongolia recognizes the following floral species distinctions in this ecoregion: fifteen are considered very rare, four rare, eight endemic, thirteen subendemic, fifty-four medicinal, twenty-one are other useful plant species. Six of these are (*Sophora flavescens*, *Rhododendron dauricum*, *Caryopteris mongolica*, *Valeriana officinalis*, *Vicia Tsydenii*, *Adonus mongolica*) (Management Plan of MDSPA 2001-2004).

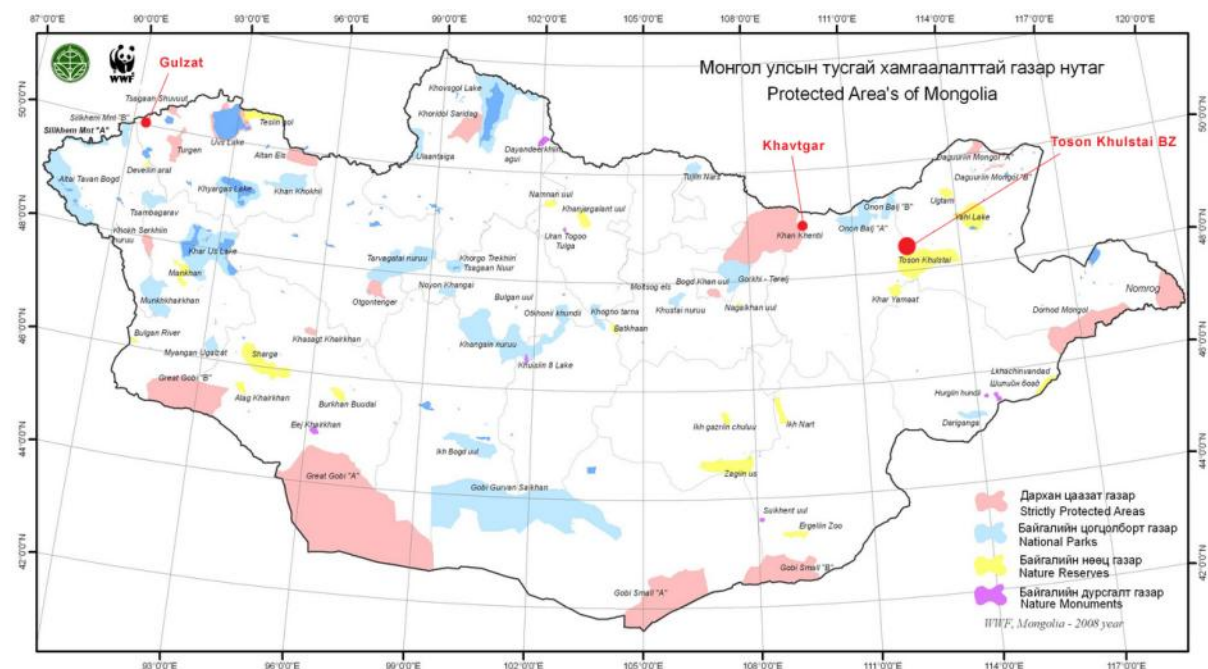
Distributed throughout the river valleys, mountains, ravines and canyons are scilly shrew (*Crocidura sauveolens*), harvest mouse (*Micromys minutus*), long-tailed souslik (*Citellus undulatus*), Maximovich's vole (*Microtus maximowiczii*), Daurian pika (*Ochotona daurica*), Tolai hare (*Lepus tolai*), a number of hamster species (*Phodopus* spp.), Daurian tsokor (*Myospalax aspalax*), and Manchurian tsokor (*Myospalax psilurus*). Predator species include wolf (*Canis lupus*), fox (*Vulpes vulpes*), polecat (*Vormela pereguzna*), Eurasian badger (*Meles meles*), and Pallas' cat (*Otocolobus manul*).

Seven bird species in this region are registered in the Red Data Book of Mongolia. 36 species are included in Appendix II of CITES, and 2 species are included in CITES Appendix I (Management Plan MDSPA 2001-2004).

Groves of *Puccinellia-Typhaceae* are the main habitat for bearded tit (*Panurus biarmicus*), black-browed reed warbler (*Acrocephalus bistrigiceps*), and great reed warbler (*Acrocephalus arundinaceus*). A large population of the endemic Daurian crane makes nests in wet areas of the steppes in the Ulz river and Amur valleys (Gunin et al. 1998). Reptiles and amphibians of this area have not been researched to any degree. Seven species of fish are recognized in the Mongolian Dauria ecoregion, of which 2 (*Carassius auratus gibelio* and *Cyprinus carpio haematopterus*) are considered game fish (Management Plan MDSPA 2001-2004).

2. Pilot Sites

Within these eco-regions, the project will work in the following pilot site areas. The three sites were selected based on criteria including biodiversity/ecosystem significance, representation in PAs, intensity of threats, existing efforts for co-management of natural resources.



Location of target sites

Gulzat Local Protected Area (126,772 ha): This is a LPA located in the north of Uvs Province. Here, local government and private companies have established an agreement to divide revenues from controlled hunting and other natural resource uses among local communities. The project will support ensuring sustainable community based hunting operations to create a model system of a community managed PA in Mongolia.

Khavtgar Local PA (100,000 ha). Located in north Khentii Aimag, this area can serve as a model area for community based tourism, and has a mixed landscape consisting of steppes, forests and mountains. It is the habitat area of the endangered musk deer, moose/elk and red deer.

Toson Khulstai Nature Reserve Buffer Zone (218,701 ha). Stretched over Khentii and Dornod Aimags, it is a main breeding and migration area for white tail gazelle. It also accommodates several wetlands and lakes that habitat for endangered bird species.

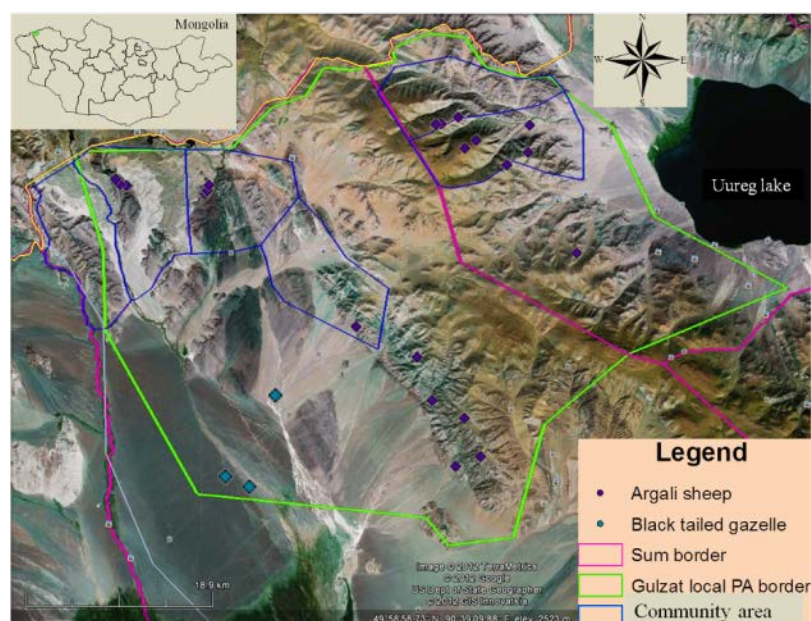
Summary of Pilot Sites

<i>Pilot Site</i>	<i>Total Area (ha)</i>	<i>PA Type</i>	<i>Management Entity</i>	<i>Pop.</i>	<i>List of Key Species</i>	<i>Primary Habitat s Types</i>
Gulzat LPA	126,772	Local Protected Area	“Gulzat Initiative” NGO	3,000	Argali, ibex, snow leopard, black tailed gazelle	Mixed forests, Closed depressions, high mountain steppes
Khavtgar LPA	100,000	Local Protected Area	NGO “Khavtgar Shireet”	6,000	Musk deer, Maral deer,	Meadow steppes, forest steppes and forest
Toson Khulstai Nature Reserve Buffer Zone	218,701	Nature Reserve Buffer Zone	Co-management Council	7,000	Mongolian Gazelle, grey wolf,	Dry steppe, upland meadow and wetlands

Summary of Pilot Sites Conservation Threats and Benefits

<i>Area</i>	<i>Current Threats</i>	<i>GEF Alternative</i>	<i>Conservation Targets</i>
Gulzat LPA	Overgrazing, Illegal hunting, habitat overlap with grazing areas, overharvesting of plants, logging	Improved land management practice, community based tourism and controlled sports hunting, sustainable grazing practices, sustainable forestry management	Increase of at least 10% in argali sheep population, improved vegetation cover of at least 10,000 ha of pasture land, income increase for target communities by at least 20%,
Khavtgar LPA	Overgrazing, mining, overlap with grazing areas, overgrazing/land mechanisms degradation, lack of protection	Improved land management practice, community based tourism, sustainable grazing, community protection, sustainable forestry management	Vital population of musk deer in the area, increase of at least 10% in red deer and elk populations, income increase for target communities by at least 20%, improved vegetation cover of at least 10,000 ha of pasture land
Toson Khulstai Nature Reserve Buffer Zone	Overgrazing, mining, habitat overlap with grazing areas, hunting, habitat fragmentation,	Improved land management practice, community conservation, improving herd structure	Population of key aquatic bird species (Demoiselle crane, White naped crane and Swan goose) by protecting its habitat (at least 5 lakes/ wetlands), improved vegetation cover of at least 10,000 ha of pasture land

Site One: Gulzat Local Protected Area



Basic socio-economic data

Soums	Area /ha/	Protected area /ha/	Pop. (2000)	Pop. (2010)	male-female	Household	Women Headed Household	Herding Household	Livestock (2009)
Bukhmoron	373,475	38,300	2435	2,190	1,110	536	70	252	93,073
Sagil	379,482	35,790	2473	2,338	1,189	643	126	400	147,331
Totals	752,957	74,090	4,908	4,528	2,299	1,179	196	652	240,404

Soum Government Income Sources (million MNG Tugrugs)	National Government	Tax	Resource Use Permits	Other income sources	Total
Bukhmoron	217,332.6	9,465.7	21,575.9	25,998.2	274,372.4
Sagil	236,584.2	18,433.0	21,430.7	14,928.7	291,377.6
Totals	453,916.8	27,898.7	43,006.6	40,926.9	565,750.0

Annual Soum Budget Expenditures	School*	Veterinary services**	Soum Governor Office	Salaries	Other expenditures	Total
Bukhmoron	(268,108.7)*	-**	274,372.4	118,057.4	156,315.0	274,372.4
Sagil	(245,284.7)	-	291,377.6	117,118.3	174,259.3	291,377.6
Totals	(513,393.4)	-	565,750.0	235,175.7	330,574.3	565,750.0

* this expenditure is not included in the soum budget, the budget income is directly provided by the Ministry of Education and Science. The same is valid for kindergarden, hospital, land agency, etc. etc.

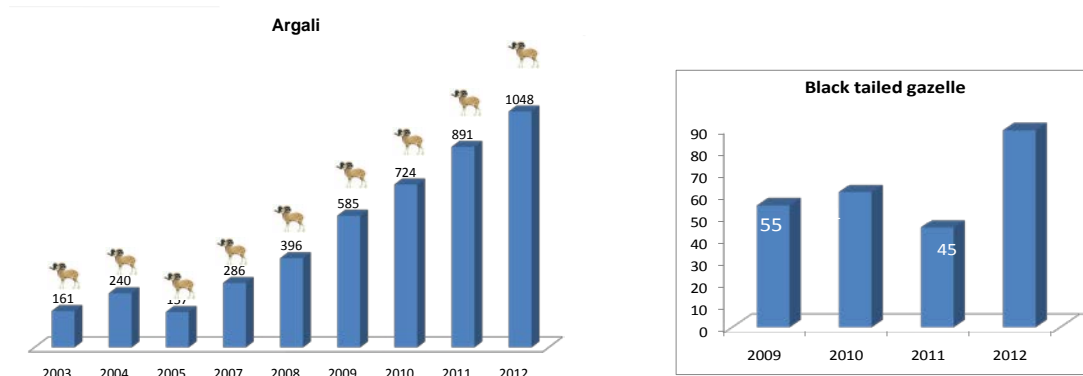
** Veterinary services are privatized, so the income and expenditures are not being captured.

Pilot Site Description

“Gulzat” translates into “Place of wild ram”. Gulzat LPA stretches over a total of 126,772 ha territory of Sagil and Bukhmurun soums, Uvs Aimag in the Northwest of Mongolia. The Gulzat LPA was established in 2006, officially adopted by Aimag Citizen Representative Council in 2008, with the

aim to develop a model for community based tourism and sustainably management and conservation of endangered and non-endangered species.

The LPA elevation varies from 1,400 to 3,400 m above sea level. These high elevation changes present a mosaic of habitat types, and support an incredibly wide variety of endemic and red-book listed flora and fauna species. Charismatic species include Snow leopard (*Panthera uncia*), Siberian ibex (*Capra sibirica*), Wolf (*Canis lupis*) and the world’s largest muflon, the Altai argali (*Ovis ammon ammon*). The current number of Argali population is about 1,048 as per 2012 census. The area presents also the worlds’ most northern habitat of the black tailed gazelle, the population of which is counted at 95 in 2012. Other species of note include Roe deer, wolf and marmot.



Biodiversity conservation threats and barriers

Gulzat LPA facing is **overgrazing** as a result of excessive number of livestock, the main income source of the local community. For 6 out of 10 last years, livestock numbers exceeded the pasture carrying capacity by 3 to 5 times. An additional factor for degradation of the pasture land is climate change impacts emerging throughout the country.

Mining: Khotgor coal mining comprising of a total of 11 sites is in operation in 20-30 kms from the LPA boundary. Projected infrastructure development, establishment of power plants adjacent to these mines and contrction of road are potential threats to the wildlife of the LPA.

Baseline (Current) Conservation Activities

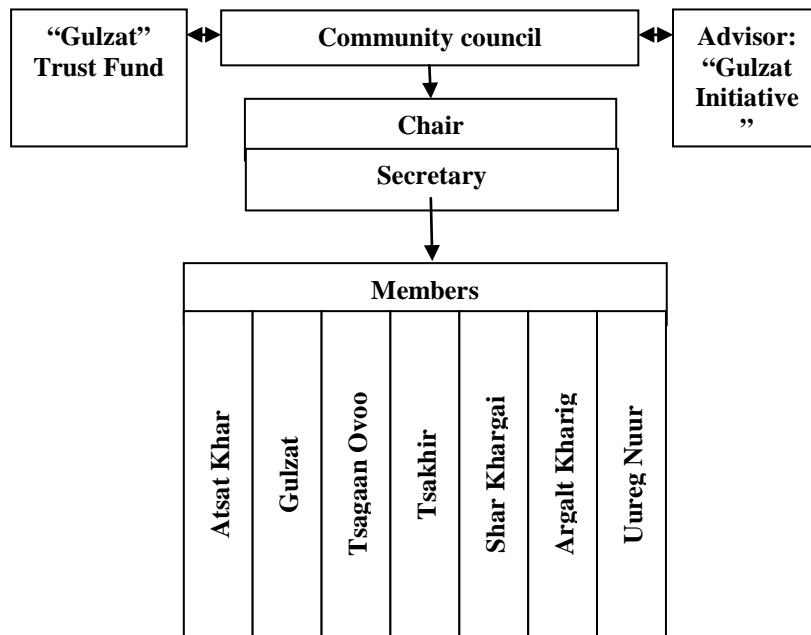
Soon after establishment of the LPA, a management council was established, consisting of Vice aimag Governor, 2 soum Governors, rangers of both soums, environmental staff from aimag level and representatives of herder communities including volunteer rangers. With the technical support and facilitation by WWF, the LPA management council developed Gulzat Management Plan, Community based management concept, Gulzat LPA conservation procedures, and the Charter of the Trust Fund. All regulations have been approved by the Aimag Citizen Representative Council.

In collaboration with WWF, the council developed a fruitful PPP model, introducing community benefit sharing practice based on tripartite contract signed between soum government, trophy hunting company and community groups. According to the contract, the company donates up to USD 5,000 to the Community Trust Fund for every argali hunted. In 2010 and 2011, a total of USD 12,000 was donated.

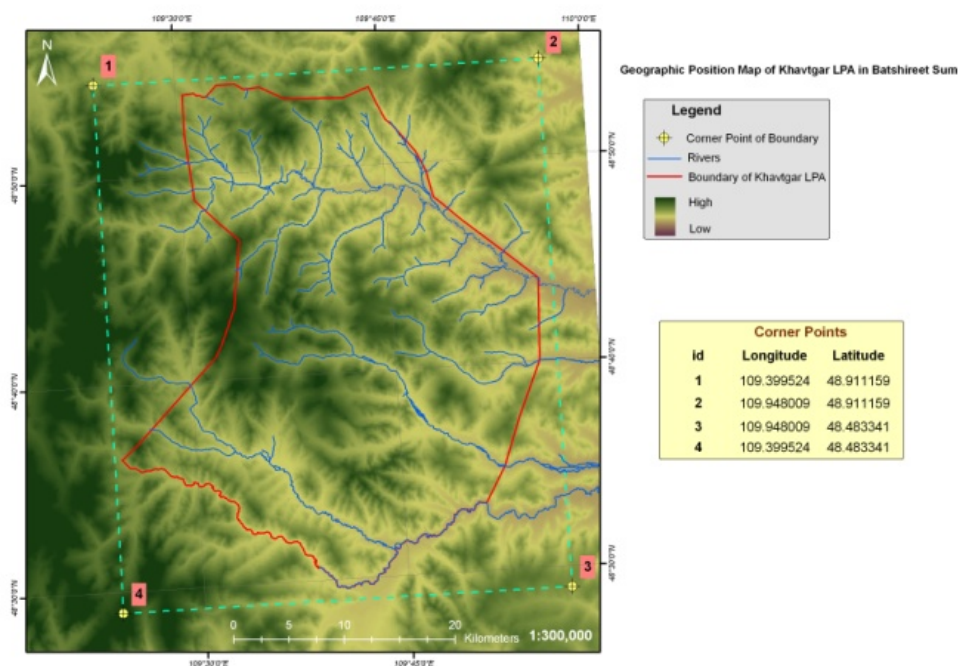
In 2012, the Management Council delegated the management mandate to the local NGO “Gulzat Initiative”, which was established in 2011. With financial support of WWF, argali and marmot survey as well as pasture and vegetation survey were conducted, a game management plan was developed,

including conservation strategy and required management actions for key species conservation management.

In Gulzat area, there are 7 active herder groups with 92 member families. Most of the herder groups were supported by UNDP/GEF Altai Sayan project in formation and capacity building. To combine efforts in conservation and livelihood improvement, the herder groups joined a Community council. Local governments are very supportive of the CBNRM principles. The aimag and soums are considering allocation of certain amount of funds for implementation of Gulzat LPA management plan.



Site Two: Pilot Site Three: “Khavtgar” Local Protected Area



Basic socio-economic data

Soum	Area /ha/	Protected area /ha/	Pop (2000)	Pop (2010)	male-female	Household	Women Headed Household	Herding household	Livestock (2009)
Batschireet	701,800	104,93.6	2,196	2,132	1,066 1,056	693	23	338	48,822

Soum	National Government	Tax	Resource Use Permits	Other income sources	Total
Batschireet	585,557.7	65,993	49,745.6	16,247.4	71,7543.7

Annual Soum Budget Expenditures	School	Veterinary services	Soum Governor Office	Salaries	Other expenditures	Total
Batschireet	(244,119.8)	10,730.3	123,244.3	74,595.8	48,648.5	499,312

* this expenditure is not included in the soum budget, the budget income is directly provided by the Ministry of Education and Science. The same is valid for kindergarden, hospital, land agency, etc. etc.

** Veterinary services are privatized, so the income and expenditures are not being captured.

Khavtgar Local Protected Area (LPA) was established and officially registered in 2002. Batschireet Soum, Khentii Aimag, where the LPA is located, represents historically and ecologically unique and relatively un-altered ecosystems. It is characterized by ecosystems typical for the Khan Khentii Mountain Range composed of alpine tundra above the timberline, and forest covered slopes at lower elevations. The area is dissected by three major Rivers with associated floodplains that are rich in biological diversity and of critical importance to the Batschireet Soum and other downstream communities. The upper watersheds of the three rivers originating from the Khavtgar LPA were mostly self-protected in the past due to their inaccessibility and the low human pressure.

Khavtgar LPA is exceptionally rich in natural resources ranging from forests and high quality grasslands to non-timber forest products of significant economic importance (*i.e.* pine nuts, medicinal plants) and internationally highly valuable species. Totally, 20 species of animals were registered

within the “Khavtgar” area, including globally endangered Musk deer, elk, grey wolf, taimen fish and red deer, as well as species registered in the Mongolian Red Book including forest sable, corsac fox, vulture, snowcock, eagle owl, bustard, etc. Brown bear are included in Appendix II of the CITES.

Biodiversity Conservation Threats and Barriers

Following the breakdown of the local and regional economy and the service infrastructures in the early 1990s, the area has come under growing pressure by people largely depending on the area’s resources for a subsistence livelihood. This has led to the ***depletion of economically important wildlife populations***, localized ***over-grazing*** by excessive numbers of livestock, ***uncontrolled and illegal logging***, and the ***un-sustainable harvest*** of pine nuts using tree damaging methods. If not adequately protected, the Khavtgar LPA is threatened to soon lose its ecological integrity and resource use values.

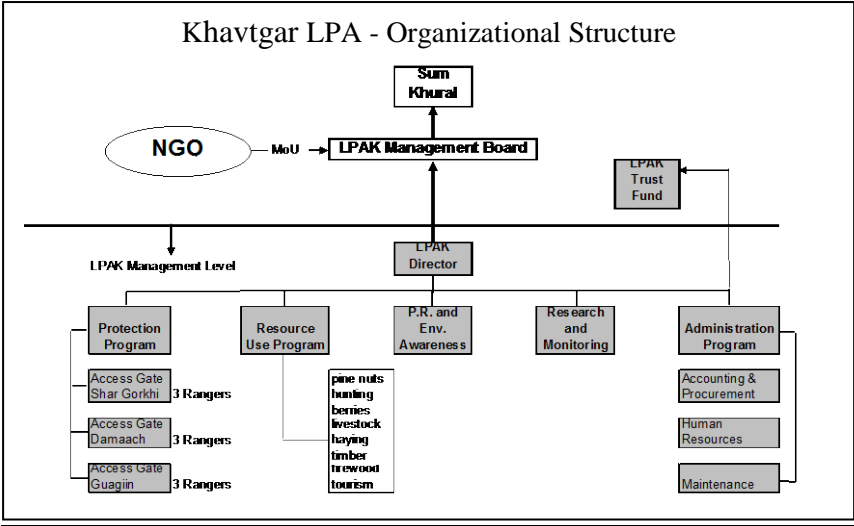
Six families reside with their winter camps in the Khavtgar LPA with their approximately 1,600 animals. No herder communities have been formed and developed so far within the LPA. Outside the boundary, three forestry communities are operating. Despite the numerous community capacity building trainings provided by different projects, communities are still weak, further support is needed.

Baseline (Current) Conservation Activities

Within its “Conservation and sustainable management of natural resources” program, 2006 – 2012, GIZ was directly involved in management of Khavtgar LPA with the aim to manage and develop it as a model LPA. Through GIZ support, three internal management zones of the LPA were defined as i) *core zone* free of consumptive resource use except for strictly regulated and controlled trophy hunting; ii) *limited use zone* for the sustainable use of timber and non-timber forest products, livestock grazing and haying, and the commercial use of pine nuts and iii) *marmot recovery area* for recovery of the currently depleted marmot populations.

Management (2007) and business plans for LPA are developed and the management plan was directly implemented by the project team. A control and bio-monitoring systems were established, 12 rangers hired, a series of trainings with field demonstration were provided on wildlife monitoring & research methodologies and usage of equipments, along with equipments and uniforms. Three Ranger Control Posts were established within the LPA, as well. Comprehensive wildlife survey was conducted, since 2006. Bio-monitoring based on transects and geo-referencing observations are executed by rangers almost on a regular basis. Population of endangered species in the LPA, including that of musk deer, has increased. In short, the conservation and protection activities went very well. On the other hand, sustainability of LPA management is not adequately ensured and local ownership has not been sufficiently developed.

Local structures aiming at the management of the LPA have been created only in 2011 – almost a decade after establishment of the LPA. During the implementation of the GIZ programme, a local NGO “Khavtgar Shireet” was established, which has later become a management board, as well, in March 2010, following the Khustai NP model. The way this LPA was evolved makes it unviable without continued outside funding and support. The “Khavtgar Shireet” NGO is still very weak. After the closure of GIZ project it was left without sufficient personnel and financial capacity. As such, all management activities in the PA are quasi-stagnant, currently. The existing NGO can be utilized for the MRA project implementation. On the other hand, further organizational capacity building is required.



Pilot Site Three: Community Areas Adjacent to “Toson Khulstai” Nature Reserve



Basic socio-economic data

Soum	Area /ha/	Protected area /Buffer zone/LPA /ha/	Pop (2000)	Pop (2010)	male-female	Household	Women Headed Household	Herding household	Livestock (2009)
Norovlin , Khentii	533,350	109,100/63,537	2,850	2,295	1,179 1,116	695	128	325	85,332
Tsagaan-Ovoo, Dornod	650,200	192,522/93,436	3,426	3,609	1,841 1,768	812	178	400	101,665
Bayanuul	563.300	469,928/61,726	4,737	4,399	2256 2143	1320	196	443	64,628

Soum	National Government	Tax	Resource Use Permits	Other income sources	Total
Norovlin, Khentii	176,020.0	15,026,000.0	29,882,073.70	191,830,967.70	236,915,060.70
Tsagaan-Ovoo, Dornod	273,598.7	40,134.6	2,382,800	2,400,000	312,133.3
Bayanuul	1,244,407	31,171.8	136,361.8	11,179.6	1,423,120.6

Annual Soum Budget Expenditures	School	Veterinary services	Soum Governor Office	Salaries	Other expenditures	Total
Norovlin, Khentii	(294.934.2)*	**		150,953.5	85,961,560.7	236,915,060.70
Tsagaan-Ovoo, Dornod	(591,619.4)	(726,55780)	190,091.6	130,631.4	59,460.2	73,035,963.2
Bayanuul	(671.966.70)	(49,315.4)**	164,627.4	116,773.8	47,853.6	885,909.5

* this expenditure is not included in the soum budget, the budget income is directly provided by the Ministry of Education and Science.

** Veterinary services are privatized, so the income and expenditures are not being captured.

Pilot Site Description

A total of 218,701 ha area in the Buffer zone of the Toson Khulstai Nature Reserve (NR) in the northern part is will be taken under local protection. It stretches over parts of Tsagaan-Ovoo and Bayan-Uul soums of Dornod aimag and Norovlin soum of Khentii aimag. “Toson Khulstai” NR is under supervision of the Dornod PA Administration office. The border demarcation was approved by resolution of Mongolian government on May 06, 1998.

“Toson Khulstai” NR itself was taken into protection in 1998 to conserve dry steppe ecosystem, significant wetlands, rolling hills and covers a total of 469,928 ha area (0.8% of the total steppe ecoregion of Mongolia). The area belongs to Central Asian dry steppe, one of the least represented habitat types in the PA network in Mongolia, with regional and global importance for Mongolian gazelle- one of the world’s last great populations of the Mongolian white-tail gazelle (*Procapragutturosa*), providing safe breeding and seasonal migration area to them. Toson Khulstai NR with its buffer zones is located at average altitude of 900-1,000 m above sea level, with mountains 50-100 m high, includes number of lakes: the biggest are Ereen (4.0 km²), Khotont (3.5 km²), Zuun Ereen (2.0 km²), and Khulstai (0.8 km²) and rich with underground water, water flow is in average 0.5-1.5 l/sec.

The Toson Hulstai NR and its Buffer zone are also home to common species like Siberian marmots, Corsac fox, Red fox, Tolai hare, and Pallas’s cat, to a total of 139 bird species including more than 80 globally threatened bird species including Demoiselle crane, White napped crane, Swan goose as well as 80 plant species of 25 families.

Biodiversity Conservation Threats and Barriers

Main conservation threats in the NR and the buffer zone are i) overgrazing, caused through improper pasture use by too high number of livestock dominated by goat ii) mining activities leading to spatial land degradation, and iii) illegal hunting of Mongolian Gazelle, Siberian marmot and other species. There are 14 exploration licenses and 7 excavation licenses reported in the BZ area. Currently, 4 companies are operational for gold mining, the first one of which was licenced in 1995. In the last years, no more licences were issued, and not extended. Surface water resources are reported as decreasing in the area.

Weak capacity of rangers including lack of technical competences, as well as inadequate mobility (due to limited availability of communication tools and vehicle and funds for petrol), hinders from regular monitoring in the NR, are factors contributing to exacerbated threats to globally and nationally endangered species.

Knowledge of local communities on importance of conserving vital species and other natural resources, awareness on related national legislations, and understanding importance and potential of playing key role in conservation measures as organized communities, especially in landscape level conservation through community, needs to be enhanced in order to address the conservation challenges in the region.

Baseline (Current) Conservation Activities

In support of NRM, the Nature Conservancy (TNC) has been active in Toson Khusltai with focus on maintaining viable biodiversity, alleviate key threats, and establishing appropriate management approach through introduction of innovative measures and development of conservation strategies. TNC works closely with the Eastern Mongolia Community Conservation Association (EMCCA) under Memorandum of Understanding (MoU) on capacity building and public awareness program for Herder Community Group (HCG, a total of 11) with the Environmental Protection Agency (EPA) and Eastern Steppe Protected Area Administration (ESPAA). In addition, TNC, WWF and WCS collaborate under a co-signed MoU which outlines areas of common interest and a commitment to work together to address the Eastern Steppe conservation priorities.

TNC supported a development of *Conservation Action Plan (CAP)* for Toson Khulstai NR, applying the “Development by Design” approach, and formation of a Co-management Council of the NR. The main *strategies of the CAP* are to i) decrease poaching through improved monitoring and ii) establish co-management system for Toson Khulstai. Species that need to be protected include grey wolves, marmots and gazelles. The *CAP* for TH NR specifies detailed conservation management options targeting conservation of main values of the NR, particularly Stipa grassland, Mongolian Gazelle, Grey Wolf, Willows, Riparian Communities, Lakes, Ponds, Playas, Springs, rocky Outcrops, Siberian marmots and 3 species of Medicinal Plants. The only permission in this area is issued for capturing Saker Falcons for export.

Establishment of *Co-management council* was directly supported by the TNC through training and capacity building activities. The Co-management council works well, resulting in certain decrease of illegal activities such as poaching, pasture over grazing by outsiders. Harvesting hay for commercial purpose was stopped and pasture carrying capacity is adequate now. This Co-management council will be the leading institution of the CAP in partnership with all stakeholders including the local governments. The existing council is expected to be in charge of management of the proposed LPA in the northern Buffer zone of Toson Khulstai NR.

HCGs supported by TNC and WCS were provided with various training opportunities and provided with field equipments (binocular, map, compass, camera, GPS etc.) to enable monitoring and data collection on wildlife. TNC collaborates with and provided field equipment to Toson Khulstai NR rangers as well (tents, sleeping bags, binoculars, motorbike GPS etc.)

There are no herder communities in northern areas of Toson Khulstai NR yet. However, keen interests are emerging in joint conservation and management of natural resources. Recently, upon request of herder communities in Uvur Khooloi, in the core area of the project site, the TNC facilitated initial meeting towards establishment of a HCG together with the local NGO EMCCA. The herders reportedly recognized importance of protection of species habitat and water sources and were willing to join their efforts in development of alternative income generation (eco-tourism, vegetable plantation, green house plantation, diversifying dairy product and marketing, wool processing, pasture management, good quality breeding livestock, etc.).

Annex H. Management Effectiveness Tracking Tool (METT) Assessment Summary

№	Protected Area	Protected Area Type	METT Score (2012)
1	Gulzat LPA	Local protected area	36
2	Khavtgar LPA	Local protected area	26
3	Toson Khulstai Nature Reserve (Buffer Zone)	Proposed for managed resource protected area	2

Attachment

STANDARD ANNEX TO THE PROGRAMME OR PROJECT DOCUMENT
ON UNDP COUNTRY OFFICE SUPPORT

ANNEX ON UNDP COUNTRY OFFICE SUPPORT

1. Reference is made to consultations between officials of the Government of Mongolia (hereinafter referred to as "the Government") and officials of UNDP with respect to the provision of support services by the UNDP country office for nationally executed programme or projects.
2. In accordance with the provisions of the letter of agreement and the Country Programme Action Plan (CPAP) signed in January 2012, the UNDP country office shall provide support services for the project, as described below.
3. Support services to be provided:

Support services	Schedule for the provision of the support services	Cost to UNDP of providing such support services	Method of reimbursement of UNDP
1. Identification and assistance with and/or recruitment of project and programme personnel.	During the CPAP period: 2012-2016	Based on the Universal Price List (UPL) of UNDP	Implementation Support Services (ISS) billing module in Atlas system
2. Identification and facilitation of training activities, including study tours.			
3. Procurement of goods and services in accordance with UNDP regulations and policies.			
4. Access to UNDP-managed global information systems, the network of UNDP country offices and specialized information systems including rosters of consultants and providers of development services.			