



БАЙГАЛЬ
ОРЧИН, АЯЛАЛ
ЖУУЛЧЛАЛЫН ЯАМ



MIDTERM REVIEW REPORT

"LAND DEGRADATION OFFSET AND MITIGATION IN WESTERN MONGOLIA"
MON/16/301

Importance of GEF activities: Land degradation
GEF strategic programme: LD-3

UNDP PIMS: 5287
GEF project ID: 5700

ECO TRADE LLC

2018

Project country: Mongolia

Project territories: Uvs, Zavkhan, Khovd provinces

Project partners: Ministry of Environment and Tourism

Department of Environment and Natural Resources Management

Joint implementation by: Ministry of Mining and Heavy Industries, Ministry of Food, Agriculture and Light Industries, and Agency for Land Administration and Management, Geodesy and Cartography

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Acronyms

AO	Audit organization
ADB	Asian Development Bank
ALAMGC	Agency for Land Administration and Management, Geodesy, Cartography
APGoM	Action Program of the Government of Mongolia
CBD	Convention on Biological Diversity
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
EA	Environmental Audit
EAP	Environmental Activities Programme
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
ERA	Eco-Regional Assessment
ESA	Environmental Strategic Assessment
ESAM	Environmental and Social Assessment Methodology
GASI	General Administration for Specialized Inspection
GEF	Global Environmental Facility
GOV	Government
LC	Local Coordinator
LCC	Local Coordination Committee
LD	Land degradation
LPA	Local protected area
MCUD	Ministry of Construction and Urban Development
MET	Ministry of Environment and Tourism
MECC	Mongolian Environmental Civil Council
M&E	Monitoring and Evaluation
MFALI	Ministry of Food, Agriculture and Light Industry
MMHI	Ministry of Mining and Heavy Industries
MNMA	Mongolian National Mining Association
MTR	Midterm review
MTRM	Midterm review methodology
NDA	National Development Agency
MCC	Millennium Challenge Account
NGO	Non-governmental organization
NMRPA	"Network of Managed Resource Protected Areas" project
NPA	National protected area
NPIP	National Project Implementation Partner

NPBD	National Programme on Biological Diversity
NRM	Natural Resources Management
NUM	National University of Mongolia
OS	Offsetting
PB	Project Board
PIU	Project Implementation Unit
PIW	Project Inception Workshop
PMRA	Petroleum and Mineral Resources Authority
PRC	Policy Research Center
PTC	Project Technical Committee
PUG	Pasture User Group
RAC	Resource Assessment Center
SLM	Sustainable Land Management
TNC	The Nature Conservancy
UN	United Nations
UNCCD	UN Convention to Combat Desertification
UNDAF	UN Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFAO	United Nations Food and Agriculture Organization
WWF	World Wildlife Fund

1. REPORT SUMMARY

2. The project "Land Degradation Offset and Mitigation in Western Mongolia" is a project with mid-size financing being implemented with the financial assistance of the GEF. The project was initiated by the Government of Mongolia under its obligations set out by international agreements and conventions and the implementation was launched with the aim to reduce land degradation, to rehabilitate, to mitigate negative impacts of development and to introduce offsetting with the support of UNDP. Total financing of the project is 6,569,863 USD, of which 1,289,863 USD is in a form of grant from the GEF and the remainder is co-financed by UNDP, the Government and other partner organizations' projects and programmes as well as other forms of financing. UNDP is a partner agency of the GEF and the Ministry of Environment and Tourism is a national project implementing partner (NPIP) representing the Government of Mongolia. Although GEF approved the project to be launched in April of 2015, the official launch was in June of 2016.
3. Midterm review (MTR) has been planned in the M&E plan of the project documents. M&E is being conducted one and a half year since the project launch which marks the middle phase of the complete duration of the project. The current implementation progress was assessed against the indicators project strategy, analysis of progress towards results, project implementation and flexibility management, and sustainability.
4. The MTR was conducted by a consultant team from Eco Trade LLC between November 2017 and February 2018. The team adopted the principles of basing the assessment on stakeholder engagement, reflecting the ideas and opinions of the stakeholders in a comprehensive manner, and being independent and autonomous. The quantitative data, primary evidence and other information were collected through key informant interviews with stakeholders while information from secondary sources was collected through research and field visit to the region where the project is being implemented. Processing of primary data entailed of qualitative analysis such as basic research of the documents, content analysis, and framework analysis.
5. The objective of the project as specified in the project document states, "To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management". The logframe of the project consists of one goal, one objective, two expected outcomes and six outputs. In order to achieve the two main outcomes to achieve the project objective various combined strategies are adopted such as improving the legal environment, enhancing the capacities of the stakeholders, reflecting and introducing ecological region assessment into local land management plan and other policy documents, and expanding the national and local special protection zones in accordance with the findings of this research and organizing and implementing model programme activities that introduced sustainable land management.

1.1 Project Progress Summary

6. The project implementation began one year after the planned date, in June of 2016 due the delay in the decision of choosing the project implementation modality. The goal and objective of the project is in alignment with national development priority goals and objectives. The necessity to reduce negative impacts of land degradation and development, to improve implementation of offsetting, to enhance the relevant legal environment and the capacity of stakeholders still remains to be relevant. The assessment found it unnecessary to adopt significant changes to the project log-frame in terms of content or structure. Brief summary of the project progress is as follows: Outcome 1 (42.3%) and Outcome 2 (60%) making the average implementation to be fifty one percent while the average implementation of the indicators of the project objective is

relatively higher or at 72 percent¹. In this regard, it is necessary to review some of the indicators. Nevertheless, the MTR team concluded the implementation at this middle phase is successful. The consolidated assessment of the progress to achieve the expected outcomes is **SATISFACTORY**.

7. As a result of the establishment of appropriate project implementation structure and mechanism, and successful and effective implementation of capacity building trainings, and activities to disseminate information, human resource capability of relevant officials at both national and local level was ensured and the activities were streamlined. Although the project implementation was delayed, the satisfactory performance in 2017 was able to make up for delayed time. This was achieved due to the results-oriented planning of activities and implementation of measures to prevent from possible challenges and to adapt by the project implementation unit (PIU) using their experience and expertise.
8. Project planning, reports and procurement comply with Mongolian relevant laws and legislations and rules and procedures of the GEF and UNDP. Complying with two different levels of rules and procedures resulted in duplication, work load and at times resulted in challenges during procurement, which were resolved to the extent possible by adoption of available specific measures by the PIU. As a multi-year project planning was not carried out with the final outcomes of the project and the main components were not broken down in detail in terms of monthly or quarterly activities with approximation of costs, it is difficult to thoroughly assess the efficiency at this stage. In planning, the PIU prepares an annual plan based on the past year performance and this process ensures the flexibility in implementation. It is necessary to review in detail the efficiency during the final assessment of the project.
9. With regards to the co-financing, 6 organizations expressed their financial support for the project and verified it. At this interim stage information on financing was not received from one government agency (Ministry of Mining and Heavy Industry) and one international organization (UNDP) whereas the other organizations fully contributed to the project activities through monetary and non-monetary forms.
10. As the project is being implemented under National implementation methods, the M&E and reports are carried out in accordance with Mongolian relevant laws and legislation and relevant regulations and procedures of the financiers, GEF and UNDP. Reports include: project year-end report, progress reports, reports filed through the ATLAS system and other reports in electronic formats. The PB successfully fulfills its role to supervise and guide the project activities through meetings. During meetings it reviewed timely issues and risks, adopted recommendations and guidelines, and ensured implementation. The national project coordinator (NPC) is responsible for the M&E role on the daily operations using the approved work plan and outcome table as a guide. In 2017 UNDP carried out the relevant planning for this project under the framework of the M&E plan. However, had the basic M&E plan specified in the project document was updated in phases and independent preliminary plans were developed and implemented in a systematic manner, it would have further enabled the use of assessment results, evaluation of the assessment itself and the opportunity to learn from the assessment results.
11. It is evident from the interviews conducted with the representatives of national and local government organizations, civil society organizations, private sector, the public and herders that stakeholder engagement is thoroughly ensured at operational level during the implementation of the project. As a result of ensuring stakeholder engagement, opportunities to inform the parties and to enhance their capacity are further increased. However, there is a need to enhance

¹ Average progress performances of Outcome 1 (42.3%) and Outcome 2 (60%) based on the average progress of each indicators. Furthermore, average of the outcome 1 and outcome 2 was 52%. The objective progress was calculated based on the average performance of each of its indicators.

cooperation at policy level. In 2016 and 2017, the PIU ensured there is a level of consideration of gender issues.

12. The consolidated assessment for the 6 subcomponents for the project implementation and adaptive management is deemed **SATISFACTORY**.
13. The sustainability of the project was assessed under four categories. Based on the identification of risks during project development stage and successful implementation of measures to reduce and eliminate impacts, and based on the current relatively stable project activities, the potential of the outcomes achieved in this interim stage to be sustainable in the long run and to be beneficial is assessed as **MODERATELY LIKELY**.

Midterm review Ratings, Summary Table of performance implementation

Indicators	Midterm review Ratings
1. Progress towards achieving expected outcomes (consolidated rating)	(S) Satisfactory
Objective	(HS) Highly satisfactory
Expected outcome 1	(MS) Moderately satisfactory
Expected outcome 2	(S) Satisfactory
2. Project implementation, adaptive management (consolidated rating)	(S) Satisfactory
Project implementation coordination	(S) Satisfactory
Work planning	(S) Satisfactory
Financing, co-financing	(S) Satisfactory
System to conduct monitoring and evaluation at project level	(S) Satisfactory
Stakeholder engagement	(S) Satisfactory
Reports and communications	(S) Satisfactory
3. Sustainability of project outcomes (consolidated rating)	(ML) Moderately likely
Financial sustainability	(ML) Moderately likely
Socioeconomic sustainability	(L) Likely
Governance and legal sustainability	(ML) Moderately likely
Environmental sustainability	(L) Likely

1.2 Summary of Conclusion and Recommendations

14. The project "Land Degradation Offset and Mitigation in Western Mongolia" MON/16/301 is project of strategic importance for Mongolia not only at a national level, but also at a local level especially today where progressive land degradation is experienced as mining, transport and urbanization develop rapidly.
15. As a result of efficient project management and successful adaptive management measures, the

PIU has created tangible impacts. There has not been any shortcoming or arising issue in the achievement of expected project outcomes and budget spending.

16. The most important achievements of the project are the following: during the implementation of the project implementing framework and structure were strengthened, capacity of the professional and other relevant organizations was enhanced, and initial steps to identify the legal loopholes and overlaps towards improving the legal environment for mitigation hierarchy of reducing land degradation and negative impacts of development and for offsetting were taken. Furthermore, the adoption of this new concept of offsetting in practice, and organization of extensive capacity building and awareness raising activities leading to uniform understanding among local stakeholders were activities of special importance. At the provincial and local level ERA results were reflected into aimag and soum level long term and medium term policy documents and laid the foundation for granting special protection to land based on scientific research results.
17. There arises a need for the PIU to adopt a special approach or strategy to have the draft legal amendments and regulations approved during the remaining period of project implementation. Stakeholders mentioned during the interviews that there is a need to continue with the capacity building activities and especially the training and awareness raising activities for the public. It is important to increase the number of channels and to organize more appropriate workshops, trainings and consultative meetings based on the 3-year training plan during the remaining timeframe. It is recommended that further focus on gender equality is adopted in the project activities and initiatives and measures to promote involvement of women more at the planning and implementing stage.
18. The midterm review of the project produced 12 recommendations which were further broken into 17 action steps with responsible entities included. The recommendations include preparation for the final assessment of the project, development of exit plan in order to plan measures to take during the final phase of the project and to ensure preparedness, and development of GEF Land Degradation Tracking Tool.
19. The recommendations for strengthening the project activities included ways to increase the technical capacity and theoretical understanding of the PIU members, activation of project technical committee activities and to obtain support for the project activities, and stability of the project implementing bodies, and enhancement of cooperation among branch government organizations at a national level.
20. It is also recommended that some of the indicators in the logframe related to the development of the project are reviewed.
21. In relation to sustainability of the project, there were recommendations put forth on implementing project risk management on habitual basis, endeavoring to engage representatives of National Development Agency in the PB in order reflect offsetting in policy documents at a national level in the future and to enhance to coordination among sectors.
22. Furthermore, in relation to project finances, it was recommended to prevent from potential risks of sponsoring activities that does not have direct relation to the project activities and to obtain co-financing information from stakeholders and to verify them at a specific interval and to keep records.

1. Introduction

2.1 Midterm Review Objective

23. Eco Trade LLC is undertaking the consultancy service for "Conducting an midterm review and developing evaluation and recommendations" for the project "Land Degradation Offset and Mitigation in Western Mongolia" MON/16/301 financed by the GEF and implemented by the Ministry of Environment and Tourism in collaboration with the UNDP. The midterm review aligns with the project M&E policy and principle of the GEF and UNDP and is an integral part of the M&E of the projects financed by the GEF. MTR has also been reflected in the project document and the PIU initiated and launched the assessment in the second half of the second year of the project within the planned period.
24. Guidance for Conducting Midterm Review (MTR) for UNDP-Supported, GEF-Financed Projects was adhered to when conducting this assessment. The actual performance at middle phase and the implementation progress of the project towards the long term results were assessed under the four main assessment categories (1) the strategic structure of the project, (2) progress towards results of the project, (3) project implementation and adaptive management, and (4) sustainability specified in this guidance.
25. Furthermore, under the four criteria, issues related to the factors affecting the project outcomes (effectiveness), project efficiency or the achievements in relation to time (efficiency), project impact or the direct and indirect impact on the beneficiaries of the project (impact), and project relevance or how the implemented measures relate to the government's and other policy documents (relevance) were considered. Also based on the results of the assessment, recommendations were developed towards further improving the implementation of the project.

2.2 Review Scope and Methodology

26. Eco Trade LLC consultancy team conducted the assessment between November 2017 and February 2018. Consultancy service was provided in three phases: launch phase, main research and field mission to the project implementing soums, and final report developing phase. Mixed approach that ensured stakeholder participation was used when collecting relevant evidence and data. The collected data consist of information from three different sources: (1) project reports, project document, other documents, data obtained from secondary sources such as materials downloaded from the internet, (2) primary data collected through interviews with the project team and other selected key stakeholders, and (3) observations and evaluations during the field mission. Qualitative research methods such as basic documents research, content analysis on primary data, and framework analysis.
27. During the launch phase, the consultancy team received project documents in Mongolian and English in paper and electronic forms from the PIU. After the initial review of the documents and participation in the regular PB meeting as an observer, the consultancy team developed the detailed work plan and submitted Work Launch Report to the PIU.
28. During the main project research phase, the consultancy team worked in Ulaanbaatar during 15-28 December 2017 and in Darvi soum of Khovd province and Khushuut mine during 9-12 December 2017 and conducted key informant interviews with stakeholders in order to collect primary data. A total of 56 individuals were interviewed. The key informant interviews in Ulaanbaatar were held in person or via phone or internet. The interviews with stakeholders in Zavkhan and Uvs provinces were conducted either using mobile phones or via internet.
29. As such, prior to conducting the interview, the consultancy team held stakeholder analysis and selected the interviewees in four categories: (1) project management team (2) all levels of government organizations (3) beneficiary citizens, officials, and (4) others or international or national non-governmental organizations, research organizations and private sector. In doing so, the consultancy team consulted with the PIU. The prior experience and stability in the specific

posts or positions related to the project were considered when selecting the interviewees. The interview questions were developed based on a assessment questions matrix table developed by simplifying parameters of the four criteria mentioned above, specified in the MTR guidance.

30. During the mission in Khovd province, the consultancy team attended the year-end civil council meeting of Darvi soum and observed the process of the civil council reviewing the soum's regional development plan. Furthermore, the consultancy team visited the Khushuut district center of Tsetseg soum and observed the local condition of the Khushuut mine. They visited the 200 ha land fenced in, protected and being rehabilitated jointly by Khushuut mine, local government officials, and the PIU.
31. At the final reporting phase, the report was developed using the processed data and information in the model format specified in the MTR guidance. Furthermore, appropriate assessment tools and matrices were used to assess the progress towards the outcomes, project implementation and adaptive management, and project outcome sustainability in accordance with the MTR Guidance and a consolidated general rating was provided.
32. The consultancy team aimed to provide evidence-based, correct and efficient rating and carried out the assessment from an autonomous and independent position, ensuring engagement of multiple stakeholder and exchanging opinions and recommendations. During the assessment, the consultancy team complied with the strategic document on monitoring the UNDP projects in Mongolia, Code of Ethics in Evaluation developed by the Evaluation Group of the UNDP, Mongolian laws and legislation on Confidentiality, and the organization's internal regulation on ethics.

2.3 Limitations

33. For conducting any assessment, the most frequently encountered challenge is to collect the most reliable information with limited data available within limited timeframe to depict a comprehensive big picture of the project that portrays the unique characteristics of the project and the specific circumstances. During this midterm review some limiting factors were encountered, however they had no serious impact on the assessment process and results. To name a few of these limitations: the time for organizing the main interviews coincided with the New Year celebrations, which led to some delays due to the difficulties scheduling interview times with some stakeholders. Furthermore, there were a few incidents where some stakeholders selected for interview declined to be interviewed due to end-of-the-year increased workload.
34. Taking into consideration the assessment duration and availability, the consultancy team chose only Khovd province for its field mission and it lacked time and opportunity to conduct field visits to Zavkhan and Uvs provinces. Nevertheless, the interviews included complete representations from Zavkhan and Uvs provinces and their soums by conducting the interviews from Ulaanbaatar by telephone. As such, the consultancy team concludes that it was able to organize quality primary data collection from the target provinces in an even manner. Based on the written confirmation from the Executive Director of GEF regarding the change in the number of provinces selected for the project implementation from five to three, the primary data collection was limited to Zavkhan, Uvs and Khovd provinces and no interviews were conducted nor primary data collected in Govi-Altai and Bayan-Ulgii provinces.
35. It is possible to assess the progress to achieve the project outcomes in more detail by comparing the data from the LD Tracking Tool updated for midterm phase with the Tracking Tool prepared in the validation phase by the Executive Director of GEF. However, LD Tracking Tool of GEF is currently not ready for midterm phase. This is partly related to the lack or absence of baseline information of GEF LD Tracking tool, base and progress statistical database. On the other hand, there is a limited knowledge and capacity at PIU on how to develop and furnish the tracking tool. It is therefore advised that UNDP and project development team need to provide the related trainings and technical assistance to PIU members.

36. Although the abovementioned limitations were encountered during the assessment process, they had no serious impact on the quality of our work. Also these risks were foreseen to certain extent during the assessment launch phase and appropriate countermeasures were taken.

2.4 Midterm Review Report Structure

37. MTR report was prepared in accordance with the monitoring and evaluation principles and procedures of the GEF and UNDP. This report consists of the following main sections: summary, preface, project brief, situational analysis, assessment outcomes, conclusions and recommendations; and additional relevant information is included as annex. The section "Assessment Outcomes" consists of four main components, i.e., project strategy, progress on achieving project outcomes, project implementation and adaptive management, and sustainability in accordance with the criteria. The section "Recommendations" include recommendations designed for improving the project implementation, developed based on the assessment results.

3.BRIEF PROJECT SUMMARY AND BACKGROUND ANALYSIS

38. Mongolia, located between the Russian Federation and the People's Republic of China, has a population of approximately three million and a territory of 1.6 million square kms. The country ranks 19th in the world in terms of the territorial size and more than 40 percent of the population reside in the capital city, Ulaanbaatar. It has extreme continental climate with extremely cold winters. Over a million citizens live a nomadic life and practice pastoral livestock husbandry in this country.
39. Whereas in the 1990s Mongolia used to carry out traditional animal husbandry and agricultural production, beginning in 2010 mining sector started to play an important role in the country's economy. Coinciding with the foreign investment flowing into the mining sector and extraction production increasing, the price of commodities rose, which influenced export and state budget revenue to upsurge. Consequently economic growth reached 17 percent in 2011. In the subsequent years demand on the world market for mining products subsided and prices gradually fell. Due to these reasons the country's economy experienced constant decline with the economic growth at 1 percent in 2016. However, in 2017 preliminary results show that the economy grew by 4 percent.
40. As such, the rapid development of mining production in Mongolia has had significant impact on the wholeness of land, economy, other sectors of the society, especially animal husbandry, lifestyles of herders and agricultural production. As of November of 2014, there are 2768 permits (licenses) for mining prospecting and extracting operations covering 7.5 percent of the total territory of the country or 11.8 million hectares of land. Mining development besides imposing diverse risks on land and water reserves had negative impact on the purity, wholeness and flexibility of the ecological system, biodiversity and livelihood of the population. The fact that these negative impacts are leading to land degradation increasing desertification, irreversible denaturation and affecting the ecological system and biodiversity is becoming the most serious environmental challenge.
41. For the abovementioned reasons, the United Nations and the GEF are supporting the Government of Mongolia in implementing a GEF-financed, medium-size, three-year project "Land Degradation Offset and Mitigation in Western Mongolia" MON/16/301 between 1 June 2016 and 30 May 2019 with the general aim "to introduce mitigation hierarchy, land degradation and offsetting into land administration and planning and to reduce negative impact of mining in the western rangelands."

42. The western region ecosystem service and pasture of Mongolia provide for the livelihoods of over 38 thousand nomadic and semi-nomadic households. It has been relatively minimally impacted by mining and has a unique ecological characteristic. Although mining development is relatively lower in this region (as of November 2014, there are 393 prospecting and extracting licenses issued covering 2.6 hectares of land), considering the expected rapid development in the coming year, this western region was selected for implementing this project.

3.1 Brief Project Introduction

43. **Project goal:** "Conservation of ecosystem integrity and resilience, biodiversity and livelihoods in Western Mongolia's productive landscapes"

Project objective: To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management.

Outcome 1: Land degradation mitigation and offset framework operationalised, through eco-regional land use planning and capacity development.

Outcome 2: Land degradation mitigation and offsets applied through SLM within selected landscapes.

Project duration and financing:

Project duration	48 months	Total budget required	
Atlas award ID	00087440	UNDP managed funds	\$6,569,863
Project ID	00094432	UNDP	\$850,000
PIMS#	5287	GEF	\$1,289,863
		Other partners	\$4,430,000
Start date:	2015.07	· Government	\$4,430,000
End date:	2019.07	MESWT, Ministry of Mining	
		· Other	
Management	NIM	· TNC	\$150,000
Arrangements		· WWF	\$80,000
		· MNMA	\$50,000

44. Initially the project identification form was submitted to the GEF on 6 February 2014 and the funding for developing the project was approved by the GEF in March 2014. During the project inception period starting in March 2014 until March 2015, basic research was conducted, project implementing region and mines were selected, project framework was developed, consultations and improvement activities were organized and the final draft was submitted. Afterwards, in April 2015 the funding for implementing the project was granted from the GEF trust fund.
45. The PIF submitted to the GEF specified five different soums in the five western provinces in Mongolia to implement the project, which was reduced to three provinces during the GEF CEO Endorsement phase. However, considering the fact that Khotgor mine in Uvs province consists of independently operating three mines, the number of target mining companies remained unchanged. This reduction in the size of region was due to limited resources available to implement this project in the five provinces as specified in the initial version of the project under the funding granted for this project. The two main factors, as specified in the Request for CEO approval, for this amendment are as follows: 1) the initial five target provinces are far apart and isolated from each other and thus require local staff for each of the provinces, and 2) according to the funding planned for the second component of the project, it is not possible to finance operations in five provinces.

46. The project implementation was launched one year after its planned date, in June 2016. The project opening seminar was organized in December 2016 and was attended by government and international organizations in the relevant sectors, research organizations, and non-government organizations.

3.2 Legal and Institutional Environment

47. The Mongolian Constitution states, citizens have the right to "live in a healthy and safe environment and to be protected from environmental pollution and imbalance" and the government is responsible for fulfilling this obligation.
48. The goals and objectives set forth in the Mongolian Green Development Policy adopted by the Mongolian Parliament in June 2014 are as follows: As a result of creating economic growth that ensures involvement of the people, and that is based on green development ideology, Mongolia shall be a developing country that reserves sustainable environment to be inherited by the future generations and that enables the opportunities for the environmental benefits to be enjoyed in the long term. In 2014, the Parliament approved to adopt the "State Minerals Sector Policy." This policy identified goals and objectives to enable sustainable investment environment; to improve the quality of minerals exploitations, extraction and production; to promote the use of environmentally friendly, advanced technology and innovation; and to enhance the minerals sector management by increasing the capacity. Furthermore increasing the involvement of local governments and local citizens, carrying out consensus-building activities, and improving the effect of environmental protection and rehabilitation measures were emphasized. Additionally, some of the other important documents formulated in the area of environmental protection and responsible exploitation of natural resources include: the National Programme on Biodiversity (2015), National Programme on Special Protection Areas (1998), National Programme on Water (2010), National Programme on Forest (2001), Mongolian Sustainable Development Policy (2030), and the Action Plan on Implementing Green Development (2016-2030).
49. The set of environmental laws amended and revised in 2012 regulated in detail the obligations and responsibilities of individuals, organizations and the government to protect the environment. For instance, it included the principles of responsible use of natural resources such as air, water, forest, and biodiversity and the principle of the polluters being responsible for paying. Moreover, provisions on how all land other than owned by Mongolian citizen shall be the property of the government, provisions on taxes and fees for exploiting natural resources, and provisions to terminate activities threatening the environment were regulated in this set of laws. The amendments in the Law on Protecting the Environment included the following affairs: companies and organizations carrying out operations that exploit natural resources must conduct environmental audits on their operations every two years; implementing natural resource management based on natural resources joint management cooperatives and local citizens; and herders to use natural resources sustainably and to receive the benefits from environmental protection measures.
50. Although biodiversity offsetting was regulated by the Law on EIA under the reform of the environmental laws in 2012, land degradation, mitigation hierarchy offsetting principles were not specified clearly. However, the law specified the requirement for developing a environment management plan that consists of two parts, i.e., environment protection plan and environment monitoring and evaluation program.
51. In the area of land relations, proper use of natural resources and environment protection, following laws exist: "Law on Areas under Special Protection" (1994), "Law on Land" (2002),

"Law on Forest" (2012), "Law on Spending the Revenue from Payments for Exploiting Natural Resources on Measures to Protect and Restore Natural Resources" (2000), and "Law on Land Payments" (2007). "Law on Minerals" (adopted in 1997 and revised in 2014) regulates the affairs related to fees and charges related to prospecting and mining.

52. The Law on Prohibiting Mineral Exploration and Mining Operations at Headwaters of Rivers, Protected Zones of Water Reservoirs and Forested Areas (2009). This so-called the law with a long name was initially proposed by representatives of the local communities that were significantly harmed by gold mining operations. The law aims to prohibit mineral exploration and extraction in headwaters of rivers, protected areas of water reservoirs and forested areas and to regulate the rehabilitation activities in these areas. The law was formulated towards protecting vulnerable areas of water resource and up to 25 percent of the Mongolian environmental and ecological system from negative impacts of mining.
53. The Ministry of Environment and Tourism (MET) is one of the general or functional ministries of the government that is responsible for wide scope of issues related to environmental management such as the protection of biodiversity, areas under special protection, environmental impact assessments on forested areas and water reserves and tourism. One of the 8 departments in the organizational structure of the ministry, the Department of Environment and Natural Resources Management has the responsibility to reduce environmental pollution and deterioration; to coordinate and organize the implementations of laws and legislations on proper use of natural resources, protection and restoration; and to provide expertise and advice. The ministry executes its roles with the help of their specialists in charge of environmental affairs at provincial and soum levels and environmental enforcement officers in the areas under special protection.
54. The General Administration for Specialized Inspection (GASI) is responsible for enforcing over 200 laws, legislations and procedures. The Department of Environment, Geology and Mining Monitoring implements the role of preventing ecological imbalance and negative impacts on the environment; ensuring safety operations in mining production, ensuring healthy, safe, and pleasant living environment for the people; and carrying out control and monitoring activities to prevent from possible negative impacts and risks in accordance with the common framework, strategy, planning and principles of specialized inspection.
55. Ministry of Mining and Heavy Industries (MMHI) is responsible for formulating policies for geology, mineral resources, crude oil, fuel supply, and responsible mining operations; increasing mineral resources; developing the mining sector; promoting value-added production; supporting social and economic rapid development; creating safe and proper living environment by introducing environmentally friendly and advanced technology; and improving the living standards of the people.
56. Petroleum and Mineral Resources Authority (PMRA) is an implementing agency under the Ministry of Mining and Heavy Industries responsible for implementing the Law on minerals, decrees adopted by the Parliament and the Cabinet in the mining sector, rules and procedures issued from the sectoral ministry; providing services to mining sector customers and investors; and for increasing the economic contribution of the mining sector.
57. The Agency for Land Administration and Management, Geodesy and Cartography (ALAMGAC) is an implementing agency under the Ministry of Construction and Urban Development responsible for land use, land use planning, land administration, and real estate registrations.
58. The National Development Agency was established in August 2016 as a regulating agency of the Government and is an important body instrumental in ensuring policy and operational coordination among government ministries and agencies. The mission of the organization is to

formulate and to get approval for adoption of regional development policy and national investment programme that are aligned with the Mongolian Sustainable Development Policy; to coordinate research consolidating major development projects; to analyze and evaluate policies, programs and projects; and to provide policy directions.

3.3 Project Implementation Arrangement

59. This project is being implemented by the Department of Environment and Natural Resources Management of the Ministry of Environment and Tourism through the PIU. Engagement and participation of Government and non-government organizations working in the area of land administration, mining and environment as well as the engagement of local people living in the region and local governments were ensured at all stages of project implementation such as project planning stage, decision making stage, financing phase and implementing phase. The PIU consists of National Project Director of the project, national coordinator, project technical advisor, finance officer, administrative officer, assistant staff and local coordinators in each of the provinces Uvs, Zavkhan, and Khovd, where the project is being implemented. The project document appoints the Director of the Department of Environment and Natural Resources Management of the Ministry of Environment and Tourism as the National Project Director of the project.
60. Project Board responsible for project policy, management and monitoring is established and is chaired by the State Secretary of Ministry of Environment and Tourism and co-chaired by the UNDP Resident Representative office. Senior officials of Ministry of Mining and Heavy Industries, Ministry of Food, Agriculture and Light Industries, ALAMGC, MCUD, Mongolian Environmental Civil Council, Ministry of Finance, Mongolian Mining Association, and the local governments of the three western provinces are appointed to serve as members in this Project Board. The Project Board is responsible for high-level management decisions related to implementing the project such as approving and evaluating the annual work plan and providing recommendations.
61. Moreover, the project is implemented with a Project Technical Committee with the objective of ensuring cross-sectoral coordination and resolving challenges and issues arising from the implementation of the project as well as with a Project Local Coordination Committee with the objective of promoting local engagement and cooperation.

4. MTR FINDINGS

4.1 PROJECT STRATEGY

Project development, design ratings

- *Alignment with the Mongolian priority development goals, objectives and programmes*

62. The goal and objective of this project were formulated in the project document by taking into consideration the global, national and local importance of the project and in accordance with the GEF objectives, the policies and programmes designed to fulfill the commitments of Mongolia under the international agreements and conventions Mongolia acceded to, and other national priority goals, objectives, policies, programmes, and plans. This has been clearly elaborated in the project document. For instance, it is aligned with national policy documents such as National Programme to Combat Desertification (1996), National Programme on Climate Change (2012), National Action Plan on Environmental Protection (1993), and National Programme on Areas under Special Protection (1998).
63. Additionally, the goals, objectives and activities of the project are closely connected with the goals of the policy documents and programmes mentioned hereafter. "Mongolian Sustainable Development Vision-2030" adopted by the decree no.19 of 2016 by the Mongolian Parliament identifies 20 main criteria to evaluate the implementation. Criterion 14 states, the size of the territory affected by desertification shall be reduced from 78.2% in 2014 to 68% by 2030. Criterion 15 states, the size of areas under special protection shall be increased from 17.4% in 2014 to 30% by 2030. Furthermore, the sustainable development objectives specified in this document include: developing high yield, intensive agriculture and animal husbandry with appropriate head of cattle or taking sustainable approach; reducing land degradation; increasing soil fertility; introducing efficient technology in tending soil; and implementing other objectives in phases in order to develop the agricultural sector under the framework of ensuring sustainable economic development.
64. The plan to ensure the implementation of the "Mongolian Green Development Policy" (2014) was adopted by the cabinet decree no.35 of 2016. Under the strategic objective 1 of this plan, section 1.3 specifies objectives to improve environmental impact assessment, environmental management plan and environmental monitoring and evaluation programme effectiveness and to connect the information into smart system during the period 2017-2020; section 1.5 specifies the objectives to increase soil fertility and to implement measures to mitigate land degradation resulting from farming during the period 2016-2030; and section 1.9 specifies objectives to implement model projects for offsetting and to extend the practices in order to mitigate negative impacts of mining during the period 2017-2030 with the MET being the lead ministry and in collaboration with the MMHI. Section 1.9 also specifies the objective to implement activities to limit mineral exploration and mining operations in areas of ecological and cultural significance upon conducting detailed ecosystem regionalization assessment during the period 2016-2030.
65. Furthermore, under the strategic objective 2, the section 2.1 specifies the objective to increase the areas under special state protection by no less than 25 percent of the total territory by 2020 and by at least 30 percent by 2030; section 2.12 specifies objectives to implement pastoral management that will reduce negative impacts of draught, land degradation and desertification, and to implement intensive animal husbandry and other activities by 2030; and section 2.13 specifies objectives to restore and rehabilitate no less than 70 percent of the areas damaged and polluted due to production.
66. Under the "National Programme on Biodiversity 2015-2025" adopted in 2015, goal 5 of the second priority area specifies the objective to set aside no less than 30 percent of the main

representations of the ecosystem and all of the unique ecosystem that is sensitive to climate change for special protection and to improve their management. Furthermore, objective 10 of the goal 5 specifies the objective to expand the area under special protection in the national and local land administration plans based on the ecosystem representation; objective 11 specifies the objective to improve management and capacity of areas under special protection based on participation and engagement. Goal 9 of this programme specifies the creation of legal and economic leverage with head count and types of cattle aligned with pastoral capacity and the aim to reduce pasture degradation in Mongolia to 70%.

67. The goal and scope of activities of the project relate to not only the goals and objectives of the abovementioned national policies and programmes, but also the project activities are aligned with strategic goals and objectives set forth in medium and long term policy documents such as the provincial and local level government action plans, general plan of the provinces on land administration, local development plans of the target soums, Khovd province development strategy for 2015-2025, Khovd province Green development programme for 2016-2026, Zavkhan province comprehensive development policy for 2009-2021, Zavkhan province's Dorvoljin soum sustainable development plan 2025, and Uvs province strategic development programme for 2008-2021. Also as the project collaborated on some of these documents in their formulation and adoption stages, issues raised by the project objectives were consolidated and reflected in the local planning process.

- *Use of other similar best practices and models*

68. The project document mentioned that not only similar projects and programmes financed by GEF and other international organizations and especially other projects being implemented in wide range of areas such as environmental protection, land degradation, desertification mitigation, improvement of livelihoods of people were referred to during the project document preparation and development phase for identifying project goal upon conducting basic research, but also aimed to use their best practices as basis for the project. As such, having carried out the basic research, this project ensured the activities were not duplicated and laid the foundation for cooperation with projects with similar goals, which further enabled opportunities to learn from their best practices and to use their know-how, knowledge, approach and many years of experience and closer collaboration. Additionally, in order to achieve the expected outcomes of the project, collaborative agreements and memorandum of understanding were signed with those selected organizations entailing the areas of cooperation and development of activities jointly organized. For instance, the project collaborated with the Green Gold pasture management project implemented by the Swiss Development Agency and through this cooperation adopted and used the model framework on the use of Janchiv pastureland created under the project near Tuulait Mountain of Durvuljin soum.

69. On the other hand, the concept of mitigation hierarchy and offsetting is fairly new not only in our country but also around the world. While practices and experience of countries implementing offsetting were reviewed during project development phase, it also focused on developing and implementing this project as a model project in the future.

- *Potential for the project to be implemented sustainably and other circumstances that affect [this] (to consider external factors such as climate change, economic crisis, national level changes etc.)*

70. An analysis was conducted in the project document on the basic factors directly affecting the project activities. Also six risks, i.e., system to support stakeholder initiatives, stakeholder understanding of offsetting, unwillingness to cooperate from the selected mining companies, differences of understanding on offsetting among the local government and the people, outcome

of the 2016 Parliamentary election, and the project duration being too short for visible achievements on land degradation mitigation, were identified and countermeasures were proposed. It was specified that 2016 election risk would be considered in the GEF CEO Endorsement, the project's main organizational structure should be established prior to the election and that the election-related risk is low at the local level. However, at the project launch phase, the 2016 election proceedings significantly delayed the project start date.

- *Identification of environmental and social risks, management of those risks, and countermeasures to those risks*

71. UNDP environmental and social assessment was conducted during the project development stage and the project's general risk was rated low risk. In doing so, the assessment was conducted in accordance with three principles, i.e., (1) human rights, (2) gender equality and promotion of women's rights, and (3) environmental sustainability and three risk associated with human rights and one risk associated with environment were identified, each of which was assessed to be of low significance. Explanations and activity directions associated with these four risks were also provided and brief descriptions regarding management principles on adhering to the abovementioned three main assessment principles. The project has not encountered any difficulties related to these identified risks.

- *Decision-making process: Whether the person(s) to be affected by the decisions made from the project and the person(s) to be affected by the expected outcomes of the project are reflected in the project design process*

72. In accordance with the requirements by the GEF and UNDP, the parties that may be affected by the implementation of a project and by the decisions made during such implementation need to be involved in the project formulation phase and their concerns should be included. The project document reflected this issue. The project document (paragraph 221) specifies that multiple events and consultations inclusive of wide range of stakeholders were organized in order to discuss and agree upon the general design of the project, structure of the logframe, expected outcomes, final outputs and their indicators between August 2014 and November 2014. The consultation to discuss the logframe was attended by a total of 47 representatives from the government, provincial and local government management, the private sector, international organizations, NGOs, civil society organizations and UNDP. Two meetings were held at national and local level with the main project implementing parties.

73. As specified in the project document (paragraph 57), in order to select the possible areas for implementing the project, the initial version of the list of possible sites was consulted with relevant ministries, mining companies, province governors, NGOs and other projects and the sites were evaluated against multiple criteria. As a result, in collaboration with the stakeholders, the sites were shortlisted. Afterwards the interest of the mining companies to cooperate with the project and the inputs of the local people were taken into consideration. In November of 2014, consultative meetings were held with the pilot soums' local government management and the local people. Six households from Bayan-Ulgii province center, three households from the Uvs province's Khotgor mine surrounding vicinity, and five households from Darvi soum of Khovd province participated in a survey and responded to questions regarding the impact of mining on the livelihood of people and activities undertaken to mitigate land degradation. Consequently 3 coal mines of Khotgor, Khushuut mine and Bayan-Airag mine were selected and on 4 November 2014 the selection was notified to the Director of Environment and Natural Resources Management Department of the Ministry of Environment, Green Development and Tourism and a proposal was made to sign a memorandum of cooperation. Therefore, it is believed that stakeholder engagement was ensured in the activity to select target areas during the preparation phase of the project.

74. Gender equality and inclusiveness were considered in the following manner at the project formulation phase. UNDP's Environmental and Social Assessment was conducted and concluded that there are no gender inequality risk present in terms of this project. Moreover, the project document specifies how the level of participation of Mongolian women in social, economic, political and household levels is relatively high and it is open for women to participate at the decision-making level. Still, as specified in the abovementioned Environmental and Social Assessment, the project document noted the importance of using the "Environmental Sector Strategy on Managing Gender Issues" of the MET adopted in 2014 in order to ensure and to further improve gender equality and the measures to implement along with the management principles. For instance, to ensure equal gender representation when receiving comments and information from the public on impact of mining and SLM; to adopt a strategy to ensure gender equality to the extent possible when implementing the planned activities; to ensure at least 50% of the attendants in the organized meetings and consultations to be women; to promote participation and weight of participation of women in activities in the target soums; to elect at least one female member in the local coordinating committee; and to enable equal opportunities for women to receive the yield from the project were specified as principles to abide by.
75. However, at the project formulation level, whether or not there is a need to develop and implement a gender-oriented activities for the improvement of gender equality and especially the impact of the project on gender equality among the beneficiaries of the project in the project's target soum level was not observed to have been specifically included in detail. Nevertheless, the project developed an activity plan to implement on gender issues in the UNDP project implementation monitoring and quality control report in 2017 and organized a gender equality workshop attended by project's female beneficiaries in December 2017.
76. In order to prevent the need for updating committee appointments in the event a member is replaced, the composition of the PB and the local coordinating committees were specified in terms of the positions held instead of the names of the members. Although there is a risk of government officials changing due to political instability, at the midterm review stage, it is believed in spite of the gender ratio of the committees indicating male dominance, there is sufficient level or representation of women. Moreover, the PIU Ulaanbaatar team consists of four staff members who are all female.

Results Framework/ Logframe

- *Analysis conducted on the **Logframe**, review of how SMART the mid-term target and end of project target are, suggestions on amendments deemed necessary*

77. Based on the Project Identification Form, in order to formulate and define the measures and activities to be considered to implement the project, logical framework² approach was utilized during the project formulation phase. Consequently, the logframe showing the correlation of the project objective and expected outcomes were defined. It is noted in the project document that relevant basic research and indicators were developed in accordance with the SMART (Specific, Measurable, Achievable, Relevant, Time bound) principle. During the PIW (Project Inception Workshop) process, the project logframe and its indicators were reviewed with the involvement of the stakeholders to determine whether they are achievable, measurable, specific and aligned with the given project implementation period and relevant changes were made along with recommendations, which were documented in the PIW report. Although the indicators were not

² Logical framework, log-frame in short, is the hierarchy which determines the logical relationship and scope of a project goal, objective and outcomes and their indicators. A project log-frame is commonly used by international organizations for their programs and projects, firstly in order to design the project and later to use it as guidance for project implementation and monitoring. To keep its nuance, the term wasn't translated in Mongolian but it was used directly as it is throughout this report.

amended based on these recommendations, the scope and the approaches to determine whether the completion is deemed satisfactory were expanded. Although it is not yet clear whether or not UNDP will officiate and accept the recommendations set forth from the PIW, the PIU considers the changes specified in the recommendations when using the logframe in their activities. Moreover, the logframe was used in project planning in the past and being used effectively as it serves as a main guideline for evaluating the implementation.

78. However, review of the project logframe revealed some unclear areas that may be improved. Target indicators 2 and 3, indicators 1.1 and 1.2, indicators 2.1, 2.3, and 2.4 need to be reviewed and a common understanding should be achieved. The end of project target for the indicators of some expected outputs are set either in too broad scope or set too high that do not match the project duration and budget resources, which indicate the criteria for ensuring implementation of those indicators may not have been planned realistically. The fact that some of the baseline and the end of project targets are not defined clearly in detail makes it difficult to operationalize logframe fully in the project activity as the guideline and to carry out comprehensive records.
79. Project Indicator 3 specifies the level of institutional capacity for implementation of mitigation and offsetting framework will be measured by capacity level based on the capacity assessment sheet (capacity scorecard). At the expected outcome level, capacity is only considered in outcome 1. In the case of Indicator 1.3, only the level of capacity in the provinces and soums are considered. It is suggested that stakeholders such as government officials in Ulaanbaatar and research organizations are included in the survey to determine their capacity, thus, such subjective survey will complement and allows them to compare to the scorecards and to revalidate the scorecard results. There have been mistakes regarding baseline of the objective indicator 3 in both project document and GEF CEO endorsement as possible scores of 96 and obtained score 41 expressed in percent as 42%. They should be corrected as possible scores of 93 and obtained score 41 should be expressed in percent as 44%.
80. The end of project target for Indicator 2.3 is specified as a total of 270 households in the target soums to use innovative land management technology, which may have been set too high. The project document deemed this number of households realistic as they would be using cost efficient approaches under this indicator. However, to focus on the issue of introducing innovative and advanced technology to be used sustainably in the long term, it normally requires high cost, which might exceed the actual budget resources of the project. Moreover, there is no evidence that has determined the baseline of this indicator in detail and based on the survey conducted during the consultation of the target provinces land administration general plan that concluded public participation to be very weak, it is assumed that the baseline is rather low. Therefore, taking into consideration the actual circumstances, these indicators need to be reviewed and we suggest changing the description "innvoative technology."
81. Indicator 2.4 is to be measured by the total area of pasture/forested area necessary for SLM to be introduced or the number of degraded wells/springs. However, the baseline information has not been updated into the reports and thus it is not possible to determine the progress of this activity. In relation to the description "total grazing/forested area subject to innovative SLM intervention" of the indicator, the level of degradation for the grazing/forested area or the well subject to intervention should be defined based on the categorization level of land degradation. By doing so, the end of project target for this indicator, the scope of the objective to increase the grazing/forested area or spring wells where SLM is introduced by 30%, will be made clearer and more manageable to implement.
82. The end of project target for Indicator 1.1 is set as "amended law to incorporate offsetting in land use plans at national, aimag, soum levels" is understood as follows: the draft revision to the law on offsetting will be developed, approved for adoption, made available to be introduced into national, provincial and soum level land administration plans. However, the process of having a draft legislation is complicated and each steps require a set timeframe. As such, it is unlikely that

these drafts would be approved for adoption within the project implementation duration. Therefore, these indicators could be amended to be deemed complete once the draft amendments are submitted to the parliament for review or until the phase PIU can manage.

83. In the case of Indicator 2.1 specifies offsetting mechanisms and inclusive SLM introduced in "prominent mining concession" will be demonstrated as model. When "prominent mining concession" is used, the scope of mines may be reduced and the concept of developing mining sector by concession planning is not common or unknown in Mongolia therefore, it can be changed to "the system of granting exploration and exploitation mining licences". Moreover, the end of project target for this indicator is set as: "at least 100,000 ha, with at least one offset agreement signed per pilot landscape" in both the GEF CEO endorsement and the English version of the project document, which indicates at least one agreement to implement offsetting will be signed in each of the target soums. According to the legal framework effective today, mining companies are not obligated to implement a separate offsetting plan; instead, offsetting is one component of mine's environmental management plan (EMP). Therefore, the target to "sign at least one agreement" can be replaced by the EMP adopted as a result of the mining company consulting with the local government.
84. Indicator 1.2 is "priority conservation areas identified for protection and integrated in mining concession planning process." As in the Indicator 2.1 the concept of "mining concession planning" is unclear, one option is to change it to "system of issuing exploration and mining licenses" or another option is to delete this part because in the Strategic Results Framework table in the project document (p.71) it is specified as "integrated in mining concession planning" in the same manner as the abovementioned part, the Indicators section of the project document (p.47) "integrated in mining concession planning" part is deleted. On the other hand, even though currently the information on areas that need to be protected is introduced but there is no legal environment or basis for the information to be applied to the system which issues exploration and mining licenses. There is a lack of system to realistically monitor and register whether those areas are taken into consideration when issuing licenses and therefore, it is difficult to set the indicators as in the first option.
85. The objective level Indicator 2 is areas set aside from mining for ecological sensitivity (as defined in the LPA and NPA) such as land of pastoral value and the end of project target is to increase the baseline 13.43 million hectares of land by 10% of the areas covering the 5 provinces. Indicator 1.2 of the expected Outcome 1 specifies that priority areas to set aside and the end of project target is 30 percent (12.5 million ha) of the 41.5 million hectares of land in the western region. Moreover the rationale for Indicator 1.2 was correlated in the project document with the national objective set in 2015 to increase the protected area size to 30% (p.47). When correlated with this objective, since the baseline in 2014 is 13.43 million hectares, more than 30% of the territory has already been set aside for special protection. Furthermore, in the project document it is specified that the end of project target level can be evaluated by representing the size of the priority areas to set aside based on the ERA results in percentage terms for the territories of the 5 provinces. The ERA found 11,778,541 hectares of land (58 sites) in 5 provinces to be set aside for protection, which is approximately 28% of the total territories of the 5 provinces. Therefore, taking into consideration the discrepancies in the rationales for setting the target 30 percent and taking into consideration the indicator of increasing to the protected areas in the western region by 12.5 million hectares or increasing it by the size of the areas to be set aside in accordance with the ERA may be set too high in terms of scope, it is appropriate to correlate this 30 percent to the 10 percent specified in the objective level Indicator 2. Otherwise, at this midterm review phase Indicator 1.2 is at 21% or in other words the area under special protection has increased by 6.3% out of the target 30%, which is negatively affecting the progress on implementing Outcome 1.

86. The term "pilot landscape" frequently occurring in the project logframe, when interpreted into Mongolian, is at times used as the baghs where the selected mines are located or sometimes the soums and other times the provinces where the mines are located. The area sizes of the pilot landscapes were not confirmed during the inception phase unlike it was specified so in the project document. Thus, pilot landscapes need to be reviewed in this light and the actual size of areas in pilot soums have to be agreed upon. As a result of the differences in understanding the target landscape, there could arise discrepancies in the spatial understanding of the indicators. Moreover, for remainder of the project period, staying within the landscape defined as the "pilot landscape" will have positive impact on staying on track, within the project goal, and in focus of the objectives.

The level general developmental impacts of the project are considered and reflected

87. At the logframe formulation stage, the positive developmental impacts of the project were considered in considerably extensive scope. The main output of the expected outcome 2 in the project document is to implement and demonstrate the mitigation hierarchy and offsetting by taking sustainable land management approach with the participation of the local stakeholders. Under this objective, when planning and implementing any activity, small projects and initiatives that will bring positive developmental impact to a certain level and that are based on local people's initiatives aimed at improving the livelihoods of the people and to increase the profit and incomes of people were considered. Moreover, the activities of these projects are contributing to improving organizational skills of the stakeholders, activating the local government and project beneficiaries, establishing ownership and responsibility, promoting gender equality, and to further engage women in the activities. Water supply, restoration of pasture, and increased number of forms of income sources are issued that are raised when improving the circumstances and quality of life of herders and citizens. During the project formulation and design stage, measures to contribute to resolving these issues were specified and were reflected in the outputs 2.2 and 2.3.

4.2 PROGRESS ANALYSIS TOWARDS OUTCOMES

GEF LD Tracking Tool

88. As the GEF LD Tracking Tool is not yet developed at this midterm review stage, LD Tracking Tool data comparison was not conducted. Instead project outcome progress and delay were evaluated using the progress reports and other data produced for the project, which are considered below and also in the section project implementation and adaptive management.

Analysis of progress towards results

89. When assessing at what level the progress of achieving the project's expected outcome is at this interim stage we used the results of the analysis conducted using the project document, progress reports, interviews held with stakeholders and primary information collected during observation and made the following conclusion. The progress to achieve the project's expected outcomes was rated for each project objectives (Table no.1) and expected Outcomes 1 and 2 (Tables no.2 and no.3). Based on the average rating for the indicators, consolidated assessment was conducted for each of the objectives and expected outcomes 1 and 2. We believed it was more appropriate to use the 6 steps of assessment matrix instead of using the assessment system to differentiate by colors the indicators specified in the MTR.
90. The average progress on achieving the indicators at the interim stage is at 72 percent. The breakdown of this average is as follows: Indicator 1 to reflect ERA in the local land administration plan implementation is at 88.9 percent, Indicator 2 to set aside land for special protection

implementation is at 64 percent, and Indicator 3 to build capacity implementation is at 63.2 percent. Therefore, progress considered at objective level is good³ (Table 1).

91. Moreover, the implementation of expected outcomes 1 and 2 at the interim stage is satisfactory. The outcome 1 has three indicators to monitor the implementation and if we deem the three indicators to be equally weighted, the average implementation of Outcome 1 is at 42.3 percent (Table 2). The implementation level of Outcome 1 could be changed due to two factors. If the end of project target of Indicator 1.2 is correlated to end of project target of output 2, the implementation of indicator 1.2, which is currently at 21 percent, will change. The progress of indicator 1.1 is satisfactory at MTR level. However, unknown risks remain inherent to the approval stage of law amendments and regulations which are out mostly of control of PIU. The indicator 1.2 progress was assessed as moderately satisfactorily in respect to the Objective Indicator 1 progress. The existing contradictions in the end-project-target forces Indicator 1.1 to be assessed as Unsatisfactory otherwise.
92. Expected outcome 2 has four indicators to monitor the implementation. The baseline for Indicator 2.4 is not confirmed and has not been updated in the project implementation reports. Because the baseline was unclear, the progress on the implementation of this indicator was not represented in percentage terms. In the case of Indicators 2.1 and 2.2, the implementation is at 100 percent or in other words the implementation has surpassed the end of project target. The average of the implementations for the four indicators with indicator 2.4 value as zero, the progress on the implementation of Outcome 2 is at least 60 percent or satisfactory level (Table 3). If we include the implementation progress percentage of Indicator 2.4, then this average will be higher.

Expected outcome 1 (42.3%) and Outcome 2 (60%) implementation average is at 51% and therefore the project implementation at this interim stage can be rated successful and satisfactory. Based on the progress on the implementation of the project objectives (72%) and of the outcomes 1 and 2, the consolidated rating for the progress to achieve the expected outcomes is assessed to be SATISFACTORY.

³ As based on the data and information provided mainly in December 2017 by PIU, the objective indicators' average mid-term progresses were compared against the end-of-project targets and expressed in percent to determine the mid-term progress of the objective.

Table №1 Progress Towards Results: Project Objective

Project Strategy	Indicator	2014 Baseline	2016 Level of 1st PIR	2017 MTR Level	End-of-Project Target	MTR Indicator Rating	MTR Outcome Overall Rating
Objective: To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management	1.Area of pastoral production system and natural habitats in western Mongolia under integrated planning and management as shown by incorporation of eco-regional assessment into land use plans	0	Preparations for employing local coordinators have been done.	Eco-regional assessment results are integrated into aimag land use plans and soum development plans totaling of 36.9M ha area. It is 88.9% of the total target area.	41.5 million ha (Five western aimags)	Progress is 88.9% (HS)	Based on the indicators progress, the average performance is 72.03% (HS)
	2.Area set aside from mining related development, for ecological sensitivity including pasture values (through local and national PA designations) derived from Eco-regional assessment)	National PA-11.35M ha Local PA- 2.08M ha Total=13.43M ha		Reached total 16.2M ha or actual increase is by 6.4%.	10% increase	Actual increase of 6.4% as opposed to the end target of 10%, the performance is 64% (HS)	
	3.Level of institutional capacity for implementation of mitigation and offsetting framework as indicated by Capacity scorecard	41 points out 93 points = 44.08%*		55.7 points out of 93 points = 59.8%, Actual increase is by: 15.8%	Improved capacity indicated by an increase of at least 25% over baseline (i.e. a score of 51.25 = 53.4%)	Actual increase of 15.8% as opposed to the end-target of 25% then the performance is 63.2% (HS)	

Table №2 Progress Towards Results: Outcome 1

Project Strategy	Indicator	2014 Baseline	2016 Level of 1st PIR	2017 MTR Level	End-of-Project Target	MTR Indicator Rating	MTR Outcome Overall Rating
Outcome 1: Land degradation mitigation and offset framework operationalised, through eco-regional land use planning and capacity development	1.1 Resolution of legal contradictions and adoption of new guidelines / regulations / mechanisms to strengthen the mitigation /offsetting framework		Prepared ToRs for the consulting services to carry out drafting and preparing law amendments and regulations related to mitigation and offsetting	4 law amendments drafting and approval each with 13(x4) levels, out of which 25/51 fulfilled or 49%: -Law on PA -Law on EIA -Land Law -Draft Law on Rehabilitation of Degraded Land due to Mining Operations 4 Regulations, guidelines drafting and approval each with 10 (x4) levels, out of which 22/40 fulfilled or 55%	• amended law to incorporate offsetting in land use plans at national. aimag and soum levels; • guideline for the implementation of offsetting and mitigation hierarchy through SLM	Average performance=52% (S)*	Based on the indicators' performance, the average performance of the outcome 1 is 42.3% (MS)
	1.2 Area of priority conservation (potential offset) areas identified for protection and integrated in mining concession planning process	SPA: 10,430,468 ha (24.69%), LPA: 3,265,313ha (7.9%) & Total: 13.43 million ha (32.5%)	Expecting to determine according Eco-Regional Assessment results	Total PA of 16,270,046 ha (38.8%) has been reached. The actual increase is by 6.3%	30% of 41.5 million ha (= 12.45 million ha)	Actual increase is by 6.3% or 21% achieved as opposed to the end target of 12.45 million ha (MS)**	
	1.3 Public awareness of the role of mitigation and offsetting in addressing impacts of mining	Zavkhan aimag: Understanding on offsetting: 55%, participation in the LM planning 45%, Durvuljin soum: Offsetting: 55%, participation in LM planning 16% Khovd aimag: Offsetting 45%, participation 45% Darvi: Offsetting 32%, participation 18% Uvs: Offsetting 54%, participation 48% Bukhmurun: Offsetting 46%, participation 22%	3-year traing program has been developed based on the capacity needs assessment	Zavkhan aimag: Increased knowledge on offsetting by +6%, participation in the LM planning by +6%. Durvuljin soum: Increased knowledge offsetting by +11.2%, participation by +2.5% Khovd aimag: Offsetting by +7%, participation by +8% Darvi: Offsetting by +9%, participation +9% Uvs: Offsetting by +8%, participation +5% Bukhmurun: Offsetting by +18%, participation by +15% from these aimag average has increased by +7.3% and soum average was by +10.5%	10% increase in Aimag centres and 30% increase in pastoral communities at pilot landscapes	Average performance of the aimags is 73% and soums is 35% as opposed against the project-end-targets of 10% and 30% increases and the average performance of this indicator is 54% (MS)	

* the progress of indicator 1.1 is satisfactory at MTR level. However, unknown risks remain inherent to the approval stage of law amendments and regulations which are greatly out control of the PIU influence.

**Indicator 1.2 progress was assessed as moderately satisfactorily in respect to the Objective Indicator 1 progress. The existing contradictions in the end-project-targets of the Indicator 1.1 and Objective indicator 1 forces the Indicator 1.1 to be unrealistically assessed as Unsatisfactory otherwise.

Table №3 Progress Towards Results: Outcome 2

Project Strategy	Indicator	2014 Baseline	2016 Level of 1st PIR	2017 MTR Level	End-of-Project Target	MTR Indicator Rating	MTR Outcome Overall Rating
Outcome 2: Land degradation mitigation and offsets applied through SLM within selected landscapes	2.1 Integrated landscape management and offset mechanisms demonstrated with prominent mining concessions and other competing land uses	0 ha	Local Coordination Committee consists of multi stakeholders was established at target aimags to implement SLM and offsetting.	Mitigation and offsetting was reflected in the Darvi, Durvuljin and Bukhmurun soums development plans to cover 506,426ha of area in 3 soums. In addition, offset and rehabilitation areas make total areas for prevention, rehabilitation and offset 518,656ha in three soums.	at least 100,000 ha, with at least one offset agreement signed per pilot landscape	Performance=100% against the end-target (HS)	Considering 4 indicators and minimum average performance of outcome 2 is 60% (S)**
	2.2 Increased investments in SLM actions in the landscape	Khotgor mines \$29,323 Bayan Airag mine \$19,600 Khushuut mine \$118,000	Bayan-Airag: Drafted rehabilitation and offset plan to determine implementation feasibility; Khushuut: Budget for EMT in 2016 was 396.2 million MNT or approximately 199,000 USD	Increased by (%): Bayan-Airag: 218% (137,306,710 MNT) Khotgor-74% (13,070,000MNT) Khushuut-69.9% (401,123,000MNT)	A 50% increase on the 2014 EMP budgets of partner mining companies in the pilot landscapes	Performance=100% against the end target (HS)	
	2.3 % pilot site herder/farmer families applying innovative SLM technologies (as defined in Output 2.3)	Low - To be confirmed during Inception phase	There has not been yet action plans developed focusing on herders.	108 households benefit from the 4 small scale restoration projects in Darvi, Bukhmurun and Durvuljin soums	50% or 270 households by end of project out of 200 households in Khushuut Bagh of Darvi soum (Khovd), 190 households of khar altat Bagh of Bukhmurun soum, (Uvs), 149 households of Tsogt Bagh of Durvuljin soum, (Zavkhan)	Performance=40% as opposed to the end-target of 270 households taking the baseline as zero households. (S)	
	2.4 Area of grazing/forested land (ha) and # springs/wells in pilot landscapes subject to innovative SLM interventions	*Grazing rotation: to be determined during the inception phase 4.5 ha forest restoration (Zavkhan) 2 wells established/protected (Khovd) To be confirmed during inception phase	Drafted the Green Development Plan of Khovd Aimag. Offset and pastureland management concepts were integrated in the plan. Land management/utilization baseline data to be collected as contracted with the Agency for Land Administration, Management, Geodesy and Cartography. Detailed data is to be inserted to the land management mapping to generate detailed land management plans for the 3 soums. As the result pastureland quality, use and rotation areas will be determined.	Durvuljin: Restoration of 100ha wild seabuck thorn field Darvi: Restoration of 2ha former agricultural land and 2 springs Bukhmurun: 6000-8000m3 water catchment reservoir	30% of the total grazing/forested area or degraded springs/wells in the pilot landscapes by end of project	The baseline is not comprehensive, thus, this indicator progress wasn't measured in % or rated.*	

* The indicator 2.4 progress as opposed to the bare minimum baseline provided at the MRT stage, this indicator can be looked as fulfilled. However, the baseline of indicator should be confirmed to evaluate the indicator realistically, thus, it was left not estimated in %.

** The outcome 2 average performance was calculated including the indicator 2.4 at zero value as it wasn't evaluated in % but the indicator progress sum was divided into all 4 indicators to obtain the average of the outcome 2. Thus, the average performance of 60% is the least possible and should be increased depending on the actual % of indicator 2.4.

Rationale for the Ratings Assessing the Project Objective

Project objective: To reduce negative impacts of mining on rangelands in the western mountain and steppe region by incorporating mitigation hierarchy and offset for land degradation into the landscape level planning and management

Indicator 1. Area of pastoral production system and natural habitats in western Mongolia under integrated planning and management as shown by incorporation of eco-regional assessment into land use

Rating: Highly Satisfactory

93. The PIW concluded it was not possible to include the ERA results in the land administration plan of all 96 soums of the region and by including them in the province's general land administration plan instead, all soums could be covered. The results of the ERA have been reflected in the general land administration plan of Zavkhan and Uvs provinces. The project successfully collaborated on and provided technical advice on formulating and adopting the General Land Administration Plan of Zavkhan province and Greed Development Programme of Khovd province. Local development plans of Bokhmoron, Dorvoljin and Darvi soums have also been adopted. Mitigation hierarchy and offsetting concepts were included in these short and long term policy documents. Therefore, the preconditions for the result of this indicator to be sustained at least for the next 5-6 years of this soum level development plan have been established. The ERA reports were presented in Govi-Altai and Bayan-Ulgii provinces and recommendations to include them in the General Plan on Land Administration were delivered. As it was specified in the GEF CEO Endorsement that implementing the project in 5 provinces was not possible and the project coverage was reduced to 3 provinces, even if the implementation in these two provinces are unsatisfactory, it would not affect the implementation results of this indicator negatively. Moreover, the interviews clearly indicated that the importance and benefits of Ecological Regional Assessment are highly recognized by the local management. In the future, project should focus more on ensuring implementation in Khovd province. Not only have these indicators been planned in specific and measurable manner, the implementation level at the interim stage is good.

Indicator 2. Area set aside from mining related development, for ecological sensitivity including pasture values (through local and national PA designations) derived from Eco-regional assessment

Rating: Highly Satisfactory

94. As a result of having completed the Ecological Regional Assessment, the preconditions for providing scientifically based information regarding land of special ecological importance were established and the research determined a total of 11,778,541 hectares of 58 sites throughout 5 western provinces that need to be set aside for protection. The project aimed to increase the special protected areas by 10 percent from the baseline and currently the increase is at 6.3 percent. As the effort to protect land at the regional level continued even during the formulation of this report, it is possible the percentage may increase. As mentioned in the Indicator 1, in the event the implementation of the long term policy documents is realized, preconditions for setting aside land for special protection to continue even after the project is completed have been established. On the other hand, it takes time to fully validate and complete the activities to protect the lands initiated under the project and may continue until the end of the project or even after the project is completed. There are set period for setting aside land for national or local

protection, registering, officiating and validating processes and at the local level, they can be approved twice a year upon being reviewed by the civil representative council. The interviewees mentioned that the project registers the land to protect at the Minerals Cartography Division to resolve the discrepancies and makes it completely official, which serves as a best practice that comprehensively implements the operation to protect land.

Indicator 3. Level of institutional capacity for implementation of mitigation and offsetting framework as indicated by Capacity scorecard

Rating: Highly Satisfactory

95. One of the strategies the project aims to implement is to systematically improve individual and institutional capacity. The project document specifies all possible local stakeholders to be engaged when implementing mitigation hierarchy and offsetting model projects and activities at the national level. A consultancy company carried out the Capacity building needs assessment and developed the 3-year training plan and awareness-raising activities plan in December of 2016. The training needs assessment was conducted at 2 levels, i.e., national level and local level including local government and citizens. The result of the needs assessment indicated only a few professionals had basic understanding of offsetting and others had no specific knowledge on the subject matter and therefore, there was a need for systematic training activities. The 3-year training plan based on the needs assessment results specified in detail the forms and frequency of training and awareness raising activities. The PIU in collaboration with the LCs, took significant effort and time to organize capacity building workshops, consultations and promotional activities for government officials and project stakeholders. In 2016, a total of 4 training activities were held at soum, province and regional level as well as in the capital city and in 2017, a total of 1267 people attended 11 local training activities and 2 training activities were organized in Ulaanbaatar. Moreover, multiple consultation forums, meetings and seminars were organized. In 2017, efforts to use social network and to develop information platform websites were launched. Several books, brochures, and handbooks were independently and jointly developed and published under the project for public use. The needs assessment also mentioned that television and internet are commonly used channel for obtaining information and national and public television broadcasting channels and brochures are more commonly used source of information for herders. Therefore, it is important to continue the capacity building activities to provide information to the public using these and other mixed approaches.

Rationale for the Rating for the Expected Outcome 1 Assessment

Outcome 1: Land degradation mitigation and offset framework operationalised, through eco-regional land use planning and capacity development

Indicator 1.1. Resolution of legal contradictions, and new guidelines / regulations / mechanisms adopted to strengthen the mitigation/offsetting framework

Rating: Satisfactory

96. In the past, in order to improve the legal environment for mitigation hierarchy and offsetting mechanism, the project carried out appropriate measures with the help of contractor consultants to determine the legal loopholes and duplications. Amendments on Land Law, Law on Specially Protected Areas, EIA Law and draft Law on Rehabilitation of Degraded Lands due to former Mining Operations have been drafted and sent for approval. During process of drafting the amendments and revisions, multiple discussion forums were organized in stages for stakeholder comments. The interviews noted that the basic researches such as the one TNC conducted were of high quality and therefore, made it easier for drafting the revisions. When drafting the revisions, international practices regarding the definitions and mechanisms of offsetting concepts and terms were studied and were adapted to national environment. Although this is an activity of high importance not only in the western region, but also at the national level, the process for the draft to be approved for adoption is complicated and requires time. The law amendment has drafting stage consists of 8-level activities and approval stage consists of 5-level activities. Total of 4 regulations and guidelines developed with 10-level activities at drafting and approval stage each. Out of the total 40 level activities, 22 were accomplished at MRT level. In the project document, the indicator was defined as: "amended law to incorporate offsetting in land use plans...", which means the law should be adopted and be ready for implementation and it does not realistically fit the project implementation duration. Although current progress is deemed satisfactory as most drafting work has been completed, the remaining approval stage bears approval time lag and other constraints due to unforeseen factors. Therefore, this expected outcome may be achieved at the end of the project or even after the project is completed. Furthermore, it appears that the tangible long-term yield of these activities will be visible sometime after those amendments and procedures are enforced and implemented. Moreover, the active participation and initiative of the MET is crucial for those revisions and amendments to be approved for adoption and lobbying and advocacy approaches need to be utilized to have the drafts adopted. Also the project should provide coordinated and fitting support to ensure the implementation of the recently adopted "Methodology to Formulate Soum's Development Plan based on Land Management".

Indicator 1.2. Area of priority conservation (potential offset) areas identified for protection

Rating: Moderately Satisfactory

97. Participants in the interview mentioned that impact of mining is relatively low in the western region of Mongolia and past and current governors of the provinces the project is being implemented have placed special importance to protecting areas of value in terms of ecosystem under state conservation. As a result of having completed the ecological region assessment in the western region, opportunities were enabled to expand the special protected area network based on scientific information. As a result of this project, herders and citizens now know the benefits

of special protection of areas and common prior misconceptions were corrected. The prevention from granting exploration and mining licenses enables the opportunity to implement mitigation hierarchy and offsetting in the most economically efficient manner. During the interviews, participants mentioned that the efforts to expand state protected areas have been slow due to lack of budget and finances. The interim level results indicate that the size of state protected areas has not changed, but the size of local special protection area has increased. Although progress has been made under the Indicator 1.3, the end of project target of 30 percent differs from the 10 percent specified for Indicator 2. This drags down the implementation level of the expected outcome 1. In order to correct this discrepancy, as mentioned in the logframe analysis section, the logframe needs to be reviewed.

Indicator 1.3. Public awareness of the role of mitigation and offsetting in addressing impacts of mining

Rating: Moderately Satisfactory

98. The interviews conducted during the assessment indicated that local government organizations, NGOs cooperating with the project, and representatives of target mining companies have better understanding of offsetting and the prior failure to implement the law on offsetting due to differences in interpretation was corrected and coordinated by the project activities. One common observation from the interviews was that interviewees appeared to have understood well the integration of SLM and especially pasture management and the principle of rehabilitation of ecologically identical lands in the case of irreversible damages from the impact of mine; but they lacked understanding of mitigation hierarchy or offsetting hierarchy. The stakeholders commended and appreciated the initiatives and programmes to introduce SLM. Representatives of the interviewees noted that there is a need for seminars and training activities oriented towards providing information to the public and the citizens and how the attitude and the level understanding of the people are important for achieving long term results of the project.

Rationale for the Rating for the Expected Outcome 2 Assessment

Outcome 2: Land degradation mitigation and offsets applied through sustainable land management within selected landscapes

Indicator 2.1. Integrated landscape management and offset mechanisms demonstrated with prominent mining concessions and other competing land uses

Rating: Highly satisfactory

99. The project's target mining companies are cooperating based on the cooperation agreements signed with the province and soum governments. Bayan-Airag mine has begun implementing biodiversity offsetting research and selection of offsetting sites in accordance with the principles and with the involvement of the local people in the 11,200 hectares of land near Tuulait in Dorvoljin soum. Khushuut mine is collaborating with the soum government and the local people to protect and rehabilitate a 200 hectares of abandoned farming land and another 2 hectares of land. The soum level development plans of Bukhmurun, Darvi and Dorvoljin soums cover a total of 506,426 hectares of land to prevent from negative impacts of development and to implement offsetting. At the interim stage, the total area where reduction of negative impacts and offsetting are tangibly being implemented in the target soums is 11,402 hectares. At the project formulation stage, 5 mines were considered. As of today, 2 mines in the Khotgor deposit have

closed down and therefore, there are a total of 3 mines. The preliminary estimates for the area to implement offsetting for the three mines is 27,619 hectares. Therefore, in reality it is difficult to introduce and demonstrate comprehensive mitigation hierarchy offsetting in the 100,000 hectares of land, which is the end of project target for this indicator. If emphasis is not placed on the part "Integrate and demonstrate", the implementation of this indicator is satisfactory or in other words far exceeds the criteria. However, going forward, small projects and programmes that could serve as model SLM integration should be increased to the extent possible. The interviews conducted with the local and provincial stakeholders indicated that they are expecting from the project model results that are tangible, real and sustainable.

Indicator 2.2. Increased investments in SLM actions in the landscape

Rating: Highly satisfactory

100. A working group was appointed from the province and worked successfully approving and monitoring the implementation of Environmental Management Plan. The target soum mining companies, local government and the PIU on behalf of the MET have signed a cooperation memorandum and collaborating within this framework. The representatives of Bayan-Airag and Khushuut mine mentioned during the interview that there is a possibility of increasing their budget for the environmental management plan every year. However, there is no direct correlation between the increase in budget on the environmental management plan and the quality of rehabilitation and offsetting. Instead, the interviewees noted that implementing the most appropriate measures based on cooperation will yield more benefits in the long term. They further mentioned that the fact that there is no common understanding among the local government management and relevant officials regarding the environmental management plan and implementation thereof create certain difficulties and misunderstandings during the process of approving the EMP, implementing and reporting. Although it was recommended by the PIW to set this indicator as 50 percent increase in the budget for offsetting instead of the budget for the EMP where offsetting is only one section thereof, at the interim stage, the budget for the EMP was increased by more than 50 percent and the implementation exceeded the target. However, we believe it is not correct to increase each mine's budget by same 50 percent when these three mines significantly differ in terms of scope, operation and preconditions. In order to document and disseminate the best practices that will make this project a model practice, remarks and conclusions related to the changes and implementations of this indicator should be provided.

Indicator 2.3. Percentage of pilot site herder/farmer families applying innovative technologies for SLM

Rating: Satisfactory

101. At the interim stage, four micro projects have been implemented in the project target provinces to increase the surface water, to rehabilitate an abandoned farming area, to restore a wild sea buckthorn area and to protect spring water and well. Not only these small sized projects are economically beneficial, but also offer the benefits of creating income sources for the people, local government and the local NGOs. The innovative advantage of restoring the wild sea buckthorn area is the production of value added products and creation of an alternative income source for herders and local people by establishing a sustainable financing in the long term. Taking into consideration the project's financial feasibility, implementation duration, engagement and opinions of the stakeholders, it was decided that these micro projects would be

implemented. The possible challenges in ensuring the implementation of this indicator, most innovation requires advanced technology, which often is quite costly, and thus the choices of innovation to integrate would be limited. The implementation of 4 micro projects at the interim stage was an appropriate solution that resulted in high yield with low cost. At MTR level the progress is satisfactory however, MTR level results will not necessarily entail or result further increase in the beneficiary households because the number of households stay rather stagnant. Thus, new innovative initiatives to reach 162 more households in the remaining time will likely to encounter financial and time limitations.

Indicator 2.4. Area of grazing/forested land (ha) and number of springs/wells in pilot landscapes subject to innovative SLM interventions

102. As the baseline is unconfirmed, it is difficult to assess the implementation level. The indicator 2.4 progress as opposed to the bare minimum baseline provided at the MRT stage, this indicator can be looked as fulfilled. However, the baseline of indicator should be confirmed to evaluate the indicator more realistically, thus, it was left unestimated in %. There is a need for the project provide support to Bokhmoron and Darvi soums to further improve the pasture management and use mechanism. For instance, the project should work more closely with the Green Gold Programme and use their and other similar projects' best practice and foundation. When implementing small projects, supporting and promoting the initiatives of the people and implementing those projects based on their active participation will impact the long-term sustainability of those activities positively and ownership of the local people will improve and increase. Therefore, there is a need to work directly with the households and creating a specific incentive system may serve as a leverage to improve active participation of the public.

4.3 PROJECT IMPLEMENTATION AND ADAPTIVE MANAGEMENT

Project management arrangement

103. The MET is working as a national project implementing partner (NPPI). The MET has 8 departments and the Department of Environment and Natural Resources Management is responsible for this project and its Director is the National Project Director of the project. The PIU established under this department consists of four people, i.e., national project coordinator, technical advisor, financial and administrative staff, and interpreter-secretary. The local coordinators of Uvs, Zavkhan and Khovd provinces, where the project is being implemented were selected through an open selection. The interviews conducted with the local people, local government management and the representatives of government departments revealed that these coordinators are successfully resolving the risks identified during the project formulation phase, i.e., ensuring stakeholder engagement, building capacity and developing cooperation with the target mines. The composition and activities of the PIU are in accordance with the specifications in the project document and is in alignment with the principle of being efficient.
104. Participants noted during the interview that one of the success factors of the project is that fact that the PIU has experts specialized in the field of environment, specifically in biodiversity, and with extensive experience working in government organization in charge of the sector. Nevertheless, it was observed during this assessment that UNDP should explore opportunities to introduce international best practices, to refer to various sources, and to provide low cost online training courses etc. taking into consideration that offsetting is a new concept and activity not only in Mongolia, but also worldwide.

105. There were mentions of some difficulties such as the project implementing mines being isolated, the project and the local government not providing transportation support and prepayments not being provided when a car is hired to visit the mines. As the LCCs are reputable, recognized, trustworthy and experienced people in the community, they are successfully resolving this challenge.
106. The PB is responsible for high-level management and managerial decisions related to the implementation of the project such as adopting an annual work plan, evaluating implementation and developing recommendations. Its composition ensures stakeholder engagement and consists of representatives from ministries, agencies, civil society organizations, and the governors of target provinces. The PB, being responsible for the policy, management and supervision of the project, held meeting twice in each of the year 2016 and 2017. The PB is co-chaired by the State Secretary of the MET and the permanent representative office of the UNDP. As the office of the state secretary is a political office, taking into consideration the high risk of replacements due to political appointments, the co-chairing mechanism is an important factor in ensuring management sustainability and succession. Researching the possibility of bringing in a representative from the National Development Agency, newly established in 2016, into the project management mechanism or developing cooperation with this organization will increase the opportunities to reflect offsetting into national level policy documents and coordinating the project activities to activities of other ministries.
107. Although the National Project Director was changed 3-4 times in the past due to political instability, the PIU took appropriate measures and ensured implementation of the project activities. Even though no serious consequence was observed resulting from these changes, there is a risk of the PIU losing ownership at the ministry level and making ad hoc decisions. Moreover, the composition of the PB is constantly fluctuating and only 40-50 percent of the members remained stable. In order to overcome this risk, the PIU took specific response measures such as including the activities in the work plans of mid-level officers of the ministry and tying the PB appointment decree to offices instead of the names of the people. Also it was observed that there were forced attempts to replace PIU members. Taking into consideration the fact that the current members of the PIU have many years of experience in the environment sector, the team is highly capable and the project implementing direction is short, UNDP should exhort the newly appointed ministers and officials to be ensure stability of the composition.
108. The Project Technical Committee (PTC) led by the National Project Director was established by the decree of the State Secretary of the MET on 10 December 2016 consisting of multiple organizations as specified in the project document. Although the PTC is supposed to hold a meeting at least twice a year prior to the Project Board meeting, it has had only one meeting in December of 2016. As the PTC has the potential to be an important tool that ensures coordination among similar organizations, resolves possible disputes, creates mutual understanding, ensures cooperation, validates activities are in accordance with the norms and standards, explores new opportunities, and provides this information to the Project Board and therefore, the active operation should be promoted. In order to simplify the PTC meeting for the participants, it is possible to organize the meetings using alternative forms such as using telecommunications technology in an online environment or via written correspondence for urgent matters.
109. The establishment of a local coordinating committee (LCC) consisting of government organization representatives at the project implementing sites not only ensures stakeholder engagement, but also results in multiple advantages such as eliminating duplication of responsibilities, enabling co-financing of activities, and improving cross sectoral coordination and quality of work.

110. Project's social and environmental assessment concluded this project to be of low risk. The following risk questions have low impact, low likelihood and have little influence on the outcome and thus concluded measures to eliminate or reduce are necessary.
- Is there a mechanism or measure to compensate the loss incurred to local people?
 - Is there a risk the organization does not have the capacity to carry out the obligations specified under the project?
 - Is there a risk person(s) entitled to certain rights incapable of demanding those rights?
111. The project team is successfully working on eliminating and reducing the risks identified during the project formulation phase ensuring stakeholder engagement with the help of the local coordinating committee, local coordinators and the workshops it conducted at local community level and in Ulaanbaatar. Although we did not see documents verifying risk registration, meeting minutes indicate they were discussed in the work plans, Project Board meetings and local coordinating committee meetings. For the duration of the project implementation, it is necessary to define the specific management tools or mechanisms to manage risk (identify, register, assess, eliminate, take measures to reduce, document, update the risk registration) and to regularly use them.

Project implementing coordination - Satisfactory

Work planning

112. Although the project document specified that this project will begin in February 2015 and will continue for 4 years, the project was actually launched in June of 2016 and will continue for 3 years. The reasons for the delay in the project launch were change of government in 2015, prolonged decision-making process of the UNDP regarding the selection of the form of project implementation, and the selection of the National Project Director taking longer than planned. Although the project inception workshop was planned to take place within 2 months of the launch of the project as specified in the project document, it was held 6 months later, in December of 2016. It is possible that the reasons for this delay were the Parliament election that took place in June of 2016, followed by the establishment of a new government, and the local election that took place in November of 2016.
113. The draft working plan for the following year is reviewed by the Project Board in November for comments and remarks of the members and is approved by the head of the project's Project Board. The work plan is adopted upon ensuring participation of the cooperating organizations. In addition to the using the project logframe as a guide in the work plan, the project is using the logframe as a management tool by turning it into implementation indicators for evaluating the outcomes of the project and is planning the actions taking results-oriented approach, which is visible from the meeting minutes of the Project Board meetings and the work plans. Quarterly work plans, local coordinators' and PIU staffs' work plan are adopted based on the approved annual plan. The logframe has not been updated since the beginning of the project.
114. When planning actions, it is more appropriate to formulate and abide by a multi-year plan that will result in quality outcomes in the total duration of the project and that is aimed at coordinating close cooperation, resolving of disputes and eliminating duplications. With regards to the training and promotional activities to be undertaken under the project, 3-year consolidated plan was formulated with an assistance from expert organization and the necessary changes are adjusted ever year. For each specific activity or training event, terms of reference are formulated and approved by the National Project Director and a report is produced and the events documented in a timely matter.

Work planning - Satisfactory

Finance and Co-Financing

115. As this project is being implemented in the form of National Implementation Modality, besides complying with the relevant Mongolian laws and legislations in procurement, activity planning and reporting processes, the relevant GEF and UNDP rules and procedures need to be followed. Financial information mechanism where the National Project Director and project finance officers are able to see the project's financial information in detail by activities and by different components of the project or in a summary and consequently to make informative decisions has been established. Moreover, opportunities are being enabled for providing the Project Boardmembers with project financing, outcome and implementation progress information on a timely manner.
116. The PIU plans its activities, procurement and the necessary budget for the following year specifying them by project goal, objective, component and outcomes. The Project Board reviews, provides comments and approves the plans. The budget is set in accordance with the plan and is amended when necessary.
117. It is specified in the M&E plan that a financial audit would be conducted every year throughout the implementation period and as of current, there has been one autonomous financial audit conducted in the 2016 activities. It has been specified in the provision 7.3.2 of the procedure on "Receiving Foreign Assistance, Spending, Managing, Recording and Reporting" approved by the Cabinet decree no.176 of 2016 that "project assets must not be used for financing expenses that do not fall in the activities to be implemented under the projects". According to the autonomous financial audit conducted in 2016, the financing spent by the project was used in accordance with the approved budget and for the purposes of the project. Nevertheless, the interviews conducted with the PIU members and relevant officials in the MET and the meeting minutes of the Project Board indicated that there were more than one occasion where requests were made to the project to fund activities that are not related to the project. This indicates that there is a risk where project assets could be used for irrelevant purposes and UNDP, PB and the National Project Director should be more careful and should enforce the relevant requirements to the PIU.
118. Moreover, the abovementioned procedure states, "The State general administration organization in charge of foreign aid affairs can open or close a special project account or subaccounts at commercial banks, the Central Bank of Mongolia or at the State Fund." This project does not own such account and all payments and transactions are directly transferred from the UNDP based on the completed contracts by the contractors. As of current, no complaints from clients regarding later payments have been received. However, with regards to some operational expenses especially for each time fuel is purchased during rural visits UNDP having to transfer the payment seems to have imposed some difficulties in the beginning. In order to resolve this issue, fuel is now borrowed under the name of the local government and the payment is made to the local government for that certain period once the mission is complete. Although the issue's been resolved for the time being, the local coordinators mentioned during the interview that there were cases where some gas stations refuse to service on a loan.
119. **Planned financing of the project and the utilization thereof:** The assessment of the financing plan and the budget utilization was based on the 2016 independent financial audit report, information mentioned in the draft report submitted by the PIU for the period 1 January 2017 till 20 November 2017 and the project document itself. The assessment did not include the 80 thousand USD grant for the preparation of the project and the 122,537 USD in agency fee.

120. Because the project was delayed by a whole year and began in June of 2016, the inauguration meeting of the PB on 22 June 2016 decided that the budget for the previous year, which was not utilized, should be allocated for the year 2016 and the coming years. Even though the implementation began in June of 2016, the project's initial operating cost transaction was made in 2015 for translation cost (4500 USD). The 4-year initial budget allocation was specified as follows in the project document:

Source	Year 1	Year 2	Year 3	Year 4
GEF	450,050	397,200	223,100	219,513

Source: Project document

Project's Co-Financing and Budgeting Performance

121. During the project preparation phase, a total of 5,280,000 USD worth co-financing commitments were validated. The financing status is presented in the following table in accordance with the 31 December 2017 budget performance. The co-financing budget performance indicates that Mongolia is consistently taking measures to protect and rehabilitate the environment and measures against desertification, and is successfully fulfilling its commitments to the GEF. Interviews conducted during the assessment revealed that the project implementing provinces and soums included in its 2018 activity plan certain amount of budget and co-financing for activities to promote the project activities to other soums and organizations. The GEF Co-Financing Guideline requires the project implementing partners to report their co-financing by their sources. Going forward, the PIU should keep regular contact with the organizations mentioned below and other organizations with similar activities and keep a record of the relevant co-financing.

Table No.6: Project co-financing and spending allocation

Co-financing source*	Name of co-financing organization	Co-financing category**	Total validated by the endorsement of the Executive Director (USD)	Actual amount contributed at the midterm review phase (USD)	Remaining balance Actual total in %
GEF partner agency	UNDP	Through projects and programmes	850,000	Information wasn't provided	
International Organization	TNC	Monetary and non-monetary forms	150,000	150,000	No remaining balance
Civil Society Organization	Mongolian Mining Association	Monetary	50,000	50,000	No remaining balance
International Organization	WWF	To support the project's final outputs 1.1, 1.2, and 2.1	80,000	*465,000	No remaining balance
Government	Ministry of Mining	Through the ministry's projects and programmes	250,000	Information wasn't provided	
Government	Ministry of Environment and Tourism	Monetary and through projects and programmes	3,900,000	**4,017,275	No remaining balance
		Total	5,280,000	4,682,275	11 percent

*WWF informed us that this funding was mainly spent on Output 2.1.

* * According to the official letter sent from the MET, the consolidated total for 2016 and 2017 covering the five western provinces was 8.1 million USD validated for co-financing. As the project was launched in June of 2016, only 50% of the amount for the relevant year is cited here. Moreover, the coverage was reduced to 3 provinces. After such adjustments, the amount of co-financing by the government is 4,017,275 USD.

Project financing, co-financing: Based on the outcomes achieved so far, the financial management process, and the spending information, we rate the project efficiency **satisfactory**. Although there is an estimated multi-year project budget plan, as multi-year planning with detailed monthly or quarterly plan tied to the finance has not been created, it was difficult to assess in detail the efficiency at this stage. During the final review of the project, the efficiency has to be assessed more in detail. Going forward, the PIU should focus more on the management cost accounting and limit the management expense spending.

M&E System at a Project Level

122. M&E scope was defined in the project document and was planned by type of activity, responsible person, duration, and budget specifications. Even though the project document recommended that this plan is reviewed during the PIW, it was not reviewed. The total estimated budget is 127,000 USD. We believe the M&E budget is sufficient. So far 91.3 million MNT or approximately 38,000 USD has been spent.
123. The project is being implemented by National Implementation Modality, the M&E is being conducted in accordance with Mongolian relevant laws and legislations as well as the relevant rules and procedures of the GEF and UNDP. UNDP has organized a workshop for the project implementing team on M&E reporting.
124. After half a year since the launch of the project, PIW was organized on the 9th of December 2016 and the **report** was presented to the relevant stakeholders in Mongolian and English. The excellent and effective organization of the PIW that ensured stakeholder engagement and participation of local representatives is evident from the PIW report and consultation meeting

minutes. One important issue reviewed during the consultation is the indicators of the project. Although the amendments to the indicator were recommended during the PIW, the financiers did not support this recommendation. In the project document, it is suggested to revisit the M&E plan during the PIW in order to ensure its accuracy and appropriateness, however it was not realized. Even after the project was launched, the M&E plan wasn't discussed at the PB meetings and officiated. Although the result of validation and evaluation carried out by an independent organization is being used during meetings and discussion forums, it is not reflected in the reporting documents (PIRs) and official amendments to the framework has not been conducted. The land degradation tracking tool developed by the GEF has not been completed in the initial and midterm stages of the project.

125. The PB is successfully playing its role of monitoring the project activities through its meetings. Preparations for the meetings have taken place on time regularly. Holding a project technical committee meetings prior to the PB meeting will further enable the board members to obtain relevant information and to make coordinated decision. Throughout the implementation of the project the annual report and the next year's activity plan were reviewed and approved by the PB. The decisions made by the PB is implemented by the PIU and the results are reported back to the PB on its subsequent meeting. During the PB meeting, pressing issues and risks are reviewed and recommendations and guidance are provided. The National Project Director is responsible for conducting M&E on the daily operations using the approved work plan and outcome table as a guidance.
126. One of the M&E requirements of the UNDP is for the PIU to formulate the project's **annual** plan. Furthermore, in accordance with the "Procedure on receiving, spending, managing, accounting and reporting foreign aid" adopted by the Cabinet decree no.176 of 2016, annual reports reflecting the implementation of the activities directed towards achieving the project indicators and detailed budget performance are prepared in Mongolian every year and delivered to the relevant organizations. This report is translated into English and delivered to UNDP as an annual report. The component sections of the reports are prepared in sufficiently good quality. The information and results included in this reports are regularly reviewed in the PB meetings.
127. Social and environmental assessment has been conducted at the project preparation stage and the same assessment is being repeated as we speak, in the beginning of 2018.
128. **Project Implementation Assessment** is conducted under the framework of the M&E required by the UNDP and the GEF and was conducted twice for this project in the past. The important components of the project, i.e., project implementation progress, performance and risk are evaluated by the National Project Director, UNDP staff and GEF's technical advisor and the results were consolidated in English and delivered. As a result of the delayed launch of the project, the assessment result for 2016 was moderately unsatisfactory, but was moderately satisfactory in 2017.
129. **Quarterly ATLAS** report is required to record issues that arose during the implementation, to document the identification of risks and their countermeasures, and to record achievements and lessons learned. Annual and quarterly report is compared with the annual work plan and project indicators table and reviewed by the PB. The mid-year PB meeting reviews the semi-annual report, considers and resolves the important issues that emerged during the implementation and makes the necessary changes in the plan. The PIU also has the responsibility to prepare quarterly performance report and submit to UNDP and the GEF. The project's midterm review is being conducted within the planned timeframe and project document specifies a final assessment to be conducted by the time the project is completed.
130. The project implementing partner or the MET conducted field visit to the project implementing sites; appointed a working group to work in the provinces Uvs and Khovd to ensure the implementation of the agreement signed between the local coordinators and project advisors on

9 May 2017; evaluated the implementation of the 2016 plan, activities, accounting of project assets, documentations and archives and provided guidance and recommendations. A regular quality control assessment takes place at the PIU under the management of the National Project Director and an M&E analyst of UNDP. Such assessments were conducted in 2016 and 2017 or every year the project was implemented. CDR is also regularly developed.

131. In order to validate the project outcomes, 2 detailed evaluations at initial and interim stages were held in cooperation with a civil society organization and a research organization. The programmes for the events, meetings and workshops organized during the implementation of the project are developed beforehand, the reports are prepared in a timely manner and at the end of every event an evaluation form is completed by the participants, which enabled the opportunity to document the lessons learned and to use them in subsequent activities. Going forward, besides having the evaluation forms filled anonymously, collecting information on age and gender, enriching the evaluation questionnaire with multiple choice closed questions to assess teaching methodology, training content and teaching aids, and clarity of the content etc. will enable opportunities to learn from previous experience and will improve future training activities.

M&E system at the project level: Satisfactory. If there was a separate M&E plan, it would have been more effective. Also the project should focus on using the M&E work and report results as integral part of adaptive management and learning process.

Stakeholder Engagement

132. A preliminary analysis was conducted at the project preparation stage to define the interests and responsibilities of the stakeholders to take part in the project. Moreover, stakeholders list was created and their roles were defined in coordination with the project outcomes and components. Although it was specified that the complete plan to engage stakeholders to be finalized at the initial project implementation stage, no amendments have been made. Under the midterm review framework, we created an analysis and a map to define the stakeholders that would provide information regarding the project and going forward, this format can be used for defining the cooperation goal and strategy with the stakeholders and to monitor their participation.
133. Local government management, representatives of civil society organizations, management representatives of mining companies were invited to the PIW and an MOU was signed and documented the beginning of cooperation.
134. It is entirely evident from the interviews held with the representatives of local government, civil society organizations, private companies and the people that stakeholder engagement is well ensured at the operational level during the project implementation process. Especially, the establishment of the Project Coordinating Committee at the local level served as an important step to ensure stakeholder engagement at the project implementing sites, to provide common understanding, and to promote cooperation. It cooperated with research organizations and learned from and used best practices of projects implemented in the region. The interviews conducted with representatives from the mining companies indicated that they are satisfied with the cooperation of the project and they expressed that the project has been effective and they are willing to continue the cooperation. In the case of the Khotgor mine, they suspect that the size of the area currently under discussion as potential offsetting site was miscalculated and therefore, it should be reviewed in order to reach a common understanding. Opportunities for keeping the stakeholders informed and improving their capacity are continually increasing. However, there is a need to activate the cooperation at the policy level. Presenting the project outcomes to ministries and organizations such as the National Development Agency, MRPA, and MOFALI, building the capacity of their officers, and initiating efforts to reflect offsetting issues into their policy documents will have important impact on the sustainability of this project.

On ensuring gender equality

135. Gender issues were considered to certain extent for the years 2016 and 2017 during the implementation of the project. In 2016, the National Project Director participated in a gender workshop. It is required for all projects approved under GEF-6 to conduct gender analysis. Accordingly, in the second half of 2017, gender analysis was conducted and Gender Activities Action Plan for the year was developed and implemented. The project focused more on promoting gender equality and building the capacity in the area of gender equality. Going forward, the project should promote engagement of women using the project activities, researching and identifying opportunities to realistically empower them, and should ensure gender equality in the project activities by reflecting such opportunities in the planning stages and implementing them.

- Including gender criteria to the extent possible in the selection of consultancy service and in the terms of reference,
- Under the Outputs 3 and 4 specified in the second component of the project, building capacity and empowering women by involving women and female heads of households in the projects to be implemented at the project sites,
- Intentionally setting, planning and implementing 50% quota for female participation in capacity building activities, project activities and bagh level meetings,
- Under the M&E, currently the gender of the officials and the people attending the workshops are registered. Going forward, in other reports and especially under the results framework, the beneficiaries of the project should be registered by gender.

Stakeholder engagement - Satisfactory.

Communications

136. The tools for telecommunications are sufficiently established for the project local coordinators and the PIU staffs. The local coordinators are able to freely contact and exchange information with the PIU via emails, Facebook and when necessary by mobile phones. The PIU provides necessary technical assistance to the local coordinators in a timely and efficient manner. The National Project Director communicates with the UNDP and keeps the PIU informed.

137. Several handbooks and booklets were published for bringing the project outcomes to the people. Moreover, brochures were printed during the holidays and special occasions in an effort to spread the information regarding the project activities and environmental protection. At the local level, besides jointly organizing events promoting green development and environmental protection, the project organized activities to promote and inform the public of best practices. The GEF logo was used in the brochures and promotional materials at the appropriate level and in accordance with the relevant rules. However, the GEF logo needs to be placed on the website <http://ldn-mongolia.mn> and the FB page, "Газрын доройтлыг тэглэе" which were funded from the project at the request of the Center to Combat Desertification. Going forward, the project should focus on actively participating in events organized by other organizations, promoting and spreading the achievements of the project and ensuring the implementation of the activities specified in the annual work plan in this area. Several activities were organized among students and instructors to raise awareness. The financing to be spent on project communications is satisfactory.

Communications - Satisfactory

4.4 SUSTAINABILITY

138. In accordance with the requirements to assess the sustainability at interim phase, analysis and evaluation have been conducted. However, the sustainability may depend on multiple variable factors and therefore may be temporary in nature. For assessing sustainability of GEF-financed projects and programmes the sustainability of the final outcomes is emphasized more than the sustainability of the activities carried out in order to achieve the project objective. This is due to the possibility of the activities to be implemented during the remaining period of the project affecting the final outcome of the project either positively or negatively. Therefore, at this interim stage the project sustainability assessment for the long term and especially with regards to the likelihood of the project outcome to continue to be fruitful even after the project is completed can be relatively unrealistic and more detailed and real assessment is possible during the final evaluation of the project.

In accordance with the principles of the GEF assessment guideline, the general rating for the sustainability cannot be higher than the minimum rating issued on each of the other sections and thus taking into consideration the ratings given to each of the four sections reviewed under the assessment of sustainability the midterm review of the sustainability is rated MODERATELY LIKELY.

Financial Sustainability

The likelihood of financial and economic resources insufficiency when GEF assistance ends and potential sources of resources

139. Once of the project is completed, it is evident that there will be lack of finances for organizing some activities in wider scopes that could be implemented in an effort to continue the project outcomes in the long term such as capacity building workshops, consultative meetings and field study. Research activities that require considerable amount of financing such as technical consultation and research activities necessary for formulating local development plans for each soum cannot be implemented independently by local governments with their own budget, there is high likelihood of encountering financial difficulties. However, as mentioned above, if the sustainability of the final outcome from the implementation of the project is emphasized, sizeable additional financial sources are relatively unnecessary for the implementation phase of already formulated or updated medium and long term documents such as the Green Development Programme of Khovd province, General Plan for Land Administration of Zavkhan and Uvs provinces, and Local Development Plan of the soums Darvi, Bokhmoron, and Dorvoljin. Since land degradation, mitigation hierarchy and offsetting concepts are already reflected in the future development directions of provinces, at least for the duration those documents are effective it is possible to remain free from those financial factors and continue to be effective in determining the directions of activities of local development and environmental protection.
140. The progresses currently achieved at the local level are as follows: the understanding and recognition of the local government officials regarding the importance of the project, establishing foundation for cooperation where stakeholder engagement is ensured, taking initial steps toward improving the livelihood of the people under the model projects implemented by introducing SLM, and capacity building achieved through the workshops and consultations organized. All of these achievements will continue to yield their benefits in the future regardless of finances under the active initiatives of the local government leaders.
141. However, in order to sustainably continue the benefits of the project and to enhance its effectiveness, it is important to identify possible additional funding sources. It is possible to seek ways in which certain percentage of the province funds accumulated under the contracts signed between the local governments and mining companies or under other forms of agreements to be used more towards protecting the environment of the soums and mitigating land degradation.

During the midterm review interview, the parties mentioned that the mines have contributed to improving the livelihoods of the people and rehabilitating the environment in non-monetary terms. Also they mentioned the soum government has the opportunity to further enhance cooperation and continue to receive non-monetary support from the mine in activities to mitigate land degradation and offsetting in collaboration with the people's participation and initiatives.

142. Moreover, the Law on the Fee for Exploiting Natural Resources (2012) provision 18.1 specifies, the minimum amount of money to be spent on local environmental protection and rehabilitation activities out of the revenue from such payment for that budget year is to be 15%-85% depending on the types of natural resources exploited. Planning, spending, reporting and monitoring the payment revenue on local natural resource restoration and environmental protection activities are regulated by the Procedure on Collecting, Spending and Reporting Part of the Payment Revenue to be Spent on Environmental Protection and Rehabilitation (2014). Interviewees noted during the interview that these laws and procedures are not fully enforced and if appropriate measures are taken to improve the implementation, it would be beneficial in terms of securing additional funding source locally.
143. Moreover, one additional funding source was mentioned in the basic research during the development of the project. MET has opened a special account for rehabilitation to protect the environment. Mining companies are obligated to deposit 50% of their budget for their environmental management plan. MET will reimburse the money based on the fulfillment of the environmental management plans and the mine closures. It is possible to allocate 10% of this fund for each of the monitoring activities on the progress of rehabilitation and the exiting process. Additionally other alternative sources of funding could be sought to finance and sustain the project outcomes. For instance, in the case of Bukhmurun soum, fund made up from payments for special permits to hunt wild mountain sheeps could be one such source.

The project outcomes achieved at the interim phase and the objectives and ideology of the project have been reflected in the provincial and local medium and long term policy documents and a strong foundation has been established for small projects and programmes that ensure cooperation and people's engagement. The outcome of the project with such achievements we believe will not encounter major risks associated with financial limitations in the long term and the project's financial sustainability is rated MODERATELY LIKELY.

Socio-economic Sustainability

Risks to be encountered when ensuring sustainability of the project outcomes resulting from insufficient level of the stakeholders (government and other main stakeholders) to own and govern the project

144. Government, government organizations, international and domestic partner organizations actively participated in the consultations and discussions during the project formulation phase and agreed and officiated to jointly finance this project. Engagement of multiple parties in the PIW, which defined the roles of the stakeholders, we believe is a form of stakeholders owning the project activities. However, based on the interviews conducted as part of the midterm review, it appeared that the level of owning and governing the project is more sustainable in the long term at local and provincial level and relatively weak among the national level stakeholders.
145. *The LCC and other local government organizations support and recognize the importance of offsetting at all levels.* LCC consists of mainly mid-level officers for all three provinces which led to improved coordination and cross-sectoral cooperation. Not only that, even when the LCC is reformed or the members change, the local coordinators bind the LCC and successfully guide and coordinate the project activities at the local level. Moreover, because the provincial and soum's

medium and long term policy documents that were adopted with the participation and support of the project included SLM, mitigation hierarchy, land degradation and offsetting, owning, continuing and implementing the current and future outcomes of the project have become part of duties and responsibilities of the relevant government organizations in the provinces.

146. At the national level, tangible support for the PIU by some members of the PB and the government organizations they represent are relatively low and even though the foundation for cooperation has been established, active participation and initiatives have not been developed to a sufficiently efficient level. We believe this is due to the fact that the National Project Director has been replaced 3-4 times and the instability as to the changes in the PB composition. Therefore, there is a need to increase the tangible contribution of the PB members and to further enhance the cooperation. There arises a demand to more closely cooperate with the MET and other relevant government agencies at the adoption and implementation phase of the legal revisions and amendments drafted under the Indicator 1.1 of the expected Outcome 1.

Whether or not the level of understanding among the public and the stakeholders are sufficient for the project objectives to be supported in the long term

147. In the past, the the project aimed to build the capacity of the stakeholders and especially to organize capacity building and awareness raising activities for government officials, local government management, and experts in the field at multiple levels to provide extensive theoretical and practical knowledge.
148. Based on the interviews conducted during the midterm review, the main stakeholders at the provincial and soum level and especially the local government management, LCC members, government officials, NGO representaives and representatives of the mines understood and supported the nature of the project, future impacts and importance. This indicates that these stakeholders have gained sufficient understanding and capabilities to implement the activities to achieve the project goal and objectives in the long term. On the other hand, the people and herders at the local level have not yet received sufficient understanding and information, which indicates there is a need to increase the awareness raising, training and promotional activities directed towards providing information to the public.
149. Based on the interviews held at the national level, majority of the stakeholders have gained skills to certain extent through training and information sharing activities in the past and have sufficient understanding of the project through past cooperation, which will have positive impact in sustaining the project outcomes in the long term. However, [a few] government organizatons, namely the Geological Exploration Division and Cartography Division of the Petroleum and Mineral Resources Authority, when contacted, expressed that they were not informed. This indicates that there is a need to enhance cooperation with all stakeholders evenly and to provide them with information.

For the abovementioned reasons, at the interim stage, we rate the socioeconomic sustainability at LIKELY.

Institutional Framework, Governance Sustainability

150. While it is not possible to predict in detail the future directions and visions of the Government, the fulfillment of the commitments and obligations set forth by international agreements and conventions Mongolia acceded to will remain effective for any government. Therefore, there are no severe governance-related risk factor that will prevent the project from achieving its goal. However, in order to continue with the outcomes achieve at this interim phase, there could arise some specific risks related to political instability. The project document lists some risks related to politics. Based on the interviews conducted during this assessment the change in the ruling party

becomes a reason for change of government officials and civil servants. Consequently, there had been more than a few incidents where officials working with the project at the local level, who have gained experience, end up changing or the new ruling party does not support the policies and activities of the previous political party. As a result, there may arise a risk where some activities initiated by the project may not be completed or may be dismissed. For the remainder of the project period, such political environment and common risk may persist and therefore, some countermeasures should be planned for the remaining project duration and in the exit plan.

151. Moreover, the project document (paragraph 155) noted that having organized consultative meetings and discussion forums, which ensured engagement of multiple stakeholders including the people and the private sector, significantly contributed to building the foundation for enhancing institutional capacity. During the implementation of the project, awareness raising events with extensive reach were implemented at multiple levels and capacity building of government stakeholders to certain extent, which ensures institutional sustainability. Initiating contact and laying the foundation for close coordinated cooperation with local government organizations in the provinces through the LCC served as a stepping stone for institutionalizing some of the project outcomes at the local level. Interviewees mentioned it was very rare to experience serious changes in the legal environment, and consequently significant directional or policy changes in terms of protection of the environment, under any form of governance.

Based on the abovementioned rationale, we believe there are no serious institutional or governance risk that will affect the sustainability of the project and rate the governance and legal sustainability as MODERATELY LIKELY.

Environmental Sustainability

152. During the project development stage through the UNDP Environmental and social assessment a risk related to environmental principles, "negative environmental impact on endangered environment, environmentally vulnerable areas and legally protected areas," was identified but was concluded that the impact, likelihood and significance were low and countermeasures were proposed. During the implementation of the project no difficulties have arisen related to this risk and the likelihood of this risk occurring in the future is very low. It is believed that there is no serious risk from the project activities that will negatively affect the environment.
153. During the interview, some participants emphasized the importance of identifying potential factors that will reduce the effectiveness of rehabilitation due to the unique features of the land when selecting areas for rehabilitation. For instance, although herbal plants are abundant in Khovd province, the fact that these herbal plants tend to grow only in some special areas may make it difficult to acclimatize and grow a specific herbal plant when implementing biodiversity offsetting. Furthermore, it was mentioned that, as the Khushuut mine is located on the juncture of two large channels, the wind surrounding the area is quite strong throughout the year, which negatively affects the effort of any rehabilitation activities and establishment of green areas.

At this interim stage of the project there are no environmental risk that will affect the sustainability and the likelihood of environmental sustainability related to the project activities to continue without any risk is rated LIKELY.

5. CONCLUSION

154. "Land Degradation Offset and Mitigation in Western Mongolia" MON/16/301 is a timely project of strategic importance for Mongolia where approximately 78 percent of its territory is affected by

desertification and where mining, transport, and urbanization are developing rapidly. Although the project was intended to be launched in 2015, the implementation was delayed until June of 2016 due to specific reasons. Although the launch was delayed, the project team has worked successfully in terms of management and organization and successfully overcame the challenges and difficulties encountered and made significant progress in achieving the target outcomes.

155. The project team is performing very well in terms of successfully developing local and national level cooperations and implementing best practices of engaging research organizations, government and non-government organization representatives in the project activities. The fact that the project brought about change in the previously hostile attitude of the local people towards mines; built capacity of the people by instilling understanding regarding the rights of obligations of the stakeholders and by adopting a principle of engagement; and planned and implemented offsetting in the target mines indicate that the project is being implemented at a level that could serve as a model in the future. Showing the people and other stakeholders that proper exploitation of natural resources may be an important tool to protect the environment and furthermore to achieve development objectives by setting an example is an essential factor for the sustainability of the project.
156. Appointment of mid-level officers with sufficient professional experience in setting up the Local Coordinating Committee designed to manage and implement the local activities of the projects and to develop cooperation was an ideal solution. As a result, the cross-sectoral coordination among government organizations at the local level improved and enabled the opportunity to eliminate duplication and oversight.
157. The project carried out activities with tangible and quality outcomes in alignment with its goal and objectives. The achievements of the objectives specified in the logframe and the financial spending did not drift from the main requirements and the plan and are proceeding in accordance with the baseline. The project's expected Outcome 1 and Outcome 2 are rated generally satisfactory for this interim phase. As the mid-term targets were not pre-defined during the planning phase, when the current progress is compared with the end of project target, there appears differing results. Indicators 2.1 and 2.2 have been achieved 100% and the remaining indicators are achieved approximately 40-50%. Indicator 2.4 of the expected Outcome 2 does not have clear baseline and therefore, it is not possible to present the progress in percentage. For Indicator 1.2, the progress is lower at 21%, which is due to the end of project target not being coordinated with the end of project target for Indicator 2. Some of the indicators in the project logframe should be reviewed.
158. Under the Indicator 1.1, for the remaining project implementation period, the PIU needed to organize lobbying and advocacy measures during the process of having the legal amendments, revisions, procedures and methodologies approved for adoption; and needed to provide organized and suitable support to ensure implementation of the "Soum's Local Development Plan Formulating Methodology" that was approved. Moreover, for the remaining duration of the project, an inseparable part of the project activities remains to be the capacity building objective and this should especially be directed at improving public awareness and understanding.
159. During the project development phase a social and environment assessment was carried out to identify possible risks and concluded them to be of low risk. Additionally, 6 risks were identified and countermeasures were proposed. Risk related to the 2016 election was considered high. Although the election affected the start date of the project to be delayed, during the subsequent phases of implementation it had no crippling effect on the project. The PIU implemented the countermeasures effectively. At this interim stage, it is believed that the level of these 6 risks either declined or remain at a constant level.
160. At this interim phase, it is concluded that the impact of financial, socioeconomic, governance and environmental risk factors on the project's outcomes to continue in the long run are low. Firstly,

as a result of organizing capacity building activities at national and local level focusing on civil servants, the capacity of policy implementing and decision making government organizations increased and especially at the provincial level the importance of mitigation hierarchy and offsetting were understood. The structure of the project LCC is enhanced based on beneficial mutual understanding and cooperation and therefore it is believed that the foundation for future sustainable operation has been established. Secondly, as the medium and long term policy documents in the two target provinces and soums included provisions regarding the issue of setting aside areas for special protection in accordance with the ecological region assessment, mitigation of land degradation, and offsetting. Thirdly, model small projects and programmes of land degradation, mitigation hierarchy through SLM improves the initiatives of the local government officials, non-government organizations, and the local people, which laid the foundation for these stakeholders to take ownership of the project activities in the future and to continue them independently.

6. RECOMMENDATIONS

161. **Recommendation 1.** It is specified in the project document that a project exit plan shall be formulated at the end of the second year the project is implemented in order ensure project sustainability in the future. Accordingly, this project exit plan should be developed. The developed exit plan should be updated throughout the remainder of the project implementation. The exit plan will provide opportunity to identify mechanism to own and continue the end results of the project and to ensure the sustainability in the future. Taking into consideration the shorter implementation period of the project, in the event there remain uncompleted activities a project follow-up plan could be considered under the framework of the exit plan in order to determine possibilities to complete the implementation, to identify solutions and to transfer ownership. By considering activities such as law amendments drafted under the project face difficulty in getting approved to be enforced for implementation within the remaining project implementation, if deemed feasible possibilities to develop project follow-up phase for next phase implementation should be sought.
162. **Recommendation 2.** GEF Focal Area Tracking Tool is a tool that is used to measure and monitor how the projects and programmes implemented in the focal areas as defined by the fund are contributing to international environmental sustainability goals and the vision of the fund. Therefore, the project should develop and prepare the GEF Land Degradation Tracking Tool before the final review. As a result, it will be possible to assess the real project impact at the closing phase of the project by comparing it with the Tracking Tool prepared during the endorsement phase. However, LD Tracking Tool of GEF is currently not ready for midterm phase. This is partly related to the lack or absence of baseline information of GEF LD Tracking tool, base and progress statistical database. On the other hand, there is a limited knowledge and capacity at PIU on how to develop and furnish the tracking tool. It is therefore advised that UNDP and project development team need to provide the related trainings and technical assistance to PIU members.
163. **Recommendation 3.** The most appropriate training formats and awareness raising measures should be selected and implemented based on training needs assessment.
 - Carry out more capacity building and information dissemination activities such as training directed at public through means of television such as Malchin, Mongolian National Broadcasting channels, brochures, hand-outs and internet which were indicated as the most widely used information sources in the countryside in the capacity needs assessment.
 - More suitable assessment method and system should be used to measure the effectiveness of the training, teaching methodology and reach. Besides having the evaluation forms filled anonymously, collecting information on age and gender, enriching

the evaluation questionnaire with multiple choice closed questions to assess teaching methodology, training content and teaching aids, and clarity of the content etc. will enable opportunities to learn from previous experience and will improve future training activities.

164. **Recommendation 4.** The PIU consists of members with experience in the field. However, taking into consideration that mitigation hierarchy and offsetting are new concept, the capacity of the PIU should be further enhanced through opportunities to learn from best practices on these topics and opportunities to consult and share experience with foreign experts. Enabling the PIU

to obtain ideas and recommendations from international and national experts and other consultants who worked on the baseline research mentioned in the project document can result in improvement of project results and will contribute to formulating of the exit plan. For instance, baseline researches such as International Best Practice on Reducing Impact of Mining and Offsetting suitable for Mongolia (P.Howard), Mining Closure and Offsetting, Model Offsetting Introduction being implemented in Mongolia (P.Howard) were mentioned in the project document. It is recommended that UNDP to support PIU with enabling opportunities to participate related regional conferences, seminars as well as providing accesses to other inexpensive capacity building means such as online trainings, other information sources and international good practice learning workshops.

165. **Recommendation 5.** Some of the criteria in the logframe should be reviewed and made

Indicators	Recommendations
Objective indicator 3 & indicator 1.3	<p>1. In addition to the score cards (objective indicator 3) which is more appropriate way to depict the institutional capacity, the level of awareness and knowledge of land degradation increased at the government and non-governmental institutions, research and academic organizations in Ulaanbaatar should be measured with questionnaire or survey similar to the method and methodology utilized in provinces (indicator 1.3).</p> <p>2. For the objective indicator 3, the baseline mistakenly states the scorecard highest possible scores as 96. This should be rectified and stated as 93. Consequently, the baseline in percentage is stated as 42 % and this should be rectified as 44 %.</p>
Objective indicator 2 & indicator 1.2	<p>3. End-of-project target for the indicator 1.2, indicated as 30 % (of 41.5M ha), should be aligned with end-of-project target for the objective indicator 2 that is specified as 10 % (of 41.5M ha).</p>
Indicator 2.3	<p>4. Change or remove the stressed "innovation and technology"</p> <p>5. Take baseline level as zero or determine the baseline level through research or survey if possible</p> <p>6. If the baseline level is deemed as zero numbers of households formerly using SLM innovation and technologies, in order to reach remaining 168 households of the end-of-project target, expand the baghs indicated in the logframes and include other innovative initiatives benefiting local households in baghs in the pilot soums other than the indicated baghs indicated. Count in beneficiaries of the initiatives by the PIU as well as those carried out by collaboration with the partner organizations.</p>
Indicator 2.4	<p>7. Update and confirm the baseline;</p> <p>8. By using 5 land degradation classifications, determine which specific category of degradation applies to consider the certain pastureland/forest OR degraded springs as subject to innovative SLM interventions.</p>
Indicator 1.1	<p>9. Consider making a change in the end-of-project target that law amendments and regulation drafts to be fully developed and submission for higher authority approval to be deemed as end-target that the indicator is to be considered fulfilled.</p>
Indicator 2.1	<p>10. Replace "Prominent mining concession" with "mining exploration and exploitation licensing procedures"</p> <p>11. EMPs and its agreements signed between the mining companies and local governments should substitute the "at least one agreement signed per pilot landscape" of indicator 2.1.</p>
Indicator 1.2	<p>12. Replace "Mining concession planning" with "mining exploration and exploitation licensing procedures" or "registration in the cadaster registration system of Mineral Resources and Petroleum Authority" or omit the phrase</p>

clearer. As a result, it will be easier to assess the progress during different phases, to report and to carry out the final stage review.

- To have recommendations on the log-frame, generated from the project inception workshop, confirmed
- The project aimags were reduced from five to three during the GEF CEO endorsement. To reflect this change and operationalize where necessary.
- The pilot landscape area sizes were not confirmed during the inception phase as stated so in the project document. Pilot landscape areas should be confirmed.

166. **Recommendation 6.** PIU has completed drafting and development of the law amendments and regulations and guidelines and sent them to legal department of the MET. The approval of these legal documents is of significant importance to sustainability of the project outcomes in the future, following measures should be taken.

- Should organize meetings with other projects of similar nature to exchange experiences on approval of guidelines, regulations and law amendments and to gain from their lessons learned. Should identify influential parties for the approval and to determine the project strategies how to partner with the identified parties.
- NPIP, Project Board, Head of the Project Board should provide all possible supports to the approval of the law amendments and regulations.
- UNDP should support the approval of the law amendments and regulations as much as possible

167. **Recommendation 7.** To restore and to hold regular PTC meetings: Holding regular sessions at twice a year prior to the PB meetings will result in important benefits such as ensuring coordination between similar organizations, resolving disputes and discrepancies, enabling stakeholders to reach mutual understanding, ensuring cooperation, validating the activities are in compliance with relevant norms and standards, identifying new opportunities, and supplying this information to the PB and therefore this process should be made more active in the remaining period. The PTC meetings can be organized with the use of various methods and means of the modern information technology and online tools for the convenience of the members. Moreover, opinions and suggestions on the timely issues could be collected in written form.

168. **Recommendation 8.** Although the project was rated to be of low risk at the project development stage, we recommend it is important to make it a habit to implement risk management in order to achieve the expected outcomes of the project in the future. It is necessary for the PIU to identify and adopt a specific management tools and mechanisms to manage risk (mechanism to identify, record, assess, eliminate, measures to reduce, to document and to update records) during the implementation.

169. **Recommendation 9.** On working to develop cooperation with national policy organizations and to improving capacity. Developing cooperation with ministries and organizations such as the MMHI, MCUD, NDA, MFALI, and MRPA will increase the opportunities to reflect offsetting into national level policy documents and to coordinate the project activities with the activities of other ministries. The aim of including representatives of many organizations in the PB is to ensure coordination of the project activities and implementation. Taking into consideration that some members of the committee may not have real power or influence to bring the voice and decision of the project into their own organization's policy and activities, it is recommended that additional opportunities be sought to cooperate with those ministries. Developing cooperation with NDA could be the best way to convey and incorporate the offsetting concept to the national level policy document of different sectors.

170. **Recommendation 10.** It has been specified in the provision 7.3.2 of the procedure on "Receiving Foreign Assistance, Spending, Managing, Recording and Reporting" approved by the Cabinet decree no.176 of 2016 that "project assets must not be used for financing expenses that do not fall in the activities to be implemented under the projects". According to the autonomous financial audit conducted in 2016, the financing spent by the project was used in accordance with the approved budget and for the purposes of the project. Nevertheless, the interviews conducted with the PIU members and relevant officials in the MET and the meeting minutes of the Project Board indicated that there were more than one occasion where requests were made to the project to fund activities that are not related to the project. These incidents where funding and spending were requested for activities unrelated to the project indicate that there is a risk of misuse of project funds on other activities. UNDP, Project Board and National Project Director should take this into consideration and convey the requirements to the NPIP or the MET.
171. **Recommendation 11.** The GEF Co-Financing Guideline requires the project implementing partners to report their co-financing by their sources. Going forward, the PIU should keep regular contact with the organizations promised to make co-financing and other organizations with similar activities and keep a record of the relevant co-financing. It is advised that PIU should organize a meeting with MET and UNDP on the deemed forms and scope of co-financing and reach common understanding.
172. **Recommendation 12.** The GEF's general guidance is not to exceed the management cost from 10 percent of the total grant and to provide the extra costs from agency payment. According to the audit report and the information provided by the project team, the overrun of project management cost was due to the inclusion of salaries in 2016 and some months of 2017 into the project's management cost and also due to procurement of office equipment. It is seen that this cost overrun is due to cost accounting as opposed to inefficiency. We recommend PIU that an independent audit should be conducted for 2017 and countermeasures should be taken based on the outcomes and findings of the audit. Furthermore, UNDP is recommended to provide guidance on type and allocation of costs the PIU and take measures to correct the cost accounting that has been already done.
173. The cost accounting conclusion and recommendation above mentioned were made based on the independent financial audit data for 2016 and cost data sheet for 2017 received from PIU on 18 and 21 January 2018 respectively. Thereafter, PIU informed the evaluation team that UNDP and PIU have made adjustment in cost accounting and rectified the mistakes in cost accounting. The evaluation team, however, had not received any update on the cost accounting. It is therefore advised that these adjustments and corrections need to be revisited and examined during the terminal evaluation.

RECOMMENDATIONS SUMMARY TABLE

No.	Recommendations	Responsibility
Sustainability		
1	It is specified in the project document that a project exit plan shall be formulated at the end of the second year the project is implemented in order ensure project sustainability in the future. The project exit plan should be formulated according. A meeting should be held involving the stakeholders in this regard.	National Project Director, PIU, NPIP
2	Taking into consideration the shorter implementation period of the project, in the event there remain uncompleted activities a project follow-up plan could be considered under the framework of the exit plan in order to determine possibilities to complete the implementation, to identify solutions and to transfer ownership. If deemed feasible possibilities to develop project follow-up phase for next phase implementation should be sought.	Project Board, NPIP, National Project Director, UNDP

Progress Towards Results		
3	The project should develop and prepare the GEF Land Degradation Tracking Tool before the final review. As a result, it will be possible to assess the realistic project impact at the closing phase of the project by comparing it with the Tracking Tool prepared during the endorsement phase.	National Project Director, PIU, UNDP
4	PIU members to be provided with technical assistance, guidelines and trainings to prepare and populate GEF LD Tracking Tool.	UNDP, PTC
5	Carry out more capacity building and information dissemination activities such as training directed at public through means of television such as Malchin, Mongolian National Broadcasting channels, brochures, hand-outs and internet which were indicated as the most widely used information sources in the countryside in the capacity needs assessment and others.	PIU
6	More suitable assessment method and system should be used to measure the effectiveness of the training, teaching methodology and reach. Besides having the evaluation forms filled anonymously, collecting information on age and gender, enriching the evaluation questionnaire with multiple choice closed questions to assess teaching methodology, training content and teaching aids, and clarity of the content and so on.	PIU, Technical Advisor
7	The PIU consists of members with experience in the field. However, taking into consideration that mitigation hierarchy and offsetting are new concept, it is recommended that UNDP to support PIU in order improve their capacity by enabling opportunities to obtain good practice and know-how knowledge on mitigation and offsetting, to obtain technical advice, to attain foreign expertise, to access to online trainings as well as to provide PIU to attend regional conferences and workshops.	UNDP, PIU
8	As stated in the log-frame recommendation table above, some of the indicators should be reviewed and revised.	Project Board, National Project Director
9	Should organize meetings with other projects of similar nature to exchange experiences on approval of guidelines, regulations and law amendments and to gain from their lessons learned. Should identify influential parties for the approval processes and to determine the project strategies how to partner with the identified parties.	PIU, National Project Director
10	NPPI, Project Board, Head of the Project Board should provide all possible supports to the approval of the law amendments and regulations.	NPPI, Project Board, Head of the Project Board, National Project Director
Project Management		
11	To restore and to hold regular PTC meetings: The PTC meetings can be organized with the use of various methods and means of the modern information technology and online tools. Moreover, opinions and suggestions on the timely issues could be collected in written form.	PIU, Technical Advisor
12	On working to develop cooperation with national policy organizations in improving capacity. Developing cooperation with ministries and organizations such as the MMHI, MCUD, NDA, MFALI, and MRPA will increase the opportunities to reflect offsetting into national level policy documents and to coordinate the project activities with the activities of other ministries.	PIU, National Project Coordinator
13	It is necessary for the PIU to identify and adopt a specific management tools	PIU, National

	and mechanisms to manage risk (mechanism to identify, record, assess, eliminate, measures to reduce, to document and to update records) during the implementation. Potential risks should be updated according to each component outputs and response strategies should be determined.	Project Director
Project Finance		
14	There are existing risks that some project expenditure is to be spent on non-project activities. UNDP, the Project Board and National Project Director should take this into consideration and avoid such risks with due diligence.	PIU, National Project Director
15	Should keep regular contact with the organizations promised to make co-financing and other organizations with similar activities and keep a record of the relevant co-financing. It is advised that PIU should organize a meeting with MET and UNDP on the deemed forms and scope of co-financing and reach common understanding.	PIU, National Project Director, NPIP
16	An independent financial audit should be conducted for 2017 and countermeasures should be taken based on the outcomes and findings of the audit.	PIU, NPIP
17	UNDP is recommended to provide cost classification and accounting guidance to the PIU and provide measures to correct the cost allocation that has been already done.	UNDP

7. ANNEXES

ANNEX №1. TERMS OF REFERENCE

Available in Mongolian.

ANNEX №2. EVALUATION QUESTIONS MATRIX

Abbreviations (Sources)

PMT	Project management team (project governance, implementation, and management):
GSR	The government staff and representatives (Collaboration, sustainability):
PBR	Project beneficiaries and residents (Inclusion, capacity):
Others	Others: International and local NGOs, research and academic institutions, representatives from private sector and mines (Inclusion, capacity building):

Evaluation questions	Indicators	Sources	Methodology
PROJECT STRATEGY			
Project strategy: Project structure and design			
1. Are the project objectives consistent with the priority development goals and national development policy of Mongolia, and strategic objectives of UNDP, GEF, and other project stakeholders?	The extend to which the project objectives align with the strategic objectives of project stakeholders	PMT GSR Project document	Interview Document review

2. Has the project adopted the applicable best practices and models of other similar projects?	The level of using and adopting the similar best practices and models	PMT GSR Project document	Interview, Document review
3. Were there any external factors that influenced the project design and implementation?	The influence of external factors to the project	PMT GSR PBR Others Project document	Interview Document review On site observation
4. Were perspectives of those who would be affected by project decisions, those who could affect the outcomes, and those who could contribute information or other resources to the process, taken into account during project design processes?	The level of inclusion of the stakeholders at project development stage	PMT GSR PBR Others Project document	Interview Document review
5. Were the relevant gender issues taken into consideration in the project design?	The extend to which the gender and equality issues are considered in project design	PMT GSR Project document	Interview Document review
Project strategy: Logical framework			
6. Is logical framework used in project design?	Assess how SMART the project logframe, indicators, and objectives	PMT GSR Project document	Interview Document review
7. Were there serious obstacles to the project implementation?	Obstacles and difficulties encountered during the project implementation	PMT GSR	Interview On site visit and observation
8. What are the key factors that have driven the project success?	Accumulated best practices and other factors determined	PMT GSR BPG Others	Interview Document review Site visit and observation
9. Are there direct and indirect development impacts resulted from the project outcomes	Direct and indirect development impacts defined	PMT GSR BPG	Interview
PROGRESS TOWARDS RESULTS			
10. Are the project objectives feasible? How is the project progress toward its end?	Current status of project progress and implementation compared to the end of the project objectives and indicators	PMT GSR BPG Project document	Interview Document review
11. Have the planned midterm goals and outcomes been accomplished? Do these outcomes or results contribute the end of the project objectives?	The logic relationship between midterm target, implementation and end of the project target or outcome	PMT GSR BPG Project document	Interview Document review On site observation
12. Are the end of the project	The logic relationship	PMT	Interview

targets reachable as they were initially planned? Do the expected outcomes contribute to the final project objectives?	between project outcomes and objectives	GSR BPG Others Project document	Document review
13. What were the influence factors for success and failure of project implementation?	The level of project risk management where risks are identified and preventive actions are proactively planned, documented	PMT GSR Project document	Interview Document review
14. How do stakeholders evaluate the project outcomes, impacts and overall project successes?	The stakeholders overall perception of project implementation, end of project outcomes	PMT GSR BPG Others	Interview On site observation
15. Could the project have positive impacts to the beneficiaries defined?	Comparison between the number of the people who are benefited and those who are defined to benefit from project	PMT GSR BPG Others Project document	Interview Document review On site observation
16. Have the measures to monitor the project long term impacts been taken? Is the activities documented?	Assessment of long term impacts and perceptions of stakeholders	Project document PMT GSR	Interview Document review
17. Is the project design exemplary for other projects?	Indirect positive impacts and innovative methodology resulted by the project	PMT GSR	Interview
PROJECT IMPLEMENTATION& ADAPTIVE MANAGEMENT			
Project implementation & Adaptive management: Management arrangement			
18. Are there any project management arrangements that are not specified in project document? Were they effective?	If there are any changes in project management arrangements, adaptive management steps implemented due to the changing conditions	PMT GSR Project document	Interview Document review
19. Were project decision making processes on time, transparent without any delay?	If the milestones are achieved on time according to the plan, Adaptive management measures in response to the delay in decision making	PMT GSR Project document	Interview Document review
20. How supportive was UNDP for the project?	Types of supports and time spent	PMT Project document	Interview Document review
21. Were the risk management activities to reduce the impacts of environmental, social risk adequate? The quality of risk management?	The quality and adequacy of risk management practice	PMT Project document	Interview Document review

Project implementation & Adaptive management: Work plan			
22. Was there any delay in project commencement and implementation? What was the reason of delay and whether the measures were effective?	Whether there is an appropriate focus on results and timeliness; adaptive management measures taken in response to the implementation delay	PMT Project document	Interview Document review
23. Were the financial plans and arrangements effective and efficient?	Quality of financial management activities and budgeting	PMT Project document	Interview Document review
24. Whether the project demonstrates due diligence to the management of funds, including annual audits [L] [SEP]	Quality of project budget management disbursements and audit results	PMT Project document	Interview Document review
25. Were the fund from co-financing organizations transferred on time? How has cofunding contributed the project implementation?	The amount of fund from cofinancing organizations and its contribution to the project	PMT Project document	Interview Document review
26. Was additional fund required during the project implementation?	If there were any need to seek additional funds and resources	PMT Project document	Interview Document review
Project implementation & Adaptive management: Project monitoring system			
27. Whether there is adequate M&E plan being implemented to track the progress towards end of project results?	M&E plan and quality of its implementation	PMT GSR Project document	Interview Document review
28. Was the M&E plan sufficiently budgeted and funded during project preparation and implementation thus far? Are sufficient resources being allocated to M&E? Are these resources being allocated effectively? [L] [SEP]	If there was a lack of budget for M&E implementation and funding	PMT Project document	Interview Document review
29. Is the M&E systems appropriate to the project's specific context? [L] [SEP]	The consistency of M&E with the project scope, objectives	PMT GSR Project document	Interview Document review
30. Do the monitoring tools provide the necessary information? Do they involve key partners? Are they aligned or mainstreamed with national systems? [L] [SEP] How are perspectives of women and men involved and affected by the project monitored and assessed? How are relevant groups' (including women, indigenous peoples, children, elderly, disabled, and poor) involvement with the	The extent to which the Project Team is using inclusive, innovative, and participatory monitoring systems [L] [SEP]	PMT GSR BPG Others Project document	Interview Document review

project ^[L] _[SEP] and the impact on them monitored? ^[L] _[SEP]			
31. Have the M&E activities been properly financed and contributed in the development of long term, systematic M&E system	Whether there is a plan to incorporate the M&E system in state organizations	PMT GSR	Interview Document review
Project implementation & Adaptive management: Stakeholders engagement			
32. Project management: Has the project developed and leveraged the necessary and appropriate partnerships with direct and tangential stakeholders? ^[L] _[SEP]	The level and prospects of stakeholders' engagement established	PMT GSR BPG Others	Interview Document review On site observation
33. Participation and country-driven processes: Do local and national government stakeholders support the objectives of the project? Do they continue to have an active role in project decision-making that supports efficient and effective project implementation? ^[L] _[SEP]	The extend to which the state organizations have supported the project, and level and prospects of their engagement	PMT GSR Project document	Interview Document review On site observation
34. Participation and public awareness: How has stakeholder involvement and public awareness contributed to the progress towards achievement of project objectives? Are there any limitations to stakeholder awareness of project outcomes or to stakeholder participation in project activities? Is there invested interest of stakeholders in the project's long-term success and sustainability? ^[L] _[SEP]	The public participation and its relation to project progress; The contribution of public involvement to the project success; Interest of stakeholders and their perception of project outcomes	PMT GSR BPG Others	Interview Document review On site observation
Project implementation & Adaptive management: Reporting			
35. How have adaptive management changes been reported by the Project Team and shared with the Project Board. ^[L] _[SEP]	Whether the project scope, time and activity changes are documented; the ways to communicate these changes to PB	PMT GSR Project document	Interview Document review
36. How well do the Project Team and partners undertake and fulfil GEF reporting requirements? (i.e. how have they addressed poorly-rated PIRs?)	The extend the reporting aligns with requirements	PMT Project document	Interview Document review
37. How have the lessons derived from the adaptive management	The extent to which the lessons learnt and best	PMT Project	Interview Document

process been documented, shared with key partners and internalized by partners and incorporated into project implementation? ^[L] _[SEP]	practices are documented, shared; the quality and results of the means to circulate and transfer the knowledge?	document	review
Project implementation & Adaptive management: Communication			
38. Review internal project communication with stakeholders: Is communication regular and effective? Are there key stakeholders left out of communication? Are there feedback mechanisms when communication is received? Does this communication with stakeholders contribute to their awareness of project outcomes and activities and long-term investment in the sustainability of project results?	The form, frequency and accessibility of internal communications; grievance system; the sustainability of the communication means	PMT GSR BPG Others Project document	Interview Document review
39. Review external project communication: Are proper means of communication established or being established to express the project progress and intended impact to the public (is there a web presence, for example? Or did the project implement appropriate outreach and public awareness campaigns?).	Whether public relations channels are created and the quality of the channels	PMT GSR BPG Others	Interview On site observation
SUSTAINABILITY			
40. Financial risks to sustainability: What is the likelihood of financial and economic resources not being available once the GEF assistance ends?	The financial requirements to sustain the project benefits in the long run, potential financial sources (additional funding opportunities)	PMT GSR	Interview
41. Socio-economic risks to sustainability: Are there any social or political risks that may jeopardize sustainability of project outcomes?	The commitment and engagement of stakeholders to sustain the project benefits in the long term; socio-economic risks to the project and ability to overcome those challenges	PMT GSR BPG Others Project document	Interview Document review
42. What is the risk that the level of stakeholder ownership (including ownership by governments and other key stakeholders) will be insufficient to allow for the project outcomes/benefits to be sustained? Do the various key stakeholders	The stakeholders' understanding and professional capacity to sustain the project benefits in the long run	PMT GSR Project document	Interview Document review

see that it is in their interest that the project benefits continue to flow? Is there sufficient public / stakeholder awareness in support of the long term objectives of the project?			
43. Institutional frameworks and governance risks to sustainability: Do the legal frameworks, policies, governance structures and processes pose risks that may Jeopardize sustainability of project benefits?	Whether there are institutional and governance risks to the sustainability and the ability to mitigate these risks	PMT GSR BPG Others Project document	Interview Document review
44. Environmental risks to sustainability: Are there any environmental risks that may jeopardize sustainability of project outcomes?	Whether there are environmental risks to jeopardise the project sustainability and ability to mitigate these risks	PMT GSR BPG Project document	Interview Document review

ANNEX №3. PROTOCOL FOR PRIMARY DATA COLLECTION MISSIONS, SAMPLE QUESTIONS

The mid-term review of the Land Degradation Offset and Mitigation in Western Mongolia project has been conducted by the consultant team under Eco Trade LLC between November 2017 and February 2017.

The objective of the mid-term review is to evaluate the performance of the indicators towards achieving the project goal and objective as well as implementations towards reaching the outcomes, thus, to develop recommendations to improve the project implementation for the remaining period of time and to sustain in the long-term effectively in respect to the other programs and policies.

Field visits to the project site and primary data collection are parts of the mid-term evaluation and the field visit is going to be carried out on 9-11th of December, 2017 in Khovd aimag. The main method for the primary data collection is individual interview and field observations will be done as well. The interviews are intended to be inclusive and ensuring equal participations of the stakeholders. Furthermore, interviewees should be selected as optimal as possible due the time limitations of the field visit. The consultant team has done stakeholder analysis and categorized potential interviewees into four main groups but when arranging the interviews, it should not be strictly limited to identified groups.

When visiting Khovd, as many interviewees as possible in the four categories should be interviewed, more specifically in Darvi soum of Khovd individual interviews should aim to include more representatives from the mining company and citizens.

As for the primary data collections of Uvs and Zavkhan aimags should be done through telephone interviews and individual interviews in Ulaanbaatar when representatives from local governments and citizens visit the capital. The individual interviews are going to be carried out on 16-17th of December, 2017 and the telephone interviews should be done on 20-25th of December, 2017.

In addition, there are individual interviews to be done in Ulaanbaatar with national and other stakeholders between 11 and 20th of December, 2017.

An average interview duration is for 30-40 minutes. Based on the consents of the interviewees, the interviews can be audio or video recorded. The interviewee consents are documented by using the below sample consent form and the interviews will use following sample questions.

Sample interview consent form

My name is _____, and am a researcher representing a consulting service company Eco Trade LLC. We have contracted with the Ministry of Environment and Tourism in order to conduct the mid-term review of the Land Degradation Offset and Mitigation in the Western Mongolia, MOH/16/301 project. One of the important tasks within the mid-term review is to interview the project stakeholders on the project activities, progress towards results and particular actions to be taken in the remaining period of the time. Your responses, recommendations and suggestions are invaluable for the project implementation improvement. Therefore, we would like to inform you and take your consents on followings and only then begin our interview.

We will keep total confidentiality of our interviewees and information provided and only then use the information for the purposes of the mid-term review. We oblige to the Ethical Guidelines for Evaluation by the UN Evaluation Group, the Mongolian Law on Confidentiality as well as the company's ethical code of conducts.

Individual interviews and group interviews if any shall continue approximately for 40-60 minutes. The interviews will be conducted according the questions attached. For the documentation and later for analysis purposes, the researcher will record the entire interview by an audio recorder, in some case by a video recorder and will take notes during the interview.

From the interview data, the mid-term review team will not use any excerpts citing interviewees identities in the report but only to keep the interviewees anonymous. Any excerpts with the interviewee name should be only done based on prior permissions obtained from the interviewee to make a such quote.

When analyzing the interview data, we may wish to contact you for more clarifications and such communication can be done through telephones.

If you feel any discomfort during the interview or wish not to answer any of the questions, you are fully entitled to refuse to answer the particular question or to request to terminate the interview.

Thank you very much for your time and assistance in our work.

Consent given by:

Full name:

Position:

Telephone:

Date:

.....

/Signature/

_____Note
section for the researcher

.....

.....

.....

.....

Sample questions

1. Project management team (Project, governance, implementation, management)

Project strategy

1. Introduction: How do you partake in the project activities and management?
2. How do the project goal, objective and activities relate to the policy frameworks and activities of Mongolia and international organizations?
3. Has there been any changes in the project implementing sites and project activity scopes than initially planned? What were the factors for such changes to take place?
4. Can you please name internal and external factors, which were both negative and positive, influencing project implementing unit operations as well as the project implementation?
5. Were the risks identified to impact on project activities realized, how those risks have been managed? Are there any other risks and how the new risks have been managed?
 - Lower or little understanding of mitigation and offsetting among the stakeholders, low capacity in the project sites
 - Poor cooperation among the stakeholders
 - Poor cooperation from the mining companies
 - Inconsistent understandings on mitigation and offsetting in the project sites
 - Impacts of politics and elections
6. Ensuring equal participation:
 - Are the views of those parties, who can be impacted by the decisions made by and the implementation of the project as well as any other parties who can contribute to the project any degree, ensured to be included in the project implementation?
 - How have the participation and initiatives of the project beneficiaries been? In what ways, have they been involved in the project?
 - How you have been ensuring gender equality in the project activities? Any difficulties?
 - How does your project cooperate with or relate to the different project activities or other activities of the project stakeholders? How do you think your project ensures participations from other similar projects and NGO activities? Any examples?
 - How does this project adopt from the lessons learned of other projects of similar nature?

Project results

8. What were the most and least successful and efficient activities implemented?
9. What were influence factors for such successful or unsuccessful activities?
10. Project outcome 1: According to you, how has integrating Eco-Regional Assessment report results into the land management plans as well as national capacity building for mitigation and offsetting work progressed? How do you see the results of the implementation of this work? Are there any difficulties facing the implementation?
 - Integrating mitigation and offsetting in the mineral resources exploration and extraction licensing procedure;
 - Completing the Eco-Regional Assessment and integrating the assessment results in the provincial land management plans;
 - Improving understanding and capacity at state, aimag and soum levels.
11. Project outcome 2: How has been the implementation of mitigation and offsetting through sustainable land management practices in the project landscapes? Are there any difficulties?
 - Implementing land management plans at the project sites with the support of the stakeholders

- Mitigation and offsetting within the impact zones of the selected mining
- Improving capacity of the local stakeholders in terms of implementing sustainable land management practices

Project sustainability

12. How do you ensure financial, social and institutional and environmental sustainability to continue the project activities? Can you please name any advancements and difficulties if there are any?
13. Is there any progress developing the project close-up plans at the end the year two implementation?
14. Financial sustainability: Is there any financial and economic mechanism to continue project results after the project end? What are the possibilities to ensure financial sustainability?
15. Political and social sustainability: Are there any political and social risks? Is there any ownership by a government or non-governmental organization or legal entity to continue the project activities? How much of public support and understanding there is available to continue the project goal and objectives in the future? How have the lessons learned from the project been disseminated to other projects and organizations?
16. Institutional sustainability: Has there been adequate legal, human resources, knowledge and skills structures established to make up institutional capacity?
17. Environmental sustainability: Is there any environmental factor to influence?

Project implementation and adaptation management

18. How has roles and work consistency been ensured between project management and implementation units? Has there been any difficulty encountered in carrying out activities at national, aimag and soum levels?
19. How have the project board and project technical committee supported the project activities? Can you state an example? What difficulties have they encountered carrying out their roles and responsibilities?
20. How has UNDPP/GEF supported the project? How do they cooperate with the PIU? How realistic and optimal have their supports been in terms of time and scope? Any suggestions on this?
21. Have you been satisfied with the current decision-making, reporting, monitoring and auditing processes, frequencies and methods? Can you please state difficulties if any?
22. Are there adequate human resources in the PIU to carry out the project successfully?
23. How have PIU and the project board members resolved the difficulties encountered? Can you please give an example?

Project finance

24. Would like to ask you a few questions on project finance as follow.
 - Are there any issues in regards to the project reporting, procurement, finance?
 - Is there any difference between the planned and real-time financing? Has the financing been according to as scheduled? How has co-financing been considered? In what forms co-financing has been done?
 - Advantages and shortcomings of the current financial administration (financing and receiving mechanisms)
 - Can you please state any measures should be undertaken in the future?

2. All level governmental organizations

1. Introduction: Can you please tell what where do you work and what is your position? How do you partake in the project activities and management?
2. How do the project goal, objective and activities relate to the policy frameworks and activities of your aimag, soum and Mongolia?
3. What are your expectations from the project?
4. What is your understanding on mitigation and offsetting?
5. Can you please name internal and external factors, which were both negative and positive, influencing project implementation and activities which you have noted in your aimag or soum?
6. Ensuring equal participation:
 - In your view, how has this project ensured equal participation? How have you been participated in the project decision making and activities implementation? Can you please state an example?
 - How have the participation and initiatives of the project beneficiaries been in the project? In what ways, have they been involved in the project? How have herders and mining company been participating in the project and in what forms?
 - How you have been ensuring gender equality in the project activities? Any difficulties?
 - What have been the lessons learned of the project?
7. What were the most and least successful and efficient activities implemented?
8. Project outcome 1: According to you, how has integrating Eco-Regional Assessment report results into the land management plans as well as national capacity building for mitigation and offsetting work progressed? How do you see the results of the implementation of this work? Are there any difficulties facing the implementation in terms of this outcome?
 - Integrating mitigation and offsetting in the mineral resources exploration and extraction licensing procedure;
 - Completing the Eco-Regional Assessment and integrating the assessment results in the provincial land management plans;
 - Improving understanding and capacity at state, aimag and soum levels.
9. Project outcome 2: How has been the implementation of mitigation and offsetting through sustainable land management practices in the project landscapes? Are there any difficulties?
 - Implementing land management plans at the project sites with the support of the stakeholders
 - Mitigation and offsetting within the impact zones of the selected mining
 - Improving capacity of the local stakeholders in terms of implementing sustainable land management practices
9. What are they financial, social and institutional and environmental factors that may influence to continue the project activities in the future at your ministry and organization levels? Can you please name any advancements and difficulties if there are any?
10. According to you how can financial sustainability of the project can be ensured?
11. Political and social sustainability: Are there any political and social risks? Is there any ownership at your organization to continue the project activities and is there structural possibility to continue as such? How you have noticed any lessons learned from the project?
12. Institutional sustainability: Has there been adequate legal, human resources, knowledge and skills structures established to make up institutional capacity?
13. Environmental sustainability: Is there any environmental factor to influence?
14. How has roles and work consistency been ensured among project implementing stakeholders? Has there been any difficulty encountered in carrying out activities at national, aimag and soum levels?
15. How has the PIU supported to resolve any issues raised regarding the project activities? Can you please state an example?

16. Have you had any difficulties in carrying out your roles and duties under the project? Any suggestions to improvement if there was a difficulty?
17. How do you cooperate with the PIU? How realistic and optimal have their supports been in terms of time and scope? Any suggestions on this?
18. Have you been satisfied with the current decision-making, reporting, monitoring and auditing processes, frequencies and methods? Can you please state difficulties if any?
19. Are there adequate human resources in your organization to carry out the project successfully?
20. How has your aimag and soum been contributing to the project financing? Are there any issues regarding reporting and procurement financing?
21. According to you, what should be done to improve the project implementation in the remaining period of time?

3. Others: International and national NGOs, research institutions, private sectors and mining company representatives

1. Introduction: Can you please introduce yourself? Where do you work?
2. Where have you obtained information about this project?
3. How do you understand mitigation and offsetting?
4. What is the main reason behind your organization's cooperation with the project? How you do you collaborate with the project?
5. Can you please share your views on trainings, research works, knowledge and lessons learned sharing, if any, done in collaboration with the project? How effective were they?
 - In terms of capacity building
 - In terms of information dissemination
 - In terms of cooperation and partnerships
 - In terms of integrating technologies and innovations
6. Can you please share if you know any of good international practices on mitigation and offsetting? Do you know any other organization working in this field apart from this project?
7. How do the project goal, objective and activities relate to the policy frameworks and activities of Mongolia and international organizations?
8. What you do you see as necessary measures to be take in terms of mitigation and offset implementation in the country? What are the difficulties and ways to resolve them?
9. Can you please name both internal and external factors, which were both positive and negative, influencing project implementation and activities which you have noticed?
10. Ensuring equal participation:
 - In your view, how has this project ensured equal participation? How have you been participated in the project decision making and activities implementation? Can you please state an example?
 - How have the participation and initiatives of the project beneficiaries been in the project? In what ways, have they been involved in the project? How have herders and mining company been participating in the project and in what forms?
 - How you have been ensuring gender equality in the project activities? Any difficulties?
 - What have been the lessons learned of the project?
11. Төслөөс таны хувьд болон танай байгууллагын хүлээж буй хамгийн гол үр дүн юу вэ? What are the main expectations of your organization from this project?
10. What were the most and least successful and efficient activities implemented?
11. What are the financial, social and institutional and environmental factors which may influence your ministry's or organization's ability continue the project activities? Can you please name any advancements and difficulties if there are any?

12. What should be done in order to increase the project efficiency, sustainability and contextualize the project?
13. Sustainability: How do you think to ensure financial sustainability? Political and social sustainability: Is there any ownership at your organization to continue the project activities and is there structural possibility to continue as such? How you have noticed any lessons learned from the project? Institutional sustainability: Has there been adequate legal, human resources, knowledge and skills structures established to make up institutional capacity? Environmental sustainability: Is there any environmental factor to influence?

4. Project beneficiaries and residents

1. Introduction: Where do you work? If you are a herder, which soum do you live in?
2. Is there any mining company operating in your aimag and soum? What are the positive and negative impacts in your livelihood from the mining? How does it impact on the environment? What were the repercussions?
3. How do you understand mitigation and offsetting?
4. How do you see outcomes of the project? How you do you think it may influence on your livelihood?
5. How do you think the project activities influence your livelihoods of the people of your soum?
6. Can you please name a realistic example of activities carried out to decrease land degradation in your soum and aimag? How much training and information sessions have been organized? Have you attended any training in this regard?
7. How possible it is for you to voice in your opinions into local decision-making regarding environmental and pastureland protection?
8. What measures do mining companies have to take in order to mitigate land degradation?
9. What should be your and public participation?
10. How effective do you think the local government organizations work in this regard?
11. What were the most and least successful activities of the project?
12. How much have your understanding on mitigation and offsetting been improved?
13. From what sources do you receive information about the project?
14. Do you think there have financial, institutional and participatory mechanisms established to continue the benefits of the project in your local area?

ANNEX №4. LIST OF INTERVIEWEES

1. Representatives of local residents

#	Name	Residing aimag/soum	Occupation/Profession
1	Tsendeekhuu.Z	Buural bagh, Durvuljin soum, Zavkhan aimag	Herder
2	Batsaikhan.M	Durvuljin soum, Zavkhan aimag	Herder and Chief of Janchiv Pastureland Use Group
3	Enkhee.N	Khar Altat bagh, Bukhmurun soum, Uvs aimag	Head of the Bagh Citizens' Public Khural
4	Ankhubayar.B	Khar Altat bagh, Bukhmurun soum, Uvs aimag	Chief of Gulzat 1 cooperative of Khar Altat Bagh
5	Oyunbileg.D	Darvi soum, Khovd aimag	Rehabilitation worker
6	Baigalmaa.A	Mungun Ayaga bagh, Darvi soum, Khovd aimag	Herder
7	Delgerkhishig.S	Delger bagh, Darvi soum, Khovd aimag	Herder

2. The government organizations-national level

#	Name	Organization	Occupation/Position
1	Batbayar	Office of Environment and Natural Resources Management, MET	Residual impact, offsetting specialist, Environmental Assessment Auditing department
2	Elbegzaya.B	The Ministry of Mining and Heavy Industry	Head of Policy Enforcement and Implementation department
3	Bayarbat.D	Office of Environment and Natural Resources Management, MET	Senior specialist, Environment, Natural Resources department
4	Batsaikhan.J	Agency of Land Administration and Management, Geodesy and Cartography	Head of Land Administration and Management department
5	Doljinsuren.J	National Development Agency	Head of Policy and Planning department
6	Byambadorj.N	Office of Livestock Husbandry Policy Implementation and Management, the Ministry of Food, Agriculture and Light Industry	Pastureland Utilization, Management specialist
7	Bayarkhuu.S	Office of Environment and Natural Resources Management, MoET	Senior specialist for Bio Safety and Biodiversity
8	Enkhmunkh.G	Office of Protected Area Management, MoET	Senior specialist

3. The government organizations-local level

#	Name	Respective aimag/soum	Occupation/Position
1	Tsetsen.B	Khovd aimag	Pastureland, Land, Engineering, Exploration and Monitoring specialist of the Office of Land Affairs, Construction, Urban Development
2	Batsukh.Sh	Khovd aimag	Vice Governor of the Aimag and Head of the Local Coordination Committee
3	Suvdaa	Khovd aimag	Specialist of the Investment, Development Policy Planning department, the government of aimag
4	Tseyen-Oidov.A	Khovd aimag	Senior specialist, the office of Environment and Tourism
5	Nansalma.A	Khovd aimag	Protect area specialist, the office of Environment and Tourism
6	Uurtsaikh.B	Khushuut bagh, Tsetseg soum, Khovd aimag	Governor of Khushuut bagh, Tsetseg soum
7	Bazar.L	Delger bagh, Darvi soum, Khovd aimag	Member of Citizens' Representative Khural of Darvi soum and herder of Delger bagh
8	Altansukh.Sh	Murun bagh, Darvi soum, Khovd aimag	Governor of Murun bagh, Darvi soum
9	Gantsooj.O	Darvi soum, Khovd aimag	Vice governor of Darvi soum
10	Samdan.L	Darvi soum, Khovd aimag	Land officer, Darvi soum
11	Bolor	Bukhmurun soum, Uvs aimag	Environmental officer
12	Turtogtokh.T	Bukhmurun soum, Uvs aimag	Soum governor
13	Chuluunbat.M	Uvs aimag	Head of Land management unit, the office of Land Affairs, Construction, Urban Development
14	Rina.B	Uvs aimag	Environmental inspection officer, the State Specialized Inspection Agency
15	Batbayar.B	Uvs aimag	Head of the office of Environment and Tourism
16	Erdenetsetseg.N	Uliastai, Zavkhan aimag	Head of the office of Land Affairs, Construction and Urban Development and member of the Local Coordination Committee
17	Batdelger.D	Uliastai, Zavkhan aimag	Head of Otgontenger PA and the member of the Local Coordination Committee
18	Batdul.Ch	Durvuljin soum, Zavkhan aimag	Durvuljin soum governor
19	Altansukh.N	Durvuljin soum, Zavkhan aimag	Environmental safeguard, Durvuljin soum

4. Non-governmental organizations

#	Name	Organization	Occupation/Position
1	Bulgamaa.D	Green Gold project	Pastureland researcher
2	Tumenjargal.D	University of Agriculture	Adjunct professor
3	Oyungerel.B	Geo-ecology institute	Director of physical geography department
5	Ikhbayar.B	Baigali Ecology	Director/Head of Assessor's
6	Enkhee.D	WWF	Manager, Altai-Sayan project
6	Batchuluun.D	Farmers' Association for Countryside Reform Khovd Branch	CEO
7	Galbadrakh.D	TNC	Chief officer of conservation
8	Uyanga.A	TNC	Project coordinator for conservation
9	Tsegmed.Z	Durvuljin soum, Zavkhan aimag	GIS specialist, Otgonbor khavtsal NGO
10	Bolormaa.B	Durvuljin soum, Zavkhan aimag	Researcher, Otgonbor khavtsal NGO

5. UNDP

#	Name	Organization	Occupation/Position
1	Buyandelger.U	UNDP	Monitoring and Evaluation specialist
2	Khishigjargal.Kh	UNDP	Program officer

6. Project team

#	Name	Organization	Occupation/Position
1	Erdenebayasgalan.G	PIU	National coordinator
2	Onon.Yo	PIU	Technical advisor
3	Bayarsaikhan.B	PIU	Local coordinator Khovd
4	Munkhdorj.B	PIU	Local coordinator Uvs
5	Khurel-Erdene.A	PIU	Local coordinator Zavkhan

7. Private sector

#	Name	Organization	Occupation/Position
1	Enkhmend.M	Ulaanbaatar	Independent legal advisor
2	Amangeld	Khotgor mining	Senior engineer
3	Erdenebileg.B/ Gandbold.B	Khushuut mining	Senior environmental officer/environmental officer

4	Sarantuya.M	Bayan-Airag mining	Senior environmental officer
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ANNEX №5 LIST DOCUMENTS REVIEWED

#	Name of the documents	Author	Type	Date
1	Project operation documents 2016, Book 1	PIU	Operation registers and documentation	2016
2	Project operation documents 2016, Book 2	PIU	Operation registers and documentation	2016
3	Financial Audit Reports in Eng and Mon	PIU	Finance report	
4	Project implementation report for projects by foreign aid grant in the environment and green development sector	PIU	Implementation report	01.06-30.12.2016
5	Project Implementation Review 2017 (PIR)	PIU	Implementation report	2017
6	Project Implementation Review 2016 (PIR)	PIU	Implementation report	2016
7	Work Plan for 2016		Plan	
8	Regulations on the government's use of foreign aid loan and implementation, management, financing, monitoring and evaluation of projects and activities by using the foreign aid loan	The Ministry of Finance	Order of the Finance Minister 196	2015
9	Zero Land Degradation-Project inception workshop report		Training and seminar report	09.12.2016
10	Regulations on receiving, spending, managing, registering and reporting of foreign aids	The Government	The Government Decree 176	28.03.2016
11	Project indicators' status to determine project implementations towards the objective		Indicators	11.2017
12	Project Document, 2015 (in English and Mongolian)	PIU	Main project document	12.06.2015
13	Project implementation report for projects by foreign aid grant in the environment and green development sector 2017	PIU	Implementation report	01.01-18.11.2017
14	Revised work plan for 2017	PIU	Plan	2017
15	Project presentation PPP	PIU	Presentation	20.06.2016
16	Project Board Meeting (I) minutes and decisions (in English and Mongolian)	PIU	Meeting minutes and decisions	20.06.2016
17	Project Board presentation	PIU	Presentation	2016
18	Implementation and Monitoring Stage Quality Assurance Report	PIU	Report	2016, 2017

19	Report on the training to implement gender equality and sensitiveness action plan	PIU	Report	18.12.2017
20	Monitoring and evaluation of the progress towards results of the project operation implementations in the local sites within the land degradation mitigation and offsetting in the Western Mongolia project	MoET	Report	05.06.2017
21	Presentation on projects that have been implemented in the environmental sector in Mongolia in 2017 and summary of the activities in respect to gender sensitiveness	PIU	Report	-
22	Annual progress report	PIU	Report	2016&2017
23	Project Gender Action Plan (GAP) 2017-2018		Plan	2017-2018
24	UNPD Monitoring plan	UNDP	Plan	2017
25	Development of recommendations on increasing citizen participations and integrating mitigation and offsetting concepts into the land management, land utilization plans and local soum development programs	Consultant team	Report	18.11.2016
26	Training programs to improve capacity of the public for successful implementation of land degradation mitigation and biodiversity offsetting	Consultant team	Agenda	2016
27	Report on capacity development needs assessment at national and local levels and development of 3-year training programs for successful implementation of land degradation mitigation and biodiversity offsetting	Consultant team	Report	2016
28	Report on Financial Management Capacity Micro-Assessment of the Implementing Partner A path for progress	Deloitte	Report	2014

ANNEX №6. EVALUATION AND RATING SCALES

Progress Towards Results Rating Scales		
6	Highly Satisfactory (HS)	The objective/outcome is expected to achieve or exceed all its end-of-project targets, without major shortcomings. The progress towards the objective/outcome can be presented as "good practice".
5	Satisfactory (S)	The objective/outcome is expected to achieve most of its end-of-project targets, with only minor shortcomings.
4	Moderately Satisfactory (MS)	The objective/outcome is expected to achieve most of its end-of-project targets but with significant shortcomings.
3	Moderately Unsatisfactory (MU)	The objective/outcome is expected to achieve its end-of-project targets with major shortcomings.
2	Unsatisfactory (U)	The objective/outcome is expected not to achieve most of its end-of-project targets.
1	Highly Unsatisfactory (HU)	The objective/outcome has failed to achieve its midterm targets, and is not expected to achieve any of its end-of-project targets.

Sustainability Rating Scale		
4	Likely (L)	Negligible risks to sustainability, with key outcomes on track to be achieved by the project's closure and expected to continue into the foreseeable future
3	Moderately Likely (ML)	Moderate risks, but expectations that at least some outcomes will be sustained due to the progress towards results on outcomes at the Midterm Review
2	Moderately Unlikely (MU)	Significant risk that key outcomes will not carry on after project closure, although some outputs and activities should carry on
1	Unlikely (U)	Severe risks that project outcomes as well as key outputs will not be sustained

Project Implementation & Adaptive Management Rating Scale		
6	Highly Satisfactory (HS)	Implementation of all seven components – management arrangements, work planning, finance and co-finance, project-level monitoring and evaluation systems, stakeholder engagement, reporting, and communications – is leading to efficient and effective project implementation and adaptive management. The project can be presented as "good practice".
5	Satisfactory (S)	Implementation of most of the seven components is leading to efficient and effective project implementation and adaptive management except for only few that are subject to remedial action.
4	Moderately Satisfactory (MS)	Implementation of some of the seven components is leading to efficient and effective project implementation and adaptive management, with some components requiring remedial action.
3	Moderately Unsatisfactory (MU)	Implementation of some of the seven components is not leading to efficient and effective project implementation and adaptive, with most components requiring remedial action.
2	Unsatisfactory (U)	Implementation of most of the seven components is not leading to efficient and effective project implementation and adaptive management.
1	Highly Unsatisfactory (HU)	Implementation of none of the seven components is leading to efficient and effective project implementation and adaptive management.