



Ministry of Environment
and Green Development



Strengthening of the Protected Area Network in Mongolia Project

MID-TERM EVALUATION

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May - June 2013

Title: UNDP/GEF Strengthening of the Protected Area Network in Mongolia in Mongolia

Country: Mongolia

UNDP ID: 00074214 GEF ID (PIMS #): 4180

GEF Operational Programme: Biodiversity Focal Area
GEF Strategic Priority: Catalysing the sustainability of protected area systems

Implementing Partner: UNDP
Executing Partner: Ministry of Environment and Green Development¹
Other main partners: Argali Research Centre, GIZ, Denver Zoological Society, WWF Mongolia

MTE time-frame: MTE Mission: 22 May – 4 June 2013
Date of MTE Report: 19 June 2013
Evaluation Team: Dr Mike Moser and Ms Orgiltuya Dashzevge MSc

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¹ Formerly the Ministry of Nature, Environment and Tourism

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Acronyms and abbreviations

APR	Annual Project Report
BZ	Buffer Zone
CBD	Convention on Biological Diversity
EIA	Environmental Impact Assessment
GEF	Global Environment Facility
GIS	Geographic Information System
GIZ	German Agency for International Cooperation
GO	Government organisation
GoM	Government of Mongolia
IBA	Important Bird Area
INNRR	Ikh Nart Nature Reserve
IUCN	World Conservation Union
KfW	German Banking Group
LPA	Local Protected Area
M&E	Monitoring & Evaluation
MEGD	Ministry of Environment and Green Development
MOF	Ministry of Finance
MNT	Mongolian Tughrig currency
MTE	Mid-Term Evaluation
NEX	National Execution
NGO	Non-government Organisation
NM	Nature Monument
NPD	National Project Director
NPM	National Project Manager
NP	National Park
NR	Nature Reserve
OVNP	Orkhon Valley National Park
PA	Protected Area
PC	Project Coordinator
PAAD	Protected Areas Administration Department
PIU	Project Implementation Unit
PIR	Project Implementation Review
SPA	Strictly Protected Area
SSA	Special Service Agreement
STAP	Scientific & Technical Advisory Panel
TPR	Tri-Partite Review
UB	Ulaanbaatar
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
WB	World Bank
WWF	World Wide Fund for Nature

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0 Executive Summary

Project Summary Table

Project Title:	Strengthening of the Protected Area Network in Mongolia			
UNDP Project ID:	PIMS 4180	Project financing	<i>at endorsement (Million US\$)</i>	<i>at MTE (Million US\$)</i>
ATLAS Project ID:		GEF financing:	1,363,630	439,634
Country:	Mongolia	IA/EA own:	700,000	431,565
Region:	Central Asia	Government:	500,000	107,484
Focal Area:	Biodiversity	Other:	GTZ: 1,000,000 Denver Zoological Society: 500,000 WWF Mongolia: 222,858	568,500 609,694 587,576
GEF Focal Area Strategic Program	Sustainable Financing of Protected Area Systems at the National Level (SP 1)	Total co-financing:	2,922,858	2,304,819
Executing Agency:	Ministry of Environment and Green Development (MEGD)	Total Project Cost in cash:	2,063,630	871,199
Other Partners involved:		ProDoc Signature (date project began):	6 September 2010	
		Planned closing date:	1 December 2015	Revised closing date: 1 December 2015

1. This report presents the findings and recommendations of the Mid-Term Evaluation of the UNDP/GEF/GoM Strengthening of the Protected Area Network in Mongolia Project (SPAN), which began in January 2011 and will end in December 2015. The project is financed with cash contributions from GEF (\$1,363,630) and UNDP (\$700,000), plus co-financing from Government, GIZ, Denver Zoological Foundation and WWF totalling \$2,422,858.
2. The Evaluation was conducted by two independent experts - one International Team Leader and one National expert - during May and June 2013, including a 12 day visit to Mongolia for the International Team Leader. It involved reviews of project documentation, interviews with key national and local stakeholders and field visits to the two project demonstration sites (Ikh Nart

Nature Reserve (INNR) and Orkhon Valley National Park (OVNP)) to witness activities on the ground, where there were also opportunities to meet with local communities.

Project Description

3. The SPAN project has the Objective of catalysing the management effectiveness and financial sustainability of Mongolia's protected areas system. The three strands of the project aim to achieve this by: (i) revising the policy, legal and institutional frameworks for sustainable financing and co-management of PAs; (ii) ensuring the institutional and staff capacities are in place to effectively manage and govern the national PA system; and (iii) the demonstration of sustainable financing and innovative collaboration approaches at 2 PA demonstration sites leads to better conservation.
4. The MTE concludes that the simplicity of the project log-frame (1 objective, 3 Outcomes, 9 Outputs, with associated indicators) has been a strength of the project design which has enabled effective work planning, monitoring and evaluation. The project remains highly relevant to national development objectives and to the needs of the PA system. There are no proposals for major structural changes to the log-frame.

Review Rating table of the SPAN-Mongolia project at the Mid-Term Evaluation

MEASURE	REVIEW RATING	COMMENTS
Progress towards results	Satisfactory	Outcome 1: Satisfactory Outcome 2: Moderately Satisfactory Outcome 3: Satisfactory
Management arrangements	Moderately satisfactory	Project requires: more intensive and more integrated working to build the capacity of PAAD and the PA Administrations at demonstration sites; more frequent Board meetings; stronger communications.
Adaptive management	Satisfactory	Good handling of delays and opportunities from elections and change of Government; excellent engagement of local authorities, communities and livelihood development at pilot sites

5. The project made a rapid start in 2011, but then incurred some delays during 2012 as a result of the Parliamentary elections. However, the change of government has created a favourable policy environment, and the project is therefore again making good progress.
6. The Evaluation analysed the progress the project had made towards the Targets set in the project Logframe. Overall, 69.1% of the 42 targets had either already been achieved, or were on target to be achieved by the end of the project. This is considered to be a satisfactory result at this mid-term point. However, there was a significant difference in the level of achievement of the targets when comparing between Outcomes. While for Outcomes 1 and 3, the proportion of Targets either achieved or on track is 81.8% and 77.7% respectively, for Outcome 2 the percentage is only 44.4%.

7. Progress against the targets for the Scorecards is also impressive, with the end of project target for the METT at OVNP already achieved and that at INNRR almost achieved, while the project seems broadly on track for achieving the Financial Sustainability and Capacity scorecard targets.
8. Total financial expenditure at the end of 2013 Q1 was 42.2% of the available cash budget and is broadly on target compared to the proportion of the project period that has passed (45%), but behind the specific annual budget plan for GEF funds. Expenditure of the UNDP funds has been brought forward and is ahead of target due to predicted budget limitations in UNDP for the remaining years of the project. However, the total UNDP contribution of \$700,000 will be met. Co-financing expenditure from the Government and technical partners is on track.

Summary of Conclusions, Recommendations and Lessons

9. The MTE concludes that the SPAN project is nationally and regionally significant, that it is well managed, appreciated and adaptive, and delivering substantial results. The project is broadly on track in terms of progress against targets and financial expenditure and there is no case for considering an extension. Major achievements at national level have been the engagement of sectoral ministries through the establishment of a National PA Forum and inter-agency working group on PA Sustainable Financing and the development of best practice guidelines on management planning and business planning for PAs. At local level, the project has changed the mind-set of local authorities and communities in favour of PAs, and secured their participation and engagement through innovative management councils and community groups.
10. Securing adoption of the revised Laws on PAs and Buffer Zones when they go before Parliament in autumn 2013 remains a crucial priority for the project. Work on Outcome 2 – strengthening the capacity of the PAAD and its PA Administrations, and securing a visionary and costed plan to take forward the future development of the PA system need to be given high priority in the remaining project period. A high priority is to achieve formal approval and secure a long-term delivery mechanism for the training curriculum for PA managers and experts. More attention is needed to communications. The imminent launch of new projects in support of PAs by UNDP/GEF and KfW provides an exceptional opportunity for PAAD to build on the achievements of the SPAN project.
11. The MTE makes 27 specific recommendations divided into four categories: (i) Strengthening the management arrangements; (ii) Priorities for national level implementation; (iii) Priorities for implementation at the demonstration sites; and (iv) Priorities for a sustainable exit.
12. Strengthening the management arrangements: The MTE recommends that the Board meets more frequently to keep the project on track against plan (using a traffic light system to assess progress against planned targets), and that more formal arrangements are made between the NPD and PC for regular coordination and planning meetings against a joint work plan. The proposed Policy Advisory group should be activated to secure a stronger support of the NGOs – including through their parallel co-financing activities. Project communications activities should be strengthened. A new risk should be addressed by the Board, concerning the potential dissipation of MEGD's attention and resources to PAs and develop mitigatory actions including building on the results of the planned Valuation of PA Ecosystem Services study. More attention

should be given to cross-project learning and knowledge exchange, particularly with GEF projects that have similar objectives in the region.

13. Priorities for national level implementation: Finalisation of the proposals for revenue generation are urgently required so they can be included in the revised PA and Buffer Zone laws for approval in the next parliamentary session, and a communications and advocacy programme should be developed to ensure adoption of these revised laws. By the end of 2013, those key revenue streams that do not require legislative change (entry fee revision, airport tax, land use fee and fee from use of natural resources) should be implemented across the PA system through inter-agency agreements.
14. Further strengthening of the PAAD should be sought through a convincing proposal to the Minister for additional posts. Two project officers on Financing and M&E should be integrated into PAAD and their positions taken over by government at the end of the project. The mechanism for delivering the integrated training programme for PA staff needs to be agreed with appropriate institutions. Finally, the Board should review the Objective level target for PA financing, since there is a need to disaggregate the effects of the expansion of the PA network, inflation and salary rises.
15. Priorities for implementation at the demonstration sites: Work at the two demonstration sites is progressing well, but requires consolidation. The priority must be on strengthening capacity of the PA Administrations, the Management Councils and the community groups so that they can continue to work sustainably after the end of the project. The new co-management system that has been trialled at the two project demonstration sites needs to be evaluated, documented and confirmed for replication in other PAs. Working arrangements between the local coordinator and the Director of the OVNP Administration should be strengthened.
16. Priorities for a sustainable exit: The project should implement from the end of 2013 a “SPAN Sustainability and Exit Plan” to ensure PAAD and its Administrations can take over the new approaches piloted by the project. The new approach should be enshrined in the updated plan for the National Programme for PAs. The Annual Forum for PAs should be institutionalised, and the MTE recommends establishment of a “PA Partners Board” to create greater synergies between MEGD, donors and delivery partners.
17. Key lessons learned by the project relate to the need for a seamless integration and excellent coordination and communications with the project’s main executing agency – the PAAD and its PA Administrations – and other partners, as well as involving all stakeholders in the design and adaptive management of the new approaches being piloted. Study tours to witness successful approaches being piloted on the ground are a valuable tool.
18. Finally, the project has begun to demonstrate the remarkable contribution that local government and local communities can make to PA Management. The PAAD is no longer alone in its effort to conserve the protected areas. This provides both an opportunity and a challenge, which will require further evolution of government’s approach to protected area management.

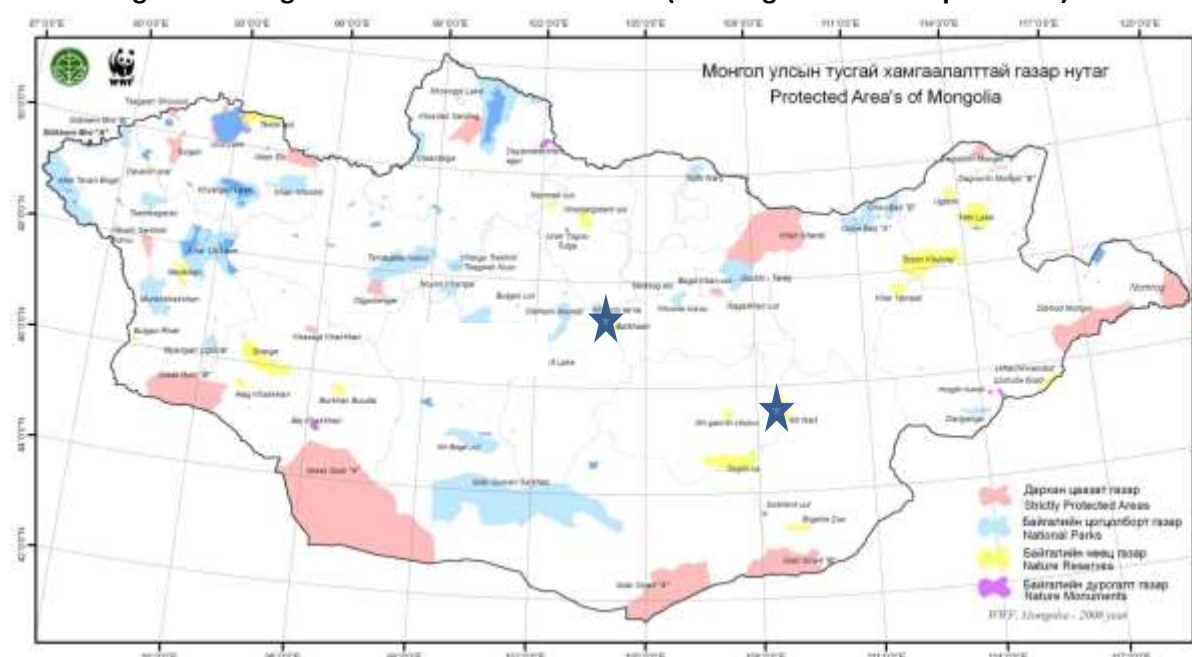
1 Introduction

1. Located at the crossroads of the Central Asian Steppes, the Siberian Tundra and the Gobi Desert, Mongolia hosts a range of globally important biodiversity. Unfortunately, the country's biodiversity is also under significant pressure - especially from the region's economic growth, hunting, logging, land degradation, and increasingly mining and climate change. The protected areas (PAs) of Mongolia have been significantly expanded, with numbers reaching almost 100, totalling over 27M ha, or almost 18% of the country's surface (Table 1 and Figure 1), excluding the Local Protected Areas. However, capacities and resources for protected area (PA) management have not kept pace with the expansion of PAs, resulting in a situation where most PAs in Mongolia suffer from inadequate resources to conserve important species and habitats they are supposed to protect.

Table 1. Summary statistics on Mongolia's national PA network

Category	No	Area M ha.	%
Strictly Protected Areas	20	12.4	45.4
National Parks	32	11.7	42.9
Nature Reserves	34	2.9	10.6
Nature Monuments	13	0.1	0.4
Total	99	27.3	

Figure 1. Mongolia's Protected Area network (showing location of 2 pilot sites)



2. To improve the effective management and financing of the PA system, Mongolia's Ministry of Environment and Green Development (MEGD) is cooperating with UNDP on a PA network strengthening project. The project works towards overcoming staff, institutional and systemic financial and operational barriers, and developing and deploying new management and budget models, allowing for improved management and resource administration of the PA system. Demonstration models are being piloted in two protected areas: Ikh Nart Nature Reserve and Orkhon Valley National Park. On the national level the project supports MEGD to develop improved policies on PA management and financing, including revision of PA and buffer zone laws, and other PA related policy and programmes, and development and adoption of guidelines on management and business plan development. Local governments, civil society organizations, and academia are also involved in the project in order to improve coordination, collaboration, planning and financing of PAs.

Purpose of the Evaluation

3. The 5-year, full size UNDP/GEF/GoM Strengthening of the Protected Area Network in Mongolia Project (SPAN), which began in January 2011, has reached its mid-point. This report presents the conclusions of the formal Mid-Term Evaluation (MTE) which has been prepared by two independent experts hired by UNDP - one international team leader (Dr Mike Moser) and one national expert (Ms Orgiltuya Dashzevge MSc). It has been prepared according to the MTE Terms of Reference which are provided as Annex 1.
4. The objective of the MTE was to gain an independent analysis of the progress of the project so far, to identify potential project design problems, assess progress towards the achievement of the project objective, identify and document lessons learned (including lessons that might improve design and implementation of other UNDP-GEF projects), and make recommendations regarding specific actions that should be taken to improve the project. The MTE aimed to assess early signs of project success or failure and identify the necessary changes to be made. The project performance was measured based on the indicators of the project's logical framework including the Financial Sustainability, Capacity and METT (2) Scorecards.

Scope and Methodology

5. The Evaluation was undertaken in 4 phases over the period 18 May – 19 June 2013:
 - Phase 1 – Preparation (Key deliverable: MTE Inception Report)
 - Phase 2 – MTE Mission to Mongolia, 23/5– 3/6 (Key deliverable: MTE De-briefing)
 - Phase 3 – Drafting of the Final Report (Key deliverable: MTE Draft Report)
 - Phase 4 – Finalisation of the Report (Key deliverable: MTE Final Report)
6. The MTE aimed to provide evidence-based information that is credible, reliable and useful. The Evaluation team followed a participatory and consultative approach through interviews with a wide range of the project's stakeholders, in particular the UNDP Country Office, UNDP/GEF Regional Technical Adviser, NPD, project team, project national consultants, government counterparts, NGOs and local stakeholders at the project demonstration sites including local communities. The Evaluation team conducted interviews in Ulaanbaatar, Mongolia, and field visits to the following project sites: Ikh Nart Nature Reserve and Orkhon Valley National Park.

The itinerary and list of people interviewed are provided in Annexes 2 & 3. Annex 5 presents the generic list of questions used in the interviews, which was adapted and made more specific for each stakeholder interviewed, as appropriate.

7. In addition, the MTE gathered and reviewed a wide range of project documents and products, including plans and reports, project financial reports, reports of meetings and technical publications which are summarised in Annex 4. The Evaluation also had the chance to witness project activities and impacts on the ground at the two demonstration sites.
8. In conducting the Evaluation, the MTE team took account of best international practices in PA Management, and particularly to what extent the project is addressing the principles of the CBD Ecosystem Approach which has become widely acknowledged as the most appropriate approach to the management of protected areas.
9. The Evaluation team is not aware of any serious limitations to the MTE, except for the limited amount of time that they were able to spend on the field mission compared to the breadth of project activities, and the relatively short time available for preparation of the draft report. All requested documentation was made available to the Evaluation Team.

Structure of the Evaluation Report

10. The structure of the Evaluation report follows the template provided in the TOR and includes four main sections: (i) Introduction; (ii) Project description and development context; (iii) Findings; (iv) Conclusions, Recommendations and Lessons. Further details about the MTE field mission and interviews, list of documents reviewed, list of project achievements and revised scorecards are provided in the Annexes.

2 Project Description and Development Context

Project start and Duration

11. Following preparation of the Project Identification Form (PIF) in 2008, the full SPAN Project Document was developed during 2009 and early 2010, and approved by the GEF Secretariat in June 2010, with an official signing ceremony on 6 September 2010. Project implementation officially began in January 2011 and is expected to end after 5 years in December 2015. An Inception workshop was held on 16-17 May 2011. The project achieved a rapid start thanks to the strong support of UNDP and MEGD and the high capacity of the project team. However, delays occurred during 2012 due to the parliamentary elections and installation of the new government, but these are now being compensated by the very proactive approach of the new government to environmental issues.
12. The MTE finds that the recent dynamic “green development” focus within government including the upgrading and strengthening of the Environment Ministry (MEGD) to a core ministry (now with 100 staff) provides a fortuitous opportunity for the SPAN project to achieve improvements to the PA system. The new government has already passed a raft of new environmental legislation which will help strengthen the PAs through watershed protection and better controls on mining and tourism. These proactive developments to mainstream environmental policies were exemplified during the MTE mission as Mongolia hosted, for the first time, the celebration of World Environment Day on 3 June 2013, together with the launch of a new Green Development Strategy by MEGD. This new policy document includes key targets for PAs such as raising the area covered by PAs to 25% by 2016 (the long-term target is 30%), as well as other targets for PA management and the resolution of legal issues around PAs. Clearly, the SPAN project provides an opportunity for MEGD to plan and achieve these targets, particularly by delivering two exemplar demonstration sites, whose model can be replicated nationally.
13. One new risk is that emerges from the broader mandate of MEGD, and its recent embracing of issues such as water and forest management and broader “green development” is that this could dissipate the human and financial resources available to focus on PA management. For this reason, the SPAN project needs to support PAAD very effectively in championing the role that PAs play in sustainable economic and social development.

MTE Findings: Project start

- Project made a rapid and effective start but was then delayed by elections and change of government
- New policy environment is highly supportive
- Need to maintain the profile of PAs within “green development”

Problems that the project sought to address

14. In order to protect its globally significant biodiversity, the Government of Mongolia has pursued a rapid expansion of its protected area network, with stated target coverage of 30% of the country by 2030. Considerable progress has been made towards this target with coverage now approaching 18% of the territory, excluding the Local Protected Areas. However, a lack of sustainable financing, inadequate capacity of the administrations charged with the management

of these areas, and absence of formal mechanisms for collaborative management with local authorities and local communities has meant that the PAs are unable to realise their full potential in conserving Mongolia's globally significant biodiversity. As a result, various pressures such as overgrazing, mining, poaching, inappropriate development and climate change continue to cause biodiversity declines. For example, populations of the IUCN Red Listed Argali, the largest wild sheep in the world, have declined from 60,000 in 1986, to only 18,000 today.

15. The project document identified the proposed long-term solution for Mongolia's protected area system to be "strengthened and systematic protected area management planning, improved institutional and staff capacity, and effective use of models of collaboration, all supported by knowledge-based information management, improved budget allocation processes, and increased funding through increased use of traditional and innovative sustainable financing mechanisms". Implementation of the solution rests on three interlinked pillars: 1) a refined policy framework and institutional arrangements, 2) adequate capacity of MEGD/PAAD management and staff, and 3) the design and implementation of sustainable financing mechanisms and collaborative approaches resulting in increased funding and management effectiveness to ensure the long term sustainability of the PA system.
16. Despite several previous resolutions to Parliament in recent years, the 1994 Law on Protected Areas and 1997 Buffer Zone law (and some 20 regulations developed to implement them) remain unchanged and out of date (updates having been blocked as a result of conflicts with the Land Use law and lobbying by the mining industry and individuals to halt or even reverse PA expansion). The need to revise these laws has become urgent, in order to be able to implement more sustainable financing and modern collaborative management approaches for the PA system. The political conditions to make such changes have become far more favourable, with a proactive and supportive government, and a strong (250+) NGO lobby.
17. A key issue to be tackled by the project is the sustainable financing of the PA network. The benefits of any increases in government funding were being absorbed by expansion of the PA network and salary increases in public sector (eg rangers have recently had a 40-60% increase). Thus, although staff were in place for the Strictly Protected Areas and National Parks, 90% of the budget was allocated to salaries and running costs with minimal funds for actual management. Each ranger covers on average 90,000 ha and there are huge gaps in infrastructure – ranger accommodation, communications, transport. There are no government-funded staff for Nature Reserves or Natural Monuments or Local Protected Areas.
18. Whilst there is a recognised need to increase central (and local) government core funding for the PAs, there is also potential for all PAs to generate a proportion of their own income – and take reliance off the State. The key challenge has been the lack of a legal basis for innovative financing mechanisms. State budget laws make it impossible for PAs to hold the revenues they raise, and in some years only a very low proportion is returned to them. A more strategic approach to PA financing based on conservation targets and a mix of funding sources is needed across the whole system.

19. Although many PAs (SPAs and NPs) had management plans prior to the start of the project, they had not been prepared in a participatory way, lacked mechanisms for the engagement of local authorities and local communities, and were generally not being implemented. A key aim of the project was therefore to develop a model for PAs which can demonstrate sustainable financing and innovative collaborative management using standard management and business planning approaches.
20. In addition to increased financial support, more effective PA management will only be achieved if local government and local communities also support the management objectives. Indeed, State funding is only available for the top 2 categories of PAs, and local government is responsible for the Nature Reserves, Natural Monuments and Local Protected Areas. However, this has not been seen by them as a priority. A key aim of the project was therefore to secure appropriate legislation and quality demonstrations of collaborative management models that engage local government to protect nature.
21. A serious problem is that institutional and individual capacity for effective PA management is inadequate. The central PAAD is severely understaffed for the scale of the job, and lacks the necessary skills in innovative financing and the ability to integrate the needs of all its PAs into a strategic, costed programme that can be used to secure additional funds. Similarly, it was recognised that the PA Administrations lacked the necessary skills in management and business planning and collaborative management. Whilst a training curriculum existed for rangers, a key task was for the project to develop a formal integrated training programme also for managers and experts.
22. In Mongolia, rural poverty is significant but declining (the National Statistics Office announced a fall from 43 to 35% in May 2013), reflecting the limited employment opportunities in rural areas. The protected areas are an important opportunity available at the local level to provide sustainable employment, for example through tourism. By focusing on increased financing of protected areas, new jobs can be generated, natural resources sustained, rural poverty decreased and the contribution of local communities to protected areas secured. A key priority identified in the project document was to pilot and demonstrate all of these new approaches at two demonstration sites: Ikh Nart Nature Reserve, and the Orkhon Valley National Park.

Immediate and development objectives of the project

23. The **Project Objective** is to catalyze the management effectiveness and financial sustainability of Mongolia's PAs system. The annual revenues to the National PA system at project start were approximately US\$2.5million. The project aims develop the management and financial capacity of MEGD and strengthen the partnerships between PA authorities and local communities, local government, NGOs and the private sector to achieve the long-term sustainability of PA financing to allow Mongolia to cover the financing gap. The estimated gap in funding requirements for the Mongolia PA system range from US\$5 million to US\$7.5 million.

Table 2: Hierarchy of SPAN Objectives

Outcomes	Objectives
Goal	No project Goal was included in the log-frame
Project Objective	To catalyze the management effectiveness and financial sustainability of Mongolia's protected areas system.
Outcome 1	Strengthened National policy, legal and institutional frameworks for sustainable management and financing of national PA system
Output 1.1	Design and effective use of PA management plan and financing/ budgeting requirements to be applied consistently across the National PA system. This approach is enshrined in national legislation.
Output 1.2	Consistent management and budget plans are utilized at demonstration PA sites and introduced to all PAA directors/offices, and integrated with formal budgets and innovative revenue plans.
Output 1.3	Institutional arrangements in place that enable MNET to undertake appropriate analysis and provide national support for PA financing, and to coordinate actions of all relevant actors
Outcome 2	Institutional and staff capacities are in place to effectively manage and govern the national PA system.
Output 2.1	PA staff have access to training facilities at national, PAA and site levels for skills related to management planning, business planning, or budgeting, allowing PAs to meet objectives
Output 2.2	Financial specialists and data management systems in place improving resource use across PA system.
Output 2.3	Management, incentive and reporting systems in place
Outcome 3	Demonstration of sustainable financing mechanisms and innovative collaboration approaches demonstrated at 2 PA demonstration sites lead to better conservation outcomes
Output 3.1	Approved Management Plans, Budget Plans, and PA Business Plans in 2 PA demonstration sites.
Output 3.2	New or improved financing mechanisms demonstrated at PA level resulting in increased revenues.
Output 3.3	Collaborative approaches between PAs and partners (communities, NGOs, etc) demonstrating improved PA management and cost sharing.

Baseline indicators established

24. Impact and results indicators were included in the project log-frame at the levels of the Objective, Outcomes and Outputs. The Objective and Outcome indicators were almost entirely derived from the scores from the Financial Sustainability, Capacity and METT scorecards, whilst Output level indicators were based on more tangible project results. The indicators were used to set a total of 42 project targets with associated baselines, including one new indicator added for Outcome 3 at the time of the 1st project Board meeting concerning the percentage of management plan activities that have been implemented at each of the two demonstration sites. Baselines for all of these indicators had been included in the log-frame at the time of project approval, with the exception of population levels for Argali Sheep and Ibex at the two project demonstration sites. These baseline gaps were completed at the time of the Inception Meeting. Thus, the full set of indicators and baselines were available to the MTE.

Main Stakeholders

25. The ultimate stakeholders for this project are the people of Mongolia, and in particular those communities who benefit from the broad range of ecosystem services that are provided by the country's protected area network. These include particularly the nomadic herder communities

who depend on the protected areas and surrounding zones for grazing their livestock, those who benefit from the rapidly developing tourism potential of the PAs, and those who carry out other activities based around the use of natural resources such as mining, hunting, forestry and agriculture.

26. The primary agency responsible for the management of the protected areas system in Mongolia is the Ministry of Environment and Green Development (MEGD), which has a Protected Areas Administration Department and 31 Protected Area Administrations located around the country. This Department is the principle proponent and implementing agency for the project, facilitating successful execution both at national level and in the demonstration sites. Other Ministries also have a key role, such as the Ministry of Finance for its role in the allocations of governmental budgets for PA management, and other sectoral ministries whose activities either benefit from or impact upon protected areas.
27. Local governments of the Aimags and Soums, whose territories encompass the protected areas are also key stakeholders, not only because of their key role in local planning and administration and representing and supporting the local communities concerned, but also because of the increasing decentralisation and delegation of responsibility from central government, including for the allocation of funding for protected areas management
28. NGOs are also key partners in the project. They range from the large and well established national offices of organisations like WWF and TNC, and international supporters such as Denver Zoo, to key national NGOs like the Argali Research Centre and other local NGOs. A number of bilateral donors are also key stakeholders due to their past or planned future activities in support of PA management, most notably the German development agency GIZ, and development bank KfW.

Expected Results

29. The key results expected from the project can be summarised as follows:
 - Revised PA and Buffer Zone laws incorporating best practice and innovative approaches to PA management, sustainable financing and governance
 - Increased governmental allocation of budget to PAs, based on convincing business-case
 - Increased revenues to PAs from innovative financing sources, with a strong incentive to PA managers to generate funds
 - Enhanced capacity of the PAAD and the PA Administrations to plan and budget their work to more effectively deliver conservation outcomes
 - Enhanced support of sectoral ministries, local government and communities for PA management
 - Two exemplary demonstration site PAs that can be used to show-case best practice approaches to PA management and financing.

3 Findings

3.1 Progress toward results

Project design

30. The MTE finds that the design of the SPAN project, as summarised in the log-frame, is still highly relevant to Mongolia's priorities, indeed perhaps of enhanced relevance following the change of government and policy focus on "green development".
31. Since 2008, although the number and area of PAs has continued to grow, the budgets available to actually manage these areas remains extremely limited. Increases in budget have been soaked up by inflation, salary rises and staff for the new PAs, rather than contributing to better management across the network. The Laws for PA and Buffer Zone management remain unchanged from 1994 and 1997 respectively, and do not enable the desperately needed new approaches to sustainable financing or collaborative management. Indeed government funds are only available to Strictly Protected Areas and National Parks, with Nature Reserves, Natural Monuments and Local Protected Areas receiving no central government funds at all. Legal mechanisms for local authorities or communities to engage in protected area management are inadequate.
32. The Evaluation concludes that the rather simple project structure of one Objective, three Outcomes and 9 Outputs (3 for each Outcome) with its associated indicators and targets has been a strength of the project. It has been easily understood by the project team and partners, and has provided a sound basis for work planning, monitoring and evaluation. Indeed, the lack of any significant changes to the log-frame at inception stage, and the lack of major proposals to change the log-frame at this Mid-term Evaluation, reflects upon the quality of the simple original project design.
33. One observation of the Evaluation is that the two sites selected for the piloting and demonstration of innovative approaches to sustainable financing and collaborative management may be atypical when compared with the majority of other sites in the PA network. Both INNR and OVNP have benefitted from substantial previous support from international organisations over a number of years which had already given them a good start towards more effective management before the start of the SPAN project. For example, Denver Zoo and the Argali Research Centre have collaborated at INNR over more than a decade to establish a strong evidence base, as well as a first draft management plan; while at OVNP support from GIZ over many years had already led to a management plan being approved, a PA Administration HQ being constructed, and community collaboration in the buffer zones to be started. This support allowed the SPAN project to make a rapid start and the project has clearly worked effectively to capitalise on these foundations. However, the challenges in implementing participatory integrated management with sustainable financing may be much greater in other PAs that do not already have a basic capacity and evidence base. This will need to be recognized as the project considers how the new approaches piloted at INNR and OVNP can be replicated across the whole network.

34. Three other concerns of the MTE about the project design and log frame are: (i) the overwhelming focus on sustainable financing and institutional strengthening, compared with little direct attention to biodiversity objectives – indeed unusually for a GEF project of this type the log-frame lacks an overarching Goal related to global biodiversity; (ii) the weak attention to the issue of community engagement (limited to Output 3.3) with no recognition of the crucial need to integrate livelihoods development into the project in order to secure effective collaborative management; and (iii) the lack of attention to communications and advocacy within the project (see also paragraph 94). The MTE believes the project team has recognized and addressed the first two points very effectively through adaptive management, with biodiversity issues being covered in the management plans, and community engagement and livelihoods having been given high priority at both pilot sites. The low attention to communications, however, remains a concern and the MTE has made a recommendation on this point.
35. A further observation of the MTE is that the design of the SPAN project did not make significant use of the extensive experience of long-standing partners of the protected areas network like WWF, TNC and WCS. Whilst their activities are contributing in parallel to the work of the SPAN project team and they have been active partners in some SPAN activities, the MTE considers that they could have been more strategically engaged within the project implementation. Furthermore, the failure, so far, to establish the proposed Policy Advisory Group has further limited their engagement

MTE Findings: Project

design

- Simple log-frame has been a strength
- Log-frame lacked focus on biodiversity, community livelihoods development and communications
- Selected pilot sites may be atypical
- More strategic input of the key NGOs could have been planned

Progress

36. Table 3 provides a high level assessment of the progress the project has made against the 42 targets that are defined from the indicators in the project log-frame. This assessment was prepared by the MTE team based upon information provided for example in the updated scorecards, as well as interviews with the project coordinator. For each target, the Evaluation assessed whether: a) the target had already been achieved; b) the target was on track to be achieved by the end of the project; c) the target was behind schedule and needed attention; or d) the target was at high risk of not being achieved by the end of the project.

Table 3. Status of SPAN Targets at Mid-Term Evaluation - June 2013

Target status (at June 2013)	Objective		Outcome 1		Outcome 2		Outcome 3		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%
Target Achieved	0	-	2	18.2	1	11.1	8	44.4	11	26.2
On Track to achieve Target	2	50.0	7	63.6	3	33.3	6	33.3	18	42.9
Behind Target – needs attention	1	25.0	1	9.1	3	33.3	3	16.7	8	19.1
Target at high risk of not being achieved	1	25.0	1	9.1	2	22.2	1	5.6	5	11.9
Total	4		11		9		18		42	

37. Overall, 26.2% of the project targets have already been achieved and 42.9% are currently on track to be achieved by the end of project; 19.1% are “at risk” and need further attention, and 11.9% are at high risk of not being achieved. The Evaluation considers this to be satisfactory progress particularly because many delays were experienced as a result of the 2012 elections, and the project is now picking up much speed. The political environment is now more favourable for PAs with the new government more proactive and aware of the importance of green development. Therefore, it is expected that the project can continue to make strong progress.
38. The Evaluation notes however, that there is a significant difference in the level of achievement of the targets when comparing between Outcomes. While for Outcomes 1 and 3, the proportion of Targets either achieved or on track is 81.8% and 77.7% respectively, for Outcome 2 the percentage is only 44.4%. Thus, progress on Outcome 2 is less good than for Outcomes 1 and 3. The following text assesses progress for the Objective and per project Outcome.
39. **Objective:** The two objective indicator targets based on progress against the Financial Sustainability scorecard and the Capacity Scorecard are assessed as being on track (see Table 6). The target for establishing a “system finance mechanism (eg arrival fee, natural resource use fee, mining mitigation) combined with revenues at new PAs” is considered to be “at risk and needing attention”, but there seems a good possibility that such mechanisms will be established based on current progress. However, the target for “Total system level financing increases by at least \$3 million per year (>100% increase)” is considered to be at high risk of not being achieved, despite some quite substantial increases in the budget of the PAAD and particularly its PA Administrations. The PIU is urged to present a more detailed analysis of this target (disaggregated for the effects of expansion of the PAs and for inflation) for discussion by the project Board.
40. **Outcome 1:** This outcome aims to strengthen the national policy, legal and institutional frameworks to enable more effective and sustainable management and financing for Mongolia’s PA network. Significant progress has been made with 81.8% of the project targets for this Outcome either achieved or on track. However, some “mission-critical” results, such as the approval of new enabling legislation for PAs, remain to be secured.
41. The current legislation for Mongolia’s protected areas has remained unchanged since the mid 1990s, and requires updating in particular to allow: a) new co-management mechanisms with local communities; b) clarifying the roles and responsibilities of local government compared to central government for the 4 categories of protected areas plus the Local Protected Areas; c) enabling innovative financing mechanisms to generate new revenues for and from activities in protected areas; d) ensuring that a high proportion of the revenues generated can be returned for PA management, thereby providing a strong incentive to the PA Administrations to raise additional income.
42. A critical issue is that the State Budget Law (2012) requires that all revenues raised are returned to government, and only then can be re-allocated to the protected areas. In the past, there has been a rather ad hoc process by the Ministry of Finance for deciding on the percentage of revenues that are returned each year, depending on the state of the economy – and returns have varied from 0% in 2012 to 80% in 2008. It is essential that in order to provide a strong incentive to the PAs to pursue such revenue generation as part of their income, a high percentage return is

included in law. The Evaluation recommends that the project makes a bold bid for between 60-80% of revenues raised to be returned to the PAs – providing an incentive that will benefit both government and the PA system.

43. In order to strengthen the policy and legal framework to address these issues, the project has secured the engagement of an impressive range of stakeholders at national level. After a delay due to the elections, the first ever National Forum on Protected Areas was held over 2 days in December 2012 bringing together 120 policy-makers, NGOs and experts (including the Directors of all the PA Administrations). This inter-sectoral Forum importantly concluded that all sectors have responsibility for the conservation of PAs, and resulted in the submission of a series of policy recommendations to the Parliamentary Standing Committee on Environment and key ministries concerning the roles of tourism, mining, and local government in PA management. The 2nd meeting of the Forum will be held in November 2013 with a focus on legal issues relating to the proposed Evaluation of the PA and Buffer Zone laws before their submission to Parliament.
44. In addition to the PA Forum, the project has created (by Ministerial Decree) an inter-agency Working Group on Sustainable Financing for PAs with 19 members drawn from key Ministries and other stakeholders. This has been working intensively through meetings, task forces and expert studies to follow-up the conclusions of an impressive report on Sustainable Financing prepared by an international consultant in 2011 which assessed the current financing of the PA system and made recommendations and an action plan for utilising appropriate innovative financing options. The work is pursuing a number of strands to increase revenues from new and existing sources, notably:
 - A new regulation on payment of PA entry fees has been developed and submitted to MEGD and MOF for approval. Once approved, SPAN will assist all the PA Administrations to enhance collection of fees - with the potential to increase revenues substantially from this source.
 - Work is ongoing to explore options to secure for the PAs a proportion (60-70%) of the revenues raised from an airport tax (added to ticket costs) which was established in 2009-10. This is potentially a “Quick-win” since appropriate legislation already exists, and all that is required is a joint decree between MEGD and the Ministry of Finance, and a regulation to cover the detailed allocation of the revenues to PAs.
 - A (previously existing) national Environmental Protection Fund was re-structured in 2013 under the new law on the use of Natural Resources. This holds and disburses the revenues from various land and resource user fees, but needs again specific regulations to determine how revenues can be directed to the PAs. This fund was used in 2013 to direct funds to PAs for the preparation of management plans.
 - A consultancy contract to study PA financing options through concessions, for example for tourism, grazing, mining, hunting, growing/collecting of fruits is currently being let. This will result in detailed proposals for regulations and guidelines to generate revenue from concessions, land use and rental fees etc.. Pilot studies of the application of such fees are currently being conducted at Uvs Nuur and OVNP. In addition, the project is working closely with TNC who are undertaking specific work on biodiversity offsetting from mining activities.
45. The detailed mechanisms by which revenues are raised and returned to the PAs will require further development through regulations and guidelines, possibly with the support of an

international expert (national guidelines), as there is little experience of this in Mongolia. Several mechanisms (entry fees, airport tax, land and natural resource use fees) can be launched without legislative change, and the project should aim to achieve this by the end of 2013.

46. The results of all these consultations and studies are being fed into the proposed revision of the PA and Buffer Zone laws (which may be merged). The new concepts to be included must be finalised imminently, with hearings by the 21 member Parliamentary Standing Committee on Environment starting in August 2013, before the draft legislation is submitted to Parliament for approval during the next session which lasts from October 2013 to February 2014. The lack of time to finalise the detailed recommendations before the legislation is passed is a significant challenge for the project.
47. Importantly, through the working group, the project has developed close cooperation with the Referent of the Parliamentary Standing Committee on Environment who considers the SPAN project support to be of high quality. There is reason for some optimism that the new legislation will be approved (particularly as 39/78 Parliamentarians are members of the so-called “Green Group”), but there are also risks around compatibility of the new legislation with the Land Use Law. The project therefore needs to develop a clear communications and advocacy plan to ensure Parliamentarians are fully briefed ahead of the debates in the autumn. The project is currently seeking the services of international and national consultants to undertake an Ecosystem Services Valuation study of the protected areas system. The Evaluation considers that this study will provide an important advocacy tool, but that it risks being too late to influence the crucial decisions on the new legislation.
48. A further significant achievement under Outcome 1 has been the development and ministerial approval of best practice guidelines for PA Management Planning (upgrading of the existing 2007 guidelines to include TNC’s Conservation Action Planning (CAP) / Miradi approach which gives more focus on targets and results). Since approval of these guidelines, MEGD has instructed all PAs to have management plans in place according to the new system by end 2013, and has allocated \$70,000 to support this work. This welcome but seemingly over-ambitious target requires existing plans to be improved and new plans to be prepared, and risks sucking resources from SPAN away from its defined project plan which must retain focus on delivering just two exemplary demonstration sites). MEGD is therefore urged to work through partners such as WWF and TNC, and with its new KfW-funded project to provide support with training to deliver this target.
49. Additionally, the project has developed and is awaiting ministerial approval for Business Planning guidelines

MTE Findings Outcome 1:

- Satisfactory progress towards targets
- Excellent engagement of national level stakeholders through the PA Forum and Sustainable Finance working group
- Good progress on innovative financing options
- Quality development of management plan and business plan guidelines
- Finalisation of recommendations for revised PA and Buffer Zone laws and development of advocacy plan for their approval is urgent
- Those financing mechanisms that do not require legislative change should be launched quickly

which have again been drawn from international best practice. These guidelines have been distributed to all PA Administrations, with a workshop held by PAAD and 3 regional training courses held by WWF and TNC. Although no instruction has yet been issued by MEGD for preparing business plans, it is intended that the revised PA law should include requirements for business plans. Application of the new Business Planning guidelines is being piloted by the project at the two project demonstration sites, and WWF is assisting business plan development for the Western Region at one NP and 2 LPAs.

50. Thus, the project has succeeded in putting in place the key tools for a more business-oriented approach to PA management. The challenge now is to support the capacity development in the PA Administrations and PAAD to use these tools for enhanced budget planning and revenue generation
51. Other national-level work by the project has included development of indicators for the impacts of tourism activities in PAs on the environment and socio-economic conditions, and also national standards on the accommodation to be provided for eco-Gers.
52. **Outcome 2:** This outcome aims to strengthen the institutional and staff capacity to effectively manage and govern the national PA system. Overall progress has been moderately satisfactory, with 44.4% of the project targets either achieved or on track. However, some “mission-critical” results, such as the preparation of a system-wide financing plan, and the institutionalisation of an integrated training programme for PA managers and experts, remain to be secured. Overall, progress of this Outcome is less advanced than that of Outcomes 1 & 2.
53. Although a training curriculum existed for rangers prior to the start of the project, a much more strategic and comprehensive approach to training is needed for all protected areas staff, particularly managers and experts, both in the PAAD and its Administrations, so they are able to implement to a high standard the new approaches being introduced for PA management and business planning /financing. The project therefore conducted a training needs analysis across the PA system, and used this to prepare an integrated training curriculum, which was submitted to PAAD for approval in May 2012. Significant training has also been provided to follow-up the development of the management and business planning guidelines with training delivered to 3 regions in 2012 and 33.5% of PA staff trained in this area by the end of 2012. A big achievement of the project is that the PA Administrations are now thinking in a much more business-minded fashion.
54. SPAN now needs to support MEGD to work with key partners to agree a long term mechanism for the delivery and financing of this integrated training programme, and establish certification arrangements with the Ministry of Education. The private university “Eco-Asia” which focuses on environmental science may be a good candidate for assisting the MEGD with delivery. Similarly it will be vital to engage closely with the new KfW financial assistance project to MEGD which aims to establish a number of regional training centres for PAs.
55. Following the re-arrangements within MEGD, PAAD proposed a new structure with support of SPAN in reviewing job descriptions for all staff and a proposal was submitted to increase staff from 5 to 11. This was not approved in full, but 2 additional posts were created bringing the

number of staff to seven², including new tasks such as PA management, LPA management, database management and legal issues. However the capacity of PAAD (both staff numbers and training) remains a major constraint given the new ambitions for the PA system. Particular capacity is lacking in strategic budgeting, new revenue development and monitoring and evaluation, and the MTE considers that a strong justification should be made once again to further strengthen capacity in Financing and M&E through re-submission to the Minister in an official letter. SPAN should assist with making the justification based on how this will help deliver financial sustainability and strengthening of the PA system. In this regard, the Project Document included a specific proposal that 2 SPAN Project Officers (Financing and M&E) should be trained through the project and integrated within PAAD, with a view to them becoming PAAD staff following completion of the project. Little formal progress appears to have been made on this plan although the SPAN Financing Officer is assisting PAAD closely with financial issues; however, in the Evaluation's de-briefing discussions with the Secretary of State of MEGD, he endorsed the proposal for the Ministry to take on the funding of these 2 positions at the end of the project.

56. MEGD/PAAD has a very general M&E system for staff/PA performance assessment based on weekly and monthly reports which are rarely analysed, with no systematic monitoring in place for example against management plan targets. SPAN has therefore undertaken a desktop study to develop a monitoring and reporting system for the PA system, with a consideration of how incentives could be incorporated. Work is ongoing to develop this system, but there seems little chance to introduce incentives (such as bonuses for working in remote areas) into a rather rigid government system.
57. Although the new guidelines for management plans and business plans are now available to the PA Administrations and some training has been provided, the capacity required to prepare these documents and to compile the information across the whole PA network remains inadequate. This is particularly the case with regard to preparing an integrated budget plan across the whole system, incorporating also the possibilities for new revenue generation. SPAN has contracted a company to help develop the existing software and this is being piloted since April 2013. So far only 9 out of 30 PAs have submitted information and there are problems with data quality. Such analysis is crucial to preparing a strong justification for increased governmental financing for the PAs. The MOF indicated to the MTE team that it is positive towards strengthening the budget for PAs, but PAAD needs to develop an integrated plan across the

MTE Findings Outcome 2:

- Moderately Satisfactory progress towards targets
- Delivery mechanism for integrated training programme needs defining
- PAAD capacity needs further strengthening
- Need to deliver integrated budget plan for the whole system
- Revision of the National Programme on Protected Areas provides opportunity to institutionalise the new approaches for future implementation across the network

² Director, PA Policy Coordination officer, Buffer Zone and Local Development officer, Land Use officer, Research and Database officer, Tourism, Training and communications officer, Legal, Conservation and Inspections officer.

whole PA system making a convincing results-based request for increased budget. This is crucial because the MEGD is facing an increased burden on its budget for example to finance the new watershed management agencies.

58. Strengthening information management about the PA system is being supported by WWF who have developed “EcoNet” - a GIS based website for Mongolia’s PAs. WWF is entering an Agreement to maintain this system on behalf of PAAD, and this provides an important opportunity for SPAN to ensure its new approaches and materials are made widely available. Further support to the development of an on-line information management system is expected to be provided by the new KfW financial assistance project.
59. A National Programme on Protected Areas has been in place since 1998, with a strategy covering the period 1998-2005, 2005-15 and after 2015. SPAN is supporting a review of the 2nd phase Programme to be implemented until 2015, and the results will be put for approval to the Ministry. This is clearly a major opportunity to articulate a clear strategic vision and plan for the PA system incorporating all of the new approaches being developed, that all partners can engage around. This plan will need to articulate clearly the role of PAAD as the government department responsible for all PAs, but define the roles of local government and communities in collaborative management and financing.
60. **Outcome 3** –This Outcome aims to demonstrate sustainable financing mechanisms and innovative collaboration approaches at 2 PA demonstration sites: Ikh Nart Nature Reserve (INNRR) and Orkhon Valley National Park (OVNP). Satisfactory progress has been made against the targets for this Outcome at both sites, with 77.7% of the project targets either achieved or on track.
61. Prior to the start of the project, both demonstration sites already had a strong history of international cooperation, which has enabled the project to make rapid and impressive progress:
 - At INNRR (66,760ha), the area was protected in 1996, and since 2000 has benefited greatly from cooperation between the Argali Research Centre and Denver Zoo with additional funding from individual researchers, EarthWatch, and a field research camp for up to 20 people. An impressive research programme by local and international researchers has developed a strong evidence base which can assist management. More recently, a 3 year cooperation agreement has been established with Anza Borrego Desert State Park in California which is providing assistance for ranger uniforms, border marking and equipment.
 - Orkhon Valley NP (363,000ha) has been a National Park since 1996, and part is a cultural World Heritage Site since 2004 (121,967ha). OVNP has received previous support from GTZ to support development of a management plan, capacity building, as well as the establishment of a new office for the PA Administration in 2007 (currently 1 Director, 4 experts and 7 rangers). There is a separate WHS Administration with 20 staff (many UB based).
62. A major achievement of the project at both sites has been to bring all key stakeholders together around the development and implementation of the management and business plans – a complex task given that local government engagement at OVNP involves 2 Aimags and 6 Soums.

The Management Plan for INNRR was prepared according to the new guidelines, and approved in August 2012 and is the first approved management plan for a Nature Reserve in Mongolia. The Management Plan for OVNP had already been prepared in a participatory way under a previous GIZ project in 2009/10 but will be reviewed and updated according to the new guidelines in 2013. A separate management plan is also being prepared for the Kharkhorin buffer zone, and this will then be replicated to six other buffer zones around OVNP. Business Plans have developed with support of consultants on the basis of the management plans using the new guidelines; the one for OVNP has already been approved, and the one for INNRR is also finalised and awaiting approval from the Management Council.

63. One third of Mongolia's international tourists visit the OVNP, both for its cultural and natural values. In order to address the specific challenges of tourism development at OVNP, a Tourism Management Plan (2012-17) has been developed and approved, based on questionnaire surveys from tourists, and with support of 3 consultants. It includes zoning arrangements/hiking routes etc, and addresses ecological capacity issues. The work of SPAN in facilitating this plan is widely appreciated by local stakeholders, including the World Heritage Site Administration, and the Aimag has approved funds to support implementation. Great care is needed to manage the expected increase in tourism at both sites, and emphasis should be on securing low impact, high value, high quality ecotourism.
64. The project has been highly successful in developing innovative collaboration approaches with local Aimag and Soum authorities and communities through the establishment of Management Councils at both sites to advise and support implementation of the management plans. For example the Council for OVNP includes 13 members (Aimag Governor, Soum Governors, Park Administration, tourism sector, local community representatives). The Councils are only just beginning to operate (2 meetings so far at OVNP and only informal meetings at INNRR), but are already seen as an excellent mechanism for joint decision-making and action. SPAN, through its local coordinators, is still playing a significant role in financing and facilitating the meetings, and the PA staff and other stakeholders do not yet have the capacity to take on this role or operate independently. During the remainder of the project, high priority must be given to training the PA Administration staff to take over this role and they should be seamlessly involved in all SPAN activities.
65. Being a Nature Reserve, and therefore not receiving management support or financing from the PAAD, the INNRR had no PA Administration prior to the start of the project. However, thanks to the energetic work of the Argali Research Centre, and with strong support from SPAN, a unique, tripartite agreement was recently signed between MEGD, the Aimag Governor and the ARC that gives responsibility to the ARC to manage INNRR. This is the first ever Nature Reserve in Mongolia to have a management structure in place, and the second time this responsibility has been given to an NGO (after Khustai). ARC has a local branch at INNRR and the head will become the head of the PA Administration. The PA Administration buildings, including a small information centre, are now being constructed with a \$93,000 contribution from the Aimag Government (this Aimag is relatively rich due to mining revenues), which also includes a contribution to the operational costs for the appointment of 3 local staff who will be trained by the SPAN project. This is the first time any local government has committed financing to PAs of Nature Reserve category, and is a

significant achievement for the SPAN project, although the challenge will be to sustain what is currently only an annual agreement. The Aimag is not expecting a cash return on its investment, but is looking for sustainability and building capacity of locals to look after the area.

66. The SPAN project has provided numerous training programmes at both demonstration sites – for example on community development and co-management (Training of Trainers), management planning (also for buffer zones), business planning and institutional budgeting (including new accounting software), tourism development, basic GIS and GPS, training of teachers in environmental matters. Three study tours have been organised so far of 10-15 persons each for site staff and stakeholders to other sites. For example, 10 OVNP staff, environment officers and rangers visited INNR to look at research and other arrangements. A return exchange visit is planned later in 2013. A similar visit from OVNP was made to Uvs Lake. The project is planning to extend this successful approach, particularly for community groups.
67. The project has also supported the provision of materials and infrastructure at both sites. A special project has been the design and construction of a gated entrance and visitor centre to the OVNP, which is now complete but still requires furnishing, as well as the furnishing of a training room in the OVNP offices. At INNR, the project is working with the Aimag authorities and Argali NGO to support the construction of the PA Administration offices, which will also include a training room. For both sites, high quality maps of the area, as well as brochures and posters for tourists and schools have been produced. Motorcycles, uniforms, GPS, binoculars, raincoats and boots have already been provided for rangers at OVNP and are planned for INNR. An information management system / web site is being developed for OVNP. At INNR, the project is planning a mobile information “Ger” and an Ikh Nart celebration day is planned for July 2013. At both sites, the project has supported establishment of Eco-clubs at schools, which is further helping to raise awareness.
68. Among the most innovative elements of the project has been the establishment of 4 community groups at INNR and 4 at OVNP to bring together nomadic herder families to support PA management at the two sites. These groups are represented on the respective Management Councils. Each group may involve 10-30 neighbouring families of up to 75 adults, each governed by an Agreement and with an elected Chairperson (mainly women - an important success in terms of the project’s attention to gender issues) and Board, and an agreed work plan. These groups, supported by SPAN, have clearly played a major role in raising environmental awareness, changing the minds of herders towards protected areas / conservation, engaging communities in management plan implementation, reducing community impacts on the areas and helping them to benefit from PAs and bring sustainable development to their area. The MTE met with three of the groups and concluded that they are much appreciated by their members. Membership is growing, with meetings occurring several times each month, and many activities are under way. Activities have included joint working and volunteering to assist PA management – such as litter collection, erecting boundary markers, helping with surveys (ibex), repairing wells, restoring a spring (equipment provided by SPAN). The project has also responded to numerous requests for training in topics like rangeland/pasture management, handicraft production, word processing, felt making, making hay. At INNR, SPAN is helping one group with a 70% grant to purchase a felt-making machine. Future plans for training include courses on language training (to communicate

with tourists), cooking for tourists, tourist guides, vegetable growing, food processing (particularly waste animal products) and packaging. At least one community (OVNP) has established a fund (with contributions from each family), which is used to support projects and the poorest families in the group. Two OVNP community groups have signed agreements with PA and Soum administrations to be involved in tourism development. The groups are also providing an important mechanism for communities to come together on issues such as mining concessions and restoration of old mine-workings.

69. Addressing the problem of over-grazing remains a key unresolved issue to address with the local communities. The project will draw on previous successful models from the Altai Sayan project and UNDP Pasture management project that will find an appropriate balance between livelihoods and biodiversity conservation. There is no plan to consider the relocation of herder families from within the PAs.
70. New revenue generation mechanisms are being piloted at both sites. A Trust Fund has been established for INNR but it can only accept voluntary contributions so far – and further regulations need to be developed. An EcoFund has also been established at OVNP and a joint-resolution released in 4 Soums on the collection of fees and generation of revenues from car parking, camping, haymaking, gathering medicinal herbs etc. which have so far generated \$1500 in addition to entry fees. Local government will hold the funds, and 80% will be returned to the PA. A very encouraging commitment was that each Soum Governor personally gave \$90 to start-up the Fund!
71. The project has established Environmental Units, replicating the UNDP/GEF Altai Sayan project best practice, in 3 soums at OVNP and at INNR, drawing together the Environmental inspectors and PA staff and community groups. This new way of collaborative working is much appreciated by the Environmental Inspectors and PA rangers for the added-value it provides, including better intelligence on mining exploration, poaching, better land management etc.. Rangers also consider that communities are now working to support them, rather than considering them with suspicion.
72. One planned tool of the project which has not yet been utilised is the “Grant facility for finance options” for non-target PAs. This has not yet been implemented largely because of the pressure on funds.

MTE Findings Outcome 3:

- Satisfactory progress towards targets
- Excellent engagement of local authorities
- Excellent engagement of local communities and livelihood development work
- Effective training programmes
- Need to build the capacity of the PA Administrations and Management Councils to take on the new approaches

3.2 Adaptive Management

Work Planning

73. The project has adopted a sophisticated process of work planning, whereby a detailed annual work plan is derived from the project log-frame, and then transposed into quarterly work plans and individual work plans for the staff. This process is being used effectively to drive the project

forward, and the work plans were being visibly used by project staff. Project staff are on one-year contracts, and annual performance reviews are used to assess delivery of results against project plan.

74. The project document and Log-frame (Strategic Results Framework) have clearly been used effectively as the basis for work planning, and project progress closely tracks the Project document. Only minor changes to the log-frame (one assumption and one additional indicator) have been included at the time of the Inception Workshop and 1st Board meeting. The MTE considers that these changes are appropriate, including the addition of the new indicator on the percentage of management plan activities completed at each of the two project demonstration sites by 2013.
75. The Evaluation applauds the increased emphasis the project has given in its work planning to community engagement and livelihoods development at the two demonstration sites and considers this to be a good example of adaptive management by the project. This vital element was under-emphasised in the project document and log-frame, and the Evaluation recommends that in order to maintain focus and recognise performance on this aspect a new indicator and target should be added to cover this aspect, to be approved by the Project Board at its next meeting.
76. The project strongly emphasizes promoting gender equity in its actions. During 2012/13, 32% of the beneficiaries of various training opportunities were women who increased their knowledge and skills in biodiversity monitoring, PA values and basics of community-based natural resources management approaches.

Finance and co-finance

77. Financial management procedures follow standard UNDP guidelines/manual for NEX projects, with the NPD having authority to approve and disburse payments. The project has so far received one independent Audit in May 2012 (clear), and is subject to annual internal monitoring visits by UNDP of the projects in the NEX Environmental Cluster. During the discussions with different stakeholders there was every indication of tight financial management to seek the highest possible cost-effectiveness in the use of the project's resources.
78. The cash funds available to the project are those provided by GEF (\$1,363,630 = 66.1% of the cash total) and UNDP (\$700,000 = 33.9% of the cash total), providing a total cash budget of \$2,063,630 over the five years (Table 4).
79. The Evaluation was provided with financial expenditure reports for 2011, 2012 and the first quarter of 2013 (see Table 4). Overall, the expenditure of GEF funds (\$439,634) is 41.7% behind plan (\$753,850) and expenditure of UNDP Funds (\$431,565) 24.5% ahead of plan (\$346,515). When the two sources are combined, the cash budget expenditure (\$ 871,179) is 20.8% behind the planned expenditure for this stage of the project (\$1,100,365) - caused mainly by delay of two major studies on Economic valuation and Concession strategy development, that will commence in June and July 2013. However, it is expected that because of the quite strong "front-loading" of the project budget, and the delays that occurred in 2012 as a result of the elections and change of government, higher than expected expenditure will be required for the remainder

of the project. Indeed, 42.2% of the total cash budget had been expended by the end of the first quarter of 2013 which marks 45% of the project period. Thus, if the project continues to spend at the current rate, the full budget is expected to be utilised by the end of 2015. The Evaluation was informed by the UNDP DRR that the UNDP contributions so far had been higher than budgeted, because of the likely funding restrictions in the second half of the project. He confirmed, however, that the full UNDP contribution of \$700,000 would be made available.

Table 4: SPAN Budget and Expenditure Summary for GEF and UNDP funds (US\$)

Year	2011	2012	2013	2014	2015	Totals
GEF Budget	360,220	330,250	253,520	233,920	185,720	1,363,630
GEF Expenditure	164,329	251,023	24282*			439,634
UNDP Budget	165,340	148,840	129,340	117,340	139,140	700,000
UNDP Expenditure	294,446	114,962	22,157*			431,565
Total Budget	525,560	479,090	382,860	351,260	324,860	2,063,630
Total Expenditure	458,755	365,985	46,439*			871,179

Source: Project document (Budget); PIU Financial Report (Expenditure) * = Quarter 1

80. The Evaluation notes that a sum of \$93,248.02 was included in the 2011 expenditure by UNDP to cover the costs of a Junior Programme Officer in the UNDP Environment Team who provided significant assistance to project start-up. Representing 4.5% of the total cash budget, this unbudgeted expenditure has put significant strain on the project budget. Other deviations from budget included higher than planned procurement in 2011 due to the purchase of the project vehicle (\$48,000), as well as office set-up etc..
81. The Evaluation concludes that financial management of the project is satisfactory, but that the available cash financing for the remainder of the project is limited for the large array of activities included in the project. The Evaluation notes that several requests for SPAN project to finance additional activities outside the project plan have been discussed at project Board meetings. The Evaluation urges the project Board to resist such temptations, to maintain focus on the project plan and to provide strong support to the Project Coordinator to manage this challenging financial situation towards a successful conclusion of the project. There is unlikely to be any budget availability for consideration of a project extension.

Co-financing available to the project (see co-financing table, Annex 9)

82. The project document specifies two sources of co-financing: firstly, a government contribution of \$500,000; and secondly contributions from three technical partners: GIZ (\$1,000,000), Denver Zoological Society (500,000), and WWF-Mongolia (\$222,858). These contributions total \$2,422,858. Table 5 summarises the contribution of each co-financing partner to each Outcome for the Years 2010-13 inclusive, and compares this with the total expected co-financing contribution over the full project period. The contribution from GIZ is on track, while both WWF and Denver Zoo have already exceeded their whole-project co-financing commitment.

Table 5. Partner Co-financing contributions, 2010 – 2012 (USD)

	Outcome 1	Outcome 2	Outcome 3	Outcome 4	Totals 2010-12	Expected Total	% delivered
Government³	94,263	13,220	0	0	107,483	500,000	21.5
GIZ	154,950	356,700	56,850	0	568,500	1,000,000	56.9
WWF	146,283	304,024	137,269	0	587,576	222,858	263.6
Denver Zoo	0	0	609,694	0	609,694	500,00	121.9
Total Co-financing	395,496	673,944	803,813	0	1,873,253	2,422,858	77.3

83. Discussions at the project Board clarified that the Government contribution would mainly cover the costs of provision of office space for the project. However, the MTE recommends that the PIU should keep a close record of all government contributions. These could include contributions to running workshops and training courses etc. (meeting rooms) and the time of officials on project activities, but also tangible cash contributions such as the \$93,000 contributed by the Dornogobi Aimag in support of the INNRR, and the \$70,000 allocated by MEGD for preparing management plans at non-pilot sites. With inclusion of these two latter sums, government co-financing is on-track.
84. The contributions from GIZ, WWF-Mongolia and Denver Zoo reflect their parallel activities at the two project demonstration sites and elsewhere. No clear mechanism has been established for agreeing jointly the expenditure of these funds on project priorities, nor is there effective monitoring or reporting (although a summary was obtained with some difficulty for the MTE). The MTE recommends that the PC meets annually with each of these organisations, to agree the areas for joint working, and that a formal record of how the co-financing has been spent is recorded at the end of each year.

Monitoring Systems

85. The monitoring systems used by the project follow established UNDP and GEF procedures and include an Inception report, and reports against the annual work plans which are then submitted in standard format to UNDP-CO as Quarterly Operational Reports and more detailed annual reports in the form of the Project Implementation reports (PIR) covering the period July to June. Two PIRs, for 2011 and 2012 have so far been prepared, and are of satisfactory level of detail and quality. These formal reports are submitted on a regular basis to the regional UNDP/GEF unit in Bangkok, and thereby to UNDP HQ and to the GEF Secretariat.
86. The project log-frame (Strategic Results Framework) provides the main performance and impact indicators against which the project is measured. Whilst the log-frame is being effectively used for work planning, the MTE is not convinced that progress against the Indicators and Targets in the project log-frame are being, or have been, used effectively as a monitoring tool to drive the project to a successful conclusion.

³ Includes office rent, contribution of NPD and PAAD staff salaries, local government salaries, workshops etc.

87. The Financial Sustainability scorecard and METT Scorecards for the 2 demonstration sites were reassessed by the project team and expert consultants in April 2013 in readiness for the MTE, and the Capacity scorecard was reviewed by the team during the Evaluation at the request of the Evaluators. However, beyond this effort stimulated by and for the MTE, it was not clear that a regular monitoring of progress against targets was being conducted. During the Evaluation, therefore, the status of each target was assessed by the MTE team together with the Project Coordinator, and assigned to one of the four categories: a) the target had already been achieved; b) the target was on track to be achieved by the end of the project; c) the target was behind schedule and needed attention; or d) the target was at high risk of not being achieved by the end of the project. The MTE proposes that progress against targets using this “traffic light” system should now be reviewed on a 6 monthly basis, presented to the Board and used by the team as a tool for adaptive management.
88. The updated METT, Financial Sustainability and Capacity Scorecards (Annexes 6, 7 & 8) confirm the substantial progress the project is making made towards its objective, as summarised in Table 6.

Table 6. Progress against Targets for the main Scorecard tracking tools

Scorecard	Baseline %	At MTE %	Target %
Financial sustainability	19.4	29.5	40.0
Capacity	49.5	65.0	70.0
METT - INNRR	60.0	71.0	75.0
METT - OVNP	37.0	70.0	55.0

89. The Evaluators have provided comments on the Scorecards (see annexes) which should be reviewed and incorporated to provide final “MTE versions” as appropriate.

Risk management

90. Table 7 summarises the risks previously identified in the project document and PIRs, and shows the risk assessment at the start of the project and at the time of the MTE as assessed by the Evaluation Team. All risks have either remained stable or reduced, particularly as a result of the proactive “green” engagement of the new government.
91. The MTE identifies one new risk that should be considered by project management and the project Board, for the development of appropriate mitigation measures. This is that attention to the broader “green development” agenda within MEGD will dissipate the attention and resources available to PAs. The MTE considers that this risk should be addressed by building the evidence base on the contribution that the PA network provides to the economy and society through the ecosystem services it supports, and developing an active communication strategy to raise awareness on this issue.

MTE Findings – Adaptive management

- Effective work planning
- Give more attention to progress against targets
- Inadequate attention to Communications
- Budget expenditure is on track and unlikely to suffice for project extension

Table 7. Updated Risk Assessment for the SPAN project

Risk	At Start	MTE	Comment
GOM political will and operational commitment to refine and support the National Programme on Protected Areas and Law on Special Protected Areas is insufficient.	Medium	Low	The change in government, increasing focus on green development, and strong green group in Parliament has reduced this risk
Global economic crisis' effect on Mongolia will reduce National commitment to conservation and may limit revenue generation for PAs through tourism and other ideas	High	Medium	No strong evidence of a major negative impact to date, although may have slowed possible growth
Land use conflicts between stakeholders at landscape level will undermine project efforts	Medium	Medium	Effective working with communities is reducing this risk. At Ikh Nart special attention is given to reducing risks from mining
The inability to capitalize on previous Mongolia Environment Trust Fund in past will discourage project stakeholders in addressing PA finance issues	Medium	Low	This has not been a major hindrance to the ongoing work
High importance attached by some government agencies and some local governments on mineral exploration in and around undermines conservation efforts and, discovery of minerals threaten de-gazettement of PAs.	Medium/High	Medium	Stronger environmental awareness, new laws and green governmental policies reduce this risk
Coordination and collaboration from different government agencies on PA financing will not materialize	Medium	Low	Inter-Agency Working Group on Sustainable Financing has enabled good collaboration

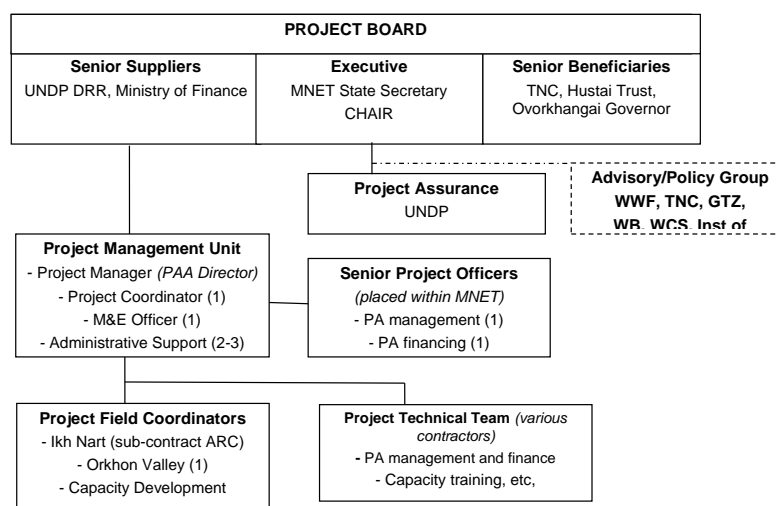
Reporting

92. In addition to the formal reporting required by UNDP and GEF, the Project Coordinator has made a detailed presentation on the activities and performance of the project against the annual work plan to key project stakeholders at each of the Project Board meetings, providing members with the opportunity to comment and advise on the following year's work plan and thereby incorporate adaptive management measures.
93. The project team has a regular process of internally evaluating project activities, and compiling lessons learned that can be incorporated into future activities. These are summarised annually in the PIRs.
94. The MTE is concerned that inadequate project resources have been allocated to communications to support advocacy activities, keep partners informed of project progress and plans, and make project materials widely available. The project has no communications plan, no active web site, no newsletter to keep key stakeholders informed, and no strategic advocacy plan to support progress towards its key objectives. This key aspect of any project was not specified in the Project Document, nor in the TOR of any project staff. This concern about communications is not just one of the MTE team, but has also been raised by the Board. The MTE recommends that the project should address this issue urgently through the appointment of a communications officer (possibly shared with the new GEF project) and the launch of a monthly e-newsletter to be distributed widely to all partners.

3.3 Management arrangements

95. Figure 2 shows the original project management structure as planned in the Project Document. This has broadly been adhered to. The following paragraphs describe any changes and assess the functioning of the project management system.

Figure 2. Project management structure as envisaged in the Project Document



Overall Project management

96. The Project Board comprises 11 members representing MEGD (State Secretary, NPD, Adviser to the Minister), UNDP (Deputy Regional Representative), Ministry of Finance, 3 local government representatives and 3 NGO representatives, and is chaired by the State Secretary of MEGD, Mr J. Batbold. The MTE recommends that the Directors of the PA Administrations for the two demonstration sites also be invited to attend the Board meetings as observers so as to maximise their ownership and understanding of the project, and what activities it can support. The Board has met once in 2011 and once in 2012, and full minutes have been produced. Although the Project Document only proposed one meeting of the Board annually, the Evaluation is concerned that this is not frequent enough to keep the project firmly on course according to the project plan, and to ensure the constant engagement of key stakeholders. Minutes of the Board meetings indicate strong support of the Board for the project but that they require more regular communications. During the Board meetings, the Project Coordinator has had to address requests for the use the project funds to support additional activities outside the project plan. The Board should collectively resist such requests except under exceptional circumstances, and focus their effort on keeping the project firmly on plan.
97. The NPD for the first 2 years of the project was the previously long-serving Director of the PAAD (Mr A. Namkhai). Following the election of the new Government, a new Director of the Department (Mrs T. Erdenechimeg) was appointed in September 2012. There is also an Alternate NPD (Head of the International Cooperation Department of MEGD, Mr D. Batbold), who made a visit to INNR which greatly helped with facilitating the new management arrangements. The re-location of the project office to separate facilities (see below), plus the heavy workload on the NPD brought about by the new responsibilities of the Ministry mean the working arrangements

and communications between the NPD and Project Coordinator need strengthening. The Evaluation considers that formal weekly meetings of one hour between the NPD and PC should be set to agree short-term priorities and resolve issues (based on a joint work plan linking the Project AWP and the MEGD AWP). A more substantive and strategic meeting should be arranged on a quarterly basis to review medium-term progress and priorities.

98. A Project Implementation Unit has been established in Ulaanbaatar since the start of the project and comprises 6 staff as follows: National Project Manager/Project Coordinator (PC), Finance and Administration Officer, PA Management Officer, PA Financing Officer, Secretary and Interpreter (vacant at the time of the MTE), Driver. The position of M&E Officer envisaged in the Project Document has so far not been filled. The project has benefitted significantly from the previous experience of the Project Coordinator and the PA Management Officer with international projects concerning PAs and sustainable land management. In addition to the staff based in the PIU, a Local Coordinator has been appointed since the start of the project at each of the two demonstration sites. Again, in both cases, the project has succeeded in recruiting experienced individuals with good communication skills (one was formerly the Director of the OVNP Administration), which has greatly assisted the progress the project has made on the ground. The staff are committed and dynamic, and clear on their responsibilities as defined in their personal (weekly, quarterly and annual) work plans which provide the basis for their annual performance assessments. Some staff training has been provided as required, eg on GIS and database management. All staff have been recruited through an open recruitment process, have annual contracts, and annual performance reviews against work plan
99. The PIU was initially located in the Ministry offices, but following structural adjustments to create MEGD and a large increase in staff, the lack of office space forced the Ministry to find alternative accommodation for all project units. As a result, the PIU is now located in a small office some 20-30 minutes by car from the Ministry. The project has its own 4WD vehicle and driver. The PIU office is adequately equipped but lacks space and a meeting room. The Local Coordinators have offices in the local Soum Administration (INNRR) and the OVNP Administration office. Their offices are well equipped and have access to Internet allowing daily communications with the office in UB. The local coordinator in INNRR has a motorbike, and the one in OVNP uses rented cars as necessary.
100. Despite the high quality leadership and technical coordination being provided by the Local Coordinator at OVNP, the Evaluation detected some tensions (around responsibilities, communications and finances) with the Director of the OVNP Administration. These appeared to be arising partly because the LC had previously occupied this position, but also because the Director was largely based away from the NP offices (in another soum, where he resides) making communication and coordination more difficult. More formal mechanisms for coordination need to be established to address this issue, with strong support from NPD and PC.
101. Although a Policy Advisory group to draw on the advice of the key NGOs was envisaged in the project document, this has not yet been established, although there has been much bilateral cooperation on technical activities. The Evaluation considers that the collective experience and expertise of these NGOs represents an important potential source of support for the SPAN

project that is not being fully utilised, and recommends that this Policy Advisory Group is now activated and retained for the remainder of the project.

102. Although the project planned for 10 international consultancies (with a total budget of \$579,000 (28% of the total cash budget)), only 2 (plus the MTE International Team Leader) have so far been hired for a single mission each (Legal and Policy Assessment expert and PA Sustainable Financing expert). Only 2 further international consultancies (plus the Terminal Evaluation International Team Leader) are currently planned, to address (i) Economic valuation of PAs, and (ii) PA concessions. This reduction in the number of planned international consultancies reflects the considerable national-level expertise that is available, as well as the very tight project budget – and the Evaluation considers it to be a good practice in adaptive management to have made the consequent budget savings for other aspects of the project.

Quality of execution of implementing partners

103. The MEGD (particularly the PAAD) and UNDP should be congratulated on the good progress that has been achieved by the SPAN project. Following the change of government and increased focus on “green development”, the SPAN project offers an extremely timely opportunity to make a step-change in the management effectiveness of the PA network, and to put it on a more sustainable financial base. There is clearly a very high degree of technical cooperation occurring between the project staff and the staff of the PAAD and its Administrations. However, with just 2.5 years left to run, the MEGD now needs to focus on planning with the project team how it will raise its capacity so that it is able to effectively to manage the new systems of financing and co-management that are being piloted and developed by the SPAN project. As already discussed above, there is a great need to build capacity of the PAAD and the PA Administrations through further training, and also to increase the number of staff in the PAAD to be able to strategically plan and manage the new approaches. The original proposal to locate two technical officers of the project (Financing and M&E) within the PAAD with a view that they will continue after the project as government employees should be implemented.
104. In order to address these issues, the MTE recommends that the Project Coordinator prepares in close coordination with the NPD a “SPAN Exit and Sustainability Plan”, to be adopted by the Board by the end of 2013 and implemented and monitored throughout the remainder of the project. This will require key actions for sustainability to be defined, and focal points within PAAD to be nominated.
105. In addition to the PAAD and the SPAN project team, there are a wide range of players strongly engaged in supporting improvements to the effectiveness of Mongolia’s PA system. These include UNDP and GEF through past and

MTE Findings – Management arrangements

- Board needs to meet more frequently
- Board should maintain focus on the project plan and avoid dissipation into additional activities
- Office move from MEGD has brought disadvantages
- More formal coordination arrangements required between NPD and PC
- More formal coordination arrangements needed between LC and Head of the OVNP Administration.
- Activate the Policy Advisory Group
- Need a “SPAN Exit and Sustainability Plan” with PAAD
- Not enough cross-project learning with other projects in the region

future projects, bi-lateral agencies including GIZ and KFW, the international and national NGOs and increasingly local government. Coordination of all these supportive inputs requires a clear Vision, plan and integrated working. Engaging the support of these partners in an integrated way is clearly a priority for MEGD, with the support of UNDP as a close partner. The MTE considers that the formulation of the new Protected Areas Programme from 2014 provides an excellent opportunity to establish a formal mechanism to bring these various parties together into a more formal strategic force. Alongside the institutionalisation of the PA Forum, the MTE recommends consideration of establishing a small PA Partners Board to drive the process forward.

Quality of support provided by UNDP

106. UNDP is a close and valued partner of the Government and particularly MEGD (as witnessed in the joint support for the World Environment Day celebrations). This provides an opportunity for a highly strategic engagement.
107. During project preparation and 2011, the project benefitted from close support of a UNDP Junior Programme Officer (whose costs were charged to the project budget) who provided significant support to the successful start-up of the project. However at the time of the Evaluation, UNDP CO could only provide limited technical support through its small environmental office of 2 persons (may soon be expanded to 3/4), plus very limited support for example from a communications officer who is supporting numerous other projects. As a result, the UNDP office is not currently able to engage heavily with the project activities, particularly in the field, but is still providing committed and efficient administrative support and maintains very regular communication with the project team.
108. The MTE was not informed that SPAN had had much or any engagement with similar GEF projects in other countries of the region. There is the impression that projects with similar objectives are often duplicating the development of methodologies and approaches (eg management plan and business plan guidelines, innovative financing mechanisms), and that many efficiencies could be made from more cross-project learning and sharing of materials and experience with other projects. UNDP should encourage and facilitate Project coordinators to visit similar projects that are further advanced, at the start of their project.

4 Conclusions, Recommendations and Lessons

4.1 Conclusions

109. SPAN is without doubt a nationally and regionally significant project which, with a supportive policy environment and clear strategy, is making a real difference. The simple log-frame with just 3 outcomes and 9 Outputs provides an adequate basis for planning, and does not require revision. The project is well-managed, well-appreciated, dynamic, and adaptive. It has achieved considerable political support and stakeholder engagement, for which the strong engagement of local authorities and communities at the two project demonstration sites can be considered major achievements. Whilst these local stakeholders have previously often been hostile to “protected” areas, SPAN has demonstrated that through a strong focus on participation and sustainable use, nature conservation and livelihoods development objectives can be complimentary. As a result the attitudes of communities and local authorities have changed fundamentally giving a high chance for sustainability.
110. The project is producing substantial results to a high standard, is broadly on track both in terms of progress against the log-frame targets and financial expenditure and there is no case at present for a project extension. However, many key targets still remain to be secured, most notably the revision of the PA and buffer zone laws which are required to enable the new approaches to be rolled out, and the generation of additional funding for the PA network both from central and local government and from new revenue-generation mechanisms. A major task that must remain at the centre of the project for the remaining 2.5 years is to further build the capacity of the PAAD and its Administrations so that it is able to continue implementation of the new approaches developed by SPAN after the end of the project.
111. The available financial and human resources for the project are extremely limited compared to the task required. The MTE urges the project team and Board to maintain focus on the defined targets in the project Logframe, to track progress on a more regular basis, and to avoid dissipation into activities that are outside the project plan. Activities under Outcome 2 are less well advanced than those under Outcomes 1 and 3, and should therefore receive greater attention during the remainder of the project. More attention should be given to communications activities.
112. The launch of the new UNDP/GEF project on Local Protected Areas, and the new KfW financial assistance project, which will overlap with the remainder of the SPAN project, provide a great opportunity for synergistic working and operational efficiencies in support of the PA system. The SPAN project, in supporting formulation of the new National Programme on Protected Areas from 2014, should assist MEGD to develop a clear Vision and Strategy that will tie these projects and other partner initiatives together. In addition to institutionalising the PA Forum, the MTE recommends that PAAD establishes a PA Partners Board to bring together UNDP/GEF, bi-lateral donors, NGOs and local government representatives to drive forward the strategic development of Mongolia’s PA network.

4.2 Recommendations

113. Table 8 summarises the 27 MTE recommendations in a form that should be utilised to prepare a MTE Management Response to be approved by the project Board. The recommendations are divided into four groups: (i) Strengthening the Management arrangements; (ii) Priorities for national level implementation; (iii) Priorities for implementation at the demonstration sites; and (iv) Priorities for a sustainable exit.

Table 8. MTE Recommendations

Rec. No.	Recommendation	Responsible
A	Strengthening the management arrangements	
A.1	Increase the frequency of Project Board meetings to a minimum of 2 per annum, to strengthen engagement of key partners, maintain focus on delivery against the project plan and avoid dissipation onto other activities, and ensure synergy with related projects. Also invite the Directors of OVNP and INNRR as observers.	PB
A.2	Strengthen planning/reporting between NPD and PC through establishing a joint SPAN/MEGD work plan with regular weekly meetings to address short-term priorities and a longer meeting each quarter to set medium-term priorities. NPD to visit the project sites at the earliest convenience.	PC, NPD
A.3	Activate the Policy/Advisory Group to take stock of project progress and advise on priorities at this mid-term point, based on the conclusions and recommendations of the MTE. Hold annual meetings thereafter to advise on work plan and NGO partner support.	PC
A.4	Strengthen attention on indicators and progress against targets as an adaptive management tool, and assess progress every 6 months using traffic light system initiated by the MTE. Consider appointment of a joint M&E officer with the new UNDP/GEF project	PC, PB
A.5	Strengthen alignment and reporting of co-financing through annual meetings with co-financing partners and establishing a formal tracking system.	PC
A.6	Strengthen communications through appointment of a Communications Officer (jointly with new GEF project), to support information dissemination (monthly e-newsletter) advocacy and knowledge management so as to capitalise on the good results.	PC, NPD
A.7	Add a new risk on dissipation of MEGD's attention and resources to PAs and develop mitigatory actions including building on the results of the planned Valuation of PA Ecosystem Services study.	PC, PB
A.8	Address all MTE comments on the METT, Financial Sustainability and Capacity Scorecards, and prepare finalised versions (also of the BD Tracking Tool)	PC
A.9	Strengthen working arrangements between the Local Coordinator at OVNP and the Director of the OVNP Administration in order to maximise benefits of project support.	PC, NPD
A.10	More attention should be given to cross-project learning and knowledge exchange, particularly with GEF projects that have similar objectives in the region	UNDP
B	Priorities for national level implementation (Outcomes 1 & 2)	
B.1	Urgently finalise the revenue generation proposals, with a clear vision and recommendations, so that they are adequately addressed in the new legislation. Include a strong incentive for retention of PA-generated revenue through a proposal in law of a 60-80% range for retention to be decided annually by the Ministry of Finance.	PC
B.2	Establish, by end September 2013, a communications and advocacy plan to ensure Parliament approval for the revised PA and Buffer zone laws, including NGO support and an information workshop and possible field visits for Parliamentarians (and the Minister).	PC
B.3	Establish across the PA system, by end 2013, those key revenue streams (entry fee revision, airport tax, land use fee and fee from use of natural resources) that can be achieved without legislative change but only require inter-agency agreements.	PC

B.4	Further strengthen PAAD through capacity building and development of a convincing proposal to the Minister based on MTE recommendations emphasising the need for additional Finance (budgeting and Revenue generation) and M&E roles. Follow project plan to integrate 2 project staff (Financing and M&E) into PAAD, and for government to assume these posts by end of project.	NPD, PC
B.5	Finalise integrated training curriculum and agree mechanism for delivery with universities and NGO partners, plus mechanism for certification with the Ministry of Education	PC, NPD
B.6	Review the objective level target for financing of the PA system. Disaggregate the increased financing available to PAAD, to separate out inflation, salaries, expansion of new PAs and show that real improvements are being made	PC, PB
C	Priorities for implementation at the demonstration sites (Outcome 3)	
C.1	Consolidate the existing good progress to deliver 2 “exemplar” sites for co-management and sustainable financing. Do not divert into replication work until 2 Pilots are more complete – perhaps in 2015.	PC, NPD
C.2	Strengthen the capacity of Management Councils to deliver exemplar management and ensure they are meeting on a regular basis	LCs, PC
C.3	Strengthen the capacity of the 2 PA Administrations to support integrated, participatory co-management and sustainable financing, and their role as providing a secretariat for the Management Councils	LCs, PC
C.4	Continue building capacity and participation of the local communities and local government and support livelihood options that will benefit them.	LCs
C.5	Add a new indicator(s) and target(s) to the project log-frame on community engagement and livelihoods development	PC, PB
C.6	Evaluate, document and confirm the model PA management system, including lessons learned, so that it can be replicated at other sites	PC, PB
C.7	Explore whether central government funding could be allocated for Nature Reserves and Natural Monuments as a “match” incentive for local government contributions (eg. At INNRR).	NPD, PC
D	Priorities for a sustainable exit	
D.1	Prepare and implement from end 2013 a “SPAN sustainability and exit plan” for both national and demonstration site activities that will ensure adequate capacity of PAAD and the 2 PA Administrations to take on the new approaches developed by the end of the project. Include the nomination of focal points.	PC, NPD, PB
D.2	Support PAAD to complete a comprehensive, strategic and costed 5 year plan for the whole PA system from 2014 as part of the new plan for the National Programme on Protected Areas. This should include a high level Vision and guidance for the development of co-management approaches and sustainable financing including new revenue sources – to justify increased government funding. The Plan should include a prioritised list of urgent actions for additional investment (co-financing) by government in the remaining 2 years of the project.	PC, NPD
D.3	Institutionalise the “Annual PA Forum” to foster inter-agency engagement, innovation and adaptive management of the national PA system.	NPD
D.4	Alongside the PA Forum, establish a “PA Partners Board” to bring together key donors and delivery partners (UNDP/GEF, bi-laterals, NGOs) in an annual meeting to support strategic partnerships and integrated delivery of the National Programme for PAs, cost effective project synergies, planning and knowledge-sharing.	NPD

4.3 Lessons learned

114. In its annual reports SPAN has raised two generic lessons. Firstly, the project has recognised the importance of maintaining appropriate communications with project stakeholders for effective project management. It is crucial to find the most feasible mechanisms to build sustainable partnership with every partner, especially with the government agencies. For PAAD as the project’s main partner, it is essential to meet regularly, to ensure adequate information flow, discussions and feedback among the project team and the department staff.

115. Secondly, the project is dealing with relatively new concepts in Mongolia with regard to PA management effectiveness and sustainable financing, as well as engagement and contributions of local communities and private sector to PA financing at the demonstration sites. Therefore, to ensure successes, it is critical to involve concerned parties at central and local levels in developing new concepts, receive their feedbacks and mitigating potential risks.
116. In addition, the MTE would note the high value of the exchange visits and study tours that have been made between stakeholders at the project demonstration sites. These appear to be a very practical and cost-effective mechanism for knowledge-sharing. The MTE recommends that this approach is also extended to take national level stakeholders from government agencies and parliament to witness the achievements of the project on the ground, and therefore for the establishment of national enabling mechanisms to allow these successes to be replicated.
117. A final lesson learned has been the remarkable contribution that local government, local communities and NGOs can make to PA management in Mongolia – if they are involved in their governance and management, and if they are convinced of the social and economic benefits this can bring to them. The experience at the two demonstration sites highlights the huge potential for central and local government taking a shared responsibility across the whole PA system, in support of, and with the assistance of, local communities. This will require a further evolution of the role of PAAD, to oversee the delegation of management and governance responsibilities for the different types of PAs, and to deliver clear guidelines and an effective M&E framework to ensure the management objectives of each site are being met. The SPAN project is just one important step in what will continue to be a long and exciting journey for Mongolia's PA system.

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