UN-REDD

PROGRAMME

Independent Technical Review: Mongolia R-PP document

UN-REDD PROGRAMME

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General comments to R-PP Document of Mongolia

The draft R-PP represents a substantial amount of effort. Several concepts presented are sound. However, prior to moving forward the draft requires deeper analysis and revision.

Several conclusions demand greater scrutiny. For instance, the R-PP states forest conservation is a significant factor in Mongolia's forest fires. The R-PP states that forest conservation causes illegal logging. The R-PP uses these inaccurate assertions to imply that protected area status should be rolled back to allow for expanded forest use.

"The overemphasis on protection and conservation of forests under the Law on Forest and the Special Protected Areas Law creates a perverse incentive for illegal logging."

Suggesting that Mongolia's conservation gains be relaxed to achieve REDD+ preparation is ill advised. This is contrary to stated national policies (30% of Mongolia under PA status) and the REDD+ Programme Strategy. Both call for greater forest conservation, not less.

The R-PP understates the role played by over-grazing in forest and land degradation. Grazing takes place in nearly all forested landscapes, whether inside or outside of protected areas. Addressing over-grazing in the REDD+ process in a meaningful way is absolutely critical to success.   This is a failure to manage livestock numbers, not an issue of land tenure as suggested by the R-PP. Mongolia's indigenous nomads have a highly evolved system of grassland management or "ownership". However, there is no incentive to de-stock and/or regulate livestock numbers.

The R-PP's recommended approach does not give adequate accounting or weight to valuable ecosystems services such as biodiversity conservation and water resource integrity. For instance, the recommended management regime (Task Force) is heavily weighted towards entity most interested in forest production. To make certain accountability exists, this Task Force should include institutions and stakeholders concerned with issues such as protected areas management, water resources conservation, and biodiversity conservation.

The R-PP focuses upon assessment and analysis rather than demanding action and impact. Many of the proposed courses of action are vague. For instance, the R-PP requires only that the strategy be drafted and reviewed. There is no requirement that an actual REDD+ strategy be adopted and implemented. Some proposed assessments cost hundreds of thousands of dollars to review issues that are fairly well understood. This may be related to the fact that the R-PP does not reference many germane efforts by government and donors in the sectors of climate change, livestock management, protected areas management, and local governance capacity building. This risks duplication of effort.

As noted within the R-PP, Mongolia has decentralized natural resource management decision-making. The states (Aimag) and counties (Soum) are now immediately responsible for many NRM decisions. This includes commercial use and conservation. These local institutions are vital to forest management. The R-PP does not describe an adequate approach to build local authorities capacity to engage in the REDD+ process, improve land use planning, and/or promote greater accountability.

There are over 800 Forest User Groups in Mongolia. Every FUG has a different motivation and this is usually not commercial timber. Many of these FUG's want to exert control over secondary of non-timber forest products, a resource that the R-PP analysis omits entirely. The R-PP does not reference that FUG's are only one voice in a community-based initiative cacophony. In the last 5 – 10 years, local herding groups, protected areas groups, cooperatives, fishing groups, hunting groups, watershed groups and innumerable other community-based initiatives have emerged. These initiatives often overlap and/or compete with each other. This situation takes place outside of a strategic natural resource management framework. This creates a highly complex on-the-ground situation that lacks adequate regulatory oversight, monitoring, and reporting. FUG's should be approached in a way that alleviates, not acerbates, this situation. This challenge is not reflected and/or addressed in the R-PP.

There are numerous other examples. The R-PP presents a good first effort. However, the R-PP's high level of investment should be accompanied by commensurate impacts. If funded as drafted, the likelihood of substantial and meaningful results is limited.   The R-PP should be revisited and improved before moving forward.

Assessing the draft R-PP against review criteria

1. <u>Ownership of the Programme</u>:

> The Role of UN Resident Coordinator appears satisfactory.
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> The R-PP follows most national strategies, policies and development planning processes. The R-PP potentially conflicts with national strategies and policies related to protected areas and biodiversity conservation.
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> The R-PP seems to follow the UN Country Programme and other donor assistance frameworks.
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> The R-PP requires more clarity regarding Government co-financing and other baseline funding. Table 15 simply states: "Government of Mongolia. All around support to all components and activities. This includes both in-kind support and cash support. US$ 2 million"
>
> The R-PP suggests starting work at a point below, rather than building upon, the existing baseline. As a result, the R-PP proposes an inordinate amount of financing for non-critical assessment and analysis. A GEF/FAO project and pending GIZ conservation program are part of the baseline analysis. Many more completed and on-going baseline investments seem to be absent. A major UNDP/GEF investment in local protected areas and a UNDP/AF investment in climate change adaptation are absent. A World Bank initiative to strengthen Aimag and Soum level decision-making is absent. These projects and many others are critical to community forest use, land use planning, assessment, capacity building for local governments, monitoring, assessment, etc. They represent an important foundation and opportunity for synergy that will improve both efficiency and cost-effectiveness.
>
> The level of engagement with indigenous and forest dependent communities during R-PP development appears quite low and must be improved during implementation. The more than 800 Forest User Groups across Mongolia have highly diverse memberships and motivations. The R-PP describes interactions with only a handful in a few locations. The R-PP proposes a Civil Society and Local Community Forum. However, this forum does not have a seat on the Task Force. There is a call for national and regional workshops for stakeholder engagement. There is no representative forum for FUG's and/or local communities. Under an ongoing UNDP/GEF project, an extension office through MEGD protected areas administration will be established to help streamline all of these disparate community-based initiatives. The R-PP should reference and build upon this and other on-going actions.

2. <u>Level of consultation, participation and engagement</u>:

> The R-PP reflects insights of parties interested in expanding the consumptive use of forest resources. This includes implying that increased forest use will lead to increased forest health.
>
> The R-PP's analysis and conclusions do not fully reflect national stakeholder expertise and concerns regarding ecosystems services such as biodiversity conservation and water resources. An indicator of this gap is a failure to accurately describe the current system of protected areas and resource use within these protected areas. As noted below, these interests need a seat at the table with the Task Force. The current task force described at the R-PP's Table A on page 161 is comprised mostly of stakeholders interested in forest exploitation, and not necessarily conservation.

The level of engagement with rural communities is troubling. For instance, annex 1b-1: 2-day workshop in 2011 with 3 Forest User Groups in Mandal Soum. Mongolia has over 800 FUG's.   An indicator of this engagement gap is a failure to mention the reliance of rural residents upon secondary or non-timber forest products. Berries, mushrooms, pine nuts, and a host of other forest products are critical to nutrition and livelihood in rural Mongolia.

3. Programme effectiveness and cost efficiency:

The R-PP's likely effectiveness and cost efficiency is low. The R-PP should strive to more accurately identify challenges and the root causes of these challenges. The R-PP should strive to present a more well-reasoned strategy to achieving measurable impact. The R-PP should avoid investing millions of dollars to assess fundamental issues that are fairly well understood and well documented in Mongolia.

4. Management of risks and likelihood of success:

The level of innovation and expected achievements set by this R-PP are low. At the same time the proposed level of financial investment in the programme is extremely high.

Because of these factors (high level of investment and low level of expectation), the risks associated with implementation of the R-PP are low. Most identified "risks" refer to potential coordination challenges. As currently formulated, the likelihood of this risk hindering implementation success is also extremely low.

This conclusion should not be considered as an endorsement. Rather, it is a challenge to revise the R-PP to increase the level of innovation and expected outcomes. The R-PP should have higher expectations for tangible action and/or management change.

The risks associated with the Cancun principles are generally satisfactory.

5. Consistency with the UN-REDD Programme Strategy:

The R-PP is consistent with the UN-REDD Programme Strategy.   The R-PP follows the basic guidance of the 2011 – 2105 Work Areas. Implying that forest conservation gains should be relaxed is contrary to the programme strategy.

6. Compliance with UN-REDD Programme Rules of Procedure and Operational Guidance:

The R-PP appears to be consistent with the UN-REDD Programme Rules of Procedure and Operational Guidelines.

Assessing the draft R-PP by component

1. <u>Component 1: Organize and consult:</u>

Most intact forests are located within multiple-use protected areas that harbor globally significant biodiversity and provide vital ecosystem services. This is true for boreal forests, Gobi sauxal forests, riparian areas, etc. The R-PP proposed management structure should do a better job of recognizing this. This should be done to make certain environmental safeguards required under Component 4 are achieved.

The Mongolian Environmental Civil Council is a good addition, particularly for issues related to gender. However, the REDD+ Task Force and Working Groups should include membership from the MEGD protected areas bureau, water resource conservation specialists, experts from the Academy of Sciences, and NGO's such as WWF, TNC, and WCS concerned with biodiversity conservation. These organizations have the expertise required to create balance in the decision-making process. They are capable of informing the REDD+ strategy with vital information regarding biodiversity conservation, water resources, and other critical ecosystem services.

The R-PP should take a much more robust and strategic approach to addressing policy issues. The proposed approach will not likely lead to the establishment of an enabling environment necessary to support REDD+ initiatives. Although a Technical Working Group is proposed, this responsibility is not clear in the R-PP.

National policies should be improved so that forest monitoring on all levels is linked to and informed by comprehensive, national forest use and land management planning. This planning should be legally enforceable and guide the actions of all three government layers (national, Aimag, Soum) as well as private enterprise. Issues related to grazing will be critical to this effort. This should be discussed and addressed fully in the R-PP.

As noted in the R-PP, Mongolia's policy of decentralizing natural resource management makes Aimag and Soum leaders (Darga, Khural Speaker, Environmental Inspector) the primary forest management decision bodies. Forest User Groups are quickly becoming the most proximate managers of forest resources. These local entities operate without the benefit of a: (1) comprehensive capacity and awareness building program; and/or, (2) land use or forest management plans that are informed, enforceable, and/or linked to national level guidance, monitoring and reporting mechanisms. Hundreds of millions of dollars have been invested in capacity building on the national level. Relatively little has been invested strategically on the Aimag and Soum level. Aimags and Soums are vested with extensive authority over resource use and allocation. There are few safeguards to define and regulate these parameters of that use.

This decision-support vacuums place local authorities at a severe disadvantage. They have a preponderance of the responsibility yet benefit from very little assistance to support improved decision-making. The situation creates enormous risks for forest resources. Many Soum discretionary budgets have risen significantly in the last few years as a result of mining windfall allocations. The R-PP should identify opportunities like to propose policies linking annual allocations upon development, implementation and reporting by Aimag and Soum level conservation strategy that incorporate fundamental REDD+ elements. This same principle should be extended to apply to forest use by Forest User Groups.

The R-PP's proposals regarding awareness building should be strengthened. The R-PP should likely go further than simply stating "Communication and Participation Plan" will be generated. This is particularly important for local authorities. For instance, the GoM has a formal training program for

all Soum and Aimag leaders.   The R-PP should specifically explore this as an opportunity to integrate REDD+ awareness within the formal training program. In addition, potential REDD+ synergies with Aimag and Soum leadership capacity development projects implemented by the World Bank, UNDP and other donors should be discussed in the R-PP.

2. Component 2: Prepare the REDD-plus Strategy:

This component represents a very large investment of capital. It would benefit from a bit more consideration and considerably more detail regarding approach.

For instance, the proposed work plan for Component 2d (Compilation of the National REDD+ Strategy) contains essentially two guiding notes: Prepare draft based upon assessments and validate draft with stakeholders.   If this is not further refined, there is a risk that effort will be lost duplicating analysis and exploring concepts that are very well known in Mongolia. Perhaps this component should consider the concrete steps that will be taken to achieve this. Again, reaching National, Aimag, and Soum level governments will be essential. Incorporating the expertise and concerns of biodiversity conservation and water resources management specialists will be vital. The component would benefit from more specific guidelines regarding timing, stakeholder engagement, drafting responsibilities, vetting procedures, and ultimately national and local government approval and implementation.

The issue of forest regeneration deserves serious reconsideration.

The R-PP states: "A report by the World Bank in 2006 into tree-planting in Mongolia found that the best longest-lasting means of restoring forest landscapes, for the lowest cost, is to encourage natural regeneration, rather than to invest in costly planting programs." The first proposed "sub-strategy" is "provide technical support to undertake research to improve forest productivity and sustainable utilization through improved silviculture…"

The R-PP states: 951 hectares were replanted during the first three years of the Green Wall program (2005-2007), covering 80 *soums* in 18 *aimags*, at a cost of TUG 839 million (US$610,000). These are not cost-effective strategies for Mongolia. However, the R-PP recommends the following: As described in previous sections, there is a great deal of uncertainty regarding the potential to implement REDD+ in Saxual forests. This particularly relates to the low carbon content of Saxaul forests. Hence, as a precursor to selecting strategies to increase forest carbon stocks in Saxaul forests, a cost-benefit analysis will be undertaken to determine the economic feasibility of including afforestation and reforestation activities in Mongolia's southern zone in the National REDD+ Strategy."

The proposed work plan for Component 2b discusses strategies and pilots. There is little chance that a pilot involving forest regeneration in Mongolia will deliver measureable results within a three-year period. Foresters have worked for decades to promote reforestation in Mongolia. Regeneration has had some success on a very localized level and almost no impact on a large scale. This is due to several environmental and human factors. Mongolian environmental conditions challenge regeneration. Over-grazing very often stymies regeneration.

3. Component 3: Develop a National Forest Reference Emission Level and/or a Forest Reference Level:

This component represents an investment of US$ 1.1 million. Approximately US$ 500,00 is allocated for "historical data assessment"; US$ 300,000 for assessment, workshops, consultations, etc; and, US$ 300,000 to "testing" of FRELs/FRLs. These allocations warrant heightened scrutiny and substantially more detailing. They do not appear cost-effective and may result in a duplication of effort and unwarranted studies/assessment.

4. <u>Component 4: Design Systems for National Forest Monitoring and Information on Safeguards</u>:

This component would benefit from a much more detailed assessment of existing capacities. For instance, Mongolia has substantial and extensive remote land monitoring capacities in place. These capacities should be fully summarized in the R-PP to make certain allocations are strategic. The proposed FAO/GEF project intends to complete this assessment. However, Mongolian experts at the MEGD, Academy of Sciences, mining agencies, etc. are well aware of existing capacities and could likely summarize these capacities in the near-term. This would save down-stream resources.

The R-PP should discuss how monitoring systems will be linked directly to FUG, Soum and Aimag decision-making. The R-PP should also discuss how these local decision-makers will contribute to national level monitoring and planning efforts. This should likely include a discussion regarding how these actions will incorporate "safeguards" and the general "forest monitoring and inventory system".

5. <u>Component 5: Schedule and Budget</u>:

The project's results framework will measure achievement of activities as presented in the R-PP. The results framework seems to lack impact indicators. This should be improved so that future evaluators can better gauge the impact of this investment.

The budget requires review and re-consideration. The first two components will cost approximately US$ 4.7 million. Nearly all of this revenue will be used to fund "assessments" and to complete a "draft" REDD+ strategy. In Mongolia much of this information likely already exists, the number of stakeholders is quite low, and the absorptive capacity limited. This may result in payments for international experts to conduct unwarranted studies and assessments rather than providing assistance to generate conservation impact.

The R-PP may consider re-orienting Component 1 and 2 finances for readiness priorities such as: establishing national forest conservation guidelines to support Aimag/Soum/FUG capacity building, generating approaches to address grazing impacts to forest resources, increasing public awareness regarding fire management, etc.

6. <u>Component 6: Design a Program Monitoring and Evaluation Framework</u>:

The log-frame and risk analysis are both commented on below.

The R-PP fails to lay out a schedule or detail specifics regarding the timing and responsibility for completion of any evaluations, either mid or final term.

The R-PP would benefit greatly from a stipulation requiring an extended inception period to detail the precise steps to be taken during the implementation period.

Suggestions for improving the technical design of the R-PP Document of Mongolia:

Mongolia:

1. Build Upon Existing and Completed Baseline

Review the existing baseline and incorporate lessons learned and opportunities for alignment from on-going and recently completed activities. This will help avoid duplication of effort and build synergies.

2. Balance Stakeholder Engagement

Expand membership of the "Task-Force" to better reflect a broader range of interests and expertise. It is critical that the Task Force include representation from stakeholders concerned with and expert in issues related to ecosystem services such as biodiversity conservation, water resources, sustainable use of secondary or non-timber forest products, and alternative forest use such as tourism. This should include the head of protected areas and NGO's with specific expertise and a history of engagement in biodiversity conservation. The R-PP should discuss in more precise detail how local stakeholders will be fully engaged in the process. Detail how more diverse stakeholders will be involved the readiness process. For instance, the R-PP discusses forest user groups and gives passing mention to the forest industry. There are many other private and civil society stakeholders that will be impacted by and have a high level of interest in the results of this project. Their engagement should be formalized.

3. Improve Decision-Making Support for Local Authorities

Due to decentralization policies, local government authorities are now the lynchpin for all natural resource management in Mongolia. The R-PP should discuss the value and need for a national forest management system that is vertical and extends from Forest User Groups to Soum to Aimag to National level. Any commercial forest use should be predicated upon conformity with this process. The R-PP should describe pathways and allocate precise funding for building the awareness and capacity of Aimag, Soum and FUG decision-makers, including natural resource and land use management planning that is linked to REDD+ and national level reporting mechanisms.

4. Focus Upon Impacts Rather than Assessments

Alleviate allocations for "assessments" and reallocate these funds to achievement of actual results that will lead to REDD+ preparedness.

5. Maintain Current Forest and Biodiversity Conservation Achievements

Forests are often the last refuge for Mongolia's globally significant biodiversity. After years of decline, protected areas covering rugged and forested mountain areas such as Khan Khenteii, Hovsgol, Sayan, Hungai, Altai, etc. have still not fully re-established viable populations of wildlife. Proposing to open these unique areas to increased commercialization would be a tragic mistake and one that should not be forwarded based upon REDD+ investments.

Mongolia has aggressively adopted national policies and plans to forward conservation. A benchmark is to set aside 30% of the country under conservation protection. One of the key safeguards for the UN-REDD Programme Strategy is conservation of natural forests. The current R-PP seems to imply that current forest conservation measures should be relaxed in order to promote REDD+. For instance, the R-PP implies that

"overly" protecting forests drives illegal harvest. This dangerous assertion is not logical and over-simplifies the situation in Mongolia. People do not speed because the speed limit is too low. Rather than implying a need to revise existing policy, the R-PP would benefit from a better alignment with existing national conservation objectives. There are many types of protected areas in Mongolia. Nearly all allow resource use. Only a few are Strictly Protected Areas (SPA) and even in SPA's, grazing and non-commercial forestry practices continue. The most recent protected areas are "local protected areas" designated by local authorities. Over the past five years, these local protected have expanded exponentially as local communities demand greater regulation and protection of natural resource use, not less.

6. Recognize Impacts of Human Caused Forest Fires

The R-PP states that weak law enforcement, forest conservation, and climate change are the cause of fire in Mongolia. Stating that forest conservation leads to forest fires is inaccurate and implies a build-up of fuel woods in untended forests. These forests adapted in a completely different way than those in the Western US. The understory is often missing in Mongolia's heavily grazed and "cleaned" forests leaving little fuel. Nearly all lightening comes in the summer months during the rainy season. Forests are wet and generally difficult to ignite from late June through September. Fire season in Mongolia is during the dry months of spring and autumn. This is the period when residents enter the forest for a variety of reasons... to hunt, gather non-timber forest products, etc.

Mongolian forest fires are caused almost 100% by humans. Awareness and carelessness are the number one cause of forest fires in Mongolia. These points are largely missing from the R-PP.

Fire and water are both venerated in Mongolia. People have a history of leaving fires behind. It is not common to douse fires. The GoM and GIZ (GTZ) had a very large project on fire and fire prevention. They invested millions over several years primarily in the forests of Khenteii. The lessons of this project should be incorporated and reflected within the R-PP.

7. Recognize Impacts of Over-grazing

Overgrazing is perhaps the single largest factor stymying forest health and regeneration. Over-grazing hinders the expansion and regeneration of forests across nearly all of Mongolia, including protected areas. Grazing will likely impact any forest that extends a kilometre or less from steppe land. The impacts of livestock grazing are particularly acute within riparian areas. Riverine forests have completely disappeared along many of Mongolia's waterways, leading to significant climate change mitigation and resilience impacts.

The R-PP should do a better job of fully recognizing and addressing these issues. Box 7, for instance, states that land degradation is a serious problem in Mongolia. The box fails to describe the root causes. There is no mention of the fact that the national herd has grown by millions, ownership patterns have changed, market incentives to de-stock have disappeared, and livestock numbers are not regulated.

The report should fully explain the reasons for the growth of livestock. The challenge is not "open access" or "land tenure". During the Soviet period, herds were owned by a combination of private and state ownership. A guaranteed market motivated de-stocking. When the Soviet Union collapsed, the economy collapses. Herders did not have a state-run market for their livestock and very little incentive to sell livestock. Livestock is money in the bank to most nomads. Mongolia's pastures are not open access. Pasturelands are regulated by a complex set of traditional rules overseeing grazing and grazing conflicts. The challenge is motivating decision-makers at all levels to regulate livestock numbers across the range. This

could be achieved either through traditional systems, modern laws, and/or economic incentives for de-stocking.

Dozens of projects since 1991 have attempted to address this issue. None has yet managed to describe and/or implement a proper and transferable system of grazing permits that limits stocks to sustainable levels. The R-PP proposes assessing land tenure and possibly changing traditional systems, implying privatization, to support REDD+ implementation. Changing land tenure systems will not likely address the core issue of over-stocking. However, changing land tenure systems would almost certainly negatively impact traditional nomads.

8. Recognize Importance of Non-Timber Forest Products

Bolster recognition of the importance of intact forest systems and benefits such as secondary or non-timber forest products. The report fails to mention secondary or non-timber forest products. This is a critical resource for local residents and an important source of nutrition.

9. Discuss role of FUG's with other community-based initiatives

The R-PP should perhaps do a better job of recognizing that the purposes of FUG's are very diverse. The 800 Forest User Groups are not gathered together in order to become "foresters" with small milling operations. These are generally herding families that make some use of the forests. Their incentive for joining Forest User Groups is more often the same as the motivations for creating the highly popular local level protected areas. They are seeking ways for small groups of families to solidify some sort of management over particular locations, to benefit from those areas, to protect and conserve these areas, and exclude others from these areas.

At the same time, the R-PP should recognize that FUG's are just one of many community-based natural resource management models emerging in Mongolia. There are hundreds or perhaps thousands of community herder groups. There are watershed management groups, wildlife management groups, local protected area groups, milk cooperatives, community-based tourism groups, etc. Many families will be members of each of these groups, creating a highly complex and challenging management regime.

The R-PP should discuss how FUG's will operate in coordination with these other initiatives. The R-PP should discuss how FUG's will generate opportunities for landscape level conservation and perspectives rather than furthering compartmentalized and often conflicting local land and resource management approaches.

10. Discuss impacts of mining and infrastructure development

Bolster recognition of the ancillary impacts of mining and infrastructure development, including transportation and communication. As the R-PP rightly states, the GoM has moved aggressively to halt mining within water catchments and forest areas. This is a very bold and positive step. However, mining and the expansion of the mining industry continues and is growing with recent government announcements. This is pronounced across the Gobi belt where mining and associated infrastructure development impacts Sauxal forests. The loss of ground water due to mining demand may well be significant in terms of desert forest cover. The development boom is leading monumental transport and associated infrastructure changes. This includes hydro projects, roads and railways. These developments will directly impact forest resources through land conversion. These developments will also increase access to forests that are de facto protected due to difficult access. These issues should be accounted for in the R-PP.

11. Recognize Existing Grievance Mechanisms

Recognize and bolster existing grievance mechanisms within Mongolia's legal system rather than expending large amounts of project resources to "assess" the system and develop new mechanisms. Mongolia already has most of the Aarhus Convention reflected within its framework laws. The General Law on the Environment, for instance, includes provisions related to freedom of information, standing for citizen suits, notice and comment, etc. Rather than expand cash on yet another mechanism, perhaps the output should simply refer to the existing environmental law framework and apply them to the specific case of REDD+.

12. Discuss Hand-Over Strategy

This is an enormous amount of revenue to expend within 3 years. Mongolia is a small country with a limited number of professional staff. These people are highly qualified, but their time is in very great demand. The investment will likely out-pace the absorptive capacity of Mongolia's existing institutional structure. There will be a high level of reliance upon international expertise. The R-PP would benefit from a discussion regarding how the GoM will be empowered to adopt and implement readiness activities. The discussion should describe how GoM financial and human resources will either be identified and/or capacity created prior to project close. This is particularly critical for Components 3 and 4.