

Opportunities for UN-REDD Country-level Support to REDD+ Readiness in Mongolia

UN-REDD PROGRAMME

Date: 10 February 2011
Prepared by A. Kono

BACKGROUND

1. As a Tier Two initiative of the UN-REDD Programme, funded by the UNDP-Japan Partnership Fund, to assist a group of under supported countries in REDD+ readiness, Mongolia has been identified as one of the under-supported countries despite its potential to benefit from REDD+.
2. Based on initial discussions with the Government of Mongolia, it is identified that one of the immediate challenges for Mongolia in terms of initiating a national REDD+ readiness process is a lack of awareness among decision makers and other key stakeholders about REDD+. This is largely due to the common misconception that only those developing countries with vast tropical forests are eligible to participate in REDD+. The scheme, however, aims to cover all developing countries with considerable forest areas where deforestation and forest degradation are happening at significant rates.
3. For Mongolia, the identified steps towards initiating a national REDD+ readiness process include a preliminary stocktaking assessment, based on a review of relevant initiatives and field visits, to identify basic opportunities and capacity and financial support gaps, and discussions with key stakeholders, based on the assessment findings, to raise awareness and to collectively identify the way forward for Mongolia.
4. This report presents the preliminary assessment findings, which will provide the necessary grounds for national-level discussions.

STATUS OF FOREST RESOURCES IN MONGOLIA¹

5. Mongolia is situated in Central Asia, bordering Russia and China. More than 80% of its territory lies above 1000m, and the country serves a major continental watershed with its rivers flowing into both the Arctic and Pacific Oceans, as well as into the Central Asian Depression. Its 1.56 million square-kilometer territory encompasses six broad biogeoclimatic zones, ranging from the drier and warmer conditions at lower elevations in the south to the wetter and colder conditions at higher elevations in the north.
6. Mongolia has a population of 2.7 million people of which 80% is Kalkh Mongol. There are 20 officially recognized ethnic groups including Kazakhs, Khotons and Tsaatans. While its gross population density is one of the lowest in the world, over half of the population lives in urban centers. The continuing trend of urban drift has placed alarming pressure on forest resources in areas adjacent to urban centers to meet the growing demands for fuelwood for heating and cooking and timber for construction.
7. Since 2002, the country's GDP has risen steadily at the rate of 7.5%, and agriculture accounts for 20% of GDP, while 21% and the remainder come from the industry and service sectors, respectively. One of the fastest growing sectors is mining as the country possesses significant reserves of coal, copper, molybdenum, gold, silver, zinc, uranium, nickel and

¹ Much of the information in this section is taken from the World Bank reports on forestry (2004 & 2006) and the Global Forest Resources Assessment (FRA) 2010 by FAO

many other minerals. Relatively unregulated mining activities, despite the recent efforts by the Government, have resulted in social and environmental impacts including deforestation and catchment destruction.

8. According to the most recent Forest Resources Assessment by FAO , Mongolia has approximately 11 million hectares of forests, accounting for seven percent of its total land area. These are coniferous forests including boreal, montane and mixed forest steppe found in the northern parts of the country, and much of them are considered relatively intact.
9. Mongolia's forests are administratively divided into three zones for the purpose of forest resources management according to the Law on Forests. Forty-seven percent of forests fall within the Strict Zone, which includes sub-alpine forests, special protected areas, national parks, nature reserves and cultural monuments. Only limited exploitation to meet local subsistence needs for fuelwood and NTFPs is allowed in this zonal category. The next category is the Protected Zone, covering 46% of the country's forest area. This covers forest around bodies of water such as rivers and lakes, cities, towns, roads and railways. Commercial logging is strictly controlled within this zonal category of forests, while harvesting of fuelwood and NTFPs for domestic consumption is permitted. The last category is the Utilization Zone, covering the remainder of the forest, and commercial logging in this zone is permitted under strict control by the Government.
10. Although data on deforestation and forest degradation are inconsistent and often confusing, it is estimated that approximately 82,000 hectares of forest are being lost annually due to legal and illegal logging for domestic consumption, forest fires, mining, insects and disease and overgrazing. Reforestation efforts are limited. Due to the extreme climacteric conditions, the forest growth is believed to be very slow, and therefore, effects of deforestation and forest degradation can be felt for a long time.
11. Total annual timber consumption in Mongolia is estimated to be within the range of 1.7 to 5.5 million cubic meters, and the large variation comes from the uncertainty over fuelwood consumption. Fuelwood consumption is estimated to account for between 33 to 79% of the total annual timber consumption, while private-use timber and industrial timber account for 33% and 31%, respectively.
12. Illegal logging is an increasing concern in Mongolia, resulting particularly in forest degradation, while the extent of deforestation has been in decline over the past decade. It mainly happens to secure basic subsistence needs, to enhance livelihoods, or to commercialize illegal logging. It is driven by a number of factors including high profitability, shortage of legal supply of timber, uncertain land tenure and forest resources use rights (*e.g., no recognized rights for natural resources including trees by an individual or a community although community forest tenure arrangements are currently being introduced*), and poverty.
13. Much of the illegal logging activities are led by individuals or networks of people in an unorganized and uncoordinated fashion; therefore, the use of forest resources is often incomplete, and much of the harvested wood is often left where it was cut. Furthermore, although small-scale illegal logging for subsistence needs as a result of poverty is considered less damaging than large-scale illegal logging and trading, which is often run by individuals

with sufficient connections and resources to organize the supply chain, local people who are poor and without employment are usually engaged in actual harvesting of timber for the large-scale illegal logging.

14. There was a surge in timber export, mostly illegal, predominantly to China during the 1990s; however, a ban on the export of timber in 1999 had led to a temporary decline in harvests until the domestic demand for timber has begun to rapidly increase in recent years. In this context, the growing domestic demand for timber, combined with ambiguity over zonal restrictions for logging activities, has contributed to large-scale illegal and uncoordinated logging practices in certain forests, particularly around urban centers.
15. The current trend urges the Government to increase its efforts to sustainably maintain and increase the country's overall forest quality and biomass, while finding innovative solutions to effectively regulate the growing demand for timber, for example, through introducing more energy efficient heating and cooking practices and improved utilization of wood materials in construction.
16. The country's poor forestry governance capacity hinders its ability to address various forest related issues. Key issues in forest governance include:
 - a. **Lack of long-term strategy.** Due to its highly politicized bureaucracy, government policy decisions tend to be temporary and are often made by non-professional political appointees, and the bureaucratic structure is largely influenced by each election. This has resulted in a lack of long-term focus and strategy.
 - b. **Weak policy framework.** The guiding principle of Mongolia's national forestry policy is to reduce legal timber supply by strict controls and inspections without addressing current market demand, and this has resulted instead in increase in illegal logging and corruption. The illegally harvested cheaper timber dominates and undercuts the market and significantly reduces the ability of legal operation and state revenue. Meanwhile, local governments are expected to generate revenue from forestry services, which in principle should be directly used for forest conservation but in reality goes to support other activities as they can be used as a income generation tool. This has resulted in poor management of their forest resources.
 - c. **Unclear legal and regulatory framework.** Overlaps in laws and regulations create confusion over implementation. Different institutions interpret the existing laws and regulations differently, and this hinders effective enforcement of measures against illegal logging and unsustainable land and forest management practices including mining.
 - d. **Weak capacity and shortage of resources.** A shortage of capacity and financing for scientifically-based policy development and legal enforcement. Much of the responsibility for combating illegal logging goes to the local authorities without given a corresponding budget.
 - e. **Corruption and lack of transparency, independence and accountability.** Because of its high politicized bureaucracy, lack of capacity and resources and weak policy

guidelines, the whole system is highly susceptible to corruption to secure political support and financial resources, which goes unnoticed due to lack of transparency and accountability in the system.

- f. **Overlapping institutional responsibilities.** Several government institutions are responsible for developing and monitoring the forest industry, and there are overlaps between their responsibilities, which create confusion and conflicts.
- g. **Limited knowledge on sustainable forest management.** Limited technical understanding and knowledge to maintain and enhance forest resources and growth hinder systematic efforts towards sustainable forest management in Mongolia

RELEVANT LEGAL PROVISIONS²

17. As REDD+ is a scheme, aiming to monetize the carbon stored in forests in order to incentivize protection and sustainable management of forest assets by forest dependent people, industries and governments, any laws, concerning land and natural resources rights, forest management and economic activities within forests usually have important implications on REDD+. For Mongolia, there are three key areas of law – Forest, Land, and Mining – in that regard.
18. There are three primary forest laws – the Law on Forest (2007), the Law on Forest and Grassland Fire Protection (1996), and the Law on Fees for Harvest of Timber and Fuel Wood (1995). The Law on Forest regulates the protection, possession, sustainable use and reproduction of forests. The Law on Forest and Grassland Fire Protection coordinates forest and steppe fire prevention, suppression and restoration activities, being regulated by various concerned laws including the Law on Fire Safety, the Law of State Emergency, the Law on Environmental Protection and the Law on Forest. The Law on Fees for Harvest of Timber and Fuel Wood regulates fees for harvest of forest timber and fuelwood by citizens, economic entities and organizations and procedures for paying fees to the State budget.
19. The concept of land ownership is still new in Mongolia, and as a result, many aspects of “ownership” and “rights” are currently being experimented, and the definition and meaning of land tenure is one of the more difficult issues in Mongolia. It is especially made difficult by the rapidly changing economic and political landscape and increasing commercially competing interests. Against this backdrop, the Law on Land (2002) regulates possession, use of land by a citizen, entity and organization, and other related uses.
20. Mining affects the state of forests in Mongolia, and the Law on Minerals (2006) and the Law on Subsoil (1988) regulate exploration, mining and related activities, while also regulating the use and protection of subsoil in the interest of present and future generations.
21. The lack of consistency and coherence between these laws also poses a threat to sustainable forest management. Weak linkages between the laws on mining and environmental protection and forest management related laws, for instance, raise considerable concerns.

² Much of the information in this section comes from Assessment of Environmental Laws (2008), UNDP

Furthermore, the limited implementation and enforcement capacity of the national institutions is another major challenge.

FUTURE PROSPECTS FOR REDD+

22. Current deforestation and forest degradation is mainly driven by the steadily rising domestic demand for fuelwood and private-use and commercial timber. There are substantial opportunities for addressing illegal logging and managing the demand for timber by sustainably managing and enhancing the forest carbon stocks in the country. At the same time, additional efforts would require in tandem to promote more energy efficient heating and cooking systems at the household level, more low-waste technologies for wood production, and more efficient use of timber in construction and other commercial activities in order to reduce the consumption of timber.
23. Expected opportunity costs for shifting to more sustainable practices would be relatively low since the current market demand for timber is mainly driven domestically. Challenges lie in strengthening the legal, policy and institutional frameworks based on long-term strategies while developing adequate capacities at all levels to implement appropriate legal and policy provisions and responsibilities in a highly coordinated and collaborative manner.
24. REDD+ provides an economic incentive to establish mechanisms for good forest governance, which could ultimately benefit the country's economy, livelihoods of forest dependent individuals and communities and forest ecosystems. The country could expect to earn approximately US\$ 226 million³ over a payment period through REDD if they were successful in cutting the current rate of deforestation by half. In addition, much higher revenues could be expected through enhancement of forest carbon stocks.
25. Since REDD+ is a type of payment for ecosystem services, linkages with the past, present and future studies and efforts such as the Upper Tuul Ecosystem PES Study by the World Bank and a number of attempts to establish PES mechanisms by donor funded initiatives could collectively influence both policy and practice by establishing a common platform which could harness various types of payment systems.
26. Lastly, the scope of REDD+ in the future may extend to include grasslands although highly uncertain at this point, and therefore, engaging in REDD+ from the early stage may provide Mongolia with an advantage through exploring and securing grassland carbon opportunities, once such a scheme becomes available, to offer substantial financing for sustainable grassland management.

ACTIVITIES OF DEVELOPMENT PARTNERS RELEVANT TO REDD+ READINESS⁴

³ Boreal forests on average store 230 tC/ha in soil and 70 tC/h in vegetation. The estimated earning is derived based on US\$5 per tCO₂e.

⁴ More detailed analysis should be done during the information gathering activity. Annex One may provide a useful framework to do so.

27. Various initiatives, concerning for forestry, natural resources management, biodiversity conservation and poverty reduction, have been implemented by development partners in Mongolia. Many of them, although to varying degrees, are relevant to developing REDD+ readiness even if they were designed with different objectives in mind.
28. REDD+ readiness is a multi-faceted process, addressing many inter-related issues. To clarify the process in terms of structure, the UN-REDD Programme together with the World Bank's Forest Carbon Partnership Facility, has defined "Six Components of REDD+ Readiness". A number of development partners in Mongolia and their REDD+ relevant initiatives have been identified under each corresponding "Component" below.
29. **COMPONENT ONE: MANAGEMENT OF THE REDD+ READINESS PROCESS.** This component ensures that appropriate guiding mechanisms and instruments are in place to inclusively plan and implement the national REDD+ readiness process. Those mechanisms and instruments include a national coordination mechanism, multi-stakeholder information network, national REDD+ readiness roadmap and sectoral overviews.
- a. **No partner potential identified.** The REDD+ readiness process for the country has not been initiated, and no development partners have supported such a process. The German Agency for International Cooperation **GIZ, formerly GTZ**) may have some activities to support Mongolia in this regard through its Climate Change and Biodiversity programme.
30. **COMPONENT TWO: STAKEHOLDER ENGAGEMENT.** REDD+ would not be successful without strong support and participation from a wide range of stakeholders; therefore, ensuring broad participation of government institutions, forest dependent communities, Indigenous Peoples, NGOs and industries from the outset is critical, and this component aims to secure enabling conditions for such a process to take place. Potential partners include:
- b. **Asia Foundation** implements the "Engaging Stakeholders for Environmental Conservation" program through which they work with non-governmental partners and public and private counterparts to advance responsible resource use and environmental conservation by engaging stakeholders and citizens in the development of Mongolia's mineral sector. Mining activities often take place in forests, and therefore, it may provide useful lessons for stakeholder engagement.
- c. **FAO** implements its "Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area" project, which was formulated in response to increasing forest lost due to illegal logging, forest fires and insect damage to support the development of responsible, productive and sustainable management of forest resources by local communities to meet local needs and to stimulate local development. The immediate objective is the implementation and integration of participatory forestry in rural development in pilot areas through capacity building of the main stakeholders and through the development of enabling institutional frameworks at local, regional and national levels.

- d. **IFAD**, through its Rural Poverty Reduction Programme, helps Mongolia reduce poverty sustainably among vulnerable families who live in an environment with increasingly degraded natural resources. The programme particularly aims to help herders and farmers increase production in a sustainable manner; help people increase cash income; and offer increased access to economic and social resources such as basic financial services, education and health care. The programme especially targets minorities including poor households, women and other groups with low social and economic standing. Linkages with and lessons from this programme may provide useful information on social and economic minorities and how to engage them effectively.
- e. **National Forestry Programme Facility (FAO)** is a global programme with 70 member countries, and supports stakeholder engagement in all aspects of forests, as prioritized by each national government. In Mongolia, the programme has been implemented in three phases: (i) developing a bottom-up approach to institutional improvements through capacity building and a participatory process at both the national and 'aimag' levels; (ii) carrying out sub-sector reviews and development of strategies; and (iii) developing a participatory process for the formulation and adoption of a national forest policy. The phase three began in 2009. A National Multi-Stakeholder Steering Committee (NMSC) was re-established by the MNET in June 2010 and a workshop on the National Forestry Programme process was conducted shortly after.
- f. **UNDP**, through its “Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region” project, funded by GEF and others, aims to ensure the long-term conservation of the biodiversity of the Altai-Sayan Eco-region by mitigating threats and encourage sustainable resource use practices by local communities through integrating biodiversity conservation objectives into sustainable natural resource use policy, programs, and practice, and linking traditional protected area management to the landscape around each area, including cross-border cooperation. Meanwhile, there will be a project to strengthen the country’s buffer zone system, aiming to promote on active participation of local communities and businesses to effectively and sustainably manage Mongolia’s protected area buffer zones.
- g. **World Bank**, through the “Mongolia Second Sustainable Livelihoods” project, aims to enhance secure and sustain livelihoods in communities throughout Mongolia. One of the project components focuses on the establishment effective, transparent and socially inclusive mechanisms that empower citizens and to widen access to sustainable financial services to rural citizens through microfinance development. Also, one of its new projects, called “Revitalization of the Protected Areas of Mongolia's Forested Landscapes and Beyond”, will look at the private sector involvement along with the promotion of participation by various other stakeholder groups in the management of Bogd Khan Uul Strictly Protected Area.

31. **COMPONENT THREE: IMPLEMENTATION FRAMEWORK.** Having strong and effective legal, policy and institutional frameworks for accountable, equitable and transparent forest governance (e.g., land-use, payment for ecosystem services, timber trade, community forestry, etc.) and effective mechanism to discourage corruption is a key condition for making REDD+ a success. This component aims to develop such frameworks and mechanisms with appropriate social and environmental safeguards to provide solid grounds on which REDD+ mechanisms to be built and implemented. Potential partners include:
- h. **FAO** implements its “Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area” project, with an aim to promote participatory forestry through capacity building of the main stakeholders and through the development of enabling institutional frameworks at local, regional and national levels.
 - i. **GIZ** implements a programme, called “Climate Change and Biodiversity – Conservation and Sustainable Management of Natural Resources”. The programme has worked to advance the forest law enforcement and governance by preparing a national action plan based on societal entitlement, economically viable management, and ecological principles. The National Action Plan, developed through a stakeholder consultation process, will directly involve forest user groups in community-based conservation. Forest management plans will encompass Forest Stewardship Council (FSC) standards of certification and chain-of-custody measures to ensure the legality and transparency of natural resource use, which closely linked the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan of the European Union. This process is also aligned to support REDD+ readiness. In addition, its project, “Establishment of fiscal cadastre/land management in Mongolia”, may also provide useful supporting data and lessons to be applied in dealing with forest land tenure issues.
 - j. **European Union**, through the “Green Products Development and Labeling” project, aims to strengthen the business support network on the development and promotion of sustainable Mongolian products with country-wide target groups of: i) Small and Medium sized Enterprises (SMEs); ii) Governments, who are responsible for policy formulation and uptake of project results; iii) Retailers; and iv) Consumer organizations and consumer (groups). Forestry is one of the industries considered by the project.
 - k. **National Forestry Programme Facility (FAO)**, in Mongolia, is currently implementing its third phase activities, and in this phase, it is planned to support the formulation of a new forest policy.
 - l. **UNDP** implements the GEF funded project, called “Strengthening of the Protected Area Network in Mongolia” to catalyze the management effectiveness and financial sustainability of the country’s protected areas system by strengthening policy, legal and institutional frameworks for management and financing of the national protected area system, institutional and individual capacity building, and seeking options for sustainable financing through, for example, payment for ecosystem services. In addition, the “Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region” and the proposed ecosystem-based

adaptation projects will bring about landscape level changes to support sustainable management of the eco-region by influencing land-use policies and plans, behaviors of land-users and policy makers, and exploring innovative ways of financing to generate conservation and livelihood improvement benefits. Another project, called “Capacity Development for the Micro-insurance Market”, may also provide crucial information through its lessons on giving financial access to poor and socially vulnerable groups and developing capacities of the financial regulatory system.

- m. **World Bank**, through the “Netherlands-Mongolia Trust Fund for Environmental Reform” initiative, has worked to strengthen and advance the environment and natural resources agenda in Mongolia. The initiative focuses on three key areas: i) Natural Resources Management and Biodiversity Conservation; ii) Urban Environment and Pollution Management; iii) Strengthening Governance; and iv) Capacity and Partnerships for Environmental Management. Activities include strengthening of the capacity of the newly-established soum and inter-soums forestry brigades. In addition, its new project, called “Revitalization of the Protected Areas of Mongolia's Forested Landscapes and Beyond”, will promote the integration of biodiversity and natural resources conservation considerations into economic policies and plans by providing analytical evidence and working closely with both the public and private sectors.

32. **COMPONENT FOUR: REDD+ STRATEGY SETTING.** A national REDD+ strategy is the main instrument that guides a country through a process of attaining REDD+ readiness and operationalizing REDD+. Key elements include, among others, the identification of key drivers of deforestation and forest degradation together opportunity costs, REDD+ intervention options, participatory processes, risk mitigation mechanisms, and carbon accounting and monitoring mechanisms.

- n. **No potential partner identified.** However, the **National Forestry Programme Facility (FAO)** is meanwhile supporting the formulation of a new forest policy, which should provide suitable entry points for mainstreaming REDD+ into policy. The **World Bank's** reports on illegal logging and payment for ecosystem services together with **FAO's** Forestry Sector Outlook Study should provide useful grounds for discussions. Also, **ADB's** “Energy Conservation and Emissions Reduction from Poor Household” project, and **GIZ's** “Development of Renewable Energy Sources” project would offer strategic options to be considered in a national REDD+ strategy in order to manage the ever increasing national demand for fuel wood and timber.

33. **COMPONENT FIVE: REFERENCE SCENARIO.** To be able to accurately predict the future trends in forest development, acquiring adequate information about the past trends in forest cover and forest quality is crucial. This component aims to secure the country's capacities to develop reference scenarios with an acceptable degree of accuracy and precision.

- o. **No potential partner identified.** No support activities related to reference scenario setting have been reported.

34. **COMPONENT SIX: NATIONAL MONITORING SYSTEM.** REDD+ would not function without having appropriate capacity at the national level to effectively measure, report and verify carbon performance and other benefits. Strengthening the national forest inventory process and developing scientific monitoring and data management capacities are key focus of this component.

p. **No potential partner identified.** No supporting activities related to national monitoring system establishment have been reported.

ENTRY POINTS FOR THE UN-REDD PROGRAMME

35. Mongolia needs to address numerous capacity gaps in becoming ready to implement REDD+. Although supporting full-scale REDD+ readiness is not possible at this moment until more financing becomes available, the UN-REDD Programme through the financial support of the UNDP-Japan Partnership Fund will support a number of initial actions during 2011, which build and rely heavily on lessons generated by the UN-REDD Programme in other countries. Meanwhile, the UN-REDD Programme seeks to establish effective partnerships with relevant government institutions, donors and NGOs whose activities may support REDD+ readiness so as to consolidate resources to help Mongolia attain REDD+ readiness in a cost-effective and strategic manner.

36. Specific activities envisaged during 2011 include:

- I. **REDD+ Awareness-raising and Coordination Workshops.** REDD+ is still a relatively new concept or has not even been viewed as an innovative financing option for sustainable forest management in Mongolia. There is a need for awareness-raising among policy makers and development partners to set an appropriate stage for starting up a national REDD+ roadmap process while also raising awareness among forest dependent communities on opportunities, tradeoffs, responsibilities, rights, etc. to promote inclusive planning and a feedback process. A series of consultations will be held with a wide range of stakeholders, including national/local government institutions, development partners, NGOs and communities, to understand REDD+, identify capacity gaps and discuss the way forward. These consultants should also provide useful insights into aspirations and needs of the country in the context of REDD+
- II. **Establishment of a National REDD+ Working Group.** The creation of a broad-based, multi-stakeholder REDD+ working group has proven to be very beneficial in both Viet Nam and Cambodia in helping to build confidence among governmental and non-governmental stakeholders, and creating a sense of “ownership” for the REDD+ readiness process⁵. In the case of Viet Nam, the so-called National REDD+ Network includes three categories of members: governmental, non-governmental, and development partners. In the case of Cambodia, the National REDD+ Task Force includes representatives from three ministries, two non-governmental organizations and development partners. A decision on in the composition of a National REDD+ Working Group for Mongolia would need to be made by the government. On the governmental

⁵ ToR for the Viet Nam National REDD+ Network and the Cambodia National REDD+ Task Force are given in Annex 3

side, membership could include several line ministries that may not have harmonized policy positions related to REDD+, yet. Therefore, consideration could be given to asking one of the ministries that play a coordination role in the national development policy planning process to chair the Working Group. If development partners are included, there might be a development partner co-chair (as in Viet Nam). The National REDD+ Working Group would assume an informal mandate to oversee all REDD+ readiness activities in Mongolia.

- III. **Recruitment of a REDD+ Working Group Facilitator.** Progress in the case of Cambodia has been greatly facilitated by the recruitment of a facilitator. The facilitator has played a critical role in making discussions focused to ensure successful and timely development of the roadmap and implementation of strategic actions in Cambodia. Also, a facilitator with previous experience in REDD+ readiness work of other countries could bring a wealth of information and knowledge to benefit Mongolia's process, starting with the formulation of a REDD+ roadmap.
- IV. **Formulation of a REDD+ Roadmap.** One of the first activities of the National REDD+ Working Group could be to prepare a REDD+ readiness roadmap, which would identify the necessary actions required to achieve REDD+ readiness; on-going and planned actions related to the roadmap; on this basis, gaps which require filling; and responsibility for addressing elements of the roadmap. Such a process has been undertaken in Cambodia, and has proven very valuable not only in clarifying for all stakeholders the actions required to achieve REDD+ readiness, but also the roles of development partners in helping to fill gaps.
- V. **Background Information Gathering and Studies.** Despite some studies already done on Mongolia's forestry sector and options to combat deforestation and forest degradation, the currently available information is highly fragmented and requires consolidation and verification. Information gathering and studies in partnership with relevant national, donor and NGO partners are required to support the REDD+ Working Group in making informed plans and decisions.
- VI. **A Comprehensive REDD+ Communication and Education Programme.** In many countries which have already begun their REDD+ readiness processes, the spread of erroneous information about REDD+ has raised significant concerns and false expectations among stakeholders. In order to avoid such situations in Mongolia, and to create effective working relationships between the government and communities to work towards REDD+ readiness, it is essential to design and deliver a comprehensive programme of education and awareness-raising, targeting different stakeholder groups. This activity should be initiated even ahead of the formulation of the National REDD+ Working Group as part of **REDD+ Awareness-raising and Coordination Workshops**.
- VII. **Preparing National Institutions for Reference Scenario Setting and Establishing National Monitoring System.** Activities concerning reference scenario setting and national monitoring system establishment are often costly, and the UN-REDD Programme resources for Mongolia are not enough to make significant progress in these areas. However, small-scale activities will be designed to inform relevant national institutions on the expected processes of capacity development and meeting technical

requirements so as to help initiate internal processes to consolidate available special and statistical data and methodologies of data collection and analysis (UNFCCC national communications, GHG inventory, FRA, national census, etc.)

RESOURCE MOBILIZATION AND ACTIVITIES BEYOND 2011

37. Currently, the UN-REDD Programme does not have core resources to initiate any additional country programmes. This situation might change if additional donors contribute to the Programme, but such a situation should not be assumed. Despite this, the UN-REDD Programme has succeeded in supporting REDD+ readiness activities in some other countries lacking core funding. This has been achieved by tapping into unused core funding of UN Agencies, and cooperating with bilateral and multi-lateral donors to ensure that their programmes, even if designed with other goals in mind, can contribute to REDD+ readiness.
38. UNDP plans to start the development and implementation of new projects on biodiversity conservation, funded by the GEF and Adaptation Fund as described in the previous section. These projects are intended to cover many REDD+ relevant issues. Similarly, the described activities of various development partners are expected to contribute to the country's effort on REDD+ readiness, initiated by the UN-REDD Programme during 2011. Meanwhile, FAO through the National Forestry Programme Facility plans to scale up its activities to extensively cover various REDD+ relevant issues at the policy level.
39. The possibility to develop a new project under the GEF Sustainable Forest Management focal area should be explored. The GEF allocations to Mongolia for Land Degradation and Climate Change activities could be programmed together to address multi-focal issues related to land and forest management, carbon emissions and energy efficiency. Such a project would qualify Mongolia for an additional resource allocation from GEF through the Sustainable Forest Management window to secure significant financing for multi-focal sustainable forest management efforts.
40. **More information to be gathered during the first mission in consultation with government counterparts and development partners. First mission is scheduled during the 2nd week of March, 2011.**

Annex1: Matrix of Policies, Laws and Initiatives relevant to REDD+ Readiness

Six Component of REDD+ Readiness	Key Element	Relevant Policy and Law	Relevant Initiative and Lead Agency
Management of REDD+ Readiness Process	REDD+ Steering Committee or Similar	•	• No potential partner identified
	REDD+ Roadmap or similar	•	• No potential partner identified
Stakeholder Participation	Mechanism for broad-based participation in place	•	<ul style="list-style-type: none"> • “Engaging stakeholder for Environmental Conservation⁶”, Asia Foundation • “Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area⁷”, FAO • Rural Poverty Reduction Programme⁸, IFAD • National Forest Programme Facility⁹ • “Revitalization of the Protected Areas of Mongolia's Forested Landscapes and Beyond¹⁰”, World Bank
	Community forest management law/policy	• Law on Land	<ul style="list-style-type: none"> • “Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region¹¹”, UNDP • Proposed GEF buffer zone management project, UNDP • “Mongolia Second Sustainable Livelihoods¹²”, World Bank
REDD Implementation Framework	Forest Policy/Regulation Concerning REDD and/or PES	<ul style="list-style-type: none"> • Law on Forest • Law on Forest and Grassland Fire Protection 	<ul style="list-style-type: none"> • “Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area”, FAO • “Climate Change and Biodiversity – Conservation and Sustainable Management of Natural Resources¹³”, GIZ • “Establishment of fiscal cadastre/land management in Mongolia¹⁴”, GIZ • National Forest Programme Facility • “Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region”, UNDP

⁶ <http://asiafoundation.org/publications/pdf/809>

⁷ <http://www.fao.org/forestry/enterprises/38735/en/>

⁸ [http://operations.ifad.org/web/ifad/operations/country/project/tags/mongolia/1205/project overview](http://operations.ifad.org/web/ifad/operations/country/project/tags/mongolia/1205/project%20overview)

⁹ <http://www.nfp-facility.org/58168/en/>

¹⁰ <http://web.worldbank.org/external/projects/main?pagePK=64283627&piPK=73230&theSitePK=40941&menuPK=228424&Projectid=P120593>

¹¹ <http://www.undp.mn/snrm-cbcbdmlmas.html>

¹² <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPREGTOPRURDEV/0,,contentMDK:21769878~menuPK:574006~pagePK:34004173~piPK:34003707~theSitePK:573964,00.html>

¹³ <http://www.GIZ.de/en/praxis/17020.htm>

¹⁴ <http://www.gtz.de/en/themen/laendliche-entwicklung/17012.htm>

			<ul style="list-style-type: none"> • “Netherlands-Mongolia Trust Fund for Environmental Reform¹⁵”, World Bank • “Revitalization of the Protected Areas of Mongolia's Forested Landscapes and Beyond”, World Bank
	PES/voluntary REDD implemented	•	<ul style="list-style-type: none"> • “Ecosystem Based Adaptation Approach to Maintaining Water Security in Critical Water Catchments in Mongolia”, UNDP • “Strengthening of the Protected Area Network in Mongolia”, UNDP
	Existing benefit distribution systems in place	<ul style="list-style-type: none"> • Law on Fees for Harvest of Timber and Fuel Wood 	<ul style="list-style-type: none"> • “Green Products Development and Labeling¹⁶”, European Union • “Capacity Development for the Micro-insurance Market¹⁷”, UNDP
REDD Strategy Setting	REDD Policy/Strategy	•	• No potential partner identified
	Data on opportunity costs of alternative land use	<ul style="list-style-type: none"> • Law on Mining • Law on Subsoil 	<ul style="list-style-type: none"> • “Energy Conservation and Emissions Reduction from Poor Household¹⁸”, ADB • “Development of Renewable Energy Sources¹⁹”, GIZ • National Forest Programme Facility
Reference Scenario	Baseline Inventory Data	•	• No potential partner identified
	Forecast of future deforestation/degradation trends	•	• No potential partner identified
	Completeness of GHG Inventory	•	• No potential partner identified
MRV	Forest Area Change Inventory Capacity	•	• No potential partner identified
	Forest Inventory Capacity	•	• No potential partner identified
	Remote Sensing Capacity	•	• No potential partner identified
	Capacity for non-carbon REDD monitoring	•	• No potential partner identified

¹⁵<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/MONGOLIAEXTN/0,contentMDK:21080050~menuPK:327714~pagePK:1497618~piPK:217854~theSitePK:327708,00.html>

¹⁶http://ec.europa.eu/delegations/mongolia/projects/list_of_projects/153294_en.htm

¹⁷ <http://www.undp.mn/Micro-insurance.html>

¹⁸ <http://www.adb.org/projects/project.asp?id=42059>

¹⁹ <http://www.gtz.de/en/themen/17015.htm>

Annex 2: ToR from Viet Nam and Cambodia Coordinating Bodies

a) Viet Nam

DECISION ON THE ESTABLISHMENT OF THE AD HOC COORDINATING COMMITTEE FOR REDUCING EMISSIONS FROM DEFORESTATION AND FOREST DEGRADATION (REDD)

The Minister of Agriculture and Rural Development

Pursuant to the Decree No. 01/2008/ND-CP dated 03/01/2008 of the Government defining the functions, tasks, powers and organizational structure of the Ministry of Agriculture and Rural Development;

Pursuant to the Decision No. 3665/QD-BNN-KHCN dated 21/11/2007 of the Minister of Agriculture and Rural Development on the establishment of the Steering Committee for Climate Change Mitigation and Adaptation;

Pursuant to the Decision No. NO. 368 /QD-BNN-KHCN dated 28/01/2008 of the Minister of Agriculture and Rural Development on the establishment of the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation for the Agriculture and Rural Development Sector;

At the proposals of the Directors of the Department of Forestry and the International Support Group,

Hereby Decides

Article 1: Position, functions

To establish the Ad Hoc Coordinating Committee for Reducing Emissions from Deforestation and Forest Degradation (REDD+) (hereafter called the National REDD+ Network)

1. The National REDD+ Network will function as a sub-committee under the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation for the Agriculture and Rural Development Sector
2. The Standing Office is a scientific research and non-productive unit, and receives budget through the allocation to the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation for the Agriculture and Rural Development Sector
3. The National REDD+ Network will be a multi-partner committee, consisting of representatives of relevant departments and organizations of the Government of Viet Nam, representatives of non-governmental organizations, and representatives of relevant bilateral and multilateral development partners.
4. The function of the National REDD+ Network is to coordinate and manage the activities of all partners in the development and implementation of a national REDD system for Viet Nam.

5. The National REDD+ Network is established for a limited period of time, namely 18 months, unless otherwise determined by the Minister of Agriculture and Rural Development. At the end of this period, the functions of the National REDD+ Network will be assumed by the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation for the Agriculture and Rural Development Sector
6. The Head office of the National REDD+ Network will be B9 Building, 2 Ngoc Ha Street, Dong Da District, Hanoi (Department of Forestry, Ministry of Agriculture and Rural Development)

Article 2: Tasks

The National REDD+ Network shall assist the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation in implementing the following tasks:

1. Prepare an action plan for the design and implementation of all elements of an effective national REDD system for Viet Nam
2. Assign responsibilities to departments and organizations of the Government of Vietnam and other legal entities for implementation of specific components of the action plan
3. Establish milestones and deadlines for delivery of each component of the action plan
4. Review the current and planned programmes of international development partners related to the action plan
5. Co-ordinate the inputs of international development partners, and ensure that bilateral and multilateral funding is directed to support implementation of specific components of the action plan in a way that is consistent with the comparative advantages of the international partners and meets the financial needs of each component
6. Undertake regular reviews and assessment of the status of implementation of the action plan, and design and implement measures to address any shortcomings in implementation
7. Ensure that all activities in support of the development and implementation of REDD measures in Viet Nam full under, and are consistent with the action plan
8. Prepare reports on action plan implementation
9. Perform administrative work, financial management which are allocated to the National REDD+ Network; in particular, to ensure that the functioning of the National REDD+ Network are effectively assumed by the Standing Office of the Steering Committee for Climate Change Mitigation and Adaptation for the Agriculture and Rural Development Sector at the end of the period of operation of the National REDD+ Network
10. Carry out other tasks assigned by the Chairman of the Steering Committee

Article 3: Organizational structure

I. Leadership:

Chief of the Standing Office and Vice-Chiefs of the National REDD+ Network are appointed by the Minister

a) Chief of the National REDD+ Network undertakes his/her responsibility before the Chairman of the Steering Committee and laws for all operations of the Standing Office

b) Vice-Chiefs of the National REDD+ Network who assist the Chief of the National REDD+ Network in some duties, undertake their responsibility before the Chairman of the Steering Committee, Chief of the Standing Office and laws for the assigned duties.

2. Some staff of the National REDD+ Network assists the Chief of the National REDD+ Network and complies with the assignment of the Chief of the National REDD+ Network.

DRAFT

b) Cambodia

National REDD Taskforce

1. Rationale

REDD (Reducing Emissions from Deforestation and forest Degradation) is a proposed international mechanism to reward developing countries for reducing rates of deforestation and forest degradation. As defined under the international negotiations, REDD will operate at the national level and include all forested areas: countries will then be rewarded for maintaining overall forest cover above a set baseline (called a reference emission level). Any reductions in deforestation or degradation at the sector or subnational level will not be rewarded unless overall national rates also decline.

It is therefore necessary to establish an appropriate national coordination mechanism including relevant line agencies to develop a National REDD framework, which includes all forested areas (such as production forest, protection forest, protected areas and flooded forest). Development of a national REDD framework is anticipated to involve the following phases:

Phase 1. Development of a national REDD Readiness Roadmap.

Phase 2. Implementation of the National REDD Readiness Roadmap for development of the National REDD framework.

Phase 3. Operation of National REDD.

2. Objectives

The national REDD Technical Taskforce is responsible for coordinating development of the national REDD Readiness Roadmap (Phase 1 above).

3. Membership

Membership of the taskforce is based on relevance of mandates, jurisdictions, responsibilities and activities in areas relevant to REDD readiness as reflected in sections of the draft readiness roadmap. As the process progresses, it is possible that other members (including the Ministry of Economy and Finance, Ministry of the Interior and others) will join the group. Initially it is proposed that group membership will include representation from the following agencies and organizations:

- i. Forestry Administration; Ministry of Agriculture, Forestry and Fisheries
- ii. General Department Administration for Nature Conservation and Protection; Ministry of Environment
- iii. Department of Geography; Ministry of Land Management, Urban Planning and Construction

The Taskforce will be supported by UNDP and FAO. Clinton Climate Initiative and RECOFTC will be observer members to represent civil society.

4. Responsibilities

- i. Develop the draft REDD roadmap for endorsement

- ii. Manage the Roadmap drafting process, including determination and supervision of consultancy inputs
- iii. Stakeholder Consultation and awareness-raising about the Roadmap process
- iv. Information collection and institutional mapping about ongoing REDD activities
 - v. Facilitation of technical background documents (by Taskforce and consultants) to inform the REDD Roadmap drafting
- vi. Participation in trainings, meetings on REDD
- vii. Coordination, including liaison with development partners and activities by NGOs
- viii. Reporting by line agency members to their respective line agency

5. Reporting

The REDD Taskforce will report to and consult with their respective line agencies:

- i. The Technical Working Group on Forestry & Environment (TWGF&E); and
- ii. MoE, who will inform the National Climate Change Committee (NCCC) as required.

The UNDP and FAO representatives will be responsible for reporting to UN-REDD.

Minutes of Taskforce meetings will be taken, summarizing the members present and the key conclusions reached. These minutes will be made available to relevant Government agencies and development partners.

6. Duration and timing

The REDD Technical Taskforce will meet monthly, or more frequently if required, during the Roadmap preparation process, which is estimated to start in January 2010 and be completed by the end of May on 2010.

It is expected that members will be required to work between 5 and 10 days per month, depending on activities.