



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

UN-REDD PROGRAMME

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A. BACKGROUND

1. As part of 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. During the initial discussions with the Government of Mongolia, it was expressed that one of the immediate challenges for Mongolia in terms of initiating a national REDD+ readiness process was a lack of awareness among decision makers and other key stakeholders about REDD+. Based on the discussions, a couple of initial steps were identified to help Mongolia initiate a national REDD+ readiness process. Those steps include: i) a preliminary stocktaking assessment, based on a review of relevant initiatives and field visits, to identify basic opportunities, capacity gaps and entry points; and ii) identification of the next step based on assessment findings through stakeholder discussions.
3. On this basis, a preliminary stocktaking assessment report was prepared in February 2011 based on a desk-based review of various initiatives in the country. A scoping mission was undertaken during 14-18 March 2011 to validate the preliminary findings through discussions with stakeholders and field visits. During the scoping mission, representatives from the Ministry of Nature, Environment and Tourism, the Forestry Agency and key development partners, including FAO, GIZ, SDC and ADB, were invited to attend a roundtable meeting to discuss the way forward for Mongolia in REDD+ readiness, and to identify potential entry points for collaboration and coordination.
4. The field trip took place in Selenge Aimag (please see Annex 3 for more details), which was selected on a basis that FAO's Forestry Outlook Study and other key reports have all indicated the significance of this aimag, bordering the Russian Federation, as the source of more than 60 percent of timber harvested both legally and illegally in Mongolia, and any change in forest management in this aimag would have a large impact on the country's overall forest management outcomes.
5. Thus, this report will present the assessment findings, the way forward identified during the scoping mission. The report will also elaborate on the way forward by indicating specific activities to be undertaken by the country with technical support from the UN-REDD Programme and other partners to move towards REDD+ readiness.

B. STATUS OF FOREST RESOURCES IN MONGOLIA¹

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

6. 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.
7. 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.
8. 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 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.
9. According to the most recent Forest Resources Assessment (FRA 2010) by FAO, Mongolia has approximately 11 million hectares of forests, accounting for seven percent of its total land area. Although this seems proportionally small given the size of the country, the total forest area in Mongolia is still relatively significant and comparable to that of Cambodia (10 million ha) or Vietnam (13 million ha). Between, 1990 and 2010, Mongolia lost 82,000 hectares of forest land annually, slightly more than to what Lao PDR (78,000 ha) lost annually during the same period. Furthermore, Mongolia's total carbon stock in living forest biomass in 2010 was reported to be 583 million metric tons, higher than what Cambodia reported for the same year, according to FRA 2010.
10. Mongolia's forests are mainly 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. Saxual forest on the other hand occupies less than one-fifth of the total forest area according to Mongolia's Second National Communication to the UNFCCC, as also seen in the table blow showing the nine most common species² found in Mongolia.

Common Species	Glowing Stock Volume 2005 (m ³)	Proportion based on stock volume (%)
Siberian Larch (<i>Larix sibirica</i>)	1,033.0	74.9%
Scot Pine (<i>Pinus sylvestris</i>)	97.0	7.0%
Siberian Pine (<i>Pinus sibirica</i>)	150.5	10.9%
Siberian Spruce (<i>Picea obovata</i>)	3.7	0.3%
Siberian Fir (<i>Abies sibirica</i>)	0.4	0.0%

² FAO Mongolia Forestry Outlook Study (2010)

Broadleaf - Birch (<i>Betula</i>), Poplar (<i>Populus</i>) & Willow (<i>Salix</i>)	93.3	6.8%
Saxual (<i>Haloxylon ammodendron</i>)	1.4	0.1%

11. Contrary to the tropical forest, the boreal forest accumulates a large amount of carbon in the soil and litter as decomposition takes place slowly due to the low temperatures. According to UNEP³, the boreal forest on average stores nearly as an equal or even larger amount of carbon in the soil and vegetation combined than the tropical forest. Therefore, these figures point to considerable CO₂ abatement potential through REDD+ in Mongolia.
12. Mongolia's forests are administratively divided into three zones for the purpose of forest resources management according to the Law on Forest. 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, to a limited degree, is permitted. In the first two categories, much of activities are limited to "forest cleaning", which means collection of deadwood and harvesting of fire-damaged trees. The last category is the Utilization Zone, covering the remainder of the forest (< 10%), and commercial logging in this zone is permitted under strict control by the Government.
13. There are about 150 small- and medium-scale forest and wood production enterprises in the country. At the same time, approximately 500 forest/pastureland user groups/communities are given limited use rights under the Law on Forest to sustainably collect wood and non-timber forest products with the primary objective to protect their forests. GIZ, FAO and GEF Small-Grant Programme have been supporting a number of these groups in capacity development and to help prepare management plans in order to enhance their livelihood benefits through community forest management. Meanwhile, the draft Law on Pastureland remains to be adopted by the Government, and the concept of community forestry under the Law on Forest is currently used as an avenue to gain control over adjacent pasturelands by many forest user groups as herding is still the main livelihood for many. Therefore, the harmonization of these two laws would be critical in the future.
14. Mongolia's forests are being lost at an annual rate of 0.75% due to legal and illegal logging for domestic consumption, forest fires, mining, insects and disease and overgrazing. Reforestation efforts within boreal forests are limited, while much of afforestation and reforestation efforts are concentrated in saxual forests and shrubs in the south to combat desertification, for example through the Green Wall Programme. Due to the extreme climacteric conditions together with absence of a progressive policy to enhance forest stocks, the forest growth is very slow in Mongolia, and therefore, effects of deforestation and forest degradation can be felt for a long time.

³ "The Natural Fix? The role of Ecosystems in Climate Change" UNEP (2009)

15. 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.
16. 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. Due to the country's overly strict forest protection policy, individuals and companies often set fire to particular forest patches in order to harvest damaged trees as part of "forest cleaning" activities. While, in general, illegal logging takes place to secure basic subsistence needs, to enhance livelihoods, or to commercialize illegal logging. A number of factors that drive illegal logging include high profitability, shortage of legal supply of timber, uncertain land tenure and forest resources use rights (*community forest arrangements are currently being introduced by the Law on Forest to recognize limited use rights by local communities*), and poverty.
17. 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.
18. 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.
19. The current trend urges the Government to increase its efforts to sustainably maintain and especially increase the country's overall forest quality and biomass to allow greater and more sustainable utilization of forest resources, while at the same time, finding innovative solutions to effectively regulate the growing demand for timber, for example, through the introduction of more energy efficient heating and cooking practices and improved utilization of wood materials in construction.
20. In that regard, the country is faced with a number of challenges in forest governance, including:
 - 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.

C. RELEVANT LEGAL PROVISIONS⁴

21. 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 several key areas of law – Forest, Protected Area, Land, and Mining – in that regard.

⁴ Much of the information in this section comes from *Assessment of Environmental Laws* (2008), UNDP

22. Furthermore, it is important to note, based on the experience of the UN-REDD Programme in other countries, that the harmonization and reform of existing laws and policies may not sufficiently provide the necessary conditions required by REDD+, and therefore, establishment of a new legal mechanism together with supporting policies and institutional arrangements might be identified by government and non-state stakeholders as one of key areas of action during an initial readiness process in order to bridge certain limitations of the existing legal provisions, particularly with regard to the recognition of specific rights and benefit sharing.
23. 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. In case of forest fire, the Law on Forest and Grassland Fire Protection directly addresses the issue of forest and steppe fire prevention, suppression and restoration activities. Under the Law on Forest, a forest user group is considered a voluntary organization of local citizens, established with the purpose of protection, appropriate utilization and rehabilitation of the local forest, in accordance with the Civil law and the Law on Protection of Nature and Environment (1995). 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. In addition, there is the draft Law on Pastureland in order to regulate relations related possession, use and protection of pastures, and forest transition zones would particularly be affected by this law.
24. Forest Agency under the Ministry of Nature, Environment and Tourism is currently in a process of finalizing a national forestry policy with the technical assistance from FAO. A draft policy is currently expected to undergo a series of consultation at national, regional and local levels before it is submitted for official adoption by the end of the year. In general, the new policy would continue to push towards the protection and restoration of the country's forests with much emphasis on enhancement and utilization.
25. Much of Mongolia's forests is under protection in accordance with the Law on Special Protected Areas (1995) and Law on Buffer Zones (1997). The purpose of the Special Protected Areas Law is to regulate the use and procurement of land for state protection, to preserve and conserve the original conditions for maintaining specific ecological habitats and features that are important for endangered plants and animals and the historical context. The Buffer Zone Law aims to provide transition zones between protected areas and surrounding areas where various economic activities take place in order to help preserve the integrity of protected areas.
26. 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.

27. 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.
28. 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. Furthermore, the limited implementation and enforcement capacity of the national institutions is another major challenge.

D. RELEVANT ACTIVITIES OF DEVELOPMENT PARTNERS

29. 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.
30. 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, and many of the identified development partners were consulted during the scoping mission and have indicated their support for Mongolia's REDD+ readiness.
31. **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. Potential partners include:
 - **Tier Two initiative of the UN-REDD Programme** with an additional financial contribution by UNDP Country Office of Mongolia will support the initial phase of this component by helping the country to prepare a roadmap in collaboration with ADB, FAO, GIZ, SDC and other partners.
32. **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:

- **Asia Foundation** implements the “Engaging Stakeholders for Environmental Conservation⁵” 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.
- **FAO** implements its “Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area⁶” 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.
- **IFAD**, through its Rural Poverty Reduction Programme⁷, 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.
- **National Forestry Programme Facility⁸ (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.
- **UNDP**, through its “Community-based Conservation of Biological Diversity in the Mountain Landscapes of Mongolia’s Altai Sayan Eco-region⁹” project, funded by GEF and others, aims to ensure the long-term conservation of the biodiversity of the Altai-

⁵ <http://asiafoundation.org/publications/pdf/809>

⁶ <http://www.fao.org/forestry/enterprises/38735/en/>

⁷ <http://operations.ifad.org/web/ifad/operations/country/project/tags/mongolia/1205/project-overview>

⁸ <http://www.nfp-facility.org/58168/en/>

⁹ <http://www.undp.mn/snrm-cbcbdmases.html>

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.

- **World Bank**, through the “Mongolia Second Sustainable Livelihoods¹⁰” 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 Beyond¹¹”, 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.

33. **COMPONENT THREE: IMPLEMENTATION FRAMEWORK.** Having strong and effective legal, policy and institutional frameworks for accountable, equitable and transparent forest governance (e.g., land-use, rights, 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:

- **FAO** is supporting the Government to prepare a national forest policy to support the implementation of the Law on Forestry and also implementing the “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.
- **GIZ** implements a programme, called “Climate Change and Biodiversity – Conservation and Sustainable Management of Natural Resources¹²”. 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

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

¹¹<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/EXTEAPREGTOPRURDEV/0,,contentMDK:21769878~menuPK:574006~pagePK:34004173~piPK:34003707~theSitePK:573964,00.html>

¹² <http://www.GIZ.de/en/praxis/17020.htm>

(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 Mongolia¹³”, may also provide useful supporting data and lessons to be applied in dealing with forest land tenure issues.

- **European Union**, through the “Green Products Development and Labeling¹⁴” 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.
- **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.
- **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 Market¹⁵”, 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.

In addition, UNDP is planning help the Government prepare a GEF sustainable forest management project, which would support the country’s REDD+ readiness through strengthening the implementation framework and the capacity to monitor emissions from land use, land-use change and forestry (LULUCF).

¹³ <http://www.gtz.de/en/themen/laendliche-entwicklung/17012.htm>

¹⁴ http://ec.europa.eu/delegations/mongolia/projects/list_of_projects/153294_en.htm

¹⁵ <http://www.undp.mn/Micro-insurance.html>

- **World Bank**, through the “Netherlands-Mongolia Trust Fund for Environmental Reform¹⁶” 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.

34. **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. Potential partners include:

- **FAO** together with the **National Forestry Programme Facility** is supporting the formulation of a new national 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 Study¹⁷ should provide useful grounds for discussions. Also, **ADB**'s “Energy Conservation and Emissions Reduction from Poor Household¹⁸” project, and **GIZ**'s “Development of Renewable Energy Sources¹⁹” 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.

35. **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. Potential partners include:

- **GIZ**'s “Climate Change and Biodiversity - Conservation and Sustainable Management of Natural Resources” programme in collaboration with the Biodiversity and Climate Research Centre (BiK-F) in Germany supports the national metrological institute in climate and ecological niche modeling through which the programme hopes to support the establishment of reference scenarios.

¹⁶<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/MONGOLIAEXTN/0,,contentMDK:21080050~menuPK:327714~pagePK:1497618~piPK:217854~theSitePK:327708,00.html>

¹⁷ <http://www.fao.org/fileadmin/templates/rap/files/APFSOS/2009-21Mongolia.pdf>

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

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

36. **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.

- **FAO** promotes participatory forestry through its “Capacity Building and Institutional Development for Participatory Natural Resources Management and Conservation in Forest Area” project, which would provide a useful platform for participatory carbon monitoring.
- **GIZ** is supporting community forest user groups through its “Climate Change and Biodiversity – Conservation and Sustainable Management of Natural Resources” programme, which would also provide a suitable basis for participatory carbon monitoring. The programme also includes an activity on ecological niche modeling and monitoring, which would also support MRV through remote sensing.

37. Other activities relevant to the national REDD+ readiness process:

- **ADB** with co-financing from China and Mongolia will be implementing the “Strengthening Carbon Financing for Regional Grassland Management in Northeast Asia²⁰” project. It aims to enhance the livelihoods of grassland populations at the trans-boundary scale through improvement of grassland management practices and development of sustainable financing mechanisms. The project will investigate a suitable legal, policy and institutional framework to implement financial mechanisms for carbon management in grasslands and the outcome of this work may provide useful background for the UNDP REDD + initiative. It will also review and discuss procedures to provide legal rights to grassland users regarding the possession of land.
- **SDC** also plans to implement a similar initiative called, “Linking Herders to Carbon Markets: Development of methods and approaches for Grassland Carbon Finance in Mongolia²¹”, which aims to reverse grassland degradation, improve rural incomes and reduce herders’ vulnerability to climate variability and risk through supporting adoption of sustainable grassland and livestock management practices and product marketing by Mongolian herders. Particular outputs include consent-based site selection, MRV mechanisms, opportunity cost studies and voluntary carbon purchase agreement.

E. PROSPECTS FOR REDD+

38. Current deforestation and forest degradation are mainly driven by the steady rise in domestic demand for fuelwood and private- and commercial-use timber. There are substantial opportunities for addressing illegal logging and managing the demand for timber by sustainably managing and enhancing the forest stocks in the country. At the

²⁰ <http://pid.adb.org/pid/TaView.htm?projNo=39369&seqNo=01&typeCd=2>

²¹ <http://www.swiss-cooperation.admin.ch/mongolia/>

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 minimize the consumption of timber.

39. Having such opportunities combined with substantial abatement potential given the country's sizable boreal forests, the Government of Mongolia has made an executive decision to prioritize REDD+ readiness as one of the national priorities, as indicated in Mongolia's proposed nationally appropriate mitigation actions (NAMAs), and also emphasized in the Second National Communication to the UNFCCC to improve its inventory and monitoring capacities. Meanwhile, Mongolia has submitted an official request to the UN-REDD Programme Policy Board on 17 April 2011 to become a UN-REDD partner country, and the Policy Board's decision is currently pending.
40. Strong support by development partners, particularly ADB, FAO, GIZ, SDC and UNDP, to collaboratively support Mongolia's REDD+ readiness process was apparent at the stakeholder roundtable meeting on REDD+ readiness during the scoping mission. Additional financing has also been made available by the UNDP Country Office to support the country in REDD+ readiness as assistance to national REDD+ readiness is identified as a priority in UNDP's Country Programme Document 2012-2016. UNDP will help ensure that key international principles and safeguards on good governance, human rights and sustainable development are well considered in the country's readiness process.
41. Meanwhile, with technical assistance from FAO, Mongolia is currently preparing a national forestry policy to strengthen the implementation of the Law on Forest in order to make further progress on decentralized forest resources management while also recognizing user rights at the community level. The key objectives are to improve forest management, forest dependent local economies, and forest ecosystem functions that support many livelihoods.
42. 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 to sustainably manage and utilize its forest resources while developing adequate capacities at all levels to implement appropriate legal and policy provisions and responsibilities in a highly coordinated and collaborative manner.
43. REDD+ would provide 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 million²² over a payment period through REDD+ if the current rate of deforestation were successful cut by half. In addition, much higher revenues could be expected through reducing forest degradation and enhancement of forest carbon stocks.

²² The boreal forest on average is estimated to store 300 tC/ha in the soil and vegetation combined. A trading price of US\$5 per tCO₂e was applied to estimate the potential earning figure.

44. Since REDD+ is a type of payment for ecosystem service (PES), the existing and on-going studies and efforts on PES such as the Upper Tuul Ecosystem PES Study by the World Bank and other donor supported initiatives to establish PES mechanisms would provide useful information and lessons for developing REDD+ readiness in the country. A REDD+ readiness process could also benefit those initiatives as it would likely result in establishment of a national-scale benefit distribution system which could support all types of PES.
45. 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.

F. ACTIVITIES TO BE SUPPORTED BY THE TIER TWO UN-REDD PROGRAMME

46. Mongolia needs to address a number of 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 Tier Two initiative of the UN-REDD Programme with additional financing made available by the UNDP Country Office will support several initial actions, which build and rely heavily on lessons generated by the UN-REDD Programme in other countries, during the next 12 months as elaborated below. These areas of action are critical to REDD+ readiness and currently least supported by the existing initiatives of development partners in the country.
47. Meanwhile, the Tier Two initiative hopes to work closely with key development partners such as ADB, FAO, GIZ and SDC to establish seamless working relationships to support the Government and non-government stakeholders in REDD+ readiness in a most cost-effective and strategic fashion, and to coordinate closely with other development partners to seek their support through technical cooperation and financial support.
48. Specific outcomes and activities envisaged during the next 12 months include:
49. **Outcome 1: REDD+ Readiness supported by effective, inclusive and participatory REDD+ readiness processes** (*Component One of REDD+ Readiness: Management of the REDD+ readiness process*)

Output 1. 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+

Output 2. 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 process²³. 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 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.

Recruitment of a REDD+ Working Group facilitator is required at this point. 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.

Output 3. 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.

Output 4. 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

²³ ToR for the Viet Nam National REDD+ Network and the Cambodia National REDD+ Task Force are given in Annex 3

achieve REDD+ readiness, but also the roles of development partners in helping to fill gaps.

50. **Outcome 2: Awareness of REDD+ benefits, risks and trade-offs increased among government and non-government stakeholders** (*Component Two of REDD+ Readiness: Stakeholder Engagement*)

Output 5. 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 Output One.

51. **Outcome 3: Preliminary awareness and capacity raised and developed for R/EL and MRV** (*Components Five and Six of REDD+ Readiness: Reference Scenario and National Monitoring System*)

Output 6. 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.)

52. Results and Resources Framework

Outcome	Output	Timeframe	Participating Partner	Expected Cost (US\$)/Sources of Funds
<u>Outcome One.</u> REDD+ Readiness supported by effective, inclusive and participatory REDD+ readiness processes	1. REDD+ Awareness-raising and Coordination Workshops	Periodically over 12 months	UNDP, FAO and GIZ	15,000 /Tier 2
	2. Establishment of a National REDD+ Working Group.	Completed in first 2 months	UNDP and FAO	3,000/UNDP CO
	3. Background Information Gathering and Studies.	During first 6 months	UNDP and FAO	20,000/Tier 2
	4. Formulation of a REDD+ Roadmap	Completed within 6 months	UNDP and FAO	91,000/ UNDP CO & Tier 2

<u>Outcome Two.</u> Awareness of REDD+ benefits, risks and trade-offs increased among government and non-government stakeholders	5. A Comprehensive REDD+ Communication and Education Programme	Completed within first 4 months and continues throughout	UNDP, FAO, UNEP, GIZ and others	20,000/ to be identified
<u>Outcome Three.</u> Preliminary awareness and capacity raised and developed for R/EL and MRV	6. Preparing National Institutions for Reference Scenario Setting and Establishing National Monitoring System	Initiated within first 5 months and continues throughout	FAO , UNEP and GIZ	45,000/ to be identified
Total				194,000

G. RESOURCE MOBILIZATION AND ACTIVITIES BEYOND 2011

53. Currently, the UN-REDD Programme does not have core resources to initiate any additional country programmes. This situation might change depending on the situation with donor contributions to the Programme in the future, 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.
54. UNDP in Mongolia plans to start the development and implementation of new projects on biodiversity conservation and sustainable forest management, funded by the GEF and Adaptation Fund as described in the previous section. These projects are intended to cover many REDD+ relevant issues. FAO through the National Forestry Programme Facility also plans to scale up its activities to extensively cover various REDD+ relevant issues at the policy level. 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.

ANNEX 1: 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.

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.

ANNEX 3: FIELD TRIP SUMMARY

Two-day field trip to Selenge Aimag (15-16 March 2010)

1. Visiting Town of Thunkhel in Mandal Soum and surrounding forests - in a buffer zone east of Khan Khentii Strictly Protected Area
2. Meeting with the forest user group “Khurgalag” in Mandal Soum



Town of Thunkhel

A meeting with the Governor took place in his office.

- There are 486,000 ha of forest in Mandal Soum.
- Eighty percent of its forests have been handed over to local forest user groups and forestry enterprises as part of the decentralization process.
- There are 26 forest user groups and 12 forestry enterprises in the soum, of which 13 user groups and 10 enterprises are in Thunkhel.
- This year, harvesting licenses for 6000 cm³ have been issued to user groups and enterprises.
- Of the total harvest allowed for this year, 4000 cm³ should be for domestic use purposes.

Issues raised by the Governor

- Annual forest stock growth rates are limited due to lack of sustainable forest management - stock could be more than doubled if managed sustainably to enhance stocks.
- Less licenses are issued this year compared to the previous year - strict control on legal logging without a policy to enhance forest stocks puts their forest resources and livelihoods at risk
- Due to limited access to the commercial licensed logging areas, particularly during summer, forestry enterprises often harvest timber from areas under management by community user groups.
- Given these licenses are only checked during transport, actual harvest volumes could be much higher.
- Corruption happens during the licensing process.
- Limited capacities and resources of forest rangers pose challenges in enforcement of laws and regulations - e.g., three forest rangers work in Mandal Soum with approximately 2,400 inhabitants. These rangers share one truck without allocated funds for fuel. They are given uniforms, guns and paid approximately US\$250 - 300 per month, which is above the minimum wage.
- Forest rangers are often recruited from outside of their duty stations to address corruption.

Forest User Group “Khurgalag”

A meeting with the Forest User Group “Khurgalag” took place in their community hall. This user group is one of the 29 user groups supported by GIZ. The group was originally established as a community herding group.

- The use group manages an area of 4000 ha of which 3000 ha are forested with birch trees comprising of nearly 80% of their stocks.
- In 2007, the group reestablished itself as a forest user group.
- The objective of the group is to protect their forests and secure user rights to deadwood for cooking and heating and NTFPs (i.e., berries)
- The community forest management plan was drafted based on a forest inventory exercise through GIZ support.
- The management plan indicates a number of activities to be carried out by the group, yet much of the plan is yet to be implemented due to lack of funding.
- The management plan is registered with the soum and supposed be linked to the centrally managed system, according to the Law on Forest.
- On the basis of the current management plan, the soum issues a license for “forest cleaning”, which limits activities to the collection of deadwood, fire damaged trees and fallen branches.
- The group trained 15 young people to obtain licenses for operating chainsaws and other types of machinery.
- Through technical assistance from GIZ and others, the group members have been able to train themselves as well as other community members on sustainable forest management and fire management, and the efforts have led to better understanding and reduced illegal logging and destruction.
- A forest ranger patrolling the area under the management of the forest user group arrested 6 illegal loggers in 2010, and one has been sentenced to prison.
- The group planted 800 seedlings in the first year and 2000 seedlings in the second year, but many of them did not survive due to lack of silvicultural knowledge and damages from wild boars.

Issues raised by the group

- The group does not possess a harvest license, which requires the group to complete a detailed area plan and government inspection, because the process is costly.
- The majority of harvest licenses are issue to logging enterprises as they have the necessary financial resources to bear the costs.
- Due to limited financial incentives attached to “forest cleaning “activities, particularly since the quality of wood is often low, the volume collected by the group in 2010 was much less than what was allowed under the licensed (app. 800 cm³ annually) as the most members were busy with herding activities.
- At the current market price, the group makes as little as 400 Tugrik for a sack of feulwood, which is often sold for about 1,200 Tugrik (app. US\$ 1) in Ulaanbaatar, while one sack of charcoal (app. 10kg) goes for 1,000 Tugrik.

- Eighty percent of illegal loggers come from within the local community, and many of them are often unaware of the legal provision.
- More technical assistance is required to cope with unpredictable weather events (i.e., cold spell and drought) and to sustainably enhance forest stocks through managed and assisted regeneration techniques.

Pictures from Selenge Aimag



