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PROJECT MANAGEMENT FOR GEFSEC

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Due Date:

09/22/2000

FOR ACTION: Walter J. Lusigi

STATUS: Open

VPLU/Dept/Div: GEF	Date Logged: 08/17/2000 06:55:35 PM
Room : G 6-025	Logged By: Ramon Prudencio C. De Mesa (GEF)
Telephone: 473-4798	

CORRESPONDENCE DESCRIPTION:

From:	Lars Vidæus
Organization:	WB
Reference #:	
To:	Mr. Keneth King
Dated:	08/15/2000
Type:	OP2
Subject:	PDF A: Mongolla: Egin-Uur Watershed Conservation Initiative

ACTION INSTRUCTIONS:

Please reply directly and provide a copy

Note: electronic file attached.

INFORMATION COPIES:

Andrea Merla, Alfred M. Duda, Herbert Acquay, Kanta Kumari, Mario A. Ramos/Person/World Bank, Julie Anne Waller

Note: If an electronic document is not attached, a hard copy of the document will be sent directly to your attention. Please return to this tracking sheet and attach your response with a copy to the Program Coordinator (gcoordination@worldbank.org) on or before the due date.

10/10/2000



Francine Stephens
08/15/2000 11:46 AM

Subject: A new submission from the World Bank.
Project Title: Egin-Uur Watershed Conservation Initiative
Type: PDF A - Request for Comments

Please find below the indicated submission(s) for your information and/or action.

Date: 08/10/2000
Name: Deborah Vorhies
Region: IFC
Country: Mongolia
Project Title: Egin-Uur Watershed Conservation Initiative
Focal Area: Biodiversity
Type: PDF A - Request for Comments



Mongolia PDF A Transmittal Memorandum Egin Uur-pdfA.doc Egiin Uur PDF A Endorsement Letter.

CC: ahmed.djoghla@unep.org; daryal@worldbank.org; Envsc Isc Files/Service/World Bank;
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To: Gcoordination@Worldbank.Org

OFFICE MEMORANDUM

DATE: August 15, 2000

TO: Distribution Below

FROM: Lars Vidaeus, GEF Executive Coordinator



EXTENSION: 34188

SUBJECT: ***Mongolia: PDF Block A Request for Medium Size Project
Egin-Uur Watershed Conservation Initiative***

Please find attached a PDF Block A for the above-mentioned project. We would appreciate your comments by August 22, 2000. Thank you.

Distribution:

R. Asenjo, UNDP
A. Djoghlaif, UNEP (Nairobi)
M. Gadgil, STAP
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A. Raczynski, M. Riddle, L. Boorstin, C. Breslin, D. Vorhies.,
D. Younger, K. Yasuda, A. Whitten, C. Rees
Khanna (ENV),
Aryal (ENV),
ENVGC ISC
Relevant Regional Files

Mongolia Egin-Uur Watershed Conservation Initiative

Application for PDF Block A Grant

{PRIVATE} Part I - Eligibility

1. Project name: Egin-Uur Watershed Conservation Initiative

2. GEF Implementing Agency: The World Bank

3. Country or countries in which the project is being implemented: Mongolia

4. Country eligibility: Mongolia ratified the Convention on Biological Diversity on September 9, 1993

5. GEF focal area(s), and/or cross-cutting issues: Global Biodiversity

6. Operational program/Short-term measure: This proposal falls under the Coastal, Marine and Freshwater Ecosystems Program (OP #2)

7. Project linkage to national priorities, action plans, and programs: Conservation of biodiversity has been given high priority by the Mongolian government. Recently, the Mongolian Parliament passed the National Program on Protected Areas to increase coverage of protected areas up to 30 percent of its land. In 1997, Mongolia also ratified the Convention on Wetlands of International Importance Especially as Waterfowl Habitat. Mongolia is committed to implement activities based on this convention. The project is consistent with the Biodiversity Conservation Action Plan of Mongolia (1997), which stresses the importance of wetland protection and natural resources management with local people. The Environmental Action Plan (1995) and the National Agenda 21 (1998) also indicate the importance of conserving endangered species as well as sustainable utilization of wetland biodiversity in Mongolia. In addition, the project is consistent with the environmental laws of Mongolia, such as Laws of Land, of Protected Area, of Buffer Zone, of Water Resources, and others. Finally, the promotion of ecotourism is a national priority -job creation and revenue from ecotourism might help to reduce livestock loss and this might relieve pressures on environment. To date, there have been two Tourism Master Plans developed by Japan International Cooperation Agency (JICA) and TACIS. The plans emphasize the importance of developing sustainable tourism/ecotourism development at the protected areas.

8. GEF national operational focal point and date of country endorsement: Mr. B. Ganbaatar, Director, Office of International Relations, Ministry for Nature and the Environment.

Date of official endorsement of this request:

9. Project rationale and objectives:

Background

The Egin-Uur is a remote watershed where the Egin and Uur rivers meet in Northern Mongolia. It has a nomadic herding human population, a mosaic of forest and grassland including characteristic species of Siberian and Mongolian taiga, and ecologically important water resources. The project site contains four existing fishing camps operated by two of the prospective stakeholders/sponsors (Mongolian based Hovsgol Travel Company and the USA-based Sweetwater Travel Company). One of the four fishing camps is near the confluence of the Egin and Uur rivers, and one to the north in the main Uur river. Tsagaan Uur is the village nearer to the northernmost camp. The other two camps are located on the south of Egin-Uur confluence and on the Selenge into which the Uur flows, after it has been joined by the Egin. The watershed provides a natural habitat for major species including large Siberian Sturgeon *Acipenser baeri* (length 1.5m, weight 30 kg), Arctic Cisco *Coregonus autumnalis*, Lenok *Brachymystax lenok*, Arctic Grayling *Thymallus arcticus*, and the Taimen, *Hucho taimen*, the world's largest salmonid and one of its least studied freshwater game species. The taimen's habitat used to extend from Siberia, especially tributaries and littoral areas of Lake Baikal, through Mongolia into northern China. Today, the taimen's range has been drastically reduced due to the environmental degradation primarily caused by mining and logging. The fish populations in healthier habitats have also experienced marked decline because of over-fishing, particularly by Russians and urban Mongolians, although fish is not part of the traditional Mongolian diet. As a result, the Egin-Uur watershed is one of the last remaining natural habitats where the taimen and other species are relatively prolific and grow to full maturity.

However, there is evidence of underlying and emerging threats to the Egin-Uur watershed ecosystems. For example, there are some small-scale illegal hunting and fishing by foreigners. Although these threats appear to be minor and the Egin-Uur watershed still remains as pristine habitat for the taimen and other species, the lack of a conservation action plan and the recognition of a value of the resources in the area could result in unplanned economic development and damage to the ecosystems.

The project aims to catalyze the involvement of all stakeholders in the management of the Egin-Uur Watershed ecosystem in northern Mongolia. A key component will be the conservation of the watershed and sustainable use of various fish

populations, including the salmonid, *Hucho taimen*. The project will establish a collaborative management structure (CMS) in which all stakeholders will participate.

Goal

The goal of this initiative is to ensure the conservation and sustainable use of the Egin-Uur watershed ecosystem, including the unspoiled natural habitat of riverine freshwater biodiversity, with traditional way of life.

Objectives

The Initiative has three primary objectives: (1) to develop and implement a management plan and structure for the conservation of the Egin-Uur watershed ecosystem; (2) to improve human capacity to better manage and conserve biodiversity and natural resources in the area; and (3) to improve sustainable use practices and livelihood options of local people in the area.

Justification for GEF involvement

The baseline situation is that the ecosystem is vulnerable and no attention is being paid to its ecological management. Development is inevitable, and appropriate action now could increase the likelihood that conservation will accompany development. GEF intervention at this stage will catalyze the development of an appropriate framework for conservation through sustainable use of resources within the ecosystem.

There is a GEF/World Bank targeted research project being prepared in an adjacent area, viz Root Causes of Biodiversity Loss in Hovsgol National Park, Mongolia. The goal of that project is to understand the impact of deforestation on the unique biodiversity of Lake Khovsgol and its watershed. There are clear distinctions between this project and the proposed initiative. The project site in the current proposal is downstream of the Lake Khovsgol, therefore the sites do not overlap. In addition, the taimen, the largest and most charismatic species in the above proposal, needs special attention and does not inhabit Lake Khovsgol or its tributaries.

There is also a PDF B proposal for the conservation of the Altai-Sayan Ecoregion (UNDP) to ensure long-term conservation and biodiversity-friendly resource use of ecosystems in the Altai-Sayan Montane ecoregion. The objective of the full project will be to minimize and mitigate the serious threats that the region is facing, and promote and ensure long-term conservation of the Altai-Sayan Montane Forests eco-region. The outcome of the project will enable stakeholders (including local authorities, communities and male and female herders) to conserve and sustainably use the biodiversity resources of the Altai-Sayan. The project will focus on critical habitats of globally significant biodiversity (especially habitats along the Mongolia-Russia border), and protect them through the implementation of comprehensive, integrated and strategic plans for sustainable development and conservation in the long-term. The full GEF project for the Mongolian Altai Sayan will have five main components: a) protected area and buffer zone management; b) biodiversity landscape overlay; c) sustainable landscape resources management; d) capacity building; e) education and awareness building." The ecoregion given attention is to the west of the area in this proposal, and includes virtually none of the large Selenge river basin of which Egin-Uur is part. It also has few links to the private sector.

In addition to the GEF interventions in the region, there is an ongoing initiative at the Khovsgol Lake by the U.S. Department of the Interior in cooperation with USAID and the Peace Corps. The project focuses on natural resource management and tourism development in Lake Khovsgol area.

As one of the primary implementing vehicles for this initiative, WWF Mongolia will coordinate this project with its other activities in the region.

10. Expected outcomes: The outcome of the project would be: a) the successful conservation and sustainable use of the freshwater biodiversity resources in the Egin-Uur watershed; b) increased local awareness of freshwater management issues and of the steps that can be taken to guard against threats; c) the sharing of economic benefits with local people from business involvement in sustainable use of the freshwater resources; and d) the establishment of a replicable model for sustainable use related conservation through collaborative management structures.

11. Planned activities to achieve outcomes: The project will (a) develop a strategic plan for the conservation through sustainable use of the Egin-Uur Watershed region, (b) establish a collaborative management structure to implement the plan, and (c) develop a long-term sustainable financing plan. These activities are described below:

a. A strategic action plan.

Building on the findings of the assessments and consultation, the project will develop a comprehensive strategic action plan for the conservation of the watershed ecosystems. This plan will address the need to address institutional and legal issues, stakeholder participation, appropriate incentives, awareness raising, effective enforcement, revenue generation for conservation, and the role of the private sector in supporting conservation. A PDF A request is being made to undertake preliminary activities which are necessary for the preparation of the strategic action plan, including a scoping process to evaluate the conservation status of the watershed and reviewing the socio-economic parameters of the project in the context of potential threats to the biodiversity resource.

b. A collaborative management structure (CMS).

The project will establish a collaborative management structure which will implement and enforce the strategic action plan for the Egin-Uur watershed ecosystem. This not-for-profit organization will build synergistic relationships between the key stakeholders in the area, including protected area authorities, local communities, local and international NGOs, and the private sector. The CMS will focus on a number of key issues in executing the strategic plan. These will include incentives and empowerment for the local community and a sustainable financing system based on ecotourism for the area. The CMS will also seek to uphold the property and fishing rights, and enforce the 'catch and release only' fishing policy agreed by the local government councils. It will promote the public awareness of conservation and the education/training of forest/river rangers and other stakeholders among the local communities. A PDF A is supposed to (1) undertake stakeholder consultations necessary to the preparation for the CMS and (2) outline a ToR for the formation of the CMS.

c. A long-term sustainable financing plan.

The initiative will develop a long-term sustainable financing plan for the region based upon a successful conservation effort which can provide for future viability of sustainable ecotourism businesses in the region. There are currently only three ecotourism businesses which provide eco-lodges and ecotourism activities such as sports fishing, hunting, animal viewing, and horseback riding to international travelers in the Egin-Uur Watershed area. In other parts of Mongolia, ecotourism has already become a tool for a conservation and sustainable use of ecosystems. The potential also exists in this region. In fact, the Khovsgol region as a whole is one of the most important ecotourism centers in Mongolia and numbers of visits from foreign and domestic tourists are increasing. This dynamic points to the need for effective and timely development of the necessary structures and plans to ensure synergy between conservation and development objectives. This project intends to provide a model for sustainable use-related conservation through collaborative management structures.

12. Stakeholders involved in project: Principle stakeholders include the following:

WWF International in Switzerland
WWF Mongolia
Hovsgol Travel Company in Mongolia
Sweetwater Travel Company in U.S.A
Mongolian Business Development Academy, a Mongolian NGO
Mongolian Environmental Trust Fund
Ramsar Convention Bureau
Local communities
Local government

The partner in project implementation will be WWF Mongolia in collaboration with Mongolian-based Hovsgol Travel Company and the USA-based Sweetwater Travel Company.

Part II - Information on Block A PDF Activities

13. Activities to be financed by the PDF: The detailed proposed activities will include the following:

(a) Project scoping

The PDF A will commence with an assessment of the conservation status of the Egin-Uur watershed freshwater ecosystems, with a focus on flagship species such as taimen. This will include a review of the current socio-economic situation of the watershed. Second, the project will identify proximate and underlying causes or threats to biodiversity loss in the Egin-Uur watershed and other freshwater habitats in the basin, which are under threat from major economic activities. These preliminary activities will help to form the basis of a strategic action plan for the conservation area, to be funded as a GEF Medium-Sized Project.

(b) Stakeholder consultations

Consultations with the nomadic inhabitants of the area, local government, and local businesses will be held to allow perceptions, behaviors, constraints, and opportunities to be integrated in project design. These consultations will also aim to assess and build local support for the project.

(c) Draft TOR for CMS

In order to design the Egin-Uur Watershed Collaborative Management Structure (CMS), the PDF A will be used to identify the participants of the CMS and their roles among the local communities, the local and international NGOs, and the private sector. The PDF A will then be used to develop the ToR for the CMS.

(d) Draft MSP brief

The full MSP proposal will be developed.

14. Expected outputs and completion dates: The assignment is expected to take up to six months from the PDF A approval date.

	Outputs	Timeline
1	Report on the conservation status of the Egin-Uur watershed freshwater ecosystem	September - November, 2000
2	Report on the socio-economic aspects of the Egin-Uur watershed freshwater ecosystem	September - November, 2000
3	Report on current and potential threats	December, 2000
4	Report on stakeholder consultations	December, 2000
5	Draft terms of reference for CMS	January, 2001
6	Draft MSP brief	February, 2001

15. Other possible contributors/donors and amounts: The WWF International (\$10,000) will provide in-kind contributions including on-the-ground support in Mongolia.

16. Total budget and information on how costs will be met (including the Block A Grant): The estimated costs are as follows:

	GEF	WWI
Project scoping	6,845	2,000
Stakeholders consultation	5,845	3,000
Drafting TOR for the formation of the CMS	5,000	
Drafting MSP brief	7,310	5,000
Total Cost US\$	25,000	10,000

Part III - Information on the Applicant Institution

17. Name: International Finance Corporation

Contact person: Deborah Vorhies, Lead Biodiversity, dvorhies@ifc.org

Part IV - Information to be completed by Implementing Agency

22. Project identification number:

23. Implementing Agency contact person: Deborah Vorhies, International Finance Corporation, dvorhies@ifc.org

24. Project linkage to Implementing Agency program(s): The Country Assistance Strategy (CAS 17604-MOG, June 2, 1998) states that the Bank will assist the Government's poverty reduction efforts through support for community-based initiatives in sustainable land and resource use. It emphasizes support for a growth-orientation (such as development of ecotourism), including support for income-generating activities, the promotion of environmental awareness and sustainable resource use, and integration of gender concerns. The CAS also emphasizes broader participation of stakeholders.



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Letter № *963*

SCANNED

JUL 14 2000

Date: July 14, 2000

Mr. Samson Kaber
The World Bank
1818 H Street, NW
Washington, DC 20433
Fax: 1 202 522 1666

Ref: /Egiin-Uur Watershed Conservation Initiative/

I wish to refer to the request by WWF Mongolia for funding of the above cited project. In my capacity as Global Environmental Facility Focal Point, I hereby endorse the request as submitted.

B. Ganbaatar
GEF Operational Focal Point

