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| UNITED NATIONS DEVELOPMENT PROGRAMMEBDP/EEG - MISSION REPORT SUMMARYDate: 12 July 2012 | UNDP_Logo-Blue w TaglineBlue-ENG.png |
| NameAki Kono, UN-REDD RTALeo Peskett, UN-REDD Global Advisor |
| **Approved Mission Itinerary:**BKK-UB-BKK  | **List of Annexes**: Updated TS Concept Note |
| Inclusive Travel Dates: | **Key counterpart(s) in each location:** |
| 21 July – 30 July 2012Partly joint mission with Joel Scriven, of FAO, and also coincided with the FAO mission to develop a GEF SFM PPG.  | **Location:** Ulaanbaatar, Mongolia **Counterparts:** Bunchingiv Bazartseren, UNDP CO Environment Team Leader**Key Government Officials met during the mission:** Mr. Garidkhuu Bayarsaikhan, Member of the Parliament, Head of the Standing Committee on Environment, Food and AgricultureMr. Jamsran Batbold, State Secretary of MoEGD (Political FP of UN-REDD)Mr. Tsesed Banzaragch, Director, Division of Forest Conservation and Reforestation Management, MoEGD (Operational FP of UN-REDD)Mr. Bat-Ochir Gantulga, Director General, Department of Policy Implementation, MoEGDMr. Baldbaatar Chuluunbaatar, Department of Green Development Policy and PlanningMr. Gankuyag Puntsagdorj, Director, Ministry of Industry and Agriculture**Key Development Partners met during the mission:** UNDP Governance and Human Development and MDG teams, WB, ADB, GIZ, WWF, WCS, TNC, Mongolian Foresters Professional Association, Mongolian Environmental Civil Council, Centre for Forest Study and Development (former technical team of the Forest Agency transformed into a public-private enterprise).  |
| **Purpose/Objectives of Mission:**1. To clarify the key targeted support needs of the Mongolian Government on the governance and financial dimensions of REDD+, and to design in detail an approach for work to be carried out in 2012-2013 with support from UN-REDD; and
2. To re-establish working arrangements with the new government and confirm its commitment to continue with the work in REDD+ Readiness.
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| **Context** The REDD+ Roadmap was prepared by the previous government, setting out a plan of activities to prepare a REDD+ Strategy in Mongolia. Finance has been provided by the UNDP-Japan Partnership Fund, the UNDP Country Office, and Targeted Support provided by UNDP and FAO. The Roadmap was validated earlier this year through a multi-stakeholder process. Due to the elections and the formation of a new government, the status of the Roadmap was unclear, but discussions with the new State Secretary of the Ministry of Environment and Green Development (MoEGD) during this mission indicated a strong commitment to continuing the work, including the TS, requested by the previous government. |
| **Summary of Mission Activities/ Findings*** Interviews with above listed stakeholders to further refine the TS outputs and approaches to best reflect the current needs and circumstances;
* A workshop with key individuals from the MoEGD and Centre for Forest Study and Development to review the Roadmap process, and to ensure that there is a common understanding on and strong commitment to the way forward.

Following key points were raised with regard to the proposed TS activities and the way forward for the Roadmap implementation:*UNDP (Senior Management, UNDP Governance and Human Development/MDG teams )** Country Director pointed to a potential opportunity at the sub-national governance level for increased forest sector financing through the proposed Local Economic Development Fund, which would channel the country’s entire VAT earnings to local economic development activities based on the discretion of individual local governments.
* The preparation of the National Green Economy Strategy, with initial support from UNEP and for which UNDP has now been asked to provide technical assistance, provides an excellent opportunity for the forest sector/REDD+ to be emphasized as one of the key sectors to help retain and enhance the country’s natural capital.
* UNDP is providing financial support to the Mongolian delegation to attend the UNFCCC CoP 18 in Doha (the Head of the Parliamentary Standing Committee, Climate Change Special Envoy and Minister of EGD), and this will provide an opportunity for them to meet with Japan, Germany and the UN-REDD Programme Secretariat (and perhaps Norway through UN-REDD) to discuss REDD+ in Mongolia and request for further technical assistance.
* UNDP CO Governance Team provided an interesting lesson for carrying out a capacity development assessment based on their recent experience: a process should always be let by a sector expert not by a capacity development expert to come out with well-contextualized and helpful recommendations. They also gave useful insights into how to map budget allocation process, and to determine how staff make allocation decisions, which should be useful for the targeted support work.
* UNDP CO Human Development and HDR Team pointed to the challenge associated with data availability to conduct an assessment of socio-economic impacts in land-use sectors, based on their experience preparing HDRs. Currently, the information collection methodology by the National Statistic Office poses some limitations for a detailed analysis by sector, and different government institutions collect and manage data in a non-harmonized way.

*Ministry of Environment and Green Development (State Secretary, Forest Division, and Department of Policy Implementation)** State Secretary described the new government’s commitment for green development and asked for examples from other countries that more advanced in green development, particularly in relation to the positioning of their forest sector. He also indicated the need for more sustainable utilization and management of forest resources, moving from the current protection focused forest sector policy, actually driving illegal logging. He also noted that there is a key problem with poor management that needs to be corrected (e.g. improper thinning).
* Head of the Department of Policy Implementation indicated the need for addressing the current consumption demand for timber and fuel wood by investing into production and distribution of composite wood for construction and sawn dust briquettes and pellets for heating. The Department is seeking local partners for production and external financial support.
* Head of the Division of Forest Conservation and Reforestation Management confirmed his Division and MoEGD’s commitment to continue with the Readiness efforts and requested the UN-REDD Programme to continue supporting Mongolia. As an operational focal point, he would like to have direct interactions with the UN-REDD team to ensure timely follow up and response from the government side.

 *The Parliamentary (Great Hural) Standing Committee on Environment, Food and Agriculture* * Committee has been following up on and would like to provide greater support to the work of the UN-REDD and national REDD+ Readiness in Mongolia. For that, it is important that a linkage between REDD+ and green development is made clear to policy makers.
* There are four key sectors that the Committee would like to recommend as priority sectors for green development - mining, energy, water and forest sectors. To support this, the Committee would like UN-REDD to assist them by generating baseline information and supporting key policy implementation and alignment.
* On the technical front, the Committee would like to see increased funding for research and development to address forest loss due to forest fires, diseases and insects.
* However, heavily affected by the current global economic downturn, the overall economic growth in Mongolia has slowed down. The government budgets for 2013 have been reduced as much as 40% of the proposed budgets. Some sectors, including the forest sector have been hit more severely than others.

*Ministry of Industry and Agriculture** Ministry oversees economic production aspects of the forest sector and collects and manages data on employment, economic outputs, etc. The ministry also provides support to planting and commercial production sea buckthorn trees and related products.
* Ministry is pushing for Pastureland Law to be passed (for many years) in order secure use rights and land tenure issues and looks into grassland carbon potentials with SDC and ADB. The pastureland management is a highly debated and contentious issue in Mongolia as there are very complex power and interest relationships.

*Multilateral and Bilateral Development Partners (ADB, WB, GIZ)** ADB is, through WWF, is supporting the government to prepare three regulations for the Environmental Impact Assessment Law. It might provide support to the country’s environmental and social safeguards in the context of green development. They are also working on deforestation issues linked to mining with World Bank (putting in place a regulation on this).
* World Bank will be implementing SESA in the mining sector (including CBA), promoting alternative fuel efficient stoves/heating systems, and prepared a Masterplan for the Environment Sector 2013-2021 which includes things on valuation and PES, that needs to be revisited by the new government (the signs are that it will be used in planning efforts). The World Bank also carried out a study on the Tuul River Basin that aimed at assessing environmental values, which clearly shows the value of investment in protection of ecosystem services.
* GIZ under the current Phase 2: Biodiversity and Climate Change Project will also look at safeguards and SIS in addition to the national forest monitoring and MRV areas. Currently, 18 separate databases exist in the country related to natural resources and biodiversity, and this will be a continuing challenge. GIZ meanwhile looks to UN-REDD to take leadership in supporting the government to establish safeguards and SIS. In terms of the forest sector in the context of green development, GIZ thinks that long-term education plans are needed to shift public opinions.

*NGO Development Partners (WCS, WWF, TNC)** WCS indicated that they would continue to follow up with the REDD+ Readiness process in the country and would be interested in getting involved in biodiversity safeguards and stakeholder engagement as they have extensive experience in those areas, while their work would continue to focus on CBNRM in the Eastern Steppe.
* WWF works in CBNRM, integrated watershed management, responsible mining, PA network and law enforcement – under ADB, the work is underway to propose key regulations (SEIA, EIA and bond) to strengthen Mongolia’s EIA framework law.
* TNC will be looking at grassland carbon potentials in Eastern Steppe, and has currently no plans to work at the policy level.

*CSO and Private Sector Partners (Civil Council, Forest sector public-private enterprises)** Centre for Forest Study and Development will undertake technical inventory, monitoring and evaluation and research and development activities, which were done by the Forest Agency, while forest sector policy formulation and implementation will be done by the MoEGD. The Centre is partially privatized with an expectation to mobilize resources to fill any financing gaps.
* Mongolian National Foresters Association indicated that the implementation of forest related laws and regulations had been challenged by the division of responsibility between the previous MoE and Ministry of Agriculture – the forest sector administration had not been clearly linked to local economic development aspects. The National Forest Committee is now established and chaired by the both ministries, and more investment into the forest sector development (e.g. job creation through A/R and sustainable harvesting and processing) is needed.
* Tree Global noted the problems in the sector relating to poor management practices. There are ambitious planting plans but high losses of seedlings, which is a problem that needs to be addressed through greater investment in training and in new technologies (e.g protected roots).

*Workshop with MoEGD(Division of Forest Conservation and Reforestation Management, Department of Policy Implementation, Department of Green Development Policy and Planning, and Centre for Forest Study and Development)** New working arrangements were discussed to clarify which department(s) and division(s) will be responsible for which work areas under the Roadmap. The Forest Division will take the overall leadership, but technical forest monitoring and inventory activities will be led by the Centre for Forest Study and Development. Meanwhile, the department dealing with planning and green development will also be involved for policy implementation related activities.
* Ministry would like UN-REDD to provide support in the forest sector law update and revision process (9 natural resources management related laws have been updated, and 21 forest sector bylaws are now going through revisions)
* UNDP and FAO will update the Roadmap over the winter to reflect new legal and regulatory revisions and institutional arrangements in the government. The Roadmap should emphasize the linkage to green development, and as the forest sector’s economic contribution is currently small, the value of forest ecosystems should also be communicated more strongly.
* Ministry and division welcome the further refined TS workplan, and will provide information (e.g, ministry’s budgets, HR, etc) required to carry out capacity assessment of the Forest Division.

**Summary:*** ‘Green Development’ has become a key part of the framing of the agenda since the elections and activities in different sectors might benefit from linking to this.
* The forest sector appears to have less attention given to it than other sectors, although its importance is recognized among some actors. The lack of attention is expressed in the limited financing and recent budget cuts, which will prove even more problematic for a marginalized sector. In the longer term there is likely to be significant finance from economic development (particularly mining) that could be used to support the forest sector.
* Data on the sector appears to be limited, or at least not well aggregated, so at present it is difficult to get a good handle on financial flows, spending priorities and particularly the economics of different sector activities.
* There is significant technical expertise on forestry, but it is less clear what the key strategies are for the sector going forward. Some of the issues are well recognized (such as over protection leading to high levels of illegal activity), but the way forward for dealing with these is not well articulated. This may be partly due to limited functional capacities of staff to work on policy and strategy.
* There is high level political interest in the sector (e.g. among parliamentarians), so the generation of useful information, particularly on the current and potential economics of the sector for certain target groups, could help to influence spending decisions.
* UNDP DGG and CG teams are well placed to help understand some of these issues in order to develop plans linked to the REDD+ Roadmap.

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| Follow up actions:* TS related consultants recruitments and discussion with UNDP DGG and CD teams
* Setting up Mongolian Delegation with Japan, Germany and UN-REDD at COP18
* Submit ICI proposal with GIZ
* Ask GEF Mitigation Team to look into fuel efficient stove issues
* Update the Roadmap
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